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CONGRESSIONAL RECORD.

CONTAINING

THE PROCEEDINGS AND DEBATES

OF THE

FORTY-THIRD CONGRESS, FIRST SESSION.

IN SIX PARTS, WITH AN INDEX.

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CONGRESSIONAL RECORD AND APPENDIX.

FORTY-THIRD CONGRESS, FIRST SESSION.

PART III.

CONGRESSIONAL RECORD.

[From March 5, 1874, to April 11, 1874.]

been printed in the Book of Estimates; and when the appropriations of Congress are compared with the estimates, we must compare them with the whole, and not with a part. The gentleman was wholly wrong in his allegation. The appropriations made by Congress at the last session were far below the estimates.

Mr. BECK. Will the gentleman allow me one question right there?

Mr. GARFIELD. Certainly.

Mr. BECK. I expect to reply to the gentleman, and to prove all that I said; but right here I wish to ask him, is not this the truth, that we appropriated, including the sinking fund, $319,000,000 for the current fiscal year?

Mr. GARFIELD. The gentleman will excuse me for not answering that question now; I will answer it fully when I have finished my reply to the point now under discussion. I have just demonstrated the fact that in comparing the appropriations with the estimates the gentleman left out $23,000,000 of the estimates.

Mr. BECK. Very well; then I will ask one other question. Is it not a fact that the Secretary of the Treasury on the 1st of December last—December, 1873—in his Book of Estimates, page 175, states that all the estimates for the year 1874 were $308,323,256, while the gentleman himself has stated on this floor that the appropriations were $319,000,000; is not that true?

Mr. GARFIELD. This sum of $308,000,000 of which the gentleman speaks is what is found in the Book of Estimates only, and does not include the additional estimates which I have just referred to.

Mr. BECK. Ah, but this is the question: After all these deficiency bills were passed, on the 1st day of December, 1873, did not the Secretary of the Treasury in his Book of Estimates again repeat that all the estimates for the year 1874 were $308,000,000?

Mr. GARFIELD. He did not. In this year's Book of Estimates he states what his estimates were for 1874. But that statement is taken bodily, from millions down to cents, from the Book of Estimates of the previous year, which book was in print and on our tables on the first day of the session, in December, 1872. All this I pointed out to the gentleman in the debate some weeks ago.

Mr. BECK. I will say this, and then I will not interrupt the gentleman further. I will make good, when I come to reply to him, not only the statement that we appropriated $319,000,000 when the estimates merely called for $308,000,000, but I will make good also that the gentleman misled the chairman of the Committee on Ways and Means [Mr. DAWES] by making him admit that the sinking fund was included in this year's appropriations, and not in other years, when he ought to have known that the sinking fund was included in them all, and I will demonstrate that fact.

Mr. GARFIELD. When the gentleman attempts that demonstration I shall be ready to try the question of arithmetic with him.

I come now to the last of the three paragraphs which I have quoted from the RECORD, and that is the statement of the gentleman from Massachusetts, [Mr. DAWES.] I would not refer to that statement now, particularly in the absence of the distinguished gentleman, but for the fact that the answer which I made at the moment, and which the gentleman very frankly acknowledged before the House was correct, does not seem to have reached the country at all. Accusations go on horseback and refutations travel very slowly on foot. The gentleman from Massachusetts startled the House, at least for a moment, and startled the country—by the statement which has been read at the Clerk's desk, that during the current fiscal year the appropriations had swollen from $290,000,000, the figures of last year, to $319,000,000, the figures of this year; in other words, that the extravagance of Congress had swollen the expenditures by the enormous sum of $29,000,000. That was indeed a startling statement, but the only thing startling about it was the $29,000,000; and when the correction was made by which the $29,000,000 were taken bodily out of his statement the cause of the alarm was gone, and the alarm itself ought also to have disappeared with it. But, sir, though the correction was made in open House, I desire to show to the committee how fully the country understands what the correction was. The daily papers the next morning contained about two columns of the Associated Press report of the speech of the gentleman from Massachusetts, and I will read the only portion of that report which relates to the correction:

Mr. GARFIELD criticised some of Mr. DAWES's figures, especially those relating to the sinking fund.

I will add that the special dispatches contained a much fuller report. But most of the public journals received only the dispatches of the Associated Press. I have no doubt that the reading public generally understand to this day that the first statement of the gentleman from Massachusetts remains uncontradicted, and that we have spent during the current fiscal year nearly $30,000,000 more than during the preceding year.

But, Mr. Chairman, it is not just to compare the appropriations of one fiscal year with the expenditures of another, for the plain reason that expenditures do not equal appropriations. Appropriations are intended to be made large enough to cover and more than cover the expenditures. Although there may be deficiencies on some items, yet there are always still large sums of unexpended balances to be covered into the Treasury each year.

It is because of that very difference between appropriations and expenditures that the gentleman from Massachusetts could point to the fact that there were seventy-two millions of unexpended balances of former years ready to be covered into the Treasury at the end of the present fiscal year.

I have compiled from the annual and permanent appropriations a statement of the amounts appropriated for each fiscal year since 1869, not including the sinking fund. Stating it in round millions the account stands thus:

Year.	Total appropriations.	Deficiency appropriations for former years.
For fiscal year ending June 30, 1870	$317,000,000	$23,000,000
For fiscal year ending June 30, 1871	315,000,000	22,000,000
For fiscal year ending June 30, 1872	295,000,000	14,000,000
For fiscal year ending June 30, 1873	291,000,000	6,500,000
For fiscal year ending June 30, 1874	290,000,000	11,000,000

From this table it will be seen that in every year the appropriations exceed the expenditures; and that there has been a decrease in the amount of appropriations for each of those years.

In answer to all that has been said on the subject I point to the fact that the appropriations made at the last session of Congress, for the current year, were less than the appropriations for any year since the war.

The CHAIRMAN. The hour of the gentleman from Ohio has expired.

Mr. RANDALL. I move that the gentleman from Ohio [Mr. GARFIELD] have leave to proceed without limit, making his own choice whether he will go on now or in the morning.

Mr. BECK. Who was entitled to the floor at the expiration of his hour?

The CHAIRMAN. No one, until the floor is assigned.

Mr. BECK. I rise to claim the floor, if it has been assigned to me.

Mr. KELLOGG. We will give you the floor, and what time you want.

The CHAIRMAN. By the custom of the Committee of the Whole, members of the committee from which the bill under consideration is reported are entitled in order to the floor. As the Chair finds from a minute before him, the gentleman from Illinois [Mr. MARSHALL] is assigned for the next hour, and has requested that that hour shall be assigned to the gentleman from Kentucky, [Mr. BECK.]

Mr. BECK. I am aware of that fact; and it is for that reason that I have risen now. I do not want to claim the hour now. I want the time of the gentleman from Ohio extended just as long as he desires, if it be one or two hours. All I want is to have the fact recognized that I am entitled to the floor by the courtesy of the gentleman from Illinois [Mr. MARSHALL] after the gentleman from Ohio shall have concluded his remarks, whenever that may be, whether at the end of one hour or at a later period.

The CHAIRMAN. If there is no objection, it will be so understood.

Mr. G. F. HOAR. I make no objection to the arrangement. I rise merely to a question of order that it is entirely beyond the power of the Committee of the Whole to make any such arrangement. It must be made by order of the House. Of course we all agree to it.

Mr. GARFIELD. Of course the Chair will recognize the gentleman from Kentucky.

The CHAIRMAN. The Chair will recognize the gentleman from Kentucky at the expiration of the remarks of the gentleman from Ohio.

Mr. STARKWEATHER. I do not, of course, object to any gentleman speaking; we expect the opposition to be heard. But I do object to an arrangement that will prevent other members of the Committee on Appropriations from speaking who may desire to be heard, or that will require them to postpone their remarks until everybody else is heard. I may not want, myself, to say anything on this subject, but I suppose there are other members of the Committee on Appropriations who may desire to address this committee. I am entirely willing that an arrangement shall be made that the gentleman from Ohio be allowed to conclude his remarks, and if the gentleman from Kentucky is to take the place of the gentleman from Illinois, [Mr. MARSHALL,] a member of the Committee on Appropriations, that he be heard at the same length. I have no objection to that at all.

Mr. RANDALL. I would like to bring the attention of the committee back to my motion.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. RANDALL] asks that the gentleman from Ohio [Mr. GARFIELD] have permission to proceed without limit. The Chair hears no objection, and the permission is granted. The gentleman from Ohio will continue.

Mr. KELLOGG. There is to be a session to-night, and unless the gentleman desires to finish now——

Mr. GARFIELD. I am under obligations to the committee for the courtesy it has shown me, and with its permission I prefer to go on now.

Mr. Chairman, as I have already said, there have been two years since the war in which the expenditures were greater than during the preceding years. One was the year 1868, when the expenditures appeared greater by $30,000,000 than those of 1867. The other was in 1873, when the expenditures appeared $12,000,000 greater than in 1872. This latter year of increase was the first year of my service as chairman of the Committee on Appropriations. Whatever share of respon-

sibility belongs to me for that increase I cheerfully bear. Not the least difficult part of my task was to follow in the footsteps of the distinguished gentleman from Massachusetts, [Mr. DAWES,] whose committee had largely reduced expenditures the preceding year; and this made it all the more difficult to continue the reduction.

It ought also to be borne in mind that reduction of our expenditures cannot be carried on indefinitely. The reductions we have made since 1866 were possible only because we have been coming down from the high level of war expenditures to the new basis of peace. It is apparent that we must soon reach the limit of reduction, must soon reach a point where the constant and rapid growth of the country, its increase of population and of settled territory, will bring us under the control of the normal law of increase; and that thenceforward our expenses must grow with the growth and the development of the country.

Expenditures thus adjusted are not only necessary and defensible, but they are the real index by which we measure the health and prosperity of a nation. Have we reached that limit of reduction?

In a speech which I delivered on the legislative appropriation bill of two years ago, I ventured to predict that if peace continued undisturbed we should reach the limit of possible reduction in 1876—that by that time the interest and premium on the public debt would be reduced to $95,000,000, and that the total annual expenditures, including this interest, would not exceed $230,000,000. Perhaps that was too hopeful a view. The heavy reduction of revenues makes it doubtful whether we can reduce the interest to the figure suggested, and then there seems to be a sort of immortality in war bills.

For the information of the House, I have made a careful analysis of the actual expenditures of the fiscal year which ended on the 30th of June, 1873. I have grouped these expenditures into three classes: First, those payments which were made directly on account of the war; secondly the expenses of the Army and Navy; thirdly, all other expenditures, including the civil establishment and public works:

I. Amounts paid during the fiscal year 1873 on account of expenses growing directly out of the late war:		
Joint Select Committee on Alleged Outrages in Southern States		$1,087 20
Investigations in relation to elections in Louisiana and Arkansas		20,000 00
Payment of judgments Court of Claims		489,034 70
Southern claims commission		52,800 04
Tribunal of arbitration at Geneva		62,210 22
Expenses of national currency		181,654 84
Expenses of national loan		2,806,863 94
Refunding national debt		54,726 83
Cost of assessing and collecting internal revenue, including payments of drawbacks and amounts illegally collected		6,687,039 49
Defending claims for cotton seized		52 95
Salaries of direct-tax commissioners		540 55
Expenses of collecting direct tax in Delaware		22 46
Repayment for lands sold for direct taxes		9,075 00
Return of proceeds of captured and abandoned property		1,960,679 26
Collection of captured and abandoned property, records and evidence respecting same		84,459 50
Refunding internal taxes illegally collected		1,507 44
Refunding proceeds of cotton seized		3,282 00
Premium on bonds purchased in currency		5,105,919 99
Payment of interest on the public debt		104,750,688 44
Bounties		465,049 14
Keeping, transporting, and supplying prisoners of war		258,080 11
Military telegraph		17,220 36
National cemeteries		431,219 22
Maintenance of steam-rams		14,548 93
Gun-boats on western rivers		33,408 28
Providing for comfort of sick and discharged soldiers		1,305 79
Payment of stoppages or fines due National Asylum for Disabled Volunteer Soldiers		193,750 59
Traveling expenses of California and Nevada Volunteers		28,000 00
Traveling expenses of First Michigan Cavalry		500 00
Commutation of rations to prisoners of war in rebel States		2,000 00
Draft and substitute fund		42,792 84
Appliances of disabled soldiers		8,000 00
Transportation of insane volunteer soldiers		1,000 00
Support of Freedmen's Hospital and Asylum, Washington, D. C.		72,000 00
Support of Bureau of Refugees, Freedmen, and Abandoned Lands, (regular)		93,924 79
Support of Bureau of Refugees, Freedmen, and Abandoned Lands, (transfer)		12,871 95
Horses and other property lost in the military service		99,975 85
Reimbursing State of Kansas for military expenses		336,817 37
Reimbursing State of Kentucky for military expenses		525,258 72
Refunding to States expenses incurred in raising volunteers		758,110 31
Defraying expenses of minute-men and volunteers in Pennsylvania, Maryland, Ohio, Indiana, and Kentucky		28,762 32
Supplying arms and munitions of war to loyal citizens in revolted States		945 38
Capture of Jefferson Davis		2,051 00
Claims of loyal citizens for supplies furnished during the rebellion		927,910 19
Bounty for destruction of enemy's vessels		133,802 28
Payment to captors of the rebel ram, Albemarle		202,912 90
Payment to officers and crew of United States steamer Kearsarge		141,377 00
Pensions*		29,359,426 86
Relief acts, (various		797,748 78
Total		157,262,416 81
II. Military and naval establishments:		
For the Army, after deducting payments for the late war, already mentioned in group I, and for improvements of rivers and harbors, and other public works	$32,524,548 64	
For the Navy	21,474,433 61	
		53,998,982 25
Carried forward		$211,261,399 06
III. Civil service proper; being all the expenditures not named in the first and second groups:		
1. Civil establishment:		
The civil list, including expenses of legislative, judicial, and executive offices of the Government, not including Internal Revenue and Customs Departments	$16,026,321 32	
Increase of salaries by act of March 3, 1873	1,948,210 04	
Foreign intercourse	1,292,108 49	
Indians	7,946,809 53	
Expenses of mints, coast survey, light-house service, revenue-cutter service, and marine hospitals	4,812,183 58	
Cost of collecting customs duties, exclusive of revenue-cutter service and building and repairing custom-houses, including the refunding of excess of deposits and amounts illegally collected	12,586,045 93	
Deficiencies in the revenues of the Post-Office Department	4,765,475 00	
Mail-steamship service	725,000 00	
Expenses of eighth and ninth censuses	105,762 44	
Survey of public lands, and land funds to States	1,401,971 27	
Government of Territories	271,985 36	
Steamboat-inspection service	221,917 50	
		52,103,790 46
2. Extraordinary expenses:		
Investigation of senatorial election in Kansas	20,000 00	
Survey of boundary between United States and British possessions	2,304 63	
Commissioners to international penitentiary congress at London	5,000 00	
Copies of proceedings of same	1,362 65	
International exposition at Vienna	111,146 26	
Payments for coin, nickels, &c., destroyed by fire at Chicago	370,813 24	
Miscellaneous	1,662,634 86	
		2,173,261 64
3. Public works:		
Custom-houses and post-offices, and repairs and preservation of same	3,270,329 90	
Marine hospitals	61,928 73	
Light-houses and repairs	1,408,851 49	
Court-houses, post-offices, and building for State, War, and Navy Departments	5,352,452 34	
Arsenals and armories, and Military Academy buildings	916,476 33	
Forts and fortifications	1,801,766 92	
Rivers and harbors	6,371,687 32	
Navy-yards	1,370,587 06	
Interior Department building	10,000 00	
Buildings, Government Hospital for Insane, Columbia Hospital, and Columbia Institution for Deaf and Dumb	179,800 00	
Improvements of public grounds, streets, and avenues in the city of Washington, including Washington Aqueduct, and bridges across the Potomac River, extension of Capitol grounds and Capitol building	4,062,915 08	
		24,806,785 17
Grand total		290,345,245 33

*A small portion of this amount is for pensions to soldiers of the war of 1812.

It will be seen by an examination of this analysis that every expenditure enumerated in the first group is a direct charge of the late war. Now, that first group amounts in the total to $157,262,416.81; that is, 54 per cent. of all the expenditures of the Government, excluding the sinking fund for the last fiscal year. In examining those items one by one, I find but a single place where it seems to me there has been any extravagance whatever; and that is the expenses of the national loan, to which I will refer before I am done. I ask gentlemen to go over those items, and say what portion of the $157,000,000 expended in paying the charges of the war could possibly have been left out with justice.

In the second group I have taken the Army and the Navy—not counting in the public works for rivers and harbors, navy-yards, arsenals, and the like, that have been built in connection with the Navy and the Army, but the net charges of the Army and the Navy themselves. These make the second group; and they amount to $53,998,982.25; that is just 18 per cent. of the whole expense of the year.

The third group embraces all other expenditures, and I have sub-grouped them for convenience into three heads: First, the civil service prosper, the civil establishment represented by this bill and other kindred appropriations; secondly, extraordinary expenses that came in during the year, but of a civil kind; thirdly, public works of all kinds grouped together. Now this third group and its sub-groups amount in the total to $79,803,837.27, or 28 per cent. of the entire expenses of the Government.

Now, Mr. Chairman, take the results: $290,000,000—54 per cent. directly for the war; 18 per cent. for our military and naval establishments; and 28 per cent. for all other expenses put together. Going through the items carefully one by one, when gentlemen attack the economy of this Government they ought to specify the item that is extravagant; they must specify the item that is wrongfully there. It will not do to declaim against extravagance in general and not specify where it is. I have endeavored, in this statement to spread out, as on an open scroll, the expenditures of the Government; and I ask the help of every man in this House to point out the places in this list where real, effective, wise retrenchment, can be made.

Let our criticisms be accompanied by legislative provisions that will rectify the errors we complain of.

Now, Mr. Chairman, I have drawn a few conclusions from my own study of these groups, as to what can be done. I believe I now speak for the Committee on Appropriations when I say that we have, in the first place, agreed upon this principle, that we will not undertake to cut the appropriations down at all hazards to the level of revenues, however low that level may be. We do not believe in that. We say and believe that if a cutting down such as ought to be made for its own sake does not carry the Treasury through, then it is the business of Congress to provide ways and means; it is the business of Congress to tax whenever it comes to the place where taxation is needed to prevent a deficit.

But the Committee on Appropriations propose two things: First, that wherever an expenditure has grown out of the war, or grown up in any other way, or an abuse that has crept in that expenditure and that abuse should be lopped off—any expense that can be mustered out, we propose to muster it out for all future time, if we can. Having done that, there is just one other thing we think can be done: going over the proper and fitting expenditures of the Government, if we come to any that can be postponed for a year without seriously impairing any great interest of the Government, we say, postpone it. When we have done those two things we do not propose to cut down another dollar anywhere. And if in this bill gentlemen can show us that we have anywhere cut into the life of the Government or its necessary functions, we desire to restore what has been taken away. If in any place we ought to have increased expenditures or appropriations, and have not provided them, point it out and we will move an increase.

Guided by these two principles, the Committee on Appropriations desire to suggest in what ways retrenchment can be made, and to that end I submit the estimates for the next year as we find them, and our belief of what can be done in the way of reduction. It should be understood that the estimates brought to us in the Book of Estimates are not all that we must pass upon. Others come which are not written in that book. On page 8 of the Annual Report of the Secretary of the Treasury he makes an estimate of $319,000,000 for the next fiscal year. That is his estimate; it is very large. It includes the sinking fund, as it ought to; it includes most of the public works; but there are some things it does not include.

For example, it does not include the estimates for continuing the work on the State, War, and Navy Department building. That building, for some reason, has never been reported in any of the regular Books of Estimates. The reason is, I suppose, it has thus far been under the charge of the Secretary of State, and he sends in his estimates direct. They have not yet come in; but I understand that his estimate is $1,000,000 for the next fiscal year. Again, there has come in the deficiency estimates for nearly $3,000,000. In the next place, there has come in no estimate for the centennial celebration. That estimate seems to have sprung up in the two Houses themselves, or perhaps it has come to us from the country. Whatever that estimate is, it is to be added to make up the total. In the next place, the estimates of the board of public works do not come in the Book of Estimates, but come to us from the President direct. Whatever will be done in that direction will be done outside of the Book of Estimates. And finally, there has been appropriated, on an average, for the last two years, $3,500,000 in the form of relief acts, pension bills, bills sent to us from the southern claims commission, which appear in no Book of Estimates anywhere.

I believe I have now enumerated all the sources of estimates which are likely to come to us; and the grand total of all these is a little over $330,000,000.

That includes, of course, the sinking fund; that includes all estimates I can hear of from all sources. Of course a large number of these we will appropriate for; but taking that as the outside total of all possible, or at least probable, estimates, what reduction can we make?

The Committee on Appropriations have gone over all the bills with some care, at least far enough to find out what they think will be needed, except one. We have made no estimate as to how much reduction can be made in the postal service, and for the reason when the new lettings come in they may change the entire gauge and basis of the estimates. I therefore leave out of the calculation the post-office appropriation bill altogether. Leaving that out, I give the following as the facts thus far elicited:

We have introduced into the House and passed the Army, Navy, and fortification appropriation bills, and these three bills, as they passed the House, appropriate a total of $11,663,287 less than the original estimates. The gentleman from New York made the statement correctly as to the bills themselves, but one item was not given in his statement, the item of a million and a quarter, estimated for arming the fortifications, which did not go into either bill, and which the committee agreed to drop, and it was therefore never reported to the House in any form. So the three bills which have passed the House have appropriated $11,500,000, in round numbers, below the original estimates. In the bill now under discussion the reduction below the estimates is four and a half millions. In the Indian appropriation bill reported yesterday the reduction below the estimates is one million, I believe.

Mr. PARKER, of Missouri. One million seven hundred thousand dollars, in round numbers.

Mr. GARFIELD. It is better than I supposed. At the last accounts it was supposed it was about one million.

There now remains to be considered the great miscellaneous appropriation bill. We believe it will be possible to reduce on light-houses $1,000,000; on navy-yards, $400,000; on arsenals, $300,000; on public buildings and grounds in the District of Columbia, $900,000; and on appropriations for buildings under the charge of the supervising architect of the Treasury, $2,500,000; making a total reduction in the miscellaneous appropriation bill of $5,100,000.

The committee are of opinion that from the very large estimates for rivers and harbors there ought to be a reduction of eleven and a half millions. The estimates were over fifteen millions for this year, and we have rarely given five millions in any one year. The committee believe if four millions were given it would be more than the average for several years, and would enable us to make a reduction of eleven and a half millions on that bill.

The pensions will remain nearly stationary. Although the gentlemen in charge of the pension bill authorized me to say to the House that he thought we could reduce one half million, I do not reckon that in, thinking we will probably not be able to make a reduction there.

Mr. O'NEILL. Allow me to say in reference to that reduction that the bill does not reduce the pension of any soldier, or soldier's widow, or minor child.

Mr. GARFIELD. Of course not. It is simply that the pensions themselves are expiring.

The Military Academy bill will remain almost precisely at the figures of last year. The gentleman in charge of that bill informs me that he does not see now that he can make a reduction of more than $10,000 below the figures of last year, for the reason that the number of cadets in the Military Academy is increased, in consequence of the increase of congressional districts, by forty-nine. Last year the Committee on Appropriations reported in favor of extending the term to six years. But that proposition was not adopted. We cannot therefore more than maintain the old level as regards the Military Academy.

The consular and diplomatic bill remains about the same. It represents the steady and even growth of our foreign relations.

Putting all these items of decrease together, I am enabled to figure up a reduction of $34,300,000 below the gross estimates which I have already presented. A large portion of this reduction was proposed by the heads of Departments in their revised estimates. Now, there must be subtracted from this $34,000,000 whatever we shall appropriate in this House and in the Senate, in the form of relief and claim bills. That, I think, will not be less than three millions; for it has not been less than that amount for many years. There must also be subtracted from whatever we give, if we give anything, to the centennial commission. There must also be subtracted from that whatever we give, if we give anything, to the board of public works. And finally, we must subtract from this $34,000,000 the amount we appropriate as deficiency.

It is therefore impossible to say what figure will represent the ultimate amount of reduction. But I believe I am reasonably safe in saying that we can reduce the expenditures, exclusive of the sinking fund, to $270,000,000 next year, provided the House sustain the Committee on Appropriations as they have done in the bills already reported.

Mr. RANDALL. There has been an estimate of a deficiency of two millions and some odd hundred thousand dollars. I would ask the gentleman whether he has included that in his calculations.

Mr. GARFIELD. I have embraced that in my calculation.

Now, Mr. Chairman, I desire to call attention to two or three points in concluding my remarks upon this bill.

I cordially concur with the gentleman from Massachusetts [Mr. DAWES] in all his efforts in the work of retrenchment. It is specially important that propositions for retrenchment be put into the form of legislation.

I believe there were seven leading points in which the gentleman recommended retrenchment and reform.

In the first place, he alluded to the necessity of doing away with our permanent appropriations as far as possible. In that he has the cordial support of the Committee on Appropriations; for on the 26th day of January, in obedience to the directions of the Committee on Appropriations, I introduced into the House two resolutions, of which one was an order to report in this bill now pending a proposition to repeal the law which makes permanent appropriations for the expenses of the national loan, and to make it a subject of annual appropriation. The other resolution empowered and directed the Committee on Ways and Means to undertake a like work in reference to the laws for collecting customs.

The Committee on Appropriations have given at least two full weeks of work to the subject of the expenses of national loans, and have provided in this bill for repealing all laws that make those expenses permanent appropriations. And, if the committee will indulge me for a moment, I will state what was the peculiar trouble in that case. During the war, when a great loan was issued, there was added a clause to the act authorizing it, that a certain sum or a certain per cent. of this particular loan should be used to pay for the expenses of negotiating it and printing the bonds. But in 1872 the Committee on Ways and Means brought in a bill, which passed without debate, making a permanent appropriation of 1 per cent. of all notes and bonds and fractional currency issued or reissued in any one year as the expense of the national loan. And during the past year there were

nearly five hundred millions of such paper issued and printed at the Treasury Department, making thus an annual appropriation, without the revision of Congress, of nearly five millions a year.

Out of the appropriations for expenses of the national loan has grown up the Bureau of Engraving and Printing with its twelve hundred employés. There are to-day twelve hundred persons employed in that Bureau, and not only the number of employés, but their salaries, are regulated by the direction of the Secretary of the Treasury. And besides that, in four of the offices of the Treasury Department there are five hundred additional clerks and employés whose salaries are regulated only by the discretion of the Secretary, and whose numbers are regulated only by his discretion, who are not appropriated for in our annual bills, but are paid out of this permanent appropriation for the national loan. We have undertaken to sweep this law away and fix the number of clerks and employés, and make an annual appropriation based on the annual estimates. We have largely reduced the appropriation.

Last year the cost of collecting the customs was unusually large, and this cost is paid under a permanent appropriation. It ought not to be so, and we hope that before this bill is through the Committee on Ways and Means may devise a scheme by which a similar work can be done for the cost of collecting our revenues from customs to that we have done for the loans.

The most difficult thing we have encountered is the very great expense of our public works; and here, Mr. Chairman, I may say that I am not hostile to our public works, but rather am proud of them, as far as they are necessary to the public service. They belong to that class of our expenditures that should be called investments for the comfort, convenience, and growth of the nation. The greatest of these expenditures is on our rivers and harbors, and I call attention to the fact that in the last thirty-four years not a dollar has been appropriated for rivers and harbors in the United States during fifteen of those years. Our friends on the other side of the House when they were in power believed in the doctrine that we had no right to make internal improvements, and in fifteen of their years of power our docks were rotting and our harbors were filling up, because the theory of non-improvement left them to perish. More than 75 per cent. of all that has ever been appropriated, to open our rivers and clear out our harbors and make a highway for commerce on our coasts and within our inland lakes and rivers, has been appropriated since the war by the party now in power. I name these works only to praise them. They are carried on under the War Department, and no man, I believe, has charged corruption in the expenditure of the money; but it is one of that class of expenditures that can in part be postponed—that need not be done in a year. It is well that enough has been done to make it possible for us to open our internal avenues of commerce.

Another branch of our public service which no man can think of without being proud of it is our light-house system. I look upon it as one of the wonders of our early history, that during the first three months of the life of the first Congress that met, our fathers struck out on a new line, unknown in the history of legislation, when they declared in one simple act that the light that gleamed from every pharos on our shores should be free to the ships of all nations, without charge, and until recently the United States has stood absolutely alone in allowing the nations of the world to have the benefit of the lights without charge. I always feel a keen sense of satisfaction when I am permitted to aid in making appropriations to keep these lights burning on our shores. The life-saving stations which have been added are in the same direction. I would do nothing to cripple these great interests.

Another branch of public works I think we have overdone; at least we have been going faster in it than we needed to go; and that is our public buildings—our post-offices, court-houses, and official buildings of that sort; but there has been a demand all over the country for their increase, a demand which sometimes the committees of this House have not been able to resist. I remember how greatly the distinguished chairman of the Committee on Appropriations in 1871 [Mr. DAWES] was pressed with these demands. I remember that on the 27th day of February, 1871, he brought in his sundry civil appropriation bill, and himself, by direction of his committee, moved to suspend the rules and make it in order, and it was made in order to put into the bill fifteen buildings never before authorized. I remember that they were kept in the bill and passed under a suspension of the rules. But amendments for still other buildings were added in the Committee of the Whole, until the bill sank under their weight, and was laid on the table, on the motion of the distinguished gentleman from Indiana, [Mr. HOLMAN.] I allude to that to show what a pressure there has been on all Committees on Appropriations for increasing the expenditures on the public works. Although that bill was once defeated, it was afterward reconsidered and passed, with several of the new buildings stricken out. Yet they were left as a legacy to subsequent years.

Mr. Chairman, when we see that these works have been increasing on our hands, when we see, also, how difficult it is to limit their cost, we ought to be careful in undertaking them. I remember that on that very day, and in that very bill, the limitation was taken off the cost of the post-offices in New York and Boston. I know how the pressure from without is to increase the number and size of public buildings, but I hope the House will not appropriate any more money during the coming year for works not already begun. This is good economy, first, because our whole force in the architect's office are engaged to the top of their ability on works now in progress; and it is good economy, because we really cannot afford to do all the work on buildings which are fairly begun. Let the seventeen untouched buildings wait for a year, and then come in one by one, as the old ones are finished. We will go on with the work of building; we will make for this great nation a beautiful body, in which its great soul may dwell. But let us make it slowly, let us make it carefully, let us make it wisely, and when we have done all this, Mr. Chairman, I believe we shall find that not only during the present fiscal year, but still more during the next fiscal year, we will neither encounter a deficit, nor bring the Treasury to protest, nor the public credit to shame.

I believe that with the revival of business—which the gentleman from New York [Mr. E. H. ROBERTS] shows has increased the estimated revenues $8,000,000 more than was estimated up to the beginning of this month—and with the restoration of public confidence, we shall be enabled to get through this year and the next without additional taxation. But if, at the end of our efforts to limit expenditures on the basis indicated, we find it necessary to impose a new tax, I have no doubt that Congress will stand up in its place and restore where it has cut too deeply into the revenues. I do not believe it will be necessary; I believe that we shall come through with no deficit, but with a reasonable surplus for the future.

Thanking the committee for the very kind attention with which they have honored me, I will relieve their patience.

Mr. BECK. I desire to speak for three minutes, and then I will yield for a motion to adjourn. All I desire to say in those three minutes is this: that not having any assurance when this bill will be taken up again, and being entirely, of course, at the mercy of gentlemen on the other side for an opportunity to be heard when they see fit to take up the bill, I wish to say now that when I get the floor I will demonstrate to this House, and I hope to the satisfaction of the gentleman from Ohio himself, that the appropriations and expenditures of this Government for the current fiscal year have been $15,000,000 in excess of the estimates of the Departments, or the Secretary of the Treasury has not told the truth. I will demonstrate that the sinking fund is embraced in the estimates of former years, as well as in the estimates for the current year; and that when the gentleman from Ohio got the gentleman from Massachusetts [Mr. DAWES] to take back his statement on that subject, the gentleman from Massachusetts abandoned what was a fact, and agreed to a statement which the facts do not warrant, and I will prove it. I will show, when I get the floor, that, in spite of all the talk about economy since the present managers of public affairs came into power, they have been shamefully extravagant; they have expended, independent of the sinking fund and the principal of the national debt, in the last seven years, $2,274,442,000, and have collected from the people $2,768,882,000; and that during the five years of General Grant's administration they have expended third-odd million dollars more than was expended for all the ordinary expenses of the Government from 1791 to 1861, inclusive, including the war of 1812-'15, the Mexican war, and all our Indian wars. I will show that the $72,000,000 of unexpended balances, of which we heard so much from the gentleman from Massachusetts, [Mr. DAWES,] are now kept out of the Treasury in palpable violation of law, and are kept out for the wrongful purpose of being drawn upon by the various Departments in order to keep down the appearance of deficiencies; and that during the first three months of this year, up to September, over $1,000,000 were drawn—$500,000 being drawn by the Postmaster-General—in violation of all law, and that they are being drawn upon every day. How much is gone now Congress can learn by passing a resolution I have offered. These sums are just as much the money of the people, and ought to be in the Treasury as certainly, as any other money there. Every draft on it is that much wrongfully abstracted by those who ought to be its faithful custodians.

I will show that every year before an election—I have no doubt you will keep down the expenses now—every year before an election, you keep down your expenditures under all sorts of pretenses, and then make them up by deficiencies the moment the election is over. And you are playing the same game again. I will show that, in spite of your professions of economy, the cost of collection of the customs has gone up from $6,000,000 to $8,500,000 during the last year, though your receipts have fallen off $28,000,000. I will show that in the Indian Bureau alone, as the Secretary of the Treasury proves, you are expending $8,500,000 this year, when last spring the Committee on Appropriations protested that the expenditures would be less than $5,500,000.

I will show that you are giving to spies and informers, in New York and elsewhere, almost fabulous sums; and that sums have been paid to the collector, naval officer, and appraiser in New York, amounting to nearly $500,000, during this Administration, (more than all the Senators in Congress draw for all their salaries, in a year and a half,) in order that they may control your political machinery.

I am prepared to show that your navy-yards are nests of corruption; while during the administration of Buchanan, of which you have complained so much, there were built twenty-seven first-class ships for less than two-thirds of what you are now expending; while until last year not one ship had been built since the war, notwithstanding all the expenditures.

I will show that your Secretary of the Treasury has been using

over $3,000,000 a year out of the so-called loan fund to organize seven bureaus in his own office, with chiefs and heads, running them to suit himself, and paying them what he pleases; that he has twenty-eight hundred men in his Department when only fifteen hundred appear on your Books of Estimates, or, as Mr. DAWES shows, only four hundred of them are authorized by any law. And the Post-Office and other Departments are more extravagantly managed than his.

I will show from the speeches of the gentleman from Massachusetts, [Mr. DAWES,] the gentleman from Ohio, [Mr. GARFIELD,] and the gentleman from Maine, [Mr. HALE,] which they made last year, that they promised they would cut down expenditures largely, which professions were made just before an election, as they are now, and I will further show that expenditures have gone up largely, in spite of their assertions. And I want to say this, that I will demonstrate that those gentlemen have known of all these wrongs and corruptions for many years, that I and other men on this floor, as well as men not now here, have pointed them out, but those gentlemen have never attempted to pass laws to reform these abuses, or to lop off the excrescences which are eating out the vitals of the people.

Sir, no ministry in England, no responsible party in any civilized country, would be allowed to retain place and power merely by giving periodic scoldings to thieves and robbers, who are only emboldened in their robbery of the Treasury by knowing that the scolding is not to be followed by punishment, and that if they will work for the party they can stay where they are and continue to do what they please.

I now yield for a motion that the committee rise.

Mr. CONGER. If the gentleman has done his interesting remarks at this time I wish to move that the committee rise. Before doing so I wish to say that every old member of Congress knows that for years past just preceding any election the gentleman from Kentucky [Mr. BECK] has promised to show, and show in a light clear as the noonday sun in the heavens above, all these things which he now promises to show us——

Mr. BECK. And if the House will go into Committee of the Whole to-morrow morning I will show it.

Mr. CONGER. But the gentleman never seems to have time, during the long years that intervene between one election and another, to make the exhibition either in the heavens above or in the House beneath. [Laughter.] I had hoped at this time, having looked with longing, eager expectation for the fulfillment of some of the grand promises which the gentleman has made, that now, before he departs forever from the scene of human action, the House will give him full time to develop all that he has promised to develop, and that he would extend into a grand speech all these promises which he has made now and heretofore, time and time again, to the House, which promises have fallen upon our ears, and which have sunk into our hearts, with a loss of all hope of their fulfillment.

Mr. RANDALL. Supposing that the gentleman is sincere in his remarks——

Mr. CONGER. I cannot consent to detain the committee to listen to the gentleman from Pennsylvania, [Mr. RANDALL,] for he knows he is not so interesting as I am when he talks. [Laughter.]

Mr. RANDALL. I am more truthful, anyhow.

Mr. CONGER. If I yield to anybody it will be to my friend from Kentucky, that he may go on with his grand promises. I now move that the committee rise.

Mr. RANDALL. I desire to say——

The CHAIRMAN. The motion that the committee rise is not debatable.

The motion of Mr. CONGER was agreed to.

The committee accordingly rose; and Mr. G. F. HOAR taking the chair as Speaker *pro tempore*, Mr. WOODFORD reported that pursuant to order of the House the Committee of the Whole had had under consideration the Union generally, and particularly the bill (H. R. No. 2064) making appropriations for the legislative, executive, and judicial expenses of the Government for the year ending June 30, 1875, and for other purposes, and had come to no resolution thereon.

Mr. E. R. HOAR. I move that the House now take a recess until half-past seven o'clock.

CRUELTY TO ANIMALS.

Mr. WOODWORTH, by unanimous consent, introduced a bill (H. R. No. 2344) to amend the act entitled "An act to prevent cruelty to animals while in transit by railroad or other means of transportation within the United States," approved March 3, 1873; which was read a first and second time, referred to the Committee on Agriculture, and ordered to be printed.

OPERATORS OF DEPARTMENTAL TELEGRAPH.

Mr. MACDOUGALL. I ask unanimous consent that the amendments of the Senate to the bill (H. R. No. 2224) appropriating $1,400 to pay the operators of the departmental telegraph connected with the two Houses of Congress be taken from the Speaker's table and concurred in.

Mr. HOLMAN. I object. There is no hurry about that matter.

Mr. MACDOUGALL. The bill has come from the Senate with a slight amendment. It ought to be passed now.

Mr. GARFIELD. I hope the House will act on those amendments now. The gentleman who is entitled to pay as the telegraph operator connected with this House is called away by sickness, and unless this bill be passed he cannot draw his pay.

Mr. HOLMAN. Reserving the right to object, I have no objection to hear the amendments read.

The amendments were read, as follows:

Add at the end of the bill these words:

Provided, That said lines shall be for the use only of Senators, Members of Congress, judges of the United States courts, and officers of Congress and of the Executive Departments, and solely on public business.

Amend the title so as to read: "An act making an appropriation for the operators of the Government telegraph connecting the Departments with the two Houses of Congress."

Mr. HOLMAN. I have no objection to those amendments being concurred in.

The amendments were concurred in.

REPORT ON REDUCTION OF THE ARMY.

Mr. COBURN, by unanimous consent, submitted the following resolution; which was referred, under the law, to the Committee on Printing:

Resolved, That there shall be printed, for the use of the House, three thousand extra copies of the report of the Committee on Military Affairs as to the reduction of the Army.

ORDER OF BUSINESS.

Mr. COX. I ask unanimous consent to have passed at this time a little bill.

Mr. E. H. ROBERTS. I must object to passing bills now. I call for the regular order.

The question being taken on the motion of Mr. E. R. HOAR for a recess, it was agreed to.

Accordingly (at half-past five o'clock p. m.) the House took a recess until half-past seven o'clock.

EVENING SESSION.

The House reassembled at half-past seven o'clock p. m., Mr. G. F. HOAR in the chair as Speaker *pro tempore*.

REVISION OF THE STATUTES.

The SPEAKER *pro tempore*. The House meets this evening to resume the consideration of the bill reported from the Committee on Revision of the Laws of the United States. It is entitled "A bill (H. R. No. 1215) to revise and consolidate the statutes of the United States in force on the 1st day of December, A. D. 1873."

Mr. PENDLETON. I move to amend section 3398 by inserting after the word "collector," in line 2, the words "or proper deputy collector;" and by inserting after the word "company," in line 4, the word "corporation;" so that the section will read as follows:

SEC. 3398. Every brewer shall, before commencing or continuing business, file with the collector or proper deputy collector of the district in which he designs to carry it on a notice in writing, stating the name of the person, company, corporation, or firm, the names of the members of any such company or firm, the places of residence of such persons, a description of the premises on which the brewery is situated, and of his or their title thereto, and the name of the owner thereof.

The amendment was agreed to.

Mr. PENDLETON. I move to amend section 3399 by substituting for the word "opened," in line 13, the word "open."

The amendment was agreed to.

Mr. PENDLETON. I move to amend section 3400 by inserting after the word "collector," in line 17, the words "or the proper deputy collector;" by inserting in line 18, after the word "writing," the words "in duplicate;" by inserting in line 23, after the word "district," the words "or proper deputy collector;" by striking out in line 25 the words "internal-revenue officer," and inserting in lieu thereof the words "collector, deputy collector, inspector, or revenue agent;" so that the section will read as follows:

SEC. 3400. Every person who owns or occupies any brewery, or premises used or intended to be used for the purpose of brewing or making such fermented liquors, or who has such premises under his control or superintendence, as agent for the owner or occupant, or has in his possession or custody any brewing materials, utensils, or apparatus, used or intended to be used on said premises in the manufacture of beer, lager-beer, ale, porter, or other similar fermented liquors, either as owner, agent, or superintendent, shall, from day to day, enter, or cause to be entered, in a book to be kept by him for that purpose, the kind of such malt liquors, the estimated quantity produced in barrels, and the actual quantity sold or removed for consumption or sale in barrels or fractional parts of barrels. He shall also, from day to day, enter, or cause to be entered, in a separate book to be kept by him for that purpose, an account of all materials by him purchased for the purpose of producing such fermented liquors, including grain and malt. And he shall render to the collector, or the proper deputy collector, on or before the tenth day of each month, a true statement, in writing, in duplicate, taken from his books, of the estimated quantity in barrels of such malt liquors brewed, and the actual quantity sold or removed for consumption or sale during the preceding month; and shall verify, or cause to be verified, the said statement, and the facts therein set forth, by oath, to be taken before the collector of the district, or proper deputy collector, according to the form required by law. Said books shall be open at all times for the inspection of any collector, deputy collector, inspector, or revenue agent, who may take memorandums and transcripts therefrom.

The amendment was agreed to.

Mr. PENDLETON. I move to amend section 3404 by inserting after the word "halves," in line 4, the word "thirds;" also by striking out in line 16 the words "to be" and inserting in lieu thereof the words "and by him;" so that the section will read as follows:

SEC. 3404. The Commissioner of Internal Revenue shall cause to be prepared, for the payment of such tax, suitable stamps denoting the amount of tax required to be paid on the hogsheads, barrels, and halves, thirds, quarters, sixths, and eighths of a barrel of such fermented liquors, (and shall also cause to be prepared suitable permits for the purpose hereinafter mentioned,) and shall furnish the same to the collectors of internal revenue, who shall each be required to keep on hand at all times a sufficient supply of permits, and a supply of stamps equal in amount to two

months' sale thereof, if there be any brewery or brewery warehouse in his district; and such stamps shall be sold, and permits granted and delivered by such collectors, only to the brewers of their district respectively. Such collectors shall keep an account of the number of permits delivered and of the number and value of the stamps sold by them to each brewer; and the Commissioner of Internal Revenue shall allow upon all sales of such stamps to any brewer, and by him used in his business, a deduction of 7½ per cent. And the amount paid into the Treasury by any collector on account of the sale of such stamps to brewers shall be included in estimating the commissions of such collector.

The amendment was agreed to.

Mr. PENDLETON. I move to amend section 3407 by inserting before the word "fraudulent," in line 7, the words "false or;" so that the section will read:

SEC. 3407. Whenever any retail dealer, or other person, withdraws or aids in the withdrawal of any fermented liquor from any hogshead, barrel, keg, or other vessel containing the same, without destroying or defacing the stamp affixed thereon, or withdraws or aids in the withdrawal of any fermented liquor from any hogshead, barrel, keg, or other vessel, upon which the proper stamp has not been affixed or on which a false or fraudulent stamp is affixed, he shall be fined $100 and imprisoned not more than one year.

The amendment was agreed to.

Mr. PENDLETON. I move to amend section 3408 by striking out in line 26 the words "by law," and inserting in lieu thereof the word "herein;" so that the last sentence of the section will read as follows:

And said permit must be affixed to every such vessel or cask so removed, and canceled or destroyed in such manner as the Commissioner of Internal Revenue may prescribe, and under the same penalties and liabilities as provided herein as to stamps.

The amendment was agreed to.

Mr. PENDLETON. I move to amend section 3410 by inserting before the word "stamp," in line 7, the word "permit;" so that the section will read as follows:

SEC. 3410. When fermented liquor has become sour or damaged, so as to be incapable of use as such, brewers may sell the same for manufacturing purposes, and may remove the same to places where it may be used for such purposes, in casks, or other vessels, unlike those ordinarily used for fermented liquors, containing respectively not less than one barrel each, and having the nature of their contents marked upon them, without affixing thereon the permit stamp or stamps required.

The amendment was agreed to.

Mr. PENDLETON. I move to amend section 3413 by striking out in line 7 the word "time," and inserting in lieu thereof the words "temporary period."

The amendment was agreed to.

Mr. PENDLETON. I move to amend section 3418 by inserting in line 5, before the words "under oath," the word "subscribed;" so as to read, "a statement in duplicate subscribed under oath," &c.

The amendment was agreed to.

Mr. PENDLETON. I move in section 3425, line 14, to strike out the words "fine-cut shorts," and insert in lieu thereof "shorts refuse of fine-cut chewing;" so it will read:

All smoking-tobacco, and all cut and granulated tobacco other than fine-cut chewing, all shorts refuse of fine-cut chewing which has passed through a riddle of thirty-six meshes to the square inch, and all refuse scraps, clippings, cuttings, and sweepings of tobacco, in packages containing two, four, eight, and sixteen ounces each.

The amendment was agreed to.

Mr. PENDLETON. I move in section 3427, line 1, after the word "shall," to insert the words "in addition to all other requirements of this title relating to tobacco;" so it will read:

SEC. 3427. Every manufacturer of tobacco or snuff shall, in addition to all other requirements of this title relating to tobacco, print on each package, or securely affix, by pasting, on each package containing tobacco or snuff manufactured by or for him, a label, on which shall be printed the proprietor's or manufacturer's name, the number of the manufactory, the district and State in which it is situated, and these words.

The amendment was agreed to.

Mr. PENDLETON. I move to strike out section 3429, which is as follows:

SEC. 3429. Every person who sells or offers for sale any manufactured tobacco or snuff, representing the same to have been manufactured and the tax paid thereon prior to July 20, 1868, when the same was not so manufactured and the tax was not so paid, shall be liable to a penalty of $500 for each offense, and shall be fined not less than $500, nor more than $5,000, and imprisoned not less than six months nor more than two years.

The amendment was agreed to.

Mr. PENDLETON. I move in section 3430, line 3, to strike out the word "marked," and insert in lieu thereof the word "stamped;" so it will read:

SEC. 3430. Every person who purchases, or receives for sale, any manufactured tobacco or snuff which has not been branded or stamped according to law, shall be liable to a penalty of fifty dollars for each offense.

The amendment was agreed to.

Mr. PENDLETON. I move in section 3432, line 2, to strike out the word "assessed," and insert in lieu thereof the word "levied;" so it will read:

SEC. 3432. Upon tobacco and snuff manufactured and sold, or removed for consumption or use, there shall be levied and collected the following taxes.

The SPEAKER *pro tempore*. What is the meaning of the word "levied?"

Mr. PENDLETON. It is the term used by assessors, and the Speaker understands it as well as anybody else. This amendment was proposed by gentlemen of the Internal Revenue Department. When the committee told them "assessed" would answer as well, the reply was the word "levied" was in the statute.

The amendment was agreed to.

Mr. PENDLETON. I move in section 3433, line 4, to insert after the word "made" the words "shall be affixed and canceled in the mode prescribed by the Commissioner of Internal Revenue; and stamps when used on any wooden package shall be canceled by sinking a portion of the stamp into the wood with a steel die;" so it will read:

SEC. 3433. The Commissioner of Internal Revenue shall cause to be prepared suitable and special stamps for the payment of the tax on tobacco and snuff, which shall indicate the weight and class of the article on which payment is to be made, shall be affixed and canceled in the mode prescribed by the Commissioner of Internal Revenue; and stamps when used on any wooden package shall be canceled by sinking a portion of the stamp into the wood with a steel die; and also such export stamps as are required by law.

The amendment was agreed to.

Mr. PENDLETON. I move in the same section, in line 11, to strike out the word "officers," and insert the word "officer;" and in line 12, to insert after "snuff" the words, "and to persons required by law to affix the same to tobacco or snuff, on and after the 1st day of January, 1869;" so that it will read:

Such stamps shall be furnished to the collectors requiring them, and each collector shall keep at all times a supply equal in amount to three months' sale thereof, and shall sell the same only to the manufacturers of tobacco and snuff in their respective districts who have given bonds as required by law and to owners or consignees of tobacco or snuff, upon the requisition of the proper custom-house officer having the custody of such tobacco or snuff, and to persons required by law to affix the same to tobacco or snuff on and after the 1st day of January, 1869.

The amendment was agreed to.

Mr. PENDLETON. I move in section 3437, in lines 2 and 3, to strike out the words, "sold or offered for sale, or kept for sale;" so it will read:

SEC. 3437. The absence of the proper stamp on any package of manufactured tobacco or snuff shall be notice to all persons that the tax has not been paid thereon, and shall be *prima facie* evidence of the non-payment thereof. And such tobacco or snuff shall be forfeited to the United States.

The amendment was agreed to.

Mr. PENDLETON. I move in section 3438, line 11, after the word "stamps," to insert the words, "for amount of tax thereon;" and also in line 13 to insert, after the word "manufactory," the words, "or while in transfer under bond or collector's permit from any manufactory, store, or warehouse, to the vessel for exportation to a foreign country;" so it will read:

SEC. 3438. Every person who removes from any manufactory, or from any place where tobacco or snuff is made, any manufactured tobacco or snuff without the same being put up in proper packages, or without the proper stamp for the amount of tax thereon being affixed and canceled, as required by law; or, if the same be intended for export, without the proper export stamp being affixed; or who uses, sells, or offers for sale, or has in possession, except in the manufactory, or while in transfer under bond or a collector's permit, from any manufactory, store, or warehouse, to a vessel for exportation to a foreign country, any manufactured tobacco or snuff, without proper stamps for amount of tax thereon being affixed and canceled; or who sells, or offers for sale, for consumption in the United States, or uses, or has in possession, except in the manufactory, or while in transfer under bond or collector's permit from any manufactory, store, or warehouse, to the vessel for exportation to a foreign country, any manufactured tobacco or snuff on which only the stamp marking the same for export has been affixed, shall for each such offense, respectively, be fined not less than $1,000 nor more than $5,000, and be imprisoned not less than six months nor more than two years.

The amendment was agreed to.

Mr. PENDLETON. I move in section 3442, in line 7, to insert after the word "inventory" the words, "under oath;" and also to add to the end of the section as follows: "and all manufactured tobacco of every description shall be taken and deemed as having been manufactured after July 20, 1868;" so it will read:

SEC. 3442. Every dealer in manufactured tobacco who had on hand more than twenty pounds of such tobacco, and every dealer in snuff who had on hand more than ten pounds of snuff, on the 20th day of July, 1868, whether manufactured in the United States or imported prior to that date, shall make, and shall deposit with the collector of the district, on the first day of every month, a true and complete inventory under oath of any such tobacco and snuff, respectively, then remaining on hand and not stamped. The collector shall make, and shall transmit to the Commissioner of Internal Revenue, an abstract of the several inventories so filed in his office; and all manufactured tobacco of every description shall be taken and deemed as having been manufactured after July 20, 1868.

The amendment was agreed to.

Mr. PENDLETON. I move in section 3447, line 4, to strike out the word "receipt" and insert "stamp;" and in line 9 strike out the word "receipt" and insert "special-tax stamp;" so it will read:

SEC. 3447. Every peddler of tobacco shall obtain a certificate from the collector of his collection district, who is hereby authorized and directed to issue the same, giving the name of the peddler, his residence, the class of his special-tax stamp, and the fact of his having filed the required bond; and shall, on demand of any officer of internal revenue, produce and exhibit said certificate, and, unless he shall do so, may be deemed not to have paid the special tax, nor otherwise to have complied with the law. And whenever any peddler refuses to exhibit his special-tax stamp as aforesaid, on demand of any officer of internal revenue, said officer may seize the horse, or mule, wagon and contents, or pack, bundle, or basket of any person so refusing; and the collector of the district in which the seizure occurs may, on ten days' notice, published in any newspaper in the district, or served personally on the peddler, or at his dwelling-house, require such peddler to show cause, if any he has, why the horses or mules, wagon and contents, pack, bundle, or basket so seized shall not be forfeited. In case no sufficient cause is shown, proceedings for the forfeiture of the property seized shall be taken under the general provisions of the internal-revenue laws relating to forfeitures.

Mr. Speaker, special-tax stamp is a receipt.

The amendments were agreed to.

Mr. PENDLETON. I move in section 3450 to strike out all after the words "United States," in line 20. The words proposed to be stricken out are as follows:

All tobacco and snuff stored in any export bonded warehouse on July 1, 1872, shall be subject to the tax provided by this chapter, and shall, before December 7

1872, be withdrawn from such warehouse upon the payment of the tax, or for export under the regulations of the Commissioner of Internal Revenue in force on June 5, 1872, concerning withdrawals of tobacco and snuff from bonded warehouses. And any tobacco or snuff remaining in any export bonded warehouse after December 7, 1872, shall be forfeited to the United States, and shall be sold or disposed of for the benefit of the same in such manner as shall be prescribed by the Commissioner of Internal Revenue under the direction of the Secretary of the Treasury.

The amendment was agreed to.

Mr. PENDLETON. I move in section 3454, at the end of line 13, to insert these words: "and shall verify the fact of such examination by oath, to be indorsed on the inventory;" and also in line 21 to insert after the word "true" the words "and accurate;" so it will read:

SEC. 3454. Every person now or hereafter engaged in the manufacture of cigars shall make and deliver to the collector of the district a true inventory, in such form as may be prescribed by the Commissioner of Internal Revenue, of the quantity of leaf-tobacco, cigars, stems, scraps, clippings, and waste, and of the number of cigar-boxes, and the capacity of each box, held or owned by him on the 1st day of January of each year, or at the time of commencing and at the time of concluding business, if before or after the 1st of January; setting forth what portion and kinds of said goods were manufactured or produced by him, and what were purchased from others, and shall verify said inventory by his oath indorsed thereon. The collector shall make personal examination of the stock sufficient to satisfy himself as to the correctness of the inventory, and shall verify the fact of such examination by oath to be indorsed on the inventory. Every such person shall also enter daily in a book, the form of which shall be prescribed by the Commissioner of Internal Revenue, an accurate account of all the articles aforesaid purchased by him, the quantity of leaf-tobacco, cigars, stems, or cigar-boxes, of whatever description, manufactured, sold, consumed, or removed for consumption or sale, or removed from the place of manufacture; and shall, on or before the 10th day of each and every month, furnish to the collector of the district a true and accurate abstract from such book, verified by his oath, of all such purchases, sales, and removals made during the month next preceding. In case of refusal or willful neglect to deliver the inventory or keep the account, or furnish the abstract aforesaid, he shall be fined not less than $500 nor more than $5,000, and imprisoned not less than six months nor more than three years.

The amendments were agreed to.

Mr. PENDLETON. I move in section 3455, line 3, after the word "true" to insert the words "and correct;" and in line 8 to strike out the word "assessor" and insert the word "collector;" so it will read:

SEC. 3455. It shall be the duty of every dealer in leaf-tobacco or material used in manufacturing cigars, on demand of any officer of internal revenue, to render to such officer a true and correct statement, under oath, of the quantity and amount of such leaf-tobacco or materials sold or delivered to any person named in such demand; and in case of refusal or neglect to render such statement, or if there is cause to believe such statement to be incorrect or fraudulent, the collector shall make an examination of persons, books, and papers in the manner provided in this title in relation to frauds and evasions.

Mr. MYERS. I wish to ask whether the word "collector" is copied from the new law. The word "assessor" was used in the old law, but the new law abolishes assessors.

Mr. PENDLETON. That is the reason for the amendment which I propose. I propose to make it as the law now is.

The amendments were agreed to.

Mr. PENDLETON. The next amendment is to section 3457.

The section was as follows:

SEC. 3457. Every manufacturer of cigars shall securely affix, by pasting on each box containing cigars manufactured by or for him, a label, on which shall be printed, together with the proprietor's or manufacturer's name, the number of the manufactory, and the district and State in which it is situated, these words, in clear and legible letters:

"NOTICE.—The manufacturer of the cigars herein contained has complied with all the requirements of law. Every person is cautioned under the penalties of law not to use this box for cigars again."

Every manufacturer of cigars who neglects to affix such label to any box containing cigars made by or for him, or sold or offered for sale by or for him, and every person who removes any such label, so affixed, from any such box, shall be fined fifty dollars for each box in respect to which such offense is committed.

Mr. PENDLETON. I offer the following amendment:

In lines 5 and 6 strike out the words "in clear and legible letters."

I may say that the Commissioner of Internal Revenue would be very glad to have these words remain in the revision, but as they could not be found in the law we do not retain them.

The amendment was agreed to.

Mr. PENDLETON. The next amendment is to section 3459.

The section was as follows:

SEC. 3459. The Commissioner of Internal Revenue shall cause to be prepared, for payment of the tax upon cigars, suitable stamps denoting the tax thereon. Such stamps shall be furnished to collectors requiring them, and collectors shall, if there be any cigar manufacturers within their respective districts, keep on hand at all times a supply equal in amount to two months' sales thereof, and shall sell the same only to the cigar manufacturers who have given bonds and paid the special tax, as required by law, in their districts, respectively, and to importers of cigars, who are required to affix the same to imported cigars in the custody of customs officers. Every collector shall keep an account of the number, amount, and denominate values of the stamps sold by him to each cigar manufacturer, and to other persons above described.

Mr. PENDLETON. I offer the following amendment:

In line 10, after the words "customs officers," insert the words "and to persons required by law to affix the same to cigars on hand after the 1st day of April, 1869."

The amendment was agreed to.

Mr. PENDLETON. The next amendment is to section 3461.

The section was as follows:

SEC. 3461. Whenever any cigars are removed from any manufactory, or place where cigars are made, without being packed in boxes as required by the provisions of this chapter, or without the proper stamp thereon denoting the tax, or without burning into each box with a branding-iron the number of the cigars contained therein, the name of the manufacturer, and the number of the district and the State, or without properly affixing thereon and canceling the stamp denoting the tax on the same, or are sold or offered for sale not properly boxed and stamped, they shall be forfeited to the United States. And every person who commits any of the above-described offenses shall be fined for each such offense not less than $100, nor more than $1,000, and imprisoned not less than six months, nor more than two years. And every person who packs cigars in any box bearing a false or fraudulent or counterfeit stamp, or who affixes to any box containing cigars a stamp in the similitude of any stamp required to be used by the laws of the United States, whether the same be a customs or internal-revenue stamp; or who buys, receives, or has in his possession any cigars on which the tax to which they are liable has not been paid, or who removes or causes to be removed from any box any stamp denoting the tax on cigars, with intent to use the same, or who uses or permits any other person to use any stamp so removed, or who receives, buys, sells, gives away, or has in his possession any stamp so removed, or who makes any other fraudulent use of any stamp, or who removes from the place of manufacture any cigars not properly boxed and stamped as required by law, shall be deemed guilty of a felony, and shall be fined not less than $100 nor more than $1,000, and imprisoned not less than six months nor more than three years.

Mr. PENDLETON. I offer the following amendments:

In line 16, after the word "similitude," insert the words "or likeness;" also, in line 25, after the word "stamp," insert the words "intended for cigars."

We might not have thought it really necessary to put those words in; but being in the statute we propose to insert them.

The amendments were agreed to.

Mr. PENDLETON. The next amendment is to section 3465.

The section was as follows:

SEC. 3465. Every person who sells or offers for sale any cigars, representing the same to have been manufactured and the tax paid thereon prior to July 20, 1868, when the same were not so manufactured and the tax was not so paid, shall be liable to a penalty of $500 for each offense, and shall be fined not less than $500 nor more than $5,000, and imprisoned not less than six months nor more than three years.

Mr. PENDLETON. I offer the following amendment:

In line 6, after the words "shall be," insert the words "deemed guilty of a misdemeanor and shall be."

The amendment was agreed to.

Mr. PENDLETON. The next amendment is to section 3467.

The section was as follows:

SEC. 3467. Every person who sells or offers for sale any imported cigars, or cigars purporting or claimed to have been imported, not put up in packages and stamped as provided by this chapter, shall be fined not less than $500 nor more than $5,000, and be imprisoned not less than six months nor more than two years.

Mr. PENDLETON. I offer the following amendment:

Prefix to the section, before the words "every person," these words:

All cigars, of every description, on hand after the 1st day of April, 1869, shall be taken to have been either manufactured or imported after the passage of the internal-revenue act of July 20, 1868, and shall be stamped accordingly.

The amendment was agreed to.

Mr. PENDLETON. The next amendment is to section 3472.

The section was as follows:

SEC. 3472. There shall be levied, collected, and paid, as hereafter provided:

First. A tax of one twenty-fourth of one per cent. each month upon the average amount of the deposits of money, subject to payment by check or draft, or represented by certificates of deposit or otherwise, whether payable on demand or at some future day, with any person engaged in the business of banking;

Second. A tax of one twenty-fourth of one per cent. each month upon the average amount of the capital of any bank, association, company, corporation, or person engaged in the business of banking beyond the amount invested in United States bonds: *Provided*, That the words "capital employed" shall not include money borrowed or received from day to day, in the usual course of business, from any person not a partner of or interested in the said bank, association, or firm;

Third. A tax of one-twelfth of one per cent. each month upon the average amount of circulation issued by any bank, association, corporation, company, or person, including as circulation all certified checks and all notes and other obligations calculated or intended to circulate or to be used as money, but not including that in the vault of the bank, or redeemed and on deposit for said bank; and an additional tax of one-sixth of one per cent. each month upon the average amount of such circulation, issued as aforesaid, beyond the amount of 90 per cent. of the capital of any such bank, association, corporation, company, or person.

In the case of banks with branches, the tax herein provided shall be assessed upon the circulation of each branch severally, and the amount of capital of each branch shall be considered to be the amount allotted to it.

The deposits in associations or companies known as provident institutions, savings-banks, savings funds, or savings institutions, having no capital stock and doing no other business than receiving deposits to be loaned or invested for the sole benefit of the parties making such deposits, without profit or compensation to the association or company, shall be exempt from tax on so much of their deposits as they have invested in securities of the United States, and on all deposits less than $2,000 made in the name of any one person.

Mr. PENDLETON. I offer the following amendments:

After the word "person," in line 7, insert the words "bank, association, company, or corporation." In line 9 strike out the words "average amount of." In line 10 strike out the words "or person engaged," and insert instead the words "and on the capital employed by any person." In line 11 insert the word "average" before the word "amount." In line 37 strike out the words "less than," and insert the words "not exceeding."

The amendments were agreed to.

Mr. PENDLETON. The next amendment is to section 3476.

The section was as follows:

SEC. 3476. Every national banking association, State bank, or banker, or State banking association, shall pay a tax of 10 per cent. on the amount of notes of any person, or of any town, city, or municipal corporation, or of any State bank or State banking association, used for circulation and paid out by them.

Mr. PENDLETON. I offer the following amendment:

Strike out in lines 1 and 2 the words "or banker;" also strike out in lines 3 and 4, the words "or of any town, city, or municipal corporation."

The amendment was agreed to.

Mr. PENDLETON. I offer the following amendment:

Add after section 3476 the following as a new section:

SEC. . Every national banking association, State bank, or banker, or association, shall pay a tax of 10 per cent. on the amount of notes of any town, city, or municipal corporation paid out by them.

The amendment was agreed to.

Mr. PENDLETON. The next amendment is to section 3477.

The section was as follows:

SEC. 3477. A true and complete return of the amount of circulation, of deposits and of capital, as aforesaid, and of the amount of notes of persons, town, city, or municipal corporation, State banks, or State banking associations paid out by them for the previous six months, shall be made and rendered in duplicate on the 1st day of December and the 1st day of June, by each of such banks, associations, corporations, companies, or persons, with a declaration annexed thereto, under the oath of such person, or of the president or cashier of such bank, association, corporation, or company, in such form and manner as may be prescribed by the Commissioner of Internal Revenue, that the same contains a true and faithful statement of the amounts subject to tax, as aforesaid; and one copy shall be transmitted to the collector of the district in which any such bank, association, corporation, or company is situated, or in which such person has his place of business, and one copy to the Commissioner of Internal Revenue.

Mr. PENDLETON. I offer the following amendment:

After the word "the," in line 1, insert the word "monthly;" after the word "the," in line 2, insert the word "monthly;" in line 4 strike out the words "by them," and insert therefor the words "as aforesaid."

The amendment was agreed to.

Mr. PENDLETON. The next amendment is to section 3478.

The section was as follows:

SEC. 3478. In default of the returns provided in the preceding section, the amount of circulation, deposit, capital, and notes of persons, town, city, and municipal corporations, State banks, and State banking institutions paid out, as aforesaid, shall be estimated by the Commissioner of Internal Revenue, upon the best information he can obtain. And for any refusal or neglect to make return and payment, any such bank, association, corporation, company, or person so in default shall pay a penalty of $200 besides the additional penalty and forfeitures provided in other cases.

Mr. PENDLETON. I offer the following amendment:

In line 4 strike out the word "institutions," and insert therefor the word "associations."

The amendment was agreed to.

Mr. PENDLETON. The next amendment is to section 3480.

The section was as follows:

SEC. 3480. The provisions of this chapter relating to the tax on the deposits, capital, and circulation of banks and to their monthly returns, except as contained in the preceding section, shall not apply to associations which are taxed under and by virtue of Title "National Banks."

Mr. PENDLETON. I offer the following amendment:

In line 3 strike out the word "monthly;" in the same line strike out the words "the preceding section," and insert in lieu thereof "sections 3474, 3475, 3476, 3479, and such parts of sections 3477 and 3478 as relate to the tax of 10 per cent. on certain notes."

The amendment was agreed to.

Mr. PENDLETON. The next amendment is to section 3482.

The section was as follows:

SEC. 3482. There shall be levied, collected, and paid on the articles mentioned in schedule A, and in the manner hereinafter provided, the taxes mentioned in said schedule.

Mr. PENDLETON. I offer the following amendment:

Add to the section the following:

And all the provisions of this chapter relating to dies, stamps, adhesive stamps and stamp duties, shall extend to and include, except where otherwise provided for or manifestly impracticable, all the articles or objects enumerated in schedule marked "A," subject to stamp duties, and shall apply to the provisions in relation thereto.

The amendment was agreed to.

Mr. PENDLETON. The next amendment I have to offer is to section 3484.

The section was as follows:

SEC. 3484. No bank-check, draft, or order, required by law to be stamped, which is issued without being duly stamped, shall be admitted or used in evidence in any court until a legal stamp, denoting the amount of tax, is affixed thereto, as prescribed by law.

Mr. PENDLETON. I move to insert after the word "stamped," and before the word "shall," the words "nor any copy thereof;" also to add to the section the following:

And it shall not be lawful to record any instrument, document, or paper required by law at the time of its issue to be stamped unless a stamp or stamps of the proper amount shall have been affixed and canceled in the manner required by law; and the record of any such instrument, on which the proper stamp or stamps aforesaid shall not have been duly affixed and canceled, shall be utterly void, and shall not be used in evidence.

The SPEAKER *pro tempore*. The Chair would inquire, what are the instruments that require to be recorded with stamps under the existing law?

Mr. PENDLETON. It refers to deeds and wills that might have been made in 1864 or 1865, and kept until the present time; such instruments could not be recorded without the proper stamp or stamps, and I understand that such cases as this one are continually arising.

The amendments were agreed to.

Mr. PENDLETON. I offer what I send to the Clerk's desk as a substitute for section 3485.

The Clerk read the substitute, as follows:

SEC. 3485. Any person or persons who shall make, sign, or issue, or who shall cause to be made, signed, or issued, any instrument, document, or paper of any kind or description whatever, or shall accept, negotiate, or pay, or cause to be accepted, negotiated, or paid, any draft or order for the payment of money, without the same being duly stamped, or having thereupon an adhesive stamp for denoting the tax chargeable thereon, and canceled in the manner required by law, with intent to evade the provisions of this title, shall, for every such offense, forfeit the sum of fifty dollars, and such instrument, document, or paper, draft, or order, not being stamped according to law, shall be deemed invalid and of no effect: *Provided*, That hereafter, in all cases where the party has not affixed to any instrument the stamp required by law thereon at the time of making or issuing the said instrument, and he or they, or any party having an interest therein, shall be subsequently desirous of affixing such stamp to said instrument, or if said instrument be lost, to a copy thereof, he or they shall appear before the collector of the revenue of the proper district, who shall, upon the payment of the price of the proper stamp required by law, and of a penalty of double the amount of tax remaining unpaid, but in no case less than five dollars, and when the whole amount of the tax denoted by the stamp required shall exceed the sum of fifty dollars, on payment also of interest at the rate of 6 per cent. on said tax from the day on which such stamp ought to have been affixed, affix the proper stamp to such instrument or copy, and note upon the margin thereof the date of his so doing, and the fact that such penalty has been paid; and the same shall thereupon be deemed and held to be as valid, to all intents and purposes, as if stamped when made or issued. And when the original instrument, or a certified or duly proved copy thereof, as aforesaid, duly stamped so as to entitle the same to be recorded, shall be presented to the clerk, register, recorder, or other officer having charge of the original record, it shall be lawful for such officer, upon the payment of the fee legally chargeable for the recording thereof, to make a new record thereof, or to note upon the original record the fact that the error or omission in the stamping of said original instrument has been corrected pursuant to law; and the original instrument, or such certified copy, or the record thereof, may be used in all courts and places in the same manner and with like effect as if the instrument had been originally stamped. But no right acquired in good faith before the stamping of such instrument or copy thereof, and the recording thereof, as herein provided, if such record be required by law, shall in any manner be affected by such stamping as aforesaid.

Mr. PENDLETON. I would say that that is simply a copy of the act. It was cut right out of the compilation of the internal-revenue laws.

The amendment was agreed to.

Mr. PENDLETON. The next amendment I have to offer is to section 3486.

The section was as follows:

SEC. 3486. In all cases where an adhesive stamp is used for denoting any tax imposed under this chapter, except as hereinafter provided, the person using or affixing the same shall write thereon the initials of his name and the date on which such stamp is attached or used, so that it may not again be used. And every person who fraudulently makes use of an adhesive stamp to denote any tax imposed by this chapter without so effectually canceling and obliterating such stamp, except as before mentioned, shall forfeit the sum of fifty dollars: *Provided*, That any proprietor of proprietary articles, or articles subject to stamp tax under schedule A, shall have the privilege of furnishing, without expense to the United States, in suitable form, to be approved by the Commissioner of Internal Revenue, his own dies or designs for stamps to be used thereon, which shall be made under the direction and retained in the possession of the said Commissioner, for the separate use of such proprietor, and shall not be duplicated to any other person; and that in all cases where such stamp is used, instead of said proprietor writing the date thereon, the said stamp shall be so affixed on the box, bottle, or package, that in opening the same, or using the contents thereof, the said stamp will be effectually destroyed; and, in default thereof, such proprietor shall be liable to a penalty of fifty dollars. And every person who fraudulently obtains or uses any of the aforesaid stamps, or designs therefor, or who forges or counterfeits, or causes or procures to be forged or counterfeited, any representation or similitude, or colorable imitation of the said last-mentioned stamp, or any engraver or printer who sells or gives away said stamps, or selling the same, or, being a merchant, broker, peddler, or person dealing, in whole or in part, in similar goods, wares, merchandise, manufactures, preparations, or articles, or those designed for similar objects or purposes, has knowingly or fraudulently in his possession any such forged, counterfeited likeness, similitude, or colorable imitation of the said last-mentioned stamp, shall forfeit the said stamps and the articles upon which they are placed, and be punished by a fine not exceeding $1,000, or by imprisonment and confinement to hard labor not exceeding five years, or both, at the discretion of the court.

Mr. PENDLETON. I move to insert after the word "stamp," in line 33, the words "shall be deemed guilty of a felony and."

Mr. POLAND. Ought not that amendment to come in after the word "placed," in the thirty-fourth line, so that it will read:

Shall forfeit the said stamps, and the article upon which they are placed, and shall be deemed guilty of a felony and be punished, &c.

Mr. PENDLETON. I have no objection to modifying my amendment in that way; but in that case the word "and" at the end of my amendment should be omitted, as the word is already in the section.

The amendment was agreed to.

Mr. PENDLETON. The next amendment I have to offer is to section 3487.

The section was as follows:

SEC. 3487. The Commissioner of Internal Revenue is authorized to prescribe such method for the cancellation of stamps as he may deem expedient and effectual. And he is authorized, in his discretion, to make the application of such method imperative upon the manufacturers of proprietary articles, or articles included in schedule A.

Mr. PENDLETON. In line 2, after the word "stamps," I move to insert "as a substitute for, or in addition to, the methods prescribed in this chapter."

The amendment was agreed to.

Mr. PENDLETON. The next amendment I have to offer is to section 3489.

The section was as follows:

SEC. 3489. The Commissioner of Internal Revenue may, from time to time, make regulations, upon proper evidence of the facts, for the allowance of such of the stamps issued under the provisions of this chapter as may have been spoiled, destroyed, or rendered useless or unfit for the purpose intended, or for which the owner may have no use, or which through mistake may have been improperly or unnecessarily used, or where the rates or duties represented thereby have been paid in error, or remitted; and such allowance shall be made either by giving other stamps in lieu of the stamps so allowed for, or by repaying the amount or value, after deducting therefrom, in case of repayment, the sum of 5 per cent. to the owner thereof; but no allowance shall be made in any case until the stamps so spoiled or rendered useless shall have been returned to the Commissioner of Internal Revenue, or until satisfactory proof has been made showing the reason why said stamps cannot be so returned,

Mr. PENDLETON. I move to insert in line 4, after the words "this chapter," the words "or any internal-revenue act."

The amendment was agreed to.

Mr. PENDLETON. I have also some amendments to move to section 3490.

The section referred to was as follows:

SEC. 3490. In any collection district where, in the judgment of the Commissioner of Internal Revenue, the facilities for the procurement and distribution of stamped paper and adhesive stamps, as provided in this chapter, are insufficient, the Commissioner is authorized to supply to collectors, assessors, assistant treasurers of the United States, designated depositaries, and postmasters, without prepayment therefor, suitable quantities of stamped checks, drafts, or orders, as aforesaid, and of adhesive stamps, as required by this chapter; and he may in advance require of any such person a bond, with sufficient sureties, in an amount equal to the value of any such stamped paper or stamps which may be placed in his hands and remain unaccounted for, conditioned for the faithful return of all amounts undisposed of, and for the payment, monthly, of all amounts sold or not remaining on hand. And he shall allow to such persons the highest rates of commissions allowed to any other parties purchasing such stamped paper or stamps. It shall be the duty of such collector to supply his deputies with, and to sell to other parties within his district who may apply therefor, such stamped paper and adhesive stamps, upon the same terms allowed by law, or under the regulations of the said Commissioner.

Mr. PENDLETON. I move to amend by striking out the word "assessors" where it occurs near the beginning of the section; and also the words "checks, drafts, or orders," after the word "stamped," and to insert in lieu thereof the word "paper;" and near the close of the first sentence, before the word "amounts," insert the words "quantities or;" and in the third sentence after the words "supply his deputies with," strike out "and" and insert "or."

The amendments were agreed to.

Mr. PENDLETON. I have a substitute to move to section 3492.

The section referred to was as follows:

SEC. 3492. Every person who forges or counterfeits, or causes or procures to be forged or counterfeited, any representation or similitude of the stamp provided by law to be used on bank-checks, drafts, or orders for the payment of money, as aforesaid; or who stamps or marks, or causes or procures to be stamped or marked, with any such forged or counterfeited representation or similitude, any paper or bank-check, draft or order, as aforesaid; or who utters, or sells, or exposes to sale, any paper or bank-check, draft, or order, as aforesaid, having thereon any such forged or counterfeited representation or similitude; or who fraudulently removes, or causes to be removed, the impression of any stamp, die, plate, or other instrument, which shall have been provided by law to be used on bank-checks, drafts, or orders, as aforesaid, from any bank-check, draft, or order, as aforesaid; or who fraudulently uses or places, or causes to be used or placed, upon any bank-check, draft, or order, as aforesaid, any stamp, or the impression of any stamp, die, plate, or other instrument, which shall have been provided, as last aforesaid, and which shall have been removed from any other bank-check, draft, or order, as aforesaid; or who willfully removes, or causes to be removed, alters, or causes to be altered, the canceling or defacing marks on any stamp, as aforesaid, with intent to use the same, or to cause the use of the same, after it shall have been once used; or who knowingly sells or buys any such washed or restored stamps, or offers the same for sale, or gives or exposes the same to any person for use, or knowingly uses the same, or prepares the same with intent for the further use thereof; or who knowingly, and without lawful excuse, (the proof whereof shall lie on the person accused,) has in his possession any washed or restored stamps, which have been removed from any bank-check, draft, or order, as aforesaid, shall forfeit the said counterfeit or restored stamps, and be punished by fine not exceeding $1,000, or by imprisonment and confinement to hard labor not exceeding five years, or both, at the discretion of the court. And the fact that any adhesive stamp so bought, sold, offered for sale, used, or had in possession, as aforesaid, has been washed or restored by removing or altering the canceling or defacing marks thereon, shall be *prima facie* proof that such stamp has been once used, and removed by the possessor thereof from some bank-check, draft, or order, as aforesaid, in violation of this section.

The substitute was as follows:

If any person shall forge or counterfeit, or cause or procure to be forged or counterfeited, any stamp, die, plate, or other instrument, or any part of any stamp, die, plate, or other instrument which shall have been provided, or may hereafter be provided, made, or used in pursuance of the provisions of this chapter, or of any previous provisions of law on the same subjects, or shall forge, counterfeit, or resemble, or cause to be forged, counterfeited, or resembled the impression, or any part of the impression, of any such stamp, die, plate, or other instrument as aforesaid, upon any paper, or shall stamp or mark, or cause or procure to be stamped or marked, any paper with any such forged or counterfeited stamp, die, plate, or other instrument, or part of any stamp, die, plate, or other instrument, as aforesaid, with intent to defraud the United States of any of the taxes hereby imposed, or any part thereof; or if any person shall utter, or sell, or expose to sale, any paper, article, or thing, having thereupon the impression of any such counterfeited stamp, die, plate, or other instrument, or any part of any stamp, die, plate, or other instrument, or any such forged, counterfeited, or resembled impression, or part of impression, as aforesaid, knowing the same to be forged, counterfeited, or resembled; or if any person shall knowingly use, or permit the use, of any stamp, die, plate, or other instrument, which shall have been so provided, made, or used, as aforesaid, with intent to defraud the United States; or if any person shall fraudulently cut, tear, remove, or cause or procure to be cut, torn, or removed, the impression of any stamp, die, plate, or other instrument, which shall have been provided, made, or used in pursuance of this chapter, or of any previous provisions of law on the same subjects, from any paper, or any instrument or writing charged or chargeable with any of the taxes imposed by law; or if any person shall fraudulently use, join, fix, or place, or cause to be used, joined, fixed, or placed to, with, or upon any paper, or any instrument or writing charged or chargeable with any of the taxes hereby imposed, any adhesive stamp, or the impression of any stamp, die, plate, or other instrument, which shall have been provided, made, or used in pursuance of law, and which shall have been cut, torn, or removed from any other paper, or any instrument or writing charged or chargeable with any of the taxes imposed by law; or if any person shall willfully remove, or cause to be removed, alter or cause to be altered, the canceling or defacing marks on any adhesive stamp, with intent to use the same, or to cause the use of the same after it shall have been once used, or shall knowingly or willfully sell or buy such washed or restored stamps, or offer the same for sale, or give or expose the same to any person for use, or knowingly use the same or prepare the same with intent for the further use thereof; or if any person shall knowingly and without lawful excuse (the proof whereof shall lie on the person accused) have in his possession any washed, restored, or altered stamps, which have been removed from any paper, instrument, or writing, then, or in every such case, every person so offending, and every person knowingly and willfully aiding, abetting, or assisting in committing any such offense as aforesaid, shall, on conviction thereof, forfeit the said counterfeit stamps and the articles upon which they are placed, and be punished by fine not exceeding $1,000, or by imprisonment and confinement to hard labor not exceeding five years, or both, at the discretion of the court; and the fact that any adhesive stamps so bought, sold, offered for sale, used, or had in possession, as aforesaid, has been washed or restored by removing or altering the canceling or defacing marks thereon, shall be *prima facie* proof that such stamp has been once used and removed by the possessor thereof from some paper, instrument, or writing charged with taxes imposed by law, in violation of the provisions of this section.

The substitute was agreed to.

Mr. PENDLETON. I have an amendment to section 3293.

The section referred to was as follows:

SEC. 3293. Whenever any person makes, prepares, and sells, or removes for consumption or sale, drugs, medicines, preparations, compositions, articles, or things, including perfumery, cosmetics, lucifer or friction matches, cigar-lights, wax-tapers, playing-cards, whether of domestic manufacture or imported, upon which a tax is imposed by law, as enumerated in schedule A, without affixing thereto an adhesive stamp or label denoting the tax before mentioned, he shall incur a penalty of fifty dollars for every omission to affix such stamp: *Provided*, That lucifer or friction matches and cigar-lights and wax-tapers may be removed from the place of manufacture for export to a foreign country without payment of tax or affixing stamps thereto, under such regulations as the Commissioner of Internal Revenue may prescribe.

Mr. PENDLETON. I move to amend by inserting the word "and" between "wax-tapers" and "playing-cards;" and before the words, "in schedule A," insert the words "and mentioned."

The amendments were agreed to.

Mr. PENDLETON. The next amendments are to section 3495.

The section referred to was as follows:

SEC. 3495. Every maker or manufacturer of any of the articles or commodities mentioned in schedule A, who sells, exposes for sale, sends out, removes, or delivers any article or commodity, manufactured as aforesaid, before the duty thereon has been fully paid, by affixing thereon the proper stamp, as provided by law, or who hides or conceals, or causes to be hidden or concealed, or who removes or conveys away, or deposits, or causes to be removed or conveyed away from or deposited in any place, any such article or commodity, to evade the duty chargeable thereon, or any part thereof, shall be subject to a penalty of $100, together with the forfeiture of any such article or commodity.

Mr. PENDLETON. The amendments are to insert in the first part of the section, after the words, "in schedule A, who," the words, "to evade the duty chargeable thereon, or any part thereof;" before the words "hides or conceals," near the middle of the section, insert, "to evade as aforesaid;" strike out the word "who," before "removes or conveys;" and near the close of the section strike out the words "to evade the duty chargeable thereon, or any part thereof."

The amendments were agreed to.

Mr. PENDLETON. I move to amend the latter part of section 3496, in line 32, by inserting the words "and excise," between the words "stamp" and "duty."

The amendment was agreed to.

Mr. PENDLETON. The next amendment is to section 3500.

The section referred to was as follows:

SEC. 3500. Whenever any article upon which a tax is required to be paid by means of a stamp is sold or removed, by the manufacturer thereof, for sale without the use of the proper stamp, it shall be the duty of the Commissioner of Internal Revenue, within a period of not more than two years after such removal or sale, upon such information as he can obtain, to estimate the amount of the tax which has been omitted to be paid, and to make an assessment therefor upon the manufacturer or producer of such article. He shall certify such assessment to the collector, who shall immediately demand payment of such tax, and, upon the neglect or refusal of payment by such manufacturer or producer, shall proceed to collect the same in the manner provided for the collection of other assessed taxes.

Mr. PENDLETON. The amendment is to insert "for sale" after the word "remove," near the beginning of the section; to strike out the words "for sale" before the words "without the proper stamp," and after the words "proper stamp" insert "in addition to the penalties imposed by law for such sale and removal."

The amendments were agreed to.

Mr. PENDLETON. The next amendments are in section 3501.

The section referred to was as follows:

SEC. 3501. There shall be an allowance of drawback on all articles mentioned in schedule A, on which any internal tax shall have been paid, except lucifer or friction matches, cigar-lights, and wax-tapers, equal in amount to the tax paid thereon and no more, when exported; to be paid by the warrant of the Secretary of the Treasury or of the Treasurer of the United States, out of any money arising from internal duties not otherwise appropriated: *Provided*, That no allowance of drawback shall be made for any amount, claimed or due, less than ten dollars, nor for any such articles exported prior to June 30, 1864. The evidence that any such tax has been paid as aforesaid shall be furnished to the satisfaction of the Commissioner of Internal Revenue by the person claiming the allowance of drawback, and the amount shall be ascertained under such regulations as shall be prescribed from time to time by the Commissioner, under the direction of the Secretary of the Treasury. And the said Secretary may make such regulations with regard to the form of certificates of drawback and the issuing thereof as he may deem necessary.

Mr. PENDLETON. The amendment is in the first line, after the words "allowance of drawback on," insert the words "fermented liquors and on;" strike out the words "or of" before the words "Treasurer of the United States," and strike out the words "June 30, 1864," and insert "March 31, 1868."

The amendments were agreed to.

Mr. PENDLETON. The next amendment is to section 3502.

The section referred to was as follows:

SEC. 3502. Certificates of drawback, issued in pursuance of the preceding section, may, under such regulations as may be prescribed by the Secretary of the Treasury, be received by the collector or his deputy in payment of taxes required on articles therein mentioned.

Mr. PENDLETON. The amendment is to strike out the words, at the end of the section, "required on articles therein mentioned," and insert in lieu thereof "imposed by this title."

The amendment was agreed to.

Mr. PENDLETON. I move that sections 3501, 3502, and that por-

tion of 3503 preceding schedule A be placed at the beginning of chapter 11, on page 898.

The motion was agreed to.

Mr. PENDLETON. I move to amend the first paragraph of schedule A, under the head of "medicines or preparations," by striking out the word "afflicting" and inserting the word "affecting," near the beginning of the paragraph. The word "affecting" is in the old law, and I suppose if anything afflicted the "human or animal body" it would also affect it.

The amendment was agreed to.

Mr. PENDLETON. I move to amend section 3504 by striking out, in line 4, the word "now," and inserting, after the word "force," the words "prior to the 1st day of October, 1870;" so that the phrase will read, "acts in force prior to the 1st day of October, 1870."

The amendment was agreed to.

Mr. PENDLETON. I move to make the same amendment in sections 3505 and 3506.

The amendment was agreed to.

Mr. PENDLETON. I move to amend section 3509 by striking out, in line 10, after the word "stamp," the words "provided for in this title," and inserting therefor the words "above mentioned."

The amendment was agreed to.

Mr. PENDLETON. I move to amend section 3510 by inserting after the word "mode," in line 1, the words "or time;" so that the section will read as follows:

SEC. 3510. Whenever the mode or time of assessing or collecting any tax which is imposed is not provided for, the Commissioner of Internal Revenue may establish the same by regulation. He may also make all such regulations, not otherwise provided for, as may have become necessary by reason of any alteration of law in relation to internal revenue.

The amendment was agreed to.

Mr. PENDLETON. I move to amend section 3513 by inserting after the word "fine," in line 18, the words "or penalty," and by adding at the end of the section the following:

And all boilers, stills, or other vessels, tools, and implements used in distilling or rectifying, and forfeited under any of the provisions of this title; and all condemned material, together with any engine or other machinery connected therewith, and all empty barrels, and all grain or other material suitable for distillation, shall, under the direction of the court in which the forfeiture is recovered, be sold at public auction; and the proceeds thereof, after deducting the expenses of sale, shall be disposed of according to law. And all spirits or spirituous liquors which may be forfeited under the provisions of this title, unless therein otherwise provided, shall be disposed of by the Commissioner of Internal Revenue as the Secretary of the Treasury may direct.

The amendment was agreed to.

Mr. PENDLETON. I desire to move a substitute for section 3519.

The section was as follows:

SEC. 3519. Whenever any distiller, rectifier, or wholesale liquor dealer knowingly and willfully omits, neglects, or refuses to do, or to cause to be done, any of the things required by law in the carrying on of his business, or does anything prohibited by any provision of this title, all distilled spirits or liquors owned by him, or in which he has any interest as owner, shall be forfeited to the United States. And whenever any manufacturer of tobacco or cigars knowingly and willfully omits, neglects, or refuses to do, or to cause to be done, any of the things required by law in the carrying on of his business, or does anything prohibited by any provision of this title, all tobacco or cigars found in his manufactory shall be forfeited to the United States. And in cases where no specific penalty or punishment is imposed upon such distiller, rectifier, wholesale liquor dealer, or manufacturer of tobacco or cigars, by any other section of this title, for the omitting, neglecting, or refusing to do, or to cause to be done, the thing required, or for doing the thing prohibited, as aforesaid, the person offending as aforesaid shall pay a penalty of $1,000.

Mr. PENDLETON. I move to strike out the section just read, and insert in lieu thereof the following:

SEC. 3519. If any distiller, rectifier, wholesale liquor dealer, or manufacturer of tobacco or cigars shall knowingly or willfully omit, neglect, or refuse to do or cause to be done any of the things required by law in the carrying on or conducting of his business, or shall do anything by this title prohibited, if there be no specific penalty or punishment imposed by any other section of this title for the neglecting, omitting, or refusing to do, or for the doing or causing to be done the thing required or prohibited, he shall pay a penalty of $1,000; and if the person so offending be a distiller, rectifier, [or] wholesale liquor dealer, all distilled spirits or liquors owned by him, or in which he has any interest as owner, and if he be a manufacturer of tobacco or cigars, all tobacco or cigars found in his manufactory, shall be forfeited to the United States.

The amendment was agreed to.

Mr. PENDLETON. I wish to move an amendment to section 3520.

The section was as follows:

SEC. 3520. In every case where any goods or commodities are forfeited under any internal-revenue law, all casks, vessels, cases, or other packages whatsoever, containing or which shall have contained such goods or commodities, respectively, shall be forfeited.

Mr. PENDLETON. I move to add to the section the following:

And where any whisky, tobacco, or other articles of manufacture or produce, requiring brands, stamps, or marks of whatever kind to be placed thereon, shall be sold upon distraint, forfeiture, or other process provided by law, the same not having been branded, stamped, or marked as required by law, the officer selling the same shall, upon sale thereof, fix, or cause to be affixed, the brands, stamps, or marks so required, and deduct the expense thereof from the proceeds of such sale.

The amendment was agreed to.

Mr. PENDLETON. I move to amend section 3521 by striking out in line 2 "the preceding," and inserting after the word "section" the figures "3516."

The amendment was agreed to.

Mr. PENDLETON. I move to amend section 3522 by inserting after the word "provisions," in line 2, the words "of section 3516;" also, by inserting after the word "issue," in line 27, the words "to a deputy collector or;" also, by inserting before the word "marshal," in the same line, the words "deputy collector or;" so that the section will read as follows:

SEC. 3522. When any property which is seized under the foregoing provisions of section 3516 is liable to perish or become greatly reduced in price or value by keeping, or when it cannot be kept without great expense, the owner thereof, or the marshal of the district, may apply to the collector of the district to examine it; and if, in the opinion of said collector, it shall be necessary that the said property should be sold to prevent such waste or expense, he shall appraise the same; and thereupon the owner shall have said property returned to him upon giving bond in such form as may be prescribed by the Commissioner of Internal Revenue, and in an amount equal to the appraised value, with such sureties as the collector shall deem good and sufficient, to abide the final order, decree, or judgment of the court having cognizance of the case, and to pay the amount of said appraised value to the collector, marshal, or otherwise, as he may be ordered and directed by the court; which bond shall be filed by said collector with the United States district attorney for the district in which said proceedings *in rem* may be commenced: *Provided*, That in case said bond shall have been executed and the property returned before seizure thereof by virtue of the process aforesaid, the marshal shall give notice of pendency of proceedings in court to the parties executing said bond, by personal service or publication, and in such manner and form as the court may direct, and the court shall thereupon have jurisdiction of said matter and parties in the same manner as if such property had been seized by virtue of the process aforesaid. But if said owner shall neglect or refuse to give bond, the said collector shall issue to a deputy collector, or to the marshal aforesaid, an order to sell the same; and the deputy collector or marshal shall thereupon advertise and sell the said property at public auction in the same manner as goods may be sold on final execution in said district; and the proceeds of the sale, after deducting the reasonable costs of the seizure and sale, shall be paid to the court aforesaid, to abide its final order, decree, or judgment.

The amendment was agreed to.

Mr. PENDLETON. I move to amend by inserting after section 3526 the following new sections:

SEC. —. The privilege of purchasing supplies of goods imported from foreign countries for the use of the United States duty free, which now does or hereafter shall exist by provision of law, shall be extended, under such regulations as the Secretary of the Treasury may prescribe, to all articles of domestic production which are subject to tax by the provisions of this title.

SEC. —. An act entitled "An act further to provide for the collection of duties on imports," passed March 2, 1833, shall not be so construed as to apply to cases arising under an act entitled "An act to provide internal revenue to support the Government, to pay interest on the public debt, and for other purposes," passed June 30, 1864, or any act in addition thereto or in amendment thereof, nor to any case in which the validity or interpretation of said act or acts shall be in issue.

The amendment was agreed to.

Mr. PENDLETON. I should like to go back to section 3244, page 802. I move in line 5 to strike out the comma after the word "statement;" so it will read:

SEC. 3244. Whenever it is ascertained that any list which has been or shall be delivered to any collector is imperfect or incomplete, in consequence of the omission of the name of any person liable to tax, or in consequence of any omission, or understatement, or undervaluation, or false or fraudulent statement contained in any return made by any person liable to tax, the Commissioner of Internal Revenue may, at any time within fifteen months from the time of the delivery of the list to the collector as aforesaid, enter on any monthly or special list the name of such person so omitted, together with the amount of tax for which he may have been or shall become liable, and also the name of any such person in respect to whose return, as aforesaid, there has been or shall be any omission, undervaluation, understatement, or false or fraudulent statement, together with the amount for which such person may be liable, above the amount for which he may have been or shall be assessed upon any return made as aforesaid; and he shall certify and return such list to the collector as required by law. And all provisions of law for the ascertainment of liability to any tax, or the assessment or collection thereof, shall be held to apply, so far as may be necessary, to the proceedings herein authorized and directed.

It makes quite a difference in the meaning of it. It has been found that commas are pretty important things in connection with these laws.

The amendment was agreed to.

Mr. PENDLETON. I move, on page 811, section 3280, line 5, to insert before the word "value" the word "par;" so that it will read:

SEC. 3280. Every collector shall be charged with the whole amount of taxes, whether contained in lists transmitted to him by the Commissioner of Internal Revenue, or by other collectors, or delivered to him by his predecessor in office, and with the additions thereto, with the par value of all stamps deposited with him, and with all moneys collected for penalties, forfeitures, fees, or costs; and he shall be credited with all payments into the Treasury made as provided by law, with all stamps returned by him uncanceled to the Treasury, and with the amount of taxes contained in the lists transmitted in the manner heretofore provided to other collectors, and by them receipted as aforesaid; also with the amount of the taxes of such persons as may have absconded or become insolvent, prior to the day when the tax ought, according to the provisions of law, to have been collected, and with all uncollected taxes transferred by him or by his deputy acting as collector, to his successor in office.

The value of stamps may be little in themselves, but when an officer delivers to another officer stamps, he delivers them at their par value.

The amendment was agreed to.

Mr. PENDLETON. I move in section 3292, line 2, to strike out the words "any internal-revenue law," and insert the words "section 3220;" so it will read:

SEC. 3292. No discontinuance or *nolle prosequi* of any prosecution under section 3220 shall be allowed without the permission in writing of the Secretary of the Treasury and the Attorney-General.

The amendment was agreed to.

Mr. PENDLETON. I move on page 818, section 3307, line 47, to insert the word "tax" before the word "stamp," and in line 52 to strike out the words "or wines;" so it will read:

Wholesale liquor dealers shall pay $100. Every person who sells or offers for sale foreign or domestic distilled spirits or wines, in quantities of not less than five wine gallons at the same time, shall be regarded as a wholesale liquor dealer. But no distiller who has given the required bond, and who sells only distilled spirits of

his own production at the place of manufacture, in the original packages to which the stamps are affixed, shall be required to pay the special stamp tax of a wholesale liquor dealer on account of such sales.

Fifth. Retail dealers in malt liquors shall pay twenty dollars. Every person who sells or offers for sale malt liquors in quantities of five gallons or less at one time, but who does not deal in spirituous liquors, shall be regarded as a retail dealer in malt liquors.

The amendments were agreed to.

Mr. PENDLETON. I move in section 3210, on page 791, after the word "collector," in line 8, to insert "and the same rule shall apply to salaries and commissions of assessors and collectors heretofore earned and accrued;" so it will read:

SEC. 3210. When any part of the compensation of the collector of any district is by commission upon assessments or collections, and, in consequence of a new appointment, is due to more than one collector within the same year, such commissions shall be apportioned between such collectors; but in no case shall a greater amount of compensation be allowed to two or more collectors in the same district than shall have been authorized by law to be allowed to one collector, and the same rule shall apply to salaries and commissions of assessors and collectors heretofore earned and accrued.

The amendment was agreed to.

Mr. PENDLETON. I move in section 3211, after the word "writing," in line 2, to insert the words "under his hand;" so it will read:

SEC. 3211. Each collector shall be authorized to appoint, by an instrument in writing under his hand, as many deputies as he may think proper, to be by him compensated for their services; to revoke any such appointment, giving such notice thereof as the Commissioner of Internal Revenue may prescribe; and to require and accept bonds or other securities from such deputies. Each such deputy shall have the like authority, in every respect, to collect the taxes, levied or assessed within the portion of the district assigned to him, which is by law invested in the collector himself; but each collector shall, in every respect, be responsible both to the United States and to individuals, as the case may be, for all moneys collected, and for every act done or neglected to be done by any of his deputies while acting as such.

The amendment was agreed to.

Mr. PENDLETON. I move in section 3219 to insert in line 10, between the word "the" and the word "direction," the words "supervision and;" so it will read:

SEC. 3219. The Secretary of the Treasury shall appoint in every collection district where they may be necessary one or more internal-revenue gaugers, who shall each take an oath faithfully to perform his duties, and shall give bond, with one or more sureties, satisfactory to the Commissioner of Internal Revenue, for the faithful discharge of the duties assigned to him by law or regulations; and the penal sum of said bond shall not be less than $5,000, and said bond shall be renewed or strengthened as the Commissioner of Internal Revenue may require. The duties of every such gauger shall be performed under the supervision and direction of the collector of the district to which he may be assigned, or of the collector in charge of exports at any port of entry to which he may be assigned.

The amendment was agreed to.

Mr. POLAND. I now ask to turn back to page 672, under the title of "Qualification, pay, and duties of officers." We have been over this chapter once before. I have spent, with a gentleman who is exceedingly expert, several busy days on this subject. They have been subjects of legislation ever since the formation of the Government, changing from year to year.

Generally found in tariff bills and in appropriation bills are every sort of special provision in reference to the pay and emoluments of different classes of officers in different places, without any settled rule whatever. It is a work of almost impossible accomplishment to find out how much each one is legally entitled to. I say this in apology for the commission who revised the statutes.

I move in section 2657, lines 8 and 9, to strike out "to the collector for the district of Wilmington, North Carolina, 2½ per cent.;" in line 16 to strike out "Georgetown, in the District of Columbia;" and in line 21, after "Portsmouth," to insert "New Hampshire."

The amendments were agreed to.

Mr. POLAND. I move on page 672, section 2658, line 9, strike out "Plymouth, North Carolina;" in line 12, strike out "Biddeford;" in line 13, strike out "one" and insert "two;" and in the same line, after "one hundred," insert "and fifty."

The amendments were agreed to.

Mr. POLAND. I move on page 673, after section 2672, to insert a new section, as follows:

SEC. —. The collector of the district of Wilmington, Delaware, shall receive, in addition to the fees and emoluments established by law, the sum of $500 a year.

That was omitted in the revision.

The amendment was agreed to.

Mr. POLAND. I move, on the same page, to strike out section 2662, which is as follows:

SEC. 2662. The collector for the district of Pensacola shall, in addition to the fees and emoluments allowed by law, receive 3 per cent. commissions, and no more, on all moneys received and paid by him on account of duties on imports or tonnage.

The amendment was agreed to.

Mr. POLAND. I move on page 674, section 2673, to add to the end of the section the following:

Collectors and surveyors of the northern districts of the northern, northeastern, and northwestern frontiers, are authorized to keep on sale at their several offices blank manifests and clearances required for the business of their districts, and to charge the sum of ten cents and no more for each blank which shall be prepared and executed by them.

The amendment was agreed to.

Mr. POLAND. The next amendment is to section 2675.

The section was as follows:

SEC. 2675. The collectors for the districts of Beaufort, in South Carolina, and Pensacola shall receive a salary of $1,000 a year each.

Mr. POLAND. I offer the following amendment:

Add at the end of the section the words, "in addition to the fees of office."

The amendment was agreed to.

Mr. POLAND. The next amendment is to section 2676.

The section was as follows:

SEC. 2676. The collectors for the district of Georgetown, in the District of Columbia, and for the districts of Cherrystone, Brunswick, Saint Augustine, Saint Mark's, and Apalachicola shall receive a salary of $500 a year each.

Mr. POLAND. I offer the following amendment:

Add to the section the following words: "in addition to the fees of office."

Some of these salaries are without fees, some are with fees, and some with a percentage besides.

The amendment was agreed to.

Mr. POLAND. The next amendment is to section 2688.

The section was as follows:

SEC. 2688. Whenever the emoluments of any collector of either of the ports of Boston, New York, Philadelphia, Baltimore, Charleston, Savannah, or New Orleans shall exceed $4,000, or the emoluments of any naval officer of either of those ports shall exceed $5,000, or the emoluments of any surveyor of either of said ports shall exceed $4,500 in any one year, after deducting the necessary expenses incident to his office in the same year, the excess shall, in every such case, be paid into the Treasury for the use of the United States.

Mr. POLAND. I offer the following amendment:

After "Boston," in line 2, insert "Portland, Maine." In line 3 strike out "four" and insert "six."

The amendment was agreed to.

Mr. POLAND. I move to strike out section 2690.

The section was as follows:

SEC. 2690. No collector, naval officer, surveyor, general appraiser, superintendent of warehouses, or appraisers, shall receive a compensation more than 25 per cent. greater than was paid to the officers and persons engaged in such services at the port of New York on the 14th day of June, 1858. This section, however, shall not be so construed as to increase the compensation of any officer of the customs or of any person engaged in the collection thereof.

The motion to strike out the section was agreed to.

Mr. POLAND. The next amendment is to section 2678.

The section was as follows:

SEC. 2678. The collectors for the districts in the State of North Carolina shall receive a salary of $1,000 a year each, in addition to the fees and commissions of office. Such compensation, however, shall in no case exceed the sum of $2,500 a year in the aggregate.

Mr. POLAND. I offer the following amendment:

In line 1, after the word "districts," insert "of Albemarle, Pamlico, Beaufort, and Wilmington." In line 3 strike out "and commissions."

The amendment was agreed to.

Mr. POLAND. The next amendment is to section 2681.

The section was as follows:

SEC. 2681. The collector for the district of Willamette shall receive a salary of $1,000 a year, with the fees allowed by law, and a commission on all customs money collected and accounted for by him; such salary, fees, and commissions not to exceed at the rate of $3,000 a year.

Mr. POLAND. I offer the following amendment:

In line 5 strike out "at the rate of."

The amendment was agreed to.

Mr. POLAND. The next amendment is to section 2697.

The section was as follows:

SEC. 2697. The deputy collectors at Eureka, Wilmington, and Vallejo, in California, shall receive a salary of $1,500 a year each.

Mr. POLAND. I offer the following amendment:

Strike out the word "Wilmington," in line 1.

The amendment was agreed to.

Mr. POLAND. I move to strike out section 2702.

The section was as follows:

SEC. 2702. No deputy collector, unless provision is otherwise made, shall receive more than $1,000 in any one year for any services he may perform for the United States in any office or capacity.

The motion to strike out the section was agreed to.

Mr. POLAND. The next amendment is to section 2701.

The section was as follows:

SEC. 2701. The deputy collectors at Ellensberg, at the mouth of Rogue River, Port Orford, and out at Gardiner, shall receive a salary of $1,000 a year each.

Mr. POLAND. I offer the following amendment:

Strike out the words "out at," before the word "Gardiner."

The amendment was agreed to.

Mr. POLAND. I move to strike out sections 2703, 2707, and 2708.

The sections were as follows:

SEC. 2703. In addition to the fees and allowances provided by law, the naval officers for the districts of Wilmington, North Carolina, and Savannah shall receive a salary of $150 a year each.

SEC. 2707. No deputy naval officer in the port of Charleston or Savannah shall receive more than $1,500 a year as salary.

SEC. 2708. No deputy naval officer, unless provision is otherwise made, shall receive more than $1,000, in any one year, for any services he may perform for the United States in any office or capacity.

The motion to strike out the sections was agreed to.

Mr. POLAND. The next amendment is to section 2706.

The section was as follows:

SEC. 2706. The deputy naval officers at New York, Boston, Philadelphia, Baltimore, New Orleans, and Portland, in Maine, shall receive a salary of $2,500 a year each, payable out of the appropriation for expenses of collecting the revenue from customs.

Mr. POLAND. I offer the following amendment:

In line 2, after "New Orleans," insert "San Francisco."

The amendment was agreed to.

Mr. POLAND. The next amendment is to section 2743.

The section was as follows:

SEC. 2743. No deputy surveyor at Charleston or Savannah shall receive more than $1,500 a year as salary, nor shall any other deputy surveyor, unless provision is otherwise made, receive more than $1,500, nor any other such deputy more than $1,000, in any one year, for any services he may perform for the United States in any office or capacity.

Mr. POLAND. I move to strike out the section, and to insert in lieu thereof the following:

SEC. 2743. The deputy surveyor at Savannah shall receive as salary not more than $1,500 a year.

The amendment was agreed to.

Mr. POLAND. The next amendment is to section 2744.

The section was as follows:

SEC. 2744. The principal appraisers at Savannah and Charleston shall receive a salary of $1,500 a year each. And when attending in a district other than that in which they reside, for the purpose of appraising any merchandise, they shall respectively receive at the rate of five dollars for every twenty-five miles in going to, or returning from, such district, in addition to the salary or pay provided for in this section.

Mr. POLAND. I offer the following amendment:

Strike out all of the section after the words "a year each."

The amendment was agreed to.

Mr. POLAND. The next amendment is to section 2709.

The section was as follows:

SEC. 2709. In addition to the allowances and fees otherwise provided by law, the surveyor at Eastport shall receive a salary of $500 a year; the surveyors at Portsmouth, in New Hampshire, Newburyport, Gloucester, Suffolk, Smithfield, Richmond, and Fredericksburgh, in Virginia, Wilmington and Beaufort, in North Carolina, $250 a year each; the surveyor at Petersburgh $200 a year; the surveyors at Yeocomico, Hudson, Llewellensburgh, Portland in Maine, Pawkatuck, Stonington, Town Creek, West Point, Urbana, Windsor, Savannah, and Bermuda Hundred, $150 a year each; the surveyor at Port Royal, in Virginia, $250 a year; the surveyors of such ports as may be established by the President, and for whom no other salaries are provided, not exceeding $250 a year each.

Mr. POLAND. I move the following amendment:

In line 4 strike out "Suffolk, Smithfield, Richmond;" in line 5 strike out "Wilmington and Beaufort;" in line 6 strike out "in North Carolina;" in line 7 strike out "the surveyor at Petersburgh, $200 a year;" in line 8 strike out "Yeocomico, Hudson, Llewellensburgh;" in line 9 strike out "Pawkatuck, Town Creek, West Point, Urbana, Windsor;" in line 10 strike out "Bermuda Hundred," and insert "and" before "Savannah;" in lines 11 and 12 strike out "the surveyor at Port Royal, in Virginia, $250 a year."

The amendment was agreed to.

Mr. POLAND. I move to strike out sections 2711, 2712, 2713, and 2714.

The sections were as follows:

SEC. 2711. The surveyors at the ports in the district of Mobile shall receive, in addition to their other fees and emoluments, a salary of $250 a year each.

SEC. 2712. The surveyors at Cape Vincent, and at or near the mouth of the Rappahannock, in the district of Tappahannock, shall receive a salary of $200 a year each.

SEC. 2713. The surveyor for the district of Oswegatchie shall receive, in addition to the fees allowed by law, a salary of $150 a year.

SEC. 2714. The surveyors at the ports in the several districts embraced in the State of Florida shall receive, in addition to the fees and emoluments allowed by law, a salary of $300 a year each; except the surveyors at Pilatka and Bayport, who shall receive a salary of $350 a year each.

The motion to strike out the sections was agreed to.

Mr. POLAND. The next amendment is to section 2715.

The section was as follows:

SEC. 2715. The surveyors at the ports of Pittsburgh in Pennsylvania, Wheeling in West Virginia, Cincinnati in Ohio, Louisville in Kentucky, Saint Louis in Missouri, and Nashville in Tennessee, shall receive, in addition to the customary fees, a salary of $350 a year each.

Mr. POLAND. I move the following amendment:

Insert after "Missouri" the word "Memphis," and after "Tennessee" the words "Evansville, New Albany, Madison, and Jeffersonville in Indiana, Alton, Quincy, and Galena in Illinois; Burlington, Keokuk, and Dubuque in Iowa; Paducah in Kentucky; Selma in Alabama; Parkersburgh im West Virginia; Leavenworth in Kansas; Omaha in Nebraska; Saint Joseph and Kansas City in Missouri."

The amendment was agreed to.

Mr. POLAND. I move to strike out sections 2718, 2719, 2722, and 2723.

The sections were as follows:

SEC. 2718. The surveyor at Memphis, in Tennessee, shall receive, in addition to his fees, a salary of $350 a year.

SEC. 2719. The surveyors at Evansville and New Albany, in Indiana, shall receive, in addition to their fees, a salary of $350 a year each.

SEC. 2722. The surveyor at Alton, in Illinois, shall receive, in addition to his fees, a salary of $350 a year.

SEC. 2723. The surveyors at Burlington and Galena, in Illinois, shall receive, in addition to their fees, a salary of $350 a year each.

The motion to strike out the sections was agreed to.

Mr. POLAND. I move to strike out sections 2724, 2725, 2726, 2727, 2729, 2731, 2732, 2736, and 2737.

The sections were as follows:

SEC. 2724. The surveyor at Quincy, in Illinois, shall receive, in addition to his fees, a salary of $350 a year.

SEC. 2725. The surveyor at Madison, in Indiana, shall receive, in addition to his fees, a salary of $350 a year.

SEC. 2726. The surveyors at Paducah, in Kentucky, and Jeffersonville, in Indiana, shall receive, in addition to their fees, a salary of $350 a year each.

SEC. 2727. The surveyors at Keokuk and Dubuque, in Iowa, shall receive, in addition to their fees, a salary of $350 a year each.

SEC. 2729. The surveyor at Selma shall receive, in addition to his fees, a salary of $350 a year.

SEC. 2731. The surveyor at Parkersburgh, in West Virginia, shall receive, in addition to his fees, a salary of $350 a year.

SEC. 2732. The surveyor at Leavenworth, in Kansas, shall receive, in addition to his fees, a salary of $350 a year.

SEC. 2736. The surveyor at Omaha, in Nebraska, shall receive, in addition to his fees, a salary of $350 a year.

SEC. 2737. The surveyors at Saint Joseph and Kansas, in Missouri, shall receive the same salary as is now provided, or which may hereafter be provided by law, for surveyors of the same grade.

Mr. POLAND. These various sections that we propose to strike out are all provided for by the list of names inserted in section 2715. The salaries are all the same, and there is special propriety in inserting them in that section, because there is a special provision in relation to all that class of surveyors. They have performed the duties of collectors at these various places, and they have an additional compensation that ordinary surveyors have not had. Therefore, in order to make it correct, they should have the same provision made for them which is found in section 2715.

The motion to strike out the sections was agreed to.

Mr. POLAND. The next amendment I have to offer is to section 2745.

The section was as follows:

SEC. 2745. The merchants who may be appointed to act as appraisers, as provided in section 2606, shall receive a compensation of five dollars a day while actually employed. And whenever attending in any district other than that in which they reside, for the purpose of appraising any merchandise, they shall receive at the rate of five dollars for every twenty-five miles in going to, or returning from, such district, in addition to the salary or pay provided for in this section.

Mr. POLAND. I move to strike out from lines 4 to 8 of that section, inclusive, and also to strike out section 2746.

The amendments were agreed to.

Mr. POLAND. The next amendment I have to offer is to section 2748.

The section was as follows:

SEC. 2748. The four general appraisers authorized by law shall receive a salary of $2,500 a year each, together with their actual traveling expenses, to be regulated by the Secretary of the Treasury.

Mr. POLAND. I move to strike out the words, "a salary of $2,500 a year each, together with."

I will state that the salaries of these officers are provided for in another section. We leave this provision to stand to regulate the matter of traveling expenses.

The amendment was agreed to.

Mr. POLAND. I move to strike out section 2752.

The amendment was agreed to.

Mr. POLAND. The next amendment I desire to offer is to section 2755.

The section was as follows:

SEC. 2755. Each inspector shall receive, for every day he shall be actually employed in aid of the customs, a sum not exceeding four dollars; and for every other person that the collector may find it necessary and expedient to employ, as occasional inspector, or in any other way in aid of the revenue, a like sum, while actually so employed, not exceeding three dollars for every day so employed, to be paid by the collector out of the revenue and charged to the United States.

Mr. POLAND. I move to amend that section by striking out the words, "to be paid by the collector out of the revenue and charged to the United States;" and also to strike out section 2756.

The amendments were agreed to.

Mr. POLAND. The next amendment I have to offer is to section 2769.

The section was as follows:

SEC. 2769. An additional compensation of 25 per cent. shall be continued to the customs officers at the port of San Francisco.

Mr. POLAND. I move to amend that section, by striking out the words, "customs officers," and inserting in lieu thereof, "appraisers, deputy naval officers, and weighers."

The amendment was agreed to.

Mr. POLAND. In this revision there was no revision by the commissioners of any portion of the laws relating to the District of Columbia. The committee determined that some of the more general statutes in relation to the District of Columbia, showing its organization and its connection with the General Government, ought to be revised, and they have therefore taken means to have so much of the statutes in relation to the District prepared to be inserted as an amendment; but it will be an amendment of so much length, that in order to be properly considered it should be printed. I move that it be printed.

The motion was agreed to.

Mr. E. R. HOAR. I have an amendment to offer to section 4252.

The section was as follows:

SEC. 4252. Whenever any certificate of registry, enrollment, or license, or other record or document granted in lieu thereof, to any vessel, is knowingly and fraudulently obtained, or is used for any vessel not entitled to the benefit thereof, such vessel, with her tackle, apparel, and furniture, shall be liable to forfeiture.

Mr. E. R. HOAR. I move to strike out the comma after the word "obtained;" and also the word "is" after the word "or."

The amendments were agreed to.

Mr. E. R. HOAR. The next amendment I have to offer is to section 4279.

The section was as follows:

SEC. 4279. Vessels used exclusively as ferry-boats, carrying passengers, baggage

goods, wares, and merchandise, shall not be required to clear, nor shall the masters or persons in charge of such vessels be required to present manifests, or to pay clearance fees or fees for receiving or certifying manifests.

Mr. E. R. HOAR. I move to insert after the words "required to" the words "enter and;" and in line 4, after the word "pay," to insert the words "entrance or."

The amendments were agreed to.

Mr. E. R. HOAR. The next section to which I desire to offer an amendment is section 4315.

The section was as follows:

SEC. 4315. The Secretary of the Treasury shall provide for the establishment of ten life-saving stations on the coasts of Maine, New Hampshire, and Massachusetts, Virginia, and North Carolina, at such points as he may deem necessary, for the saving of life and property on said coasts.

Mr. E. R. HOAR. I move to amend that section by adding thereto the following:

Provided, That all life-saving stations hereafter erected shall be erected under the supervision of two captains of the revenue service, to be designated by the Secretary of the Treasury, and to be under his direction.

The amendment was agreed to.

Mr. E. R. HOAR. I move that the House do now adjourn.

The motion was agreed to; and (at nine o'clock and fifteen minutes p. m.) the House adjourned.

PETITIONS, ETC.

The following memorials, petitions, and other papers were presented at the Clerk's desk, under the rule, and referred as stated:

By Mr. CROOKE: Several memorials of business men of Brooklyn, New York, in favor of amendments to the bankrupt law and protesting against its repeal, to the Committee on the Judiciary.

By Mr. CROSSLAND: A paper for a post-route from the mouth of Mayfield's Creek, in Ballard County, Kentucky, to Woodville, in McCracken County, to the Committee on the Post-Office and Post-Roads.

By Mr. ELKINS: The petition of William S. McKnight and James W. Richardson, for relief, to the Committee on Military Affairs.

By Mr. HARRISON: The petition of Jacob Bloomstein, of Nashville, Tennessee, for relief, to the Committee on Claims.

Also, the petition of Sarah W. Wilson, of Davidson County, Tennessee, widow of John Wilson, deceased, for salary due her husband as inspector of steamboats, to the Committee on Claims.

Also, the petition of Anderson Davis, of Trenton, Gibson County, Tennessee, for a pension, to the Committee on Invalid Pensions.

By Mr. E. R. HOAR: The petition of 176 judges and lawyers of Alabama, for the passage of an act explanatory of the act of March 3, 1873, in relation to the district and circuit courts of Alabama, to the Committee on Revision of the Laws.

By Mr. KELLEY: The memorial of the Board of Trade of Philadelphia, for a revision of the customs-revenue laws, to the Committee on Ways and Means.

By Mr. MCDILL, of Wisconsin: The petition of John Phillips and others, of Wisconsin. for the completion of the work now in progress of opening water-communication between the Mississippi River and the Great Lakes by the way of Fox and Wisconsin Rivers, to the Committee on Commerce.

Also, the memorial of the Legislature of the State of Wisconsin, for an extension of the time for the construction of the railroad from the Saint Croix River or Lake to the west end of Lake Superior and to Bayfield, to the Committee on the Public Lands.

By Mr. ORR: A paper for the establishment of a post-route from Wolfdale to Oto, in Woodbury County, Iowa, to the Committee on the Post-Office and Post-Roads.

IN SENATE.

FRIDAY, *March* 6, 1874.

Prayer by the Chaplain, Rev. BYRON SUNDERLAND, D. D.

The Journal of yesterday's proceedings was read and approved.

ENROLLED BILLS SIGNED.

A message from the House of Representatives, by Mr. MCPHERSON, its Clerk, announced that the Speaker of the House had signed the following enrolled bills; and they were thereupon signed by the President *pro tempore:*

A bill (S. No. 353) for the relief of David Braden; and

A bill (S. No. 365) for the relief of Matthew Woodruff, late sergeant of Company G, Twenty-first Missouri Volunteers.

EXECUTIVE COMMUNICATIONS.

The PRESIDENT *pro tempore* laid before the Senate a letter of the Secretary of the Treasury, transmitting, in answer to Senate resolution of December 9, 1873, a statement of the amounts paid to collectors, naval officers, surveyors, and detectives engaged in the customs service, on account of distributive shares of fines, penalties, and forfeitures, for the ten years ending June 30, 1873; which was referred to the Committee on Printing, to inquire into the propriety of printing the letter and accompanying documents.

He also laid before the Senate a letter of the Postmaster-General, in answer to a resolution of the Senate of January 30, 1874, calling for information relative to the postal-car service between New York and Washington, New York and Boston, and New York, Albany, Buffalo, and Suspension Bridge; which was referred to the Committee on Commerce, and ordered to be printed.

PETITIONS AND MEMORIALS.

The PRESIDENT *pro tempore* presented a resolution of the Legislature of Wisconsin, relative to the North Branch of the Union Pacific Railroad; which was referred to the Committee on Railroads.

He also presented a memorial of the Legislature of Wisconsin, in favor of the passage of a law to refund to the city of Milwaukee certain moneys advanced for the construction of the straight-cut harbor at Milwaukee; which was referred to the Committee on Commerce.

He also presented a memorial of the Legislature of Wisconsin, in favor of an extension of the time for the construction of the railroad from the Saint Croix River to Lake Superior and Bayfield; which was referred to the Committee on Public Lands.

He also presented a memorial of the Legislature of Wisconsin, in favor of an appropriation by Congress for the improvement of Kewaunee Harbor, in Wisconsin; which was referred to the Committee on Commerce.

Mr. CHANDLER presented a memorial of bankers, merchants, and numerous other citizens of Michigan, protesting against any increase of an irredeemable currency, and praying for the speedy resumption of specie payments; which was referred to the Committee on Finance.

Mr. FENTON. I present resolutions of the Academy of Medicine, Medical Library and Journal Association, and the American Medical Association of New York, in relation to the efficiency of the Medical Department of the United States Army. These resolutions are signed by the officers of these respective associations; and I infer from the first sentence of the proceedings of the Medical Library and Journal Association of New York that it is intended that I should present these papers to the Senate, and ask that they be referred to the Committee on Military Affairs.

The PRESIDENT *pro tempore*. The memorials will be so referred.

Mr. SCOTT. I present the memorial of the Philadelphia Board of Trade, representing that the customs laws are confused, and difficult to understand, and that the proceedings of informers and Government officers acting under these laws have been high-handed and offensive to the moral sense of the mercantile community, and injurious to the Government itself, which has thereby been brought into disrepute. They pray, therefore, that Congress will revise and amend those laws so that honest importers may not be injured in property and reputation by proceedings instigated by men who are actuated by the hope of pecuniary profit to themselves rather than desire to promote the public good. I move the reference of the memorial to the Committee on Finance.

The motion was agreed to.

Mr. SUMNER. I present a petition of a large number of citizens of Boston interested in inventions, in which they set forth at some length that a patent association has recently been organized at Boston, under the title of the "United States Patent Association," mentioning the names of the officers, the president, directors, and others, and representing them as engaged in pressing upon Congress legislation affecting patents which these petitioners regard as contrary to the public interests, as they contemplate the extension of patents through the Commissioner in a way likely to be, according to these petitioners, an abuse. Accordingly they pray that Congress will reconsider this matter, of such vital importance to the whole public, and they pray that no further extensions be granted except as are now provided by law. I move the reference of this petition to the Committee on Patents.

The motion was agreed to.

Mr. STEVENSON presented the petition of Charles H. Hubbard, administrator of the estate of Joseph S. Hubbard, deceased, a resident of Hickman, in the State of Kentucky, praying compensation for ninety-four hogsheads of sugar seized by the United States during the war; which was referred to the Committee on Claims.

Mr. MORRILL, of Maine, presented the petition of Sarah E. Weston, widow, and George Weston and Imogen Weston Rolfe, children of William K. Weston, deceased, praying compensation for the construction of a light-house in New York Harbor; which was referred to the Committee on Claims.

Mr. PRATT presented a resolution of the Legislature of Indiana, asking the establishment of a district court of the United States, and a distributing post-office at the city of Fort Wayne, and for the erection of a suitable building for the purposes contemplated by the resolution; which was referred to the Committee on the Judiciary, and ordered to be printed.

Mr. SHERMAN presented the petition of P. H. Breslin, late captain Eighteenth United States Infantry, asking to be relieved from liability on account of loss of public moneys from embezzlement by a clerk in his office; which was referred to the Committee on Military Affairs.

Mr. CONKLING presented the petition of the chiefs and head-men of the Oneida Nation of Indians, residing in the county of Madison, New York, touching their lands; which was referred to the Committee on Indian Affairs.

Mr. HOWE presented a joint resolution of the Legislature of Wisconsin, asking that if any assistance is hereafter granted to Pacific Railroads, provision shall be inserted requiring a more direct branch to be constructed between Sioux City and the Union Pacific Railroad, east of the Rocky Mountains; which was referred to the Committee on Railroads, and ordered to be printed.

He also presented a memorial of the Legislature of Wisconsin, in favor of Congress refunding to the city of Milwaukee certain moneys advanced for the construction of the straight-cut harbor at Milwaukee; which was referred to the Committee on Commerce.

He also presented the petition of Chloe Ann Ketcham, praying to be allowed a pension; which was referred to the Committee on Pensions.

Mr. LOGAN. I present the petition of 201 business men, manufacturers, and citizens of the city of Paxton, Illinois; also a petition, with a letter in connection with it, from iron merchants in Chicago, (whether all the iron merchants have signed it I do not know, but the letter says "the iron merchants,") signed by 40 or 50 merchants engaged in that business in Chicago; also a petition of citizens of Illinois, without stating the town; also a petition—I have not counted, but I should say about 200 names—of the small traders and other citizens of a portion of the city of Chicago; also the memorial of the Board of Trade of the city of Peoria, Illinois, signed by its president and secretary, all praying for an increase of the currency, and asking their members of Congress so to vote. I move the reference of these petitions and this memorial to the Committee on Finance.

The motion was agreed to.

Mr. LEWIS presented the petition of David F. Taylor, late of Company M, Ninth Indiana Cavalry Volunteers, praying to be granted a pension from the 30th of June, 1865, to September 30, 1872, at the rate of five dollars per month; which was referred to the Committee on Pensions.

He also presented the petition of J. B. Jeter and others, trustees of the Richmond Female Institute, praying compensation for the use and occupancy of the institute building by officers of the United States Army in 1865 and 1866; which was referred to the Committee on Claims.

Mr. HITCHCOCK presented the petition of J. W. Graham and 196 others, citizens of Utah, praying the passage of the Portland, Dalles and Salt Lake Railroad bill; which was referred to the Committee on Railroads.

Mr. PRATT. I hold in my hand the proceedings of a large and influential public meeting, held in the city of Indianapolis, the capital of my State, which is a city of some 75,000 inhabitants, and full of business, activity, enterprise, and intelligence; and they have adopted certain resolutions on the financial question, which I beg leave to introduce and have referred to the Committee on Finance.

The PRESIDENT *pro tempore*. They will be so referred.

Mr. PRATT. I ask that the resolutions be read at the Clerk's desk.

The PRESIDENT *pro tempore*. They will be read if there be no objection.

The Chief Clerk read as follows:

1. That the recent commercial crisis, while it demonstrated the soundness of our currency and the faith of the public in its value, also demonstrated that its volume was inadequate to the actual substantial demands of legitimate trade.

2. That in the opinion of this meeting it is the duty of Congress, as speedily as practicable, to provide for an increase of currency commensurate with the demands of the usual business of the country, and to establish such a system as will accommodate itself to the growth of our commercial, manufacturing, and agricultural interests in the future.

3. That by spasmodic and untimely efforts at resumption of specie payments the growth of our resources will be crippled, and the date of real resumption will be correspondingly postponed, and we believe that legislation at this time looking to such resumption would be unwise.

4. That we approve the position of our Senators and Representatives in Congress in the objects embraced in the foregoing resolutions, and urge them to persevere until the financial relief demanded by the Northwest is obtained.

The resolutions were referred to the Committee on Finance.

The PRESIDENT *pro tempore* presented a memorial of citizens of Carroll County, Illinois, in favor of an act of Congress authorizing the Secretary of War to construct a canal from Hennepin on the Illinois River, to Rock Island on the Mississippi, with such navigable feeder thereto from Rock River as may be necessary; which was referred to the Committee on Commerce.

He also presented a resolution of the Legislature of Minnesota, in favor of the granting of Government aid for the construction of the North Branch of the Union Pacific Railroad; which was referred to the Committee on Railroads.

Mr. RAMSEY presented a resolution of the Legislature of Minnesota, in relation to the North Branch of the Union Pacific Railroad; which was referred to the Committee on Railroads, and ordered to be printed.

PAPERS WITHDRAWN AND REFERRED.

On motion of Mr. INGALLS, it was

Ordered, That the petitioners have leave to withdraw the papers referred to the Committee on Military Affairs with the bill (S. No. 264) for the relief of the Fourth and Fifth Indian regiments, copies being retained.

On motion of Mr. CHANDLER, it was

Ordered, That two petitions of citizens of Virginia, praying appropriations for the improvement of Quantico Creek and Neabsco Creek and Bay, be withdrawn from the files of the Senate and returned to Mr. E. M. Willis.

On motion of Mr. CHANDLER, it was

Ordered, That the report of the immigrant inquiry commission, Senate Executive Document No. 23, be referred to the Committee on Commerce.

CHANGE OF REFERENCE.

Mr. BOGY. Yesterday I introduced a bill (S. No. 577) for the improvement of the mouth of the Mississippi River, which, by reference to the RECORD this morning, I perceive was referred to the Committee on Commerce. It should be referred to the Committee on Transportation Routes, and not to the Committee on Commerce.

The PRESIDENT *pro tempore*. That change of reference will be made, if there be no objection.

THE GOVERNMENT PRINTING OFFICE.

Mr. ANTHONY. I have received a communication from the Congressional Printer, calling attention to certain charges that have been made against him in the conduct of his office, and stating that he is a sworn officer of this body, elected by it, and primarily responsible to it, and he conceives it to be his duty, and he thinks that the Senate will concede that it is his right, to explain the reasons in part why these charges have been made; and I am requested by him to ask that the deposition, which I now send to the Chair, may be read.

The PRESIDENT *pro tempore*. The paper will be read, if there be no objection. The Chair hears none.

The Chief Clerk proceeded to read the deposition of H. H. Clapp.

Mr. MORRILL, of Maine. I think it is unusual to read such a paper. I think it is a bad example, too. I hardly think it the privilege of anybody outside of this Chamber to be heard through a speech or otherwise, and it is certainly a bad example.

Mr. ANTHONY. I will not press it against the wish of the Senate.

Mr. MORRILL, of Maine. I move that that paper be received and referred to the Committee on Printing. Of course, if there is any injustice done, that committee will examine into it and report to the Senate. It ought not to go into the RECORD.

Mr. SHERMAN. Let it be printed.

Mr. MORRILL, of Maine. I have no objection to its being printed; but why should it go into the RECORD?

Mr. HOWE. Certainly it ought to go into the RECORD. The accusation is before the public.

Mr. MORRILL, of Maine. How is the accusation before the public? If we are to allow every gentlemen who feels that he is assailed by the newspaper press to come in here and spread his defense upon the CONGRESSIONAL RECORD, I think we shall have enough to attend to. I am certain that it is unusual for such a thing to be done, and it seems to me pretty clear that it is not a good example to set. I move that the paper be referred to the Committee on Printing, and printed.

Mr. HOWE. I thought I could see, myself, a difference between allowing an officer of this body to reply to a public assault on his official conduct, and allowing everybody in the United States to do the same thing. To do the latter might produce a bulky record of the proceedings of the Senate, but to do the former I hope will not produce a record unusually bulky. It seems to me that every officer of the Senate should have this privilege accorded him. I know nothing about the assault; I know nothing about this reply to it. I have not seen it. I only understand that an officer of the Senate asks that he may be allowed to make a statement here in reply to assaults which have been made upon him. I do not think it is much to accord him, and I do not think we should ordinarily decline to accord it.

The PRESIDENT *pro tempore*. The Senator from Maine moves to refer this paper to the Committee on Printing, and that it be printed.

Mr. CONKLING. I beg to say one word. The motion of my honorable friend from Maine implies that, without knowing what this paper is at all, we are to receive it, we are to refer it to a committee, and we are to print it; and that motion is made as an objection to the only proceeding by which we can be informed as to what it is. It seems to me that if the paper is a proper one to be presented it is a proper one to be treated at least like a petition, so that the Senator presenting it may inform us in as condensed form as he chooses of its contents, or that he may have it read in order that we may know its contents; and I quite agree with the suggestion made by the Senator from Wisconsin, that when an officer of this body is publicly arraigned in respect of misconduct in the official place which he holds at the instance and pleasure of the Senate, it is quite right not only that he should make any statement, but that he should make it to the Senate itself. I do not understand my honorable friend from Maine to impeach that position; but he says it is better for us to take this paper blindly without knowing what it is and incur the expense of printing it, and refer it to a committee, all for the purpose of avoiding either our being informed by the Senator who presents it of the substance of its contents or our spending two or three minutes in hearing it read. I think the better course would be to let us know what it is, unless the honorable Senator has some special objection to that.

Mr. MORRILL, of Maine. My objection is that it is not receivable under the rules in any sense whatever.

Mr. CONKLING. Is it not receivable as a petition?

Mr. MORRILL, of Maine. No, sir; it is not receivable as a petition. It does not pretend to be a petition; it is not addressed to the Senate or the Congress of the United States. It is simply an affidavit which this man has chosen to make and hand in here to have read.

Mr. SHERMAN. It is made by his deputy.

Mr. MORRILL, of Maine. It is made by his deputy. That is further off still.

Mr. ANTHONY. It is by his deputy of course, but it is his defense.

Mr. MORRILL, of Maine. It is not an official paper in any sense.

Mr. ANTHONY. Mr. Clapp has been sick, but he is convalescent, and this deposition is made by his chief clerk. If it is proper to be read at all, it is made by the proper person, because the deposition is by the only person who is cognizant of the act which is deposed to, and who was acting for the Congressional Printer in his absence. I have not favored the reading of papers generally; but it seemed to me that this being from an officer of the Senate it had a special privilege, and that there should be no objection about its not being addressed to the Senate, because it is addressed to me as the chairman of the committee with which he is in the most intimate relations, with a request that I would place it before the Senate; and it might have been proper for me to put a heading to it.

Mr. MORRILL, of Maine. The Senator can read it if he chooses.

Mr. ANTHONY. I would not read it against the wish of the Senator.

Mr. MORRILL, of Maine. But this man is not privileged to have it read and go into the records of the Senate. That is my point; and I make it of course not out of any wish to prejudice the document at all, but I submit that it is an evil example to allow miscellaneous papers to come in here. Somebody is accused of a failure of duty, and he, or somebody on his behalf, thinks he is doing a smart thing by replying to it through the mouth of some Senator and so getting it to the public. I submit that is not a good example.

Mr. ANTHONY. Mr. President——

The PRESIDENT *pro tempore*. The Chair understands the Senator from Maine to object to the reading of the paper.

Mr. MORRILL, of Maine. I object.

Mr. ANTHONY. Allow me to make a statement.

The PRESIDENT *pro tempore*. The Chair will submit the question to the Senate, and it must be decided, under the rule, without debate.

Mr. ANTHONY. The Senator from Maine, I hope, will withdraw the motion long enough to allow me to make a statement.

Mr. MORRILL, of Maine. Certainly.

Mr. ANTHONY. I do not think this ought to be put on the basis of somebody being assailed and coming here to defend himself. It is an officer of the Senate who is assailed.

Mr. MORRILL, of Maine. So I understand in this case.

Mr. ANTHONY. An officer that is responsible to us, and who is assailed for doing that which, if it was true, would subject him to removal by this body; and that being placed before the whole community, and repeatedly, he thought we would consider it his right—at all events he deemed it his duty to submit to us what he considers the explanation and the reason of the assault made upon him. I certainly do not wish to have this read if it is against the will of the Senate; but I cannot think that it stands upon the same basis as an ordinary communication. I think that a communication from an officer of our own body has a certain privilege, not exactly like that of a Senator who has a personal explanation to make, but differing from it in degree rather than in quality.

Mr. MORRILL, of Maine. I ask the Senator whether in his judgment the Congressional Printer, when he has put the facts into the possession of the chairman of the Committee on Printing, under whose supervision this gentleman discharges all his duties, has not secured all the rights he can possibly receive by having this read. If the Senator really desires to have this read, I shall withdraw my objection.

Mr. ANTHONY. As it has been presented—although I would not have presented it if I had thought it would be objectionable on the part of any Senator—and the reading has commenced, I think it had better be finished. ["No," "no."] It will not take more than two minutes.

Mr. MORRILL, of Maine. Then I withdraw the objection, and ask that it be referred to the Committee on Printing.

The PRESIDENT *pro tempore*. The Senator from Maine moves that the paper be referred to the Committee on Printing.

The motion was agreed to.

REPORTS OF COMMITTEES.

Mr. JOHNSTON, from the Committee on the District of Columbia, to whom was referred the bill (S. No. 224) to incorporate the Washington City Inebriate Asylum in the District of Columbia, reported it with an amendment.

He also, from the same committee, to whom was referred the bill (S. No. 129) concerning and authorizing the Washington, Cincinnati and Saint Louis Railroad Company to extend and construct their railroad into the District of Columbia, and through the States of West Virginia, Ohio, Indiana, and Illinois, to the city of Saint Louis, in the State of Missouri, and a branch road from any point they may elect on the main line of their road, in the State of Indiana, to the city of Chicago, in the State of Illinois, asked to be discharged from its further consideration, and that it be referred to the Select Committee on Transportation Routes to the Sea-board; which was agreed to.

Mr. CHANDLER, from the Committee on Commerce, to whom was referred the bill (H. R. No. 485) to authorize the Secretary of the Treasury to issue an American register to the schooner Carrie, of Eastport, Maine, reported it without amendment.

He also, from the same committee, to whom was referred the bill (H. R. No. 1562) for the relief of Jacob Parmenter, reimbursing him for defending a suit brought against him for an official act, reported it without amendment.

He also, from the same committee, reported a bill (S. No. 580) to authorize the employment of certain aliens as engineers and pilots; which was read, and passed to a second reading.

He also, from the same committee, to whom was referred the bill (H. R. No. 2206) to grant an American register to the bark Azor, reported it without amendment.

He also, from the same committee, to whom was referred the bill (H. R. No. 519) to grant an American register to the Canadian tug Noah P. Sprague, reported it without amendment.

He also, from the same committee, to whom was referred the bill (S. No. 401) to establish a uniform registry of sea-going vessels, to afford protection to life on shipboard, and to govern rebates in duties on merchandise damaged on the voyage of importation, reported adversely, and moved that it be indefinitely postponed; which was agreed to.

He also, from the same committee, to whom was referred the petition of Dr. William Trevitt, former United States consul at Valparaiso, Chili, asking payment of salary and clerk hire, reported adversely; and the committee was discharged from the further consideration of the petition.

He also, from the same committee, to whom was referred the petition of James Curtis, of Florida, praying compensation as master and pilot of the schooner James Buchanan, submitted an adverse report thereon; which was ordered to be printed, and the committee was discharged from the further consideration of the petition.

Mr. STEWART, from the Committee on Public Lands, to whom was referred the bill (H. R. No. 1763) to permit Edward Savage, of Minnesota, to enter one quarter-section of the public lands or any legal subdivision of the same, reported it without amendment.

Mr. SCOTT, from the Committee on Finance, to whom was referred the bill (S. No. 464) to amend an act entitled "An act to provide internal revenue to support the Government, to pay interest on the public debt, and for other purposes," approved June 30, 1864, and the acts amendatory thereof, reported it with an amendment.

Mr. PRATT, from the Committee on Pensions, to whom was referred the petition of Elizabeth Howard, widow of Thomas H. Howard, late of Company K, Fifth United States Veteran Volunteers, praying to be allowed a pension, submitted an adverse report thereon; which was ordered to be printed, and the committee was discharged from the further consideration of the petition.

Mr. OGLESBY, from the Committee on Public Lands, to whom was referred the bill (S. No. 524) to protect timber lands of the United States Government reservations and lands purchased for the United States, reported it without amendment.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. ISAAC STROHM, one of its clerks, announced that the House had passed a joint resolution (H. R. No. 59) amending joint resolution of April 16, 1872, relating to a statue of the late Admiral Farragut; in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. No. 1558) to amend the act entitled "An act to encourage the growth of timber on western prairies."

The message further announced that the House had concurred in the amendments of the Senate to the bill (H. R. No. 2224) appropriating $1,400 to pay the operators in the departmental telegraph connected with the two Houses of Congress.

ENROLLED BILLS SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills; and they were thereupon signed by the President *pro tempore*:

A bill (H. R. No. 1402) granting a pension to John A. Fisher; and

A bill (H. R. No. 2224) making appropriations to pay the operators of the Government telegraph connecting the Departments with the two Houses of Congress.

BILLS INTRODUCED.

Mr. WINDOM asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 581) amendatory of and supplementary to the act entitled "An act to set apart a certain tract of land lying near the head-waters of the Yellowstone River as a public park," approved March 1, 1872; which was read twice by its title, referred to the Committee on Public Lands, and ordered to be printed.

Mr. BUCKINGHAM asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 582) for the relief of A. B. Fisher; which was read twice by its title, and, with the accompanying papers, referred to the Committee on Indian Affairs.

Mr. MITCHELL asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 584) providing for the permanent location of the southern terminus of the Oregon Central Railroad, and to amend an act entitled "An act granting lands to aid in the construction of a railroad and telegraph line from Portland to Astoria and McMinnville, in the State of Oregon," approved May 4, 1870; which was read twice by its title, referred to the Committee on Public Lands, and ordered to be printed.

Mr. MORRILL, of Maine, asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 585) for the relief of Oliver Moses, Frank D. Moses, Galen C. Moses, Charles Owen, and Robert P. Manson, all of Bath, and George W. Edge, of Richmond, Maine, owners

of the ship John Carver; which was read twice by its title, and referred to the Committee on Naval Affairs.

Mr. DORSEY asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 586) to create a port of delivery at Helena, in the State of Arkansas; which was read twice by its title, and referred to the Committee on Finance.

DISTRICT GOVERNMENT INVESTIGATION.

Mr. THURMAN asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 583) making an appropriation to defray the expenses of the joint select committee to inquire into the affairs of the District of Columbia; which was read twice by its title.

Mr. THURMAN. As the bill proposes an appropriation, I suppose it should go to the Committee on Appropriations.

Mr. CONKLING. Let us hear the bill read.

The Chief Clerk read the bill at length; which appropriates $10,000 for the expenses of the committee.

Mr. CONKLING. I should like to inquire of the Senator from Ohio what are the objects to which this money is to be devoted.

Mr. THURMAN. To pay witnesses; to pay the clerk; to pay the stenographer; to pay copyists—the usual expenses of an investigating committee.

Mr. CONKLING. I supposed that there were no witnesses before the committee except those who reside in the city of Washington; and the fee is very small; if I remember aright it is half a dollar a day.

Mr. MORRILL, of Maine. Two dollars a day.

Mr. CONKLING. My friend from Maine says two dollars a day. So I was wrong about that. The attendance of witnesses of course would not account for this sum at all, unless they should be witnesses from a distance involving mileage. The copying of papers, it seems to me, would hardly suggest such a sum; and I should like to inquire of the Senator are copies of all the papers to which I see reference made in the public journals—the answer of the governor and the accompaniments—paid for by Congress?

Mr. THURMAN. No, sir; the copying is not paid for. They are sent here. The printing is to be paid for.

Mr. CONKLING. But this appropriation would not relate to that.

Mr. THURMAN. Of course not.

Mr. CONKLING. I rose not to object to this bill, but to get some information, which I have no doubt the Senator is quite willing I should get, and to call attention to the fact that an investigation being directed of matters almost under the eaves of the Capitol, there being no expenses which would naturally occur to one except the small fees paid to witnesses and the services of the stenographer, we are beginning by an appropriation which looks to the devotion of $10,000 as the first sum to this work. Now, unless we are to pay counsel fees, unless we are to pay something which does not ordinarily enter into an investigation, it seems to me that this amount is large and that the action is rather early.

A memorial was presented here by persons living in this city showing a great deal of interest in the matter. I take it for granted they are ready to employ their own counsel; and I had supposed from the feeling evinced that citizens here would be ready to go before a committee and give information on the subject without having the process of the Senate to go, and an officer employed to subpœna them, and pay them fees, though of course I do not know how that is. I think it is well to take note as we go along that even inquiries so simple and immediate as this seem to draw to themselves considerations involving great expense. Of course if it is necessary we ought to vote for it. I can only express my disappointment that it is so. I supposed the committee would be aided by persons interested enough in this subject to furnish them facts on both sides, and that the District authorities would pay for the copying of their own papers, as far as it was necessary to copy them; and that those adverse would do what was necessary to enable the committee to conduct this investigation, without doing it as if it was a thing compulsory as to both sides, and as if we were to get by main force all the information that is to come. Of course, if that is it, money must be voted; but I think it is rather disappointing that it should take that form.

Mr. THURMAN. It is only necessary for me to say that if the $10,000 are not needed they will not be expended. I do not suppose the Senator from New York imagines that the committee intend to waste the money, or throw it away, or give it away. As to the amount, I think from some experience which I have had on committees of investigation that the amount, instead of being too large, is moderate enough to ask for. I cannot undertake to say how far this investigation may extend. It would not be proper that I should do so. All I know is that if it is the intention of Congress to have what its resolution imports, a thorough investigation, it is right that the committee should have the means to make such an investigation.

Mr. CONKLING. I quite agree with what the Senator says; but I venture to remark that I have never known, myself, and I cannot recall, an instance of an appropriation of this sort which was not all used. If you appropriate $10,000, I think the Senator will find importunities for various expenses which might never be proposed at all if the appropriation had not been made. I do not know but that if we appropriate $10,000, it may be suggested that we ought to pay counsel fees on one side or on the other.

Mr. THURMAN. Nobody dreams of such a thing.

Mr. CONKLING. I presume not now; but if the money is appropriated everybody will consider what is to be done with it. Ten thousand dollars are to be appropriated. Who is to have it? Although, as the Senator says, in theory it need not be expended because it is appropriated, yet I am inclined to think, in practice, that all you appropriate on such occasions is expended. I only call attention to it, not to object to it. On the contrary, I agree that we should vote all the money that is necessary to make this investigation a thorough one. But I cannot help regretting the fact that at this time it is necessary to start with $10,000 in order to find out from men who seem to be anxious to communicate their information, and who live within the sound of a whistle from the place where the committee is sitting.

Mr. THURMAN. It is not my business to speak about what these memorialists may do or may not do, or can do or cannot do. Nobody pretends that they are all the witnesses, or that other witnesses will not have to be examined, and have to be sent for, possibly some of them sent for at a distance. These memorialists do not profess that they are the witnesses to prove all these matters. In respect to the suggestion about counsel fees, there is nothing in that. Not a dollar of the money can be paid except by order of the committee; and if Congress has not sufficient confidence in the committee to intrust them with such a sum of money, they had better dispense with the committee altogether.

The PRESIDENT *pro tempore*. The bill has been referred to the Committee on Appropriations.

PRINTING OF A COMMUNICATION.

Mr. RAMSEY. There was a communication received this morning in answer to a resolution of the Senate from the Post-Office Department, and ordered to be printed. I neglected at the time to ask that two hundred copies be printed for the use of the Post-Office Department. I make that motion now.

The motion was referred to the Committee on Printing.

ART EXHIBITION AT VIENNA.

Mr. HOWE submitted the following resolution; which was considered by unanimous consent, and agreed to:

Resolved, That the Secretary of State be directed to communicate to the Senate the report made by Professor E. M. Gallaudet on the exhibition of art made at Vienna during the late exposition.

TRANSPORTATION FROM WEST TO EAST.

Mr. RAMSEY. A day or two since I offered a resolution, which is lying over, giving certain instructions to the Committee on Transportation. I should like to call it up now and submit a few remarks to the Senate in explanation of my views.

There being no objection, the Senate proceeded to consider the following resolution, submitted by Mr. RAMSEY on the 4th instant:

Resolved, That the Committee on Transportation Routes to the Sea-board be instructed to consider and report upon the expediency of improving water and railway communications from the Mississippi Valley to the sea-board, and to regulate commerce among the States by cheapening transportation between the East and West, by improving the navigation of the Mississippi River from its source to the Gulf of Mexico, and the lake navigation from Lake Superior to Lake Ontario; and by chartering a double-track freight railroad from the Mississippi River to the ocean at the low maximum rate of six mills a ton a mile.

Mr. RAMSEY. Mr. President, in the year 1873 there were over twenty-two million bushels of wheat raised in the State of Minnesota for exportation, besides oats, meats, butter, cheese, and other products of the soil, amounting in the whole to nearly one million tons. This represents the annual surplus product or income of the State.

The average price of transporting a bushel of wheat from Saint Paul to Chicago, and thence by water to New York, during that year, was about forty cents, if sent by all rail fifty-seven cents.

It is said, and I believe it is true, that grain can be moved from the State to tide-water for one-half the present charges. If this is so, and if reduction in freights to this extent could be made, it would be equivalent to bringing the wheat lands of Minnesota within six hundred miles of New York, or as near as those of Ohio now are. If the entire saving should inure to the benefit of the producing classes, it would add nearly $8,000,000 to their annual income. A similar state of facts applies to a greater or less extent to all grain-growing States in the valley of the Mississippi. Their growth has been crippled, the rise of their real estate retarded, their ability to expand limited by the high rates of transportation they are compelled to pay; and unless these can be so reduced as to increase the return to the farmer and a fair profit on the products of the soil, they may be prematurely forced into manufactures, to the injury certainly of the East.

The merchants and manufacturers of New England and the Middle States who seek a market for their wares in the West, and the railroads that transport for both the East and West, have as great an interest in this subject as the western farmers. To both, the question of cheap transportation, which is now agitating the West more than any political question, is one of vital interest, for upon it depends the present and future prosperity of both grain-growing and manufacturing States. Some plan must be at once devised by which the western farmer can send his products to a safe and large market at a reasonable cost, and receive a good return for his labors.

The subject of the ways and means of securing cheap transportation claims, therefore, to be brought before Congress, and its serious consideration to be urged until the desired relief has been attained. For the accomplishment of this object four plans have been proposed:

First. To improve the navigation of the Mississippi River from the

Falls of Saint Anthony to the Gulf of Mexico, so as to give a sufficient depth of water to enable steamboats to tow barges of large capacity down the river to New Orleans, and for steam and sailing ships from New Orleans to the Gulf.

Second. The construction of a canal from the head-waters of the Ohio, or its branches, to connect with tide-water on the Atlantic.

Third. The deepening of the channels between the lakes, the widening and deepening of the Welland Canal, and the canals on the river Saint Lawrence, to deep water at Montreal, or through Lake Champlain to New York.

Fourth. The cheapening of transportation by rail.

These water-ways cannot be opened without the expenditure of large sums of money, which must be made by Congress upon the waters within our jurisdiction; for there is no way by which private parties could be authorized to do it, and be permitted to farm out the work so constructed, and to take toll upon vessels passing up and down our rivers.

The right of Congress to make appropriation for harbors, and for the improvement of river navigation, under the clause of the Constitution authorizing it "to regulate commerce," has not only never been questioned, but has been constantly exercised ever since the Republic was formed. If, therefore, the benefit to commerce, or the "facilities afforded to commerce," in the words of Mr. Calhoun, advocating an appropriation for the improvement of the Mississippi River, be the end to be secured by the appropriation for the improvement of water-ways, there can be no reason why the same means may not be used to secure the same end in whatever way it can be best accomplished.

The clause of the Constitution above referred to, under which appropriations for the benefit of commerce have been made, includes the erection of light-houses, the construction of breakwaters, the deepening and extending of harbors, the dredging and deepening of rivers, the construction of the national road, as well as grants of public lands and money for the construction of railroads.

The constitutional rights of Congress under this clause have been so fully elaborated by other Senators, and will be so clearly and ably elucidated by my colleague in the report which he will soon make upon the subject of transportation, that I shall not occupy the time of the Senate on this point.

The republican party has by its acts in the past demonstrated that it was the party of progress. It has made appropriations of land and money for the improvement of our rivers and the construction of railways to open up the West. When sufficient encouragement had been given to railroads to secure the development of the country in that way, further expenditures were stopped.

These Territories have become populous States, raising large quantities of produce; and a demand has arisen for cheap transportation from these lands to the East, which the existing railroads are unable to furnish. As the party of progress, that new want requires of us that we should be prepared for the emergency which has arisen and take proper steps to meet it.

The House has confirmed these views, and by the large vote of 171 to 64 has—

Resolved, That it is within the constitutional power of Congress to regulate commerce among the States, and that the present condition and magnitude of the commerce among these States are such as to demand the prompt and wise exercise of the power and duty declared in the preceding resolution.

That its judgment is correct must be apparent to every one who reflects upon the subject, and considers the result which would ensue if Congress had no power to regulate freight, and if each State had supreme control over all commerce passing through its territory. If Illinois could impose a tax upon through freights traversing that State, or if railroads chartered by that State could increase the rates of freight to whatever sum they pleased, she could cut off Minnesota from all access by railroad to the ocean. The mere statement of this point is sufficient to show the absolute necessity for Congress alone to control the subject. While the West has already nearly three hundred million bushels of grain seeking an eastern market, the East has as many million dollars of her manufactures looking to a western market. The desire of each is to exchange its surplus products for those of the other section. These exchanges constitute commerce. It can be facilitated by the cheapening of transportation more easily than in any other way.

It seems to be well settled, by the experience of Great Britain and America, that a permanent reduction of rates on railroads by competition has never been obtained, since competition is invariably followed by combination.

It is the opinion of the recent parliamentary commission that competition can possibly be maintained by means of rivalry between water-ways and railways. This opinion is corroborated by the fact that the instant competition by rail and water between Chicago and New York is created by reason of the opening of navigation, the charges by rail are greatly reduced by the different lines of railway, to be raised again when competition ceases in the fall by the closing of navigation.

It is feasible by the expenditure of a moderate sum of money to dam up the waters of the Upper Mississippi and thus provide a supply during the dry seasons of the year. As this is a novel and important view of the subject, I will quote a few sentences from the report of General Warren, of the Engineer Corps, to General Humphreys. He says:

In the summer of 1869 Mr. Frank Cook, civil engineer, under my direction, visited the head-waters of the Mississippi River, made a partial survey of the lakes, rivers, &c., with a view of ascertaining if reservoirs could be made, in which should be stored up the surplus waters of the rainy season for use during the low water. At Pokegama, Pine River, and Mille Lacs, the estimate of the aggregate cost of works, to utilize these bodies of water, is $114,000, and the aggregate capacity of the reservoirs, when they were completed, as estimated by Mr. Cook, was 54,006,872,830 cubic feet. According to the measurements of the Mississippi in 1867, the volume of discharge at Saint Paul on a two-foot navigable stage, is 6,500 cubic feet per second; at a three-foot navigable stage, 8,100 cubic feet per second; at a four-foot navigable stage, 10,500 cubic feet per second; at a five-foot navigable stage, 14,000 cubic feet per second. The waters from these reservoirs would supply, at Saint Paul, a difference between a two-foot and a three-foot navigable stage for 390 days; a difference between a two and a four foot navigable stage for 156 days, and the difference between a two and a five foot navigable stage for 83 days. It would do as much above the Falls of Saint Anthony.

The longest period of low water at Saint Paul was in 1864, when it was for one hundred and fifty days below the three-foot stage, and part of the time below two feet. It is believed that these reservoirs would have maintained the river at a four-foot navigable stage even during this period. Thus it will be perceived that if these reservoirs can be created and controlled, a four-foot navigable stage would be secured throughout the most unfavorable seasons.

For the completion of this plan it would be necessary to open a ship-canal from New Orleans to the Gulf of Mexico, or, rather, from some point below that city, or in some other way remove the obstacles which now obstruct the navigation of the Mississippi River. This, with the prosecution of the works now under way upon the river, will open the Mississippi, and with the capacious route through the lakes, via Du Luth, will give our produce large facilities to reach the markets of the world by the cheapest possible mode of transit. This plan of improving the river, valuable and absolutely necessary as it is, does not meet all our wants. The Mississippi above the Ohio is closed by ice a portion of every year, and there is no great demand for our wheat in the South. The cotton States require only from fifty to seventy-five million bushels of wheat in a year, and the entire quantity annually shipped to Europe is only about twenty-five million bushels.

There is no market at New Orleans capable at all times of purchasing any and all wheat to be shipped from the West, while in the East there is an enormous home consumption greatly exceeding any foreign demand, and a ready market at all seasons and on every day in the year for every bushel of grain to be sold.

Similar considerations apply with equal force to show that a canal across Virginia or Tennessee could not satisfy the reasonable demands of the West; in addition, the expense of such a canal would be very great, probably much exceeding the cost of opening both of the other water-ways herein proposed, while it would be closed by ice for a portion of every year.

There is no doubt that the Welland Canal and those on the river Saint Lawrence will be deepened and enlarged at the expense of the Canadian government, and a water-way thus made from Lake Huron to the ocean. But this will be of comparatively little benefit to the great Northwest until the canal at the Sault Sainte Marie, connecting the waters of Lake Superior with Lake Huron, shall have been deepened and enlarged sufficiently for the passage of the largest class of vessels navigating the lakes. The vast and generous grants of land that the United States have made to the railroads of the Northwest can only be availed of to their fullest capacity when means are provided for reaching a market.

But even this mode of relief does not give us all we want. The lakes and the Saint Lawrence are closed by ice for several months in the year, while our farmers require access to the markets at all times, that they may sell their grain when the prices are the highest or when they wish to realize.

Railways are preferred by many to internal water-ways for the carriage of grain. This is shown by the fact that, with rates from Chicago to the sea-board, on an average for a series of years, nearly one-third higher by rail than by water, the entire capacity of the railroads has been taxed to the utmost extent; and that, while the tonnage on the New York railways has increased over 120 per cent. within ten years, the tonnage on the Erie Canal has increased only 20 per cent.

If these views are correct, the solution of the question must be found in creating a rivalry between water-ways and railways between the South and the East, improving the navigation of the Mississippi and the lakes, and in new railroad communications between the East and West.

Questions of fictitious issues of stock and bonds, and of unjust and oppressive tolls, are of very great importance, and demand careful investigation; and wherever they are found to exist, there a reform should be made at once. But these questions, though of great importance in themselves, are in reality of minor importance when compared with such low rates on grain to the East as will enable us to market all our produce. There is no doubt that the railroads as at present operated are unable to move freight at rates that will afford relief. There is scarcely a single east and west road where the actual operating expenses for moving its freight are not higher than the rates should be; consequently they cannot make the necessary reduction of rates.

There have been built in Minnesota nineteen hundred miles of railroad, at an expense of over $80,000,000; there has never been paid a single dollar in dividends on this large amount of capital, but on the contrary one hundred and eighty-seven miles of these roads are in the hands of a receiver, and proceedings commenced to foreclose the mortgage upon them. Eight hundred and thirty miles more have been unable to earn money enough to pay the interest on their debt. It is believed that the same general statement of facts is true of the roads of several of the other Western States.

But, besides the high rates, the railroads have not sufficient capacity to move any great additional quantity of freight. Only about one-tenth of the grain that is raised finds its way to tide-water at New York. Sixty-one per cent. of this goes by the Erie Canal, 25 per cent. by the Erie, 12 per cent. by the New York Central, and 2 per cent. by the Pennsylvania Central Railroad; yet these roads have even now more than they can do. The West could easily have sent twice the quantity it shipped last year if there had been a large foreign demand; but the railroads would have been incapable of transporting it. A very slight addition to the quantity moved would have raised the rates of the whole freight to such an extent that the farmers would not have realized any greater profits from the increased quantity forwarded. To the railroads would have accrued any additional profits from a great foreign demand, and not to the producing class.

The action of two distinct tribunals is necessary in all the Western States to afford the required relief to the farming interest.

The collection of grain from the different sections of a State, and its transportation to the water-ways or the trunk lines, belongs to the local and branch roads, and relief from burdensome tolls must be sought in State legislation. It is said that rates on railroads terminating at Du Luth, on Lake Superior, discriminate against freight to that port, and thereby grain is forced to an all-rail route to Milwaukee or Chicago. Here is an instance where only State legislation can afford relief.

It has been said that congressional interference is not required in Minnesota. I should heartily rejoice if this was the case. But I know the people of Minnesota will not and should not be satisfied with only the present water communications by Lake Superior and the Mississippi River, closed as they are by ice for several months of the year, when they can have by the action of Congress the water-routes greatly improved and freights reduced, and an all-rail communication, all the year through, at as low rates of freight as the lake routes now give.

State legislation cannot regulate the action nor authorize the construction of a single mile of railroad beyond its territorial limits. Congress alone has jurisdiction, and can "regulate commerce" among the States.

The old Confederation had no power over commerce among the States. Our forefathers, perceiving its defects in this respect, foreseeing the great difficulties that must arise from constant conflicts from this source, gave up the Confederation of States, with State sovereignty, and made a more "perfect Union" for the people of the United States. Each State surrendered to the Congress of the United States the right to regulate interstate commerce within its own territory, and obtained the right for Congress to regulate it through every other State—an inestimable boon to every western farmer.

It has been said "that the burden of extortionate tolls falls eventually on the consumer." While, as a general proposition, this is true, it is entirely inapplicable to this case, and any legislation proceeding on this theory will fail of giving relief.

The price of wheat is fixed in London. If large crops are raised in Russia, Central Europe, and America, and prices fall in London, this fact is immediately telegraphed to New York and Saint Paul, and regulates the prices. The price of wheat at each of these places is the London price, less the freight charges. If it falls in London two cents a bushel, the farmer in Minnesota or Iowa receives just so much less; if it rises, the farmer should receive the benefit. But as railroads establish the rates, they frequently raise them with the increase of the price and demand, and thus generally gain the benefit at the expense of the farmer.

It is our duty to legislate so that equal justice shall be dealt to all; that the producer shall be fully protected in his rights, freed from all unreasonable demands of railroads, and that property vested in railroads be secured in its rights.

A commission for establishing rates on the existing roads has been proposed, but cannot afford the relief we need. The mere inspection of the map is sufficient to show how the western roads radiate from two or three great western centers, and that the hundreds of roads in the West, now open to the public, have no other outlet than the four trunk roads that were in operation twenty years ago. Where they had only millions of bushels of wheat to move, we are called upon to provide for the transportation of hundreds of millions of bushels, and to feed the millions of Great Britain with our surplus products.

It is impossible to adapt an old system, devised for the day of small things, to our present wants. Nor would new roads, constructed and operated on the old system, doing a mixed business of express and local passenger trains, and through and local freight trains, each kind of business adding to the expense and hindering the movement of the other kinds, be sufficient. The only way we can meet the present needs of the country is by a change in the system.

To move the freight by railroad from the extreme West to the East at low rates we must have a double-track freight road, with low grades, large curves, steel rails, and suitable equipment, where immense quantities of freight can be kept moving at a slow and regular speed, day and night, without intermission or interruption. One such road, we are informed by competent engineers, would be sufficient, with the lake and river navigation, to transport all the freight to be moved for years to come. The rates could be reduced one-half from Minnesota and every other grain-growing State in the Mississippi Valley to tide-water.

From 1853 to 1862, 23 per cent. of the imports of wheat into Great Britain were from the United States, and 16 per cent. from Russia. The ocean freights were then 13.7 cents per bushel, and the largest proportion was transported in American bottoms. From 1863 to 1872 the United States supplied 29 per cent., Russia 32 per cent. The ocean freights were 17.24 cents, and the largest proportion was transported in English steamships, our vessels having been driven from the ocean. Once again our commerce is beginning to revive; already a line of American-built steamers sail weekly from Philadelphia to Liverpool. Iron steamships are being built on the Delaware, and wooden sailing ships in Maine. We may soon expect to see our flag again floating on the breeze in every foreign port, and with reduced inland and ocean freights our wheat must supply the demand of Great Britain to the exclusion of all foreign markets.

The following measures should be adopted in order to give adequate relief:

First. The Mississippi River must be made amply navigable from the Falls of Saint Anthony to the Gulf of Mexico.

Secondly. All the canals must be enlarged, and all obstructions removed from the head of Lake Superior to tide-water.

Thirdly. The West must be connected with the East by a double-track freight railroad, to be constructed either by Congress, which must build a road to be operated by parties furnishing their own equipment at a maximum rate per mile, established by Congress, or, which is preferable, by Congress chartering a corporation to construct a road from the East to the West, on condition that the freight shall not exceed certain low maximum rates, and giving this company the right to run over, or to have its cars hauled over, connecting roads, at rates to be fixed by commissioners if the parties are unable to agree, thus giving easy access to every section of the West.

In the year 1866 I introduced a bill into the Senate for an appropriation for the survey of the waters of the Upper Mississippi River, which led to the passage of the acts under which the first appropriations were made for improving its navigation.

It fell to my lot in former years to advocate the passage of certain acts by which lands were donated to Minnesota for railroads, to enable them to construct lines of railway through that State. The results of these appropriations for both water-ways and railways are witnessed in the population that has flowed into our State, in the industry that has tilled our fields, producing from them more wheat *per capita* than is raised by a like population in any other section of the world. I know no reason why I should not now vote for further appropriation for perfecting the work then begun, which has resulted so auspiciously heretofore, and which when completed will realize the fruition of our hopes.

CENTENNIAL EXHIBITION.

The PRESIDENT *pro tempore*. The morning hour having expired the Senate resumes the consideration of the unfinished business of yesterday, which is the bill (H. R. No. 1394) in relation to the centennial exhibition.

Mr. SARGENT. Mr. President, the debate upon this bill shows one fact conclusively, that the Senate will not allow a measure of so much importance, bearing so hard upon the Treasury as it must, to be passed through without full consideration, and without understanding its scope, objects, and effects. One advantage which the debate has had is that the friends of the measure have shown just what they require; at any rate, have made an advance over their former positions. We now learn that the question of invitations sent to foreign powers is rather a minor consideration. In fact, it has been contended on this floor that the invitation has gone out, assimilating the case to that of a Senator who should issue cards stating that he would be at home on a certain day, which would be regarded as an invitation to those receiving the cards to visit him at his home; and, consequently, it is not a question of invitation.

But, sir, we have a more definite statement; and it is now no longer a question of doubt whether this is to be a Treasury charge or not, if further legislation is inaugurated. An amendment is now offered by a friend of the measure, asking that the first draft which we shall indorse upon the Treasury, the first expenditure which we shall authorize, shall amount to the sum of $3,000,000; and furthermore, the mists gradually clearing away in the course of debate, we find that it is a *sine qua non* that this shall be an international exposition—it shall not be merely the utterance in act of the patriotic emotions of our own people; it is indispensable to that fireside celebration that people of other nations shall be brought to surround the family hearth. It may have been a question heretofore if the promoters of the scheme would not consent to eliminate this incongruous feature; now that hope is disappointed, and we must fight them all along the line.

Two things are therefore developed by the debate, and both of them of infinite use in this discussion: first, that it is a financial proposition, involving the Treasury; and, secondly, that the most expensive form of exhibition is insisted upon.

Now, sir, to a centennial celebration, thus conducted, there are five prominent objections; and I intend, as briefly as I can, to call the attention of the Senate to these objections, and ask Senators if either one of them is not sufficient in itself to cause us to pause, and if all together they have not such force that we ought to stop, and stop forever, in the path in which we are being led.

The first objection to an international celebration, involving the

Treasury, is that there is no public call for it whatever. There is no general movement among the constituents of Senators. There has been very little response of State Legislatures. There have been few favorable indications from the press—none that I have been able to discover except local, the other indications being generally hostile.

Where is the evidence of movements among the constituents of Senators except those of an entirely local character, commencing and ending in a small area of country about Philadelphia, the circle perhaps taking in New Jersey and Delaware, but extending nowhere else? Where are the petitions coming up to us? We all of us receive letters from gentlemen who are in the pay of this commission, whose expenses, as I understand, are paid by the citizens of Philadelphia, and who cannot now better employ their time than by literary efforts in behalf of this exhibition, which, if it continues, continues their pay. But, aside from this, I appeal to any Senator to tell me where there has been any indication of movement on the part of his constituents which would justify him in saying that there is a popular demand that millions be taken from the Treasury of the United States for this purpose? I have no reply, because there have been no such indications.

And what has been the response of the Legislatures? If any, few and far between. The subscriptions made by Legislatures have been confined to a single instance; it is possible there are two. The Senator from New Jersey, [Mr. STOCKTON,] whose graceful eloquence and fine qualities of mind are only exceeded by his generosity and kindness of heart, and to whom I listened with great pleasure yesterday—although not agreeing with much that he said—on account of the kindliness which pervaded his whole speech, and the eloquence which characterized it, touched upon the fact that his own State, his own patriotic State, rich with revolutionary memories, containing within its borders some of the battle-fields of the early Republic, had responded to this call, had shown its patriotism by a donation of, how much?

Mr. STOCKTON. One hundred thousand dollars.

Mr. SARGENT. Exactly; $100,000! New Jersey, in close proximity to the place where the celebration is to be had, feeling most strongly its influence, more strongly, perhaps, than any other State except Pennsylvania, and fifth in wealth and resources of the States of the Union, under these glowing emotions, and with these great resources, donates the munificent sum of $100,000!

Mr. STOCKTON. Will the Senator from California allow me a moment?

Mr. SARGENT. With pleasure.

Mr. STOCKTON. I should like to state a thing that I forgot to mention yesterday, but am reminded of now, that the name of Sargent is one of the proudest recollections of New Jersey.

Mr. SARGENT. I was endeavoring to do full justice to the State of New Jersey for its patriotism, its grand history, and the magnificent donation which it has made on this occasion. [A laugh.] But, Mr. President, if the donations of other States shall decrease inversely according to the ratio of distance, how much may we expect when we get to Illinois, how much when we get to Iowa? If their donations shall decrease according to their material wealth in comparison with New Jersey, where are the funds to come from except from the Treasury of the United States to sustain this costly international celebration?

But, sir, another indication of public sentiment, an unfailing one, sometimes unjust, sometimes cruel, nevertheless a means by which the average opinion of the people of the United States can be more rapidly and clearly gathered than by other instrumentality, is that of the press; and I say after some care to examine the question, that with the exception of the local press immediately concerned in this undertaking, there is no countenance or support on the part of the press in any part of the Union. If there is any it is entirely exceptional, and I shall be very glad if any Senator will show me the exception. This matter has fallen flat so far as the press is concerned. I have examined papers from all portions of the country in order to find if there were such evidences of public feeling and appreciation in this direction that it would be safe to trust a reasonable, I might say the liberal donation of $3,000,000 from the United States Treasury, expecting other communities to make up the amount, and I have failed to find the evidence that it would be safe. I find the Boston News and the Boston Herald, representative papers of that city—the others I have not had an opportunity to see—objecting to it; the Boston Herald speaking of it as "the Philadelphia scheme," and saying it is "ill-advised." The Washington Chronicle of this morning quotes some other papers to fortify its opinion to the same effect. The New York Tribune, certainly a leading representative paper of the ideas of a very large and powerful class in that city, has a column article going to show the absurdity of the form of celebration, and the folly of burdening the Treasury with such expenditures. I hold here the New York Evening Post. Does anybody impeach the standing of the New York Evening Post in matters of character, where questions of intellect, where questions of higher expediency, to put it as low as that, are concerned? Where the New York Evening Post is sure of its premises its reasoning is always just. Now I wish to call attention to the editorial of this leading paper of New York, and I ask gentlemen, as did the Senator from Nevada [Mr. STEWART] when this question was up several years ago, what can you expect in the way of success of your exhibition provided New York looks coldly upon it? Will you tell me that when the New York Tribune and the New York Evening Post not only look coldly upon it but denounce it, and when the New York World, that great organ of the democracy, which never falters in its leadership of that party, says that "this centennial business is absurd, and the quicker we get well rid of it the better"—will you tell me that you expect that when New York City, with its vast wealth, with its great commercial influence, with the necessity for it to help this thing along if it can be induced to do so, turns its back upon it and says it is absurd, and that the Treasury ought not to be burdened with it, then the thing can succeed? Let us see what the New York Evening Post says:

But why has the Philadelphia scheme failed, if, as seems now to be pretty generally conceded, it has failed? We think we are discharging a plain and pressing, though by no means pleasing, duty in suggesting three sufficient, though perhaps not the only, reasons:

First. In their haste, compounded not exclusively of patriotism, to forestall conflicting action in other quarters, the Philadelphians somewhat precipitately took the subject out of the hands of the nation and undertook an imperial enterprise with only municipal, or, at best, provincial resources.

Though conscious from the beginning of this disproportion between their means and their pretensions, they did not hesitate to purchase a charter from Congress, with a pledge that the nation should not be holden for any expenses to be incurred under it. This was all wrong. These gentlemen should not have allowed even their patriotism to hurry them headlong into an enterprise so entirely beyond their strength. Icarus was neither the first nor the last to teach that disaster and humiliation are the most certain fruits of presumption.

It was the duty of the President in good season to have named a special committee to devise and submit to him a plan for celebrating the centennial. By the light thus furnished he should have submitted the outlines, at least, of a plan to Congress for its approval and the requisite legislation. Out of the deliberations of such a commission, and those of Congress, the best methods of conducting such a celebration, the amount which might be prudently appropriated to it, and the restrictions most essential to prevent abuses in its management, would have been developed, so that when the plan began to take shape the national enthusiasm would have kept abreast, if not ahead, of it. The Philadelphians, unfortunately, in their indecorous eagerness to make themselves masters of the situation, overlooked the fact that this was a national, not a municipal, festival; a solemn *fête*, and not a financial speculation.

Secondly. This inconsiderate haste in appropriating to themselves a work which belonged to the nation bore its natural fruit. A plan was adopted which was not only ill-considered, but, in some of its main features, absurd. Having to show what a century of republicanism has accomplished for us, they propose to invite other nations to contrast with our work, what they have accomplished since the commencement of the Christian era, under forms of government based upon the most antagonistic principles. It is difficult to say whether such an invitation would be more deplorable as a specimen of breeding or of policy. With what face can President Grant ask the sovereigns of Europe to unite with him in celebrating an anniversary which organized rebellion and revolution as legitimate resources of statesmanship? Imagine the Queen of England sending a committee of her nobility to the United States in 1876 to glorify the event which stripped her kingdom of its finest colonies and sent her grandfather to bedlam; or Mexico, asking Spain to celebrate with her the establishment of the first Hispano-American republic; or the Emperor Wilhelm inviting President MacMahon to meet him at Strasburg to rejoice with those who rejoice over the anniversary of the peace of Versailles of 1871. And with what propriety can we ask continental sovereigns, whose most formidable enemies to-day are the republican enemies of their own household, to join us in commending our example to their people?

It is this illogical and absurd feature of the Philadelphia scheme which, luckily, makes it so expensive as to render it abortive. If our neighbors had contented themselves, as they should have done, with the most effective exposition possible of the best fruits of our fathers' great experiment in 1776, they need not have been beholden to any outside organization for aid, unless it came spontaneously. Neither the buildings nor running expenses of such a display need have been onerous to the State of Pennsylvania, and the results would have given to her the relative prominence among the States in 1876 that she held among the colonies in 1776. More than that she need not ask.

The third mistake made by the Philadelphia commission is, perhaps, less fundamental than either of the others, but in its effect upon the enthusiasm of the country at large has been equally fatal. We refer to the indirect ways taken by its members to entrap Congress into some legislation that should finally compel it to father their illegitimate offspring.

When the Philadelphians found that their eyes were bigger than their stomachs; that they had won an elephant which they could neither stall nor feed, they should have gone frankly to Congress and said—

Now observe, Senators, this is the language of one of the leading papers of the country, not my own; and I could show by papers that I have before me that this language is not exceptional. They talk as they are likely to talk hereafter. They talk as they are likely to talk when we take millions from the Treasury. If the language is not always parliamentary, if it is a little more harsh than that we are accustomed to use on this floor ourselves, it at any rate is instructive, and shows what the people think of this plan. It proceeds to state that the Philadelphians should have said to Congress—

"We have not the ability to execute our plan without aid from some source of from eight to ten million dollars. Give us that money and let us execute our plan, or execute it yourself. If you will not do that, make a plan of your own, and we will restrict our efforts to a municipal celebration." That would have thrown the responsibility for a suitable commemoration of our national birthday upon the President and Congress, where it belongs, and would have sheltered the Philadelphians from those suspicions which a want of directness in public as well as private matters always begets.

The Philadelphia commissioners are not likely to take this course until too late, both for them and for the centennial. Meantime, what is to be done? That is a question that can no longer be prudently postponed. It is clear that the Philadelphia scheme, pure and simple, from one cause or another, entirely fails to respond to the national feeling on this subject. The centennial will be celebrated even if the President and Congress take that day to go a-fishing. Such an anniversary will celebrate itself. The question is, whether we will make the most or take the risk of making the least of this notable epoch. If we would make the most of it, let the President do at once as any other government but ours, in contemplation of such an occasion, would have done two years ago—invite a half-dozen representative men to submit to him a plan for a celebration, taking what has been done in Philadelphia into their consideration, and with the aid of their counsel let him submit a plan of his own to Congress for its approval, and for such legislation as may be needed to carry it into effect. It would have been better if the President had taken this course earlier, but there is ample time yet, and, besides, there is no other

alternative left that is better. The result of such a course of proceeding would have a national rather than a local character, it would reflect national rather than provincial feelings, and, let us hope, would arouse the patriotic rather than the mercenary impulses of the nation.

This extract is long, and I will not read others from other papers which I have before me from the South and West. The remark which I made is fully justified that that method by which we feel the pulse of the nation upon any great question being consulted now shows that there is no public demand for the legislation which was forced upon us. On the contrary, there is condemnation, suspicion, and repulsion.

The second objection to this legislation is on the score of economy. Admit that there is constitutional power, is this legislation expedient? I am willing that my democratic friends shall differ upon that or any other constitutional question among themselves; and it would be unfair to suggest that nearness or remoteness of locality has something to do with shades of difference in Senator's minds upon that question. I am not troubled on that question. I worked earnestly and voted for an appropriation for the expedition to the North Pole, to the Arctic regions; I believed it fell within our constitutional power to promote commerce. I have voted for the embellishment of this Capitol, even for the superfluities and luxuries in the way of pictures and statues, comparatively inexpensive, because I thought there was warrant for it in the Constitution. I have no difficulty in finding authority in the Constitution for any appropriate celebration of the one hundredth anniversary of American independence. But there is another question: is it expedient? We may appropriate $50,000 to send a vessel into the polar regions, and not thereby commit ourselves to appropriate one hundred times that amount for some other purpose for which we may have equal constitutional warrant. I believe the purse was placed in the hands of Congress, and our discretion is large in these matters. Nevertheless, I think that every dollar that goes out of the Treasury of the United States should leave its friction upon our fingers as it slips out; and by no other means can we discharge our duties as legislators. That does not mean parsimony; it simply means conscientiousness. Did the people mean anything when they asked us for economy? Did the people mean anything when their cry compelled the last two national conventions of the parties to incorporate in their platforms an especial plank in favor of economical administration of the Government? When we promised economy to reach these seats, did we mean anything by it, or was it a mere empty form of words, the mere painting of the rainbow, a deception to the people without substance? If it meant anything, can that economy be in any better way illustrated than by scrutinizing carefully and jealously, ay, by refusing to pass a scheme by which the Treasury is to be depleted of untold millions? Sir, there are pressing wants of the people. There is a want of cheap transportation; and if we wish to celebrate the one hundredth anniversary of the United States, why not realize that plan outlined in the message of the President of the United States, by which the Father of Waters shall be connected with the Atlantic Ocean? Let it stand as a monument to all the States, and as a great memorial work useful to all time, while relieving the present and the future of those enormous costs of transportation which the Senator from Minnesota this morning spoke of, so that the abundant harvests of the West may be brought to the famishing regions of the East and Europe at less rates than it is possible for railroads to transport bulky products.

The President, in his last annual message, says:

The State of New York has a canal connecting Lake Erie with tide-water on the Hudson River; the State of Illinois has a similar work connecting Lake Michigan with navigable water on the Illinois River, thus making water communication inland between the East and the West and South. These great artificial watercourses are the property of the States through which they pass, and pay toll to those States. Would it not be wise statesmanship to pledge these States that, if they will open these canals for the passage of large vessels, the General Government will look after and keep in navigable condition the great public highways with which they connect, to wit, the overslaugh on the Hudson, the Saint Clair Flats, and the Illinois and Mississippi Rivers? This would be a national work; one of great value to the producers of the West and South in giving them cheap transportation for their produce to the sea-board and a market; and to the consumers in the East in giving them cheaper food, particularly of those articles of food which do not find a foreign market, and the prices of which, therefore, are not regulated by foreign demands. The advantages of such a work are too obvious for argument. I submit the subject to you, therefore, without further comment.

Now, sir, if we want a centennial commemoration, let us inaugurate a work like that. Let us inaugurate it in the name of and to glorify the one hundredth anniversary of national independence.

But if that is too practical, if that is not fanciful enough, if that does not involve enough poetry, if it does not give opportunity for gentlemen to display their eloquence upon, let us build a monumental pillar, as Jacob set one up at Hebron, that shall be five hundred feet high, and on its broad base let it stand during that limit of eternity which time will permit, to show to the people a hundred years hence that this pillar was set up by their fathers in testimony of their appreciation of the privileges which had been wrought out by their fathers a hundred years before its erection. Instead of a little ripple upon the surface of business in that single locality, which five months or five years after the time shall have passed will have been forgotten, unless there may have been some scandal about it which may have been remembered, let us have some permanent work, something which will illustrate either the usefulness of the Government to the people, or else the taste and science and art of the people; an embellishment to transmit to the future.

I say, however, that this is forgetting something of the economy recommended in the President's message, to which I referred. The President of the United States called attention to the condition of the Treasury, and well he might, following such a panic; and he recommends suspension of work upon public buildings—the buildings at Cincinnati, Saint Louis, and Philadelphia, where the Government is suffering for the accommodation which those buildings would furnish; and he recommends, further, a suspension of the river and harbor improvements, because economy compels it; and even our fortifications, the wall that we build between ourselves and the aggression of any foreign foe. Economy requires, says the President of the United States, that we should suspend these things or cut them down to the very least amount possible; and I ask you, fellow-Senators, if the argument does not come with all the more force when it is not for works of public utility or works of public defense, but simply for a transient display to dazzle the eyes of other people?

But there is another and third objection. We cannot tell what this scheme will cost. There is no man prophet enough to tell to-day how much we shall expend out of the Treasury on this account during the next five years. My friend from Delaware [Mr. BAYARD] wants this bill so perfected that the United States shall be entitled to receive, and shall receive, when there is a distribution of the profits and of the final proceeds, its ratable proportion of these proceeds. Has my friend attended to any of the discussions upon this matter; or did that portion of it arrest his attention where it was shown that in the Vienna exposition, after the whole amount paid upon it was expended, and all the proceeds of it had gone, and everything realized from the sale of the buildings and accessories, that there is a deficit of thirteen million florins—six or seven million dollars?

Mr. BAYARD. May not that have been because the Vienna exposition was not a success? I have heard men speak of the Vienna exhibition rather as a failure, and many reasons were given for it. There can be no doubt that the part the United States played in that exposition was quite unworthy of the capacity of our people. Nor do I understand, Mr. President, that it ought to be any objection, in perfecting the bill in the manner to which the Senator from California has alluded by securing to the United States their proper proportion, based upon the amount which the public Treasury shall have contributed, of the proceeds of any portion of the property which may enter into the construction of these buildings. If there be a profit, they will have their share of that; but if there be no profit, but simply a sum short of what was originally appropriated to be returned, they are still to have their share of that; and if there is to be loss, as occurred in the case of the Vienna exposition, and which I do not think can be fairly predicated, still the more necessity for that reason in having a return made to our Treasury of the proportionate amount we shall have expended toward the completion of the enterprise.

Mr. SARGENT. It might be well perhaps to enact in legislation that the smoke from consumed cigars should be collected for public use. There is no harm in providing that the United States shall have its share of the profits of this institution. I was not criticising that; I was simply criticising the absurdity of the idea that there would be any return to the Treasury of the United States. The Senator says that he understands Vienna was a failure. Why? It was under the auspices and the direct control of a powerful and wealthy government, and there were the Turks and the Algerines and the Chinese, and the people from Nubia and Egypt, and Greece and Persia, which the Senator from New Jersey [Mr. FRELINGHUYSEN] insisted would give success to an institution of this sort, and said we must have here at our exhibition in order to make money out of the affair. They were all there at Vienna. Their quaint costumes variegated the streets of that city and shone through the areas of the exhibition. There was the pig-tail from China, there was the flowing robe from Persia, there were the uncouth costumes of all lands, there was barbarous and civilized art there, there was everything, so far as display is concerned, which could be hoped for in an exhibition; and yet it failed. The Senator says that our exhibition there was not creditable to us. I know that it cost the United States Treasury a good deal of money for that which we did exhibit there; but the reason it was not more successful, so far as the United States were concerned, was the very reason that will make this a failure in Pennsylvania—that there were three thousand miles of water to be crossed, that transportation was expensive, that private enterprise cannot overcome such obstacles. It is because there is no necessary connection between our people and those of distant countries, and great difficulty of intercourse.

Mr. SCOTT rose.

Mr. SARGENT. I will yield in a moment.

They are a world unto themselves, not only in their institutions but in their business, as we are to ourselves; and it is this broad-rolling ocean, this difficulty of communication, which would prevent these elements of success being available to us which they had at Vienna. There they had everything at their command, situated in the midst of two hundred and fifty millions of population against forty millions of our own, and it was a failure.

I now yield to the Senator from Pennsylvania.

Mr. SCOTT. Would it at all interrupt the chain of the Senator's argument if I were to suggest to him that there was one thing which interfered with the success of the Vienna exhibition which he has omitted in his enumeration of what was present, and that was, for a short time, the cholera, and the apprehension for a considerable time that it would be a great deal worse?

Mr. SARGENT. Admitting, Mr. President, that the cholera may have deterred one-fourth of the people who otherwise might have been available for such an exposition, two hundred and fifty millions of people were more accessible to Vienna than forty millions are to Philadelphia. Now, deduct one-fourth, and still the proportion is vastly against you, and the argument fails. But I was going to say further, that it was not on account of the paucity of our exhibition there that the Vienna exhibition failed, as my friend from Delaware would seem to imply. If we had not gone there at all it would still have been a failure; and if we had gone to five or twenty times the amount we did, the failure would still have been. I have a letter, (which I have drawn out by my own request from the Secretary of State,) from Mr. Jay, our minister at Vienna, which was dated in January last, speaking of the finances of the exhibition there, in which he says:

AMERICAN LEGATION, VIENNA, *January* 30, 1874.

SIR: It may be of interest to the centennial commission and to Congress, should the subject again occupy their attention, to know from an official source the cost of the Vienna exposition, and the extent to which it paid for itself; and as in a former dispatch, No. 653, of November 4, I said I thought that the deficit would exceed one-half of the cost, I now beg leave to say that the cost, as I am advised by the minister of finance, has amounted to twenty millions of florins, and the loss to two-thirds of that amount. The deficit is larger than was expected, and the addition of some thirteen millions of florins to the year's budget is by no means convenient. * * * * * * *

I have the honor to be, sir, your obedient servant,

JOHN JAY.

Hon. HAMILTON FISH, *Secretary of State.*

And, sir, when we meet here in December, 1876, with a big deficit on this account, it will be by no means convenient, especially if we find another panic on our hands; and who could have foreseen the panic of last September six months before? Who could have seen it two years before?

Sir, I plead on behalf of economy against this outlay. The people of this nation this year are taxed $300,000,000. Do Senators realize that amount? I know we have passed through a war where by a single bill we appropriated $500,000,000, and we became accustomed to vast amounts; but now we have reverted to a state of peace; the country has got back to a normal condition; and although of this great amount $157,000,000 are for causes springing directly out of that war, and therefore sanctioned by patriotic considerations, nevertheless the burden is none the less great; nevertheless there is no less the obligation upon us not to add to that $300,000,000 which we annually draw from the pockets of our people.

Sir, I object, I say, because I do not know how much this thing will cost. If we begin, can we stop? Are we able to stop now? That is the question which presents itself to the American Senate: "Are we able to stop now?" Can we stand up against the solicitation of our brother Senators whom we hold in high esteem? Can we stand up against the official solicitations of those whom we have named from our States, who write to us, or come here, and beg of us not to stop? Can we stop, although we put in all former legislation pledges which disarmed public criticism; pledges which disarmed criticism in Congress; pledges that this should not cost the Treasury a dollar? Can we stop now notwithstanding that? If we cannot stop now, can we stop after we have put $3,000,000 upon this inclined plane? Can we stop when afterward a deficit is brought to us of $7,000,000 more or $10,000,000 more?

We do not know what this may cost, because we do not know that we shall get any money from any other source. The senior Senator from Pennsylvania, [Mr. CAMERON,] the other day, pledged his State to do certain things; to repeal the law to whose features I called attention; and to make an appropriation directly out of her treasury. I admit that that has been done, to a certain extent, by one house—the senate—of the State of Pennsylvania; but that is clogged by legislation which if we put into our bill this exhibition will never realize a dollar from any appropriation we may make. The Senator from Delaware said that on account of the panic it was almost impossible to get subscriptions for any purpose whatever; and yet the Legislature of Pennsylvania makes it a condition of its appropriation of $1,000,000 that there shall be a million of *bona fide* subscriptions on the part of citizens of Philadelphia. My authority is the Philadelphia North American and United States Gazette, certainly friendly to the cause, for I find in looking it over that its talented and amiable correspondent plays the part of *claqueur* to those gentlemen who are in favor of this bill, praises its friends, and slightingly speaks of all who oppose it, misrepresents their motives, decries their judgment, and implies that they are governed by the most sordid considerations. So I think the paper itself must be good authority on that side of the question; and according to it the Legislature hampers its legislation with these conditions of which I speak. If the Senator from Delaware is correct, that it is impossible to get private subscriptions, then this $1,000,000 never will be realized; and, furthermore, I cannot find by reading over the Philadelphia papers that they have taken out the provision that this shall go to build a local, perpetual memorial building. They do not, as was pledged, throw this sum into the assets of the concern. But I do not desire to repeat the argument which I made the other day on that point. I simply state that the amended legislation does not come up to that which was promised. If I am correct in this, then the Treasury of the United States is the only resource. We are not now merely auxiliaries, we are not now merely helping the matter along, but we are taking it under our auspices, in the phrase of the bill, and we are paying the whole expense.

I do not wish to speak unkindly of Philadelphia or Pennsylvania. I simply speak of the managers of this concern, and not of them unkindly, but simply desire to speak truthfully, and I say they come to us in the attitude of a stranger who steps up to another and says, "Please give me a light," and the other feels in his pocket and after some difficulty pulls out a match and hands it to him. "This match is of no use to me without a cigar," and then he wants a cigar. [A laugh.] That is the way they come to us. They want us to do it all. My friend from Kentucky [Mr. MCCREERY] suggests to me that they want a box of cigars. I think so.

The fourth objection to this plan is that it is international; and its friends still, and to the very last moment, insist upon this feature of it. In his reference to the Turks and Algerines and Chinese, &c., the Senator from New Jersey [Mr. FRELINGHUYSEN] said that this was absolutely necessary in order that this might be a pecuniary success. The same ground was taken by the other Senator from New Jersey, [Mr. STOCKTON,] who addressed us yesterday, insisting upon this feature. Allow me to suggest that this is most incongruous. It is incongruous for us to invite those dynasties which are founded upon divine right to come here on such an occasion to help us celebrate such an event as that which, in the language of our forefathers, overthrew forever the divine right of kings, as that which established the truth of the inalienable sovereignty of the people. We ask them to help us celebrate our repudiation and that of our fathers of all their claims to their kingly power, and all their claims to all authority of any kind which they exercise over their people. England and the nations of the earth, on some other occasion, when these memories would not be aroused, when it was not for the very purpose of recalling the events of the past which taught and enforced these doctrines, might come and visit us because they recognize us as in the family of nations. On such an occasion, as the New York Post well says, it is an insult to them to suppose that they will do that. There is no sympathy in behalf of republicanism on the part of any ruler in Europe. Switzerland may have maintained a republic for ages; but it has been because her mountain-peaks, her avalanches, her difficult passes, her rigorous seasons, have enabled her to hurl down invaders as she did Charles of Burgundy, Charles the Bold, who, after his third defeat, was found dead, with his head frozen in the morass of Nancy. The moral and political atmosphere of Europe has asphyxiated three French republics—made it impossible for them to maintain themselves there. The republic of Spain is now struggling against a military power and greater resources than could be wielded by any one man unless he had secret assistance from the cabinets of Europe. How was it during our own rebellion? How ready was the English premier, although an ordinarily intelligent statesman—a liberal statesman according to English politics—how ready was he to declare that we were fallen, fallen, fallen! How prompt was he to say that the North fought only for power and not for principle, and to recognize the belligerency of our adversaries! How ready to wink at the launching of pirate ships upon our commerce, and how sullenly was reparation made therefor! Sympathy for republican institutions! How eagerly the French Empire seized upon the moment to grasp Mexico, and erect there another empire, trusting in our weakness! No, sir; they rushed to exult in our downfall, and take advantage of our misfortunes. There is no sympathy for republican institutions in Europe. If they came here on such an occasion and kept decorous countenances, it would be the decorum of hypocrisy. We must smother our words before them and cease to exult; be un-American in our utterances on that great occasion, or else we must insult their prejudices, the very deepest in their nature. Ask Europe to come at any other time and it may do so, but it can have no cheerful participation in such a glorification. You might as well invite the college of cardinals, and the Catholic powers to celebrate the birth of Luther and his inauguration of the Reformation by nailing his theses to the gates of Nuremberg. You might as well ask the Protestant powers to celebrate the anniversary of the eve of Saint Bartholomew or the extirpation of the Waldenses. You might as well ask the people of Ireland to join in glorifying the battle of the Boyne, or attend an Orange demonstration. As well invite the people of France to celebrate the unity of Germany and the annexation of Alsace and Lorraine. Why not? Because it is incongruous; because there is something revolting either to the prejudice or the principles of those whom you thus invite. And will you tell me that there is nothing revolting to the prejudices or principles of monarchical powers when you ask them to come and hear us glorify the birth of the nation which vindicates the right of individual liberty, of popular sovereignty, the inherent right in the man himself to organize governments in such form as to him seemed best, and sweep away the divine right, the traditions of the hoary past, the feudal maxims and customs that have oppressed peoples? Why, sir, there is just as direct antagonism between these ideas as there is between light and darkness; and this gives the incongruity to this idea. I admit that those who are referred to as the ornaments of this occasion, and as necessary to give it a money-making character, by the Senator from New Jersey, [Mr. FRELINGHUYSEN,] the Persians, and the Chinese, and the Nubians, and the Mongolians, and the Sandwich Islanders, have no very particular ideas or deep prejudice on this matter. But we do invite those who are exemplars in their own person, and by the possession of their power, of exactly the opposite ideas to those we intend to celebrate. We invite them where they will not come.

The fifth consideration why this legislation should not take place is that there is something ominous in the result of similar exhibitions heretofore. My friend from Nevada [Mr. STEWART] briefly adverted to this consideration the other day, but did not elaborate it as fully as I hoped he might do, for it seemed to me that there was very much in the thought.

The first grand national exhibition was that of England. It was designed to inculcate the doctrine of "on earth peace, good will toward men." It was intended to assemble the nations there to a grand peace jubilee to celebrate the very highest principles of humanity, of national justice, and universal good will. Within three years thereafter England was involved in the bloody Crimean war, and principally on account of that exhibition. Philosophic historians say that England so disguised its character that neighboring rulers, notably he of Russia, supposed that England was in a decline; that it had lost its warlike spirit; that it was no longer able or willing to contend in the conflicts of arms, and hence he might partition Turkey, seize upon the property of the "sick man in the south," and England would not resist. I know that this is somewhat an extraordinary statement, but I am prepared to show by authority that the exhibition given by England at that time, with the avowed purpose of perpetuating "on earth peace, good will toward men," involved her in bloody war. I hold in my hand Kinglake's Invasion of the Crimea—the author one of the most philosophical historians that I ever read, and the most careful—and he has a portion of a chapter upon this very idea; and I invite the attention of the Senate to it:

England had long been an enigma to the political students of the Continent, but after the summer of 1851 they began to imagine that they really at last understood her. They thought that she was falling from her place among nations; and indeed there were signs which might well lead a shallow observer to fancy that her ancient spirit was failing her. An army is but the limb of a nation, and it is no more given to a people to combine the possession of military strength with an unmeasured devotion to the arts of peace, than it is for a man to be feeble and helpless in the general condition of his body, and yet to have at his command a strong right arm for the convenience of self-defense. The strength of the right arm is as the strength of the man; the prowess of an army is as the valor and warlike spirit of the nation which gives it her flesh and blood. England, having suffered herself to grow forgetful of this truth, seemed, in the eyes of foreigners, to be declining. It was not the reduction of the military establishment which was the really evil sign; for, to say nothing of ancient times, the Swiss in Europe, and some of the States of the North American continent, have shown the world that a people which almost dispenses with a standing army may yet be among the most resolute and warlike of nations; but there was in England a general decrying of arms. Well-meaning men harangued and lectured in this spirit. What they sincerely desired was a continuance of peace; but instead of taking the thought and acquiring the knowledge which might have qualified them to warn their fellow-countrymen against steps tending to a needless war, they squandered their indignation upon the deceased authors of former wars, and used language of such breadth that what they said was as applicable to one war as to another. At length they generated a sect called the "peace party," which denounced war in strong, indiscriminate terms.

Moreover, at this time extravagant veneration was avowed for mechanical contrivances, and the very words which grateful nations had wrought from out of their hearts in praise of tried chiefs and heroes, were plundered, as it were, from the warlike professions, and given to those who for their own gain could make the best goods. It was no longer enough to say that an honest tradesman was a valuable member of society, or that a man who contrived a good machine was ingenious. More was expected from those who had the utterance of the public feeling; and it was announced that "glory" and "honor"—nay, to prevent all mistakes, "true honor" and "true glory"—were due to him who could produce the best articles of trade. At length, in the summer of 1851, it was made to appear to foreigners that this singular faith had demanded and obtained an outward sign of its acceptance, and a solemn recognition by church and state. The foreigners were mistaken. The truth is, that the English, in their exuberant strength and their carelessness about the strict import of words, are accustomed to indulge a certain extravagance in their demonstrations of public feeling; and this is the more bewildering to foreign minds because it goes along with practical moderation and wisdom. What the English really meant was to give people an opportunity of seeing the new inventions and comparing all kinds of patterns; but, above all, to have a new kind of show, and bring about an immense gathering of people. Perhaps, too, in the secret hearts of many who were weary of tame life, there lurked a hope of animating tumults. This was all the English really meant. But the political philosophers of the Continent were resolved to impute to the islanders a more profound intent. They saw in the festival a solemn renouncing of all such dominion as rests upon force. England, they thought, was closing her great career by a whimsical act of abdication; and it must be acknowledged that there was enough to confound men accustomed to lay stress upon symbols. For the glory of mechanic arts, and in token of their conquest over nature, a cathedral of glass climbed high over the stately elms of Knight'sbridge, inclosing them, as it were, in a casket the work of men's hands, and it was not thought wrong nor impious to give the work the sanction of a religious ceremony. It was by the archbishop of Canterbury that the money-changers were brought back into the temple. Few protested. One man, indeed, abounding in scriptures, and influenced with the sight of the glass Babel ascending to the skies, stood up and denounced the work, and foretold "wars" and "judgments." But he was a prophet speaking to the wrong generation, and no one heeded him. Indeed, it seemed likely that the soundness of his mind would be questioned; and if he went on to foretell that within three years England would be engaged in a bloody war springing out of a dispute about a key and a silver star, he was probably adjudged to be mad, for the whole country at the time felt sure of its peaceful temper. Certainly it was a hard task for the sagacity of a foreigner to pierce through these outward signs, and see that, notwithstanding them all, the old familiar "eastern question" might be so used as to make it rekindle the warlike ardor of England. Even for Englishmen, until long after the beginning of 1853, it was difficult to foresee how the country would be willing to act in regard to the defense of Turkey, and the representatives of foreign powers accredited to Saint James's might be excused if they assured their courts that England was deep in pursuits which would hinder her from all due assertion of her will as a great European power. Thus foreigners came to believe that the English nature was changed, and that for the future the country would always be tame in Europe.

Tracing by this very course of reasoning the act of the English in their apparent abdication of warlike ideas, in their glorification of the mechanical arts exclusively, in their great parade of their devotion to "peace on earth and good will to men" as an indication that England would not be in the way in case there were aggressive movements on the part of Russia, the Emperor Nicholas presumed on the acquiescence of the British lion, and the Crimea became the scene of one of the most terrific conflicts which the world has ever seen.

Mr. SCOTT. It was the mistake of the Czar that brought on the war, and not the exhibition.

Mr. SARGENT. The mistake of the Czar arose from these acts of England. The exhibition was the occasion of the mistake of the Czar, and therefore the direct cause of the Crimean war.

Mr. SCOTT. I did not wish to interrupt the Senator. It was an entirely friendly suggestion that the Czar was mistaken in reading the signs of the millennium, and that it was not the millennium itself that brought on the war.

Mr. SARGENT. The Senator does not disturb me by his suggestions. I very willingly yield to them. I seek only the truth in this debate. Let me give him another illustration.

There was the French exposition. Let us see who was mistaken there. I read the other day a dispatch from the French minister of foreign affairs glorifying his serene highness Prince Napoleon, who with other notable and royal persons was put in charge of that exposition, an exposition gotten up not for peace on earth and good will to men, but to glorify the Napoleonic family; to seat that dynasty strongly in the hearts of the French people; to show how great and magnificent in peace was the genius of this Napoleonic family; and they had there an assemblage and guests from all parts of the earth, and it seemed as if there was a high wave of prosperity sweeping over France. But what was the result? Peculation, corruption, infidelity in every branch of the government, stimulated by this means, stimulated by these vast expenditures. There was the pride of the dynasty itself stimulated by the spectacle which it was making of itself to all the nations of the earth, and the lip-worship which was pronounced at their family altar by other sovereigns who came there then, some of them for the first time recognizing Napoleon as a brother sovereign. It passed by, but the effect of it was felt until that dynasty was overthrown. Was it any wonder, with the corruption caused by such lavish expenditure of money, by the luxury introduced by such lavish hospitality, that subsequently when it came to a war which, if not provoked by France, she was at any rate ready to engage in, her arsenals were depleted of effective arms, and her shells when loaded in the gun to be discharged in the face of the enemy were found to be filled with black sawdust? Was it any wonder that with the pride of family thus stimulated they thought they could fight Germany or all Europe, and wore upon the shoulder perpetually a challenge for Germany or any other nation to engage in deadly conflict? The pride of the family under the stimulus of the exhibition became so great that it walked before their destruction and they fell. As in the case of England, here is more than a coincidence; there is natural cause and effect.

How was it in reference to the Vienna exposition? They assembled all nations there; the citizens of Vienna went to work to erect enormous hotels, expecting a high flood-tide of riches to be swept in by the incoming current of visitors. Costly preparations of all kinds were made. The exhibition failed; and as signified by the finance minister of Austria, the enormous proportion of three-fourths of the amount expended is an actual loss. A financial embarrassment was brought on the people of the city—bankruptcy instead of prosperity. What the result may be, we cannot tell yet. It takes two or three years for these things to work themselves out. Nobody could have predicted when the hammer of Prince Albert came down, at the close of the English exhibition, that, three short years after, the peace so much glorified and sought to be illustrated by that exhibition, would be broken, and England be involved in a lengthy and bloody war. Nobody could tell at the immediate close of the French exposition that the dynasty which had shown its own glory would be evanescent as a dream; that in a few short years it would pass away, and by the very causes which took root in that exhibition. And now nobody can tell what may be the result of this deficiency of millions in which the Austrian government is involved, and what may be the result upon its people of the failures, the embarrassments, and bankruptcies which have been occasioned by it. With a strong hereditary dynasty, and a people little given to questioning the acts of their rulers, the utmost result may be financial distress. But who shall not predict even this?

The results of these exhibitions have always been fatal. To what will this exhibition here be fatal? It will be fatal to the republican party! I know my democratic friends are prepared to vote, most of them, against this measure. They, as wise party men, would certainly vote against it; because they can hold us republicans, who have a majority of over two-thirds here and over two-thirds in the other House, responsible for any failure which may come, as failure is inevitable. They know that in the next presidential election this is an effective weapon, that can be brought against us. I do not wonder that the democrats should speak and act against this measure. We are responsible, as the Senator from Illinois, [Mr. LOGAN,] on a former occasion, well said; we are responsible for measures of this character. I do not mean responsible to our individual oaths merely, but responsible as party men, having the weight put upon us by public opinion for the measures which are sanctioned here, and for their failure or success. Now, sir, if this is a failure, as Vienna was a failure, with greater resources and better opportunities, it is a failure that

comes in the very midst of our presidential election. If this is a failure, we get the full disadvantage of it at that moment. But, more than that, have we such confidence in those in whom we may invest the expenditure of millions of dollars that we believe all will be properly applied? The Legislature of Pennsylvania was not willing to trust our finance board with $50,000, unless it was shown that $50,000, before doled out to them, had been "properly applied," in the language of the statute. It would be a touching simplicity which would lead us to suppose that $3,000,000 or $10,000,000 of money will corrupt no one. We have no right to assume that some portion of this money will not be used for bad purposes. The Constitution of the United States hedges us about in every step which we may take, both Senators and Representatives, and it hedges about supreme and other judges. Wherever you turn in the Constitution of the United States you find that there are guards against the cupidity of men. Why? Because our fathers, wiser than this legislation would seem to indicate us to be, recognized the fact that there was in the average man a tendency toward evil. They provided, among other things with reference to Senators and Members of Congress, that no Senator or Member shall be appointed to any office which shall be created or the emoluments of which shall be increased during his term of service. Why? Because his experience would not be valuable in such office. Because, having served as a Senator of the United States, he would not be better than another to fill a lower position than that of Senator? No, sir; but because they would not hold the temptation to cupidity of any man to create these offices in order to occupy them. The same rule is applied to our judges, to remove from them temptation arising from the fear of their salaries being tampered with on account of any decision they might make which might meet with disfavor from Congress; recognizing the fact that men are open to pecuniary considerations, are open to corruption. By this they did not impeach the court; they did not impeach any individual, and neither do I by my remarks; but simply show that the fathers, wise in their day and generation, surrounded their legislators and their judges with guards which are not in the way of an honest man, but which deter a dishonest man from carrying out dishonesty.

If there be scandal in reference to this exhibition, we shall get the full effect of it in this presidential election that is to come. I am speaking to republicans now. I say that this measure will be fatal to the republican party, as these others have been fatal to dynasties; have involved bloody wars; have produced consequences evil for humanity. Any scandal in connection with this scheme will be worse for us than the Credit-Mobilier exposure; because it will be open to denunciation before the people during the most heated time, during the most inflamed period, of a presidential election. Suppose it is a failure; suppose there are few people who come there; we spend more than $3,000,000; suppose it runs to $10,000,000, the original cost of the Vienna exhibition, with a probable deficit—how, I ask, are republican Senators to stand up and explain these things to their constituents? Can we say to them, "We were memorialized by your Legislatures to take that step?" Their reply is, "Show us the memorials of our Legislatures. A few, locally interested or near by and influenced by immediate and direct sympathy, may have so said; but the Legislatures of the United States did not say so as a rule." Shall we say, "We were so invited by the press, and deceived?" On the contrary, they can show, as I have shown this morning—for I have tried to strip this thing bare and show its very skeleton—"The press warned you against it; the press said it was absurd; the leading papers said it was an abuse; they denounced it from day to day, and you ought to have paid attention to them." Shall we say, "We were petitioned by our constituents, who speak for themselves, and not through the press?" They will demand to know where the petitions are; and I say the petitions are not here. We are not thus petitioned. We can have no excuse. We shall have to meet the scandal; we shall have to meet the failure; and if it does not bear down the republican party, then I shall be most happy. But I fear that result.

Now, sir, I appeal on behalf of the Treasury of the United States. I appeal on behalf of this tax-ridden people, with its $300,000,000 of annual payment to meet the interest on the national debt and to keep the Treasury from bankruptcy; and I beg Senators, in view of all the considerations which have been urged against this bill, to carefully consider, before they determine that this scheme shall be resurrected and put upon its feet, and the life-blood which it shall receive be drawn exclusively from the Treasury of the United States.

The PRESIDENT *pro tempore*. The question is on the amendment of the Senator from New Jersey [Mr. STOCKTON] to the instructions proposed by his colleague, [Mr. FRELINGHUYSEN.]

Mr. THURMAN. Let that be reported.

The PRESIDENT *pro tempore*. The amendment will be read.

The CHIEF CLERK. The amendment of Mr. STOCKTON is to add to the instructions moved by Mr. FRELINGHUYSEN the following:

> And with additional instruction to provide that the exhibition to be held in commemoration of the one hundredth anniversary of American independence shall be international in its character, so as to exhibit the progress of the United States in the industries and arts beneficial to mankind, in comparison with those of older nations, as provided in the act of Congress approved March 2, 1871.

Mr. CONKLING. To what instructions is that an amendment?

The PRESIDENT *pro tempore*. The instructions moved by the Senator from New Jersey, [Mr. FRELINGHUYSEN,] which will be read.

The Chief Clerk read as follows:

> With instructions to report a bill making appropriation of a sufficient sum of money from the Treasury of the United States, not exceeding $3,000,000, toward defraying the expense of the centennial celebration and exhibition to be held under the auspices of the United States at the city of Philadelphia, in 1876, under such regulations as will secure the faithful application and expenditure of said appropriation.

Mr. THURMAN. As I understood it, my colleague moved to refer this bill to the Committee on Appropriations.

The PRESIDENT *pro tempore*. And thereupon the Senator from New Jersey [Mr. FRELINGHUYSEN] moved to instruct the committee as just read, and then the Senator from New Jersey, his colleague, [Mr. STOCKTON,] moved to amend his instructions by adding what was first read.

Mr. THURMAN. The question, then, is on the amendment proposed by the Senator from New Jersey nearest me, [Mr. STOCKTON?]

The PRESIDENT *pro tempore*. It is.

The question being put, it was declared that the negative appeared to prevail, and a division was called for.

Mr. SCOTT. As the Senate is thin and evidently all Senators were not apprised that we were likely to reach a vote at this time, I wish for a few moments to correct one or two statements made by the Senator from California [Mr. SARGENT] which I think would do injustice to other parties than those to whom they were directly applied.

In the first place, the Senator from California made the statement in the opening of his remarks that it was this debate which had developed the international character of this exhibition; at least he made that remark, that it had been developed by this debate.

Mr. SARGENT. That its friends had insisted upon it.

Mr. SCOTT. But the remark made was that the debate had developed two things: first, that this was a financial proposition; and, secondly, that it was proposed to make it an international exhibition.

Mr. SARGENT. That its friends had insisted upon that in spite of all we could do.

Mr. SCOTT. But the remark carried the implication that this was the first time that had been developed. Now, I am not about to repeat anything that I said in regard to the character of the original bill; but as the Senator was at the time that bill passed the House of Representatives a member of that House, I simply wish to do justice to the parties who had charge of the bill then by showing that not only in the bill but in the debate it was clearly announced that it was to be an international exhibition. On the 14th of December, 1870, the author of the bill, and the chairman of the committee who had it in charge, in speaking upon it, said this:

> If, then, there be a national celebration worthy of the occasion, there must be an exhibition of universal industries. It must be competitive to evoke and reward merit, elicit interest, and insure success. And as at the appropriate celebration of our most distinguished national *fête* we must expect the graceful recognition of friendly peoples, we can do no less than invite their attendance, and in doing this we cannot without churlishness refuse to give them the privilege of friendly competition for the rewards of excellence.
>
> To bring together the varied productions of our soil, our mines, and our workshops, the creations of our artists and the works of our authors and inventors, and place them side by side with the productions of other countries, would afford an opportunity for a comparison of the progress in the arts of civilization accomplished in a single century in this country with the best results of human effort in all ages in all the rest of the world. Such an exhibition would call together representatives from all parts of the globe, and familiarize our people with the choicest productions of other lands. It would bring among us the skilled artisans and men of talent and enterprise from every competing country, many of whom, after realizing the opportunities for improving their fortunes that are presented under our free institutions, would make their homes here and give us the benefit of their skill and experience. Others, who would return to their own people, would carry with them vivid impressions of the advantages of a republican Government and just conceptions of the capabilities of the American people. Looking exclusively to the advantages to be derived by our own citizens, it may be safely affirmed that they would be a thousand times repaid for all the expense of every character to which the Government, corporations, associations, and individuals would be subjected.

That is an extract from the remarks made by Hon. D. J. Morrell at that time.

On the same occasion Hon. LEONARD MYERS, a Representative from the city of Philadelphia, made these remarks:

> This mighty consummation must be honored not merely by a general thanksgiving, but it is admitted that under the national sanction there should be a national commemoration, an international exhibition, where not only the United States, but other lands shall bring together some of the results which this wonderful century has quickened into existence; where agriculture shall still assert the supremacy of the soil, and the mines pour out their wealth of ores; where commerce shall waft on new wings the gifts of the nations, and steam shall speed to us friendly thousands, and electricity bear their messages of good-will; where manufactures, the prohibition of which was a fruitful cause for the Colonies to rebel, shall contribute from their vast store-house of improvements, and from which it is hoped other lands may learn the lesson of unity and peace.

There were other remarks of a similar character made by this Representative from the city of Philadelphia which I do not take time to quote.

The Senator from California further, in speaking of the five causes that ought to operate against this exhibition, spoke of there being no popular response either by the people or by the press. So far as popular response is concerned, and the press also, I desire to say that the voice of the press at present, within the last few days, since the interest of localities has been enlisted in this procedure, is very different from what it was in the early part of the enterprise. From some of the very papers to which the Senator from California has referred

I could quote extracts of the most favorable character during the early part of the progress of this enterprise. Sir, if I am not misinformed, the boards of trade of two of the very cities to which he has referred were assembled, and to the representatives of the centennial board of finance they gave the most favorable and emphatic assurances that they would contribute the amount which was assessed upon those cities. If I mistake not, the Senator from Massachusetts himself could bear witness that when the Boston Board of Trade assembled they gave that assurance to the gentleman from Philadelphia who was present representing the centennial board of finance.

But, sir, the panic has intervened, and it now becomes a matter to consider, properly to consider, whether it is right, in view of the public finances, to make this appropriation; and in addition to that, there seems to have arisen a feeling of hostility to Philadelphia because this celebration is to be held there. I suppose it would have been the same if any other locality had been selected. We seem, somehow or other, to be so constituted—I was going to say, to quote the remark of a celebrated philosopher—"that we take some consolation, or some delight even, in the misfortunes of our best friends;" and if some other place had been selected, probably—I will not say certainly—Philadelphia might have manifested the same phase of human nature. Her citizens are called upon to take upon themselves the burden of this celebration as well as to realize any of the profits which may result from its locality. Certainly, to a few individuals there will be great inducements; it will be profitable; but to the gentlemen who have charge of the exhibition it is a labor and a burden for which they can have no other compensation than the satisfaction of having discharged a patriotic duty.

Sir, I was somewhat surprised that the Senator from California incorporated into his remarks, thereby to some extent indorsing, the editorial of the New York Post. It had attracted my attention, and its animus would certainly attract the attention of any one, coming at this particular date; and how far the animus of that article should be considered by an American public, I think will be made manifest by calling attention to one sentence in it; and I think those who recognize the Revolution as a milestone upon the highway of human progress will hardly be content to indorse the sentiment of this paper. Let me read it; let me emphasize it:

> With what face can President Grant ask the sovereigns of Europe to unite with him in celebrating an anniversary which organized rebellion and revolution as legitimate resources of statesmanship?

The Revolution not one of the legitimate resources of statesmanship—our Revolution—the Revolution of 1776!

Why, sir, where do you get your statesmanship? I understand the underlying principle of our institutions to be that no government has any just powers but those which are derived from the consent of the governed; and it was at the bottom of all political power that the Revolution started, man demanding that he should have the right of self-government, and that no power should be exercised over him without his own consent; and now a newspaper is quoted in the Senate of the United States to throw a sneer upon that Revolution as one of the legitimate resources of statesmanship. It might well be quoted in opposition to the centennial celebration of the Declaration of Independence, and I can hardly conceive of any other appropriate place to quote it. I know the Senator quoted it as a part of the voice of the press; but it shows the animus of that opposition.

One thing more. This same article speaks of the indirect way of doing this thing, and charges it upon Philadelphia:

> The third mistake made by the Philadelphia commission is perhaps less fundamental than either of the others, but in its effect upon the enthusiasm of the country at large has been equally fatal. We refer to the indirect ways taken by its members to entrap Congress into some legislation that should finally compel it to father their illegitimate offspring.

Mr. President, the first act was passed in 1871; and let me see who were named by the governors of the States. I will not read them all, but from California I find the names of John Dunbar Creigh and John Middleton; from Massachusetts I find the names of George B. Loring and William B. Spooner; from Kentucky those of Robert Mallory and Smith M. Hobbs; from Iowa, Robert Lowry and Coker F. Clarkson; from Ohio, Alfred T. Goshorn and Wilson W. Griffith, and so on; and I might proceed and name the gentlemen who compose the centennial commission. It was not Philadelphia that came and asked for the incorporation of the centennial board of finance, but it was this whole commission. Mr. Loring from Massachusetts, Mr. Lowry from Iowa, Mr. Goshorn from Ohio, Judge Creigh from California, these were the men who, sitting in Philadelphia in June, 1872, sent their dispatches to the Senate asking them to pass this act of incorporation, so that they might take action upon it before they adjourned. Philadelphia came here in no indirect way. This was the act of the nation through the commission appointed by the States; and when I say the "nation," I mean the acts of all the States in pursuance of a national appointment.

I did not rise for the purpose of going into any further extended debate. I want to vote, and I wish the Senate to declare decidedly and decisively now, first, whether this exhibition shall be international in its character; and, next, whether these men who made all the efforts they could to carry out this organization upon the plan which they adopted, and which Congress sanctioned, and who have failed in that, are to abandon their work as it stands at present and leave it to float on at chance, or whether they are to be encouraged and receive the sanction of Congress, and endeavor to make this celebration a joy and a credit to the American people.

Now, Mr. President, I trust I shall not be tempted to say another word on this subject.

Mr. SARGENT. Will the Senator allow me to ask him a question?

Mr. SCOTT. Certainly.

Mr. SARGENT. I wish to call his attention to a statute of 1851, of the Pennsylvania Legislature, which, as I am informed, is still in existence, which provides—

> That from and after the 1st day of May next—

Now, of course, long past—

> it shall not be lawful for any person or persons to sell within the city or county of Philadelphia by sample, card, or other specimen, any goods or merchandise of any kind or description whatsoever, for or on account of any merchant, manufacturer, or other person not having his principal place of business within this State, and to whom a license has not been granted under the laws of this Commonwealth; and if any person shall sell or exhibit for sale, either by sample, card, or otherwise, in the city or county of Philadelphia, any goods or merchandise in violation of the provisions of this act, such person or persons so offending shall be liable to a fine of $300 for every such offense, which may be recovered by suit, &c.

In the next section I find that the cost of a license is $300. I wish to inquire if that legislation still exists in the city of Philadelphia, where the manufacturers of the United States are to be invited to show their goods? My impression is that it does.

Mr. SCOTT. That was in 1851. It is a local act applicable to Philadelphia alone; and if there is anything proverbial in Pennsylvania it is that no lawyer would answer any legal question about local legislation until he had looked through every volume of the acts of Assembly from that day down to the present. Whether it is in operation or not I cannot tell; but I can assure him if there be any statute upon the statute-books of Pennsylvania which can interfere with the success of this exhibition, or which might be considered even technically as in the light of this exhibition, there will be no difficulty whatever in repealing it long before it shall be found to be an obstruction in the way of the exhibition.

Mr. MORRILL, of Vermont. Mr. President, I do not rise to prolong this discussion, but to make a suggestion or two. The Senator from Pennsylvania evidently seems to have thought, by his emphasis, that he was scoring at least one against the New York Evening Post, or against the Senator from California, by quoting what was said in relation to rebellion and revolutionary government. Now, it is very possible that here, in a republican Government, we should look with more favor upon a revolution, founded on republican principles, that was brought about by a rebellion than the people under governments that have kings or emperors over them by divine right; and I think that was all that the editor meant—all that he desired.

But, Mr. President, the question now immediately before us is the one upon the reference of the bill with these instructions to the Committee on Appropriations. Without instructions, the matter would go to the Committee on Appropriations to report back such a bill as would carry into effect the wishes of the Senate so far as they can be adduced from the discussion that has taken place; and I think if there is anything that can be legitimately drawn from the discussion thus far, it is that the Senate is not ready to embark at full length as to any possible expenditure that might be made under an international exposition. These instructions evidently commit us to the whole length of an international exposition, whatever that may mean. I think that the friends of any exhibition make a very serious mistake in attempting, at this early day, to thrust that question prominently forward; and I therefore suggest to them whether they are not endangering even a national exhibition by thrusting this amendment forward. I do not believe that there is anything like a majority of the Senate in favor of the amendment proposed.

The PRESIDING OFFICER, (Mr. ANTHONY in the chair.) The question is on the amendment offered by the Senator from New Jersey [Mr. STOCKTON] to the instructions moved by his colleague, [Mr. FRELINGHUYSEN.]

Mr. DAVIS. I should like to have the amendment reported as it would read.

The Chief Clerk read the amendment and the amendment to the amendment.

Mr. STOCKTON. Mr. President, the amendment which I offered to the amendment of my colleague was offered after consultation with other gentlemen, with the belief that it would bring up a question on which the Senate would properly divide, under the hope that the little difficulty which surrounds this question in the way it has come before Congress this session might be avoided by that amendment. The course the debate has taken has led me to believe that that amendment, and a vote upon it, will at the present moment be of no service. Therefore I ask leave to withdraw it.

I have no doubt that the American Congress will in some shape, in some bill, at the proper time, meet the responsibilities which they have already incurred in this matter. I have no doubt that they will justify the expectations of the people in so conducting this matter that it shall be a credit to our country and a matter which we can all feel proud of. I have no disposition myself to press any peculiar view of my own upon the Senate or upon the country. Therefore I desire to withdraw the amendment I offered and let the vote be taken upon the amendment of my colleague.

The PRESIDING OFFICER. The amendment of the Senator from New Jersey to the amendment is withdrawn.

Mr. SUMNER. Has not that already been voted on and rejected?

The PRESIDING OFFICER. It has not been. A division was asked, and before the vote was taken the Senator from Pennsylvania [Mr. SCOTT] desired to submit some remarks; and no vote was taken on the amendment to the amendment, which was the question. The question is now on the amendment of the Senator from New Jersey [Mr. FRELINGHUYSEN] as instructions to the motion to refer.

Mr. THURMAN. I wish to say that upon all questions arising on this bill I am paired with the Senator from Indiana, Mr. MORTON. I am informed by the Senator from Pennsylvania farthest from me, [Mr. CAMERON,] who asked me to pair with him, that he would vote with that Senator on all questions arising on this bill, was of the same opinion with him, and therefore would vote in the same way; and I should vote the other way.

Mr. SUMNER. Let the amendment be reported.

Mr. CONKLING. I take this opportunity to say that the Senator from Wisconsin, Mr. CARPENTER, has been compelled to leave the Senate from indisposition. He is paired with the Senator from New Hampshire, Mr. CRAGIN, the Senator from New Hampshire being favorable to the bill and to amendments looking to its interest, and the Senator from Wisconsin being opposed to the bill.

The PRESIDING OFFICER. The amendment of the Senator from New Jersey will be reported.

The Chief Clerk read as follows:

With instructions to report a bill making an appropriation of a sufficient sum of money from the Treasury of the United States, not exceeding $3,000,000, toward defraying the expenses of the centennial celebration and exhibition, to be held under the auspices of the United States at the city of Philadelphia in 1876, under such regulations as will secure the faithful application and expenditure of said appropriation.

Mr. CONKLING. Mr. President, I shall vote against these instructions, believing that if the bill is referred to the committee at all it should be referred to the committee with an opportunity to devise and present the best thing the committee knows how to do. I do not see how by saying it shall report not to exceed $3,000,000 we are going to aid it or aid ourselves especially.

Mr. STEWART. Then we can vote against the whole thing.

Mr. SUMNER. Mr. President, I think the Senate may be congratulated on this debate. It has beyond all question advanced the truth. You all remember how it opened—the confident tone of my friend the Senator from Pennsylvania, [Mr. SCOTT,] with the arguments he presented; but one by one the arguments have been answered, and so day by day the cause that he represented so ably and assiduously has failed. Of this the public press is a record. I hold in my hand to-day's National Republican of this city, containing an article on the doings of Congress, and especially referring to what is known as the centennial bill, which it ardently espouses. Now, hear what this advocate says:

It would appear that early action is necessary for the safety of the bill, as this protracted debate is undoubtedly having a damaging effect upon its chances.

Such, sir, is the admission of a friend, that the chances of this bill are injured by debate. Sir, truth fears no light; a just cause cannot shrink from discussion. Therefore, when the friends of this measure urge instant action, saying that they lose by debate, they confess the infirmity of their cause.

Other things have been developed. At first, the proposition was innocent in form, nothing more than simply to carry out an existing statute; involving nothing; especially that there was no money in it. I felt it my duty to announce that it was an appropriation bill in disguise, for I saw clearly that without money the measure proposed was nothing; was not worth the paper on which it was written. Very little worthy was it of the debate which its friends challenged. It was only because it was an appropriation bill, or the beginning and the preamble to an appropriation bill, that it became of significance. Now, sir, its true character is seen. Even its friends do not deny that it is practically an appropriation bill; and one of its leading and most eloquent supporters has clinched this admission by an amendment in the nature of instructions to the committee, to report a bill appropriating $3,000,000 to carry forward this scheme. Therefore I do not err when I say it stands conspicuously before the Senate as an appropriation bill. I do not use too strong language. I am simply exhibiting the fact as it is beyond all question; giving to it special importance. We debate appropriation bills day by day. How often have I known questions, insignificant in amount compared with that now in issue, occupy the attention of this Chamber and of the other for days; and yet complaint is made that we have undertaken to discuss this question at a little length, very slightly, however, compared with its magnitude. Complaint is made on this account. Is it not most unjustly? The proposition on which we are to vote immediately commits the Senate to $3,000,000. Now does any one suppose that even this appropriation is the end of this business? Does any one suppose that if we vote $3,000,000 and declare this exhibition under the auspices of the nation, we can stop short of a sufficient sum to make the exhibition honorable to the nation? Can any one doubt this responsibility? Do my excellent friends, the Senators from Pennsylvania, doubt it? I know they say that this shall be on condition that no further appropriation shall be called for, that all the rest shall be found elsewhere; but will these corporators, for so I call them, regard the condition? Have we not too much evidence—too much evidence in the past? Notoriously they have disregarded the condition twice over in two different statutes, a condition openly recognized by their supporters in both Houses of Congress, that the United States should not be called upon for any contribution. Notoriously they have set that condition at naught; they have handed it over to oblivion, treating it as if it did not exist; and now they ask us to hand over $3,000,000 on the further condition that they shall not call again, but with no assurance that this condition will not be consigned to the same oblivion in which their predecessors are already overwhelmed.

Sir, I would not use too strong language, but I do feel that here is an attempt to commit Congress which ought to be resisted on the threshold, and which I do now resist. You all remember the somewhat remarkable expression which dropped from the pen of General Washington in one of his letters, when, alluding to moneys supplied to him, he said they were "but a flea-bite" compared to what he wanted—an expression which one of his editors regarded as too bold to be preserved, and he accordingly substituted a milder phrase. Sir, I content myself now with the language of Washington, when I say that the $3,000,000 now proposed will be but a "flea-bite" compared to what will be required if this swelling scheme is carried forward in the form announced, and in the propositions already presented to the Senate.

Sir, I cannot err; there can be no mistake about that. We have before us the experience of the Old World in the exhibitions already held. We know the large expenditures. We have the recent experience of Austria; and although there is a discrepancy in the testimony with regard to the cost or the sum total of cost on that occasion, yet what we do know, even the statement made to-day by my friend, the Senator from California, founded on a diplomatic dispatch from our minister at Vienna, is sufficient to warn us now. Why, sir, according to that dispatch the cost was 20,000,000 florins, gold, equal to $12,000,000 of our money. Now, does any one suppose that a structure equivalent in architectural character and in its equipment to that which recently excited the admiration of the visitor at Vienna can be reproduced in our country for the same sum it cost them at Vienna? Does any one suppose it can be done? Senators, look at it carefully and frankly. Will it not cost much more? Is there not a difference in labor between Philadelphia and Vienna which introduces at once an enormous discrepancy? If the exhibition at Vienna cost $12,000,000, will not the exhibition at Philadelphia, if organized on the same scale, cost $24,000,000? Will it cost a dollar less? Will the people of the United States, if once engaged in this considerable work, be content with an exhibition that shall fall short of that of Vienna? Will they not require that the art treasures assembled here shall find a temporary home in a palace that shall rival anything in Vienna? Will they be content with anything less? Should they be content with anything less?

I open this case on questions, and I should like the answer of my excellent friends. I know their patriotic impulses, their ambition for our natal land, and that they, of all, would desire that on that day it should be truly glorified, so that republican institutions should be enshrined not less worthily than the monarchies of Europe. I know that the Senators from Pennsylvania must be with me in this aspiration. I know they would not lend their sanction to any failure or short-coming; that they would insist upon the exhibition being carried through powerfully, grandly, magnificently, as becomes the destinies of the great Republic. Where, then, does that lead us in cost? Far, very far, beyond $3,000,000; far, very far, beyond $10,000,000; far beyond $15,000,000; I fear far beyond $20,000,000.

There is one reason that stands forth very plainly why this expense must be very great; I alluded to it when I had the honor of addressing the Senate the other day, but in a different connection; and it is that a World's Fair in 1876 will be an anachronism, out of season, premature, and without a sufficient interval between it and the preceding fair, that of Vienna. Now, be good enough, if you please, to bear in mind certain dates. The London Crystal Palace fair, which began these great festivals, was in 1851. France, filled with a noble emulation, followed with her first Universal Exhibition in 1855, four years later. Then came the London International Exhibition, the most successful of all, in 1862, seven years later. Next the Paris Universal Exhibition, so called, in 1867, five years after the London exhibition. And last arrived the Vienna International Exhibition in 1873, being six years after that of Paris. And now, sir, I believe all competent persons who were at Vienna testify that the Vienna exhibition was premature, that a sufficient interval had not been allowed to elapse after the great exhibition at Paris, so that it was in reality a great bazaar, a sort of Russian fair, rather than a place for comparison of inventions and to review scientific progress. And now we are called to institute another World's Fair after an interval of only three years, not five years, not six years, not seven years, but only three years; and consider, if you please, the extraordinary difficulties from distance, from intervening ocean, that must be overcome; and add to those difficulties the brief period between our proposed exhibition and its immediate predecessor, and you will see that from the nature of the case, in order to make your exhibition successful, you must spend money largely—just in proportion to the difficulties which you must overcome must the expenditures be. Therefore, again I say that the $3,000,000 you now propose are only a "flea-bite" compared with what you will be called to contribute. The "flea-bite" will be hard to bear now, in the present condition of the Treasury; but with

this "flea-bite" swollen, enlarged, aggravated, I know not where we shall find the means to meet it.

But, sir, another topic has been introduced into this debate, which figures largely, and on which the advocates of this proposition expend argument and eloquence. It is, that the public faith is pledged. Sir, I do not know that I should have said a word to-day—I think I should not—but for the manner in which this argument has been pressed; and I may add, also, the personal allusions from time to time to myself in this connection. I know something of the origin of this original bill. I know to what extent the public faith is pledged. I am a witness, and I take the stand. The bill came from the other House, where it was introduced by a friend of this measure, being, as I understood, supplied to him by one of the Philadelphia associates. It passed the other House, as many measures too frequently pass that House, and came to the Senate. I think I may say the moment it was understood the feeling was adverse. It was said—I am speaking now of conversations—that it was on its face an impracticable measure, involving the country, possibly, in considerable expense. Then it was that Senators against it, or not inclining to its support, said, "Very well; if you will accept the bill with a condition relieving the United States from all liability, there will be no objection. It is in the nature of an act of incorporation; and we give you these large powers, but with no responsibility on the part of the United States." Such was the understanding, and such was the condition expressly, positively, openly introduced into the bill.

Senators speak of pledges, of conditions. Sir, there is but one real pledge in this bill; there is but one real condition. That pledge is, that the United States shall not be called to pay a dollar; the condition is that our Government is relieved of all responsibility on account of this undertaking; and that is the ruling condition to which all else is subordinate. Let me read it. Before I close on this head I shall have a curious parallel to present with the famous club of Mr. Pickwick:

> That no compensation for services shall be paid to the commissioners, or other officers provided by this act, from the Treasury of the United States; and the United States shall not be liable for any expenses attending such exhibition, or by reason of the same.

Now, Mr. President, could language be plainer, more explicit? The United States is never to pay a dollar. And now, sir, the vista opens; we are to begin with $3,000,000 down, and nobody knows how many millions afterward; and yet the fundamental condition, was "The United States shall not be liable for any expenses attending such exhibition, or by reason of the same." How, in the face of that condition, can Senators rise in this Chamber and speak of public faith as pledged to this measure? Sir, the public faith is the other way. You and I and all of us are bound to the people of the United States, by that condition embodied in the bill, that not a dollar shall be paid. That condition commended the bill originally to the people, because they saw that under it a generous corporation would undertake a service for which the country would be grateful; and the people saw that their taxes would not be increased, that their pockets would not be entered. But now the proposition is to increase the taxes and to enter the pockets to carry out this bill.

Look further, sir. The Senator from Pennsylvania on my right, [Mr. CAMERON,] while it was under discussion, expressly announced that Philadelphia would take the matter in hand, "just as any other great city of this country probably would do;" and then, again, in the ardor of his eloquence, that the money was to be raised "without expense to the Government." Then, again, "They ask nothing else of the Government;" that is than this charter, which they now have. "There is no doubt they will raise the money." "They will to-morrow go to work immediately to procure this money."

The other Senator, who represents this bill so indefatigably on this floor, [Mr. SCOTT,] said:

> When the subject was first introduced in Congress, it was feared that an appropriation would be asked. Everybody in both Houses was so sensitive on that question, that an express disavowal of all responsibility on the part of the Government had to be incorporated in the act.

There my friend admits the condition—"express disavowal of all responsibility on the part of the Government had to be incorporated in the act." Now, in the face of that condition, according to his own admission, incorporated in the act, he rises day by day in this Chamber and charges us who stand by the condition with a breach of public faith. Public faith, sir! Nothing is more beautiful, more sacred, sacrosanct, than the public faith, always to be preserved, and never to be invoked with levity; and permit me to say that when my friend invokes it on this occasion, it seems more like comedy than truth. Unquestionably the public faith is the other way. The public faith is solemnly pledged in this business to economy and to an absolute abnegation on the part of the United States.

Not content with this condition in one statute, the other statute, creating the financial board, repeats it:

> Nothing in this act shall be so construed as to create any liability of the United States, direct or indirect, for any debt or obligation incurred, nor for any claim, by the centennial international exhibition, or the corporation hereby created, for aid or pecuniary assistance from Congress or the Treasury of the United States, in support or liquidation of any debt or obligations created by the corporation herein authorized.

And then we have the declaration of my excellent friend, the Senator from Ohio, [Mr. SHERMAN,] while this measure was under discussion in the Senate, that "it simply authorizes the Philadelphia people, at their own expense, to have a show;" and he added, "as a private bill I hope it will be passed." So, sir, it was treated at the time, and if the question is asked, which I have heard more than once propounded, why it passed without opposition in this Chamber, why according to the record it was *nem. con.*, the answer is easy, that all disinclined to the measure saw full well that by that careful provision, relieving the United States of all liability, they would hereafter be safe; that there would be no return to them, no call upon them, no clamor, no suggestion of public faith. All that was clearly recognized at the time; and that was the reason why the bill passed, as it did, without opposition. That was the reason why I sat silent in my seat. I had drafted that provision, and I was satisfied that it would hold; and I calmly said to all who spoke to me on the subject, "It is in the nature of a private bill; it creates a new and grand corporation for a patriotic purpose; let the corporators have their bill; the United States are not in any way involved."

Why, sir, the case of Mr. Pickwick and his club was renewed. He, you will remember, proposed to travel, and the club solemnly voted that Mr. Pickwick have leave to travel and correspond with the club at all times, paying his own expenses and his postage. [Laughter.] The provision in this bill was the precise equivalent of the permission received by that distinguished and venerable gentleman, so well known in literature, in history, and I may say also in politics, as Mr. Pickwick.

But that is not the only illustration. Every man of business knows that a bill of exchange is often indorsed, "without recourse." I will not give my definition of that phrase, but will read that of Webster's Dictionary, "Without recourse, words sometimes added to the indorsement of a negotiable instrument to protect the indorser from liability to the indorsee and subsequent holders." Here we have indorsee and subsequent holders; but the United States, by the provision to which I have referred, are completely secure against all resort from indorsee or subsequent holder. These corporators took this great business "without recourse" to the United States; and there I stand. "Without recourse." Let them proceed as they began. At all events, the Senate will adhere, I trust, to the original indorsement.

But I have something more to say—very briefly, however—on the way in which these corporators, if I may so express myself, worked into their present position. They came here for their bill; they obtained it with the condition that I have mentioned, a condition openly announced and accepted by their representatives on this floor, and also in the other House, accepted fully; and the venerable Senator from Pennsylvania on my right was so jubilant that he announced at once that they would obtain the money without delay. Ah, sir, does not the poet tell us:

> Fair laughs the morn, and soft the zephyr blows?

It was so with them. Their morning laughed, and the zephyr fanned their cheeks. They were confident of success. They began with their own immediate fellow-citizens, and there they failed. They then turned to the States; there again they failed; and now, sir, morning no longer laughing, and zephyr no longer blowing, they turn to the United States, and ask us to assume this great expense. There should have been more frankness originally. If the United States were at any time to be called to assume this expense they should have known it in advance. Nor is this all. The United States should have had the conduct of the whole business. It should not have been entered upon by a private corporation of stockholders. Permit me to say in a certain sense they are usurpers; occupying supreme national function. Thus far all World's Fairs have been governmental in origin and conduct, and I see no reason in our national condition why we should be an exception. I do not find that we have facilities for massing capital and obtaining the means for a great World's Fair that should make us an exception to the received rule and practice of other nations. The World's Fair should have been in the hands of the nation. And now still further I am about to say that in my judgment a proper celebration of the one hundredth natal day of the Republic should have been by the nation and not by any private corporation. But these private corporators have worked themselves into the business. The authentic story of the Siberian bear is revived. You all remember it. The bear leaped upon a horse, and he ate so furiously that he absolutely ate his way into the harness and drew the sledge. I know not if our Philadelphia bear has not already eaten itself into the harness. But has not the time come to stop? I think we must give the bear notice to quit; at least let him know that he cannot drag this nation into any World's Fair.

Now, sir, allow me to say that I have three earnest desires in connection with our coming anniversary:

First. To secure a proper commemoration of that great day, truly worthy of this Republic, and characteristic, so that republican institutions shall thereby gain;

Secondly. To save the national character, which must suffer if the present scheme is pursued; and

Thirdly, to save the national Treasury.

For these reasons I trust that this bill, which is so justly revealed as an appropriation bill, should be referred to the committee having charge of such bills; and it should be referred without any further instructions than are abundantly found in the existing legislation of Congress and in the open declarations of the friends of this measure

on other occasions, when they declared that the United States should be called upon for no contribution. Twice over has Congress given instructions on this very point—not merely the Senate, but both Houses of Congress, with the approval of the President; twice over in two different bills; once, twice. I hope that the present bill will be referred to the Committee on Appropriations, and that it will take its instructions from existing acts of Congress.

Mr. FLANAGAN. Mr. President, I certainly had no idea of participating in this debate until within about an hour. I am without a note; I have made no preparation; and have perhaps but few ideas to express. I am reminded of the fact that it is said "it is easy to swim in deep water," and I certainly, in the sense that I am looking to, find myself thus situated on this occasion. I am in the mighty sea between my distinguished friend on my right from Massachusetts, [Mr. SUMNER,] and the distinguished gentleman from California on my left, [Mr. SARGENT.] They have electrified the Senate with their eloquent discourses. They have acquitted themselves well, and surely to their own satisfaction. I regretted, however, to hear a remark or two dropped by my friend from California, to which I venture to allude. I wish he were close by; I have not the pleasure of seeing him now.

Mr. MORRILL, of Maine. He is near at hand.

Mr. FLANAGAN. O, I am gratified to see him now. My friend remarked, among many objections, with force, that it would possibly be said that our action here, if this bill was passed by the Senate, would bring up in the country, the eyes of the people of the Union being upon us, recollections of the great Credit Mobilier scandal. I regret very much if my friend was serious in the idea that there are any such influences as are known to this proud nation in that connection, associated with this great national enterprise. I hope my friend had no such idea.

Mr. SARGENT. I merely said that if there were scandal in this country we should have the full benefit of it in the presidential election, and our experience is not favorable to the handling of large amounts of money by individuals; that it was very difficult to hedge it around so that we could avoid scandals. That was the force of my argument. I did not mean to imply anything of the kind up to this time.

Mr. FLANAGAN. Unfortunate, it appears to me, to have had the expression drop from so distinguished a republican as my friend is, when he was admonishing the Senate as to its action, and as to what might be charged, either properly or improperly, upon that question directly or remotely. It would at least give a basis for those who are ever ready to take hold of anything that would tend to injure our grand party.

But, sir, I was further amused at the idea of my distinguished friend directly in line on that subject, when he said that the republican party will be responsible for their action in this case. I reflect that if so at least they may be gratified to know that they will have the old Keystone State, with her valor that has upheld republican principles stoutly, standing by them. I am delighted to know that Delaware, in her pride and a jewel as she is, and brave old New Jersey, "true blue," likewise are directly associated with her, making a beautiful trio to lead off in triumph for the republican party. Thus we are not much endangered even upon that view of the subject. Then so far as Massachusetts is concerned, that proud old republican State, I am proud to know, Senators know, this nation knows, that she has gone through the fiery ordeal, as is well known to her great Senator who has just addressed us with such ability, as he always does, with such warmth and zeal in opposition to this bill. He had the fondness of the proud old State, and especially Boston—I love the name—that Boston which threw the tea overboard; and with all the considerations associated with him, and all the power and influence of the distinguished Senator, he could not pull old Massachusetts from her solid moorings in the sea of republicanism a short time since. Then I take it that with Pennsylvania, New Jersey, Delaware, Massachusetts, and a host of others, if we do nothing worse to put down the republican party of this nation, we have nothing to fear.

Mr. President, a strong argument here is, without inviting any outside facts and considerations, that this measure is objectionable because it will require an appropriation from the United States Treasury. There is no school-boy that does not understand that fact. My distinguished friend in his candor, and I always love it from him, says he is perfectly familiar with this bill, the manner of its introduction to the Senate, and all that sort of thing. That is conclusively proved; and from that very history I feel committed upon this subject. I speak for myself when I say that when the original bill was introduced I thought I knew what the future would be. Then the movement was in its infancy. I knew it would expand; I knew it would grow. I have participated in legislation, not a great deal in Congress, but in smaller bodies, for a quarter of a century. I have voted for appropriations to build state-houses, land offices, and such things, and I know how they grow.

Well, by the way, what is the history of the nation? You appropriate $100,000 or $500,000 or $1,000,000, as the case may be, in the first instance, for a public work. Architects and engineers figure up most beautifully what it will cost, and present their estimate, and the advocates of the bill say, "Here is the entire cost; perhaps there will be a little left out of the appropriation." I have never found any. The next year we always appropriate further, and we are still appropriating broadcast to many buildings in the United States. The States and the Union are alike in that particular. You are appropriating every year for this beautiful capital, the pride of the nation.

I recollect that I remarked at the time the bill of 1871 was introduced, "Ah, yes; this is an introduction, but this is not the last of it. Monsieur Tonson will come again." I knew that very well. I recognized it; I recognize it now, and I am going to advocate it. I will make him a welcome visitor on this occasion so far as I am concerned.

I am told it will deplete and ruin and bankrupt the United States. I have heard much about bankrupting the United States. I have heard it here remarked, too, that solemn pledges in legislation are to be strictly adhered to. I wish most earnestly that that was the doctrine. I wish it was our experience; if it was, (I hope it will not be considered that I am digressing, because I think it is directly in line now when we are speaking of the Treasury of the United States,) we should have to resume specie payments directly, and I should be very much pleased with that idea; but, notwithstanding the solemn pledge we have made in that respect, we are not exactly resuming up to this time. Therefore, if there be a sacred pledge in this law that no money is ever to be required, the same Senators who are voting one or the other way may reconcile it as best they can, and it is not hard to do, I think. But in a pecuniary point of view it occurs to me that there are some ideas which might be very well advanced here. I am not one of those who are ready to say that it is not a good appropriation, not with a view of lavish or prodigal expenditure on the part of the nation, but that it is simply like the farmer who goes into his field and sows his acre of wheat, rye, or oats, as the case may be, with the expectation at an early day, when the seed shall mature into the crop, to gather fifty bushels perhaps for the one. That is the idea; make this appropriation, invite the world if you please, earls, dukes, princes, lords, potentates, and kings, and let them come. They will be likely to do so; and when they come they will come with their gold, and they will come with large amounts. The immigrants to our country now annually bring us in $25,000,000 of gold. They do not come with irredeemable paper, such as we have, and I am not boasting of that either, but such are the facts, except that I am gratified that they come.

Now, the balance of trade is against us annually, to the tune of many millions. I have no data before me because, as I remarked, I have not dotted down a reference or anything else. I only have in my mind the facts that I am familiar with. Then the millions that are expended by our travelers for pleasure and upon business in Europe annually are immense. Let us invite these crowned heads to come here; let them come and their representatives; let them see and realize what we are, and let us get the balance of trade to set toward the New World, as it naturally should instead of the Old, and at an early day we shall thereby be enabled to resume specie payments. Even in that point of view, I would be gratified to know that within from four to six months, while we had these crowned heads from Europe, they would be looking to and through our country with delight. They would see the vast power of the United States demonstrated in Pennsylvania's old city of Philadelphia. There they would see Independence Hall, where the immortal Washington and Carroll sat, and a host of others that I might name, proud spirits that have departed this life long since. They would be delighted to look there; and while there, the noble Pennsylvania Central Railroad Company would give them tickets to go West. It would be the delight of all the great railroad corporations, I have no hesitancy in saying, in this vast Union, to invite them into the States, and every State would be competing to get them to visit its localities. They would look at our mighty fields—mighty in every sense of the word. I should be gratified to show them our great cotton fields in Texas. Louisiana would want to have them looking over her sugar plantations. Pennsylvania would have them in the first instance, but the other States directly lying on that line west, like Illinois and Indiana, would want to show them their mighty fields with their sheep, their large herds, to the tune of thousands on thousands. I should like to see them go into Texas, and there they would see cattle not ranging merely on a thousand hills, but they would see them there in millions. I speak not too largely when I thus state. They would see them there spread over the prairies; they would see the best land known to civilized man. These lords and kings, if you please, would invest their money there; most of them are men of brains, and they would see a fine opportunity. Money is cheap in England. I have heard here much said about cheap money. They would find cheap real estate here, and they would purchase it. I think it is a good idea; it is a grand scheme.

I know nothing about how it was gotten up originally, as my distinguished friend from Massachusetts seems to do; but if the idea had ever been presented to me, I should have advocated it then as I do now, and I would even advocate it as an individual enterprise for the purpose of realizing a good speculation out of it. I do not think the United States Treasury, or the people of the Union, will be called upon to pay higher taxes on account of the expenditure that it may require to get up this grand enterprise; but if they be, as I have already said, I think it will be at an early period paid back to them with a large interest. We have nothing to fear.

I have heard many distinguished Senators who can speak much more fluently and better than I can portray these facts more admirably and happily. My distinguished friend from Nevada, [Mr. STEWART,] however, I believe, rather fears to interview lords and kings,

this, that, and the other. He thinks it would be in bad taste. I think my distinguished friend from Massachusetts, too, rather deprecates that idea. Why, great God, are we fearful of any man on earth? None under the sun. Are we afraid of ourselves, that we will expose ourselves on that occasion in their presence, not knowing how to deport ourselves? Surely not. We are better raised than that; we are Americans; we tower over all such considerations; we simply tender them the right hand of fellowship, recognizing them for the time being, and while they conduct themselves properly, as our equals. That is all. We do not beg them to receive us thus and so. They will be our guests. They are well raised, and they will deport themselves well. I have no idea of expressions being used that would be grating upon their ears by any gentleman or gentlemen who would be the orators of the day on that occasion. Sure I am that if my distinguished friend from Massachusetts were permitted to respond to an invitation—and I take it that he would be placed at the head of the list, for his would be one of the first names selected by any committee that would have the authority to designate them—responded and addressed them, he has so profound a regard and respect for them that he would not wound their feelings even remotely. Then there would be no danger. Let them come and realize who we are and what we are. Let them come to us at home. Our homes, humble though they are, are to us as dear as the greatest palace known to a monarch is to him.

I advocate this measure feeling that I was committed to it originally and understandingly. I would not pretend to plead here that I was so green as not to have recognized what would be the result upon the first presentation. Therefore, so far as I am concerned, I intend to support the measure.

The PRESIDING OFFICER, (Mr. ALLISON in the chair.) The question is on the amendment of the Senator from New Jersey, [Mr. FRELINGHUYSEN.]

Mr. DENNIS. On this question I beg leave to state that my colleague [Mr. HAMILTON] is paired with the Senator from South Carolina, Mr. PATTERSON. My colleague would vote against the measure in all its phases, and the Senator from South Carolina would vote for it.

Mr. SCOTT. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. LOGAN. Let the amendment be read.

The CHIEF CLERK. It is proposed to amend the motion to refer by adding:

With instructions to report a bill making an appropriation of a sufficient sum of money from the Treasury of the United States, not exceeding $3,000,000, towards defraying the expenses of the centennial celebration and exhibition to be held under the auspices of the United States, at the city of Philadelphia, in 1876, under such regulations as will secure the faithful application and expenditure of said appropriation.

Mr. INGALLS. On this question I am paired with the Senator from Connecticut, Mr. FERRY. If he were present he would vote "nay," and I should vote "yea."

Mr. MITCHELL. On this question I am paired with the Senator from New Hampshire, Mr. WADLEIGH.

The question being taken by yeas and nays, resulted—yeas 17, nays 33; as follows:

YEAS—Messrs. Bayard, Cameron, Clayton, Dennis, Dorsey, Flanagan, Frelinghuysen, Hamlin, Hitchcock, Logan, Pease, Ramsey, Robertson, Scott, Spencer, Stockton, and West—17.

NAYS—Messrs. Allison, Anthony, Bogy, Boreman, Buckingham, Chandler, Conkling, Cooper, Davis, Fenton, Gilbert, Goldthwaite, Gordon, Hager, Hamilton of Texas, Howe, Johnston, Lewis, McCreery, Merrimon, Morrill of Maine, Morrill of Vermont, Norwood, Oglesby, Pratt, Ransom, Sargent, Saulsbury, Sherman, Stevenson, Stewart, Sumner, and Wright—33.

ABSENT—Messrs. Alcorn, Boutwell, Brownlow, Carpenter, Conover, Cragin, Edmunds, Ferry of Connecticut, Ferry of Michigan, Hamilton of Maryland, Harvey, Ingalls, Jones, Kelly, Mitchell, Morton, Patterson, Schurz, Sprague, Thurman, Tipton, Wadleigh, and Windom—23.

So the amendment was rejected.

The PRESIDING OFFICER, (Mr. ALLISON in the chair.) The question recurs on the motion of the Senator from Ohio [Mr. SHERMAN] to refer the bill to the Committee on Appropriations.

The motion was agreed to.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. ISAAC STROHM, one of its clerks, announced that the House had passed the following bills; in which it requested the concurrence of the Senate:

A bill (H. R. No. 2228) to authorize the Secretary of the Treasury to change the name of the propeller William M. Tweed, of Buffalo; and

A bill (H. R. No. 2347) authorizing the Secretary of the Treasury to deliver to the Connecticut Historical Society certain papers on file as vouchers for the discharged claims of the heirs of Silas Deane.

ENROLLED BILL.

The message also announced that the Speaker of the House had signed the enrolled bill (H. R. No. 1558) to amend the act entitled "An act to encourage the growth of timber on western prairies."

ADJOURNMENT TO MONDAY.

On motion of Mr. STEWART, it was

Ordered, That when the Senate adjourns to-day, it adjourn to meet on Monday next.

ORDER OF BUSINESS.

Mr. WEST. I move to take up the Army appropriation bill.

Mr. SHERMAN. I trust the Senator from Louisiana will not move to take up the Army appropriation bill, because I hope that on Monday the Senate will be prepared to go on with the finance bill; but at all events I appeal to the Senator to let that matter of the order of business be determined on Monday morning, when we can no doubt make an arrangement between ourselves.

Mr. WEST. I should have no objection to yielding in favor of the finance question were I satisfied that the Finance Committee would be ready to go on with the finance question on Monday. I move now to take up the Army appropriation bill, with the understanding that on Monday I shall waive it in preference to finance, if the finance question is ready.

Mr. SHERMAN. I have no objection to that.

Mr. WRIGHT. If I can have the attention of the Senate I want to say one word. Yesterday morning, it will be remembered that, by the unanimous consent of the Senate, the bill known as the liquor-commission bill was laid aside and made the special order to follow immediately the centennial bill. That was done by unanimous consent, and now I trust that nothing will be allowed to intervene, but that I shall have the unanimous consent of the Senate to proceed with and dispose of that bill at present. I think we can do it this afternoon. I am certain we ought to do it in a very few moments.

Mr. SHERMAN. Let us take it up now.

Mr. WRIGHT. Then I trust my friend from Louisiana will withdraw his motion, and it will be the first business in order.

The PRESIDING OFFICER. Does the Senator from Louisiana withdraw his motion?

Mr. WEST. I can renew it afterward. I will withdraw it for the present.

Mr. SHERMAN. I give fair notice that on Monday morning I shall move to take up the finance bill.

LIQUOR-TRAFFIC COMMISSION.

The PRESIDING OFFICER. The Chair understands that there was a general agreement to take up the bill referred to by the Senator from Iowa.

Mr. WRIGHT. It was the order of the Senate that it should follow immediately the centennial bill. I asked unanimous consent, and the Chair announced that there was no objection, and it was so ordered.

The PRESIDING OFFICER. Then the bill (S. No. 161) to provide for the appointment of a commission on the subject of the alcoholic liquor traffic is before the Senate as in Committee of the Whole.

Mr. MORRILL, of Maine. Now I hope we shall have the vote.

Mr. ANTHONY. I hope so, too; but I wish to say to my friend from Iowa, that while I agreed very cordially to his proposition that this bill for a liquor commission should follow the centennial bill, I must protest against his bringing it up every day in the morning hour. We have been devoting that hour to those bills that nobody has any particular interest in, but which are of very great importance to American citizens. They are the orphans, the foundlings, that are put into our care, and we ought not to devote the morning hour to any disputed questions. If the Senator from Iowa now moves to take up this bill, which I shall vote for, it will be with the understanding, on my part at least, that it is not to come up in the morning hour, to displace the undisputed bills.

Mr. WRIGHT. I do not move to take it up. It was made a special order at this time at the request of the Senator from Rhode Island.

Mr. ANTHONY. Yes; but with the distinct understanding that it should not be taken up in the morning hour; and yet five minutes after that understanding was had the Senator from Iowa called up his bill.

Mr. WRIGHT. My good friend makes a very great mistake. It was the Senator from Ohio [Mr. SHERMAN] that insisted on proceeding with the bill, and there was no objection made at the time. My understanding was that it was passed over till this time; but the Senator from Ohio said, the morning hour not having expired, we could as well proceed with this bill, and there was no objection.

Mr. ANTHONY. I stand corrected then. The Finance Committee are always making trouble in the Senate. [Laughter.]

Mr. WRIGHT. Now I trust we shall have the vote on this bill, and get it out of the way.

The PRESIDING OFFICER. The Secretary will read the pending amendment.

The CHIEF CLERK. The question is on agreeing to the amendment of the Committee on Finance, as amended by the Senate, which is to strike out all of the original bill after the enacting clause, and insert in lieu thereof:

That there shall be appointed by the President, by and with the advice and consent of the Senate, a commission of five persons, neither of whom shall be the holder of any office of profit or trust in the General or a State government. The said commissioners shall be selected solely with reference to personal fitness and capacity for an honest, impartial, and thorough investigation, and shall hold office until their duties shall be accomplished, but not to exceed one year. It shall be their duty to investigate the alcoholic and fermented liquor traffic and manufacture, having special reference to revenue and taxation, distinguishing as far as possible, in the conclusions they arrive at, between the effects produced by the use of distilled or spirituous liquors as distinguished from the use of fermented or malt liquors, in their economic, criminal, moral, and scientific aspects, in connection with pauperism, crime, social vice, the public health, and general welfare of the people; and also inquire and take testimony as to the practical results of license and restrictive legislation for the prevention of intemperance in the several States, and the effect produced by such legislation upon the consumption of distilled or spirituous liquors

and fermented or malt liquors, and also to ascertain whether the evil of drunkenness has been increased or decreased thereby, whether the use of opium as a stimulant and substitute for alcoholic drinks has become more general in consequence of such legislation, and whether public morals have been improved thereby. It shall also be the duty of said commissioners to gather information and take testimony as to whether the evil of drunkenness exists to the same extent, or more so, in other civilized countries, and whether those foreign nations that are considered the most temperate in the use of stimulants are so through prohibitory laws; and also to what degree prohibitory legislation has affected the consumption and manufacture of malt and spirituous liquors in this country.

SEC. 2. That the said commissioners, all of whom shall not be advocates of prohibitory legislation or total abstinence in relation to alcoholic or fermented liquors, shall serve without salary; shall be authorized to employ a secretary at a reasonable compensation, not to exceed $2,000 per year, which, with the necessary expenses incidental to said investigation, (not exceeding $10,000,) of both the secretary and commissioners, shall be paid out of any money in the Treasury not otherwise appropriated, upon vouchers to be approved by the Secretary of the Treasury; and for this purpose the sum or $10,000 is hereby appropriated. It shall be the further duty of said commissioners to report the result of their investigation, and the expenses attending the same, to the President, to be by him transmitted to Congress.

The amendment was agreed to.

The bill was reported to the Senate as amended.

The PRESIDING OFFICER. The question is on concurring in the amendment made as in Committee of the Whole.

The amendment was concurred in.

The bill was ordered to be engrossed for a third reading; and was read the third time.

Mr. BAYARD. On the passage of the bill I ask for the yeas and nays.

The yeas and nays were ordered; and being taken, resulted—yeas 26, nays 21: as follows:

YEAS—Messrs. Anthony, Boreman, Buckingham, Cameron, Chandler, Conkling, Dorsey, Fenton, Flanagan, Frelinghuysen, Hamlin, Ingalls, Logan, Mitchell, Morrill of Maine, Oglesby, Pease, Pratt, Ramsey, Sargent, Scott, Sherman, Spencer, Sumner, West, and Wright—26.

NAYS—Messrs. Bayard, Bogy, Clayton, Cooper, Davis, Dennis, Goldthwaite, Gordon, Hamilton of Texas, Hitchcock, Johnston, Kelly, Lewis, McCreery, Merrimon, Norwood, Ransom, Robertson, Saulsbury, Stevenson, and Stockton—21.

ABSENT—Messrs. Alcorn, Allison, Boutwell, Brownlow, Carpenter, Conover, Cragin, Edmunds, Ferry of Connecticut, Ferry of Michigan, Gilbert, Hager, Hamilton of Maryland, Harvey, Howe, Jones, Morrill of Vermont, Morton, Patterson, Schurz, Sprague, Stewart, Thurman, Tipton, Wadleigh, and Windom—26.

So the bill was passed. Its title was amended so as to read: "A bill to provide for the appointment of a commission on the subject of the alcoholic and fermented liquor traffic."

HOUSE BILLS REFERRED.

The bill (H. R. No. 2228) to authorize the Secretary of the Treasury to change the name of the propeller William M. Tweed, of Buffalo, was read twice by its title, and referred to the Committee on Commerce.

The bill (H. R. No. 2347) authorizing the Secretary of the Treasury to deliver to the Connecticut Historical Society certain papers on file as vouchers for the discharged claims of the heirs of Silas Deane was read twice by its title, and referred to the Committee on the Judiciary.

The joint resolution (H. R. No. 59) amending joint resolution of April 16, 1872, relating to a statue of the late Admiral Farragut, was read twice by its title, and referred to the Committee on Public Buildings and Grounds.

NATIONAL-BANK CIRCULATION.

Mr. SHERMAN. I now move that the bill for the equalization of the currency be taken up.

The motion was agreed to; and the Senate, as in Committee of the Whole, resumed the consideration of the bill (S. No. 432) to amend an act entitled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates, and for an increase of national-bank notes," approved July 12, 1870.

Mr. LOGAN. I take the floor, with the view, however, of yielding to my friend from Michigan, [Mr. FERRY,] if he is here on Monday; if not, I propose then to proceed with the argument of the question.

Mr. MORRILL, of Maine. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After nine minutes spent in executive session the doors were reopened, and (at four o'clock and thirty-five minutes p. m.) the Senate adjourned.

HOUSE OF REPRESENTATIVES.

FRIDAY, *March* 6, 1874.

The House met at twelve o'clock m. Prayer by the Chaplain, Rev. J. G. BUTLER, D. D.

The Journal of yesterday was read and approved.

TIMBER ON WESTERN PRAIRIES.

Mr. DUNNELL. I am instructed by the Committee on the Public Lands to ask unanimous consent to take from the Speaker's table the bill (H. R. No. 1558) to amend the act entitled "An act to encourage the growth of timber on western prairies," and concur in the Senate amendments to the same.

The SPEAKER. The amendments of the Senate will be read.

The Clerk read the amendments, as follows:

On page 3, line 27 of section 2, strike out "three" and insert "five;" so as to read:

And if at the expiration of such time, or at any time within five years thereafter, the person making such entry, &c.

Add to section 2 of the bill the following:

And in case of the death of a person who has complied with the provisions of this act for the period of three years, his heirs or legal representatives shall have the option to comply with the provisions of this act, and receive, at the expiration of eight years, a patent for one hundred and sixty acres, or receive without delay a patent for forty acres, relinquishing all claim to the remainder.

Strike out section 3, and insert in lieu thereof the following:

That if at any time after the filing of said affidavit, and prior to the issuing of the patent for said land, the claimant shall abandon the land, or fail to do the breaking and planting required by this act, or any part thereof, or shall fail to cultivate, protect, and keep in good condition such timber, then, and in that event, such land shall be subject to entry under the homestead laws, or by some other person under the provisions of this act: *Provided*, That the party making claim to said land, either as a homestead settler or under this act, shall give, at the time of filing his application, such notice to the original claimant as shall be prescribed by the rules established by the Commissioner of the General Land Office, and the rights of the parties shall be determined as in other contested cases.

Mr. DUNNELL. I move that the Senate amendments be concurred in. There is no objection to them; they are all in harmony with the purpose of the bill.

The motion was agreed to.

Mr. DUNNELL moved to reconsider the vote by which the amendments were concurred in; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

REPORT OF SURVEY OF THE UTE COUNTRY.

Mr. CHAFFEE, by unanimous consent, submitted the following resolution; which was read, considered, and adopted:

Resolved, That the Secretary of War be directed to transmit to the House of Representatives a copy of a report from Lieutenant E. H. Ruffner, Corps of Engineers of the United States Army, of a reconnaissance in the Ute country, in Colorado, made during the year 1873.

EVENING SESSION FOR DEBATE.

Mr. McCRARY. I ask unanimous consent that a session be held this evening for debate only upon the special order, being the bill (H. R. No. 1385) to regulate commerce by railroads among the several States.

No objection being made, it was so ordered.

Mr. RANDALL moved to reconsider the vote by which the order was made; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

PERSONAL EXPLANATION—FRANKING BILL.

Mr. LOWNDES. Mr. Speaker, I was compelled to be absent from the House on yesterday. I am opposed to the franking bill that was then under discussion. If I had been present I would have voted against it.

REORGANIZATION OF THE GENERAL LAND OFFICE.

Mr. TOWNSEND, by unanimous consent, reported back from the Committee on the Public Lands, with a recommendation that the same do pass, the bill (H. R. No. 1060) to reorganize the clerical force of the General Land Office, and moved that the same be referred to the Committee of the Whole on the state of the Union, and that the report accompanying the same be printed.

The motion was agreed to.

PENSION AGENTS.

Mr. SPEER. I ask unanimous consent to submit the following resolution:

Resolved, That the Secretary of the Interior be, and he is hereby, directed to transmit to this House, at his earliest convenience, the names and post-office addresses of all the pension agents in the service of the Government, with the number of pensioners paid by each for the quarter ending on the 4th day of January, 1874, with a statement of the salary, fees, and emoluments received by each agent for the last year.

Upon the motion of the gentleman from Massachusetts [Mr. BUTLER] an order of the House was made, under a suspension of the rules, that it might be in order to move an amendment to the pension appropriation bill, to abolish the payment of pensions by agents. In order that the House may act intelligently on that proposition when it shall be presented, it is proper that we should have this information from the Secretary of the Interior.

Mr. STARKWEATHER. I desire to suggest a modification of the resolution. Before the war, under the old system, payments were made to pensioners by agents. I suggest to the gentleman to include in his resolution a call for information as to how many agents there were, how many pensioners, and the cost of payment under the old law.

Mr. SPEER. I have no objection to that.

The SPEAKER. The gentleman will please reduce the modification of his resolution to writing.

EPIDEMIC CHOLERA.

Mr. BROMBERG. I ask unanimous consent to report back from the Committee on Commerce the amendments of the Senate to House joint resolution No. 29, authorizing the Secretary of War to detail medical officers of the Army to inquire into and report upon the

causes of epidemic cholera, with a recommendation that the amendments of the Senate be concurred in.

Mr. COX. I will reserve my right to object.

The SPEAKER. Objection will be in order after the amendments have been reported.

The Senate amendments were then read by the Clerk.

Mr. COX. I must object to this joint resolution. Let the amendments be referred.

Mr. BROMBERG. They have been referred to the Committee on Commerce, and this is their report. The Senate have done nothing more than to make some clerical corrections, and to add the supervising surgeon of marine hospitals to the Surgeon-General of the Army to take charge of this matter.

Mr. COX. I cannot understand these amendments from their reading. I must object.

MEDICAL CORPS OF THE ARMY.

Mr. WOODFORD, by unanimous consent, presented memorials of the New York Academy of Medicine, New York Pathological Society, and other medical societies of New York, in regard to increasing the efficiency of the Medical Corps of the Army, and asked that the same be printed, referred to the Committee on Military Affairs, and also printed in the RECORD.

The motion was agreed to.

The memorials were as follows:

Action of the New York Academy of Medicine in support of a movement by the American Medical Association to increase the efficiency of the Medical Department of the United States Army.

At a regular meeting of the New York Academy of Medicine, held January 7, 1874, a committee of three, consisting of Drs. Gurdon Buck, Frank H. Hamilton, and John C. Peters, was appointed to report on the present condition of the Medical Corps of the United States Army.

At the next stated meeting the following resolutions were read and unanimously adopted.

[L. S.]

AUSTIN STONE, M. D., *President.*
W. T. WHITE, M. D., *Secretary.*

Resolved, That the New York Academy of Medicine do hereby cordially unite with the American Medical Association in its memorial to Congress in support of a bill to increase the efficiency of the Medical Department of the Army of the United States, now before that honorable body. They consider it an act of justice that the members of so important a branch of the service, gentlemen of the highest professional attainments and excellence of character, and charged with such weighty and responsible duties, should have the same relative rank and enjoy the same emoluments as members of the other staff corps of the Army; that it be respectfully urged upon the members of Congress of the State of New York to use their influence in support of the bill in question; that a copy of the above resolutions, duly authenticated, together with a copy of the memorial pamphlet, be furnished to each member of Congress.

Resolved also, That a copy of these proceedings be furnished for publication to the medical journals.

JOHN C. PETERS, M. D., *Chairman.*
GURDON BUCK, M. D.,
Surgeon New York Hospital, and of Saint Luke's Hospital.
FRANK H. HAMILTON, M. D.,
Surgeon-in-Chief of the Reception Hospital, New York City, and Surgeon Bellevue Hospital and Saint Francis.

JANUARY 15, 1874.

The above resolutions, passed by the New York Academy of Medicine, were read and unanimously adopted at the regular meeting of the New York Pathological Society, on Wednesday evening, February 25, 1874.

H. KNAPP, M. D., *President.*
GEORGE F. SHRADY, *Secretary.*

Action of the Medical Library and Journal Association of New York.

Whereas the American Medical Association, at its meeting in Saint Louis, May, 1873, appointed a committee to memorialize the honorable Senate and House of Representatives in relation to increasing the efficiency of the Medical Department of the United States Army; and whereas said committee has prepared such memorial and prepared a bill embodying such amendments to the present laws of the United States as it is believed will add dignity to the medical staff of the Army: Therefore,

Resolved, That this association cordially indorses the action of the aforesaid committee, and respectfully adds thereto the weight of its influence, in the hope that Congress will pass the bill proposed.

Resolved, That while it is an established American principle to educate the people in order that they may be fitted to intelligently and patriotically perform the duties of citizenship, it seems pre-eminently proper for the nation to recognize the genius and fidelity of those occupying public positions by a corresponding honorary and pecuniary reward.

Resolved, That the achievements of our Army surgeons, aided by the liberality of Congress, have largely contributed to our national greatness, and at home and abroad are regarded with the merit they deserve.

Resolved, That a copy of these resolutions be forwarded to J. M. Toner, M. D., secretary of the committee of the American Medical Association, for such use as may best subserve the purpose for which they have been prepared.

GOUVERNEUR M. SMITH, M. D.,
Chairman.
JOEL FOSTER, M. D.
MATLOCK CHEESEMAN, M. D.

The above resolutions were read and unanimously adopted at a regular meeting of the Medical Library and Journal Association of New York, on Friday evening, January 23, 1874.

JOHN C. PETERS, M. D.,
President.
ANDREW H. SMITH, M. D.,
Physician to Saint Luke's Hospital, Secretary.

At a meeting of the comitia minora of the Medical Society of the County of New York, held at the house of the president, Dr. Ellsworth Eliot, on the afternoon of Wednesday, January 21, 1874, on the motion of Dr. John C. Peters, a committee of three, consisting of Drs. H. B. Sands, Alfred C. Post, and Isaac E. Taylor, was appointed to consider the best method of increasing the efficiency of the Medical Department of the United States Army.

On Monday evening, January 26, 1874, at a regular meeting of the Medical Society of the County of New York, the chairman, Dr. H. B. Sands, offered the following resolution:

Resolved, That this society cordially indorse the action of the American Medical Association, held at Saint Louis, in May, 1873, and the resolution of the Academy of Medicine, adopted on January 15, 1874, and those of Medical Library and Journal Association of New York, on January 23, 1874.

H. B. SANDS, M. D.,
Professor of Anatomy College of Physicians and Surgeons, Medical Department of Columbia College, New York.
ALFRED C. POST, M. D.,
Professor of Surgery, Military Surgery and Hygiene, Medical Department of the University of the City of New York.
ISAAC E. TAYLOR, M. D.,
Emeritus Professor and President of the Bellevue Hospital Medical College, City of New York.

The above resolution was unanimously adopted at the regular meeting of the Medical Society of the County of New York, held on Monday evening, January 26, 1874.

ELLSWORTH ELIOT, M. D.,
President.
A. E. M. PURDY, M. D.,
Secretary.

SIOUX INDIANS.

Mr. AVERILL. On Saturday last a bill was reported from the Committee on Indian Affairs, and referred, I think, by an error of the Clerk, to the Committee of the Whole on the state of the Union. It is House bill No. 420, to authorize the Secretary of the Interior to discharge certain obligations of the United States to the creditors of the bands of Upper and Lower Sioux Indians. I ask that the Committee of the Whole on the state of the Union be discharged from its further consideration, and that it be referred to the Committee of the Whole on the Private Calendar.

Mr. RANDALL. Is it a private bill?

The SPEAKER. The Chair thinks it is a private bill.

The motion of Mr. AVERILL was agreed to.

ORDER OF BUSINESS.

Mr. RANDALL. I call for the regular order.

The SPEAKER. The regular order being called for, the morning hour now begins at twenty minutes past twelve o'clock. The call of committees for reports of a private nature will be resumed.

WILLIAM YOUNG.

Mr. SAYLER, of Indiana. I am directed by the Committee on Patents to report back the petition of William Young, for compensation for the use of his patent galley in the Navy; and to move that the Committee on Patents be discharged from the further consideration of the petition, and that it be referred to the Committee on Naval Affairs.

Mr. SCOFIELD. The Committee on Naval Affairs will, of course, consider carefully everything that the House may refer to them; but we have already reported back two propositions similar to this, and have asked their reference to the Committee on Claims.

Mr. SAYLER, of Indiana. This claim of William Young is for compensation for the use of a galley or cooking-range used in naval vessels. I take it for granted that it is a part of the naval equipment, and that therefore the subject is peculiarly germane to the business of the Naval Committee. As a matter of course we do not wish to impose any more work on that committee than is proper.

Mr. SCOFIELD. I make no objection to the reference of this petition to our committee.

Mr. CONGER. The Committee on Patents were of opinion that perhaps the Committee on Naval Affairs might wish to give a direction in this matter to the claims commission, and therefore preferred to have the paper go to that committee first.

The motion of Mr. SAYLER, of Indiana, was agreed to, and the petition was referred to the Committee on Naval Affairs.

STATUE OF ADMIRAL FARRAGUT.

Mr. PLATT, of Virginia, from the Committee on Public Buildings and Grounds, reported back, with a favorable recommendation, the joint resolution (H. R. No. 59) amending joint resolution of April 16, 1872, relating to a statue of the late Admiral Farragut.

The joint resolution was read. It authorizes the Secretary of the Navy to contract with some suitable and skillful sculptor for a bronze statue of the late Admiral Farragut, as authorized in the joint resolution of April 16, 1872, to be disposed of as therein directed.

Mr. PLATT, of Virginia. Mr. Speaker, I have no disposition to take up the time of the House in discussing this matter. The object being so meritorious, I hope it will so commend itself to every member of the House that the measure will need no discussion to secure its passage. I will, as briefly as possible, state what has heretofore been done by Congress in an effort to procure a suitable statue to commemorate the life and deeds of that greatest of all naval heroes, Admiral Farragut.

In the Forty-second Congress, the Committee on Public Buildings and Grounds, acting upon a petition presented to Congress by members of his late staff and many of the most eminent naval officers of our service, reported to this House a joint resolution which was adopted without a dissenting voice, and which, being subsequently passed by the Senate, became law. I ask the Clerk to read that joint resolution.

The Clerk read as follows:

Joint resolution to authorize the erection of a colossal statue of the late Admiral Farragut.

Be it resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Committees on Public Buildings and Grounds of the Senate and House of Representatives be, and they are hereby, instructed to inspect all models for a colossal statue of the late Admiral Farragut that may be presented to them on or before the 1st of January, 1873, and select therefrom, within thirty days thereafter, the one that in their judgment shall be the most faithful likeness in form and feature, and the most appropriate to commemorate the deeds and character of the said admiral; and that the Secretary of the Navy be, and he is hereby, directed to contract with the sculptor who shall have prepared the model so selected, for a colossal statue of the said admiral, at a cost not exceeding twenty thousand dollars, to be erected in Farragut Square, in the city of Washington, District of Columbia, or in such other place as he may designate: *Provided*, That if no such model shall be presented on or before the time designated which the said committees shall agree upon as a work of art entirely worthy as a tribute of the nation to the naval hero whose memory it is proposed to commemorate, they may reject any and all so presented, and report the fact to their respective Houses.

Mr. PLATT, of Virginia. In pursuance of the provisions of that resolution, the Committees on Public Buildings and Grounds of the House of Representatives and of the Senate had several meetings. The artists of this and other countries were invited to present models for inspection; and that invitation was embraced by a large number of artists both in this country and abroad. Gentlemen will recollect that for several months we had at the other end of the Capitol, in a room under the Senate, a collection of the models presented under that invitation, which models were, while they remained there, inspected by members of both Houses, and were especially examined by the committees of the two Houses having charge of this subject. Those committees held a number of meetings and endeavored to come to some decision as to which of the models presented should be adopted. They were, however, unable to agree; and in pursuance of the resolution under which they acted, the following report was presented on the last day of the last session to the House, a similar report being presented in the Senate by the committee of that body:

The Committee on Public Buildings and Grounds, in accordance with the provisions of the joint resolution "to authorize the erection of a colossal statue of the late Admiral Farragut," approved April 16, 1872, submit the following report:

That they have inspected all models for a colossal statue of the late Admiral Farragut that have been presented to them; and, after a full conference with the Senate Committee on Public Buildings and Grounds, have been unable to agree on a choice, and therefore report the facts to the House, as directed by a provision of the resolution.

No further action was taken by Congress on the subject; and knowing from past experience that it is impossible for a body of men containing so many members to agree upon a subject of this kind, the committee of the House having had the subject under consideration, have reported the resolution which we now ask the House to adopt. It provides that the Secretary of the Navy, who by the former resolution had charge of the expenditure of the money that was to be appropriated for this purpose, shall himself select the artist to execute this work. We make this proposition because the experience of Congress in this effort to honor the memory of Admiral Farragut has been exactly the same that has always attended any attempt to reach a conclusion on any subject of art, whether a statue or picture; and because it is much easier for one gentleman to make a decision on a question of this kind than it is for a body.

He will have in this decision the assistance of the friends of the late Admiral and of gentlemen who are experts in art. And we believe by the adoption of this resolution almost the unanimous wish of this Congress and of the people of the country may be met, and a suitable statue in commemoration of the life and deeds of Admiral Farragut secured to the country. As the subject is well understood, I will now demand the previous question.

Mr. KELLOGG. The gentleman agreed to yield to me.

Mr. PLATT, of Virginia. I will yield to the gentleman from Connecticut for a few minutes.

Mr. KELLOGG. I offer the following amendment, to which I think the committee will not object, and which I hope the House will adopt.

The Chief Clerk read as follows:

Add to the end of the resolution these words:

Provided, That the selection of the sculptor or artist to execute the statue shall be made by the Secretary of the Navy, the General of the Army, and Mrs. Virginia Farragut, or a majority of them.

Mr. KELLOGG. Mr. Speaker, I offer that amendment for this reason: it is not amenable to the objection which the gentleman from Virginia has indicated, that of raising a committee that cannot decide; for it provides this committee of three, or a majority of them, shall make a selection of the statue. I have selected the name of the General of the Army, because he was so intimate with Admiral Farragut and knew him so well, and that of Mrs. Farragut; for if any person on earth ought to know a statue that resembles our great Admiral it should be Mrs. Farragut. I think this amendment is not liable to the objection that there can be no decision made, for it is a committee which must make a decision, as it provides that the majority shall select the statue. I hope the amendment will commend itself to the good sense of the House. I think Mrs. Farragut should be consulted. I think it eminently proper she should have a voice in the selection of the statue of Admiral Farragut.

Mr. PLATT, of Virginia. I will permit the amendment to come in to be voted on.

Mr. COX. I ask the gentleman to yield to me.

Mr. PLATT, of Virginia. I will yield to the gentleman for five minutes.

Mr. COX. I propose to amend the amendment of the gentleman from Connecticut by adding the names of Albert Bierstadt and Edward Church to the commission to decide upon this statue. They are eminent artists; they are painters; they are not sculptors, but they are men of rare taste, and fair men; and unless this House wants to decorate this Capitol so the next generation will be iconoclasts to break down the decorations we appropriate money for, they had better go on some other principle than naming a commission such as my friend here designates. Why should the Secretary of the Navy be an especial judge of art? Why should the honored widow of Admiral Farragut simply decide on the resemblance of a stone statue to her husband, and call it art? Why should General Sherman, who is accomplished in many ways, be an especial judge of statues? At least, from this time forward, let us select men who are artists—fair artists—who may make this building what it ought to be—a building for the future; for the growing taste of the future, as well as for the elegant taste of the present.

I hope, Mr. Speaker, the gentleman will accept my amendment. It does not disturb his present amendment but only adds a little taste to what he has already given to the House in the way of respect for the officers of the Army and Navy.

Mr. PLATT, of Virginia. I will allow the amendment to be voted on, and will now demand the previous question.

The previous question was seconded and the main question ordered.

Mr. COX's amendment was rejected.

The amendment of Mr. KELLOGG was adopted.

The joint resolution, as amended, was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

Mr. PLATT, of Virginia, moved to reconsider the vote by which the joint resolution was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

EMANUEL SMALL AND JAMES TATE.

Mr. PARKER, of Missouri, from the Committee on Appropriations, reported back a bill (H. R. No. 2207) making an appropriation to pay Emanuel Small and James Tate, of Atchison County, Missouri, for carrying the mails, with the recommendation that it do pass; which was referred to the Committee of the Whole House on the Private Calendar.

OLIVER POWERS.

Mr. DUNNELL, from the Committee on Claims, reported back, with the recommendation that it do pass, the bill (S. No. 366) for the relief of Oliver Powers; and the same was referred to the Committee of the Whole on the Private Calendar, and the accompanying report ordered to be printed.

ESTATE OF J. B. ARMSTRONG

Mr. DUNNELL also, from the same committee, reported back, with the recommendation that it do not pass, the joint resolution (H. R. No. 39) in the matter of the payment of certain moneys appropriated to the estate of J. B. Armstrong, deceased, to the administrator; and the same was laid on the table, and the accompanying report ordered to be printed.

W. W. ELLIOTT.

Mr. SMITH, of Ohio, from the Committee on Claims, reported back with the recommendation that it do pass, the bill (S. No. 310) for the relief of W. W. Elliott; and the same was referred to the Committee of the Whole on the Private Calendar, and the accompanying report ordered to be printed.

THOMAS T. CRITTENDEN.

Mr. SMITH, of Ohio, also from the same committee, reported back, with the recommendation that it do pass, the bill (H. R. No. 1297) for the relief of Thomas T. Crittenden, of Missouri; and the same was referred to the Committee of the Whole on the Private Calendar, and the accompanying report ordered to be printed.

TIMOTHY D. CROOK.

Mr. SMITH, of Ohio, also, from the same committee, reported back papers in the case of Timothy D. Crook; and moved that the committee be discharged from the further consideration of the same, and that they be laid on the table, and the accompanying report be printed.

The motion was agreed to.

LAFAYETTE WARD.

Mr. SMITH, of Ohio, also, from the same committee, reported back the memorial of Lafayette Ward, asking compensation for the use by the United States of the invention known as the Ward patent mail-bag catcher; and moved that the committee be discharged from the further consideration of the same, that it be laid on the table, and the accompanying report be printed.

The motion was agreed to.

SAMUEL L. HIGHLYMAN.

Mr. NUNN, from the Committee on Claims, reported back, with the recommendation that it do not pass, the bill (H. R. No. 691) for the relief of Samuel L. Highlyman, formerly deputy collector of the fifth

district, Missouri; and the same was laid on the table, and the accompanying report ordered to be printed.

JOHN CLINTON.

Mr. NUNN also, from the same committee, reported a bill (H. R. No. 2345) for the relief of John Clinton, postmaster at Brownsville, Tennessee; which was read a first and second time, referred to the Committee of the Whole on the Private Calendar, and, with the accompanying report, ordered to be printed.

PERRY BROYLES.

Mr. BURROWS, from the Committee on Claims, reported back, with the recommendation that it do not pass, the bill (H. R. No. 88) for the relief of Perry Broyles; and the same was laid on the table, and the accompanying report ordered to be printed.

W. A. SAYLOR.

Mr. BURROWS also, from the same committee, reported a bill (H. R. No. 2346) for the relief of W. A. Saylor, of Bryan, Texas, for internal-revenue taxes illegally assessed and collected during the years 1867 and 1868; which was read a first and second time, and, with the accompanying report, referred to the Committee of the Whole on the Private Calendar, and ordered to be printed.

METROPOLITAN POLICE, DISTRICT OF COLUMBIA.

Mr. BURROWS also, from the same committee, reported back, with the recommendation that it do not pass, the joint resolution (H. R. No. 24) relative to the Metropolitan police of the District of Columbia; and the same was laid on the table, and the accompanying report ordered to be printed.

HEIRS OF SILAS DEANE.

Mr. HAWLEY, of Illinois. I am instructed by the Committee on Claims to report back, with the recommendation that it do pass, the joint resolution (H. R. No. 48) authorizing the Secretary of the Treasury to deliver to the Connecticut Historical Society certain papers on file as vouchers for the discharged claims of the heirs of Silas Deane.

The joint resolution was read. It authorizes and directs the Secretary of the Treasury to deliver to the Connecticut Historical Society the papers now on file in the Treasury Department as vouchers in support of the claims of the heirs of Silas Deane, it being understood that those claims have been fully satisfied and discharged, and that the heirs aforesaid have transferred to said historical society all the papers of historical interest left by said Silas Deane.

Mr. HAWLEY, of Illinois. I presume nobody will object to the passage of this joint resolution. I am instructed by the committee to offer the following amendment:

Add at the end of the joint resolution the following:
Provided, That copies of said papers shall be left on file in said Department.

The amendment was agreed to.

Mr. HAWLEY, of Illinois. I ask that the joint resolution be changed into a bill.

There was no objection, and the bill, (H. R. No. 2347,) as amended, was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

Mr. HAWLEY, of Illinois, moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

REV. GEORGE MORRISON.

Mr. LAWRENCE, from the Committee on War Claims, reported a bill (H. R. No. 2348) for the relief of the Rev. George Morrison, late of Kentucky; which was read a first and second time, referred to the Committee of the Whole on the Private Calendar, and, with the accompanying report, ordered to be printed.

BURKE & KUNKEL.

Mr. HARRIS, of Virginia, from the same committee, reported a bill (H. R. No. 2349) for the relief of Burke & Kunkel; which was read a first and second time, referred to the Committee of the Whole on the Private Calendar, and, with the accompanying report, ordered to be printed.

LEMUEL C. RISLEY.

Mr. HOLMAN, from the same committee, reported back, with the recommendation that it do pass, the bill (H. R. No. 799) for the relief of Lemuel C. Risley, late a second lieutenant of the Eighty-fifth Regiment Illinois Volunteers; which was referred to the Committee of the Whole on the Private Calendar, and the accompanying report ordered to be printed.

WILLIAM F. PEAK AND OTHERS.

Mr. HAZELTON, of Wisconsin, from the same committee, reported adversely on the petition of William F. Peak and others; and the same was laid upon the table, and the report ordered to be printed.

LIEUTENANT PARRIS L. REED.

Mr. SMITH, of Pennsylvania, from the same committee, reported back, with the recommendation that it do not pass, the bill (H. R. No. 1403) for the relief of Lieutenant Parris L. Reed; and the same was laid upon the table, and the report ordered to be printed.

ISSUE OF A NEW REGISTER.

Mr. WHEELER, from the Committee on Commerce, reported a bill (H. R. No. 2350) authorizing the Secretary of the Treasury to issue a certificate of registry and enrollment to the schooner Almina and changing the name to Minnie Davis; which was read a first and second time.

Mr. POTTER. I would inquire whether the testimony shows what moneys have been expended upon this vessel by the present owner?

Mr. WHEELER. The affidavits accompanying the claim show that the vessel has been largely repaired, so as to come within the rule adopted by the Committee on Commerce.

Mr. POTTER. How largely?

Mr. WHEELER. I cannot tell definitely; but the cost of the repairs amount to more than one-half of the value of the vessel.

Mr. MERRIAM. Nearly three-fourths.

Mr. POTTER. Then it is just this case: Here is a British vessel which, under the general law, could not be admitted to registry; but some one gets hold of her for a small sum, because she is not entitled to registry, and spends a certain amount of money on her, and then comes to the Committee on Commerce and asks them to recommend a registry, and the Committee on Commerce in this case recommend it.

Now, I am in favor, within proper limits, of free ships, but as long as the law prevents the registration of foreign bottoms it ought to extend to every one. This giving to one man permission to bring in a foreign-built vessel is like giving to one man permission to bring in a case of goods without paying the duties upon them. It is founded on no principle of law or justice, but the contrary, and ought not to be tolerated.

Mr. WHEELER. There was no attempt at evasion of the registry laws in this case that the committee are aware of.

Mr. WOOD. I think this bill subject to yet graver objections than those urged by my colleague, [Mr. POTTER.] Like him, I am in favor of free ships, but as long as we pursue the policy of taxation upon the materials which enter into the construction of ships, we should make no discrimination against our own ships by the free introduction and change of registership of foreign-constructed vessels, that pay no tax either in duties upon the imported materials of which the vessel is constructed, or a direct tax, as we have heretofore imposed by our laws on the materials which enter into the construction of ships.

Now, of course, as the representative of a commercial community, I am in favor of bringing in as many vessels, whether foreign or native bottoms, as can possibly come in; but when men will buy for a song vessels that are wrecked, or partly wrecked, built in foreign lands, come here, and by a simple application to the Committee on Commerce procure an American register to put that vessel in all respects upon the same footing with our own vessels, which are built in this country and upon which we tax our own citizens very heavily, I say we ought not to grant them what they ask. While there are cases in which we should grant this change of register, I do not think the practice should be carried to the extent that the Committee on Commerce carry it under existing circumstances.

Mr. CONGER. I am glad to see my friends on the other side, who are in favor of free ships, coming to the rescue of this question so earnestly.

There are in the minds of the Committee on Commerce special reasons for the recommendation in this case. My friend from New York, [Mr. POTTER,] an old member of the Committee on Commerce, knows that it was no easy matter to procure a recommendation from the former committee, nor is it from the present committee for such a bill as this.

Mr. POTTER. I took it for granted that there were some reasons for this extraordinary recommendation, and so I asked for them.

Mr. CONGER. In former days these objections did not come from my friend from New York. It is well, perhaps, that we are beginning to see things alike. This vessel is a small craft, owned by Bruce M. Davis, an American, and employed on the Saint Lawrence. It has been owned by him a great many years; and under Canadian laws he has been allowed to run it nominally under the name of another master, although he has had the use and control of it himself. It is used for transporting freight and passengers among the islands of the Saint Lawrence, and partly as a pleasure-boat. It is not engaged particularly in any great commercial transactions. We might say that since the present ownership it has been almost entirely rebuilt. All that is of substantial value in the vessel has been put upon it by Mr. Davis, and in American waters. It is for the purpose of furnishing some craft to ply around among the islands, and to give pleasure to the gentleman from New York, and others, when they go there. Mr. Davis desires an American registry only that he may have it more completely under his own control. The vessel approaches somewhat, though not entirely, to the class of pleasure-yachts. As it has been owned some years by an American, as it has been rebuilt by an American, of American materials, the committee thought there was no objection to the request in this case, and that in fact there was a seeming propriety in granting an American register. In that view of the case, with all the strictness which the committee hold now as in former days, the committee have reported in favor of this bill.

Mr. POTTER. I am very sure that I shall never come to any general agreement with my friend from Michigan [Mr. CONGER] about legislation; for I believe it should be conducted by rule, while he believes that it should be conducted by favor. Now, that "the gentleman from New York" may be able, as he suggests, to go to these islands of the Saint Lawrence and enjoy a sail there in this vessel, is to my mind no reason whatever for passing this bill.

Mr. CONGER. Is it not more pleasure to the gentleman to see the stars and stripes rather than the red cross on a vessel?

Mr. POTTER. Yes; but it is a higher pleasure to see the law administered equally for all men, without partiality and without distinction. I am in favor of having free ships, of course accompanied, as my colleague [Mr. WOOD] suggests, with free material for shipbuilding; otherwise free ships would be putting the American builder at a disadvantage. But so long as the laws impose a duty on ships, as they do upon silks, why should one man be allowed to bring in a ship free of duty, when the rest of us are not allowed to do so? That is all there is of this bill.

Here is a vessel, worth more or less, built in Great Britain, not allowed American registry under our laws, excluded from participation in our commerce. The man who owns her comes here and asks, through the Committee on Commerce, that she shall be given a special license to be treated as an American vessel. The general policy of opening our ports to foreign-built vessels I shall be ready to meet whenever it is proposed. But just so long as we put the vessels built in foreign countries at a disadvantage, no man should be allowed to bring in a foreign-built vessel for his own benefit alone, when every one else is excluded from that privilege.

Mr. KELLEY. Is there not a general law by which foreign vessels wrecked and rebuilt in this country may obtain a license from the Treasury?

Mr. WHEELER. This is not such a case; this is not a wrecked vessel.

Mr. KELLEY. Exactly; it is not a wrecked vessel. There is a general law on the subject, to which I think we had better adhere.

Mr. POTTER. That is it exactly.

Mr. WHEELER. I am not prepared this morning, nor do I think this the time or occasion, to discuss the question of free trade in ships or anything else. Unless Congress is to depart from a policy which it has observed for twenty years past, then this bill should pass. It is the case of a vessel originally British built; but, as the chairman of the sub-committee, [Mr. CONGER,] who had this bill in charge, informs the House, it has been repaired to at least three-quarters of its value. In such a case, even though the vessel has not been wrecked, we have always been in the habit of granting an American register.

Mr. POTTER. Always in the habit of granting an American register in such cases?

Mr. WHEELER. I do not know any precedent to the contrary since I have been in Congress. In this very Congress we have passed several such bills; we passed one last Friday. I now call the previous question.

The previous question was seconded and the main question ordered; and under the operation thereof the bill was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

Mr. WHEELER moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

CHANGE OF REFERENCE.

Mr. WHEELER, from the Committee on Commerce, reported back the following memorials, and moved that the committee be discharged from their further consideration, and that they be referred to the Committee on Claims:

A memorial of the Legislative Assembly of Utah Territory, praying for an appropriation to pay for Indian depredations and expenses incurred in suppressing Indian hostilities; and

Petitions of commanders and masters of United States naval vessels, and others, for allowing Howl Colby compensation for assistance rendered shipmasters in the service of the United States.

The motion was agreed to.

PROPELLER WILLIAM M. TWEED.

Mr. CONGER, from the Committee on Commerce, reported back, with a favorable recommendation, the bill (H. R. No. 2228) to authorize the Secretary of the Treasury to change the name of the propeller William M. Tweed, of Buffalo.

The bill was read. It authorizes the Secretary of the Treasury to change the name of the propeller William M. Tweed, of Buffalo, owned by the Union Steamboat Company, a corporation of the State of New York, to Newburgh, and to grant said vessel proper marine papers in said name.

Mr. G. F. HOAR. I suggest whether this bill ought to pass without the gentleman from New York [Mr. COX] being heard? [Laughter.]

Mr. CONGER. It had been supposed that possibly this bill might be in conflict with the law which prohibits the registry of two vessels of the same name in the same district. I will state, therefore, that I have received a telegram from the collector of the district of Buffalo, stating that there is no steamer of the name of Newburgh already registered in that district. Therefore there is no objection on that score to this change of name. I ask the Clerk to read a passage which I have marked in the petition of the Union Steamboat Company, who own this propeller.

The Clerk read as follows:

In pursuance of such lawful business, the said company is the owner and manager of a certain steamboat known as the William M. Tweed, which said steamboat is duly enrolled according to the laws of the United States relating to the enrollment of vessels navigating its waters. Her enrollment is dated April 14, 1873, a copy of which, for the better description and identification of said steamboat, is annexed to and made part of this petition.

Mr. CONGER. This is a steamer of about twelve hundred tons, navigating the upper lakes. It is owned by the Union Steamboat Company, who have petitioned for a change of its name for reasons they have assigned. I would yield to my friend from New York [Mr. POTTER] to speak on this subject, but that I have promised to yield to my other friend from New York, [Mr. COX.]

Mr. COX. Mr. Speaker, the remark made by my honorable friend from Massachusetts [Mr. G. F. HOAR] "had reference to an allusion" made by my gallant friend from Kentucky [Mr. CROSSLAND] some time since. Several years ago I introduced a bill here to change the name of a vessel from Industry to William M. Tweed. That bill never passed, although this House was republican then, as it is now; and, considering the whole case, that is strange.

But, Mr. Speaker, without any personal allusions, I think it may be a wise thing, commercially considered, to change the name of this vessel. There are reasons, political and otherwise, why the name of William M. Tweed should not be upon any of our national vessels. The Federal Administration is so sensitive and so much reproached by such denomination! The influence which Mr. Tweed once exercised in the city of New York and in the party to which I belong, is now as extinct as the dodo. The gentleman from Michigan [Mr. CONGER] knows what bird that is. [Laughter.] Our party in New York City, since Mr. Tweed's absence from politics, has been entirely reformed and reinvigorated. I only wish the party of the gentleman from Michigan would take the same pains and exercise the same Roman virtue to reform itself as the democratic party of the city of New York. It is thought that Mr. Tweed did our party harm. I presume that is the reason why the allusions to myself in this connection seem so significant to the ignorant. One bad man can kill a party. Will my friends remember that. Was it not Josh Billings who remarked that "one hornet, if he felt well, could break up a whole camp-meeting?" [Laughter.]

Mr. CONGER. If no further remarks on this subject are desired, I call for the previous question.

The previous question was seconded and the main question ordered; and under the operation thereof the bill was ordered to be engrossed for a third reading; and being engrossed, it was accordingly read the third time, and passed.

Mr. CONGER moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

PENSION BILLS.

Mr. RUSK, from the Committee on Invalid Pensions, reported back, with a favorable recommendation, bills of the following titles; which were severally referred to the Committee of the Whole on the Private Calendar, and the report in each case ordered to be printed:

A bill (H. R. No. 393) granting a pension to Rosanna Quinn;

A bill (H. R. No. 1305) granting a pension to E. Caroline Webster, widow of Lucius H. Webster;

A bill (H. R. No. 1907) granting a pension to Henry B. Havens, late a private of Company K, Twelfth Regiment Wisconsin Volunteers; and

A bill (H. R. No. 1835) granting a pension to Mary A. Lowe.

A. KENNEDY.

Mr. RUSK, from the same committee, reported back adversely the petition of A. Kennedy, of Company H, Third West Virginia Cavalry; which was laid on the table, and the report ordered to be printed.

MARY S. MOORE.

Mr. RUSK also, from the same committee, reported back adversely the petition of Samuel Moore and Mary S. Moore, asking that a pension be granted to Mary S. Moore; which was laid on the table, and the report ordered to be printed.

LYDIA BENJAMIN.

Mr. RUSK also, from the same committee, reported back the petition of Lydia Benjamin, widow of David Benjamin; and moved that the committee be discharged from the further consideration of the same, and that it be referred to the Committee on Military Affairs.

The motion was agreed to.

SUSANNA BENNETT.

Mr. WALLACE, from the same committee, reported back, with a favorable recommendation, a bill (H. R. No. 1414) granting a pension to Susanna Bennett; which was referred to the Committee of the Whole on the Private Calendar.

JOHN B. MILLER.

Mr. WALLACE also, from the same committee, reported a bill (H. R. No. 2351) granting a pension to John B. Miller; which was read a first and second time, referred to the Committee of the Whole on the Private Calendar, and ordered to be printed.

REFERENCE OF BILLS.

Mr. BARRY, from the same committee, reported back, with a favorable recommendation, bills of the following titles; which were re-

ferred to the Committee of the Whole on the state of the Union, and the reports ordered to be printed:

A bill (H. R. No. 196) granting a pension to Peter J. Cratzer; and

A bill (H. R. No. 1719) granting a pension to Ezra H. Foster.

MAGDALENA DOCKS.

Mr. MCJUNKIN, from the same committee, reported back, with a favorable recommendation, the bill (H. R. No. 2116) for the relief of Magdalena Docks; which was referred to the Committee of the Whole on the Private Calendar.

LEWIS HINELY.

He also, from the same committee, reported a bill (H. R. No. 2352) granting a pension to Lewis Hinely; which was read a first and second time, referred to the Committee of the Whole on the Private Calendar, and ordered to be printed.

ZEBINA F. RAWSON.

Mr. CRITTENDEN, from the same committee, reported back adversely the bill (H. R. No. 1692) for the relief of Zebina F. Rawson, of Shelby County, Missouri; which was laid on the table, and the report ordered to be printed.

WILLIAM MAY, SR.

Mr. CRITTENDEN also, from the same committee, reported adversely upon the petition of William May, sr., of Spencer County, Indiana, praying for increase of pension to his insane son; which was laid on the table, and ordered to be printed.

LUCY ANN CUMMINGS.

Mr. CRITTENDEN also, from the same committee, reported a bill (H. R. No. 2335) granting a pension to Lucy Ann Cummings; which was read a first and second time, referred to the Committee of the Whole House on the Private Calendar, and, with the accompanying report, ordered to be printed.

MRS. ADELAIDE ADAMS.

Mr. O'BRIEN, from the Committee on Invalid Pensions, reported adversely on the petition of Mrs. Adelaide Adams, widow of George Adams, United States Navy; which was laid upon the table, and the accompanying report ordered to be printed.

MRS. EMILY L. SLAUGHTER.

Mr. O'BRIEN also, from the same committee, reported a bill (H. R. No. 2354) granting a pension to Mrs. Emily L. Slaughter, widow of Albert G. Slaughter, commander in the United States Navy; which was read a first and second time, referred to the Committee of the Whole House on the Private Calendar, and, with the accompanying report, ordered to be printed.

ANN R. VOORHEES.

Mr. O'BRIEN also, from the same committee, reported a bill (H. R. No. 2355) granting a pension to Ann R. Voorhees, widow of P. F. Voorhees, late captain United States Navy; which was read a first and second time, referred to the Committee of the Whole House on the Private Calendar, and, with the accompanying report, ordered to be printed.

SEMINOLE INDIANS.

Mr. AVERILL. I ask unanimous consent to take from the Speaker's table a bill (H. R. No. 1923) authorizing the payment of annuities into the treasury of the Seminole tribe of Indians, which has been returned from the Senate with an amendment.

The SPEAKER. If there be no objection the bill will be taken up.

There was no objection.

Mr. AVERILL. I move non-concurrence in the amendment of the Senate, for the purpose of getting a committee of conference.

The amendment of the Senate was read as follows:

In line 17 of the bill strike out "seventy-five hundred" and insert "five thousand."

Mr. HOLMAN. I should like to know in what connection that amendment comes.

Mr. AVERILL. It simply reduces the appropriation from $7,500 to $5,000.

The SPEAKER. The question is, will the House concur or non-concur?

Mr. AVERILL. I move non-concurrence, and that the House ask for a committee of conference on the disagreeing votes of the two Houses.

Mr. HOLMAN. In what connection does the amendment come?

Mr. AVERILL. This $7,500 was a portion of the annuity set apart by the bill as an educational fund. The Senate has seen fit to reduce it to $5,000. It has been considered again by the committee, and the committee adhere to their bill. I move non-concurrence.

The amendment was non-concurred in, and a committee of conference was requested on the part of the House on the disagreeing votes of the two Houses.

ENROLLED BILLS.

Mr. HARRIS, of Georgia, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles; when the Speaker signed the same:

An act (H. R. No. 2224) making an appropriation to pay the operators of the Government telegraph connecting the Departments with the two Houses of Congress; and

An act (H. R. No. 1402) granting a pension to John A. Fisher.

ABOLITION OF THE FRANKING PRIVILEGE.

The SPEAKER laid before the House the following message from the President.

The Clerk read as follows:

To the House of Representatives:

I have the honor to transmit herewith replies from the several Departments, in answer to a resolution of the House of Representatives of the 16th of January last, requesting a list of all expenses incurred by the various Departments for transportation of any matter which before the abolition of the franking privilege was carried in the mails.

U. S. GRANT.

EXECUTIVE MANSION,
Washington, D. C., March 4, 1874.

The message and the accompanying documents were ordered to be printed, and referred to the Committee on the Post-Office and Post-Roads.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to Mr. STONE for eight days, to Mr. LAMISON indefinitely, and to Mr. RAY for two weeks.

PENSION AGENTS.

Mr. SPEER. I offer the following resolution, which I have modified to meet the suggestions of several gentlemen.

The Clerk read as follows:

Resolved, That the Secretary of the Interior be, and he is hereby, directed to transmit to this House, at his earliest convenience, the names and post-office address of all the pension agents in the service of the Government, with the number of pensioners paid by each for the quarter ending on the 4th day of December, 1873, and with a statement of the salary, fees, and emoluments received by each agent for the last year; also, the number of pensioners, manner and cost of payment prior to the rebellion; also, the cost of payment prior to the act of 1870 changing the salaries of agents and changing the mode of payment.

Mr. ALBRIGHT. I think that information is already before the Committee on Military Affairs.

Mr. RUSK. I think we have that information before us.

Mr. ALBRIGHT. I think the Military Committee have that information, and authority was given to have three thousand copies of the report for the reduction of the Army printed.

Mr. SPEER. It will be necessary, when we come to consider the amendment to the pension bill reported by the gentleman from Massachusetts.

Mr. RUSK. I shall insist that shall go to the committee or I will object.

Mr. SPEER. I will withdraw the resolution, and offer it under a suspension of the rules on Monday next.

ARMY REGISTER AND NATIONAL FLAGS.

Mr. BUTLER, of Massachusetts. I ask unanimous consent to present a resolution of the Commonwealth of Massachusetts. I desire to have the resolution read and to make a single remark thereon.

The Clerk read as follows:

COMMONWEALTH OF MASSACHUSETTS, *in the year* 1874:

Resolve rescinding and annulling a resolution passed December 18, in the year 1872, relating to Army register and national flags.

Resolved by the senate and house of representatives in General Court assembled, That the resolution passed on the 18th day of December, 1872, at the extra session of the Legislature of that year, relating to a bill introduced in the Senate of the United States concerning the Army register and regimental colors of the United States, be, and hereby is, rescinded and annulled.

SENATE, *February* 11, 1874.

Passed. Sent down for concurrence.

S. N. GIFFORD, *Clerk*.

HOUSE OF REPRESENTATIVES, *February* 13, 1874.

Concurred.

GEORGE A. MARDEN, *Clerk*.

SECRETARY'S DEPARTMENT,
Boston, March 3, 1874.

A true copy of the original resolve.
Attest:

OLIVER WARNER,
Secretary of the Commonwealth.

Mr. BUTLER, of Massachusetts. This resolution of the Legislature of Massachusetts, referring to the somewhat famous bill of Mr. SUMNER, to strike out the names of the battles of the rebellion from the Army Register and national flags, has been sent to me by the governor of the State, I assume for the purpose of presenting it to the House and having it read. I have discharged that duty. What it refers to is something I should not have done myself. I should myself neither have presented the bill, nor censured anybody for presenting it. Every member of either House of Congress has the constitutional right to present anything to his branch of the Government without being called to account for it in any other place. Therefore, as I do not believe in the doctrine of instructions or resolutions of State Legislatures about the conduct of members of Congress, I take pleasure in doing this, my duty, in presenting the resolution to the House.

The resolution was referred to the Committee on Military Affairs, and ordered to be printed.

COMMUNICATIONS FROM THE WAR DEPARTMENT.

The SPEAKER laid before the House a letter from the Secretary of War, in relation to the course now pursued by his Department in ad-

dressing to the Speaker communications intended for the consideration of any of the committees of the House; which was referred to the Committee on Rules, and ordered to be printed.

MAJOR HENRY PRINCE.

The SPEAKER also laid before the House a letter from the Secretary of War, in relation to the case of Major Henry Prince, paymaster United States Army; which was referred to the Committee on Military Affairs, and ordered to be printed.

NEW MEXICO PRIVATE LAND CLAIM.

The SPEAKER also laid before the House a letter from the Secretary of the Interior, in relation to the New Mexico private land claim No. 72; which was referred to the Committee on Private Land Claims, and ordered to be printed.

SURVEY OF HARLEM RIVER, ETC.

The SPEAKER also laid before the House a letter from the Secretary of War, transmitting reports of survey of Harlem River, Raritan River, Crow Shoals, and Old House Channel to main channel to Pamlico Sound, entrance to Matagorda Bay, and San Antonio Creek; which was referred to the Committee on Commerce, and ordered to be printed.

SANBORN CONTRACT.

The SPEAKER also laid before the House a letter from the Secretary of the Treasury, transmitting additional papers in relation to the Sanborn contract; which was referred to the Committee on Ways and Means, and ordered to be printed.

Mr. FOSTER. I hold in my hand correspondence relative to that matter between District-Attorney Tenney and the Secretary of the Treasury. This correspondence was furnished to me on my application to the Secretary. I ask that it be printed and referred to the Committee on Ways and Means, in connection with the communication just referred to that committee.

There was no objection, and it was so ordered.

G. L. MALONEY.

The SPEAKER also laid before the House a letter from the Secretary of War, in relation to the claim of G. L. Maloney, late first lieutenant Company C, Sixth Tennessee Volunteers; which was referred to the Committee on Claims, and ordered to be printed.

JAMES H. BAKER.

The SPEAKER also laid before the House the petition of Helen M. Barnard, in relation to charges against James H. Baker, Commissioner of Pensions; which was referred to the Committee on Invalid Pensions, and ordered to be printed.

PRIVATE CALENDAR.

Mr. HAWLEY, of Illinois. I move that the House resolve itself into Committee of the Whole on the Private Calendar.

The motion was agreed to.

The House accordingly resolved itself into Committee of the Whole on the Private Calendar, (Mr. NIBLACK in the chair,) and proceeded to the consideration of the bills, in their order, upon the Private Calendar.

R. W. CLARKE.

The first business on the Private Calendar was the bill (H. R. No. 2086) for the relief of R. W. Clarke, postmaster at Brattleborough, Vermont.

The bill was read. It directs the Auditor of the Treasury for the Post-Office Department to credit to R. W. Clarke, postmaster at Brattleborough, Vermont, in his account as such postmaster, with the sum of $1,312.87, being the amount of postage-stamps and postal money-order funds stolen from the safe of said post-office by burglars on the 24th day of November, 1873, without fault or negligence on the part of said postmaster.

No objection being made, the bill was laid aside, to be reported to the House.

DR. EDWARD JARVIS.

The next business on the Private Calendar was a bill (S. No. 302) for the relief of Dr. Edward Jarvis.

The bill was read. It authorizes and directs the Secretary of the Treasury to pay Dr. Edward Jarvis the sum of $1,500, in full for his services in the preparation of the United States census for 1850.

No objection being made, the bill was laid aside, to be reported to the House.

WILLARD DAVIS.

Mr. HAWLEY, of Illinois. The bill immediately preceding the point where we commenced this morning, (H. R. No. 1956,) for the relief of Willard Davis, was passed over the other day on the objection of the gentleman from Tennessee, [Mr. MAYNARD,] chairman of the Committee on Banking and Currency, not because he had any objection to the bill, but because there was a long report, and he did not want to have it read. I hope there will be no objection to taking it up now.

No objection was made; and the bill (H. R. No. 1956) for the relief of Willard Davis was taken up for consideration.

The bill was read. It directs the proper accounting officers of the Treasury Department to pass to the credit of Willard Davis, late collector in the second and fifth collection districts of Kentucky, the sum of $14,338.33.

The report was read as follows:

The Committee on Claims, to whom was referred the bill (H. R. No. 571) for the relief of Willard Davis, present the following report:

The claimant, Willard Davis, was, from the 18th day of April, 1863, until the 14th day of October, 1864, collector of internal revenue for the second district of the State of Kentucky. Said district comprised thirty counties and nearly one-third of said State; and said Davis collected therein and paid into the Treasury of the United States the sum of $175,673.30. Your committee also find that, upon a reorganization of said State into collection districts, said Davis was internal-revenue collector in the fifth district in said State from October 15, 1864, to April 28, 1866; that said fifth district comprised twenty-nine counties; and that said Davis collected therein $1,031,754.53. Both of said districts were in the southeast part of said State, and bordered upon Tennessee and Virginia, and during the late war were often overrun by lawless bands of guerrillas; and said collector was often obliged to pack up and remove his official papers belonging to his said office, for the purpose of securing them against loss and destruction. The disturbed and dangerous condition of that section of country during the period of the war, while Mr. Davis was acting as collector, is fully shown by the testimony of a large number of respectable and intelligent witnesses. Among these is General S. G. Burbridge, who for a long time commanded the Union forces in that State. In his testimony before the committee he states that he assumed command of the Department of Kentucky in the early part of the year 1864, with headquarters at Lexington; that during his administration of the military affairs of the State there were frequent invasions of the eastern and southeastern portions of the State by rebel troops, and guerrilla raids were almost constantly occurring; that he never had at his command sufficient troops to protect the State from such invasions and raids, and that the old second and fifth districts were often overrun by guerrillas and marauders. He states that when he assumed such command he found said Collector Davis at Richmond, in said fifth district, using his best endeavors to collect the internal-revenue taxes due the Government; that said Davis frequently applied to him for troops to enable said collector and his deputies to go to different parts of his district, and that he was never able to comply with the request but on one occasion, for the want of troops; that for miles around Richmond, in said district, and in all the mountainous portions of said district, neither said collector nor his deputies were safe alone; that owing to said disturbed and dangerous condition of the country said collector was obliged to pay extra compensation to his deputies, and was also obliged, at great expense, to hire guards to accompany him and them in their trips to the different parts of the district. General Burbridge further states that he is only surprised to learn that so much of the revenue was collected by said collector in the midst of such constant and great dangers, and that simple justice to said collector requires that the Government should not only relieve him from any uncollected taxes charged against him, "but that he should be reimbursed for moneys paid out, and have, in addition, reasonable compensation for his services so well and faithfully performed at a time when there was no law or protection in his district."

Said collector claims in his petition the sum of $20,633.10 as a proper allowance to be made to him by Congress in the settlement of his accounts with the Internal-Revenue Department. The committee have rejected all the said claim except the following:

He claims $150, taken from his deputy by guerrillas.

For money paid out in the employment of necessary guards to enable him and his deputies to discharge the duties of their respective offices, $1,500.

For uncollected taxes, charged against him in the Internal-Revenue Department, the lists for which were destroyed by guerrillas, without any fault upon the part of said collector, the sum of $7,613.33.

For additional compensation as collector in said second and fifth districts, $8,000.

For expenses necessarily incurred in sending a messenger to the assessor's office, distant one hundred and fifty miles, $75.

The Commissioner of Internal Revenue, in a letter addressed to the chairman of this committee, referring to the item in reference to the destruction of the collection-lists, says: "Referring to your letter of the 31st instant, relative to item 10 in the claim for relief of Willard Davis, late collector second and fifth districts of Kentucky, I have the honor to say that this office is satisfied that he should receive credit for the $7,613.33 referred to therein, being amount of taxes unaccounted for, covered by lists alleged to have been destroyed by rebel raiders." It also appears in proof by several witnesses that the guerrillas got possession of the papers and lists of said collector and destroyed them.

In a letter of the Commissioner of Internal Revenue, addressed to the committee, in reference to the item for compensation, that officer says: "This office cannot approve this item for the full amount thereof, but does indorse it to the amount of $5,000, as that sum, added to the amounts credited and allowed him, will insure to Collector Davis a net compensation of about $5,000 per annum, not an excessive amount when due consideration is given to the hardships and difficulties incident to the discharge of the duties of the collector, at a time when his district was infested with guerrillas and other lawless persons, who rendered the transaction of all business by agents of the United States, in its behalf, a matter of great personal peril, and also rendered it necessary to incur many expenses which could not be considered by the Department as a legal credit to the collector. Mr. Davis was considered to be an honest and efficient officer, who, by misfortune resulting from the peculiar situation of affairs referred to above, rather than from any fault or lack of diligence on his part, became involved in his accounts with the Government, and he is believed to be entitled to generous treatment by Congress."

The first and last items above mentioned are fully sustained by the evidence before the committee, and the committee are of opinion that the charge of $1,500 is, under all the circumstances, reasonable and just. The evidence in this case is very voluminous, and shows beyond question that the said collector was an honest, capable, and faithful officer.

In view of all the facts, your committee recommend that said collector be allowed the sum of $14,338.33, and for that purpose recommend the passage of the accompanying substitute for said bill.

No objection being made, the bill was laid aside, to be reported to the House.

OLIVER P. MASON.

The next business on the Private Calendar was the bill (H. R. No. 763) for the relief of Oliver P. Mason.

The bill was read. It appropriates the sum of $787.50 for the payment to Oliver P. Mason, for services rendered as assistant provost-marshal in the Department of Kansas; and the proper officers of the War and Treasury Departments are hereby authorized to pay the said sum to the said Oliver P. Mason or his legal representatives.

The report was read, as follows:

The Committee on Claims, to whom was referred the bill (H. R. No. 763) for the relief of Oliver P. Mason, having considered the same, report:

This bill appropriates the sum of $787.50 for military service rendered by the claimant, under the following circumstances:

In 1864 it was deemed necessary by the general commanding the Department of

Kansas to appoint an assistant provost-marshal for duty at Nebraska City, for the apprehension of such fugitives from courts-martial and deserters from the draft for military service, as might seek obscurity and safety from military observation and arrest in that remote locality. There was no other authority for this appointment than military rule and necessity, as the claimant was a civilian, and few troops, if any, had post at Nebraska City. The appropriation act, approved July 9, 1863, (section 2,) prohibited the payment of money from the Treasury to any person acting or assuming to act as an officer, civil, military, or naval, as salary in office, which office was not authorized by some previously existing law, unless such office should be subsequently sanctioned by law.

But the claimant was a citizen of high character and reputation, was well versed in the laws, competent to administer criminal and military law, and was lately the chief justice of the State of Nebraska. He was thought to be the best person for that duty, and his administration was sanctioned by his superior officers and by the War Department. Through his instrumentality, there were arrested and returned to the military authorities at Leavenworth and Saint Louis many desperate criminals, who had killed Union men and officers in Kansas and Missouri. He arrested and brought to justice the murderers of a deputy United States marshal in Iowa, who was killed while executing the duties of his office. He had draft-deserters and bounty-jumpers returned to Kentucky and Ohio, and these services were performed at his own expense from the 22d July, 1864, to January 31, 1865.

His accounts were presented to the Quartermaster's Department, which declined to pay them, and were referred to the Adjutant-General at a period so late that the "provost-fund" of that officer was exhausted.

No objection being made, the bill was laid aside, to be reported to the House.

JULIUS GRIESENBECK.

The next business on the Private Calendar was the bill (H. R. No. 2087) for the relief of Julius Griesenbeck, of Waco, Texas.

The bill was read. It instructs the Secretary of the Treasury to pay to Julius Griesenbeck, of Waco, Texas, the sum of $212.50, which shall be in full for his claim for supplies furnished by him for a detachment of the United States cavalry, under command of Sergeant Von Urick, in the service of the United States, at Waco, Texas, in the year 1868.

The report was read, as follows:

The Committee on Claims, to whom was referred the claim of Julius Griesenbeck, of Waco, Texas, respectfully report:

That the claim is for supplies furnished and provided by the claimant in the year 1868, for a detachment of United States cavalry, under command of Sergeant Van Urick, at Waco, in Texas, in the service of the United States. The supplies consisted of corn, hay, horseshoeing, wagon repairs, medical attendance, and coffin furnished for a soldier injured by being run over with a transport wagon, from which injury he died, and for other items of supplies. The claim and account is fully and satisfactorily shown, as well by the affidavits of the claimant and of one of the soldiers, Hugh Marrion, belonging to said detachment, as also by the receipts and vouchers of Sergeant Van Urick, in command, given at the time. The prices and values charged appear to be reasonable. The claim amounts in the whole to the sum of $212.50. The claimant having in good faith furnished the supplies on request of the officer in command, and not having received pay therefor, the committee are of the opinion that compensation should be made to him, and they report the accompanying bill for his relief, and recommend its passage.

Mr. HOLMAN. I would like to inquire, for I do not quite understand the report, why the proper officers of the regiment did not make payment of this money. This occurred in 1868, I understand.

Mr. HAMILTON. There was no commissioned officer to receive the articles furnished. It was a detachment of cavalry under the command of a sergeant who receipted for the supplies, and they are all proven by affidavits and by the non-commissioned officer in command.

Mr. HAWLEY, of Illinois. I will say, in answer to the gentleman from Indiana, that the only trouble about it was the fact this was a non-commissioned officer.

No objection being made, the bill was laid aside, to be reported to the House.

OFFICERS AND CREW OF STEAMER BIENVILLE.

Mr. LAMISON. I ask the committee to indulge me by taking up, out of their order, three bills, which I reported from the Committee on Naval Affairs. I have received telegrams announcing illness in my family, and I am going home to-day, having bought my through tickets; but if I am detained here until those bills come up, I shall be unable to get away.

The CHAIRMAN. The Chair hears no objection, and the bills will be taken up out of their order.

The first bill called up by Mr. LAMISON was the bill (H. R. No. 1201) authorizing the payment of prize-money to the officers and crew of the United States steamer Bienville.

The bill was read. It authorizes the Secretary of the Navy to direct the proper accounting officers of the Treasury to allow and pay to such persons as were the officers and composed the crew of the United States steamer Bienville, on the 5th day of August, 1864, a sum equal to that to which the officers and crew of said steamer would have been entitled to receive as prize-money had the name of said steamer been inserted in the list of the vessels entitled to share in the captures made in the bay of Mobile on said 5th day of August, 1864, the name of said vessel having been accidentally omitted from said list; said sum to be paid out of any money in the Treasury not otherwise appropriated, and distributed as prize-money.

Mr. LAMISON. I desire to make a brief statement to the House in regard to that bill, inasmuch as there is no report accompanying it.

The CHAIRMAN. All that can be done is to read the bill.

Mr. HOLMAN. This is not objection day.

The CHAIRMAN. The first and fourth Fridays of the month are objection days. Last Friday was the fourth Friday in February, and therefore was objection day, and this is the first Friday in March, and is also objection day.

Mr. LAMISON. This is a claim for prize-money on the part of the officers and crew of the United States steamer Bienville, growing out of the engagement in Mobile Bay in 1864.

Mr. HAWLEY, of Illinois. What is the amount of the claim?

Mr. LAMISON. About $20,000. The facts in the case are briefly these: The steamer Bienville was placed on the outside of the bar at Mobile, under the command of Lieutenant Commander Howison. He had a signal officer on board his ship, and he was the nearest of the outside fleet to the bar. He took part in the engagement, having lost his mast, which was shot away, one man being killed and three wounded. When the prize-list came to be made up for the capture of the rebel ram Tennessee, and other rebel vessels taken by the fleet at Mobile, Commander Howison presented his prize-claim in the usual way to the admiral commanding—Admiral Farragut; but by some fatality or other it appears that his claim was never forwarded to the prize-court which convened in New Orleans. All the other vessels that were stationed on the outside of the harbor received their prize-money; they were all included in the adjudication of the court at New Orleans. Captain Howison made his application to the Department for the purpose of ascertaining why his claim had not been acted on, and the Department referred him to the court at New Orleans. Finally he made application to Admiral Farragut, for the reason that it deprived him and his officers and crew of the prize-money to which they were entitled.

Mr. FORT. I understand that nobody is objecting to this bill at all.

Mr. LAMISON. I desire to make a brief statement, for the reason that there is no report in full. Admiral Farragut replied as follows:

NEW YORK, *February* 18, 1869.

DEAR SIR: Having just learned from the Navy Department that the Bienville, commanded by you in the attack on the forts at Mobile, Alabama, in 1864, was not included in the decree setting forth the vessels entitled to a share in prize-money, I take pleasure in stating that your vessel was one of the outside fleet, in full sight of action, afterward conveyed the prisoners from Fort Morgan to New Orleans, and is as much entitled to a share in the prize-money as any of the outside fleet, consisting of the Pembina, Pinald, Sebago, Tennessee, and Genesee.

I am, very truly, yours,

D. G. FARRAGUT,
Admiral.

Lieutenant Commander HOWISON.

Mr. HOLMAN. I wish to ask the gentleman from Ohio [Mr. LAMISON] if the effect of passing this bill will not be to give to these officers prize-money, when all the prize-money for all the vessels engaged in the battle was distributed among these other vessels, giving them in fact a greater share than they were entitled to.

Mr. LAMISON. The effect of passing this bill is to pay these officers the amount of prize-money to which they are entitled.

Mr. HOLMAN. In adjudicating this money in the district court of Louisiana, was not the whole amount that all these vessels were entitled to receive distributed among the other vessels?

Mr. LAMISON. Precisely.

Mr. HOLMAN. So that the effect of passing this bill is to give an additional sum over and above the amount that was awarded by the district court of Louisiana.

Mr. LAMISON. Not at all. The effect is to pay out of the money now in the Treasury derived from the sale of prizes the share which these officers would have received if their claim had come properly before the court.

The amendment was to strike out the words "any money in the Treasury not otherwise appropriated and distributed as prize-money;" and to insert in lieu the words "the naval-pension fund."

The amendment was agreed to; and the bill, as amended, was laid aside, to be reported to the House.

MARY C. BELL.

Mr. LAMISON. The next bill I desire to have now considered is the bill (H. R. No. 2094½) granting an increase of pension to Mary C. Bell.

The bill directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Mary C. Bell, dependent mother of David N. Bell, late an ensign in the United States Navy, at the rate of fifteen dollars per month from and after the passage of the act; the pension certificate now held by the said Mary C. Bell to be given up, surrendered, and canceled from and after the time the act shall take effect.

Mr. LAMISON. I will state briefly the facts in this case. Mary C. Bell is the mother of Daniel N. Bell, who was a midshipman in the United States Navy. He was put on board the Dakota at Philadelphia in 1865, and because of exposure while engaged in assisting to fit out the vessel during that winter, one of the coldest on record, he contracted bronchitis. He sailed for Madeira, and while there became very much prostrated. He afterward recovered, I may say completely, and having been examined by the surgeon, received a commission as ensign. His mother presented her claim for a pension to the Pension Bureau, and was awarded a pension of ten dollars a month—the pension of a midshipman. The committee think she should receive the pension of an ensign, and have reported this bill to increase her pension five dollars a month.

No objection being made, the bill was laid aside, to be reported to the House.

MARY SWIFT.

Mr. LAMISON. The next bill which I wish considered is the bill

(H. R. No. 52) granting an annuity to Mary Swift, daughter of Thomas Truxton, deceased, late commodore in the United States Navy.

The bill directs the Secretary of the Interior to place the name of Mary Swift, daughter of Thomas Truxton, deceased, late commodore in the United States Navy, on the pension-roll, and allow her a pension at the rate of fifty dollars per month, to be paid as now provided by law in such cases.

No objection being made, the bill was laid aside, to be reported to the House.

Mr. LAMISON. This completes the list of bills which I desire to have considered; and I again thank the committee for its courtesy in consenting that they should be taken up out of their order.

SURETIES OF JESSE J. SIMKINS.

Mr. BUTLER, of Massachusetts. I ask unanimous consent to take up and consider the bill (H. R. No. 1200) for the relief of the sureties of the late Jesse J. Simkins, collector of the port of Norfolk, Virginia. That bill was passed over last week during my absence.

The bill, which was read, releases and discharges the sureties of Jesse J. Simkins, deceased, late collector and public depositary at the port of Norfolk, Virginia, from a judgment rendered in the circuit court of the United States for the eastern district of Virginia against said sureties and in favor of the United States of America, on the 10th day of January, 1871.

The amendment reported from the Committee on the Judiciary was to add to the bill the following proviso:

Provided, however, That nothing in this act shall affect the just claim of the United States to the money specially deposited in the treasury of the State of Virginia by said Simkins to the use of the United States.

Mr. BUTLER, of Massachusetts. The papers in this case are voluminous; I think I can state the facts precisely. Jesse J. Simkins, now dead, was collector at Norfolk, Virginia, at the breaking out of the war of the rebellion. He had settled up his accounts to the 1st of April, according to the law and the regulations of the Treasury Department. On the 19th of April the town of Norfolk was taken possession of by the confederate forces. Mr. Simkins then had money in his hands belonging to the United States. The custom-house at Norfolk was made the headquarters of the confederate general, Huger. General Huger gave Mr. Simkins an order to turn this money over to him. Mr. Simkins asked his sureties what he should do, and they asked General Huger to allow them to consult the authorities at Richmond. General Huger said that if they would give him their word of honor that the money should not be disposed of in any way except under the orders of the authorities at Richmond he would wait. Thereupon they went to Richmond and made an arrangement with the governor of the State of Virginia to make a special deposit of this money in the treasury of the State of Virginia, where it now is. The confederate authorities ordered Mr. Simkins, further, to deposit all moneys that should come to him in any way from customs in the treasury of the State of Virginia, which he did, until an amount in the neighborhood of $21,000 was so deposited.

During the war I believe he died. After the war the United States called upon his sureties to pay that money which had been deposited in the treasury of the State of Virginia. His sureties called upon the State; but the State refused to give any relief. A suit was brought, the question being whether an unauthorized act of the public enemy would release the contract of the sureties. The court decided that it would not; that they must be held responsible. Thereupon we passed, a year or two ago, a bill for the relief of Mr. Simkins's sureties, by giving him credit for the amount, provided the State of Virginia would pass it over, and authorizing the Attorney-General to call on the State for that money. The State of Virginia, when the demand was made upon it, submitted the question to its attorney-general, who decided that as the constitution of the State made invalid all claims arising out of the war of the rebellion, this was a claim arising in that way, and that the State could not pay it.

Mr. Simkins did the very best he could, under the circumstances, to defend the interests of the United States and to protect his sureties. He acted under a *vis major*. A direct order would have taken the money away from him if he had not placed it in the treasury of the State to protect himself. General Huger, who at that time had his headquarters in the custom-house there, had entire control of that money whenever he chose to take it. It was only the endeavor of Mr. Simkins and his sureties to protect themselves and the interests of the United States that caused the money to be paid into the treasury of the State.

These facts now appearing from the documents sent to us by the Attorney-General, the Committee on the Judiciary (unanimously I believe) agreed that it was but right that Mr. Simkins's sureties should be discharged, and that the United States should look for their money where it is on deposit. We have inserted in the bill a provision that this legislation shall not invalidate any claim which the United States may have upon the State of Virginia. This is the whole case from beginning to end.

Mr. POTTER. When the gentleman from Massachusetts [Mr. BUTLER] spoke of an arrangement made by Mr. Simkins with the authorities at Richmond, I presume the gentleman did not mean the confederate authorities, but the legally authorized government of the State.

Mr. BUTLER, of Massachusetts. The State government of Virginia.

Mr. HOLMAN. I observe that the law passed by the last Congress provides that—

The sureties of the said Jesse J. Simkins, upon his bond as collector and public depositary in said Norfolk, shall, upon the payment of said moneys by the State of Virginia and the receipt thereof by the United States be released and discharged from liability on said bonds to the United States to the extent of the moneys so received by the United States and no further.

I infer from this provision that it was understood the amount of money deposited by this collector in the treasury of Virginia was not a sum equal to the Government's claim against him.

Mr. BUTLER, of Massachusetts. The clause which the gentleman has just read was introduced into that act *ex majore cautela*—from greater caution. The amount in dispute is exactly the amount that went into the treasury of Virginia. This appears clearly from the statement of the Attorney-General, and the facts elicited in the suit. There was no defalcation. Mr. Simpkins had settled his accounts up to April 1, 1861. That appeared clearly before our committee.

Mr. HOLMAN. I understand that this suit was brought in the circuit court of the United States for the district of Virginia.

Mr. BUTLER, of Massachusetts. Yes, sir.

Mr. HOLMAN. And appealed to the Supreme Court of the United States?

Mr. BUTLER, of Massachusetts. No, sir; no appeal was taken.

Mr. HOLMAN. The circuit court held, as I understand, that the payment of this money into the treasury of Virginia by compulsion of the confederate authorities did not release the sureties.

Mr. BUTLER, of Massachusetts. No, sir; the decision was that the payment of this money into the treasury of Virginia in order to escape the taking of it by the military authorities of the confederacy was no answer to a suit on the bond.

Mr. HOLMAN. Did it not appear in that action that this money was voluntarily paid by this collector?

Mr. BUTLER, of Massachusetts. It was not voluntarily paid in the way I have stated; the collector placed it voluntarily in the treasury of Virginia, instead of having it taken away involuntarily.

Mr. PLATT, of Virginia. I ask the gentleman from Massachusetts [Mr. BUTLER] whether it is not a fact fully proven to the satisfaction of every member of the Judiciary Committee, and every other gentleman who has examined the case, that Mr. Simpkins had presented to him this alternative: either to have the money taken from him by military force and devoted to the confederate service, or to pay it into the treasury of Virginia, taking the chance of the Government of the United States recovering it afterward.

Mr. BUTLER, of Massachusetts. That was the exact alternative.

Mr. POTTER. If the State constitution had not been altered since the war, this money would, as I understand, have been recovered. The only difficulty is that the State treasurer, under the provisions of the present constitution, is disabled from paying the debt; not that the debt has been repudiated by the State.

Mr. BUTLER, of Massachusetts. That is the fact.

Mr. HOLMAN. I apprehend that the effect of this bill may be to repeal the first section of the act passed by the last Congress; and I would suggest the insertion of a provision that nothing in this bill shall be understood as repealing the first section of that act.

Mr. BUTLER, of Massachusetts. The bill already contains a provision that it shall not affect the claim of the United States against the State of Virginia.

Mr. HOLMAN. But the act of the last Congress makes it the duty of the Attorney-General to demand and receive from the treasurer of the State this money.

Mr. BUTLER, of Massachusetts. That requirement is not interfered with by this bill.

Mr. HOLMAN. Then I do not insist on my suggestion.

There being no objection, the bill was laid aside, to be reported to the House.

JAMES LILLIE.

The next business on the Private Calendar was the bill (H. R. No. 2088) for the relief of James Lillie, postmaster at Lisbonville, Ray County, Missouri.

The bill was read. It directs the Auditor of the Treasury for the Post-Office Department to credit, in the account of James Lillie as postmaster at Lisbonville, Ray County, Missouri, the sum of $22.26, being the value of stamps and stamped envelopes destroyed by fire in said post-office on the 19th day of January, 1873, without negligence on the part of said postmaster.

Mr. HOLMAN. The amount of this claim is so small—twenty-two dollars—that its very modesty ought to commend it to the House.

There being no objection, the bill was laid aside, to be reported to the House.

JOHN DOLD.

The next business on the Private Calendar was a bill (H. R. No. 764) for the relief of John Dold.

The bill, which was read, authorizes and directs the Secretary of the Treasury to pay to John Dold the sum of $1,525.83 in lieu of check numbered A, 7531, on the United States depositary, dated the 26th day of February, 1872, payable to the order of said John Dold, and signed by A. J. McGonigle, acting quartermaster United States Army; which said check, it is claimed, has been lost, and was never received by the said John Dold; provided that before the payment authorized the

said John Dold shall execute a bond of indemnity to the United States, with sufficient sureties, against the claim of the payee in said draft.

There being no objection, the bill was laid aside, to be reported to the House with the recommendation that it do pass.

WILLIAM CHESTER.

The next business on the Private Calendar was a bill (H. R. No. 692) for the relief of William Chester.

The bill, which was read, authorizes and directs the proper accounting officer of the Post-Office Department to credit William Chester, postmaster at Knobnoster, Johnson County, Missouri, with the sum of $329.85, on his account as postmaster, as aforesaid, with said Department, said sum being the amount of postage-stamps and postal money stolen from said post-office on the 11th day of May, 1872, by the burglarious entry of the said building in which said office was kept.

The report was read, as follows:

William Chester has been postmaster at Knobnoster, Missouri, since the year 1861. The post-office was entered on the night of the 11th of May, 1872, by burglars, and robbed of postage-stamps to the value of $322, and of money to the amount of eight dollars, and of two registered letters containing $7.85.

The building in which the post office was then and is now kept is a large and substantially built brick, with a basement underneath. The burglars entered the building through a window between six and seven feet from the ground, and afterward forced the lock attached to the door of the office proper, which is located inside of said large brick building, which lock, as it appears from the testimony of Mr. Chester, was in good condition and properly locked when he left the office the evening before the robbery.

The testimony in the case is very strong that Mr. Chester is an upright and honorable man, and that the roobery was committed without any neglect or fault of his. That is the distinct opinion of the special agent who examined the case soon after the robbery was committed, as will appear by a copy of his report hereto attached.

On inquiry at the Post-Office Department we find the probable amount of postage-stamps that Mr. Chester should have had on hand on the 11th of May, 1872, was $333.06. The actual amount, as Mr. Chester claims, was $322.

As it appears that Mr. Chester was obliged to pay or make good the sum of $7.85 which was inclosed in the registered letters, it seems to the committee that he is as justly entitled to that amount as to the value of the stamps which were stolen. As to the eight dollars in money, as it does not distinctly appear from the evidence that it was received for stamps, and as the committee feel great reluctance to recommend the repayment of money so stolen, we do not recommend its payment. Believing the stamps and the money in the registered letters should be refunded, we recommend the passage of the accompanying substitute for the bill referred to the committee.

SAINT LOUIS, MO., *July* 20, 1872.

SIR: Please find inclosed Department case 5172, robbery of the Knobnoster, Johnson County, post-office. I gave this case a personal investigation, as I considered the case an important one. The amount of stamps lost is large, and Mr. William Chester, the postmaster, is an honest old man, (a cripple,) and is a true friend of the republican party. The post-office was kept in Mr. Cordell's drug-store, and was entered (it is supposed) on Sunday morning early, by breaking a pane of glass. The office had no safe, and it was easy work to steal everything the thief wanted. The party suspected is one Thomas Emerson, a fellow about twenty-two years of age, a barber by occupation. Emerson left on Monday, May 13, and went to Saint Louis, Missouri, then to Holden, and now is in Kansas City. Emerson has been watched, but up to date no convicting evidence has been found against him. Two registered letters were rifled on the night of the robbery—No. 23, addressed to Alexander Dixon, Republican, Ohio, and No. 24, to the Sun office, New York; one contained $6.85, and the other one dollar; both letters in package No. 23. The stamps stolen amounted to about $322, and the small change in the till was about eight dollars, making in all a loss of $337.85. As the law does not relieve a postmaster of the responsibility for losses by burglary, except by special acts of Congress, I requested Mr. Chester to make good all the losses, which he did. I have no further need of the case. Should I succeed in getting the thief, I can get the papers again. Case respectfully returned.

Yours, very respectfully,

F. W. SCHAURTE,
Special Agent.

CHARLES COCHRAN, JR., Esq.,
Superintendent Mail Depredations, P. O. D.

POST-OFFICE DEPARTMENT,
OFFICE OF THE THIRD ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., January 30, 1874.

SIR: Yours of the 26th instant, asking certain information in regard to the alleged robbery of the post-office at Knobnoster, Missouri, on the 11th of May, 1872, is received. In reply, I have the honor—

1st. To inclose a copy of a report on file in the Department of an investigation of the case made by Special Agent Schaurte.

2d. To submit the following estimate of postage-stamps and stamped envelopes on hand:

Postage-stamps and stamped envelopes on hand March 31, 1872, as per quarterly returns to the Auditor	$464 67
Deduct estimated sales for forty-one days, (average daily sales for six months ending March 31, 1872, being $3.21)	131 61
Gives probable amount on hand May 11, 1872	333 06

It will be observed that the loss of stamps is given by Mr. Schaurte as $322.

3d. To state that an estimate gives $101.70 as the probable amount of funds in the hands of the postmaster and belonging to the United States. Mr. Schaurte, however, gives the money loss at only $8.

4th. To state that the post-office at Knobnoster is not a money-order office.

Very respectfully, &c.,

E. W. BARBER,
Third Assistant Postmaster-General.

Hon. J. Q. SMITH,
Of Committee on Claims, House of Representatives.

There being no objection, the bill was laid aside, to be reported to the House with the recommendation that it do pass.

JOHN BRENNAN.

The next business on the Private Calendar was a bill (H. R. No. 650) for the relief of John Brennan.

The bill, which was read, provides that John Brennan shall be allowed the sum of $643, for disbursements made by him in compensating assistant janitors in the United States court-house and post-office at Indianapolis, Indiana, under authority from the United States marshal.

The report was read, as follows:

This is a claim of John Brennan, who was employed as a janitor in the United States post-office and court-house at Indianapolis, Indiana, for reimbursement for moneys paid by him to assistants in the years 1867 and 1868. The bill has been regularly presented to the Treasury Department and payment refused. A special act is asked.

The amount of the claim is $643.19.

The evidence of the claimant in support of the bill is the certificate of General Benjamin Spooner, the United States marshal of Indiana, who certifies "that he believes that the account is correct and just; that the services were rendered as stated, and were necessary for the public service."

General Spooner is the successor of Colonel D. G. Rose, who, as marshal of the United States, directed Brennan to employ assistance in the first instance. He was afterward continued in service during Spooner's term of service, and the most of the money paid out during that time. The evidence of General Spooner as to the rendition of the services and their value is conclusive.

Brennan swears to his own account, his employment, and the payments made to his assistants.

His statement is corroborated by William Lawlor; he testifies as to payments made to his assistants.

The testimony of E. P. Thompson, late assistant postmaster at Indianapolis, shows that the services were rendered, and that Brennan has not been paid.

The official statement of Hon. George S. Boutwell, Secretary of the Treasury, says that "it appears that the services charged were actually rendered, and that the prices named in the bill are reasonable, but under existing law the bill cannot be paid from any appropriation under the control of this Department, and it would be necessary to have a special appropriation for its payment." The Secretary puts it as his conclusion "that the services charged were actually rendered, and that the prices named in the bill are reasonable."

This claim is just; the money has been paid; the proof is conclusive, and the Government should reimburse Brennan for the amounts paid by him as hire for help as janitor. We recommend the passage of the bill.

There being no objection, the bill was laid aside, to be reported to the House with the recommendation that it do pass.

JAMES COATS.

The next business on the Private Calendar was a bill (H. R. No. 104) for the relief of James Coats, of Jackson, Mississippi.

The bill, which was read, authorizes and directs the Secretary of the Treasury to pay, out of any money in the Treasury not otherwise appropriated, to James Coats, of Jackson, Mississippi, the sum of $986.70, in full for labor and repairs, and materials and furniture, furnished to the United States court-house at Jackson, Mississippi.

The report was read, as follows:

On the 23d day of March, 1871, Mr. Coats entered into a contract with Michael Shaughnessy, United States marshal for the southern district of Mississippi, to repair and fit up the city-hall at Jackson, Mississippi, or that part of it used by the United States Government for the United States district-court room and offices. The work was done in accordance with plans of Joseph Willis, architect for the State, and for the sum of $2,535. Upon the removal of the carpet it was found to be so full of vermin as to be unfit for further use. Some extra painting and work upon the doors and windows, with items of repairing, were found necessary to be done. These were found to be unprovided for in the contract. The next term of the court was at hand, and it was imperative that the work should be done before the day of its assembling. With the full approval of the United States marshal, and of District Judge Hill, Mr. Coats undertook to furnish the new carpet, and to do all the extra work, believing that upon the proper representation being made he would be compensated. The fact that the United States marshal and judge of the court concurred as to the necessity of the work being done, that it was well done, and the charges reasonable, and that they jointly recommend the payment of the claim, is set forth in a statement to that effect, over their signatures, now in the hands of the committee.

The claimant brings in a bill in items amounting to $986.76, which, it is alleged, was for repairs and furnishing outside of the contract and of the plans of the State architect.

Your committee are of the opinion that although the claimant acted without proper authority from the Department, still he made the repairs under the pressure brought to bear upon him by the United States officers, and in perfect good faith; and that, as the Government is now in full possession and enjoyment of the repairs and furniture, it owes it to its own credit, as well as to the demand of the claimant, to make him proper compensation; and therefore recommend that the bill, which is an exact copy of a bill which passed the House of Representatives January 17, 1873, and which was reported favorably upon by the Senate Committee on Claims February 27, 1873, do pass.

There being no objection, the bill was laid aside, to be reported to the House with the recommendation that it do pass.

MRS. LOUISA P. MOLLOY.

The next business on the Private Calendar was the bill (H. R. No. 2089) for the relief of Mrs. Louisa P. Molloy.

The bill was read. It authorizes and directs the Postmaster-General to credit to the account of Mrs. Louisa P. Molloy, postmaster at Potosi, Washington County, Missouri, the sum of $170, on account of postage-stamps stolen from the office on the night of the 16th of December, 1872, and with the further sum of $125, being the amount of money stolen from a registered letter at the same time, the amount of which was paid by her to the owners thereof on the order of a special agent of the Post-Office Department; which credits may be allowed in favor of said Louisa P. Molloy in any settlement hereafter made by her with the Post-Office Department.

The report of the committee was read, as follows:

The Committee on Claims, to whom was referred the bill H. R. No. 229, have had the same under consideration, and beg leave to report:

That Mrs. Louisa P. Molloy, erroneously called Mallery in the bill, has for a number of years been postmaster at Potosi, Missouri, and that on the night of the 16th of December, 1872, the post-office in said town was burglariously entered, and postage-stamps to the value of $170 were stolen therefrom; and that at the same time the sum of $125 was stolen from a registered letter remaining in the office.

It appears that the thief effected an entrance into the post-office through an adjoining building, by raising an outside window and breaking two inside doors. The office at Potosi is of the fourth class, and Mrs. Molloy was not able to provide a safe to secure stamps and other valuables.

The building in which the office was kept was as secure as could at that time be found in Potosi, all the business part of the town having been destroyed by fire about ten days before. Prior to the time of the fire Mrs. Molloy kept the stamps and money belonging to the office in the safes of merchants in town; after the fire she was denied that privilege. At the time of the burglary the stamps and money belonging to the office were in a tin cash-box, locked, and this box was in a desk in the office, the desk being also locked. The amount of money taken from the registered letter was paid to the person to whom directed by the order of a special agent of the Post-Office Department.

Mrs. Molloy's own testimony is all the evidence in the case in reference to the burglary and the loss of the stamps and money. Her character, however, as a truthful woman and faithful officer, is indorsed by a great many leading citizens of the vicinity, including a judge of the circuit court, and the United States marshal of the eastern district of the State of Missouri.

In addition to the evidence of Mrs. Molloy, as to the extent of her loss, we have an estimate from the Post-Office Department, showing that the amount of postage-stamps and stamped envelopes on hand at said office September 30, 1872, as per quarterly returns to the Auditor, was ninety dollars; amount sent October 11, 1872, $276.40; total, $366.40; and that the average daily sales at said office for six months ending September 30, 1872, was $2.22. Taking the average daily sales at the same rate for seventy-seven days, from the 30th of September, 1872, to the day of the burglary, makes $170.94. Deducting this sum from the amount received, as above, leaves $195.95 on hand at the time of the burglary.

The evidence is satisfactory that the loss occurred without the negligence or fault of Mrs. Molloy, and she ought to be credited by the Post-Office Department with the amount of stamps lost, and the money in the registered letter, paid by her to the owners by the order of the special agent of the Post-Office Department.

Inasmuch as the bill referred to the committee does not give the correct name of the person asking for relief, your committee reports to the House a bill in the nature of a substitute, authorizing the Postmaster-General to credit Mrs. Louisa P. Molloy with the amount of stamps so lost by her and the money taken from the registered letter, and recommend that the same do pass.

There being no objection, the bill was laid aside, to be reported to the House with the recommendation that it do pass.

JACOB HARDING.

The next business on the Private Calendar was the bill (H. R. No. 2090) for the relief of Jacob Harding.

The bill was read. It authorizes and directs the Secretary of the Treasury to pay, out of any money in the Treasury not otherwise appropriated, to Jacob Harding the sum of $195, as compensation for his services as inspector of the distillery of Messrs. Gordon & Co., at Paris, Illinois, in the year 1867.

The report of the committee was read, as follows:

The Committee on Claims, to whom was referred the memorial of Jacob Harding, have had the same under consideration, and beg leave to report:

That they find that the memorialist was for several months inspector of the distillery of Messrs. Gordon & Co., at Paris, Illinois, in the seventh collection district in that State, and that for the working days from the 1st day of February to March 18, 1867, while he was inspector as aforesaid, making thirty-nine days in all, he has received no compensation for his services. It appears that Mr. Harding's account for the services was made out by him according to law, presented to the assessor of the district, approved by him, and the amount assessed against the distillery and placed in the hands of the collector of the district for collection, but was never collected, and that Gordon & Co. and their sureties finally proved to be insolvent. The facts and circumstances attending the services and making out the accounts, showing full compliance with the law on the part of Mr. Harding, are set forth in detail in his memorial, which is sworn to. It also appears that the proper accounting officer of the Treasury declined to order the payment of the claim, for the reason that there was no appropriation out of which it could be paid.

The Commissioner of Internal Revenue, when called upon for information in reference to this claim, says, under date of January 30, 1874: "The records of this office show that Mr. Jacob Harding has an equitable claim against the Government for the sum of $195, as his compensation for services rendered as inspector of the distillery of Messrs. Gordon & Co., at Paris, Illinois, at five dollars per day for the working days from February 1 to March 18, 1867, inclusive, the date of his delivery of the keys of their warehouse to W. Alexander, deputy collector, in compliance with the written instructions of Collector W. T. Cunningham, seventh district Illinois, dated March 10, 1867. Mr. Harding's claim, therefore, is of such a nature that it cannot be paid out of the appropriations made for internal-revenue purposes; as the law provided that those inspectors should receive their salary from their collector, it being assessed and collected from the distillers. In this case it was assessed but not collected, and it appears that owing to the insolvency of the distillers and of their sureties it cannot now be collected from them."

The evidence is conclusive that Mr. Harding rendered the services as claimed in his memorial; and that the failure to collect the amount of the salary from the distillers was owing to no fault of his. Your committee, therefore, report to the House the accompanying bill, with a recommendation that it do pass.

There being no objection, the bill was laid aside, to be reported to the House with the recommendation that it do pass.

COLONEL WILLIAM NORTHEDGE.

The next business on the Private Calendar was the bill (H. R. No. 2091) for the relief of the heirs and next of kin of Colonel William Northedge, deceased.

The bill was read. It authorizes and directs the Secretary of the Treasury, out of any moneys in the Treasury not otherwise appropriated, to pay to the personal representatives of William Northedge, deceased, who shall be duly appointed and qualified as such, for the benefit of the widow and children of said deceased, the sum of $7,500, in full for moneys expended by said deceased in subsisting and equipping the Fifty-ninth Regiment New York State Volunteers.

The report of the committee was read, as follows:

The Committee on War Claims, to whom was referred the petition of Mrs. Jane Northedge, widow of William Northedge, deceased, late colonel of the Fifty-ninth Regiment New York State Volunteers, ask leave to report:

That this case has twice passed the Senate, and that it passed the House in the last Congress, but was not reached in the Senate; that the same has received the investigation of several committees of Congress without adverse action or report, and that your committee, after careful examination of the case, are satisfied that it is a meritorious claim.

The Senate Committee on Military Affairs, in the second session of the Forty-first Congress, reported a bill (S. No. 128) appropriating the sum of $10,260.32, which passed the Senate on the 12th of December, 1870. The report accompanying states the facts fully, and your committee adopt the same as the facts, and make it a part of their report.

The report is as follows:

"It appears, upon examination, that on or about the 1st day of June, 1861, Colonel Northedge commenced recruiting troops for the United States Volunteer Army; that on or about July 24, 1861, he reported to the War Department and was authorized to complete a regiment of volunteers; that at that time he had five companies, and had established a camp at Elm Park, Staten Island, Richmond County, New York, and that from the 1st day of June, 1861, to the 13th day of October, 1861—at which time his men were consolidated with others and formed the Fifty-ninth New York State Volunteers—he had expended large sums in subsisting said men.

"It appears, upon an examination of official copies of affidavits on file in the War Department, furnished by the honorable Secretary of War to your committee, that the sum of $5,490 was paid for provisions; that the sum of $3,525 was paid for wall and A tents; that $451.32 was paid for rent of offices; that $388 was paid for printing, and that the sum of $406 was paid for stoves and for camp and garrison equipage; and that the total amount thus expended by Colonel Northedge was $10,260.32.

"It further appears that at the time these various purchases were made, receipts and vouchers covering the entire amount of said expenditures were obtained by said Northedge, and by his order were carefully filed away with other valuable papers, and were lost in the month of August, 1862, in the following manner, to wit: While the Army was lying at Harrison's Landing, Virginia, an order was issued by Major-General George B. McClellan, ordering all the extra baggage of officers to be forwarded to a place of safety, and the Army to be in readiness to move in light marching order; and that, in obedience to the said order, Colonel Northedge ordered his trunk to be placed in charge of the regimental quartermaster, and by him to be transported to barges lying at Harrison's Landing, Virginia, to be shipped to Washington, District of Columbia, and from thence to their destination. That his trunk, containing the bills and receipts heretofore referred to, including other papers pertaining to the organization until the 13th day of October, 1861, with his extra clothing, was carefully marked and directed to be shipped by express from Washington, District of Columbia, to Baltimore, Maryland, and that his trunk was lost or stolen after delivery on board the barge as aforesaid; that he has made diligent search for the same, but without success. While the petitioner in this case is unable to produce the proper receipts for the expenditures made, it is shown by positive evidence from whom the purchases were made, and the reason why other vouchers cannot be produced is satisfactorily accounted for in the affidavit of James H. Birdsall, late captain in said regiment. It is in evidence that there were about two hundred men subsisted daily from the 1st of June, 1861, to the 1st of October, 1861; and further, that the men were accepted by the United States Government.

"The committee further find that the said Northedge during his life-time presented the aforesaid claim to the War Department for adjudication, and that the same was rejected for the reason that he, Northedge, was unable to comply with a certain order existing in regard to the payment of such claims, to wit, furnishing receipts of the parties to whom payment was made, the reason being, as heretofore stated, that such receipts were unavoidably lost with his baggage. It further appears that the said Northedge is now deceased, and has left a widow surviving; that his record while in the United States Army was good; that he subsisted out of his own private funds an average of two hundred men daily from the 1st day of June, 1861, to the 13th day of October, 1861; and that the Government in the hour of trial had the aid and services of the men thus recruited.

"Your committee, therefore, firmly believe that the claim is just in every particular, and earnestly recommend that the bill be at once passed for the full amount of said claim."

Your committee are of opinion that the action of the Committee on Claims of the House of Representatives of the last Congress in reducing the amount allowed to $7,500 was dictated by prudence, in view of the fact that a portion of the evidence was *ex parte*, and that amount your committee believe to be fully warranted by the evidence in the case.

Your committee, therefore, report the accompanying bill and recommend its passage.

There being no objection, the bill was laid aside, to be reported to the House with the recommendation that it do pass.

JOHN W. DIVINE.

The next business on the Private Calendar was the bill (H. R. No. 2092) for the relief of John W. Divine, late assistant surgeon of the Eleventh Regiment of Tennessee Cavalry.

The bill was read. It authorizes and directs the Secretary of the Treasury to pay, out of any money in the Treasury not otherwise appropriated, the sum of $738.83, in full payment for services rendered as assistant surgeon of the Eleventh Regiment of Tennessee Cavalry, from the 8th day of May, 1863, to the 1st day of October, 1863.

The report of the committee was read, as follows:

The Committee on War Claims, to whom was referred the petition of Dr. John W. Divine, late assistant surgeon of the Eleventh Regiment of Tennessee Cavalry, having had the same under consideration, ask leave to report:

That the facts of the case are fully set forth in the petition of the claimant, which is herewith appended and made a part of this report:

To the honorable Senate and House of Representatives in Congress assembled:

Your petitioner, John W. Divine, a citizen of Claiborne County aforesaid, respectfully represents that on the 8th day of May, 1863, he was enlisted in the service of the United States by Major Edward Black, of the Eleventh Regiment Tennessee Cavalry Volunteers, at Lebanon, Kentucky, and was by said Major Black at once placed upon duty as assistant surgeon of said Eleventh Tennessee Cavalry Volunteers, there being no other medical officer in the command at that time.

Your petitioner continued to discharge the duties of assistant surgeon as aforesaid until the 1st day of October, 1863, when he was commissioned as assistant surgeon of said regiment, Dr. G. R. Brandeau having been some time prior thereto commissioned as surgeon of said organization, to wit, May 28, 1863.

Your petitioner further shows that during the interval between his enlistment, May 8, 1863, and the date of his commission, October 1, 1863, he received no pay nor allowances for his services as aforesaid, although, during the whole of said period of nearly five months, he was constantly on duty with that portion of the Eleventh Tennessee Cavalry Volunteers which was stationed at Lebanon, Kentucky, under the command of Major Edward Black. Your petitioner, believing himself entitled to pay for said services, filed his claim therefor with the Second Auditor United States Treasury, and afterward applied to the Adjutant-General United States Army for a correction of said muster, so as to enable him to obtain his pay for the period as aforesaid, but he was unsuccessful in both of said undertakings, as will be seen by referring to the annexed exhibits, which he hereby makes a part of this petition, and failing as aforesaid, he has been compelled to abandon the further prosecution of said claim before the Treasury Department. Your petitioner herewith submits the affidavits of the said Major Edward Black and Surgeon G. R. Brandeau, late officers of the said Eleventh Tennessee Cavalry Volunteers, as evidence in support of his said claim.

Your petitioner would further state that some time after the war he was appointed examining surgeon of the Pension Bureau, at Tazewell, Tennessee, which office he held for a considerable length of time and then resigned. The premises considered, your petitioner prays that your honorable body pass a special act granting him the relief sought, being the amount as shown in the following itemized account, namely, $738.83½, to which amount he is justly entitled for services rendered. And your petitioner would ever pray, &c.

The United States to John W. Divine, Dr.

To services as assistant surgeon of the Eleventh Regiment of Tennessee Cavalry Volunteers, from the 8th day of May, 1863, to the 1st day of October, 1863, four months and twenty-three days, at $155 per month... $738 83½

JOHN W. DIVINE,
Late Assistant Surgeon Eleventh Tennessee Cavalry.

STATE OF TENNESSEE, *Claiborne County:*

Personally appeared before me, the undersigned authority, John W. Divine, the foregoing petitioner, to me well known as credible, and made oath, in due form of law, that the matters stated in the foregoing petition and account are true to the best of his knowledge, information, and belief.

Subscribed and sworn to before me this 27th day of November, 1871.

[SEAL.] J. N. TREECE,
Clerk Circuit Court said County.

The proof adduced in support of the claim establishes the fact to the satisfaction of the committee that the services were rendered as claimed, and that the petitioner is entitled to compensation therefor.

They therefore report the accompanying bill, with the recommendation that the same do pass.

There being no objection the bill was laid aside, to be reported to the House with the recommendation that it do pass.

PETER S. PATTON.

The next business on the Private Calendar was the bill (H. R. No. 753) for the relief of Peter S. Patton.

The bill was read. It recites in the preamble that whereas in the month of March, 1872, the post-office at Burlington, in the State of Kansas, was burglariously entered and robbed of public moneys and property to the amount of $420; and whereas such robbery was effected without fault or negligence on the part of the postmaster, Peter S. Patton; and whereas said Patton has paid to the United States the amount and value of said moneys and property so stolen, and expended in the pursuit and arrest of the burglars the further sum of $100; therefore the bill provides that there shall be paid to the said Peter S. Patton, out of any moneys in the Treasury not otherwise appropriated, the sum of $510, to reimburse him for the payments and expenses so by him made and incurred.

There being no objection the bill was laid aside, to be reported to the House with the recommendation that it do pass.

GENERAL SAMUEL W. CRAWFORD.

The next business on the Private Calendar was the bill (H. R. No 2093) for the relief of General Samuel W. Crawford, United States Army.

The bill was read. It proposes so to amend the retirement as a colonel, on February 19, 1873, for disability on account of a wound received in battle, of Brevet Major-General S. W. Crawford, United States Army, that the said Crawford shall be retired and be borne on the retired list of the Army as a major-general as of and from the said date, he having been in the exercise of the command of a major-general at the time he was wounded, being then in command of the first division of the Twelfth Army Corps.

The report was read, as follows:

The Committee on Military Affairs, to whom was referred the memorial of Colonel and Brevet Major-General Samuel W. Crawford, asking for an amendment of his record on the retired list, and the bill (H. R. No. 1182) in relation to same subject, beg leave to submit the following report:

That the records of the War Department and the letter of its Secretary show the following facts:

At the battle of Antietam, on the 17th of September, 1862, General Crawford, then holding the rank of brigadier-general of volunteers, and exercising the command of a major-general over the first division, Twelfth Corps, to which he had succeeded upon the killing of General J. K. F. Mansfield, was severely wounded in the right thigh by a musket-ball.

Upon recovery from the immediate prostration caused by the wound, he continued, notwithstanding it, in active service, participating in the battle of Gettysburgh and other principal engagements of the Army of the Potomac, including the battles of the Wilderness, Spottsylvania, Jericho Mills, Bethesda Church, Petersburgh, and Weldon Railroad, until after the surrender of Lee at Appomattox Court-House.

On the 22d of February, 1869, General Crawford, having been since March 10, 1851, in continuous service in the regular Army, was commissioned, in the ordinary course of promotion, colonel of the Second Infantry, United States Army.

His disability in consequence of his wound, which is still open, having increased to such an extent as to entitle him to be retired, he applied August 29, 1871, to the Secretary of War to be ordered before a retiring board. This application was not granted, because, in the opinion of the Secretary of War, "the condition of the Army demanded that other officers should have the preference in being retired at that particular time."

As the Secretary also certifies, if General Crawford had been retired at the time of his application he would have been entitled to have been retired as a major-general, in accordance with the provision of the act of Congress of July 28, 1866, section 32 of chapter 299, as follows: "That officers of the regular Army entitled to be retired on account of disability occasioned by wounds received in battle, may be retired upon the full rank of the command held by them, whether in the regular or volunteer service at the time such wounds were received."

This act continued to be in force for about ten months after General Crawford's application above stated, and until it was repealed as to its future operation by the act of June 10, 1872.

On the 19th of February, 1873, he was placed, with the rank of colonel, on the retired list of the Army.

While the law of 1866 above quoted was in force, seventy-two officers of the regular Army were retired with increased rank in accordance with the provisions of that law. Many of these officers holding rank inferior to that of the memorialist were retired as general officers. Thus one lieutenant-colonel, who was a major-general of volunteers, was retired with that rank in the Army; one lieutenant-colonel, two majors, and a captain, who held the rank of brigadier-general in the volunteers, were retired as major-generals in the Army.

The question now presenting itself to this committee does not relate to the propriety or expediency of the provision of the act of July 28, 1866, for retirement with increased rank. Whatever view may be entertained upon such a question, it seems manifest to the committee that it could not have been the intention of Congress in repealing that statute to thereby cause any invidious or unfair discrimination against any officer who, having been fully entitled to the benefit of that liberal legislation, has by mere accident, without fault or laches of his own, been debarred from such benefit.

It doubtless was rather the view of Congress in passing the repealing act that all officers who were properly entitled or deserved to be retired upon the rank held or exercised by them when wounded probably had already been retired, and that therefore the time had arrived for discontinuing the general operation of the statute of 1866, leaving any case which, for any cause, had been omitted to be acted upon to be passed upon by Congress according to its merits, and provided for, if thought proper, by a special act.

Such a case most clearly is the one now under consideration.

Having continued in active service despite a severe and unhealed wound, General Crawford now finds himself, owing to this very adherence to duty, and the concurring delay of action upon his application for retirement, occupying an anomalous position upon the retired list, where he stands below both his peers and inferiors in lineal rank and in command.

It is considered by the committee that to rectify this hardship would be merely a righteous act of rigid justice, as well as a fit recognition of constant and faithful service for nearly a quarter of a century in both peace and war—in the late war, beginning with the defense of Sumter and ending only with hostilities. To do otherwise would in reality be to enforce the degradation of a meritorious officer for no better cause than that he preferred a patient devotion to duty rather than such a persistent importunity as might have timely secured him the advantages provided by law.

The committee therefore recommend the accompanying bill for the relief of General Samuel W. Crawford, United States Army.

Mr. HOLMAN. I must object to that bill as it requires more consideration than can be given to it on objection day.

Mr. G. F. HOAR. I raise the point of order, the report having been read, that it is in the nature of debate, and objection cannot be made by the gentleman from Indiana.

The CHAIRMAN. The Chair overrules the point of order raised by the gentleman from Massachusetts, as it has been uniformly held that the reading of a report on objection day is not in the nature of debate. The bill is objected to.

Some time subsequently,

Mr. ALBRIGHT said: I understand that the gentleman from Indiana [Mr. HOLMAN] withdraws his objections to the bill No. 2093, for the relief of General Crawford.

Mr. HOLMAN. While I think legislation of this kind ought to be general, I am told that the case of General Crawford is a very exceptional one, and that he is the only officer who would be affected by the provisions of a general law, or the revival of the act of 1866. Under these circumstances I withdraw my objection.

There being no further objection, the bill was laid aside, to be favorably reported to the House.

WILLIAM A. SNODGRASS.

The next business on the Private Calendar was the bill (H. R. No. 2095) for the relief of William A. Snodgrass, late lieutenant Company H, Thirty-ninth Ohio Veteran Volunteer Infantry.

The bill was read. It authorizes and directs the Secretary of War to pay to William A. Snodgrass, late lieutenant Company H, Thirty-ninth Ohio Veteran Volunteer Infantry Regiment, his pay and allowances as second lieutenant from March 30, 1865, to July 9, 1865, out of any money appropriated, or that may hereafter be appropriated, for the pay of the Army.

The report of the committee was read, as follows:

The Committee on Military Affairs, to whom was referred the petition of William A. Snodgrass, first lieutenant Company H, Thirty-ninth Ohio Veteran Volunteer Infantry, beg leave to report as follows:

Lieutenant Snodgrass commenced his service in the Army as a private soldier with his regiment in 1861, and served until the close of the war.

On the 7th of June, 1865, his regiment was ordered from Washington, District of Columbia, to Louisville, Kentucky, and while *en route* it passed within twelve miles of his home. It seems, according to the sworn statement of Lieutenant Snodgrass, that he had important papers to execute and acknowledge, and being informed by his commanding officer that he could obtain no regular leave, he went on an informal leave, from Parkersburgh to his home in Marietta, Ohio, by railroad, attended to his business, and immediately proceeded by rail to Louisville, Kentucky, to join his regiment, where he would have arrived before his regiment, had he not been delayed by a train being thrown off the track—the regiment having traveled from Parkersburgh to Louisville by steamer. He was absent from his regiment from the 8th to the 13th of June, 1865; arrived in Louisville the day after his regiment. For this absence he was tried before a court-martial June 20, 1865, and convicted and sentenced to be dishonorably dismissed the service of the United States, although the court was not unanimous in this sentence.

Daniel Weber, his colonel, says Lieutenant Snodgrass invariably conducted himself as a good and obedient soldier, conspicuously brave in action, and ever ready to perform any duty assigned him. He was one of the best men in the regiment. The facts in relation to his absence from his command, which resulted in his being tried by a court-martial, are as he states them, and taking into consideration the circumstances of his absence and its very short duration, as well as the splendid record of his service for four years, the sentence of the court-martial was particularly severe, and justice to a gallant soldier requires that he should have the relief asked for.

Governor Edward F. Noyes, of Ohio, formerly colonel of the Thirty-ninth Regiment Ohio Infantry, concurs in this recommendation of Colonel Weber.

The committee therefore recommend the accompanying bill.

There being no objection, the bill was laid aside, to be reported to the House with the recommendation that it do pass.

OLIVE S. BREED.

The next business on the Private Calendar was the bill (H. R. No. 814) granting a pension to Olive S. Breed.

The bill was read. It authorizes and directs the Secretary of the Interior to place upon the pension-roll, subject to the provisions and limitations of the pension laws, the name of Olive S. Breed, widow of I. Henry Breed, deceased, who was a private in Company K, Fourth Regiment Wisconsin Volunteer Infantry, to take effect from and after the passage of this act.

The report of the committee was read, as follows:

The Committee on Invalid Pensions have had under consideration House bill No. 814, granting a pension to Olive S. Breed, and submit the following report:

An examination of this case discloses the following facts: I. Henry Breed enlisted in Company K, Fourth Regiment Wisconsin Volunteer Infantry, on or about the 20th day of April, 1861, under the proclamation of the President of the United States calling for seventy-five thousand men. Said Breed remained with his company at Chilton, drilling and preparing for the service, until the 17th day of June, 1861, when said company (K) was marched to Racine, in the State of Wisconsin, where it went into camp with the other companies of the said Fourth Regiment. After a continued and honorable discharge of his duties in said company of about two months, and just before the arrival of the mustering officer, said Breed was taken sick with a cold brought on by the exposures of the camp, in the line of his duty. This sickness resulted in quick consumption, with which disease he died on the 8th day of September, 1861, leaving a widow, the petitioner, Olive S. Breed, and four small children, three girls and one boy, and leaving no property except a poor house, on a small lot in the village of Chilton, in which the said petitioner has lived and remained a widow until the present time, supporting her family entirely by her own labor. And the said petitioner certifies that her health and strength will not permit her to labor much longer, as her constitution is now nearly broken down by hard work.

These facts are substantiated by the testimony of the surgeon who attended Private Breed during his sickness, all the county officers where petitioner resides, and also by General Harrison C. Hobart, who makes the following statement:

"I have read the petition of Mrs. Olive S. Breed, and of my own knowledge can certify that the facts therein stated are substantially true. As captain of Company K, Fourth Regiment Wisconsin Volunteers, I enlisted the said I. Henry Breed, mentioned in said petition; and the said Breed was on duty with his company about two months before he was taken sick. Had the mustering officer reached the camp a few days earlier, Private Breed, who was sick in the camp at the time of his arrival, would have been mustered into the service. I carried him to his home, distant about one hundred miles from the camp, where he died, as stated in the widow's petition."

Being satisfied from the foregoing statement of facts that the petitioner, Olive S. Breed, has been deprived of the assistance and support of her husband by his volunteering in the service of the United States, and that her husband, said I. Henry Breed, died from a disease contracted in the line of his duty in said service, therefore your committee recommend the passage of the bill.

There being no objection, the bill was laid aside, to be reported to the House with the recommendation that it do pass.

ANN CRANE.

The next business on the Private Calendar was the bill (H. R. No. 280) granting a pension to Ann Crane.

The bill was read. It directs the Secretary of the Interior to place upon the pension-rolls the name of Ann Crane, widow of the late Benson B. Crane, of Pickens County, South Carolina, and pay her a pension at the rate of fifteen dollars per month; said pension to commence from the date of the approval of this act and continue during her widowhood.

The report was read, as follows:

The Committee on Invalid Pensions, to whom was referred a bill (H. R. No. 280) granting a pension to Ann Crane, having considered the same, submit the following report:

Mrs. Ann Crane, the applicant, is a resident of Pickens County, South Carolina, and the widow of Benson B. Crane, who was killed by the rebels in 1864, on account of his adherence to the Union forces. Said Benson B. Crane, as is shown by the affidavits of the officers themselves, had secreted, fed, clothed, and piloted several officers, to wit, Hannibal A. Johnston, Samuel Gilman, James Cheeds, B. F. Blair, James B. Pomphrey, Charles H. Byrdrick, H. M. Anderson, and others, who were escaped prisoners of war, across the mountains into the Union lines in East Tennessee, and after his return to his home, as he was about to remove his family and a force of loyal men into the Union lines in East Tennessee, his place of concealment was detected by the rebel conscript forces, and they, knowing of his services to their enemy, surprised their camp, and shot down Benson B. Crane and wounded one of the comrades.

Mrs. Crane is now left with a family of small children and without means of support; and your committee, considering the fact that her husband was killed in defense of his country, and carrying out the orders he had received from the Government forces in East Tennessee, would make a favorable report, and recommend the passage of the bill.

There being no objection, the bill was laid aside, to be reported favorably to the House.

JOHN C. FARNAM.

The next business on the Private Calendar was the bill (H. R. No. 240) granting a pension to John C. Farnam.

The bill was read. It authorizes and directs the Secretary of the Interior to place upon the pension-roll, subject to the provisions and limitations of the pension laws, the name of John C. Farnam, of Westmoreland, in the State of New Hampshire, who was a private in Company E, Fifteenth Regiment New Hampshire Volunteers, and pay him a pension from and after the passage of this act.

There being no objection, the bill was laid aside, to be reported favorably to the House.

PENELOPE C. BROWN.

The next business on the Private Calendar was the bill (H. R. No. 330) granting a pension to Mrs. Penelope C. Brown, of Tennessee, widow of Stephen C. Brown, late a private of Company C, Eighth Tennessee Cavalry Volunteers.

The bill was read. It authorizes and directs the Secretary of the Interior to place on the pension-rolls, subject to the provisions and limitations of the pension laws, the name of Penelope C. Brown, of Greene County, Tennessee, widow of Stephen C. Brown, late a private of Company C, Eighth Tennessee Volunteer Cavalry.

The report was read, as follows:

The Committee on Invalid Pensions, to whom was referred the petition of Penelope C. Brown, widow of Stephen C. Brown, asking a pension, submit the following report:

The committee find, upon a careful examination, there is but one question involved in this application; that is as to the death of the husband, Stephen C. Brown.

The proof is conclusive in regard to his enlistment, capture, and imprisonment in Virginia. It is equally conclusive regarding his feeble condition, when last seen by witness on his way to exchange boat, but witness does not know that he was exchanged. This was on the 22d of February, 1865. The muster-roll on file in adjutant-general's office in Tennessee shows he was sick in hospital at Baltimore March 20, 1865, just one month from the date when last seen at Richmond, Virginia, on his way to exchange boat. This is the last that has ever been seen or heard of him. The proof shows also that when captured he went under an assumed name, having been drafted in the rebel army, which may account for the absence of his name on the hospital record at Baltimore.

Under all the circumstances, your committee is forced to the conviction that this is a meritorious case, and therefore report favorably.

There being no objection, the bill was laid aside, to be reported favorably to the House.

CHARLES M'CARTY.

The next business on the Private Calendar was the bill (H. R. No. 2095) granting a pension to Charles McCarty.

The bill was read. It authorizes and directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Charles McCarty, late an engineer on the Mississippi Railroad, and pay him a pension from and after the passage of this act.

The report was read, as follows.

The Committee on Invalid Pensions, to whom was referred the petition of Charles McCarty, for a pension, have had the same under consideration, and find the following facts well established:

Charles McCarty, on and preceding the 15th day of June, 1863, was an employé of the United States, as a locomotive engineer, in the State of Tennessee, and was engaged in running trains on the Mississippi Central Railroad, between Grand Junction and Bolivar, Tennessee. On the 15th of June, 1863, he had charge of the locomotive running a reconnoitering party of Federal troops on said railroad, and while passing over some part of the road that was trestled, the track and trestle-work gave way in consequence of the removal of some supporting timbers by the rebels, and the locomotive (with Mr. McCarty) was thrown some distance to the ground. To the engine was attached a gun-car, as it is called. It seems to have been in front of the engine. A six-pound James rifle, with ammunition and shells, were on the car. In the fall the engine was thrown on top of the cannon and shells, which, exploding, caused the boiler of the engine to burst. In the fall Mr. McCarty was fastened by the pressure of the wood and tool-boxes against the end of the boiler, near the furnace of the engine, and, besides being badly scalded, was seriously and permanently injured in shoulder, head, and legs. Dr. Goodwin says he was thus injured: "Severe and complete fracture of the left clavicle, which was not adjusted at the time of the injury, causing and leaving a permanent non-union, thereby disabling the left shoulder and arm for life; also both of his legs are injured from scalds of the flesh and periosteum, that will, in my opinion, cause permanent disability, amounting to two-thirds; disabled from obtaining his subsistance from manual labor." Eleven good citizens of Mitchell, Indiana, including the circuit clerk, the surgeon of the Fiftieth Indiana Volunteers, and the major of that regiment, bear testimony to the permanency and severity of his injuries. These gentlemen, with two others, McCorvick and Herman, prove the identity of Charles McCarty. J. D. Webster, late brevet major-general, states that he was at the time of the injury superintendent of military railroads in Tennessee, and remembers the case. From the evidence before the committee they arrive at the conclusion that Mr. McCarty was at the time of the injury in the service of the Government, engaged in the most perilous business; that he received pay from the Government as an engineer, and that he is now an object of pity, caused by his fidelity to the Government. A pension is recommended for him. It is one of those cases which, although it may not be reached or covered by the wording of section 1 of pension law 1873, yet it is covered by the spirit of the same.

There being no objection, the bill was laid aside, to be reported favorably to the House.

SOPHRONIA AUSTIN.

The next business on the Private Calendar was the bill (H. R. No. 2097) granting a pension to Sophronia Austin.

The bill was read. It authorizes and directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Sophronia Austin, widow of Charles Austin, late of Company I, Second Regiment Wisconsin Cavalry, and pay her a pension from and after the passage of this act.

The report was read, as follows:

Charles Austin was wagoner of Company I, Second Regiment Wisconsin Infantry. He died suddenly in Arkansas, while out with his troops on a scout, on the 25th July, 1862, with a disease contracted in the line of his duty. Dr. Alexander McBean, assistant surgeon of the regiment, says he knew Austin; says he died suddenly on 25th July, 1862, in Arkansas; says he died of heart disease, he supposes; says he was sound when he enlisted. Dr. Peck, in a sworn statement, says he knew Charles Austin; was his family physician two years preceding his enlistment; says he was a sound, healthy man at the time of enlistment, capable of doing all kinds of labor. Dr. Peck says he knew Charles Austin and Sophronia Austin lived together as man and wife, and were recognized as man and wife.

The committee recommend a pension.

There being no objection, the bill was laid aside, to be reported favorably to the House.

JAMES ROACH.

The next business on the Private Calendar was the bill (H. R. No. 2096) granting a pension to James Roach.

The bill was read. It authorizes and directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of James Roach, late a gunner on the ship Plymouth, and pay him a pension from and after the passage of the act.

The report was read, as follows:

The committee have had under consideration the case of James Roach, and report in favor of granting a pension to him.

It seems that Mr. Roach was a seaman and second gunner on the ship Plymouth, and was honorably discharged from the service of the Government on the 28th of December, 1858, by reason of injuries received by the bursting of a cannon. One eye was put out; the other was injured. Mr. Roach was a good seaman. Commodore John A. Dahlgren, in July, 1861, gave Mr. Roach a letter of recommendation, and it is indorsed by Secretary Gideon Welles. Mr. Roach was acting as gunner on board of the Plymouth at the time of the bursting of the cannon. This was at the time when the Secretary of the Navy, Mr. Usher, was killed. He should have been pensioned before this.

There being no objection, the bill was laid aside, to be reported favorably to the House.

MRS. NANCY PARKHURST.

The next business on the Private Calendar was the bill (H. R. No. 2098) granting a pension to Mrs. Nancy Parkhurst.

The bill was read. It authorizes and directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Mrs. Nancy Parkhurst, mother of Wilfred Parkhurst, late a private in Company H, Twelfth Regiment Connecticut Volunteers, and pay her arrears of pension from the date of her said son's death to the date of her pension certificate.

The report was read, as follows:

Mrs. Nancy Parkhurst, the applicant, is the mother of Wilfred Parkhurst, late private in Company H, Twelfth Regiment Connecticut Volunteers, who died in the United States service, and in line of duty, September 13, 1862. In the year 1865 she made application for a pension through a claim agent, having all the papers duly made out and left in the hands of her agent to be forwarded. The evidence shows that about this time the office of her agent, with all the contents, was burned, and though they then supposed that the papers had all been forwarded to the Commissioner of Pensions, it seems that they were not, and that they were also destroyed with the agent's office. This fact they had not discovered until the five years' limitation had run, when she then applied for, and is now receiving, a pension as the dependent mother of said soldier.

Your committee, considering the fact that she was entitled to a pension and has so proven, are of the opinion that she should not be deprived of her arrears of pension, for it was no fault of hers that the application was not filed. A bill was passed by the Forty-third Congress in favor of the petitioner, but for want of time it was not reached by the Senate.

There being no objection, the bill was laid aside, to be reported favorably to the House.

MRS. ELIZABETH COPELAND.

The next business on the Private Calendar was the bill (H. R. No. 2099) granting a pension to Mrs. Elizabeth Copeland.

The bill was read. It authorizes and directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Mrs. Elizabeth Copeland, widow of Henry Copeland, late a private in Company D, First Connecticut Heavy Artillery, and pay her arrears of pension from the date of the death of said Henry Copeland to the date of her pension certificate.

The report was read, as follows:

Elizabeth Copeland, the applicant, is the widow of Henry Copeland, late private in Company D, First Connecticut Heavy Artillery, and who died in the service in 1862. The widow made application through one E. L. Cundall, and while the papers were in his office, the office and the contents were burned. The claimant supposed the application had been filed with the Commissioner, and did not know of the fact of its not being filed till the five years' limitation had run, when she then made application for, and is now receiving, the pension due her.

The committee, considering the fact that she was entitled to her pension, are of the opinion that she should be allowed the arrears due her, for she used all the means in her power to file the application within the time. The last Congress passed a bill in favor of the petitioner, but for want of time it was not reached by the Senate.

Mr. HOLMAN. It seems to me that this matter of the date of the pension should be made the subject of general legislation. There ought to be some rule. I do not object to this bill in particular, but I insist that all this class of bills should be made the subject of general legislation.

There being no objection, the bill was laid aside, to be reported favorably to the House.

OLIVER C. DENSLOW.

The next business on the Private Calendar was the bill (H. R. No. 360) granting a pension to Oliver C. Denslow.

The bill was read. It authorizes and directs the Secretary of the Interior to place upon the pension-roll, subject to the provisions and limitations of the pension laws, the name of Oliver C. Denslow, late hospital steward of the Eighteenth Regiment of Missouri Volunteer Infantry, now of Putnam County, in the State of Missouri, and pay him a pension from and after the passage of the act.

The report was read, as follows:

Brief of claim to original invalid pension in the case of Oliver C. Denslow, a hospital steward, of Company F, Eighteenth Regiment Missouri Volunteers.

Post-office address: Livonia, Putnam County, Missouri.

Enlisted September 4, 1861, discharged May 22, 1862. Served afterward from ——, 18—, to ——, 18—. No re-enlistment. Filed May 20, 1871.

Declaration and identification in due form, filed June 22, 1863.

Alleges disability from deafness, from exposure in the wet, cold weather, in the fall and winter of 1861, in the northwest of Missouri.

1. Roll for January and February, 1862, reports claimant nurse in post hospital, Saint Joseph, since February 9, 1862.

2. Affidavit of Privates James H. Forbs and Samuel Garringer, filed March 16, 1867, shows that claimant became disabled about the 12th day of February, 1862, while in the service of the United States, and in the line of his duty; that during the month of November, 1861, while on a march from Unionville, Putnam County, Missouri, to Laclede, in Linn County, Missouri, he was exposed to cold and wet, from which cause, having taken neuralgia and catarrh in the head, he became deaf; that he was in good health at the time he entered the service; that he became so deaf that he could not hear any conversation, and could hear a cannon but a very short distance.

3. Affidavit of Privates Thomas Franklin and Absalom Garringer, filed March 16, 1867, corroborates the above, and that he was in good health at enlistment.

4. Affidavit of Thomas Franklin and Absalom Garringer, filed March 16, 1867, shows that they have been acquainted with claimant for the last three years, and that he has been disabled from procuring a livelihood as much as if he had been wounded.

5. Affidavit of Captain Henry P. Stults, filed October 1, 1867, shows that claimant became deaf at the time and in the manner stated above; that he was in good health, and his hearing was good at the time he entered the service; that at the present time he is too deaf to perform the duties of a soldier.

6. Affidavit of Regimental Surgeon William O. Torrey, filed May 20, 1871, shows that claimant was acting as hospital steward, and was detailed as surgeon to accompany a scout from Laclede, in Linn County, Missouri, to Unionville, Putnam County, Missouri; that he was in good health when he left the post in Laclede; that while absent on said scout, and in the discharge of his duty as surgeon of said detachment, he contracted a deafness, for which he was discharged; that said disability still exists, and will probably continue until death.

7. Affidavit of claimant, filed May 20, 1871, shows that he was treated in the regimental hospital at Weston, Missouri, at post hospital at Saint Joseph, Missouri, and at the general hospital at Hamburgh, Tennessee; that he was treated by the surgeons at said hospitals, but was never enrolled as a patient in either of them; that he was hospital steward at said regimental and post hospitals, and assistant post surgeon at the last-named hospital.

Barred by the act of July 4, 1864. Admitted January 3, 1872.

Present, SAMUEL V. NILES.

H. P. LEECH,
Examiner.

The committee adopt the above brief as their report, and recommend the passage of the bill granting Oliver C. Denslow a pension.

There being no objection, the bill was laid aside, to be reported favorably to the House.

MARTIN HOFF AND OTHERS.

The next business on the Private Calendar was the bill (H. R. No. 2100) for the relief of Martin Hoff, Casper Doerr, and George Gebhart, citizens of Saint Louis, Missouri.

The bill was read. It authorizes and directs the Secretary of the Treasury to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,618.62 to Martin Hoff and Casper Doerr, for work and labor performed and material furnished by them in curbing, guttering, and macadamizing, and crosswalks on Marine avenue, and paving alley in front of and adjoining United States marine hospital in the city of Saint Louis, Missouri; and the sum of $616.58 to George Gebhart, for work performed and material furnished in paving sidewalks on Marine avenue, adjoining to and in front of the United States marine hospital in Saint Louis, Missouri; in all, the sum of $3,235.20.

The report was read, as follows:

The Committee on Public Buildings and Grounds, to whom was referred the memorial of Martin Hoff, Casper Doerr, and George Gebhart, citizens of Saint Louis, Missouri, asking that Congress make an appropriation to pay them for work performed and material furnished in paving, guttering, curbing, macadamizing, laying crosswalks, and sidewalks on Marine avenue in front of the United States marine hospital, and paving an alley contiguous thereto in the city of Saint Louis, Missouri, make the following report:

That, under the charter and ordinances of the city of Saint Louis, property-holders are required to bear the expense of all paving of streets and alleys and for laying sidewalks adjacent to their property; that the two first-named petitioners are entitled to the sum of $2,618.62 for labor performed and material furnished in macadamizing, paving, guttering, curbing, and laying crosswalks on Marine avenue and the alley in front of and adjacent to the United States marine hospital in the city of Saint Louis, Missouri.

That the last-named petitioner is entitled to the sum of $616.58 for labor performed and material furnished in laying sidewalk on Marine avenue in front of the United States marine hospital in the city of Saint Louis, Missouri. That the work was performed by these petitioners during the year 1872, under contract with the city of Saint Louis, Missouri; that its completion in a satisfactory manner is attested to by the certificate of the surveyor of the port of Saint Louis accompanying this report; that the Secretary of the Treasury, whose letter also accompanies this report, recommends that an appropriation be made to pay these petitioners, in all, the sum of $3 235.20; and that the work was performed and material furnished at a reasonable rate.

There being no objection, the bill was laid aside, to be reported favorably to the House.

STEAMER CLARA DOLSEN.

The next business on the Private Calendar was the bill (H. R. No. 2101) for the relief of the owners of the steamer Clara Dolsen.

Mr. McKEE objected; and the bill was accordingly passed over.

LAND IN SCOTT COUNTY, MISSOURI.

The next business on the Private Calendar was the bill (H. R. No. 2187) authorizing and requiring the issuance of a patent for certain land in the county of Scott, in the State of Missouri.

The bill was read. In the preamble it recites that whereas by the act of the Congress of the United States entitled "An act to quiet the title to certain lands in the State of Missouri," approved December 27, 1872, certain lands therein mentioned were granted to the county of Scott, in the State of Missouri, which were not specifically described; and whereas no provision for the issuance of a patent for said lands was made in said act; therefore it provides that it shall be the duty of the Commissioner of the General Land Office to cause a patent to be issued to said county of Scott, in the State of Missouri, for all the lands included in that portion of township numbered 27 north, of range 12 east of the fifth principal meridian, lying east of Little River, as the same appears on the plat of survey on file in the General Land Office; provided that nothing in the act shall prejudice the rights of any person claiming any of said lands by virtue of any homestead, pre-emption, or other entry made under the laws of the United States.

The report was read, as follows:

The Committee on Private Land Claims submit the following report:

By an act approved December 27, 1872, Congress granted to Scott County, Missouri, 4,410.71 acres of land, described as follows: Parts of sections 1, 2, 3, 11, 12, 13, 24, and 25, all in township 27, range 12, in said county. The description in this grant is vague and indefinite, and the act makes no provision for a patent. The present bill is designed to remedy these defects by specifically ascertaining the lands and providing for the issuance of a patent therefor to said county.

Township 27, in said county of Scott, was surveyed in 1860 under the authority of the Commissioner of the General Land Office, and the survey was approved by the surveyor-general of Missouri in July, 1861, and at the same time said surveyor-general forwarded to the General Land Office a list of swamp selections, which embraced all of said township lying west of the Little River, except section 16. These selections were approved October 14, 1865, and patented to the State January 3, 1866.

This patent disposed of the entire township except section 16 (reserved for schools) and that portion of the township lying east of Little River. That portion of the township lying east of the river contains 4,412.69 acres, and these are the lands intended to be granted by the act of December 27, 1872.

The committee, therefore, report back the bill with the accompanying substitute, which specifically ascertains and describes the lands in question, and recommend that said substitute do pass.

No objection being made, the bill was laid aside, to be reported to the House.

Mr. HAWLEY, of Illinois. I move that the committee rise and report the bills to the House.

The motion was agreed to.

The committee accordingly rose; and the Speaker having resumed the chair, Mr. NIBLACK reported that the Committee of the Whole had had under consideration the Private Calendar, and had directed him to report sundry bills to the House with the recommendation that they do pass.

BILLS PASSED.

The House proceeded to consider and pass the following bills, reported from the Committee of the Whole:

A bill (H. R. No. 1956) for the relief of Willard Davis;

A bill (H. R. No. 2086) for the relief of R. W. Clarke, postmaster at Brattleborough, Vermont;

An act (S. No. 302) for the relief of Dr. Edward Jarvis;

A bill (H. R. No. 763) for the relief of Oliver P. Mason;

A bill (H. R. No. 2087) for the relief of Julius Griesenbeck, of Waco, Texas;

A bill (H. R. No. 2088) for the relief of James Lillie, postmaster at Lisbonville, Ray County, Missouri;

A bill (H. R. No. 764) for the relief of John Dold;

A bill (H. R. No. 692) for the relief of William Chester;

A bill (H. R. No. 650) for the relief of John Brennan;

A bill (H. R. No. 104) for the relief of James Coats, of Jackson, Mississippi;

A bill (H. R. No. 2089) for the relief of Mrs. Louisa P. Molloy;

A bill (H. R. No. 2090) for the relief of Jacob Harding;

A bill (H. R. No. 2091) for the relief of the heirs and next of kin of Colonel William Northedge, deceased;

A bill (H. R. No. 2092) for the relief of John W. Divine, late assistant surgeon of the Eleventh Regiment of Tennessee Cavalry;

A bill (H. R. No. 753) for the relief of Peter S. Patton;

A bill (H. R. No. 2093) for the relief of General Samuel W. Crawford, United States Army;

A bill (H. R. No. 2094) for the relief of William A. Snodgrass, late lieutenant Company H, Thirty-ninth Ohio Veteran Volunteer Infantry;

A bill (H. R. No. 2094½) granting an increase of pension to Mary C. Bell;

A bill (H. R. No. 52) granting an annuity to Mary Swift, daughter of Thomas Truxton, deceased, late commodore in the United States Navy;

A bill (H. R. No. 814) granting a pension to Olive S. Breed;

A bill (H. R. No. 280) granting a pension to Ann Crane;

A bill (H. R. No. 240) granting a pension to John C. Farnam;

A bill (H. R. No. 330) granting a pension to Mrs. Penelope C. Brown, of Tennessee, widow of Stephen C. Brown, late a private in Company C, Eighth Tennessee Cavalry Volunteers;

A bill (H. R. No. 2095) granting a pension to Charles McCarty;

A bill (H. R. No. 2097) granting a pension to Sophronia Austin;

A bill (H. R. No. 2096) granting a pension to James Roach;

A bill (H. R. No. 2098) granting a pension to Mrs. Nancy Parkhurst;

A bill (H. R. No. 2099) granting a pension to Mrs. Elizabeth Copeland;

A bill (H. R. No. 360) granting a pension to Oliver C. Denslow;

A bill (H. R. No. 2100) for the relief of Martin Hoff, Casper Doerr, and George Gebhart, citizens of Saint Louis, Missouri; and

A bill (H. R. No. 2187) authorizing and requiring the issuance of a patent for certain land in the county of Scott, in the State of Missouri.

The following bills were reported from the Committee of the Whole with amendments:

A bill (H. R. No. 1200) for the relief of the sureties of the late Jesse J. Simkins, collector of the port of Norfolk, Virginia; and

A bill (H. R. No. 1201) authorizing the payment of prize-money to the officers and crew of the United States steamer Bienville.

The amendments were agreed to; and the bills, as amended, were passed.

ENROLLED BILL SIGNED.

Mr. HARRIS, of Georgia, from the Committee on Enrolled Bills, reported that the committee had examined and found truly enrolled a bill of the following title; when the Speaker signed the same:

A bill (H. R. No. 1558) to amend the act entitled "An act to encourage the growth of timber on western prairies."

EDWARD JARDINE.

Mr. MELLISH, by unanimous consent, from the Committee on Invalid Pensions, reported a bill (H. R. No. 2356) granting a pension to Edward Jardine, late colonel and brevet brigadier-general, United States Volunteers; which was read a first and second time.

Mr. WOODFORD. I would ask unanimous consent that that bill be put on its passage. It provides a pension for a gallant officer who lost a leg in what were known as the "draft riots" in New York City in the perilous summer of 1863. It has been unanimously reported by the committee, and there can be no objection to it.

The bill was read. It authorizes and directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Edward Jardine, late brevet brigadier-general United States Volunteers, at the rate of fifty dollars per month, from and after the passage of this act; and in the case of the death of the said Edward Jardine, the amount of pension allowed by this act shall be continued to his widow or minor children, under the provisions and limitations of the general pension laws.

Mr. HOLMAN. I call for the reading of the report.

The report was read.

No objection being made, the bill was ordered to be read a third time; and it was accordingly read the third time, and passed.

Mr. WOODFORD moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

SHIPPING COMMISSIONERS.

Mr. COX, by unanimous consent, introduced a bill (H. R. No. 2357) to amend the act authorizing the appointment of shipping commissioners, and for other purposes; which was read a first and second time, referred to the Committee on Commerce, and ordered to be printed.

ALCOHOLIC LIQUOR TRAFFIC.

Mr. POLAND, by unanimous consent, from the Committee on the Judiciary, submitted a report, to accompany House bill No. 2079, (now on the General Calendar,) to provide for the appointment of a commission on the subject of the alcoholic liquor traffic; which was ordered to be printed.

MARSHAL FOR WESTERN DISTRICT OF NORTH CAROLINA.

Mr. COBB, of North Carolina. I ask consent that the Committee of the Whole be discharged from the further consideration of the bill (H. R. No. 225) to amend an act entitled "An act to establish the western judicial district of North Carolina." The bill was referred to the Committee of the Whole on a point of order. It passed the last Congress, and is the unanimous report of the Committee on the Judiciary of this Congress.

The bill, which was read, provides for amending section 8 of the act of June 4, 1872, entitled "An act to establish a western judicial district of North Carolina," by adding thereto the following:

There shall also be appointed a marshal of the United States for said western district of North Carolina, who shall receive such fees and compensation, and exercise such powers and perform such duties, as are fixed and enjoined by law.

Mr. HOLMAN. How did it happen that there were no marshal provided for this district when it was established?

Mr. COBB, of North Carolina. At that time it was consented to by all parties here that the business of the courts would be accelerated by the then marshal retaining control of all matters in both districts. That arrangement met with the approval of all parties in Congress at that time. This bill is now reported unanimously from the Committee on the Judiciary, and meets no opposition from the North Carolina delegation here.

Mr. HOLMAN. While I think the second district of North Carolina should not have been formed, it seems to be inevitable that, having been formed, a marshal should be provided for that district. I will not object to the bill.

No objection being made, the Committee of the Whole was discharged from the further consideration of the bill, and the same was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

Mr. COBB, of North Carolina, moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

ELIZABETH BRAY.

Mr. BUTLER, of Tennessee, by unanimous consent, introduced a bill (H. R. No. 2358) granting a pension to Elizabeth Bray, widow of Edward Bray, late a private of the Eighth Tennessee Cavalry; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

NATIONAL HOME FOR DISABLED VOLUNTEERS.

Mr. COX. I ask unanimous consent to introduce and have considered at this time a bill to authorize and direct the Secretary of War

to reserve from sale ten thousand suits of old and disused Army uniform clothing now in the Quartermaster's Department of the Army, and to transfer the same to the National Home for Disabled Volunteer Soldiers.

No objection was made; and the bill (H. R. No. 2359) was read three times, and passed.

ADDITIONAL JUDICIAL DISTRICT IN NEW YORK.

Mr. TREMAIN. I ask consent that the Committee of the Whole be discharged from the further consideration of House bill No. 2083, a bill to establish an additional judicial district in the State of New York, and to make further provisions in relation to the courts of the United States in said State.

Mr. HOLMAN. I must object.

APPOINTMENTS ON COMMITTEES.

The SPEAKER. The gentleman from Virginia, Mr. SENER, and the gentleman from New York, Mr. MELLISH, ask to be excused from further service on the Committee on Invalid Pensions. If no objection be made they will be excused, and Mr. THOMAS, of Virginia, and Mr. SMART, of New York, will be appointed in their places.

The House on yesterday, by its action in the election case of Thomas vs. Davis, from the State of Virginia, has rendered it necessary to appoint a member of the Committee on Agriculture to take the place of Mr. Davis. The gentleman from West Virginia, Mr. DAVIS, will be appointed in his place.

LEAVE OF ABSENCE.

Mr. BERRY was granted leave of absence for ten days.

Mr. BUNDY was granted leave of absence for two weeks.

SESSIONS FOR DEBATE.

Mr. McCRARY. I move that the House now take a recess until half-past seven o'clock this evening.

The SPEAKER. By order of the House the session of this evening will be for debate only, upon the bill in relation to commerce by railroad between the several States. On Monday last the House, under a suspension of the rules, ordered that the session of to-morrow should be for debate only as in Committee of the Whole upon the bill reported from the Committee on Ways and Means repealing the tax on matches, and upon kindred bills, no business whatever to be transacted.

Mr. GARFIELD. Members of the Committee on Ways and Means say that the debate was to be after the morning hour.

The SPEAKER. That is not the recollection of the Chair.

Mr. HALE, of Maine. It was for the entire day.

Mr. RANDALL. That is my recollection.

The SPEAKER. The committees were called through this morning for reports of a private nature, and there would be no business of that character for a morning hour to-morrow, Saturday being private-bill day. If the record of the Journal be that the debate was to be after the morning hour, that is contrary to the recollection of the Chair. Is there objection that the entire day of to-morrow shall be for debate only? [After a pause.] The Chair hears no objection, and it will be so ordered. The House, therefore, will meet to-morrow for debate only upon the bill for the repeal of the tax on matches, &c.

This evening the gentleman from Pennsylvania, Mr. ROSS, will preside as Speaker *pro tempore*. To-morrow the gentleman from Iowa, Mr. WILSON, will preside as Speaker *pro tempore*.

The motion for a recess was then agreed to; and accordingly (at four o'clock and twenty minutes p. m.) the House took a recess until half-past seven o'clock p. m.

EVENING SESSION.

The House reassembled at half-past seven o'clock p. m., Mr. ROSS in the chair as Speaker *pro tempore*.

INTERSTATE COMMERCE.

The SPEAKER *pro tempore*. The House meets this evening for the consideration of the bill (H. R. No. 1385) reported by the chairman of the Committee on Railways and Canals, entitled "An act to regulate commerce by railroads in the several States."

Mr. WILSON, of Iowa. Mr. Speaker, the object sought by the bill before the House is cheaper transportation. Into the discussion of this question will enter the quantities to be moved, the past and present methods of moving merchandise, the rate charged, the routes in use, present and prospective, points to be reached, the countries with which we compete, and the future needs of the country in this respect. I purpose to speak upon one branch of the subject, the movement of the grain and meat products of the Northwest, as the whole is too comprehensive for an hour.

If it be necessary to offer excuses for so circumscribing my remarks, I will say that the strongest reason given for opening any new canal, or widening any old one, for improving any river, or building a Government railroad, is that provision may be made for the rapidly increasing surplus of this region.

The manufacturer of the East looks to this locality for his bread.

The cotton and sugar-cane planters of the South regard the price of grain an important factor in their operations.

The problem presented for the solution of Congress now is, how can the surplus products of the West be transported to market where there is a deficiency, so as to bring the prime necessities of life within the reach of the consumer in our own country and encourage their production in the bread and meat producing States? The increasing industries of the Eastern States, the growth of manufacturing and mining interests, the growth of cities, towns, and villages, make greater demands yearly upon the grain-producing States.

The decline of our foreign commerce has increased the cost of sea freights on our exports 66 per cent., from twelve to twenty cents per bushel, in addition to the loss of its profits to the country, thereby lessening the profit of the producer.

The agricultural changes of the last two decades have resulted in making the Atlantic slope substantially a dairy district, that portion of the country west of the Alleghanies and east of the Mississippi a meat-producing district, while the greater part of the surplus grain, especially wheat, is grown west and immediately east of the Mississippi.

The great water system of the country, that, prior to the late civil war, was used extensively for floating the staples of the interior to the sea-board at a low rate, has been little used since 1860. The advances made in the West in the knowledge of the various departments of the farm, in improved machinery, in knowledge of soil and climate, have made temporarily profitable a system of husbandry that, in reality, has consisted in making large drafts upon the hoardings that nature has for centuries been accumulating.

While the first fruits of the prairie were being gathered, and large prices were realized, the railroads, encouraged by the national and State governments, and by the people, have been extended into all the grain-fields of the Northwest; and while freights have been high little complaint has been made, the hope prevailing that the completion of the railroad system would bring regulation by competition.

But now that on many of the choicest fields the largest crops have been gathered, and the cultivator is admonished that profitable agriculture in the future must comprehend a systematic rotation of cropping and harmonious balancing of the various departments of the farm, instead of exclusive wheat raising, and it is apparent that the production of cheap, bulky breadstuffs is prohibited by high freights by rail to the consumer, it is evident that the prosperity of the Northwest will be seriously impaired, or cheaper routes must be opened for the surplus.

An inquiry into the movement of vegetable food throughout the world will establish the fact that water transportation only is profitable for long distances; and the fact that our grain-producing center has already moved beyond profitable transportation by rail, warns us that facilities must be provided for using the thirteen thousand miles of navigable waters in the interest of the grain-producing States of the Northwest.

To fully anticipate the future wants of the Northwest, as well as to provide for the present, regard must be had to the agricultural changes that are gradually taking place, as well as the realities that now exist.

The improvement of the water system of the interior is so generally conceded to be of national importance that the only questions demanding consideration concerning it are the ways and means.

But the same States that produce grain produce, in excess of their consumption also, everything of which grain is the basis; and while the excess of grain might reach the consumer by the nearest water-route to the sea-board at half the present cost, and thereby solve the transportation problem as far as the transportation of cereals is concerned, the beef, pork, and dairy products that in those States are now made in abundance, and must be shipped East by rail, will in future be the leading staples, and for the reasonableness of their transportation we cannot look to either river, lake, or canal.

If that part of the United States lying west of the Alleghanies and north of the mouth of the Ohio River was one State, it would not be so necessary for its people to ask Congress to interfere in the transportation of their surplus to market; they could regulate the carriage of their goods to the lakes, from which there is the closest competition for freight on the continent, the Saint Lawrence outlet would compete with the New York canals, and the Grand Trunk with the Erie and Central; while on the south of this great section, the open Mississippi would perpetually offer a cheap route to the ocean. State law could prevent discrimination against non-competing points, and State regulation secure reasonable tariffs. It might be possible to solve the transportation problem without the aid of Congress if each State had a navigable water-route the year round, or State lines only existed between the grand divisions known as the East, the South, and the West. But a policy, against the wisdom of which I utter no word, has formed out of the territory to which I refer, States and Territories containing nearly half the population in the Union; whose laws and occupations are kindred to each other, but having no commercial jurisdiction beyond their respective borders. In 1870 the total production of cereals in the United States was 1,467,299,183 bushels, of which 56,707,843 were exported, leaving for consumption, *per capita*, about 34 bushels. This district, not including California, nor the States bordering on the Rocky Mountains, produced in 1870 about 1,000,000,000 bushels of grain. According to the average consumption and deficiency in the Southern States, they received from this district 80,000,000 bushels. The six Eastern States, on the same basis, including New York, New Jersey, Pennsylvania, Delaware, and

the District of Columbia, received 216,000,000. While our total exports of grain from the United States in 1870 were 56,707,843 bushels, they rose to nearly 100,000,000 in 1873, making the total surplus of the Northwest over 400,000,000 bushels.

The want of proper facilities to transport 400,000,000 of bushels of grain is the main object of the legislation sought; but in addition to that 500,000 tons of pork have been packed in this locality during the last season, and as many tons of live hogs are moved eastwardly during each year, and nearly all of the surplus beef and mutton; 510,025 head of cattle and 145,016 head of sheep being shipped by rail from Chicago alone during the year ending June 30, 1873.

An inquiry into the tonnage of the leading transportation lines east of the lakes will show that while their capacity is taxed to the utmost, their whole vegetable tonnage is only equal to the carriage of the deficiency east of the Alleghanies. The New York and Welland canals, the New York Central Railroad, the Erie Railroad, the Pennsylvania Railroad, the Baltimore and Ohio, and Grand Trunk, for the year 1871, only carried about 6,000,000 tons, while the deficiency in the States east of the Alleghanies is 6,500,000 tons. There are other routes to the sea-board, not named here, that have carried large quantities, more than equaling our foreign export, but this will sufficiently show the inadequacy of facilities for transporting even the present crop of the West.

This district that now produces the bread and meat for the nation, and for export, is supplied by nature with a river system second only to that of South America; and until the breaking out of our civil war, and the extension of railroads into the grain-fields of the Northwest, the water system of the Mississippi was extensively used for transporting grain to the sea-board, in the same manner in which the wheat that now comes into competition from Russia with ours is transported to the sea-board.

In 1853 the total receipts of grain at New Orleans were 8,311,422 bushels; the shipments from Chicago for that year, 6,292,233 bushels. But in 1861 the total receipts at New Orleans were but 16,191,822, while the extension of railroads brought to Chicago 50,481,862 bushels. The war then closed the river. Since that time the prostration of business in New Orleans, and the continued extension of railroads into all the grain-fields of the Northwest, has prevented the heavy staples of the Northwestern States from seeking their natural channel. The magnitude of the trade previous to the war will abundantly answer all objections that may be raised to the climatic influences of the route on cereals, without calling attention to the fact that the grain of California crosses the equator twice on its way to Europe; that wheat shipped from Chili crosses the equator on its way to England; and also, that wheat from Australia crosses the equator and the tropics.

There are no published reports of the exact amount moved East by the different lines of transportation that account for all the surplus grain of the West, nor can we definitely arrive at the cost of transportation; but the cost of carrying on the New York canals and on the lakes is obtainable. The published rates on through lines of railroad from the heart of the grain-raising districts eastwardly to the sea-board, and the cost by river to the Gulf of Mexico, are known. The Erie Canal, that in 1862 carried 84 per cent. of the grain from the lakes, now carries but 42 per cent. The New York canals, in 1861, moved 2,500,000 tons of agricultural products, while the three railroads carried only 900,000 tons. In 1872 the canals moved only 1,683,962 tons, while the railroads moved 3,670,614 tons. The canal that once was a powerful corrective between the lakes and the sea-board is now impotent, lacking capacity for future increase. Between 1869 and 1871 the amount of freight moved one mile decreased 14,802,039 tons on the canals of New York, and increased on the Erie and Central Railroads 375,701,579 tons moved one mile. The New York Central, in 1871, moved 880,327,865 tons one mile at 1.65 cents per ton per mile; the Erie Railroad moved 897,446,728 tons one mile at 1.47 cents per ton per mile. The New York canals moved 1,050,104,125 tons one mile at 1.02 cents per ton per mile. The tariff on wheat was three mills per ton per mile, showing very clearly that while the water rate is the lowest, the canals have not the capacity to move the surplus products of the West, and the railroads beat them in close competition at this low rate. The Welland Canal, in 1872, carried 625,891 tons of vegetable food.

There are three distinct movements of grain from the field to the ocean. The first is from the field to the lakes, the second from the western borders of the lakes to the canals, and the third to the sea-board. I have inquired into the movement of grain from the lakes to the sea-board, and find that the rail predominates. The total tons of vegetable food moved from the lakes by all the canals in 1872 was 2,309,853, and the total tons moved by the Central, Erie, and Pennsylvania Railroads 2,770,614. There is no hope of any further reduction from competition with these canals from the lakes.

An inquiry into the movement of grain across the lakes, or the same distance by rail, will show a state of facts no more encouraging. From Chicago, the largest shipping point on the lakes, where the railroads converge that gather the grain from the Northwest, only 2 per cent. was shipped East by rail in 1862, but in 1872, 22 per cent.

From Chicago to Buffalo in 1870 it cost, on an average, to carry a bushel of wheat 5.89 cents; from Buffalo to New York, 11.56; from Chicago to Oswego, 9 cents; from Oswego to New York, 8.25 cents.

For the year ending June 30, 1873, there were received in Chicago 1,532,014 barrels of flour, of which only 223,457 were shipped East by lake; 12,724,141 bushels of wheat, of which 8,831,087 bushels were shipped East by lake; 47,366,087 bushels of corn, of which 41,589,508 were shipped East by lake; 15,061,715 bushels of oats, of which 6,370,784 were shipped East by lake: 1,129,086 bushels of rye, of which 231,538 were shipped East by lake; and 5,251,750 bushels of barley, of which 2,330,523 were shipped East by lake. This shows that only the lower-priced cereals are moved in greater amount by lake than rail, except the one instance of wheat; and when to this are added all the live animals, and 144,780 barrels of pork out of 208,664 shipped in that year, it requires not the aid of inspiration to foretell that very soon the lakes will be as powerless to regulate the rate of transportation of vegetable food to the sea-board as the canals will be. When the Erie Canal was completed there was a cheap water-route from all points within reach of the canal or the lakes; but railways have been built parallel with the canals and with the lakes, whose policy is to prevent traffic from reaching these cheap routes, and every new road that is built from the sea-board at any point is, from its very nature, at war with every water-route in the country.

The rate on wheat per bushel, that has obtained for several years from Chicago to New York by rail, is twenty-seven cents in summer when the lakes are open, and thirty-six cents in winter when lake navigation is closed. One of the remedies sought by this bill is the prevention of such unreasonable rates from points where competition half the year indicates what the rate should be. The average rate from the wheat center west of the Mississippi is about eighteen cents per bushel to Chicago or Milwaukee, making the total charge to the sea-board, independent of handling, fifty-four cents; to Liverpool, besides handling at New York, seventy-four cents. Monthly statements of the shipments from Chicago show that shipments in the winter months average the whole year. Of the four hundred millions of bushels of surplus grain, only sixty millions are moved eastwardly from Chicago by lake, and about twenty millions from Milwaukee. Less than three million tons of grain are moved East by our lake system, of the twelve million surplus. The Pennsylvania Railroad moved 7,844,778 tons of all kinds of freight in 1872. The lakes, then, for moving grain, are equal to half such a railroad. From the Mississippi River the average rate, according to tables published on the 1st of January, 1874, computed from five different points, is two cents average per ton per mile, and the lowest class averages eleven mills per ton per mile, while for all intermediate points the rate varies from fourteen to sixteen mills per ton per mile by rail to New York.

Here I desire to call attention to the peculiar hardships imposed on interior non-competing points. The freight rate from the Mississippi, averaging five different points, is eleven mills per ton per mile to New York, a rate of which no one complains; but when five mills more are added on the same class of freights from one of the interior counties that ships one million bushels of grain, the overcharge exceeds all the taxes levied for State, county, township, and municipal purposes. The total levy of 3 per cent. on assessed valuations on any one of these counties is considerably below the excess charged over the rate from the Mississippi to New York; while according to current theories the rate per ton per mile for a long distance should be less than for a short distance.

To be pointed, then, the bill before the House will to a great extent remedy discriminations against non-competing points on the amount of the surplus four hundred million bushels of grain that go to market by rail directly East. The remedy is pointed out by the railroad companies themselves. The railroads from Chicago to the eastern sea-board charge thirty-six cents per bushel for wheat, but the railroads from points west of Chicago, that come into competition with roads running to the lakes, carry to New York for thirty-six cents per bushel; and railroads at the Mississippi, that compete with the river, also carry at thirty-six cents per bushel.

The average rate from the heart of this grain-producing region on the Mississippi to the ocean at New Orleans is about half the rate to New York from April to September; in 1873 the rate averaged eighteen cents per hundred-weight, and was as low as twelve and a half cents.

This indicates very clearly where relief can come from, and a route by which the bulky staples of the Northwest can reach the ocean without costing so much as to prohibit production.

The grain center, especially the wheat center, is rapidly moving westward. The great wheat-raising States are now beyond the Mississippi, and from the nature of the soil the grain center will always in the future be west of the great river. The Southern States will hereafter receive their surplus from States west of the river. The surplus the United States has to spare for Europe must be sent from the same place; the surplus sent to the West Indies also will be found there. All these markets can be reached more readily and with less cost than by rail to New York at present prices. If the railways can carry grain from the Mississippi to the eastern sea-board as cheaply as it can be carried on the river, they will have the item of time in their favor; but there is no reason why the present surplus west of that river, estimated at 47,786,738 bushels by the Merchants' Exchange of Saint Louis, in which estimate Iowa was put 8,000,000 bushels too low, should be compelled to go East by rail.

We have the most extensive railroad system of any country in the world. It has been less interfered with than that of any other country. The accommodations for the carrying of passengers are on a grander scale than those provided for any other people. The enter-

prise of our railroad men has no parallel in any land. The increase of our miles of railroad is unprecedented; and if the result has been to encourage the various industries of the country by carrying at reasonable rates, with reasonable safety, economy, and expedition, not rendering comparatively useless the natural lines of commerce by discrimination, and not exacting returns for capital never invested, if there is no danger of the growth of corporations whose revenues are greater than those of the Federal Government, then nothing remains to be done but be thankful for the blessings we enjoy. But in view of the complaints that are heard in the East and the West, from our great cities and country towns, from merchant, farmer, and manufacturer, of extortion, discrimination, and inadequacy, the system is either insufficient for the wants of commerce, or we are as a people incapable of gratitude.

While the country was prosperous and the workers of every kind were all employed, the manufacturer finding ready sale for his wares, the appeal of the West for better transportation facilities was not regarded of sufficient importance to attract much attention at the national capital. But when the appeal of the West is echoed by hundreds of thousands of idle men who lack bread and employment, and the great producing West is unable to ship products that are needed in the South, the East, and in Europe, and because these products cannot be shipped the West cannot buy as usual from the East of her wares, then the appeal must be heeded by the representatives of the people, or it may as well be admitted that this great evil is beyond the reach of the people and their representatives.

States have tried to grapple with this question, but it has been beyond the reach of States. Municipalities have endeavored to measure it by the statutes that apply to other persons, but have found that the gauge does not apply. The influence is national, the interest is national, the benefits are national, and the wrongs are national. The railroads of the country extend from the east to the west, and their passage over State lines is no more observed in any respect than their passage over meridians of longitude. Their traffic is national, and if so conducted as to be detrimental to the well-being of the nation, why should not the remedy be national? The people are asking such remedy through their State Legislatures; through political, social, and commercial conventions. It is confined to no class nor occupation; to no State or section, East or West.

The equality of all men before the law was till lately left to the determination of States, but that is now a national question, the solution of which for many years has convulsed the Republic. We are now brought face to face with a question of material interest, the solution of which is looked for at our hands with an interest second only to that which attaches to the question of human rights. Enlightened public opinion demands the one; intelligent public opinion widely expressed requires the other. Some constitutional expounders saw grave difficulities in the way of the solution of the question of human rights, and the same class of men see the same difficulties in the solution of the question of material interest; the same conclusion to which the people pressed in one case is the conclusion at which they desire to arrive now—justice.

The closest scrutiny into all the affairs of Government is being exercised by the people. The expenditure for each Department, the salaries of all officers and employés, the disposition of the public domain, the rate of interest on the public debt, and even the foreign policy of the Government, are generally well understood by the people. Can it be expected that corporations that have become so potential in the Republic, whose past policy and future purposes are blank leaves, and whose acts are so arbitrary as to bear no resemblance to any element in our political economy, shall be longer permitted to dictate the fate of States and the measure of prosperity of millions of people? The increase of salaries less than two millions of dollars has agitated the country as few things have in the present century. But a few men can meet, and by raising the freight on wheat five cents per bushel, take ten times that amount of money from the already distressed producer, and no power known to the laws can forbid.

Relief will be asked from the several States to the extent of their jurisdiction; but that does not go far enough. The corporations that are confined to a State are not the most exacting, although generally operating under greater disadvantages. The through roads are fast absorbing them, and are beyond State jurisdiction. One State cannot look to another for reasonable rates across its territory. One State may be under the control of corporate influence, and decline to require corporations to observe any law. Interference with through railroads, for the interest of both the people and the road, must be comprehensive, and by a power having jurisdiction of its whole length, and power to inquire into all its operations, or the result otherwise will but annoy the railroad and not benefit the people, as the company can charge on through freight sufficient to satisfy them for any local reductions.

From 1863 so 1872 the reduction in the average rate of carrying on eastern railroads was from 2.17 cents to 1.56 cents, or 28 per cent.; but during the same time, on western roads, the reduction has been from 2.32 cents to 2.23 cents, or less than 4 per cent.; this is based on the charges of the Chicago, Rock Island and Pacific, Chicago, Burlington and Quincy, and the Illinois Central. Yet the traffic has increased on these roads from 281,228,704 tons moved one mile, in 1863, to 681,912,588 tons moved one mile in 1872, or 142 per cent. These roads have all received very large land grants, very extensive subsidies, and much local aid; but they control, from their initial point to their termini, the country from which they gather the surplus. Competition never has and never will be thought of. They cross the Mississippi, and prevent its use, and will continue to do so unless prevented by law.

One illustration of discrimination against the Mississippi and the interior towns of Iowa: from Davenport to New York by rail, eleven hundred miles, the charge is for wheat sixty cents per hundred-weight, or ten mills per ton per mile; from Iowa City, eleven hundred and fifty miles, the charge is ninety-two cents per hundred-weight, or sixteen mills per ton per mile; from Council Bluffs, fourteen hundred miles, the charge is ninety cents per hundred-weight, or twelve mills per ton per mile. From Iowa City the amount of discrimination is fifteen cents per bushel, or one dollar per mile to the Mississippi for hauling a car of ten tons. This rate of excess is charged from nearly every non-competing station in the State.

Iowa raised, in 1873, thirty-four million bushels of wheat. Estimating five bushels for the consumption of each inhabitant and three million bushels for seed, the State will have twenty-four million bushels to export. Instead of taking fifteen cents as the basis of overcharge, as lower rates fixed at some competing points, if we estimate the excess at twelve cents per bushel, the excess of tariff on this one product equals $2,880,000. Then the State raised, in 1873, one hundred and five million bushels of corn; it cannot be estimated how much of this crop is exported. The crop of 1871 has lain in the cribs until the farmers could increase their stock to consume it, while in one year the crop has decreased forty millions in the State, very much for the reason that it was not a remunerative crop, and as a consequence was neglected. This is easily proved, from the fact that stock-raisers, who never produce corn for the market, had average crops. But the well-known fact that while for the last two years corn could not be shipped from Iowa owing to the high rates of freight, it sold for seventy-five cents to one dollar in the South and East, and the producerrs who were not able to transform it into meat suffered in consequence, is much of the cause of complaint.

The State suffers, however, in the transportation of everything of which corn is the basis. The same rates that are exacted for wheat are the rates charged for moving fat cattle and hogs and for return of heavy merchandise. I have no hesitation in concluding that this one State pays annually for transportation, over the actual value of the labor performed, enough to pay interest on the capital that would construct a freight railroad to the sea-board. But unless some such measure as that now before the House be adopted, a freight railroad would only benefit the locality through which it might pass. The same policy that discriminates against the river and the lakes would discriminate against the Government railroad. No goods could reach it without paying such a penalty as would make it as useless to shippers living fifty miles distant as the Mississippi River is. This has been the order ever since these through railroads were built. The prosperity of the Northwest has been seriously checked. Low-priced crops cannot be profitably cultivated in rotation. Economy enforced by financial distress has been common, especially with men who are opening farms and are not prepared to condense. It will not serve any purpose but that of aggravation to tell the people that overproduction is the cause of the low prices. The excess over the real value of carrying goes into the treasury of the carriers, and while our total export of grain scarcely pays for our hardware bills in England—a country that annually buys three times as much grain as we have to spare—and while the workingmen of the East have to pay too much for everything of which grain is the basis, overproduction will only be presented as an evasive answer by those who are opposed to interfering with the present order, or by those whose interest dictates hostility to any change.

I look upon this as contributing very much to the present depressed financial condition of the country. The Northwest has been the best customer the manufacturing East has had. For several years the Northwest has felt more and more severely the disabilities under which it has been placed from excessive rates for transportation. Its purchasing power has been very much curtailed; perhaps $100,000,000, that would have been expended in improvements mainly, have gone into railroad extensions, and into the various avennes of extravagance so common with that class of men. This has rendered manufacturing unprofitable; hundreds of thousands of men are idle; the industries of the country seem to be paralyzed, while the year 1874 begins with higher freights from the West to the sea-board, and a corresponding depression on the mind of every man in the great West who knows the reward of his toil is wholly to be measured by the directors of the line of railroad upon which he must ship his goods.

Various schemes and methods have been proposed comprehending, in a greater or less degree, the solution of this question. Several States have, in different ways, attempted to regulate the transportation of freight and passengers on railroads. It has been proposed to build railroads as national highways to be operated through a national bureau; it has been proposed to build railroads as national highways over which any person might have a car hauled, or over which any company might run a train by paying toll for the use of the road. Many projects are current looking to the improvement of the various water systems of the country in order to furnish cheap transportation for the heavy staples of the country and bring about competition between carriers—the improvement of the Mississippi and its naviga-

ble tributaries, projects to connect the river and lake systems by the Fox and Wisconsin River improvement, by the Rock Island and Hennepin Canal, and by connecting the river system of the Atlantic slope with the river system of the interior through the James River and Kanawha Canal and the Atlantic and Great Western Canal below the freezing line.

Before entering upon the prosecution of a comprehensive improvement of our transportation facilities, either through an improvement of our water-courses or by building Government railroads, it must first be considered how the products of the country are to reach these lines of communication with eastern markets and the sea-board. A road built by the Government, charging reasonable rates, would afford relief to the localities through which it might pass. A road built by private enterprise, under Government charter, would subserve the same end; but if the producers and shippers of the various States have to pay a discriminating penalty upon all freights switched off other lines for the purpose of availing themselves of the reasonable rates charged by the Government road, the amount of which penalty would equal prohibition of its use, then all the benefit derived from such a line of railroad would be by shippers residing immediately upon the line.

A canal dug at the expense of the Government that would charge reasonable rates of freight would encourage production in each locality through which it might be constructed, and be of great benefit to all who could conveniently reach it at either end or any point in its course; but if any intersecting line of transportation charged a rate of tariff that would amount to prohibition of its use, the extent of its benefits would only reach those who could avail themselves of it without first shipping on other lines.

The improvement of the Mississippi River or any of its tributaries, or the improvement of any other rivers of the country, would be an unmixed good; and to the towns and cities situated on their banks, cheaper and better transportation would result; but if any line of transportation that crosses any of our rivers should charge such an increase of rate on all freight proposed to be taken from such lines and shipped upon the rivers as would amount to prohibition, the rivers, notwithstanding any amount of improvement, would only benefit those who could reach their waters without the use of other lines of communication.

The first step to be taken, then, in the solution of the transportation problem, is to make it possible for a shipper to use more than one line of transit without extortion; to make it possible to use both rail and water without excessive penalties; to prevent discrimination against competing points, where it may be desirable to leave one line to take another, to leave the rail for the water, or the water for the rail; to prevent discrimination against non-competing points, where excessive and arbitrary rates on isolated lines prevent the production of many low-priced staples and forbid the establishment of manufactures.

To bring this about will solve the problem as far as the capacity of our present railroads and water-courses is concerned; and to do this there is a distinct field for State legislation and a field beyond the jurisdiction of the several States. Each State can secure reasonable rates on all lines where goods are billed from any point to any other point not outside of its own limits; but when freight is shipped to a market outside of the boundaries of the State, jurisdiction ceases; and the rates of charge are entirely under the control of the carrier, who may grade them to encourage or destroy any branch of industry at any given point.

The great through lines that traverse the Northwest, having their initial point at the lakes or the sea-board, crossing the navigable rivers at right angles, gathering at each station along their lines the crops that can be shipped at the prescribed rate, operate as independently of each other as if competition were a thing unheard of; it is their interest, when freight is once on their lines, that it shall not stop till the end of the line is reached. Cities along the rivers may desire to grind wheat, pack pork, wholesale merchandise, or establish manufactures, but the growth of inland cities, and every species of diversified industry that they might engage in, is encouraged or prohibited, as the interest of the railroad directors dictates.

The railroads were encouraged by grants of land paid for by the people along the lines, each alternate section costing the settler double entry. Right of way, municipal aid, and private assistance were given to an extent never definitely estimated, but sufficient to indicate the good will of the localities through which they passed. The builders were regarded as benefactors; they were largely instrumental in the development of the West; but their roads have mostly passed into the control of directories inaccessible to their patrons; men who apparently fail to comprehend the changes that a few years bring about in an agricultural district; men who fail to encourage the growth of cities along the navigable streams, and who have succeeded by extortion and discrimination in alienating the respect and wholly losing the confidence of all classes of people not dependent upon them.

The result of our great railroad system has been to enrich individuals at the expense of the multitude, to build up great cities at the expense of the country.

The true route to market of any product is the one by which it can go with sufficient safety and expedition for the least cost. And the true cost of transporting any article is the value of the labor necessary to move it. These two principles cover the whole ground, and until they are either observed by carriers voluntarily, or enforced by the Government, the dissatisfaction will increase. It is well known that neither of these principles is being observed at present in the movement of the most of our staples. The Mississippi River is prevented from competing with the railroads that cross it by discriminating rates, and while it is proverbial that river transportation is cheaper than rail, the railroads are the only routes available, and that by their own arrangement.

The bill before the House will remedy this evil; and unless this step is taken, providing for reasonable rates to the Mississippi from any point west or east of it where the merchandise is transported through more than one State, as it will be in winter from most of the great grain and meat producing States, it will give no relief to these States to improve to the utmost either the Mississippi River or the waters which might connect it with the rivers that fall into the lakes, the Gulf, or the Atlantic.

The reason why I press this point repeatedly is that the Mississippi is now the center of the district that produces our surplus grain, and very soon will be east of the center.

Railroads are the means of gathering the surplus crops throughout the Northwest, and must of necessity continue to be such, whether such surplus finds its way to the sea-board by the great trunk lines, or by the lake or river systems. The best interests of the whole country would be subserved if the principles of economy were as regularly observed in this movement as the principles of gravitation are in the natural movement of matter; but the present practices not only violate natural and philosophic laws, but trench upon the equitable, vested rights of the people. For example, when the citizens gave franchise, right of way, and perhaps $3,000 per mile donation for the express and understood purpose of reaching competing rail and water routes by a branch road, and their object is thwarted by the directories of a great trunk line obtaining possession of it and diverting it from its original purpose, is it cause of astonishment if the people consider their vested right antecedent to that of any one else?

The systems of water-routes have been ignored by the railroads ever since they were constructed. Did all the railroad lines stop at the Mississippi, the shipper who could reach the river would have choice of routes, as the commerce of the lakes has choice to the sea-board of canal or rail; and the low rates obtaining on eastern railroads might be imitated; and the same would be the case with railroads when they are extended to any of our rivers. But the railroads having crossed the Mississippi, or any of its navigable tributaries, and entered into the great grain districts beyond, carefully arrange, by discriminating rates, to haul everything as far on their lines as possible. The consequence of this practice has substantially resulted in removing the Northwest as much farther from market as the rates paid for moving any staple are greater than would be paid if the article were permitted to seek a market by the nearest and cheapest route. For example, when corn at the sea-board sells for sixty cents per bushel, and the rate is fifty cents by rail, that point is so far remote from market by rail as to prohibit the shipment of corn; and if the rate is as low as corn can be carried for, then all such points are too remote to export that cereal, but if the rate charged is double that which corn can be moved for, then the extortion virtually places such points twice their natural distance from market.

But if the discriminating practice of railroads prevents the use of water-routes, whereon freight might be carried for half the rates exacted by them, then the result of the extension of our railroad system has been to refuse to gather for the water-routes that might carry at half the railroad rates, after having prohibited shipments on their own lines.

The practical effect of the committee's bill will be to make collecting agents of the railroads for the water-routes; and without this both railroads and water-routes are of little value to a large majority of the people of the Northwest.

It is very remote from the present policy of the railroads to enter upon any policy so apparently detrimental to their interests, but I am confident that the result would be such an increase in all the staples of the West that the railroads would derive much more profit than they do now.

Under the present rule, at a given distance from the eastern sea-board the shipment of cheap breadstuffs ceases; and, consequently, in a corresponding degree, the production; and while the privilege of condensing still remains, the producer of moderate means cannot avail himself of it. The young man who has been advised to "go West" needs time to prepare for transition from the production of raw materials to the production of manufactured articles. The continuation of the present practice will continue the present grievances. The loss to the country is not only the excess of charge on what is exported, but on the general paralysis that has stricken all the industries of the far West. From the Mississippi, the distance to the sea indicates the river route as the cheapest; but from the Missouri, there is no comparison in distance to the permanently open river and the Atlantic. Still, all that country within the reach of each railroad is compelled to ship directly East, because it is the interest of the roads that traffic should go East. The economic transportation of the staples of that vast expanse of fertile country to market is never thought of, and rates unless the bill before the House looking to the fixing of reasonable should become law, the directory of one through railroad can, as in the past, control the industries of a strip of territory forty miles wide, across

the continent, as far as the railroads may have extended. The Missouri River country is comparatively new and unoccupied. It is the finest on the continent, as a wheat-growing district, both as regards soil and climate. Its growth under the present practice is impossible. True, poor men may exist there, but cannot prosper. The Missouri River is greatly superior to Russian rivers that float the wheat to tide-water that comes into competition with our wheat in England, but the present railroad policy prevents the use of the Missouri, and when it reaches the Mississippi discrimination prevents its use.

Farming is but in its incipient stages in the West; but a fraction of the soil is under cultivation, and but few have had the time to study out a system of harmony among the departments of the farm, or the means to institute and successfully carry on to demonstration experiments that will result in economy of labor, increase of fertility, and steady profit. Of the States that border on the great river one acre in four only is cultivated. From the one-fourth that are cultivated, by rotation of crops, grazing, fallowing, draining, and an intelligent reduction of the details of farming into agricultural science, double the present results will be reached.

From 1860 to 1873 the shipment of wheat from Russia to England has been 238,343,547 bushels; from the United States to England 274,657,182 bushels. The ocean freight from the Baltic is about forty cents per bushel, and from the Black Sea about fifty cents, while from New York it averages about twenty cents per bushel. But an inquiry into the means used to transfer grain to the sea-board will illustrate the disadvantages under which we compete with Russia. We use the rail almost exclusively from the field to the sea-board, the greater part of our surplus being moved during the winter when the lakes and canals are frozen, or in late autumn when water-rates and insurance are high, or by railroads that do not connect with lake or canal, and that carefully discriminate against our navigable rivers. Wheat shipped from Odessa and Taganrog, ports that rival New York in the volume of their wheat exports, is floated down the Dnieper, the Dniester, and the Don, from the richest fields in interior Russia, at a cost consequent upon water transportation. The railroad system of Russia does not seem to interfere with their mode of reaching the sea-board with bulky products. The Vistula is as much used to carry wheat to Dantzic as it was before railroads penetrated into the interior.

If the Russian farmer had to reach the sea-board at a rate equaling that exacted from the trans-Mississippi farmer, with his antiquated machinery and methods of husbandry, he would not be formidable as a competitor; but the one advantage of cheap water communication more than balances the skilled labor and ingenious appliances whereby the time of one man in our harvest fields accomplishes more than a dozen in theirs. The river system of Russia is insignificant compared with ours, yet the persistent use of this mode of transportation enables them to compete successfully with us in the grain markets of Europe, and when they shall have adopted our implements of husbandry, our gang-plows, seeders, harvesters, and thrashers, then, unless we can reach the nearest navigable river, lake, or canal, at a reasonable rate of tariff, we will be shut out of the markets of the world. This is not pleasant to contemplate with a balance of trade of $100,000,000 annually against us. That could easily be met by increased exports, provided no discrimination hindered our grain from going to market by the nearest water-route.

A careful estimate of the surplus cereals of the Northwest, that are grown in localities nearer the open Mississippi than the lakes, will show that two hundred million bushels can be moved cheaper by the river that now are moved directly East by rail, or wait till the opening of navigation for transportation by lake and canal, or are sent to New Orleans by rail, as grain now is from Central Iowa. The bill before the House contemplates the possibility of reaching the river in winter at reasonable rates on any railroad running in that direction. If this one point is accomplished, provision will be made for future increase as well as competition with the lake and rail system.

I have shown that the rate from any part of the grain-fields of the State of Iowa to Chicago is very nearly the same; two hundred miles here or there apparently make no difference. The rate, from fifty miles west of the Mississippi to the Missouri, varies very little. If this rate even (about eighteen cents per bushel) was charged to Saint Louis, the surplus for the Southern States could reach the consumer at greatly reduced cost by river and Gulf. We have seen that the South requires eighty million bushels. The one hundred millions that we now export to foreign countries could reach their markets at half the present rates, while the surplus needed in the Eastern States could also be moved much cheaper.

We must anticipate the growth of the East and her annually increasing deficit. We must anticipate the growth of the South, the growth of villages where her cotton will be manufactured, the opening of her mines, whose development will annually require larger quantities of grain, and we should arrange for, as well as anticipate, direct shipments of grain to the West Indies, instead of first shipping it to Liverpool.

We have choice of two results: either make the present avenues of commerce subserve the wants of the people of the Northwest in this respect and reanimate her crippled industries, or wait till the machinery that makes exports of grain possible is in use in Russia; and not only will we be driven from European markets, but the day may come when Boston can get wheat cheaper from Odessa than Omaha. Look at the figures. In 1872 we exported twenty-four million bushels of wheat, excluding imported wheat, which was over two million bushels—just what Iowa has to spare in 1873. It is true the export was greater in 1873 by twelve million bushels for the year ending June 30, but this is owing to the very grievance the bill before the House seeks to remedy. Corn would not bear all-rail transportation, or even rail and water, at the rates current in 1872 and 1873 from beyond the Mississippi. Its production declined two hundred million bushels in the ten States of Ohio, Michigan, Indiana, Illinois, Wisconsin, Minnesota, Iowa, Missouri, Kansas, and Nebraska from 1872 to 1873. Corn is now worth fifty cents per bushel in Iowa for home consumption, which scarcity will in the coming year reduce the wheat surplus; it costs the shipper eighty cents per bushel to send wheat to Boston, including handling, from west of the Mississippi. Even at present rates by ocean it would only cost seventy cents to ship wheat from Odessa to Boston. Two millions of acres raise our surplus wheat; two millions of acres would raise it in Russia. Give the Russians our machinery, and I see nothing to prevent them from selling wheat in Boston.

It is surely desirable that we, as a nation, sell as much as we buy. Reduction of rates of carriage will increase production in proportion as tariffs are lowered; and even if it be necessary to admit that all the reduction would inure to the benefit of the consumer at home—as it cannot affect the English market, that annually requires three times the amount of our total export—the producer would buy the wares of the manufacturer at a lower price whose workman now pays too much for his bread and meat on account of high rates of freight.

The Northwest is just beginning to develop her capacity to produce beef and pork, and dairy products. What is to be the future? The people have waited long and patiently. They modestly ask of Congress to see that fair and reasonable rates are charged. They do not regard with any hostility any enterprise being prosecuted by any citizen. They have no more desire to destroy their railroads than they have to destroy their children. They have nourished both through much self-denial and great expense, after having given life to the latter and franchise to the former. Their joy at the construction of the one has been only exceeded by their pride at the birth of the other.

No people in the world tax themselves so heavily as the people of the Northwestern States to educate; no people in America have contributed so liberally to build railroads. They hope that careful, though expensive, education will develop and ripen in the West the best youth of American growth. They have hoped that the full development of the railroad system would bring them nearer market and regulate itself by competition. As regards distance from market, we might as well be one thousand miles further from it as be compelled to pay prices that would carry our products double the present distance; and as regards competition, prices are only depressed at one point that they may be raised at another.

I believe that in the business of carrying by rail are to be found not only our most enterprising citizens, but that many of them are fair-minded men, who perhaps would, and doubtless in many cases do, content themselves with reasonable charges; but it will readily be seen that the temptation to extortion is very great where unlimited power is given, and the compensation for the labor performed does not come under the law of supply and demand. Railroad men individually—many of them—deplore the unhappy situation, but assert that any one company is powerless to reform. The owners of western lines live in eastern cities, and are beyond the reach of their patrons. The caprice of a freight superintendent may prohibit the production of some article valuable in well-ordered husbandry, and the husbandman can only turn in sorrow to the cultivation of something that will bear transportation, and recognize, while he suffers, that there is no remedy.

The common law does indeed provide a remedy, and redress has been had, and damages have been collected; but it has generally required a decade of years, and is quite beyond the reach of common men. The bill before the House provides for a commission to make schedules that shall be *prima facie* evidence of fairness; it will be incumbent on the corporation to prove the unreasonableness of the schedules, instead of on the individual. If the bill becomes a law, then it will be possible for the shipper to stop at any river and float down to salt water; then the east and west railroads will be required to carry to north and south roads that run to any of our contemplated canals or improved rivers; the trans-Missouri country can use the east and west railroads to reach any of the navigable tributaries of the Mississippi; the Missouri can be utilized as the Dnieper, the Dniester, the Don, the Vistula, and the Volga are now utilized in Russia, to float the future products of that great valley to the Mississippi. Iowa, Missouri, and Minnesota can have choice of routes to the Mississippi, the lakes, or the sea-board, and can reach the Fox and Wisconsin Rivers, or the Rock River Canal, or float up the Ohio and reach the James River and Kanawha Canal when completed, or go farther down the Mississippi and ship on the Tennessee, the Cumberland, or any system of water communication that may be developed as now asked for by Southern States. But without this primary step none of these projects will ever be of more than local benefit; the through railroads will arrange their schedules to discriminate against all such routes, or against any railroad leading to them.

Belgium has one mile of railroad to six of area; England and Wales one to five; the United States one to fifty. We have seventy-five

thousand miles of railroad now, and when our system is as complete as that of England and Wales we will have seven hundred and thirty thousand miles. Taken as a whole, the United States is, from an agricultural point of view, much the richer country; if our mines are to be considered, there is no comparison. The revenues of fifty-four thousand miles of our railroad system exceed $478,000,000.

The influence of the owners and directors heretofore, in controlling the legislative, executive, and judicial departments of Government, is painfully apparent from the investigations had concerning the management of the Erie directory. The extent to which the people are compelled to pay interest on fictitious stock is well illustrated by the New York Central. It seems to be high time that Congress, the only power having jurisdiction over the whole, should inaugurate a wholesome restraint over this interest, that is so powerful in its incipiency as to defy interference.

We have one mile of railroad to five hundred and forty-seven people. He who controls a line from the sea-board to the Missouri, controls the carrying interests of seven hundred and sixty-five thousand eight hundred of our citizens; and the tendency of the system is to unity of control. Does the history of the East India Company, or the monopolies granted by Queen Elizabeth, furnish greater evidence of exclusive right to tax than the more than royal prerogative exercised by fifty of our fellow-citizens?

The sacred rights of the people must not be forgotten while we proclaim the sacred rights of capital. The accumulations of old States are as necessary to assist in building up the industries of new States as the labor of the pioneer; but when the conduct of capitalists is such as to render labor unremunerative, conservatism need not wonder if legislation, new to our statutes, is needed to cure evils new to the calendar of human wrongs.

Mr. STORM. Mr. Speaker, I am sorry to detain the House at this late hour; but as this is probably the only opportunity I shall get to say anything upon the bill reported by the gentleman from Iowa, [Mr. McCRARY,] I avail myself of this occasion to briefly express my views.

Mr. Speaker, in my opposition to this bill I do not pretend to decry or belittle the importance of the subject. I freely concede to it all the magnitude that the gentleman from Iowa [Mr. McCRARY] has stated it possesses. I believe it to be one of the most important that ever claimed the attention of Congress. I may here say that my record as a member of this House, and before I became a member of it, has not been one of sympathy with the railroads of the country. I cannot be accused in my short political life of ever having said or done anything in favor of railroad corporations or corporations of any kind as against the interests of the people. I think no gentleman can say that any vote of mine while I have been a member of this House has indicated any such disposition upon my part. If I cannot support the bill which the learned gentleman from Iowa has introduced, it is because the Constitution which I have taken an oath to support gives no warrant for the enactment of such a measure as this.

Mr. Speaker, the desirableness of an object is never the measure of its constitutionality. A thing may be very desirable, and yet no warrant may exist for it in the Constitution. It is desirable, for instance, that all men should be temperate and moral; yet who believes that this House would undertake to pass a law which would enforce the virtue of temperance or morality upon the people of the country? It is desirable that all men should be educated; we all believe that ignorance is an evil; yet this House has declared over and over again that Congress does not possess the power to impose upon the States even a system of education. Hence, I say, that the desirableness of an object can never be a measure of its constitutional sanction, nor an argument for its adoption, if it has no warrant in the Constitution.

It was said by the Supreme Court, in an important case reported in 12 Peters, page 657, that in the construction of the Constitution we must look to the history of the times and examine the state of things when it was framed and adopted.

Now, Mr. Speaker, I will admit that in one point of view this argument may not appear to have great force as against this bill. Gentlemen have well said that at the time of the adoption of the Constitution such a thing as a railroad or a steamboat was of course unknown, and therefore no such thing could have been within the purview of the framers of the Constitution. Yet, nevertheless, Mr. Speaker, I contend that construing the Constitution with reference to the circumstances of the then existing times, no warrant can be found for the legislation now asked at the hands of this House.

What was the great difficulty which the framers of the Constitution sought to remedy when in 1787 they entered upon the work of framing the organic law under which we now live? It was the fact that different States had passed conflicting legislative enactments by which the commerce of the country had been nearly ruined. It was in such a disordered condition that the people of the country felt a strong necessity for a surrender by the States of the entire control over this question of commerce and the vesting of jurisdiction over that question in some general head or central authority. This was the great necessity felt at that time. We must, as I contend, consider the question, what were the evils at that time proposed to be remedied by constitutional enactment? They were nothing more nor less than the difficulties growing out of conflicting legislation of the different States in regard to the imposition of duties upon imports and exports to and from the different States of the Union.

The history of those times will bear me out in saying that this subject of charges for the carrying of either passengers or freight had never entered into the minds of the people at that time. Because there were then no railroads and no steamboats, it does not follow that there were not such things as common carriers. We had then our ocean commerce, our coastwise commerce, and our interstate commerce—our inland trade—just as we have such commerce and trade now. These subjects were constantly engaging the attention of public men in those days; yet there cannot be shown any act, any argument, any decision of a court, or any statement of any public man of those times, giving even a semblance of authority to this proposed legislation.

There are three provisions in the Constitution relating to this subject, from which I take it the gentleman from Iowa and those who take the same view of the subject as he does must derive the supposed authority for the passage of this bill.

It is provided in the first place that—

> Congress shall have power to regulate commerce with foreign nations, and among the several States, and with the Indian tribes.

This was a general grant of power to Congress over this whole subject.

But in the ninth section of the same article there is this further provision, which is a restriction upon the power previously granted:

> No tax shall be laid on articles exported from any State.

Thus literally curtailing or limiting the power granted in the previous section by at least one-half.

The next clause provides that—

> No preference shall be given by any regulation of commerce or revenue to the ports of one State over those of another; nor shall vessels bound to or from one State be obliged to enter, clear, or pay duties in another.

Now, these are the three provisions of the Constitution relating to that subject, and who that will read them, study them, and study the comments upon the Constitution by approved writers, will not say that what the framers of the Constitution then had in view, when they used this language, was simply the regulation of commerce as to duties? In support of that view Mr. Madison, who was the most influential and the most active member, if we except Alexander Hamilton, in that convention, in a letter that he wrote to Mr. Monroe, said at that time:

> Much indeed is it to be wished, as I conceive, that no regulations of trade, that is to say, no restrictions on imports whatever, were necessary.

To Washington, in 1787, he wrote:

> The national Government should be armed with positive and complete authority in all cases which require uniformity, such as the regulation of trade, including the right of taxing both exports and imports.

To Jefferson, in 1787:

> The line of distinction between the power of regulating trade and that of drawing revenue from it, which was once considered the barrier of our liberties, was found on fair discussion to be absolutely undefinable. Some contended for an unlimited power over trade, including exports as well as imports.

More than thirty years afterward President Monroe, who had also taken an active part in the discussions on this question, maintained in an elaborate document, that the sense in which the power was understood and exercised by the States was doubtless that in which it was transferred to the United States.

> The sense in which the power was understood and exercised by the States was doubtless that in which it was transferred to the United States. * * * Commerce between independent powers and communities is universally regulated by duties and imposts. It was so regulated by the States before the adoption of the Constitution, equally in respect to each other and to foreign powers. The goods and vessels employed in the trade are the only subjects of regulation. It can act on none other. A power, then, to impose such duties and imposts in regard to foreign nations, and to prevent any on the trade between the States, was the only power granted.

In the same document President Monroe, referring to the earlier propositions for regulation of commerce, said:

> Those of 1784, '85, '86, and '87, leading step by step to the adoption of the Constitution, had in view only the obtaining of a power to enable Congress to regulate trade with foreign powers. It is manifest that the regulation of trade with the several States was altogether a secondary object, suggested by and adopted in connection with the other. In entire harmony with this the authors of the Federalist called the power to regulate commerce between the States a "supplemental provision." They said that without this supplemental provision the great and essential power of regulating foreign commerce would have been incomplete and ineffectual.

Now, Mr. Speaker, in reading the history of the times I will take it upon myself to say that no authority can be found under the clause to regulate commerce among the States for saying we have the right to go the monstrous length of providing what shall be the charges that a railroad may make for the transportation of passengers or of goods. And I am glad to know that I am relieved of the necessity for any extended argument on the constitutional view of this question, because that has been already done to my hand by the learned argument of the gentleman from Kentucky, [Mr. ARTHUR,] in which, I think, he clearly shows that this never was within the intention of the framers of the Constitution.

Now, then, to regulate commerce, means what? It has been said by Chief Justice Story, in his learned commentaries on the Constitution, that it meant to prescribe the rules by which commerce was to

be governed. And when we use the expression there is at once raised in the mind of every man an idea of a *rule;* that is, a rule which has in it the idea of uniformity. The idea was to establish a rule or a plan by which certain things may be governed. Now, to regulate the price of freight would be to establish a rule for every different railroad in the country. I have not had time to ascertain how many railroads in the country would fall under the operation of the bill of the gentleman from Iowa, [Mr. MCCRARY,] but it is safe to say there would be several hundred of them.

Now, what rule could be established governing the freights of three or four or five hundred railroads in this country, in every one of which the question of freight would depend upon, probably, a hundred different circumstances? The sparseness of population, the grade of the road, and thousands of different circumstances which you could well imagine, would all govern and settle this question of freight. And yet we would be asked to regulate commerce and to prescribe rules for it by a commission of nine men, when you would be required to have as many different rules for the regulation of commerce—if that is what you mean by the regulation of commerce—as there are railroads in the country.

I think, Mr. Speaker, that this is an unfortunate proposition coming from the West at this time. Now that they are complaining about the want of capital and currency in that part of the country, they come here into this House and ask us to pass a law which would more effectually throttle western improvements and western enterprise than any other proposition that could be introduced. I do not know anything that would more prevent the investment of capital in the western country from the East than the proposition of the gentleman from Iowa. And it is a well-known fact—I do not suppose that it is disputed—that it is to the railroads that the West owes almost all its greatness and prosperity at the present day. And I believe that it is just as little disputed that those railroads have been built up in a great measure by the capital of the East. And now that they have got their railroads, it ill becomes the West to turn around and say to the East, "Do not bring your capital here; do not invest it in western railroads; if you do you will go away without any dividends or any profits." I say at this time, when the great want of the West and the Southwest is capital, for them to come here and ask us to put all the capital of the country at the mercy of nine irresponsible individuals, nothing could be introduced into this House that could more effectually kill and destroy all enterprise in railroad building.

I cannot imagine what has caused this sudden change in the minds of our friends from the West. Not more than three years ago they were here in this House, as I know well, and could not get railroads enough. They demanded land grants for railroads. The Representatives from Minnesota, one of whom I see before me, from Iowa and Kansas, could not get railroads enough; but a change has come over the spirit of their dreams, and all at once they have seemed to think that the greatest curse in the country is railroads.

Now, I differed with these gentlemen in the last Congress on this question. I did not think it the most desirable thing for them, and I especially fought the proposition to give to these railroads large grants of land. But if the western people are now prepared to turn round and say that they will kill the goose that laid the golden egg, they may do so; I shall not be a party to the transaction. I believe these railroads have done much for the West, and I am surprised that a proposition, coming from western men, should be introduced into the House, which would destroy, in a measure, all railroad building in the West while this measure should remain a law upon the statute-book, should it ever get there.

If, Mr. Speaker, I could bring my mind to the conclusion that this bill had any warrant in the Constitution for its enactment, there would be another objection to it as serious and grave as it would be possible to conceive of against any bill. It is well known to-day that one of the greatest difficulties on this whole subject is the power which railroad corporations have over legislative bodies. It is difficult now for the thirty-seven different Legislatures of the Union and Congress to circumvent the grasping tendencies of these soulless and heartless corporations; but when you take away from those thirty-seven States, and take away from ourselves, all control over this important subject and place it in the hands of nine men, I cannot conceive of any more monstrous proposition. We might well say, *quis custodiet ipsos custodes*—who shall guard the guards themselves?

Mr. Speaker, I have just as much faith in man as the history of fallen humanity compels me to place in him—no more and no less; and I say that this is placing in the hands of a few men powers and responsibilities that I am unwilling to assent to. If it is difficult now, with all our various State Legislatures and with Congress, to circumvent and control the grasping tendencies of these corporations, what will be the effect when the whole subject is placed under the control of nine men?

I do not believe the gentleman from Iowa, if he could pass this bill and get his nine commissioners appointed to carry it out, would gain the object for which I believe he is honestly and sincerely laboring. I do not think he would attain his point, because it is just placing those men in a position where they would be subject to influences and temptations which I believe even an angel from heaven would hardly be able to resist and withstand.

I believe in controlling these corporations and keeping them within proper limits, and I do not deny that our authority goes to the extent of saying to a railroad running from one State into another, or running through two or more States, that they shall make no discrimination against the commerce of another State. I believe we have full authority for that; but that is quite a different thing from saying what shall be the schedule of freights for railroads. I do not believe a railroad beginning in Chicago and ending in New York City, has any right, in order to destroy the trade of Philadelphia, to carry goods cheaper to New York than to Philadelphia, so as to throw the trade into the latter city; but it is a monstrous proposition that we may say what a railroad shall charge for carrying freight from Chicago to New York, and there is no authority in the Constitution for it. As well might you say what they shall pay their engineers, and what dividends they shall strike, because really the dividends of railroad companies are struck from the surplus earnings; and if you have the right to say what their earnings shall be, you strike at the dividends. I believe the gentleman from Iowa will not say that either of these positions is tenable.

Now, Mr. Speaker, in my desultory way I have said a few things merely to indicate my views on this subject; not that I have no sympathy with the object the gentleman from Iowa has in view; not that I am indifferent to this great question; but only because I believe after all we must place it where it belongs. If the States do not take up the question and legislate upon it and control it, I do not see what authority we have over it.

My own State has recently adopted, by a very large majority, a constitution which has been pronounced to be the best in the Union, and that constitution places all corporations doing business in the State within the grasp of the people, and puts them completely under the control of the people. I hope the time will soon come when the other States of the Union will take action on this subject as Pennsylvania has done; and when they do so, I believe there is a remedy applicable to this case, and within the provisions of the Constitution, that will avoid the great corruption that would be introduced if we should pass the bill of the gentleman from Iowa, and which would be equitable and fair as well to the corporations as to the people.

[Mr. MCNULTA addressed the House. His remarks will appear in the Appendix.]

Mr. MCCRARY. If no other gentleman wishes to be heard to-night, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at nine o'clock and five minutes p. m.) the House adjourned.

PETITIONS, ETC.

The following memorials, petitions, and other papers were presented at the Clerk's desk under the rule, and referred as stated:

By Mr. ADAMS: The petition of Andrew Yates, a soldier of the war of 1812, for a pension, to the Committee on Revolutionary Pensions and War of 1812.

Also, the petition of John S. Friend, a soldier of the war of 1812, for a pension, to the Committee on Revolutionary Pensions and War of 1812.

Also, the petition of sundry citizens of Jackson County, Kentucky, for a pension to the minor children of John Jones, to the Committee on Invalid Pensions.

Also, the petition of Samuel M. Reynolds, late brevet lieutenant-colonel and paymaster United States volunteers, to be allowed a credit for money stolen from him while paymaster, to the Committee on Claims.

By Mr. BURCHARD: The petition of D. A. Knowlton, Jacob Krohn, and 54 others, merchants, bankers, and business men of Freeport, Illinois, deprecating further inflation of the currency, and asking that the United States notes issued out of the so-called reserve may be withdrawn from circulation as speedily as possible, to the Committee on Banking and Currency.

By Mr. COBURN: A memorial of a meeting of business men of Indianapolis, Indiana, asking for an increase of the currency by law of Congress, and prompt action in the premises, to the Committee on Banking and Currency.

By Mr. COX: The memorial of the New York Academy of Medicine in favor of the bill to increase the efficiency of the Medical Department of the Army, to the Committee on Military Affairs.

By Mr. CRUTCHFIELD: The petition of William Clift, of Chattanooga, Tennessee, for compensation for services as recruiting officer, to the Committee on War Claims.

Also, the petition of sundry citizens of Tennessee, for the survey and improvement of the Hiwassee River from its mouth to the "Savannah Farm," or Mountain Pass, to the Committee on Commerce.

By Mr. HAMILTON: The petition of 260 citizens of New Jersey, for the free transportation by mail of newspapers within the county of their publication, to the Committee on the Post-Office and Post-Roads.

By Mr. HARRISON: Additional testimony to accompany House bills Nos. 638 and 639, to the Committee on War Claims.

By Mr. LAWSON: Memorials of the New York Academy of Medicine, Medical Library and Journal Association of New York, and Medical Society of the County of New York, in support of the bill to increase the efficiency of the Medical Department of the Army, to the Committee on Military Affairs.

By Mr. McCRARY: The memorial of citizens of the District of Columbia, in relation to drainage and sewerage in the cities of Washington and Georgetown, to the joint select committee to inquire into the affairs of the District of Columbia.

By Mr. MacDOUGALL: The memorial of the New York Academy of Medicine, in support of the bill to increase the efficiency of the Medical Department of the Army, to the Committee on Military Affairs.

By Mr. MYERS: The petition of William Hoffman, of Philadelphia, Pennsylvania, for a pension, to the Committee on Invalid Pensions.

Also, the petition of Mrs. Mercy E. Scattergood, of Philadelphia, Pennsylvania, widow of Edward Scattergood, for increase of pension, to the Committee on Invalid Pensions.

By Mr. POTTER: The memorial of the New York Academy of Medicine, in support of the bill to increase the efficiency of the Medical Department of the Army, to the Committee on Military Affairs.

By Mr. RANDALL: The petition of Charles T. Campbell, of Dakota Territory, for relief, to the Committee on Military Affairs.

By Mr. E. H. ROBERTS: The petition of citizens of Rome, New York, for the repeal of that portion of the act of June 6, 1872, which made a reduction of 10 per cent. in certain duties, to the Committee on Ways and Means.

By Mr. SENER: Several petitions of citizens of Virginia, for an appropriation for the improvement of Quantico Creek and Neabsco Creek and Bay, to the Committee on Commerce.

By Mr. THORNBURGH: The petition of G. R. Brandon, of Knoxville, Tennessee, for relief, to the Committee on War Claims.

By Mr. WALLS: Papers relating to the claim of Robert H. Watts, of Warrington, Florida, to the Committee on War Claims.

HOUSE OF REPRESENTATIVES.

SATURDAY, *March* 7, 1874.

The House met at twelve o'clock m. Prayer by the Chaplain, Rev. J. G. BUTLER, D. D.

The Journal of yesterday was read in part, when,

On motion of Mr. FRYE, the further reading of the Journal was, by unanimous consent, dispensed with.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. SYMPSON, one of its clerks, announced that the Senate had passed a bill (S. No. 161) to provide for the appointment of a commission on the subject of the alcoholic liquor traffic; in which the concurrence of the House was requested.

FINANCE.

The SPEAKER *pro tempore*, (Mr. WILSON, of Iowa, in the chair.) The House, pursuant to order, meets to-day as in Committee of the Whole, to consider the special order, being the bill (H. R. No. 262) to repeal the stamp duty or tax on matches and on bank-checks. The gentleman from New York [Mr. WOOD] is entitled to the floor.

Mr. WOOD. Mr. Speaker, the remarks which I intend to present to the House to-day for its consideration, were prepared immediately after the chairman of the Committee on Ways and Means delivered his speech upon the finances of the country, which has attracted so much attention in Congress and out of it. My attention has been so continuously devoted to the duties of the committee of which I am a member that I have not had time to further continue the line of discussion which the speech of that gentleman invited.

Before proceeding, however, to present these views, I wish to occupy the attention of the House for a short while, in referring to two speeches which have been made within a few days in answer to the speech of the gentleman from Massachusetts, [Mr. DAWES,] one by my colleague from the Oneida district, [Mr. E. H. ROBERTS,] and one by the chairman of the Committee on Appropriations, the gentleman from Ohio, [Mr. GARFIELD.]

My colleague, in accordance with his temperament, presents a very placid and agreeable view of the public exigencies. He is satisfied with the condition of the public Treasury, with the disbursements which are made, and with his own estimate of the probable revenue to meet any possible deficiency. In this regard, like his own individual character, he is a contented, happy man. He sees no difficulty in the way; and in the figures he presents—no doubt carefully drawn, and I am not prepared to say not accurately presented—a justification from his stand-point of the degree of agreeableness with which he views the aspect of public affairs.

There is, however, one very remarkable statement made by that gentleman to which I desire to refer. It is to be found in his speech, page 16 of the CONGRESSIONAL RECORD of March 3, in which he refers to what he calls "the actual situation." He says:

> In a word, the revenues are now ample to meet every accruing obligation. If they were not I would not look to the future for a remedy, but would *now cry "tax."*

According to his figures and according to his sanguine view of the revenues of the country, he deems them ample. Ample for what? Ample to meet every accruing liability of the Government. But if they are not so, that is, if our receipts are not equal to our expenditures, then he is for taxation. Did it never occur to that gentleman that there was another way, and that is by a reduction of obligations?

Sir, in my judgment, if we fall short of a sufficient revenue to meet the accruing obligations of the Government, our first duty is to decrease those obligations within the limits of our revenue, and the last measure to which, in the present condition of the industries of the country, we should have resort is to that of additional burdens in the way of taxation on the industries of the people. Therefore, sir, I beg respectfully, without measuring words with my colleague as to his estimation of the facts, to take issue with him whether we should resort to taxation until we have tried my first remedy, and that is a reduction of the expenditures of the Government.

But, sir, the chairman of the Committee on Appropriations addressed the House on the same subject a day or two ago, and I notice his speech only because it emanates from the chairman of the Committee on Appropriations. If that gentleman held an ordinary position on this floor, the same as other members do, I would not consume the time of the House by making any reference whatever to his remarks. He advances a very extraordinary theory. I quote from the CONGRESSIONAL RECORD of March 6, page 25. He says:

> The necessary expenditures of the Government form the base line from which we measure the amount of our taxation required, and on which we base our system of finance. We have frequently heard it remarked since the session began that we should make our expenditures come within our revenues—that we should "cut our garment according to our cloth." This theory may be correct when applied to private affairs, but it is not applicable to the wants of nations.

Why not, sir? Why not? Do not the same principles of political economy govern the humblest individual in the ordinary transactions of life as govern the greatest and most powerful nation in the conduct of its affairs? If a merchant, or a lawyer, or a trader, or a manufacturer, or a farmer, finds himself curtailed in his receipts, what is his first thought? What is his first duty? It is to bring those expenditures within the limitation of the resources. It is, in short, in the language of the honorable chairman of the Committee on Appropriations, to cut his garment according to his cloth, and not to spend $15,000 when his income is only $10,000. But the gentleman rejects that theory, and says that while it may be a proper principle to apply to an individual it will not do to apply it to this Government. Of course not. Why should *he* desire to apply it to this Government? He wants the expenditures, with the exception of the curtailment of a few thousand dollars, to go on, and to lift up the resources of the Government by taxation on the people to meet them. An individual will reduce his expenses to meet his income; but he is for keeping up the expenses whatever the consequence. If the total expenditures be $310,000,000 or $320,000,000 one year, and by any extravagance, or profligacy, or necessary expenditures they are increased to $350,000,000 the next year, he would raise, either by taxation or borrowing, that $350,000,000. He does not tell you exactly by what means he would do it, but the necessary logical inference from his speech is that he must resort to one or the other of these expedients. He reverses the sound political maxim applicable to the individual as well as to the nation. Now, sir, as to that gentleman's practice, I refer to it only because he seeks credit for a desire of economy. In the last bill reported by him from the Committee on Appropriations, the legislative, executive, and judicial appropriation bill, I find several important items in which he proposes an increased expenditure. I will cite some of them:

Purpose.	Appropriated, 1873–'74.	Recommended, 1874–'75.
For United States mints and assay offices	$762,180 00	$1,026,240 00
For Territories and the District of Columbia	244,480 00	257,067 00
For the office of Secretary of the Interior, including contingent expenses of building occupied by Interior Department	134,100 00	170,340 00
For General Land Office, including contingent	244,560 00	254,560 00
For Indian Office, including contingent	68,140 00	73,680 00
For Bureau of Education, including contingent	34,850 00	35,510 00
For Post-Office Department, including contingent	479,382 00	486,312 00
For United States courts, district attorneys, marshals, &c	379,850 00	401,750 00

I quote from the bill reported by the Committee on Appropriations, pages 69 and 70, showing that he proposes a very large and, in my judgment, a very unnecessary increased expenditure.

The Navy bill that came from that committee, in addition to the $4,000,000 which we had appropriated previously, made a much larger increased expenditure for the Navy Department for the coming fiscal year than the expenditure for the last fiscal year; and that bill comes back from the Senate amended by a further increase, which his committee, I am informed, will agree to.

I will digress for the purpose of objecting to the habit of the Senate in adding to our appropriation bills. In one instance now within my mind the Senate went so far as to add between six and seven million dollars upon an appropriation bill sent from this House. Sir, the English House of Commons would not permit that. The House of Peers would not dare to amend an appropriation bill originating in the House of Commons. When the Washington commission recently sat here for the settlement of our Alabama claims, Sir Stafford Northcote, the present chancellor of the exchequer of England under the Dis-

raeli administration, was astonished when he came to understand that the Senate exercised the power of moneyed amendments to appropriation bills originating in this House. He said he had never known such an instance in English history; and in his judgment the House of Commons would send back such an additional appropriation with indignation to the House of Peers. As extravagant, and, in my judgment, wasteful, as this House often is in appropriating public money, not only in the regular appropriation bills, but in the many other appropriations we are continually making, the Senate goes much farther in giving no consideration to the moneyed interests of the country.

Now, sir, I shall proceed with remarks directly pertinent to the speech of Mr. DAWES. He has chosen to select this as the opportune occasion to discuss the general wants of the Treasury, and the proper course which, in his judgment, should be pursued in order to create a more approximate equality between the receipts and disbursements. He has thus chosen to give this discussion a broader scope than is comprehended in the question immediately before us, and in this regard I shall attempt to follow him. For the purpose of presenting in a few words what were the substantial points of that gentleman's speech, I group them as follows:

First. The present and prospective resources of the Government.

Secondly. Means to provide for the alleged deficiency.

Thirdly. A reference to the past extravagance in order to deter Congress and the Administration from like errors.

These, I believe, comprehend the leading points of the speech, to which I propose to say a few words in reply.

Let me premise by calling attention to the analogy between the American House of Representatives and the English House of Commons. Our legislative system, as is well known, was founded on that of England. Our Senate is the House of Lords. This House is the popular branch represented by the persons chosen by the electors, as the House of Commons. It is true our Cabinet ministers do rarely appear *in propria persona* on the floor of the House, as in the House of Commons, but their representatives do, especially as to the public finances. In England, the chancellor of the exchequer, the chief officer of the treasury, sits in the House of Commons to explain and defend the management of his portfolio, while with us that officer, the Secretary of the Treasury, is represented by the chairman of the Committee on Ways and Means, who has access to the most private of the Treasury archives, and is, by virtue of his position, the exclusive representative of that officer. Therefore, when that gentleman rises here to inform the House upon these questions, he must be accepted as a mouth-piece of the Government itself.

But in this case we have an additional high authority. He is not only the representative of the ministry, but the leading and most influential member of the dominant party in the House, exercising a potent influence over all questions, and having more power to influence legislation than any other, or any dozen other, of the leading men. Being the oldest member in point of continued service, and for many years chairman of the two great leading committees, a man of conceded ability, a ready and forcible debater, he has had for ten years a commanding power over the proceedings of this House. Thus clothed with authority, when that gentleman speaks, we should listen; when he counsels, we should heed; and when he castigates, we should take admonition. But of him to whom much is given much will be required; and if he in turn shall be held responsible for many of the evils of which he complains, I am sure he will not object. Nor would I impose upon him an undivided responsibility. He and the administration of General Grant are but the representatives of their party—the republican party of the country—and it is that party more than the able chairman, through the aid and support of its members in Congress, that has accomplished the unjustifiable measures to which he has referred, and which he has so justly and severely criticised. Therefore, I hope I may not be considered as attempting to introduce merely partisan considerations in discussing a measure of this character, if I shall attempt to hold up to the condemnation of the country those intrusted with power, and who have had the responsibility of the conduct of this Government for the last thirteen years.

Now, a word as to the gentleman's figures. That part of his speech which is devoted to an *exposé* of the condition of the public Treasury I am bound to assume as strictly accurate. What he says in detail of the receipts and expenditures during the present fiscal year cannot be questioned. Taking the total amount of appropriations asked for for the next fiscal year as the probable amount that will be allowed, he proceeds to state what, in his judgment and that of the Treasury Department, will be the probable deficiency under existing laws. Without following the details by which he reaches the conclusion, and assuming the conclusion accurate, what can be said of the conclusion itself? He tells us that there will be a probable balance in the Treasury at the close of the year of $20,302,385, as against $60,000,000 with which the Government began the year; and, further, he goes on to show that even this small balance of $20,000,000 will probably be drawn against for other liabilities, making about $7,600,000 more, until finally he concludes that we cannot possibly expect a larger balance at the close of the year than about $10,000,000.

When asked, by a gentleman from Ohio, whether in this estimate he had included anything in reference to the $44,000,000 reserves, he said that he did not, that this calculation was made without reference to those reserves; which implies clearly that it is the intention of the Secretary of the Treasury to return to the reserves that proportion of the amount which has been already drawn from it to meet pressing liabilities within the last four months. That reply implies that it is the intention of the Secretary of the Treasury to return these reserves to the place from which he improperly, illegally, and unjustly took them, as soon as the revenues of the country will permit it. Now let me pause a moment to reflect upon the consequences of such a course if taken. As we all know, the reserves are $44,000,000. The Secretary of the Treasury being required, in his judgment, by the impending difficulties of the Treasury, has drawn upon those reserves to the extent of $25,000,000 or $26,000,000. If the revenues of the country continue to decrease he intends to draw on the balance; to do what with them? To put them out in the country for circulation. This will be a practical addition to the currency to the amount of $44,000,000, an addition to that extent to the volume allowed by law. Now, we are told by the highest authority that that amount is not included in this estimate; hence that no account is taken of it, either as a resource or for purposes of disbursement. As soon as the current revenues of the Government will permit, the $44,000,000 will go back into the Treasury, where it will remain. That will create a panic in this country worse than the panic of last fall. Take $44,000,000 out of the floating circulating medium of this nation, from the hands of the people, and we all know what calamitous results will follow to the industrial and commercial interests. In the absence of any legislation on the part of Congress as to what shall be done with this $44,000,000 question, if this Congress shall adjourn without taking cognizance of that general question, my word for it that the panic we had last fall will be as nothing compared with the panic which will follow before Congress meets again, unless the President shall call us together in extra session to avert the ruin that will be impending over us.

According to the report of the Secretary of the Treasury he had on hand at the beginning of the fiscal year $99,462,028.50, and the receipts for the first quarter were $24,104,310.58; but the estimates for the remaining five months were $187,100,000, making a total available income from all sources for the year of $570,666,330.58. This large aggregate income will have to be totally exhausted.

After presenting his figures in illustration, the chairman of the Committee on Ways and Means proceeds to tell us of the remedy. He says there are but three ways: first, by borrowing; secondly, by taxation; and, thirdly, by retrenchment. He discards the two former of these, and throws himself entirely upon economy and retrenchment as the only mode of extrication from the difficulty. But that gentleman appears not to see that all his propositions for economy and retrenchment apply as to what shall take place *after* the present fiscal year, and not during it. He very properly demands economical reform in the expenditures of the Government, and I will go with him in procuring anything desired in that way. But the deficiencies in the Treasury are now pressing and immediate. They lack resources to meet the expenditures already provided for by the appropriation bills of the last Congress. It is the present moment that is the life of the Government, and not what may take place next year or the year after.

While in my judgment the $319,000,000 demanded for the fiscal year ending on the 30th of June, 1875, is at least $50,000,000 to $60,000,000 too much and it should be reduced to about $250,000,000, yet that is not now the question which is to supply a deficit existing with reference to the demands of the Treasury before the commencement of the next fiscal year. Therefore I regret that the gentleman has not presented to us some practical proposition to meet the danger of bankruptcy now staring us in the face. I concur with him that the people will bear no further taxation. It is already too onerous for the industries of the country. Nor am I in favor of adding one dollar to the permanent debt. I therefore see no mode of relief except in the direction of a curtailment of expenditures. My proposition is that all of the balances unexpended of the appropriations of last year shall be withheld, only those that are absolutely necessary, until after the expiration of the fiscal year, or until the resources of the Treasury from legitimate sources will enable the Government to meet them.

In my judgment our receipts from imports will be larger than estimated, and that at least $15,000,000 of the $25,000,000 of dutiable goods now remaining in the bonded warehouses will be withdrawn before the 1st of June, and thus add that amount to the resources of the Government; and with the reviving spring trade there can be no reason why we may not anticipate a much larger income than the Secretary and chairman appear to anticipate. But whether these expectations may be realized or not, I think there can be no doubt as to the policy of holding a very large proportion of the money heretofore appropriated, especially for public works, entirely from payment until we are in a condition to do so without embarrassing the Treasury.

But, aside from these considerations, had the policy of the Government been judicious the Treasury would not have been in its present condition notwithstanding the falling off in revenue. If the whole of the receipts for the last seven years had been devoted to its legitimate purpose, we could have been in no such distraint as now. No people have borne so much taxation within the same period with so little resistance or objection. About $1,000,000,000 every three years has been absorbed by the Government from the industries to the country; whereas about $600,000,000 should have been sufficient

to have defrayed the necessary expenses and meet the interest on the public debt.

What has been the policy? The readiness of the people to bear taxes has invited extravagance and profligacy here. As they responded to the calls of the Treasury, so have the Government and Congress been encouraged to pursue a system of lavish expenditure and the creation of a large retinue of unnecessary officials. The gentleman from Massachusetts told us in his speech that there were twenty-eight hundred persons employed in the Treasury Department alone, whereas but four hundred are authorized by law. Take this one example, and draw from it a proper conclusion. A like system of an unnecessary increase of patronage in the creation of unnecessary officials of every grade and character throughout the United States has been the chief occupation of Congress at every session, until to-day the aggregate civil list of the United States comprehends a larger number of persons for like purposes than is employed by Germany, France, and England, put together.

I present herewith a series of tables gathered from the Biennial Register or Blue Book for the years named, which conclusively prove this. Indeed, a general extravagance and waste pervade each of the Executive Departments. The chairman, Mr. DAWES, has referred to some of them, but only to a few. I have followed the line of investigation, which he but began, and present a series of tables, carefully gathered from official sources, which show and prove this:

Statement of the number of employés borne upon the civil list of the United States from 1859 *to* 1873 *inclusive, compiled from the Biennial Register.*

Departments.	1859.			1861.			1863.			1865.			1867.			1869.			1871.			1873.		
	At Washington.	Elsewhere.	Total.	At Washington.	Elsewhere.	Total.	At Washington.	Elsewhere.	Total.	At Washington.	Elsewhere.	Total.	At Washington.	Elsewhere.	Total.	At Washington.	Elsewhere.	Total.	At Washington.	Elsewhere.	Total.	At Washington.	Elsewhere.	Total.
State	34	339	373	33	366	399	34	374	408	37	398	435	39	434	473	47	528	575	57	387	444	63	401	464
Treasury	487	3,295	3,782	494	2,697	31,91	1,103	3,721	4,824	2,067	4,176	6,243	2,529	5,582	8,111	2,451	5,631	8,082	2,543	6,050	8,593	2,800	8,630	11,430
Interior	607	691	1,298	875	610	14,85	829	634	1,463	924	583	1,507	774	984	1,758	1,322	849	2,171	1,452	1,412	2,864	1,590	1,991	3,581
War	90	246	336	120	703	823	670	749	1,419	924	2,379	3,303	1,645	1,023	2,668	644	692	1,336	564	968	1,532	584	1,082	1,666
Navy	73	19	92	81	17	98	115	23	138	118	23	141	115	48	163	80	93	173	111	90	201	119	8,122	8,241
Justice	6	206	212	8	268	276	9	204	213	9	212	221	11	219	230	41	198	239	44	260	304	47	681	728
Post-Office	101	38,193	38,294	107	39,506	39,613	160	38,574	38,734	173	40,971	41,144	234	42,189	42,423	289	41,057	41,346	426	42,925	43,351	495	59,730	60,225
Legislative	140	.....	140	164	.....	164	176	.....	176	173	.....	173	287	.....	287	285	.....	285	316	.....	316	325	.....	325
Total	1,538	42,989	44,527	1,882	44,167	46,049	3,096	44,279	47,375	4,425	48,742	53,167	5,634	50,479	56,113	5,159	49,048	54,207	5,513	52,092	57,605	6,023	80,637	86,660

As is well known to the well-informed members of this House the Blue Book, from which this list is made up, does not contain all the persons employed by the Government on the civil list; while every one indicated is employed, there are many thousands employed not stated. This fact is especially true of the Treasury, Navy, Interior, and Post-Office Departments. Therefore, I think I am quite safe in saying that, when I give this list as authority, there is a very large outside number of persons employed over and beyond those contained in it. I am therefore probably much under, and certainly not over, the true number of persons employed at this time on the civil list.

I will not detain the House with any comments upon this extraordinary statement. It will be observed that the increase in the number of employés has been continued since the close of the war, and is now rapidly increasing. It is unnecessary to argue that with so large a number of persons supported by the Government the expenses must necessarily be great, not only in regard to the salaries required, but also in large additional expenditures for other purposes growing out of the fact of their employment. The tables of expenditures which I shall now present prove this conclusively.

Comparative tables of expenditures of the public service collated from reports of the Secretary of the Treasury and other official documents.

POST-OFFICE.

1868	$22,730,592 65
1869	23,698,131 50
1870	23,998,837 63
1871	24,390,104 08
1872	26,658,192 31
1873	29,084,945 67
1874, (estimated; see report of the Postmaster-General for 1873)	33,929,912 00

Thus the Post-Office cost $22,730,592.65 in 1868, and in the year 1874 $33,929,912.00

The above figures are gathered from the reports of the Secretary of the Treasury for the years indicated, and, therefore, cannot be questioned. Those for 1874 are the estimate stated in the report of the Postmaster-General, of the 1st of December, 1873. It will be observed that in 1868 less than twenty-three millions for this Department were sufficient, while for the present year thirty-four millions are required—an increase of over 50 per cent.

NAVAL.

1868	$16,288,244
1869	17,356,350
1870	18,453,270
1871	19,250,090
1872	19,832,323
1873	18,296,733
1874	22,276,257

In the sum appropriated this year are included four millions called extraordinary in consequence of the preparations made necessary by the Cuban difficulties. And yet, though probably made necessary at that time, this sum thus expended for the uses of the Navy in outfit and purchase of armaments of war certainly rendered it unnecessary to ask the large sum that was afterward appropriated. There can be no doubt that in this, as well as in the Post-Office Department, there are grave reasons for believing that much larger sums are expended than can be legitimately required.

The Postmaster-General was very active in procuring the abolition of the franking privilege, stating in an official document sent to this House that if Congress would enact a law to this effect it would insure a saving of several millions in the expenses of his Department. Congress did so, the law taking effect upon the 1st of July last; and yet he asks us for the next fiscal year to allow him about $5,000,000 in excess of what he expended in 1873, before the franking privilege was abolished. This fact, taken in connection with the enormous increase in the number of persons employed by this Department, naturally creates a pervading distrust in the integrity of its management. There is one feature in its administration that has not as yet been investigated, and that is its unrestricted authority in making contracts for supplies. A large portion of the moneys disbursed are expended in that direction—sometimes, it is said, in the interest of persons closely connected with the officials who have the authority to control these disbursements. But as I make no statements of fact not susceptible of proof by documentary or other testimony, I shall make no further reference to these allegations.

Comparative receipts and expenditures of the Internal Revenue Department, collated from the reports of the Secretary of the Treasury.

Fiscal year ending—	Receipts.	Cost of collection.	Per cent.
1867	$266,027,537 43	$7,892,050 98	3
1868	191,087,589 41	8,730,357 65	4½
1869	158,386,460 86	7,200,114 16	4½
1870	184,899,756 49	7,234,531 14	4
1871	143,098,153 63	7,075,187 14	5
1872	130,642,177 72	5,697,288 34	4
1873	113,729,314 14	5,337,124 23	4¾
1874 (estimated by Secretary)	103,000,000 00	*5,398,380 00	5¼

* Reported by Committee on Appropriations.

While I have no disposition to question the integrity of the head of this Bureau, yet I am compelled to made a reference to a few facts in connection with the above table, and the management of the collection of the internal revenue.

It will be observed that the cost of collection has not decreased *pari passu* with the amount collected. In 1867 $266,000,000 were collected at an expense of less than $8,000,000, or 3 per cent. upon the amount collected; while, in 1869, $158,000,000 cost $7,200,000 to collect, being 4½ per cent. upon the amount collected. In 1871 $143,000,000 were collected, at an expense of over $7,000,000, being 5 per cent. upon the cost of collection. In July, 1872, Congress passed a law doing away with the offices of assessors and assistant assessors, which it was stated at the time would insure a saving to the Treasury of $1,800,000 a year. An amendment had been made to the internal-revenue laws which abolished taxes on most of the articles heretofore taxed, reducing the collection upon only whisky, tobacco, &c.; and yet we find that $5,697,000 was appropriated for this Bureau in 1872, and $5,337,000 in 1873. The Secretary of the Treasury estimates that the receipts to be expected from internal revenue in 1874 may be stated at $103,000,000; and yet the Committee on Appropriations reports $5,398,380 required for this period, which will be 5¼ per cent. upon the cost of collection.

But the amounts appropriated for the expenses of the Internal-

Revenue Bureau do not comprehend all that this service costs the Government. There is still a larger amount of which we know nothing. Of the defalcations and losses incurred by the dishonesty or negligence of the subordinate officials employed, we know nothing. I have this day received a communication from the Commissioner, in answer to a request made by me of the amount of defalcations and arrearages in his Bureau, which throws some light upon this question. Wishing to do no injustice, I give it in full:

TREASURY DEPARTMENT, OFFICE OF INTERNAL REVENUE.
Washington, March 5, 1874.

SIR: In compliance with your request, I have the honor to state that the records of this office show that the aggregate amount of internal-revenue collected during the period from September, 1862, (when the internal-revenue laws first went into effect,) up to February 28, 1874, (last month estimates,) is $1,792,555,000. Of this amount there is now due the United States from late collectors, the sum of $2,525,199,13; which is about 14-100 of 1 per cent. of the total amount collected.

Of the total amount due, $2,136,489.24 is due from officers appointed prior to March 4, 1869, and $388,709.89 due from officers appointed since March 4, 1869.

In many cases there is reason to believe that the deficiency may have arisen from defalcations of deputies and employés of the collector, for whose official conduct he is legally responsible. In such cases the collector cannot be considered as personally guilty of embezzlement, though possibly censurable for not having exercised proper care. Under the present laws his remedy against his deputies is through the State courts, where settlements are often long delayed.

Steps have been taken to recover the amounts due from these officers, by suit upon their official bonds. The United States attorneys in charge of these suits are urged by this office to a vigorous prosecution of the same, and with a few exceptions it is probable that the greater portion of the amount due will eventually be recovered and paid into the Treasury.

There are a number of cases of late collectors whose accounts are yet unsettled, and are now being adjusted, in which this office has no information of any defalcation or criminal retention of public funds, by either the collector or any of his employés, and consequently the outstanding balances shown upon the books of this office in these cases have not been included in the above statement.

Very respectfully,

J. W. DOUGLASS,
Commissioner.

Hon. FERNANDO WOOD,
House of Representatives.

EXPENDITURES ON ACCOUNT OF INDIANS.

1868	$3,998,353 59
1869	6,927,773 48
1870	3,407,938 14
1871	7,426,997 44
1872	7,061,728 82
1873	7,951,704 88

In these expenditures a like increase appears, with probably a less justification than in any other Department of the Government. Nor do these figures comprise the entire expenses of that service. They do not comprehend the cost of the Army. These appear in the Army appropriation bill, merged in the general expenditures for Army purposes. Thus a most efficient agency for the proper subjection or protection, as the case may be, of the Indians is left entirely out of this account. It does, however, include the support of the Indian agencies, the ostensible supply of Indian goods, in many cases bought and paid for but never delivered; the furnishing of rifles and rum; the pretended payment to Indians of money required under the so-called treaties with their tribes, half of which is stolen before it reaches them; and the hangers-on of those who are employed to execute these treaties.

As I shall refer more especially to the policy of the Government in dealing with this grave question in the concluding portion of my remarks, I will omit further comment at this time.

COAST SURVEY.

1868	$455,700 77
1869	478,410 72
1870	506,279 06
1871	735,000 00
1872	729,000 00
1873	852,828 75

The increased expenditure for this department is to me unaccountable. Although living upon the sea-coast for many years, a shipowner, and familiar with everything appertaining to this branch of the public service, yet I cannot see any reason why there should not be a large decrease in its cost. Without being informed as to the different items which compose these great annual aggregates, it seems to me utterly impossible that for the purposes of coast survey they can reach any such sum.

There is not one foot of the Atlantic coast from Halifax to the cape of Florida that was not completely surveyed fifty years ago. It is now nearly forty years since Professor Hassler, then the most eminent man living in his profession, first took charge of this duty, and successfully explored and designated everything necessary. The system he established has not been, and cannot be, improved. Under it our navigators have been made acquainted with every objective point, every harbor, every inlet, together with the soundings of the whole coast. It is true that in our recent Pacific acquisitions something new was to be explored; but certainly the twenty-five years intervening since the annexation of California have been sufficient to have accomplished this. Therefore, I cannot fail to conclude that, in this as well as in the others, corruption or wasteful extravagance exists.

SURVEYING PUBLIC LANDS.

1868	$373,252 30
1869	429,495 78
1870	641,497 37
1871	564,940 76
1872	838,514 96
1873	1,198,060 13

SURVEYOR-GENERALS' OFFICES.

1868	$95,209 75
1869	96,596 08
1870	114,962 89
1871	121,144 05
1872	557,359 95
1873	414,135 19

It will be seen by the above table that, while in 1868 the cost of surveying the public lands was but $373,252, in 1873 it was $1,128,060, an increase that cannot be accounted for or explained. The proceeds of the sales of the public lands in 1868 were $1,348,715, while in 1873 they were only $2,882,312, an increase of about 100 per cent.; and the increase of the expenses of the cost of surveying between 1868 and 1873 was more than 200 per cent. And when we take into consideration the fact that the money purchasing power is twice as great now as it was in 1868, this increase seems enormous.

The above statement does not include the expenses of the General Land Office in Washington, and many other items which appear under other heads. The surveyor-generals' office expenses show a like result, and therefore comment upon them is unnecessary.

JUDICIARY.

1868	$723,378 57
1869	2,357,661 94
1870	2,610,342 53
1871	3,320,918 98
1872	3,594,077 52
1873	3,826,131 77

Public attention has recently been called to the Department of Justice, and many severe criticisms made upon its management. I have no desire to enter into this discussion. The table presented above tells its own story, upon which I propose to make but a few comments.

Two or three years ago the increased demands upon the Treasury from this quarter were excused upon the pretended Ku-Klux prosecutions in the Southern States. Large sums, it was said, were placed in the hands of United States marshals for the purpose of protecting freedmen and others from outrages in that quarter. Thus apparently justified, the appropriations went on increasing until we see that while in 1868 $723,000 was sufficient, in 1873 $3,826,000 are required; being more than five times as much as was wanted five years ago. Since the last presidential election we have heard nothing of the Ku-Klux. Therefore, that phantom bugbear should not serve as a pretext now. It has served out its double purpose of plunder and partisan excitement, and cannot be offered as an excuse for this enormously increased disbursement. It is true that Congress has made a few new judicial districts, but the sums required for them are comparatively trifling, when we consider the greatness of the amount expended.

UNITED STATES MINTS AND ASSAY OFFICES.

1873	$762,182 00
Estimated by Secretary of the Treasury, 1874	1,333,195 00
Allowed by Committee on Appropriations, 1874	1,026,240 00

The difference between the two years given for this service is sought to be excused on the ground that at the last Congress a law was passed making it necessary to reorganize the system. I am familiar with that subject, having addressed the House at the time in favor of the bill. It was defended by the committee that reported it, that its object was merely to simplify and make more effective existing organizations without involving any additional expense. Such was my opinion at the time, because I could not see how any could be required. And yet we see it is to cost about a half million dollars.

SUB-TREASURIES.

1868	$260,113 88
1869	272,614 27
1870	305,075 06
1871	324,074 73
1872	430,835 82
1873	493,660 90
1874	549,477 50

Here may be observed the same extraordinary increase, though in this case it has been more gradual and regular than in either of the preceding statements, each year showing the upward scale. What sufficed for 1868 is doubled for 1874. This is very remarkable, in view of the fact that not one additional sub-treasury has been established nor assistant treasurer been required in addition to those which existed at that time. There really exists no reason whatever for any increased expenditure in this branch of the public service. No additional duties have been imposed and no necessity for a greater number of employés exists that did not exist in 1871 and 1872. On the contrary, there is less business performed at this time by these offices than there has been in any year since the war.

MISCELLANEOUS.

1868	$53,009,867 67
1869	56,474,061 53
1870	53,237,461 56
1871	60,481,916 23
1872	60,984,757 42
1873	73,328,110 06

Under the head of "miscellaneous" are comprehended a large number of items of various characters, but which for the purposes of Treasury designation are placed under this head. It does not include payment of interest upon the public debt, the civil list, or foreign interconrse, nor the naval and military establishments, nor pensions

and Indians, but everything outside of these. The above table is significant in showing that the increase is general and applicable to the whole public service, not only in its regular departments but as well in the appropriations made by Congress for purposes outside of these. Comment is unnecessary. These figures tell their own story, upon which it is not necessary to dilate.

Summary and comparative statement of expenditures in the several branches of the public service named from 1868 *to* 1873 *inclusive.*

Branch of service.	1868.	1873.
Post-Office	$22, 730, 592	$29, 084, 945
Indians	3, 988, 353	7, 951, 704
Naval	16, 288, 244	18, 296, 733
Coast Survey	455, 700	852, 828
Survey of public lands	373, 252	1, 128, 060
Surveyor-generals' offices	95, 209	414, 135
Judiciary	723, 378	3, 826, 131
Sub-treasury	260, 113	493, 661
Miscellaneous	53, 009, 867	73, 348, 110
Total	97, 924, 708	135, 376, 307

The laws passed during the war, and probably made necessary at that time, imposed extraordinary burdens upon the people. But what was excusable then can have no excuse now. Our first duty was to have modified or repealed most of them. What has been done? With the exception of a reduction of 10 per cent. in the tariff and a trifle in the Army and Navy, nothing has been done. The civil list has been increased, as well as the expense of every other branch of the public service. We have continued the taxation created during the war with but slight modification. The precious metals have been largely exported instead of being kept at home. Within the last nine years our mines have produced about $640,000,000. Out of this we have coined but $244,351,395 in gold and $25,787,331 in silver, a total of $270,138,726. Thus it will be seen that but little more than 42 per cent. of the whole has been coined, and the balance has been made into bars and sent to Europe. In addition we have received in coin during that period into the Treasury for duties on imports, &c., $1,590,124,286. Now, notwithstanding the receipt of so much precious metal into the Treasury, we have still maintained and increased the paper-money circulation.

The policy of the Administration in paying off the large proportion of our public debt with these receipts had for its object self-glorification. It has been wedded to a fatal error, either ignorant of its consequences or willing to perpetrate so great a wrong simply for the purpose of procuring partisan objects. The panic of last fall and the strain that has been made upon the public Treasury within six months, producing national dishonor, have both been the result of this policy. The Government would not now be in a dishonored position had not the fatal policy of anticipating the public debt been adopted.

Three months after the commencement of the present Administration, on the 4th of March, 1869, the then Secretary of the Treasury found himself in possession of a surplus balance, over and above the preceding year's receipts and expenditures, of $49,000,000, of which $45,000,000 had been accumulated within three months. These large sums of cash on hand should have been held sacred as a foundation for the redemption of the legal-tenders upon which to begin resumption. Instead of doing this, he inaugurated a system of redemption of the bonded debt not due, while entirely neglecting the legal-tender debt past due, and insisted upon continuing the ruinous war taxation for the purpose of extending this policy. He bought $41,000,000 of bonds the first year, upon which he paid a premium of $8,322,791, thus paying a bonus out of the public funds for the privilege of doing not only a continued injury to the industry of the country by the enormous taxation, but also in diverting its resources from the liquidation of demand notes such as the legal-tenders, and by the payment of the funded obligations having eighteen years to mature. According to the Treasury statement issued the 1st of March, 1874, there were purchased $323,253,800 of bonds between April, 1869, and September 25, 1873, upon which was paid a premium of $39,758,532.71. If this had not been done there would now be nearly $50,000,000 in the Treasury with which to meet the present deficiency and save the country from the impending necessity of increasing the public debt, or imposing more taxation. It is difficult to find words to sufficiently express a proper condemnation of such a suicidal policy. What would be thought of a merchant who anticipated the payment of his obligations having a long time to run, while he, at the same time, neglected to liquidate those which were payable on demand and remained dishonored?

I am opposed both to the extension of the public debt as well as the anticipation of it in payment. This people have endured sacrifices enough already to maintain the solidarity of the Union; and it is just to leave to posterity, who will derive the chief advantage from it, some part of the burden, and not endure it all ourselves. Therefore, I would not pay another dollar of the public debt until we have returned to specie payments, and materially lessened the existing taxation. If, when that is done, the remainder can be advantageously appropriated to lessening the bonded debt, I am quite willing to do so.

As illustrative of the evils which flow from the ruinous policy which has been adopted with reference to the payment of any portion of the public debt, look at the condition of the public Treasury at this time. The falling off in the revenues, growing out of a variety of circumstances, has left the Treasury not only depleted of money sufficient to meet its current obligations, but has also compelled the Secretary of the Treasury to lay his hands, without authority of law in my judgment, upon a reserved fund which he, as well as his predecessors, had considered as having been permanently withdrawn from circulation. He was compelled to do this, or place the Government before the world in a condition of bankruptcy, a state of things the natural result of a diversion of the surplus revenues of the country to a purpose not necessary at the time, nor consistent with any safe principle of finance.

MOIETIES.

Public attention has recently been called to the subject of moieties, which are the perquisites of Government officials employed to protect the Treasury, outside of their regular salaries, as a compensation or incentive to them to perform the duty which they take an oath to perform to the best of their ability when receiving their appointments. There is no other country that pays its leading custom-house officials anything like as much as we do; nor is there any other commercial or maritime nation that affords to those officials the same facilities for accumulating enormous wealth as the United States. In Europe the moiety system has been abolished altogether. The regular compensation of the collector, naval officer, and surveyor of the port of New York, not including seizures or other perquisites, may be fairly stated at $20,000 a year each. The duties devolved upon these officials are mostly performed by subordinates. A leave of absence for six months could be given to either of them without any detriment to the public service. Indeed it is quite practicable and consistent with the public good to comprehend the duties of the three in one. Until recently we paid the President of the United States but $25,000 a year, and I can see no reason why a custom-house official, with little responsibility and no labor, should be paid nearly as much. It is true there are other than official duties expected of the incumbents of these offices. They have onerous political, if not official, duties to perform. They are made responsible by the Administration and its friends in Washington for the political condition of the State. They are expected to preserve the State to the dominant party by the dispensation of their patronage into the interior and a liberal distribution of money. They are made responsible for political results. Hence, in addition to their fixed pay, these enormous opportunities for gain have been granted to them by the party in power, through its action in Congress. They are each allowed one-sixth of all seizures, fines, and penalties derived from goods attempted to be imported in disregard of the duties imposed by law. While it is true that this feature of the revenue law is not of recent introduction, yet it is equally true that it has never before been carried to the extent to which it has been under this Administration. Before the advent of General Grant to power, in no one year during the history of the Government would the aggregate income of the collector of the port of New York exceed thirty to thirty-five thousand dollars a year, including salary, and yet the importations there defrayed more than two-thirds of the whole expenses of the Government without any internal revenue whatever. But now, impelled by avarice or partisan interests, scarcely an importer of the city of New York but is subject to espionage, surveillance, and oppression. Under the slightest pretext whole cargoes are sought to be confiscated, and the greed of the informers and spies of the Government, who act as the agents of the officials, appears to have no bounds. It is true the complicated machinery created for the collection of the revenue, and the crude tariff laws, and the many amendments continually made to them by Congress, appear to invite this course. The errors of hasty legislation, and the manner in which we create legal enactments in Congress, afford ample scope for the ingenuity of those buzzards of prey who destroy property and reputation without compunction of conscience. The events of these last two years, in New York and Boston, prove one of two things: either that our revenue laws and the mode of collecting the revenue are radically defective, and should be amended or repealed, or that the Government has placed men to administer those laws who are a disgrace to the country. The evil is terrible, and should be at once eradicated.

It is well to understand that this question in no way involves the tariff, though it may emanate from it. It is immaterial for the purposes of its consideration whether the duties on imports are high or low. The evils of which we complain are in the collection laws and in their execution by officials and agents subordinate to the Treasury Department. Nor is it necessary to make imputations against any political party. In my experience I have found that bad laws and bad men are evils for which no party should be held responsible. In saying this, however, let me not be understood as intending to relieve the present Administration of its responsibility for the shameful increase in the oppressive exactions made upon the merchants of New York since it has held the reins of power.

The system of allowing moieties to informers and spies is not a new thing in this country. It has existed as long as the Government itself. It was incorporated into the second tariff act enacted March 2, 1799, after the organization of the Government. At that time there was good reason for its adoption. We had no revenue-cutter system, the custom-houses were poorly organized, and without an established

system for the collection of the duty upon imports. The evasion of the revenue laws was confined exclusively to smuggling. This was the only process at that time adopted by those who sought to defraud the Government by the introduction of foreign goods without the payment of duty. The undervaluation of invoices and the more modern tricks at deception had not been thought of. Hence there was good reason for the allowance of a liberal perquisite to those who underwent the hazard and experienced the danger and difficulties of seizing smuggled goods. The coast was wild, custom-house officials but few in number, and the Government very properly took this means of inducing others to exercise a vigilance by offering them a moiety of the seizures. This law, drawn by Alexander Hamilton, originated in this country the system of moieties, which has existed ever since. The next law, of 1867, changed the moiety allowed and provided for the seizure of books and papers.

The history of this law of 1867 is that one week before the adjournment of Congress, on the 4th of March, 1867, such a bill had not been introduced into either House. It made its first appearance in the Senate on the 25th of February, 1867, and reached the House, or it passed the Senate, at midnight of Sunday, March 3. It passed the House at its expiring moments, with two minutes' debate. By this law the provisions of several preceding acts intended for the protection of an honest importer were repealed, and most extraordinary powers conferred upon the collector and his subordinates in the prosecution of importers in the collection of fines and penalties. The collector is made the judge as to the intent of the importer in all cases of seizure, although he is at the same time an interested party in the confiscation of the goods alleged to be undervalued.

In order to fully understand how innocently any man is liable to be entrapped and ruined in reputation and fortune by the custom-house process in New York, it is necessary to illustrate by a reference to facts.

A merchant is charged with a violation of the law, as, for instance, that he has presented to the custom-house an invoice stating the cost of his goods at a less price than that stated by some other merchant, or his correspondent abroad may have omitted some of the usual or unusual charges, or there may be a mistake in the addition or subtraction of his invoice, or some irregularity or error of a clerk in copying; or it may have been that the purchase of his merchandise may have been made under circumstances that enabled him to procure them at a slight reduction from what others had to pay, or that he had by superior ability and moneyed facilities obtained some other advantage which enabled him to lay his goods down at the port of New York at a slight reduction under others. In either of these cases, however innocent of any intention to defraud, and however truthfully his invoice may state the actual cost, he is liable, his goods are forfeited, with other penalties, including a whole invoice covering a vast amount of other articles to which a similar complaint cannot be made. The whole is forfeited to the Government, and he is mulcted in heavy liabilities and costs, and the judges to determine these questions are the parties who have a large pecuniary interest in doing so.

Take another case. The informers who get such a large proportion of the penalties and forfeitures, bribe a merchant's clerk, offering him large inducements to betray the secrets of his books and papers, and, indeed, as has been alleged, to make, himself, errors in the accounts, upon which evidence of frauds are proven and the merchant made to disgorge under fear of moral or, it may be, pecuniary, ruin. If, however, the merchant, conscious of innocence, determines to resist this outrage, and his conscience acquits him of any intent to commit fraud, he seeks legal advice; he is willing to test the case in court, and so informs his counsel. He is warned, however, that the court itself is made the judge of the intent. It is said that recently the judge of the southern district declared, in relation to cases pending in that court for seizure, that "the Government cases appeared to have collapsed. Of all that were on the calendar only five or six have been tried. It seems that when a little squeezing is brought upon the defendants in these cases they disappear." What this "squeezing" is may well be imagined. An intelligent writer in one of the leading papers of New York thus refers to it. He says that—

> The squeezing may be the handcuff process of Detective Jayne, or the high moral pressure of District-Attorney Bliss, whose finer intellectual principles would scarce stoop to the coarse process of the professional informer. Whatever it is, it has always proved effectual, as hundreds of plundered merchants could testify.

The Secretary of the Treasury, in reply to a resolution of the House of Representatives, has communicated the amount of money paid from July 1, 1862, to November 30, 1873, in the settlement suits, judgments, or claims made by or in behalf of the United States for the violation of the revenue laws at the New York and Boston custom-houses, in Executive Document No. 124.

For New York he states it to be, from March 1, 1869, to November 30, 1873, $2,007,854.46, and from July 1, 1862, to March 1, 1869, $1,745,658.29, making a total of $3,753,512.75. Of this sum there was distributed to the informers $1,838,766.26. The amount distributed from March 1, 1869, to November 30, 1873, being a period of four years and nine months, was $987,132.49, while from July 1, 1862, to March 1, 1869, a period of six years and eight months, it was $851,633.77, being proof of the superior activity of the present officials over their predecessors. Of these amounts the collector of the port received $407,245.97; the naval officer $324,058.64; and the surveyor $291,213.61, leaving $916,248.04 to the informers, most of which was received by B. G. Jayne, the special agent of the Treasury Department. These sums do not include the interest which these officials have in the cases pending in the United States court. I have been furnished with an official statement of the customs-seizure cases on the calendar of that court, February 24, 1874. They are twenty-nine in number, for about $100,000 in amount, which, together with a suit to recover $100,000, since begun, make an aggregate of about $200,000, of which these officers and the informers would be entitled to one-half in case the prosecutions are successful. I have reason to believe that since the agitation of the subject other suits, covering much larger sums, are in contemplation by the Government officials at New York.

For Boston the Secretary gives a statement only from March 1, 1869, to December 31, 1873. What was his motive for having included for New York the amount for a period anterior to the 4th of March, 1869, is not given. This was all he was asked for by the resolution of the House of Representatives. And why he should have gone back as far as 1863 for New York, and not for Boston, is also unknown. But his statement for Boston, in principle, is very much like that for New York. His report of fines, penalties, and forfeitures, from March 1, 1869, to December 31, 1873, for the port of Boston, shows that the whole amount received was $609,401.23, of which $305,249.92 was distributed outside of the Treasury. Of this the collector received $50,816.40; the naval officer, $50,187.74; the surveyor, $50,817.60; thus leaving $153,428.18 to the informers, most of which found its way into the hands of the inevitable B. G. Jayne.

Comment upon these facts, thus officially communicated, is unnecessary. The enormous sums received by those who have been clothed with official authority by the Treasury Department, as spies and informers is proof of a defect in the law as well as in its administration. It certainly cannot be necessary in this free Government that a system so antagonistic to our institutions should exist. Where the inducements are so great for men to prey upon each other it is expecting too much of them to be withheld by any merely moral considerations. Clothed with the power of the Government, and incited by avarice, that class of men who may be called professional spies and informers, are not restrained by any considerations whatever. Thus the worst passions of bad men—for it is only such who would accept these positions—are made active in the pursuit of gain. No thought of the reputation of others, no restraint of conscience, and no fear of consequences betray themselves.

The enlightened governments of Europe have long since abandoned this mode of securing revenue. Even Paris has discarded a practice which has become repulsive to Frenchmen. In these days of progress, intelligence, and high moral principles, this country, of all others, should make haste to rid itself of evils of this character. Public opinion will not long endure it. If we cannot collect our revenues and maintain the expenses of the Government without resorting to practices which are darker than anything which occurred during the days of the Spanish inquisition, there must be something radically wrong. We had better institute despotism at once and give it unlimited authority over the lives and property of the people.

SANBORN CONTRACTS.

When the general appropriation bill was before Congress in the spring of 1872, the two Houses disagreeing upon some of its provisions, conferees were appointed, and an effort was made to insert as an amendment the provision authorizing the appointment of these persons, but it failed. Subsequently other conferees were appointed under the same bill, when a Senator from South Carolina, now an Assistant Secretary of the Treasury, succeeded in getting it adopted. This bill became a law on the 8th of May, 1872. In June of the same year a subsequent bill authorized a special appropriation of $100,000, to be used at the discretion of the Secretary of the Treasury, for detecting and bringing to trial and punishment persons guilty of violating the internal-revenue laws, and $80,000 in addition was given for the same purpose in the regular appropriation bill. Thus $180,000 was placed at the disposal of the Secretary, besides the power of making special arrangements with the three persons now employed under the Sanborn contracts. These large sums of money thus appropriated and the power conferred upon these three irresponsible persons, it will be seen, were all placed outside of the Bureau for the collection of internal revenue. In that office properly belonged everything appertaining to this branch of the public service; yet, for some mysterious object the head of that Department was not only deprived of all power, but of all knowledge of what was going on through this secret agency. Under these contracts the grossest outrages have been committed upon private rights. The same species of intimidation and oppression adopted by all custom-house officials and their spies and informers, have been adopted, and large sums have been collected, one-half of which has gone into the pockets of these persons.

It will thus be seen that the authority really conferred upon the Secretary of the Treasury has been abused. The law authorized him to employ three persons to assist the officers of the Government in collecting revenue which had heretofore been evaded. His sole power was confined to the appointment of persons to act in co-operation and in consultation with the existing officials; instead of which he conferred independent powers upon them, making with them a contract allowing them 50 per cent. of the amount recovered, and giving them secret instructions outside of and unknown to even the Commissioner of Internal Revenue himself, who is by law clothed with absolute

authority over everything appertaining to internal revenue. Thus armed, Sanborn, Kelsey, and others went forth to prey upon the community. They levied their contributions right and left, bullying, coaxing, threatening, and intimidating banks, railroad corporations, bankers, merchants, traders, and others. The innocent and guilty alike were brought before this inquisitorial power, and made to compromise under fear of prosecution, and yield up at least something to swell the pockets of these Treasury cormorants. What amounts have been received by these persons cannot be known; the Government does not know, and of course Congress cannot know. Considering the character of the men, employed directly and indirectly, the probabilities are that not one dollar in five of the amount recovered has ever found its way to the Treasury. But enough has already been reported to show that these three persons have pocketed within three years at least $500,000 apiece. The Commissioner of Internal Revenue says that in his judgment not one dollar has been covered into the Treasury from these sources that could not have been as well collected by the regular officers of his Bureau, without any additional cost whatever for so doing; that he is already clothed with ample power to have recovered every dollar really belonging to the Government, and therefore that the creation of this authority, outside and independent of him, has, while it has brought nothing in that would not have otherwise come, considerably hindered and embarrassed his own agents in the discharge of their official duties. Certainly there must have been some mysterious power which could have originally officially created these persons and clothed them with such authority, and which has so successfully been maintaining them ever since. There is a secret influence somewhere, and it is not for me to say who and what it is. "Sufficient unto the day is the evil thereof." We have to deal with facts as they exist, and so perform our duties as to remedy abuses of such a character. Upon my motion, the Committee on Ways and Means have unanimously agreed to report a bill to repeal that section of the law to which I have referred, which authorized the Secretary to make these appointments. When that bill is before the House for discussion I shall have something more to say upon this subject, which I shall say without fear, though it may be distasteful to some members of this House.

In the Department of the Interior a struggle for the sole control of the Indian question is manifested. The President, a military commander, has allowed himself to be bamboozled by the head of that Department and some other sickly philanthropists, who desire to serve the Lord and the devil at the same time, by affecting the "moral-suasion" dodge in treating with the Indians. Finding the freedman, as a source of profit and philanthropy, no longer available, these people have essayed to use the poor Indian for like purposes. So the peace commission was instituted, and General O. O. Howard, that eminent soldier, Christian, and statesman, was selected to do up the moral-suasion business. The financial details of this effort at Christianizing the barbarians have not as yet been furnished. This must be left to a democratic Congress, because it is not at all likely that, after the exhibit of the Freedmen's Bureau, under the same administration, we shall be allowed to look into the precise cost in dollars and cents of the conversion of Indians to the true faith, and to know the result both in dollars and salvation. We do know, however, that Captain Jack and his *confrères* were especial favorites of this policy, and that they are vouched for as having been reconciled by that process and as examples of the efficacy of that mode of treatment.

It may be observed, however, that notwithstanding the cost of the peace policy and its alleged success, not a regiment was withdrawn nor a post abandoned that was occupied by our troops in the Indian country before it took place. The cost of the Army for that purpose is on the increase, as well as the Indian depredations themselves. I doubt whether the humanitarian system of dealing with warlike tribes, who are filled with the whisky which the money of the Government gives them and armed with the rifles likewise kindly furnished them, can produce the fruits of peace and loveliness. It is true money may have been made by this mode of treatment, although they appear to be more blood-thirsty and belligerent than ever. The nearer the Indian approximates to the walks of civilized life, the more clearly are developed his base instincts and love of all that is odious in our own characters. It is only in his wild, barbaric state that he is noble. Take him from his native fastnesses, and he becomes the most miserable specimen of a loafer, with all the vices and without any of the virtues of the white man. But whether my views upon this question are correct or not, it is quite certain that the policy of the Government with reference to the Indians has been alike expensive, inefficient, and productive of the worst consequences.

CONCLUSION.

I have thus briefly presented some of the errors for which the republican party is responsible. Were I to give them all, a day's time would be consumed in the enumeration. To that party, and the Congress and Administration it has created, may be charged all the public evils of the times, as well as the general private destitution and paralysis of trade. It has diffused throughout the nation erroneous and pernicious ideas of the nature of our Government, and taught the rising generation that extravagance, and not economy, is the road to wealth and happiness. It has depreciated public morals, and taught that by a pretext of philanthropy, Christianity, and temperance, the greatest public crimes could be committed and receive condonement in consequence. By its policy our great national resources have not been developed on a sound principle of production. Extravagance, profligacy, demoralization, and general instability pervade the whole body-politic. Everything is artificial and uncertain. Nothing is stable in property. We have neither permanency nor safety. The earnings of a life of probity and purity offer no security as against the avarice of the officials it has placed in office. To satisfy its thirst for gain, and to continue its partisan dominancy, all men and all things must fall, if necessary; the great leading object being power and plunder. These two words comprise the motto on its banner, under which it fights and by which it expects to maintain itself hereafter.

In conclusion, I present a series of allegations implicating this party. I defy contradiction as to the accuracy and truth of every one of them:

First. Through the Government of its creation it has maintained a large standing Army at great expense during a time of peace.

Secondly. It has issued and continued a depreciated irredeemable paper currency, called legal-tender, without taking one step toward redemption.

Thirdly. It has usurped, by force, the State authority in several States, producing anarchy and despotism and repudiation of their public moneyed obligations.

Fourthly. It has increased the civil list from 44,500 persons in 1860 to 86,660 persons in 1873.

Fifthly. It has instituted a system of espionage and oppression in the execution of the revenue laws, which has resulted in enriching custom-house and other officials, without aiding the public Treasury.

Sixthly. It has created and maintained direct taxation, which, until its advent to power, had been unknown in this country since the close of the American Revolution.

Seventhly. It has stealthily absorbed the whole governmental power of the country at the Federal capital, until all State interests are made subservient and dependent upon its will.

Eighthly. It has driven from circulation gold and silver, the only constitutional medium, and, notwithstanding its large receipts in coin from customs duties and mines, does nothing toward its restoration.

Ninthly. In disregard of the policy adopted by other leading nations, it has permitted the export to foreign countries of about $1,000,000,000 of the precious metals, instead of retaining them here for its necessities and the restoration of a sound currency.

Tenthly. It has increased the salaries of all officials, including that of the President, which it still maintains, though industries are oppressed and poverty goes starving through our streets.

Eleventhly. It has maintained a protective tariff in the interest of a class, to the detriment of the whole people.

Twelfthly. It has, since 1869, anticipated the public debt, not due for twenty years, and paid $40,000,000 for the privilege of doing so, although the immediate obligations of the Government were dishonored and the Treasury is now exhausted.

Thirteenthly. It has inaugurated a fatal policy in its treatment of the Indians—part peace and part war—by dealing out moral suasion to the most warlike, and certain death to the most peaceful, thus adding to the difficulties and expenses of a proper settlement of this serious question.

Fourteenthly. To divert public attention from the extent of the profligacy and extravagance of its horde of officials, it pretends the establishment of a rule of civil-service reform which it applies altogether to a few clerks in Washington, where there are no votes to be had, but ignores elsewhere where party services as a reward for office are required.

Fifteenthly. It has diffused erroneous ideas of the nature of our Government to the youthful and uninformed, and taught by example a general looseness of public and private morality, which tends to subvert the permanency of our institutions and loosen the foundation stones of social order and public well-being.

Mr. BURCHARD. Mr. Speaker, in taking the floor to discuss the question pending before the House, I appreciate the wide scope and magnitude of the subject which is involved. It is not merely whether we can and ought to dispense with the particular taxes sought to be repealed by the two little bills before the House—the tax on matches and the tax on bank-checks—but the subjects referred to the Committee on Ways and Means at the commencement of the session—taxation and revenues, the condition of the Treasury, and even the necessary expenditures of the Government, not only during the present fiscal year, but for the next and for a series of years in the future—present themselves for consideration and discussion.

I do not desire to discuss these questions in a partisan spirit or for party purposes, nor to go back to the legislation of preceding Congresses, whether republican or democratic, to inquire as to the action of a party or the particular course of individuals in reference to the revenues and expenditures of the Government. I design rather to present some figures which have aided my own investigations and seem to have an important bearing upon this great question, and to them I invite the attention of the House. They will be found in the tables that I shall submit.

When the last Congress adjourned there were apparently abundant revenues. Upon assembling at this session we were startled to find that the national debt, no longer diminishing, had actually increased. The revenues, falling off, had become insufficient to meet current expenditures, and Treasury notes were being issued to supply the deficit.

Two years ago our predecessors were deliberating what reductions could be made most advantageously in national taxation, which fur-

nished too abundant resources. They found a plethoric Treasury. Its vaults to-day are almost empty. They sought to cut down the surplus of $57,000,000 annually remaining after paying the sinking fund. We are groping to find resources, or to stop expenditures, so as to avoid a deficit, which the Secretary lately informed us would reach nearly the same amount.

The cause of this great difference—of the contrast between its present condition and the large balance the Treasury was then able annually to apply upon the public debt—has not wholly arisen from the influence of the late panic upon business, nor in enlarged expenditures, but in part because the reduction of taxation was greater than prudence should have dictated, and more than the subsequent Treasury receipts have justified.

The Secretary of the Treasury and the cautious and accurate statisticians and subordinates in his Department, as well as legislators, seem to have been over-sanguine as to the swelling volume of importations and customs revenues.

During the fiscal year 1873, the same in which taxation had been reduced over $50,000,000, the Secretary of the Treasury paid off over $50,000,000 of the public debt, although the cash in the Treasury was reduced over $7,000,000 to make the payment.

TREASURY ESTIMATES.

The Secretary of the Treasury, in his annual report for December, 1872, estimated the Treasury receipts for that and the ensuing fiscal years, ending respectively June, 1873 and 1874, as follows:

Source.	1873.	1874.
Customs	$192,000,000	$200,000,000
Internal revenue	108,000,000	103,000,000
Miscellaneous	19,000,000	17,000,000
Total	319,000,000	300,000,000

The report for December, 1873, showed for same years actual and estimated receipts:

Source.	1873.	1874.
Customs	$188,000,000	$160,000,000
Internal revenue	113,000,000	92,000,000
Miscellaneous	32,000,000	19,000,000
Total	333,000,000	271,000,000

REVENUES.

The monthly receipts from customs duties, internal revenue, and total from all sources, since the 1st of January, 1871, when the reductions in the tariff act of 1870 took effect, have been furnished me by the Treasury Department. Their data will be of great value in estimating the revenues for the remainder of the year.

Statement of the receipts of the Government from January, 1871, to February, 1874, inclusive, as per returns in the office at the close of business on the last day of each month.

Month.	Customs.	Internal revenue.	Miscellaneous.	Total.
1871—January	$17,437,807 06	$9,381,468 37	$3,775,939 88	$30,595,215 31
February	16,780,984 09	8,649,323 86	3,121,542 76	28,551,809 71
March	20,806,919 71	10,651,080 35	2,929,486 82	34,387,486 88
April	17,676,634 35	8,859,931 26	2,772,888 47	29,309,454 08
May	17,306,416 70	11,068,039 21	3,049,777 96	31,424,233 87
June	15,600,752 53	14,359,336 95	2,634,636 39	32,594,725 87
July	16,898,051 26	12,347,800 43	4,437,702 64	33,683,554 33
August	22,745,826 62	11,637,457 78	4,033,001 44	38,416,285 84
September	21,972,598 52	10,836,676 36	5,317,691 37	38,126,966 25
October	18,221,680 41	10,368,989 31	3,926,703 42	32,517,373 64
November	14,745,425 45	9,671,935 76	6,130,793 50	30,548,154 71
December	12,966,670 57	10,017,254 96	4,592,736 35	27,576,661 88
1872—January	18,636,530 81	9,612,298 15	2,196,912 54	30,445,741 50
February	19,972,527 20	9,897,465 33	2,874,904 34	32,744,896 87
March	19,545,327 12	9,616,629 93	2,151,237 97	31,313,195 02
April	20,065,963 89	10,535,203 46	2,614,756 80	33,215,924 15
May	17,257,808 19	10,990,773 68	1,905,020 45	30,153,602 32
June	11,894,354 61	13,753,407 79	3,608,855 83	29,256,618 23
July	11,188,615 56	14,055,014 73	5,197,336 34	30,440,966 63
August	26,378,180 49	10,325,493 36	4,665,441 50	41,369,115 35
September	19,441,038 60	9,614,370 79	4,861,006 62	33,916,416 01
October	16,588,690 32	8,893,777 25	3,641,684 82	29,054,152 39
November	12,248,102 59	8,683,536 62	3,872,222 95	24,803,862 16
December	10,514,693 36	8,127,045 46	2,589,451 13	21,231,189 95
1873—January	14,753,063 85	8,101,163 46	3,418,138 03	26,272,365 34
February	17,338,846 68	7,878,050 13	3,225,732 66	28,442,629 47
March	17,026,258 05	7,116,509 28	3,494,866 69	27,637,634 02
April	14,795,590 49	8,103,613 53	2,892,173 95	25,791,377 97
May	13,731,307 76	12,285,999 82	3,848,127 79	29,865,435 37
June	11,938,242 83	8,919,007 81	2,435,533 29	23,292,783 93
July	14,777,146 47	8,578,044 35	2,416,073 08	25,771,263 90
August	18,375,392 83	8,572,495 84	11,440,409 89	38,388,298 56
September	15,963,149 09	8,255,894 65	8,232,372 24	32,451,415 98
October	11,522,498 98	7,091,532 88	2,139,431 78	20,753,463 64
November	9,720,834 27	6,771,496 89	1,168,067 29	17,660,398 45
December	9,986,436 12	8,413,161 48	1,160,202 72	19,559,800 32
1874—January	13,576,973 71	9,400,874 80	3,336,799 91	26,314,648 42
February	14,434,659 77	8,134,408 79	3,544,922 97	26,113,991 53

Adding the receipts for the first eight months of the fiscal years 1872, 1873, and 1874, and the totals for the two former and proportionate estimate for the latter, we have the following comparison:

Source.	1872.	1873.	1874.
Eight months:			
Customs	$146,721,000 55	$129,412,972 76	$108,436,805 53
Internal revenue	84,542,259 73	76,214,962 11	65,451,929 25
Total receipts	240,309,898 59	227,065,834 36	194,606,612 94
For the year:			
Customs	216,370,286 77	188,089,522 00	162,655,210 00
Internal revenue	130,642,177 72	113,729,314 14	98,177,894 00
Total	374,106,867 56	333,738,204 67	291,910,000 00

The probable receipts for the present fiscal year, unless the falling off is greater proportionately for the last third of the year than for the two thirds already elapsed, will be $292,000,00. The receipts for the same period last year were $108,000,000, while for the remainder of this year $98,000,000 only will be required, or $24,500,000 per month, to reach the sum of $292,000,000.

Other members of the Committee on Ways and Means, in the examination of the subject, and in discussing the question before the House, have presented tables and figures which I do not care to stop to recapitulate, or to refer to at this time, except to say that the estimates and figures that they present do not show as much as the estimate I have made. My colleague on the committee from New York [Mr. E. H. ROBERTS] has stated the revenue to come into the Treasury from all sources will probably reach $288,000,000, and that the Secretary himself admits the present showing to be $10,000,000 better than he reported to us as the probable receipts at the beginning of the present session of Congress.

EXPENDITURES FOR THE FISCAL YEAR.

The Treasury estimate of expenditures for 1874, given to Congress by the Secretary at the commencement of this Congress, exclusive of principal and premium on public debt, was:

First quarter, actual	$88,718,578 21
Three quarters, estimated	200,630,000 00
Total for year, estimated	289,348,578 21

The estimate made by the Treasury Department in January, 1874, places the amount required—

For the fiscal year	$292,286,247 07
For the sinking fund	29,191,369 28
Total expenditure	321,477,616 35

Even with the more favorable estimate of receipts the annual income is insufficient for 1874. The account will stand:

Expenditures	$321,477,616 35
Receipts	291,910,000 00
Deficit	29,567,616 35

CASH STATEMENT FOR 1874.

July 1, 1873, cash in Treasury		$131,192,028 50
Less specie deposits	$31,730,000 00	
Less coin deposits	39,460,000 00	
		71,190,000 00
Balance cash belonging to the Government		60,002,028 50
Receipts, estimated, for 1874		291,910,000 00
Total amount		251,912,028 50
Deduct expenditures		321,477,616 35
Balance cash on hand July 1, 1874		30,434,412 15

The deficit for the current year may be bridged over until another year by drawing down the cash in the Treasury if next year's receipts shall increase or its expenditures lessen.

First. What will be the receipts for 1875? How will they compare with those of 1874?

TREASURY ESTIMATE FOR 1875.

Customs	$180,000,000
Internal revenue	108,000,000
Miscellaneous	17,700,000
Total	305,700,000

If the importations of dutiable goods continue as large as they have been since 1870 the estimates are reliable. They paid during the fiscal year 1872 $216,000,000 customs duties into the Treasury, and by modification of rates and repeal of duties, taking effect in the next fiscal year, the estimated reductions in customs duties amounted to about $32,000,000. The same volume of importations should give $186,000,000 receipts from customs. The receipts for the last two months, which my colleague on the committee [Mr. E. H. ROBERTS] considers encouraging, $28,000,000, will give only $168,000,000. There is little prospect of an increase in total receipts for 1875 to $305,000,000. I hardly expect to see them above the figures of 1874—$292,000,000.

EXCESSIVE IMPORTATIONS.

I desire to present, for the consideration of the House at this time, some figures bearing upon the condition of the business of the country, and to contrast its present condition and the condition of the Treasury with that of former years.

The first fact that presents itself is, that during a few years past there has been an unprecedented increase in the importation of foreign commodities.

I have a table here showing the amount of imports and exports for a number of years beginning with the year 1855, showing in one column the imports at gold value, and in another the exports, also estimated at gold value, and the excess of exports over imports, or the excess of imports over exports. That table is made up to the year 1873, and there are facts in it which have a bearing upon the future condition of the Treasury, and the revenues to be expected from customs, worthy of consideration in deciding upon our duty in regard to the revenue.

The imports of merchandise for the last three years have risen far above their normal condition. They are, in my judgment, far greater than the country can or may be expected to maintain. They exceeded $642,000,000 during the last fiscal year; indeed, including goods withdrawn from warehouses and directly imported, the amount as shown by the home-consumption statement was $682,000,000. That amount of commodities went into the consumption of the country, being over $200,000,000 in excess of the imports of 1870.

Statement of net imports, less re-exports, and exports, and excesses, each of the other, from 1855 *to* 1873, *inclusive.*

Year.	Net imports, less re-exports.	Exports, gold value.	Excess of exports over imports.	Excess of imports over exports.
1855	$233,020,227	$246,708,553	$13,688,326	
1856	298,261,364	310,586,330	22,324,966	
1857	336,914,524	338,985,065	2,070,541	
1858	251,727,008	293,758,279	42,031,271	
1859	317,873,053	335,894,385	18,021,332	
1860	335,233,232	373,189,274	37,956,042	
1861	332,093,960	228,690,486		$103,403,474
1862	261,300,966	210,688,675		50,612,291
1863	226,796,336	241,997,474	15,201,138	
1864	309,308,194	243,977,589		65,330,605
1865	216,441,495	197,092,093		19,349,402
1866	430,770,041	420,161,476		10,608,575
1867	391,121,801	337,560,517		53,561,284
1868	351,214,010	353,135,875	1,921,865	
1869	411,896,374	318,082,663		93,813,711
1870	431,950,423	420,500,275		11,450,148
1871	513,033,809	512,802,267		231,542
1872	617,569,017	501,285,371		116,283,646
1873	635,467,636	578,938,985		56,528,651

Gentlemen will have noticed that notwithstanding we have reduced our tariff from year to year, the imports have not only been increased but also the customs receipts up to within the last year or two. But when we compare these imports with the exports we find that since the year 1864 the imports have exceeded the exports at a gold value, inclusive of the gold coin and bullion that have been exported, by over $400,000,000. We have not only imported $400,000,000 worth of merchandise and commodities more than we have exported, but in addition three or four hundred millions of coin; and I include that as one of our exports because it is one of the products of the country, just as much as any other product that comes from the soil or from the mines of the country. Well, now, under this state of things, is it likely that the imports will continue to that extent? I think not.

1857 AND 1873 COMPARED.

A parallel has been run between the condition of the country now and its condition in 1857, and there is a similarity in many particulars.

The customs receipts, total revenues, and net ordinary expenditures for three years prior to the close of the fiscal year ending 1846, and for five years prior to the year ending 1857, will appear in the following exhibit from Treasury reports:

Year.	Customs receipts.	Total receipts.	Net ordinary expenditures.
1844	$16,183,570 94	$29,320,707 78	$30,650,108 01
1845	27,528,112 70	29,941,853 90	21,895,369 61
1846	26,712,667 87	29,699,967 74	26,418,459 59

The receipts and expenditures rose under the tariff of 1846 to the following figures:

Year.	Customs receipts.	Total receipts.	Net ordinary expenditures.
1853	$58,931,865 52	$61,483,739 31	$44,078,156 35
1854	64,224,190 27	73,800,341 40	51,142,138 42
1855	53,025,794 21	65,350,574 68	56,312,097 72
1856	64,022,863 50	74,056,699 24	60,333,836 75
1857	63,875,905 05	68,965,312 57	65,032,559 76

There had been at that time a large increase of importation and business, as the tables clearly show. The balance of trade was in our favor from the year 1855 to the year 1860, and notwithstanding that we were reducing our public debt largely. The customs duties which, in 1844 amounted to $16,000,000, in 1845 to $27,000,000, and 1846 to $26,000,000, amounted in 1853, under what was called the low tariff of 1846, to $49,000,000 and in 1857 to $63,000,000. During those years the imports were less than the exports.

As imports increased the public debt, largely augmented by the Mexican war, diminished. Contrast the diminution of the one with the swelling volume of the other:

Year.	Public debt.	Net imports.	Year.	Public debt.	Net imports.
1844	$23,461,652 50	$96,950,168	1853	$59,803,117 70	$250,420,187
1845	15,925,303 01	101,907,734	1854	42,242,222 42	280,813,867
1846	15,550,200 97	110,345,174	1855	35,586,958 56	233,020,227
			1856	31,972,537 90	298,261,364
			1857	28,699,831 85	336,914,524

In six years the public debt had been reduced from $68,304,796.02 to $28,699,831.85—nearly $40,000,000. At the same rate of reduction in four years it would be extinguished.

In 1853 it was $59,000,000; in 1854, $42,000,000; in 1855, $35,000,000; in 1856, $32,000,000, and in 1857, $28,000,000. It seemed unnecessary to continue the taxation at the rate imposed, although not excessive. In 1857 Congress thought it expedient, wise, and safe to reduce the tariff. Duties on imports were lowered and many dutiable articles made free. In their judgment they had every reason to believe at that time that the receipts from customs and other sources would be sufficient to meet the expenditures of the Government. But such was not the case, from two causes: one an increase in the expenditures of the Government; another, a diminution of the amount of commodities imported. The amount of imports in 1856 was $298,000,000; in 1857, $336,000,000; in 1858, $252,000,000; in 1859, $318,000,000; in 1860, $335,000,000; and in 1861, $332,000,000. And it did not recover from the panic of 1857 in part, perhaps in part because of the war, nor did importations again reach to the figures of 1857, until the year 1866.

The falling off of the revenue during the present fiscal year has been chiefly in customs receipts; and the importation of articles paying high rates of duties, such as iron, silk goods, articles of luxury, &c., has notably diminished.

I append a table showing the currency value of some of the leading commodities of the country exported during the last few years to foreign countries:

Statement of the values of the principal domestic exports from the United States for fiscal years 1866, 1872, *and* 1873.

Articles.	1866.	1872.	1873.	Average.
Not specified	$50,959,320	$63,289,643	$70,977,811	$53,122,093
Breadstuffs	41,249,054	84,586,273	98,318,509	67,318,992
Provisions	29,235,237	59,414,227	78,197,241	40,055,960
Tobacco	31,438,561	26,659,921	25,331,946	25,016,153
Cotton	283,165,398	182,988,925	230,190,597	210,164,723
Petroleum	24,830,887	34,058,390	41,971,190	30,832,887
Wood manufactures	13,402,892	15,240,872	19,119,802	14,944,351
Iron and steel	3,759,554	7,709,989	11,119,831	6,490,688
Coin	82,643,374	75,271,478	73,905,546	67,719,462
Total	550,684,277	549,219,718	649,132,563	515,926,561

DIMINISHED IMPORTATION TO BE EXPECTED.

Now, in my judgment, we may expect a diminished importation for the future. For the last eight years the average exports at currency value have been only $515,000,000; reduce that amount to coin value and you will have, perhaps, something from $470,000,000 to $480,000,000. We cannot continually import largely in excess of our exports under the laws of trade or the course of business. Our exports must largely increase or our imports largely diminish. For these reasons I think that our imports will probably be much below $600,000,000, probably not exceed an average of $550,000,000, if they reach that figure. True, the receipts will probably continue to increase with the growth of the country. But there is this to be considered, that as the revenues increase by reason of the growth of the country, or of the elasticity, so called, of the revenue, the expenditures, for the same reason and under the same law referred to by the gentleman from Ohio [Mr. GARFIELD] in remarks he made during the last Congress, will also annually and unavoidably increase.

The chairman of the Committee on Appropriations [Mr. GARFIELD] has stated to the House that, in his judgment, the necessary unavoidable expenditures of the Government for the next fiscal year, exclusive of any payment upon the sinking fund, will amount to $270,000,000. The interest on the public debt, including the interest upon the Pacific Railroad bonds, which the Government has to pay, and which will be about $3,000,000, will amount to $101,000,000. That would leave the necessary and unavoidable expenditures of the Government, aside from that required for the interest and principal of the debt, about $169,000,000, or $170,000,000. But still, with the addition to the Treasury resources from estimates I have made, there must, it seems to me,

upon the basis of expenditures estimated to be required by the chairman of the Committee on Appropriations, as in his judgment the lowest sum possible to carry on the Government during the next fiscal year, be a deficit, unless we have reason to expect that from some cause the receipts into the Treasury will exceed what they have been for the last fiscal year, or what they are at the present time. There must be a reduction of expenditures below the limit he assigns if increased taxation is to be avoided.

Now, I have taken the pains to look over a few years to see what have been the appropriations made by Congress. During the last six years I believe we had as members on the Committee on Appropriations men who have acquired a national reputation. If I may refer to them by name, there was one from my own State, known as "the watch-dog of the Treasury," (Mr. Washburne, our present minister to France,) because he opposed all unnecessary expenditures. Go back to the time when he was chairman of the Committee on Appropriations in the Fortieth Congress; go back to the Forty-first Congress, when our present distinguished chairman of the Committee on Ways and Means [Mr. DAWES] was then the chairman of the Committee on Appropriations, and was supported by members of his committee in watching the expenditures, Take also the time when the present chairman of the Committee on Appropriations was chairman of that committee [Mr. GARFIELD] for the Forty-second Congress. During those years you will find that the average of the annual appropriations was $166,000,000, including the direct appropriations made during the year, and the deficiency appropriations made subsequently for those years. I have here a statement of the actual appropriations, which do not include the permanent appropriations, which would swell the amount by $5,000,000 or $6,000,000. The amount now appropriated for the customs, and which was not then included in the appropriations, is not included in the statement.

I desire to call attention to these figures, because they refute and disprove conclusively the statement made by the gentleman from New York [Mr. WOOD] a few moments ago, that Congress just preceding an election appropriates a small amount, and then after the elections the republican Congress makes up by appropriating large amounts in deficiency bills. The appropriations for the year 1868 were made during the Congress that assembled in December, 1866. The appropriations made for the fiscal year ending June 30, 1870, were made in the year 1868. And I invite the attention of gentlemen to these tables.

The minimum appropriations were after and not before presidential and congressional elections. There was not a show of economy in the appropriations before the election, followed by large deficiency bills subsequent to the election.

Statement (including deficiencies) of appropriations made for the years 1868 to 1874, inclusive.

Year.	Amount.	Deficiencies.	Total.
1868	$133, 533, 397 30	$12, 839, 196 21	$145, 162, 789 97
1869	147, 716, 689 64	20, 763, 270 94	168, 479, 960 58
1870	130, 956, 506 96	15, 400, 495 46	146, 357, 002 42
1871	157, 199, 271 12	11, 263, 131 04	168, 462, 402 16
1872	160, 841, 951 61	7, 299, 360 71	168, 141, 312 32
1873	167, 499, 735 59	12, 978, 418 60	180, 478, 154 19
1874	184, 941, 878 78	.....	184, 941, 878 78

Yearly average, $166,003,357.20.

I have no fault to find with any gentleman who seeks to remedy the present condition of the Treasury by reducing expenditures. I do not know but that economy alone will bring relief; I hope it will, and am ready to aid efforts in that direction.

It was not my judgment in the last Congress, nor that of a majority of the Committee on Ways and Means, that so great a reduction should be made in the revenues as was effected by the legislation of 1872. The Committee on Ways and Means in reporting their bill to the House proposed a reduction of only about $32,000,000. The proposed reductions on the basis of quantities imported and internal taxes received during the preceding year were estimated as follows:

Tea		$2, 348, 639
Coffee		2, 949, 309
Coal		322, 881
Salt		615, 522
Leather		529, 258
Iron, steel, and manufactures thereof		2, 880, 762
Wool and woolens		5, 517, 275
Cotton manufactures		788, 724
Copper, and manufactures of		39, 611
Lumber		761, 801
Chemicals, drugs, &c		584, 862
All other articles		29, 127
Free list		1, 584, 667
		18, 952, 438
Internal revenue:		
Tobacco	$6, 720, 000	
Gas	2, 573, 123	
Bank-checks	1, 250, 000	
Matches	2, 250, 000	
Agreement stamps	100, 000	
		12, 893, 123
Total		31, 845, 561

At that session, prior to the introduction of the committee's bill, I sustained the views then expressed by the chairman of the committee, [Mr. DAWES,] insisting that it was unsafe and unwise to deplete the Treasury to the extent demanded by others. I urged that from unexpected changes in the business condition of the country and from unforeseen causes the revenues might be found as they were subsequent to 1857, insufficient to maintain the credit of the Government, inadequate to defray its actual necessary expenses and meet the yearly demands of the sinking fund.

The House was impatient to reduce revenues. It was popular to repeal taxes regardless of the necessities of the Treasury. The duties were wholly removed from tea and coffee. The conservatism even of members of the committee was shaken. The chairman of the committee himself criticised the reduction proposed as not sufficient. He said, when reporting the bill and expressing his own preference for a total repeal of internal taxes except upon tobacco and spirituous and fermented liquors, and for a larger and broader free list than the bill contained:

> And I would have preferred in doing this that the aggregate of the reductions should have reached, as I hoped it might, instead of the sum of $31,845,561 at least forty-to forty-five million dollars, which I believe the revenues of the future will justify.

The bill passed the House making the reductions as estimated on—

Dutiable articles	$11, 076, 629
Free list	2, 676, 093
Tea and coffee free	15, 893, 846
Total customs	29, 645, 778
Internal revenue	13, 988, 000
Total reduction	43, 633, 778

The Senate modified and increased the amount of reduction both in customs and internal taxes, and finally both Houses agreed to a conference report, and passed the bill as it now stands in the law, making an estimated reduction as then explained by the chairman of the Finance Committee of the Senate, [Mr. SHERMAN,] in—

Customs duties	$31, 669, 259
Internal revenue	21, 388, 000
Total reduction	53, 057, 259

The estimated reductions of the laws of 1872 exceeded the amount recommended by the majority report of the Committee on Ways and Means of the last Congress by over $21,000,000. It is true that these reductions relieved taxation to an equal extent, and in case of many of the customs duties afforded still greater relief to consumers of similar products. But I do not propose at this time to discuss that subject.

TEA AND COFFEE.

There are many points which, in an hour's time, one can but touch upon. Some of these it would be interesting to discuss, but I do not propose to trespass upon the time of other gentlemen. I will, however, in this connection, notice a remark made by the chairman of the Committee on Ways and Means, [Mr. DAWES,] and which has been reiterated here by the gentleman from Ohio, [Mr. GARFIELD,] the chairman of the Committee on Appropriations. It is a matter which will be pertinent to the discussion, and which we may hereafter be called to consider, perhaps in this Congress, if we find that we cannot keep down expenditures. In that case it may become our duty to decide how we shall provide revenue. When that question comes up, it will be pertinent to inquire, after examining the history of our legislation, what effect it has had upon the business of the country.

It has been stated here by the gentlemen to whom I have referred that the removal of duties on tea and coffee caused no reduction in the price of those articles to the consumer. I want to say here, and I challenge denial or contradiction, that figures taken from the market reports show that such is not the case. I do not say this as an argument against the reimposition of those duties, but to correct a statement that is made a basis of argument here and elsewhere.

I have here the prices for July and August of the various grades of coffee, showing the prices in 1872, when the act went into effect. In June the price of Rio coffee was 21.17 cents per pound, and in July it was 18.17, a reduction of 3 cents, just the duty repealed. The act went into effect on the 1st day of July. It is true that since then the price has increased, and that it is now much higher, having been in December 23.18 cents. In consequence of short crops the price has been increasing; but it is not the fact that the price did not fall with the decrease of duty.

ECONOMY.

I have no criticism to make upon those gentlemen who point out specific and adequate economical measures, or the details and items whereby a Treasury balance can be maintained, and the receipts made sufficient to defray the necessary expenditures of the Government.

There were one or two suggestions made by the chairman of the Committee on Ways and Means in reference to public expenditures indicating action for Congress, methods by which economical purposes could be carried into effect, to which I desire at this time to call the attention of the House. The chairman of the Committee on Ways and Means [Mr. DAWES] suggested that there would be, according to the Treasury statement, a deficit somewhere in the

neighborhood of $50,000,000. I think that was his conclusion—from $40,000,000 to $50,000,000, on the Treasury showing. Now, if that is the condition of the Treasury, if it will lack $40,000,000, we ought to be very glad to have pointed out to us in what way we can save the $40,000,000.

PUBLIC WORKS.

I have examined some of the items that our chairman has referred to. One is by postponing the prosecution of certain public works. Unnecessary works should be not only postponed, but postponed indefinitely. But it is the duty of the Committee on Ways and Means to look into the future, to consider the probable condition of the Treasury, not only at the end of this fiscal year and the next, but on from year to year. It is not sufficient to postpone these expenditures for this year. If unnecessary, we should dispense with them entirely. I do not know how much we can save in that direction. The Committee on Appropriations propose a reduction of some $11,000,000; and the House, I dare say, will applaud and sustain their effort.

COST OF COLLECTING REVENUE.

Other specific modes of saving were enumerated, one being the reduction in the cost of collecting the revenue. I think the chairman of our committee made a mistake in his statement as to the cost of collecting the revenue for the last few years. I will not stop to read his remarks; but I will say that, upon examination of the finance reports since 1868, I find the following to have been the expenses for collecting the revenue. In 1868 the expenditures were $7,615,675.45; in 1869 the expenses for the same purpose were $5,376,738.13; the importation of merchandise for the same year amounting to $417,000,000. In 1870 the cost of collection was $6,237,000; the amount of importations $435,000,000. In 1871 the cost of collection was $6,560,000; the amount of importations $530,000,000. In 1873 the cost of collection was $7,079,743.42, while the merchandise imported amounted to $642,136,210.

The following statement from the Treasury reports shows the cost of collecting the customs duties and the value of imported merchandise:

Cost of collecting the customs duties, &c.

Year.	Expenses of collection.	Value of imported merchandise.
1868	$7,615,675 45	$357,436,440 00
1869	5,376,738 13	417,506,379 00
1870	6,237,137 25	435,958,408 00
1871	6,560,672 61	520,223,684 00
1872	6,950,189 81	626,505,077 00
1873	7,079,743 42	642,136,210 00

Now, it is not fair to judge the administration of the Government, either its extravagance or its economy, by the amount expended in the collection of customs duties, unless you compare therewith, as I have done, the amount collected. A portion of these imports are of course free goods; but these free goods go in great part through the same formalities as dutiable goods. They must be entered, they must be invoiced, they must be examined; nearly the same amount of machinery is required in the importation of free goods as in the importation of dutiable goods. The expenditures for collecting customs have not kept pace with the increase of merchandise imported; nor have they kept pace with the increase of dutiable goods imported; and while the expenditures during the last four years have increased only about one-seventh, the importations have increased 50 per cent., being about $435,000,000 in value in 1870, and $642,000,000 in value in 1873. If the expenses amounted to the sum of $8,000,000 for 1873, as stated, the increase would even then be far below the proportionate increase of importations.

Perhaps the distributive share of fines, penalties, &c., may have been treated as Treasury expenditures, but those must vary and increase from year to year with the amount of frauds detected and penalties and forfeitures incurred during each year. They are no legitimate expenses, to be charged up and compared with former years as proof of the extravagance in collecting customs. The amount of distributive shares of fines, penalties, and forfeitures for the last five fiscal years has been as follows:

1869	$277,079
1870	237,796
1871	488,156
1872	353,427
1873	626,156

An equal amount, besides all unpaid duties, has accrued from this source to the Treasury.

REDUCTION OF CUSTOMS DISTRICTS.

There was another suggestion made by the chairman of the Committee on Ways and Means, upon this point—the abolition of unnecessary customs districts. My colleague on the committee, the gentleman from New York, [Mr. E. H. ROBERTS,] has stated that the committee were already considering the subject, and will not hesitate upon examination to recommend the abolition of useless custom-houses or customs districts wherever in the interest of economy they can be dispensed with to the public advantage. But while I do not know what may be the case in respect to the possibilities of reducing the districts on the sea-board, I say that when you come to the Mississippi Valley there is one consideration that the House and the gentleman himself should bear in mind. As long ago as 1832, going back to the old democratic administrations, there were established in the collection district of New Orleans, which was a port of entry, ports of delivery for the convenience of the people as well as the interests of the Government. These ports of delivery were established upon the Mississippi River and its tributaries from point to point, extending to the eastern, western, and northern branches of the river, reaching in one case to Pittsburgh, Pennsylvania, on the east, and as far as the settlements and commerce had extended on the north and west, for the delivery of goods which were simply entered at the custom-house at New Orleans and were allowed to pass on in bond, the duties being paid either at the port of entry or the port of delivery, as might be found most convenient for the shipper or the business of the country. At the same time certain districts were established, not so much for the collection of customs duties as for the regulation of the great navigation interests of the Mississippi, the tonnage upon that river amounting to a large percentage of the tonnage of the country; all this navigation being regulated and controlled by the laws of the United States, vessels being required to be licensed and enrolled in the proper districts to pay their hospital dues and tonnage dues.

The gentleman from Massachusetts, in his remarks, instanced some of these custom-house districts which paid no customs revenue to the Treasury of the United States. Among them he named one I am familiar with, and perhaps I might enumerate several similarly situated along the Mississippi River. He mentioned one at Galena, which was established in 1852, when—and I say that for the benefit of my democratic colleagues and friends—Mr. Campbell, a democrat, represented that district upon this floor. They established a district there, made Galena the port of delivery, and, as is usual in those cases, gave the surveyor—which all the surveyors, I believe, on those waters still have, except at ports of delivery, created within late years—the enormous and extravagant salary of $350 a year and his fees. Well, now, I find that port, named as one of the non-paying and useless ports, actually paid within the last five years into the Treasury $42,000 collected from inspection, licensing of pilots and engineers, tonnage duty, fines, forfeitures, marine-hospital fees, &c., while the expenses were only $5,620.

Here is the exhibit that the Treasury reports show for the custom-house at Galena:

Receipts for past five fiscal years.

Source.	1869.	1870.	1871.	1872.	1873.
Tonnage duty	$4,158 19	$4,095 88			
Inspection of vessels	985 08	980 41	$875 19	$589 15	$326 93
Marine-hospital fees	1,215 99	1,023 45	1,527 40	2,251 17	4,375 00
Licensing pilots and engineers	3,140 00	3,120 00	3,700 00	3,965 00	578 83
Miscellaneous	2,000 00	1,060 00	1,328 95	1,180 00	340 00
Total	11,499 26	10,279 74	7,431 54	7,985 32	5,620 76

Total receipts for five years	$42,967 37
Expenditures for five years, at $959 per year	4,795 00
Balance covered into United States Treasury	38,172 37

I only call attention to this as a criticism on the table in the printed remarks of the chairman presented, so far as relates to one district with which I am familiar; and while I am not familiar with all the districts of the country, I am told that the same facts exist in regard to quite a number of the districts referred to. Possibly we shall find that the necessity and business which required at an early day the establishment, has justified the maintenance of most, if not all, the customs districts, so that extravagance in that particular is in appearance more than reality. The closing of the first seventy ports he enumerated would save $300,000 disbursed to employés. But the trade and commerce of the country might be discommoded and damaged to a larger amount.

CONSOLIDATING NAVY-YARDS.

The consolidation of navy-yards was suggested. I shall not have time, Mr. Speaker to discuss that question. I think the specific saving which the gentleman from Massachusetts claimed would result from the proposed consolidation was $86,000. It would be well to try to save that much. "Take care of the pence and the pounds will take care of themselves," is the old adage. That will not, however, reach a great way toward meeting the millions of deficit which the Treasury receipts seemed to threaten.

PAYING PENSIONS.

Another proposition was to reduce the fees of pension agents. Well, if we can save the poor pensioners anything by a modification of our laws, let us do it. I recollect when we passed that law in 1870, when it was proposed to have the postmasters pay the pensions, Mr. Benjamin, of Missouri, then the chairman of the Committee on Pensions, one of the most economical members we ever had in this House, insisted this was the best method for the Government to prevent fraud, and as economical as any method that could be proposed. And the Committee on Pensions, who are competent to decide upon that question, I presume, will be prepared to discuss it whenever it comes be-

fore the House. But for the present I only want to say this: that I do not see how that is going to replenish or keep up the Treasury resources when the pension agents' fees cannot go into the Treasury and have no connection with it.

POST-OFFICE EXPENDITURES.

As regards the post-office expenditure, I cannot stop to dwell upon that. I know that the expenditures in the Post-Office Department have increased, and so have the mail facilities. The time in which letters and newspapers are carried from New York City to Chicago has been reduced now to less than two days, and I prophesy that before this year expires, or at least within a very few years, we shall see the mails carried between Chicago and New York in a much less time. Those facilities are for the advantage of the people, but of course they cost something.

Mr. GARFIELD. If the gentleman will allow me to interrupt him for a moment at this point I would say that it is now in contemplation to put on a fast post-office train between New York and Chicago that shall make that distance in twenty-four hours, and I suppose it will be done before the close of this quarter. I hope it will.

Mr. BURCHARD. If that is done it will be worth millions to the business of the country. To shorten the time between those two important commercial points, will be a benefit not merely to Chicago, but to the whole Northwest, the mails of which pass through that city. And it is necessary with the growth of the country to increase to some extent some of those expenditures, practicing at the same time a wise economy. If there be any useless expenditure cut it off.

MATURING OBLIGATIONS TO BE PROVIDED FOR.

But I shall not detain the House longer upon this branch of the subject, because I wish to present now another phase of this discussion. The exhibit of the Treasury that has been made by other gentlemen upon this floor has presented to their minds, or has suggested to gentlemen who have not yet addressed the House, that the way to meet the deficiency in the Treasury is to issue the obligations of the Government, either in notes intended to circulate as money or in the form of bonds. Mr. Speaker, I am opposed to that, for two or three reasons. I do not think we can afford to do it. I found, and you will find on looking at the debt statement, that within eight years of the present time a large amount of the bonded debt of the Government becomes absolutely due and payable.

When will the obligations of the Government, payable in the future, fall due? What provision is necessary to meet maturing indebtedness? Look at the last Treasury statement. Its exhibit shows the following:

Statement for the month of February, 1874, of the public debt bearing interest in coin.

Title of loan.	Rate of interest.	After what time redeemable.	When payable.	Total.
	Per cent.			
Loan of 1858	5	Jan. 1, 1874	.....	$260,000 00
Loan of February, 1861	6	.....	Dec. 31, 1880	18,415,000 00
Oregon war debt	6	.....	July 1, 1881	945,000 00
Loan of July and Aug., 1861	6	June 30, 1881	.....	189,321,350 00
Five-twenties of 1862	6	May 1, 1867	May 1, 1882	168,593,150 00
Loan of 1863, ('81's)	6	June 30, 1881	.....	75,000,000 00
Ten-forties of 1864	5	March 1, 1874	March 1, 1904	194,567,300 00
Five-twenties, March, 1864	6	Nov. 1, 1869	Nov. 1, 1884	946,600 00
Five-twenties, June, 1864	6	Nov. 1, 1869	Nov. 1, 1884	58,046,200 00
Five-twenties of 1865	6	Nov. 1, 1870	Nov. 1, 1885	152,634,350 00
Consols of 1865	6	July 1, 1870	July 1, 1885	202,633,100 00
Consols of 1867	6	July 1, 1872	July 1, 1887	310,654,400 00
Consols of 1868	6	July 1, 1873	July 1, 1888	37,474,000 00
Funded loan of 1881	5	May 1, 1881	.....	310,870,250 00
Funded loan of 1886	4½	May 1, 1886	.....	.....
Funded loan of 1901	4	May 1, 1901	.....	.....
Total	.....	.....	.....	1,720,360,700 00

These bonds mature within the following years:

Eight years, absolutely payable 6 per cents	$192,018,350
Eight years, payable at pleasure 6 per cents	264,321,350
Eight years, payable at pleasure 5 per cents	505,221,700
Ten years, absolutely payable 6 per cents	58,992,800
Eleven years, absolutely payable 6 per cents	355,267,450
Thirteen years, absolutely payable 6 per cents	310,654,400
Fourteen years, absolutely payable 6 per cents	37,474,000

The principal of the interest-bearing indebtedness, payable in coin, amounts to $1,720,360,700, $1,214,663,150 of which bears interest at 6 per cent., and $505,000,000 at 5 per cent. That statement shows that within eight years there become absolutely payable $192,000,000 of the 6 per cent. bonds, and in the same time, at the pleasure of the Government, $264,321,000 of 6 per cent. and $505,000,000 of 5 per cent. bonds. In ten years $58,000,000 more of the 6 per cent. bonds become due absolutely; in eleven years, $355,000,000; in thirteen years, $310,000,000; and in fourteen years, $37,000,000. These become due absolutely, besides about $769,000,000 becoming due within that time at the pleasure of the Government.

But for the able management of the Treasury by the late Secretary, within eight years over $500,000,000 matured 6 per cent. bonds would have to be provided for.

By prudent financial legislation in accordance with his policy, and negotiations protracted but successful, over $300,000,000 of 6 per cent. bonds absolutely payable were converted into 5 per cent. bonds payable after ten years at the pleasure of the Government.

While the syndicate seems to have brought little profits to its members, it not only relieved the people by a reduction of the annual interest burden, but provided in advance and postponed the payment of maturing obligations which the revenues will not suffice nor the sinking fund be able to discharge.

SINKING FUND.

The sinking fund approximately requires for the present year about $29,000,000, and for the next fiscal year $30,000,000, the requirement of the sinking fund being 1 per cent. upon the interest of the public debt, and the interest upon so much of the sinking fund as has been already paid. If, then, we pay our debts by paying the 6 per cent. bonds, there will be an addition to the sinking fund each year of about 5 per cent. of itself.

The following is a statement of estimated amount required to be paid each year on the sinking-fund account if the public debt is diminished each year by redemption of 6 per cent. bonds to the amount of the sinking fund:

Fiscal years—	Annual amount.	Total.
1875	$29,918,856	.....
1876	31,414,798	$61,433,654
1877	32,985,537	94,419,191
1878	34,634,814	129,054,005
1879	36,365,555	165,419,560
1880	38,183,833	203,603,393
1881	40,093,024	243,696,417
1882	42,097,675	285,794,092
1883	44,202,558	329,996,650
1884	46,412,570	376,410,220
1885	48,733,198	425,143,418
1886	51,169,857	476,313,275
1887	53,728,350	530,141,625
1888	56,414,797	586,555,422

The sinking fund will require more and more every year, and will, I think, keep pace with the elasticity of the revenue and the growth of the country. The sinking fund itself, at the end of eight years, will lack $160,000,000 of paying the 6 per cent. bonds then due at the pleasure of the Government. What must the Government do? If it cannot pay them off or refund them at a lower rate of interest the bonds must run on at 6 per cent. interest. At the end of eleven years $600,000,000 of 6 per cent. bonds will have become absolutely due, and the sinking fund will then be nearly two hundred millions short of paying what we shall be required at that time to pay to meet the requirements of the sinking fund, for the payment of which in the dark hours of our nation's history we solemnly pledged the Government and the faith of the nation. Now, we must provide for that $200,000,000 in one of two ways. We must do it either by keeping up the credit and faith of the Government and our pledges, so that we can refund our debt at a lower rate of interest or else by putting from year to year taxation so high that we will have by that time, or before that time, money enough to pay it. I for one, not only on principle but from policy, am in favor of maintaining the credit and honor of the Government. The honor of a nation is not like that of an individual, although that is sacred to each man personally.

What does the sinking fund require?

I will read to the House the act of February 25, 1862. It substantially required customs duties to be paid in coin, and so much as might be necessary for the payment in each year of 1 per cent. of the entire debt, and the interest on such payment to be applied annually to the reduction of the debt.

CREATION OF THE SINKING FUND.

The act authorized the issue of legal-tender notes and five-twenty 6 per cent. bonds. It was entitled "An act to authorize the issue of United States notes, and for the redemption or funding thereof, and for funding the floating debt of the United States."

Section 5 provided—

That all duties on imported goods shall be paid in coin or in notes payable on demand, heretofore authorized to be issued and by law receivable in payment of public dues, and the coin so paid shall be set apart as a special fund, and shall be applied as follows:

First. To the payment in coin of the interest on the bonds and notes of the United States.

Secondly. To the purchase or payment of 1 per cent. of the entire debt of the United States, to be made in each fiscal year after the 1st day of July, 1862, which is to be set apart as a sinking fund, and the interest of which shall in like manner be applied to the purchase or payment of the public debt, as the Secretary of the Treasury shall from time to time direct.

Thirdly. The residue thereof to be paid into the Treasury of the United States.

This pledge, given by the nation to all subsequent purchasers and holders of its obligations, requires collection of duties in coin sufficient, first, for the payment in coin of the interest on bonds and notes of the United States; secondly, to purchase or pay in each fiscal year 1 per cent. of the entire debt of the United States and the interest upon the yearly amount so purchased or paid.

What is meant by payment or purchase yearly of 1 per cent. of the entire debt, to which sufficient customs duties, payable in coin, are

pledged? It means the reduction of the debt each year to that extent. Is the promise performed by the substitution of one form of obligation for another? Is national faith maintained if revenues are permitted to fall below necessary expenditures?

The law requires the purchase or payment in each year of 1 per cent. of the entire debt. It does not specify the bonded debt. It says the entire debt. It was prospective. It was intended to secure the funding of the floating debt, to keep up the credit of the legal-tender notes, and to facilitate their conversion into United States bonds.

The payment on the sinking-fund account was to be made within each fiscal year after July 1, 1862. It was to commence after that date and continue until the debt was discharged.

The payment was to be made in each year out of the coin received from customs duties set apart for that purpose.

Shall we have performed our duty as legislators and maintained the credit and honor of the nation if, instead of reducing the debt annually by the amount required for the sinking fund, we are content with the issue of additional obligations to meet current expenditures? No; every honest debtor would say no. If revenues are decreasing, we must consider whether the deficit will be temporary or permanent. Expenditures should be kept at all events at the lowest economical limit, and, if then, in excess of the probable annual income, we must provide additional revenues. Taxation is better than dishonor.

PRACTICAL DUTY.

Commercial integrity is the pride of the merchant. Strong men, whose good names have been assailed and honor impeached, have drooped and sickened and died broken-hearted. Reverence and love for one's native city or State is praiseworthy; but respect and zeal for national reputation and honor are noble and patriotic. Let us ever glory in and cherish and sustain the just pride Americans take in their country's past history and character. Men willingly lay down their lives fighting for the honor of their country. It should be the patriotic feeling of every soul that the honor and credit of the Government must be sustained. To do this, the credit and faith of the nation, which it pledged in regard to the sinking fund, must be religiously maintained.

It is proposed that the people shall assemble at the birthplace of the Republic to celebrate the centennial anniversary of the Declaration of Independence. What will be their proudest boast? Will it be their country's vast extent of territory; its rapid increase in population; its magnificent development in material resources; its increased facilities for intercourse between distant cities, and the commercial interchange of products; its wide diffusion of knowledge and its splendid systems for free education? These indeed will be matters of pride and gratulation. They are, however, but indices, and not essential elements of national character and real greatness. Some of the smallest states have been the most illustrious recorded on the page of history. A nation possessing all these, but lacking national morality, integrity, and honesty, will not be grand and truly great. On that occasion it will be a prouder boast, and the highest national honor, that the United States, under all circumstances and under and in spite of every temptation, has been true to its honor and plighted word; that it has been scrupulous to maintain its solemn engagements not only with other nations but with private individuals.

Mr. BECK. Mr. Speaker, as I am entitled to the floor when the House takes up the legislative, executive, and judicial appropriation bill, in which the whole range of subjects relating to the expenditures of the Government can be legitimately discussed, and as I stand pledged then to show wasteful extravagance in expenditures, I will avoid now, as carefully as I can, all reference to the questions as to which I then intend to be heard, and confine myself to what I consider the legitimate and proper means of supplying the wants of the Government and the people, with such suggestions thereon as may occur to me. My remarks will of course be somewhat disconnected, and I ask pardon for not having a speech prepared.

I think it was well for the chairman of the Committee on Ways and Means to pursue the course he did when he laid this little tax bill before the House. It was due not only to himself, but to his committee, that he should lay before the country not only the condition of the Treasury, but the means by which our revenues were being squandered.

I agree with much that he said. I think he proved reckless extravagance, and wasteful, if not corrupt, administration of public affairs against his political associates; and he certainly proved that he and others who have for years controlled legislation, backed as they are and have been always by an overwhelming party majority, have been either false to the great trusts confided to them or incapable of managing properly interests so vast, when he had to confess before the country and the world that the whole management of public affairs is going from bad to worse year by year.

Why are these things so? Because, as the party leaders on the other side can no longer conceal and hardly deny, a set of vampires, in the form of rings, monopolists, bankers, bondholders, post-office and Treasury leeches, custom-house, navy-yard, and other corruptionsists, have fastened themselves on the body-politic, and are silently but surely sucking the life-blood from a disorganized, impoverished, and helpless people.

So long as the downtrodden masses could be made to feel either that there was danger in making a change in the administration of public affairs, or that their material prosperity would be preserved and maintained notwithstanding all they saw and felt of maladministration, the party leaders were secure; but when the panic of last summer brought poverty to their doors in the midst of bountiful harvests, when the workshops were closed, and the wives and children of men ready and willing to labor were crying for bread, people began to look into the causes which produced calamities and sufferings like these in a way they had never looked before, and they began to understand that great and flagrant wrongs had been done, and grievous evils heaped upon them by the men they had trusted with power.

The leaders of the party may well quail; they may cry aloud now for retrenchment and reform. They cannot reform if they would, and the corruptionists who control even the party leaders would not if they could.

After all the exultations and laudations which the partisan press—paid, of course, liberally for its flattery—had from day to day for years poured out in praise of the magnificent fiscal policy whereby the national debt was being reduced with such wonderful rapidity, a clap of thunder from a cloudless sky could not have startled the country more than the announcement not only that the national debt was being increased, but that the Treasury of the United States was in imminent danger of bankruptcy.

No sooner had Congress convened than the Secretary of the Treasury rushed to the Committee on Ways and Means with a demand for increased taxation—$42,000,000 was the amount suggested, if not distinctly demanded; and the fact was developed that the Secretary, without consulting Congress, was reissuing legal-tender notes which by law he had been required to retire, and when retired was peremptorily ordered to cancel. The committee was thus met at the very threshold of its proceedings and deliberations with serious embarrassments.

I may not speak for all the members of that committee; each will, by speech or vote, declare his purpose; but for myself I determined, after as full investigation as I could make, that it was not necessary either to increase the burdens of the people by taxation, or to create any more interest-bearing debt, and I avowed my determination promptly on the floor not to vote for either.

While that was so, I did not see my way clearly in what I greatly desired, the reduction of taxation, except in such cases as by the removal of protection the revenue would certainly be increased by reduction. That did not apply to internal-revenue taxation; so that I was forced to report against the removal of the taxes on matches and bank-check stamps, much as I desired the removal of them, because I could not see how $5,100,000, the amount which would be lost to the Treasury, could be supplied by any act Congress would be likely to pass; and I was not prepared to say that it was safe to reduce the revenue even to that extent, in that form, unless it was otherwise supplied.

A careful examination into the condition of the finances developed to my mind that the Secretary had lost his head; he had not rallied from the panic of last September; he had been demoralized by the failure of what he thought were mighty efforts to restore confidence. His grand scheme to return to specie payments by the distribution of a few bags of silver was a miserable and discreditable abortion; while the $14,000,000 he flung into the maelstrom of Wall street in September, to stop the panic, was like pouring water from a cup to produce a flood in the Mississippi. Frightened by his failures, his last resource was to cling with a miser's grip to the gold he had in the Treasury; and in order to save it he reissued, as his necessities required it, $25,000,000 of the $44,000,000 of legal-tender notes which had been retired and had been canceled by the act of April 12, 1866. He facetiously calls it a reserve—as if any Congress, or any set of men fit to be outside the bounds of a lunatic asylum would trust any Secretary of the Treasury with despotic power over $44,000,000 of the currency of the country, as a reserve to be used or not as he saw fit.

I was in Congress in February, 1868, when the law prohibiting further contraction was passed, and $356,000,000 were thereby fixed as the volume of legal-tenders. So were many of you. The relations of President Johnson and his Cabinet to Congress at that time were anything but confidential. Articles of impeachment were being urged against the President. His Cabinet—at least his Secretary of the Treasury—was his friend. Will any man pretend that Congress intended, in the then condition of things, to give the President or his Secretary power to contract or expand the currency to the extent of $44,000,000? The letter of the law negatives such an idea, the object to be attained disproves it, and the relations of the executive and legislative departments confirm the construction I maintain.

The report of the Committee on Finance of the Senate of the United States, made January 14, 1873, (see Report No. 275, third session Forty-second Congress,) after a thorough and exhaustive review of all the laws bearing upon the question, concludes thus:

A power over the currency so wide-reaching as the power to issue $44,000,000 of new legal-tender notes is one that ought not to rest upon implication. It should not rest upon a doubtful construction of words in a law passed three years before, and used in regard to loans negotiated under widely different circumstances. Congress might well grant a power during war that it would not confer in peace. The full exercise of such a power would undoubtedly affect the nominal value of all property in the United States to the extent of at least 10 per cent., and the real value or burden as between debtor and creditor of at least 10 per cent. on all contracts to be performed

in futuro. Such a power, if given, would be by clear and unambiguous language, and should not be inferred by subtile reasoning, or depend upon the pressure of interested parties or changing views of public policy.

In all questions of construction as to the extent of power conferred by law in matters which affect the public credit or public securities, a reasonable doubt as to a grant of power should be held to exclude it. After a careful review of the subject, your committee are of the opinion that the Secretary of the Treasury has not the power to issue United States notes in excess of $356,000,000, outstanding when the act of February 4, 1868, took effect, but he may replace with new notes all mutilated or defaced notes, and, within the limit of $356,000,000, may exchange or replace new notes for old ones.

And your committee report the following resolution:

Resolved, That in the opinion of the Senate the Secretary of the Treasury has not the power, under existing law, to issue United States notes for any portion of the forty-four millions of the United States notes retired and canceled under the act approved April 12, 1866.

Sir, such a report as that, from such a committee, ought to have been conclusive on any Secretary, or any executive officer, as to the true meaning and construction of an act of Congress; and it would have been under any other administration than this. Now, for the first time in our history, executive officers seem to take pride and pleasure in defying all law, and in usurping power and authority in defiance of the representatives of the people.

When the President of the United States can, as he did a few years ago, undertake to re-reconstruct the Empire State of the South in spite of Congress; when by executive orders General Terry could place a railroad employé in the speaker's chair of the house of representatives of the State of Georgia, to protect and promote the schemes of men like Bullock and Blodgett in their efforts to destroy popular rights and honest administration; when he and his Attorney-General can, as they did a year ago, by force of arms and by pretended judicial orders, prepared and dictated from Washington, overthrow the once proud State of Louisiana, and lay her prostrate at the feet of their minions, what can be expected from the chiefs of staff? "Like master, like man," is an old, homely adage, but it illustrates the actual state of things now.

The Secretary of the Navy can enlist fifteen hundred men beyond the limit fixed by law, and put them into the Navy of the United States, without even telling Congress that he has done so, till forced by a resolution of the House, passed on my motion, to admit the fact. Executive Document No. 134, first session of this Congress, shows that has been done, not only without a word of remonstrance from the party leaders, but they try to hide it and cover it up. Perhaps they will see now where the $5,000,000, out of the $6,200,000 appropriated for the pay of the Navy for the current fiscal year, which was drawn before the first three months had expired, have gone, when they read the following——

Mr. KELLOGG. Will the gentleman allow me a question in regard to what he said a moment ago?

Mr. BECK. Yes, sir.

Mr. KELLOGG. Does the gentleman think any injury was done to the people of Georgia by General Terry's administration there?

Mr. BECK. I think it was not only a flagrant outrage against civil liberty, but such a usurpation of executive power that if it had been committed by your late unfortunate President, Andrew Johnson, not only would he have been successfully impeached, but there would not have been a man in the Senate of the United States, republican or democrat, who would have dared to vote for his acquittal. That is what I think about it.

I wish my friend from Iowa [Mr. KASSON] was here; I see the gentleman from Maine [Mr. HALE] is. They have been trying to explain why it was that over five millions out of the six millions for the annual pay of the Navy were drawn from the Treasury before the 30th day of September. All their explanations were contradictory and incorrect, as the following article will show. I have here a statement from the New York Tribune of the other day—how true it is I do not know—showing that $1,000,000 of that money was in the hands of some banking-house, Jay Cooke & Co., or Cooke, McCulloch & Co., in London; and that the Secretary has had to take old railroad iron to try to secure himself for part of it. Let me read a portion of the article, with his order of October 21, 1873:

At the time of the panic in September last, Jay Cooke & Co., the First Division Company, and the Northern Pacific Railroad Company all went down together. The Secretary of the Navy had a large balance in the hands of Jay Cooke, McCulloch & Co.—about $1,000,000 in all—for the payment of the naval forces in European waters. Mr. McCulloch arrived in New York soon after, and made strenuous exertions to obtain funds to prevent the London house from going down, and also to prevent Secretary Robeson from removing his accounts from them, as Mr. French testified. It was important to the London firm to continue this account, for two reasons: first, the balance was useful to them; and, secondly, if the United States had withdrawn the account the credit of the house would have been destroyed at once all over the world. The warehouse receipts, &c., representing the iron, had been deposited with Drexel, Morgan & Co., and an effort had been made to effect a loan on them, but the negotiations failed on account of the opinion of two lawyers, that under a recent decision of Judge Blatchford, the property was not safe from the creditors of Jay Cooke & Co. The negotiations having failed, the warehouse receipts, representing the iron, were deposited by Drexel, Morgan & Co., on October 20, 1873, with the firm of John Munroe & Co. as trustees for the person or persons who should have a title to them. They were afterward delivered to George F. Cutter, naval paymaster, on the order of the Secretary of the Navy. After several interviews between McCulloch and Secretary Robeson, the latter consented to retain the Government account with the house of Jay Cooke, McCulloch & Co., and received a large number of securities, among which were about sixteen hundred tons of iron, part of which was in Buffalo, a part in Du Luth, and a part in New Orleans.

This is the order and the answer of Munroe & Co.

The following correspondence shows the exercise of the right of ownership in the rails by Secretary Robeson:

NAVY DEPARTMENT, WASHINGTON, *October* 21, 1873.

GENTLEMEN: Please deliver iron rails held for account, as advised by you, to Pay Director George F. Cutter, New York.

GEORGE M. ROBESON.

Messrs. JOHN MUNROE & Co., *New York*.

Memoranda:	*Tons.*
New rails	10,067 11 2 0
Old rails	4,887 12 0 17

OFFICE OF JOHN MUNROE & CO., BANKERS,
No. 8 Wall street, New York, October 27, 1873.

SIR: In compliance with your order dated 21st instant, we beg to advise that we have handed over to Pay Director George F. Cutter, of this city, the iron rails therein referred to, and hold his receipt for the same.

Very respectfully, your obedient servants,

JOHN MUNROE & CO.

Hon. GEORGE M. ROBESON,
Secretary of the Navy, Washington, D. C.

It is claimed by the plaintiffs' attorneys that the iron belonging to their clients, and secured from their bonds, can be recovered from the Secretary of the Navy on the ground that, though the warehouse receipts are regular negotiable paper, and therefore perhaps secure in the hands of an innocent holder, the Government can maintain no claim to them, as its officers have no legal right to receive securities for loans. If this plea does not hold good, they claim that the Government must exhaust its claim against the other securities which Cooke & Co. had a right to pledge before using the property of their clients.

Perhaps some account can be given of that transaction by these gentlemen. Perhaps they can account for those things. As to the truth of this matter I personally know nothing.

Mr. HALE, of Maine. Does the gentleman claim that a dollar of this money has ever been lost, or has ever been in any danger of being lost?

Mr. BECK. I will ask the gentleman from Maine, for my own information, what these things mean? How does the Secretary of the Navy come to be trading in railroad iron?

Mr. HALE, of Maine. I do not know, and I do not care, what the gentleman finds in any newspaper in New York or outside of New York. But I will say this to him, that not a dollar of this fund drawn for the pay of the Navy has ever been lost. Not a dollar of it has ever been in danger of being lost, and the Secretary has never had it placed in any quarter whatever without the amplest security.

Mr. BECK. I will ask the gentleman now, since he seems to know so much about it—I do not profess to know anything—whether or not this railroad iron was taken as security for this money?

Mr. HALE, of Maine. There never was any security taken because of any apprehended danger.

Mr. BECK. Was it taken at all? Are these orders genuine or false?

Mr. HALE, of Maine. I do not know whether it was taken or not, but I know the Secretary never fails to take ample security—as he should.

Mr. BECK. The Secretary has issued these orders, or somebody has committed forgery.

Mr. HALE, of Maine. Does the gentleman complain that the Secretary took security, or what is it that he does complain of?

Mr. BECK. What I complain of is, that he drew out of the Treasury of the United States, in the first three months of this fiscal year, over five millions of the six and a quarter millions appropriated for the pay of the Navy for the whole fiscal year, and put it in a dangerous place, where he had to take security from firms, which for some time at least were supposed to be in danger of becoming insolvent.

Mr. HALE, of Maine. The gentleman has no warrant for using the word "dangerous."

Mr. BECK. I have warrant for saying that, in regard to the firm of Jay Cooke, McCulloch & Co., they were for weeks believed to be in great danger.

Mr. HALE, of Maine. The Government has lost nothing by them.

Mr. BECK. And I have warrant for saying that the money of the Government was taken by this administration away from the old and unquestioned banking-house of the Barings, which had served the country faithfully and well since the foundation of the Government, and given to political partisans, such as Henry Clews & Co., where it was no longer safe; and I have warrant for saying that this was done because they were the tools of the Administration. And I will say further, if the gentleman wants to know it, that this very man Clews, and a man by the name of George Opdyke, were the sureties on the official bonds of the defaulting collector Bailey, and that the Government never sued either of them, at least for years after that man had defaulted for large amounts, and had gone to parts unknown. I have here the statement of the Secretary of the Treasury showing this. But I am not to be led away by these things from my line of argument.

I repeat that when the Secretary of the Treasury saw the President in such grave matters disregarding the law, and the Secretary of the Navy doing the same thing, at least in the enlistment of fifteen hundred men, and when he saw $132,000,000, the proceeds of the sale of the property of the people, go into the Bureaus of the War Department, and spent, as they officially certify, in excess of all appropriations made by Congress, he thought he had to do something to distinguish his office and to show that he, too, would no longer be dependent on the Representatives of the people; and when he saw the Postmaster-General, as the Book of Estimates shows, spending this very

year $500,000 out of the appropriations made by law for the year 1871—more than two years after the expiration of that fiscal year, and when that money ought to be and was legally in the Treasury, and all these things were done without question by the leaders of the Administration—then the Secretary of the Treasury supposed that he, too, could go on with impunity and defy the law; and, let me tell you gentlemen, never until your party came into power did any Postmaster-General dare to expend all the revenues collected by his Department from the people without asking an appropriation by Congress. If you go back to all the democratic and whig administrations you will find that all the revenues collected by the Post-Office Department from the people were regularly appropriated by Congress; but now they are not charged among the appropriations, in order to make the people believe that you are spending $29,000,000 annually less than you really are. The Secretary of the Interior is trying to keep up with the others as well as he can, but even with his Indian affairs it is hard for him to keep pace with the Secretary of War and the Secretary of the Navy. The Secretary of the Treasury has, as gentlemen all know, used a fund of $3,000,000 a year in organizing bureaus and chiefs of staff all through the Treasury Department. There are seven of them now in his own office headed by men who are only legally $1,800 clerks, but who are being paid $3,000, with assistants, who are sometimes $1,400 clerks, and who are paid $2,000 a year. The Secretary has as chiefs of staff and employés in his Department fifteen hundred persons who are not provided for by appropriation bills; and the gentleman from Massachusetts said that only four hundred were provided for by law. But the Treasury Department is a great Department, and $44,000,000 had to be taken to show that the Secretary of the Treasury, too, could act in defiance of law, in defiance of the reports of committees, and that he could put Wall street up or down and rule politics as he saw fit. But, sir, I am again wandering from my subject and must come back to it.

The distinguished gentleman from Massachusetts [Mr. DAWES] certainly presented the demands of the Secretary of the Treasury for relief in as forcible and plausible a form as it was possible to do; his presentation of facts and figures was well calculated to alarm the House. Yet when they are carefully examined, there is nothing in them to warrant the demand either for $42,000,000 of additional taxation, or indeed for any taxation whatever, so urgently pressed by the Secretary in his communication to the Committee on Ways and Means.

There were, as the Secretary shows, over $131,000,000 in the Treasury on the 1st of July last, when the current fiscal year began, over $60,000,000 of which were clear surplus and could be used by the Government for any needful purpose. The other $71,000,000 might or might not be called for. It was on deposit; and it is likely that about that sum will always remain in the Treasury as a fund more available then the ordinary deposits in the banks of the country, on which they do business with as much confidence. But count it out altogether, $60,000,000 was the money of the people in their Treasury, under the guardianship of the Secretary, of which $48,000,000 were in gold.

The gentleman from Massachusetts [Mr. DAWES] shows by official figures that from July 1, 1873, to February 1, 1874, the tax-payers had furnished the Secretary with about $166,000,000; and even the Secretary admits that $116,000,000 more will be furnished by them before the 1st of July next, of which not less than $170,000,000 is, or will be, in gold. The Secretary has, besides this, $44,000,000, which he has assumed the right to use in order to enable him to continue to hoard the $48,000,000 of gold he had on the 1st of July last; so that he has, beyond all controversy, $386,000,000 available for the current fiscal year, of which not less then $218,000,000 is in gold.

The total appropriations for the current fiscal year, including, as the gentleman from Ohio [Mr. GARFIELD] took so much pains to prove the other day, the whole amount of the sinking fund, which is all of the national debt we are compelled or ought to provide for, are $319,000,000, which, with the $4,000,000 we were fooled out of in December for the Navy by a false clamor of threatened war, make our total liabilities $323,000,000, of which not exceeding $128,000,000 is in gold, leaving an excess of $64,000,000 in the Treasury at the close of the fiscal year, with the premium on surplus of gold receipts over payments in gold, to wit, $90,000,000, or the difference between $218,000,000 on hand and collected and $128,000,000 paid out for interest on account of sinking fund to be added, making, at 11 per cent., about $10,000,000 more. It is perfectly safe to say that, instead of $116,000,000, as estimated for the five months from February 1 to July 1, not less than $126,000,000 will be received, making $10,000,000 additional. Indeed, $116,000,000 is below the average of the last seven months, when all the energies and industries of the country were paralyzed and prostrated by the panic of last September for at least two months, thus making $84,000,000 in the Treasury July 1, 1874. Since the 1st day of February we have been collecting at a rate which will make $140,000,000 instead of $126,000,000; but for safety I call it the latter sum. Even if the $44,000,000 which the Secretary has, as I think, illegally assumed the right to use is withdrawn, as I hope it will not be, there will be a balance of over $40,000,000 in the Treasury when the fiscal year closes.

It is not pretended that these expenditures will exceed $324,000,000. Indeed, the Department claims that $321,000,000 will be all that will be required for all purposes. Of this $177,000,000 have been paid out or transferred; $66,000,000 more will be needed to complete the service of the year; $42,000,000 are required for interest on the public debt; $7,000,000 for permanent appropriations, and $29,000,000 for the sinking fund. The account would stand thus:

United States Treasury to The People, Dr.

To amount of available cash, July 1, 1873		$60,000,000
To amount of proceeds of taxes for the fiscal year		293,000,000
To amount of legal-tender notes appropriated by the Secretary		44,000,000
To amount of premium on surplus gold		10,000,000
Total debit		407,000,000
	Cr.	
By amount paid to February 1, 1874	$177,000,000	
By amount owing up to July 1, 1874	66,000,000	
By amount for unpaid interest	42,000,000	
By amount permanent appropriations	7,000,000	
By amount sinking fund	29,000,000	
Total credit		321,000,000
Cash on hand on the 1st of July, 1874		86,000,000
Deduct, if you please, the legal-tenders		44,000,000
The balance will still be		42,000,000

These figures will stand the test of scrutiny; they prove that the demand of the Secretary for an increase of taxation of $42,000,000 in order to enable him to carry on the fiscal affairs of the Government, is wholly unnecessary and uncalled for; and while they may show that it would not be safe now to deprive the Government of the $5,100,000 which would be lost by the repeal of the taxes on matches and checks, because contingencies might arise to curtail receipts of revenue or increase expenditures, they prove that the clamor of bankruptcy staring us in the face, unless more money is raised, is wholly unfounded.

The distinguished chairman of Ways and Means made the following statement in that speech:

While we have been reducing our receipts on the one side we have been increasing our expenditures at the other. Listen now to the expenditures of this Government since the present administration came into power. The first year the expenses of this Government were $322,865,277.80; in 1870 they were $309,653,560.75; in 1871 they were $292,177,188.25; in 1872 they were $277,517,962.67; in 1873 they were $290,345,245.33; the appropriations for the present year sum up $319,652,644.31. In 1870 we reduced our expenditures to $309,000,000, and we paid $101,601,916.88 of the public debt; in 1871 we brought them down from $309,663,360.75 to $292,177,188 25, and we paid $94,327,764.84 of the public debt; in 1872 we brought them down still further to $277,517,962.67, and we paid $99,960,253.54 of the public debt in addition. In 1873 the expenditures ran up to $290,345,245,33, and we paid but $43,667,630.05 of the public debt. This year our appropriations have gone up from $290,000,000, our expenses for the last year, to $319,000,000, without paying one dollar of the public debt.

This, while a startling and truthful exhibit of the extravagance and reckless waste of public money which characterize the present Administration, and a proof that it is going from bad to worse, year by year and day by day, as it finds that the people can be hoodwinked and duped into submission and obedience, seeks to impress plain people in the country, who have neither leisure nor opportunity to ascertain the facts, that the reduction of the national debt has been a highly creditable party performance, when in fact it has been utterly disgraceful, extravagant, and profligate, as a few official facts and figures, with which I propose to supplement the statements I have read, will show, taken from the finance report for 1873, page 12:

Year.	Expended by administration.	Collected by taxation.
1867	$357,542,675 16	$490,634,010 27
1868	377,340,284 86	405,638,083 32
1869	322,865,277 80	370,188,256 09
1870	309,653,560 75	411,253,477 63
1871	292,177,188 25	383,323,944 89
1872	277,517,962 67	374,106,867 56
1873	290,345,245 33	333,738,204 67
Totals	2,227,442,194 82	2,768,382,844 43
		2,227,442,194 82
Collections over expenditures		541,440,549 61

It will thus be seen that, notwithstanding the enormous expenditures of the Government for the last seven years, the amount coerced from the people which reached the Treasury was yet $541,440,000 greater. More than half of the immense sum collected was in gold, which had to be bought at whatever premium the bondholders and the capitalists could squeeze out of the necessities of the labor and the commerce of the country.

The last report of the Secretary of the Treasury, on pages 14 and 15, shows that the net ordinary expenditures of the Government in all its departments, and all pensions besides, from 1791 to 1861 inclusive—during which time the war of 1812-'15 was waged with Great Britain, as well as the Mexican war, and all our Indian wars—amounted to the sum of $1,587,444,468.21. If I have erred in addition, the following table will correct me:

Net expenditures of the Government.

Year.	Amount.	Year.	Amount.	Year.	Amount.
1791	$1,919,589 52	1815	$26,953,571 00	1839	$26,496,948 73
1792	5,896,258 47	1816	23,373,432 58	1840	24,139,920 11
1793	1,749,070 73	1817	15,454,609 92	1841	26,196,840 29
1794	3,545,209 00	1818	13,808,673 78	1842	24,361,336 59
1795	4,362,541 72	1819	16,380,273 44	1843	11,256,508 60
1796	2,551,303 15	1820	13,134,530 57	1844	29,650,108 01
1797	2,836,110 52	1821	10,723,479 07	1845	21,895,369 61
1798	4,651,710 42	1822	9,827,643 51	1846	26,418,459 59
1799	6,480,166 72	1823	9,784,154 59	1847	53,801,569 37
1800	7,411,369 97	1824	15,330,144 71	1848	45,227,454 77
1801	4,981,669 90	1825	11,490,459 94	1849	39,933,542 61
1802	3,737,079 91	1826	13,062,316 27	1850	37,165,990 09
1803	4,002,824 24	1827	12,653,095 63	1851	44,054,717 66
1804	4,452,858 91	1828	13,296,041 45	1852	40,389,954 56
1805	6,357,234 62	1829	12,641,210 40	1853	44,078,156 35
1806	6,080,209 36	1830	13,229,533 33	1854	51,967,528 42
1807	4,984,572 89	1831	13,864,067 90	1855	56,316,197 72
1808	6,504,338 85	1832	16,516,388 77	1856	66,772,527 64
1809	7,414,672 14	1833	22,713,735 11	1857	66,041,143 70
1810	5,311,082 28	1834	18,425,417 25	1858	72,330,437 17
1811	5,592,604 86	1835	17,514,950 28	1859	66,353,950 07
1812	17,829,498 70	1836	30,868,164 04	1860	60,056,754 71
1813	28,082,396 92	1837	37,243,214 24	1861	62,616,055 78
1814	30,127,686 38	1838	33,849,718 08		

It must not be forgotten that, from 1791 to 1861, the revenues of the Post-Office, collected directly by the Department from the people, are all included, while they are all excluded in the statement of expenditures for the last five years, though they averaged over $20,000,000 a year.

When it is observed that over $1,600,000,000 have been expended since the inauguration of General Grant five years ago, independent of the payment either of any part of the principal of the national debt or the sinking fund, as the gentleman from Ohio [Mr. GARFIELD] and the gentleman from Massachusetts [Mr. DAWES] both agreed the other day, a sum largely more than all the ordinary expenditures of the Government for the seventy years under democratic or whig rule, no wonder the chairman of the Committee on Ways and Means warned his party friends power would pass out of their hands, and the day of reckoning could not be postponed, if corruption, extravagance, and extortion were not speedily stopped. While it is a striking commentary on the celebrated speech made by him two years ago, which all the stump orators of his party swore by, in which he tried to show that General Grant's administration had been more economical than that of Mr. Buchanan, which many members here doubtless made the basis of their campaign speeches all over the country, he did not like to show that, after all the enormous expenditures of the last seven years, $541,440,649.61 were still on hand with which to pay the $339,557,565.31 of the national debt which he shows was paid.

Secretary Richardson, in his last report, page 31, states the principal of the bonds redeemed or purchased since they began to buy, in May, 1869, at $323,253,800. But call it what you will—call it $400,000,000, as Senator SHERMAN does, it you please, since 1868—and the fact still remains that the people have been compelled to furnish, and have furnished, ample means, over and above all expenditures, to buy $140,000,000 more than anybody pretends have been bought.

All these immense sums, be it remembered, are exclusive of the $132,000,000, which the Secretary of War, in Executive Document No. 200, second session Forty-second Congress, shows had been obtained by the Bureaus of the War Department from the sales of the horses, mules, wagons, and other war materials of the people, and spent, in excess of all appropriations as well as of the proceeds of the sales of over four hundred of our ships and all sorts of naval stores, amounting to many millions more, which the Secretary of the Navy shows in his report, or reply, Executive Document No. 250, second session Forty-second Congress. And these are only specimens of what all the Departments have done continually.

Next as to the gentleman from Ohio, [Mr. GARFIELD.] I do not want to allude to his late speech very elaborately just now, for I shall have an hour when his bill comes up; then I hope to be able to pay my respects to him in a kind way. That gentleman, however, took particular pains the other day to show how economical we have been, how saving we have been; he showed how in 1866 we repealed customs duties to the amount of $65,000,000; in 1868 to the amount of $38,000,000; in 1870, $55,000,000, and in 1872, $44,000,000, holding out before the country that their tariff taxation was reduced to that extent, when the last report of the Secretary shows that the whole customs duties in 1866 were $176,000,000; in 1867, $164,000,000; in 1868, $180,000,000; in 1869, $194,000,000; in 1870, $206,000,000, and in 1872, $216,000,000, a steady increase of collection from the people of over $10,000,000 a year during all this time of pretended reduction.

How is that? The people were paying only $176,000,000 of customs before you made any of these reductions; yet the amount collected went up $10,000,000 a year, and took that much more from the people's pockets—at least we got that much more into the Treasury by the repeal of those laws. Why did not the gentleman from Ohio state these facts? The impression made by his speech is that there was that much less money taken from the people, when the finance report shows that year by year you have taken, upon an average, $10,000,000 more.

Mr. KELLOGG. Will the gentleman allow me to ask one question only?

Mr. BECK. Yes, sir.

Mr. KELLOGG. I will ask the gentleman if customs duties had not been actually repealed to the amount which the gentleman from Ohio states? And if the receipts from customs have increased, does it not show a more honest collection during the last four years than in 1866?

Mr. BECK. No, sir; I will tell you what it shows. It shows just what we have always contended, that if you will reduce your duties you will get more revenue, because more goods will be imported. The protection to Connecticut and the States of the eastern sea-board has not been quite as great as it was, and the Treasury has succeeded in getting a little more. That far you are entitled to some credit.

Mr. GARFIELD. Allow me a moment. Does the gentleman mean to imply, by anything he has said, that it is not true by the books, that while the people were paying in 1866 of internal-revenue taxes into the Treasury $309,226,813.42, or in round millions $309,000,000, of internal-revenue taxes into the Treasury, in the year which closed last June they paid only $113,500,000, being a difference of nearly $200,000,000 of tax burdens decreased since 1866? Does the gentleman mean to deny that?

Mr. BECK. Ah; the gentleman, knowing that he had deceived the House and the country as to customs duties, now turns upon internal-revenue taxes. I admit the internal-revenue tax has been diminished.

Mr. GARFIELD. I ask the gentleman what he has to say about deceiving the House by his statement?

Mr. BECK. The statement the gentleman made is as follows:

By the act of July 13, 1866, customs duties were repealed to the amount of		$65,000,000
By the act of March 2, 1867, customs duties were further reduced by the sum of		40,000,000
By the acts of February, March, and July, 1868, customs duties were further reduced by the sum of		68,000,000
By the act of July 14, 1870, the reduction was:		
On customs	$55,000,000	
On internal revenue	29,526,410	
		84,526,410
By the acts of May 1, and June 6, 1872, the reduction, as stated by the chairman of the Committee on Ways and Means, was, for eleven months last year:		
On customs	$44,365,364	
On internal revenue	17,695,456	
		62,060,820
Making a total reduction, since the close of the fiscal year 1866, of		319,527,230

Mr. GARFIELD. I suppose my gallant friend from Kentucky [Mr. BECK] knows too well what types do for a man. If they made me say that all that decrease was in the customs, that was so absurd that a boy of six would know it.

Mr. BECK. The gentleman is too fast. The types did not do him injustice. He stated that they repealed the different amounts of customs for the years I have mentioned, and then he gives the amount of reductions of internal-revenue taxes side by side with it. Now he seeks to avoid the force of what I said by saying that the people were benefited by the internal-revenue reduction. I assert that, as to all these items of customs duties, the customs receipts went up $10,000,000 a year in spite of all the pretended reduction, while he was trying to make the country believe that we were relieving the people of that much taxation. I know the internal revenue has been diminished in that time; nobody denies that. The issue cannot be changed by trying to shift one set of figures for another. No, gentlemen, the whole fact is this: There stand your figures, undeniable, that your collections have run up in seven years to $2,748,000,000, and your expenditures have been $2,227,000,000, as the official reports show, independent of your post-office collections from the people and all your outside matters, which have amounted to hundreds of millions more. And they show this, further, that without paying any of the sinking fund, and without any of the payment of the principal of the public debt, notwithstanding all your contrasts of figures, your own official tables show that since March, 1869, when General Grant came into power, the ordinary expenditures of this Government, including only the interest on the public debt, have been $1,600,000,000, or $30,000,000 more than all the ordinary expenditures of the Government of the United States from 1790 to 1861, inclusive, embracing the war of 1812-'15, the Mexican war, all the Indian wars, and all pensions, combined. I have given the figures proving these facts, so that gentlemen can add them up for themselves. I hope, after this exhibit, we will hear no more talk about economy.

Mr. GARFIELD. Will the gentleman allow me a moment? I think a still more startling statement is, that the actual pay of members of Congress now during a single year is greater than the total expenditures of the Government in the first year of its existence.

Mr. BECK. Yes; and the actual stealings during this Administration have been quite as much as was necessary to support the administrations of Washington, Adams, and Jefferson for the twenty years they were at the head of the Government. Since General Grant came into power $495,000 have been paid to three men at the port of New York. Here are the official figures, given by the Secretary of the Treasury. Your collector, naval officer, and surveyor of the port have received nearly $500,000 since General Grant came into power, although during that time each one was drawing a salary higher than that paid to a Senator in the Senate of the United States. You pay seventy-four

Senators at $5,000 a year, or $370,000, that being the total pay of all the Senators of the United States. Yet these three officials in the city of New York, whose business it is to run primary elections, to pack conventions, to have ballot-boxes stuffed, and to do the dirty work of the Administration, have drawn more since this Administration came into power than would pay the salaries of all the Senators of the United States for a year and a half. You may put that into your pipe, and smoke it, too. [Laughter.] While spies and informers get as much more as an inducement to perform like services.

Sir, it is so at Boston; it is so at Philadelphia; it is so at all the large ports of the country. But I do not intend to go into a further discussion of that matter at present. We shall develop before long such frauds, such corruptions, such peculations, under the auspices of the Government against the great leading merchants of the country as will make the honest men of the republican party stand aghast.

I wish to discuss further the question of the $44,000,000, from which I have wandered away by answering questions.

Simultaneously with the presentation of the bill now under consideration, there was introduced, by the chairman of the Committee of Ways and Means, a bill to legalize the $44,000,000 of legal-tender; he then announced that I was the author of it, and added that, while he would favor it as part of a general system, he would not feel disposed to do so as a separate, isolated proposition. I differed with him, and took occasion to say then, in the few minutes allowed me, what I repeat now, that those who agree with me that the currency ought to be fixed, and not contracted or inflated at the caprice of the Secretary of the Treasury, to the extent of $44,000,000, ought to pass upon this proposition by itself, disconnected from all mere questions of national, free, or State systems of banking. Gentlemen who desire to fix the volume of the currency at $356,000,000 ought to be as anxious as those of us who desire to make it $400,000,000 to deprive the Secretary of all control over it. Those only who desire to continue the present exercise of the Secretary's assumed authority, with all the evils attending contraction to-day and expansion to-morrow, can afford to load it down with amendments in the hope that it may fail between the two Houses of Congress.

Practical statesmanship looks to results. The Senate has been amusing itself and tantalizing the country for nearly two months by discussing financial conundrums, while all business is deranged, all values unsettled, and all confidence destroyed, because the country has become convinced that Congress will not even determine what the volume of the currency is, but, by disagreement between the two Houses, will leave all their interests at the mercy of the Secretary of the Treasury, who will contract or expand the volume of legal-tender notes as the pressure to do one or the other is brought to bear upon him by those he feels bound to obey.

I hope the House will look at this matter as practical men should. Many members would doubtless like to be able to say to their constituents that they voted for expansion, or inflation—call it what you please—to the extent of $100,000,000, or any other amount; others may be equally anxious to assure theirs that they voted and labored to reduce or contract it even below $356,000,000. Each ought to know that their failure to agree only continues upon their people the evils of which all now complain, the absolute subjection of all values to the caprice of the Secretary, or of those who control his action.

Of course it will be the tactics of all who oppose any expansion of currency beyond $356,000,000, and at the same time prefer to allow the Secretary to exercise the power he has usurped to use the $44,000,000 as a "reserve," (that is the name he has selected for it,) to tack all sorts of propositions to the bill. I hope its true friends will vote them all down. Our constituents understand political maneuvers as well as we do when their attention is called to them; and if the bill is defeated by being loaded down with amendments, however plausible or however much to be desired, the men who so defeated it will be held responsible for its defeat. What answer would it be to a sensible and suffering constituency, when you are accounting for the reasons why the Secretary still has them at his mercy, to say that you voted for and carried an amendment through the House making the currency $450,000,000 or $500,000,000, but the Senate would not agree to it, and the bill failed? They would tell you, what you know to be true, that you knew at the time you voted for these amendments that their passage would defeat the bill; and you did not dare to adhere steadily to the only measure of relief you knew could be carried, because you were afraid your constituents had not sense enough to understand the true meaning of your act.

There is not a man on this floor who believes that any bill expanding the legal-tender currency beyond $400,000,000 would receive any consideration in the Senate. Surely that fact would be a good reason to assign to any constituency for refusing to support amendments proposing to inflate it beyond that amount. I confess that I am more afraid of the fears which the friends of this measure have of the intelligence of their own constituents than I am of the power of the contractionists, and therefore I have made these remarks, as I assure the House, in no unkind spirit, but because I earnestly desire to accomplish something practical.

All sorts of attacks have been and will be made against the measure. Some are directed against the expediency, others against the constitutionality of it. As to the the latter, I have only time to say now that, right or wrong, the Supreme Court has settled that, and have said in the Legal-tender cases, in 12 Wallace, page 542, Congress is the only proper body to pass upon this question. I quote only this brief extract:

> Congress had the choice of means for a legitimate end, each appropriate and adapted to that end, though, perhaps, in different degrees. What then? Can this court say that it ought to have adopted the one rather than the other? Is it our province to decide that the means selected were beyond the constitutional power of Congress because we may think that other means to the same ends would have been more appropriate and equally efficient? That would be to assume legislative power, and to disregard the accepted rules for construing the Constitution. The degree of the necessity for any congressional enactment, or the relative degree of its appropriateness, is for consideration in Congress, not here.
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> Said Chief Justice Marshall, in McCulloch vs. Maryland, as already stated: "When the law is not prohibited, and is really calculated to effect any of the objects intrusted to the Government, to undertake here to inquire into the degree of its necessity would be to pass the line which circumscribes the judicial department, and to tread on legislative ground." * * * * * *
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> Making the notes legal tender gave them a new use, and it needs no argument to show that the value of things is in proportion to the uses to which they may be applied.

I have seen all sorts of schemes introduced to defeat this measure. One was presented by a gentleman from New York the other day, the substance of which was to declare the issue of greenbacks, over $356,000,000, illegal, but to provide at the same time that the national banks should take them in, that they should be "redeemable at the pleasure of the Government, or at the pleasure of the holders they may be converted into United States bonds, known as 5 per cents." That is a nice proposition—to convert these notes into 5 per cent. bonds, principal and interest payable in gold, free from all State and Federal taxation—worth 10 per cent. more than the ordinary legal-tenders of the country. The national banks are to gather up the notes issued in excess of $356,000,000, and then convert them into 5 per cent. gold bonds, worth a premium of 10 per cent., the holder thus receiving upon an illegal note 10 per cent. more than the man can get who holds a legal one. These notes of course would be absorbed by the national banks. That may do for a bondholder, but it will not do for the farmers of the West.

I saw a petition presented here the other day, in which a statement was made that the petitioners represented $370,000,000 of capital. Sir, the men of the region where I live represent 370,000,000 acres of land. Contraction of your currency will diminish its value, and the value of all its products, from 10 to 20 per cent., and in their name I protest against any contraction now.

I read a very remarkable speech the other day; I will not say where it was delivered; but I have here an extract from it. I have had it written out, to avoid an objection from anybody that the speech was delivered in the Senate of the United States or made by an ex-Secretary of the Treasury. You can guess whether it was or not. The extract is as follows:

> And now that I have touched upon the moral aspect of this question, perhaps I had better not depart from it, lest I may never return to it. There is, in all these propositions, a moral question which we are bound to consider. If by forced contraction, by legislative power directly applied, you contract the volume of currency in this country below $356,000,000, you have required the debtor to pay something more to the creditor when he pays his debt than he would have paid if you had left the volume of currency untouched. But there is not in this aspect of the case a moral consideration of the importance that attaches to the converse of this policy, the policy of inflation. I ask what excuse, except the sternest necessity, can be offered to the country upon the moral question if you add to the volume of currency and enable debtors to pay their debts with less value than would have been required under the currency that existed when the debts were contracted? In the war we had an excuse; it was a valid excuse. The country was in peril; every interest was in jeopardy. Individual rights under such circumstances are comparatively unimportant. Necessity, stern necessity, is the excuse; it is the defense. But in time of peace, when the country, notwithstanding the present disaster, is prosperous, when its resources are great, when its future is bright, I ask what excuse have we to offer to ourselves or to the country if we add to the volume of the currency, and change the relations of debtor and creditor to the damage of the creditor?
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> There is, however, a large agricultural population in this country who owe much and have nothing due to them; they constitute a debtor class. There is also a considerable number of persons in this country who have much owing to them and who never owe anything; they are a creditor class.
>
> But how will it be now if we inflate the currency for the purpose of furnishing means for carrying on the Government? We change all the relations of debtor and creditor without a sufficient reason: and we leave them to bear a burden which, if it is to be imposed, if it is to be borne by any, should be borne by the country itself. The expenses of maintaining the Government should be borne by the country, and, as I shall have occasion to say before I close my remarks, they can be fairly borne only through the purpose, the resolution, the act of Congress to furnish the means by taxation for carrying on the Government. Every scheme which adds to the volume of currency has in it the element of immorality and the quality of injustice.

Think of the "injustice" of crippling the creditor class! There is no such moral delinquency in injuring the debtor class of the country. "The great mass of the agriculturists," says the distinguished ex-Secretary, "are the debtor class." "There are some who owe nothing; they are the creditor class; legislate for them; it is a moral wrong if you do otherwise." That was the spirit and meaning of your most unjust and iniquitous law of 1869, to strengthen what was called the public credit, which the then Secretary carried out with great promptness, and by which bonds which were payable according to their face in greenbacks were paid in gold; thus taking $40,000,000 out of the Treasury of the United States to be put into the pockets of the bondholders, in plain violation of law. It is the representatives of those same bondholders who are now clamoring against any expansion of the currency of the country, in order that they may pocket what yet remains in the hands of the poor and disorganized masses. I have no sympathy with, and no toleration for, such legislation. The greatest good to the greatest number, the protection of the weak, the humble, and the unprotected, ought to be the end and aim of all true men.

Sir, my own State of Kentucky furnishes as good an illustration as any other of the necessity of keeping the currency up to at least $400,000,000, and of having a fair distribution of the banking capital according to law, if the banking system must be kept up.

If gentlemen will turn to the last report of the Commissioner of Internal Revenue, page 145, they will see that for the eight years from 1866 to 1873, inclusive, Kentucky paid into the Treasury of the United States, as internal taxes upon her industry, $50,729,801.50, or an average of $6,341,225.20 a year. If they will turn to the last report of the Comptroller of the Currency, page 7, they will find that while we in Kentucky, with a population about equal to Massachusetts, are allowed only $7,637,900 of currency, Massachusetts is furnished with $59,523,671, while we, owing to our distance from the sea-board, need twice as much as Massachusetts does.

We paid into the Treasury last year $1,695,623.52 for taxation more than Massachusetts, while she has $51,785,771 more banking capital than we are allowed.

By turning to page 11 of the Comptroller's report, it will be seen that in 1862 our bank circulation was $9,035,724, or $7.82 *per capita*. It is now, in 1873, reduced down to $7,637,000, or $5.78 *per capita*. Then over three hundred and twenty-five thousand of our population were slaves who used no capital; now all are free and all need it.

It cannot be said of my State, whatever may be said of others, that we do not need it or are too poor to take it. Our last auditor's report shows that our product of tobacco alone was 153,184,999 pounds, worth over $12,500,000, of which at least 130,000,000 pounds were exported. Our hemp products in bagging and rope were worth at least $5,000,000, while our hog, horse, mule, cattle, and other live-stock crops which supply many of the Southern States, are simply enormous, to say nothing of our cereals or manufactures.

It is no exaggeration to say that my own congressional district, (which is perhaps the finest agricultural region in the world,) has more capacity for production of all that is necessary to support human life or promote human comfort than the whole State of Massachusetts, and I do not mean to disparage that great State or her people, but I mean to assert that a grievous wrong has been done to my State by the unequal and unjust discrimination which has been had and maintained to the prejudice of the people I have the honor in part to represent. We cannot afford to contract the currency in the present condition of things. We want reasonable expansion. We need it. We want equal distribution of the currency. We are by law entitled to it.

It may be instructive to look at the history of the currency of the country for the last eight years and see what it shows. Without knowledge upon that subject, and of our wants now, as compared with former years, we will be groping in the dark. For that purpose official facts and figures furnish the best illustration.

I have seen nothing which groups together all the elements necessary to be considered so well as the following article from the Philadelphia North American of January 21, 1874. Of course I cannot vouch for the entire accuracy of all its statements, but I have no doubt it is a close approximation to the truth; it certainly illustrates the condition of the resources, business, and currency of the country in a condensed and intelligible form:

Direct reduction of circulation since July, 1868, above $300,000,000.

In the annual Finance Report of 1872, at page 291, the United States Treasurer gives a tabular statement of the currency outstanding at the close of each fiscal year for the last eleven years. By currency outstanding in these statements are intended the issues of the United States Treasury. The items embraced are, old demand notes, legal-tenders, compound-interest notes, one and two year notes, and fractional currency. For the total currency in actual circulation, or otherwise serving indirectly to the same effect in the money market, we take the statements of the United States Treasurer at the dates which we select, and add thereto the amount of seven-thirty notes, 3 per cent. certificates, and State-bank notes outstanding, thus:

Treasury currency, 30th June, 1865, according to Treasurer's report	$698,918,800
Add seven-thirty notes, 31st July, 1865	830,000,000
National-bank notes, 3d July, 1865	131,452,158
State-bank notes, July, 1865, say	240,000,000
Total circulation in July, 1865	1,900,370,958

This, however, was the state of the circulation immediately upon the close of the war. Let us now look at the currency account after it was fairly reduced to a peace footing:

Treasury currency, according to Treasurer Spinner, June 30, 1868	$444,196,262
Add seven-thirty notes, (January 1, 1868)	240,591,300
Three per cent. certificates, June 30, 1868	50,000,900
National-bank notes, July 6, 1868	294,908,264
State-bank notes, July 6, 1868, say	4,000,000
Total circulation in July, 1868	1,033,395,826
Treasury currency, according to Treasurer Spinner, June 30, 1873	401,527,267
Seven-thirty notes	274,100
Three per cent. certificates, June 30, 1873	30,000
National-bank notes, June 30, 1873	344,858,627
State-bank notes, June 30, 1873	nil.
Total circulation in July, 1873	746,689,994
Treasury currency, 30th September, 1873	402,923,039
Seven-thirty notes, 30th September, 1873	260,500
National-bank notes	348,007,958
Total currency, 30th September, 1873	751,191,497

By this statement—which is official as to all the items except the State-bank notes, which we have taken pains to estimate as accurately as may be—the reduction of the paper currency issues of the Treasury and the National Currency Bureau from the 1st of July, 1868, to the 1st of July, 1873, five years, amounts to $236,705,832.

To this sum should be added the increased amount required to be held as reserve by the national banks, which, from the 1st of July, 1868, to the 13th of June, 1873, amounted to $14,727,894. The amount, therefore, withdrawn from actual circulation in the period is $301,433,726. We add the increase of the bank reserves, because the entire issue of legal-tenders, and of other reserve funds, is charged to the outstanding circulation at each of the dates given in our statements.

Comparative reduction of circulation since July, 1868.

Let us try the items under this head. Of course, only approximate estimates can be made; but, with any margin for differences, the very lowest will answer the purpose of this inquiry.

First. Increase of population in the five intervening years. Taking the rate of increase per annum in the decade of 1860-'70 for the measure of increase from 1868 to 1873, it would stand thus: Population in 1868, 37,260,335; in 1873, 41,358,971, increase, 4,198,636, which is 11 per cent. Most probably the increase was quite 12 per cent., or 4,471,240.

Secondly. Increase of merchandise imported and retained for consumption:

Fiscal year, 1867-'68, gold value	$344,773,435
Premium on gold, 37½ per cent	129,290,037
Currency value	474,063,472
Fiscal year 1872-'73, gold value	624,584,056
Premium on gold, 12 per cent	74,950,086
Currency value	699,534,142
Five years' increase of imports for consumption, equal to 47.5 per cent.	225,470,670

Thirdly. Marketable domestic industrial products:

Year 1868, total value	4,036,030,974
Year 1873, total value	5,821,409,636
Increase in five years, 44.2 per cent.	1,785,378,662

Fourthly. Cost of travel and transportation by railroads:

For the calendar year, 1867	332,000,000
Year ending middle of 1873	486,000,000
Increase in five and a half years, 46.5 per cent.	154,000,000

Fifthly. Cost of construction of railroads:*

Year 1867, 2,449 miles, at $55,116 per mile	134,979,084
Year 1872, 6,427 miles, at $55,116 per mile	354,230,532
Increase in five years, 162.4 per cent.	219,251,448

Sixthly. Increase of wealth of the United States:

In the five years—1868 to 1873—45.25 per cent	11,715,616,652

Seventhly. Increased demand for circulation in payment of wages in the South:

Four millions of slaves were emancipated in the period of five years, and if the wages exceed the former cost of keep $25 a year, we have an increased demand for money at 100 per cent., or	100,000,000

Referring the mere estimates here given to the judgment of experts, we will now summarize the particulars, reminding the student of the subject, however, that no estimates of the increased cost of canal, river, or coastwise travel, transportation and equipment, or of telegraphic construction, and expenses of use is here attempted.

Summary of the items selected.

Items.	Amount.	Per cent.
Increase of foreign imports for consumption	$225,470,670	47.5
Increase of marketable industrial products	1,785,378,662	44.2
Increase of cost of travel and transportation by railroads	154,000,000	46.5
Increase of cost of construction of railroads	219,251,448	162
Increase of wealth of the United States†	11,715,616,652	45.25
Increase of wages demanded in the South	100,000,000	100
Aggregate increase in amount of items enumerated	14,190,717,432	45.8

After deduction of discount upon the currency in 1870, the average annual rate of increase would be 7¾ per cent., compounded. This rate gives us $25,777,600,000 for the wealth of the United States in 1868, and $37,442,000,000 for the wealth in 1873. Increase in five years, 45½ per cent.

No man can look at these facts and figures without feeling that it would be doing injustice to all the interests of the country to refuse to legalize the $44,000,000, and make the legal-tender currency at least $400,000,000. Contraction below that point is equivalent to adding from 10 to 20 per cent. to every debt which the debtor class of the country owe to their creditors. Sir, if $1,000,000,000 of paper money were in circulation in one form or other in 1868, and it has been reduced anywhere in the neighborhood of $300,000,000 since that time, while the population has increased so vastly, and when all the business of the country, and its prosperity as well, have increased 45 per cent., how can men who engaged in business, or contracted debts, when that amount of currency regulated values, either discharge their obligations or realize anything from their legitimate investments if the legal-tender notes of the country are to be still further reduced?

*In the 5½ years from 1867 to the middle of 1873, 31,041 miles of railroad were constructed at a cost of $1,710,855,756. During the 5½ years preceding 1868, the cost of construction was $418,220,208. Increase in the latter period over the former, $1,292,635,448—309 per cent.

†The wealth of the United States in 1860, valuation of slaves deducted, we put at $14,183,215,698. Census valuation in 1870, $30,068,518,507.

Somehow or other I have never been able to appreciate the merit of the cry which has become so loud and incessant of late among the bondholders and their advocates here and elsewhere, of the evils of an irredeemable paper currency, or of their denunciation of what they choose to call *the worthless greenbacks;* a currency which, even at $400,000,000, can all be absorbed in two years. If the friends of the bondholders and the other protected monopolists would only unite with those of us who believe in them in passing a law authorizing the Government to receive its own notes in payment of the customs duties it exacts from the people, they need neither be worthless nor irredeemable. The amount collected in gold from the people for tariff taxes alone in the last two years was $404,000,000. The people would gladly have paid it in legal-tender notes and saved the 15 per cent. premium which went into the pockets of the bondholders and those protected by the tariff.

These gentlemen, with all their pretenses, do not want the legal-tenders redeemed. They want the Government to continue to repudiate them. So long as they continue to pursue that policy it does not lie in their mouths to be crying out against the currency as being irredeemable.

Sir, all the legal-tenders we ask to keep in circulation would not pay to the Government the average annual taxes imposed upon the people. From 1867 to 1873, a period of six years, the tax-payers of this country paid into the Treasury, as the last Finance Report shows, $2,768,882,844.43—two-thirds of it in gold—an average of $461,480,474.07 a year, being $61,480,474.07 annually more than the $400,000,000 we ask you to legalize. And yet it is called worthless and irredeemable. The Government can absorb it all in less than a year, whenever a better substitute can be furnished. All those who are raising this false clamor about irredeemable currency know these facts full well.

Sir, without paper money none of the great results achieved could have been accomplished. The enormous taxation we have sustained could not have been borne; our railroads could not have been built, nor the waste places of the war restored. All this has been done, too, under a nefarious banking system, which has enriched a few monopolists at the expense of the masses. Twenty million dollars a year is thus lavished on pets and favorites. I would abolish it at once. I would make banking free, and I would give the Government the benefit of its own credit, instead of enriching private individuals by it at the expense of the public. But my time is too nearly exhausted to take up that subject now. I see I have but seven or eight minutes left. One word upon another subject.

These results appear the more marvelous when it is remembered that they have been accomplished in spite of the most nefarious system of tariff taxation ever invented by human ingenuity—a system to which the American people never would have submitted but for the fact that it was fastened upon them during the years of war, when laws were silent, when protests against oppressions were unheeded, and when the men who had seized the reins of Government were secretly, under the guise of patriotism, building up colossal fortunes for themselves by legislation which they knew was destructive of all the best interests of the Republic. These laws they still perpetuate, in spite of all the efforts of the representatives of a disorganized people. Combined wealth and its representatives in Congress, in the form of tariff protectionists, bondholders, national bankers, and other corporate monopolies, rule and control us in all things.

I wish some power existed to develop the number of Representatives and Senators who are personally interested in class legislation. It would be an interesting exhibit, and one which I think the country ought to have. I have no doubt a majority in the Senate, and a large minority in the House, are personally interested in the passage of laws inimical to the interests of the masses. But I have no time to go into that now, and no time to develop the iniquitous workings of the tariff, as a whole. I must illustrate by an isolated proposition, which will make the other kindred branches and their operations and effects easily comprehended.

Take our shipping interest under the present tariff, and compare it with what it was under the democratic revenue tariff of 1860. That is a fair example, not governed or controlled by local influences, and is an interest whose prosperity or decline reaches to the very vitals of the prosperity of the country.

Up to 1860 we had been pushing to the front of the commercial nations of the world under the influence of a low revenue tariff with a steadiness and rapidity that were the just pride and boast of every American. Our sails whitened every sea, our flag floated triumphantly in every foreign port; in a few years we had built up a commercial marine almost equal to that of Great Britain, and surpassed that of all the other nations of the earth combined; we were developing a class of sailors before whose skill, prowess, and energy even the tars of England quailed. All nations were paying us tribute, and while doing so they saw that we were only in our infancy, with empires even then untouched in the great West, whose products would in the early future make our present greatness sink into insignificance, and they felt that they were pygmies in a contest with a giant. The broom of old Van Tromp was in our grasp. We had almost snatched England's national anthem from her. Our sailors could sing from their mast-heads—

> Columbia needs no bulwarks, no towers along the steep;
> Her march is o'er the mountain wave, her home is on the deep.

When in an evil hour we reversed our action, piled burdens mountain-high on all that made or maintained ships and commerce, and by the folly, the individual greed, the imbecility, to use no harsher term, of the republican leaders and rulers, we fell from our high estate, and are now suppliants and beggars where twelve years ago we were lords and masters. A few manufacturers in New England and Pennsylvania have been enriched; a suffering and a plundered country has been brought to the verge of bankruptcy to enrich them. I propose to make good by official facts and figures all, and far more than all, that I have said.

In 1860, our total trade with foreign nations amounted in value to $762,288,550; of which American vessels carried $507,247,757, and foreign vessels carried $255,047,793. The excess of freight in favor of the United States was then $252,206,964, and the excess of receipts or profits in the trade was $20,176,537.

In his last annual message to Congress, on the 1st day of December, 1873, the President of the United States said:

> We pay $30,000,000 per annum for the transportation of our surplus products to a market, thus increasing the balance of trade against us to that amount.

Think of it; over $20,000,000 paid to us in 1860 for the same service for which we now pay foreign nations $80,000,000 a year—a difference of $100,000,000 against us—a sum sufficient to pay all the expenses of the Government during the twenty years of the administrations of George Washington, John Adams, and Thomas Jefferson.

This vast sum is not only gone from our own people forever, but it is permanently transferred to the pockets of our antagonists in the contest for commercial supremacy—to our enemies when strife arises. It requires no spirit of prophecy to foretell the result of such a state of things. Official figures tell the melancholy tale. They were all arrayed in a masterly manner by Senator CRAGIN, chairman of the Committee on Naval Affairs, at the last session of the last Congress; and being thus doubly official, their correctness is undoubted. He showed that up to 1850 we had accumulated a tonnage of 3,772,439 tons. In 1860 we had increased our shipping 5,539,813 tons, or nearly 47 per cent. in ten years of low tariff and democratic rule. We had built for foreign nations during that time 349,915 tons, for which our builders and mechanics had been paid $20,994,940 by them. During that ten years of commercial prosperity our mechanical industries engaged in ship-building had realized $212,162,885, or $21,212,628 a year.

Great Britain had in 1860–'61 a tonnage of 5,895,369, or only 355,556 tons more than we had, though she had been contending for supremacy on the sea for hundreds of years. We, her recently emancipated Colonies, were sweeping past her with a giant's stride. At that time the tonnage of all the other nations of the earth combined was less than ours. I know the response which rises in the mind of every supporter of the Administration and its protective-tariff policy is that the *war* drove our commerce from the sea, destroyed our ships, crippled our ship-builders; in short, is reponsible for all that has followed. I say with emphasis, *that is not true, except to a very limited extent,* as I will proceed to prove.

Senator CRAGIN says:

> Our former average of 71 per cent. in the total of both direct and indirect carrying trade of 1860 is now reduced to 15 per cent. To what is this ruinous decline in the carrying trade upon the ocean—which in 1860–'61 was the most prosperous in the world's history—to be charged? Is it the result of the four years' war from 1861 to 1865? Let us see. When the first battle of that war was fought, in 1861—
>
> | | |
> |---|---|
> | In the month of July the registered and enrolled tonnage of the United States was | 5,539,813 |
> | In July, 1865, when the war was ended, the registered and enrolled tonnage was | 5,096,781 |
> | Showing a decrease of only | 443,032 |

Sir, in the face of these facts, I deny that the war had anything appreciable to do with the present prostrate condition of our commerce.

All our reports, all our statisticians, agree that by the war the country lost $9,000,000,000 of property and values. Hon. David A. Wells, in his invaluable reports, which you have all doubtless read, proves that to be true beyond all peradventure; yet in the midst of that terrible wreck we had only lost 443,000 of our tonnage; we had still over 5,000,000 of tonnage afloat and ready for service in July, 1865. What other industry lost so little?

When, in 1865, a prostrate and war-stricken country reunited and sprang upon its feet; when swords were turned into plowshares and spears into pruning-hooks, and all the great energies of a mighty people were devoted to the building up of their waste places and the restoration of their desolated homes, ships with a tonnage of over five millions lay ready, in the ports of the country, to bear the products of the labor of the people to all parts of the earth, and to bring back in exchange the necessaries and the luxuries which soil, climate, and the habits or necessities of other regions enabled them to produce for us more cheaply than we could.

When the country demanded the services of our ships and our sailors, it was found that they were driven from the seas by our infernal system of tariff taxation. Our ships had to be sold for what they would bring, and our sailors had to go into the coal mines or the iron founderies, whose owners were enabled to employ them by the bounties coerced out of the consumers of the country by congressional enactments.

Again I quote from Senator CRAGIN. He said:

In the international commerce of the world since 1860, while other nations have been rapidly advancing we have stood still, as will be seen by the following table, which includes the total value in gold of the imports and exports (excluding bullion) of the countries named.

International or world's commerce for 1860:

The United States	$763,000,000
The United Kingdom	1,666,728,514
France	892,500,000
Germany	537,400,500
Holland	314,883,045
Belgium	181,798,600
Denmark, Sweden and Norway	122,908,156
Russia	267,379,225
Austria	202,284,870
Italy	250,000,000
European Turkey	132,318,646
Greece	12,913,474
Spain and Portugal	179,189,950
Switzerland	118,903,410
North and South America, exclusive of United States	350,333,665
Total world's commerce	5,992,542,099

Proportion of the United States in this, 13 per cent.

International or world's commerce for 1870:

United States, $991,896,889 currency, in gold	$886,270,503
United Kingdom	3,180,238,750
France	1,506,000,000
Germany	822,578,970
Holland	404,611,742
Belgium	465,000,000
Denmark, Sweden and Norway	161,256,220
Russia	384,202,880
Austria	402,500,000
Italy	350,091,245
European Turkey	192,500,000
Greece	22,500,000
Spain and Portugal	184,771,270
Switzerland	128,000,000
North and South America, exclusive of United States	661,323,845
Total world's commerce	9,567,074,160

Proportion of the United States in this commerce of the world 9.26 per cent., or a falling off of one-fourth since 1860.

While we have in these twelve years thus fallen off, England has doubled her commerce, France has increased one-half, Germany one-half, Austria has doubled, Italy increased one-half, and all the rest increased to a more or less extent. The whole international commerce of the world has increased more than 50 per cent. in the last decade, while that of the United States has stood nearly still, notwithstanding that she has a larger basis for her commerce than any other nation in the world.

Had her commerce advanced with a progress equal to that of Great Britain, it would have developed in its progression an amount, during that time, equal in the aggregate to $4,578,000,000, in addition to and beyond what it has aggregated in that period.

As we had advanced more rapidly than Great Britain, it is evident we could have kept progress with her. Hence the estimate of gain is reasonable, especially as during that period our population had increased 25 per cent., and our industrial resources 50 per cent.

He said further:

Taking the whole carrying trade as between Europe and the United States, it has been shown that before the war we held a yearly average of 71 per cent. of its amount. The preceding statistics show that we now average only 15 per cent. of it. Had we placed iron steamers on the ocean capable of sustaining equality in transportation, our proportion, without any increase, would have continued 71 per cent., as previously held, less the 15 per cent. we now hold, which would give us yearly as our part of the freight receipts, $37,843,157, which in the twelve years from 1860 to this time would have amounted to the sum of $454,118,244

There have been brought to our shores, from 1861 to the present time, 2,916,629 immigrants in foreign ships, which at the average of thirty-five dollars for each immigrant is	$102,081,870	
There have been carried from our ports to Europe in the same period 357,712 steerage passengers, which at the average of thirty dollars each is	11,731,360	
The estimated yearly average of first-class passengers on outward and inward passages is 86,829; this for the same term gives 1,041,948, which, at $110 each—a low average—is	114,614,286	
Making an aggregate of	228,487,516	
Seventy-one per cent. of this amount, had we retained our ships on the ocean, would have been our proportion, and is		162,190,636
In the six years preceding 1860 we had built ships upon foreign orders which averaged per year $2,802,170, and at this average, without increase, is for the twelve years		33,626,040
There is thus a loss of		649,934,920

on these three items of ocean commerce.

These are melancholy truths; but they are true as holy writ, not the result of war, but the result of unwise, unjust, I ought to say, infamous legislation here. I read not long ago that at a dinner, given recently by the Cobden Club in London, Mr. Potter, a member of Parliament, said, in the hearing of David A. Wells, who had made them a great speech, that when the Shah of Persia visited London and went through her magnificent docks, there was not a single United States flag in all that grand array of the ships of the nations, and Mr. Wells had to rise and say, "Mr. Potter, I beg your pardon; there was one." Twelve years before her docks were full of our merchant vessels, and they were sought for by her people in preference to their own; now all the great steamship lines sailing from our ports sail under foreign flags, and our own ships can only hover along our coasts where by law we have prohibited the ships of other nations from coming.

I see, Mr. Speaker, that my time is out; I only want to add that the President of the United States had a lucid interval about the time the war broke out between France and Germany, when he recommended to us free ships; he took it all back, unfortunately. Congress, I hope, will take it up some day.

Without further detaining the House, I will add his message on that subject to my speech, as Judge KELLEY must have the floor.

The following is the message referred to:

To the Senate and House of Representatives:

* * * * * * * *

The latest intelligence from Europe indicates the imminence of a war between France and North Germany. In view of this a sound policy indicates the importance of some legislation tending to enlarge the commercial marine of this country.

The vessels of this country at the present time are insufficient to meet the demand which the existence of a war in Europe will impose upon the commerce of the United States, and I submit to the consideration of Congress that the interests of the country will be advanced by the opportunity to our citizens to purchase vessels of foreign construction for the foreign trade of the country. An act to this effect may be limited in its duration to meet the immediate exigency.

The foreign mail service of the United States is, in a large degree, depending upon the Bremen and Hamburg lines of steamers. The Post-Office Department has entered into contracts in writing with the two companies above named, and with the Williams & Guion lines respectively, for a regular and continuous service of two years. The only arrangement that could be made with the Inman and Cunard lines is temporary, and may be broken off at any time. The North German lines are first class in point of speed and equipment, their steamers usually making the trip across the Atlantic in from twenty-four to thirty-six hours in advance of the Williams & Guion line.

Should the North German steamers be blockaded or impeded by France, our postal intercourse with foreign nations will be greatly embarrassed, unless Congress shall interpose for its relief.

I suggest to Congress the propriety of further postponing the time for adjournment, with the view of considering the questions herein communicated.

U. S. GRANT.

WASHINGTON, D. C., *July* 15, 1870.

Mr. KELLOGG. I want one minute only. I did not wish to interrupt the gentleman, but he has charged the Secretary of the Treasury with extravagance, and with surrounding himself with chiefs of divisions and bureaus. I wish, in justice to the Secretary of the Treasury, to state that in 1869, at the close of the Johnson administration, there were twenty-three of these bureaus and divisions in the Treasury Department, and under the present administration the number has been reduced to twelve.

The following is a list of the divisions or bureaus which existed at the close of the Johnson administration: Appointment, Civil Warrants, War and Navy Warrants, Public Debt Statement and Finances, Sub-Treasury, Revenue Marine, Internal Revenue, Stationery, Printing, Libraries, Special Agents, Steamboat Inspection, Files and Binding, Note, Loan, Miscellaneous, and seven Customs Divisions, as follows: Warehouse, Fines and Forfeitures, Rates of Duties, Navigation, and three Law Branches.

Under the reorganization of 1869 these were consolidated, and now exist as follows: Appointment, Warrant, Independent Treasury, Customs, Revenue Marine, Internal Revenue, Navigation, Record and Files, Stationery and Printing, Mail, Note, Loans.

Mr. BECK. And the republican majority was larger and more overbearing during Johnson's administration than it is now.

Mr. KELLOGG. I have no doubt in the world that Great Britain agreed, by the convention of Geneva, to pay $15,500,000 to our Government, because our own protective tariffs had swept our commerce from the seas. Now, of course I know that was the basis of the Government, and therefore I cordially approve the assertion of the gentleman from Kentucky [Mr. BECK] on the subject of the destruction of our commercial marine.

THE WAY TO RESTORE THE REVENUES.

Mr. KELLEY. Mr. Speaker, I agree with the distinguished gentleman from Massachusetts, [Mr. DAWES,] the chairman of the Committee on Ways and Means, that the repeal at this time of any portion of the stamp tax, as proposed by the bill under consideration, would be most injudicious. This part of our revenue is easily and faithfully collected, and, in my judgment, costs us a smaller percentage than any other equal amount derived from internal taxes. In so far, he and I are in accord; but from the remedies he suggested for the embarrassments of the Treasury I earnestly dissent.

If regarded merely as administrative reforms, several of them are commendable; but, if proposed as means by which the depleted Treasury may be replenished, I cannot regard them as worthy of consideration.

Considered in this light, they remind me of what I have read or dreamed, of a provident and industrious people who, having constructed a reservoir of sufficient capacity to contain water enough for all their wants, conducted to it the natural outflow of thousands of springs, and, as a reward for their enterprise, enjoyed a supply of water adequate to all the demands of comfort, health, and productive industry. But in time it so happened that one after another of the small tributaries to their reservoir was obstructed and forced into divergent channels, and the supply of water began to fail. The case became alarming; the health and prosperity of the people were threatened; the increase of productive industries was checked; the laboring masses were without employment by reason of want of water to move the machinery of the workshop and factory; the credit of the people, individually and as a community, was impaired, and general bankruptcy impended. "How shall the threatened calamity be averted?" was the prevailing question. To answer it and ascertain whether the supply of water on which so much depended had been withdrawn, or merely obstructed, they invoked the aid of an engineer of great eminence. In response to their summons he devoted many

days to the investigation of the case. His duty was to discover, if possible, the cause of the deficiency. The people waited anxiously for the announcement of his judgment and were grievously disappointed when they heard it; when, with prodigal amplitude of detail, he proceeded to show that vermin had effected a number of considerable leaks in the embankment of the reservoir, and, with ponderous gravity, suggested as the remedy for all their ills that these leaks should be stopped and the vermin exterminated or driven from the vicinity. The simple-minded people had not been ignorant of the steady waste of a small quantity of water. Indeed, such waste seemed to them to be almost, if not absolutely inevitable, and, though but little skilled in the science of engineering, they at once perceived the inadequacy of the remedy proposed. Experience had taught them that what they needed was the restoration of a living flow of water into the reservoir, and they now addressed themselves to the work of discovering the mouths of the springs that had once fed it, and to the removing of the fallen rocks and general *débris* that obstructed them. By this simple process they soon accomplished their object and re-established individual and general prosperity.

May we not profit by their example? Our financial reservoir is nearly empty, the machinery of thousands of our shops and factories is motionless, and earnest and wide-spread appeals for charity startle the people of all the great cities of the country, and proclaim the terrible sufferings the unemployed working people are enduring. And our engineer, the chairman of the Committee on Ways and Means, failing to discover any quickening impulse or source of supply, suggests no other remedy than the stopping of a few leaks produced by the vermin who infest every government in seasons of war and national excitement. The people must therefore take affairs into their own hands, and, if possible, restore to activity the suppressed streams by which the Treasury was replenished from the close of 1861 till the Treasury Department and Congress by contracting the currency suppressed and sealed the sources from which our abundant revenues had come.

I am aware, Mr. Speaker, that my presumption, in assuming to suggest adequate remedies for the evils of the times, merits, and will receive, the sneering condemnation of the book-worms, theorists, and bankers of the House and country. What right have I, who never owned a share of bank stock, and am wholly unfamiliar with the councils of bank parlors, to meddle with questions of revenue and finance, while there sit around me so many gentlemen who are versed in the literature of banking, and have had large experience in the management of institutions whose profits are increased by the adversity of the people, and to whom the inordinate rates of interest consequent upon financial stringency are a godsend?

It was said that much learning had made Paul mad. Sir, I am sure this will not be supposed to be my case, for I am but a plodding interrogator of our own recent financial history and of current events. Strangely enough, sir, this limited field of study has forced upon me the conviction that the most dangerous thing a legislator can possess is knowledge—that absolute knowledge which is derived *a priori*, which regards the teaching of the passing year as vulgar and impertinent, and the possession of which justifies gentlemen in ignoring any fact that seems to conflict with conclusions imparted by men who were once accepted teachers—such knowledge, sir, as that possessed by the people who persecuted Galileo! They did not believe; they knew that the world was a fixed body around which the sun revolved. Their knowledge was as absolute and as intolerant as that of those among us who know that an increase of circulation in a country sparsely settled and abounding in undeveloped resources, however much it may stimulate production, and supply existing demand, must by an inflexible law, made by Montesquieu or Hume a century ago, increase the price of all commodities. The learned men of his day tortured Galileo into a renunciation of his error, and compelled him to sanction his renunciation by an oath. But it is recorded that as he rose from the desecrated altar, he stamped his foot and exclaimed, "But it does move." Yes, sir, the world does move; and the folly of the alleged algebraic relation between the volume of currency and the prices of commodities which was invented by Montesquieu, anglicised by Hume, and is still accepted as true by our gold-basis sophists, has been demonstrated a thousand times by terrible experience.

I refer to such knowledge, sir, as that enjoyed by the medical profession of Harvey's day. The members of that highly educated fraternity knew that the blood did not circulate in the arteries of man or beast. Though the value of his discovery was promptly recognized by learned bodies outside of his profession, it is said that no physician who was over forty years of age at the time of its promulgation ever accepted it. They had lived long enough to know that Harvey was an imposter, and his pretended discovery a fraud. They knew this, sir, as absolutely as gentlemen around me now know that gold, a commodity the price of which has fluctuated more violently than that of any other, is the only absolute and unvarying standard and measure of values.

The knowledge of which I speak is such as has been imparted by every British political economist from Malthus to John Stuart Mill, namely, that in new countries men have always settled first on the best lands, so that, with increase of population and the occupation of the hill-sides, production must decrease in a given ratio with the increase of population, and that war, pestilence, and famine are the gentle providential influences by which alone society is protected against an inevitable return to cannibalism. They know this absolutely and beyond all peradventure, though the observation of every intelligent observer in this broad land confirms the evidence of universal history that early settlements are made on uplands, and that it is only when population and capital have aggregated, and the rich alluvial lowlands may be made salubrious by drainage and other improvements, involving the expenditure of labor and capital, that the more productive valleys can be safely occupied. They do not merely believe this dogma of Malthus; they know the fact as absolutely as the owners of the banking monopoly of this country know that two inconvertible currencies, by one of which the other is to be redeemed, are less complex than one would be, and that it is more economical for the Government to pay eighteen or twenty million dollars of gold annually to the owners of national banks for keeping in circulation that kind of notes which the others redeem, than it would be to substitute greenbacks for bank-notes, and annually save this large amount of gold.

The knowledge I deprecate is such, sir, as this same class of economists possess and promulgate, when, following McCulloch, they assert that a populous country like England can by no possibility double its wealth in less than sixty years. They know this as absolutely as McCulloch did, though Lowe and Gladstone, instructed by the figures of the census and the returns of the revenue office, have found that sixteen years have sufficed to double the wealth of England. What of such facts as these? Are they not impertinent? Do they not contradict *a priori* conclusions? Did not McCulloch say that it could not be done under sixty years, and is he not still an authority before whom not only humble people like myself, but Lowe and Gladstone, and the board of trade, and the facts of current history, should all hide their heads in blushing modesty?

Sir, such knowledge is the bane of these times; and so regarding it, I turn from the field of metaphysical speculation to our own recent history, the story of our revenues as they illustrate the sufferings, the prosperity, and the renewed sufferings of our people, to find an adequate remedy for the ills that now beset our country, which ills, as I shall demonstrate to the satisfaction of every unbiased and disinterested man, flow from the contraction of the current money of the realm and the expansion of that system of individual and corporate credit which transfers the profits of the farmer, the manufacturer, the transporter, and even the wages of the laboring masses, to the banker, the dealer in credit, or what Bonamy Price calls the lender of purchasing power.

Mr. Speaker, there are a number of valuable tables appended to the annual report of the Secretary of the Treasury, not the least valuable of which is a statement of the receipts of the Treasury from March 4, 1789, to June 30, 1873. The table presents the receipts from all sources. But for the present I shall consider only the receipts from customs, internal revenue, and direct taxes; and, except to state the total amount collected up to June 30, 1873, and compare it with the receipts of special periods, I will confine myself to the consideration of those for the years 1856 to 1873 inclusive.

Let us consider first those for the first six years, namely, from 1856 to 1861 inclusive. The receipts of these years other than from public lands and miscellaneous sources were derived from customs only; those of 1856 and part of 1857 were collected under the so-called revenue tariff of 1846, to which the protective tariff of 1842 gave place.

As the receipts under that act were found to be insufficient for the expenses of the Government, the free-traders then in power, believing that lower rates of duties would increase the revenue, enacted the tariff of 1857, which provided for a general reduction of duties. The diminished receipts for the remaining years of the period to which I invite attention illustrate the folly of the theorists who hope to increase the revenues of the Government by paralyzing the industries of the people. For the six years they were as follows:

1856	$64,022,863 50
1857	63,875,905 05
1858	41,789,620 96
1859	49,565,824 38
1860	53,187,511 87
1861	39,582,125 64

During the last two months of the last of these fiscal years we had an army in the field for the suppression of the rebellion. I have selected these years in part, because, with the brief exception alluded to, they mark a period of profound peace, the financial legislation of which furnishes a striking commentary upon the remark of the gentleman from Massachusetts [Mr. DAWES] that—

> Never but once or twice in the history of this Government have we found ourselves, in time of peace, compelled to borrow money to carry on our current expenses.

Sir, our statute-book contains provisions for seven loans during these six years of unbroken peace. The statutes stand there as a commentary upon the absurdity of the American people attempting to develop their country with a currency convertible into specie and under the free-trade policy taught by the manufacturers of Great Britain. The proceeds of six of these loans were applied to the payment of current expenses, and were needed for that purpose only; and the seventh—a comparatively small loan, less than $3,000,000—was contracted to defray the expenses incurred by Oregon and Washington Territories in the suppression of Indian hostilities in 1855 and 1856. In this time of peace we contracted a debt of $90,000,000.

Let me call attention to these several acts, upon the passage of every one of which the gentleman from Massachusetts doubtless voted, for

he had at the date of the earliest of them entered upon the career which was to make us bow before his large experience and hail him as the father of the House.

First, we find the act of December 23, 1857, which authorized an issue of twenty millions in Treasury notes, bearing interest at a rate not exceeding 6 per cent. per annum, and receivable in payment of all public dues, and to be redeemed after the expiration of one year from the date of said notes.

Secondly. The act of June 14, 1858, authorized a loan of twenty millions, bearing interest at a rate not exceeding 5 per cent. per annum, and reimbursable, at the option of the Government, at any time after the expiration of fifteen years from January 1, 1859.

Thirdly. The act of June 22, 1860, authorized a loan of twenty millions, bearing interest at a rate not exceeding 6 per cent. per annum, and reimbursable within a period not beyond twenty years, and not less than ten years, for the redemption of outstanding Treasury notes, and for no other purposes.

Fourthly. The act of December 16, 1860, authorized an issue of ten millions in Treasury notes, to be redeemed after the expiration of one year from the date of issue, and bearing *such a rate of interest as may be offered by the lowest bidder.* Authority was given by this act to issue the notes it authorized in payment of warrants in favor of public creditors at their par value, bearing 6 per cent. interest per annum.

Fifthly. The act of February 8, 1861, authorized a loan of twenty-five millions, bearing interest at a rate not exceeding 6 per cent. per annum, reimbursable within a period not beyond twenty years nor less than ten years. *This loan was made specifically for the payment of the current expenses of the Government, and was to be awarded, without restriction as to terms, to the most favorable bidders.*

Sixthly. The act of March 2, 1861, authorized a loan of ten millions, bearing interest at a rate not exceeding 6 per cent. per annum, and reimbursable after the expiration of ten years from July 1, 1861. In case proposals for the loan were not acceptable, authority was given to the Secretary of the Treasury to issue the whole amount in Treasury notes, bearing interest at a rate not exceeding 6 per cent. per annum. Authority was also given to substitute Treasury notes for the whole or any part of the loans, for which the Secretary was by law authorized to contract and issue bonds at the time of the passage of the act, such Treasury notes to be receivable in payment of all public dues, and redeemable at any time within two years from March 2, 1861.

Seventhly. The act of March 2, 1861, also authorized the issue, should the Secretary of the Treasury deem it expedient, of $2,800,000 in coupon bonds, bearing interest at the rate of 6 per cent. per annum, and redeemable in twenty years, for the payment of expenses incurred by the Territories of Washington and Oregon in the suppression of Indian hostilities during the years 1855 and 1856.

Now, sir, let me call your attention to the amount of revenue received by the Treasury for the twelve succeeding years, and show you that, as in the six years I have just alluded to, they sank from $64,000,000 in 1856, to $39,000,000 in 1861, they ascended in the next five years from $50,000,000 in 1862, to $490,000,000 in 1866. I ask gentlemen to note the progress to the grand climax, attained in 1866, of $490,248,219.12, and also to note the further fact that this was the year immediately preceding the commencement of the work of contracting the volume of our currency. After 1861 the revenues of which I speak were derived from customs, internal taxes, and direct taxes, and the amount collected in each year was as follows:

1862	$50, 851, 729 35
1863	108, 185, 533 96
1864	212, 532, 936 05
1865	295, 593, 048 88
1866	490, 248, 219 12
1867	446, 645, 582 01
1868	357, 340, 334 82
1869	339, 170, 573 16
1870	379, 667, 223 81
1871	349, 948, 917 05
1872	347, 012, 464 49
1873	302, 134, 091 35

May I not, in view of these figures, pause and ask whether the chairman of the Committee on Ways and Means covered the whole field of possibilities when he suggested that our only resource was an increase of taxation, the making of a loan, or a system of parsimonious retrenchment, which would be alike discreditable to us and damaging to the national credit—a system of retrenchment that would suspend all the public works deliberately provided for the improvement of our rivers and harbors, for the fortification of our coasts, and for the accommodation of the people of the country, in the way of adequate post-offices, court-houses, and other public buildings; a system which, under the name of economy, would still further impair the public revenue, by adding from fifty to one hundred thousand to the vast army of unemployed artisans and laborers of the country, and by contracting the power of the people to consume taxable and dutiable goods.

To enable gentlemen to answer this question, let me ask what power enabled the American people, who could contribute but $49,000,000 to the revenues of the country in 1859, to pay without complaint $490,000,000 in 1866? Was it a special providence, or was it the result of congressional action? In 1859 the entire people of the country, whether they dwelt upon the banks of the Rio Grande or in the upper peninsula of Michigan, were contributors to our revenue. In the meanwhile the people of fifteen of the largest and most fertile States had withheld all contributions from our revenues and paid their taxes into the treasury of the southern confederacy. But notwithstanding this, we had created an army and navy and kept a million of men in the field or afloat; had armed, fed, clothed, transported, and paid our soldiers and sailors with a generosity that no other nation has ever equaled, and had overrun and devastated the southern portion of our country, and reduced its people to a degree of poverty and destitution hitherto unknown to any portion of the people of our country. To the credit of their valor and endurance it may be said that even in 1866, when from sheer exhaustion they had accepted the situation and recognized the stars and stripes as the banner of their country, they were wholly unable to contribute to that country's revenues.

Will gentlemen ascribe the tenfold power of our people to endure taxation to the fact that the southern people no longer shared their burdens. Or will they attribute it to the fact that a million men, mainly made up of the manly youth and youthful manhood of the country, had been withdrawn from productive pursuits to be supported and paid by their brethren while they waged the most destructive warfare of history? Or will they ascribe it to the fact that we were during these years deprived of our great staple exports, cotton and tobacco, and that the exigencies of the war converted much of our commercial marine into transports and armed vessels, and the now acknowledged treachery of England drove the remainder of our merchant ships from the sea?

Sir, I think no one will ascribe the increased wealth and prosperity and power to endure taxation exhibited by the people of the Northern States of the Union to any or to all these influences. No, sir; we must seek the cause of these marvelously beneficent results elsewhere. Happily they are not concealed, and he who will may trace them. They are to be found between the covers of our statute-books. And he who seeks them there will discover that without loan, without increase of taxation, without the parsimonious economy suggested by the chairman of the Committee on Ways and Means, there is another method of replenishing the Treasury, which is as beneficent as it is simple. The thing to be done is to give the people a volume of currency sufficient for the legitimate business of the country, and thus relieve them from the grasp of the banking monopoly and credit-mongers of this and other lands, and enable them to sell their land, their labor, or their commodities for cash, as they did during the war. By this means, and by this means alone, can we replenish the exhausted Treasury and restore the sinking fund.

Money, sir, is the sinews of war. When Sumter was fired on the Government was without recognized resources, and the people were without money. Our currency had been, as the false and delusive phrase goes, on a specie basis; but in 1857 the Bank of England, representing a creditor nation, needed about $7,000,000 of our specie, and with a creditor's power took it without consulting the interest or convenience of the debtor. The loss of this small amount of the basis of our currency occasioned the collapse of our whole financial system. The Ohio Life and Trust Company exploded; the Pennsylvania Bank echoed the explosion, and before the sun set on that day the banking and financial system of the country had collapsed, and the American people had again been taught that the theory of specie basis for the currency of a debtor nation is a falsehood, a delusion, and a snare. Though nearly four years had elapsed since the Old Lady of Threadneedle street had treated us thus ungenerously, the business of our country had not reacted when Sumter was fired on. Almost as great a percentage of our laboring people were living in enforced idleness in the spring of 1861 as are in that deplorable condition now. To attempt to conduct the war by means of a currency based on specie would have been a folly too great for the men who then administered the Government and led the counsels of the two Houses of Congress. They knew that that was money which the Government declared to be legal tender; and they knew, further, that the credit of the United States of America was an adequate basis for all the money that might be needed for the Army, the Navy, and the civil service of the Government. Their wisdom, as shown in the manner in which they decided this question, it was that saved the Government; and the sufferings the people are now enduring are but the painful proofs of the lack of like wisdom on the part of those who have succeeded them.

Is this theory, sir? Let your statute books answer; and I beg gentlemen to compare the dates of the several laws to which I am about to refer with the progress of the taxable power of the people of this country, the proofs of which I have exhibited; for he who will fairly make this comparison shall no longer doubt that an adequate volume of currency and a low rate of interest will enhance beyond the conception of man the productive powers of a free people, dwelling in a territory as broad and as richly endowed with every element of national and individual prosperity as ours.

In response to President Lincoln's proclamation, Congress assembled on the 4th of July, 1861, to make provision for the support of the Army already in the field and to provide for the future exigencies of the war.

The act of July 17, 1861, authorized a loan of $250,000,000, the bonds for which should bear 7 per cent. interest and be redeemable at the pleasure of the Government after twenty years; Treasury notes bearing interest at the rate of 7.30 per cent., payable three years after date; and $50,000,000 of United States notes, without interest, payable

on demand, and left the proportion of the bonds and Treasury notes to the discretion of the Secretary.

The act of August 5, 1861, authorized the issue of 6 per cent. bonds, payable at the pleasure of the United States after twenty years, and provided that they might be issued in exchange for the seven-thirty Treasury notes in sums of not less than $500, and that the whole amount of the bonds should not exceed the whole amount of seven-thirties.

The act of February 25, 1862, authorized the issue of $150,000,000 in legal-tender United States notes, $50,000,000 of which were to be in lieu of the demand notes issued under the act of July 17, 1861, and also authorized a temporary loan of $25,000,000 in greenbacks for not less than thirty days, payable after ten days' notice, at 5 per cent. interest per annum.

The act of March 1, 1862, authorized an issue of certificates of indebtedness, bearing 6 per cent., payable one year from date, the interest to be paid in gold, principal in greenbacks.

The act of March 17, 1862, authorized an increase of temporary loans of $25,000,000, at the rate of 5 per cent. per annum.

The act of July 11, 1862, authorized an additional issue of $150,000,000 legal-tender notes, $35,000,000 of which might be in denominations less than five dollars; $50,000,000 of the issue to be reserve to pay temporary loans promptly in case of emergency, and also authorized a further increase of the temporary loans of $50,000,000.

Joint resolution of January 17, 1863, authorized the issue of one hundred millions in legal-tender notes for the immediate payment of the Army and Navy.

The act of March 3, 1863, authorized a further issue of $150,000,000 of legal-tenders for the purpose of converting the Treasury notes which might be issued under th at act, and a further issue, if necessary, for the payment of the Army and Navy, and other creditors of the Government of $50,000,000 of legal-tenders and of Treasury notes, (compound-interest notes,) to the amount of $400,000,000, not exceeding three years to run with interest at not over 6 per cent. per annum, and made them a legal tender for their face value, excluding interest and convertible into United States notes. It also authorized the Secretary to receive gold on deposit, and issue certificates therefor in sums as low as twenty dollars, and certificates of indebtedness payable, principal and interest, in currency with no limitation of the amount that might be issued; and also authorized an issue not exceeding $50,000,000 in fractional currency exchangeable for United States notes in sums not less than three dollars, and receivable for any dues to the United States less than five dollars except duties on imports, the act of July 17, 1862, having authorized such issues and made them redeemable in sums not less than five dollars.

The act of June 4, 1864, authorized the increase of temporary loans to $150,000,000, at a rate not exceeding 6 per cent.

It will be observed that I have only referred to such acts or parts of acts as authorized the issue of currency, and have made no reference to those providing for permanent loans, and offered the people permanent investments for money. What was chiefly needed to develop the energies of our country was a medium of exchange whereby the Government could purchase supplies, and pay the Army and Navy, the civil list, and the wages of labor; and in providing for these, its own necessities, it furnished the people with a medium of exchange by which they were able to buy and pay for whatever commodity they needed, and their fellow-man had to sell. The whole business of the country was thus put upon a cash basis, and the mortgages and judgments that had encumbered the farms, workshops, warehouses, and homes of the country were paid and extinguished. So that the property of the people of the Northern States was at the close of the war freer from incumbrance than it had ever been from the settlement of the country. Such was now the progress of our country that new States were called into existence and admitted to the Union, and our industries were enlarged and improved in every direction. When the war began, before greenbacks had been issued, we had not the machinery in the country with which to spin and weave the clothing for the Army we were soon to put in the field; but when that Army was brought North to be disbanded, it was clad in clothes of our own manufacture, and clad with a degree of comfort that no other army had ever been. When the war began we could not make the iron from which to fashion a gun-barrel that might safely be placed in the hands of a soldier, and when it closed we could make better iron for that purpose than we could buy from any other people. Our railroads, especially those running north and south, had before the issue of greenbacks been profitless and in dilapidation, but when the work of reconstruction began they were mostly doubled-tracked, and dividend-paying.

But, sir, I have not indicated the sole and exclusive legislative cause of the improvement in the condition of the people of the country. Coincidently with the acts authorizing the issue of currency others were adopted which were scarcely less beneficent in their operation, inasmuch as they had the effect of securing to the American mechanic and artisan at least an equal chance in their own markets with the foreigners who, under the free-trade system, had enjoyed an almost undisputed monopoly.

The attempt to supply the Treasury with revenue by reducing the rates of duties on foreign goods having proved a failure, as such attempts always must, it became apparent, even to the friends of free trade, that the rates of duties on imports must be increased, or direct taxes be levied, and the act of March 2, 1861, increased the rates of duties and distinctly recognized the principle of protection. The act of August 5, 1861, made an additional increase in the rates of duties and of farther recognition of the necessity of protective duties. The act of December 4, 1861, imposed duties on teas, coffee, and sugars, which had been upon the free list. The act of July 14, 1862, provided for a temporary increase of the duties on imports. The act of March 3, 1863, provided specially for an increase of duty on paper and some other articles. The act of April 29, 1864, added 50 per cent. to all exting duties, and was to continue in force for sixty days. The act of June 27, 1864, continued it in effect to July 1, 1864. Meanwhile the act of June 30, 1864, providing systematically for an increase equal or greater than 50 per cent. upon the duties provided by the act of March 3, 1863, and preceding acts, went into effect. Further legislation of a like character was had March 3, 1865, July 28, 1866, March 2, 1867, and February 24, 1869, since which the acts of July 14, 1870, and June 6, 1872, have made considerable reductions in the rates of duty, and thus combined with the policy of contraction in prostrating our industresi and reducing the rates of wages throughout the country.

Mr. Speaker, I pause at this point to correct an error into which the gentleman from Ohio, [Mr. GARFIELD,] chairman of the Committee on Appropriations, has fallen, and which must not pass without correction. In the course of his able speech on Thursday last he presented a statement which seems to have been prepared with sufficient care to give it authenticity. It is as follows——

Mr. GARFIELD. I hold in my hand the report of the Secretary of the Treasury, which gives the statement of the reductions. I have here a copy, which I did not take time to read when I addressed the Committee of the Whole the other day, but which I sent to the printers. By a mistake of the clerk who made the copy for me, the word "customs" instead of "internal" is placed before the first four years of taxation. I allowed my remarks to appear in the RECORD the next morning, without delaying their appearance for the purpose of doctoring them up.

Mr. KELLEY. If the mistake had been one which I supposed everybody would have corrected I would not have noticed it, but it has gone out with the appearance of such seeming careful preparation, that if not corrected now it might become a dangerous authority in the future. I will, therefore, proceed with the statement I had prepared. The figures given are as follows:

By the act of July 13, 1866, customs duties were repealed to the amount of		$65,000,000
By the act of March 2, 1867, customs duties were further reduced by the sum of		40,000,000
By the acts of February, March, and July, 1868, customs duties were still further reduced by the sum of		68,000,000
By the act of July 14, 1870, the reduction was:		
On customs	$55,000,000	
On internal revenue	29,526,410	
		84,526,410
By the acts of May 1, and June 6, 1872, the reduction, as stated by the chairman of the Committee on Ways and Means, was, for eleven months last year:		
On customs	$44,365,364	
On internal revenue	17,695,456	
		62,060,820
Making a total reduction, since the close of the fiscal year 1866, of		319,527,230

Sir, had the course of legislation been as this statement alleges, the financial crash which came in last September would have overtaken the country more than four years ago. It would have come with the force of a tornado, and from causes so direct and palpable as to have excluded debate, such as is now taking place between the friends of contraction and those who desire to maintain a volume of currency adequate to the legitimate wants of the country, as to the cause of the recent crisis. It would not only have closed all the factories and workshops of the country, but all the custom-houses also; for it would have abolished the tariff system of the country, and left us dependent for revenue upon internal taxes alone. The acts of June 13, 1866, March, 1867, February, March, and July, 1868, are said to have repealed duties sufficient to yield $173,000,000 per annum; and those of July 14, 1870, and May 1 and June 6, 1872, have added to the repeal others which yielded $99,000,000. To show the grossness of this error, I point to the fact that we derived from customs in—

1866	$179,046,651 58
1867	176,417,810 88
1868	164,464,559 56

If, as the gentleman says, we had in those three years repealed duties enough to yield $173,000,000, what would have remained of our customs system? We would then have had free trade in a higher degree than has ever been practiced by a commercial nation, and its fruit would have been not only wide-spread bankruptcy, but wide-spread anarchy.

The gentleman's figures may or may not be correct. I know that the act of 14th of July, 1870, did repeal $55,000,000 of customs duties, and those of 1872 $44,000,000, but those repealed in 1870 were chiefly duties on raw material entering into our food or manufactures, and which competed in our markets with no American productions. Therefore, while they relieved the people of taxation, they did not impair the protection to our labor afforded by our tariff laws, as did the 10 per cent. reduction of 1872. The previous repeals were not of customs, but of internal taxes. They lightened the burdens of our people, and

in some degree compensated the producing classes of the country for the contraction of the currency which was compelling them to borrow capital, to sell on credit, and to pay inordinate rates of interest upon the capital they borrowed.

And I take occasion to remark here and now that the repeal of these internal taxes did not essentially diminish the revenues of the country. The repeal stimulated its industries; it enabled employers to pay higher rates of wages than they could have done had these taxes been maintained, and thus enabled the people, both capitalists and laborers, to consume more freely of taxable and dutiable goods than they otherwise would have done. Their repeal thus more than compensated the current revenues for the apparent loss they were to sustain by the direct repeal. But as this is a divergence from the line of thought and illustration I am pursuing, I will not at this time elaborate the point.

Mr. Speaker, in his letter of February 13, 1865, to Hon. Schuyler Colfax, Henry C. Carey, the most profound and philosophic student of social science the world has yet produced, said:

> Had it been possible, on the 4th of March, 1861, to take a bird's-eye view of the whole Union, the phenomena presenting themselves for examination would have been as follows:
>
> Millions of men and women would have been seen who were wholly or partially unemployed, because of inability to find persons able and willing to pay for service; hundreds of thousands of workmen, farmers, and shop-keepers would have been seen holding articles of various kinds for which no purchaser could be found; tens of thousands of country traders would have been seen poring over their books, seeking, but vainly seeking, to discover in what direction they might look for obtaining the means with which to discharge their city debts; thousands of city traders would have been seen endeavoring to discover how they might obtain the means with which to pay their notes; thousands of mills, factories, furnaces, and workshops, large and small, would have been seen standing idle while surrounded by persons who desired to be employed; and tens of thousands of bank, factory, and railroad proprietors would have been seen despairing of obtaining dividends by means of which they might be enabled to go to market.
>
> High above all these would have been seen a national Treasury wholly empty, and to all appearance little likely ever again to be filled.
>
> Why was all this? The laborer needing food and the farmer clothing, why did they not exchange? Because of the absence of power on the part of the former to give to the latter anything with which he could purchase either hats or coats.
>
> The village shop-keeper desired to pay his city debts. Why did he not? Because the neighboring mill was standing idle, while men and women indebted to him were wholly unemployed.
>
> The city trader could not meet his notes, because his village correspondents could not comply with their engagements. The doctor could not collect his bills. The landlord could not collect his rents; and all, from laborer to landlord, found themselves compelled to refrain from the purchase of those commodities to whose consumption the national Treasury had been used to look for the supplies upon which it thus far had depended.
>
> With all the difficulty resulted from the one great fact already indicated in regard to the laborer. If he could have found any one willing to give him something that the farmer would accept from him in exchange for food, that the farmer could then pass to his neighbor shop-keeper in exchange for cloth, that that neighbor could then pass to the city trader in satisfaction of his debt, and that this latter could then pass to the bank, to his counsel, his physician, or his landlord, the societary circulation would at once have been re-established and the public health restored.
>
> That one thing, however, was scarcely anywhere to be found. Its generic name was money; but the various species were known as gold, silver, copper, and circulating notes. Some few persons possessed them in larger or smaller quantities, but, the total amount being very small when compared with that which was required, their owners would not part with the use of them except on terms so onerous as to be ruinous to the borrowers. As a consequence of this, the city trader paid 10, 12, and 15 per cent. per annum for the use of what he needed, charging twice that to the village shop-keeper, in the prices of his goods. The latter, of course, found it necessary to do the same by his neighbors, charging nearly cent. per cent.; and thus was the whole burden, resulting from deficiency in the supply of a medium of exchange, thrown upon the class which least could bear it, the working people of the country—farmers, mechanics, and laborers. As a consequence of this, they shrank in their proportions as the societary circulation became more and more impeded, while with those who held in their hands the regulation of the money supply the effect exhibited itself in the erection of those great palaces which now stand almost side by side with tenement houses whose occupants, men, women, and children, are counted by hundreds. The rich thus grew richer as the poor grew poorer.
>
> Why was all this? Why did they not use the gold of which California had already sent us so many hundred millions? Because we had most carefully followed in the train of British free-trade teachers, who had assured our people that the safe, true, and certain road toward wealth and power was to be found in the direction of sending wheat, flour, corn, pork, and wool to England in their rudest form, and then buying them back again at quadruple prices, paying the difference in the products of California mines. Because we had in this manner, for a long period of years, been selling whole skins for a sixpence and buying back tails for a shilling. Because we had thus compelled our people to remain idle while consuming food and clothing, the gold meanwhile being sent to purchase other food and clothing for the workmen of London and Paris, Lyons, Manchester, and Birmingham.
>
> Why, however, when circulating notes could so easily be made, did not the banks supply them, when all around them would so gladly have allowed interest for their use? Because those notes were redeemable in a commodity of which, although California gave us much, we could no longer retain even the slightest portion, the quantity required abroad for payment of heavy interest, and for the purchase of foreign food in the forms of cloth and iron, having now become fully equal to the annual supply, and being at times even in excess of it. That demand, too, was liable at any moment to be increased by the sale in our markets of certificates of debt then held abroad to the extent of hundreds of millions, the proceeds being claimed in gold, and thus causing ruin to the banks. To be out of debt is to be out of danger, but to be in debt abroad to the extent of hundreds of millions is to be always in danger of both public and private bankruptcy. *The control of our whole domestic commerce was therefore entirely in the hands of foreigners who were from hour to hour becoming richer by means of compelling us to remain so dependent upon them that they could always fix the prices at which they would buy the skins, and those at which they would be willing to sell the tails.* As a necessary consequence of this the nation was not only paralyzed but in danger of almost immediate death.
>
> Such having been the state of things on the day of Mr. Lincoln's inauguration, let us now look at the remedy that was then required. Let us for a moment suppose the existence of an individual with wealth so great that all who knew him might have entire confidence in the performance of what he promised. Let us then suppose that he should have said to the laborers of the country, "Go into the mills, and I will see that your wages are paid;" to the millers, "Employ these people, and I will see that your cloth is sold;" to the farmers, "Give your food to the laborer and your wool to the millers, and I will see that your bills are at once discharged;" to the shop-keepers, "Give your coffee and your sugar to the farmer, and I will see that payment shall forthwith be made;" to the city traders, "Fill the orders of the village shop-keeper, and send your bills to me for payment;" to the landlords, "Lease your houses, and look to me for the rents;" to all, "I have opened a *clearing-house* for the whole country, and have done so with a view to enable every man to find on the instant a cash demand for his labor and its products, and my whole fortune has been pledged for the performance of my engagements;" and then let us examine into the effects. At once the societary circulation would have been restored. Labor would have come into demand, thus doubling at once the productive power of the country. Food would have been demanded, and the farmer would have been enabled to improve his machinery of cultivation. Cloth would have been sold, and the spinner would have added to the number of his spindles. Coal and iron would have found increased demand, and mines and furnaces would have grown in numbers and in size. Houses becoming more productive, new ones would have been built. The paralysis would have passed away, life, activity, and energy having taken its place; all these wonderful effects having resulted from the simple pledge of the one sufficient man that he would see the contracts carried out. He had pledged his credit, and nothing more.
>
> What is here supposed to have been done is almost precisely what has been done by Mr. Lincoln and his administration; the only difference being that, while in the one case the farmers and laborers had been required to report themselves to the single individual, or his agents, the Government has, by the actual purchase of labor, and its products, and the grant of its pledges in a variety of shapes and forms, enabled each and every man in the country to arrange his business in the manner that, to himself, has seemed most advantageous. To the laborer it has said, "We need your services, and in return will give you that which will enable your family to purchase food and clothing." To the farmer it has said, "We need food, and will give you that by means of which you can pay the shop-keeper." To the manufacturer it has said, "We need cloth, and will give you that which will enable you to settle with the workman and the farmer." To the naval constructor it has said, "We need your ships, and will give you that which will enable you to purchase timber, iron, and engines." In this manner it is that domestic commerce has been stimulated into life, the result exhibiting itself in the facts that, while we have, in the last three years, increased the number of our houses and ships, our mills, mines, and furnaces, our supplies of food, cloth, and iron to an extent never known before; and while we have diversified our industry to an extent that is absolutely marvelous, we have been enabled to lend, or pay, to the Government thousands of millions of dollars, where before, under the system which made us wholly dependent on the mercy of the "most wealthy capitalists" of England, we found it difficult to furnish even tens of millions. The whole history of the world presents no case of a financial success so perfect.

Mr. Speaker, it is evident that Mr. Carey attributed the depression of the country, prior to 1862, to a lack of legal-tender currency, and ascribed the boundless prosperity it enjoyed after the laws providing for the issue of our inconvertible paper money had been carried into effect to the issue of a volume of such currency adequate to the industrial demands of the country. "The whole history of the world," said he, "presents no case of a financial success so perfect." This is a broad statement. Is it sustained by experience? That it is not marred by any degree of exaggeration I am confident, for the eminent teacher who uttered it is in the habit of weighing his words most nicely.

Let me, therefore, proceed rapidly to examine the facts of the case, and, continuing the line of illustration I have presented, let me recur to Table G, page 10, of the appendices to the report of the Secretary of the Treasury. It is a statement of the receipts of the United States from March 4, 1789, to June 30, 1873, by calendar years to 1843, and by fiscal years ending June 30, from that time. This statement shows that the total receipts of the Government, during its whole existence, prior to June 30, 1873, from customs, internal revenue, and direct taxes amounted to $5,289,467,480.30. During the seven years to which I have heretofore referred, to wit, from 1856 to 1862 inclusive, the amount received from these sources—and I shall consider the receipts from no others—was $362,874,580.75; the average receipts per year having been something over $50,000,000. During the same years we received 1,033,697 immigrants. The immigration into the country is an element of wealth and taxable power that cannot properly be omitted from such a consideration as that in which we are now engaged. I therefore propose to present the two subjects in parallel columns:

Year.	Revenue.	Immigration.
1856	$64,022,863 50	200,436
1857	63,875,905 05	251,306
1858	41,789,620 96	123,126
1859	49,565,824 38	121,282
1860	53,187,511 87	153,640
1861	39,582,125 64	91,920
1862	50,851,729 35	91,987
Total	362,874,580 75	1,033,697

I pause for the present but to invite attention to the facts that the revenue received in 1856 was over $64,000,000, but in 1861 the receipts had sunk to but little more than $39,500,000, and that immigration, which in 1856 was over 200,000, had by 1861 fallen to less than 92,000. Free trade and money which falsely professed to represent gold had done their work. These were the results they had produced: Every industry of the country was paralyzed; no effort was making to develop its resources, and the vast army of unemployed laborers had served notice upon their brethren in their respective father-lands that they were better at home, let them endure what governmental oppression they might, than they could be in a republic which denied its citizens permission to earn wages by employing their industry upon its boundless stores of multiform raw material.

Let me now present the receipts from the same sources, and the number of immigrants received for another series of seven years,

beginning with 1866. As I have said, the total receipts from the foundation of the Government to the close of the last fiscal year were $5,289,467,480.30. Let me now show that more than one-half of the whole sum, or $2,710,033,324.40, was received in the years 1866 to 1872 inclusive, during which the volume of our inconvertible currency was at its maximum. The annual receipts and number of immigrants were as follows:

Year.	Revenue.	Immigration.
1866	$490,248,219 12	318,494
1867	444,645,582 01	298,358
1868	357,340,334 82	297,215
1869	339,170,573 10	395,922
1870	379,667,233 81	378,796
1871	349,948,917 05	367,789
1872	347,012,464 49	449,483
Total	2,710,033,324 40	2,506,057

The average receipts per year during this period having been $387,147,617.77, or more than $20,000,000 per year in excess of the total receipts of the last seven years of convertible currency and free trade.

Are not these results striking and instructive? To what will the bullionist and contraction philosophers ascribe them? Can they legitimately ascribe them to the fact that during the former period the people enjoyed such a measure of prosperity as might be had on a specie basis, and under the system of British free trade, and that throughout the latter period the poverty of the people of the Southern States was such that their best fields were unfenced and uncultivated, and they were without capital or currency with which to improve them or engage in any enterprise for the development of the resources of their richly endowed country? If this be not the cause, then it must be ascribed to the fact that currency was abundant; the business of the country was conducted on a cash basis; the rates of interest paid by the few who were compelled to borrow were low, and the prosperous and busy people of the North made the bulk of these enormous contributions without feeling the draft upon their annual profits to be onerous or oppressive. Who can contemplate the fact that more than half the revenues collected by our Government from its foundation to the 1st of July, 1873, was paid in seven successive years without perceiving that the cause of this ability was exceptional? In seeking for that cause we must examine only those facts which were exceptional in our history, as was the issue of inconvertible legal-tender currency, redeemable in the interest-bearing bonds of the Government and by its receipt for taxes. Thus only can this momentous fact be interpreted or accounted for.

But let me still further enforce this great lesson, even at the expense of something of repetition, and in doing so reduce the conclusion I have uttered to a demonstration.

The first issues of our paper money, demand notes, were provided for by the acts of July 17 and August 5, 1861. The act which authorized the issue of the first $150,000,000 of legal-tenders was that of February 25, 1862, and it was consequently in 1862 that the people began to experience the beneficent influence of a currency founded upon the credit of a Government of illimitable resources. Having shown that in seven years in which that currency was most abundant and efficient the revenues of the Government exceeded 50 per cent. of the whole amount collected from its organization to the close of 1873, let me proceed to show that the receipts during the eleven years from 1863 to 1873 inclusive amounted to about two-thirds of the entire revenue the Government had received from customs, internal revenue, and direct taxes, or twice as much in eleven years as had been received in the preceding seventy-two years. The total receipts, as I have already twice stated, were $5,289,467,480.30. The receipts from 1863 to 1873 inclusive were $3,628,478,934.64, or about 66 per cent. of the whole sum. They were as follows:

Year.	Revenue.	Immigration.
1863	$108,085,533 96	176,282
1864	212,532,936 05	193,416
1865	295,593,048 88	249,061
1866	490,248,219 12	318,494
1867	446,645,582 01	298,358
1868	357,340,334 82	297,215
1869	339,170,573 10	395,922
1870	379,667,233 81	378,796
1871	349,948,917 05	367,789
1872	347,012,464 49	449,483
1873	302,134,091 35	421,294
Total	3,628,478,934 64	3,546,110

Weary as gentlemen may be of these statistical details, I must proceed to complete my demonstration. The special facts of each year are before you. Let me, on one other point, invite your attention to a comparison.

The total revenue collected by the Government from the sources under consideration, from its organization to the 1st of July, 1862, the year in which greenbacks were authorized, was $1,660,298,545.66, and gentlemen who will consider the figures I have given them will find that the aggregate income from these sources for the four years of 1866, 1867, 1868, and 1869 was not $27,000,000 less than the total sum that had been collected under the specie-basis system of currency and the operation of free trade, which, with brief intervals, had prevailed from the foundation of the Government. The total for these years was $1,633,404,709.05.

The account stands thus:

From the organization of the Government to 1862	$1,660,298,545 66
During 1866, 1867, 1868, and 1869	1,633,404,709 05
	26,883,836 61

I trust gentlemen will consider and digest these facts. They are worth all the dogmas of sophists and *doctrinaires* that have ever been promulgated; and demonstrate the wicked absurdity of those who accuse our Government of maintaining a forced loan, and characterize our currency as lying and fraudulent. That for the present it is not, as those who issued it intended it should ever be, redeemable, I admit. It was redeemable so long as the Government kept faith with citizens and accepted the greenback in exchange for interest-bearing temporary loans; and I am, as gentlemen well know, striving to induce Congress to adopt a bill, the effect of which will be to again make it redeemable by accepting it in exchange for temporary-loan certificates bearing a low rate of paper interest, such as are known to the people as three sixty-five bonds. By the adoption of this measure, which will restore the redeemability of the greenback and increase its value by giving it additional use and profit, the reissue of the part of the $400,000,000 we have withdrawn and the release of the bank reserve by the substitution of greenbacks for national-bank notes, the prosperity of the people will be restored, and our reservoir will again be filled, notwithstanding the vermin that infest it and haunt the brain of the chairman of the Committee on Ways and Means.

But, Mr. Speaker, conclusive as is the proof I have adduced, more pregnant evidence may be presented of the wealth-creating power of an adequate supply of the medium of exchange called money, whether it be composed of a material possessing intrinsic value, or be but paper pledges of the credit of a people whose resources are beyond the possibility of doubt—such as the greenback, which, like our bonds, is a pledge of the faith and credit of the American people.

Annual taxes are a draft upon the annual profits of the people; and the question, did the enormous taxation shown by the tables I have presented exhaust the resources of the people? is pertinent to the issue we are considering. How large have been the annual profits of the American people since we abandoned the ancient theory that paper money must represent an amount of gold in hand sufficient for its redemption? Have they increased or diminished? Have they been large enough during the last eleven years to endure an annual average taxation of nearly $400,000,000, or has the drain thus made upon them by the Government exhausted their profits and impoverished them? Sir, in no period of our history has the taxation of the General Government borne a smaller relation to the current profits of the American people than during these same eleven years; for, sir, in no previous period of that duration, or indeed I may say of all the years from the foundation of the Government, could the people have lent it as much money as they did while paying these taxes, till we had availed ourselves of the talismanic power of a sufficient volume of currency for calling into action all the capabilities of our people, who, by their inventive power and industry, converted into forms of utility and beauty the vast and varied resources of our country.

When the war closed the Government of the United States was debtor to the American people on various forms of evidences of debt to the amount of nearly, if not quite, $2,000,000,000, every dollar of which had been loaned subsequent to the issue of the first emission of our inconvertible paper money. At that time but little of our funded debt had gone abroad. Neither England nor France had taken any of our gold-bearing bonds before the war had closed and the work of national reconstruction had begun. The American people trusted their Government, but foreigners had little faith in it. In Germany a market had been found for a limited amount; but our people were the creditors of our Government for nearly the total amount of the outstanding obligations. And what were they, and what was their amount? Mr. Gibbon, whose statistics are gathered from the exhibits made by the Treasury of its condition on the close of the fiscal year which terminated on the 30th of June, 1866, on page 37 of his work entitled The Public Debt of the United States, shows that the indebtedness of the Government to the people was as follows:

Five-twenties of 1862	$514,780,500 00
Five-twenties of 1864 and 1865	207,425,000 00
Seven-thirties past due and convertible	139,301,700 00
Seven-thirties past due and convertible, (subject to conversion in 1867 and 1868)	806,251,550 00
Temporary loans, certificates of indebtedness, and compound-interest notes subject to conversion	305,579,336 63
Treasury notes and fractional currency	431,144,312 96
Total	2,404,482,399 61

Almost every dollar of this grand total—certainly $2,000,000,000 of it—was held by the American people; for the $321,742,650 of ten-forties, sixes of 1881, and the bonds issued to the Pacific Railroad Company, which are not embraced in this statement, represented the

whole sum, or very nearly the whole sum, of our indebtedness then held in foreign countries.

Contrast these generous contributions with the results with which the credit of the United States was hawked and peddled, regardless of rates of interest, during the decade preceding the issue of greenbacks, and in a time of profound peace; and he who is not willfully blind will find in the contrast an absolute demonstration of the utter inadequacy of any volume of currency that can be safely based on the limited amount of gold now in existence to effect the legitimate exchanges making, and to be made, between the American people.

Sir, let me in this connection impress another point upon the House. Most of these loans were made to the Government in money, the current coin of the realm, the legal-tender of the nation, and no loans of this or any other country are ever taken on such terms by foreigners. They purchase foreign bonds with commodities. It is true now, as it was in the days of Solomon, that "the rich ruleth over the poor, and the borrower is servant to the lender;" and this truth is as applicable to nations as to individuals. The nation that may not or will not rely upon its own people for its resources, but borrows from foreigners, must accept such terms as the lender may be pleased to offer. What England and Germany have given us in exchange for our gold-bearing bonds is well told by Professor Bonamy Price, of Oxford University, in his article on Lombard Street, in Fraser's Magazine for October, 1873. Let me read what he says:

> England is described as "the greatest moneyed country in the world; as having much more immediately disposable and ready cash than any other country." Is that so; is it certain that England has more gold and bank-notes than any other country? The Bank of France—not the present hoarders—had fifty millions of English pounds in gold before the war. At that time we would rather have backed France than England for cash. But, then, it is plain that by money and cash is meant the "loan fund" of banks, which is further illustrated by reckoning up deposits—"money deposited in banks." Is there no need here for pointing out that deposits are merely debts, and the money in the bank only a register of names and figures? "If a nation wants even to make a railway, it is sure to come to the country of banks for the money; and English bankers are great lenders to those who lend to foreign states." But what do they lend? Cash—a loan of fifty or one hundred millions of cash? The very mention of such an idea excites a smile. There is no consciousness awake to the fact that loans to foreign railways are taken out in locomotives and rails; and loans to foreign states leave England in some form of English goods. The province of Canterbury, in New Zealand, is making new railways with astonishing rapidity; yet it is "a poor state, deficient in accumulated riches." How, then, does it acquire the means of constructing railways? By sending money, cash, to England? It has none to send; but it has wool, and the wool crosses the water and a bill is drawn, and iron is bought in England and another bill is drawn, and they cancel each other, and the railway is made. Banking has been employed, but no money or cash. Even if more iron is bought than the wool can pay for, the agency of banks merely finds some one who will lend iron to the colony.

Gentlemen will please remark that Professor Price says that "loans to foreign states leave England in some form of English goods." This is true; and the exchange received for our gold-bearing bonds has not been money, but Birmingham and Manchester wares, which we should have produced for ourselves. As if to emphasize this fact, the professor immediately proceeds to say:

> The wealth of England, which she can lend to individuals or to states, is not cash, but commodities.

Gentlemen may attribute to the subtle laws of trade the fact that debtor nations exchange their interest-bearing bonds for perishable commodities. But, sir, potent as are these laws in securing the ascendency of creditor nations, England will not accept them as the sole or sufficient means for her protection. She advises all the rest of the world to adopt free trade, and with undoubting faith to stake all their interests upon the law of demand and supply. Her currency is nominally on a gold basis, and would be contracted by heavy shipments of gold were she to permit them to occur. But with all her love of free trade and professed respect for the law of supply and demand, she does not permit them to occur; but when such events are threatened, arbitrarily interposes the power of government to prevent them. She has recently twice constrained the course of our trade; and, in order to prevent the contraction of her currency which would follow the export of bullion, has compelled the United States to buy its own bonds, at such prices as they could be had in a market circumscribed by the financial necessities of England. I make this statement on the authority of Mr. BOUTWELL, late Secretary of the Treasury, who, in the course of his remarks in the Senate, on the 22d of January last, said:

> When the negotiations were going on in London for the sale of the largest amount of United States bonds that have ever been sold there at one time, it was foreseen by the Bank of England that a quantity of coin would accumulate, as the proceeds of these bonds to the credit of the Government of the United States. As a matter of fact, there was an accumulation of about $21,000,000. The Bank of England, foreseeing that there would be an accumulation of coin to the credit of the United States which might be taken away bodily in specie, gave notice to the officers of the Treasury Department of the United States that the power of that institution would be arrayed against the whole proceeding unless we gave a pledge that the coin should not be removed, and that we would reinvest it in the bonds of the United States as they were offered in the markets of London. We were compelled to comply. * * * * *
>
> There is another fact, known to all. We recovered at Geneva an award against Great Britain of $15,500,000. When this claim was maturing the banking and commercial classes of Great Britain induced the government to interpose, and by diplomatic arrangements through the State Department here, operating upon the Treasury Department, secured the transfer of securities, and thus avoided the transfer of coin.

Do not these statements, so humiliating to us and so contradictory of the advice England persistently imparts to other countries, prove not only England's insincerity, but that the nation that goes abroad to borrow still becomes the servant of the lender, as in Solomon's day? And do they not illustrate also the patriotism and good sense of Postmaster-General Creswell, who in his last annual report says?

> Sound policy dictates that the Government should lose no opportunity of borrowing from its own people, at a low rate of interest, for the purpose of discharging an indebtedness abroad or relieving industry and enterprise at home from the trammels of taxation. But when the Government can arrest panic, restore confidence, call forth the hoarded treasure of the country, and revive the pursuits of industry, by a simple pledge of the people's credit for the people's security, who will say that that pledge should not be given?

I have said that at the close of the war our own people held nearly all of the national debt. Will you have proof of this? You will find it in the facts shown by Gibbon, that in October, 1866, one-half of the loans and discounts carried by the banks consisted of Government securities, and that these institutions held, including the bonds deposited for currency, more than one-quarter of the entire national debt.

Alas, sir, how sadly things have changed in this respect. There is scarcely that percentage of our debt now held by all the corporations and people of the country. When the work of contracting the currency began, when the temporary-loan certificates, the seven-thirties, the compound-interest notes, and the certificates of indebtedness, were withdrawn from the reserves of the banks, and called in and converted into permanent loans in the form of gold-bearing bonds, and the gold of the Treasury was applied to the purchase and withdrawal from circulation of $44,000,000 of greenbacks, the rapid process of contraction compelled the American people to convert their securities into available capital for current purposes; and as that mistaken process continued, our people became less and less able to hold permanent loans, though they bore a rate of interest much higher than is paid by any European nation, but which is, withal, greatly below the rates demanded from their customers by the bankers and credit-mongers of this country.

Thus has our indebtedness been driven abroad, and thus have we become the servants of the money-changers of England and the Continent. So far and so rapidly has this fatal policy been pursued, that at last the Government has been compelled, by the overruling law of necessity, to emit part of its hoarded greenbacks, by the purchase of which it had supplied England with gold; to suspend the sinking fund; and to implore Congress to restore war taxes in a time of profound peace; it has brought the people to bankruptcy, and fears it may share their fate. Meanwhile the development of the country has ceased, the great thoroughfares which were to have connected the Atlantic and the Pacific on our northern and southern borders, together with many shorter roads, are abandoned, at least for the present; a vast percentage of the machinery of the country stands idle; one-third of the furnaces have been blown out; rail and bar mills are without employment; thousands of skilled artisans in the cities, during months of enforced idleness, have exhausted the little sums which through long years they had garnered in savings-banks, and, with their families, are gathering about cold hearthsides and eating the nauseous bread of charity. Not only has the tide of immigration been checked, but each outgoing steamer carries long lists of returning emigrants, and European papers teem with all too faithful accounts of the grand movements in our metropolitan cities for the relief of the suffering poor, the unemployed clerk, artisan, and laborer; and with such a text they are admonishing those who by the hundreds of thousands have looked forward to a free home in a broad land of republican institutions, that they are surer of the comforts of life in the lands of their birth than they could be here.

Gentlemen, denying that the currency has been unduly contracted and saying that money is abundant and the rates of interest easy, point to financial articles in New York papers to prove the truth of their assertions. Sir, if money be abundant, why are the poor exhausting their garnered treasures and compelling the savings-banks to call in overdue mortgages to meet the pressing demands of depositors? If money is plenty, why are the mill, the forge, the furnace, the factory, and the workshop deserted, and those whose toil filled them with the hum of busy industry now being fed by the hand of charity? No, sir, money is not plenty; and he who needs to borrow any considerable sum upon mortgage or a six months' note, let his security be what it may, will find that it is scarce at any rate which the profits of current business will enable him to pay. Not only is money scarce, but the fear of further contraction paralyzes the energy of the people. The consciousness that the volume of money now accessible to the American people is inadequate to the legitimate business of the country, and may be further reduced, holds enterprise in restraint and prevents men of ordinary caution from engaging in the production of commodities they may have to sell on a falling market or to hold indefinitely, because their market has been destroyed by depriving the mass of the people of the power to purchase and consume as they did when fully employed at remunerative wages.

This unhappily is not declamation; it is but a feeble statement of the condition of affairs existing throughout our country. And without pausing to present a large array of facts to prove its truth, I invite attention to the condition of but one institution—that of the Philadelphia Saving Fund Society. Its story is that of every similar institution in the Eastern States. Its charter prohibits it from receiving more than $500 in any one year from any one depositor. It is pre-eminently the savings-bank of the laboring people, in which, by depositing small sums, many of them from one to ten dollars, they accumulate a few hundred dollars as a reserve for sickness and age, or a fund upon which to start into another and more attractive pur-

suit in life. The following statement of the number of its receipts and payments during the last year well illustrates its character:

RECEIPTS.

From one to ten dollars	12,609
From ten to twenty dollars	12,092
From twenty to thirty dollars	10,678
From thirty to fifty dollars	10,401
From fifty to one hundred dollars	11,666
From one hundred to one hundred and fifty dollars	4,652
From one hundred and fifty to two hundred dollars	1,994
From two hundred to three hundred dollars	2,040
Over three hundred dollars	2,345
Total	68,458

PAYMENTS.

Under one hundred dollars	21,808
One hundred dollars and upward	6,201
Two hundred dollars and upward	2,851
Three hundred dollars and upward	1,580
Four hundred dollars and upward	1,026
Five hundred dollars and upward	1,162
Six hundred dollars and upward	377
Seven hundred dollars and upward	272
Eight hundred dollars and upward	203
Nine hundred dollars and upward	164
One thousand dollars and upward	603
Total	36,247

This statement illustrates the persistency of the toil and thrift of the depositors, and gives an idea of the reluctance with which they would draw upon the funds they had thus slowly accumulated. How largely they have been forced to draw, this other statement will show. It gives the number and amount of deposits received and of payments made during the year 1873, and the months of January and February, 1874:

Months.	Number received.	Amount received.	Number paid.	Amount paid.
January	7,843	$490,264 42	2,895	$324,680 77
February	6,272	344,287 82	2,267	293,482 95
March	6,918	383,830 02	2,779	391,894 63
April	6,267	302,626 63	2,773	432,989 39
May	6,258	380,986 32	3,078	487,695 59
June	6,325	386,274 40	2,559	363,595 82
July	7,111	466,110 99	2,638	351,308 29
August	6,103	353,346 87	2,290	319,152 59
September	5,754	323,151 31	2,642	376,241 31
October	3,121	177,314 24	5,239	1,137,121 80
November	2,483	167,995 87	3,666	558,464 24
December	4,003	312,144 99	3,412	330,296 32
January	6,980	534,775 48	2,959	324,159 20
February	3,789	204,513 15	3,643	654,830 14
Total	79,227	4,917,522 51	42,849	6,345,973 04

I apprehend, as I have said, that the course of business of this venerable and well-conducted institution may be taken as an illustration of that of the savings-banks throughout the country. It presents some noteworthy facts. The coming financial catastrophe had been casting its shadow before for many months; indeed, the industries of the country have never entirely reacted from the financial stringency of the autumn of 1872; yet, if gentlemen will observe the figures I have presented, and compare the amounts received from January to August inclusive with the amounts paid out during the same period, they will discover that though our industries were not as prosperous as they had been, the receipts were $3,197,627.47, and the payments but $2,964,860.03, showing that during those eight months the humble depositors in this one institution had added $232,767.44 to their accumulations. If they will then note the receipts and payments from September to February inclusive, they will find that the receipts were but $1,719,895.04 and the payments were $3,381,113.01, showing that these same laborious, thrifty, hopeful people had, in these six short months, exhausted $1,661,217.97 of the fund they had accumulated by sacrifices and economies unknown to the bankers who tell us that money is plenty, and point to the treasures locked in their vaults, which are alike inaccessible to the laborer and to the man of energy and enterprise whose means are restricted.

But, sir, I have wandered into a digression. I meant to ask whether the figures I had exhibited, the statements I had made, could be real; whether I had not been involved in fantasy; whether such power as the figures indicate can possibly reside in a single instrument of society, the medium of exchange, of which, as Mr. Carey says, "the generic name is money, and which may be of gold, silver, copper, or circulating notes." Let me, therefore, see whether I find confirmation or contradiction by proceeding to survey a somewhat wider field of our recent history.

First, let me invite attention to the fact that it is shown by the census of 1870, that the annual production of our workshops, farms, mines, and fisheries for that year was over $7,000,000,000. The census takes no cognizance of establishments in which the acknowledged production was less than $500 per annum, though the Middle and Eastern States abound in such establishments, yet it presented as an ascertained result $6,843,559,506. This grand total was divided thus: The products of factories and workshops were $4,232,325,442; of the farm, $2,447,538,658; of the mine, $152,589,974, and of our fisheries, $11,096,522. How these results compare with those of preceding years, in which our currency purported to be on a gold basis, let me give you a few illustrations from such authorities as I have at hand.

The census of 1850 and that of 1860 included the productions of mines and fisheries with those of the factory and workshops, while, as I have shown, each of these sources of wealth is embraced under a separate head by the census of 1870. Bearing these facts in mind, let us compare the productions of 1870 with those of the two preceding decades.

The total productions of the factories and workshops, and of mines and fisheries, in 1850, were $1,019,106,616; in 1860 they were $1,885,861,676; but in 1870 the productions of the factory and workshop alone were $4,302,453,616; while, as I have shown, those of mines and fisheries amounted to over $163,000,000.

Whence came this enormous increase in every department of production? Is it—I reiterate the question—the result of five years of intestine war upon a scale greater than such war had ever before been conducted? Gentlemen will not assert this; but I ask them to bear in mind the fact that such war prevailed through nearly half the decade; and to tell me what it was that during this period of waste and destruction gave such an impulse to the productive arts and resources of the country, and why that impulse has been recently paralyzed or withdrawn. The former facts were coincident with our acceptance of the duty of protecting our labor and the issue of an adequate volume of the medium of exchange, and the paralysis came on apace with the reduction of protective duties and the withdrawal of a large part of that medium, or, in popular phrase, the contraction of the currency.

In 1850 we had 7,000 miles of railroad; in 1860, 31,000. But to measure the progress of the seven years preceding the issue of inconvertible paper money, let me say that in 1863 we had 33,170 miles. In 1870 we had 52,898 miles, and at the close of 1873 we had 71,564 miles, of which 4,190 had been constructed in 1873.

Our production of iron in 1850 was about 800,000 tons, from which figures it differed but little, some 20,000 tons, in 1860; but by 1870 it had swollen to 1,900,000.

Our production of wool in 1850 was 52,000,000 pounds; in 1860 it had grown to but 60,000,000; but in 1870 it was more than 170,000,000.

Of anthracite coal we produced in 1850 3,358,899 tons; in 1860, 8,513,123; in 1870, 15,849,899; and in 1872, the last year for which the figures have been made up, 19,026,125. In contemplating these facts relating to fuel, we should remember that fire is force, and animates the steam-engine, imparting its wonderful energy to the improved mechanism of these days, adding sometimes a thousand-fold, yes, more, to the productive power of man.

But I must not weary gentlemen with details, and hasten to bring to their attention the fact that the census of 1860 showed us that the American people had gathered together, including the property brought by the founders of Jamestown and in the Mayflower, $14,000,000,000 of wealth. This was the grand result of the enterprise, industry, and thrift of the American people from the settlement of the country to 1860.

But what did the next ten years do in this direction? According to the learned authorities cited by gentlemen, the people during this decade had been robbed by a forced loan; their business had been destroyed by an inflated currency, values had been unsettled, and the adventurers of the world had been invited to overstock our markets, because they were said by sophists to be the best in which to sell and the worst in which to buy; and yet, while suffering all these imputed disadvantages, while bearing forced loans and suffering an inflation of the currency, they accumulated in ten years $16,000,000,000 of property, $2,000,000,000 more than had been created in all the previous life of the nation. Gentlemen who are ever ready to ignore facts, which cannot be reconciled with the theories they have inherited, may say that this wealth was unreal; that it was fanciful; that it will melt away when our currency is brought down to the "hard-pan" of a gold basis. But, sir, I point to the marvelous growth of the great cities of the country—to New York, Philadelphia, Brooklyn, Chicago, Boston, Baltimore, Saint Louis. I point to the myriads of beautiful towns and thriving cities that have sprung up in every part of our country. I point to the amply endowed institutions of learning, the public libraries, halls of science, and temples of worship, which have been reared and endowed since 1860. I point to the railroads connecting States and cities and oceans with each other, and bearing the products of our workshops, our fields, our mines, and our fisheries, from one part of the country to the other, and to our sea-ports, for exportation to all parts of the world, and ask whether these will melt away. No, sir, they will not melt; they are not mere phantasmagoria; they are substantial and enduring. But by the further contraction of our currency the buildings, the roads, the workshops, and the fields, may be transferred from the men of energy who have erected or cultivated them, by the process of sheriff's or marshal's sale to the men whom we have invested with the power of making the money of the country, and of contracting it when they wish to buy, and of expanding it when they feel that it will be well to sell, in order that they may buy in again when they shall have produced the next financial crisis.

But this is not the time to discuss the question of banking. The bill before the House is a revenue bill—a bill proposing to repeal taxes, and I have already said that in the peculiar condition of our

country I think it would be injudicious to give it the effect of law. I hope the House will reject it; but in saying this, let me add that I hope it will reimpose none of the war taxes which have been repealed. There is no necessity for any additional taxation. Embarrassed as we are, such is the inherent power and the resources of the American people, that the current revenues will not only meet the current expenditures, but will, before the year closes, have made a generous contribution to the sinking fund; and should Congress in its wisdom determine to restore to circulation the balance of the forty-four million reserve now held by the Treasury, and to release the greenbacks now held as reserve by the banks, our industries will be so far reanimated as to enable us to begin at the next session, or the first session of the Forty-fourth Congress, to reduce the internal taxes which now burden with such grievous discrimination the grain fields of the West and the tobacco fields of the South, and annoy the people of the whole country by the petty exactions made through the stamp system. The history of the past eleven years precludes the possibility of doubt on this point.

Nor, sir, would I consent to borrow a dollar to meet current expenses. Did it seem to be necessary to add to the current revenue, I would refuse to make a loan for that purpose, or to add one dollar of taxation to the burdens borne by the people, while we refuse to give them a medium of exchange by which the laborer may be employed, and earn his daily bread and contribute to the revenues of the Government by his expenditures. The loan I would make would be in the direction of economy. It would be to borrow temporarily such funds as our own people may be able to lend the Government, on coin dition that their money should be refunded to them on call; and in consideration that it was received on this condition, I would make the distinction in the rate of interest that is now made between the rate for call loans and loans on bond, mortgage, or long note. From $300,000,000 to $500,000,000 can be had in a few months at the low rate of 3.65 in paper, with which gold bonds bearing 6 per cent. interest may be bought in open market, or called by the Secretary of the Treasury, who, I am sorry to see, is again supplying England with gold by buying up greenbacks. Were he required to accept loans on such terms as I indicate, he might reduce his interest account by calling 6 per cent. gold bonds and paying for them at par. This process involves an economy greater than any or all those proposed by the distinguished gentleman from Massachusetts, [Mr. DAWES,] the chairman of the Committee on Ways and Means. It will throw no workmen out of employ, as would the suspension of work upon our public buildings; it will leave no unfinished buildings standing in each of our great cities, a monument of our incompetence to manage the affairs of this great and expanding country; but will give us a full Treasury, amply replenished by the free contributions of a prosperous people.

[Mr. DUELL, by unanimous consent, obtained leave to print some remarks in the CONGRESSIONAL RECORD.] (See Appendix.)

Mr. FIELD obtained the floor, but yielded to

Mr. GARFIELD, who moved that the House adjourn.

The motion was agreed to; and accordingly (at four o'clock and forty-five minutes p. m.) the House adjourned.

IN SENATE.

MONDAY, *March* 9, 1874.

Prayer by the Chaplain, Rev. BYRON SUNDERLAND, D.D.

DEATH OF EX-PRESIDENT FILLMORE.

Mr. FENTON. Mr. President, the telegraph brings to us to-day the painful intelligence of the death of a distinguished citizen of the Republic, who once occupied the exalted position of President of the United States. Mr. FILLMORE's death will sadly touch the hearts, not alone of the people of the State in which he lived and led a career so useful and so full of honor, but the hearts of the whole people of our great country. As the news shall reach other lands, even there will be found those who will do honor to this mournful event; for the knowledge of his virtues, name, and fame was not confined to his own country, which had so honored him. This providence is one of general public interest as well as private grief, in which all can unite to pay appropriate honor and respect. It will not be expected, nor is it usual, to make remarks in this place which would be fitting to such an occasion elsewhere, but in view of the sad event, and in respect to the memory of the dead, I move that the Senate now adjourn.

The PRESIDENT *pro tempore*. The Senator from New York moves that the Senate do now adjourn.

Mr. SHERMAN. I would ask what the precedents have been in similar cases.

Mr. FENTON. I am informed by the Chair that this is the usual course.

Mr. SHERMAN. I can only say for myself that while I am willing to follow any well-established precedent on the occasion of the death of so distinguished a citizen as Mr. FILLMORE, late President of the United States, and would pay to his memory any compliment that has been usual in the case of any one who has occupied the high position of President of the United States, I do not believe that this example is a wise one. If there is no precedent for it I shall feel at liberty to vote against the motion. If, however, the Secretary, who is better informed on this subject than I am, says that there is a well-established precedent of adjourning over in the case of the death of any one who has held the office of President of the United States, I certainly will not object in this case; for I would extend to the memory of Mr. FILLMORE every consideration and every compliment ever extended to any one who has held that exalted office.

The PRESIDENT *pro tempore*. The Chair is informed that the Senate adjourned on the death of Mr. Buchanan; and the Secretary does not recall the instance of other ex-Presidents dying during the session of Congress.

Mr. ANTHONY. It is certain that Congress adjourned on receiving intelligence of the death of the first President. It was in the resolution upon that event, introduced by John Marshall, and drawn by Henry Lee, that the memorable words, afterward repeated by General Lee in his eulogy before the two Houses of Congress, were originally employed: "First in war, first in peace, and first in the hearts of his countrymen."

Mr. SHERMAN. If the precedent has been established, I shall make no objection.

Mr. FENTON. I have not looked into the precedents in cases of this kind, but it seems to me altogether appropriate that the Senate should adjourn, and therefore I make the motion.

The PRESIDENT *pro tempore*. The Senator from New York, for reasons assigned by him, moves that the Senate do now adjourn.

The motion was agreed to; and (at twelve o'clock and seven minutes p. m.) the Senate adjourned.

HOUSE OF REPRESENTATIVES.

MONDAY, *March* 9, 1874.

The House met at twelve o'clock m. Prayer by Rev. C. KINGSLEY, Canon of Westminster and Chaplain to the Queen of Great Britain and to the Prince of Wales.

The Journal of Saturday last was read and approved.

ORDER OF BUSINESS.

The SPEAKER. This being Monday, the first business in order is the call of the States and Territories, beginning with the State of Maine, for the introduction of bills and joint resolutions for reference to their appropriate committees, not to be brought back on motions to reconsider. Under this call memorials and resolutions of State and territorial Legislatures may be presented for reference and printing. The morning hour begins at four minutes after twelve o'clock.

UNITED STATES ARSENAL, AUGUSTA, MAINE.

Mr. HALE, of Maine, presented resolutions of the Legislature of the State of Maine, in relation to the United States arsenal at Augusta, Maine; which were referred to the Committee on Military Affairs, and ordered to be printed.

SCHOONER ADA A. ANDREWS.

Mr. EAMES introduced a joint resolution (H. R. No. 70) referring to the Court of Claims the claims against the United States for loss of the schooner Ada A. Andrews, of Providence, Rhode Island; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

MARVIN H. AMESBURY.

Mr. KELLOGG introduced a bill (H. R. No. 2360) for the relief of Marvin H. Amesbury; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

BRIDGE ACROSS THE SAINT LAWRENCE.

Mr. WHEELER introduced a bill (H. R. No. 2361) to authorize the construction of a bridge across the Saint Lawrence River and to establish it as a post-road; which was read a first and second time, referred to the Committee on Commerce, and ordered to be printed.

COUNCIL ON ART MATTERS.

Mr. COX introduced a joint resolution (H. R. No. 71) establishing a council on art matters; which was read a first and second time, referred to the Committee on the Library, and ordered to be printed.

REBATE OF DUTY ON GLASS.

Mr. COX also introduced a bill (H. R. No. 2362) in relation to a rebate of duty on certain kinds of imported glass; which was read a first and second time, referred to the Committee on Ways and Means, and ordered to be printed.

CONDEMNED CANNON.

Mr. PLATT, of New York, introduced a bill (H. R. No. 2363) authorizing the Secretary of War to deliver condemned ordnance to Post No. 36 of the Grand Army of the Republic of Trumansburgh, New York; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

REPEAL OF DUTIES.

Mr. MERRIAM introduced a bill (H. R. No. 2364) to repeal duties on packages, commissions, transportation, &c., on foreign merchan-

dise; which was read a first and second time, referred to the Committee on Ways and Means, and ordered to be printed.

GRADUATES OF NAVAL ACADEMY.

Mr. SCUDDER, of New Jersey, introduced a bill (H. R. No. 2365) to fix the rank and precedence of ten graduates of the Naval Academy; which was read a first and second time, referred to the Committee on Naval Affairs, and ordered to be printed.

WILLIAM WHEELER HUBBELL.

Mr. KELLEY introduced a bill (H. R. No. 2366) for the relief of William Wheeler Hubbell; which was read a first and second time, referred to the Committee on Patents, and ordered to be printed.

DR. JOSEPH R. BRYAN.

Mr. KELLEY also introduced a bill (H. R. No. 2367) for the relief of Dr. Joseph R. Bryan; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

CATHARINE YETTER.

Mr. SMITH, of Pennsylvania, introduced a bill (H. R. No. 2368) to place Catharine Yetter, widow of Peter F. Yetter, deceased, on the pension-roll; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

MARY ROBBINS.

Mr. TAYLOR introduced a bill (H. R. No. 2369) for the relief of the personal representatives of Mary Robbins, deceased, who was the widow of Brintnal Robbins, an officer of the Revolution; which was read a first and second time, referred to the Committee on Revolutionary Pensions and War of 1812, and ordered to be printed.

HELEN WALTON.

Mr. TAYLOR also introduced a bill (H. R. No. 2370) granting a pension to Mrs. Helen Walton; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

LIDIA A. DOUGLAS.

Mr. TAYLOR also introduced a bill (H. R. No. 2371) granting a pension to Mrs. Lidia A. Douglas; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

COLONEL JAMES R. PORTER.

Mr. TAYLOR also introduced a bill (H. R. No. 2372) granting a pension to Colonel James R. Porter; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

PAYMENT OF FEMALE EMPLOYÉS.

Mr. SPEER introduced a bill (H. R. No. 2373) requiring the same compensation to be paid to female employés of the Government as is paid to the male employés for the same service; which was read a first and second time, referred to the Committee on Reform in the Civil Service, and ordered to be printed.

INDIANA METHODIST CHURCH, NORFOLK, VIRGINIA.

Mr. PLATT, of Virginia, introduced a bill (H. R. No. 2374) for the relief of the Indiana Methodist church of Norfolk, Virginia; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

PETERSBURG, VIRGINIA.

Mr. PLATT, of Virginia, also introduced a bill (H. R. No. 2375) for the relief of the city of Petersburg, Virginia; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

STEPHEN M. HONEYCUTT.

Mr. VANCE introduced a bill (H. R. No. 2376) for the relief of Stephen M. Honeycutt, late a private of Company E, Third North Carolina Mounted Infantry; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

A. B. WELCH AND J. J. WELCH.

Mr. VANCE also introduced a bill (H. R. No. 2377) for the relief of A. B. Welch and J. J. Welch, loyal citizens of Wayne County, North Carolina; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

ALEXANDER COOPER AND OTHERS.

Mr. VANCE also introduced a bill (H. R. No. 2378) for the relief of Alexander Cooper, Jane Williams, Nancy Patton, and others, of Buncombe County, North Carolina; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

JAMES B. BURNS.

Mr. ASHE introduced a bill (H. R. No. 2379) for the relief of James B. Burns, surety of John A. Gale; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

WILLIAM SADDLER.

Mr. WALLACE introduced a bill (H. R. No. 2380) granting a pension to William Saddler, of Washington, District of Columbia; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

HENRY S. CASTELLAW.

Mr. HARRIS, of Georgia, introduced a bill (H. R. No. 2381) to compensate Henry S. Castellaw for stock and provisions taken for the use of the Army of the United States; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

IMPROVEMENT OF WATER-ROUTES.

Mr. SHEATS introduced a bill (H. R. No. 2382) to provide for the opening and improvement of navigation of certain water-routes therein named, and for other purposes; which was read a first and second time, referred to the Committee on Railways and Canals, and ordered to be printed.

COTTON FLETCHER.

Mr. BARRY introduced a bill (H. R. No. 2383) granting a pension to Cotton Fletcher; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

PLEASURE-YACHT PLANCHETTE.

Mr. HOWE introduced a bill (H. R. No. 2384) to change the name of the pleasure-yacht Planchette to that of Laxen; which was read a first and second time, referred to the Committee on Commerce, and ordered to be printed.

CHARLES WOELFER.

Mr. BANNING introduced a bill (H. R. No. 2385) providing for the payment of Charles Woelfer, as second lieutenant Company E, Twenty-eighth Regiment Ohio Infantry, from April 1, 1863, to July 23, 1864; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

ELISHA BARRY.

Mr. ROBINSON, of Ohio, introduced a bill (H. R. No. 2386) granting a pension to Elisha Barry, of the war of 1812; which was read a first and second time, referred to the Committee on Revolutionary Pensions and War of 1812, and ordered to be printed.

JULIA ANN ENGLE.

Mr. READ introduced a bill (H. R. No. 2387) for the benefit of Julia Ann Engle, of Bullitt County, Kentucky, granting her a pension; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

OLIVER MARCUM.

Mr. DURHAM introduced a bill (H. R. No. 2388) increasing the pension of Oliver Marcum, of Russell County, Kentucky; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

HEIRS OF JOHN H. EVANS.

Mr. ATKINS introduced a bill (H. R. No. 2389) for the relief of the minor heirs of John H. Evans, deceased; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

SHELBY MEDICAL COLLEGE.

Mr. HARRISON introduced a bill (H. R. No. 2390) for the relief of the Shelby Medical College, of Nashville, Tennessee; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

JOHN E. TULLOSS.

Mr. WHITTHORNE introduced a bill (H. R. No. 2391) for the relief of John E. Tulloss, of Williamson County, Tennessee; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

ROBERT OLIVER.

Mr. HURLBUT introduced a bill (H. R. No. 2392) for the relief of Robert Oliver, late first lieutenant Company C, Fifty-fifth Illinois Infantry; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

REGULATION OF RAILROAD CHARGES.

Mr. HURLBUT also presented a joint resolution of the Legislature of Illinois, on extortion and discrimination by railroads; which was read as follows:

Whereas the Constitution of the United States makes it the duty of Congress to regulate commerce between the States: Therefore,

Resolved by the house of representatives, (the senate concurring therein,) That our Senators in Congress be instructed and our Representatives be requested to use all lawful means to procure a law of Congress preventing railroads or transportation companies doing business through or between the States from making unjust charges or discriminations for such service.

The resolution was referred to the Committee on Railways and Canals, and ordered to be printed.

CANNON, ETC., FOR SOLDIERS' MONUMENT.

Mr. FORT (for Mr. RAY) introduced a bill (H. R. No. 2393) granting condemned cannon and cannon-balls to the Oquawka Soldiers' Monument Association, in Henderson County, Illinois; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

ISSUE OF INTEREST-BEARING NOTES.

Mr. FORT also (by request) introduced a bill (H. R. No. 2394) authorizing the issue of interest-bearing notes by the Treasury of the

United States for the payment of the construction of its public works; which was read a first and second time, referred to the Committee on Banking and Currency, and ordered to be printed.

BRIDGE OVER MISSISSIPPI RIVER.

Mr. GLOVER introduced a bill (H. R. No. 2395) giving the consent of the United States to the erection of a carriage, wagon, foot-passenger, and railroad bridge over the Mississippi River, at the town of Canton, Lewis County, State of Missouri; which was read a first and second time, referred to the Committee on Commerce, and ordered to be printed.

RUDOLPH LOBSIGER.

Mr. HAVENS introduced a bill (H. R. No. 2396) for the relief of Rudolph Lobsiger, a citizen of the Swiss Confederation; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

SHIP-PLANK AND PLANKING AND HANDLE-BOLTS.

Mr. CONGER introduced a bill (H. R. No. 2397) to place ship-plank and planking and handle-bolts on the free list; which was read a first and second time, referred to the Committee on Ways and Means, and ordered to be printed.

JOHN HORN, JR.

Mr. FIELD introduced a bill (H. R. No. 2398) granting a gold medal to John Horn, jr., for his heoric exploits in rescuing men, women, and children from drowning in the Detroit River; which was read a first and second time, referred to the Committee on Commerce, and ordered to be printed.

INCREASE OF REVENUE.

Mr. FIELD also introduced a bill (H. R. No. 2399) to increase the revenue from imports and to reduce internal-revenue taxation; which was read a first and second time, referred to the Committee on Ways and Means, and ordered to be printed.

WILLIAM WHITE.

Mr. WILLIAMS, of Michigan, introduced a bill (H. R. No. 2400) granting a pension to William White; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

ALMERON E. CALKINS.

Mr. WILLIAMS, of Michigan, also introduced a bill (H. R. No. 2401) for the relief of Almeron E. Calkins, late second lieutenant in the Eighth Michigan Cavalry; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

IMPROVEMENT OF SABINE PASS, TEXAS.

Mr. HERNDON introduced a bill (H. R. No. 2402) to appropriate money for the improvement of the navigation of the harbor and bar of Sabine Pass, Texas; which was read a first and second time, referred to the Committee on Commerce, and ordered to be printed.

SOLDIERS AND SAILORS OF THE MEXICAN WAR.

Mr. HERNDON also introduced a bill (H. R. No. 2403) granting pensions to the soldiers and sailors of the Mexican war who were mustered into service under the act of May 13, 1846, and the acts supplemental to and amendatory thereof; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

HYACINTH DE ST. CYR.

Mr. GIDDINGS introduced a bill (H. R. No. 2404) for the relief of Hyacinth de St. Cyr, of Galveston, Texas; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

THANKS TO THE PRESIDENT FROM TEXAS.

Mr. GIDDINGS also presented joint resolutions of the Legislature of the State of Texas, returning thanks to the President for upholding the right of local self-government in Texas.

The resolutions were read by the Clerk, as follows:

Be it resolved by the Legislature of the State of Texas, That the recent action of his Excellency U. S. Grant, President of the United States, in declining to furnish troops to Edmund J. Davis, late governor of Texas, to enable him to set at defiance the popular will and to destroy the popular government in our State, is a high recognition of the inherent right of local self-government, and is duly appreciated by the people of Texas.

SEC. 2. *Be it further resolved*, That the governor be, and is hereby, requested to transmit a copy of these resolutions to his Excellency the President, and also to our Senators and Representatives in Congress.

R. B. HUBBERD,
President of the Senate.
GUY M. BRYAN,
Speaker of the House of Representatives.

Approved February 14, 1874.

RICHARD COKE,
Governor.

The joint resolutions were laid upon the table, and ordered to be printed.

ELLA P. MURPHY.

Mr. MILLS introduced a bill (H. R. No. 2405) for the relief of Ella P. Murphy, for property stolen by Indians in the years 1861 and 1870, in the State of Texas; which was read a first and second time, referred to the Committee on Indian Affairs, and ordered to be printed.

THOMAS SEELEY.

Mr. KASSON introduced a bill (H. R. No. 2406) for the relief of Thomas Seeley; which was read a first and second time, referred to the Committee on the Public Lands, and ordered to be printed.

TRANSMISSION OF GRAIN.

Mr. COTTON presented joint resolution of the Iowa Legislature, in relation to compelling railways to transmit grain without passing through the elevators in Chicago; which was referred to the Committee on Railways and Canals, and ordered to be printed.

JOHN J. BOTTGER.

Mr. LOUGHRIDGE introduced a bill (H. R. No. 2407) granting a pension to John J. Bottger; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

CATHARINE LEWIS.

Mr. LOUGHRIDGE also introduced a bill (H. R. No. 2408) granting a pension to Catharine Lewis, widow of Isaiah Lewis, deceased; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

BRIDGE ACROSS MISSOURI RIVER.

Mr. ORR introduced a bill (H. R. No. 2409) to authorize the construction of a bridge across the Missouri River, at or near Sioux City, Iowa; which was read a first and second time, referred to the Committee on Commerce, and ordered to be printed.

STRAIGHT CUT, MILWAUKEE HARBOR.

Mr. ELDREDGE presented a memorial of the Legislature of the State of Wisconsin, for the refunding to the city of Milwaukee of moneys advanced for the building of the straight-cut harbor of Milwaukee; which was referred to the Committee on Commerce, and ordered to be printed.

IMPROVEMENT OF KEWAUNEE HARBOR.

Mr. ELDREDGE also presented a memorial of the Legislature of the State of Wisconsin, asking appropriation for improvement of the harbor at Kewaunee; which was referred to the Committee on Commerce, and ordered to be printed.

SAINT CROIX AND LAKE SUPERIOR RAILROAD.

Mr. ELDREDGE also presented a memorial of the Legislature of the State of Wisconsin, for an extension to the State of the time for the construction of the railroad from Saint Croix River to the west end of Lake Superior; which was referred to the Committee on Commerce, and ordered to be printed.

NORTH BRANCH OF THE UNION PACIFIC RAILROAD.

Mr. ELDREDGE also presented a memorial of the Legislature of the State of Wisconsin, in relation to the North Branch of the Union Pacific Railroad; which was referred to the Committee on the Pacific Railroad, and ordered to be printed.

WATER COMMUNICATION BETWEEN LAKE MICHIGAN AND ATLANTIC.

Mr. HAZELTON, of Wisconsin, presented a memorial of the Legislature of the State of Wisconsin, for improvement in channels of water communication between Lake Michigan and the Atlantic Ocean; which was referred to the Committee on Railways and Canals, and ordered to be printed.

NORMAN SIMONDS.

Mr. HAZELTON, of Wisconsin, also introduced a bill (H. R. No. 2410) granting a pension to Norman Simonds, private in Company E, Third Regiment Wisconsin Cavalry Volunteers; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

MARY T. MORRISON.

Mr. HAZELTON, of Wisconsin, also introduced a bill (H. R. No. 2411) granting an increase of pension to Mary T. Morrison, widow of David L. Morrison, late a private in Company D, Fifteenth Regiment Wisconsin Veteran Volunteers; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

SHERIDAN O. BREMMER.

Mr. McDILL, of Wisconsin, introduced a bill (H. R. No. 2412) for the relief of Sheridan O. Bremmer, late private Company E, Eighteenth Regiment Wisconsin Infantry; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

MAIL CONTRACTS.

Mr. PAGE introduced a bill (H. R. No. 2413) in relation to mail contracts; which was read a first and second time, referred to the Committee on the Post-Office and Post-Roads, and ordered to be printed.

INDIAN RESERVATION IN SISKIYOU COUNTY, CALIFORNIA.

Mr. LUTTRELL presented concurrent resolutions of the Legislature of the State of California, relative to the establishment of an Indian reservation in Siskiyou County; which were referred to the Committee on Indian Affairs, and ordered to be printed.

AMENDMENT TO THE CONSTITUTION.

Mr. LUTTRELL also presented concurrent resolutions of the Legislature of the State of California, favoring an amendment to the Constitution of the United States, providing for the election of United States Senators by a direct vote of the people; which were referred to the Committee on the Judiciary, and ordered to be printed.

ELECTION OF CALIFORNIA REPRESENTATIVES.

Mr. LUTTRELL also presented concurrent resolutions of the Legislature of the State of California, asking for the repeal of the act of Congress fixing the time for the election of Representatives from the State of California to the Forty-fourth Congress; which were referred to the Committee on the Judiciary, and ordered to be printed.

CORRECTION OF BOUNDARIES, ETC.

Mr. LUTTRELL. I also, by request, introduce the two following bills, without agreeing to support them or saying that I will oppose them. They are recommended by a judge of the supreme court of my State:

A bill (H. R. No. 2414) for the correction of the boundaries of certain lands; and a bill (H. R. No. 2415) for the relief of settlers on certain lands.

The bills were read a first and second time, referred to the Committee on the Public Lands, and ordered to be printed.

INDIAN HOSTILITIES IN OREGON AND CALIFORNIA.

Mr. NESMITH introduced a bill (H. R. No. 2416) to authorize the Secretary of War to ascertain the amount of expenses incurred by the States of Oregon and California, in the suppression of Indian hostilities in the years 1872 and 1873; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

NORTHERN BRANCH UNION PACIFIC RAILROAD.

Mr. STRAIT presented joint resolutions of the Legislature of Minnesota, relative to the Northern Branch of the Union Pacific Railroad; which were referred to the Committee on the Pacific Railroad, and ordered to be printed.

UNITED STATES COURT AT MARTINSBURGH.

Mr. DAVIS presented joint resolutions of the Legislature of the State of West Virginia, requesting her Senators and Representatives in Congress to favor the passage of an act providing for sessions of the district court of the United States at Martinsburgh; which were referred to the Committee on the Judiciary, and ordered to be printed.

JAMES P. PECK AND REUBEN WOOD.

Mr. CROUNSE introduced a bill (H. R. No. 2417) for the relief of James P. Peck and Reuben Wood; which was read a first and second time, referred to the Committee on Indian Affairs, and ordered to be printed.

ADMISSION OF NEW MEXICO INTO THE UNION.

Mr. ELKINS introduced a bill (H. R. No. 2418) to enable the people of New Mexico to form a constitution and State government, and for the admission of said State into the Union on an equal footing with the original States; which was read a first and second time, referred to the Committee on the Territories, and ordered to be printed.

MILITARY ROADS IN ARIZONA.

Mr. McCORMICK introduced a bill (H. R. No. 2419) to provide for the construction of military roads in Arizona; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

ARMY OFFICERS.

Mr. McCORMICK also introduced a bill (H. R. No. 2420) allowing Army officers to wear certain emblems indicative of honors conferred upon them; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

APPORTIONMENT OF WYOMING.

Mr. STEELE introduced a bill (H. R. No. 2421) to provide for the apportionment of the Territory of Wyoming for legislative purposes; which was read a first and second time, referred to the Committee on the Territories, and ordered to be printed.

EPISCOPAL PARISHES IN THE DISTRICT OF COLUMBIA.

Mr. CHIPMAN introduced a bill (H. R. No. 2422) to approve an act of the Legislative Assembly of the District of Columbia relative to parishes of the Protestant Episcopal Church; which was read a first and second time, referred to the Committee on the District of Columbia, and ordered to be printed.

CREATION OF CORPORATIONS.

Mr. CHIPMAN also introduced a bill (H. R. No. 2423) explanatory of an act to provide for the creation of corporations in the District of Columbia by general law; which was read a first and second time, referred to the Committee on the District of Columbia, and ordered to be printed.

OFFICIAL POSTAL GUIDE.

Mr. PACKER introduced a bill (H. R. No. 2424) to authorize the publication of an official postal guide; which was read a first and second time, referred to the Committee on the Post-Office and Post-Roads, and ordered to be printed.

FREE EXCHANGE OF NEWSPAPERS.

Mr. PACKER also introduced a bill (H. R. No. 2425) to provide for the free exchange of newspapers between publishers and for the free transmission of newspapers by mail within the county where published; which was read a first and second time, referred to the Committee on the Post-Office and Post-Roads, and ordered to be printed.

JUDGES OF DISTRICT COURTS, ARKANSAS.

Mr. WILSHIRE introduced a bill (H. R. No. 2426) to define the duties and fix the salaries of the judges of the district courts of the United States for the eastern and western districts of the State of Arkansas; which was read a first and second time, referred to the Committee on the Judiciary, and ordered to be printed.

LITTLE ROCK A PORT OF DELIVERY.

Mr. WILSHIRE also introduced a bill (H. R. No. 2427) to establish a port of delivery at Little Rock, Arkansas; which was read a first and second time, referred to the Committee on Commerce, and ordered to be printed.

RAILROAD LAND-GRANT.

Mr. WILSHIRE also introduced a bill (H. R. No. 2428) to grant public lands in the State of Arkansas to aid in the construction of the Saint Louis, Springfield and Little Rock Railroad, and for other purposes; which was read a first and second time, referred to the Committee on the Public Lands, and ordered to be printed.

JOHN F. SMITH.

Mr. E. H. ROBERTS introduced a bill (H. R. No. 2429) granting a pension to John F. Smith, late second lieutenant Sixteenth United States Infantry; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

HENRY ROUNDS.

Mr. BURROWS introduced a bill (H. R. No. 2430) granting a pension to Henry Rounds, of Niles, Michigan; which was read a first and second time, referred to the Committee on Revolutionary Pension and War of 1812, and ordered to be printed.

W. B. WALDRAN.

Mr. LEWIS introduced a bill (H. R. No. 2431) for the relief of W. B. Waldran, of Memphis, Tennessee; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

HENRY S. BULKLEY AND OTHERS.

Mr. PHILLIPS introduced a bill (H. R. No. 2432) for the relief of Henry S. Bulkley and others; which was read a first and second time, referred to the Committee on the Judiciary, and ordered to be printed.

CATHOLIC CHURCH, JACKSON, MISSISSIPPI.

Mr. McKEE introduced a bill (H. R. No. 2433) for the relief of the Catholic church at Jackson, Mississippi; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

GEORGE F. SELLECK.

Mr. KELLOGG introduced a bill (H. R. No. 2434) for the relief of George F. Selleck, late of the Fifth Connecticut Volunteers; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

JOSEPH E. MOORE.

Mr. KELLOGG also introduced a bill (H. R. No. 2435) for the relief of Joseph E. Moore; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

GEORGE W. WRIGHT.

Mr. KNAPP introduced a bill (H. R. No. 2436) granting a pension to George W. Wright, of Brown County, Illinois, a soldier of the war of 1812; which was read a first and second time, referred to the Committee on Revolutionary Pensions and War of 1812, and ordered to be printed.

ROSELLA RACHEL WYATT.

Mr. BLOUNT introduced a bill (H. R. No. 2437) for the relief of Rosella Rachel Wyatt; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

ELDRIDGE WEAVER.

Mr. GUNCKEL introduced a bill (H. R. No. 2438) for the relief of Eldridge Weaver, late private of Company C, Seventeenth Illinois Volunteers; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

BENJAMIN PENNY.

Mr. GUNCKEL also introduced a bill (H. R. No. 2439) for the relief of Benjamin Penny, late of Company G, Forty-fourth Ohio Volunteers; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

NIAGARA SHIP-CANAL.

Mr. BRADLEY presented a joint resolution of the Legislature of the State of Michigan, in reference to the construction of the Niagara Ship-Canal; which was referred to the Committee on Railways and Canals, and ordered to be printed.

NEWSPAPERS, ETC., IN THE MAILS.

Mr. ALBRIGHT introduced a bill (H. R. No 2440) relating to the transmission of newspapers, &c., free through the mails; which was read a first and second time, referred to the Committee on the Post-Office and Post-Roads, and ordered to be printed.

LAND FOR PUBLIC USE.

Mr. BUTLER, of Massachusetts, introduced a bill (H. R. No. 2441) to provide for the taking of land by the United States for public use and for just compensation to the owners thereof; which was read a first and second time, referred to the Committee on the Judiciary, and ordered to be printed.

DEPOSITS IN SAVINGS BANKS.

Mr. BUTLER, of Massachusetts, also introduced a bill (H. R. No. 2442) explanatory of the act of June 30, 1864; which was read a first and second time, referred to the Committee on the Judiciary, and ordered to be printed.

GOVERNMENT AGENTS, ETC.

Mr. BUTLER, of Massachusetts, also introduced a bill (H. R. No. 2443) to protect persons acting in the interest of the United States; which was read a first and second time, referred to the Committee on the Judiciary, and ordered to be printed.

LAW BUSINESS OF EXECUTIVE DEPARTMENTS.

Mr. WOODFORD introduced a bill (H. R. No. 2444) to facilitate the conduct of law business arising in the Executive Departments; which was read a first and second time, referred to the Committee on Reform in the Civil Service, and ordered to be printed.

BARBARA PATTI.

Mr. WOODFORD also introduced a bill (H. R. No. 2445) granting a pension to Barbara Patti, widow of Gregory Patti, late a seaman in the United States Navy; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

SAINT PAUL AND PACIFIC RAILROAD.

Mr. WOODFORD also introduced a bill (H. R. No. 2446) for the relief of the mortgage bondholders of the Saint Paul and Pacific Railroad Company; which was read a first and second time, referred to the Committee on the Public Lands, and ordered to be printed.

LOUISVILLE AND PORTLAND CANAL.

Mr. HOLMAN. On Monday last Senate bill No. 350, in regard to the Louisville and Portland Canal, was made a special order for to-day immediately after the morning hour. I ask unanimous consent of the House that it be postponed until next Monday, and made the special order for that day immediately after the morning hour.

No objection was made; and it was ordered accordingly.

IMPORTATION OF CONTAGIOUS DISEASES.

Mr. BROMBERG. Mr. Speaker, a week ago I gave notice that I would to-day ask the House to provide that the bill (H. R. No. 1584) to prevent the importation of contagious and infectious diseases into the United States, should be made a special order, to follow the bill in relation to the Louisville and Portland Canal.

The SPEAKER. The Chair will recognize the gentleman after the bill in relation to the Louisville and Portland Canal is disposed of.

PAY OF WEST VIRGINIA CONTESTANTS.

Mr. BUTLER, of Massachusetts, by unanimous consent, introduced a joint resolution (H. R. No. 72) for the relief of Hon. Benjamin Wilson and Hon. B. Frank Martin; which was read a first and second time, referred to the Committee on Elections, and ordered to be printed.

WAR CLAIMS AGAINST THE UNITED STATES.

Mr. SMITH, of Virginia, by unanimous consent, introduced a bill (H. R. No. 2447) for the payment of all claims against the United States Government for property taken and used by the United States troops during the late war, without regard to the loyalty of the claimant; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

DEATH OF EX-PRESIDENT FILLMORE.

Mr. DAWES. Mr. Speaker, intelligence has reached the city this morning of the death last evening, at his residence in Buffalo, New York, of one who has occupied such conspicuous station in public life, and such worthy position in private life, and in the estimation of his fellow-citizens, that it becomes us to arrest the further proceedings of this body for this day that we may take some proper notice of such an event.

MILLARD FILLMORE occupied in his own State of New York, in this House of Representatives, in the other branch of Congress, as its presiding officer, and in the office of President of the United States, such position before the public as to draw attention to his character in a manner that left no uncertain judgment of his ability, his conscientious discharge of all the duties devolving upon him in official life, his fidelity to every public trust, and his truthfulness as a private citizen to every man and to himself. When such a man passes away, it becomes us to take such notice of the occurrence that we ourselves may derive some benefit from the lesson of his life; that we may bear testimony to those who are to follow us that such characters are worthy of our emulation in the discharge of our duties here, and deserving the attention of our children as fitting examples for imitation.

In conformity, therefore, as well to usage as to what is becoming us under the circumstances, I have felt it my duty to call the attention of the House to this sad intelligence and to suggest such action in reference to the funeral of the deceased as custom and his deserts may seem to require at our hands. As Mr. FILLMORE was for a long time a distinguished member of this House from the State of New York, it seems proper that to some member from that State should be conceded the opportunity to submit such remarks or such form of testimonial as may be deemed appropriate. And for that purpose I yield to the gentleman from New York, [Mr. COX.]

Mr. COX. Mr. Speaker, the House is not unaware that the other branch of Congress has already adjourned in honor to the distinguished citizen of New York, now deceased—a man who has been known as a statesman to all the country. In consideration of the almost stainless purity of his private life, the moderation of his character, the distinguished services which he rendered at one time as the leader of this House, as well as in the capacity of Chief Magistrate of the Republic, it is peculiarly appropriate that the House should take some action in the matter. I therefore offer the resolution which I send to the Clerk:

The Clerk read as follows:

The House having received with profound sensibility and sorrow intelligence of the death of MILLARD FILLMORE, ex-President of the United States, at Buffalo, New York, on the 8th instant, it is hereby

Resolved, That the members of this House, of which he was a distinguished member and leader, unite in honoring the purity of his private character, the ability, probity, and patriotic motives which illustrated his public career, and the grace and dignity which marked the retirement of the latter years of his life.

That as a token of honor to the many virtues, public and private, of the illustrious statesman whose death in the ripeness of his age has arrested the attention of the nation, the Speaker of this House is requested and authorized to appoint a committee of seven members to attend the funeral of Mr. FILLMORE on behalf of this House, and to communicate a copy of these resolutions to the relatives of the deceased.

Mr. WOOD. Mr. Speaker, I cannot let this occasion pass without at least saying a few words. To the present generation of the American people, Mr. FILLMORE was known as the President of the United States, his service in which office has been referred to by the distinguished gentleman from Massachusetts [Mr. DAWES] in most appropriate terms. It was my good fortune to know Mr. FILLMORE personally, and to be associated with him as a legislator when he was a member of the House of Representatives, thirty-three years ago. In that Congress, in which he and myself were colleagues from the State of New York, he was the chairman of the Committee on Ways and Means, a committee performing at that time not only the duties now devolving upon it, but also those which now belong to the Committee on Appropriations. In the discharge of his duties as chairman of that committee, in his devotion to the public interests and to the business of this House, (I say it with all respect to his eminent successors who have served in the same capacity from that day to this,) he has not, in my judgment, had his equal. His intellectual character was broad, practical, and demonstrative; and these characteristics, together with the industry and general capacity which he devoted to the discharge of his duties as a member of Congress, laid the foundation for the eminent usefulness which he thereafter exhibited in the exercise of the highest trust known to the nation.

I have risen merely to say this much, and to second the resolution offered by my colleague, [Mr. COX.]

Mr. MAYNARD. Mr. Speaker, it was but a few moments since, so it happened, that the sad intelligence reached me of the death of this eminent man. I rise to add nothing to what has been said, certainly to protest against nothing; and yet I could not let the occasion pass without suggesting that MILLARD FILLMORE, the day he died, was something more than a citizen of the State of New York. He was adopted by the country; he became in a special sense a citizen of the country, a citizen of the United States. As the leader of this House, representing a district from the State of New York, he made a distinguished and honored name—a name which was the occasion of his being selected by the nation and elevated to the second place in the gift of the people. A sad dispensation of Providence transferred him (under the provisions of our Constitution) to the highest place in our land, and as we perhaps too proudly regard it, the highest place in the civilized world.

I shall not now speak of his administration as President of the United States further than to say it is one toward which its supporters and friends always recur without feelings of dissatisfaction or regret—one they take delight in remembering.

When he had retired from office into private life, and the clash of arms resounded, his voice was heard in no uncertain, no doubtful or equivocal phrase to indicate his opinion of the contest and of the duties it imposed upon all who loved their country. From that time until the day of his death, in all the excitements we have passed through, in all the discussions and agitations which have come upon the country, he has not, certainly by any public utterances, or that I am aware of by any private utterances, sought to interpose his opinion or bring the weight and influence of his character in any manner to contest, to embarrass, or to influence his successors in the discharge of the official duties appertaining to any of the high positions which he had successively filled.

His character has been singularly pure, his conduct singularly forbearing and appropriate. In private life I long since learned he had the respect of all his neighbors. Strangers who visited the city of his late residence, without regard to political sentiment or former personal relations, made it part of their pleasure to pay him their personal respects. He lived in retirement from the high office of President of the United States, as I am sure the American citizen will be gratified to see all others live who may fill the same office in the future years of this Republic. As a retired statesman I know not where to look for a finer model.

Indeed, Mr. FILLMORE may be regarded as a model American citizen, the outgrowth of our institutions and our form of government. A young man coming into life without any advantages of fortune, birth, social position, unaided save by the powers given him by his Maker, educated with such facilities as his country afforded him, he rose step by step, by his own good conduct and high personal endeavor, until he reached the topmost round of the ladder on which he first set his ambitious foot.

I concur most heartily with gentlemen who have spoken, that it is meet and proper we who have succeeded him here in the discharge of public affairs should pay becoming tribute to his memory.

Mr. COX's resolutions were unanimously adopted.

The SPEAKER. The Chair announces the following as the members of the committee under the resolution just adopted:

SAMUEL S. COX of New York, HENRY L. DAWES of Massachusetts, HORACE MAYNARD of Tennessee, JAMES N. TYNER of Indiana, WILLIAM A. WHEELER of New York, ERASTUS WELLS of Missouri, and MARK H. DUNNELL of Minnesota.

And then, on motion of Mr. DAWES, (at one o'clock and thirty minutes p. m.,) the House adjourned.

PETITIONS, ETC.

The following memorials, petitions, and other papers were presented at the Clerk's desk under the rules, and referred as stated:

By Mr. ASHE: The petition of John A. Gale, postmaster at Wadesborough, Anson County, North Carolina, to be reimbursed for money, stamps, &c., belonging to the Government, destroyed by fire, to the Committee on Claims.

By Mr. BARRERE: The petition of the Peoria Board of Trade, for increase of legal-tender currency to $400,000,000, to the Committee on Ways and Means.

By Mr. BLOUNT: The petition of Rosetta Rachel Wyatt, to be reimbursed for stores and supplies taken by the Federal Army in Bryan County, Georgia, to the Committee on War Claims.

By Mr. BURROWS: The petition of sundry citizens of Michigan, for an increased duty on imported hops, to the Committee on Ways and Means.

By Mr. BUTLER, of Massachusetts: The memorial of Pierce & Bacon, of Boston, Massachusetts, to be indemnified for drafts made by Majors, Russell & Waddell, and accepted by Hon. John B. Floyd, Secretary of War, to the Committee on Claims.

Also, the petition of Peyton R. Mayo, of Calhoun, Kentucky, for a pension, to the Committee on Invalid Pensions.

Also, the petition of William Furniss, of New York, for relief, to the Committee on War Claims.

Also, the petition of the E. P. Wallace Post Grand Army of the Republic, No. 122, of Amesbury and Salisbury, Massachusetts, for a donation of condemned ordnance, to the Committee on Military Affairs.

By Mr. CHIPMAN: The petition of the Northern Liberty Market Company, of Washington, District of Columbia, in relation to the construction of a certain act of Congress, to the Committee on the District of Columbia.

By Mr. CLARK, of Missouri: Resolutions of the Patrons of Husbandry of the State of Missouri, remonstrating against the appropriation of the public lands by corporations or to aid private schemes, and advising the donation of the proceeds of their sale to the States for a school fund, to the Committee on the Public Lands.

Also, resolutions of the Patrons of Husbandry of the State of Missouri, appealing to Congress for ample appropriations to improve the navigation of the Mississippi River and its tributaries, to the Committee on Commerce.

By Mr. COBB, of Kansas: The memorial of the Legislature of Kansas, for the relief of certain homestead settlers in Marshall, Washington, and Republic Counties, in Kansas, to the Committee on the Public Lands.

Also, resolutions of the Legislature of Kansas, relative to certain Indian lands in Kansas, to the Committee on the Public Lands.

Also, resolutions of the Legislature of Kansas, memorializing Congress to declare railway corporations common carriers, and to fix the maximum rate of charges, to the Committee on Railways and Canals.

Also, resolutions of the Legislature of Kansas, in favor of giving all United States district courts bordering on the Indian Territory concurrent jurisdiction over said Territory with the United States court for the western district of Arkansas, to the Committee on the Judiciary.

Also, resolutions of the Legislature of Kansas, for an appropriation of $500,000 for the payment of claims arising during the disorder which prevailed in Kansas from November 1, 1855, to December 1, 1856, to the Committee on Claims.

Also, resolutions of the Legislature of Kansas, in relation to certain railroad lands, to the Committee on the Public Lands.

Also, resolutions of the Legislature of Kansas, in relation to property destroyed by guerrillas during the late war, to the Committee on War Claims.

Also, resolutions of the Legislature of Kansas, in relation to claims arising from Indian depredations, to the Committee on Indian Affairs.

Also, the petition of the Leavenworth Medico-Chirurgical Society, for the passage of the bill to increase the efficiency of the Medical Department of the Army, to the Committee on Military Affairs.

By Mr. CONGER: The petition of Lucy W. Hart, for herself and brother, only surviving heirs of William Cox, deceased, to be paid the amount due said Cox as veterinary surgeon of the Eleventh Michigan Infantry, to the Committee on Military Affairs.

Also, the memorial of the Detroit Academy of Medicine in favor of the bill to increase the efficiency of the Medical Department of the Army, to the Committee on Military Affairs.

Also, the memorial of Samuel W. Hamilton, with statement and evidence, in relation to his claim to a portion of the Fort Gratiot military reservation, to the Committee on Military Affairs.

Also, the petition of Harvey Parrish, for a pension, to the Committee on Invalid Pensions.

Also, the statement of Colonel Wesley Truesdail, in relation to the improvement of Pine River, at Saint Clair, Michigan, to the Committee on Commerce.

By Mr. DUELL: The petition of R. N. Gere and 150 others, of Geddes, New York, for the repeal of that portion of the act of June 6, 1872, which made a reduction of 10 per cent. in certain duties, to the Committee on Ways and Means.

By Mr. DUNNELL: The petition of citizens of Minnesota, for the establishment of a post-route from Bigelow, Minnesota, to Valley Springs, Dakota, to the Committee on the Post-Office and Post-Roads.

By Mr. EAMES: The petition of Charles F. Sampson, and others, owners of the schooner Ada A. Andrews and consignees of her cargo, to be indemnified for losses sustained by collision with United States steamship Ticonderoga, to the Committee on Claims.

By Mr. FIELD: The petition of citizens of Detroit, Michigan, for a reduction of duties on building stone, to the Committee on Ways and Means.

Also, the petition of Jacob Guthart, for bounty, to the Committee on Military Affairs.

Also, papers relating to the claim of Richard and Rachel Riley, for arrears of pension, to the Committee on Invalid Pensions.

By Mr. FORT: Resolutions of the Legislature of Illinois, in relation to unjust charges and discriminations by railroad and transportation companies, to the Committee on Railways and Canals.

Also, the petition of D. Sunderland, and others, of Ford County, Illinois, protesting against any contraction of the currency, and asking a reasonable increase of the same, to the Committee on Banking and Currency.

By Mr. FREEMAN: The petition of the rectory, wardens, and vestry of Saint Luke's Protestant Episcopal church, of Atlanta, Georgia, for relief, to the Committee on War Claims.

By Mr. GARFIELD: The petition of Elizabeth P. Hull, of Ohio, for an increase of pension, to the Committee on Invalid Pensions.

By Mr. HARRIS, of Georgia: The petition of Henry S. Castellaw, of Talbot County, Georgia, to be reimbursed for stores and supplies taken for the use of the United States Army, to the Committee on War Claims.

By Mr. HAYS: The petition of citizens of Tuscaloosa and Jefferson Counties, Alabama, for a post-route, to the Committee on the Post-Office and Post-Roads.

By Mr. HAZELTON, of Wisconsin: The petition of Mary T. Morrison, of Wisconsin, for an increase of pension, to the Committee on Invalid Pensions.

Also, the petition of Norman Simonds, of Wisconsin, for a pension, to the Committee on Invalid Pensions.

By Mr. HURLBUT: The petition of Robert Oliver, late captain Company C, Fifty-fifth Illinois Volunteers, for relief, to the Committee on Military Affairs.

By Mr. HUNTON: The remonstrance of Lewis McKenzie, president, and other officers of the Washington and Ohio Railroad Company, against a renewal of the Tanner car-brake patent, to the Committee on Patents.

Also, the petition of R. Johnson, administrator of A. Vasse, and others, for the payment of the French spoliation claims, to the Committee on Foreign Affairs.

By Mr. KASSON: The petition of Professor C. S. Lyman, and others, of Yale College, for further legislation in favor of the metric decimal system of weights and measures, to the Committee on Coinage, Weights, and Measures.

By Mr. KELLEY: Papers relating to the claims of William Wheeler Hubbell, for improvements in fire-arms, to the Committee on Patents.

By Mr. LAWRENCE: Papers relating to the claims of the legal representatives of Gerard Wood, to the Committee on War Claims.

By Mr. LEWIS: The petition of W. B. Waldron, of Memphis, Tennessee, for relief, to the Committee on War Claims.

By Mr. LUTTRELL: The remonstrance of Painter & Co., typefounders, of San Francisco, California, against placing printing type on the free list, to the Committee on Ways and Means.

By Mr. MYERS: The memorial of the American Steamship Company of Philadelphia, the Boston and Philadelphia, Swiftsure, Lorillard, and Philadelphia and Southern Mail Steamship Companies, the Pennsylvania, and Philadelphia and Reading Railroad Companies, the International Navigation Company, the Commercial Exchange of Philadelphia, the Insurance Company of North America, the Delaware Mutual Insurance Company, and merchants of Philadelphia, urging the prosecution of the work on the light-houses on the Bulkhead Shoal and Pea Patch in the Delaware River, to the Committee on Appropriations.

Also, the petition of Joseph Nock, for extension of his letters-patent No. 10310 for a hinge for inkstand covers, &c., to the Committee on Patents.

Also, papers relating to the claim of the officers and crew of the United States steamer Sciota, for the moiety of the proceeds of eighty-three bales of cotton picked up at sea, to the Committee on Naval Affairs.

Also, papers relating to the claim of the officers and crew of the United States steamer Vicksburgh, for the moiety of the proceeds of seventy-eight bales of cotton picked up at sea, to the Committee on Naval Affairs.

By Mr. O'BRIEN: The petition of Magdalen Bodein, mother of Antone Bodein, late private Company K, First Maryland Volunteers, for a pension, to the Committee on Invalid Pensions.

By Mr. O'NEILL: The petition of Ruth Isabella Naylor, widow of Captain Charles Naylor, asking that the pension to her late husband may be continued to her during her life, to the Committee on Invalid Pensions.

Also, the petition of Josephine O. Repsher, formerly Josephine O. Likens, for a pension, to the Committee on Invalid Pensions.

By Mr. PARSONS: The petition of Peter Jepson, guardian of the minor child of Levi Forsyth, late private Company F, One hundred and twenty-fourth Ohio Volunteers, for the removal of the charge of desertion from said Forsyth, to the Committee on Military Affairs.

By Mr. PHILLIPS: The petition of Henry S. Bulkley and John Wright, for relief, to the Committee on the Judiciary.

Also, a paper for the establishment of certain post-routes in the State of Kansas, to the Committee on the Post-Office and Post-Roads.

By Mr. PIERCE: The petition of certain consumers of iron and steel, for a reduction of tax on steel of foreign production, to the Committee on Ways and Means.

Br Mr. PLATT, of New York: The petition of Trumansburgh Post No. 33, department New York, Grand Army of the Republic, for donation of a piece of ordnance, to the Committee on Military Affairs.

By Mr. SHERWOOD: The memorial of the Toledo Woman Suffrage Association, in relation to woman suffrage in the Territories of the United States, to the Committee on the Judiciary.

By Mr. SHOEMAKER, of Pennsylvania: The petition of citizens of Luzerne County, Pennsylvania, for increase of pension to certain disabled soldiers, to the Committee on Invalid Pensions.

By Mr. SMITH, of Pennsylvania: The petition of Cathérine Yetter, widow of Peter F. Yetter, for a pension, to the Committee on Invalid Pensions.

By Mr. TAYLOR: The petition of citizens of Westmoreland County, Pennsylvania, that a pension be granted to Mrs. Lydia A. Douglas, to the Committee on Invalid Pensions.

Also, the petition of citizens of Westmoreland County, Pennsylvania, that a pension be granted to Mrs. Ellen Walton, to the Committee on Invalid Pensions.

Also, papers relating to the claim of James R. Porter, for a pension, to the Committee on Invalid Pensions.

By Mr. THORNBURGH: The petition of George W. Wells, late private Company I, First Tennessee Volunteers, for a pension, to the Committee on Invalid Pensions.

By Mr. VANCE: The petition of Stephen M. Hunnicutt, late of Company E, Third North Carolina Mounted Infantry, for relief, to the Committee on Military Affairs.

Also, a paper relating to the claim of A. B. Welch, to the Committee on War Claims.

Also, a paper relating to the claim of J. J. Welch, to the Committee on War Claims.

Also, the petition of S. F. Plemmons, S. A. Burnett, and others, (with draught of a bill,) for a post-route from Lee post-office, Madison County, North Carolina, to Big Creek post-office, Cocke County, Tennessee, to the Committee on the Post-Office and Post-Roads.

By Mr. WELLS: The petition of Child, Pratt & Fox, to be compensated for stores furnished the Quartermaster's Department of the United States Army in the year 1861, to the Committee on War Claims.

Also, the petition of the Quarterly Conference sitting at Centenary church, Saint Louis, Missouri, for the payment of the claim of the Southern Methodist publishing house at Nashville, Tennessee, to the Committee on War Claims.

Also, the remonstrance of the State Grange of the Patrons of Husbandry of the State of Missouri, against grants of public lands to corporations or to aid in private schemes, to the Committee on the Public Lands.

Also, the petition of several hundred tobacco manufacturers and dealers of the State of Missouri, for the abolition of the import duty on mass or stick licorice, to the Committee on Ways and Means.

Also, the memorial of the State Grange of the Patrons of Husbandry of the State of Missouri, for the improvement of the Mississippi River and its important tributaries, to the Committee on Commerce.

By Mr. WHEELER: The petition of William N. Bulkley, of Brooklyn, New York, for additional legislation for the safety of life and property on board United States vessels, to the Committee on Commerce.

Also, the petition of citizens of Ogdensburgh, New York, for the passage of the bill for the construction of a ship-canal around the Falls of Niagara, to the Committee on Railways and Canals.

By Mr. WHITTHORNE: The petition of John E. Tulloss, of Williamson County, Tennessee, for relief, to the Committee on War Claims.

Also, a paper for the establishment of a post-route from Columbia to Campbellsville, in the State of Tennessee, to the Committee on the Post-Office and Post-Roads.

By Mr. WILLIAMS, of Michigan: The petition of A. E. Calkins, late second lieutenant Eighth Michigan Cavalry, for arrears of pay, to the Committee on Military Affairs.

By Mr. WOODFORD: The petition of Barbara Patti, widow of Gregory Patti, late seaman United States Navy, to be placed on the pension-rolls, to the Committee on Invalid Pensions.

By Mr. ——: The petition of Dr. J. R. Bryan and Mrs. E. T. Bryan, of Philadelphia, for relief, to the Committee on Claims.

IN SENATE.

TUESDAY, *March* 10, 1874.

Prayer by the Chaplain, Rev. BYRON SUNDERLAND, D. D.

DEATH OF EX-PRESIDENT FILLMORE.

Mr. CONKLING. Mr. President, yesterday morning the sitting of the Committee on the Judiciary was unavoidably prolonged five minutes past the hour at which the Senate meets. Thus detained, I was to my regret, absent at the moment when allusion was made to the death of MILLARD FILLMORE, and when the Senate immediately adjourned. Indeed I had supposed the day of the funeral to be the day the Senate would observe, in harmony with the action of other departments, as indicated by the President of the United States in his feeling published announcement.

The death of Mr. FILLMORE having been once brought to the notice of the Senate, I do not refer to it again merely to express my respect to his memory or my sympathy for those who more immediately mourn for him. Of the political conflicts in which he appeared, of the measures he espoused, or of the part he played in the national drama, this is not the time to speak. But his long career, the exalted trusts he held, his arduous lot, the urbanity and dignity of his bearing, and above all his blameless and spotless private life, suggest thoughts upon which we might dwell with profit and propriety. I forbear, however, to attempt his eulogy, having risen for a different purpose.

I invite the attention of the Senate to the action due to the occasion. Of precedent and usage, we have none. There is no instance of the death in like circumstances of one holding relations to the Senate like those held by Mr. FILLMORE. He was Vice-President of the United States, and so President of the Senate, and in that character he became Chief Magistrate of the Republic. His death, therefore, differs from all others in our history, save one, and differs from that one in time and circumstance. Mr. Van Buren died on the 24th of July, 1862. Congress was not in session. Mr. Pierce died on the 8th of October, 1869. Congress was absent in vacation. Mr. Buchanan died on the 1st of June, 1868. Congress was in session, and the House of Representatives appointed a committee of its members to attend his funeral. On the day of the funeral, the 4th of June, the Senate adjourned, there being no proceeding save only a mere announcement of the event by Mr. Buckalew and a motion to adjourn. Mr. Buchanan, however, although an ex-President, had never been the chief officer of the Senate. Mr. Tyler died in January, 1862. Congress was in session; but civil war was flagrant, and the posture of Mr. Tyler and of the State whose citizen he was forbade expression or observance here. Mr. Tyler's is the only death during a session of the Senate of one who was President of the United States and also the presiding officer of the Senate by the choice of the nation.

It is known to the Senate that the House of Representatives has appointed a committee of its members to attend on its behalf the funeral of Mr. FILLMORE. It will, I think, be agreeable to the Senate to evince its respect and sensibility in the same way. I send to the Chair and ask the adoption of a resolution.

The PRESIDENT *pro tempore*. The Senator from New York offers a resolution, and asks for its present consideration. It will be read.

The Chief Clerk read as follows:

Resolved, That the Senate has heard with deep regret of the death of MILLARD FILLMORE, formerly Chief Magistrate of the United States and Vice-President, and that a committee of three Senators be appointed by the Chair to attend the funeral on behalf of the Senate.

Mr. FENTON. Mr. President, remembering as we do the long and distinguished services of ex-President FILLMORE, the purity of his

private life, and the dignity of his retirement after having filled the highest position in the Republic, I had prepared, and have in my hand, resolutions which seemed to me appropriate to the Senate, but my colleague has anticipated me, and it only remains for me to second his resolution, and ask its adoption.

Mr. HAMLIN. Mr. President, I rose just now for the purpose which has been indicated by the Senator from New York, [Mr. FENTON,] to second the resolution which was offered by my friend who sits near me, [Mr. CONKLING.] It seems to me both fit and proper that this body should pay some respect to the individual who at one period of time presided over its deliberations. I am one of the very small number of members in this body who then held a seat here, and I am gratified to be able to say at this time, that I shall carry with me, so long as my memory shall last, a recollection of the urbanity, the courtesy, and the ability with which the duties of the chair were then so eminently discharged; and having been then in a very small minority in this body, I can now bear testimony to the perfect impartiality with which the rights of that minority were at all times recognized, conceded, and protected. Filling so broad a space in the affairs of the public, we should be derelict in the duty we owe to ourselves, to the body, and to the country, were we to do less than that which is indicated in the resolution which has been offered.

The PRESIDENT *pro tempore*. The question is on the resolution offered by the Senator from New York.

The resolution was agreed to unanimously.

Mr. CONKLING. Mr. President, for reasons approved by other and older Senators, it seems objectionable for me, should the Chair assign me a place on the committee just raised, to be absent during the next two or three days. I ask (regretting to be compelled to do so) that my name be omitted from the committee. If the engagements of my colleague permit him to visit Buffalo, I ask that the place which would be given me may be given him.

The PRESIDENT *pro tempore* subsequently appointed Messrs. FENTON, HAMLIN, and BAYARD, the committee.

JOURNAL.

The Journal of yesterday was read and approved.

PETITIONS AND MEMORIALS.

Mr. RAMSEY presented the petition of C. De Montreville, M. D., grandson and heir, and for the co-heirs of Cornelius R. Suydam, A. C. De Montreville, and H. Townsend Coles, deceased, original claimants, praying indemnification for spoliations committed by the French prior to the year 1801; which was ordered to lie on the table.

Mr. OGLESBY presented the petition of Dr. B. Hahn, of Columbia, Monroe County, Illinois, praying to be compensated for services in the late war, and for the value of a horse killed in the service; which was referred to the Committee on Military Affairs.

He also presented a joint resolution of the General Assembly of the State of Illinois, requesting their Representatives and instructing their Senators to procure a law of Congress preventing railroads or transportation companies from making unjust charges or discriminations; which was referred to the Select Committee on Transportation Routes to the Sea-board.

Mr. INGALLS presented a petition of a large number of citizens of Jackson County, Kansas, praying for the removal of what is known as the Prairie Band of Pottawatomie Indians, and for the opening of their reservation to sale and settlement; which was referred to the Committee on Indian Affairs.

He also presented a petition of citizens of Kansas, praying for relief in certain cases where homestead entries have been canceled and lands awarded to railroad companies; which was referred to the Committee on Public Lands.

Mr. HAMLIN presented a resolution of the Legislature of Maine, in favor of converting the United States arsenal at Augusta, Maine, into an arsenal of construction; which was referred to the Committee on Military Affairs.

Mr. SCHURZ. I present the memorial of the National Merchants' Exchange of Saint Louis, embodying certain resolutions passed February 21, 1874, recommending that the proposition made by Mr. James B. Eads, to open the mouth of the Mississippi on certain conditions, be adopted. The memorial states that all "the resolutions were approved and unanimously adopted by the board, and a meeting of the exchange at large being called, were unanimously adopted by the members of the association." I move the reference of the memorial to the Select Committee on Transportation Routes to the Sea-board.

The motion was agreed to.

Mr. CONKLING presented a memorial of citizens of Albany, and a petition of citizens of Utica, New York, numerously signed, protesting against the extension of the patent granted to Henry A. Wells, April 25, 1846, for improvements in machinery for making hat-bodies; which were referred to the Committee on Patents.

Mr. COOPER presented the petition of James E. Temple, of Memphis, Tennessee, son and heir, and for the co-heirs of William Temple, deceased, praying to be indemnified for spoliations committed by the French prior to the year 1801; which was ordered to lie on the table.

Mr. HOWE presented a memorial of the Legislature of Wisconsin, in favor of the passage of a law giving bounties to the surviving soldiers who served in the war with Mexico and were honorably discharged; which was referred to the Committee on Pensions.

He also presented a joint resolution of the Legislature of the State of Wisconsin, in relation to improved water communication between the East and the West; which was referred to the select Committee on Transportation Routes to the Sea-board.

Mr. FENTON presented the petition of Samuel H. Leavitt, late Company C, Eighty-sixth New York Volunteers, praying payment of arrears of pay as lieutenant; which was referred to the Committee on Military Affairs.

Mr. LOGAN. I present a petition containing 335 names of the principal business men of the city of Peoria, Illinois, asking for an increase of the currency or free banking; also the petition of 2,454 citizens of the State of Illinois, praying for the same thing. I move their reference to the Committee on Finance.

The motion was agreed to.

Mr. WRIGHT presented the petition of William Mason, with additional evidence, praying that his claim for damages under a contract for furnishing guns may be recommitted to the Committee on Claims; which was referred to the Committee on Claims.

He also presented the petition and accompanying papers of Mrs. E. E. Hebert, of Louisiana, asking compensation for property taken by the United States Army; which was referred to the Committee on Claims.

He also presented a resolution of the Legislature of Iowa, instructing the Senators and requesting the Representatives in Congress from that State to use their influence and to vote for the modification of the homestead law of the United States in behalf of officers, soldiers, and seamen honorably discharged from service; which was referred to the Committee on Public Lands, and ordered to be printed.

Mr. PRATT presented the petition of George Richards, praying for an increase of pension; which was referred to the Committee on Pensions.

Mr. MORRILL, of Maine. I present the petition of W. G. Nichols, William McGilvrey, and 8 other persons, residents of the State of Maine, who represent that they were citizens of the United States and engaged in commerce in strict conformity to the laws of the United States, that their property was destroyed by armed cruisers other than the Alabama, Florida, or their tenders, or the Shenandoah after she left Australia, and that they have received no compensation for such loss, and they pray for compensation out of the Geneva award. I move that this petition be referred to the Committee on the Judiciary.

The motion was agreed to.

Mr. BOUTWELL presented a memorial of Bradford & Folger, creditors of the New England Mutual Marine Insurance Company of Boston, in relation to the Geneva award; which was referred to the Committee on the Judiciary.

Mr. BOUTWELL. I also desire to lay before the Senate a resolution passed by the Legislature of Massachusetts, and ask that it be read, laid on the table, and printed.

The Chief Clerk read as follows:

COMMONWEALTH OF MASSACHUSETTS, *in the year* 1874:

Resolve rescinding and annulling a resolution passed December 18, in the year 1872, relating to Army registers and national flags.

Resolved by the senate and house of representatives in General Court assembled, That the resolution passed on the 18th day of December, 1872, at the extra session of the Legislature of that year, relating to a bill introduced in the Senate of the United States concerning the Army Register and regimental colors of the United States, be, and hereby is, rescinded and annulled.

SENATE, *February* 11, 1874.

Passed. Sent down for concurrence.

S. N. GIFFORD, *Clerk*.

HOUSE OF REPRESENTATIVES, *February* 13, 1874.

Concurred.

GEORGE A. MARDEN, *Clerk*.

SECRETARY'S DEPARTMENT,
Boston, March 3, 1874.

I certify the foregoing to be a true copy of the original resolve.

OLIVER WARNER,
Secretary of the Commonwealth.

Mr. BOUTWELL. I wish to call the attention of the Secretary to the fact that there is a letter from his excellency the governor, which should be read also.

The PRESIDENT *pro tempore*. The letter will be read.

The Chief Clerk read as follows:

COMMONWEALTH OF MASSACHUSETTS, EXECUTIVE DEPARTMENT,
Boston, March 3, 1874.

SIR: By vote of the 27th ultimo the General Court requested me to forward to our Senators and Representatives in Congress copies of the resolution passed by the present Legislature, rescinding and annulling the resolve passed by the Legislature of 1872, concerning the Army Register and national battle-flags. It gives me pleasure to comply with this request, and herewith I inclose a copy of said resolution.

I have the honor to be, your obedient servant,

W. B. WASHBURN.

Hon. GEORGE S. BOUTWELL,
Washington, D. C.

The resolve was ordered to lie on the table and be printed.

Mr. WEST presented the memorial of the New Orleans Chamber of Commerce, praying that national aid be extended by Congress to the Texas and Pacific Railroad Company; which was referred to the Committee on Railroads.

He also presented the memorial of the New Orleans Chamber of Commerce, on the subject of the removal of obstructions at the mouth

of the Mississippi; which was referred to the Select Committee on Transportation Routes to the Sea-board.

Mr. HAGER. I present a joint resolution of the Legislature of the State of California, in regard to the congressional election in that State. The elections in our State are biennial. As the law now stands the next congressional election will take place the coming fall. It will be the only election in the State of California this year. Elections are quite expensive there, and the Legislature desire to have a change until the State election, which occurs in the following year. I move that the resolution be referred to the Committee on Privileges and Elections.

The motion was agreed to.

Mr. BOGY presented the petition and accompanying papers of Child, Pratt & Fox, praying compensation for stores furnished the Quartermaster's Department of the United States Army in 1861; which were referred to the Committee on Claims.

Mr. NORWOOD presented the petition of Rosa Rachel Wyatt, praying payment for stores and supplies taken by the Federal Army in Bryan County, Georgia; which was referred to the Committee on Claims.

The PRESIDENT *pro tempore* presented the petition of Henry Cook, praying to be allowed a pension; which was referred to the Committee on Pensions.

He also presented a memorial of citizens of Walworth County, Wisconsin, praying for the issue by the Government of legal-tender notes in lieu of the present national-bank notes, and that the volume thereof may not be subject to undue contraction or expansion; which was referred to the Committee on Finance.

Mr. CONKLING. I present the petition of L. P. Morton, Chester Griswold, and other citizens of character in the State of New York, the holders of bonded indebtedness against the State of Louisiana. Their petition recites that the Legislature of that State is engaged in a process of repudiation; and they pray the passage of the bill introduced by the Senator now occupying the chair, [Mr. CARPENTER,] or of some tantamount legislation which will protect their rights. I move the reference of this petition, with an accompanying paper, to the Committee on Privileges and Elections, as that committee is already charged or to be charged with the subject.

The motion was agreed to.

NEW MEXICO LAND CLAIMS.

The PRESIDENT *pro tempore* laid before the Senate a letter of the Secretary of the Interior, transmitting three reports of the surveyor-general of New Mexico on private land claims in that Territory; which was referred to the Committee on Private Land Claims.

DISTRICT GOVERNMENT INVESTIGATION.

Mr. MORRILL, of Maine. The Committee on Appropriations, to whom was referred the bill (S. No. 583) making an appropriation to defray the expenses of the joint select committee to inquire into the affairs of the District of Columbia, have instructed me to report it back and recommend its passage, and to ask for its present consideration, as there seems to be immediate necessity for the fund.

By unanimous consent, the bill was considered as in Committee of the Whole. The bill appropriates $10,000, to be added to the contingent fund of the Senate, and to be drawn on the order of the joint committee, for the expenses to be incurred in the investigation of the affairs of the District of Columbia.

Mr. CONKLING. I am not going to object to this bill; far from it. I ventured the other day to make an inquiry about it; and I should be glad now if the Senator from Maine would state what is to be done with so large a sum, and what is to be, as far as he knows, the whole required appropriation. That the Senator from Maine may not suppose that I am unduly curious, as I see the chairman of the Committee on Transportation is present, I wish to mention a fact. The Committee on Transportation, sitting during the recess for weeks and months, visiting many States, traveling many thousand miles, and taking a heavy volume of testimony, I am informed by the chairman of the committee—he will correct me if I am in error—expended, aside from the earnings of the stenographer, about $6,000. Am I right?

Mr. WINDOM. That is right.

Mr. CONKLING. That was the expense of a committee conducting an investigation in several widely separated States for many weeks and traveling thousands of miles. In this instance the Senate has listened to memorials stating with earnestness, and apparently stating with supposed definite information and conscientiously, grievances and wrongs, the scene of which is the city of Washington. A committee has been raised to hear these grievances, and before, as the public journals report, a charge or specification has been made, we are called upon to appropriate $10,000, to carry forward the inquiry. If it were paid to witnesses, $10,000 would pay the attendance fee of five thousand witnesses summoned for a day each from Washington; they receive two dollars a day. I cannot suppose that half the sum stated will be needed as fees of witnesses, and would be well pleased to hear from the Senator from Maine some statement of the necessity, and if he can give it, an opinion whether $10,000 is to be the whole of the appropriation, or whether we are to be called upon for more.

I need not say, I hope, that I will vote, and vote promptly, for all appropriations necessary to make this a thorough investigation; but I want to guard against voting an unnecessary sum, and having witnesses and pretended witnesses and schemers understand that so much money may be obtained if a way can be found to get at it, thus tempting them to besiege the committee with applications and importunities to testify or furnish evidence or to do various things which perhaps would be better and more honestly done by those moved from higher considerations than the hope of getting traveling expenses or fees.

Mr. MORRILL, of Maine. Mr. President, from the nature of the case, it is impossible for the Committee on Appropriations to have any definite information as to what may be the expenditure required for this investigation, and I suppose it is really out of the power of the investigating committee itself to indicate specifically what expenditures it may find necessary. The Senator from New York will understand that it involves the expense of witnesses, of course. Then it involves a very large expenditure undoubtedly in the way of stenographers and clerks if the thing is carried on in the way these matters are generally. The Committee on Appropriations have no experience on this subject which justifies them in the belief that this investigation, if it is carried so far as we have reason to believe it may be, will cost less than the sum named in the bill; and I should be very glad myself to find that the expense will be brought within the limits of this appropriation.

The Senator from New York has alluded to the expenditure of a committee, which leads me to make a remark upon the general subject of our expenditures in this class of investigations, and I should be very glad if the attention of the Senate of the United States could be brought to this subject so as that we would get rid of this method of investigating affairs. We have standing committees to which all these matters appropriately belong, and by referring such matters to them we should certainly save very great expense, in my judgment. The Senator alludes to the Transportation Committee. So far as I have been able to judge, the affairs of that committee have been conducted with great economy; but the expenditures are not over yet; they have not been all audited and adjusted. So far the expenditures are $9,328.77 paid. How much remains behind unsettled we do not know.

Mr. CONKLING. That is $3,000 for the stenographer and $6,000 for all the other expenses.

Mr. MORRILL, of Maine. I have no specification of items.

Mr. WINDOM. If the Senator will allow me, I desire to say that the entire expenses of the committee during the summer have been audited, with perhaps the exception of one or two hundred dollars, not amounting to over $200; and $200 will not increase the entire expenditure of the committee, over and above the stenographic expenses, to the sum of $6,000.

Mr. MORRILL, of Maine. What does the Senator understand to be the whole amount of money paid out on this account?

Mr. WINDOM. Over $9,000, including the stenographer; and there were over a thousand pages of evidence taken by the stenographer.

Mr. MORRILL, of Maine. I make no comment on the subject; my attention was called to it by the statement of the Senator from New York; but I have before me an exhibit of the expenditures of this committee, as well as an exhibit of the expenditures for all the special and general committees of the Senate who were charged with special investigations during the Forty-second Congress, and the aggregate amount is $167,125.47.

Mr. CONKLING. For investigations alone?

Mr. MORRILL, of Maine. Simply investigations, special investigations.

Mr. CONKLING. For the last session?

Mr. MORRILL, of Maine. No, sir; for the Congress.

Mr. CONKLING. The last Cougress?

Mr. MORRILL, of Maine. Yes, sir; the Forty-second Congress.

Mr. CONKLING. Please give the aggregate amount.

Mr. MORRILL, of Maine. It is $167,125.47. The expenses of the Select Committee on Alleged Outrages in the Southern States were $80,419.97. I believe that was a joint committee. The Committee on Privileges and Elections inquiring into certain charges of bribery and corruption in connection with the recent senatorial election in Kansas expended $18,201.79. The Joint Select Committee on Retrenchment——

Mr. ANTHONY. The Senator will allow me to remind him, as I see the chairman of that committee is not here, and the second member of the committee is in the chair, that those great expenses were in bringing witnesses from a long distance. It cost four or five hundred dollars apiece, I think, to get witnesses here from Kansas, and many of them were not worth much when they came.

Mr. MORRILL, of Maine. Certainly that is true.

The Joint Select Committee on Retrenchment expended over $13,000. Then there were the expenses of the investigations in regard to elections in Louisiana, Kansas, &c., $13,300. I have no purpose to refer to this except in response to the Senator from New York, who queries whether it is not possible to control an investigation comprehending so much, both in interest and magnitude, as the one set on foot now, within $10,000. I say my own experience in regard to these matters does not justify any belief that we are likely to bring it within that sum. So the Committee on Appropriations had no hesitation in reporting this sum, and particularly as it is within the control and audit of the investigating committee itself.

Mr. SARGENT. Will the Senator allow me to ask whether his

statement includes the expenses of committees of the House of Representatives of the same character?

Mr. MORRILL, of Maine. No; only the committees on the part of the Senate.

Mr. HAMLIN. My colleague dropped an expression upon which I should like a little more information from him. He says he thinks from the information the Committee on Appropriations have that this $10,000 will not be likely to cover the expense. I should like to know really what that information is.

Mr. MORRILL, of Maine. My colleague should not understand me as saying that. I say in the beginning it is very difficult to have any information on the subject which would justify a reasonable judgment as to what the cost will be, and the experience of the committee, drawn from similar investigations, does not authorize an inference that it will come within this amount, and I mentioned some of the investigations here under our own jurisdiction close at hand. A great deal may be said about this one way and another, which it is hardly worth while for me to take up the time of the Senate with at the present time. I offered a resolution some days ago which was calculated to control these expenditures; but objection was made to it and it went over. At some future time I will renew it.

The Senator from Rhode Island remarks very properly that a great deal of these expenditures comes from the habit of drawing testimony from remote portions of the country, summoning witnesses from a long distance. Take, for instance, the investigation of matters in Kansas, running up to twenty-odd thousand dollars. That was chiefly from the necessity of drawing witnesses from that distance; and each witness cost (without reference to the time which he might be kept here) perhaps $400, or between $300 and $400. The same thing goes on constantly. That might be checked to some extent, but, after all, the remedy in my opinion is to confine these investigations to the appropriate committees of the Senate. Do that, and we shall have less of them. We shall have them more thorough and at less expense, because we have got our machinery. The moment you make a special committee, you institute new machinery for the whole performance, new clerks, new stenographers, and all that sort of machinery.

Mr. HAMLIN. Inasmuch as an investigation has been ordered into the affairs of this District, I want to see it carried forward thoroughly, fully, without any qualification; but I am one of those who believe that an appropriation of $10,000 will insure an expenditure of $10,000 in doing that thing, while an appropriation of $5,000 would only involve the expenditure of that amount doing precisely the same thing and doing it precisely as well. That is my judgment. Therefore, if the appropriation were for half the sum, I think the work would be accomplished for that. If, however, it were found at any subsequent period of time that more means were actually required, more means could be supplied. But if you make the appropriation of $10,000 now, you virtually invite the expenditure of that sum; and I think, if we carefully consider the figures to which my colleague has already referred, we shall find that $5,000 would be vastly a larger appropriation to be expended in this investigation than the expenditures in any one case to which my colleague has alluded, because they were of a peculiar character, many of them were distant from this place, the meetings of the committees were held distant from this place, or the witnesses were called from a very long distance to this place; and this involved large expenditures. According to my recollection, he stated that the Committee on Retrenchment, in their investigation in New York, spent about $3,000. I do not recollect the exact figures, but it was in the neighborhood of $3,000, and it was an investigation long and thorough.

Mr. MORRILL, of Maine. That was $13,039.55.

Mr. HAMLIN. That expenditurewould be equal to $40,000 in this case, if you consider the circumstances under which that investigation was made compared with those of the one to be made here now, where the witnesses are directly on the spot. The Committee on Retrenchment sat five weeks, I believe, in New York, and then they were here calling witnesses from New York, being obliged to be here to take care partially of their official duties out of committee. They were obliged to call witnesses in large numbers from New York. Without going into the details, I cannot doubt, and the Senator looking at me, [Mr. HOWE,] will correct me if I am wrong, that the expenses of that committee were largely in summoning witnesses from New York here.

Mr. HOWE. Very largely.

Mr. HAMLIN. For these reasons I think it would be wiser, more economical, and better calculated to do justice to the case to limit this appropriation to at least one-half of what the committee reported. I therefore move to strike out "ten" and insert "five" before "thousand."

Mr. PRATT. I rise to make an inquiry of the Senator from Maine who sits farthest from me, [Mr. MORRILL.] I ask him to restate the amount of expenses of the joint select committee for investigating the alleged outrages in the Southern States. I did not catch the amount.

Mr. MORRILL, of Maine. I think I gave the amount—$80,419.95.

Mr. PRATT. I was a member of that joint committee—composed, I believe, of thirteen members—and it will be remembered that it was in session from the early part of summer, in the year 1871, until the meeting of Congress the succeeding winter. It was in session here in the city of Washington during the summer months, and in the fall months the committee was broken up into sub-committees who visited various Southern States. I was one of the sub-committee of five that visited the States of Tennessee, Alabama, and Mississippi. That sub-committee were engaged day after day, and frequently their sessions were protracted into the night, for a period of six weeks. They took testimony in the towns of Huntsville, Montgomery, Demopolis, and Livingston, in Alabama, and at Macon and Columbus, in Mississippi. They had with them a clerk, a stenographer, and a deputy sergeant-at-arms. The sum total of the expenses of the sub-committee traveling to these various points, paying bills of every kind, was within the sum of $5,000, and they were occupied industriously day after day, for the period I have stated—six weeks or more. The witnesses in some instances had to be called from a considerable distance, one witness I remember a distance of about two hundred miles; and frequently they came distances of twenty, thirty, forty, and fifty miles; and yet the bills of this sub-committee, all told, were within the sum of $5,000. It does seem to me that that sum is quite sufficient to defray the expenses of this joint committee sitting here in the Capitol, and deriving their testmony principally from citizens living here.

Mr. MORRILL, of Maine. I have no object to procrastinate this debate, and do not desire to say anything further in regard to the subject. I only express my own belief that if you cut this down to $5,000, they will come back for $5,000 more; and it seems to me that as none of us can tell how much it will cost, we might as well leave it in the hands of the committee to whom we have confided this subject; and as the bill itself subjects the audit to the committee, and they have the control of it, I hardly think there is any danger in allowing the bill to go as it is. Still I shall make no objection to the amendment.

The PRESIDENT *pro tempore*. The Senator from Maine [Mr. HAMLIN] moves to amend the bill by striking out $10,000 and inserting $5,000.

The question being put, a division was called for, and the ayes were 28.

Mr. BAYARD. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ANTHONY. I wish to give the committee all it asks. I do not suppose it will spend any more than is necessary. The accounts are to be audited by the committee. We do not require them to spend $10,000; but authorize them to spend $10,000 if, in their judgment, it shall be necessary.

Mr. SHERMAN. I simply wish to inquire whether the expenses of the stenographer and printing are to be paid out of these $10,000; or what portion of the necessary expenses are to be paid out of the $10,000?

Mr. MORRILL, of Maine. Let the bill be read. It specifies.

Mr. SHERMAN. Does it include printing?

Mr. ANTHONY. O, no.

Mr. SHERMAN. But it includes the stenographer?

Mr. MORRILL, of Maine. Certainly.

Mr. CONKLING. Nothing but the stenographer and witnesses.

Mr. SHERMAN. It seems to me the chief expense of this committee will be the stenographer; and I have often thought the Senate ought to adopt a reform in that direction by employing a stenographer by the year. I know that we pay stenographers for reporting in a single case, perhaps, as much as the whole expense of the committee. For instance, the expenses of the stenographer of the Committee on Transportation, of which I happen to be a member, it seems, are about $3,000, while the entire expenses of the committee, traveling all over this country for weeks and weeks, were only $6,000. If this $10,000 covers the expense of the stenographer, with the mass of papers that it is said are before the committee, the sum is not too much; but I am disposed at the outset to vote for $5,000, because it is very easy for us to increase the amount. As a matter of course it is easy to increase the amount hereafter; but if you once appropriate $10,000, it is very apt to be expended. I, therefore, shall vote for the smaller sum.

I merely rose to call the attention of the Senate to the importance of changing the method of employing stenographers by this body. It seems to me that the resolution authorizing a committee like this ought not to authorize them to employ a stenographer, but there ought to be some officer by that name designated for the use of the Senate at a reasonable salary, say $5,000 a year, if you please, to do that kind of work for all the committees, when called upon. I have no doubt that one stenographer in that way would render all the service that is needed in that line, and thus save a very large sum of money in the course of the year.

Mr. SARGENT. It was the judgment of the Committee on Appropriations, when this matter was before them, that an expenditure of $10,000 would be needed for this purpose. It is apparently the judgment of the joint committee that this amount is needed, from the fact that the Senator from Ohio, [Mr. THURMAN,] who is acting chairman of the committee during the illness of the Senator from Massachusetts, [Mr. BOUTWELL,] has introduced his bill, and proposed this as the amount with which the Treasury will probably be burdened. Now, I have great confidence in the chairman and acting chairman of the committee, and in their discretion and their desire to guard the Treasury, and I pay great regard to any recommendation which they make

in this matter. I think the Committee on Appropriations were right in reporting this amount. I trust it will not be cut down one-half, because there is no obligation on the part of the investigating committee to expend more than is absolutely necessary to carry on the investigation, and they are not likely, considering their character, to spend more because we appropriate the larger amount.

Mr. CONKLING. May I ask the Senator a question?

Mr. SARGENT. Certainly.

Mr. CONKLING. The Senator observes that it was the judgment of the Committee on Appropriations that this sum would be necessary to do this work. May I ask him for the elements of that judgment, for the data upon which it was formed?

Mr. SARGENT. We reasoned quite largely upon the cost of similar investigations, running from $80,000 down to $3,000—of course a very large opportunity to strike an average, but this is far below the average.

There are some practices which have grown up in these investigations which perhaps ought to be corrected, and which I have no doubt a vigilant chairman of a committee could correct without the necessity for legislation; but if these practices shall have become so strong that only legislation can cure them, it will not be done by cutting down the amount of the appropriation, which would seem to stint the object and show Congress to be unfavorable to the particular investigation. In that case the remedy is by legislation, which shall particularly name the mischiefs which are desired to be corrected. For instance—I did not intend to speak of it, but I will do so in order to direct the attention of the Senate to, I think, one of the abuses connected with all these investigations, and with this investigation if the circumstance shall occur more glaring than in many others—it is understood that the stenographer who reports is entitled to fifty cents per folio of one hundred words for all that is printed, whether furnished to him in print or writing; whether a mere exhibit appended to the original testimony which he takes down and copies out, or not. I do not know that fifty cents for one hundred words is too much for the testimony actually taken down and copies of which are handed to the clerk of the committee. But when you supplement to that a large mass of exhibits which have been handed in, in this case I understand some one or two thousand pages of written matter furnished by the District authorities in answer to questions which have been put by the committee, which probably will not even be touched by the stenographer, the abuse is evident. It is the custom of these committees to send such matter to the Public Printer to be printed for the use of the committee; and it must be printed for their convenience, because to copy it out for the use of each member, or having one member to wait until another has got through with it, would cost very much more and would be extremely inconvenient. Hence this matter scarcely goes into the hands of the stenographer at all. But I understand the custom is to allow him to charge fifty cents a folio for all the mass of matter, and in this case it cannot amount to much less than the book which I hold in my hand. [Exhibiting a bulky document.] I believe that the chairman of this committee can say that this is not a just construction of the custom heretofore existing for the compensation of such person; or that if it is the custom, it will be broken up.

Mr. CONKLING. Is it a good way to enable him to say that, to vote $10,000?

Mr. SARGENT. I say that, still voting the $10,000.

Mr. CONKLING. My point is this: is that a good way to enable the chairman of the committee to make a stand against this thing of paying for a great volume as if it were written out when it has never been touched?

Mr. SARGENT. I do not think it is. I am not arguing that the appropriation of $10,000 rather than $5,000 will direct the attention of the chairman to these things; but I do think the discussion of this matter will direct his attention to it, and he will be very apt to inquire into the authority to pay the stenographer for reporting documents with which he has no connection, except from their being stitched in the same report; and it is the duty of the clerk of the committee, if there is a clerk to the committee, to make up such documents and append them to the report.

Mr. WINDOM. I wish to say that the rule the Senator from California refers to is not an invariable rule. I know that Mr. Brailey, the stenographer of the committee of which I had the honor to be chairman this summer, did not make such charges. If the matter furnished only covered two or three pages, or half a dozen pages of manuscript, he did charge for it; but where printed matter was submitted he did not; and I did not certify to his charges; he did not make them.

Mr. SARGENT. I am very glad to hear of the exception; and I think it should become the general rule. Now the Senator from New York inquires, what is the basis upon which we judge that $10,000 is the proper amount? I ask him upon what basis does he judge, what are the elements of his calculation, that $5,000 is sufficient?

Mr. CONKLING. With my friend's permission I beg to make two observations. First, the Senator has stated in part the basis on which the committee judge, which is that such a volume as he holds up in print is to be paid for, say, at fifty cents for one hundred words. The Presiding Officer of this body and I, in professional ways, are able to estimate somewhat the size of such a charge as that—fifty cents for one hundred words—unknown to any fee-bill in ancient or in modern times.

Mr. SHERMAN. Is not such a charge often paid for recording deeds?

Mr. CONKLING. Recording deeds is very different. Now the Senator from Minnesota impairs entirely the basis which my friend from California referred to, and he shows that there is not even a usage, enormous as I think such a usage would be, warranting any gentleman in charging for a great mass of labor, none of which he performs. But I have not answered the question, and I will answer it now, and I will do it by an inquiry. I ask my friend whether in the course of his long experience in the House and his shorter experience here, he can name an instance in which an investigation has cost $10,000, or any such sum, if it were conducted at this Capitol, and consisted in the examination of witnesses residing here? And I add to my question my testimony, that although within the last fourteen years I have been a number of times upon investigating committees sitting here, and examining witnesses who were here, and not paid for coming here, I have never known an instance which I can recall, in which the expense has been as great as $5,000 would be in this case. Of course, I distinguish between such a case as this and bringing witnesses from Kansas or even witnesses from New York.

Mr. SARGENT. There is no instruction to this committee limiting the investigation to witnesses summoned from this city. If there were there would be very much force in the remarks of my friend from New York. But one of the questions before this committee is the expense and the comparative expense between this and other cities of the improvements which have gone on here. It is alleged on the one side that these improvements have cost 25 per cent. less than such improvements in Chicago, New York, or any other city of the Union. On the other side it is alleged that most enormous prices have been paid, a third or a half more than in any other city in the Union. How are you going to get at the facts in that matter? I suppose by summoning experts from Chicago, Saint Louis, or any other city where the members of this committee may think there are men residing who can throw light on that proposition. I speak merely of that instance, and I have no doubt there are other points as to which it may be necessary to obtain the testimony of persons living at a distance, and I think that is a complete answer to the question of my friend.

I am aware that there have been investigations in this matter on the part of the other House, which I had supposed to be thoroughly exhaustive; many of these things have been gone over by the regular committees of the House; for instance, I may allude to the investigation in the last Congress by the District of Columbia Committee. I think if we could get at the cost of that committee we should find that it equaled $10,000, for it ran over several months; there was a very large number of witnesses, and the volume of the report was very large when it came from their hands. After these investigations in one House or the other have taken place, as this question is still urged on the attention of Congress, and anything we have done heretofore to investigate this matter or put it at rest has been entirely futile, I desire that every advantage shall be put into the hands of this committee, either by expenditure of money or by their expenditure of time, their own time or that of Congress, by which this thing shall be ventilated clear to the bottom, that it may be known whether these assertions which go out from this city to papers in all parts of the country that we have a "Boss Tweed" administration of District affairs are true or false—in justice to the gentlemen who have charge of the interests of this city and the legislation of Congress. If they are innocent, if these are slanders, I want it to be as clear as daylight, that if the blush of shame can be brought to the face of the slanderers, it may mantle their cheeks. On the contrary, if they are right, and there is this corruption beneath the surface, which they insist upon exposing and ought to be exposed, let this committee be as vigilant as they are, and let them show that this corruption does exist, and these men be hurled out of office, as they deserve to be if they are corrupt and unfaithful in the discharge of their duties there. Now, by cutting down this committee to $5,000, I do not believe they can discharge this duty; and I do not further believe that by putting $10,000 at their disposal, they will spend one dollar more than is necessary.

For these reasons, and for reasons influencing the Committee on Appropriations, I shall vote against the amendment, and for giving them an amount adequate to the purpose.

Mr. STEWART. If the point suggested by the Senator from California is thoroughly examined, I am willing to see $10,000 expended on it. That point is, what is the comparative cost of the improvements in different cities? The government of large cities has become in modern times, in the United States, a very serious problem. Almost every administration of almost every city is more or less involved by the influences that surround them, and they are not able to get things done for anything like the same price that private individuals can. There are so many influences at work about them that it is universally admitted, among men who speak of these things, "You have got to conciliate voters," and conciliate this influence and that influence; and it would be a good thing for the people of the United States to commence the investigation for what reason it is that public works in cities are so enormously expensive.

I know nothing of the details of this matter. I do not know what will be developed. I see that a great deal has been done. Whether it has been done cheaply or not, or whether it has been done comparatively cheaply or not, I do not know, because I have not the facts;

but it does seem almost impossible, where the voters must be satisfied and where they elect the officers, to get city expenditures anywhere within reasonable bounds. It perhaps results from the fact that so many administer the affairs of cities who have no interest in the money to be expended. There is no such difficulty in the country; it is in the cities. Popular government is government by the masses in cities who want to be employed, they voting for their employers, and in consequence the price of making improvements in the cities of the United States is alarming. I believe in this city there has been more done for the same amount of money, by the looks of things, than usually occurs. But whether that be so or not, I should like to see the testimony. I do not think the fact that there has been more or less done would necessarily imply that there had been more or less fraud. I do not think that is a controlling element; but there are combinations, and influences are arranged in cities by which they run up prices beyond all calculation. I believe this city could be much more cheaply governed if you were to apply the principle of the Constitution that Congress should have the exclusive right of legislation here. If there was no other legislative body, and no body of men to conciliate but the Government of the United States here at the capital, as was provided in the Constitution, I believe then we could get the minimum of expense for public works in cities and set an example to the rest of the country. I should like to have a comparison drawn as to the expense of these works, and an investigation as to the embarrassments and reasons that create the necessity for high prices, if there are any, so that we can judge something of them, so that we can judge something of this experiment of having a sub-legislative body in the District of Columbia. I do not believe there is any such necessity. Let us have something of an idea of whether that has had anything to do with the increased expense of public improvements. If the committee think that $10,000 is necessary in order to carry on this comparison, if they are carrying on this comparison, I certainly think it would be of great importance. If they say $10,000 is necessary, let us have the investigation, and let us vote all that is necessary for the purpose.

Mr. SAULSBURY. Mr. President, it seems to me that there is a very strange opposition to this resolution. The Senate has appointed a committee to investigate charges that have been preferred against the management of the affairs of this District. I suppose there is no Senator here who has not the utmost confidence in every member of the committee; not only that he will discharge the duties imposed upon him impartially and faithfully, but that he will do it with as much economy as is practicable. That committee has come here and asked for an appropriation of $10,000 to defray the expenses of that investigation. What will be the aspect to the country if the Senate now opposes granting that sum of money? The impression will go out and be heralded through every paper in this country that the Senate is disposed to cover up the frauds that are alleged to exist in this District.

The PRESIDENT *pro tempore*. The morning hour having expired, the Senate resumes the consideration of the unfinished business, which is the bill (S. No. 432) to amend the act entitled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates, and for an increase of national-bank notes," approved July 12, 1870, on which the Senator from Illinois [Mr. LOGAN] is entitled to the floor.

Mr. LOGAN. I took the floor, as I stated at the time, with a view of yielding to the Senator from Michigan [Mr. FERRY] if he was well enough, and if not I should occupy it myself. He being here and ready now to occupy the floor, I yield to him, that he may speak first.

Mr. MORRILL, of Maine. I trust the Senator from Michigan will allow us to take the vote on this appropriation bill. I suppose there will be no further desire to speak on the subject.

Mr. FERRY, of Michigan. If there is no further discussion, I am disposed to yield for that purpose. I will first yield to the Senator from Massachusetts, [Mr. BOUTWELL,] who I observe desires the floor.

The PRESIDENT *pro tempore*. The pending order will be laid aside informally.

Mr. BOUTWELL. The state of my health is such that I cannot attend, for the present at least, the meetings of the joint special committee on the affairs of the District of Columbia. I have therefore to ask the Senate to excuse me from further service upon that committee.

The PRESIDENT *pro tempore*. The Senator from Massachusetts asks to be excused from further service on the joint committee for investigation of matters in the District of Columbia. Is there objection?

Mr. THURMAN. I hope the Senator will not ask to be excused. I hope he will soon be in sufficient good health to attend that committee. He has taken part so far in laying the foundations for the investigation that I should hope he would feel at liberty to continue. I hope he will not ask to be excused.

Mr. BOUTWELL. Mr. President, I have only to say, in response to the kind suggestion of the Senator from Ohio, that I think it is due alike to the Senate and to the government of this city that the meetings of the committee should be attended by the members, and I foresee that for some days it would be prejudicial to my health to attend the meetings. I therefore cannot do otherwise than ask the Senate to excuse me.

The PRESIDENT *pro tempore*. The Senator from Massachusetts asks to be excused. Is there objection? The Chair hears none, and he is excused.

Mr. THURMAN. I only wish to make a remark. I have been in attendance on the District investigating committee this morning. I should feel inclined to move to postpone the pending order so that the bill reported by the Committee on Appropriations to meet the expenses of that committee might be considered now and passed upon; but I am told that while I was not in the Senate, while I was discharging my duties upon that committee, that bill came up and some remarks were made to which it may be proper that I should reply. As I heard not one word of them I prefer to read them in the paper before I reply. I shall therefore ask the Senate to-morrow in the morning hour to take up that bill and pass it.

WEST POINT VISITORS.

The PRESIDENT *pro tempore* announced the appointment as members of the Board of Visitors to the Military Academy at West Point, on the part of the Senate, Messrs. HOWE and DENNIS.

REPORTS OF COMMITTEES.

Mr. STEVENSON, from the Committee on the Judiciary, to whom was referred the bill (H. R. No. 826) for the relief of Elias C. Boudinot, reported it with amendments.

Mr. CLAYTON, from the Committee on Military Affairs, to whom was referred the bill (H. R. No. 1772) for the relief of William N. Williams, late a second lieutenant of Indiana Volunteers, reported it without amendment.

He also, from the same committee, to whom was referred the bill (H. R. No. 1271) for the relief of John T. Watson, of Cincinnati, Ohio, asked to be discharged from its further consideration, and that it be referred to the Committee on Claims; which was agreed to.

Mr. CONOVER, from the Committee on Revolutionary Claims, to whom was referred the petition of Jesse E. Peyton, attorney of Mrs. Elizabeth Montgomery, heir of Captain Hugh Montgomery, praying compensation for the services of her father and for losses sustained by him in the revolutionary war, asked to be discharged from its further consideration; which was agreed to.

Mr. OGLESBY, from the Committee on Indian Affairs, to whom was referred the bill (S. No. 349) to create a reservation in the Territory of Washington for the Cœur d'Alenes and other Indian tribes therein named, reported adversely thereon; and the bill was postponed indefinitely.

He also, from the same committee, to whom was referred the bill (S. No. 37) for the relief of persons for damages sustained by reason of Indian depredations, reported adversely thereon, and asked to be discharged from its further consideration; which was agreed to.

He also, from the same committee, to whom was referred the bill (S. No. 348) to amend an act entitled "An act for the restoration to market of certain lands in Michigan," approved June 10, 1872, and for other purposes, reported adversely thereon, and moved its indefinite postponement; which was agreed to.

He also, from the same committee, to whom was referred the bill (S. No. 420) to amend an act entitled "An act for the restoration of certain lands to homestead entry and to market in the State of Michigan," approved June 10, 1872, reported it without amendment.

Mr. INGALLS, from the Committee on Indian Affairs, to whom was referred the bill (S. No. 297) to authorize the Secretary of the Interior to use certain unexpended balances of appropriations remaining on the books of the Indian Office, June 30, 1873, asked to be discharged from its further consideration, and that it be referred to the Committee on Appropriations; which was agreed to.

He also, from the same committee, to whom was referred the bill (H. R. No. 1331) for the relief of Joab Spencer and James R. Mead, for supplies furnished the Kansas tribe of Indians, reported it without amendment.

He also, from the same committee, to whom were referred the bill (S. No. 355) to provide for ascertaining losses sustained by citizens of Oregon by reason of Indian depredations, and the bill (S. No. 513) to provide for ascertaining losses sustained by citizens of Southern Oregon and Northern California by reason of Indian depredations in 1872 and 1873, asked to be discharged from their further consideration; and the bills were postponed indefinitely.

He also, from the same committee, to whom was referred the bill (S. No. 278) to provide for the manner of paying annuities to Indian tribes under treaty stipulations or legal enactments, reported adversely thereon; and the bill was postponed indefinitely.

Mr. WRIGHT, from the Committee on the Judiciary, to whom was referred the bill (S. No. 457) to abrogate and declare void a certain portion of the treaty with the Sioux Indians, concluded April 29, 1868, reported it with an amendment.

He also, from the Committee on Finance, to whom was referred the bill (S. No. 459) for the relief of William J. Patton, reported it without amendment, and submitted a report; which was ordered to be printed.

Mr. WRIGHT. The Committee on the Judiciary, who were by a resolution of the 12th of March last instructed to inquire and report at the December session of the Senate whether the Union Pacific Railroad Company, or any company authorized to build a branch road to connect therewith, or any assignee of such company, will be entitled to lands or bonds for any road which such company may hereafter construct, have had the same under consideration, and have instructed me to submit a report accompanied by a bill.

The bill (S. No. 587) declaring the true intent and meaning of the Union Pacific Railroad acts, approved July 1, 1862, July 2, 1864, and July 3, 1866, and for other purposes, was read and passed to a second reading, and the report was ordered to be printed.

Mr. LOGAN, from the Committee on Military Affairs, to whom was referred the bill (H. R. No. 1037) making appropriations for the construction, preservation, and repair of certain fortifications and other works of defense, asked to be discharged from its further consideration, and that it be referred to the Committee on Appropriations; which was agreed to.

He also, from the same committee, reported a bill (S. No. 588) approving the action taken by the Secretary of War under the act approved July 15, 1870; which was read and passed to a second reading.

He also, from the same committee, to whom was referred the bill (H. R. No. 1933) to amend the thirty-first section of the act entitled "An act for enrolling and calling out the national militia, and for other purposes," approved March 3, 1863, reported it without amendment.

He also, from the same committee, to whom was referred the bill (H. R. No. 368) for the relief of James Long, reported it without amendment.

He also, from the same committee, to whom was referred the bill (H. R. No. 498) to settle the accounts of Captain A. B. Dyer, reported it without amendment, and submitted a report thereon; which was ordered to be printed.

He also, from the same committee, to whom was referred the bill (H. R. No. 1930) for the relief of William J. Scott, late aid-de-camp on the staff of General Spear, reported it without amendment, and submitted a report thereon; which was ordered to be printed.

He also, from the same committee, to whom was referred the bill (H. R. No. 363) for the relief of Lucius A. Roundtree, reported it without amendment, and submitted a report thereon; which was ordered to be printed.

He also, from the same committee, to whom was referred the bill (H. R. No. 1779) for the relief of William E. Childs, reported adversely thereon; and the bill was postponed indefinitely.

Mr. KELLY, from the Committee on Military Affairs, to whom was referred the petition of W. L. Parvin and Henry A. Green, late California volunteers, reported a bill (S. No. 589) for the relief of W. L. Parvin and Henry A. Green; which was read, and passed to a second reading.

Mr. SHERMAN, from the Committee on Finance, to whom was referred the bill (S. No. 586) creating a port of delivery at Helena, in the State of Arkansas, asked to be discharged from its further consideration, and that it be referred to the Committee on Commerce; which was agreed to.

Mr. MCCREERY, from the Committee on Indian Affairs, to whom was referred a resolution of the Legislature of California, in favor of an Indian reservation in Siskiyou County, in that State, asked to be discharged from its further consideration; which was agreed to.

SUSAN D. GALLOWAY.

Mr. LOGAN. I am instructed by the Committee on Military Affairs, to whom was referred the bill (H. R. No. 1577) for the relief of Susan L. Galloway, to report it back with an amendment. I will state to the Senate that this bill has passed the House twice and the Senate once, and failed to be signed by some neglect.

The amendment of the committee is to insert "D" in lieu of "L" as the letter of the middle name. The bill is for relief, and one that the evidence sustains thoroughly, and as that is the only amendment, I ask the Senate now to agree to it.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which provides for the payment to Susan L. Galloway, widow of Captain James L. Galloway, late of Company E, First Florida Cavalry, the full pay and emoluments of a captain of cavalry from April 26, 1864, to August 31, 1865.

The amendment of the Committee on Military Affairs was to strike out the letter "L" and insert "D."

The amendment was agreed to.

The bill was reported to the Senate as amended; and the amendment was concurred in.

The amendment was ordered to be engrossed and the bill to be read a third time. The bill was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Susan D. Galloway."

ENROLLED BILL SIGNED.

The PRESIDENT *pro tempore* signed the enrolled bill (H. R. No. 1558) to amend the act entitled "An act to encourage the growth of timber on western prairies," which had previously received the signature of the Speaker of the House of Representatives.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. CLINTON LLOYD, its Chief Clerk, announced that the House had passed the following bills; in which it requested the concurrence of the Senate:

A bill (H. R. No. 1956) for the relief of Willard Davis;

A bill (H. R. No. 2086) for the relief of R. W. Clarke, postmaster at Brattleborough, Vermont;

A bill (H. R. No. 763) for the relief of Oliver P. Mason;

A bill (H. R. No. 2087) for the relief of Julius Griesenbeck, of Waco, Texas;

A bill (H. R. No. 2088) for the relief of James Lillie, postmaster at Lisbonville, Ray County, Missouri;

A bill (H. R. No. 764) for the relief of John Dold;

A bill (H. R. No. 692) for the relief of William Chester;

A bill (H. R. No. 650) for the relief of John Brennan;

A bill (H. R. No. 2089) for the relief of Mrs. Louisa P. Molloy;

A bill (H. R. No. 2090) for the relief of Jacob Harding;

A bill (H. R. No. 2091) for the relief of the heirs and next of kin of Colonel William Northedge, deceased;

A bill (H. R. No. 753) for the relief of Peter S. Patton;

A bill (H. R. No. 2093) for the relief of General Samuel W. Crawford, United States Army;

A bill (H. R. No. 2094) for the relief of William A. Snodgrass, late lieutenant Company H, Thirty-ninth Ohio Veteran Volunteer Infantry;

A bill (H. R. No. 2094½) granting an increase of pension to Mary C. Bell;

A bill (H. R. No. 52) granting a pension to Mary Swift, daughter of Thomas Truxton, deceased, late commodore in the United States Navy;

A bill (H. R. No. 814) granting a pension to Olive S. Breed;

A bill (H. R. No. 280) granting a pension to Ann Crane;

A bill (H. R. No. 240) granting a pension to John C. Farnam;

A bill (H. R. No. 330) granting a pension to Mrs. Penelope C. Brown, of Tennessee, widow of Stephen C. Brown, late a private of Company C, Eighth Tennessee Cavalry Volunteers;

A bill (H. R. No. 2095) granting a pension to Charles McCarty;

A bill (H. R. No. 2097) granting a pension to Sophronia Austin;

A bill (H. R. No. 2096) granting a pension to James Roach;

A bill (H. R. No. 2098) granting a pension to Mrs. Nancy Parkhurst;

A bill (H. R. No. 2099) granting a pension to Mrs. Elizabeth Copeland;

A bill (H. R. No. 360) granting a pension to Oliver C. Denslow;

A bill (H. R. No. 2100) for the relief of Martin Hoff, Casper Doerr, and George Gebhart, citizens of Saint Louis, Missouri;

A bill (H. R. No. 2187) authorizing and requiring the issuance of a patent for certain land in the county of Scott, in the State of Missouri;

A bill (H. R. No. 1200) for the relief of the sureties of the late Jesse J. Simkins, collector of the port of Norfolk, Virginia;

A bill (H. R. No. 1201) authorizing the payment of prize-money to the officers and crew of the United States steamer Bienville;

A bill (H. R. No. 225) to amend the act entitled "An act to establish the western judicial district of North Carolina;"

A bill (H. R. No. 2350) authorizing the Secretary of the Treasury to issue certificate of registry and enrollment to the schooner Almina, and changing the name to Minnie;

A bill (H. R. No. 2356) granting a pension to Edward Jardine, late colonel and brevet brigadier-general United States Volunteers; and

A bill (H. R. No. 2359) to authorize the Secretary of War to reserve from sale ten thousand suits of old and disused Army uniform clothing, now in the Quartermaster's Department of the Army, and to transfer the same to the National Home for Disabled Volunteer Soldiers.

The message also announced that the House had passed the following bill and joint resolution:

A bill (S. No. 302) for the relief of Dr. Edward Jarvis; and

A joint resolution (S. R. No. 6) in relation to the bronze statue of Jefferson, presented to Congress by Uriah P. Levy, late an officer in the United States Navy.

RECOMMITMENT OF A BILL.

Mr. JOHNSTON. The Committee on Revolutionary Claims have instructed me to move that the bill (S. No. 418) for the relief of the administratrix of the estate of Lieutenant Joseph Wheaton, deceased, be recommitted to that committee.

The motion was agreed to.

PRINTING OF A BILL.

Mr. BOREMAN. I introduced the other day a bill (S. No. 543) to provide for holding the district court at Martinsburgh, in the district of West Virginia, which was not printed. I move that it be printed.

The motion was agreed to.

COMMITTEE SERVICE.

Mr. LOGAN. I desire to make a motion, with the consent of the chairman of the Committee on Education, which is agreeable to him. It is to add one member to that committee.

The PRESIDENT *pro tempore*. The Senator from Illinois moves that one member be added to the Committee on Education and Labor.

The motion was agreed to.

By unanimous consent the Chair was authorized to appoint the additional member of the Committee on Education and Labor, and Mr. PEASE was appointed.

BILLS INTRODUCED.

Mr. NORWOOD asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 590) for the relief of Rosella Rachel Wyatt; which was read twice by its title, and referred to the Committee on Claims.

Mr. KELLY asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 591) granting the right of way to the Seattle

and Walla Walla Railroad and Transportation Company, and for other purposes; which was read twice by its title, referred to the Committee on Territories, and ordered to be printed.

Mr. WEST asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 592) granting a pension to John R. Gaines; which was read twice by its title, and referred to the Committee on Pensions.

Mr. BROWNLOW asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 593) to admit certain sculpture free of duty; which was read twice by its title, referred to the Committee on Finance, and ordered to be printed.

Mr. STEVENSON asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 594) for the relief of Charles M. Briggs; which was read twice by its title, and referred to the Committee on Claims.

POSTMASTERS' COMMISSIONS.

Mr. RAMSEY. With the consent of the Senator from Michigan I ask the Senate to consider a small House bill, simply providing that hereafter the Postmaster-General shall issue commissions to the postmasters appointed by the President. They are now issued by the Secretary of State.

The PRESIDENT *pro tempore*. The Senator from Minnesota asks unanimous consent to proceed to the consideration of the bill indicated by him.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. No. 919) to provide for the issuing and recording of commissions to postmasters appointed by the President, by and with the advice and consent of the Senate.

The bill provides that hereafter the commissions of all postmasters appointed by the President, by and with the advice and consent of the Senate, shall be made out and recorded in the Post-Office Department, and shall be under the seal of that Department, and countersigned by the Postmaster-General, any laws to the contrary notwithstanding.

Mr. CONKLING. What is the object of that?

Mr. RAMSEY. These commissions have been issued by the State Department, and the President in his message and the Postmaster-General suggest that the duty had better be transferred to the Post-Office Department.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. CLINTON LLOYD, its Chief Clerk, announced that the House had passed the following bills; in which it requested the concurrence of the Senate:

A bill (H. R. No. 921) to prevent the useless slaughter of buffaloes within the Territories of the United States; and

A bill (H. R. No. 2450) to provide for the apportionment of the Territory of Wyoming for legislative purposes.

NATIONAL-BANK CIRCULATION.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. No. 432) to amend the act entitled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates, and for an increase of national-bank notes."

Mr. FERRY, of Michigan. Mr. President, I said on the first week of the session that "lack of currency was primarily the cause of the derangement, and want of elasticity, a second incident, intensified the panic. To remedy this recurrence for the future, the resolution proposes that banking shall be open and free to all, individuals and associations, without limitation of capital."

By a small majority the proposition of free banking under the amendment proposed by the honorable Senator from Pennsylvania [Mr. CAMERON] was, on the 19th of last month, rejected. A few Senators, and enough to have carried the amendment, were fearful that free banking would work too easy, and, it might be, too great expansion, and preferred a limitation to the volume of currency by statute. The law of supply and demand, they thought, would not be as wise as the law of metes and bounds. They could safely vote for a *definite* amount of expansion, but could not as prudently support a measure which would break the monopoly of circulation into a volume regulated by flexible wants under universal privilege. I confess, Mr. President, that I did not share the apprehensions of excessive expansion under a free system of banking as much as I deprecate the continuance of a financial monopoly which holds in its narrow grasp the monetary possibilities of over forty millions of people.

To extend the present enjoyment of the privilege of banking by the few, to the many, comports with the spirit of our institutions, and, like air, light, and water, broadens into a common possession.

The Constitution vests the power to create money or emit bills of credit, and the regulation of the value, in Congress—the sovereign legislative will of the whole people. This was well enforced by President Buchanan in his message of 1857, as follows:

> "It is one of the highest duties of government to insure the people a sound circulating medium; the amount of which ought to be adapted, with the utmost possible wisdom and skill, to the wants of internal trade and foreign exchange."

To commit this trust and privilege to a small minority, while it is denied to the great majority, is not a just exercise of representative power. If its benefits are substantial to the few, they are equally essential to the many; the greatest good to the greatest number is the highest achievement of statesmanship. It is predicated upon the welfare of the State. The good of the whole assures the best interest of the parts, and the minority, in finances as in politics, should be governed by the will of the majority.

Adequate currency gives activity to labor and profit to industry. The Government has taken from the States the power to supply the country with currency, and is therefore bound to provide an ample volume for its business needs. It owes the people the right to issue their own credit without interest, in the form of money, to meet this want.

The advocates of resumption have assumed a personality for the Government distinct and apart from the people, to mystify the issue.

The Government is simply the agency of the people, charged to do their will, and for their financial necessities to put in the form of money the people's promises to pay. It is for their necessity and is their own expedient. In money of their own creation, stamped with the seal of their own Government, and made a lien on the whole national wealth, they have perfect faith, and ask for no other and want no better circulation.

A free-banking system for the country is a great step in the right direction. It is anti-monopoly and in the interest of the whole people. It is a stimulus to national industry, and tends directly toward the more rapid national development. Restricted, as now, it becomes an object of prejudicial distrust; made free to all, it works into the favor and faith of all. Currency in some form is indispensable to the industrial necessities of the nation. Without a proper medium of exchange the growth of the country and the accumulation of wealth would be arrested. All nations have found it necessary to make up the volume of circulation through paper money. The distinguished statesman of South Carolina (Mr. Calhoun) said in 1839 of this necessity:

> "It is, then, my impression that in the present condition of the world a paper currency in some form, if not necessary, is almost indispensable in financial and commercial operations of civilized and extensive communities.
>
> "The famous statesman of Virginia (Mr. Jefferson) implied the character of the paper issue in writing, 'Bank paper must be suppressed, and the circulation restored to the nation to whom it belongs.'"

The necessities of our late war made it imperative to give emphasis to this as never before in the annals of the nation. From the transition from State-bank issue to Government and national-bank issues, the nation settled into two forms of currency as best adapted to the necessities of war, and they have proven beneficial for the country in a state of peace.

Based upon the credit of the whole wealth of the nation, its stable value has in war and peace been well measured by the people. In the midst of the recent financial panic it stood the test of such a revulsion, and proved to be the most reliable currency the nation has ever used. One form of national issue would, in my judgment, be another advancing step in the perfection of our monetary system. The whole currency of the nation would then wear one face and value; made lawful money for all purposes, there would be no national discredit stamped upon it, and it would become the equivalent of gold; issued by the people, authenticated by their government, bearing the national honor, and the people held to pay, they would have full faith to use; for it would be the people's money, and bearing their own measure and seal of value. It would become as stable as the stability of the Republic.

I am strengthened in this view by the reply to my question during the delivery of the able speech of the honorable chairman of the Committee on Finance. The question and answer were as follows:

> "Mr. FERRY, of Michigan. I ask whether, in the Senator's judgment, the value of the currency in France depends so much on the convertibility of the notes into bonds, or on their being made lawful money for all purposes, which our greenbacks are not?
>
> "Mr. SHERMAN. I have no doubt that it would greatly advance our greenbacks if they were allowed to be received at the custom-houses for duties."

France has a circulation of seven hundred millions of currency, made lawful money for customs as well as all other public and private dues, and it stands at a discount of only ¼ per cent., and under specie suspension at that. May I remind the honorable chairman also of the part he took in the debate and passage in the Senate, in 1862, of the amendment of the Committee on Finance making Treasury notes a legal tender for customs and all public and private debts except interest upon bonds and notes? By reference to the Globe, second session Thirty-seventh Congress, part 1, page 789, it will be seen that the chairman then, Mr. Fessenden, was against it, but the honorable Senator from Ohio [Mr. SHERMAN] favored it, saying:

> "I do believe there is a pressing necessity that these demand notes should be made a legal tender if we want to avoid the evils of a depreciated, dishonored paper currency."

Contended for then, why cause the depreciation of greenbacks now by denying the remedy? While holding to this belief, I am not so wedded to choice, nor so presumptive, as to discard any advance in the right direction because the whole is not reached at one step. With substantially one-half of our circulation a Government issue, and a legal tender for nearly all purposes, the freeing the remainder from the objectionable character of a monopoly, and thus diffusing it into the people's privilege and possession, the two would substantially run parallel in commercial channels, and compete for public favor. A fair opportunity would then be given for the practical test of relative merits. Time would sooner or later elect which answers best

the purposes of money, and practice settle all questions of theory. Both freely issuable and both as generally in circulation, the people could best determine how long it would be well to suffer the burden of an annual payment of many millions of coin interest on the bonds underlying the national currency as the boon for national denial of lawful money to this form of the volume of circulation. Whenever they should have sufficiently endured the grievance of this annual draft upon their industrial resources as to ask that all of the currency be made issuable by the Government, as the legal-tenders or greenbacks now are, the further step would inevitably follow that the Government should not refuse to receive its own issue for customs dues, nor longer so discredit its money, but rise to the full measure of credit by declaring national faith by full national use of the authorized money of the land. When such an overwhelming blow shall be enacted against the traffic in gold, kept up through thousands of merchants compelled as now to barter for coin to pay their customs, when the Government could, without competition, secure its needed coin itself to meet all its obligations, it will be a wise as well as an economic reflection, worthy of congratulation, that the national medium of circulation ceases to wear the national discredit which kept it so long from becoming equivalent to coin.

Were we there now there would be no need of the labored efforts to enact the convertibility of our currency into interest-bearing bonds, and to that extent swell the public debt; nor the necessity for futile attempts to work through commercial ruin a resumption of specie payment, for resumption would then be reached by the costless and natural union of coin and currency into equivalent value. Together, then, they would serve the national purposes. Gold as the standard, and currency the full measure, of value, both would then join and become the medium of exchanges.

Prominent financiers have foreshadowed as much. McCulloch wrote that—

"If there were perfect security that the power of issuing paper money would not be abused—that is, if there were perfect security for its being issued in such quantities as to preserve its value relatively to the mass of circulating commodities nearly equal—the precious metals might be entirely dispensed with."

So Macleod, in his Theory and Practice of Banking, wrote:

"The simplest and most perfect form of a currency is that which represents nothing but transferable debt, and of which the material is of no intrinsic value, such as paper. It is only when States have reached a high degree of civilization that they adopt this perfect form; before they attain that the material of it entirely consists of something which has an intrinsic value, such as gold or silver."

From many minds of experience it might further be shown that security is the essential element of any form of money.

I here, for the present, dismiss this financial desideratum of a perfect paper money for a future occasion, and for the people to press, trusting that time will prove the healer of all monetary ills.

The alternative now stands before us of expansion in some form or resumption; commercial life or commercial death; either diffusion of wealth, or monopoly of wealth. The question involves the prosperity of the producer, else the enrichment of the non-producer; whether the laborer shall walk more erect, or the capitalist more proudly strut.

Mr. Calhoun stated it thus:

"The subtle and artful contrivances of modern times have been substituted for the brute force and gross superstition of ancient, as a means of allotting so small a share of the wealth of civilized communities to those by whose labor it was produced, and so large a share to the non-producing class."

The distinguished Senator from Vermont, [Mr. EDMUNDS,] in the debate on the 22d day of January last, put the issue as between the borrower and lender in this wise:

"As was said, I believe, by a Senator, about another subject entirely, there is an absolutely *irrepressible conflict*, therefore, between the people who wish to borrow and use other men's money and the people who have the money themselves."

Mr. President, the vote upon the pending question will announce upon which side of these "contrivances" or this "conflict" Senators choose to array themselves.

Under free banking there would be freedom and profit to industry. Restricted banking is monopoly of riches and crippled industry. A system of free banking tends to equality of circulation; monopoly of banking creates inequality. One is republican, the other is anti-republican. One erects an aristocracy, while the other dethrones it.

Expansion, or free banking, involves no more increase of our national bonds. Resumption looks to the issue of more of the national bonds and the expansion of our public debt.

Throughout this whole debate I have looked in vain to the advocates of resumption for some plan of substantial relief, but they all weld their theories to *more* national bonds. They offset what they term "inflated currency" with inflated bonds. Recognizing the fact that we have so little coin in the country, that resumption is practically an impossibility, still their plan for resumption is to issue more bonds, and by their sale provide coin for resumption, which involves simply the process of issuing bonds as fast as the currency is presented for redemption—an automatic system of perpetual exhaustion. As fast as bonds are sold, and the coin exhausted by redemption, more bonds and more coin must answer more demands for redemption. The flow into the Treasury would be currency, and the outflow would be coin, till it would be found that the consequent contraction of the volume of currency, through redemption, would be replaced by the interest-bearing bonds of the Government.

There is a difference in method of exchange among the advocates of resumption. Some would resume direct by coin resumption, and others propose to resume indirectly by conversion into bonds. One method makes the Government sell its bonds and hand over the coin to the bill-holder, and the other method is to hand to the bill-holder bonds and let him wait for his coin.

It is an ingenious scheme, for it withholds notice of the inevitable effect such conversion would have upon our bonds. As bonds are not gold, but promises to pay gold at some *definite* time, they are no nearer gold than currency promises to pay gold at some *indefinite* period; all the difference being that one bears interest and the other does not. Whatever the currency is appreciated by conversion, in like measure depreciates the bonds; so that the national bonds suffer what the national currency gains. Both stand alike pledged by the same total wealth of the nation. If expansion of currency depreciates it, upon like principle expansion of bonds depreciates them. Contraction of the currency adds no more value to the remainder, as long as the amount contracted reappears in an equal increase of bonds, for the national indebtedness is not lessened. By the interest involved on the bonds the obligations to pay are increased, and diminish value rather. Change of form is not lessening of obligation, and cannot be an increase of value. If a man owes $100,000 in notes, and changes them into obligations to pay lands, houses, and horses, aggregating the same value, his credit is not strengthened, for he still owes $100,000 in property, and his financial standing is measured by his debt in either case. So the Government buying gold with its bonds, the nation owes for its bonds. No financiers have ever yet discovered a way by which a person or people can borrow out of debt. If the advocates of contraction can show us how to do this, I shall come to their aid as the easier method, by far, of relieving the people of financial embarrassments.

That I do not misapprehend the dilemma, I give it as the debate has impressed the distinguished Senator from Wisconsin, [Mr. HOWE,] whose subtile satire is often wielded with pungent effect in the exposure of sophistry. Impliedly against any *great* expansion of currency and seeking for some feasible way to effect resumption, he comments in this wise in his remarks on the 15th of last month:

"The Committee on Finance does not seem to be entirely agreed what should be done, and I believe the country is not quite harmonious on that question. If I understand the proposition of the chairman of the committee, he recommends that we now set our faces toward the resumption of specie payments and that we achieve that end within a given time. If I understand the Senator from Delaware, [Mr. BAYARD,] he recommends to us that we achieve it at once. If I understand the Senator from Michigan, [Mr. FERRY,] he would recommend to us to resume specie payments when the printing of national notes shall be numbered among the lost arts.

"Mr. President, if I know that my neck is sure to be broken, it has always been an open question with me whether I would rather have it done to-morrow or next year; and so I should hesitate to choose between these recommendations of the Senator from Ohio and the Senator from Delaware, for I should feel very certain that broken necks were to be the result. This country is doing business on a scaffold a great way up from solid ground. You are sustained there by a statute. Repeal it, and down you come. Undertake to resume specie payments now or next year, undertake to convert your whole volume of paper into specie now or next year, and I think disaster would be the inevitable result. I am so sure of that, that rather than agree to either of those expedients I think I should join the Senator from Michigan and go up in his balloon and not come down at all."

Puzzled, then, it would seem, as to what was best to do, the honorable Senator wisely chooses to avoid falling from grace by looking upward for salvation. Faithful as he always is to the logic of his convictions, he has seen no practical way of escape from industrial and financial embarrassments, except through expansion, which he approves and has supported.

The distinguished Senator from Massachusetts, [Mr. BOUTWELL,] late at the head of the Treasury of the United States, where his opportunity and discrimination have afforded him acquaintance with the intricacies and movements of finance, brings to such rare observation the ability for which he has just fame, and has favored the country with views presented with force. With all of his ability, however, his position seems anomalous, and in my judgment untenable. He proposes the perilous voyage between Scylla and Charybdis.

I cannot better state his policy of neutrality than to quote his words:

"Thus, Mr. President, I have presented the considerations which influence me to do what I can to hold the Government of the country to its present policy, believing that a forcible contraction of the currency will end in disaster, believing also that the expansion of the currency, however it may be effected, will lead to the evils which we have experienced temporarily during the last autumn and which are the necessary result of every local expansion of a currency, whether it be of paper or of coin. The Senator from Missouri, I think, must bear witness to the fact that the accumulation of coin in Germany has compelled the government to be constantly on the alert to prevent the evil results of inflation."

While such a policy might have been pursued without detriment when the business of the country was prosecuted with its usual activity, under no commercial disturbance; albeit during a period of stagnation, following a commercial panic, with confidence shaken in financial circles, such a course of inaction must, upon principles of common experience, entail greater prostration and cumulative disaster. With commercial paralysis fallen upon the country, the suggestion of no relief must be fraught with greater fatality to industrial interests. The annals of the country furnish conspicuous instances of the fallacy and peril of the theory of general apathy. It came near fatal illustration under a Chief Magistrate who officially pronounced against the right of disunion, and at the same time denied the power to prevent disunion. Such policy the people repudiated.

Later still, when this neutral doctrine was being antagonized at arms, an illustrious general, famous for his skill in organizing victory, surpassed it only by his *masterly inactivity* in postponing victories, and this, too, the people rejected, under another leadership, whose pertinacious activity crowned successive victories with final triumph.

The honorable Senator from Ohio, I mean, Mr. President, the distinguished Senator [Mr. THURMAN] who very laudably aspires to make the fourth estate of democracy the first estate of the Republic, has, during the two months the subject of finance has been before the Senate, maintained remarkable reticence. Were it not that the columns of the Globe and RECORD of senatorial proceedings stamp him the ready and elaborate debater of every subject within the range of human knowledge, this unusual silence would not have been so noticeable. Not till the 17th of last month did he take part in this debate, and opened thus:

"Mr. President, I have not said a word on this great subject, and if the Senate is not impatient to adjourn at this hour I should like to occupy about fifteen minutes."

Purposely, it seems, did he step out of his way to throw ridicule upon one side of a grave subject.

Adding, also:

"I take my full share of the responsibility for talking on other matters. On this, fortunately for me, I have perfectly clean skirts."

How fortunate! The distinguished Senator has very recently been rehonored by his State to another term in the United States Senate. Upon what, with other assurances, as understood by the democracy of Ohio?

Let me read a paragraph from a recent number of the Cincinnati Enquirer, wherein, in answer to the remark that it would "be glad to hear of Senator THURMAN redeeming the promise he made during our late canvass," it puts its grievance in these words:

"Last fall when the panic began Senator THURMAN justly characterized it in his speeches as the result of an effort on the part of the creditor East to force the debtor South and West into a violent resumption of specie payment, by which the debt of $100 would really cost the debtor $150. Senator THURMAN went further, and declared if God would give him strength to reach Washington his voice would be heard resisting this effort on the part of eastern capitalists, which, if successful, would end in wide-spread financial ruin. This contest has now been going on for over two months, and our distinguished friend has made no sign."

Verily, "made no sign," except to advocate recommittal of the subject without instructions to a committee already announced by resolution to be in favor of resumption.

Waiving comments upon the honorable Senator's vote not appearing in favor of the Cameron amendment to make the banking monopoly free to all; nor for like object and convertibility of Treasury notes into low-interest bonds under the Gordon amendment; nor in favor of reconsidering the vote that carried the Cooper instructions to the committee to report a bill providing for the convertibility of Treasury notes into gold coin or 5 per cent. bonds of the United States; neither in favor of the Merrimon amendment to increase the currency forty-six millions; searching in vain for his votes on these important questions, the honorable Senator's pent-up views and votes finally break out in a satirical descent upon a substitute "offered by the Senator from Michigan," [Mr. FERRY,] because it proposes practical measures to "give stability and elasticity to the circulating medium." The honorable Senator derides it in different ways, one of which is in this wise:

"If it was made out of India-rubber it would not be stable. It is to be stable, that is, to be fixed; and it is to be elastic, that is, it is not to be fixed."

The honorable Senator, it seems, could not forego derision lest some one might readily comprehend that a currency could be stable in *value* and elastic in *volume*. Nor did it occur to me, when I drew up the text of my amendment, but was discovered when the Senator spoke, that I had presumed somewhat upon the fairness of commentators.

The upshot of the distinguished Senator's criticism and sense of duty is in his own closing paragraph, thus:

"I shall therefore vote to refer back the whole subject, whenever I can get the opportunity to do it, to that committee, and without any instructions whatever."

The Senator has voted nothing, and proposes to do nothing. I submit such apathy to the commentary of history, solemnized by the lips of divine judgment, and hoary with the lapse of ages, in the admonishing words:

"I know thy works, that thou art neither cold nor hot: I would thou wert cold or hot. So then because thou art lukewarm, and neither cold nor hot, I will spew thee out of my mouth."

Invoking this utterance of the past upon a proposed policy of apathy, affecting the financial and industrial arteries of the nation, it would not be at all strange if ere long public necessity retort, and spew such policy out of the nation's mouth.

The Senator from Missouri, [Mr. SCHURZ,] in his carefully elaborated speech delivered a few days since, summoned his rhetorical powers to cast contempt upon the currency of the country and to charge disgrace for its issue upon the American name. That I do not mistake the honorable Senator, I quote his words:

"Mr. SCHURZ. There are other persons, I fear, who are depreciating the credit of the country. They are those who want to continue a money system which introduces into all transactions of business the element of chance and deception; a money system which by that deception injures not only the foreigner who may invest his funds here, but our own people; a system of irredeemable paper money which has time and again fallen under the contempt of civilized mankind. Those, I say, are depreciating the credit of the country who in the very midst of the nineteenth century, with all the lights of universal experience around them, still strive to maintain, to confirm, and to perpetuate a disgrace like that. I tell the Senator from Pennsylvania I can think of nothing that would be better calculated to elevate the American character and to raise the credit of the country in the eyes of the world than a speedy deliverance from that system."

He declares our currency to be "a system of irredeemable paper money which has time and again fallen under the contempt of civilized mankind." When and where, pray? Was it in the quick response from Europe to the first gun fired on Sumter, that "the American bubble has burst?" The Republic had not *then* founded its money upon the credit of the nation. The knowledge that its bonds were 12 per cent. below par at the close of President Buchanan's administration, with the Treasury bankrupt, and the assumption that we had no resource but foreign aid, European speculation upon our existence as a Republic was as groundless an estimate placed upon our circumstances and resources as the honorable Senator's value put upon the character of our currency. The American Republic then received, we know, the expressed contempt of Europe. But when the honorable Senator declaims that our paper money has fallen time and again under the "contempt of civilized mankind," I must say, for his recollection and for the rest of mankind, that this new system of United States paper money clothed, equipped, fed, and paid an army of citizen soldiery who carried successfully through an unprecedented war at home, in the face of hostile sympathy and aid abroad; sweeping away in the track of battle the cruel apple of domestic discord, and reuniting a discordant people; that it indispensably assisted in rehabilitating broken sections, and in raising the nation to the rank of a first power; that it so improved our fallen credit that the bonds of the Republic standing as low as 36 in gold in July, 1864, have so risen in value that foreign capitalists seek them with avidity at above par in gold. That with its aid hundreds of millions of public indebtedness have been paid during years of prosperity since the war, and under which the nation grew in material wealth as never before. All these achievements essentially gained through the instrumentality of a currency based upon the credit of the whole nation, and yet it is characterized as a "disgrace" to the nation. With its aid and trial, as the best expedient we could devise, it has extorted from the Senator himself, elsewhere, comments which should free it from the category of disgraceful or valueless agencies.

The honorable Senator was pleased to speak, in other connection, of the national-bank bills in this wise:

"They are, moreover, founded on the secure basis of Government bonds payable, principal and interest, in gold. Their circulation is, therefore, not local, but national in the widest sense of the term, just like that of greenbacks. They are just as safe, and in one sense they are even more so, for they have behind them the solid foundation of a United States bond, payable in gold, and at the same time the ability to pay of the bank that issues them. * * * The breaking of the bank that issued it does not injure its value in the least."

Now I ask, after such an indorsement of the character of our currency, and with the known fact that no nation has ever before established a paper money system based upon such aggregated wealth, and that though new, its trial has proven it to be more secure and reliable than any other banking system the world has ever witnessed; I repeat, is it fair, is it just to the American people, or creditable to the candor of the honorable Senator, to attempt to disparage such a system by coupling it with Marco Polo's story of China's currency, centuries ago?

I read a paragraph from the honorable Senator's quotation from Marco Polo's Travels, taken from his speech, as follows:

"All of these pieces of paper are issued with as much solemnity and authority as if they were of pure gold or silver; and on every piece a variety of officials, whose duty it is, have to write their names and to put their seals. And when all is prepared duly, the chief officer deputed by the Kaan smears the seal intrusted to him with vermilion, and impresses it on the paper, so that the form of the seal remains stamped upon it in red; the money is then authentic. Any one forging it would be punished with death. And the Kaan causes every year to be made such a vast quantity of this money, which costs him nothing, that it must equal in amount all the treasure in the world."

It will be remembered that this Chinese currency was made in vast quantities, and each issue cost the Kaan nothing, and is, in amount, equal to "all the treasure in the world." And further on the Senator states that new issues were made to take up old, by an exchange of one new for five old. Then the honorable Senator cites a Persian monarch of the thirteenth century, who "imitated a similar system, which produced great distress." He also cites the Scotch financier, Law, at the beginning of the eighteenth century, who "carried it to the full extent of progressiveness." Next, he names the French *assignats;* and these, he says, "were pieces of paper money, enough to cover all the land, and to wrap up all the articles bought and sold." Finally, he quotes the continental money, issued without limit, and without any national credit.

These, Mr. President, are samples of the parallels drawn to disgrace our national currency; a currency necessarily limited—based upon the total wealth of the nation, whose bonds are above par in coin in the markets of the world.

No one questions the ingenuity of the Senator to cite convenient precedents upon which to rear argument and reach conclusions which are, in his judgment, the overthrow of the theory he combats; and I give these as a sample of his researches.

Let me give another instance. The honorable Senator is striving to show the disastrous effects of paper money upon consumers.

I ask the Secretary to read his words, which I send to the desk. The Secretary read as follows:

"Let us see how it works. The importer or the wholesale merchant in New York, when putting up his goods for sale, will first add to the gold price the premium on gold. That is universally conceded. But he knows that the premium on gold or the discount on the currency fluctuates, and that if it be inflated it will certainly depreciate. If he sells on credit, however short that credit may be, he runs this risk: that the sum he receives in paper money for his goods will not represent the same gold value which the same sum represented at the time when the sale was made; and here an important element comes into the calculation of prices, which has been left out by all the Senators who, taking the opposite view, have discussed this subject. It is the element of risk. The importer, or the manufacturer, or the wholesale dealer, must protect himself against the contingency of fluctuation; and thus he puts upon the price of his goods a certain percentage to cover that contingency. In other words, he makes his customers pay for the gambling risk which he himself has to run. The jobber who buys from the importer or the manufacturer has to put his gambling risk upon the price again, for he runs the same chance. The western or southern wholesale dealer who buys from the jobber has to do the same thing once more, for he again runs the same chance. Then the western or southern retailer, into whose hands the goods finally pass, has to do the same thing again, if he sells on credit, for he again runs the same chance. Thus two, three, or four gambling risks are put upon the price of an article before the commodity, as it issues from the hands of the original seller, passes into the hands of the consumer; and thus the rise in the price of commodities goes far beyond the premium on gold, especially when the fluctuations of the currency, as inflation will always make them, are tending in the way of depreciation.

"Now go to New York, and every candid merchant will tell you the same story. I know of merchants in New York who actually changed the prices of their commodities during the violent fluctuations of the currency six times in one week; and one told me himself that he had done so several times in one day, always lowering or raising the gambling risk he had put upon the price of his commodities as circumstances changed. And experience teaches us that merchants are apt to be very quick in putting up prices and very slow in putting them down.

"Hence it is clear that, while the farmer or planter gets for his product only the gold price, with the gold premium added at the place of sale, he must pay for all he has to buy the gold price, with the premium added, and an additional amount covering the gambling risks of three or four dealers through whose hands the purchased articles must pass before they reach him, and that additional amount covering the gambling risk will naturally grow very much higher when the currency is inflated and in process of depreciation. The conclusion is inevitable that in this point of view, the correctness of which cannot be questioned, an irredeemable fluctuating currency cannot be anything else but a curse to the agricultural interest, a curse the more oppressive as inflation goes on; and the more inflation there is, the more the farmer will lose in buying in proportion to the prices at which he has to sell."

Mr. President, let us analyze this. The importer in New York adds to his gold price the premium on gold. The Senator adds to this a speculative risk price, to cover the possible fluctuations of currency till the maturity of the buyer's note. Call this risk, for illustration, 5 per cent. Next the jobber adds his risk "contingency of 5 per cent.;" for "he runs the same chance." Then the western or southern wholesale dealer, who buys from the jobber, has to do the same thing, adding 5 per cent. more; lastly, the western or southern retailer, "into whose hands the goods finally pass, has to do the same thing again," making 5 per cent. more; and the Senator concludes:

"Thus, two, three, or four gambling risks are put upon the price of an article before the commodity, as it issues from the hands of the original seller, passes into the hands of the consumer."

Here then, according to the Senator, we have four risk prices; and say, for illustration, 5 per cent. each, put upon the importer's gold price, and gold premium added. This would be 20 per cent. above the actual currency price of the importer, and solely to meet a speculative contingency. Suppose such an extraordinary thing should happen as a depreciation of our currency of 20 per cent., between the day of the importer's sale in New York and the consumer's purchase at the West or South. The western farmer's or southern planter's wheat or cotton, or other commodities, would, of course, correspondingly rise in price. The honorable Senator concedes this in saying:

"The farmer or planter gets for his product only the gold price, with the gold premium added, at the place of sale."

If, then, the premium on gold, or, which is the same, the depreciation of currency, has been 20 per cent. meanwhile, he gets it for what he has to sell, and can pay it for what he has to buy. But suppose, as the case would really be, that the currency had not materially depreciated by moderate expansion, and the farmer or planter found 20 per cent. extra price put upon the wares he sought to purchase, he would demur to the exorbitant price. The merchant would tell him how it crept up, risk by risk, upon each sale from the importer to his purchase. But the farmer or planter would say there has been no such increase of premium on gold, and to prove it converts his currency into gold, at the rate it was when the importer sold; and offers the gold to the merchant for the goods he wants, with the 20 per cent. risk contingency price taken off, else he will not purchase, but send to first hands himself. This exposes the fallacy of the Senator's reasoning. In truth, the importer does add to the price of his goods the premium on gold, when his price then becomes a currency price, and no longer a gold one. He is made good for the exchange into currency; and all subsequent purchasers buy with currency, and at currency prices, and pay with the currency avails of currency prices of products.

This is one of the specimens of the honorable Senator's sophistry, palmed off under the attractive decoration of a master of rhetoric, without solidity, to meet the distressful facts and logic of a crippled condition of national finance.

Elsewhere the honorable Senator has declared in this same speech that volume of currency does not depend upon either area of country, population, productions or value, involved alone, but upon all combined. When, however, we show the United States to possess the most of these in combination, and with less circulation than other nations, thereupon some other basis is claimed.

In another part of his speech the honorable Senator argues that the quantity of coin in a country is the test of the proper amount of currency to meet the real requirements of legitimate business. I read his words:

"In the first speech that I made on this subject I stated a principle which furnishes a test. I said, assuming that the people have confidence in the Government issuing irredeemable currency, that currency will not necessarily depreciate or stand at a discount as to gold as long as it simply supersedes and does not exceed in volume the gold and silver, and the bank currency based upon gold and silver, which formerly sufficed to transact the business of that country; but the condition of confidence remaining the same, the irredeemable currency will depreciate, will be at a discount as to gold, as soon as its volume exceeds that quantity. When such depreciation steadily continues under the same conditions of confidence, it is a sure sign that the volume of currency is in excess of the real requirements of the legitimate business of the country."

When this is combated by experience and common sense, which teach that the reduction of the business of any commercial country to the sum of its coin would be ruinous, and that practically the total of coin is not the possible measure of volume of business, any more than it can be made the measure of volume of currency, the honorable Senator attempts to break the force of conviction by resort to his fund of illustration. Hear him from his speech, as follows:

"It has actually been asserted in this body that the precious metals can no longer remain the standard of value in any country. Why? Because the aggregate quantity and value of the precious metals in existence do not equal in value the aggregate amount of all the products of industry and agriculture; an idea just as original and as luminous as it would be to say that a yard-stick cannot remain a standard measure of length because a yard-stick is not as long as a roll of cloth or of carpet whose length is to be ascertained, or because all the existing yard-sticks in the world put together would not have the same length as all the objects whose length is to be measured."

If the Senator means by this illustration that yard-sticks represent coin and rolls of carpet the business of the world, the answer palpably is that, if there were but as many rolls of carpet in length equal to all the yard-sticks of the world, or could the total carpet await the measurement of the yard-sticks extant, the simile would be sound; but, unfortunately for his argument, and for the world, there are vastly more rolls of carpet than yard-sticks, and all the carpet presses for measurement at the same time. Here lies the difficulty with our own country, which has more "rolls" than "sticks," and which lack of supply the Senator is not for his country inclined to avow, but indirectly admits in his reference to some of the European powers. He said what I now read:

"We have heard it asserted that an irredeemable currency must be a good thing after all, because there are three countries in Europe—Austria, Russia, and Italy—whose economic development has been somewhat rapid of late, while those countries have an irredeemable paper currency. Nobody who knows anything about those countries can be ignorant of the fact that the sudden development referred to has been brought about by great and beneficent changes in their political and social organization, setting free and putting to work all the productive forces of society, and that the leading statesmen of those countries are day and night racking their brains to find means by which to get rid of that curse of an irredeemable paper money, which is here represented as the very source of prosperity."

Verily, Mr. President, it has been the incalculable services of our currency, and which the Senator seems determined not directly to admit, that has wonderfully been "setting free and putting to work all the productive forces of society" of *this* nation, as well, and which fortifies the advocates of expansion of this beneficent agency, to meet the demands for its good offices, so enriching the country with the rewards of its mission. The present bondage and inutility of dormant forces of society, painfully witnessed, intensify the zeal of the upholders of a medium which has shed blessings instead of curses upon the land. To restore the activity that sets to work the productive forces of society is the simple end sought by an adequate increase of the animating means.

It is the misfortune of our day, Mr. President, that, like those European states, so prosperous, *we* are afflicted with kindred statesmen who, as they, "are day and night racking their brains to find means by which to get rid of" what they please to term "the curse of an irredeemable paper money," but which the people value and bless as the "very source of their prosperity."

Hear from one of these statesmen racking his brain for solace tendered to the lacerated and impoverished South and West—one section suffering from its losses, the other from its contributions and enterprises.

The comfort tendered is in these words of the honorable Senator, [Mr. SCHURZ:]

"If they want to regain their former wealth they must adopt the same methods by which wealth is created elsewhere; they must produce more, much more than they spend, and they must carefully husband and gradually accumulate their surplus earnings. That is the way to create wealth and capital available for future production. It is a somewhat slow and painful process, but it is the only effective process that will be really effective. This applies more or less to the people of the whole country. This is a hard fact."

Truly a very "hard fact;" but not so hard as the unrelenting exaction of contraction and resumption, entailing more destruction of capital and more misery.

Increase of currency based upon the solid bonds of the Government is no watering "trick," but a valuable means of developing capital. Capital cannot create itself without the aid of somebody, or some agency, whose good offices of development aggregate into

capital. The Government seeks to step in and perform this welcome trust, but the honorable Senator from Missouri, [Mr. SCHURZ,] with his coadjutors, rather than give currency to such a Government medium, prefers to have the people suffer the "painful process" longer. It is, as he says, "slow but effective;" and adds, "this applies more or less to the people of the whole country."

To the people of the whole country, then, the rigid Senator replies, rather than longer suffer the "disgrace" of a currency which he has defined "as founded on the secure basis of Government bonds payable principal and interest in gold," specie resumption must be declared, though it prove a "painful process" and a "hard fact."

This is to deny the means of relief and pity the sad results! The nation will tell the honorable Senator to contract his tears, and instead, to expand the money. The honorable Senator further attempted to prove that prices under currency were more prejudical to the producer. If there is anything in "inflation," it must be general and applicable to all values; and the producer who was able to produce more than he consumed on a gold basis, must as well on a currency basis produce more than he consumes—the relation, of the income and outgo on the two bases, necessarily equals. His benefits are greater on a currency basis in this particular, his net gains are nominally larger, and such surplus increases in value in just the proportion that currency and gold approach to an equivalent, for the shrinkage is then his gain. But here is the honorable Senator's logic:

"The Senator from Massachusetts on my left [Mr. BOUTWELL] said that the influence of a depreciated currency does not raise general prices more than the amount of gold premium if the depreciation of the currency remains steady at the same point. But the difficulty is that the depreciation of the currency does not remain steady at the same point. You might just as well say that when we have a heavy fall of snow late in the winter or early in the spring there will be no freshets in the rivers, for if the snow does not melt it will not increase the volume of the water. That is perfectly correct; but the difficulty is that the snow will melt, just as an irredeemable and inflated currency will fluctuate and will depreciate."

All know that the fall or increase of snow of itself does not cause the freshet, any more than the increase of money causes its depreciation. Heat, rain, or like element, applied to the fallen snow, converts it into the freshet, just as the heat of distrust or kindred element of weakness, depreciates any commercial or financial exchange or value. Let the credit of the source of money be maintained, and any increase within the measure of undiminished credit, will work no depreciation of the value of such money, be it currency or of a different nature. In other words, other conditions being equal, an increase of volume causes no decline in the exchangeable value of currency.

An increase of our currency to the extent of forty-six millions, as proposed by the instructions to the committee, certainly no sane mind will contend, can weaken public confidence in the nation's ability eventually to redeem, and therefore cannot work a depreciation of the value of the currency dollar.

The honorable Senator from Missouri [Mr. SCHURZ] did not materially differ as to the causes of depreciation of our currency when he said in another part of his speech—

"What are the causes which produce the disturbance of values through an irredeemable currency? There are two: first, lack of popular confidence in the issuer of that currency; and, secondly, the relation the quantity of the currency bears to the actual requirements of the business of the country. The first of these causes, the lack of confidence in the issuer, operated during the war, while the stability of our Government was still in question, and hence the fact that the fluctuations of the currency went far beyond the fluctuations that would have been caused by the relation of the quantity of the currency to the actual requirements of the business of the country. That cause, lack of confidence in the issuer, has not operated since the Government showed that it could maintain itself, and also demonstrated its ability to work in the direction of a redemption of its liabilities. But, sir—and I wish the Senate to mark this—that cause will commence to operate again as soon as the quantity of the currency has increased to such an extent as to render the ability or willingness of the Government, or of the banks ultimately, to redeem their promises in public opinion doubtful."

Admit this; is there to-day any lack of popular confidence in the issuer of that currency? The best answer is that during the panic, when people, if at any time, would doubt the value of their possessions, that currency was hoarded as carefully as gold.

To the second test, "the relation the quantity of the currency bears to the actual requirements of the business of the country," I may say that our greatest prosperity was when we had a greater volume of currency than we have to-day. Our national growth is in proportion to the development of our resources, and the volume of business bounds this development and consequent growth. Were it possible, under free banking, to induce all of the home and abroad holders of our outstanding $1,600,000,000 of bonds to deposit them with the Secretary of the Treasury and receive thereon $1,440,000,000 of currency, it would not equal the volume of various forms of circulation we had at the close of 1866, for we then had $1,571,787,780.

The direct reply may justly be to "the actual requirements of the business of the country"—the Senator's test—that no more currency for bonds would exchange than the business could make more profitable than the bonds, with equal safety; and this legitimate business demand would be no such implied increase of volume as could discredit the security of a currency whose value was every day enhanced by its immediate stimulus to national production and increased national wealth.

The honorable Senator from Missouri [Mr. SCHURZ] had occasion some days since to criticise the statement I made, that the rate of interest upon money was regulated by the law of supply and demand—that a redundant circulation gave lower rates, and a stringent circulation caused higher rates of interest. He since admits the statement substantially in what I quote from his late speech. He said:

"The other day I received a letter from Omaha, in Nebraska, complaining very much that interest ranges there at 12 to 24 per cent., while in Boston and New York, as the letter stated, it ranged only from 5 to 8. That is undoubtedly true. In New York and Boston we can hear exactly the same complaint, that interest ranges there from 6 to 8 per cent., while in London and Amsterdam it ranges from two to three; and the reason of the difference between Omaha and Boston, and between Boston and Amsterdan, is exactly the same. In London and Amsterdam there are large accumulations of loanable capital; centuries have been spent in piling it up; larger accumulations of loanable capital than in New York and Boston. And in New York and Boston there are larger accumulations of loanable capital, also the growth of centuries, than in Omaha in Nebraska, or in Hannibal in Missouri. Now, if we could transport the accumulation of wealth existing in Amsterdam and London bodily to New York and Boston, then the rate of interest at the latter places would not be any longer 6 and 8 per cent., but it would be 2 to 3 per cent.; and if we could transport all the accumulated wealth of New York and Boston to Omaha and Hannibal, then, in all probability, the rate of interest there would cease to be 12 to 24 per cent., and it would range at 6 to 8."

Precisely this effect wherever the loanable money is in greater supply than the demand. Where the demand, as now, for loanable capital is greater than the supply, the necessities of debtors are at the mercy of creditors, and rates then fluctuate with the pressure of each case. When the supply is in excess of the active demands of business, debtors then share with creditors the stipulation of terms, and the rates are more moderate. If we are to wade through the sorrows and ruin of fortunes, with poverty broadcast over the land, in order to reach specie resumption, before the nation can begin to acquire the loanable capital to supply the demands of business, what capital remains, when specie is thus resumed, will be centered in the few and the business will have departed from the many. It would be a contraction of both business and capital, far worse for the country than all the gain of contraction of the currency for resumption can possibly be to those who are so clamorous for it. The profit to the few would be small compared to the great loss to the body of the people.

There are but two compulsory ways to resume. One is by an increase of the coin of the country, and the other by the decrease of the volume of currency; one involves more burdens of debt, the other more losses of fortune. I cannot assume the responsibility to advise either. There is a practical way to resume, encouraged by the progress made, the prosperity enjoyed, and wealth attained by the past years of national growth and gradual approach toward resumption since the war ended. England took twenty-six years of suspension, from 1797 to 1823, to relieve herself of her continental war. We have not yet taken half that time with a war of vaster magnitude. Why precipitate the natural approach to resumption? Why not yield the needed increase of means to restore and quicken the prosperity that advanced us toward resumption from 144, the price of gold when Lee surrendered, to 111, the price at the breaking out of the panic? It should constantly be kept in mind that among the essential achievements of this derided and worthless currency, the escape of this great nation from overthrow, stands as the living memorial of the service rendered to the American people and to the cause of civilization by this vilified, berated, and scouted national medium of exchange. The nation lives as the trophy of this denounced instrument, and will outlive all of its detractors or defamers, under whatever metaphor they may seek to enshrine themselves.

The irredeemability of the currency is the bane of the system, in the judgment of the Senator. What is his remedy? Not redemption in coin, for he admits the impossibility of redeeming seven hundred and fifty millions of notes with but forty millions of available coin in the Treasury, and but one hundred millions besides in the whole country. To redeem, the two must in one way or the other meet. The Senator would avail himself of the opportunity of the present prostration of business, by further impoverishment and misery, in order to reach the solution of our difficulties through specie resumption. He would break down more of the enterprises, prostrate more of our business men, throw more of the people out of employment, and carry desolation and starvation into more of the households of the land, that the finances of the nation may be brought to a specie standard.

It is in vain that the Senator from Massachusetts, [Mr. BOUTWELL,] late from the financial chair of the Administration, deprecates the ruin to follow any attempt to contract the currency to reach specie resumption. It matters little that financial minds of ripe experience protest against the fatal step of proximate resumption. The Senator from Missouri [Mr. SCHURZ] demands, in behalf of foreign capitalists, an early return to specie payment, that the nation may no longer be disgraced by an irredeemable currency, nor foreign money seeking American investment longer be jeopardized. The honorable Senator, to further magnify the mortifying condition of the country, introduced as argument a letter from some foreign capitalist seeking the Senator's advice about the safety of American investment, which I read as the Senator gave it:

"A few days ago I received from a friend in Europe a most significant letter, to which an answer was requested. The writer is a merchant who desires to retire from business. He writes to me to this effect: 'I can realize out of my business several hundred thousand dollars, and should like to invest my money at a good rate of interest. I have thought of investing it in the United States on mortgage security, which, as I am informed, bears from 8 to 10 per cent.: but I learn also that you are likely to inflate the currency in the United States, which, of course, will result in depreciation. I would now ask whether it would be safe for me to make such an investment in mortgage loans in the United States while there is a chance that your legal-tender money may depreciate so that I would lose more by the depreciation of capital invested than I would gain by the interest I might get.'

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"I shall tell that gentleman: 'Send your money here and tell all your friends to send theirs as soon as we enter upon a policy that will be directed toward specie payments,' for then I shall know that the value of the capital so invested will be safe; but I should not consider it honest advice, did I tell him to convert his gold into our paper money, as long as there is danger that the paper money might be depreciated by inflation."

This is his estimate of United States securities:

"If I were worth $10,000,000 and had it all to invest in loans, I would ask for no better security than mortgages on real estate in the United States. The question is this: whether a man investing a certain sum in mortgages, when he retires his capital two or three years hence, will not by the depreciation of the currency lose 20 or 30 or 40 per cent. of the value of his capital; whether the dollar that he invests now will be worth just as much when that dollar will be returned to him. That is the question."

Here it appears that a foreigner seeks American investment upon United States real estate security, which the Senator says is as good security as *he* wants. This is certainly a queer way to sustain the credit of one's country, to forecast a very improbable contingency of a depreciation of our currency, 20, 30, or 40 per cent.; to make out that a foreign friend may lose more by the depreciation of capital invested than he would gain by the interest he might get! Very singular contingency to cast against an adopted country! Any one conversant with the business of loaning on real estate, or with the negotiation of any permanent loan, knows well that the longer the loan has to run the more desirable it is to the capitalist. Frequent replacements are avoided. Foreigners understand this well, and always choose a longer running bond, at lower rate of interest, as the better investment. The Senator's foreign friend would doubtless stipulate for as long a loan as possible for his surplus capital.

The chances, judging from the past years, would be that our currency would then be nearer par than it now is; but if not, the foreign friend could as well reinvest his loan on such unquestioned security as real estate, until the currency became equal to coin and thus realize the extra profit of the premium he received for his gold when he made the first loan. In this scrupulous regard for the interest of a foreign capitalist it may not be out of place to remind the honorable Senator, if it escaped his notice, that while his foreign friends were taking our bonds at thirty-six cents and upward in coin—the value of currency then, in the throes of our struggle—and for which purchases we were thankful and showed our gratitude by paying them promptly at one hundred cents in gold, when many maintained they should be paid at their face in currency; it is worthy of his remembrance, I may say, that at the same time there were other German *friends of ours* who proved their loyalty to their adopted country by risking not only fortune but life, and such as survived the war, returned to their homes to find body and estate sadly shattered. They took their pay in currency, instead of gold. They have willingly and uncomplainingly suffered the loss of change of values. No murmur comes from them. They upheld the honor of the Government in the shock of battle. They have lost no faith in the nation in the trials of panic. They cheerfully meet, with other citizens of the United States, the fluctuations incident to any system in the natural course of business, for their faith has been tried and not found wanting in the nation, which has pledged itself for the integrity of its authorized money. These friends, I would remind the honorable Senator, have greater claims for his forbearance, to drive them to more losses by early resumption, in order to please a foreign friend and aid *him* to increase the profits of his loans.

Why not advise all his foreign friends to bring their coin here and hasten resumption without contraction? But he insists, not a dollar of investment here till a policy is adopted of resumption, but with it, they should come with hundreds of thousands of capital. Why, sir, if the honorable Senator's advice were so potent as to move such a mountain to Mahomet, the sum of his highest hopes—the return to specie payment—could at once be effected by the deportation of coin from Germany to America, and I beg of him in behalf of a country so "dishonored" with "irredeemable currency," to address himself at once to the herculean task of his eventful life. Such a solution would be the signal for a grateful people to pay homage to the masterly achievement.

In his great undertaking I would remind the Senator of two facts which may mitigate his distress.

German capitalists abroad hold largely of our national bonds. They have witnessed the funding of a part of them into lower rates of interest, maintaining meanwhile their value at par in coin. That they understand that our national currency is based upon these coin par value bonds, with but 90 per cent. of currency issued for each 100 per cent. of bonds, and the bonds pledged for the redemption of the currency; and as the highest evidence of this security and value, in the midst of a panic the people of the United States hoarded their currency, and cared not to exchange it for gold even at a small premium.

The other fact is that Europeans seem to understand their interests so well that they interpose obstacles to the transfer of coin to our borders. The honorable Senator from Massachusetts [Mr. BOUTWELL] in his recent speech gave his experience while Secretary of the Treasury, and stated the fact that even the Geneva award of fifteen and a half millions of coin could not be transferred, but was adjusted by an exchange for our bonds in European markets; with the further statement that if necessary, foreign official interposition would follow any attempt to move coin in any substantial quantity from Europe to America.

Now, sir, in the face of these two facts to which I have called the Senator's attention, my answer to his foreign friend, questioning an investment in the United States, with United States bonds at par in coin and its currency based upon this pledge of the whole wealth of the nation; with Europe ingeniously and inflexibly withholding its coin from our vaults; and all this forcing a query and causing such a discredit of American security as to lead this foreign friend to hesitate about placing money here, *my* answer to him would be, hesitate *forever*. The credit, the faith, and the honor, of the United States are beyond question with the American people, and they are growing wiser than further to enrich other nations at the expense of their own. I tell the Senator that the tribute we are now paying for foreign faith costs this nation over one hundred millions of money annually, and the quicker we supply the people with adequate means to develop and husband their own resources, the greater will be our wealth and our credit and our independence. Europe wants us to check our enterprises and cripple our resources by forced resumption, for she is envious of our growth and jealous of our power. To make the New World tributary to the Old is the gist of the financial theories of the books. To make the New independent of the Old World is the financial problem of American aim.

The honorable Senator studies the books of the past, with the dim lamp of speculation; we open the volume of the present under the sunlight of experience. We revere the theories of olden time, just as we venerate the ages, but prefer business sense for a new era of finance, and choose to follow practical minds for the active necessities of the nineteenth century. The honorable Senator from Missouri, holding a seat in the Senate of the United States, denounces the money which the people have issued as a disgrace, and which the people cherish and value as no currency was ever valued before, and assumes from a European stand-point to shape a financial policy for the people who have so highly honored him. Not satisfied to deride and undervalue, in terms, the currency of the nation, he classifies it with the illimitable paper money of China, and the *assignats* of France, all without substantial security, while that of the United States is so valuable that the notes of any suspended bank are worth a premium of 5 per cent. for reissue under a new organization—the demand for banking currency to meet the unsupplied business wants causing this enhanced value. Not a dollar of any bank in liquidation since the national currency was issued but has borne a premium, I would remind the Senator. To cast further ridicule upon such a circulation, in the climax of his derision, the Senator exclaimed:

"Let every man issue his note for all his debts—past, present, and prospective—and then let us enact a law making that note legal tender."

Driven to such straits to advocate and fortify a policy of resumption, which prudent financiers unhesitatingly declare would be ruinous to the country, it is not strange that, to the appeal of prostrate industry suffering for more currency, the Senator should respond, by an increase of our bonds. Ruin of our industries is well understood to be an increased sale of foreign products, and more impoverishment of our people by such increased foreign indebtedness. To the demand for more money to save our industries, his answer is more foreign debt. Less paper money without interest, and more paper bonds with interest, is the financial policy of the astute Senator.

He tells the country that but one million of the twenty-five millions already issued of the greenback reserve has found its way out of New York and New England, and in the face of this inequality refuses to end the monopoly of banking by opening it to all.

Speculators, he adds, are the ones who ask for more money, and still he declines to break the power of those speculators, who hold in Wall street the lever of national disturbance, through the instrumentality of banking monopoly.

The honorable Senator has frequently quoted from the Chicago Tribune during this debate to fortify his stand against an increase of currency or free banking. In his late speech, however, to anticipate the force of a very recent editorial in that paper, favoring free banking, he had it read as a part of his speech, and garnished it with an ingenious application, which the editor will hardly thank him for, nor the public be cheated by the rhetorical disguise.

I may add, in passing, that while the Senator finds comfort and pleasure in berating and discrediting the circulation of the people's government and the people's money, he will have occasion to learn by suggestive experience that the people will not idly tolerate senatorial flourishes to brand the country with national dishonor.

The honorable Senator from Ohio [Mr. SHERMAN] holding the distinguished position of head of the financial organ of the Senate, submitted his views some days since upon the monetary situation in a speech of remarkable ability. Charged as he is with the responsible duty of devising ways and means for the financial demands of the country, and bringing to his aid many years of thought and experience, he stands before the country as the exponent of a matured judgment upon questions of finance. Notwithstanding, the situation in which the country finds itself, extorts from the able Senator doubts upon the feasibility of any suggested plan for relief and stability. Regarded as the financial oracle of this body, his official utterances demand, and are given to invite, the broadest scrutiny.

Let me, therefore, quote from his speech, delivered January 16, 1874, on page 24, which I ask the Secretary to read.

The Secretary read as follows:

"Now, I have only to say, very briefly, that there are various modes, to none of

which do I intend to commit myself until the whole subject is finally discussed, by which this can easily, without trouble, without difficulty, be accomplished. There are three modes that have been proposed in debate in the Senate, and a multitude come to us from the people, but I will group them into three classes.

"There is, first, the proposition to accumulate gold in the Treasury with a view to the actual redemption of our notes in coin. That is supported by two bills now before the committee; one introduced by the Senator from Vermont, [Mr. MORRILL,] and the other by the Senator form New Jersey, [Mr. FRELINGHUYSEN.] What are the objections to this plan? They seem to me to be these: In the first place any attempt to accumulate large masses of gold in the Treasury, lying idle to await some future event not fixed by act of Congress, would not be a wise use of the public moneys. In the next place, I entirely object to conferring upon the Secretary of the Treasury the power of issuing one hundred millions or any lesser sum of 6 per cent. bonds with a view to buy gold to hoard in the Treasury to maintain resumption. I believe that it is impossible, in the very nature of things, to maintain the resumption of specie payments at all times and under all circumstances; and if anything has been established by modern experience, it is that all a nation can do that issues paper money is to maintain it at a specie standard in ordinary times; but, in times of panic, such as by periodical revulsions come over every country, specie payments cannot be maintained. They can scarcely be maintained in England, and are not now maintained in France, although they approach them. Therefore, every plan for specie payments ought to have some provision for the temporary suspension of specie payments, or some means by which in times of great panic and financial distress there may be a temporary departure from the specie standard. I say this not that it ought to be so, but simply as a matter of demonstrated experience shown by the history of almost all commercial nations of Europe.

"The second plan is the actual payment of the United States notes and their cancellation; in other words the plan of contraction. In the first place, this plan, while it operates, does so with such severity as, in a popular government like ours, to cause its suspension and repeal. Undoubtedly, the most certain way to produce specie payments is by retiring the notes that are disbonored, paying them off, taking them out of circulation. But the trouble is, the process of contraction is itself so severe upon the ordinary current business of the country that the people will not stand it; and in this country the people rule. The policy of Mr. McCulloch, already commented upon, if it had been continued further, would have undoubtedly brought us to a specie standard; but with great distress, great impoverishment, and with more difficulty than was really necessary to accomplish the object in view.

"These are the difficulties that occur to me as against these two policies.

"There is a third plan. This plan, which in my judgment presents the easiest and best mode of attaining specie payments, is by taking some bond of the United States which in ordinary times, by current events, is shown to be worth par in gold in the money markets of the world, where specie alone is the standard of value, and authorize the conversion of notes into that bond.

"I do not intend to consume much time upon the discussion of these different plans, because they are all open for debate, and I do not intend to commit myself."

Mr. President, the advocates of resumption are all driven to some expedient for gold to warrant any advance toward specie payment. The fact that the average annual product of gold of the country for the past five years has been but forty-two millions; that the excess of our exports over our imports of coin and bullion for the same time has been two hundred and seventy-five millions—an annual average of fifty-five millions—reducing the total gold in the land to one hundred and forty millions, and but forty-five millions of that available in the Treasury, as exhibited by the February statement of the public debt; with these facts, it is the sheerest folly for them to contend for practical resumption of seven hundred and fifty millions of currency with such a petty moiety as forty-five millions controllable by the Government, and the unavailable one hundred millions in works of art and other forms in the possession of the people. Worse than this. Our imports of merchandise and other industrial products, last fiscal year, were one hundred and sixteen millions in excess of our exports, and to supply an approximation of coin for what would be needed for an effective resumption, this balance, or whatever the balance might be against us, in foreign exchanges, must be included in the total of coin necessary to maintain specie resumption. None knows this better than the honorable chairman of the Committee on Finance.

If resumption can be effected it must be by the people surrendering what coin they individually hold, and by a sale of bonds for gold to make up the requisite amount. How is the gold to be secured if the bonds can be sold? The honorable Senator from Massachusetts [Mr. BOUTWELL] stated in the hearing of the honorable chairman that even the Geneva award of fifteen and a half millions could not be transferred to our shores, and that Europeans would either place obstacles in the way of a transfer of coin to America, or drive our bonds out of their markets. What alternative, then, is to be employed? If it be gradual accumulation of coin in the Government vaults, this seems injudicious in the judgment of the honorable chairman. He very wisely concluded, as he has stated, that not only would the "attempt to accumulate large masses of gold in the Treasury, lying idle to await some future event not fixed by act of Congress, not be a wise use of the public moneys," but, with equal clearness of conviction, stated the impossibility of maintaining specie payments at all times, enforcing this truth by the experience of foreign countries, when he says specie payments "can scarcely be maintained in England, and are not now maintained in France."

Notwithstanding all this, the honorable chairman lifts this impracticable theory of the gold dollar above the practical one of the currency dollar, for he declared in another paragraph of his speech that "we have rejected the true god (gold) and set up an idol (currency) of our own." Devoted as he is to that glittering image, he proposes, so far as he has expressed his preference, as the curative expedient, the conversion of currency into United States bonds. He proposes that the false god, currency, be transmuted into the motley god, bonds. How currency, consisting of 100 per cent. national credit is rejected as "false," and bonds composed of 100 per cent. national credit and 5 per cent. interest also in promise, is embraced as the "true god" is such a revelation of polemic divinity as surpasses all my ingenuity and comprehension. Let us for a moment consider how true and how false these respective measures of values are, and how great their claims to unchangeability, as their merit for devotion, are. The best form of a standard of value is perhaps put in the words of the honorable chairman in his speech, page 1, as follows:

"The most obvious of these axioms, which lies at the foundation of the argument I wish to make to-day, is that a specie standard is the best and the only true standard of all values, recognized as such by all civilized nations of our generation, and established as such by the experience of all commercial nations that have existed from the earliest period of recorded time." * * * * * *

And on page 5:

"Of late years much difficulty has grown out of the slightly varying value of silver and gold, as compared with each other, and the tendency of opinion has been to adopt gold alone as the standard of value. The United States has twice changed the relative value of these metals, and other modern nations have been driven to similar expedients. At the Paris monetary conference, held in 1867, which I had the honor to attend, the delegates of twenty nations represented agreed to recommend gold alone as the standard of value." * * * * * *

Then on page 27:

"Why, sir, this is not the first time we have changed the standard. We did it in 1835; and we have changed the value of our gold coin twice within my recollection. We have changed the value of silver two or three times. The monthly fluctuations that happen in the city of New York sometimes are greater than all the amount of difference between our paper money and gold now."

It will be borne in mind that this *infallible* gold-god was, in 1835, adulterated with alloy, and depreciated in value 6 per cent.

In the midst of the late panic—the very crucial test of our greenbacks—they stood but 6 per cent. below par in gold, precisely the percentage of depreciation in 1873; that was made in the gold standard in 1835.

The honorable chairman attempts a solution of the difficulty in what he says on page 5:

"The failure to distinguish between the standard of value and the medium of exchanges occasions many of the errors into which so many fall, and nearly every Senator who has spoken on one side of the question has fallen into this error."

That this clearness of discrimination between standard of value and medium of exchange may be made apparent by this assumed non-interchangeability of terms, let me read a paragraph from the distinguished Senator's speech made in 1862 when he was advocating the issue of the legal-tenders or greenbacks. I read from the Congressional Globe, second session, Thirty-seventh Congress, part 1, page 790. The Senator then said:

"Congress is not prohibited from emitting bills of credit or from making a standard of value, nor are these powers expressly conferred. Congress has repeatedly issued bills of credit; it has fixed gold and silver as the standard of value and made them a legal tender. Certainly gold and silver coin is the best standard of value, for it has inherent value in all commercial countries; but if in the course of events gold and silver cannot be had in quantities sufficient to form a medium of exchange for the increased wants of the country, then Congress may establish another medium of exchange—another standard of value. This was twice done by establishing a bank of the United States. I much prefer the credit of the United States, based, as it is, upon all the productions and property of the United States, to the issues of any corporation, however well guarded and managed."

Mr. President, the advocates of expansion, or free banking, and an increase of the volume of currency to meet the expanding wants of the people, stand now as the honorable Senator from Ohio—then also of the Committee on Finance—stood when he thus spoke; and we only seek, as he then sought, to "establish another medium of exchange, another standard of value."

In that same debate, in 1862, on page 763 of same volume, the very distinguished Senator from Maine, Mr. Fessenden, then the chairman of the Committee on Finance of the Senate, gave, in another form, his commentary on the instability of gold as a standard, in these sagacious words:

"Money in the market is always worth what it will sell for; it is an article of merchandise like everything else."

Taking these two eminent statesmen, SHERMAN and Fessenden, of 1862 as the standard, I had not departed far from financial orthodoxy when in my remarks on the fourth day of this session, while speaking on the subject of the conventionality of a monetary standard, I said:

"The idea that gold, as such, without Government authentication, is money is a figment. It has its value with other precious metals, and like silver, copper, iron, lead, cotton, and wheat, is a commodity, worth just what it will sell for in market. It can, no more than the other articles named, become a circulating medium, until made so by the nation using it. Its form, quality, and value as a currency must be approved and stamped upon it by the Government, before it becomes a medium of exchange. The monetary standard, whatever it be, is conventional."

May I not add the reasons given in Parliament, when the Bank of England suspended in 1797, upon the instability of coin as a standard? It was then said—

"That specie payments were of no benefit to England, as the specie when drawn from the bank went abroad. That it was better to stop specie payments while specie and bullion could be kept in the country by that means."

How could the wisdom of this, I ask, be advanced by the conversion of our currency into 5 per cent. coin interest-bearing bonds, and so establish a system of manipulation by which currency would run to the Treasury and there be transformed into bonds to float abroad and swell our public debt? We already pay annually over one hundred millions of coin interest on obligations now outstanding. This conversion system is to increase this large annual outlay of coin interest, and sooner or later draw on our resources further for the payment at maturity of these additional bonds. No, sir; it is the constitutional duty of the Government to supply a safe and ample medium of exchanges at the least possible cost to the people. In doing this in the form of currency without interest the Government is but

emphasizing the advice of the honorable Senator from Ohio [Mr. SHERMAN,] when he said in 1862:

"I much prefer the credit of the United States, based as it is upon all the productions and property of the United States."

If this could be said and urged with force in 1862, in the opening years of the war, and amid disaster to our arms and a creeping distrust over the certainty of our success, how much more sound and potent is it to-day, after complete triumph, and years of peace and prosperity!

Doubt then pervaded the financial circles at home and especially abroad, and our credit suffered in consequence. Faith now enters into all of the money centers of the globe, and the credit of the nation is beyond question. I do not overstate this, for the honorable chairman, [Mr. SHERMAN,] last December, as will appear in the CONGRESSIONAL RECORD of the 12th of that month, remarked that—

"Our credit is so good that we do not have to induce anybody, by any provisions of law, to buy our bonds."

With the admitted impossibility of resumption for lack of coin; with the declared necessity for use of currency as the national medium of exchanges, it logically follows that the needed volume for the business of the country should be supplied. This will be provided for by an increase, or under free banking, with the quantity properly regulated by the law of supply and demand. Based upon the nation's wealth and faith, and issuable only upon the unquestioned bonds of the Government, not a doubt can creep in to affect the credit of bonds or currency, and the expansion of circulation will run parallel with the expanding wants of the country.

That more currency is really needed is indirectly recognized by what the honorable chairman stated in his speech on page 29, while contending for his process of specie resumption. He said:

"Why, sir, I do honestly believe that if now there was a plan of redemption agreed upon by which notes could be converted into coin or bonds at the pleasure of the holder, all restrictions upon the amount of currency were repealed, the amount of currency thus at par with gold would be greater than it is at present, and its purchasing power would be just exactly 11 per cent. more."

If the amount of currency then, with all restrictions removed, would necessarily be greater to meet current demands of business, the same unanswerable demands plead to-day for the removal of restrictions to quantity, that the business necessities may be satisfied.

In this connection I may be permitted to refer to what I expressed in the first week of the session; and I read what I then said:

"In defiance of moderate expansion, United States notes have gradually worked up to nearly the value of gold. It is no just conclusion that a further moderate increase will widen the marketable space between the two. The fact of our experience is against such conclusion. Excess of currency did not cause the present depression in business. As long as business prospered, stimulated by enough circulation to supply the ordinary wants, currency and gold approached each other. When the business of the country outgrew the volume, stagnation followed and the further appreciation of currency ceased. Were we on a gold basis this natural business demand for an increase would be met by our annual forty million coin product. Upon a currency basis this necessity and fact are ignored, and a reasonable increase denied. Over the ruin of industries and the prostration and pauperization of the people some would enforce contraction to effect resumption. Not even to restore the country to its condition before the panic would they yield to a judicious increase. Former prosperity gave us a natural and certain appreciation of our currency. They seek an unnatural precipitation, by contraction, to resume even at the expense of that prosperity. The let-alone policy is to let business stagnate and let the people suffer rather than depart a step from the kindred and more dangerous plea of contraction."

We are not without experience upon the policy of contraction, whether through the conversion of currency into 6 per cent. interest bonds or, by retiring gradually a portion of the circulation.

The three hundred millions of greenbacks issued under acts of February and July, 1862, were made convertible into 6 per cent. coin interest-bearing five-twenty bonds; and in the act of March, 1863, authorizing one hundred and fifty millions more, it was provided that the convertibility of the greenbacks into bonds should cease July 1, 1863. Thus convertibility was authorized, but allowed for about a year, and prohibited upon less than four months' notice to the holders, who now hold many of those notes bearing upon their reverse side the express promise of conversion, while the fact stands that that promise continues to be practically broken.

What has been our experience under the policy of direct contraction? This policy urged by the then Secretary of the Treasury, known as the McCulloch policy, was embodied in the act of April 12, 1866, directing that not more than ten millions of greenbacks should be retired within the six months following the act, and that thereafter not more than four millions in any one month should be retired. Gold at the date of this act stood at 128; the next month of May it had advanced to an average for the month, of 131, and continued to advance. February 4, 1868, an act was passed suspending further contraction when it was found that forty-four millions had been retired, leaving the volume of greenbacks in circulation three hundred and fifty-six millions, instead of four hundred millions, the volume outstanding April 12, 1866; and gold had risen fourteen cents, an advance under contraction, from 128 to 142.

Indirect contraction by conversion into 6 per cent. bonds, and direct contraction by retiring gradually the currency, having been after trial abandoned, and the policy of masterly inactivity declared perilous and ruinous, what alternative is there left but the wiser one of an adequate currency to give activity to labor, profit to industry, and prosperity throughout the country. Europe has pursued this judicious course by providing for its people circulation, whether of gold, currency, or both, a much larger *per capita* of its population than the United States.

From the Bureau of Statistics the following facts and estimates are drawn, showing the real, active circulation, *on a gold basis*, of the respective countries named. The bank reserves in each country, it will be observed, are deducted:

Countries.	Circulation.	Population.	Per capita.
Great Britain	$683,000,000	32,000,000	$21 34
France	1,509,000,000	36,000,000	41 91
Germany	704,000,000	39,400,000	17 87
United States	587,700,000	41,000,000	14 33

"Thus, placing the circulations of the several countries on a gold basis, which is necessary to a true comparison, we find that the amount in this country is $14.33 per head; in Germany $17.87; in Great Britain $21.34, and in France $41.91. Taking population into account, our circulation is about one-third that of France, two-thirds that of the United Kingdom, and four-fifths that of Germany."

Now let me give the *per capita* of the circulation of the United States since 1830—on a gold basis prior to 1862, and on a currency basis since.

Circulation per capita in 1830, *and every year from* 1836 *up to the present date.*

Year.	Circulation per capita.	Year.	Circulation per capita.
1830	$7 20	1855	$16 40
1836	14 00	1856	16 10
1837	14 00	1857	16 70
1838	12 50	1858	14 00
1839	13 40	1859	15 40
1840	11 20	1860	14 50
1841	10 79	1861	13 70
1842	8 00	1862	21 00
1843	6 90	1863	27 40
1844	9 10	1864	28 50
1845	9 40	1865	27 90
1846	9 90	1866	23 60
1847	10 70	1867	22 80
1848	10 10	1868	21 00
1849	10 50	1869	20 00
1850	12 20	1870	19 10
1851	14 20	1871	19 00
1852	14 50	1872	18 11
1853	14 80	1873	17 79
1854	15 20		

This criterion has been disputed as being an arbitrary ratio, and in no way a legitimate basis upon which to adjust the circulation of any country. The honorable chairman so assumed when he said in his speech:

"Sir, area and population are not the things that demand currency; it is business, wealth, production."

The honorable Senator from Massachusetts [Mr. BOUTWELL] negatively asserts as much when the obstacle in the way of adjusting a proper ratio is, as he stated, national poverty. His words were:

"The difficulty in the way of resumption can be expressed in one word which I have never yet had the courage in this connection to use. That word is poverty; not individual, but national poverty."

The honorable Senator from Missouri [Mr. SCHURZ] disagrees with his distinguished supporters severally, but agrees with them combined. He said:

"But I ask what are the circumstances determining the volume of currency necessary for the real requirements of the business of a country? * * * It cannot be extent of territory alone. It cannot be population alone. I ask, then, is it the amount of productions, the number of exchanges, and of values involved? * * * * Neither of these elements alone, therefore, will determine the amount of currency which is necessary for the business of a country, but all of them combined will."

Answering these honorable Senators as to an adequate currency, fixed by the wealth, poverty, area, population, and production, or by all of them combined, I give the national growth, volume of circulation, ratio of circulation to wealth, for past years, as well as a table of population, and percentage of increase or decrease, for years obtainable from official sources; together with area in square miles; length of railroads and telegraph lines, in miles, of four of the great powers of the world, and let the public pronounce upon the relative inadequacy of our circulation by a just comparison.

In 1850 the real and personal wealth of the United States was $7,135,780,228; the volume of circulation was $203,800,000; the ratio of circulation to wealth as $1 to $35.

In 1860 the real and personal wealth of the United States was $16,150,616,668; the volume of circulation was $461,000,000; the ratio of circulation to wealth as $1 to $35.

In 1864 the real and personal wealth of the United States was $20,000,000,000; the volume of circulation was $750,000,000; the ratio of circulation to wealth as $1 to $27.

In 1870 the real and personal wealth of the United States was

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$30,068,518,507; with $859,000,000 as the volume of circulation, $1 to $35 would be the ratio of circulation to wealth—the ratio of 1850.

In 1870 the real and personal wealth of the United States was $30,068,518,507; with $1,111,000,000 as the volume of circulation, $1 to $27 would be the ratio of circulation to wealth—the ratio of 1864.

In 1874 the real and personal wealth of the United States is $35,000,000,000; with $1,000,000,000 as the volume of circulation, the ratio of circulation to wealth would be as $1 to $35—the ratio of 1850.

In 1874 the real and personal wealth of the United States is $35,000,000,000; with $1,296,000,000 as the volume of circulation, $1 to $27 would be the ratio of circulation to wealth—the ratio of 1864.

In 1874 the real and personal wealth of the United States is $35,000,000,000; we have $750,000,000 as the volume of circulation, which is but $1 to $47 as the ratio of circulation to wealth.

It is thus seen that on the basis of the ratio of circulation to wealth on a coin standard in 1850 and 1860, namely, that of $1 circulation to $35 of wealth, the volume of circulation in 1874, on a coin standard, should be $1,000,000,000; and as compared to the ratio of 1864, of $1 to $27 of wealth, the volume of circulation of the country in 1874 would be $1,296,000,000 of currency, instead of $750,000,000, the present volume.

I now submit a table of population and increase or decrease for respective years, being the latest comparison officially obtainable:

Countries.	Date.	Population.	Date.	Population.	Gain or loss.	Per cent.
Great Britain	1863	29, 800, 000	1871	31, 800, 000	Gain, 2, 000, 000	.7
France	1863	37, 380, 000	1872	36, 100, 000	Loss, 1, 280, 000	.35
Germany	1863	35, 430, 000	1871	41, 060, 000	Gain, 5, 630, 000	1.6
United States	1860	31, 443, 321	1870	38, 555, 983	Gain, 7, 112, 662	2.3

Not to be unjust in this tabulated comparison of European countries in the percentage of gain or loss given here for a less number of years than a decade of the United States, I add the proportion to make up for the deficient years, and find Great Britain's increase of population for ten years to be $\frac{8}{10}$ per cent.; the loss of France $\frac{4}{10}$ per cent.; the gain of Germany nearly 2 per cent., while that of the United States is $2\frac{3}{10}$ per cent.

Let me now give a table of area, railroads, and telegraph lines, in miles, of the same countries, respectively for 1873:

Countries.	Area.	Railroads.	Telegraph lines.
	Sq. miles.	*Miles.*	*Miles.*
Great Britain	121, 111	15, 497	22, 000
France	204, 091	10, 954	26, 226
Germany	208, 619	13 095	22, 076
United States	3, 611, 844	71, 109	70, 511

With this relative extent of territory of the several countries, the vaster area of the United States in comparison is illustrated with significant force in the great system of railways and electric wires creeping apace with the development of the territorial and commercial demands of the nation. With 6,427 miles of road constructed in 1872, and 4,005 miles in 1873, in these two years building nearly as much as the whole railway system of France, and but little less than the whole of Germany, the financial wants of a nation like this find no adequate measure by the comparative needs of compact nations, covering less than one-eighteenth part the territory of the United States.

With such rapidly increasing wealth as the late census has revealed, and the constant increase of our population in far greater ratio than that of European nations; with the multiplied enterprises necessitated by such development, this growth must either be facilitated by sufficient means, or be dwarfed by a policy looking more to contraction, than to expansion, of the riches and prosperity of the nation. Every intelligent observer knows well that the broader the country the greater the time consumed in making exchanges, and of necessity the greater volume of circulation needed to carry on the same total of labor and business.

The honorable Senator from Missouri [Mr. SCHURZ] expressed this when he said:

"But the same amount of production, the same number of exchanges, the same values involved, will require far less currency where there are superior facilities of rapid communication, of banking and clearing-house systems, than where they do not exist."

And further he said:

"Let us in this light compare England with the United States. In England, as well as in all European countries, the number of persons receiving salaries and wages is far greater in proportion than in the United States, and every one who is acquainted with those countries knows it. There are large armies there, large navies, which we have not. The number of private servants is much larger than here. The number of operatives and daily laborers is still greater. Now, although the population of the United Kingdom is only thirty-two millions, while ours is forty millions, yet the number of persons receiving salaries and wages is not only in proportion, but actually greater, much greater in England than here; and although wages rule higher here than they do there, yet I think I do not venture much when I say that the aggregate amount paid in wages and salaries in England is much larger than it is in the United States."

Mr. President, the avowal is here formally made by an honorable Senator, whose early days were spent in Europe, and who has the past season revisited the scenes of his nativity, confirming his earlier impressions by recent observation, by comparatively declaring the currency of his adopted country a disgrace to the American name, because it does not bear the sovereign character of European countries. He especially draws comparison between the United States and the United Kingdom of Great Britain.

His words are significant and invite apprehensive criticism. Let me repeat. He said:

"Now, although the population of the United Kingdom is only thirty-two millions, while ours is forty millions, yet the number of persons receiving salaries and wages is not only in proportion, but actually greater, much greater in England than here; and although wages rule higher here than they do there, yet I think I do not venture much when I say that the aggregate amount paid in wages and salaries in England is much larger than it is in the United States."

Then because more men are employed at lower wages there than here, but for the reason "that the aggregate amount paid in wages and salaries in England is much larger than it is in the United States," we must imitate England and Europe, and study her writers upon finance, and adopt her policy of industry and her system of monetary exchanges.

We know that wages are lower in Europe than in America. We know that more men are compelled there to work for low wages than are here employed. We know that that vast force of low-paid operatives are also the dependents of a formidable array of salaried dignitaries, and commercial princes, with titles of dukes, marquises, earls, counts, lords, and barons. We know that the feudal system, so long in vogue there, is the boon of aristocracy and the bane of the masses. We know that its policy is to make the rich, richer, and the poor, poorer. We know that around every merchant prince, moneyed aristocrat, and landed lord, cluster numberless tenants, serving the purposes of their exacting masters, like so many serfs doing the bidding of their unrelenting chiefs. That this mass of toilers are poorly paid and provided for by weekly, monthly, or yearly stipend, with no thought but work and pay, and the supply of both provided by the credit of employers, who are the financial centers of those laboring retinues, and use vastly less money than credit, is also well known.

Here in a free Republic: fewer men work for wages, and at great deal higher rates. Fewer live on salaries. The large majority of the people are their own operators. They think, devise, and arrange their own pursuits; dependent upon themselves and not upon others. They control and provide for no large dependent communities, and therefore have a restricted credit, and use more money daily, than credit. Such an enterprising and active people, made up of nearly as many centers of operation as there are men, educated to individual thought and action by the sovereignty of citizenship and the responsibilities of a free republic, with no one, from the President down to tide-waiter, wearing any other title but American gentleman, which nothing can dispossess but conduct of self-election:

To compare the wants of such an independent, industrial, intelligent, enterprising, well-paid, and inventive people, spreading over a still unoccupied extent, and developing resources of yet untold riches, with nations massed within unyielding boundaries, of limited resources, whose wealth is determined by the products of subsidized nations, and cheapened industry; whose people are divided between dependent toil and titled aristocracy—to make a comparison between two such peoples, for the purpose of fixing the character and volume of the money needed for one, thriving under republican freedom; by enforcing for such the nature and amount of money required by the other, moving under monarchical forms of limited powers and benefits, is such a reversal of the spirit and scope of modern progress as to evoke my unqualified repudiation. Europe's feudal system of "capital *owning* labor," bequeathed to America in the relic of industrial slavery, was, in a war of sections, effectually and forever disposed of in that form. The restored Union of the States has been constructed upon that grave. If that system is to reappear in the form of financial bondage, in another section, and the irrepressible conflict is to marshal the South and West against the East, let it come, for the issue will be as inevitable and emphatic, as the late contest, and upon the grave of this bondage, will be constructed the American system of, labor *owning* capital.

In Europe, with the facilities of compact nations—wherein commercial exchanges between extreme boundaries are made daily; where low wages and abundance of money cheapen all modes of travel and traffic and all means of living; where, by wise foresight and sagacious statesmanship, its money centers have become the clearing-houses of the world, and all the nations of the earth made tributary to European wealth—bills of credit of various forms are the greater share of the financial volume of its circulation.

The United States, with less money than muscle and more brains than capital; whose broad area requires thirty days instead of one to make its commercial exchanges between productive extremes; wherein high wages and scarcity of money enhance modes of travel and transit, and increase the cost of living; where, by following the theories of a past age, when steam and electricity were not known as wonderful industrial elements; and by trusting too implicitly to foreign statesmen, who planned for America to plod for European riches; this nation finds that a larger share of its industry and exchanges is made up of money, and less of credit.

America is younger, and has not yet acquired the enormous credit of the older states of Europe. She hopefully bides her time, and

meanwhile plies her energies and resources with a currency of her own. Has there been enough? Shall there be more?

From this exhibit and comparison, very well and generally understood by the people, it must be conceded that the general impression that the volume of currency was inadequate had much to do with the extent and character of the panic. The public judgment is as well grounded to-day that the currency is insufficient to answer the necessary demands of the country. Notwithstanding this, an attempt to meet this just demand for an increase of currency is assailed with exaggerated deprecations and alarming forebodings of consequent ruin to the land. The honorable chairman has indulged in this when saying—I read from his speech, page 15:

"I say to Senators that if now, in this time of temporary panic, a great part of which, as I shall show you, has already passed over, we yield one single inch to the desire for paper money in this country, we shall pass the Rubicon, and there will be no power in Congress to check the issue. * * * And when you have passed the Rubicon and have fulfilled the pledges you have already made to the people of the United States, where can you stop? Where our ancestors stopped at the close of the Revolution; where the French people stopped in the midst of their revolutionary fervor!"

The honorable Senator from New Jersey, [Mr. FRELINGHUYSEN,] on the 17th of last month, sketched the frightful apparition of French *assignats* as a warning to an increase of our own currency. *Assignats* were mere assignments of sequestered lands, which could not be possessed till formally put up for sale. Thus based and thus obstructed, with no national security, and an issue of 45,000,000,000 francs, equal to $9,000,000,000 of our money, can this be a worthy or noticeable parallel to our national-bank issue, based upon 90 per cent. of bonds of the nation, secured by the total wealth and honor of the country, and necessarily limited at the utmost by the outstanding bonds of the United States? There are less of these bonds than we had of different forms of circulation in 1866, and still the suppositious issue of the possible maximum of what we once endured is made the occasion of invoking the specter of $9,000,000,000 of French *assignats*. Poor substitute, indeed, for argument upon a grave national subject. When in February, 1863, it was proposed by the House of Representatives to add to the volume of currency, an issue, under a national banking system, of three hundred millions of national-bank notes, the honorable chairman, then a member of the Finance Committee, seemed possessed with like alarm, which found expression as follows, as I read it from the Globe of the third session of the Thirty-seventh Congress, part 1, page 842:

"We must check it; we must put a stop to it; whatever may be the hazards, we must check this over expansion and overissue. * * * I say it is a danger before which a lost battle sinks into insignificance, and if we permit this inflation to go on, we shall do our country a greater harm than the confederates can possibly do by defeating any one of our armies."

This vain terror was substantially repeated by the honorable Senator recently with zeal and fervor. We had, in 1863, three hundred million of greenbacks and one hundred and sixty millions of State-bank issues, making four hundred and sixty millions, and the proposition was to add three hundred millions of national-bank issue, to make a total of seven hundred and sixty millions of circulation, and evils of such terrific character were to befall the nation. Did they follow? Gold was then 154. We had in December, 1864—the following year—seven hundred and ninety-five millions of currency; in December, 1865, nine hundred and forty-six millions, with gold at 145; in December, 1866, the volume in various forms of circulation reached $1,571,000,000, and gold declined to 134; and in December, 1867, there was $1,022,000,000 in circulation, with gold at 133—a decline of twenty-one cents on gold upon an increase of circulation of $262,000,000 over that in 1863, when such fearful prognostications were uttered, while the country prospered in spite of those ominous utterances. The evil omens predicted to-day, to follow expansion, will equally prove to be the morbid speculations of a timid policy, and find as little fulfillment as they did before.

But we hear further from the honorable chairman that—

"We are bound by public faith and good policy to bring our currency to the gold standard; that such a result was provided for by the financial policy adopted when the currency was authorized; that a departure from this policy was adopted after the war was over and after the necessity for a depreciated currency ceased, and that we have only to restore the old policy to bring us safely, surely, and easily to a specie standard."

The war ended substantially by the surrender of Lee to Grant, April 9, 1865, and gold stood then 144. To-day it is 111. Has this proven a departure from the faith and policy to bring our currency toward a gold standard?

But more. The honorable chairman has called attention to the solemn pledge the nation has made; and the honorable Senator from New Jersey [Mr. FRELINGHUYSEN] urged this with renewed force. What was the pledge which stands as a lion in the pathway of an expansion of the currency? First, it is asserted that if the expansion is sought through an increase of the greenbacks, it is a violation of public faith. It is thus stated by the honorable chairman:

"An increase of paper money beyond four hundred millions would be a clear and palpable violation of the public faith. * * * It was a solemn promise that, under no circumstances, never, would we issue more than four hundred millions of paper money, and an additional reserve of fifty millions pledged to pay a debt then existing and which has since been paid."

The act of June 30, 1864, is the one which it is claimed made the promise. What did it provide? Let me read:

"That the Secretary of the Treasury be, and he is hereby, authorized to borrow, from time to time, on the credit of the United States, $400,000,000, and to issue therefor coupon or registered bonds of the United States, redeemable at the pleasure of the Government, after any period not less than five nor more than thirty years, or, if deemed expedient, made payable at any period not more than forty years from date."

Then came the second section:

"That the Secretary of the Treasury may issue on the credit of the United States, and in lieu of an equal amount of bonds authorized by the preceding section, and as a part of said loan, not exceeding $200,000,000, in Treasury notes of any denomination not less than ten dollars, payable at any time not exceeding three years from date, or, if thought more expedient, redeemable at any time after three years from date, and bearing interest not exceeding the rate of 7.3 per cent., payable in lawful money at maturity, or, at the discretion of the Secretary, semi-annually. And the said Treasury notes may be disposed of by the Secretary of the Treasury, on the best terms that can be obtained, for lawful money; and such of them as shall be made payable, principal and interest, at maturity, shall be a legal tender to the same extent as United States notes, for their face value, excluding interest; and may be paid to any creditor of the United States at their face value, excluding interest, or to any creditor willing to receive them at par, including interest."

And then comes the proviso:

"That the total amount of bonds and Treasury notes authorized by the first and second sections of this act shall not exceed $400,000,000, in addition to the amounts heretofore issued; nor shall the total amount of United States notes, issued or to be issued, ever exceed $400,000,000, and such additional sum, not exceeding $50,000,000, as may be temporarily required for the redemption of temporary loan."

It is thus seen that at the very time this limit was fixed by "solemn promise," that no more than four hundred millions of United States notes should be issued, two hundred million Treasury notes were then already authorized, so that the promise covered really six hundred millions legal-tenders; and we have but four hundred millions to-day. That is stating it less than it was. We actually had at that time an authorized issue of legal-tenders of four hundred and fifty millions, old demand notes sixty millions, and legal-tender Treasury notes two hundred millions, making a total of seven hundred and ten millions. That I am not mistaken, let me refer to a debate in the Senate April 1, 1866, when the honorable chairman then stated the whole issue of legal-tenders of various forms, after the old demands and part of the greenbacks were retired, to be $602,973,048, and the total volume of circulation to be $913,665,947.

When this "solemn promise" of June 30, 1864, referred to, was made, gold was 250, on a total volume of circulation of about eight hundred millions, and a bonded debt of $1,766,408,291. April 1, 1866, when we had a total circulation of $913,665,947 and a bonded debt of $2,624,889,891, gold stood at 128. How much, under such an array of currency and bonded debt, the public faith was violated, the fall of the gold barometer is the most fitting answer.

If scruples still linger in the breast of any as to the letter, if not the spirit of the promise, standing in the way of the needed increase of circulation, I may point to the way for removal by repeal, in the language of the honorable Senator from Ohio, uttered January 9, 1868. (I read from the Congressional Globe, Fortieth Congress, second session, page 407:)

"Mr. SHERMAN. * * * The act of June 30, 1864, limits the amount of United States legal-tender notes to $400,000,000. That act contains a provision in the nature of a compact by which it is provided that in no event shall the amount of United States notes issued or to be issued ever exceed $400,000,000. This is made a part of the loan of that date, and is in the nature of a compact so far as a provision, which is repealable like any other act of Congress, can be called a compact." * *

In emergencies, expedients any more than blessings never go single. As another insuperable barrier in the way of any further increase of the currency, the pledge of March 18, 1869, is quoted and pressed. The honorable chairman has scarcely spoken without ringing the changes of this solemn pledge. What is that pledge?

"*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That in order to remove any doubt as to the purpose of the Government to discharge all just obligations to the public creditors, and to settle conflicting questions and interpretations of the laws by virtue of which such obligations have been contracted, it is hereby provided and declared that the faith of the United States is solemnly pledged to the payment in coin or its equivalent of all the obligations of the United States not bearing interest, known as United States notes, and of all the interest-bearing obligations of the United States, except in cases where the law authorizing the issue of any such obligation has expressly provided that the same may be paid in lawful money or other currency than gold and silver. But none of said interest-bearing obligations not already due shall be redeemed or paid before maturity unless at such time United States notes shall be convertible into coin at the option of the holder, or unless at such time bonds of the United States bearing a lower rate of interest than the bonds to be redeemed can be sold at par in coin. And the United States also solemnly pledges its faith to make provision at the earliest practicable period for the redemption of the United States notes in coin."

It will be observed that the pledge does not determine the time of fulfillment.

The honorable chairman, however, enforces it thus in his speech:

"I rest upon this pledge of the public faith. Under what circumstances was it made? The condition of our currency, the obligation of our bonds, the nature of our promises, had been discussed before the people of the United States in the campaign of 1868; various theories had been advanced; and the result was that those who regarded the faith of the nation as pledged to pay not only the bonds of the United States, but the notes also, in coin prevailed, and General Grant was elected President of the United States. On the eastern portico of the Capitol on the 4th of March, 1869, he made this declaration:

"'A great debt has been contracted in securing to us and our posterity the Union. The payment of this, principal and interest, as well as the return to a specie basis, as soon as it can be accomplished without material detriment to the debtor class or to the country at large, must be provided for. To protect the national honor every dollar of Government indebtedness should be paid in gold, unless otherwise expressly stipulated in the contract. Let it be understood that no repudiator of one farthing of our public debt will be trusted in public place, and it will go far toward strengthening a credit which ought to be the best in the world, and will ultimately enable us to replace the debt with bonds bearing less interest than we now pay.'

* * * "Congress made this promise five years ago. The people believed it and business men believed it. Four years have passed away since then, and your dollar in greenbacks is worth no more to-day than it was on the 18th of March, 1869, and no act of yours has even tended to advance the value of that greenback to par in gold, while every affirmative act of yours since that time has tended to depreciate its value and to violate your promise. * * * * *

"It is the promise of a great, proud, and rich people, who mean what they say, that every practicable means shall be used to that end."

What does "practicable means" import? The lexicographer defines "practicable" in this wise:

"That may be done, effected, or performed by human means or by powers that can be applied. It was *possible* for Archimedes to lift the world, but it was not *practicable*."

Hence, it was not so much the *declaration* of good faith as it was the *acts* of good faith.

It has not passed from the memory of Senators that during the campaign of 1868 doubts were often expressed by opposition partisans in respect of the payment of the national obligations, whether in coin or currency.

To settle this doubt, so far as words could do it, the President in his first inaugural, and Congress in its first act presented for the signature of President Grant, declared the intention of the Government to pay its obligations in coin.

At that date, March 18, 1869, the volume of circulation was seven hundred millions, and the total debt of the nation was $2,525,463,269. The five-twenty 6 per cent. bonds of 1862 stood in market at 89, and the ten-forty 5 per cent. bonds of 1864 were at 81, and gold was 132.

The average prices of gold in the following months were, April, 133; May, 139; June, 138; July, 136; August, 134; September, 136; showing an advancing rate upon this official and legislative declaration of good faith. When, however, by October, 1869, $56,968,187 of the public debt had been paid, gold declined to 130. December 31, 1869, $76,716,306 of the public debt had been paid, gold fell to 121. On July 1, 1870, when $139,000,000 of the public debt was canceled, gold had dropped to 112. The total amount thus paid of the public debt was $272,684,493. Our five-twenty 6 per cent. bonds then reached par from 89, their value in March, 1869, and gold had declined from 132 to 112. In the face of this decrease of public debt, and price of gold, and the appreciation of our bonds from 89 to 100, in coin, is it a just reflection upon the practical good faith and execution of a solemn promise to say, as the honorable chairman did in his speech—

"Congress made this promise five years ago. The people believed it and business men believed it. Four years have passed away since then, and your dollar in greenbacks is worth no more to-day than it was on the 18th of March, 1869; and no act of yours has even tended to advance the value of that greenback to par in gold, while every affirmative act of yours since that time has tended to depreciate its value and to violate your promise."

Let the public judge, with the facts, of the national fidelity.

Furthermore, the pledge of the act of 1869 exacted that—

"None of said interest-bearing obligations not already due shall be redeemed or paid before maturity, unless at such time United States notes shall be convertible into coin at the option of the holder."

As United States notes are not yet "convertible into coin," have we not rather violated the solemn promise in this respect? Let the honorable chairman answer. I read from his speech:

"Sir, let us see what has been done. We have paid $400,000,000 of the public debt, and we boast of it—of debt not due for years. We have paid to redeem that debt a premium of $40,000,000. In other words, we have paid $440,000,000 to redeem four hundred millions of debt not yet due, and we have not redeemed a single debt that was due in March, 1869; but, on the contrary, we have increased the kind of debts then due more in proportion than the increase of our population."

Again:

"But this promise to pay in coin extended to the bondholder. We promised to pay the bondholder gold for his bond and the people gold for their greenbacks. We have fulfilled our promise to the bondholder. We have paid him in gold. We have bought the gold. We have paid him at a premium of 10 per cent. on our currency.

"Sir, I regard it as the proudest achievement of the American people that so soon after the war they so faithfully and honorably redeemed their obligation to the bondholder. I demand the same honorable fulfillment of your promise to the noteholder."

Having violated our solemn promise in paying unmatured public debt to the extent of four hundred millions; having faithfully "fulfilled our promise to the bondholder," it is hardly with sober grace that the demand is made for a fulfillment of promise to the noteholder. The people make no demand that greenbacks should be paid in gold. In the midst of the panic, when gold could be obtained for greenbacks at 2 per cent. premium, the people cared not to convert into coin. In the worst days of the panic gold stood at 6 per cent. and greenbacks 4 per cent. premium.

There may be such a thing as sticking in the bark on this plea of public faith. Some have the art of putting things; the people have a way of applying things.

The honorable chairman in his speech referred to the proposition once urged, of paying our obligations in greenbacks, as follows:

"If the old idea of Mr. Pendleton had prevailed, that these bonds should be paid in greenbacks, then there would be a motive for us to depreciate the greenbacks in order to pay off our bonds at the cheapest rate."

And, by the way, I would add, supported in 1867 by the honorable Senator from Ohio, [Mr. THURMAN,] when he said:

"The principal (bonds) was payable in whatever was the legal tender of the country."

These remind me of a singular counterpart, occurring in the debate on the bill for the contraction of the currency, January 15, 1868, contained in the Congressional Globe, second session Fortieth Congress, page 522. House bill No. 213, to suspend further reduction of the currency, being under consideration—

"Mr. SPRAGUE. A word in reference to the holders of the different securities, who now demand that they shall be paid in gold, and to that end the whole attention of Congress and of the Government of the country has been directed. What injustice, may I ask, is there in paying the holders of these bonds seventy dollars in gold when they took them at fifty dollars in gold?

"Mr. SHERMAN. There is none in the world, and we have the right now to go into the markets in New York and buy the different bonds for seventy, or seventy-two in gold, or whatever the market price is, if we have the gold with which to do it. There is no difficulty in that; the trouble is that we have not the gold."

When no prudent business man ever permits himself to buy his own payable paper at a discount, it is, in behalf of a Government contending for acts of good faith, suggested by one of its financial organs that it is right to pay redeemable obligations at 28 to 30 per cent. discount in coin, and wrong to pay such obligations at their face in greenbacks—the equivalent of the coin price. I can only say, in answer to the scrupulous prating for "inviolate public faith," that I commit the art of fixing the point where bad faith ends and where good faith begins to the domain of commercial ethics, and let the public pronounce judgment upon these two samples. The honorable chairman has not always indulged in this morbid tenacity for constitutional scruples. When the lamented Mr. Fessenden was chairman of the Committee on Finance, the honorable Senator, who was then a member, but who now graces its head, antagonized the then chairman on *his* scruples. I read from the Congressional Globe, Thirty-seventh Congress, second session, page 790:

"The chairman of the Committee on Finance gave us a very handsome lecture; a very able discourse upon the importance of preserving the public faith; and he desired to impress upon us—and did impress upon me—the necessity of not affecting the obligation of contracts. We must not in any emergency, under any stress of circumstances, affect the obligation of contracts between private individuals. Did that Senator overlook the first contract, the contract between the Government and the soldier, the Government and the men who feed and clothe your armies? We must pay the soldier in money; we must pay the contractor in money. There is a contract, an obligation between the contractor and the soldier and the Government, that must be observed. The same obligation of good faith rests upon us to pay every dollar that is due from us to our own creditors, as well as not to impair the obligation of contracts between others. How can you do it? * * * I have shown that you cannot do it in gold. * * * There is no other way except to issue to your creditor the note of the United States, in such form, with such sanctions, as will enable him to use it as money. If we can believe the testimony of others and the light of reason, the only way we can do this is by stamping them with the same national sanctions with which you stamp your gold and silver coin. * * * * * * *

"If we can compel one citizen to take this paper money, why not another and another? Is it any less the violation of contract in the one case than in another? Do not all citizens hold their property subject to our unlimited power of taxation? Do not all share in the blessings of Government, and should not all share in its burdens? Shall we inflict a loss only on those who trust, labor for the Government, and relieve the selfish, avaricious, idle, unpatriotic citizen who will neither fight for, lend to, nor aid the Government? Sir, to make all these share in the burden of the war, and to relieve those who risk life and property in its defense, I would waive a constitutional scruple."

From these idle deprecations, lest the public faith be violated, in supplying the people with sufficient means to enable themselves to vindicate and maintain their credit and the public faith, let me pass to another form of intimidation and entreaty. It is in memorial guise, and best formulated in the language of the honorable chairman, which I read from his speech, page 37:

"But, sir, there is one other reason why all these plans and all these schemes of more paper money ought not even to be debated here. An increase of paper money beyond four hundred millions would be a clear and palpable violation of the public faith. In the darkest hours of the war, when every patriot trembled, when our fate hung in the balance, when our armies were before Richmond, when our armies were on the march through Georgia to the sea, when everybody felt that the danger of inconvertible paper money was likely to strike us from the list of nations, when our paper money then outstanding had fallen so that it took $2.80 to buy one dollar in gold, gold being at a premium of 280, then it was that we entered into a stipulation with the public creditor, which is a part of the act of 1864, a part of the act under which we borrowed money and pledged the public faith."

Although, as I have already quoted, in this same speech it is declared as of world-wide congratulation that it is regarded "as the proudest achievement of the American people, that so soon after the war they so faithfully and honorably redeemed their obligations to the bondholder," nevertheless it is implied in the quoted allusion to the "darkest hours of the war," that it was the danger of inconvertible paper money that threatened "to strike us from the list of nations," and it was so fallen in value "that it took $2.80 to buy one dollar in gold;" and that the "stipulation with the public creditor" in the act of 1864, was the solemn pledge that rescued the nation from annihilation, and recovered the value of our greenbacks.

It is no disparagement to the distinguished chairman of the Committee on Finance to remind him that it was not mainly his valuable aid in framing this "stipulation with the public creditor," but really the triumph of our arms, which solved the doubt resting upon the unity of the nation, and was the immediate cause of the rapid decline in gold.

Then, again, it is bruited that the people protest against increase of currency and demand resumption, and actions of boards of trade and chambers of commerce are invoked to affirm this report.

The Senator from Vermont [Mr. MORRILL] in his last speech told us:

"Therefore Senators need not hug that pleasant idea to the soul that they are benefiting the great agricultural community by continuing paper money; and if they are not benefiting the agriculturists, see what evidence that nobody is benefited

we have in the meetings of those engaged in active business throughout the country, representing all portions of the country, in boards of trade, especially that one recently held at Baltimore, the National Board of Trade, which voted on the question of resumption, as we have seen by their memorial, and out of forty-four representatives, only nine were opposed to resumption, and of these there were a majority even from the Western States in favor of it. Take the question in New York; take it in Baltimore; take it in Philadelphia, or in Boston; they all speak with but one sentiment; they are overwhelmingly in favor of a return at an early day to specie payments; and if these men cannot speak for the business interests of the country, who can?"

This organized pressure is no new embodiment of convenient public sentiment. Similar bodies with like assumption and pressure appeared in 1862, and representing sentiment then in favor of making greenbacks a legal tender for customs and other public and private dues, then in accord with Senators who now hold opposite sentiments upon the nature of Government issues. I read from the Congressional Globe, second session Thirty-seventh Congress, part 1, page 789:

"In the first place, I will say every organ of financial opinion—if that is a correct expression—in this country agrees that there is such a necessity in case we authorize the issue of demand notes. You commence with the Secretary of the Treasury, who has given the subject the most ample consideration. He declares, not only in his official communications here, but in his private intercourse with the members of the committee, that this clause is indispensably necessary to the security and negotiability of these demand notes. We all know from his antecedents, from his peculiar opinions, that he would be probably the last man among the leading politicians of our country to yield to the necessity of substituting paper money for coin. He has examined this question in all its length and breadth. He is in a position where he feels the necessity. He is a statesman of admitted ability and distinguished in his high position. He informs us that without this clause the attempt to circulate as money the proposed amount of demand notes of the United States will prove a fatal experiment.

"In addition to his opinion, we have the concurring opinion of the Chamber of Commerce of the city of New York. With almost entire unanimity they have passed a resolution on the subject after full debate and consideration. That resolution has been read by your Secretary. You have also the opinion of the committee on public safety of the city of New York, composed of distinguished gentlemen, nearly all of whom are good financiers, who agree fully in the same opinion. I may say the same in regard to the Chambers of Commerce of the city of Boston, of the city of Philadelphia, and of almost every recognized organ of financial opinion in this country. They have said to us in the most solemn form that this measure was indispensably necessary to maintain the credit of the Government, and to keep these notes anywhere near par. In addition, we have the deliberate judgment and vote of the House of Representatives. After a full debate, in which the constitutionality, expediency, and necessity of this measure were discussed, in which all the objections that have been made here and many more were urged, the House of Representatives, by a large vote, declared that it was necessary to issue demand notes, and that this clause was indispensable to their negotiation and credit.

* * * * * * *

"There is no other way except to issue to your creditor the note of the United States in such form, with such sanctions as will enable him to use it as money. If we can believe the testimony of others and the light of reason, the only way we can do this is by stamping them with the same national sanction with which you stamp your gold and silver coin. * * * * * *

"If we can compel one citizen to take this paper money, why not another and another? Is it any less the violation of contract in the one case than in another? Do not all citizens hold their property subject to our unlimited power of taxation? Do not all share in the blessings of Government and should not all share in its burdens? Shall we inflict a loss only on those who trust; labor for the Government, and relieve the selfish, avaricious, idle, unpatriotic citizen who will neither fight for, lend to, nor aid the Government? Sir, to make all these share in the burden of the war, and to relieve those who risk life and property in its defense, I would waive a constitutional doubt."

I have read this from the Globe merely to show the views then held as to the duty of Government to make its currency of the highest type and above depreciation. Chambers of commerce and boards of trade were then invoked to make greenbacks lawful money for all purposes, which would have made them equivalent to coin, as the old demand notes were, and as French currency, under suspension, now is, and have removed all possible objections of Senators to free banking. Now like bodies are brought to bear against increase of currency or free banking, and they would as loudly protest against a proposition to make greenbacks to-day a full tender for public and private uses, which would, in my judgment, cut the gordian knot of depreciated currency. It matters little to call attention to the unjust inequality of the present distribution of currency. Congress, recognizing this, passed an act in 1870 providing for the withdrawal of twenty-five millions from the Eastern States, and its redistribution in the remaining States of the Union, but the law is practically a nullity. The Comptroller of the Currency has reported the practical difficulty in enforcing the statute.

The pending bill, looking to the execution of that law, meets a formal protest from Rhode Island, and one of its distinguished Senators ably presses that protest with an argument against the injustice and peril of such withdrawal. He declared that Rhode Island had no more currency than she needed. What has New England of the national-bank currency? The Comptroller of the Currency reports the *per capita* of circulation in the named sections as follows: New England, $31.15; Middle States, $12.80; South and Southwestern States, $2.98; Western States, $7.11. The United States on an equal distribution would have $9.18.

New England, then, has *per capita* $21.97 more than the national average; the Middle States, $3.62 more; the Southern States, $6.20 less than that average, and the Western States, $2.07 less.

What is *needed* for New England ought to be the measure of other States. This illustrates the great inequality.

When we propose to repeal the statute of withdrawal, and let New England have all of her $31.15 *per capita*, and modestly ask for forty-six millions for the deficient States, under the substitute of the honorable Senator from North Carolina, [Mr. MERRIMON,] *that* is stoutly antagonized by the East.

This seems a very poor appreciation of and response to the generosity the West and South exhibited only two years since upon no valid claims whatever. It will be remembered that after the act of February 2, 1872, passed for the apportionment of Representatives to Congress among the several States, according to the ninth census, Vermont especially, through her able chairman of the Committee on the Judiciary, now absent, striving, I am glad to say, to recuperate an overtaxed system—Vermont, New Hampshire, and New York plead for additional Representatives, and each with less than half a ratio unrepresented by the act of February 2. A supplemental act was passed May 30, 1872, to enlarge their representation, even under a declining population compared with the West.

To exhibit the increase of population of New England and New York, now combined against the West and South on the financial question, and the increase of the rest of the States and Territories, that the relative increase of population between the two sections may be appreciated, I give the population of 1860 and 1870, according to the census of each year, as follows:

Population.	1860.	1870.	Increase.
New England	3,135,283	3,487,924	354,641
New York	3,880,735	4,382,759	502,024
Total	7,016,018	7,870,683	*856,665
Other States and Territories	24,427,303	30,685,300	†6,257,997

*Being an increase of 12 per cent. †Being an increase of 26 per cent.

I also subjoin a table, which I ask may be printed, and which will show how generously the West and South acted toward the East then, in the matter of apportionment of Representatives, and now that we ask for *rights* under an equal apportionment of circulation that generosity is negatived.

Table showing the deficit and excess of population in different States below and above the Representative ratio of 135,239, (*basis of first apportionment, census of* 1870,) *and also showing the nine States to each of which an additional Representative was assigned by act of May* 30, 1872.

States.	First apportionment.	Population below ratio of 135,239.	Population above ratio of 135,239.	Additional apportionment.
Maine	5	49,380	.....	.....
New Hampshire	2	.....	47,822	1
Vermont	2	.....	60,073	1
Massachusetts	11	30,278	.....	.....
Rhode Island	2	53,125	.....	.....
Connecticut	4	3,502	.....	.....
New York	32	.....	55,111	1
New Jersey	7	.....	40,577	.....
Pennsylvania	26	.....	5,577	1
Delaware	1	.....	.....	.....
Maryland	6	30,540	.....	.....
Virginia	9	.....	98,012	.....
North Carolina	8	10,551	.....	.....
South Carolina	5	.....	89,411	.....
Georgia	9	.....	56,958	.....
Alabama	7	.....	50,319	1
Mississippi	6	.....	16,488	.....
Louisiana	5	.....	50,720	1
Ohio	20	39,520	.....	.....
Kentucky	10	31,379	.....	.....
Tennessee	9	.....	131,369	1
Indiana	12	.....	57,769	1
Illinois	19	.....	60,350	.....
Missouri	13	36,812	.....	.....
Arkansas	4	54,485	.....	.....
Michigan	9	.....	56,908	.....
Florida	1	.....	52,509	1
Texas	6	.....	7,145	.....
Iowa	9	.....	64,641	.....
Wisconsin	8	27,242	.....	.....
California	4	.....	19,291	.....
Minnesota	3	.....	33,969	.....
Oregon	1	.....	.....	.....
Kansas	3	41,318	.....	.....
West Virginia	3	.....	36,297	.....
Nevada	1	.....	.....	.....
Nebraska	1	.....	.....	.....

Moreover, if we heed the suggestion that inasmuch as the present banking system cramps the capital of the country, by, first, a premium of 10 per cent. paid on bonds pledged for security of circulation; then a margin of 10 per cent. additional security by receiving but ninety dollars currency for each one hundred of bonds; next 15 or 25 per cent. of the circulation held as reserve, making in all 35 to 45 per cent. idle capital, leaving only 65 or 55 per cent. of bank capital active to transact the national banking business of the country, and join by saying there ought not to be opposition to the national banks, then we are commended. But when it is proposed, through the substitute of the honorable Senator from Pennsylvania,

[Mr. CAMERON,] to relieve this close corporation of banking of this idle capital burden, by sharing it, under free banking, with the whole people, commendation turns into denunciation, and a majority of the Senate defeats it.

If we appeal to the generosity of bankers and point to their extraordinary profits—many of the banks, in their declared dividends and surplus carried to the capital stock, averaging annually profits of from 15 to 20 per cent.—and ask that the privilege of such lucrative business be extended to others, New York and New England capitalists and gold-brokers appear in force to defeat the slightest concession. They surround this Capitol with the cry of "Money plenty in New York;" "The crisis is ended," and assume to say that the country wants resumption, no matter what the destruction is to the industrial pursuits of the land or the disasters to private or corporate fortunes.

The people, who in the main are debtors, held to their employments to save themselves from ruin, have no time nor means to spare to make themselves heard by confronting creditors and capitalists at this Capitol.

The proportion of creditors to debtors of the country is as 1 to 9. Against the interests of nine-tenths of the population, it is proposed to frame legislation for the interests of one-tenth. Resumption is gain of the shrinkage of value between currency and gold to the one-tenth and loss of it to the nine-tenths.

This same spirit of monopoly is graphically portrayed editorially in the Chronicle of 29th of last January, under comments upon opposition to needed appropriations involving employment to the many about this District, who go "hungry to bed," or "hear their children cry for food." I read from this article, descriptive of like monopolists:

"If they can only succeed in defeating the passage of relief bills, money will remain 'tight,' note-shaving will continue to be lucrative, and these marvels, in their own eyes, of public probity will rejoice in their assured victory over those whom they have ruined; and unless 'saved by grace' will certainly go where such note-shavers ought to go."

Tightness of money increases the opportunities for exaction, and enhances to a ruinous extent the rates of interest. Prostration of industry, check in manufactures, arrest of traffic and travel, are the results of hostility to an adequate currency, and are the fragments lying along the perilous way of resumption.

When we reflect that the annual increase of national wealth is but 3½ per cent., and rates of interest for business now range from 10 to 24 per cent., it needs no gift to foresee how the borrowers of the land are being pressed into the meshes of the lenders. The producers fast bend under their burdens to the feet of the non-producers. General stagnation of industry is foreseen if not yet foreknown; while the fewer money-mongers, like undertakers, thrive most when commercial death abounds.

The product of national wealth in 1860 was $4,000,000,000; in 1870 over $8,000,000,000. It must have been last fiscal year $10,000,000,000.

Commercial credit is indispensable to the industries of so growing a nation. It must be individual if not national credit. When money was adequate, enterprise quickened, business thrived, resources developed, and wealth augmented. Prosperity smiled upon our land the past years succeeding the war. My worthy colleague, [Mr. CHANDLER,] who, however, differs with me upon the policy to be pursued, spoke justly upon this point, when he said in his speech on the 20th of last month—and I read from the RECORD of that day's proceedings.

In speaking of 1865, following the war, he said:

"The people were out of debt all over the country. They had obtained high prices for everything they had to sell during the war. The farmers were out of debt, the business of the country was transacted for cash, and the whole country was comparatively out of debt, but the Government was not."

How much better for individual interests and for the general prosperity it was for the nation to extend its credit, and thus put meanto the hands of its people to pay as they went, we have the gratifys ing record of past experience to assure. It has been tried and is worthy of imitation. It were better that the discount or depreciation of 10 per cent. upon our circulation be recognized by the people in the multifarious transactions of the country, and that a sufficient volume be provided for their wants, to stimulate industry and ingenuity, and for the benefit of all, than to contract the means and subject the people to the ruinous rates of interest, of an individual credit system. When money is adequate, rates of interest, decline; when stringent, interest advances. In the summer months, when money accumulates largely in New York, rates are quite nominal; at other seasons the rates are seriously prejudicial.

To-day it is boastfully reported that the crisis and consequences are over, because money is plenty in New York.

Plenty it may be on call simply, but not to save even New York merchants, much less borrowers out of the city. What is commercially termed gilt-edged paper goes begging even now in Wall street at 10 to 15 per cent.

The startling proof that former years of prosperity, under a better supply of currency for the wants of the country, are giving way to gradual but inevitable disaster, is seen in the record of business failures throughout the States, given by the mercantile agency for the four years past.

In 1870 and 1871 the volume of currency, increased by the fifty-four millions of 1870, was to the extent of business demands of those years a fairer ratio than the volume is now to the wants of the present.

The failures given for 1870 are 3,551, with liabilities of $88,242,000; those of 1871 are 2,915, and liabilities $85,252,000; in 1872 they were 4,069, and liabilities $121,056,000; and last year (1873) the number of failures was 5,183, and the liabilities $228,499,000. There were more failures in 1873 than in 1872 by 1,100, and with an increase of liabilities of $107,443,000.

This gives us the total results of the prevailing conviction that the currency of the country was falling below the necessities of the people. It grew into brooding apprehension that measurably checked industry and trade and broke out into the disasters of panic and its cruel effects. Who would add to this ruin by apathy or contraction? Let the record tell.

The Comptroller of the Currency in his report, as I have already noticed, states that the national-bank currency is divided, per head, as follows: New England, $31.15; Middle States, $12.80; South and Southwestern States, $2.98; Western States, $7.11.

The volume of Treasury notes or greenbacks is larger than the national-bank currency; therefore like division of that would give, per head, in round numbers of both currencies, to New England, $62; Middle States, $26; South and Southwestern States, $6; and Western States, $14.

New England enjoying $62 *per capita* of circulation has not been heard to ask for a contraction of this for fear of "inflation;" nay, Rhode Island protests against any contraction of New England's quota.

What would this *per capita* be for the whole country? Twenty-four hundred and eighty millions. If it is no inflation for New England, by parity of reason, it should be none for the whole country. Under free banking, if all the outstanding bonds of the Government were held at home and deposited with the Secretary of the Treasury for national currency, 90 per cent. would be but fourteen hundred and forty millions of currency as the whole possible volume. New England's present quota of currency would for like quota to the whole nation give a volume of twenty-four hundred and eighty millions. The absurdity of the cry of "inflation" is rendered more deceptive when it is used to defeat an increase of only forty-six millions on the plea of resumption.

New England is solid for resumption, except the honorable Senator from Rhode Island, [Mr. SPRAGUE,] whose mammoth business enterprises have not been the least of his honors, and whose wise forecast supports expansion. New York is solid also. The East then, with its centralization of capital, aided by ancillary money-centers in different States, and supported by the Golden Slope, holds its grasp, and will not relax, even to equalize the unequal supply of circulation in the South and West.

A section, class, and capitalists, may conspire and combine to dictate the monetary basis of a free country; but in behalf of the multitude—the mass of business and industrial architects of the country's fortune—we shall continue to protest and act.

If defeated now, time will add to our ranks. The example of a combination against us of capitalists, class, and section, will make apt scholars in causing the reappearance in this Chamber and yonder Hall, of Representatives of toilers, classes, and sections, in union, and holding party subordinate to country, that the interest of the whole, above that of a part, may be respected.

The people then will boldly put, as they now quietly hint, the question, "Why, if bonds are deemed a good conversion for currency as a step toward specie resumption, why can like bonds, fortified by 10 per cent. margin, possibly jeopardize the needed volume of currency for which they are pledged? The people will need to know why the difference is made between the two, and the question, though here adversely taken, must yet pass the tribunal of public judgment, whether the monopoly of banking shall still be tolerated to enrich the few, or be ended by opening its privileges and benefits to the many.

Mr. LOGAN. Mr. President——

Mr. GORDON. I hope the Senator will give way for a motion to go into executive session.

Mr. LOGAN. Certainly.

HOUSE BILLS REFERRED.

The PRESIDENT *pro tempore*. Before putting that motion, the Chair will, with the indulgence of the Senate, present the House bills on his table, for reference.

The following bills from the House of Representatives were severally read twice by their titles, and referred to the Committee on Pensions:

A bill (H. R. No. 2094½) granting an increase of pension to Mary C. Bell;

A bill (H. R. No. 52) granting a pension to Mary Swift, daughter of Thomas Truxton, deceased, late commodore in the United States Navy;

A bill (H. R. No. 814) granting a pension to Olive S. Breed;

A bill (H. R. No. 280) granting a pension to Ann Crane;

A bill (H. R. No. 240) granting a pension to John C. Farnam;

A bill (H. R. No. 330) granting a pension to Mrs. Penelope C. Brown, of Tennessee, widow of Stephen C. Brown, late a private of Company C, Eighth Tennessee Cavalry Volunteers;

A bill (H. R. No. 2095) granting a pension to Charles McCarty;

A bill (H. R. No. 2097) granting a pension to Sophronia Austin;

A bill (H. R. No. 2096) granting a pension to James Roach;

A bill (H. R. No. 2098) granting a pension to Mrs. Nancy Parkhurst;
A bill (H. R. No. 2099) granting a pension to Mrs. Elizabeth Copeland;
A bill (H. R. No. 360) granting a pension to Oliver C. Denslow; and
A bill (H. R. No. 2356) granting a pension to Edward Jardine, late colonel and brevet brigadier-general, United States Volunteers.

The following bills were severally read twice by their titles, and referred to the Committee on Military Affairs:

A bill (H. R. No. 763) for the relief of Oliver P. Mason;
A bill (H. R. No. 764) for the relief of John Dold;
A bill (H. R. No. 2091) for the relief of the heirs and next of kin of Colonel William Northedge, deceased;
A bill (H. R. No. 2093) for the relief of General Samuel W. Crawford, United States Army;
A bill (H. R. No. 2094) for the relief of William A. Snodgrass, late lieutenant Company H, Thirty-ninth Ohio Veteran Volunteer Infantry; and
A bill (H. R. No. 2359) to authorize the Secretary of War to reserve from sale ten thousand suits of old and disused Army uniform clothing now in the Quartermaster's Department of the Army, and to transfer the same to the National Home for Disabled Volunteer Soldiers.

The following bills were severally read twice by their titles, and referred to the Committee on Post-Offices and Post-Roads:

A bill (H. R. No. 753) for the relief of Peter S. Patton;
A bill (H. R. No. 692) for the relief of William Chester;
A bill (H. R. No. 2086) for the relief of R. W. Clarke, postmaster at Brattleborough, Vermont;
A bill (H. R. No. 2087) for the relief of Julius Griesenbeck, of Waco, Texas;
A bill (H. R. No. 2088) for the relief of James Lillie, postmaster at Lisbonville, Ray County, Missouri; and
A bill (H. R. No. 2089) for the relief of Mrs. Louisa P. Molloy.

The following bills were severally read twice by their titles, and referred to the Committee on Claims:

A bill (H. R. No. 650) for the relief of John Brennan;
A bill (H. R. No. 1956) for the relief Willard Davis; and
A bill (H. R. No. 2100) for the relief of Martin Hoff, Casper Doerr, and George Gebhart, citizens of Saint Louis, Missouri.

The following bills were severally read twice by their titles, and referred to the Committee on Territories:

A bill (H. R. No. 921) to prevent the useless slaughter of buffaloes within the Territories of the United States; and
A bill (H. R. No. 2450) to provide for the apportionment of the Territory of Wyoming, for legislative purposes.

The following bills were severally read twice by their titles, and referred to the Committee on Finance:

A bill (H. R. No. 1200) for the relief of the sureties of the late Jesse J. Simkins, collector of the port of Norfolk, Virginia; and
A bill (H. R. No. 2090) for the relief of Jacob Harding.

The bill (H. R. No. 225) to amend the act entitled "An act to establish a western judicial district of North Carolina," was read twice by its title, and referred to the Committee on the Judiciary.

The bill (H. R. No. 2350) authorizing the Secretary of the Treasury to issue certificate of registry and enrollment to the schooner Almina and changing the name to Minnie Davis, was read twice by its title, and referred to the Committee on Commerce.

The bill (H. R. No. 1201) authorizing the payment of prize-money to the officers and crew of the United States steamer Bienville, was read twice by its title, and referred to the Committee on Naval Affairs.

The bill (H. R. No. 2187) authorizing and requiring the issuance of a patent for certain land in the county of Scott, in the State of Missouri, was read twice by its title, and referred to the Committee on Public Lands.

EXECUTIVE SESSION.

Mr. GORDON. I now renew my motion that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at four o'clock and fifty-five minutes p. m.) the Senate adjourned.

HOUSE OF REPRESENTATIVES.

TUESDAY, *March* 10, 1874

The House met at twelve o'clock m. Prayer by the Chaplain, Rev. J. G. BUTLER, D. D.

The Journal of yesterday was read and approved.

VIOLATION OF REVENUE LAWS.

Mr. DAWES. I am instructed by the Committee on Ways and Means to ask the House to adopt the following resolution.

The Clerk read as follows:

Resolved, That the Secretary of the Treasury be directed to communicate to this House the amount of money paid since November 30, 1873, to the 1st of March, 1874, by any person or persons, in the settlement of suits, judgments, or claims made by or in behalf of the United States, for the violation of the revenue laws at the Boston and New York custom-houses; the amount and date of all such payments, and the names of the persons making the same, respectively; also what portion of such sum was paid into the Treasury of the United States; designating in each case the amount thereof so paid in as duties, and what portion of cash, (if any,) was paid elsewhere than into said Treasury, and to whom.

The resolution was adopted.

Mr. DAWES moved to reconsider the vote by which the resolution was adopted; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

WEST VIRGINIA.

Mr. THOMAS, of Virginia. I ask unanimous consent to present the following preamble and resolution.

The Clerk read as follows:

Whereas the convention which assembled at Wheeling in the year 1861, looking to the formation of a new State out of a part of the territory then embraced in the limits of the State of Virginia, and now known as the State of West Virginia, did, by an ordinance of the 20th of August, 1861, stipulate and agree that the new State proposed to be formed should take upon itself a great proportion of the debt of the Commonwealth of Virginia prior to 1st January, 1861, to be ascertained in the mode therein provided; and whereas the constitution framed by said convention and under which the State of West Virginia was admitted into the Union, did, in express terms, assume to pay an equitable proportion of said debt, and did require the Legislature of that State to provide a sinking fund for that purpose; and the State of Virginia having assented to and acquiesced in the formation of the new State of West Virginia upon the terms and conditions aforesaid, and the Congress of the United States having, in the act admitting West Virginia into the Union, approved and ratified the proceedings in the premises; and whereas the State of West Virginia, though often and earnestly requested to do so by the State of Virginia, has neglected and refused to adjust and settle the debt aforesaid, and to provide for the payment of her just and equitable proportion thereof: Therefore,

Resolved, That the Committee on the Judiciary inquire into and ascertain what legislation, if any, is necessary on the part of Congress to require the State of West Virginia to take upon herself the payment of a "just and equitable proportion" of the debt of the State of Virginia prior to the 1st of January, A. D. 1861, and to report by bill or otherwise.

Mr. RANDALL. How does that resolution come in?

The SPEAKER. The gentleman from Virginia asks unanimous consent that it be considered.

Mr. RANDALL. I object to its present consideration. I do so because I see no Representative from West Virginia present. I have no objection to its being referred.

The resolution was referred to the Committee on the Judiciary.

CONTRACTS FOR INDIAN SUPPLIES.

Mr. ADAMS, by unanimous consent, submitted the following preamble and resolution; which were read, considered, and agreed to:

Whereas repeated complaints have been made of fraud, unfairness, and irregularity in the matter of contracts for Indian supplies and transportation for the fiscal years ending June 30, 1873, and June 30, 1874, by which it is alleged that contracts have been awarded at rates greatly in advance of those at which other responsible persons propose to furnish the same supplies and render the same service, and in many instances privately without due advertisement as required by law, thus defrauding the Government to an alarming extent: Therefore,

Resolved, That the Committee on Indian Affairs be directed to make thorough investigation into the facts connected with the transactions above referred to, and make report thereof to this House, setting forth in detail what grounds, if any, exist for the complaints referred to; what persons, if any, in connection with the administration of Indian affairs are responsible therefor, or are in any way interested therein; and what legislation, if any, is necessary to prevent like abuses in the future; that said committee have power to send for persons and papers, and have leave to report at any time.

Mr. ADAMS moved to reconsider the vote by which the resolution was adopted; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

AGREEMENT WITH BANNACK AND OTHER INDIANS.

Mr. LAWSON, from the Committee on Indian Affairs, reported a bill (H. R. No. 2448) to ratify an agreement concluded November 7, 1873, with the Bannack and other Indians in Southern Idaho; which was read a first and second time, referred to the Committee of the Whole on the state of the Union, and ordered to be printed.

INCREASE OF TAXATION.

Mr. E. H. ROBERTS. I desire to make a brief statement to the House.

On Monday of last week, in some remarks I had the honor to submit to the Committee of the Whole, I took occasion to say that the Secretary of the Treasury, in a letter to the Committee on Ways and Means, had recommended an increase of $42,000,000 in the amount levied in customs duties and internal-revenue taxes. In the same connection I submitted the letter upon which that remark was based, and the letter was printed in the CONGRESSIONAL RECORD.

The Secretary of the Treasury in his annual report, upon page 9, after referring to the falling off in the revenues, said:

Should such be the case, I recommend additional taxation judiciously laid, so as to be the least burdensome upon the people and business of the country, rather than a resort to borrowing money and increasing the public debt.

In the same report he states the deficiency at $13,530,000, besides $29,000,000 for the sinking fund, making over $42,000,000 in all.

In the letter which I submitted, the Secretary had repeated the language which I have just read, and had presented a detailed statement from the Commissioner of Internal Revenue, upon which it was stated taxes could be levied amounting to $22,150,000 a year. He had also submitted a statement in reference to the duties on tea and coffee, from which a yearly average of duties had been collected of $18,841,000.

Upon these facts I inferred that the Secretary desired that taxes should be levied to the amount of $42,000,000, and used the word "recommendation," a word which he had used in his annual report, and which he had quoted in the letter I had the honor to submit.

The Secretary of the Treasury, however, does not desire to have it understood that he even then recommended an increase of taxes to the amount of $42,000,000 a year; and I now state, so that I may not have even the appearance of doing him an injustice, that it was rather an inference from his letter than his direct statement which led me to the conclusion that he desired, and indicated a wish, for an increase of taxation to the amount of $42,000,000. At his request now, I say that it was not his intention to be understood then as recommending such an increase of taxation.

Mr. DAWES. I did not hear the commencement of the statement of the gentleman from New York, [Mr. E. H. ROBERTS,] and I desire, in order that I may set myself right if I am mistaken, to inquire of him if he was authorized to state to the House that the Secretary of the Treasury at no time this session has urged upon the House the imposition of whatever taxes would result from the specific levies which he recommended in his own letter; and, further, whether he is authorized by the Secretary of the Treasury to announce to the House and to the country that the Secretary no longer desired any additional taxation to be imposed.

Mr. E. H. ROBERTS. Mr. Speaker, I am not authorized by the Secretary of the Treasury to make any statement different from the letter which he submitted to the Committee on Ways and Means in December; and I only desired to say that my statement that he recommended such an amount of taxation was an inference from that letter which I then had the honor to submit.

Mr. DAWES. I merely desire that I may not stand in the position here, before this House or the country, as undertaking to oppose as a policy of the Secretary of the Treasury what the Secretary of the Treasury may now have it go out to the country that he never recommended.

I have endeavored to be entirely faithful to that officer; and wherever I have found it necessary to differ from him, I have done it frankly, and stated wherein that difference has existed. I have understood the Secretary of the Treasury not only to recommend the imposition of taxes, but to feel it his duty to press it upon the consideration of the House. I shall be exceedingly gratified if anything has occurred in the increase of receipts of the revenue, in the revival of industry, or from any other source, that shall lead either him or any other officer of the Government to feel that there is less necessity now than there seemed to them in December to urge upon this House the necessity of the imposition of taxes.

My only solicitude in seeking the floor now is to ascertain if through some other organ the Secretary of the Treasury is desirous of suggesting to the House that after all he is not quite so anxious for taxes.

Mr. E. H. ROBERTS. I trust the gentleman from Massachusetts will not assume from my correction of the use of a word which the Secretary of the Treasury thinks is broader than his letter, that the Secretary desires any other organ in this House than that leader of the House upon whom Massachusetts, as well as the House, has been accustomed so much to rely.

DANIEL STICKNEY.

On motion of Mr. PAGE, the Committee on the Post-Office and Post-Roads were discharged from the further consideration of the bill (H. R. No. 1905) for the relief of Daniel Stickney, postmaster at Presque Isle, Maine; and the same was referred to the Committee on Claims.

MASSACHUSETTS MUSEUM OF FINE ARTS.

Mr. PIERCE, by unanimous consent, introduced a bill (H. R. No. 2449) to authorize the trustees of the Massachusetts Museum of Fine Arts to import and retain, for two years, free of duty, a collection of pictures for exhibition, on their giving bonds for the re-exportation of the same within that time; which was read a first and second time, referred to the Committee on Ways and Means, and ordered to be printed.

MARE ISLAND NAVY-YARD.

Mr. LUTTRELL, by unanimous consent, submitted the following resolution; which was read, considered, and agreed to:

Resolved, That the Secretary of the Treasury be requested to furnish this House with full information in regard to the necessity for a better supply of fresh water, and for the construction of improved sheds at the Mare Island navy-yard.

STATUE OF JEFFERSON.

Mr. COX. I ask unanimous consent to take from the Speaker's table the joint resolution (S. R. No. 6) in relation to the bronze statue of Jefferson presented to Congress by Uriah P. Levy, late an officer in the United States Navy.

The joint resolution was read. The preamble recites that the late Commodore Uriah P. Levy, while a lieutenant of the United States Navy, in 1834, procured in Paris a bronze statue of Jefferson by the celebrated sculptor David, which was presented by him, through Congress, to his fellow-citizens of the United States, and to which attention is now called by his brother, Jonas P. Levy, who requests that the statue, if not accepted by Congress, shall be returned to the heirs of the late Commodore Levy; and the resolution accepts the statue with grateful appreciation, and directs the officer in charge of public buildings and grounds to properly prepare and place the same in the National Statuary Hall of the Capitol.

There being no objection, the joint resolution was taken from the Speaker's table, received its several readings, and was passed.

Mr. COX moved to reconsider the vote by which the joint resolution was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

ORDER OF BUSINESS.

Mr. GARFIELD. I call for the regular order of business.

The SPEAKER. The regular order being demanded, the morning hour begins at twenty-four minutes past twelve o'clock, and reports are in order from the Committee on the Territories.

APPORTIONMENT OF WYOMING.

Mr. McKEE, from the Committee on the Territories, reported a bill (H. R. No. 2450) to provide for the apportionment of the Territory of Wyoming for legislative purposes; which was read a first and second time.

The bill, which was read, provides that the apportionment of the Territory of Wyoming for the election of the Legislative Assembly of said Territory, shall be made by the governor thereof, in accordance with the provisions of the act of Congress entitled "An act to provide a temporary government for the Territory of Wyoming," approved July 25, 1865, provided that for the purpose of such apportionment it shall not be necessary to take a new or additional census or enumeration of the Territory, and that the powers conferred upon the governor by the bill shall be continued in full force until an apportionment shall be made by the Legislative Assembly of the Territory, under the provisions of the organic act thereof.

Mr. McKEE. I suppose there is no objection to that bill.

Mr. G. F. HOAR. I desire to inquire if that bill affects in any way the qualifications for suffrage in that Territory?

Mr. McKEE. There is not a word about woman suffrage in it.

Mr. G. F. HOAR. But I ask whether it affects the qualification for suffrage?

Mr. McKEE. Not at all.

Mr. HOLMAN. I trust the gentleman from Mississippi [Mr. McKEE] will explain how it becomes necessary to vest in the governor this very important power.

Mr. McKEE. It becomes necessary because the Legislature has failed to act on the subject. Under the organic act creating that Territory the governor was empowered and ordered, as in other Territories on their creation, to district and apportion the Legislature, that power to continue until after the first session of the Legislature. The Legislature of Wyoming, instead of passing an apportionment law themselves, delegated this power to three men, who were to establish and put in force an apportionment act. Congress on the 21st of February, 1871, repealed and annulled that act of the territorial Legislature, on the ground that the Legislature could not give power to three men to make a law of the Territory. Congress further authorized the governor to perform that duty for that session. The Legislature has just adjourned, and has failed to report an apportionment law, and now there is no binding apportionment law in the Territory.

Mr. HOLMAN. No apportionment for representatives has been made by the Legislature at any time?

Mr. McKEE. None at all.

The bill was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

Mr. McKEE moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

PROTECTION OF BUFFALO.

Mr. FORT, from the Committee on the Territories, reported back, with a recommendation that the same do pass, the bill (H. R. No. 921) to prevent the useless slaughter of buffaloes within the Territories of the United States.

The question was upon ordering the bill to be engrossed and read a third time.

The bill was read.

The first section provides that it shall hereafter be unlawful for any person who is not an Indian to kill, wound, or in any manner destroy any female buffalo, of any age, found at large within the boundaries of any of the Territories of the United States.

The second section provides that it shall be, in like manner, unlawful for any such person to kill, wound, or destroy in said Territories any greater number of male buffaloes than needed for food by such person, or than can be used, cured, or preserved for the food of other persons, or for the market. It shall be in like manner unlawful for any such person or persons to assist or be in any manner engaged or concerned in or about such unlawful killing, wounding, or destroying of any such buffaloes; that any person who shall violate the provisions of the act shall, on conviction, forfeit and pay to the United States the sum of $100 for each offense, (and each buffalo so unlawfully killed, wounded, or destroyed, shall be and constitute a separate offense,) and on a conviction for a second offense may be committed to prison for a period not exceeding thirty days; and that all United States judges, justices, courts, and legal tribunals in said Territories shall have jurisdiction in cases of the violation of the law.

Mr. COX. I do not know whether that bill has been sufficiently matured by the committee.

Mr. FORT. I shall be glad to hear from the gentleman.

Mr. COX. I have been told by buffalo hunters that it is utterly impossible, while on the run, to tell the sex of the buffalo until it is run down and killed. This bill fixes a penalty for something that cannot possibly be a crime. It also gives to the Indian a preference in the business of killing buffaloes.

Mr. CLEMENTS. The penalty is only for killing. You can tell the sex after the buffalo is killed. [Laughter.]

Mr. FORT. The object of this bill is to prevent the early extermination of these noble herds from the plains. It is estimated that thousands of these harmless animals are annually slaughtered for their skins alone; that thousands more are slaughtered for their tongues alone; and that many thousands, perhaps hundreds of thousands, are killed every year in utter wantonness without any object whatever except to destroy them. This bill has been carefully considered by the committee, and, so far as I am advised, there is no opposition to it from any quarter. Very many persons who are in the habit of hunting these animals have given me their opinion that there is no difficulty whatever in reference to the subject mentioned by the gentleman from New York, [Mr. COX.] This bill does not contemplate the prohibition of any person joining in a reasonable chase and hunt of the buffalo. It provides that it shall be unlawful for any person at any time to kill a female buffalo, and that it shall be unlawful for any person except an Indian at any time to slaughter more of the male buffalo than is needed for the market or for their own use. So far as I am advised, gentlemen upon this floor representing all the Territories are favorable to the passage of this bill. I now yield to the gentleman from Arizona, [Mr. MCCORMICK.]

Mr. COX. Would it be in order to move to strike out the clause excepting the Indians from the operation of this bill? The Secretary of the Interior has already said to this House that the civilization of the Indian is impossible while the buffalo remains upon the plains.

Mr. FORT. Who has the floor, Mr. Speaker?

The SPEAKER. The gentleman from Illinois [Mr. FORT] has the floor, and he yields to the gentleman from Arizona, [Mr. MCCORMICK.]

Mr. MCCORMICK. As preliminary to what I have to say, I ask the Clerk to read an extract from the New Mexican, a paper published in Santa Fé.

The Clerk read as follows:

The buffalo slaughter, which has been going on the past few years on the plains, and which increases every year, is wantonly wicked and should be stopped by the most stringent enactments and most vigilant enforcement of the law. Killing these noble animals for their hides simply, or to gratify the pleasure of some Russian duke or English lord, is a species of vandalism which cannot too quickly be checked. United States surveying parties report that there are two thousand hunters on the plains killing these animals for their hides. One party of sixteen hunters report having killed twenty-eight thousand buffaloes during the past summer. It seems to us there is quite as much reason why the Government should protect the buffaloes as the Indians.

Mr. MCCORMICK. Several years ago I introduced a bill to restrict the killing of the buffalo, and made a speech upon the subject. I have some hesitation in speaking upon the bill now before the House, as I am not familiar with it; indeed, I do not know by whom it was introduced. But I have no hesitation in calling the attention of the House to the importance of the subject. There is no doubt that thousands and tens of thousands, perhaps hundreds of thousands, of buffalo are slaughtered annually on the western plains in mere wanton sport.

I have here a letter from General Hazen, from which I will read a single extract. He says:

I know a man who killed with his own hand ninety-nine buffaloes in one day, without taking a pound of the meat. The buffalo for food has an intrinsic value, about equal to an average Texas beef, or say twenty dollars. There are probably not less than a million of these animals on the western plains. If the Government owned a herd of a million oxen they would at least take steps to prevent this wanton slaughter. The railroads have made the buffalo so accessible as to present a case not dissimilar.

I agree with the gentleman from New York [Mr. COX] that there are some features of this bill that will probably prove impracticable. But let us amend it, and make it practicable so far as possible. Indeed, I do not believe that any bill will entirely accomplish the purpose for which this bill is presented; but I think we ought to make an enactment that will at least have a tendency in that direction.

The buffalo is not only valuable for food for the Indians, but is of great value for food for the white man. I was stimulated in part to present the bill I introduced some time ago from the fact that I had been snow-bound, with a hundred other passengers, on the Kansas Pacific Railroad, and for some days we subsisted entirely upon the meat of the buffalo, having fortunately found at a picket station the carcasses of some five animals lately killed by soldiers. And I may say that the meat of the buffalo is regularly served at most of the stations upon that road in Kansas and Colorado. The meat of these animals is valuable, therefore, not only to the Indians, but to the settler and traveler; and their wanton destruction ought, if possible, to be stopped. It would have been well, both for the Indians and the white men, if an enactment of this kind had been placed on our statute-book years ago.

It will not do to say that the extermination of the buffalo will end our troubles with the Indians upon the plains. Those troubles will continue to a greater or less extent so long as there is an Indian, and I know of no one act that will gratify the red man more than to protect from reckless slaughter, at the hands of so-called sportsmen, the noble game upon which he has so long subsisted, and the true value of which he well appreciates.

Mr. HOLMAN. I am surprised that my friend from New York, [Mr. COX,] upon so humane and meritorious a measure as this, should raise any captious objection because we cannot well make its provisions more definite. I regard the bill as an effort in a most commendable direction. Indeed, it is most remarkable that to this hour the inhuman slaughter upon the plains of herds of cattle which are alike beneficial to the Indians and the whole country should not have been forbidden by positive law. I trust that this bill will pass; that, even if it be found insufficient to accomplish the object, we shall at least inaugurate legislation on this subject. For one I thank the gentleman from Arizona for having brought forward the measure, and I trust the House will promptly pass it.

Mr. MCCORMICK. I ask the Clerk to read a letter from Colonel Brackett, of the Second Cavalry.

The Clerk read as follows:

OMAHA BARRACKS, NEBRASKA,
January 30, 1872.

SIR: I have read with a great deal of interest the letter of General Hazen to you respecting the needless killing of buffaloes. What he says is strictly true; and there is as much honor and danger in killing a Texas steer as there is in killing a buffalo. All the reports about fine sport and good shooting are mere gammon. It would be equally as good sport, and equally as dangerous, to ride into a herd of tame cattle and commence shooting indiscriminately. The wholesale butchery of buffaloes upon the plains is as needless as it is cruel. Hundreds and hundreds of them have been killed in the most wanton manner, or for their tongues alone. It is time that something should be done for their protection; and I trust you will make an effort to have Congress interfere in their behalf. It is an abuse of language to call the killing of harmless and defenseless buffaloes sport.

I am, sir, very respectfully, your obedient servant,

A. G. BRACKETT,
Lieutenant-Colonel Second United States Cavalry.

Mr. COX. Mr. Speaker, I would not have objected to this bill but from the fact that it is partial in its provisions. Three years ago I introduced a bill on this subject, modeled after that of the gentleman from Arizona, which I ask the Clerk to read. My bill does not undertake to make impracticable provisions as to whether buffaloes shall be killed by Indians or white men, or as to the kind of buffaloes to be killed, whether male or female, or of what age. I do not think the killing of buffaloes amounts to game. I would just as soon shoot my mother's cow in the barn-yard as kill buffaloes for sport. There is no sport in such occupation. The point is this: we ought to save this portion of our public meat for some good purpose. The Secretary of the Interior has told us that the Indians never can be civilized until the buffaloes are extinguished. What does he mean by that? I ask members of the Administration party what he means by that. Nobody answers; no one can answer. [Laughter.] The buffaloes are to be extinguished exactly as the Indians are ultimately to be extinguished. Now, what I want is a bill that will impose a penalty on every man, red, white, or black, who may wantonly kill these buffaloes. I ask the Clerk to read the bill which I introduced three years ago.

The Clerk read as follows:

Be it enacted, &c., That excepting for the purpose of using the meat for food, or preserving the skin, it shall be unlawful for any person to kill the bison or buffalo, found anywhere upon the public lands of the United States; and for the violation of this law the offender shall, upon conviction, before any court of competent jurisdiction, be liable to a fine of $100 for each animal killed, one-half of which sum shall, upon its collection, be paid to the informer.

Mr. COX. I hope that bill may be adopted as a substitute for the one now presented.

The SPEAKER. Does the gentleman from Illinois, [Mr. FORT] yield to allow the gentleman from New York [Mr. COX] to offer a substitute?

Mr. FORT. No, sir.

Mr. POTTER. I would like to know whether the greatest destruction of buffaloes within the last few years has been by the Indians or the white people?

Mr. COBB, of Kansas. Will the gentleman from Illinois [Mr. FORT] permit me to answer that question?

Mr. FORT. From all the information coming to me I believe that the wanton killing of buffaloes is always done by white men; that the Indian never goes into a herd of buffalo and shoots them down out of mere wanton wickedness. That is always done by white men; and it is the cause, as I am advised, of much collision between the white men and the red men, the red men objecting to having the buffalo killed in that manner.

Mr. POTTER. I understand that the killing of buffaloes for the sake of their skins has been carried on very largely during the last few years. I ask by whom that has been done?

Mr. FORT. I understand it is done by professional hunters.

Mr. POTTER. White or red?

Mr. FORT. White.

Mr. ELDREDGE. Last fall, when traveling in the West, I met several parties who, I was informed, were on their way to the buffalo region to kill buffaloes in mere sport. They were men from abroad, foreigners, who had come to this country to have the honor of saying that they had killed a buffalo. I was told that they went to the plains and shot down these animals, not even desiring to take their tongues or their pelts, and left them to rot upon the plains. If a measure can

be devised which shall prevent such wanton cruelty and wickedness, it seems to me no man ought to object. I prefer the bill, as I understand it, to the substitute offered by the gentleman from New York, [Mr. COX,] for the reason that the latter has in it pay to the informer, and I am not in favor of this moiety business, this informer business, this employment of spies. Nor, indeed, did I suppose that the gentleman from New York was in favor of having these creatures kept in our legislation any longer; I want them all struck out. I am surprised that the gentleman from New York should come in here with any such provision. I am not talking against the gentleman from New York at all, but against his bill.

Mr. GARFIELD rose.

Mr. ELDREDGE. One word further. These same travelers, these foreigners, who go out to kill the buffalo in wanton sport, are also protected by our military force. We not only allow them to come here and kill the buffalo wantonly and wickedly, but at the same time we afford them protection by our arms.

Mr. BARRY. Not only that; but they are furnished horses by the Army to go out to kill the buffalo, as well as protection by escort of soldiers.

Mr. GARFIELD. Mr. Speaker, this bill, as I have glanced at it on the Clerk's desk, is every way right. If there is a single point suggested by any gentleman, it has been satisfactorily answered. But I have understood, and indeed I have heard it said, and said before the Committee on Appropriations, by a gentleman who is high in authority in the Government, the best thing which could happen for the betterment of our Indian question—the very best thing which could occur for the solution of the difficulties of that question—would be that the last remaining buffalo should perish, and he gave this as his reason for that statement: that so long as the Indian can hope to subsist by hunting buffalo, so long will he resist all efforts to put him forward in the work of civilization; that he would never cultivate the soil, never even become a pastoral owner or controller of flocks, never take a step toward civilization, until his savage means of support were cut off; and that his great support, the quarry, if I may use the word, out of which he secures the very meat he feeds on, is the herds of buffalo which roam over the plains of the West. The Secretary of the Interior said that he would rejoice, so far as the Indian question was concerned, when the last buffalo was gone.

Now, if the barbarism of killing buffalo for mere wanton sport has any compensation in it, perhaps it may be this is a compensation worthy of our consideration. I should like to know from gentlemen, especially those in charge of Indian affairs, whether they believe this theory is a sound one, and whether the very processes of civilization are not in their own course sweeping away the ground upon which Indian barbarism plants itself? It may be possible in our mercy to the buffalo we may be cruel to the Indian. It is the only possible objection which can be urged to this bill; and without at all indorsing the theory, I only offer it for the consideration of the House.

Mr. FORT. I cannot understand why the Secretary of the Interior should have used this language to the gentleman or to his committee, but certainly as an individual I am not in favor of civilizing the Indian by starving him to death, by destroying the means which God has given him for his support.

Mr. ELDREDGE. There is just as much propriety in depopulating our rivers, in destroying the fish in our rivers, as in destroying the buffalo in order to induce the Indian to become civilized. We may as well not only destroy the buffalo, but the fish in the rivers, the birds in the air; we may as well destroy the squirrels, lizards, prairie-dogs, and everything else upon which the Indian feeds. The argument, Mr. Speaker, is a disgrace to anybody who makes it.

Mr. CONGER. I cannot conceive the propriety of establishing game laws in the United States for the simple use of the Indians. A great part of our expenditures of money, from year to year, is to feed the Indians, to get them on reservations where they may become civilized by cultivating the soil. Now, we have followed that policy for several years, in endeavoring to get every class of Indians in the United States upon reservations, in order to civilize them in that way; to get them upon reservations, so they shall not be able to go forth to hunt anything whatever.

As a matter of fact, every man knows the range of the buffalo has grown more and more confined year after year; that they have been driven westward before advancing civilization.

In my boyhood the buffalo ranged this side of the Mississippi. They have been driven before the advance of civilization and settlement, until now they range from Mexico to the British possessions around the Saskatchewan, merely passing through our territory up and down once, twice, or three or four times a year, having no abiding place in our territory. There is no place in the United States territories where the buffalo are anything else to-day but migratory herds. Why should we protect them for the Indians? Why should we deprive the settler of the right to kill the buffalo wherever he may be killed? Why should we deprive the hunter, as these animals of passage pass up and down through our land, of the privilege of capturing them for their hides as robes for the American people—a necessary use to us in the northern climates of the United States?

The game laws were established in England after the Norman conquest. They were enforced rigidly by the Normans. But there was no law which gave the native inhabitants of the soil, the Britons or Saxons, the right to kill an animal there. The game laws were established for the benefit of the conqueror alone. We, on the other hand, propose to pass a universal game law in the United States for the benefit of the Indian and the Indian alone, shutting off the settlers, the pioneers, those who, perhaps, may be starving there; making it a penal offense for the poor settler to kill a buffalo cow for food under the penalty of $100. I am not one of those who would extend that cold, merciless treatment to the settlers who go upon our frontier and settle the territories of the United States.

Mr. Speaker, I look upon this law as utterly useless. There is no law that Congress can pass that will prevent the buffalo disappearing before the march of civilization. They never approach settlements. Along the lines of our railroads, where settlements and villages are planted, they dart through between these in the night in their migrations north and south. Now, Mr. Speaker, my objection to this bill is this: that there is a privilege given to the wild, savage Indian that is not given to the poor civilized settler. My next objection is that the bill is utterly worthless in point of fact. There is no law which human hands can write, there is no law which a Congress of men can enact, that will stay the disappearance of these wild animals before civilization. They eat the grass. They trample upon the plains upon which our settlers desire to herd their cattle and their sheep. There is no mistake about that. They range over the very pastures where the settlers keep their herds of cattle and their sheep to-day. They destroy that pasture. They are as uncivilized as the Indian.

Efforts have been made for a hundred years to domesticate the buffalo and to make hybrids between the buffalo and our cattle. All such efforts have utterly failed. There is no domestic buffalo in the land to-day, after a hundred years of careful effort in that direction, except the poor, puny specimens you see in the museums, starved and drooping, as in the Lincoln Park at Chicago. And who that looks at these poor, miserable specimens of civilized buffalo will desire to see them domesticated, if that were possible, in our land?

Mr. FORT. I yield three minutes to the gentleman from Connecticut, [Mr. HAWLEY.]

Mr. HAWLEY, of Connecticut. I am very glad, Mr. Speaker, to see this bill. I think every man who has any of the spirit of a sportsman in him must be glad to see it. I mean the real sportsmen, not the men who gallop on horses after the buffalo to shoot them down with as much sense, as the gentleman from New York [Mr. COX] well expressed it, as a man would shoot down his mother's cow in the barn-yard. But the real sportsmen will be glad to have the game law which we have in the older States also in the Western States, not to prohibit the shooting of any class of game, but to protect them during certain periods of the year.

These men who call themselves sportsmen, but who have not the spirit of real sportsmen, go out in breeding time and kill the animals without reference to their condition, and in a short time would destroy them from off the face of the earth. Such men are not fit to have guns in their hands. The real old hunter of the West is not a man of that sort. Very few men go out to settle in the West who depend on their guns for their subsistence. Yet it is very convenient for settlers and also for parties of soldiers or emigrants to be able to come across a buffalo. I say, then, let us preserve them from wanton destruction.

Mr. NESMITH. How does the real sportsman kill the buffalo?

Mr. HAWLEY, of Connecticut. The real sportsman kills the buffalo when he needs it, for food or for its hide. I do not object to the way in which you shoot them at all.

Another gentleman here says that he is in favor of wiping out the buffalo, because that is the only way in which you can get the Indians upon their reservation. I think the gentleman from Wisconsin [Mr. ELDREDGE] answered that theory. As well might you burn all the grass in the Indian country and around it, kill every bird, dig up every root, destroy every animal whatever, and take away from the Indian the means of living, and in that way you will, perhaps, be able to get them under your control, and be able to board them at the Fifth Avenue Hotel and civilize them to your satisfaction.

I am in favor of this law, and hope it will pass. The Indian does not wantonly destroy the buffalo. He kills them for their meat and for their hides, but he does not slaughter them indiscriminately, because he knows that on the buffalo he depends for his support. Sir, I object to the inhumanity of gentlemen who wish to wipe out the buffalo in order to get the Indians upon reservations.

Mr. FORT. I yield now for three minutes to the gentleman from Kansas, [Mr. LOWE.]

Mr. LOWE. I think there is a policy on this subject which should be adopted, if possible, and enforced by national legislation. It is not a question simply of sentiment in behalf of huntsmen, nor is it simply a matter of sentiment in behalf of the Indian. As is well known to everybody whose attention has been directed to this subject, there are still vast herds of buffaloes ranging along the western plains from the British possessions to the northern boundary of Texas. These animals are valuable for many purposes, and their utility should be made available to the people of the country.

As I understand the object of this bill it is to prevent the wanton destruction and useless extermination of the race of buffaloes. The mere hunting and killing of them for amusement ought to be prevented, and for the reason that these herds are useful for food, and their hides are useful for commerce and the arts of life. Let us,

therefore, if this bill proposes a remedy in that direction, preserve them for the use not only of the Indians but of our own citizens on the frontier. In the Territories and border States there are thousands and thousands of our own citizens who hunt these animals at the proper season of the year, not simply for the purpose of amusement or destruction, but for the purpose of subsistence. I do not wish to see this cut off from them, nor do I wish to see the Indians deprived of their means of subsistence. It will not do in this age of civilization and Christianity to attempt to exterminate the Indians by starving them to death; but we wish to preserve these animals not only for the use of the Indians but for the use of our own citizens for food and subsistence, and to preserve their hides as articles of commerce, luxury, and comfort.

Mr. FORT. I now yield three minutes to the gentleman from Kansas, [Mr. COBB.]

Mr. COBB, of Kansas. I merely desire to say a word or two. The gentleman from Michigan is entirely mistaken in his effort to be the champion of the frontier settlers on the buffalo question. So far as he is concerned it seems to be only a measure to prevent elegant gentlemen, like the gentleman from Michigan, coming out there in the sporting season and killing the buffaloes that not only feed the Indians, but the settlers also, and their wives and children. In their behalf and as their representative, I decidedly object to the gentleman from Michigan pretending to represent the settlers in this respect. Many gentlemen come here from Europe who desire to visit the plains and hunt the buffalo and bring back some token to show that they have shot buffaloes; but the fact is that the value of these animals, roaming the plains, is not to the Indian, but to the settler who is compelled to subsist on the meat of the buffalo, and who desires this law passed to protect his herds, just as you would desire a law passed to protect the herds of the East if they were assailed by vandals from Europe or from some other section of the country.

Mr. FORT. I now yield three minutes to the gentleman from Kansas, [Mr. PHILLIPS.]

Mr. PHILLIPS. This bill, if gentlemen will observe, applies only to the Territories, and seems to be desired by the gentlemen representing the Territories. The argument made here that it would interfere with herds of cattle and sheep has no point. Wherever settlers invade the Territories the buffalo leaves the country. The Indians only kill buffalo in the unoccupied or uninhabited Territories. The fact is that ranchmen kill the buffalo by hundreds and by thousands, and skin them, and leave their carcasses on the plains to rot. This bill seeks to prevent that, and I think it is so far a just one. Those are the only points involved in this question.

Mr. FORT. I now yield three minutes to the gentleman from Missouri, [Mr. PARKER.]

Mr. PARKER, of Missouri. I have no desire to say anything on this bill. But there seems to be some misconception in the minds of some of my friends here as to the position of the Secretary of the Interior on the Indian question. This bill for preventing the useless killing of buffalo seems to have led to a discussion of the Indian question somewhat. The position of the Secretary of the Interior is this: it is one forced upon him by the demands of the settlers in the Western States and Territories. His position is simply that if you would prevent collision between the whites and the Indians in that country, and civilize the Indians, you must confine them to their reservations. He has been forced by experience to this position from the fact that all the depredations committed by these Indians upon the settlers in the West have been committed by bands of hunting parties who have come down from the reservations to hunt the buffalo. Only last summer, in the State of Nebraska, eighty-odd peaceful Pawnee Indians were killed by Sioux hunting parties.

You may take it as an established fact that whenever depredations are committed upon white settlers in that country, it has been by parties of young Indians who are off on a hunt. And so long as these Indians are permitted to leave their reservations upon the pretext that they are hunting game for their support, so long, in the opinion of the Secretary, and in my opinion also, will you have depredations upon the western settlers.

My friend from Kansas [Mr. LOWE] says you never can civilize the Indians by starving them. Sir, look at your mammoth Indian appropriation bills and you will find that you are appropriating just as much, ay, even more, for these hunting or roaming Indians as you are for those who are becoming civilized and confining themselves to their reservations.

Another word upon this point. In my judgment, the great key to the solution of this Indian problem is to confine these Indians upon as small a tract of land as possible, and if possible to make it a necessity for them to learn to labor and to get a sustenance from the soil as the white man does, and not depend upon the rivers and the plains to furnish them their fish and their game. That is the reason why the Secretary of the Interior entertains this opinion. It is not out of any desire to starve the Indians into civilization, because the fact is that these very Indians who go off upon the hunt are the class who are fed most largely out of the bounty of the Government. They are necessarily fed, because they will not work so long as they can hunt, and they must be sustained. The civilized Indians—the Choctaw, the Cherokee, the Creek, the Seminole, and many other tribes I might mention—have long since abandoned the hunt, and as a consequence of such abandonment they are becoming civilized and Christianized, and preparing themselves to assume a position similar to that held and enjoyed by any citizen of this country.

I think the position of the Secretary of the Interior from that stand-point is a sound one. This bill may be a good bill, one necessary to preserve the animals from wanton destruction. But I do not believe it is necessary to preserve them in order to support and maintain and civilize the Indians. I believe that so long as these buffaloes exist it will have just the opposite effect, so long as you pursue the present Indian policy.

Mr. FORT. I will yield two minutes to the gentleman from Michigan, [Mr. CONGER,] to answer some remarks made by the gentleman from Kansas, [Mr. COBB.]

Mr. CONGER. I was not aware, until the gentleman from Kansas [Mr. COBB] reproved me for speaking on this subject, but that it was competent for any gentleman on this floor to express his sentiments. And I was also not aware that the gentleman represented a Territory when he assumed that this was his particular prerogative. This bill refers only to Territories. I thought the gentleman came here under the broad seal of a State. Therefore, in regard to his remarks, I do not acknowledge the corn on that cob. [Laughter.]

I have this to say to the House, and no one will deny it, that the buffalo within the United States are as migratory as the wild goose or the wild duck that flies back and forth between the North and the South. They do not live within our borders. They are driven from there as their home, and their summer residence, and partly their winter residence, is far up on the Saskatchewan, in the British possessions. They pass down over our plains into Texas, and even into Mexico. They are mere animals of passage. There has never been a game law of any kind in the United States, or in any State, that prevented the citizens of a State from capturing, while on their passage, for food or game, any migratory bird or animal. My objection, then, to this bill is, that it will prevent the killing of the buffalo at those seasons only when they are passing from place to place, and the killing of them by the settlers, whether in Territories or States. I do not think the measure will tend at all to protect the buffalo.

Mr. McCORMICK. This bill will not prevent the killing of buffaloes for any useful purpose, but only their wanton destruction.

Mr. FORT. I yield to the gentleman from New York, [Mr. HOSKINS.]

Mr. HOSKINS. Mr. Speaker, I do not wish to prolong the discussion upon this bill; for it seems to me it has been already talked all to pieces. I simply desire to say that the principle sought to be incorporated in this bill is no new principle. In almost every State, I believe, especially in the old States—I know it is so in the State which I represent in part—there are laws upon the statute-book to protect at certain seasons of the year the fish in our lakes and rivers. We also have game laws, which prohibit the wanton killing of fowls or birds at certain seasons. This bill only applies the same principle to the wanton destruction of buffaloes at particular seasons. It does not prevent the killing of buffaloes for food or for their skins; but it does prevent men going into the Territories and shooting down the buffalo, simply taking their skins or horns for trophies and allowing their bodies to rot upon the plains. The bill is designed to prevent the wanton and uncalled-for destruction of these animals at certain seasons of the year; and by this means the meat of these animals will be preserved for those who may legitimately hunt buffaloes for that object. I repeat that the bill does not propose to apply any principle which is not already recognized in many States of the Union.

Mr. FORT. I yield three minutes to the gentleman from Iowa, [Mr. KASSON.]

Mr. KASSON. I wish to say one word in support of this bill, because I have had some experience as to the manner in which these buffaloes are treated by hunters. It is one of the saddest recollections of my hunting experience that I have witnessed, and in the beginning took part in, the wanton slaughter of these roamers of the plains. The buffalo is a creature of vast utility as food to the frontier settler and to the emigrant; and, strange to say, in some regions of country I have been dependent upon these animals for fuel with which to cook my food. This animal ought to be protected; and one reason in favor of such protection is the very reason that has been urged against such a measure. The buffalo being a migratory animal, passing from State to State, there is no one State that can regulate the subject; and, more than that, the evil this bill is designed to reach arises from migratory bands of men passing from region to region, and slaughtering the animals for the mere amusement that may attend the occupation. I have seen the carcasses of these animals scattered over the plains, the hunter, after shooting the buffalo, pausing but to take the tongue; and they are killed in this way at a time when their skins are utterly useless. If there is any objection to this bill, it is that it does not go far enough in preventing the slaughter of the animal at the season when its skin is of no value whatever. I have at this session introduced a bill for the protection of fur-bearing animals in another portion of the country, and on the same principle I support any bill designed to protect, against wanton destruction, a creature so useful as the buffalo.

Mr. FORT. Mr. Speaker, this bill has now been discussed at some length, and no argument has been adduced against its passage so far as I have heard, except that these buffaloes herd upon and trample down the grass on which the domestic animals of settlers feed. The gentleman who advanced this argument is mistaken. He may inquire

of every man who has traversed the plains, every man who represents a Territory on this floor, and he will find that he is entirely mistaken on that point. Buffaloes are harmless animals, feeding upon the plains where no domestic animal ever goes.

The only other argument that has been adduced against the bill is that the Secretary of the Interior thinks the buffalo should all be killed off, in order that he may civilize the Indians. Shoot the buffalo, starve the Indian to death, and thereby civilize him! I would suggest that a shorter and more humane way would be to go out and shoot the Indians themselves—put an end to their existence at once, instead of starving them to death in this manner.

I call the previous question.

The previous question was seconded and the main question ordered; and under the operation thereof the bill was ordered to be engrossed for a third reading; and being engrossed, it was accordingly read the third time.

The question being taken on the passage of the bill, there were—ayes 132, noes not counted.

So the bill was passed.

Mr. FORT moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

HEIRS OF JOHN JENKINS.

Mr. SHOEMAKER, of Pennsylvania, from the Committee on Revolutionary Pensions and War of 1812, reported back the bill (H. R. No. 1251) for the relief of the heirs of John Jenkins, a lieutenant in the revolutionary war; and moved that said committee be discharged from the further consideration of the same, and that it be referred to the Committee on War Claims.

The motion was agreed to.

HEIRS OF LIEUTENANT JAMES BARNETT.

Mr. CRUTCHFIELD, from the same committee, reported back the petition of Mrs. Matilda Barnett and others, heirs of Lieutenant James Barnett, of the Second Virginia Regiment in the continental establishment; and moved that the committee be discharged from its further consideration, and that the same be referred to the Committee on War Claims.

The motion was agreed to.

SOLDIERS AND SAILORS OF THE WAR OF 1812.

Mr. SPRAGUE, from the Committee on Revolutionary Pensions and War of 1812, reported back a bill (H. R. No. 2190) to amend the act entitled "An act granting pensions to certain soldiers and sailors of the war of 1812, and the widows of deceased soldiers," approved February 14, 1871, and to restore to the pension-rolls those persons whose names were stricken therefrom in consequence of disloyalty, with the recommendation that it do pass.

The bill was read, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the act granting pensions to the surviving soldiers of the war of 1812, approved February 14, 1871, be amended so as to read as follows: That the Secretary of the Interior be, and he is hereby, authorized and directed to place on the pension-rolls the names of the surviving officers and enlisted and drafted men, including militia and volunteers of the military and naval service of the United States, who served in the war with Great Britain of 1812, and were honorably discharged, and the surviving widows of such officers and enlisted and drafted men: *Provided*, That such widows shall have been married prior to the year 1825 to an officer or enlisted or drafted man who served as aforesaid in said war, and shall not have remarried.

SEC. 2. That this act shall not apply to any person who is receiving a pension at the rate of eight dollars per month or more, nor to any person receiving a pension less than eight dollars per month, except for the difference between the pension now received and eight dollars per month. Pensions under this act shall be at the rate of eight dollars per month, except as herein provided, when a person is receiving a pension of less than eight dollars per month, and shall be paid to the persons entitled thereto from and after the passage of this act for and during their natural lives: *Provided*, That widows pensioned under this act shall, if they became widows after the 14th day of February, 1871, be entitled to a pension only from the day when they became widows.

SEC. 3. That before the name of any person shall be placed upon the pension-rolls under this act, proof shall be made, under such rules and regulations as the Commissioner of Pensions, with the approval of the Secretary of the Interior, may prescribe, that the applicant is entitled to a pension under the provisions of this act; and any person who shall falsely take any oath required to be taken under the provisions of this act shall be guilty of perjury. And the Secretary of the Interior shall cause to be stricken from the rolls the name of any persons when it shall appear by proof satisfactory to him that such names were put upon such pension-rolls by or through false or fraudulent representations as to the right of such persons to a pension under the provisions of this act. The loss of a certificate of discharge shall not deprive the applicant of the benefit of this act, but other proof of the service performed, and of an honorable discharge, if satisfactory, shall be deemed sufficient; and when there is no record evidence of service, the applicant may establish the same by the testimony of two persons who served in the same company or regiment.

SEC. 4. That all applications for pensions under the act to which this is an amendment, heretofore or which may hereafter be made, shall be considered and decided as though made under this act, and all laws now in force in regard to the manner of paying pensions, and in reference to the punishment of frauds, shall be applicable to all claims under the provisions of this act.

SEC. 5. That the Secretary of the Interior be, and he is hereby, authorized and directed to restore to the pension-rolls the names of all persons now surviving heretofore pensioned on account of service in the war of 1812 against Great Britain, and whose names were stricken from the rolls in pursuance of the act entitled "An act authorizing the Secretary of the Interior to strike from the pension-rolls the names of such persons as have taken up arms against the Government, or who have in any manner encouraged the rebels," approved February 4, 1862, and that the joint resolution entitled "Joint resolution prohibiting payment by any officer of the Government to any person not known to have been opposed to the rebellion and in favor of its suppression," approved March 2, 1867, be, and the same is hereby, so far modified as to authorize the payment of claimants under this act: *Provided*, That the restoration and pension contemplated herein shall take effect from the passage of this act.

SEC. 6. That the surviving widow of any pensioner of the war of 1812, where the name of said pensioner was stricken from the pension-rolls in pursuance of the act entitled "An act authorizing the Secretary of the Interior to strike from the pension-rolls the names of such persons as have taken up arms against the Government, or who have in any manner encouraged the rebels," approved February 4, 1862, and where said pensioner died without his name being restored to the rolls, shall, on proof satisfactory to the Secretary of the Interior that said pensioner did not take up arms against the Government or in any manner encourage the rebels, be entitled to the arrearages of pension due said pensioner at the time of his decease. In case there is no surviving widow, then such arrearages of pension shall, upon similar proof, go to the minor children of such pensioner; and in case there are no minor children, then the arrearages of pension shall, upon similar proof, go to the heirs or legal representatives of such pensioner.

ORDER OF BUSINESS.

Mr. GARFIELD. I move that the rules be suspended and the House resolve itself into Committee of the Whole on the legislative appropriation bill; and I wish to say before the motion is put that the appropriation bills sent to the Senate are all acted on in committee there. There is now nothing sent to the Senate from the House for the Senate to act on. One of the three has passed and come back to us. The other two have been acted on and reported to the Senate, one without amendment, the fortification bill, and I have no doubt before two days the Senate will act on every appropriation bill we have sent to that body. We have now two bills in the House, and to-morrow shall have another in the House, and unless we can send over one of our bills very soon the Senate will have the right to complain the House has given them nothing to do.

We have been two weeks without any action on the legislative appropriation bill. Two days of the week are devoted to private bills—thus far almost uninterruptedly. Monday is taken up with general business, and the morning hour of the other three days is devoted to general business. There remain then but parts of Tuesday, Wednesday, and Thursday of each week in which the Committee on Appropriations can hope to have its bills put forward. I hope the House will allow us to go on and push through our bill as rapidly as possible, so the reproach cannot be made against us we are not keeping the Senate at work on these appropriation bills. I am willing to yield for references that will not take up much time, but for no other purpose.

Mr. MAYNARD. Will the gentleman from Ohio, before he yields the floor, inform us whether he proposes to extend general debate on this legislative appropriation bill, or to take it up when we go into Committee of the Whole on the state of the Union for amendment, paragraph by paragraph?

Mr. GARFIELD. One gentleman has the floor for debate, but I do not think it best this morning to provide for any limitation of the general debate, but to let it run, hoping before the day is out the House will consent to limitation of general debate; or if not to-day, that to-morrow morning at least we may vote to limit general debate. It is my desire to proceed with the bill, paragraph by paragraph, as soon as possible, and go forward with it as rapidly as possible until we finish it.

Mr. MAYNARD. It will be recollected by the House that the currency bill was made the special order for to-morrow. Will the Chair please indicate whether, if for any reason that bill should not be reached to-morrow, it will stand as a special order from day to day until disposed of?

The SPEAKER. It will, subject only to two things—the transportation bill which precedes it as a special order, and to a motion to go into the Committee of the Whole on an appropriation bill; otherwise it excludes every other order.

BANKRUPT LAW.

Mr. GARFIELD. I yield to the gentleman from New York [Mr. TREMAIN] to make a report.

Mr. TREMAIN. The Committee on the Judiciary have instructed me to report back a bill to amend the bankrupt law.

Mr. G. F. HOAR. I call for the regular order of business. I object; I know what the proposition to be reported is.

JOSEPH ANDERSON.

Mr. DUNNELL, by unanimous consent, from the Committee on Claims, reported back a bill (H. R. No. 643) for the relief of Joseph Anderson, and moved that the bill and the accompanying papers be referred to the Committee on War Claims.

The motion was agreed to.

TIMOTHY D. CROOK.

On motion of Mr. SMITH, of Ohio, by unanimous consent, the papers in the case of Timothy D. Crook were re-referred to the Committee on Claims.

BRIGADIER-GENERAL GEORGE F. HARTSUFF AND OTHERS.

Mr. SAYLER, of Ohio, by unanimous consent, submitted the following resolution; which was read, considered, and agreed to:

Resolved, That the Secretary of War is directed to communicate to this House copies of all telegrams and papers of whatever kind on file in his office relating to the case of F. W. Hurtt, late assistant quartermaster of volunteers; the resignation of N. H. McLean, late assistant adjutant-general United States Army, and the retirement of Brigadier-General George L. Hartsuff, United States Army.

Mr. SAYLER, of Ohio, moved to reconsider the vote by which the resolution was adopted; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

SOLDIERS AND SAILORS OF THE WAR OF 1812.

Mr. HOLMAN. I desire to make a parliamentary inquiry of the Chair. Does the pension bill reported to-day in the morning hour go over to the first morning hour for consideration in the House? Is it before the House for consideration, or is it still liable to the point of order?

The SPEAKER. The Chair would hold that it is too late for the point of order to be made now.

DEBT OF VIRGINIA AND WEST VIRGINIA.

Mr. HEREFORD. With the permission of the House I desire to make a brief statement. At the opening of the proceedings of the House, when I was absent from my seat in attendance upon the Committee on the Public Lands, of which I am a member, a resolution, offered by the gentleman from Virginia [Mr. THOMAS] in relation to the settlement of the debt of the State of Virginia prior to January 1, 1861, was referred to the Committee on the Judiciary. In that paper is embodied a "whereas" that, in my opinion, does great injustice both to the mother State and the State which I have in part the honor to represent upon this floor. It reads as follows:

And whereas the State of West Virginia, though often and earnestly requested to do so by the State of Virginia, has neglected and refused to adjust and settle the debt aforesaid and provide for the payment of her just and equitable proportion thereof: Therefore resolved, &c.

Now, Mr. Speaker, I cannot but believe that the sentiments therein expressed are not the sentiments of the people of the State of Virginia; because it is not true that the State of West Virginia has ever, at any time, refused, nor will she at any time in the future refuse, to pay to her mother State the last farthing of every part of that debt which she is equitably bound to pay. On the contrary she, some two or three years ago, appointed a commission to meet a similar commision in the city of Richmond to adjust this very debt; and that commission, appointed on the part of my State, went to Richmond, and reported to my Legislature that they were even denied an audience.

I do not believe that the people of the State of Virginia wish to say to the world that the youngest daughter of that State is a repudiationist, which she is not. She is willing on the proper adjustment of that debt to pay the last farthing that she owes. Some say that she owes nothing. Others say that she owes a small part. What the amount may be I am not here to discuss to-day. I only wish to do the State I have the honor in part to represent justice on this floor, and to deny the charge contained in the preamble to that resolution, that she refuses to pay any part of the debt which she honestly owes. I regret the entire spirit of these resolutions. Their sole tendency is to engender bad feeling between the two States, which I deprecate. We have been friends in the past, and will be in the future.

Mr. HARRIS, of Virginia. I wish to say one word in reply to my friend from West Virginia, [Mr. HEREFORD.] It is a question of so much interest to both States that it would be a matter for regret that any disputation should arise between the State of Virginia and her daughter, West Virginia—no, not her legitimate daughter, but a State carved from her side by the sword of usurpation.

My friend from West Virginia says that the commissioners on the part of West Virginia went to the city of Richmond, and were there denied an audience. I cannot speak officially as to that, or of my own knowledge, for I was not there. But the history of that matter, as I am informed and as is generally understood, is that the commissioners on the part of Virginia could not procure an audience with the commissioners of West Virginia unless a basis of settlement which would have brought Virginia in debt to West Virginia was first conceded. It was the official settlement Virginia desired, but which she could not get. The commissioners of West Virginia, upon a punctilio, left Richmond, and would do nothing. I admit that the State of West Virginia has nominally professed her willingness to pay her share of the public debt of Virginia, but she has accompanied that profession with a basis of settlement going back to the foundation of the government, and charging Virginia with all the improvements whenever and wherever made. They claimed that wherever a road was made in what is now Virginia, from the beginning of the government, it should be charged to the old State; that wherever a turnpike was made in East Virginia, it should be charged to the old State; that every dollar expended in East Virginia, from its first settlement at Jamestown down to this fatal separation, should be charged to the old State; and that then a balance should be struck on that basis. If this were admitted, our friends of West Virginia would not only bring the old State in debt to them, because East Virginia was settled and improvements made there long before the tide of emigration began to go West, but they would get as much money from Virginia with which to build up the State of West Virginia as would make it twice as rich as the old State itself. We have asked West Virginia to agree to a settlement of our State debt, and assume her just proportion; but she has steadily and persistently refused. We have asked her to refer the matter to arbitration—to a just arbitration by disinterested men; and still she refuses.

Mr. GARFIELD. I call for the regular order.

Mr. HEREFORD. Did not we send commissioners to Richmond?

Mr. HARRIS, of Virginia. Yes; but they would not confer with ours. They simply "marched up the hill, and then marched down again."

ORDER OF BUSINESS.

The SPEAKER. The gentleman from Ohio [Mr. GARFIELD] insists upon the regular order; and the question is on that gentleman's motion to suspend the rules for the House to go into Committee of the Whole on the state of the Union to resume the consideration of the legislative appropriation bill.

Mr. SMITH, of New York. I rise to a question of privilege.

Mr. McCRARY. I supposed that I had the floor. I desire to ask the House to proceed with the special order.

The SPEAKER. The Chair will state the position of business. The transportation bill, which the gentleman from Iowa [Mr. McCRARY] has charge of, is the special order at half-past one o'clock each day, to the exclusion of all other orders whatever, except the motion to go into the Committee of the Whole House on appropriation bills. That exception having been made, the gentleman from Ohio is rightfully entitled to the floor to make that motion, which is the only motion that is properly before the House.

The question being taken on Mr. GARFIELD'S motion that the rules be suspended and that the House resolve itself into Committee of the Whole House for the consideration of the special order, being the legislative appropriation bill, there were—ayes 86, noes 54.

So the motion was agreed to.

FUNERAL OF EX-PRESIDENT FILLMORE.

The SPEAKER. The gentleman from Massachusetts, Mr. DAWES, asks to be excused from service on the special committee to attend the funeral ceremonies of the late ex-President Fillmore, and the gentleman from New York, Mr. COX, makes the same request. In place of those gentlemen, the Chair names Mr. SWANN, of Maryland, and the gentleman from the Buffalo district, now at his home, Mr. BASS.

Mr. TYNER. I also have notified the Chair that it will be impossible for me to go to Buffalo.

The SPEAKER. The Chair will indicate a substitute for the gentlema at a later hour.

LEGISLATIVE, ETC., APPROPRIATION BILL.

The House then resolved itself into Committee of the Whole on the state of the Union, (Mr. WOODFORD in the chair,) and resumed the consideration of the special order, being the bill (H. R. No. 2054) making appropriations for the legislative, executive, and judicial expenses of the Government for the year ending June 30, 1875, and for other purposes.

The CHAIRMAN. The gentleman from Kentucky [Mr. BECK] is entitled to the floor.

Mr. BECK. Mr. Chairman, when the committee rose on last Thursday, having obtained the floor through the kindness of my friend from Illinois, [Mr. MARSHALL,] I said that I would endeavor, when this bill came up again, to make good what I had said in January last, that the appropriations of the current fiscal year were extravagant beyond precedent, and exceeded, for the first time during my service here, even the extravagant estimates of the Department. I said that I would endeavor to prove that the gentleman from Massachusetts [Mr. DAWES] was right when he asserted that to be the fact, and that he was wrong when, at the suggestion of the gentleman from Ohio, [Mr. GARFIELD,] he took back what he had said upon that subject. And I said I would further show that all the balances of appropriations made for the year 1871, limited by law for the service of that year, from which the Departments are all now drawing large sums of money, are being drawn from in plain, palpable violation of law; and that every officer—I did not say so before, but I say it now—who is drawing from those balances and expending them, as a disbursing officer, is amenable to all the pains and penalties under the law of 1846 against embezzlement. I said, also, that I would look into the extravagance of the Government in other regards. I think I did enough of that in my speech on Saturday last, and shall therefore confine myself at this time to the first three propositions, which will occupy all the time allowed me.

As it has always been my habit to allow all proper questions to be put to me while I am discussing any subject, trying to answer them as best I can, I ask it as a favor that gentlemen will not interrupt me until I have had time to complete the evidence on which I rely, as it is almost impossible to make a clear and intelligent statement, which involves complicated facts and figures, if I am required to answer any question which may suggest itself to any member on any subject while I am arraying the proofs on the points at issue between the gentleman from Ohio and myself.

I want to avoid a general political discussion for once if I can, (you know how hard it is for me to do it,) and present this matter simply as if this House was a jury, selected to determine the truth of the facts presented.

When I made the statement last January that the appropriations of the last session of Congress, for the current fiscal year, were extravagant, going even beyond the exorbitant estimates of the Departments, the chairman of the Committee on Appropriations [Mr. GARFIELD] became excited, if not indignant, and with an air of triumph, which was doubtless intended to silence, if not to annihilate a hum-

ble member like myself, told the House—but I had better read what he said, so that there may be no misunderstanding:

Now, Mr. Chairman, I call attention to another remark of the gentleman from Kentucky, [Mr. BECK,] which I cannot allow to pass unchallenged. It is my purpose, when the legislative appropriation bill comes up for discussion, to go quite fully into a statement of the relations of appropriations to estimates for a series of years past; but I will only now ask the indulgence of the committee to say that the gentleman from Kentucky is wholly in error when he says that last year Congress appropriated $13,000,000, or $15,000,000, or any other sum whatever, above the aggregate estimates sent to us by the Executive Departments. I deny the truth of that statement, and am prepared to maintain that denial against all comers.

That had a chivalrous ring; it sounded like the proclamations in the old days, when the knights were entering the lists and hurling defiance against all antagonists. We will see how he came out. I tried to convince him that he had better examine the authority I had for my statements; but he paid no attention to it, as the sequel shows:

Mr. BECK. I hold now in my hand a book prepared at the Treasury Department, which shows that the appropriations amounted to $319,000,000, when the estimates amounted to only $308,000,000. Here is the book, and the gentleman can examine it for himself,

Mr. GARFIELD. Who says that the appropriations amounted to $319,000,000, and the estimates to but $308,000,000?

Mr. BECK. The Secretary of the Treasury.

Mr. GARFIELD. The Secretary of the Treasury says that the aggregate of his estimates for next year is $319,000,000.

Mr. BECK. No, sir.

Mr. GARFIELD. Will the gentleman turn to the final footings of the Book of Estimates?

Mr. BECK. My dear sir, I suppose you never saw this book before.

Mr. GARFIELD. I am familiar with that book.

Mr. BECK. You never saw it, or you would not talk in that way about it.

Mr. GARFIELD. I am perfectly familiar with the book, and I say to gentlemen that if they will turn to the ordinary Book of Estimates, I will give them facts which will, perhaps, help to guide us all. On page 36 the Secretary of the Treasury has summed up in one column this statement: "Appropriations for the year 1874, three hundred and six millions and odd dollars." In the next column, "Estimates for 1874, three hundred and eight millions."

Now, the Secretary of the Treasury is himself on record in the book before you, printed as the first document of this session, as saying that the total estimates laid before the last Congress for the year 1874 amounted to but $308,322,256.27; and this is one of the sums from which the gentleman draws the inference that the appropriations made by Congress exceeded the estimates by some thirteen millions. I have seen this charge floating through the press; but I am surprised to hear the Secretary of the Treasury quoted as authority for it.

It is perfectly obvious from what I have read that the gentleman from Ohio intended to deny with all possible emphasis that the appropriations made at the last session of Congress amounted to $319,600,000. His questions bristled all over with denial, and he told the House in the most solemn manner that the Secretary had told us at the beginning of this session that the total estimates for this year were $308,000,000, and the appropriations $306,000,000. I want these statements thus positively made to be distinctly remembered, in order to avoid shifting of issues now. He seemed to think it was a newspaper slander on the Secretary which I had picked up, and he would not be convinced even after I read the certificate of the Secretary himself to the truth of what I had said, as I did after submitting the Secretary's own book to his inspection, as the following shows.

This book is prefaced by the following notice, made by the Secretary of the Treasury:

NOTICE.

The following appropriations made by the third session of the Forty-second Congress, for the service of the fiscal year ending June 30, 1874, and for deficiencies for previous years, including the permanent and indefinite appropriations made by that and previous Congresses, are printed for the information of those concerned. In all estimates, disbursements, accounts, vouchers, settlements, and warrants affecting or relating to any appropriation herein authorized, the titles as printed in *italics* shall be quoted as the appropriation out of which payment is to be made.

WILLIAM A. RICHARDSON,
Secretary.

The summary is as follows:

Third session fiscal year 1874.

Legislative	$6,636,074 61
Executive	9,888,147 42
Judicial	3,743,243 87
Foreign intercourse	1,874,515 00
Independent Treasury	499,660 00
Mints and assay offices	976,620 31
Territorial governments	280,038 57
Military establishment	36,732,025 17
Naval establishment	22,498,620 55
Indian affairs	6,468,977 44
Pensions	30,480,000 00
Public works	20,057,132 00
Rivers and harbors	6,102,900 00
Forts and fortifications	1,899,000 00
Public lands	1,982,979 59
Postal service	6,496,602 00
Miscellaneous	15,674,164 29
Total	172,290,700 82
Permanent appropriations	147,361,943 49
(Book of Estimates 1873–'74, page 158.)	
	319,652,644 31
Additional for Navy in December	4,000,000 00
	323,652,644 31
Estimates for 1874	308,323,256 27
Excess	15,329,388 04

The additions only are my figures. The amount of permanent appropriations is stated as obtained at the Department.

When I read that statement in the presence of the House, the gentleman came over to my seat and again denied it. I give his language and my explanation:

Mr. GARFIELD. The gentleman will allow me to add to his reading the line at the head of the title-page, "Treasury Department, Warrant Division." In other words, the book comprises the appropriations made by warrant.

Mr. BECK. It does not say so.

Mr. GARFIELD. That is what the book is understood to be everywhere.

Mr. BECK. That is a mistake. It is a book giving the various laws making appropriations, showing every dollar of appropriation passed by Congress for the year. It does not contain appropriations paid by warrant, but appropriations made by law, whether set forth in estimates or not, and is swelled by appropriations for former years, for this District, and for other things not estimated for as current expenses by the Departments.

Notwithstanding the certificate of the Secretary of the Treasury that the book and summary set forth the appropriations made at the third session of the Forty-second Congress for the current fiscal year, and giving each bill in detail, and the amount appropriated by each, and my explanation of how it was made up, which was in every respect true, the utterly unwarranted statement of the gentleman from Ohio that it was only a book comprising the appropriations made by warrant, and was understood to be so everywhere, was accepted by the House and the country as the truth, and I was heralded to the world by the press as a slanderer of the Administration; convicted by the gentleman from Ohio of having made false charges of extravagance against the party in power. Even the leading paper in my own State, the Louisville Courier-Journal, edited by a warm personal friend, whose ability is equal to that of any journalist in the country, published as a good joke on me, that I had got hold of the wrong book, and that the gentleman from Ohio had exposed me rather unmercifully. I have never been able to obtain the floor in my own right since that time to put the matter right. I have it now, and intend to do so.

The gentleman from Ohio was perfectly aware, and he knew I was, that "appropriations made by warrant," as he chose to term it, or rather the amount drawn out of the Treasury during any fiscal year on the warrants of the disbursing officers of the Government, gave no just idea either of the actual appropriations for the year or of the expenditures for the legitimate service of the year. Knowing that, he evidently concluded that if he could either convince the House or obtain an admission from me of the truth of his statement, my assertion that $319,652,000 had been appropriated this year, while only $308,323,000 had been estimated for, would fall to the ground and be utterly disregarded. Of course he knew—as chairman of the Committee on Appropriations he could not help knowing—that it was impossible, when only half the fiscal year had run, that there could be any book showing the amount drawn out or appropriated by warrant for the whole year, which does not end till June 30, 1874; but it suited his purpose at the time, and the country temporarily believed his statement, absurd and impossible as it was, rather than mine, when it was proclaimed by such high authority that $306,000,000 were all the appropriations for this year, and the estimates were over $308,000,000, and that, as the Secretary had said so to this Congress in the Book of Estimates, it was a vile slander for anybody to state anything else as true, and he pledged himself to make a full speech, which would guide the House and the country in obtaining accurate knowledge of all the facts.

Mr. GARFIELD. Unless it is entirely agreeable to the gentleman, I will not interrupt him at all with any questions. But while he is on this point, or if he has concluded it, I simply wish to know whether I understand him now to state that he was right in saying that all the appropriations made at the last session for this fiscal year were $15,500,000 in excess of all the estimates made for this fiscal year?

Mr. BECK. I said this——

Mr. GARFIELD. I simply would like to know whether he states that.

Mr. BECK. I will answer the gentleman. All the estimates for the fiscal year, as certified by the Secretary of the Treasury, were $308,000,000, and the gentleman from Ohio and myself both acted upon that assumption. If he has got any private estimates in his pocket, sent in afterward, let me ask him—I do not want to be led away too far—how it is that, as he said himself, the Secretary of the Treasury is on record in the books before you, printed as the first document of this session, as saying that the total estimates laid before the last Congress, for the year 1874, amounted to but $308,000,000? That was his own assertion—that was mine Here is the Secretary's Book of Estimates for 1874 and 1875, laid before us on the 1st day of last December, after all these appropriations were passed, after all the deficiency bills were passed, after all the estimates bearing upon the last fiscal year had been sent in, for no estimates for deficiencies were sent in at this session until the other day, and they relate to the current fiscal year. There is the certificate of the Secretary of the Treasury that all the estimates for the year 1874 were $308,000,000, printed in this book furnished us now. If that is not the truth I do not know what to rely upon. They are either all the estimates, or the Secretary is trying to deceive the House by sending them to this Congress as such in his Book of Estimates, and I will read them after a while. I desire to settle the question I am now considering first.

It became apparent to the gentleman from Ohio, notwithstanding the grand flourish he made in January, that he could not stand on the assumption that I had got hold of the wrong book, or that the facts I had stated could be successfully contradicted, especially when he found that the gentleman from Massachusetts, [Mr. DAWES,] after

the most careful investigation, had come to precisely the same conclusion as I had, the Treasury Department admitting that the appropriations exceeded the estimates, because, as they said, there were many items in the appropriations not embraced in the Book of Estimates. I had told him so in January, but he paid no attention to me. The gentleman from Massachusetts [Mr. DAWES] was more successful. He said:

I hold in my hand, not the Book of Estimates, but the Treasury Department copy of every appropriation bill passed last year, and I have on the three hundred and sixth page of it a summary of the appropriations for last year, and also for this year. I went to the Department and obtained this book. I asked them to put under these appropriations the permanent appropriations for last year and this year, and here are their figures, and I give them exactly as they gave them.

The gentleman from Ohio, who had the estimate book, says that the appropriations for last year were $306,000,000, while this book says they were $319,000,000. I sent a special messenger to the Department and asked them why there was that difference. They took the appropriation bills and pointed to the appropriations that made up the difference, and that never went into the Book of Estimates. One was an item of $1,000,000 for the southern claims commission, and they pointed out a number of other items which never went into the book of the gentleman from Ohio, and that, they stated, was the reason why this book, which contains a printed copy of every appropriation bill, summed up $319,000,000, while his book only summed up $306,000,000.

That statement was a full and complete vindication of every word I had uttered in my speech last January, and a thorough refutation of all that had been so defiantly asserted by the gentleman from Ohio. He could not help feeling chagrined that his friend from Massachusetts should be so unfortunate as to follow my bad example, yet he had, reluctantly it is true, to admit the truth of what we had said. I again quote his own language:

Now, Mr. Chairman, let us see how the gentleman makes up his amount of $319,000,000, as the appropriations for the current year. My friend from Massachusetts [Mr. DAWES] unfortunately followed the example of the gentleman from Kentucky, [Mr. BECK,] who made use of the same figures a few days ago in an attempt to sustain a charge against the Committee on Appropriations, that they had brought in appropriations and that the House had made appropriations larger than the estimates sent to us. I call the attention of the committee to that point. Here, sir, in the same book which the gentleman from Massachusetts has used, and which also the gentleman from Kentucky used, is a statement of all the moneys appropriated by Congress at its last session; and they amounted to $172,290,700.82. That is the sum total, including all the regular appropriation bills, all relief bills, pension and claim bills, all bills of every sort appropriating money that were passed through the House under the lead of any committees or of any member. Now, in addition to that, the gentleman from Massachusetts, very properly, in order to find the total estimates for the year 1874, turns to the Book of Estimates for last year, which I hold in my hand, and finds that besides the sums appropriated by Congress at its last session there were estimated for under the head of permanent appropriations, for the year ending June 30, 1874, the sum of $147,361,943.49. This large sum being added to the amount of $172,290,700.82 which Congress appropriated the last session, makes $319,652,144, the sum the gentleman named.

That is precisely what I said in January, and all I said, so that he has proved it all, and verified every figure I gave, notwithstanding his indignant denial then and his profound regret that the gentleman from Massachusetts [Mr. DAWES] should have been unfortunate enough to have followed my example and used the same facts I had.

It will be observed that he no longer makes the charge that this is a book of appropriations by warrants, (so called,) which was his original statement. That theory had to be abandoned, and in his own statement just read he admits it is a book containing all the appropriations made by Congress at the last session, just as I had said, and just as he had emphatically denied only three weeks before.

I hardly think even he will claim that he has made his first statement good against all comers, notwithstanding it was heralded all over the country that the Committee on Appropriations and the last Congress had been slandered by me when I charged that $319,000,000 were in fact appropriated for the current fiscal year, embracing, of course, as the figures I furnished showed, the permanent appropriations. When it was proved to be so by the gentleman from Massachusetts the gentleman from Ohio had to admit the truth of every word I had said. I ask gentlemen to read the two debates, read the points made, and if the gentleman from Ohio has not squarely admitted everything that I had said then I do not understand the English language. I submit to the judgment of the House and the country, upon the facts I have presented, that I have made my first proposition good.

What is the next proposition? I had charged in January, and Mr. DAWES had proved in February, that the appropriations were for the current fiscal year in excess of those made by Congress for former years; that we were going from bad to worse in time of peace; and that retrenchment by Congress, in appropriations, was the proper remedy to be applied, and not taxation; that expenditures ought to be cut down; and that this was the place to enforce economy by legislation.

The gentleman from Ohio again came to the rescue of his Committee on Appropriations, and defended the action of the last Congress, charging that it was the addition of the sinking fund of $29,000,000, embraced in the item of $147,000,000 of permanent appropriations for the current year, which made the appropriations for the year appear larger than those for former years, in which he claimed it was not embraced. He closed with this statement:

But we have appropriated from all sources and for all purposes less money for the current fiscal year than the actual expenditures of the last year. I am quite willing to let the work of the Committee on Appropriations for the last Congress stand the comparison with former years.

In conclusion I will say, that when the legislative appropriation bill is introduced, which I hope will be to-morrow, or at furthest on Monday next, and when we come to its discussion, it is my purpose to address the House somewhat at length in regard to our expenditures and appropriations, and to propose some measures of retrenchment which can be tested by votes. I should not have troubled the House at this time, if I had not deemed it important to correct the error into which the chairman of the Committee on Ways and Means has fallen. I am sure he will be glad to have an opportunity to make the corrections I have indicated.

Mr. DAWES. I will say to the gentleman from Ohio, [Mr. GARFIELD,] that I am always very glad to be corrected when anything I say needs correction. When I compared the expenditures of last year with the appropriations of this year, the gentleman insisted that the sinking fund was included in the appropriations, but not in the expenditures, of last year. I am satisfied, since his statement, that I was mistaken, and he was correct, as far as that item was concerned. I was led into the mistake by the method of book-keeping at the Treasury Department. They have not, for the last four years, separated the sinking fund from the other reduction of the public debt, and they gave me the expenditure for each year and the reduction of the public debt for that year, including the sinking fund, in separate columns, as I gave them to the House. But in the appropriations for this year the sinking fund is included. I therefore, in comparing expenditures for the last year with appropriations for this, should have either added the sinking fund to the expenditures of last year, or subtracted it from the appropriations for this year. That sum is $29,000,000, not $43,000,000. When this is done, I am happy to say that it nearly wipes out the increase of the appropriations for this year over the expenditures of last year. I am sorry it does not quite do so.

It is with these statements of the two distinguished gentlemen that I take issue. I care nothing about the mere grouping of their figures, or whether, technically, the gentleman from Massachusetts had made a mistake. I maintain that he was right in the substantial charges made by him when he proved extravagant appropriations against the last Congress, and that he was utterly wrong when he allowed the gentleman from Ohio to so far mislead him as to make him take back that statement; and I take issue with the gentleman from Ohio and his economical committee, and am quite willing to make the comparison between the work of his committee in the last Congress and that of former years, if he desires to take the responsibility on his committee. I do not place it there.

I believe he is as unfortunate in his last position as he was in his first. It must not be forgotten that by the purchase and conversion of bonds we have now at least $25,000,000 less of interest to pay than we had four years ago, therefore our total expenses ought to be diminished by that sum, with the premium thereon, as that was all gold. But waiving even that, how do the facts appear? I turn again to the official figures of the Secretary of the Treasury. If we cannot get the truth out of them, as I said before, I do not know where to look for it. Gentlemen will please examine for themselves the last Book of Estimates, Executive Document No. 5, first session of the Forty-third Congress. On page 175 they will find the following tables vouched for as being true:

Total recapitulation by titles.

Objects.	Estimates for 1875.	Estimates for 1874.
Legislative establishment	$3,961,405 62	$2,973,274 40
Executiive establishment	17,805,674 90	17,129,261 90
Judicial establishment	3,409,750 00	3,587,050 00
Foreign intercourse	3,347,304 00	1,336,754 00
Military establishment	34,881,618 10	32,894,854 64
Naval establishment	19,251,935 86	20,154,220 15
Indian affairs	6,765,779 61	5,700,975 28
Pensions	30,480,000 00	30,500,000 00
Public works	33,168,287 10	29,687,345 69
Postal service	6,811,363 00	7,410,602 00
Miscellaneous	10,704,381 42	9,596,974 52
Permanent appropriations	148,521,237 21	147,361,943 49
Grand totals	319,198,736 82	308,323,256 27

Turn to page 162 of the same book and it will be found that the sinking fund of $29,000,000 is a part of the $147,361,943.49 estimated for 1874. The estimates are $308,000,000 in round numbers, and the appropriations are called $306,000,000 in another table, when we know, and it is admitted by the Secretary, and by the gentlemen from Massachusetts, [Mr. DAWES,] and from Ohio, [Mr. GARFIELD,] that the appropriation, including the sinking fund, was in fact $319,600,000, as I have already shown.

Turn again to the Book of Estimates of the year before last, Executive Document No. 5, third session of the Forty-second Congress, page 166, and the following table will be found under the official certificate of the Secretary of the Treasury:

Recapitulations by title.

Objects.	Estimates for 1873.	Appropriations for 1873.
Legislative establishment	$3,421,812 40	$2,282,672 80
Executive establishment	16,411,481 38	16,115,302 88
Judicial establishment	3,383,350 00	3,383,350 00
Foreign intercourse	1,208,634 00	1,343,804 00
Military establishment	31,422,509 88	29,252,216 54
Naval establishment	18,946,088 95	18,280,735 95
Indian affairs	5,445,617 97	6,336,362 91
Pensions	30,480,000 00	30,480,000 00
Public works	19,468,562 97	16,282,580 40
Postal service	5,474,001 00	6,425,970 60
Miscellaneous	11,081,741 44	9,630,998 82
Permanent appropriations	154,961,237 00	159,162,937 13
Unusual and extraordinary	.....	437,488 03
Total	301,705,036 99	299,414,438 56

Look at page 155 of the same document, and it will be found that about $29,000,000 for the sinking fund is embraced in both the estimates and appropriations for the year 1873 in the item of $154,961,237 in the estimates, and in the items of $159,600,425.16 in the appropriations. Gentlemen will not fail to observe further that the permanent appropriations for interest, sinking fund, &c., for the year 1873, were over $10,000,000 more than the same items for the current fiscal year. Yet the total appropriations for the year 1873, with all this extra interest included, amounted, as the Secretary certifies, to $299,414,428.56, or over $20,000,000 less than the appropriations for the current fiscal year ending June 30, 1874. The difference is still more striking if the same test is applied to both years which the gentleman from Ohio applied to the current fiscal year in his debate with the gentleman from Massachusetts.

He showed that the $172,290,700.82 were the regular appropriations for the working machinery of the Government, and the permanent appropriations of $147,361,943.49, which made up the total expenditures of $319,652,144, ought not to be charged to expenditures made by Congress, but to the debt, interest, and sinking fund. I agree with him that that is the test of economy or extravagance in the Committee on Appropriations and of Congress. Treat the preceding fiscal year in that way, and what is the result?

Total appropriations as shown by the Secretary and furnished to Congress, five months after the year expired, are	$299, 414, 428 56
Total permanent appropriations	159, 600, 425 16
Making as ordinary expenditures	139, 814, 003 40
Against like expenses this year	172, 290, 700 82
Difference against this year	32, 476, 697 42

Go back to the Book of Estimates for the year 1872 and you will find the following tables furnished by the Secretary, showing the estimates and appropriations for that year. See page —:

Objects.	Estimates for 1872.	Appropriations for 1872.
Legislative establishment	$3, 263, 966 34	$2, 859, 855 74
Executive establishment	17, 238, 165 50	18, 771, 337 16
Judicial establishment	2, 348, 750 00	2, 368, 750 00
Military establishment	28, 488, 194 00	28, 035, 849 50
Naval establishment	20, 045, 417 77	19, 784, 717 25
Indian affairs	5, 021, 569 03	5, 593, 602 41
Pensions	30, 000, 000 00	33, 550, 000 00
Public works	22, 338, 278 37	15, 413, 903 29
Postal service	4, 694, 383 00	4, 694, 383 00
Miscellaneous	14, 305, 428 60	7, 505, 550 60
Permanent appropriations	161, 895, 167 00	163, 601, 861 35
Unusual and extraordinary	.....	579, 289 05
Total	309, 639, 319 61	302, 759, 099 35

And on the opposite page, among the items which go to make up the amount of the permanent appropriations, will be found the following:

For interest on the public debt	$117, 469, 959
Sinking fund	29, 366, 933

Go still further back to the Book of Estimates for the year 1871, and you will find the following table, giving the estimates and expenditures for that year, as follows, on page —:

Objects.	Estimates for 1871.	Appropriations for 1871.
Legislative establishment	$2, 833, 891 40	$2, 575, 780 21
Executive establishment	21, 321, 804 00	19, 655, 856 70
Judicial establishment	1, 575, 990 00	1, 529, 850 00
Military establishment	33, 845, 747 75	29, 590, 936 42
Naval establishment	24, 598, 277 37	19, 351, 846 17
Indian affairs	5, 048, 334 51	6, 672, 383 80
Pensions	30, 490, 000 00	30, 000, 000 00
Public works	24, 625, 173 55	11, 984, 518 08
Postal service	5, 427, 131 21	727, 000 00
Miscellaneous	6, 631, 267 83	12, 145, 336 67
Permanent appropriations	171, 962, 415 00	165, 395, 500 00
Unusual and extraordinary	.....	1, 008, 078 39
Total	328, 360, 032 62	300, 637, 086 44

While on the opposite page of the same book, among the items of appropriations making up the permanent appropriations, the following will be found:

Interest on public debt	$119, 965, 776
Sinking fund	28, 328, 749

These four years illustrate and prove what I contend for, and of course disprove the statements of the distinguished gentlemen who contend that the appropriations for the current year compare favorably with those of former years, while the figures make the fact conclusive that the sinking fund is embraced in all the estimates and all the appropriations for each of the years the Secretary says so. His friends may accuse him of false statement or fraudulent concealment of truth; I do not. The figures further show, what I charged to be true, that the appropriations for the current fiscal year is the only instance in which Congress has appropriated more money than the Departments asked for. The following table will show how the matter stands:

Appropriations for the year 1871	$300, 637, 086 44
Permanent appropriations	166, 403, 578 39
Appropriations for ordinary purposes	134, 233, 508 05
Appropriations for the year 1872	$302, 759, 099 35
Permanent appropriations	164, 181, 150 40
Appropriations for ordinary purposes	138, 577, 948 95
Appropriations for the year 1873	$299, 414, 428 56
Permanent appropriations	159, 600, 425 16
Appropriations for ordinary purposes	139, 814, 003 40
Appropriations for the year 1874	$319, 652, 644 31
Permanent appropriations	147, 361, 943 49
Appropriations for ordinary purposes	172, 290, 700 82

If these figures and tables do not sustain me and sustain all the charges of extravagance made against the present condition of things by the gentleman from Massachusetts, no argument I can make can add to the force of them; and if they do not prove that the sinking fund is embraced equally in each statement, I cannot understand how the conclusion can be avoided.

I will show presently how the gentleman from Ohio was able to create all the confusion he has succeeded in doing. By the use of other figures, taken from the book of warrants drawn upon the Treasury during any one year, for any money either in the Treasury or in the hands of the Treasurer as agent for any of the Departments of the Government, no matter whether the sums so drawn were derived from appropriations made by Congress, or from proceeds of sales of property made by the Bureaus of the War, the Navy, or the other Departments, and by discarding the appropriations made by Congress, or blending them with the proceeds of sales drawn on by the Departments during the year, and applied to pay their own accounts, about which Congress and the people know nothing, he succeeds in presenting certain aggregates, which he calls the expenditures for the years to which he refers. He had a holy horror of the book of warrants, when he thought I was using it in January. The acts of Congress and its appropriations were the only things to be considered then, as he claimed and I admitted. When he finds that I make good by the appropriations all I said, he flies to the book showing expenditures by warrants, in which all private payments by all Departments are embraced, as well as all appropriations by Congress, and in that way tries to show that the transactions of this year are not worse than those of former years. It may not be in the departmental transactions; the ships, arms, and other war material they could sell and draw on are getting scarce; but the action of Congress is getting correspondingly worse. That is what I affirm; that is what he denies; and I have taken up the yearly appropriations for ordinary expenses, which he admits is the true test of congressional extravagance, to prove it.

Even my friend from Massachusetts [Mr. DAWES] got a little befogged at that point, by getting the figures in the book of warrants mixed up with the appropriations. He seemed to have forgotten the fact, that when he and I were both members of the Committee on Appropriations, he being our chairman, the act of July 12, 1870, was passed; and I take occasion to say now, that in my opinion it was the best law ever passed since I have been in Congress. It was passed under the lead of the gentleman from Massachusetts, [Mr. DAWES,] and he deserves great credit for the part he took in it.

The following is one of its provisions:

SEC. 7. It shall not be lawful for any Department of the Government to expend in any one fiscal year any sum in excess of appropriations made by Congress for that fiscal year, nor to involve the Government in any contract for future payment of money in excess of such appropriation.

Gentlemen will carefully bear in mind this provision of law. It is in full force now; and the distinguished gentleman on the other side will be slow to admit that any of the heads of Departments or other disbursing officers of the United States have violated its provisions in the expenditure of public money, in view of the penalties prescribed for such violation by the act of June 14, 1866, which I shall quote presently, it being also unrepealed.

I have shown by the official reports of the Secretaries of the Treasury, and I do not intend to indicate that they do not state the truth, that all the appropriations for the fiscal years 1871, 1872, and 1873 ranged from say $136,000,000 to $140,000,000 a year for the ordinary expenses of the Government. If more was spent, who spent it? By whose authority was it expended? The law of 1870 expressly prohibited any excess of expenditure over appropriations made by Congress for the fiscal year. A charge that more was expended than the amount appropriated, whether made by the gentleman from Ohio or the gentleman from Massachusetts, is a charge that these officials are corrupt embezzlers of the public money, and ought to be in the penitentiary, instead of filling the high positions they hold. I make no such charge. If their figures are insisted upon they do.

Where do they get the figures upon which they rely? They turn to the finance report. Please recollect in the January debate how hard the gentleman from Ohio [Mr. GARFIELD] strove to make me admit, and he temporarily convinced the country, that $319,000,000,

reported by the Secretary as appropriated by Congress for the year, was only the amount appropriated by warrant, as he called it. He knew, if he could get that admission from me, he would say at once that the warrants did not show anything definite about the expenditures of the year, as connected with the appropriations made by Congress, but were swelled up by all sorts of sales and accounts. Now, when driven to the wall, in order to make an exhibit to the country, which gives some plausibility to his assertions, he falls back on the expenditures by warrants; and there is the blunder my friend from Massachusetts [Mr. DAWES] committed, for he too fell back on the finance report. I repeat, the gentleman from Ohio fell back upon the finance report, and finds the following figures there:

The net ordinary expenditures for 1870 were $164,000,000; for 1871, $157,000,000; for 1872, $153,000,000, and for 1873, $186,000,000. I give round numbers only. There is appended to that report this note by the Secretary, which gentlemen were careful not to read:

NOTE.—This statement is made from warrants paid by the Treasurer up to June 30, 1866, the outstanding warrants are then added, and the statement is by warrant issued from that date. The balance in the Treasury June 30, 1873, by the statement, is $159,293,673.41, from which should be deducted the amount deposited with the States, $28,101,644.91, leaving the net available balance June 30, 1873, $131,192,028.50.

The statement by warrants is very useful, as showing all money drawn from all sources, and on all accounts during a series of years, and is well known to all intelligent men to embrace many items and details not connected with congressional action. No one knows it better than the gentleman from Ohio.

It will not be denied that the law provides that it shall not be lawful for any Department of the Government to expend in any one fiscal year any sum in excess of appropriations made by Congress for that fiscal year. Yet the warrants drawn show that they do spend more, largely more, and unless they have other funds to draw upon than those appropriated, they are willfully and deliberately violating the law by so doing. Do the gentlemen charge that upon them on this floor? They will hardly admit it, yet their figures unexplained present that charge distinctly.

I do not charge any gentleman with willful perversion of facts. Concealment to bridge over a difficulty is not much better; but I do not charge that either. I can show in a few minutes how these warrants swell expenditures.

I hold in my hand the report of the Secretary of the Navy, sent to the House a year ago in answer to a resolution introduced by myself. In accounting for the proceeds of four hundred and odd ships sold since 1865-'66, and for all the material of the Navy disposed of, he says a large portion of it was refunded into the Treasury of the United States—which means put into the hands of the Treasurer as agent for the Department—and there it was subject to draft, and was drawn upon from time to time for what they called the debts and liabilities of the Department. It is out of this money that all claims are paid, and these sums swelled the aggregate of the expenditures during the fiscal year, as warrants are drawn upon them whenever the Department wants to pay claims. It is an extremely loose system; but I cannot go into that now. I have called attention to it often before.

Take the report of the Secretary of War made to the last Congress. The House, on my motion, called upon him for information as to what had become of the war material his Department had on hand when the war closed. He answered, and showed that the Quartermaster-General's Bureau had received and spent $107,000,000 in excess of all appropriations by his warrants drawn on the Treasurer. He said all this had been used in payment of indebtedness of the Department, except $2,000,000. Of course I never charged the Department or any officer with stealing the money. My complaint was and yet is that they spent it in ways Congress knew nothing of. But it was all deposited with the Treasurer of the United States, was drawn out by warrant issued by those Departments, and applied to what they call the debts of the Departments. What I propose to show now is that the figures which these gentlemen see fit to give us as the expenditures of the year embraced not only the appropriations of the year, but embraced all payments made out of proceeds of the sales of property made by the War, Navy, and all the other Departments of the Government. That is the way these things are accounted for.

Another suggestion to make this plain. A controversy occurred some time ago about the sale of arms to the French. The matter was discussed elaborately in the Senate, and information was called for. The Secretary of the Treasury put down the expenses of the War Department at $35,000,000, and appended the following note, as his report for 1871 shows:

NOTE.—This is the net amount after deducting $8,280,000 repaid into the Treasury as proceeds of sales of ordnance. The true expenditures were $44,000,000.

These things show what are comprehended in the warrant book from which gentlemen take their figures. Will any gentleman on the other side rise on this floor and say in the face of the provisions of the law of 1870—with appropriations for the ordinary expenses of the Government for the year 1871 amounting only to $134,000,000; for the year 1872, $138,000,000; for the year 1873, $140,000,000; and for the year 1874, $172,000,000—that they had for the net ordinary expenses of the Government and for the items embraced in those appropriation bills expended each year $15,000,000 or $20,000,000 more than was appropriated? If they do, and if that is the fact, then every officer in the United States who has used that money is guilty of embezzlement, and instead of occupying his high place he ought, as I said before, if the laws are enforced, to be in one of the penitentiaries of the country. Let them make the charge, if they should enforce the law against those who violate it. I propose calling attention to the law which punishes such conduct.

Here is the act of 1866. Section 2 reads as follows:

That if any disbursing officer of the United States——

And all these Departments become disbursing officers the moment the money is placed with the Treasurer, as it is then subject to their warrant.

If any disbursing officer of the United States shall deposit any public money intrusted to him in any place or in any manner, except as authorized by law, or shall convert to his own use in any way whatever, or shall loan with or without interest, or, for any purpose not prescribed by law, shall withdraw from the Treasurer or any assistant treasurer, or any authorized depositary, or for any purpose not prescribed by law shall transfer or apply any portion of the public money intrusted to him, every such act shall be deemed and adjudged an embezzlement of the money so deposited, converted, loaned, withdrawn, transferred, or applied; and every such act is hereby declared a felony, and upon conviction thereof shall be punished by imprisonment with hard labor for a term not less than one year nor more than ten years, or by a fine of not more than the amount embezzled nor less than $1,000, or by both such fine and imprisonment, at the discretion of the court.

Such is the law. I have already read the act of 1870 which provides that it shall not be lawful for any Department of the Government to expend in any one fiscal year any sum in excess of appropriations made by Congress for that fiscal year. I have shown—and no man can deny it—that the appropriations for the net ordinary expenses of the Government were from twenty to twenty-five millions a year less, on the average, than the gentlemen from Ohio and Massachusetts say have been expended as the net ordinary expenditures of the Government.

It is a little strange that I have to defend their own officers against their charges, by showing that the only way they can possibly be honest men is to make up the annual expenditures by warrant by the proceeds of sales of our property, which they claim the right to sell and dispose of without having any reappropriation made. If an investigation shall be ordered, that would be their defense, and the only defense they could make. And this is the way they assert their right to do so. Take the Army, for example.

An appropriation of $1,000,000,000 was made for the Army in 1865. The war closed. Nothing like that amount was needed. Large numbers of mules, horses, wagons, munitions of war of all sorts, were left on hand. They sold them. Demand was made by myself and others, "Why do you not pay this money back into the Treasury?" The answer was, "The War Department was charged with it in 1865; if we pay it back to the Treasury, and it is reappropriated again, it will be a double charge, because that $1,000,000,000 stands against us." They therefore kept it without reappropriation, to pay what they call their debts. The money was in the hands of the Treasurer, and they drew warrants on it, and those warrants as drawn went into these net ordinary expenses by warrant which these gentlemen now parade as though they were appropriations made by law, and all this is done to save Congress and its Committee on Appropriations from just charges of extravagance.

The Books of Estimates ought to tell the truth; if they do not, the gentlemen who have charge of them should be dismissed in disgrace for sending false statements to Congress in order to deceive the representatives of the people; if they tell the truth, it is beyond all question true that all my charges of extravagance, and as to the sinking fund, are sustained, as every one of the statements of appropriations and estimates which I have submitted proves my assertions. I ask gentlemen on both sides to read them when they are embodied in the RECORD.

It is absolutely certain that in each year, from 1870 up to the present time, both our appropriations and the estimates contain the sinking fund; contain all the interest; contain every item that is included in the appropriations or the estimates for each fiscal year; and the gentleman from Massachusetts, as I have already said, did wrong when he took back what he had said about the great expenses of this year as compared with others, at the request of, or rather under the clamor raised by, the chairman of the Committee on Appropriations. He was glad to do it; of course he was. It was right that he should be, if there was any loop-hole to be found whereby to shield his party from such glaring and extravagant appropriations and expenditures, for he showed that the expenditures for this year would exceed $321,000,000, even though the interest on the public debt has been reduced nearly if not quite $30,000,000, when expenditures ought to be at least that much less every year; and yet every year we see them swelling enormously, as the gentlemen, it seems to me, must know, from the exhibits they have themselves been compelled to make, although the distinguished gentleman from Ohio [Mr. GARFIELD] had a few weeks before put me down by bold assertion, and it had gone to the country that I had got hold of the wrong book, and that there were no such appropriations as I showed. Perhaps he thought he could silence the gentleman from Massachusetts, who would gladly be silenced in order to shield the party, and once more the papers have taken it up and have shown how the gentleman from Massachusetts [Mr. DAWES] was slandering his own party, and how the gentleman from Ohio was again the hero of the day, when the facts show, and the Books of Estimates show, and the appropriations show, when we trace the matter year by year, that the original statement of the gentleman from Massachusetts, in all its substantial ideas, was true—certainly that the appropriations

this year for ordinary purposes were largely in excess of the appropriations made for any former year; and that they will be all spent, and deficiencies called for besides. In this all agree, that the net ordinary appropriations and expenditures, and not the permanent appropriations, are the only true tests of extravagant legislation by Congress.

Mr. DAWES. Will my friend from Kentucky yield to me for a moment?

Mr. BECK. Yes, sir.

Mr. DAWES. I understood the gentleman to say that the gentleman from Ohio had silenced me because I was glad to be silenced in the interest of my party.

Mr. BECK. If I used the word "because," it was wrong. What I intended to say was, I had no doubt the gentleman was very glad to be silenced, and it was very proper that he should be if he could, for the good of his party. I take back the "because."

Mr. DAWES. Mr. Chairman, the gentleman from Kentucky does not quite do me justice in that respect, nor does he do the gentleman from Ohio justice, or else I suffer a good deal unreasonably. I admitted upon the floor of the House that the gentleman from Ohio was correct. I have since examined the figures, and I am still of opinion that the gentleman from Ohio was correct, with this exception, that he accidentally stated the sinking fund to be $43,000,000, when in point of fact it was $29,000,000. With that exception, I am still of opinion, after a careful revision of all his figures, that the gentleman from Ohio was correct in saying this, that in my comparison of the expenditures year after year I stated them correctly; but when I came to the appropriations of this year—not the expenditures of this year, because the year had not ended—I did not include the sinking fund in past years, although it was included in the appropriations for this year. I was glad to be corrected to that extent, wherever I was mistaken. I was desirous of being absolutely correct and accurate. And if I had done injustice anywhere, I was very glad to be corrected.

Mr. BECK. I have but about twelve minutes left.

Mr. DAWES. The Committee of the Whole will not take out of the gentleman's time that which I may occupy.

While I was glad to be corrected there, I do not think the gentleman from Ohio is correct in his other statement in reference to his comparison of the expenditures from year to year. The gentleman from Kentucky [Mr. BECK] is correct in that respect. While I would be glad to have it otherwise, I insist upon it that the figures bear out the gentleman from Kentucky in his comparison of the expenditures, while they do not bear me out in reference to excluding that single item of the sinking fund from the appropriations.

Mr. BECK. We will put them all in the RECORD.

Mr. BUTLER, of Massachusetts. How about the express business of the Post-Office?

Mr. DAWES. So far as I know, I was absolutely accurate about that.

Mr. BUTLER, of Massachusetts. That is, about that bolt?

Mr. DAWES. My colleague and I are not to be drawn into a controversy at this time. I got up to make a correction between the gentleman from Kentucky and myself. I know of nothing in the speech I made the other day that needs correction as it stands to-day; I adhere to that speech as it stands to-day. I gladly made a correction before I closed the speech, which is in the speech as printed, because I believed then, and on further examination of it I am confirmed in that belief, that the gentleman from Ohio, to that extent, was accurate.

Mr. BECK. In the few minutes I have left, I have two or three other things to say.

The gentleman from Ohio [Mr. GARFIELD] made a great speech in 1872, in which he said—for he is always promising and prophesying economy, which is, unfortunately, never realized:

> I know it is not safe to attempt to forecast the future, but I venture to express the belief that, if peace continues, the year 1876 will witness our ordinary expenditures, exclusive of the public debt, reduced to $125,000,000.

That means for the next fiscal year. Yet the estimates sent to us for 1875 are $200,000,000, or very near it. He goes on to say:

> The interest on our public debt reduced to $95,000,000; making our total expenditures, exclusive of payment on the principal of the public debt, $220,000,000. Judging from the experience of our own and of other nations, we may not hope thereafter to reach a lower figure.

And then he gives, also, the following figures, showing the reduction of yearly interest:

July 31, 1865, (maximum.)	$151, 832, 651
March 1, 1869	126, 389, 550
March 1, 1871	114, 852, 089
July 1, 1871	111, 439, 385
July 1, 1872	109, 223, 622

The gentleman from Maine [Mr. HALE] was still more lavish in his promises. He said:

> The expenditure has been so well kept in hand that to-day it is but $120,000,000, including both the War and Navy Departments. Now, sir, that is to be reduced. That figure, low as it is compared with what it was five years ago, is, as the chairman of the Committee on Appropriations has said, to be brought still lower. The rule has been established, and there has been no year since the present Administration came in during which the expenditure has not been cut down, and the Committee on Appropriations, by its present report, shows that it can be still further reduced. This reduction is to go on, and I believe the lowest figure may perhaps be reached a year or two earlier than the gentleman from Ohio [Mr. GARFIELD] has stated.

Another member of the Committee on Appropriations, Mr. SARGENT, of California, said about the last Indian appropriations:

> The amount appropriated for all purposes, including deficiencies, for the Indian service during the fiscal year, was $6,362,062.91. The bill which the Committee on Appropriations have instructed me to report for the present year appropriates $5,379,365.05; making a reduction of $982,697.86, or nearly one million dollars.

Yet the Secretary of the Treasury shows in his last report to Congress that, instead of the Indian expenditures being $5,300,000, they will exceed $8,500,000, for the current fiscal year.

These are merely specimens of promises made before election. We know to our sorrow how they are disregarded.

A few words on another very important question, to which I wish to call the attention of the Committee of the Whole. It is to the wrongful, and, I may properly say fraudulent way in which the Departments are using money that belongs to the people, drawing it out of the Treasury every day, in palpable violation of law, to keep down the appearance of deficiencies. First, let me read the sections of the law. Sections 5 and 6 of the act of July 12, 1870, provide:

> SEC. 5. That all balances of appropriations contained in the annual appropriation bills, and made specifically for the service of any fiscal year, and remaining unexpended at the expiration of such fiscal year, shall only be applied to the payment of expenses properly incurred during that year, or to the fulfillment of contracts properly made within that year; and such balances not needed for the said purposes shall be carried to the surplus fund: *Provided*, That this section shall not apply to appropriations known as permanent or indefinite appropriations.
>
> SEC. 6. That all balances of appropriations which shall have remained on the books of the Treasury, without being drawn against in the settlement of accounts for two years from the date of the last appropriation made by law, shall be reported by the Secretary of the Treasury to the Auditor of the Treasury whose duty it is to settle accounts thereunder, and the Auditor shall examine the books of his office, and certify to the Secretary whether such balances will be required in the settlement of any accounts pending in his office; and if it shall appear that such balances will not be required for this purpose, then the Secretary may include such balances in his warrant, whether the head of the proper Department shall have certified that it may be carried into the general Treasury or not. But no appropriation for the payment of the interest or principal of the public debt, or to which Congress may have given a longer duration of law, shall be thus treated.
>
> SEC. 7. That it shall not be lawful for any Department of the Government to expend in any one fiscal year any sum in excess of appropriations made by Congress for that fiscal year, or to involve the Government in any contract for the future payment of money in excess of such appropriations.

Under these provisions, it seems to me very plain that all unexpended balances for the service of any fiscal year should be covered into the Treasury at the end of two years. The last Book of Estimates, Appendix B, contains a statement showing the balances of appropriations in the Treasury on the 1st day of July, 1873, made for the service of the fiscal year ending June 30, 1871, limited by law to the payment of indebtedness and payments for that year. The two years required by law had certainly expired on June 30, 1873. They amount to over $52,000,000. Yet the Secretary shows in the last Book of Estimates that, in the face of the law I have read, and in utter disregard of its provisions, these balances are still kept out of the Treasury, and are being drawn upon every day by the heads of the Bureaus and Departments. And he further reports that up to the 30th of September, 1873, about $1,050,000 had been so withdrawn from these balances, $500,000 of which were drawn by the Post-Office Department during the first three months of the current year.

I cannot conceive how Congress, if it has any decent respect for law or its own rights or authority over the public money left, can for a moment wink at such conduct or permit it to continue. If that is allowed, Congress might as well transfer its power over taxation and appropriations to the Executive Departments of the Government and tell them to do with the money of the people as they see fit. Surely we should try and correct this flagrant abuse.

I introduced some ten days ago a resolution, which was referred to the Committee on Appropriations, calling upon the Secretary of the Treasury to tell us what amount of these balances made for the year 1871, which ought now to be in the Treasury, but are wrongfully kept out of it, have been drawn out and expended since September last. The Committee on Appropriations have not thought it worth while even to report back that resolution. I hope they will do so. The Departments are, of course, drawing upon those balances every day, although there is not a fair-minded man in the country who, reading the law, will not say that at the end of two years the Departments had no more right to draw upon that money than they have to put their hands into my pocket and take out what I have there. The gentleman from Ohio [Mr. GARFIELD] explains that the claim of the Departments is, that if in the course of the two years they draw upon these balances, for no matter how small an amount, the balance continues available, and, if drawn upon in this way during each successive term of two years, they may be continued subject to draft indefinitely. But the provision of the law is, that these appropriations shall be covered into the Treasury two years after the appropriation made by law. The Congress of the United States makes the appropriation by law. No executive officer can make a law, or an appropriation by law; it was to prevent the possibility of such construction that the act of 1870 was passed. It is because executive officers are undertaking to make laws, are defying the law-making power, as well as the judicial authority of the Government, that this country is on the down grade leading into the frightful chasm of corruption and extravagance. It was to guard against just such conduct on the part of executive officers, as I said, that the laws were passed requiring money appropriated but not needed to be paid into the Treasury, and declaring it embezzlement to take any money from the Treasury of the United States except in accordance with law. The Departments are wholly disregarding these laws; and as they are doing it to keep down deficiency bills, so that the expenditures of their Departments shall not properly appear on the records against them, this House and the Committee on

Appropriations seem determined to countenance their acts. Of course every usurpation thus winked at encourages them and urges them on to others.

The resolution I offered and had referred was as follows; it ought to be reported back and passed at once:

Resolved, That the Secretary of the Treasury be directed to inform the House what portion of the balances of appropriations remaining in the Treasury July 1, 1873, made for the service of the fiscal year ending June 30, 1871, limited by law to the payment of indebtedness incurred during the year for which they were made, has been drawn during the current fiscal year by any of the Departments of the Government, or any of the Bureaus thereof, stating specifically from what items of said balances of appropriation the amounts have been drawn, and the purpose to which the money so drawn has been applied, so far as the records in his Department exhibit said purpose.

As a specimen of how these things operate, I cannot do better than remind the House of the legislation which rendered possible the consummation of the contracts reported to us the other day by the Secretary of the Treasury, made by him with a man by the name of Sanborn, and with others. I regret to say that my friend from Ohio [Mr. GARFIELD] managed the appropriation bill before the House containing the provision which has been construed to authorize them, and put it through. I have his speech here. In the record he represented it as harmless, if properly executed, and the House voted for the passage of the law. Yet under it Sanborn and two other men got control of the Treasury, demoralized all the internal-revenue service, and are to-day issuing letters of marque and reprisal against men all over the country. That is a specimen of the way executive officers usurp power when they can. Look at the report, and see also the letter of the Commissioner of Internal Revenue, protesting as far as he dared. Out of these things from which they are now collecting, the Commissioner of Internal Revenue for the year 1872 collected $19,000,000 through his ordinary collectors, and for the year 1873 $6,300,000. Yet the Secretary of the Treasury has so construed the law as to put into the hands of Sanborn and his associates the management of all this business, giving them 50 per cent. of all they can collect, and requiring all the internal-revenue officers of the United States to report to them in all such cases as they point out, or embrace in the drag-net they have spread, thus suspending the regular operations of those officers who would attend to the collection of our revenues for 10 per cent. Such proceedings carried on by the executive officers of the Government furnish only another evidence of the reckless disregard of law characteristic of the present Administration. As such I refer to it; its enormities will be exposed hereafter.

One other thing. I have given notice, and now give it again, that I shall endeavor (next Monday I shall make the effort, as the Committee on Appropriations does not deem it proper to do so) to so suspend the rules as to make it in order to offer an amendment to the legislative appropriation bill striking out in the sixth section of the act of July, 1870, the words "without being drawn against in settlement of accounts;" so that it may be put beyond the power even of departmental construction to take these large balances out of the Treasury.

The Committee on Appropriations in 1870, in framing that legislation, and Congress in passing it, thought that they had closed the door against the Departments taking the money of the people beyond all peradventure. It seems almost impossible to do it. It has been the constant struggle of the Departments to escape the prohibitions and safeguards of that law. They have succeeded to a limited extent—always, allow me to say, against my protest, and always, I believe, against the protest of the gentleman from Massachusetts, [Mr. DAWES.]

Sir, the Secretary of the Treasury is before us now trying to have that provision nullified, so far as public works are concerned. (See Executive Document No. 146.) Mr. Mullett, the Supervising Architect, also insists that the law shall not apply to any of his operations, and the argument is that it had been repealed so far as it applied to the lighthouses. On the strength of that he insists that he ought to be relieved from the operation of the law. From the day the law was enacted every executive officer has been denouncing it and complaining of those who took part in its enactment. A constant struggle has been necessary on the part of those who want to keep public money in the Treasury to prevent this law from being swept away. It has been evaded, as we now see but too plainly, by a construction which no fair-minded man can give; and it is no answer to say that this construction had been formerly sustained by any departmental or executive officer. Whatever may have been the rule of construction before, we put into the law the requirement that these appropriations should not be available two years after they were created "by law," the object being to preclude the very construction now adopted by the Departments, that appropriations could be made by warrant drawn by an executive officer. Yet, as I said, the Departments are still spending these balances. As appears from the official statement of the Secretary of the Treasury, over $1,000,000 were expended during the first three months of the present fiscal year, more than two years after the expiration of the year 1871, for which the money was appropriated definitely and exclusively. There is now kept out of the Treasury, as the Book of Estimates shows, and as the gentleman from Massachusetts showed, $72,000,000 of those balances for various years which ought to be in the Treasury, obtained from former appropriations. They are now kept floating by the Departments, liable to be taken and misappropriated by the officers of the Department who have the money under their control. Yet we cannot even get information upon the subject; the Committee on Appropriations so far have failed even to report a resolution calling upon the Secretary of the Treasury to tell us what has been done with them. Is it not clearly not only my right, but my duty, to complain when such a state of things exists, and to expose as well as I may the monstrous wrong which is being done, so that other members may look into it and aid me in breaking it up? The balances for 1871 alone, which are now held on to with a grip which Congress alone can loosen, amount to over $52,000,000. Surely it is worth the attention of Congress to prevent the further robbery of the people out of this vast sum.

I see that my hour is about to expire. I think I have made good what I said. I have shown, notwithstanding the denials of the gentleman from Ohio, that $319,000,000 were appropriated for the current fiscal year; that the Book of Estimates furnished to Congress shows that the estimates were $308,000,000; that the ordinary appropriations for this year, which determine extravagance in expenditure, are nearly $30,000,000 more than they were for the year 1872; that they have increased every year from 1871 to this time. I have shown that in all the appropriations and in all the estimates, the sinking fund, interest, and every item that is in the appropriations for this year, were included. I think I have shown—if I have not, a reading of the law will satisfy any gentleman upon the point—that the $72,000,000 of balances now held by the Departments, claimed by them to be subject to be drawn upon without consulting Congress, or saying, "By your leave," cannot be so drawn except in violation of law; and that every official who takes one dollar of that money out of the Treasury, as the Departments are doing now, comes under the penalties of the embezzlement act.

I have only time to say that Congress owes it to itself to put down the constant attempts on the part of the executive officers to use the money of the people without coming to the representatives of the people or going to the courts of the country for authority to do so. Until that is done you can have no honest administration, you can have no economy in the management of the affairs of the Government, you will be overwhelmed, and all honest efforts thwarted by secret rings who have influence, as they call it, with the heads of Departments, and their retainers, who do as they please in secret, without calling upon either Congress or the courts for their sanction in the expenditure of money. It was to get rid of this state of things that the law of 1870 was passed. I want that law retained upon the statute-book, and all its provisions rigidly enforced. If that is done, and not otherwise, honest administration is possible. The gentleman from New York [Mr. WOOD] showed conclusively in one of his tables the other day, if anything were needed further to prove what I have stated, that all ordinary expenditures are rapidly increasing to an alarming extent. The items for the Post-Office, for Indian affairs, for naval affairs, for the Coast Survey, judiciary, sub-treasury, and miscellaneous purposes, &c., prove that the total expenditures for these branches of the service in 1868 were $97,000,000, while for this year they were $135,000,000. I give the table itself, as follows:

Summary and comparative statement of expenditures in the several branches of the public service named from 1868 *to* 1873, *inclusive.*

Branch of service.	1868.	1873.
Post-Office	$22, 730, 592	$29, 084, 945
Indians	3, 988, 353	7, 951, 704
Naval	16, 288, 244	18, 296, 733
Coast Survey	455, 700	852, 828
Survey of public lands	373, 252	1, 128, 060
Surveyor-generals' offices	95, 209	414, 135
Judiciary	723, 378	3, 826, 131
Sub-treasury	260, 113	493, 661
Miscellaneous	53, 009, 867	73, 328, 110
Total	97, 924, 708	135, 376, 307

If I had time I could show how, by legislation, Congress has taken the money of the people and paid $400,000,000 of bonds in gold, at a frightful sacrifice, it is true, cutting down our payment of interest while the appropriations are going up instead of being reduced. Before the hammer falls allow me merely to repeat that while debt and interest have been reduced, the ordinary expenses in every other Department of the Government, the War and Navy, the Treasury, the Interior, Post-Office, indeed all other Departments, have gone up. These things have gone from bad to worse year after year, until now, in time of peace, the ordinary appropriations, all of which are spent, have reached the frightful sum of $172,000,000, as against about $134,000,000 in 1871, and $139,000,000 in 1872, and $140,000,000 in 1873.

[Here the hammer fell.]

Mr. WHEELER. I yield my time to the gentleman from Massachussetts, [Mr. BUTLER.]

Mr. BUTLER, of Massachusetts. Mr. Chairman, I had not intended to take part in the general debate on this legislative appropriation bill, but there are one or two matters, accusations, which have gone to the country in the impassioned speech of the gentleman from Kentucky [Mr. BECK] which I think should carry their antidote with them.

The first is an accusation against the Secretary of the Treasury that

he has allowed drafts of money from the Treasury without warrant of law; and not only that, but in exact contravention of law. If that were so, and I really believed it, I would introduce a resolution for his impeachment to-morrow. But I think the learned gentleman has overlooked one or two considerations in that regard, which will be a perfect answer to his indictment.

I agree that moneys appropriated by law, after the time when they were to be covered into the Treasury by law, have been drawn out. That is the fact. Was that in contravention of law? If I understand it, and I think I do, this is an exact answer to the proposition of the gentleman from Kentucky: When we appropriate money here for any governmental purpose which may extend over a year—it may be the contract under which it is to be spent cannot be finished in two years or three years; therefore the contract is made for the work to go on, and the money is set apart to answer that contract, and it is only paid so far and so fast as the contract is fulfilled and the work done. Would he have, in order to have a public building which will take three years in erection, and for which $2,000,000 is appropriated—would the gentleman from Kentucky have that money taken out of the Treasury in advance of putting up the building and paid to the contractor, so as to save its being covered into the Treasury, or would he have it set apart in the Treasury and paid as fast as the work progresses and the contract is finished? That is the whole of it; and that is provided for by law which applies to annual appropriations only. It is a legitimate action of the Secretary of the Treasury, and in my judgment in exact accordance with law, without which the business of the Government could not be carried on for an hour. Let us see.

Congress appropriates, for example, $2,000,000 to erect a public building. It will take three years to put up that building. A contract is made to erect that building in that time. The contractor goes on with a view to having the money when he finishes his work and as he does his work, and under the law, if construed otherwise than as the Secretary of the Treasury has construed it, the contractor having only obtained $1,500,000 payment for work done, the balance of the money would have to be covered back into the Treasury and the contractor left unpaid, broken up, and ruined. Now, does any body suppose that that was intended by Congress or anybody else?

And so with carrying the mails for the Post-Office Department. We appropriate so much money. A contract is made to carry the mails—a contract for four years. The contract may not be fulfilled within a year, but the money is there. What shall be done with it by the Postmaster-General? Shall he take the money out and pay the contractor before he does his work; or, shall he leave the money in the Treasury and pay him after the work is done?

It is all very plain and very correct; and I think my friend from Kentucky [Mr. BECK] cannot be in earnest in what he said about that. If he thinks—as he has said on this floor, if I understood him correctly in the heat of debate—that this money has been "fraudulently taken by the Secretary of the Treasury," he ought to bring in a bill to impeach him. And I am sure if he refers it to my committee and shows the facts, there would be one member of the committee who would vote for impeachment, though he was the dearest friend I had on earth.

Mr. BECK. Will the gentleman allow me one word?

Mr. BUTLER, of Massachusetts. Certainly.

Mr. BECK. I said in regard to these public buildings that the Secretary of the Treasury was now, as is shown in his own letter, Miscellaneous Document No. 146, backing the Supervising Architect of the Treasury in asking us to allow him to pay this money out of the Treasury and repeal sections 5 and 6 of the act enabling him to draw it; which shows that he does construe it as we do.

Mr. BUTLER, of Massachusetts. That is what I say. We thus allow him by law to draw it for a proper purpose. He draws it as it requires to be expended. And it is a perfectly proper administration of the Treasury.

There is another matter to which I am glad the gentleman has alluded, because it allows me to say something about it to the House and the country.

He said, if I understood him correctly, that the gentleman from Ohio [Mr. GARFIELD] engineered the law of the Sanborn contract. I do not know how that may be. The gentleman from Ohio has done many a good thing in his life, and in my judgment he did not do a bad thing in this regard if he did it. I assume, for the purpose of what I mean to say, that the gentleman did urge the passage of the law.

I have seen in the public prints and elsewhere that I engineered that matter—they do me honor overmuch in saying so—that I engineered it on behalf of Mr. Sanborn; but they forgot to say that, having engineered it on behalf of Mr. Sanborn, I allowed two contracts to be made with two other parties. I am sure if I had engineered the matter for Mr. Sanborn he would have got the contract at first. I want to say here, in the face of the House and the country, that in the voluminous correspondence and mass of papers put on your desks about that contract, my name is almost the only one that does not appear there in any form. I, for one, did not know that Mr. Sanborn had the contract. I neither recommended that he should have the contract nor knew that he got it until after he had it. If he had asked me about taking the contract, I would have told him that if it was to find gold dollars in the earth and pay them into the Treasury of the United States, not to take it, because there would be envious men, malicious men, lying men, who would insist that he had done it wrongfully, and would abuse him in the newspapers, if he was sensitive at all about that, and that he never would get money enough to pay him. I might have advised him not to take it, but he did not do me the honor to ask my advice in this behalf.

Now let us see what was this law for which the whole Administration has been attacked by a corrupt press, egged on by the very men, paid by the very men, who have cheated their country out of taxes for the last four years.

In the year 1870 we passed an act repealing the taxes on legacies and successions, and on various other things, gross earnings on railroads, and various other sources of revenue. We also passed an act that there should be no more assessors; and we abolished the whole body of assessors. From that hour no taxes could be assessed upon these delinquents; and by the law no collector of internal revenue as such could collect a tax that was not returned to him by an assessor on the list given him by an assessor. And, therefore, here were these legacies and succession taxes, and these taxes upon railroads, gross earnings, and dividends, which have been kept back, and which were still kept back for four years, could not and would not be collected. The limitation for assessments and suits for penalties runs out in five years. In a very few months more the law of limitation would run against all these taxes. Now those taxes were not assessed. Those taxes were not on any revenue officer's books. Those taxes to the amount of millions were being pocketed by the whisky ring, by the railroads, and by the heirs of rich successions who were not supporting the Government, while other poor men and their legacies had been taxed to their full amount.

Under these circumstances, without any engineering of mine—or, so far as I know, of the learned chairman of the Committee on Appropriations—it was thought best to do, what? To have them collected. How? By telling the collectors to go round and hunt them up? That they neither could do nor would do. How was any portion of these taxes to be got? Why, by offering inducements to somebody to go and look them up; by offering inducements to somebody to pay the expenses of looking them up, in the interest of the country, and the honest tax-payers of the country. A law was passed allowing the Secretary of the Treasury to make a contract giving not exceeding 50 per cent. to look up these things, which were not in any office—mark now, for I want to repeat this—not on any collector's books in the United States, and which were wholly unknown to such officers. Some one would be obliged to go, in the case of legacies and succession taxes, and examine all through the court records and the revenue returns and find out who had, and who had not, paid their succession taxes. Then he would be obliged to bring suit for the taxes, unless the parties, finding their delinquencies discovered, would pay without suit.

Now, what contract did the Secretary make? First, with Mr. Kelsey, a former member of this House, and once a member of the Committee on Appropriations—an honorable man, so far as I have ever heard—and he tried to do something with them, but not having that peculiar fitness for such employment, and energy which a man must have to succeed in such things, he gave up the contract, and threw it aside, without having collected a dollar, as I am informed, and as I believe. Then it was given to a man in Philadelphia, of whom I never heard, and he tried his hand at it, and gave it up as a matter that he could make nothing of. Then Mr. Sanborn, who for years and years had been the trusted agent of Adams Express Company, and had gone all over the country in looking up their business, who had peculiar fitness and aptitude for this work, applied, as I now understand, but as I did not know at the time, to the Secretary of the Treasury, and he undertook the contract. With the energy that distinguished his character, and with the skill with which he had done private business, he was enabled to discover these taxes. What was the first thing he did? He made the discovery of the names of the parties and corporations who were defaulters by going to the probate records, and by overhauling the settlements of estates in the various courts, and found the men that had not paid the taxes; also, by going and examining the railroad books, which the express business had peculiarly fitted him for, and ascertaining where the taxes had not been paid. He then came to the Secretary of the Treasury and gave a list of those whom he found owed the United States, in his judgment, and he said, "Now I have got this information, give me a contract to collect these taxes which I disclose to you for the first time, and which have lain three years dormant then, (four years now,) but, as the law is repealed, for which you will never get one dollar, and which your collectors under the law cannot collect, except as any other private individual could collect."

Mr. BECK. Allow me a single question.

Mr. BUTLER, of Massachusetts. In a moment; just let me finish this statement.

Mr. BECK. It is not in connection with this matter.

Mr. BUTLER, of Massachusetts. I agree to that, and therefore I do not want to be interrupted at this time; I will yield to my friend in a moment; he knows that.

The question with the Secretary of the Treasury then was, "How shall I know, Mr. Sanborn, that you return all the taxes you get; you are not a bonded officer; you do not propose to give bonds?" "Well, sir," said Mr. Sanborn, "this is the way you can be certain; your collectors are bonded officers, and when I get any of these cases ready

to be paid, the taxes shall be paid to your collectors of internal revenue, so that they may be returned to the Treasury; every dollar shall be returned to the Treasury, and I will not take out, or ask to take out, anything until after the moneys have been returned to the Treasury." That gave security to the Treasury that there would be no black-mailing of parties of amounts not returned, no loss of these taxes, that there would be a bonded officer to receive the money; and Mr. Sanborn said, "Ask your collectors to aid me in so much, and tell me what taxes have been paid, and I will bring the taxes to your officers ready to be paid, and then you will get the money, and I shall receive that which the law and the contract give me." A contract was given him, and then he went on and took measures by going to a party who was in default, and saying, "Your taxes amount to so much, and you will be prosecuted for them, unless you pay them," so that he might have them paid into the collector's hands, and returned to the Treasury. What happened? Why, the men who had kept back these taxes, and hoped that the five years would run out, found that they would be brought to book; the great railroads of the country, who were in default—the Erie Railroad, with half a million of these back taxes——

Mr. FOSTER. How much has been collected from the Erie Railroad?

Mr. BUTLER, of Massachusetts. None yet, and I will tell you why. The Erie Railroad, owing half a million of back taxes, set the newspapers on to Mr. Sanborn in order to get the law repealed, and to make a noise in Congress so that the time might run out during which the taxes could be collected. That is the reason why there has not been any collected from that road; that is the reason why the collection stopped. And the very men whose taxes were in default, who desired to retain them in their own pocket, have been the men who are here squatted, like "the toad at the ear of Eve," poisoning the minds of Congress against this effort to collect the taxes. They say that Mr. Sanborn got too much. Mark you, he paid all expenses; nay, he takes all the abuse. Nay, more, in my judgment he has not enough to pay him; but that is his affair.

The contract was given him by a present Senator from Massachusetts, against whom there has never been, up to this time, one word breathed impugning his honesty, integrity, and the propriety of his administration of the Treasury. And yet I see him advertised in the columns of a paper, whose former proprietor did not come to such a happy end as to make it a very great inducement for anybody to follow in his footsteps—I see him advertised in that paper as "the monumental thief of the age." What is his offense? It is that he attempted to save 50 per cent. of these delinquent taxes, rather than to lose it all. In a few months more there will be no more to be collected, because the statutes of limitation will run against it and in favor of those men who do not mean to pay their taxes to the Government.

Now, I do not desire any controversy with anybody on this floor on this subject; but when it comes, let it come when it may, I will tell who are the men that are here poisoning the minds of members, from what States they come, and how much taxes they have unpaid. One member on this floor is very anxious about this matter. I should think he might be. Mr. Sanborn reports that he is behind in his taxes some thousands of dollars. I would be anxious if I were he.

Mr. BECK. Will the gentleman yield to me for a question?

Mr. BUTLER, of Massachusetts. I will, with pleasure.

Mr. BECK. What I want to ask of the gentleman is this: whether he supposed that in the remarks I made about the Sanborn contract, characterizing it as fraudulent, I had alluded to him in any way?

Mr. BUTLER, of Massachusetts. By no means; on the contrary, I said to my friend that I thanked him for making the allusion, as it gave me an opportunity to state what I could not state otherwise.

Mr. BECK. I surely never would have connected the gentleman from Massachusetts with such contracts as I understood these to be. If there is anything on earth that seems to me apparent, it is that these contracts, from their inception to the present time, are reeking and buoyant with corruption. That is the impression upon my mind.

Mr. BUTLER, of Massachusetts. I have no idea that anybody would ever attack me that knew anything about it. The difficulty is the papers who attack me do not know anything about it. I supposed my friend did know something about it, and therefore I had not the slightest fear from him, or that he would attack me. I wanted to state to the House and to the country the facts about this contract. Perhaps I did not hear correctly what my friend from Kentucky said.

Mr. BECK. I say that, so far as the evidence furnished us seems to go, the contracts are utterly corrupt in their inception and their execution.

Mr. BUTLER, of Massachusetts. All right; I understand now.

Mr. BECK. The expression I used was, "reeking with corruption."

Mr. BUTLER, of Massachusetts. Precisely; as corrupt as was the Secretary of the Treasury in paying these balances. It is easy to say "corrupt," but if you will show me how it is corrupt to have any man called upon to pay his taxes, who had not paid them, who had kept them back for three years, and who never meant to pay them if they were not forced out of him, and then collect them and pay them into the Treasury, I will beg that man's pardon, and that of the gentleman from Kentucky too; and that will be hard enough. [Laughter.]

Now, I am not to be frightened by hard words in this matter. If any one can gainsay or contravene one single word of what I have said anywhere, on his responsibility, then I will be ready to meet him anywhere on my responsibility. I have stated to the House the exact facts which I have taken the pains to learn. The only thing I happened to know about this law was this: I had tried two years before to get a law passed to collect certain derelict and abandoned property; some large amounts of money that were in the hands of bankers in Europe, belonging to the Confederate States when they blew up, I wanted to get into the Treasury. I was opposed by gentlemen who thought it was not best to have it done, and the law failed. That was the law I undertook to "engineer" through, and I spoke of it when the committee reported this bill. I stated it substantially on this floor where I now stand; and that is all I had to do with it.

Mr. ELDREDGE. Will the gentleman allow me to ask him a question?

Mr. BUTLER, of Massachusetts. Yes, sir.

Mr. ELDREDGE. It seems to me that the necessity for this contract business with this man Sanborn was the failure to do their duty of the officers appointed to execute this business.

Mr. BUTLER, of Massachusetts. Very likely.

Mr. ELDREDGE. Would it not have been a much easier way, a better mode, more in consonance with republican institutions and republican administration, to have removed those officers who failed to do their duty, and to place in their stead good men and true men who would have executed the law, who would have assessed and collected these taxes, and not have allowed them to be in arrears for many years, so as to necessitate any such proceeding as is contemplated under the contract with Sanborn?

Mr. BUTLER, of Massachusetts. The gentleman asks in effect whether it would not be best for everybody to do what he ought to do. I agree that it would. But in the next place, the difficulty was this: the putting in of new officers under the law would not give them any more power than the gentleman from Wisconsin has to collect these taxes. The law for the assessment of the taxes (I am sorry the gentleman from Wisconsin did not listen to the statement I have already made) had been repealed. A collector can collect only those taxes which are assessed, and can collect only certain specified taxes. These amounts due as taxes had been concealed—had been kept back. It was the duty of the men who owed them to make returns under oath. The assessor could not say that Mr. A owed taxes, if he kept back his returns. Thus these men escaped for the time, and would have escaped forever——

Mr. ELDREDGE. Had they not escaped by the failure of the proper officers to do their duty with reference to these very taxes?

Mr. BUTLER, of Massachusetts. By no means; at least not in every case. In some cases I have no doubt that was the fact. I do not believe that all the officers appointed under the Government are the very best men. But admit that these men owing taxes had escaped by failure of the officers to do their duty; admitting that, was it not best to have those taxes, or a portion of them, collected? That is the point. The men owing the taxes had escaped by concealments, by fraud, by wrong.

Let me give a specific case arising under the Sanborn contract. It turned out from investigation here that certain men had received large dividends on Credit Mobilier stock. Mr. Sanborn says, "I propose to collect the tax on those dividends." Those men had escaped, because nobody knew at the time anything about their holding such stock. Now, the question is whether taxes, if justly due in that way, shall not be collected? That is all.

I wish my friend from Kentucky, [Mr. BECK,] when he makes his next speech, would, instead of dealing in general terms, come down to the facts and tell us where was the corruption, how it had been carried out, what was done about it. When he does so, if he can convince me that these contracts were conceived in corruption any more than that corruption which is an incident to original sin, I shall be very glad to go with him to root them out. But until he does so, I am not quite ready to denounce men generally; and whenever I may be found denouncing men generally on this floor, I want to be called to order. I only deal with individual men and with the exact facts. I say to any gentleman who has anything to say upon this subject, "Put your finger on any case, and I will examine that case with you, although it is not part of my business."

I yield the remainder of my time to the gentleman from Ohio, [Mr. GARFIELD.]

Mr. O'BRIEN. Will my friend from Massachusetts allow me to ask him a question?

Mr. BUTLER, of Massachusetts. Yes, sir.

Mr. O'BRIEN. I understand that the gentleman is defending the Sanborn contracts, and he wants to know where the corruption exists in those contracts. I ask him whether the Commissioner of Internal Revenue has not asserted that, in the ordinary course of the business of his Bureau, he could have collected every dollar of these taxes without any cost to the Government beyond the ordinary expenses of the Bureau?

Mr. BUTLER, of Massachusetts. I really do not know.

Mr. O'BRIEN. I understand that the Commissioner has said so.

Mr. BUTLER, of Massachusetts. Very well; if you know it, state it. I do not know it. [Laughter.]

Mr. GARFIELD. I yield five minutes to my colleague, [Mr. FOSTER.]

Mr. FOSTER. Mr. Chairman, at my instance a resolution was adopted by the House calling for copies of contracts, correspondence, and orders of the Treasury Department, in relation to what are now known as the Sanborn contracts. In response to that call we have received what is now embraced in the printed volume before me. I have also been authorized by the Committee on Ways and Means to report a bill to repeal the law under which these contracts have been made. I did not expect to say anything on this subject until that bill should be reported; but owing to the extraordinary statements made by the gentleman from Massachusetts [Mr. BUTLER] a word from me just now seems proper and fitting.

I have examined this report with considerable care; and I undertake to say here, in the face of the House and the country, that three-fourths of all the collections therein reported have been made by internal-revenue officers and by district attorneys holding office under authority of the Government. I undertake to say, further, that collections have been made over and over again in cases well known to the internal-revenue officials.

One case I may mention. A gentleman who is reported in this book as having paid a large sum has detailed to me the circumstances of that payment, which are about as follows: He owed a residuary legacy tax which had not been paid, as the amount could not be ascertained because of litigation. Some time last summer the internal-revenue officer of the proper district called upon him and asked him to settle this matter. He said, "I cannot settle it because of this litigation." "Sir," said the collector, "I will accept your statement of the amount due." He did accept the statement, and the gentleman paid the tax. The first he ever heard or saw of Mr. Sanborn was when he saw his name in this book.

Now, Mr. Chairman, the gentleman from Massachusetts has told the House that these Sanborn contracts were made for the purpose of collecting taxes that had been kept back. To show what kind of taxes were kept back and how these kept back taxes paid, I ask the Clerk to read a letter, with which I will close my remarks.

Mr. BUTLER, of Massachusetts. I hope the gentleman from Ohio [Mr. FOSTER] will give the name of the man he has referred to.

Mr. FOSTER. I prefer not to do so.

Mr. BUTLER, of Massachusetts. I do not like that way of doing. Let us have the name. Mr. Sanborn's name has been used enough. Let us have the name of this man, because I want to investigate that case.

Mr. FOSTER. I prefer not to give the name at present. Perhaps I may do so hereafter.

Mr. BUTLER, of Massachusetts. Whenever you are ready I shall be glad to have it.

The Clerk read as follows:

UNITED STATES INTERNAL REVENUE SUPERVISOR'S OFFICE,
DISTRICT OF PENNSYLVANIA, NEW JERSEY, DELAWARE,
MARYLAND, AND DISTRICT OF COLUMBIA,
March 4, 1874.

SIR: I wrote to you on the 25th ultimo with reference to the efforts being made by one Belsterling, claiming to be a deputy of Treasury Agent Sanborn, to collect "legacy and succession taxes" in this city, through the aid of the district attorney, and protesting against such procedure, on the ground that all that class of taxes were in the hands of the proper revenue officers, having been placed there by myself, and would all be collected in due time without any additional expense to the Government.

Further, in reference to this subject, I would say that some two months ago I informed District Attorney McMichael that all this class of taxes were in the hands of the revenue officers, and were not proper cases for these special Treasury agents to collect. Subsequently it appears the district attorney wrote to the collectors of this city, asking what cases of legacy and succession taxes were pending in their offices and uncollected. To which both Collectors Elliot and Pollock, of the first and second districts, answered that there were none, supposing that the district attorney referred to assessments which had been made, were on their lists and not collected, apprehending that he intended commencing suit for the payment of the assessments, &c.; not thinking for a moment that he referred to cases where assessments had not as yet been made.

Both of these collectors, however, have now informed said district attorney that all the estates liable to said taxes are on record in their offices; that I had furnished them lists, giving the names of all decedents whose estates were liable, together with the names and residences of the executors and administrators. In fact, I sent to collectors' offices, procured said lists, and showed him [Mr. McMichael] on those lists every name which had been reported to him by Mr. Sanborn's deputy or agent, and I am gratified to say that Mr. McMichael at once said he would take no further action in the cases.

I deem this explanation necessary, because I understand that the letters of Collectors Elliot and Pollock, above referred to, which were written under a misapprehension, have been forwarded to the Treasury Department, and the substance of which would appear to contradict flatly the statement made in my letter to you, "that all such cases were on record in the collectors' offices."

I may further state, that I some time since directed the collectors of this city not to give Mr. Belsterling (who claims to be Mr. Sanborn's agent) any information from their records, and I have refused to do so myself. Mr. Belsterling holds no commission or appointment from the Government, and I cannot conceive that he has any authority or right to demand or receive official information from a Government officer.

Very respectfully,

ALEXANDER P. SUTTON, *Supervisor.*

Hon. J. W. DOUGLASS,
Commissioner of Internal Revenue, Washington, D. C.

Mr. GARFIELD. The gentleman from Connecticut wants two or three minutes, and not desiring to cut him off, I will yield him the floor for that time.

Mr. HAWLEY, of Connecticut. Mr. Chairman, I do not intend, of course, to discuss the wisdom of the original law under which these Sanborn contracts were made, but when the gentleman from Massachusetts [Mr. BUTLER] was in a measure challenging any person here to bring forward a case which did not come within his description—a case in which men had withheld their taxes for three years and sought to evade them without intending ever to pay them—I thought I would, if opportunity afforded, mention to the House a case outside of his general description.

Now, sir, I do not say I will pass upon the wisdom of that law, for I have not sufficiently investigated it. I leave that to the committee which is about to report, and, I understand, to recommend the repeal of the law; but I will give a case which occurred in my district. The firm of George W. Williams & Co., State street, Hartford, Connecticut, (that is specific, and they are to be found,) is a firm of respectable and responsible druggists and manufacturers. Some two or three years ago, being about to make a very simple article, known as extract of ginger, (I would not advertise them if it were not necessary to answer the gentleman from Massachusetts)—being about to manufacture a certain article called the extract of ginger, which was not a compound or patent, but a perfectly pure and simple article, made according to directions in the pharmacopœia, went up to the internal-revenue collector's office and asked his advice whether those bottles ought to be stamped. The collector's office advised him they did not come within the letter of the law, and they need not stamp that article. They went into the manufacture for two or three years, making an honest article—as all the Connecticut manufacturers do, of course. [Laughter.] It had a large sale. Last September a young man appeared in their office—it is said in the Secretary's report that his name was Simmons.

Mr. FOSTER. That is it.

Mr. HAWLEY, of Connecticut. No; it is not the distinguished collector of Boston, but a young man in Simmons's employ and sometimes under Sanborn, I believe. He appeared in their office, and said he had authority from the Treasury Department and wished to examine their books. They asked him for his authority, and he showed papers which seemed to vouch for the truth of his statement. They opened their books and he looked through them, and said they were indebted to the Government $2,200 and over. In the book it is $2,249. They expressed astonishment; they declared they had been advised by the officers of the internal revenue they were not taxable at all. He insisted they were, and unless they paid their tax forthwith he would take process against them and disgrace them in the eyes of Connecticut and of New England. They are responsible and worthy men, although timid, and have a high regard for their commercial reputation. They asked for delay. "How much delay will you give us?" "I will give you until to-morrow morning, at ten o'clock, to pay $2,249." They went to the collector of the district, but without laying the case before him, as they ought to have done, asked, "Is this young man a lawful agent of the Treasury Department?" They said, "Yes; he showed his papers as he came through the town." They did not wish to be disgraced, and believed they had no way to test the case. They would otherwise have taken an appeal to Commissioner Douglass. They consented, therefore, to pay, and they did pay. When a few hours afterward they came to tell a few friends about it, they were told they had been foolish, unjust to themselves, unjust to the community, and unjust to the Government; that they should have kicked the young man out and appealed to the Treasury Department for a full hearing. They paid the money, having for two or three years gone on under the advice of officers of the Internal-Revenue Department that they were not liable to be taxed on the articles they had manufactured. Now, Mr. Chairman, the law may be a just one, but the execution of it was infamous. That was black-mailing, if I know what black-mailing is.

Mr. FOSTER. And the Commissioner says the tax ought not to have been collected.

Mr. BUTLER, of Massachusetts. I am very glad we have got one case. It turns out that an apothecary went to his friends and got private advice upon the law, and did not pay taxes upon his patent medicines, and that after this had gone on for three years he was told that if he did not pay his taxes process would be brought against him. What is that process? He would be sued. He asked, "How long will you give us to say whether we shall be sued or not?" The answer was, "Till to-morrow morning, at ten o'clock; go to your counsel and take advice." He went and took advice of his friend and of the collector and of some others, it would seem, and then he concluded to do what he was bound to do—pay the taxes or have his case brought before a jury.

Is that infamous? Where is the infamy? I fail to see it. A man goes and says, "You have not paid your taxes; either do it within a certain time or process will be brought against you." He gives him a reasonable time to choose. He chooses and pays. And if the tax is wrongfully paid, it can be returned by the Secretary of the Treasury. Is there any evidence in that book, I ask the gentleman from Ohio, that they ever made any application to have it returned? I believe not. They have not got over their scare yet. That is all I desire to say.

Here the committee informally arose, and Mr. SCOFIELD took the chair as Speaker *pro tempore*, to receive a message from the Senate.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. SYMPSON, one of its clerks, informed the House that the Senate had passed, without amendment, the bill (H. R. No. 919) to provide for the issuing and recording of

commissions to postmasters appointed by the President by and with the consent of the Senate.

The message also informed the House that the Senate had passed with amendments, in which the concurrence of the House was requested, the bill (H. R. No. 1577) for the relief of Susan L. Galloway.

LEGISLATIVE, ETC., APPROPRIATION BILL.

The Committee of the Whole resumed its session.

Mr. HAWLEY, of Connecticut. I desire a moment to make an explanation.

Mr. GARFIELD. I yield to the gentleman for an explanation only, not to extend the debate.

Mr. HAWLEY, of Connecticut. The firm of George W. Williams & Co. did not behave in that matter with the wisdom and pluck which men usually display in my State in matters of that sort. The same game was tried with another firm.

Mr. BUTLER, of Massachusetts. I desire to say to the gentleman——

Mr. HAWLEY, of Connecticut. I do not yield just now.

Mr. BUTLER, of Massachusetts. The gentleman from Connecticut is speaking in my time.

The CHAIRMAN. The gentleman from Connecticut [Mr. HAWLEY] has the floor.

Mr. BUTLER, of Massachusetts. In my time.

The CHAIRMAN. The gentleman from Connecticut [Mr. HAWLEY] has the floor by favor of the gentleman from Ohio, [Mr. GARFIELD.]

Mr. HAWLEY, of Connecticut. I thought the gentleman from Massachusetts [Mr. BUTLER] had finished, and I asked the gentleman from Ohio to give me the floor for a moment. I understood that he did so.

Mr. GARFIELD. I did.

Mr. HAWLEY, of Connecticut. These parties might have conducted this matter with more pluck and decision. They should have gone to take the opinion of counsel that evening; and no lawyer in Hartford would have advised them to pay that. There is no lawyer familiar with the collection of revenue who would not have told them that they would have time to appeal to Washington. That they ought to have done. But they did not do that. So far as I am informed, they simply sent to the collector to ascertain if this young man was the duly authorized agent.

The question may be raised as to some other firms whether they applied for a return of the duty. This firm, George W. Williams & Co., did make due application to the Commissioner of Internal Revenue to have the amount refunded. And this is the statement which Commissioner Douglass made to me, that in the execution of his difficult, and sometimes embarrassing, duties he does find that a firm ought to have paid a tax during a period for some time past, and have not paid it because in some cases the departments told them they need not; in others, in perfect sincerity they had gone on, not knowing that they should have paid the tax. He says that if it is found that a firm has been behaving with due respect to the law and an honest purpose, not intending to evade the law, if their conduct heretofore has been honorable and law-abiding, he does not always think it necessary to go back and hunt through their books. He thinks that such a proceeding tends to bring the revenue laws into disrepute. But he tells them, hereafter you must do what is correct. He tells me that in this case he never would have collected this back tax, but if he had come to the conclusion that the parties should pay hereafter he would have so notified them and required them to begin from that day.

It is not so much the law that I am finding fault with, but it is the manner of the execution of the law that I object to. Make the execution of your revenue laws hateful, and you oppress and exasperate honorable men. It is only the manner of the execution of the law that I am speaking of.

Mr. GARFIELD. I see that the House desires to finish the discussion of this particular matter. I therefore yield back to the gentleman from Massachusetts [Mr. BUTLER] the time given to me, hoping I may get a portion of it back from the gentleman, or that I may have the floor yielded to me again.

Mr. BUTLER, of Massachusetts. I desire simply to comment on the new phase of this question, and that is, that if the collector found that men had not paid their back taxes he would not collect them. Where does he get that authority under the law? It is because of that very action of the collector, who will not collect back taxes, that we have been obliged to have these contracts. If he had not told these delinquent tax-payers, "Go and sin no more," there would have been no such necessity. Who gave the collectors their power of absolution? Where did they get the right to say, "I will not collect back taxes, nor will I look into the books of the delinquent party in order to find out whether they have paid their taxes or not?"

Mr. HAWLEY, of Connecticut. The Commissioner says that is the usual policy.

Mr. BUTLER, of Massachusetts. Very well; pardon me; I do not care whether the Commissioner says so or not. Taxes are to be collected honestly, fully, impartially. A man should pay all his taxes. Does the gentleman say that Mr. Sanborn's agents exacted any penalties of this firm to which he has referred? Did they take anything more than the exact taxes which were due? In this case of patent medicines, did they take one dollar more than was due, or did they demand only the honest and exact tax due to the United States. Is doing that only made the ground of complaint? I do not know but what the Commissioner may have said, as the gentleman states; if the gentleman heard him say so, I shall take it as a true report; but if the Commissioner has stated that, when he finds taxes are due to the United States, he will not collect them, it is time the President of the United States got a new Commissioner. I hold it to be the duty of revenue officers, when they find that men have held back taxes from the Government, either willfully or mistakenly, to take the taxes and penalties, if any have been incurred, and not simply to ask them to pay the taxes only which they ought to pay in the future.

Does any man in the United States wish to condone these delinquent and concealed taxes justly due the Government, while the poor man or the farmer, who cannot conceal and put his property out of sight, is oppressed by taxation? If any man has this power or wish, he ought not to be permitted to exercise it. If the patent-medicine venders of this country cannot be made to pay their just taxes on their wares, I hope the farmers will not pay theirs. Sir, I do not want to hear complaints from a patent-medicine vender that he is made to pay the just taxes due from him to the Government—taxes kept back for years, which he has not, so far as I know, even dared ask to have remitted, especially when no penalties have been demanded from the withholder. There might have been penalties exacted if he had done this willfully, but if he did it without intending wrong, then he ought at least to pay his taxes uncomplainingly, if nothing more. I am glad we have had the front of the offending of this Sanborn contract—this letter from the gentleman from Ohio [Mr. FOSTER]—because I know that in presenting his case he has put his best foot foremost.

Mr. FOSTER. Not yet.

Mr. BUTLER, of Massachusetts. The gentleman is mistaken; he does not put his worst foot foremost. What has been asserted here? First, that most of these taxes have been collected by the district attorneys and revenue officers. Well, sir, that is just what the contract provided, so that they should be collected by responsible officers of the Government. Under the Sanborn contract that was what was to be done after he had found out the delinquent cases. I said that at the very beginning, and I gave the reason why it was done: in order that there might be a responsible officer to handle the money.

Well, what is the other case—the other case which occurred in Hartford, Connecticut? An innocent patent-medicine vender, surrounded by lawyers, was called on to pay a tax on an "extract of pure ginger," and being so called on was given twelve hours to consider of it, or be sued for his taxes, and he concluded to pay it. That is here denounced as "infamous." He was simply called upon to pay his tax, that was all; and that is all there is about that case. And these are the men in whose behalf my friend from Ohio [Mr. FOSTER] says he is going to report a bill to repeal the law, in order that they may escape paying their taxes. And yet we are asked to put on more taxation, to increase the tax on friction matches, the poor man's tax, and also on tea and coffee; while the rich railroads, and patent-medicine venders, and the whisky sellers are to be allowed to keep back their taxes, and the rich legacy and succession taxes are to be withheld by the rich men's sons, whose fathers have wrung money out of the people. This is what we are called upon to allow to be done. They are to escape taxation. Is that what you want to do?

Mr. FOSTER. The gentleman is very anxious about this matter.

Mr. DAWES. I want to protest against this debate.

The CHAIRMAN. The balance of the hour belongs to the gentleman from Massachusetts who has just spoken, [Mr. BUTLER.] To whom does he yield?

Mr. BUTLER, of Massachusetts. I will yield either to my colleague [Mr. DAWES] or to the other gentleman; I do not care which. I am willing to meet either or both of them.

The CHAIRMAN. To whom does the gentleman from Massachusetts yield?

Mr. BUTLER, of Massachusetts. I yield to the gentleman from Ohio, [Mr. FOSTER.]

Mr. FOSTER. The gentleman from Massachusetts is very anxious to have cases. Here is one on page 251 of this document, by Frank M. Green, who terms himself special State auditor of the Treasury Department, but who has I believe no appointment there. He collected $6,099.43 from the Indianapolis and Saint Louis Railroad Company. I will read what the railroad company says about their nonpayment:

> In explanation as to the delay in payment of the tax, I would say that our treasurer called on the revenue officers at this place, asking for instructions as to making up the amount due; they seemed in doubt as to amount of tax due, and said they would apply to the Department for instructions. Since which time we have held ourselves in readiness to make the payment, but as we were not called on, did not press the matter.

Frank M. Green says to the Department, "I believe the statement as to cause of delay in payment to be true." Now there were $6,000 collected from this railroad company, when the Internal-Revenue Department had full knowledge of it; and for that service Mr. John D. Sanborn gets $3,000. The whole effect of this law has been that instead of these gentlemen assisting the proper officers of the Government in the discovery and collection of taxes, the proper officers of the Government have been assisting Mr. John D. Sanborn, and have paid him $213,000 for that purpose. This was largely collected by two gentlemen—one of them, Mr. Simmons, the supervisor in Massachusetts, and another, Mr. Lucien Hawley, of New York. One of these gentlemen has been indicted, and will probably go to the peni-

tentiary. The other has been promoted to be collector of customs at Boston. [Laughter.]

Mr. BUTLER, of Massachusetts. I admire the bravery of a man who attacks an absent man. Now, then, Mr. Lucien Hawley, of Brooklyn, collected $4,000; that is all he collected out of $231,000, and they indicted him for that.

Mr. FOSTER. Will the gentleman allow me to correct him?

Mr. BUTLER, of Massachusetts. I will be corrected.

Mr. FOSTER. On page 244 is a statement that Lucien Hawley collected the sum of $99,685.24, of which Mr. Sanborn gets $48,000.

[Here the hammer fell.]

The CHAIRMAN. The hour that originally belonged to the gentleman from New York, [Mr. WHEELER,] and which was yielded to the gentleman from Massachusetts [Mr. BUTLER] has expired.

Mr. BUTLER, of Massachusetts. I would like to have four or five minutes longer.

The CHAIRMAN. Strictly speaking, the Committee of the Whole has no right to extend the time of any gentleman beyond an hour. If no objection be made, however, the Chair will permit the gentleman to proceed.

Mr. BUTLER, of Massachusetts. I will not be long.

Mr. HALE, of Maine. Being upon the Committee on Appropriations, I supposed I would be entitled to the floor next. If so, I will yield to the gentleman from Massachusetts.

Mr. BUTLER, of Massachusetts. When I spoke of $4,000, for the collection of which Mr. Hawley is responsible, I spoke of legacies and succession duties. I spoke of them because he was indicted in that connection. I agree that after Mr. Sanborn gave him the notice in the case of the Delaware, Lackawanna and Western Railroad Company, the Lackawanna and Bloomsburgh Railroad Company, the Morris and Essex Railroad Company, the Utica, Chenango and Susquehanna Valley Railroad Company, the Warren Railroad Company, the Valley Railroad Company, the Oswego and Syracuse Railroad Company, and the Greene Railroad Company, Mr. Sanborn collected $99,000.

Mr. FOSTER. Hawley collected it.

Mr. BUTLER, of Massachusetts. Pardon me; no, sir.

Mr. FOSTER. Sanborn says he did.

Mr. BUTLER, of Massachusetts. Hawley may have received the money as collector.

Mr. FOSTER. Sanborn says he worked up the case and collected it.

Mr. BUTLER, of Massachusetts. No, sir.

Mr. FOSTER. That is what Mr. Sanborn says, and he ought to be good authority.

Mr. BUTLER, of Massachusetts. Let us see exactly what Mr. Sanborn says. He says, "referring to the contract made with Mr. BOUTWELL that the railroad corporations which I have named paid to him the full amount of taxes accrued and not heretofore paid on dividends, undivided net gains, and interest on stock and loans." Then he goes on to say, "The details of the indebtedness of the above companies have been ascertained and brought into shape by Mr. Lucien Hawley, supervisor internal revenue, at my request." That is, he brought the matter into the shape in which the amounts could be ascertained, and did it at the request of Mr. Sanborn; precisely as I said before. Now, I want no better case than this. I am very glad that this case is brought up. Here were $99,000 due from these railroads for back taxes for three years, which lay neglected until the 3d of March, 1873, and in a few months more the time against them would have run out, and the people of this country would have been cheated out of $99,000. They have got $48,000. And while we are here at work squeezing the poor clerks out of their pittance of salary, paring down these little appropriations—while the chairman of the Committee on Appropriations is sweating over the estimates to see where he can pare down a little here and a little there—here were $100,000 about to be run away with by these railroad companies, being their taxes upon dividends and stock, which Mr. Sanborn found out had not been returned by them. I wish we could let loose five hundred Sanborns on such rascals; and then we should not be obliged to raise a tax on the poor man's tea or coffee or matches. There are, Mr. Sanborn says, $15,000,000 of these back taxes, and he only wants to be let loose and he will collect them. That will be more than you will get out of friction matches or any such taxes. I have not a word to say on the question whether the internal-revenue officers have done their duty. Until this debate the great fact has been concealed from the House and the country that most of these taxes are four years old; and the law for their assessment has been repealed since 1870; so that the taxes can only be recovered now by being ferreted out by somebody who has energy and perseverance, and is not afraid of any whisky ring or newspaper ring.

If this House repeals this law which has put this large sum into the Treasury, and thus let loose these railroad companies and these patent-medicine venders to run away with millions of taxes, we shall then finish our work by laying a tax on the poor sewing women's tea and cutting down the pay of the female employés in the Treasury. [Laughter.]

Mr. FOSTER. Mr. Chairman, I wanted to apologize to the House——

Mr. BUTLER, of Massachusetts. I think you ought to.

Mr. FOSTER. I wanted to apologize to the House for introducing here the names of absent gentlemen. But, Mr. Chairman, I think, when it is known that they are represented here by counsel, they will pardon me. [Laughter.]

Mr. BUTLER, of Massachusetts. To that I answer, Mr. Chairman, that the gentleman either states what he knows to be true or he states that which he does not know to be true. If he knows what he states to be true, he should state it directly and fairly. I am not the attorney or of counsel for Mr. Sanborn. I have never been retained in a case by him under this contract; but I hope he will retain me when he gets after the rest of these railroad companies, to make them do justice to the Government and pay their overdue taxes. I will give him my best services in so good a cause, let me tell the gentleman from Ohio, very cheap. At one time God came down from heaven to punish misstatement with sudden death—the only occasion of the kind of which we have any such record. It was not that the man had said what was not true; he only kept back part of the truth. [Laughter.]

Mr. HALE, of Maine. I sought the floor for the purpose of giving away my time to the gentleman from Ohio, [Mr. GARFIELD,] who I believe proposes to answer some of the statements made by the gentleman from Kentucky. But as the Sanborn contracts have been discussed to-day, I want, before yielding the floor, to say a few words on that subject.

I go deeper than the gentleman from Connecticut, [Mr. HAWLEY,] in this, that I object to the law under which these contracts have been made and carried into force. I object not alone that the manner of executing the law is offensive, and must be so to our people, but that in its inception it was, in my view, wholly, radically, violently, wickedly wrong. I take occasion to say a word here, because when the law was passed I had the honor to be a member on this floor, and I opposed the enactment of the provision which at least put upon an appropriation bill, set these men, Sanborn and his fellows, loose on the country. I made that opposition on investigation, and after I had sought information from the then Secretary of the Treasury, who told me (and I believe he was honest and candid in his statement) that if the law, which he did not favor, should be passed, it would result in nothing; that if men came to him for authority to go over the country raking up claims for old taxes and menacing citizens with uncertain terrors if they did not pay, he believed that nothing would come of it; that while no good would come, no harm would result. I remember that I suggested to the Secretary of the Treasury that if he authorized irresponsible, greedy men (as they necessarily to a degree must be who would take this kind of contract) to go forth, and never heard from them again, while they had an offer of a large percentage if they would bring money into the Treasury, that very result would show either that they were without ground in their claims and had exaggerated their own knowledge and others' delinquency, or else that, hunting up delinquents, they had compounded with them for a sum equal to or more than what the Treasury Department would pay them. But the Secretary of the Treasury thought (and I had confidence in his judgment then, for he is a man I then respected, and now respect) that no danger would arise in that direction; and so no veto came from him on this project, and some of us, trusting to the best, voted, at last reluctantly for the provision. I opposed it with what strength I could in the debate, and have seen nothing from that day to this that has led me to think that my opposition was wrong.

I go further, sir, than the gentleman from Connecticut, [Mr. HAWLEY,] who has found a single instance in his own State of the offensive operation of this law. He cannot fail to see that his instance is not merely an isolated case, but that it proves the inevitable offensive operation of the system. I object to it because it is not in harmony with the spirit of our institutions—the reliance of the Government upon the people, and the faith of the citizen in the Government. It is not the proper way to deal with our business interests to send out a band of men with the indorsement of the whole Treasury Department to operate in this way. I do not know who Sanborn is; I never saw him; I know nothing about him; but, be he who he may, there should be no authority given even to the three best men that might be selected in this House, or in the Senate, to collect revenues, by threat or terror, and not by regular statute process, which should be open as day.

Sir, I object to it because of another thing. It will be found in the long run that any system of spies or informers, or special agents, who receive large sums out of what they collect of arrearages of taxes or for violation of law, will in the end result in no benefit to the Treasury. That fundamentally is the answer to the gentleman from Massachusetts, [Mr. BUTLER,] that the Treasury has been benefited. If you give to spies or informers anywhere a large share of what they collect for violations of the law, the inevitable result is your whole regular force in the country is paralyzed. The regular force of custom-house officers and of internal-revenue officers have as their bounden duty, not only to protect the Government from violations of the law, but to keep the law from being violated. But when a band of spies or moiety seekers or informers is set up and fostered, it is for their interest, Mr. Chairman, that the law should be violated. They strike in at a time when the law has been broken, and seek to take one-eighth, or one-quarter, or one-half of what belongs to the Government, by way of penalty for a law infracted. It is not for the interest of any Sanborn that the revenue laws

should not be broken. I object, further, to all this Sanborn affair, that 50 per cent. of what legitimately belonged to the Government is taken by the contractors. It is not the poor tax-payer that is relieved, but he is made to pay more money, that Sanborn and his ilk shall batten on their moieties.

One thing more. Such contracts can never be restrained and limited to good operation. An examination of the book in my hand will show, as would naturally be expected, that men procuring such a contract will aggrandize. Such a thing grows as it goes. No man can read this volume, sir, and not see the difference between the first guarded instructions of the Secretary of the Treasury, in which he suggests that it is not according to good policy that certain taxes should come within the provisions of these contracts, and his Department's position in a few weeks sanctioning the contractors' construction raking all things into their heap. If a district attorney anywhere suggests that a large sum ought not to come within the purview of the Sanborn contracts, and the Department, instead of sustaining that district attorney, upholds these men because they had grown as they went, aggrandizing in power so that at last, to read the report of the committee having the matter in charge, it looks as though the Department was being run for them and not they contributing to the Treasury Department, that was the misfortune of the Department. I do not believe it was in any way corrupt, but this connection has indisputably weakened it with the country.

I object, sir, for these fundamental reasons, to any such law as this. I bid this committee which has it in hand godspeed in their efforts to repeal it.

One thing more, Mr. Chairman. I hope this committee will go on and bring out everything they can find and report it all fearlessly. I acknowledge for one, as a member here, I was restive under the menace of the gentleman from Massachusetts [Mr. BUTLER] when he stood up here and, with the audacity which characterizes him alone, told this House that if gentlemen made themselves busy on this floor in effecting the repeal of this law they would hear from him as to taxes which were due and unpaid.

I do not know whom he had in his mind, and I do not care. I was one of those unfortunates who had not enough to be much taxed so as to be behindhand. But the gentleman in that threat represents the spirit of these Sanborn contracts. It is to menace, to terrify with all that is disturbing, and all the more so for its vagueness. It is to say to men, after the fashion of despotism, "Pay, or you will suffer." He says to the House, "Keep silence, or I will assail you." I do not know, I say again, to whom the gentleman referred. I know he did not mean me, and so there is no personal matter; but I regretted to hear it. I was restive as a member of the House under that menace. I trust there is no man here who, if he is inclined to speak his mind on these Sanborn contracts, will be delayed one moment by that threat.

I now yield to the gentleman from Massachusetts.

Mr. DAWES. Mr. Chairman I sought the floor to say to the House that in my judgment all this debate about the Sanborn contract is exceedingly premature. And I desire to express my amazement that my colleague should rush into the debate and insist on discussing the merits of the Sanborn contracts when in no way had his name been connected with them except by the public press; and as my colleague had proclaimed he was above any regard for the statements of the public press, I supposed he, in common with the rest of the House, would have been willing to wait until the Committee on Ways and Means, to whom the House had committed the matter for examination, might have made a report on the subject and the merits were legitimately before the House.

But, sir, my colleague has confessed to-day that the public press compels him to speak in his own defense. I should not if I had been in his place have hesitated to have defended myself, because I had not taken that position. But, sir, I do not think that he is exactly candid and fair in undertaking to defend the Sanborn contracts in reference to these railroads and other matters, and to invoke the prejudices of the House against the railroads in support of the contracts, when he has said they are just about becoming outlawed, and the effect of this action is to relieve them altogether. Why, sir, it is two years ago that this law was passed, when there were at least three years to collect these taxes, and the law gave nobody any new power. It clothed no officer with any power he did not have before. It only stimulated officers to a work which they have since done by farming out the revenue to them at 50 per cent. And there it lies; the whole of it lies in that single question.

Is it a matter of public policy, worthy to be maintained and defended to the country, that the only or the best method of collecting the revenues of the country is to farm them out for the percentage of 50 per cent.? These are taxes uncollected which ought to have been collected. The power of the law was sufficient to have collected them. The officers of the law had all the power before that they have now to collect them. It only lacked efficiency; that was all. That is what my colleague says lies in Mr. Sanborn, more than in all the other revenue officers of the Government, and which has been brought out into action, into full play, by the stimulus of farming out the revenue to him and telling him he shall have 50 per cent. of all he collects. That is the policy to be defended here on this floor. It is neither J. D. Sanborn nor Mr. Simmons nor anybody else. It is the proclamation to the country that the best method in which you can collect our revenues, the only manner in which you can relieve the poor man of his tax upon his tea and coffee, or the patent-medicine man of his stamps, is to give some man who has got latent energy something that will stimulate and bring out of him what is sleeping dormant there till this day, by telling him that he shall have half of all that he can collect.

I think my colleague and others might be patient enough to wait until the Committee on Ways and Means report upon the facts after a hearing of Mr. Sanborn, as he has asked to be heard in his own defense, and after the hearing of any gentleman who can either defend or otherwise throw light on these contracts. I submit to my colleague and to the House that the whole thing to be maintained and defended is a policy, and the effect of that policy upon the country, the effect of it upon the execution of the law, and the effect of it upon those upon whom the law is administered. How is it found to work? Has the experience of other nations who have farmed out their revenues been such as to justify any such policy? Is it to be proclaimed that the only way to bring fidelity and efficiency to the administration of the law is to farm out the collection of the revenue at 50 per cent. of the gross amount collected?

Now, sir, let Mr. Sanborn go. Let any just or any unjust attack on my colleague through the public press go. But let him address himself to the question of policy, and say if, with all the revenue officers you have in the country it is true that you cannot find men who will do their duty with fidelity and efficiency, except as you stimulate their energy by giving them 50 per cent. of all they can collect.

Mr. FOSTER. I yield five minutes to the gentleman from New York, [Mr. E. H. ROBERTS.]

Mr. E. H. ROBERTS. I desire to protest against a judgment being passed on this whole subject until it shall be fully argued. I trust the gentleman from Massachusetts did not desire a one-sided statement of the case to prejudge the question whether or not the law under which these Sanborn contracts were made should or should not be repealed. The question whether there has or has not been some individual misconduct under those contracts is a much smaller question than whether the whole law is not wrong, radically wrong, from the beginning.

When the Committee on Ways and Means shall be allowed to report upon this subject I venture to predict that it will be shown that the original law was passed without a fair understanding in either House of its purpose; that it was passed while in this House it had been repeatedly declared that moieties should not be paid for the collection of internal-revenue taxes. The House had distinctly voted against giving power to the Treasury to appoint revenue agents for the purpose of collecting these internal taxes. It will be shown besides, Mr. Chairman, that at the time this law was passed the Internal-Revenue Bureau was collecting these taxes—taxes of this identical class—day after day, month after month, by hundreds of thousands of dollars in the course of a year.

We are to meet the question, when a bill shall be presented for the repeal of this law, whether or not it is just and proper to set up in a free country a close corporation of contractors outside of the Government, to threaten, to make demands all over the country, and to compel the officers of the Government to assist them in their collections. Then it will be time, and then we will attempt to ask this House to say, whether this country wants money that it collects at the rate of 50 per cent.; whether, Mr. Chairman, it is wise policy for this country, on any pretext of reducing taxation, to put into the pockets of a single individual the sum of $213,000. For one I am now prepared to say that the country does not want such blood-money, that money obtained at such a price is all too dear; and when the time shall come we will be ready, I venture to say, to discuss these questions. All I desire to do now is to protest against taking judgment in advance before there can be a full hearing upon this subject.

Mr. HALE, of Maine. I now yield five minutes to the gentleman from New Jersey, [Mr. PHELPS.]

Mr. PHELPS. Mr. Chairman, I do not take the floor to discuss the policy of this contract, nor the character of the gentlemen whose names are connected with it. I wish to give to the House only a simple narrative of facts; facts, it seems to me, different from any which have yet been elicited in this discussion. I state these facts simply to enforce this conclusion, that whether it be good policy or not to farm the revenue to insure a better collection, or whether these men be or be not the best men to give the duty to, it is not right to make a contract so inconsiderately as to distribute rewards that shall be totally disproportioned to the service rendered.

Services of this nature may be rendered which would justly entitle the party rendering them to a reward equal to 50 per cent. of the amount which was recovered. But there are cases falling within this contract of a different nature. Such is a case within my own knowledge, and to which I call the attention of the House. There were no services sufficiently valuable, no labors sufficiently arduous, to warrant an extraordinary compensation; and I claim that a contract that awarded it, however good in policy, is wrong in detail, and should be amended or annulled.

Four or five years ago there died in the city of New York a man who had spent there a long life of honorable activity. His success was sufficiently marked to make him well known to his fellow-citizens. His death received notice and comment in the city press; and after his death the particulars of his will were, by the same instrumentality,

spread before the public. In the will were bequests of a charitable and public nature; something, therefore, besides the ordinary curiosity of the public to impress the fact of the death of a prominent citizen and the disposition of his estate. Of this will I was made the executor. In the discharge of my duties as such I found that there were taxes to be paid which were scheduled under the two heads, "legacy" and "succession." To prepare for paying these a copy of the will was immediately filed in the office of the proper assessor. Under the law the succession tax fell due first. Accordingly, upon me as executor was served the usual notice from the assessor's office that a valuation was made, the assessment laid, and payment expected. Payment was made promptly.

Mr. BUTLER, of Massachusetts. When was that?

Mr. PHELPS. Four or five years ago; not more than five, and, perhaps, not more than four.

After the payment of the succession tax, when the legacies were ready for distribution, I made my returns of them to the same office, and paid the legacy tax. The estate so moved toward its final settlement. The tax upon succession and the tax upon all legacies were paid except the tax upon the residuary legacy. This tax, I need not tell a House composed of so many lawyers, could not be paid until the amount of the residuum was ascertained; that amount could not be ascertained until all claims had been settled, all accounts had been closed, all lawsuits ended. Then, and not before, could executor or assessor tell the value of the residuary legacy upon which the tax should be assessed and paid. The estate was large and mixed in a variety of investments. I should judge, from my experience as a lawyer in the settlement of similar estates in the city of New York, that few have been finally closed within so brief a period as five years; and I congratulated myself last March or April that, with the exception of certain matters in litigation, my duties were practically ended, when I received from the same office notice that a residuary tax had not been paid, and asking for a return of the value of the residuary legacy, that an assessment might be made. An interview followed, in which the assessor learned to his apparent satisfaction that the estate was not yet ready for settlement, but was progressing in that direction. The interview ended with the assurance on the part of my agent, who had charge of my affairs, that he would hasten the prosecution of certain suits which delayed the settlement of the estate, and would at the earliest moment communicate the results to the assessor's office.

Nothing was heard of the matter until perhaps August or September of last year. At that time I had a personal interview with the assessor, who said that the Government was anxious that all estates of this kind should be closed, and that it would be considered a favor to the officer and to the Government if the executor would, by conjecture, estimate or otherwise fix the value of outstanding doubtful and litigated claims, add it to the amount already ascertained, and return that total as the residuary legacy—the basis for the tax.

Mr. BUTLER, of Massachusetts. The assessors have been abolished for some two years.

Mr. PHELPS. It was an officer of the Government; I did not know his title. I do not know whether it was the assessor or the collector. I know only that it was the same officer that I had dealt with before; or at least he was one of them, and from the same public office.

Right here, lest I may forget it, I want to say that there was no demand or threat. The interviews were brief, but always pleasant and agreeable. There was no suggestion of dereliction; there was co-operation in a desire I expressed to lump the uncertainties, close the estate, and pay the tax before it was legally due. Nothing that I recall extraordinary or different from the interviews connected with the previous returns of taxes, except the fact that the officers seemed more anxious this time that the interest of the Government would be subserved by speedy payment; and I am not sure this anxiety was so marked as to excite my comment or notice at the time. There was nothing in this final transaction—the collection and payment of the residuary tax—that was different from the collection and payment of the succession and legacy taxes. Certainly there was nothing said or done to indicate that it was other than the act of the Government. The office was the same, the printed notices were the same, and the officers were in whole or in part the same.

In this personal interview of August or September with one of them who brought the blanks of the Government to me on which to make my returns, I told him I would be very glad to close the matter and get it off my hands. I told him further if, in his opinion, it was just to the Government that I should conjecture what would be the probable result of claims disputed or litigated which were still pending, and he was willing to accept such conjecture as I might make, I would do it. Upon consultation with him and with my friends I did make such an estimate as I thought proper and fair in the case, and upon it made my return. The tax was paid soon after at my New York office. I was away, and do not know to whom. I suppose it was paid to the same collector as before, or my attention would have been called to it by my clerks. What was the amount?

Mr. BUTLER, of Massachusetts. I can give the gentleman the amount, which is stated here. It is $14,820.

Mr. PHELPS. That would be my impression—that it was about $15,000. I supposed it had gone to the Government. I knew and suspected nothing to the contrary, until one day on the floor of this House my friend from Massachusetts now near me, said that it was in the Sanborn contracts. I had not heard of these contracts before; I had not heard of Mr. Sanborn before. My curiosity was therefore naturally great to know in what way I could have gotten into the Sanborn contracts. Upon examination I discovered that the provisions of the contract were so loosely drawn—its reach was so carelessly defined—that cases like my own, in which I submit to the House that there was no dereliction of duty, but rather an anticipation of duty, clearly and from their nature came within its terms.

I will conclude now by only calling the attention of the House to the point I made in the beginning, and which is the only one I want to make; that even if it is right to farm out the collection of the revenue by contract, the contract should not be an exorbitant one. It is not fair to give $7,000 to any contractor for merely instigating the officers of the Government to exercise ordinary energy and perseverance in a simple case like this. This tax, like its predecessors, would have been paid to the Government, there is no reason to doubt, when it became due; and the fact that it was paid sooner—before it became due—through the zeal which Mr. Sanborn put into the Government officials, is not sufficient reason for the Government to pay to Mr. Sanborn the $7,000 which our revenue has lost.

The way I feel in this matter is this: When Congress tries so hard to pare down appropriations and curtail expenses, to save the poor man from further taxation and to keep for him his free tea and his coffee; when we wrangle over the cost of his friction matches, it is too bad to give to any contractors, however honorable, however efficient, the sum of $7,000 for merely telling an officer of the Government to urge a well-known citizen to pay his taxes, when these officers had the will recorded in the office from which their notice came, when they knew the executor was responsible and could be forced ultimately to pay all that might be due to the Government.

Mr. BUTLER, of Massachusetts. Will the gentleman answer a question?

Mr. PHELPS. Yes; certainly.

Mr. BUTLER, of Massachusetts. Can the gentleman tell the House what was the date of filing that will?

Mr. PHELPS. I should think it was June, 1868, or June, 1869.

Mr. BUTLER, of Massachusetts. And assuming the tax to have been due at the time the will was filed, when would the five years have run out?

Mr. PHELPS. But this debt or tax is not incurred, so that the statute runs until the estate is settled. Only then can the amount be ascertained upon which the tax is levied and by which the debt is as ascertained.

Mr. FOSTER. What is the limitation?

Mr. BUTLER, of Massachusetts. Five years, when the legacy tax becomes due.

Mr. FOSTER. That does not become due until the amount is ascertained.

Mr. BUTLER, of Massachusetts. When the will is proved it becomes due.

Mr. PHELPS. No, when its amount is ascertained.

Mr. FOSTER. There is no limitation against the collection of the tax; there is a limitation against the assessment.

Mr. COX. Mr. Chairman, is debate limited to the other side of the House?

The CHAIRMAN. The floor belongs at present to the gentleman from Maine, [Mr. HALE.] If he yields to the gentleman from New York, [Mr. COX,] the latter will be recognized.

Mr. HALE, of Maine. I have promised to yield to my friend from Connecticut, [Mr. HAWLEY.]

Mr. COX. Well, Mr. Chairman——

The CHAIRMAN. The gentleman from Connecticut has the floor.

Mr. HAWLEY, of Connecticut. Mr. Chairman, it will be impossible for me to stay long in the way of the gentleman from New York, [Mr. COX,] because I am so anxious to hear him. My only desire in seeking the floor at present is to correct a misapprehension of the gentleman from Maine, [Mr. HALE.] I was sorry he misunderstood my remarks, as he did slightly; and as I had no opportunity at the time to correct his statement, he kindly yields me a moment now.

When previously upon the floor, I was, as I thought, careful to say that my only wish was to present a case under this law, not to go into a discussion of the law itself or the general policy of such laws. I rise now only to say that when the proper time comes, if this is not the proper time, (and we are making it such very fast)—when the proper time comes for discussing that law, I shall by speech or vote concur with those gentlemen who have most heartily denounced that law and all the practices under it. The law itself, from foundation-stone to turret, together with the whole system of moieties and Sanborn contracts from beginning to end, is, I think, from our experience, obviously demoralizing to the whole civil service, and discreditable and injurious in every way to the Government. This is all I wish to say just now.

Mr. HALE, of Maine. I now yield to the gentleman from Ohio, [Mr. GARFIELD.]

Mr. GARFIELD. I yield one minute to the gentleman from Pennsylvania. [Mr. RANDALL.]

Mr. RANDALL. I was a member of this House when the law now under consideration was passed, and I raised my voice as forcibly as I could against its passage. At the proper time, when the committee shall report all the facts, I think I can give the gentleman from Mas-

sachusetts [Mr. BUTLER] some cases which even he will hardly defend—cases where these officers have exercised their tyranny in the city of Philadelphia.

Mr. Chairman, how was this bill forced through the House? The majority passing the bill acted in full view of a prophecy then made of the results which would follow its enactment. The gentleman from Maine [Mr. HALE] at that time said in substance, and indeed almost literally, what he has stated to-day; and I, in my feeble way, as will be seen by reference to the printed debates, characterized the measure as a scheme by which designing men would practice extortion upon innocent merchants and corporations. This is just the use that has been made of this law in the city which I have the honor in part to represent.

This measure as embraced in a conference report was, after discussion, rejected in this House by a vote of 80 to 81, the conference report being rejected solely on account of this thirty-fourth amendment as it was then classified. The bill went to another conference; yet, notwithstanding that vote of the House, recruits were brought up here and the measure was subsequently passed by a vote of 87 yeas to 77 nays. I have here the report; but as I said I do not want to anticipate the discussion of this subject. I am unwilling, however, that the gentleman from Massachusetts [Mr. BUTLER] shall stand up here and say that nobody believes this law in its execution has been improper; for I know that in its execution it has been one of the most outrageous laws ever placed upon the statute-book, as constituents of mine—honest, upright people as any living in the State of Massachusetts—have had sorry reason to feel.

Mr. GARFIELD. I yield to my friend from New Jersey [Mr. PHELPS] for a moment, that he may read a single receipt.

Mr. PHELPS. I take one minute more of the time of the gentleman from Ohio, because on reading this printed copy of the Sanborn contract I find fortunately the receipt which was sent to me as executor; and I read that receipt as showing that there was not in the transaction, in its end, any more than in its beginning and progress, one thing to indicate the presence of other than governmental interest. Certainly nothing, at a time when no one had ever heard the name of Sanborn or knew him as other than a governmental official. It is signed by the Secretary of the Treasury:

TREASURY DEPARTMENT,
Washington, D. C., September 12, 1873.

SIR: I have to acknowledge the receipt, through Special Agent John D. Sanborn, of the sum of $14,820, on account of legacy and succession tax due the Government from the estate of John I. Phelps, deceased.

Very respectfully,

WILLIAM A. RICHARDSON,
Secretary.

Hon. WILLIAM WALTER PHELPS,
Hackensack, New Jersey.

A MEMBER. On what page is that receipt?

Mr. PHELPS. On page 164; and on the same page I find two other cases known to myself and to which I direct the attention of the House. They involve names of much wider reach than the humble one I bear; still more easily could the Government, unaided by contractors, have found and exposed their delinquency, if there was any. One receipt here refers to the estate of William Curtis Noyes, *clarum et venerabile nomen*, than whom no lawyer better known throughout the country has died in New York during the last thirty years. Immediately below, on the same page, I find a receipt undoubtedly for the residuary legacy of Edmund Penfold, a man not of forensic fame or national reputation, like Mr. Noyes, but a man widely known for wealth and public spirit. I have no time to look further.

Mr. GARFIELD rose.

Mr. NIBLACK. I will not interrupt the gentleman for longer than a minute.

Mr. GARFIELD. I have only fifteen or twenty minutes left out of two hours.

Mr. NIBLACK. I only desire, Mr. Chairman, and I feel it due to myself, to say this is a subject with which I have been familiar from the beginning; that is, what are now known as the Sanborn contracts; and when it comes before the House on the report of the Committee on Ways and Means for a repeal of the law I shall then seek the floor and make a statement of the history of the law itself, in reference to which I took some part. I opposed it from the beginning, and I am not at all surprised at the developments which have been seen here of its operation. I did not anticipate this debate, and am not entirely prepared for it, and therefore have not sought the floor, but will ask to be heard when it comes regularly before the House on report of the committee.

Mr. GARFIELD. Mr. Chairman, the discussion of the public expenditures has, by an incidental remark of the gentleman from Kentucky, [Mr. BECK,] taken in its range the so-called Sanborn contracts. I am unwilling to believe the gentleman from Kentucky weighed the force of his words and meant from his heart what he said when he introduced the subject of the Sanborn contracts. He is a member of the Committee on Ways and Means. He is familiar with all that is being said and done in that committee in regard to the Sanborn contracts. I now hold in my hand a copy of the Congressional Globe, borrowed from him, with marks to indicate the legislative steps by which the moiety law, so known, became a law. I have every reason to believe the gentleman from Kentucky is perfectly familiar with all the steps which led to that law in this House and in the Senate; first, by being here at the time, and secondly, by having carefully, I have no doubt, gone over the Globe in reference to it. And yet, with a kind of excitement I am unable to explain or understand, he said—and I wrote down on a paper here as he uttered them—these astonishing words:

This moiety law was engineered through the House by the gentleman from Ohio, [Mr. GARFIELD.]

I wrote them at the moment, that I might be sure to quote them as they were uttered by the gentleman from Kentucky. I am unwilling to impute conscious and premeditated wrong to any member; and I cannot but think in the heat and glow of his eloquence, at the end of his hour's speech, that these words flew from him like sparks from hot iron running through the rolls. I cannot doubt that he knew better.

Mr. BECK. I wish to say this: I do not know the exact language I used. I was showing to what extent executive officers are making contracts and allowing usurpations to progress under a law which at the time was passed under the lead of the gentleman from Ohio as chairman of the committee of conference, and explained by him at the time, as shown in the book I sent him, and which he assured the House could not bear any such significance as the officers of the Government have given it. My remarks were against executive usurpation, made under the law which he thought then was harmless or else he was blinded.

Mr. GARFIELD. A word as to the history of the law itself. A friend of mine a moment ago asked how is this—it seems everybody was opposed to this matter? How then came it to be a law? This is its history in brief: The proposition was brought to the Committee on Appropriations to add a clause empowering the Secretary of the Treasury to make special contracts for the collection of unpaid taxes. I went to the Secretary of the Treasury, now a distinguished Senator, and asked him whether it met his approval. I had been told he desired that put into the law; but the Secretary, in a full conversation on the subject, said there were already some laws of that sort about taking up wrecks which had been sunk in southern harbors during the war, and he showed me his books and said, "We never got a dollar from any of these things; and I do not believe in the policy, because it simply gives men power to go around and perhaps levy black-mail upon the people. I do not believe in giving people such power."

Reporting the fact to the Committee on Appropriations, that committee were unanimously against the clause. We rejected it in committee, and did not allow it to become a part of the text of the bill; it was the legislative appropriation bill, corresponding with the one now under debate. When the bill went to the Senate the rejected clause was inserted, and when the bill came back to the House and was referred to the Committee on Appropriations, the committee, adhering to its former opinion, unanimously reported to the House against the clause; and on their motion it was stricken out in the House, and the bill was sent back to the Senate, and finally went to a committee of conference. The committee of conference found the Senate not only united, but strong and determined, in favor of keeping that clause in the bill. There was faithfully presented to them the argument made in the House—made by the gentleman from Maine, [Mr. HALE,] a member of the committee; made by the gentleman from Pennsylvania, who has just spoken on the subject; made by myself—giving the reasons why we thought such a provision ought not to pass. The Senate, nevertheless, insisted that it should be kept in the bill. It was again brought into the House and attacked by members of the Committee on Appropriations, and the House voted down the conference report by one majority, and on that ground almost solely. It was again sent back to a committee of conference, and, if I remember rightly, a second conference report was voted down in the House. I am not quite positive, however, as to that. But at last, on the final conference report, which was made on the 3d day of May, I stated the objections which had been urged in the House by the Committee on Appropriations against the clause. I said to the House that the House conferees had undertaken to obviate those objections by putting into the law that no contract should be given to any man to collect taxes under this arrangement unless he filed his statement under oath, setting forth exactly what corporation, or what man, or what men, owed taxes that had not yet been paid; stating the amount that he believed to be so owed, and stating furthermore his peculiar means of knowledge and of getting hold of the facts. My words in the debate on April 29, when the first conference report was voted down, as reported in the Congressional Globe, were as follows:

No member of the Committee on Appropriations was more opposed or is more opposed to the idea of moieties than I. I was opposed to putting on the clause to which the several gentlemen have referred. We found the Senate making this statement. The Senate conferees told us they had reason to believe single corporations had covered up under the form of stock accounts and other bonds $500,000 which ought to have been paid into the Treasury as an income tax. And they had reason to believe this provision would enable the Secretary of the Treasury to secure the repayment of that sum. The Senate conferees were a unit on this subject, and notwithstanding all the representations we made, they would not give way. I do not believe a better result can be had if we vote a dozen conferences. I have no personal pride in this conference report; but I say at this stage of the session, when this report has cost five sessions of the conference committee to produce the result, I should be sorry to see it defeated on this single point. I demand the previous question on the adoption of the report.

The Globe reports me as speaking on the 3d May, on presenting the final conference report, as follows:

Mr. GARFIELD, of Ohio. Mr. Speaker, there were two points especially made in the House against the Senate amendment, apart from the objections which were

directed against the entire principle of the proposition. The conferees have had four sessions in reference to this question. The Senate conferees were absolutely unwilling to recede from the amendment. After all these conferences we insisted that if the proposition was to be retained at all, there should be safeguards to obviate the special objections made in the House.

The first objection was, that irresponsible persons without character might make such representations as would induce the Secretary of the Treasury to give them a contract, and that this would be the last heard from them. The amendment in its present form (as members will have noticed if they have attended to the reading) provides that no contract shall be made with any person unless he first submits a written statement under oath, of what he believes to be the amount of money or property withheld from the Government unlawfully by any person, firm, or corporation, stating also the law that he believes to be violated; and the statements are to be so specific that they may enable the Secretary of the Treasury to know where the derelict property is and its exact status.

In the next place, the amendment in its present form provides, as a protection against black-mailing, that anyperson having such contract, who shall attempt to make settlement, or who shall receive money in the way of settlement without an express written order from the Secretary of the Treasury to that effect, shall be deemed guilty of a penal offense, and shall be punished therefor.

In the third place, it is provided that frequent reports shall, under the direction of the Secretary of the Treasury, be made by any person thus authorized to recover property. The committee of conference believe that the proposition in its present form obviates as fully as possible the evils apprehended by members of the House who objected to the measure.

Thus, with the amendment which the House conferees insisted upon as the only condition on which they would at all tolerate the clause, it was brought in and passed. The law thus guarded, as declared in my speech on presenting the report, could not be open to some of the worst objections there were to the law.

That is the history of the case, and I know of no single act, or part of an act, that has ever been more strongly insisted on by one body and opposed by another than that clause of the legislative appropriation bill two years ago.

Now, with that simple statement of the case, I am sure the gentleman from Kentucky himself will see the gross injustice of making the statement he did in saying to the House and the country that I or any member of the Committee on Appropriations engineered this legislation.

Mr. BECK. Let me ask the gentleman from Ohio this question: Did he not, after the explanation he made as to the provisions of the law as it passed the Senate, urge the House to vote for the measure as then amended, he being chairman of the conference committee? And did he not vote for it himself on the call of the yeas and nays?

Mr. GARFIELD. I certainly voted for the conference report, as the gentleman from Maine, [Mr. HALE,] as the gentleman from Indiana, [Mr. NIBLACK,] who signed the conference report did, although as much opposed to it as I was. But the gentleman well knows that such action was as wide apart as the poles from the position of engineering the provision.

Mr. RANDALL. If there were two out of three opposed to it, how was it got in?

Mr. GARFIELD. Simply because when two independent legislative bodies differ sharply on a clause in a bill that must pass they cannot both have their way. One or the other must yield or lose the bill.

Mr. RANDALL. The House had previously voted down the conference report which embraced that.

Mr. GARFIELD. The House had rejected the clause in its first shape, but not in its greatly restricted and modified form. If the law as it stands has been strictly followed, I do not see how any great abuse could result from it. Whenever this subject comes up in regular order on the report from the committee which has it in charge it will be time to enter more fully into the debate on its merits.

I desire now to respond to two things in the speech of the gentleman from Kentucky, [Mr. BECK,] in regard to expenditures and appropriations.

The proclamation of the gentleman from Kentucky, [Mr. BECK,] to which this House listened on Thursday last at the conclusion of my remarks, was among the most high-sounding *pronunciamientos* I have heard in many years. It was like the book that Hamlet spoke of, which "thundered in the index." Now that we have had the volume of the thunder-storm, it seems to me there has been a great deal less thunder in the book than there was in the index.

There are just two points of difference raised between the gentleman from Kentucky and myself, and only two. They have been discussed hitherto, and I discuss them now only to recall to the attention of the House what they are.

The first is the statement made by the gentleman from Kentucky that Congress, at its last session, appropriated $15,500,000 more than all the estimates of all the Departments. I answered at the time; and to-day, after listening carefully to the gentleman's statement, I cannot, for the life of me, comprehend his logic or the basis on which he concludes that he was "right all the time," and sticks to it. Now, what is his proof? If gentlemen will listen to me for a moment, I will give them exactly his method of proof. It is this: He picks up the Book of Estimates, bearing date of December, 1873, the Book of Estimates written and published, he says, long after all the appropriations of the last Congress were made, and turning to page 176, he finds the Secretary of the Treasury saying, "estimates for 1874, $308,323,256.27."

He then says, with an air of triumph:

> There I have the authority of the Secretary of the Treasury himself for saying that all the estimates for 1874 amounted to $308,000,000.

Now, the fault in his reasoning, or rather in his statement, is, that he puts in a very important little word of three letters, and that is the word "*all*." He makes the Secretary say in this book that *all* the estimates for 1874 amounted to $308,000,000. The Secretary says no such thing. Where does the Secretary get that $308,000,000? I will tell the gentleman, as I have told him twice before. Here is the Book of Estimates of last year, the book sent to us in print the first day of the session in December, 1872, and there the Secretary makes his estimates, permanent and annual, and sums them up on page 168, under this heading: "Estimates for 1874"—that is for this year—"$308,323,256.27;" and these are the very figures in millions and thousands and hundreds, in dollars and cents, which the Secretary says in his Book of Estimates for this year were the estimates for 1874, to wit, $308,323,256.27.

Now, what man of any clearness of mind, or fairness of mind, will say that the Secretary now states that all the estimates for 1874 were $308,000,000? Who does not see, who does not know, that that was what he last year estimated for in his Book of Estimates of December, 1872? And the gentleman has thrice repeated the declaration, that the Secretary says that three hundred and eight millions were *all* the estimates for 1874. Sheer stubbornness could go no further.

Now, Mr. Chairman, the Committee on Appropriations kept a record of the additional estimates sent into the House after the Book of Estimates of last year was received. Many of them were printed by order of the House. Here they are for the inspection of any who desire to know the truth. I will give some specimens from this volume, bound last year, by the care of the Clerk, and labeled, "Additional Estimates of Appropriations." I find in it, for example, "Estimates of deficiencies," and sent in, when? January 9, 1873; sent in a month after the Book of Estimates was on the tables which the gentleman quotes from, and the amount of deficiency asked for was $5,221,264.10. Not one dollar of that five millions is in the Book of Estimates at all. Let me turn to another page. I read "Estimates for the building for the War, State, and Navy Departments." This was sent to the House by the Secretary of State, asking for $2,652,833; and not one dollar of that sum was in the Book of Estimates. And yet this estimate was sent to Congress January 14, 1873. Now, for the convenience of the House and for the information of its members, I submit, and will have printed in the RECORD, a complete list of the official estimates that were sent to the House after the Book of Estimates was delivered to us last year, and that list gives the date of each estimate sent in, the object, and the amount asked for. The list shows a total from the different Departments of $23,281,340.46 of additional estimates, not one dollar of which was in the Book of Estimates which the gentleman still asserts contains all the estimates of all the Departments. This amount, added to the amount recommended in the Book of Estimates, makes a total of more than $332,000,000, a sum many millions more than all the amounts appropriated under the laws making permanent appropriations, and by the annual bills. I again pronounce the gentleman's charge as wholly untrue.

I here insert the list:

Statement of additional estimates received by the Committee on Appropriations of the House of Representatives during the third session of the Forty-second Congress, and subsequent to the rendition of the annual Book of Estimates.

[The date of the manuscript letter or the numbers of the executive documents submitting the estimate will be found in brackets.]

District of Columbia:	
For expenditures in improvement of Washington City, paving, grading, and curbing upon and adjoining the property of the General Government, in the city. [December 3, 1872]	$1,241,920 92
To reimburse the late corporation of Washington City for work done around Government reservations	188,002 75
To reimburse the board of public works for work done around Government reservations	106,533 00
To complete improvement of streets and avenues opposite and around Government property	913,497 26
To reimburse city of Washington for improvement of the avenues of said city, and for work done thereon not chargeable against owners of private property	1,000,000 00
Total	3,449,953 93
From State Department:	
For expenses of the American and British claims commission, [December 10, 1873]	139,500 00
For the Texan frontier commission, [January 13, 1873]	18,490 00
For Thomas J. Durant, translator, [December 10, 1872]	3,000 00
For lithographic press and pressman	3,000 00
For international penitentiary Congress, [January 2, 1874]	5,000 00
For new State, Navy, and War Department building appropriation, [Executive Document No. 94]	2,652,883 00
For consulate at Vienna, Austria, [December 5, 1872]	3,500 00
Total	2,825,373 00
From Treasury Department:	
For Coast Survey, [November 13, 1872]	275,000 00
For public building, Fall River, Massachusetts, [December 9, 1872]	100,000 00
For purchase of land, Sacramento, [January 3, 1872]	30,000 00
For public building, Albany, New York, [December 11 and 12, 1872; January 28, 1873]	150,000 00
For building for custom-house and post-office, New York, increased one story, [January 7, 1873; February 17, 1873]	500,000 00
For Comptroller of the Currency, special contingent, and one clerk of class 4. [February 5, 1873]	5,000 00
For heating apparatus Treasury building, [February 15, 1873]	10,000 00
For assay office, New York, [January 15, 1873]	22,000 00
For legislative expenses of Washington Territory, [December 17, 1872]	26,980 00

For Commissioner of Customs, increase of force in his office	$10,800 00
For United States Mint under coinage act, [February 27, 1873]	10,000 00
For Boston post-office building, [December 12, 1872]	800,000 00
For public building, Philadelphia, [December 27, 1872]	500,000 00
For light-house at Southwest Ledge, Connecticut	50,000 00
For machinery for new mint, San Francisco, California, [December 10, 1872]	250,000 00
For appraisers' store building, San Francisco, California	408,000 00
For public building, Rockland, Maine	50,000 00
By letter of Secretary of Treasury, January 9, 1873:	
For Library of Congress	905 00
For Department of State	254,961 00
For Treasury Department	1,797,624 38
For War Department	2,831,800 00
For Interior Department	28,098 93
For Department of Agriculture	2,180 92
For Department of Justice	300,000 00
For Judicial Department	5,693 87
Total	8,419,044 10
From War Department:	
For support of sixty transient paupers in the Providence Hospital, [November 29, 1872]	12,000 00
For W. H. Shirley, work on rebel archives, [November 20, 1872]	1,000 00
For surgical appliances for disabled soldiers, [Executive Document No. 19]	6,000 00
For Medical Department of the Army, [Executive Document No. 172]	8,000 00
For stoves for the Army, [Executive Document No. 49]	100,000 00
For contingent expenses of the Quartermaster-General's Office, [Executive Document No. 50]	10,000 00
For post hospitals for the Army, permanent repairs, [Executive Document No. 36]	200,000 00
For preservation of Army clothing	300,000 00
For outstanding claims, penitentiary convicts, [Executive Document No. 133]	5,000 00
For purchasing property near San Antonio arsenal, Texas, [Executive Document No. 48]	11,000 00
For purchase of limited number of Gatling guns, [Executive Document No. 200]	
Total	653,000 00
From Navy Department:	
For eight steam sloops of war	3,200,000 00
For observation of transit of Venus	100,000 00
For owners of steamer Clara Dolsen, [January 7, 1873]	91,200 00
For gas-works, Norfolk, Virginia, [January 15, 1873]	10,000 00
For torpedoes and torpedo-boats, [January 16, 1873]	150,000 00
For naval station, New London, Connecticut, [February 15, 1873]	50,000 00
For award of court for rebel steamer Sumter, in prize	100,000 00
For clothing for Marine Corps, [January 20, 1873]	18,000 00
For contingencies for Marine Corps, [February 13, 1873]	10,000 00
For survey of isthmus of Tehuantepec, [February 24, 1873]	50,000 00
For captors of rebel steamer Albemarle, [December 4, 1872]	202,912 90
Total	3,982,112 90
From Interior Department:	
For removal of Great and Little Osage Indians from Kansas in conformity to law and treaty stipulations, [Executive Document No. 183]	1,240,000 00
To pay Osage Indians annual interest, [Executive Document No. 142]	105,720 70
For survey of exterior boundaries and subdividing of Indian reservations, [Executive Document No. 64]	500,000 00
For removal of stray bands of Winnebago Indians from Wisconsin, [Executive Document No. 38]	50,000 00
For Indian depredation claims now pending in the office of Indian Affairs, [Executive Document No. 11]	58,815 10
For sale of lands belonging to Kansas Indians, [Executive Document No. 83]	10,000 00
To provide for the Kansas Indians, [Executive Document No. 74]	15,000 00
To defray expenses of appraisal and sale of lands in Nebraska, [Executive Document No. 79]	20,000 00
To defray expenses of sale of lands in Wisconsin belonging to Chippewas, [Executive Document No. 77]	3,000 00
For purchase of land adjoining the White Earth reservation, Pembina, [Executive Document No. 103]	35,000 00
For matron at the Pawnee agency, [Executive Document No. 28]	800 00
For expense of removing the Otter Tail band of Pillager Indians, [Executive Document No. 102]	25,000 00
For expense of removal of Cheyenne agency, [Executive Document No. 80]	25,000 00
For indebtedness contracted by the agent for the Arickarees, Gros Ventres, and Mandans, [Executive Document No. 138]	76,000 00
For incidental expenses of the Indian service, [Executive Document No. 206]	40,000 00
Subsistence of Sioux Indians, [Executive Document No. 205]	350,000 00
Relief of Mississippi and Chippewa Indians, [Executive Document No. 176]	25,000 00
Expenses of holding general council in the Indian Territory, [Executive Document No. 53]	14,000 00
Wagon-road to Red Lake agency for the Chippewa Indians, [Executive Document No. 76]	5,000 00
For instruction to Indians, central superintendency, in the arts of civilization, [Executive Document No. 78]	52,000 00
For collecting and subsisting stray Apaches in Arizona and New Mexico, [Executive Document No. 105]	150,000 00
For subsistence of Navajo Indians, [Executive Document No. 215]	54,989 02
For Columbia Hospital for lying-in women	15,000 00
For deficiency in the surveying service, public lands, [Executive Document No. 39]	5,690 02
For deficiency in the appropriation for ninth census, [Executive Document No. 4]	12,000 00
For maps and charts illustrating ninth census, [Executive Document No. 23]	25,000 00
For extension of Capitol grounds, [Executive Document No. 47]	281,878 68
For appraisement of squares 687 and 688, [Executive Document No. 129.]	
For photolithographing in Patent Office	20,000 00
For clerical force in Pension Office, [Executive Document No. 30]	12,869 00
For illustrating the geological survey of the Territories, [Executive Document No. 51]	20,000 00
Total	3,254,762 53
Postmaster-General:	
For messenger to Postmaster-General, [November 27, 1872]	$1,000 00
For chief of division of statistics, [December 11, 1872]	2,500 00
For postal cards, [January 16, 1873]	167,000 00
For Post-Office, for remodeling court-yard, and for special agents and contingent, [February 28, 1873]	15,400 00
For salaries of topographer and others	1,064 00
	186,964 00
From the Attorney-General:	
For expenses of United States courts, [Miscellaneous Document No. 23]	300,000 00
Miscellaneous:	
For ventilating the Supreme Court room	2,500 00
For the Government printing, binding, and paper, [January 3, 1873.]	103,500 00
For propagating food fishes, [February 10, 1873.]	10,000 00
For vestry of Washington parish, [January 23, 1873.]	3,000 00
For Sisterhood of Saint John, [January 16, 1873]	50,000 00
For Congressional Globe, [January 14, 1873.]	42,000 00
	211,000 00

RECAPITULATION BY DEPARTMENTS.

The President	3,449,953 93
The Secretary of State	2,825,373 00
The Secretary of the Treasury	8,419,044 10
The Secretary of War	653,000 00
The Secretary of the Navy	3,982,112 90
The Interior Department	3,254,762 53
The Attorney-General	300,000 00
The Postmaster-General	186,964 00
Miscellaneous	211,000 00
Total additional estimates	23,281,340 46

[Here the hammer fell.]

Mr. GARFIELD. I would like to finish what I have to say upon another point.

The CHAIRMAN. The gentleman can proceed if there be no objection.

There was no objection.

Mr. GARFIELD. I have no knowledge of the A B C's, or of the multiplication table, or of any other patent and indubitable thing, if this list, in connection with the Book of Estimates, does not answer all that the gentleman has alleged on this subject. Add to your $308,000,000 in the Book of Estimates for last year the $23,000,000 of additional estimates subsequently sent in, and you get $331,000,000 of estimates that were sent in. How dare a man say that our appropriations exceeded all the estimates of all the Departments by $15,500,000, or by any other sum? How dare he deny the demonstrated fact that the appropriations, including the sinking fund, were less than the estimates by many millions?

Now, Mr. Chairman, there is one other question between the gentleman from Kentucky and myself, and that is the statement in his high-sounding proclamation of last week, when he said, "I will prove that the gentleman from Massachusetts did not make a mistake; was not in error when he said that he had included the sinking fund in his statement of expenditures of previous years, as well as in the appropriation for this current year." And the gentleman from Kentucky would say that with his Ithuriel spear he had touched all the false logic and had driven all his opponents to the wall, and that the gentleman from Massachusetts had retreated from his own positions for fear of his party. I am very sure the gentleman from Massachusetts [Mr. DAWES] does not need or welcome any such defense. He is amply able to take care of himself. Should the time come when he needs assistance, I am sure he will ask to be delivered from such an ally.

Non tali auxilio,
Non istis defensoribus.

Not by such a right hand does he need any protection.

The whole question is in a nutshell. The gentleman from Massachusetts stated correctly from the books of the Treasury the expenditures for a series of years. Then in stating the appropriations for this year he included the $29,000,000 of sinking fund estimated for in the permanent appropriations, but had not put in the sinking fund in his statement of expenditures for preceding years. Of course it would have been unjust to compare the expenditures of 1873, omitting the sinking fund, with the appropriations for 1874 that did contain the sinking fund. So soon as the error was pointed out to him the gentleman from Massachusetts with his usual frank manliness acknowledged the error, and that was the end of it.

But the gentleman from Kentucky, [Mr. BECK,] grieving that he had lost a much-desired opportunity for accusing Congress of outrageous extravagance, chides the gentleman from Massachusetts [Mr. DAWES] for correcting the mistake, and tries to defend the error itself. In attempting to do this he plainly confounds things wholly distinct from each other. He seems to think that what are called permanent appropriations relate wholly to the public debt and other extraordinary expenditures, and that what we call annual appropriations are only for ordinary purposes. And he thinks that when he shows that our annual appropriations, including claim bills and pension bills with the rest, have been increasing, he thereby proves that our expenditures are increasing. He does not notice the plain fact that many of the permanent appropriations are for ordinary expenditures. For example, the costs of collecting the customs, which amount

annually to more than seven millions, are among the permanent appropriations.

It proves nothing to his advantage to say that some of our expenditures are annually increasing. Of course they are, for some of them ought to increase.

The fact is that there are two forces all the while at work in our expenditures. The one is the force that is increasing, by the natural and proper growth of the Government. Can any rational man fail to see that there ought to be an increase in those functions of the Government that relate to the growth and development of the country? For example, the Post-Office Department is extending and increasing, by the growth of communication and the extension of railroads. No man in his senses supposes that we can razee the service to the measure of former years, and make its operations less year by year. I glory in the growth of every one of our Departments that represent the actual wants of a great and growing country. Nobody believes that we can cut down the State Department year by year; that is impossible.

Where abuses have crept into any Department we should correct them. Where unnecessary expenditures are being made we can cut them off. It is our duty also to cut down all those expenditures that grew out of the war, that were necessary in their time, but year by year, as the war bills are settled, become unnecessary, these can be dispensed with. The war expenditures have been decreasing for the last seven years, and have decreased more rapidly than our ordinary expenses have increased; so that on the whole there has been a decrease.

Mr. BECK. Does the gentleman from Ohio mean to tell the House that the collections made by the Post-Office Department directly from the people appear at all in the Book of Estimates?

Mr. GARFIELD. "The gentleman from Ohio" did not say anything about the revenues of the Post-Office, and he will not be diverted from his statement concerning the growth of a portion of our expenditures.

Mr. BECK. The gentleman from Ohio said the increase of the Post-Office was from the increase of business.

Mr. GARFIELD. I said the business of the Post-Office Department was growing, and ought to grow as the country expands and fills up.

Mr. BECK. Its growth does not appear in the estimates.

Mr. GARFIELD. Of course it does. All that we appropriate for it appears in the estimates.

Mr. BECK. The deficiencies?

Mr. GARFIELD. Certainly; the deficiencies of expenditures beyond the receipts. I have been showing that one class of our expenditures are annually increasing while another class—those growing out of the war—are annually decreasing, and that the decrease has been greater than the increase.

Now I come back to the question of the sinking fund. The gentleman from Kentucky stands on record as making a pledge that he would prove that the sinking fund was included in the expenditures for recent years, as given by the gentleman from Massachusetts. My eloquent and witty friend from Michigan [Mr. CONGER] expressed the hope that the gentleman would for once keep some of the promises he had been making for the last five years. To-day he has tried to redeem his promise, that he would convict the gentleman from Massachusetts [Mr. DAWES] of having "backed out," as he said, without just cause; that he would prove that the sinking fund was in the statement of expenditures for last year and the year before, and that the gentleman ought to have persisted in his first statement. I listened with the closest attention to his remarks on this point, and it must have been my dullness, for I could see nothing that approached a demonstration, nothing that gave even the faintest support to his proposition.

For lack of anything to answer, I will again give the proof that the gentleman from Massachusetts [Mr. DAWES] was in error.

I hold in my hand the last annual report of the Secretary of the Treasury. It is our official statement of expenditures for the year that ended the 30th of June last. On the fourth page I find the Secretary's statement of what the actual expenditures were; he gives it by items, and I quote it entire:

The net expenditures during the same period (the fiscal year 1873,) were—

For civil expenses	$19,348,521 01
For foreign intercourse	1,571,362 85
For Indians	7,951,704 88
For pensions	29,359,426 86
For military establishment, including fortifications, river and harbor improvements, and arsenals	46,323,138 31
For naval establishment, including vessels and machinery, and improvements at navy-yards	23,526,256 79
For miscellaneous, civil, including public buildings, light-houses, and collecting the revenue	52,408,226 20
For interest on the public debt	104,750,688 44
For premium on bonds purchased	5,105,919 99
Total, exclusive of the public debt	290,345,245 33

We thus have the official statement of the Secretary of the Treasury, which shows that the total expenditure of $290,345,245.33—the amount given by the gentleman from Massachusetts, [Mr. DAWES]—does *not* include one dollar of payment of the principal of the public debt; and everybody knows that the sinking fund is for the payment of the principal of the public debt.

Now, after the $290,000,000 were expended, there remained a surplus of $43,000,000. What was done with that? Twenty-nine million dollars of it were used for the sinking fund; the remainder was used in buying other bonds constituting the principal of the public debt. Now, in the spirit of comradeship and a desire to know just the truth, without any regard to partisan purposes, the gentleman from Massachusetts [Mr. DAWES] and myself went to the Treasury Department shortly after he had made his speech, and we sat down with the accounting officer—the man who makes up all the statements of the public receipts and expenditures. We went over the figures carefully, and found that the statement made in the annual report was strictly true; and I now affirm that, so far as my knowledge goes, there is not one member of the House, save the gentleman from Kentucky, who now denies that the statement was correct—that the gentleman [Mr. DAWES] had included the sinking fund in his statement for this year, and omitted it in those for preceding years.

Mr. BECK. The gentleman from Ohio ought to know that I do not deny that statement; but I proved it; $290,000,000, with $29,000,000 for the sinking fund, make $319,000,000. Any man with the sense of a mouse knows that. I never denied it; it is what I said.

Mr. GARFIELD. O, is that all?

Mr. BECK. Do not $290,000,000 and $29,000,000 make $319,000,000?

Mr. GARFIELD. Well, that is the only correct arithmetic I have heard from the gentleman.

Mr. BECK. I have not denied that; I have maintained it to be a fact. But the gentleman from Ohio denied that the $319,000,000 was the amount of appropriations by law. He said it embraced appropriations made by warrant, and he promised to make good his position against all comers; and the gentleman now rises to misrepresent me as having denied that $290,000,000 and $29,000,000 make $319,000,000.

Mr. GARFIELD. I am very glad to draw the gentleman out; and in order to pin him down to the case, here it is. The gentleman from Massachusetts gave these figures: "Expenditures for the fiscal year ending June 30, 1873, $290,345,245.27; appropriations for 1874, $319,000,000; an increase of nearly $30,000,000 in our expenditures." Thereupon I rose to interrupt the gentleman from Massachusetts, and asked him if he had not included in his $319,000,000 the sinking fund. "Certainly I have," said he, "but it was also included in the $290,000,000, the expenditures of last year." That was the question at issue. I then gave him the proof that the $290,000,000 did not include the sinking fund. He saw it, and promptly acknowledged the mistake. So far as I know, everybody else saw it, except the gentleman from Kentucky, [Mr. BECK.] Now to-day, on this floor, the gentleman from Kentucky says that the gentleman from Massachusetts was mistaken in acknowledging that the $290,000,000 did not include the sinking fund.

Mr. BECK. I did not say that.

Mr. GARFIELD. That is what the gentleman has been saying in the hearing of the House at least three times.

Mr. BECK. I never have said any such thing.

Mr. GARFIELD. Then does the gentleman now say (and I yield to him that he may answer) that the $290,000,000 of expenditures for last year does not include the sinking fund?

Mr. BECK. This is what I say, in a word: that the $319,000,000 includes the sinking fund; deducting the sinking fund, it leaves $290,000,000 as the appropriations for this year, less the sinking fund.

Mr. GARFIELD. But I speak of last year.

Mr. BECK. For last year $299,000,000 were the total appropriations for the year; in that the sinking fund was included. If the Administration spent any more than that, it spent it in violation of positive law. That is what I said.

Mr. GARFIELD. Why does not the gentleman stick to the point? Did the $290,000,000 expended last year include the sinking fund?

Mr. BECK. The expenditures of last year, as I showed to-day—not, as the gentleman from Ohio had maintained, expenditures by warrant, but appropriations by law——

Mr. GARFIELD. Will the gentleman answer that question? Did the $290,000,000 of expenditures of last year include the sinking fund?

Mr. BECK. The $299,000,000 of appropriations does. Now, he can make it to suit himself, and $29,000,000 in $299,000,000. Is not that the fact? Let me ask the gentleman to answer.

Mr. GARFIELD. At last, Mr. Chairman, the gentleman acknowledges that the $299,000,000 expenditure of last year does not include the sinking fund.

Mr. BECK. I say it does.

Mr. GARFIELD. Thank you for that——

Mr. DAWES. It is not correct.

Mr. GARFIELD. It is good as far as it goes. It comes within $9,000,000 of being true. The expenditures were $290,000,000, not $299,000,000, and did not include the sinking fund.

Mr. BECK. The sinking fund is included in every year's estimate and appropriations; but the gentleman from Ohio evaded it all the time.

Mr. GARFIELD. Of course the sinking fund is estimated for, and is among the permanent appropriations; but the $290,000,000 of last year did not include the sinking fund, and the $319,000,000, the total appropriations for this year, did include the sinking fund. If you take the sinking fund from the $319,000,000, it leaves $290,000,000 as the total appropriations for the current year. Thus the appropriations for the current year are no greater than the expenditures of last year. The gentleman cannot blot out these figures nor impair their force.

And this fact sweeps away utterly the assumption that since last year we have increased the expenditures by the sum of twenty-nine or thirty millions.

Mr. DAWES. Let me say a word.

Mr. GARFIELD. Certainly.

Mr. DAWES. Two hundred and ninety million dollars last year were the expenses independent of the sinking fund. Now, the sinking fund is to be added to that and taken from the $43,000,000, as I stated to the House.

Mr. GARFIELD. Certainly that is so.

Mr. DAWES. That was part of the appropriation of last year, just as much as any other appropriation. I stated $290,000,000 as the expenditures, and $43,000,000 public debt. That is the way I stated it. The $43,000,000 public debt I stated contained this $29,000,000. That was a part of the appropriation. If you put it along with the $290,000,000, it will trouble my friend on the right [Mr. GARFIELD] instead of my friend on the left, [Mr. BECK.]

I did not state it accurately at that time. My friend from Ohio correctly stated it to the House. He corrected me, because I should have stated it in this way: $290,000,000, and $29,000,000 of public debt which is contained in this $43,000,000. We only paid that year, over and above the sinking fund, the difference between $43,000,000 and $29,000,000, which is $14,000,000 of public debt independent of them. And when the Treasury Department made a report showing their expenditures were $290,000,000 and $43,000,000 they paid of public debt, they meant this—and the pity is they did not say so—that their ordinary expenses, independent of the sinking fund and public debt, were $290,000,000. The sinking fund appropriated for was $29,000,000 more, and they extinguished $14,000,000 of public debt in addition to it.

Mr. GARFIELD. I agree to all the gentleman from Massachusetts has said; and it does not disturb any statement I have made. The $43,000,000, of which he speaks, was the surplus of our receipts over all expenditures except payment of the principal of the public debt. Of this surplus, $29,000,000 were used in paying the sinking fund, and the balance was used in buying other bonds; and was thus also applied to the reduction of the public debt.

Mr. HALE, of Maine. I move that the committee rise.

The motion was agreed to.

The committee accordingly rose; and the Speaker having resumed the chair, Mr. WOODFORD reported that the Committee of the Whole on the state of the Union had according to order had under consideration the special order, a bill (H. R. No. 2064) making appropriations for the legislative, executive, and judicial expenses of the Government for the year ending June 30, 1875, and for other purposes, and had come to no resolution thereon.

ENROLLED BILL AND JOINT RESOLUTION.

Mr. PENDLETON, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled a bill and joint resolution of the following titles; when the Speaker signed the same:

An act (S. No. 302) for the relief of Dr. Edward Jarvis; and

Joint resolution (S. R. No. 6) in relation to the bronze statue of Jefferson presented to Congress by Uriah P. Levy, late an officer in the United States Navy.

EXCUSED FROM COMMITTEE SERVICE.

The SPEAKER. The gentleman from New York, Mr. WHEELER, and the gentleman from Indiana, Mr. TYNER, ask to be excused from service on the committee to attend the funeral obsequies of the late MILLARD FILLMORE, at Buffalo, New York. There being no objection the gentlemen will be excused from further service on that committee, and the Chair will appoint in their places Mr. SAYLER, of Indiana, and Mr. MACDOUGALL, of New York. The gentleman from New York [Mr. BASS] who was appointed this morning will be chairman of the committee, and will make the necessary arrangements.

SUSAN D. GALLOWAY.

On motion of Mr. DUNNELL, by unanimous consent, the bill (H. R. No. 1577) for the relief of Susan L. Galloway, with an amendment by the Senate, to change "L" in the name to "D," was taken from the Speaker's table, and the amendment concurred in.

Mr. HALE, of Maine. I move that the House do now adjourn.

The motion was agreed to; and accordingly (at five o'clock and twenty-three minutes p. m.) the House adjourned.

PETITIONS, ETC.

The following memorials, petitions, and other papers were presented at the Clerk's desk, under the rule, and referred as stated:

By Mr. CHIPMAN: The petition of Bridget Collins, for a pension, to the Committee on Invalid Pensions.

By Mr. CLYMER: The petition of Jacob K. Dundore, for relief, to the Committee on War Claims.

By Mr. DAWES: The petition of Frances H. Plummer, widow of General J. B. Plummer, to be indemnified for loss of property during the war of the rebellion, to the Committee on War Claims.

By Mr. HAZELTON, of New Jersey: The petition of 59 citizens of Camden, New Jersey, in opposition to the imposition of a tariff duty on tea and coffee, in opposition to any increase in internal taxes, and in favor of the repeal of the second section of the act of June 6, 1872, which reduced by 10 per cent. the duty on certain foreign imports, to the Committee on Ways and Means.

By Mr. HUNTON: Papers relating to the claim of L. F. W. Lake, to the Committee on War Claims.

By Mr. KELLEY: The petition of 53 employés of A. & P. Roberts & Co., Pencoyd Iron Works, Philadelphia, in opposition to the imposition of a tariff duty on tea and coffee, in opposition to any increase in internal taxes, and in favor of the repeal of the second section of the act of June 6, 1872, which reduced by 10 per cent. the duty on certain foreign imports, to the Committee on Ways and Means.

By Mr. KILLINGER: The petition of 195 citizens of Tamaqua, Schuylkill County, Pennsylvania, in opposition to the imposition of a tariff duty on tea and coffee, in opposition to any increase in internal taxes, and in favor of the repeal of the second section of the act of June 6, 1872, which reduced by 10 per cent. the duty on certain foreign imports, to the Committee on Ways and Means.

By Mr. LAWSON: The petition of Mary A. Thayer, for compensation for services in taking care of sick and wounded soldiers of the Federal Army and expenses incurred in the work, to the Committee on War Claims.

By Mr. MAYNARD: The petition of the executive committee of the board of trustees of Maryville College, Maryville, Tennessee, for relief for damages occasioned by the Federal Army, to the Committee on War Claims.

By Mr. O'BRIEN: The petition of William B. Hudson, for a pension, to the Committee on Invalid Pensions.

By Mr. PARSONS: The petition of 43 workingmen, employed by the Lake Erie Iron Company, of Cleveland, Ohio, in opposition to the imposition of a tariff duty on tea and coffee, in opposition to any increase in internal taxes, and in favor of the repeal of the second section of the act of June 6, 1872, which reduced by 10 per cent. the duty on certain foreign imports, to the Committee on Ways and Means.

By Mr. PIERCE: The petition of the trustees of the Museum of Fine Arts, of Boston, by Martin Brimmer, president, that they may be permitted to import free of duty a collection of pictures belonging to the Duke of Montpensier, upon giving bond for the re-exportation of the same within two years from the date of importation, to the Committee on Ways and Means.

By Mr. SESSIONS: Papers relating to the claim of Pardon Worsley, to the Committee on Claims.

By Mr. SHEATS: The petition of Z. P. Morrison, to be indemnified for delay and damages caused by the neglect of certain United States officers to approve his papers for starting a distillery, to the Committee on Claims.

By Mr. SHELDON: Resolutions of the New Orleans Chamber of Commerce, in relation to the Fort Saint Philip Canal, to the Committee on Railways and Canals.

Also, resolutions of the New Orleans Chamber of Commerce, favoring the placing the conduct of the improvement of the mouths of the Mississippi River under the control of Government engineers, to the Committee on Commerce.

Also, the memorial of the New Orleans Chamber of Commerce, praying that national aid be extended to the Texas and Pacific Railroad Company, to the Committee on the Pacific Railroad.

By Mr. SMITH, of Pennsylvania: Seven petitions, signed by 367 citizens of Lancaster County, Pennsylvania, in opposition to the imposition of a tariff duty on tea and coffee; in opposition to any increase in internal taxes, and in favor of the repeal of the second section of the act of June 6, 1872, which reduced by 10 per cent. the duties on certain foreign imports, to the Committee on Ways and Means.

Also, the petition of Samuel Sheaffer, of Maytown, Lancaster County, Pennsylvania, for a pension, to the Committee on Invalid Pensions.

Also, the petition of Harriet Leonard, of Lancaster County, Pennsylvania, for a pension, to the Committee on Invalid Pensions.

By Mr. SPEER: The petition of 53 citizens of Altoona, Pennsylvania, in opposition to the imposition of a tariff duty on tea and coffee, in opposition to any increase in internal taxes, and in favor of the repeal of the second section of the act of June 6, 1872, which reduced by 10 per cent. the duties on foreign imports, to the Committee on Ways and Means.

Also, the petition of 23 workingmen at Lewistown, Mifflin County, Pennsylvania, in opposition to the imposition of a tariff duty on tea and coffee; in opposition to any increase in internal taxes, and in favor of the repeal of the second section of the act of June 6, 1872, which reduced by 10 per cent. the duties on foreign imports, to the Committee on Ways and Means.

By Mr. SWANN: The memorial of Mrs. Jane Dulaney, widow of the late Colonel William Dulaney, United States Marine Corps, for a pension, to the Committee on Revolutionary Pensions and War of 1812.

By Mr. TREMAIN: Several petitions of members of the bar of the county of Albany, New York, for the division of the northern district of New York, to the Committee on the Judiciary.

By Mr. WARD, of Illinois: The petition of Mrs. Mary P. Wilson, for a pension, to the Committee on Invalid Pensions.

By Mr. WILSON, of Iowa: The petition of the Marietta monthly meeting of the Religious Society of Friends, in Iowa, for the appointment of a commission of inquiry concerning the alcoholic liquor traffic, to the Committee on the Judiciary.

IN SENATE.

WEDNESDAY, *March* 11, 1874.

Rev. BYRON SUNDERLAND, D. D., Chaplain of the Senate, offered the following

PRAYER.

O Lord, our God, Thou hast made us and brought us into being, and not we ourselves. All our breath is in Thine hands. The light of the morning sun falls upon the busy scenes of men; but there are mysterious shadows in many dwellings. We miss some of our number, who are withdrawn from these seats and are lying prostrate with sickness and disease; and especially one who but yesterday came into this Chamber with all the presence of his manly form, but now, when we meet again this morning, lies close to the edge of the dark river. O, God, we beseech Thee, be very near to the soul of Thy servant at this time. If it were possible, we would pray Thee to restore him, but if Thou hast otherwise appointed, then we beseech Thee support him with the hope of Thy people, and with the glorious prospect of the coming resurrection and the blessed immortality. Through Jesus Christ. Amen.

The Journal of yesterday's proceedings was read and approved.

Mr. SHERMAN. Mr. President, in view of the fact, known to many of the Senators, that one of our members lies dangerously ill, and perhaps dying, I move that the Senate do now adjourn.

The motion was agreed to; and (at twelve o'clock and nine minutes p. m.) the Senate adjourned.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *March* 11, 1874.

The House met at twelve o'clock m. Prayer by the Chaplain, Rev. J. G. BUTLER, D. D.

The Journal of yesterday was read and approved.

WESTERN DISTRICT OF ARKANSAS.

Mr. BUTLER, of Massachusetts. I rise to a privileged motion—the motion which I entered to reconsider the vote by which the resolution allowing the Committee on Expenditures in the Department of Justice to take testimony and to employ a stenographer and clerk, in reference to the western judicial district of Arkansas, was adopted. An arrangement has been made between that committee and the Committee on the Judiciary by which we can use the testimony taken by the one committee in the other, and save the expense of taking it again. This is satisfactory to all parties, and I therefore withdraw my motion to reconsider.

Mr. SENER. I believe, under the rules of the House, it is too late now for the gentleman to withdraw his motion to reconsider. He should move to lay that motion on the table.

The SPEAKER. The gentleman can withdraw his motion. The motion to reconsider is withdrawn.

EXPLANATION.

Mr. BUTLER, of Massachusetts. I desire, also, to say that the remarks I made yesterday, when the House was in Committee of the Whole on the legislative appropriation bill, were sent to me for revision late last evening. The reporters, of course, were engaged on their work until late at night, and could not get through with it earlier. It was not their fault. It was impossible for me to revise my remarks in time to get them in this morning's RECORD. A portion of what was sent to me was colloquy with other gentlemen. It would be unjust to them to have my remarks in one issue of the RECORD and theirs in another. I therefore ask consent of the House that the whole of the remarks made in connection with my speech shall be printed with it in the RECORD to-morrow morning.

Mr. FOSTER. That is satisfactory.

Mr. BUTLER, of Massachusetts. I think that should be done in justice to all.

There was no objection, and it was so ordered.

IMPROVEMENT OF MOUTH OF MISSISSIPPI RIVER.

Mr. SYPHER. I ask unanimous consent to offer, for present consideration, a bill to improve the mouth of the Mississippi River.

The SPEAKER. The bill will be read, after which objections, if any, will be in order.

The bill was read. It proposes to appropriate, out of any money in the Treasury not otherwise appropriated, the sum of $30,000, to be expended by the Secretary of War at the mouth of the Mississippi River; said sum to be available from and after the passage of this act.

Mr. SYPHER. I ask that I may be permitted, by unanimous consent, to make a brief statement in relation to this bill.

Mr. WILLARD, of Vermont. I object to the present consideration of the bill.

Mr. SYPHER. I hope the gentleman will allow me one minute to make an explanation.

Mr. WILLARD, of Vermont. I must object to the bill unless it goes to a committee. I have no objection to its being considered by a committee, with authority to report it back at any time.

Mr. SYPHER. I wish merely to say that the money appropriated for the improvement of the mouth of the Mississippi River last year was $125,000, and that appropriation is entirely exhausted, owing to the additional amount of labor that was required there over what was done in previous years. There are now vessels fast on the bar at the mouth of the Mississippi River, and within twelve hours probably there will be a dozen ships there trying to get in and out. And unless relief be afforded by Congress immediately, an amount of damage will be done to the commerce of that valley that will be irreparable. This is precisely similar to the bill which was passed on the 9th February for the relief of the harbor of Buffalo. The necessity for it, I think, need not be further stated, as it must be appreciated by every gentleman in the House. The Secretary of War has written a letter recommending this appropriation. He states that the money has been entirely exhausted, and that unless a further appropriation be made by Congress, no work can be done there until the beginning of the next fiscal year.

Mr. STANARD. I hope that this bill will be considered this morning. As has been stated by the gentleman from Louisiana, the appropriation which was made——

Mr. WILLARD, of Vermont. I rise to a question of order. I have not withdrawn my objection. I have said that I have no objection to the bill going to the Committee on Commerce, with authority to report at any time. But I must object to the present consideration of the bill.

Mr. CONGER. This matter, in common with all other appropriations relating to harbors, is now under consideration by the Committee on Commerce; and in my judgment the committee ought to be consulted with reference to it.

Mr. SYPHER. Will the gentleman allow me to say——

The SPEAKER. The Chair begs to suggest to the House that the time must not be wasted on matters where an absolute objection is made. The gentleman from Vermont [Mr. WILLARD] makes absolute objection.

Mr. SYPHER. Then I will make a request, to which I presume there will be no objection, that the bill be referred to the Committee on Commerce, with leave to report back at any time.

There was no objection; and the bill, (H. R. No. 2451,) having been read a first and second time, was ordered to be printed, and referred to the Committee on Commerce, with leave to report at any time.

CANAL BETWEEN THE MISSISSIPPI AND ILLINOIS RIVERS.

Mr. HAWLEY, of Illinois, by unanimous consent, presented a memorial of nearly 3,000 citizens of Illinois and Iowa, praying Congress to make an appropriation for the construction of a canal from Rock Island, on the Mississippi River, to Hennepin, on the Illinois River; and moved that the memorial be printed, with the first name, and referred to the Committee on Railways and Canals.

The motion was agreed to.

HUBBARD'S MEMORIAL.

Mr. DONNAN, from the Committee on Printing, reported adversely upon the following resolution; and the same was laid upon the table:

Resolved, That five thousand extra copies of Hubbard's memorial, concerning commerce by railroads among the several States, being House Miscellaneous Document No. 140, be printed for the use of the House.

GOVERNMENT PRINTING OFFICE.

Mr. DONNAN also, from the same committee, reported the following concurrent resolution:

Whereas it is alleged that grave abuses exist in the Government Printing Office; and whereas the abolition of the franking privilege will largely reduce the amount of public printing: Therefore,

Resolved by the House of Representatives, (the Senate concurring,) That the Joint Committee on Printing be required to report, by bill or otherwise, whether the Government Printing Office cannot be discontinued, and whether large sums of money cannot be annually saved by a change in the method of doing the public printing; and that said Joint Committee on Printing have power to send for persons and papers.

Mr. DONNAN. I call the previous question upon the resolution.

Mr. CONGER. I object to that part of the preamble which asserts that the existence or non-existence of the franking privilege should regulate the printing ordered by the Government. It seems to me frivolous, and I hope the committee will change that part of it.

Mr. COBURN. I rose to make a suggestion of the same kind.

Mr. CONGER. I had hoped that Congress would determine the amount of printing to be done from its merits or deserts, and that the existence or non-existence of a personal privilege would not control the printing of this Government.

The SPEAKER. Does the gentleman from Iowa [Mr. DONNAN] yield for an amendment?

Mr. DONNAN. I do not.

Mr. CONGER. Then I hope the House will vote down the previous question.

The question was put on seconding the previous question; and on a division there were—ayes 38, noes 10, no quorum voting.

Mr. CONGER. The chairman of the committee agrees with me in sentiment and yet he will not agree to the amendment.

Mr. DONNAN. What is the use of amending a preamble?

Tellers were ordered; and Mr. CONGER and Mr. DONNAN were appointed.

The House divided, and 94 members voted in the affirmative.

Mr. CONGER. Feeling that, perhaps, a majority of the House are in favor of this improper proposition in the preamble, I will not ask a further count.

So the previous question was seconded.

The main question was then ordered to be put; and under the operation thereof the concurrent resolution was agreed to.

Mr. GARFIELD. I call for the regular order of business.

SOLDIERS AND SAILORS OF THE WAR OF 1812.

The SPEAKER. The regular order of business being demanded, the morning hour commences at twenty-seven minutes after twelve o'clock, and the House resumes the consideration of the bill (H. R. No. 2190) to amend the act entitled "An act granting pensions to certain soldiers and sailors of the war of 1812, and the widows of deceased soldiers," approved February 14, 1871, and to restore to the pension-rolls those persons whose names were stricken therefrom in consequence of disloyalty, reported yesterday by the gentleman from Ohio, [Mr. SPRAGUE,] from the Committee on Revolutionary Pensions and War of 1812, and the question is upon ordering the bill to be engrossed and read a third time.

Mr. HOLMAN. I hope the bill will be read.

The bill was again read.

Mr. SPEER. I desire to ask the gentleman who has charge of this bill to strike out on page 2, line 16, the words "and shall not have remarried." I do not think that the marriage of one of these widows should deprive her of the pension provided for by existing law or by this bill.

The bill as reported from the committee provides that a widow in order to be entitled to the pension shall not have remarried. Now I hope gentlemen will allow me to offer an amendment to strike out the words "and shall not have remarried," so that those old ladies who were widows of soldiers, and who may have since remarried, shall be entitled to the benefits of the act. Surely their remarriage should not be regarded as a reason for imposing a penalty upon them and depriving them of the bounty of the Government. Will the gentleman admit that amendment?

Mr. SPRAGUE. I must decline to admit that amendment. The principle of this bill is the principle that prevails in regard to all other pensions.

Mr. SPEER. I know that; but the number of these persons is very few, and it is growing less from year to year. It would be a gracious, generous, and just act on the part of the Government to give them this recognition in their old age.

Mr. SPRAGUE. The bill is very liberal now.

Mr. HALE, of Maine. I ask the gentleman to accept an amendment which I will indicate. It is in section 3, to make the phrase "loss of a certificate of discharge" read "lack of a certificate of discharge." I will tell the gentleman why I propose such an amendment. In my State there are at present, right about where I live, some three hundred persons, old men and old women, who are interested in this bill. The old men were soldiers in the service of the Government when Maine was invaded in the last war with England. They were called out and were in the military service; that is undisputed. Those facts have been established, and they have received bounty-land warrants. But in many cases, I think perhaps in a majority of cases, they did not receive a regular certificate of discharge, being a peculiar kind of military force, ready for marching orders. I am apprehensive that if the word "loss" is retained, the Department may insist that these persons are cut off from receiving a pension; that they must once have had a discharge and lost it. I hope the gentleman will not object to substituting the word "lack" for "loss," because it is in the spirit and intent of his bill.

Mr. SPRAGUE. I am willing to insert after "loss" the words "or lack."

Mr. HALE, of Maine. That will answer.

The amendment was agreed to.

Mr. CESSNA. I ask the gentleman to yield to me for an amendment which I will indicate. It is in the first section, in the fifteenth line, to strike out "1824" and insert "1840," so that it will read "such widows shall have been married prior to 1840." From 1840 to 1874 is an ordinary generation of life; and it seems to me that if these old and decrepit and infirm widows were married a generation or more ago this pension should not be denied them. I trust the gentleman will allow that amendment, so that in all cases where these parties were married more than a generation ago of the ordinary life of man, this allowance may still be granted to them.

Mr. SPRAGUE. I cannot yield for that amendment. We have liberalized the law as far as we feel justified in doing.

Mr. POLAND. I ask the gentleman to permit me to offer an amendment to the third section, to add to it the following proviso:

Provided, That when any person has been granted a land-warrant under any act of Congress for and on account of service in the war of 1812, such allowance shall be *prima facie* evidence of his service and discharge, so as to entitle him if alive, or his widow if he be dead, to a pension; but such evidence shall not be conclusive, and may be rebutted by evidence that such land-warrant was improperly granted.

These soldiers certainly ought not to be compelled to prove their cases over again, when they have once so far established their services as to be entitled to land-warrants under the act of Congress.

Mr. SPRAGUE. It is so considered now at the Pension Office, I understand.

Mr. POLAND. Then my amendment will do no harm.

Mr. HALE, of Maine. Has the gentleman any doubt that under his bill such cases as the amendment of the gentleman from Vermont [Mr. POLAND] provides for will be construed by the Department as *prima facie* cases?

Mr. SPRAGUE. A great many of these warrants were obtained on improper or fraudulent testimony.

Mr. POLAND. My amendment provides that such testimony shall not be conclusive.

Mr. SPRAGUE. I know the amendment is guarded.

Mr. HALE, of Maine. It only constitutes *prima facie* evidence. Certainly the amendment, which is precisely the same as a bill introduced by me in the beginning of the session, should be adopted, if it is necessary to cover such cases as I have before named. The safe thing is to adopt it.

Mr. HAWLEY, of Illinois. I hope the amendment proposed by the gentleman from Vermont may be adopted. I think it is just and proper.

Mr. SPRAGUE. I cannot admit the amendment.

Mr. KELLOGG. It should be adopted for this reason: that in nine cases out of ten the witnesses who testified before are now dead.

Mr. POLAND. Let us at least have a vote on the amendment.

Mr. SPEER. Would it not be in order to move to reconsider the vote by which the previous question was ordered?

Mr. POLAND. It has not been ordered yet.

Mr. SPEER. I thought it was ordered on yesterday.

Mr. BUTLER, of Massachusetts. A single suggestion in regard to the fifth section, which I think would work an unintentional injustice. It provides that these old pensioners, who, because of being in the Southern States, have been dropped from the rolls for a time, shall have their pensions from the time this act shall take effect. Why not allow them their pensions right along?

Mr. SPRAGUE. This bill contains the provision in all our pension laws. I call for the previous question.

The previous question was not seconded; there being upon a division—ayes 40, noes not counted.

Mr. POLAND. I now move to amend section 3, by adding the following proviso:

Provided, That when any person has been granted a land-warrant under any act of Congress for and on account of service in the war of 1812, such allowance shall be *prima facie* evidence of his service and discharge, so as to entitle him if alive, or his widow if he be dead, to a pension; but such evidence shall not be conclusive, and may be rebutted by evidence that such land-warrant was improperly granted.

Mr. HOLMAN. I suggest to the gentleman from Vermont that, inasmuch as the language used all through this bill is "honorable discharge," he should use the same words in his amendment.

Mr. POLAND. The object of my amendment is to provide that where these old soldiers have applied under any law of Congress for a land-warrant and it has been allowed to them, that allowance shall be *prima facie* evidence of their right to a pension.

Mr. HOLMAN. Certainly the proposition is manifestly right. Our experience in reference to legislation of this class shows the propriety of the amendment. But the language used in the bill refers to "soldiers honorably discharged." I suggest to the gentleman to adopt the same language in his amendment.

CONDITION OF SENATOR SUMNER.

The SPEAKER. As so much anxiety is felt with regard to the condition of the eminent Senator from Massachusetts, Mr. SUMNER, the Chair will direct the reading of whatever bulletins he may receive on that subject. A message just received will now be read by the Clerk.

The Clerk read as follows:

12.40 p. m.—Mr. SUMNER appears to be sinking slowly; but there is no decided change.

SOLDIERS AND SAILORS OF THE WAR OF 1812.

Mr. POLAND. I accept the suggestion of the gentleman from Indiana, [Mr. HOLMAN,] and modify my amendment by inserting the word "honorable" before "discharge."

The amendment of Mr. POLAND, as modified, was adopted.

Mr. SPEER. I move to amend by striking out, at the end of the first section, the words "and shall not have remarried." I will state the object of this amendment. The persons who will be claimants under a law of this kind are growing fewer every year; and the Congress of the nation should not, in my judgment, visit upon them a penalty on account of their remarriage. The fact of their remarriage may not help their condition in any way. They may be as dependent now as though they had never remarried. The husband may have died the next year, or month, or week, or day after the remarriage. Yet it is proposed to debar these women from the benefits of this bill on account of their remarriage. The husband, if living, may be infirm and helpless; so that, instead of rendering any assistance toward the support of the wife, he may be absolutely a burden upon her. There is no reason why the Government, in extending its bounty to this meritorious class of persons, should limit it to those who shall have remained widows from the death of their husbands who were in the service. I trust the House will adopt my amendment.

The amendment of Mr. SPEER was agreed to.

Mr. BUTLER, of Massachusetts. I move to amend by striking out the following proviso at the end of the fifth section:

Provided, That the restoration and pension contemplated herein shall take effect from the passage of this act.

The section to which this amendment is appended proposes to remove from the pensioners the disability imposed by the act of 1864. Now it seems to me manifestly unjust that by this proviso we should confiscate the pension during the intervening time. While the war was going on, while the Union was still unrestored, it was a very proper thing to cut off the pensions of those who were disloyal. But I cannot see why the pensions of these men should be confiscated by the Government while no other property is confiscated. Therefore I desire a vote upon the question of striking out these words.

Mr. SPRAGUE. The amendment would restore pensions which have been lost by reason of disloyalty during the rebellion; and we do not propose, in this bill, to put the disloyal upon an equality with those who have been faithful to the country. That is the objection to the amendment of the gentleman from Massachusetts.

Mr. BUTLER, of Massachusetts. To that I make this answer: Those who had not served for sixty days or for any specified time are now put upon the pension-rolls. These men had, according to the judgment of Congress, rendered such service as to entitle them to a pension; it was their right which had been granted to them. The pension was their property, inalienable except on account of their disloyalty while that disloyalty existed, and while the safety of the country required such a policy. But the time of danger has now passed; and I do not see why these old men should be deprived of their pensions while all other persons in the South are left to enjoy their property. If anybody wants to introduce a general confiscation act with reference to property in the South, I do not know whether I shall vote for it or not; but I certainly am not going to vote for confiscation unless it is general.

The amendment of Mr. BUTLER, of Massachusetts, was agreed to.

Mr. CESSNA. I move to amend by striking out in the proviso of the first section "1825," and inserting "1840;" so that the proviso will read as follows:

Provided, That such widows shall have been married prior to the year 1840 to an officer or enlisted or drafted man who served as aforesaid in said war, and shall not have remarried.

Mr. TODD. I hope my colleague [Mr. CESSNA] will modify his amendment by striking out "40" and inserting "50."

Mr. CESSNA. My judgment is that the amendment goes as far as the temper of the House will sustain me. I have no objection to allowing my colleague [Mr. TODD] to move an amendment to my amendment, striking out "40" and inserting "50;" so that the House may choose between the two propositions. I prefer to adhere to my amendment in the form in which I have offered it, because between 1840 and the present time an ordinary generation has passed away.

Mr. TODD. I move to amend the amendment of my colleague by inserting "50" instead of "40." There is no reason or justice in excluding from the benefits of this act a woman who married an old soldier in 1850, while one who married such a soldier in 1840 receives the advantage of the law. If any allowance is to be made for marriages subsequent to the war, it should embrace all who married soldiers at any time prior to their death. If there are equities in favor of any of those women, the equities are more strongly in favor of those who married soldiers in their old age, who took care of them and nursed them to the time of their death, than those who married soldiers in the vigor of manhood. And I trust the House will adopt this amendment, to cover all imaginable cases.

The question recurred on Mr. TODD's amendment to the amendment; and there were—ayes 73, noes 62.

So the amendment to the amendment was agreed to.

Mr. CESSNA's amendment to the amendment was then adopted.

Mr. HEREFORD. I move to amend section 6 as follows: Strike out all after the word "shall," in line 9, page 5, to the word "be," in line 12, same page. The words I propose to strike out are as follows:

On proof satisfactory to the Secretary of the Interior that said pensioner did not take up arms against the Government or in any manner encourage the rebels.

I understand it to be the object of this bill not to visit upon the pensioners or their widows anything which occurred during the late war. We have omitted it, as far as the pensioner himself is concerned, and I ask in all liberality that we shall not visit it upon his widow. In order to carry out that idea I move the amendment I have indicated.

The House divided; and there were—ayes 68, noes 52; no quorum voting.

The SPEAKER appointed as tellers Mr. SPRAGUE and Mr. HEREFORD.

The House again divided; and the tellers reported—ayes 92, noes 54.

So the amendment was agreed to.

Mr. COBURN. I move to strike out in lines 16, 17, and 18, on page 5, these words:

And in case there are no minor children, then the arrearages of pension shall, upon similar proof, go to the heirs or legal representatives of such pensioner.

They are the last three lines of the bill. It provides arrearages shall be paid to heirs who are over age. The object of this bill, as I understand it, as of all pension bills, is to protect the feeble and helpless, those who are crippled, who are unable to make a living for themselves. This provides, however, that arrearages of pensions shall not only go to minor children, but to legal representatives and to heirs over age. I move that provision be stricken out.

Mr. BUTLER, of Massachusetts. Will the gentleman allow me to ask him a question?

Mr. COBURN. Certainly.

Mr. BUTLER, of Massachusetts. Does any pension law provide for collateral heirs?

Mr. COBURN. I believe not. This pension bill goes much further than any law we have ever had. I move to strike out the provision giving arrearages of pension to persons over age and to legal representatives.

The amendment was agreed to.

Mr. SPRAGUE. I demand the previous question.

The House divided; and there were—ayes 87, noes 60.

So the previous question was seconded.

The main question was ordered to be put.

The bill, as amended, was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

Mr. SPRAGUE moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

INCREASE OF PENSIONS TO TOTALLY DISABLED SOLDIERS AND SAILORS.

Mr. RUSK. I am instructed to report back from the Committee on Invalid Pensions a bill (H. R. No. 735) to increase the pensions of soldiers and sailors who have been totally disabled, with the recommendation that it do pass.

The bill was read. The first section provides that section 4 of the act entitled "An act to revise, consolidate, and amend the laws relating to pensions," and approved March 3, 1873, be so amended that all persons who, while in the military or naval service of the United States and in line of duty, shall have lost the sight of both eyes, or shall have lost the sight of one eye, the sight of the other having been previously lost, or shall have lost both hands, or shall have lost both feet, or been permanently and totally disabled in the same, or otherwise so permanently and totally disabled as to render them utterly helpless, or so nearly so as to require the regular personal aid and attendance of another person, shall be entitled to a pension of fifty dollars per month; and this shall be in lieu of a pension of $31.25 per month granted to such persons by said section. The second section provides that the act shall take effect and be in force from and after its passage.

Mr. SPEER. I think section 2 should be stricken out; it is entirely unnecessary.

Mr. RUSK. There is a report accompanying the bill, which fully explains its object, and, if necessary, it can be read.

Mr. SPEER. The second section provides that this act shall take effect and be in force from and after its passage. I move that be stricken out, as the bill will have that effect without any such section.

Mr. RUSK. I have no objection.

The amendment was agreed to.

Mr. RUSK. If there be no objection, I ask for the reading of the report.

Mr. WOODFORD. I suggest, in order to make this bill complete, in line 6, after the word "who," these words should be interlined, "by reason of injuries received or disease contracted;" and in line 7, after the words "United States," should be interlined, "or in the Marine Corps;" so it will read:

That section 4 of the act entitled "An act to revise, consolidate, and amend the laws relating to pensions," and approved March 3, 1873, be so amended that all persons who, by reason of injuries received or disease contracted while in the military or naval service of the United States, or in the Marine Corps, and in the line of duty, shall have lost the sight of both eyes, or shall have lost the sight of one eye, the sight of the other having been previously lost, or shall have lost both hands, or shall have lost both feet, or been permanently and totally disabled in the same, or otherwise so permanently and totally disabled as to render them utterly helpless, or so nearly so as to require the regular personal aid and attendance of another person, shall be entitled to a pension of fifty dollars per month; and this shall be in lieu of a pension of $31.25 per month granted to such persons by said section.

Mr. RUSK. I do not yield for any amendment, as the bill has been carefully drawn. It is worded precisely in accordance with existing law, only providing for the increase of pensions from $31.25 to fifty dollars per month. It covers the Marine Corps cases. It covers all the cases. The bill does not change the law, but merely increases this class of pensions.

If the gentleman from New York [Mr. WOODFORD] permits the reading of the report, I am satisfied he will be content to allow the bill to pass. It covers precisely what the gentleman desires.

Mr. WOODFORD. Very well. Then I ask the gentleman to allow me to offer the following additional amendment, to come in at the close of the first section of the bill:

And all persons who, under like circumstances, shall have lost one hand and one foot, or shall have been totally disabled in the same, or otherwise so disabled as to be incapacitated for the performance of any manual labor, but not so much so as to require regular personal aid and attendance, shall be entitled to a pension of thirty-five dollars per month; and all those persons who, under like circumstances, shall have lost one hand or one foot, or shall have been totally disabled in the same, or otherwise so disabled as to render their incapacity to perform manual labor equivalent to the loss of a hand or a foot, shall be entitled to a pension of twenty-five dollars per month.

Mr. RUSK. I decline to admit the amendment, and call the previous question.

The previous question was seconded—ayes 73, noes not counted—and the main question was ordered.

The bill, as amended, was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

Mr. RUSK moved to reconsider the vote by which the bill was passed; and also moved to lay the motion to reconsider on the table.

The latter motion was agreed to.

EQUALIZATION OF PENSIONS.

Mr. RUSK, from the Committee on Invalid Pensions, reported back as a substitute for the bill H. R. No. 1387, a bill (H. R. No. 2452) to equalize pensions in certain cases.

The bill was read. It provides that all persons entitled to pensions under special acts fixing the rate of such pensions, and now receiving or entitled to receive a less pension than that allowed by the general pension-laws under like circumstances, are, in lieu of their present rate of pension, hereby declared to be entitled to the benefits and subject to the limitations of the general pension laws, entitled "An act to revise, consolidate, and amend the laws relating to pensions," approved March 3, 1873, and that the act shall go into effect from and after its passage.

Mr. HOLMAN. I trust the gentleman from Wisconsin [Mr. RUSK] will consent to add the words "provided that this act shall not reduce any pension." As the bill stands, it may be construed to reduce pensions.

Mr. RUSK. The bill is drawn in accordance with the suggestions of the Commissioner of Pensions. It provides for the cases of all now receiving or entitled to receive a less pension than that allowed by the general pension laws. It does not interfere with those drawing higher pensions.

Mr. HOLMAN. We passed such an act as this a few years ago, and it was found that it reduced quite a number of pensions; and the House from time to time had to increase those pensions.

Mr. RUSK. I will say, for the information of the gentleman, that the act we passed a few years ago stated that all cases of pensions under special acts should be rated under the general law. It was not drawn as this is drawn. This says that all pensioners drawing a less pension than they would be entitled to under the general law shall receive what the general law would entitle them to. It does not disturb those drawing higher pensions.

Mr. HOLMAN. It makes them all subject to the provisions of the general pension law. If the gentleman will allow me, I will offer the following amendment:

Add to the bill the following:
Provided, however, that this act shall not be construed to reduce any pension granted by special act.

Mr. RUSK. I have no objection to that being added.

The amendment was agreed to.

The bill, as amended, was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

Mr. RUSK moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

PENSIONS TO ONE-ARMED SOLDIERS.

Mr. RUSK. I am instructed by the Committee on Invalid Pensions to report a bill (H. R. No. 2453) to amend the act entitled "An act to reduce, consolidate, and amend the laws relating to pensions," approved March 3, 1873, as a substitute for sundry bills referred to the committee.

The bill was received, and read a first and second time.

The bill proposes to amend the fourth section of the act entitled "An act to reduce, consolidate, and amend the laws relating to pensions," approved March 3, 1873, by adding thereto the following:

Provided further, That all persons who under like circumstances have lost an arm at or above the elbow shall be rated in the second class, and shall receive twenty-four dollars per month.

Mr. RUSK. I will state that this makes the one-armed equal to the one-legged soldiers.

Mr. SPEER. That is right.

Mr. RUSK. I think there will be no objection to the bill, and I call the previous question.

Mr. NIBLACK. I hope the gentleman will yield to me for a moment.

Mr. RUSK. I yield to the gentleman.

Mr. NIBLACK. I wish to ask whether the Committee on Invalid Pensions have considered fully this question of the disability that is imposed by the loss of an arm. My attention has been particularly directed to that subject, and I am inclined to think that great injustice has been done to those suffering from that disability. From the reports made to me I am impressed with this view of the case, that the loss of a right arm, where a person is right-handed, or of a left arm, where the person is left-handed, is one of the greatest disabilities, in some respects greater than the loss of a leg or the loss of an eye, so far as ability to attend to the ordinary avocations of life is concerned. It does appear to me that the loss of an arm, especially of the arm which ordinarily is most used, is one of the greatest disabilities that can be suffered, and that it ought to be so considered by the pension laws.

If I understand this bill correctly from the reading of it, it puts those who have lost an arm in the second class of disabilities, and does not allow so high a rate of pension as in some other classes of disabilities. I am inclined to think that that is not right.

Mr. RUSK. It makes those who have lost an arm equal to those who have lost a leg above the knee; that is, it puts them in the second class, for which the pension is twenty-four dollars a month.

Mr. NIBLACK. I understood that the bill was to increase the pensions in that class of disabilities. But why should they not be made equal to any other, except the loss of both eyes or both legs, which might be worse; but that would constitute total disability?

Mr. SPEER. Cases of total disability constitute the first class, for which thirty dollars a month are allowed. This is the next class, and the bill puts the loss of an arm in this class, making the pension twenty-four dollars.

Mr. NIBLACK. I am informed by those around me who are more familiar with the subject than I am, that this bill improves the present law.

Mr. SPEER. The bill is directly in the line of the gentleman's views.

The bill was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

Mr. RUSK moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

Mr. RUSK. I move that the reports accompanying these several bills be printed.

The motion was agreed to.

On motion of Mr. RUSK, the Committee on Invalid Pensions were discharged from the further consideration of the following memorials and bills reported back in connection with the bill just passed; and the same were laid on the table, and the accompanying report ordered to be printed.

The memorial of T. M. Mausen;

A petition from one-armed soldiers of the war of the rebellion, praying for an increased rate of pension;

A memorial in favor of an amendment to the pension laws, so that an invalid who has lost an arm above the elbow shall receive the same pension as those who have lost a leg above the knee;

The petition of Patrick Doyle and others, of Maine, for increase of pension in cases of loss of arm or hand;

A bill (H. R. No. 1138) to amend section 4 of an act to revise, consolidate, and amend the laws relating to pensions;

A bill (H. R. No. 1066) to equalize pensions in certain cases;

A bill (H. R. No. 1239) to authorize the same rate of pension to be paid to soldiers who have lost an arm above the elbow as is now allowed to those who have lost a leg above the knee; and

A bill (H. R. No. 1006) relative to pensions of one-armed soldiers.

AMENDMENT OF PENSION LAWS.

Mr. CRITTENDEN, from the Committee on Invalid Pensions, reported a bill (H. R. No. 2454) to amend section 13 of the act approved March 3, 1873, entitled "An act to revise, consolidate, and amend the laws relating to pensions;" which was read a first and second time.

The bill provides that section 13 of the act approved March 13, 1873, to revise, consolidate, and amend the laws relating to pensions, shall be so amended that whenever any widow or minor children entitled to a pension under the provisions of said act have died or shall die, or such widow has remarried or shall remarry, the dependent mother, father, or other relative of the soldier in the Army or Navy on whose account such widow or minor children were so entitled, shall be entitled to receive from the date of the death of the last of such children or the death or remarriage of such widow, there being no such minor children, the same pension as such relative would have received had there been no widow or minor children.

The bill was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time and passed.

Mr. CRITTENDEN moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

PENSION TO SOLDIERS WHO HAVE LOST AN EYE.

Mr. CRITTENDEN also, from the same committee, reported a bill (H. R. No. 2455) granting an allowance to soldiers who have lost an eye; which was read a first and second time.

The bill provides that any soldier who in the United States service in the line of his duty lost an eye, shall be entitled to receive, for the purpose of replacing the same by an artificial eye, the sum of thirty dollars, which shall be paid under such rules and regulations as the Commissioner of Pensions may prescribe.

The bill was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time; and passed.

Mr. CRITTENDEN moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

AMENDMENT OF PENSION LAWS.

Mr. CRITTENDEN also, from the same committee, reported a bill (H. R. No. 2456) to amend an act entitled "An act to revise, consolidate,

and amend the laws relating to pensions," approved March 3, 1873; which was read a first and second time.

The bill provides that the third and last proviso of section 4 of the act to revise, consolidate, and amend the laws relating to pensions be so amended that it will read as follows:

Provided further, That, except in cases of permanent specific disabilities, the increase of pension shall commence from the date of the examining surgeon's certificate that first shows the increased disability, and further increased in proportion to the increased disability described by subsequent certificates from the respective dates of said surgeon's certificates.

Mr. SPEER. I do not understand the effect of that bill, and I hope the gentleman from Missouri will explain it to the House.

Mr. CRITTENDEN. I will illustrate its effect by giving an instance, and it is an instance of a soldier from the gentleman's own State. There is now before the Committee on Invalid Pensions the case of a soldier of the Fifty-ninth Pennsylvania Volunteers, who was wounded, and received a surgeon's certificate, which, I think, probably entitled him to four or eight dollars per month. The second year he was ordered before the surgeon to be re-examined, and the surgeon gave him a certificate of increased disability. The case came back before the Commissioner, and the pension was increased from that date. The third year he was ordered again before a surgeon for an examination, and the third surgeon gave him a certificate of still increased disability. The case came back to the Commissioner, and he decided that the increase of the pension should be from the last examination. Now, the committee hold that that is wrong, and the increase should be from the first examination.

Mr. SPEER. I am glad to hear the explanation; the bill is certainly right, and I earnestly hope it will pass.

The bill was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

Mr. CRITTENDEN moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

WIDOW OF H. F. GRIFFIN.

Mr. CRITTENDEN. I am instructed by the Committee on Invalid Pensions to report back to the House the bill (H. R. No. 953) for the relief of the widow of H. F. Griffin, late United States deputy marshal for the western district of Texas, at Tyler. The committee think that we have no business with the bill. There is a report accompanying it.

The SPEAKER. The Chair thinks from the title that the bill belongs to the Committee on Claims.

Mr. CRITTENDEN. No; to the Committee on the Post-Office and Post-Roads.

Mr. RUSK. There is no doubt that it belongs to the Committee on the Post-Office and Post-Roads.

The SPEAKER. All claims connected with the Post-Office Department should go to the Committee on Claims.

The Committee on Invalid Pensions was discharged from the further consideration of the bill, and the bill and report were referred to the Committee on Claims, and the report was ordered to be printed.

DATE OF PENSIONS.

Mr. MARTIN, from the Committee on Invalid Pensions, reported back, with a recommendation that the same do pass, the bill (H. R. No. 674) to provide that all pensions on account of death, wounds received, or disease contracted in the service of the United States since March 4, 1861, which have been granted, or which shall hereafter be granted, on application filed previous to January 1, 1875, shall commence from the date of death or discharge, and for the payment of the arrears of pensions.

Mr. GARFIELD. I raise the point of order that this bill, providing as it does for the payment of arrears of pension, should receive its first consideration in Committee of the Whole.

The SPEAKER. The point of order is well taken.

The bill was accordingly referred to the Committee of the Whole on the state of the Union.

ORDER OF BUSINESS.

Mr. GARFIELD. I move that the rules be suspended, and the House now resolve itself into Committee of the Whole on the state of the Union, for the purpose of resuming the consideration of the legislative, executive, and judicial appropriation bill. Pending that motion, I also move that all general debate on that motion be limited to one hour.

Mr. McCRARY. I do not wish to antagonize the motion of the gentleman from Ohio [Mr. GARFIELD] at this time. But I am exceedingly anxious to progress with the consideration of the special order under my charge as rapidly as possible, as there are several gentlemen who desire to be heard upon that bill. I therefore ask unanimous consent that there be a session on Friday evening for the consideration of the special order, and that the regular session of Saturday next also be set apart for the same purpose, the two sessions to be for debate only, no business whatever to be transacted.

Mr. SMITH, of New York. Unless some understanding can be come to when the House will proceed with the consideration of the Georgia contested-election case I must object. An arrangement is being made, though not yet fully consummated, under which the consideration of that case will consume probably not more than three or four hours. If the gentleman from Ohio [Mr. GARFIELD] and the gentleman from Iowa [Mr. McCRARY] will indicate some early day, when they will not interpose the special order in the way of the election case, I will not object.

Mr. McCRARY. I hope to be out of the way of the gentleman from New York, [Mr. SMITH,] and everybody else, by the middle of next week.

Mr. GARFIELD. Allow me to suggest that unanimous consent be given to take up the Georgia election case on Monday next, after the morning hour. That will be the best way to spend Monday.

The SPEAKER. There is already a special order, on the motion of the gentleman from Indiana, [Mr. HOLMAN,] in relation to the Louisville and Portland Canal. And the gentleman from Alabama [Mr. BROMBERG] has also given notice that he desires to have taken up, after that order shall have been disposed of, the bill in regard to the importation of contagious and infectious diseases.

BOISE BASIN BED-ROCK FLUMING COMPANY.

Mr. ORR, by unanimous consent, reported from the Committee on the Public Lands a bill (H. R. No. 2457) granting the right of way to the Boise Basin Bed-Rock Fluming Company, of Idaho Territory, for the construction of ditches and flumes over the public lands; which was read a first and second time, referred to the Committee of the Whole on the state of the Union, and, with the accompanying report, ordered to be printed.

TIDE-FLATS, BUDD'S INLET, WASHINGTON TERRITORY.

Mr. ORR also, by unanimous consent, reported from the Committee on the Public Lands a bill (H. R. No. 2458) relinquishing the tide-flats at the southern extremity of Budd's Inlet, in Washington Territory, to the town of Olympia; which was read a first and second time, referred to the Committee of the Whole on the state of the Union, and, with the accompanying report, ordered to be printed.

RIGHT OF WAY TO RAILROADS.

Mr. ORR also, by unanimous consent, reported from the Committee on the Public Lands a bill (H. R. No. 2459) granting to railroads the right of way through the public lands of the United States; which was read a first and second time, referred to the Committee of the Whole on the state of the Union, and, with the accompanying report, ordered to be printed.

CASES OF EPIDEMIC CHOLERA.

Mr. BROMBERG. I ask unanimous consent to report back from the Committee on Commerce the amendments of the Senate to House joint resolution No. 29, authorizing the Secretary of War to detail medical officers of the Army to inquire into and report upon the causes of epidemic cholera. The Committee on Commerce are unanimous in reporting in favor of concurring in the amendments of the Senate, with an amendment.

The Senate proposes to amend the preamble and joint resolution, so that it shall read as follows:

Whereas epidemic cholera prevailed during the year 1873 in various parts of the United States, especially in the valley of the Mississippi, causing deplorable mortality; and whereas it is highly important that, whenever such epidemics occur, the facts concerning the spread of the disease and its mode of propagation should be ascertained as fully as possible, with a view to the prevention or limitation of future outbreaks: Therefore,

Resolved, &c., That the Secretary of War be, and he is hereby, authorized and directed to detail one medical officer of the Army, who shall, during the present year, under the direction of the Surgeon-General of the Army, in connection with the supervising surgeon of the marine hospitals, acting under the direction of the Secretary of the Treasury, visit the towns at which cholera prevailed during 1873, or such of them as, in the opinion of the Surgeon-General and Secretary of the Treasury, may be necessary, confer with the health authorities and resident physicians of such towns, and collect, so far as possible, all facts of importance with regard to such epidemic, and shall make a detailed report of the information collected, on or before the 1st day of January, 1875, to the President, to be submitted to Congress.

No objection being made, the report was received.

The amendment reported by the committee was to add to the joint resolution, as amended, the following:

And the Surgeon-General is hereby authorized and directed to report to the Secretary of War, for publication, such information on the subject as he may have or shall obtain.

The amendment reported from the committee was agreed to, and the amendment of the Senate, as amended, was concurred in.

The title was amended so as to read: "A joint resolution authorizing the Secretary of War to detail a medical officer of the Army," &c.

ORDER OF BUSINESS.

Mr. SMITH, of New York. I ask unanimous consent of the House that the Georgia contested-election case may be taken up on Monday next, after the special order in relation to the Louisville and Portland Canal shall have been disposed of.

Mr. BROMBERG. I must object, unless it is also put after the bill in relation to the importation of contagious and infectious diseases.

Mr. SMITH, of New York. Then I must move to postpone the special order, for the purpose of taking up the Georgia contested-election case at once.

The SPEAKER. The House by a majority can determine whether it will proceed with the consideration of the legislative appropriation bill in Committee of the Whole. Should the House refuse to go into Committee of the Whole, the gentleman from Iowa [Mr. McCRARY] would be entitled to the floor upon the transportation bill. The gentleman from New York [Mr. SMITH] can then move to postpone the

further consideration of that bill, which motion the House can determine by a majority vote.

Mr. GARFIELD. Pending the motion to go into Committee of the Whole, I modify my motion to close debate, so that all general debate upon the bill shall be closed in one hour and a quarter after its consideration shall be resumed.

The motion to close debate was agreed to.

The motion to go into Committee of the Whole on the legislative appropriation bill was also agreed to, upon a division—ayes 76, noes not counted.

INTERSTATE COMMERCE.

Mr. McCRARY. I renew my request that a session of this House for debate only be held on Friday evening next, and that that session, together with the regular session of Saturday, shall be set apart for debate only on the bill in regard to commerce between the States by railroads, no business whatever to be transacted.

The SPEAKER. That requires unanimous consent.

No objection was made, and it was so ordered.

Mr. McCRARY. I now move to reconsider the order just made; and also move that the motion to reconsider be laid upon the table.

The latter motion was agreed to.

UNEXPENDED BALANCES OF APPROPRIATION.

Mr. HALE, of Maine. The Committee on Appropriations, to whom was referred the resolution, introduced by the gentleman from Kentucky, [Mr. BECK,] as to the amount of balances of certain appropriations, &c., have directed me to report back the resolution with a recommendation that it be adopted with an amendment.

The SPEAKER. The Clerk will read the resolution.

The Clerk read as follows:

Resolved, That the Secretary of the Treasury be directed to inform the House what portion of the balances of appropriation remaining in the Treasury July 1, 1873, made for the service of the fiscal year ending June 30, 1871, limited by law to the payment of indebtedness incurred during the year for which they were made, has been drawn during the current fiscal year by any of the Departments of the Government, or any of the Bureaus thereof, stating specifically from what items of said balances of appropriation the amounts have been drawn, and the purposes to which the money so drawn has been applied, so far as the records in his Department exhibit said purposes.

The amendment reported by the Committee on Appropriations was read, as follows:

Add at the end of the resolution these words:

And if any balances of such appropriations have been so drawn, that the Secretary of the Treasury report under what construction of law the same have been drawn, with a copy of the opinion of any officer of the Government as authority for such construction.

The amendment was agreed to; and the resolution as amended was adopted.

GEORGIA ELECTION CASE.

Mr. SMITH, of New York. I ask unanimous consent that the Georgia election case be set down for Tuesday next after the morning hour.

Objection was made.

SUPPORT OF THE ARMY IN 1870–'71.

The SPEAKER, by unanimous consent, laid before the House a communication from the Secretary of War, in relation to the act of July 15, 1870, making appropriations for the support of the Army for the year ending June 30, 1871, and for other purposes; which was referred to the Committee on Appropriations, and ordered to be printed.

ARKANSAS CONTESTED ELECTION.

The SPEAKER also, by unanimous consent, laid before the House papers in the contested-election case of Gause *vs.* Hodges, from the first district of Arkansas; which were referred to the Committee on Elections.

BARRACKS AT ATLANTA, GEORGIA.

The SPEAKER also, by unanimous consent, laid before the House a communication from the Secretary of War, in relation to the proposals made by citizens of Atlanta, Georgia, to sell ground for barracks, &c., at that place, as contemplated by House bill No. 1429; which was referred to the Committee on Military Affairs, and ordered to be printed.

EMPLOYÉS IN THE TREASURY DEPARTMENT.

The SPEAKER also, by unanimous consent, laid before the House a communication from the Secretary of the Treasury, transmitting, in compliance with the act of August 26, 1842, a statement showing the names of the clerks and other persons that have been employed in his Department during the year ending December 31, 1873; which was referred to the Committee on Civil Service Reform.

SELLING LIQUOR TO INDIANS.

The SPEAKER also, by unanimous consent, laid before the House a communication from the Secretary of the Interior, recommending an amendment to existing laws fixing a minimum penalty for their violation in selling liquor to Indians; which was referred to the Committee on the Judiciary, and ordered to be printed.

JOHN WATTS.

The SPEAKER also, by unanimous consent, laid before the House a communication from the Secretary of the Interior, transmitting the claim of John Watts for depredations committed by the Comanche Indians; which was referred to the Committee on Indian Affairs, and ordered to be printed.

VIRGINIA DRAW OF LONG BRIDGE.

The SPEAKER also, by unanimous consent, laid before the House a communication from the Secretary of War, in relation to the narrowing of the Virginia draw in the Long Bridge over the Potomac River by certain obstructions placed there by the Baltimore and Potomac Railroad Company; which was referred to the Committee on the District of Columbia, and ordered to be printed.

JAMES W. LONG.

The SPEAKER also, by unanimous consent, laid before the House a communication from the Secretary of War, in relation to the bill (H. R. No. 1701) for the relief of James W. Long, late a captain in the United States Army; which was referred to the Committee on Military Affairs, and ordered to be printed.

FORT WILKINS, MICHIGAN.

The SPEAKER also, by unanimous consent, laid before the House a communication from the Secretary of War, in relation to the relinquishment of Fort Wilkins, Michigan; which was referred to the Committee on Military Affairs, and ordered to be printed.

FORT BUTLER MILITARY RESERVATION, NEW MEXICO.

The SPEAKER also, by unanimous consent, laid before the House a communication from the Secretary of War, in relation to House joint resolution No. 55, authorizing the Secretary of War to withdraw and discharge all title and claim to the unoccupied military reservation known as Fort Butler, situated on the Canadian River, in New Mexico; which was referred to the Committee on Military Affairs, and ordered to be printed.

JUDICIAL AFFAIRS IN UTAH.

The SPEAKER also, by unanimous consent, laid before the House a communication from the Attorney-General, in answer to a resolution of the House of the 2d instant, in relation to judicial affairs in the Territory of Utah; which was referred to the Committee on the Judiciary, and ordered to be printed.

PRIVATE LAND CLAIMS IN NEW MEXICO.

The SPEAKER also, by unanimous consent, laid before the House a communication from the Secretary of the Interior, transmitting, in compliance with the act of July, 1854, three reports of the surveyor-general of the Territory of New Mexico on private lands in that Territory; which was referred to the Committee on Private Land Claims.

LIST OF CLERKS IN WAR DEPARTMENT.

The SPEAKER also, by unanimous consent, laid before the House a letter from the Secretary of War, transmitting, in compliance with act of Congress of August 26, 1842, reports showing the names of the clerks and others employed in the various Bureaus in his Department during the year 1873; which was referred to the Committee on Reform in the Civil Service.

ENROLLED BILLS.

Mr. PENDLETON, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles; when the Speaker signed the same:

An act (H. R. No. 919) to provide for the issuing and recording of commissions to postmasters appointed by the President by and with the advice and consent of the Senate; and

An act (H. R. No. 1577) for the relief of Susan D. Galloway.

LEGISLATIVE, ETC., APPROPRIATION BILL.

The House then resolved itself into Committee of the Whole on the state of the Union, (Mr. WOODFORD in the chair,) and resumed the consideration of the special order, being the bill (H. R. No. 2064) making appropriations for the legislative and judicial expenses of the Government for the year ending June 30, 1875, and for other purposes.

The CHAIRMAN. General debate is limited by order of the House to one hour and a quarter.

Mr. PARKER, of Missouri. Mr. Chairman, my friend from Kentucky [Mr. BECK] yesterday, in his remarks, made a statement from which, if it is not corrected or rather explained, there may be a misconception of the real facts by the House and the country. For the purpose of correcting that statement I shall detain the committee for a few moments at this time.

He stated there was appropriated for the expenses of the Indian Department for the present fiscal year by the bill of the last Congress $8,000,000. That is capable of an explanation, which clearly shows a large part of that appropriation was not for expenses of the Indian service proper. It is true that by the regular appropriation bill passed at the last session of Congress, and by the deficiency bill passed at the same session, there were appropriated $8,121,825.90. A very considerable portion of that appropriation was not for the purpose of defraying the expenses of the Indian Department, or for maintaining and feeding the Indians, or fulfilling treaties with them, but was simply a *pro forma* appropriation.

For example, sir, there was appropriated in the regular deficiency bill of the last session of the last Congress $1,650,600, which was really the money of an Indian tribe formerly residing in Kansas. By a previous treaty with these Indians, known as the Osages, they agreed to sell their lands, and on the fund arising from that sale, while undis-

posed of in the hands of the Government, the Government was to pay interest. When these Indians should desire to remove to the reservation designated for them in the Indian Territory, it was agreed this fund, or so much of it as should be necessary, should be transferred to the tribe in that Territory from whom the purchase of such reservation was made. Accordingly, in the deficiency appropriation bill of the last session of the last Congress $1,650,600, arising from the sale of their lands, was transferred to the Cherokees, as the value of land sold by the Cherokees for the benefit of the Osages. Not one dollar of it was the money of the Government, not one dollar of it came out of the Treasury of the United States, but was the proceeds of the sale of the lands belonging to the Osages themselves.

Then, again, before a transfer of credit from the Osages to the credit of the Cherokees was made, the proceeds of the sale remained in the hands of the Government, and under the terms of the treaty the Government was bound to pay interest on it. The amount of that interest was $105,720.

Therefore here are two items explained, which ran the appropriation bill up last year to $8,000,000, as stated by the gentleman from Kentucky yesterday.

Here, again, is another considerable item. By a previous treaty made with two tribes consolidated in Wisconsin, known as the Stockbridges and Munsees, all their lands were to be sold and the proceeds held by the Government until distributed *pro rata* among the members of the tribes as fast as they should become citizens of the United States. By some mistake this fund was carried to the fund arising from the sale of public lands, and all that was done by the Indian appropriation bill and the regular deficiency bill at the last session of Congress, as to the proceeds of the sales of these lands, was simply to transfer $174,548 from the fund arising from the proceeds of the sales of the public lands to the fund arising under the treaty made by the Stockbridge and Munsee Indians. This, like the fund arising from the sale of the Osage lands, was a fund which did not come out of the Treasury of the United States. It did not affect that Treasury to the amount of one farthing. It was a fund arising from the sale of lands belonging to these Indians themselves. In other words, it was simply a transfer of this amount of money belonging to these Indians.

Now, these three items aggregate $1,930,868. That leaves appropriated by the deficiency and regular appropriation bills for Indian service proper $6,190,007.90. Now, it cannot be truthfully said that all this amount belongs to the current fiscal year, because there were appropriated to make up deficiencies accruing during the last fiscal year $648,489. This, subtracted from the $6,190,007.90, leaves $5,441,518 as the amount that was appropriated for the present fiscal year, and which properly belongs to the current expenses of the Indian Department, and to fulfill treaties with them.

Therefore the gentleman, inadvertently of course, was wide of the mark when he made the declaration that we had appropriated for the present fiscal year $8,000,000 for the Indian service. I thought it proper, on account of this statement having been made, that it should be accompanied with this correction, that the members of the House and the country might understand what the exact amount was that was appropriated for this service.

I now yield twenty-five minutes to the gentleman from Pennsylvania, [Mr. RANDALL.]

Mr. RANDALL. Mr. Chairman, I have given considerable time and taken much pains to analyze the various provisions of this bill, and the amounts of appropriation made under it; and I think I shall be enabled to call the attention of the committee to some important features of the bill which I trust the committee, or, if not the committee, the House, will correct by amendment. I have also adopted on this occasion a course which is unusual for me, of speaking from full notes, for the reason that figures are, to a very considerable extent, interspersed with what I shall have to say, and I desire to speak with entire accuracy.

The first feature of this bill to which I will ask the attention of the committee is in regard to the officers and clerks authorized by law, as stated in the report of the Committee on Appropriations, (House Report No. 139,) made at the time of the reporting of and which has relation to this bill, (H. R. No. 2064,) as compared with the number of officers and of clerks provided for in the appropriation act of March 3, 1873, covering the present fiscal year, and as compared with the recommendations contained in the bill under consideration, embracing the necessary appropriation to cover the next fiscal year, ending June 30, 1875:

INTERIOR DEPARTMENT.

Bureaus.	Authorized by law.	Act March 3, 1873.	Present bill.
Secretary's office	13	40	46
Patent Office	182	359	324
Pension Office	106	336	334
Indian Office	15	44	47
Land Office	108	171	171
Bureau of Education		12	13
Total	424	962	935

Excess without law by act of March 3, 1873 538
Excess without law by the proposed bill 511

TREASURY DEPARTMENT.

Bureaus.	Authorized by law.	Act of March 3, 1873.	Present bill.	Excess without law, act March 3, 1873.	Excess without law, Present bill.	Less than allowed by law, present bill.
Office of the Secretary	31	192	165	161	134	.....
First Auditor	23	41	34	18	11	.....
Second Auditor	187	284	200	97	13	.....
Third Auditor	193	219	184	20	.....	9
Fourth Auditor	17	60	52	43	35	.....
Fifth Auditor	37	48	39	11	2	.....
Sixth Auditor	117	209	219	92	102	.....
First Comptroller	18	53	46	35	28	.....
Second Comptroller	42	99	70	57	28	.....
Comptroller of the Currency	96	96	93	.....	.....	3
Commissioner of Customs	13	33	33	20	20	.....
Light-House Board	4	10	10	6	6	.....
Treasurer	153	153	138	.....	.....	15
Register	41	51	55	10	14	.....
Internal Revenue	255	265	233	10	.....	22
Bureau of Statistics	1	45	41	44	40	.....
Supervising Architect*	.....	16	18	16	18	.....
Loans and Treasury Notes:†						
Secretary's office	.....	167	138	167	138	.....
Treasurer	.....	240	161	240	161	.....
Register	.....	173	153	173	153	.....
First Auditor	.....	16	12	16	12	.....
Bureau of Engraving	.....	‡1, 269	1, 269	1, 269	1, 269	.....
Total	1, 228	3, 733	3, 363	2, 505	2, 184	49

* No law except by appropriation acts.
† Number of persons employed, 1,865.
‡ Appropriation in general terms of $500,000.

Number of persons employed in Treasury Department not authorized by law under act March 3, 1873 2,505
Number under proposed bill 2,135

WAR DEPARTMENT.

Bureaus.	Authorized by law.	Act March 3, 1873.	Present bill.
Secretary's office	14	32	23
Adjutant-General	133	117	97
Quartermaster-General	302	146	116
Paymaster-General	123	52	41
Commissary-General	50	28	23
Surgeon-General	5	14	12
Engineer's office	14	18	18
Ordnance office	112	17	13
Signal Office	2	2	4
Total	755	426	347

Number less than allowed by law as provided for in act March 3, 1873 329
Number less than allowed by law as provided for in present bill 408

Two facts should, however, be considered in reference to this Department in this connection: first, that the great bulk of those clerks authorized by law was added during the height of the war, when we had enormous armies in the field; and, secondly, there are large numbers of enlisted men assigned to clerical duty in the War Department, not, I believe, enumerated in the above statement, as many, I am led to believe, as one hundred and eighty soldiers. The reduction, even as shown, is not equal, in my opinion, to what it should have been under a peace establishment.

NAVY DEPARTMENT.

Bureaus.	Authorized by law	Act March 3, 1873.	Present bill.
Secretary's office	26	20	20
Construction and Repair	7	9	9
Yards and Docks	7	10	9
Provisions and Clothing	14	11	11
Ordnance	6	7	7
Medicine and Surgery	3	4	4
Navigation	3	5	5
Equipment and Recruiting	10	9	9
Steam Engineering	2	6	6
Total	78	81	80

By act March 3, 1873, without law 3
By proposed bill 2

STATE DEPARTMENT.

Authorized by law 32
Under act of March 3, 1873 49
Under proposed bill 55
By act March 3, 1873, without law 17
By proposed bill, without law 23

The Post-Office Department I have tried to work out, but it seems almost past finding out; and I will give it more careful examination when the appropriations for the Post-Office Department are before the House.

The Department of Justice has but recently been organized; hence I cannot make these comparisons with fairness or clearness at this time.

It will be seen that in the Treasury Department and the Interior Department alone, under the act of March 3, 1873, there were appropriations made for the salaries of 1,178 persons more than the chairman [Mr. GARFIELD] can now find laws authorizing, not considering, and aside from, the 1,865 persons employed in the Treasury Department heretofore paid out of the appropriations for expenses of loans and notes. And by the proposed bill there are 777 persons in these two Departments who will hold positions without authority of law.

I propose now to look at some other features of this curious bill.

I find in various places new Bureaus established—unknown heretofore to the law—seven, I believe, in the Treasury Department, and in like manner new officers created. Also, six new Bureaus in the State Department.

Again, the chief clerks in some Departments receive as high as $3,500, while others holding equally responsible places, both as to trust and capacity, receive only $2,000. These I will make an effort to equalize when the bill is under discussion in the Committee of the Whole, by cutting down the higher ones to $2,500 and raising the lower ones to the same sum; for I favor adequate salaries, but desire to make them just to all.

Permit me now to direct the attention of the committee to the paragraphs in this bill on pages 20 and 21, making appropriations to the Internal-Revenue Department, and enter into comparisons in relation to the same, as compared with the past.

As to the paragraph embraced in lines 472 to 481 inclusive, I propose at the proper time to offer an amendment which will reduce the sum about $60,000, conforming in the main to the organization of this Bureau or Department as it stood in December, 1866, as shown in Executive Document No. 99. The expense then was, I believe, as follows:

1 Commissioner	$3,500
1 deputy commissioner	2,500
3 heads of divisions, $2,000 each	6,000
23 clerks class 4, at $1,800	41,400
39 clerks class 3, at $1,600	62,400
42 clerks class 2, at $1,400	58,800
15 clerks class 1, at $1,200	18,000
50 copyists, at $900	45,000
3 messengers, at $840	2,520
2 assistants, at $720	1,440
10 laborers, at $720	7,200
In all	248,760
Amount asked for the next fiscal year	308,380

Which would be a reduction from what is now asked in the present bill of $59,620.

At this point we may examine the reasons given by the Commissioner of Internal Revenue, in a recent communication transmitted to this House, with a statement of the number of persons employed in December, 1866, and December, 1873, wherein he gives the reasons for the increase of clerical force in the Internal-Revenue Bureau proper, at this time, over the number employed in December, 1866. I think I can show that the Commissioner has not made a fair statement.

By the reports of the Commissioner the amount of internal revenue collected in 1866 was about $311,000,000, and in 1867 about $266,000,000, an average of about $288,500,000 per year; the taxes then reached every trade, occupation, business, produce, and person; nearly the entire amount was collected by assessments, and required an army of office-holders to administer the law. For the year ending June 30, 1873, the amount collected of internal revenue was about $114,000,000, about $110,000,000 of which were collected by stamps and from five general sources only. The estimate for the current year is $100,000,000.

By the comparative statement in the Commissioner's letter, (House Executive Document No. 99,) the whole number of persons employed in the Commissioner's office proper, on December 1, 1866, was 193—the act of July 13, 1866, authorized the employment of 256 persons—or 63 less than was authorized. On December 1, 1873, the number employed is 293. This is an increase of 100 over December 1, 1866, and 38 over the number authorized by the law of 1866.

I maintain that the collection of over $300,000,000, from the many sources heretofore named, would require more correspondence, a larger number of accounts, and the preparation and issue of more numerous forms, instructions, &c., than the collection of about one-third the amount from the five general sources only. This seems too apparent to admit of controversy. A relative decrease of inside force should, it seems to me, correspond to the decrease of outside force, when we consider the reduction of the amount collected on an average in 1866 and 1867, $288,500,000; and the estimates of the current fiscal year, $100,000,000—being a falling off of $188,500,000.

Let me give another illustration. There were collected in 1866 $236,000,000 of internal-revenue taxes from sources not taxable in 1873, a greater contrast than the one I have just stated as to what should be the expenses of the Commissioner's office proper.

To correspond with this repeal of taxes there has been a reduction of the following officers from time to time: collectors, 16; deputy collectors, 968; assessors, 241; assistant assessors, 3,318; tobacco inspectors, 729; revenue inspectors and detectives, (now agents,) 153; inspectors of coal oil, 105; special agents, 10; making a total reduction of officers, 5,541.

Let us look at this alleged increase of office duties in the adjustment of accounts. There has been, as stated, a reduction of 16 collectors and 241 assessors, whose accounts were settled quarterly, disposed of; while in 1866 there was a total of 3,518 monthly accounts—3,318 assistant assessors, 178 inspectors and detectives, and 22 special and revenue agents, against 1,324 of store-keepers and gaugers, 25 detectives, and 10 supervisors; total 1,359. In fact there were 2,159 more monthly accounts to be adjusted in 1866 than there were in 1873.

I think these comparisons make it clearly apparent that the Commissioner's office proper should be run on a less number of officers and clerks in 1873, and now at less expense than it was run in 1866.

Let us examine what these expenses were in 1866 and 1867, and compare them with the expenses of 1873:

For the year ending June 30, 1866:		
Salaries of the officers and clerks	$277,672 71	
Contingent expenses	40,093 02	
Total		317,765 73
For the year ending June 30, 1867:		
Salaries of the officers and clerks	$308,997 53	
Contingent expenses	37,606 66	
Total		346,604 19
For the year ending June 30, 1873:		
Salaries of officers and clerks	$359,588 72	
Contingent expenses	187,360 66	
Total		546,949 38

The bare salaries last year were greater than the whole expenses were for either the year 1866 or the year 1867.

The contingent expenses of the offices for the year 1873 have increased over 1866, $147,267.02. The contingent expenses for the year 1873 exceed the like expenses for both years of 1866 and 1867 combined, to the amount of $109,606.98. This is startling, and needs explanation, for it has recently been shown that much money is annually wasted, misused, I may add plundered, from the contingent funds of the various Departments.

Another fact I may well here mention, although I have heretofore called attention partially to the facts. There were, in 1866, collected $311,000,000, of which only about $20,000,000 were by stamps; while in 1873, of the $114,000,000 collected, $110,000,000 were by stamps.

The next paragraph is embraced in lines 482 and 483, page 21, which provides for an appropriation for dies, paper, and stamps, $400,000, the same as for the year 1873; and yet it appears by the Fifth Auditor's report, page 40, that the Internal-Revenue Department expended for the above purposes $644,238.15 during the fiscal year ending June 30, 1873. This discrepancy needs explanation.

The next paragraph is embraced in lines 484 to 486 inclusive, on page 21, "for salaries and expenses of collectors, &c., $1,990,542;" while the Fifth Auditor's report, page 39, shows that the expenses for like purposes for the year ending June 30, 1873, were $1,585,476.28. Why this proposed increase for the coming fiscal year ending June 30, 1875, of $405,065.72?

The next paragraph is embraced in lines 487 to 491 inclusive, on page 21, "for salaries, expenses, and fees of supervisors, store-keepers, agents, surveyors, gaugers, and miscellaneous expenses, $2,600,000." The Fifth Auditor's report makes the following exhibit for the year ending June 30, 1873:

Supervisors' salaries, (page 42)	$33,351 65	
Expenses	57,490 11	
		$90,841 76
Agents' and detectives' salaries, (page 43)	48,884 00	
Expenses	30,091 94	
		78,975 94
Surveyors' salaries, (page 43)	23,589 26	
Expenses	17,318 00	
		30,907 26
Other expenses of surveyors, (page 28)		4,376 36
Store-keepers, (page 28)		564,856 18
Gaugers, (page 43)		737,319 00
Miscellaneous, (page 43)		187,360 66
Actual expenses		1,694,637 70
Proposed appropriation for like purposes only for the coming fiscal year, ending June 30, 1875		2,600,000 00
Increase the coming fiscal year over the expenses of the fiscal year 1873		905,362 30

The next paragraph is embraced in lines 492 to 496 inclusive, page 21, "for detecting and bringing to trial and punishment persons guilty of violating the internal-revenue laws, or conniving at the same, including payments for information and detection of such violations, $100,000." On page 44, Fifth Auditor's report, the amount paid for these purposes for fiscal year ending June 30, 1873, was but $39,371.94; thus this item is increased $60,628.06—more than double.

One more reference to the details of this printed bill under consideration and I will close.

On page 69, in what I may call the summary of the amount recommended to be appropriated in the bill and the purposes for which it is classified, I find the following figures:

Object.	Appropriated, 1873–'74.	Recommended, 1874–'75.
For office of Commissioner of Internal Revenue	$354,140 00	$308,380 00
For enforcement of revenue laws	150,000 00	100,000 00
For collectors and assessors of internal revenue	5,600,000 00	4,590,000 00
For dies, paper, and stamps	400,000 00	400,000 00
Totals	6,504,140 00	5,398,380 00

Upon examination of the act of March 3, 1873, I find the following as the correct amounts therein appropriated:

For office of Commissioner of Internal Revenue	$354,140 00
For enforcement of revenue laws	100,000 00
For collectors and assessors of internal revenue	4,600,000 00
For dies, paper, and stamps	400,000 00
Total	5,454,140 00

A difference of $1,050,000; showing the true statement of the amount to be—

Appropriations for 1873	$5,454,140 00
Proposed amount under present bill	5,398,922 00
Actual reduction	55,218 00

Instead of the sum shown by the figures—$1,105,218.

In concluding, I want to say to the House that I have brought great industry to this subject in the desire to be accurate in figures, fair in my premises, and logical in my results, with no political object in view, preferring to join hands with all members of either side who desire that the expenses of the Government shall be reduced to the lowest possible figure. To make sure as to the accuracy of my figures, I have called to my assistance the services of gentlemen well versed in the laws and familiar with the detail of the administration of the Internal-Revenue and Treasury Departments, not relying entirely on my own resources or my own knowledge. I trust the chairman [Mr. GARFIELD] will give the facts and figures I have presented a careful review, and, if possible, make his reductions still more, and try and approximate to the amounts I have shown as quite sufficient for the purposes embraced in this bill.

CONDITION OF MR. SUMNER.

During the delivery of Mr. RANDALL's speech he yielded to have the following telegram read:

TREASURY DEPARTMENT,
Washington, D. C., March 11, 1874.

Hon. JAS. G. BLAINE, *Speaker of House of Representatives:*

No material change in Mr. SUMNER's condition. His physicians think him sinking slowly. I think he will survive your session of to-day.

E. R. HOAR.

LEGISLATIVE, ETC., APPROPRIATION BILL.

Mr. STARKWEATHER. Mr. Chairman, I desire the attention of the committee but a short time in the discussion of this bill.

We find, as we proceed with the debate, that we are getting information that is of great value. The statement of facts, tables, and analysis submitted by the gentleman from Pennsylvania, [Mr. RANDALL,] who has just taken his seat, present valuable information, and I join hands most cordially in any effort, from any quarter, that shall look to a reduction in a fair way of the expenditures of the Government. And while I do not agree entirely with all he has said, such a speech deserves careful consideration.

GREAT CARE TAKEN TO REDUCE EXPENDITURES.

The Committee on Appropriations, after the most careful examination of the various Departments of the Government, and after having the officials in charge of every Department and Bureau before them, have determined that in those Departments of the Government where there is not an increase of business there shall be a reduction of from 20 to 25 per cent. The analysis of the bill will show this. For instance, where there have been ten Bureaus in the Treasury Department we struck out three. Where "slush-money," so called, was paid we struck it away and reformed it altogether, abolished it entirely. In the Treasury Department alone we reduce the number of clerks three hundred and seventy, and thus save in salaries of employés nearly half a million dollars.

Mr. RANDALL. Do you not increase by direct appropriation the salaries of those who received the "slush-money" heretofore?

Mr. STARKWEATHER. The bill provides for paying them considerably less than has heretofore been paid.

UNFOUNDED ACCUSATIONS.

Allow me now to advert to an observation made by the gentleman from Kentucky, [Mr. BECK.] He complains because the business of this House has not been pushed forward. I think the gentleman has no right to complain. If the members of this House on either side, even the leading members, if you please, had taken the same time that has been wasted, and worse than wasted, in idle accusations by the gentleman from Kentucky—mere accusations, unsustained by facts or evidence—we should have done little business in this House. Let the gentleman remember the passage in a very old book about his duty to remove the beam from his own eye, before he talks about the mote in his brother's eye. Why, the gentleman comes in here from his own committee and takes two hours in his arraignment. The next day, as a substitute on the Committee on Appropriations, he takes the time of the House for two hours more in the place of a leading member of that committee of his own party. And no man on that side of the House from the Committee on Appropriations has been heard, because the gentleman from Kentucky not only appropriated the time of his own committee, but the time of the Committee on Appropriations. And when we were here a few days ago, anxious to advance the business of the country, the gentleman insisted in its interruption, in order that his colleague [Mr. BROWN] might deliver a long speech on the civil-rights bill, which was not then before the House for discussion, after the subject had been discussed three weeks, and after a large portion of that time had been occupied by the gentlemen on that side of the House.

The gentlemen on the other side remind me of the reply of Mr. Lincoln, in the Legislature, of Illinois, to a member who was always discovering (like some of our democratic friends) attacks on the Constitution. I give a short extract from Mr. Lincoln's speech:

The attack of the member from Wabash on the constitutionality of this measure reminds me of an old friend of mine. He is a peculiar-looking old fellow, with shaggy, overhanging eyebrows and a pair of spectacles under them. [Everybody turned to the member from Wabash and recognized a personal description.] One morning, just after the old man got up, he imagined, on looking out of his door, that he saw rather a lively squirrel on a tree near his house, so he took down his rifle and fired at the squirrel, but the squirrel paid no attention to the shot. He loaded and fired again, and again, until the thirteenth shot; he set down his gun impatiently and said to his boy, who was looking on, "Boy, there's something wrong about this rifle." "Rifle's all right; I know 'tis," replied the boy; "but where's your squirrel?" "Don't you see him humped up about half way up the tree?" inquired the old man, peeping over his spectacles and getting mystified. "No, I don't," responded the boy; and then, turning and looking into his father's face, he exclaimed, "I see your squirrel! You have been firing at a louse on your eyebrow!"

I refer to the story, hoping the gentleman will consider it well and be benefited by a personal application. You will observe, Mr. Chairman, that the marksman fired his rifle only thirteen times. The gentleman would have beaten this, but his ammunition is exhausted.

THE ABUSES ARE THE OUTGROWTH OF DEMOCRATIC ADMINISTRATION.

The abuses the gentleman from Kentucky is aiming at are not in the direction he supposes. They are nearer home, and are the abuses of his own party, and perhaps the gentleman is more to blame for them than any man in his party. Now let me test the gentleman's economy. He is a member of the Committee on Ways and Means. The Committee on Appropriations went through every Department until we came to the Internal Revenue Bureau. The gentleman from Kentucky was going to investigate that himself. He went with another member of the Committee on Ways and Means to that Department and went through all the branches of the service, and when they came back they reported that they could not see how there could be a reduction of a single clerk in the Internal Revenue Bureau. We have had enough of his professions; there was an opportunity for a practical application. I agree with the gentleman from Pennsylvania [Mr. RANDALL] that it is our duty to reduce there as well as elsewhere, and in the bill reported we have made a reduction. This is true, however, of the Internal Revenue Bureau, that by taking away the assessors from the service some little new labor has been thrown on it, but, notwithstanding that additional labor, I agree entirely with the gentleman from Pennsylvania, and voted in committee for a reduction, notwithstanding the report of the gentleman from Kentucky that no reduction was practicable in that Department.

Mr. RANDALL. There are two thousand less quarterly and monthly reports to be made to the Internal Revenue Department proper than there were in 1866.

Mr. BURCHARD. Allow me to suggest that the examination of those accounts is made by the Auditor.

Mr. RANDALL. That only shows that there is more reason for a reduction in the force of the Internal Revenue Department.

THE REDUCTIONS ARE LARGE.

Mr. STARKWEATHER. I must hasten on. I have taken great pains to examine the appropriations recommended by our committee this year. In the Army bill we have reduced the original estimates $4,791,800; in the naval bill, $2,853,917.21; in the fortification bill, $2,647,000; saving, $10,292,717.21.

While the fortification bill which I reported was under discussion, I said:

The estimates at first submitted by the proper Department for continuing the work on our fortifications and sea-coast defenses for the next fiscal year were $3,601,000. These estimates were made with a view to placing our fortifications in a more complete condition of efficiency, in contemplation of the emergency that was impending a few months since. But when it was suggested by Congress on assembling that the depression in the finances of the country called for a revision of estimates, the War Department and the Chief of Engineers, General Humphreys, with a most commendable spirit, seconded the wishes of Congress in the line of economy, and by a thorough revision reduced the estimates to $1,407,500.

Since then the Committee on Appropriations, after repeated conferences with General Humphreys, and on a careful examination of every item in the estimates, and with his hearty co-operation, have reduced them to $994,000, the amount proposed to be appropriated in this bill.

The amount heretofore appropriated has often been much larger, and it has been generally most wisely expended. Compared with any year before the war even, when labor was cheap, the appropriation this year is a successful effort in the line of economy.

Take a few years by way of comparison:

In 1836 there were appropriated for fortifications	$1,710,000
In 1847	1,570,000
In 1854	1,134,573
In 1855	1,010,500
In 1856	1,842,600
In 1857	1,818,300

During the war large sums were appropriated, some years amounting to several millions.

For the last three years the amount appropriated is as follows:

1871	$1,211,500
1872	1,322,000
1873	1,847,000

The bill was passed precisely as I reported it, except on my motion two amendments were made reducing the bill $40,000, leaving the

appropriation only $954,000; and of this amount less than $800,000 was for fortifications proper, the balance being for surveys and other services in the interest of economy, in furnishing cheaper lines of transportation for Army supplies and facilities for the settlement of the Territories, and in opening up their great wealth of mineral resources to the people of the whole country.

Here we have, then, in the three bills already passed by the House, a saving on the original estimates of $10,292,717.21. And still the gentleman from Kentucky "is not happy."

In this bill we reduced from the bill reported last year $4,776,307.56. And "still he is not happy."

If we go forward in this line of economy, as I have no doubt we shall, then, under existing laws, all the expenses of the Government will be paid, together with the interest on the public debt, and there will be at least a balance of $25,000,000 to apply on the payment of the principal.

In this connection, I desire to quote from the very able speech of the gentleman from New York, [Mr. E. H. ROBERTS,] a leading member of the Committee on Ways and Means, only desiring to say in addition that the receipts can be, I think, safely put at $320,000,000, under existing laws.

Mr. ROBERTS said:

Observe that the reduction of the debt for February exceeds the requirements of the sinking fund. The excess is not large, but it exists, and it is most significant. It may fairly be increased by the item of "old interest" above. And the receipts of to-day indicate even a better result for the current month.

FISCAL YEAR 1874-'75.

For the next fiscal year, 1874-'75, the Secretary of the Treasury estimates the receipts at $305,700,000. They can safely be put at $315,000,000, if not more, under present laws. The expenditures, including the demands for the sinking fund, are placed at $319,191,000; but the disposition of Congress has been proved to keep them below $300,000,000.

Three of the regular appropriation bills have passed this House, and in each case sturdy effort for retrenchment was cordially sustained. The Secretary's report had the same basis as the original estimates submitted to Congress. In the naval bill, which the able gentleman from Maine [Mr. HALE] so successfully carried through the House, the sum appropriated is $2,853,917.21 less than the original estimates, and about $853,917 less than the revised estimates. So in the Army appropriation bill, of which my eminent and faithful colleague [Mr. WHEELER] had charge, the sum voted is $4,791,800 less than the original estimates, and $4,466,800 less than the revised estimates; and I appeal to my colleague to know if the House did not with alacrity follow his brave and efficient lead. The other example is the fortification bill, reported by the gentleman from Connecticut, [Mr. STARKWEATHER,] in which a reduction of $2,647,000 is made below the original, and $453,000 below the revised estimates; and the total appropriated, $954,000, is about one-half the expenditure of last year, and of several of the years preceding the war. For example, the appropriations were—

In 1856	$1,710,000
In 1856	1,842,600
In 1871	1,211,500
In 1872	1,322,000
In 1873	1,847,000
For 1874	954,000

Not only has the House generously supported the Appropriation Committee in every regular bill, but in the case of fortifications it clipped $40,000 from the bill as reported.

These three bills show a saving, as compared with the original estimates:

Navy bill	$2,853,917 21
Army bill	4,791,800 00
Fortification bill	2,647,000 00
Saving	10,292,717 21

In the bill already reported to the House the reductions recommended by the committee are, in the legislative, executive, and judicial expenses, $3,953,730.60 as compared with the estimates, and $4,776,307.56 as compared with last year.

The Departments ask this year for only $2,312,839.78 for deficiencies, against $6,116,677.39 last year. So that the reductions already indicated, as compared with the basis of the Secretary's estimates for next year, are already $17,049,285.49.

What the House has done is specific, tangible work; and we need more of it in the bills yet to be reported. Doubtless the House and the Committee on Appropriations will complete a reduction of $25,000,000, or even more, from the original estimates. That will justify the confidence that the credit balance for the next fiscal year will exceed $20,000,000.

But the gentleman "is not happy;" and I cannot repress the conviction that has been made in his series of remarkable speeches, remarkable chiefly for an absence of fair criticism, that he is most worried because these bills are economical beyond any reported for years, and, in comparison with the demands of the public service, more economical than under any administration before the war.

HIS ARITHMETIC IS AT FAULT.

The gentleman should now admit his mistakes, for all his high-sounding accusations have signally failed of proof. His little mistake of $30,000,000 is perfectly apparent to any man who will take pains to investigate.

Where, then, are his charges that "the gentleman from Ohio [Mr. GARFIELD] has deceived the country?" Where are his innuendoes that the gentleman from Massachusetts [Mr. DAWES] "had been silenced in the interest of his party?" The immense balloon that the gentleman from Kentucky had inflated never rose above the dead level of his own unsustained assertions. It has utterly collapsed.

Take another assertion of this gentleman to which the gentleman from Missouri [Mr. PARKER] replied yesterday. That statement was, in short, that there was appropriated for the expenses of the Indian Department for the present fiscal year, by the bill of last Congress, $8,000,000.

The gentleman from Missouri shows by a careful and exact statement of the facts, giving all the figures in detail, that, instead of $8,000,000, as asserted by the gentleman from Kentucky, it was only $5,441,518; another little mistake of over two and a half million dollars. The gentleman from Kentucky as an arithmetician is not a success. And this blundering comes of talking of matters of which he knows little.

How much better and more in accordance with usage would it have been for the gentleman to have left a little time in this discussion to the three able gentlemen on the Committee on Appropriations of his own party, the gentleman from Illinois, [Mr. MARSHALL,] the gentleman from Maryland, [Mr. SWANN,] and the gentleman from Texas, [Mr. HANCOCK.] Each of them has been constant in his attendance in the committee, and I say with great pleasure that they have ably and cordially supported every effort in the line of a wise economy. They could have informed the gentleman from Kentucky of the facts, being conversant with the whole subject. Or else he should have examined carefully before making the charge that the chairman of the committee had "deceived the country."

A modest blush he wears, not formed by art;
And thus with manly modesty he spoke.

THESE BLUNDERS "RETURN TO PLAGUE THE INVENTOR."

But how does the gentleman from Kentucky treat the grave mistake of $30,000,000? Why, he persisted through ten days of debate here, on one side and the other, in his misstatement of facts, asserting that the gentleman from Massachusetts [Mr. DAWES] "had been silenced in the interest of his party," and that the gentleman from Ohio [Mr. GARFIELD] had deceived the country.

The gentleman from Massachusetts called him to an account for his statement, and I ask the House and the country to observe his reply:

Mr. DAWES. I understood the gentleman to say that the gentleman from Ohio had silenced me because I was glad to be silenced in the interest of my party.

Mr. BECK. If I used the word "because," it was wrong. What I intended to say was, I had no doubt the gentleman was very glad to be silenced, and it was very proper that he should be if he could, for the good of his party. I take back the "because."

Mr. DAWES. Mr. Chairman, the gentleman from Kentucky does not quite do me justice in that respect, nor does he do the gentleman from Ohio justice, or else I suffer a good deal unreasonably. I admitted upon the floor of the House that the gentleman from Ohio was correct. I have since examined the figures, and I am still of opinion that the gentleman from Ohio was correct, with the exception that he accidentally stated the sinking fund to be $43,000,000, when in point of fact it was $29,000,000. With that exception I am still of opinion, after a careful revision of all his figures, that the gentleman from Ohio was correct in saying this, that in my comparison of the expenditures year after year I stated them correctly; but when I came to the appropriations of this year—not the expenditures of this year, because the year had not ended—I did not include the sinking fund in past years, although it was included in the appropriations for this year.

I was glad to be corrected to that extent, wherever I was mistaken. I was desirous of being absolutely correct and accurate. And if I had done injustice anywhere I was very glad to be corrected.

Note the reply. "If I used the word 'because,' it was wrong;" and added subsequently, "my time is limited." How ingenuous! The two hours spent in unfounded accusations, and no time to correct a misstatement of facts! And this is the exhibition to the end of his speech.

He that hath been often told his fault
And still persists, is as impertinent
As a musician that will always play,
And yet is always out at the same note.

ECONOMY ALWAYS IN ORDER.

In every bill reported from our committee we have made important reductions, and we shall go on in that spirit to the end. It may be impossible to make much reduction in the Post-Office Department, owing to our extended lines of communication, with the postal-order system and other new branches of service which are for the accommodation of the country; but reduction is the order of the day, and I am proud to say that this republican party, about which we hear so much complaint by the gentleman from Kentucky, has in every year of its progress inaugurated these great reforms.

ALL REFORM THE WORK OF THE REPUBLICAN PARTY.

Allow me, Mr. Chairman, to recall a few of these reforms, as well as its great achievements during the war.

In the ranks of the republican party there was not found one enemy of the Republic. That party won imperishable honor in defense of the nation's life and in the maintenance of the nation's integrity. It gave emancipation, citizenship, enfranchisement, and civil rights to a race outraged and oppressed for two hundred years. In all the world no party ever had so grand a record. It has given free homesteads to the people; it has by its national highways spanned a continent; united the two great oceans of the world; brought China, the Indies, and the wealth of the Orient nearer to us by half the circuit of the globe; it has opened an immense zone of our dominion, teeming with agricultural and mineral wealth, to settlement and civilization, and made forever indissoluble this Union of States.

Is it nothing that, by negotiation, the administration of President Grant has, within the last few years, settled the right of expatriation, and accomplished what had baffled the diplomacy and statesmanship of every Administration for half a century, and which had cost us the war of 1812, and was then further than ever from settlement? Is it nothing that this Administration has secured important rights by negotiation with all the principal commercial nations of the globe? Is it nothing that a peaceable, Christian policy has been inaugurated

in our dealings with the Indians, by which needless wars shall be avoided and millions saved to the Treasury? Is it nothing that this Administration, by peaceable arbitration, settled the Alabama claims and secured $15,000,000 as compensation, and avoided a war that would have cost many millions? Is it nothing that this Administration is going forward by a steady and sure progress in securing a most efficient civil service?

What further reforms have been accomplished by a republican Congress? The mileage was a great abuse. A republican Congress has done this. It has cut off constructive mileage, reduced it one half, and limited it to one mileage a session. The next step will soon be taken, and it will be abolished altogether.

What next? We limited executive authority and extended the power of the people, in the tenure of office act.

We provided cheap postage for the people at home, and reduced largely the foreign-postage charges in the interest of our naturalized citizens. What party before ever did so well?

What next? For the security of our Treasury, and in the interest of economy, we passed an act covering undrawn balances into the Treasury.

We abolished the spirit rations in the Navy, and provided wholesome food in the place of grog.

Then we have provided by our legislation for payment of pensions to all the disabled Union soldiers, amounting to $30,000,000 a year.

What further? Under an old law abuses had arisen under every Administration in regard to refunding customs duties by the Secretary of the Treasury. While the gentleman from Massachusetts [Mr. DAWES] the other day was speaking, a bill was prepared withdrawing the power and correcting this abuse.

These are but a tithe of the reforms accomplished by a republican President and a radical Congress. And still we go forward to new fields of reform.

Look over our wide domain. Our internal water-communication, under the power given in the Constitution to regulate commerce among the States, has, by our legislation for the improvement of our rivers and harbors, been advanced more in the last eight years than for eighty years before. And by a significant vote in this House within the last few days the republican majority stood in solid column, asserting the right of Congress to interfere to prevent any railroad corporation, or combination of corporations, from laying exorbitant and oppressive burdens on the people, thus showing that the republican party is willing to meet the issues before us and go forward in all great reforms.

Look again along our coasts. What do we see? You see breakwaters, harbors of refuge, life-saving stations, and a light-house system unequaled on the face of the globe. Here, again, more has been accomplished in the last few years than in eighty years before.

Look again over our vast domain, twenty times larger than the original thirteen States, and you see, almost without exception, the daily mail sent to every village in the land, and to the remotest hamlet on the frontiers; and this is increased as the business requires and population increases to a dozen mails a day, with postal-car service. To this has been added the money-order system, our best and cheapest reform of this century. Does anybody here wish to go back to the weekly mail and the old postal facilities? If so, he should organize a new party without a day's delay.

All this costs something, it is true. You cannot build a railway across a continent, nor improve our rivers and harbors, nor make harbors of refuge, nor erect life-saving stations, nor light up five thousand miles of sea-coast, nor pay pensions, without money.

All this expenditure is well, if wisely applied. It pays a hundredfold in the substantial advancement of the nation in material prosperity.

ONE MISTAKE.

The last Congress, in the judgment of the country, made one mistake. It was in the increase of our salaries. That mistake this Congress has already corrected. But let it not be forgotten that a majority of the republican members of the House voted against that increase, while a majority of the democrats voted for the bill.

But this Congress has, in all its legislation, exercised the most scrupulous care, and not a single bill that has the slightest color of a job has found the least encouragement this session. This assures the country that its interests and honor are secure.

NEW FIELDS OF REFORM.

Mr. Chairman, we must still go forward into new fields of reform, and correct other abuses of long standing, the legacy of former Administrations.

First. We must cut up the system of moieties, root and branch, and require the regular officers of the Government to collect the revenues faithfully. This old abuse must be speedily reformed.

Secondly. We must reduce the expenses of the customs collection, by limiting salaries and abolishing needless offices.

Thirdly. We must reduce the salaries of such pension agents and other officials as are receiving unreasonable compensation in salaries and perquisites.

Fourthly. We must, by further legislation, provide guarantees against "straw bids" in the mail-contract service.

Fifthly. The proper committee should at once report a bill disposing of all the Government arsenals except three, and there should be a sale of the property, and the avails covered into the Treasury. These are the outgrowth of old and pernicious legislation, and by correcting these abuses several millions may annually be saved.

I have indicated these reforms. There are others already accomplished this session.

By the legislation of the last Congress we reduced the expenses of collecting the internal revenue more than one million dollars.

The following table, handed me by the chairman of the Committee on Ways and Means, [Mr. DAWES,] shows how largely the number of officers of the Internal Revenue Bureau has been reduced. From that table it appears that on the 1st of December, 1866, there were employed by the Internal Revenue Bureau 8,599 persons, and on the 1st of December, 1873, 3,533 persons. The entire table is as follows:

Comparative statement of the number of persons employed by the Internal Revenue Bureau, December 1, 1866, and December 1, 1873.

Officers.	December 1, 1866.	December 1, 1873.
Collectors	241	225
Deputy collectors	1,850	882
Assessors	241	.....
Assistant assessors, at $5 per diem	3,318	.....
Tobacco inspectors, paid by fees	748	19
Revenue inspectors, at $4 per diem	178	.....
Inspectors of coal oil, paid by fees	106	.....
Inspectors of distilled spirits, paid by fees	1,309	.....
General inspectors of distilleries, paid by fees	393	.....
Special agents	10	.....
Revenue agents	12	25
Store-keepers, from $4 to $5 per diem	.....	942
Gaugers, paid by fees	.....	987
Surveyors of distilleries	.....	150
Supervisors	.....	10
Commissioner, $6,000 per annum	1	1
Deputy commissioners	2	3
Solicitor, $4,000 per annum	1	.....
Heads of divisions, at $2,500 per annum	3	7
Fourth-class clerks, at $1,800 per annum	23	33
Third-class clerks, at $1,600 per annum	39	47
Second-class clerks, at $1,400 per annum	42	45
First-class clerks, at $1,200 per annum	15	35
Copyists, at $900 per annum	51	84
Messengers, at $1,000 per annum	4	1
Messengers, at $840 per annum	3	8
Laborers, at $720 per annum	9	27
Laborers, at $300 per annum	.....	2
Grand total	8,599	3,533

ECONOMY WITHOUT PARSIMONY.

Mr. Chairman, if this Congress will sustain the Committee on Appropriations, I am confident that the expenditures will be so reduced that we will not only pay the interest on the public debt and all the expenses of the Government, but we shall have something left to pay a portion of the principal of the public debt. I am not alarmed; I do not think there is any necessity of our being so parsimonious that we cannot carry on the Government in a spirit of progress. We shall raise money enough by the taxes already imposed to keep the wheels of the Government going in a wise, orderly, systematic, and economical manner. There is need, and there always will be need, of economy. This is a great country; and while its necessities are large, its resources are unbounded; and what we have done in the way of expenditures has been done wisely, in opening our highways of commerce, and advancing the true interest and prosperity of the whole country—it has been in the building of light-houses and life-saving stations, and in inaugurating all those great reforms the benefit of which the country has secured through an honest administration of the Government by the republican party. Pass what criticisms you please, let them come from what quarter you please, whenever the matter is taken up and fully examined, whenever we get rid of idle clamor without facts or figures to sustain it and go before the people, they will sustain us in the future as they have done in the past, so long as we are true to the principles of the republican party. Our watchword has been, and is, "Equal rights for all, special privileges to none;" economy, progress, and honest administration. No truer words have ever been uttered than those spoken by the gentleman from Massachusetts, [Mr. DAWES,] when he said that the republican party was born in the spirit of reform, and that it had administered the Government in the spirit of reform, and had its origin in the reform and overthrow of all abuses.

When the gentleman was discussing the question of refunding customs duties, I asked him if this was not the exercise of an old power by the Secretary of the Treasury. Now mark his reply:

Mr. DAWES. Most certainly it is an old power. I am arraigning no man for originating this power over the Treasury. It has come down to us from other Administrations, and we are responsible only for its continuance. And I might as well now say that I am not here to-day to arraign the republican party, but only to urge it to take hold of the work of reforming and improving old systems and methods, which have been inherited, not created, by it.

The republican party had its origin in the reform and overthrow of old abuses. It will forget its mission only when it ceases to search them out and abolish them. No other party before it had either the courage or the power to work out reforms

within its own organization. It is the glory of the republican party that it probes its own sores and corrects its own errors. It has never waited to be driven from without to a discharge of its duty, but, impelled by the very purpose of its being, it has shrunk from no self-discipline, nor hesitated in the application of the most radical reform. It is in this spirit that I speak to-day, arraigning nobody, but seeking, if possible, for better methods of administration than those which the country has outgrown, or experience has proven unwise.

Almost before the conclusion of his remarks this republican Congress swept this whole abuse from the statute-books, thus giving emphasis to the gentleman's declaration, that it "administered the Government in the spirit of reform."

This speech of the gentleman from Kentucky is the same he has made annually for the last five years, and it, as well as the speech of the gentleman from New York, [Mr. WOOD,] is conceived in the same spirit as those delivered by the latter gentleman during all the war. It was then predicted that the rebellion could never be suppressed, that the national credit was ruined, and the nation hopelessly bankrupt. These are the men who are responsible for the national debt. It was such encouragement as they gave that kept alive the hopes of the rebellion and prolonged the war. They were thus in everything with the enemies of the country, or at least only gave to their country a hesitating support, facing North one day and South the next—one day wearing the Union blue, and the next the rebel gray.

THEY CANNOT AFFORD COMPARISON.

These unfounded charges of extravagance come with an ill grace from these gentlemen. It has become a part of the history of the democratic party—one of its great failures—that under the administration of their last Chief Executive, Mr. Buchanan, in a time of peace, with no extraordinary demands on the Treasury, they contracted a national debt of millions, had to borrow money at an extravagant rate of interest, and by their utter inefficiency the rebels plundered the Treasury, treason and disloyalty held high carnival, and the nation was humbled in the eyes of the world.

IT WAS THEIR WORK.

The gentlemen of the Opposition complain of our national debt, the loss of our commerce, and of our large pension-list. The democratic party is responsible for all this. No republican advised "sending arms to the rebels;" no republican fitted out piratical cruisers to burn our unprotected and unarmed vessels; no republican convention declared the war for the preservation of the Union "a failure." I dislike to recall these unpleasant incidents of the war to the sensitive heart of the gentleman from New York, who complains now of a national debt and of taxation to pay Union soldiers. The democratic leaders North were then, as now, in sympathy, all wrong, while the masses were right; and every dollar of debt, every pension-list, every tax bill, every maimed and wounded veteran North and South, every soldier's grave, andevery desolate hearthstone, is an unanswerable and undying protest against the return of the democratic leaders to power.

THEIR FAILURE UNDER BUCHANAN.

Under Mr. Buchanan's administration the debt increased in time of peace enormously, and when Mr. Lincoln was inaugurated, in 1861, the public debt was ninety millions, and there was a deficit in the Treasury of more than seventy millions.

The first act of the last session of Congress under Buchanan's administration was to issue Treasury notes to meet the expenditures; and almost the last act of that session was by act of March 20, 1861, to provide for the payment of outstanding Treasury notes. And we have been compelled at the present session, in the straitened condition of our finances, to pay this loan; and on the 1st of last January we had to pay the fifteen-year bonds that were put on the market in 1858 by Buchanan's administration.

As the gentleman from Massachusetts [Mr. DAWES] said in his speech the other day, "It was one of the evidences of the decay of that party. It was dying of dry-rot."

And yet these dead men persist in sitting up in their coffins and giving lectures on political economy!

TWINS—TWEED AND TAMMANY.

Who does not know, also, the shameful record of the democratic party in that democratic city of New York? Stealing from the treasury became the rule rather than the exception. The democratic party applauded and defended Tweed, elected him to most honorable and lucrative positions, received part of the plunder to keep up the national and State organizations, and honored him by making him chief of Tammany. And this continued until the leading republican journals aroused the people and overthrew the conspirators. Then Tammany Hall deserted the man who had contributed millions from the plundered people to keep up the democratic organization, and poor Tweed was left to perform hospital duty, "Woody" and his co-conspirators are in exile, and the democratic party mourn their absence and the loss of material aid on election day.

Everywhere there are unmistakable warnings that it is unsafe to trust them again in power.

THE TIDAL WAVE RECEDES.

Mr. Chairman, since the organization of the republican party in 1856 the political prophets of the Opposition have predicted, with every changing season, our defeat, disintegration, and annihilation. They have, on sundry and divers occasions, seen the "tidal wave" on which they were to be borne back to place and power. But one by one these glorious visions have failed, and the receding wave has left them without success or hope.

As a party, they have long since abandoned all their own distinctive democratic principles. Two years ago they nominated and supported Mr. Greeley, and gave in a hesitating allegiance to the entire policy of the republican party, even the reconstruction measures and civil rights. Since then they have gone back on their pledges, solemnly made in national convention, and now deny to the black man civil rights. Indeed, they adhere to nothing but their old prejudices against the oppressed race.

Their party organization is broken, and the leaders agree on no question of public policy.

All shrewd observers must see that a party which was wrong during all the war; that opposed every measure of reconstruction; that opposed emancipation, equal rights and enfranchisements, and which now denies to four million freemen their rights, can never regain control of the national Government. They may gain here and there temporary success. They may win an election occasionally in the East on some issue of prohibition, or a victory in the Northwest by shouting "Hay-seed!" "Hay-seed!" But after the election is over they vote here in Congress on every occasion in the interest of railroad combinations and oppressive rates of transportation.

AN INTERESTING SPECTACLE.

And here in this House, a few days since, as I have before stated, at the suggestion of the gentleman from Kentucky, [Mr. BECK,] his colleague, [Mr. BROWN,] in a speech reeking with abuse of the President and the republican party, that had just voted complete amnesty to him and all his companions in the rebellion, insults the memory and the patriotism of our dead Union soldiers, and for nearly two hours commends the spirit which inaugurated the rebellion. The whole tone and temper of his speech has the direct tendency to bring on again civil war and rebellion, in which he would doubtless, as before, advise that every Union soldier that should go to the defense of the Government "should be shot before he leaves the State."

This letter gives a better idea of his speech than any comments that can be made, and shall be its own interpretation. It is as follows:

ELIZABETHTOWN, *April* 18, 1861.

Editors Louisville Courier:

My attention has been called to the following paragraph which appeared in your paper of this date:

"JOHN YOUNG BROWN'S POSITION.—This gentleman, in reply to some searching interrogatories put to him by Governor Helm, said, in reference to the call of the President for four regiments of volunteers to march against the South, 'I would not send one solitary man to aid the Government; and those who volunteer should be shot down in their tracks.'"

This ambiguous report of my remarks has, I find, been misunderstood by some who have read it, who construe my language to apply to the government of the Confederate States. What I did say was this:

"Not one man or one dollar will Kentucky furnish Lincoln to aid him in his unholy war against the South. If this northern Army shall attempt to cross our borders, we will resist it until death; and if one man shall be found in our Commonwealth to volunteer to join them, he ought, and I believe will, be shot down before he leaves the State."

This was not said in reply to any question propounded by ex-Governor Helm, as you have stated, and is no more than I frequently uttered publicly and privately prior to my debate with him.

Respectfully,

JOHN YOUNG BROWN.

And this is put forth here as the true spirit of democracy in that most reliable democratic State, Kentucky. This speech is the best version and exponent of democratic principles.

I would not have brought this speech to the notice of the House at this time, except for the fact that it has been announced in the public journals that it was made for distribution in Connecticut during the pending canvass, and is now being circulated there.

It is an insult to the patriotism of the country, and should be rebuked. When the purpose of this speech is understood, I am confident that the people of Connecticut will see that such teachings are unworthy of support, and that the leaders of the democratic party are still wedded to the "pestilent heresy of secession."

The old rebel leaders are in command, sailing under the flag of the "lost cause." Out into the Dead Sea goes their rebel cruiser, "painted and perfidious—a coffin, but not a ship." It challenges no respect, and can win no victories.

WHAT THE COUNTRY NEEDS.

The country needs peace. The States recently in rebellion need time to recover from the devastation of war. And there is nothing to prevent this except the insane folly of a few disappointed leaders who inaugurated the rebellion, and drove their misguided people into a needless war.

Governed by a magnanimity unparalleled in the history of the world, President Grant and the republican party extended to them amnesty, and have encouraged, by every means in their power, the return of peaceful relations between all sections of the Union.

Here and there occasionally are heard expressions of discontent, engendered by the teachings of men like Jefferson Davis, the late president of the Confederate States. They seem unmindful of the great wrong they have done in their betrayal of the Government and the distress they have brought on their misguided followers.

Except for the pernicious influence of these men we should have, under the wise and beneficent administration of President Grant, peace and prosperity everywhere.

But they will not long deceive the people, and the best men in the democratic party have left, and will continue to leave, a cause so unworthy of confidence.

With so grand a record the republican party in the future will go forward and manfully meet every duty of the hour. Let us adhere rigidly, as we have begun this session, to economy in appropriations and expenditures, and we may be certain that all the expenses of the Government will be met, together with the interest on the public debt; and, on the revival of business, I predict confidently we shall reduce our public debt the next fiscal year at least $25,000,000.

Through years of patient, self-sacrificing service the great Lincoln bore the calumnies and slanders of those public journals that thrive on falsehood. But a grateful nation mourned with inexpressible tenderness his loss, and bears his name in everlasting remembrance. His name is honored now wherever liberty is cherished in all lands.

History repeats itself. In the hands of that magnanimous, earnest, faithful man, the present Chief Executive of the nation, rest securely the interests of all the people; and when this deluge of detraction and false accusation has passed, the verdict of impartial history will place the soldier President high on the list of the great statesmen of the Republic.

Mr. DAWES. I have here a table in the line of the remarks of the gentleman from Connecticut, [Mr. STARKWEATHER.] It is a statement of the comparative number of the persons employed by the Internal Revenue Bureau on the 1st of December, 1866, and on the 1st of December, 1873.

Mr. COX. That table is already in print, in answer to a resolution which I offered.

Mr. DAWES. From that table it appears that on the 1st of December, 1866, there were employed by the Internal Revenue Bureau eighty-five hundred and ninety-nine persons, and on the 1st of December, 1873, thirty-five hundred and thirty-three persons. The entire table is as follows:

Comparative statement of number of persons employed by the Internal Revenue Bureau, December 1, 1866, and December 1, 1873.

Officers.	December 1, 1866.	December 1 1873.
Collectors	241	225
Deputy collectors	1,850	882
Assessors	241	.....
Assistant assessors, at $5 per diem	3,318	.....
Tobacco inspectors, paid by fees	748	19
Revenue inspectors, at $4 per diem	178	.....
Inspectors of coal oil, paid by fees	106	.....
Inspectors of distilled spirits, paid by fees	1,309	.....
General inspectors of distilleries, paid by fees	393	.....
Special agents	10	.....
Revenue agents	12	25
Store-keepers, from $4 to $5 per diem	.....	942
Gaugers, paid by fees	.....	987
Surveyors of distilleries	.....	150
Supervisors	.....	10
Commissioner, $6,000 per annum	1	1
Deputy commissioners	2	3
Solicitor, $4,000 per annum	1	.....
Heads of divisions, at $2,500 per annum*	3	7
Fourth-class clerks, at $1,800 per annum	23	33
Third-class clerks, at $1,600 per annum	39	47
Second-class clerks, at $1,400 per annum	42	45
First-class clerks, at $1,200 per annum	15	35
Copyists, at $900 per annum	51	84
Messengers, at $1,000 per annum	4	1
Messengers, at $840 per annum	3	8
Laborers, at $720 per annum	9	27
Laborers, at $300 per annum	.....	2
Grand total	8,599	3,533

Collectors, up to June 30, 1873, except in a few cases, when, in the opinion of the Secretary of the Treasury, the salary and commissions were not sufficient to pay expenses and allow a fair personal compensation, were paid $1,500 per annum and commissions. In all districts since that date, collectors have been given special allowance in lieu of salary and commissions allowed by law.

Deputy collectors are paid by the collectors, this office exercising a general supervision over the question of allowances for their pay, which range from $500 to $2,250 per annum; the higher salaries being confined to a few deputies in city districts paying a large revenue.

Assessors were paid by salary of $1,500, and commissions on excess of revenue over $100,000, not exceeding in all $4,000 per annum. In a few cases, where the amount of commissions was small, additional salary was allowed to give them a reasonable salary, under proviso of section 22, act of June 30, 1864.

Special agents were paid an average salary of $5.50 per diem and expenses, and a moiety as informer, whereby a fine, penalty, or forfeiture, was secured to the Government.

In 1866 the pay of revenue agents averaged $2,200 per annum and expenses, and a moiety as informer, &c. In 1873 their average pay was $7 per diem and just and necessary traveling expenses.

Fourteen surveyors of distilleries receive $6 per diem and traveling expenses; the balance are deputy collectors, who receive only actual expenses incurred in making surveys.

Supervisors receive $3,000 and expenses.

One deputy commissioner at $3,500, two at $3,000 per annum.

Salary of Solicitor $4,000 per annum. This office was transferred to Department of Justice by act approved June 22, 1870.

* By act approved December 24, 1872, the Commissioner was authorized to designate one of the heads of divisions as chief clerk, without additional compensation.

Mr. RANDALL. I know the table to which the gentleman refers, and I desire to state that most of my figures were taken from that statement.

Mr. STARKWEATHER. Wherever we get facts and figures we find this to be true: that the republican party has been on the line of economy and reform, and are so still more than ever.

I now yield the remainder of my time to my colleague, [Mr. KELLOGG.]

Mr. KELLOGG. How much time have I?

The CHAIRMAN. The gentleman will have fifteen minutes. And then the last fifteen minutes allowed by the House for general debate on this bill will be given the gentleman from Ohio, [Mr. GARFIELD,] the chairman of the Committee on Appropriations.

[Mr. KELLOGG proceeded to address the committee. His remarks will appear in the Appendix.]

Mr. DAWES. I move that the committee rise.

The motion was agreed to.

The committee accordingly rose; and the Speaker having resumed the chair, Mr. WOODFORD reported that the Committee of the Whole on the state of the Union had, according to order, had under consideration the special order, a bill (H. R. No. 2064) making appropriations for the legislative, executive, and judicial expenses of the Government for the year ending June 30, 1875, and for other purposes, and had come to no resolution thereon.

DEATH OF SENATOR SUMNER.

The SPEAKER. The Chair lays before the House the following telegram this moment received.

The Clerk read as follows:

Senator SUMNER died almost without a struggle at ten minutes before three.

Mr. DAWES, (at three o'clock p. m.) Mr. Speaker, in view of this sad intelligence, I move the House do now adjourn.

The motion was agreed to.

The SPEAKER. The House stands adjourned until twelve o'clock m. to-morrow.

PETITIONS, ETC.

The following memorials, petitions, and other papers, were presented at the Clerk's desk, under the rule, and referred as stated:

By Mr. ALBERT: The petition of 93 citizens of Carroll County, Maryland, in opposition to the imposition of a tariff duty on tea and coffee, in opposition to any increase in internal taxes, and in favor of the repeal of the second section of the act of June 6, 1872, which reduced by 10 per cent. the duty on certain foreign imports, to the Committee on Ways and Means.

By Mr. ARCHER: The petition of G. W. Ford, of Cecil County, Maryland, for relief, to the Committee on Claims.

Also, the petition of 32 citizens of Maryland, for the early settlement and payment of the claim of the Southern Methodist publishing house, at Nashville, Tennessee, to the Committee on War Claims.

By Mr. CLAYTON: Resolutions of the Legislature of the State of California, in relation to Chinese immigration, to the Committee on Foreign Affairs.

By Mr. GARFIELD: The petition of citizens of Ashtabula, Ohio, for an appropriation of the full amount of the estimates of the Engineer Department for the improvement of Ashtabula Harbor, to the Committee on Appropriations.

By Mr. MILLS: The memorial of Mrs. Ella P. Murphy, for relief, to the Committee on Indian Affairs.

By Mr. ROSS: The petition of 37 workingmen of Crescent Iron Works, at Williamsport, Pennsylvania, in opposition to the imposition of a tariff duty on tea and coffee, in opposition to any increase in internal taxes, and in favor of the repeal of the second section of the act of June 6, 1872, which reduced by 10 per cent. the duties on foreign imports, to the Committee on Ways and Means.

By Mr. SHELDON: The petition of the children and heirs of Peter Raggio, deceased, for relief, to the Committee on War Claims.

By Mr. SMITH, of Ohio: The petition of citizens of Clinton County, Ohio, for the appointment of a commission of inquiry concerning the alcoholic liquor traffic, to the Committee on the Judiciary.

By Mr. THORNBURGH: The petition of sundry tobacco manufacturers and dealers of the State of Tennessee, for abolition of the import duty on mass or stick licorice, to the Committee on Ways and Means.

IN SENATE.

THURSDAY, *March* 12, 1874.

DEATH OF MR. SUMNER.

Rev. BYRON SUNDERLAND, D. D., Chaplain of the Senate, offered up the following prayer:

O Lord God, our Father in heaven, we all do fade as a leaf before Thee; one generation cometh and another goeth; and so Thou standest this day to plead with this Thy great people. Two honored heads lie low, and the sighing of sister cities responding in their grief is heard in all the land. The grave must receive her own; we bow in silence and submission to Thy stroke; Christ is our only shield. Amen.

The Journal of yesterday was read and approved.

Mr. ANTHONY. Mr. President, in the absence of the Senator to whom this saddest duty appertains, and who is detained from the Senate by illness, the surviving Senator from Massachusetts, [Mr. BOUTWELL,] I have been requested to make to you the formal announcement of an event which my heart refuses to accept and which my lips hesitate to declare. It is an event which needs not to be announced, for its dark shadow rests gloomily upon this Chamber, and not only upon the Senate and the capital, but upon the whole country; and the intelligence of which, borne on the mysterious wires that underlie the seas, has been already carried to the remotest lands, and has aroused profoundest sympathy wherever Humanity weeps for a friend, wherever Liberty deplores an advocate.

The oldest member of this body in continuous service—he who yesterday was the oldest—beloved for the graces and the virtues of his personal character, admired for his genius and his accomplishments, reverenced for the fidelity with which he adhered to his convictions, illustrious for his services to the Republic and to the world, has crossed the dark river that divides us from the "undiscovered country."

CHARLES SUMNER died yesterday. To-day, in humble submission to the divine will, we meet to express our respect for his character, our veneration for his memory. To-morrow, with solemn steps and with sorrowing hearts, we shall bear him to the Massachusetts which he served so faithfully, and which loved him so well; and to her soil, precious with the dust of patriotism and of valor, of letters and of art, of statesmanship and of eloquence, we shall commit the body of one who is worthy to rest by the side of the noblest and the best of those who in the century of her history have made her the model of a free commonwealth.

But the great deeds which illustrated his life shall not be buried with him, and never shall the earth cover the immortal principles to which he devoted every energy of his soul, the consummation and vindication of which, as his highest reward, a gracious God permitted him to witness.

Mr. President, this is not the time, nor is the office mine, to pronounce the words that are due to this event. A future hour and more fitting utterances shall interpret to the American people the affectionate respect of the Senate to our dead associate, the homage which it renders to his life and character.

Mr. President, I offer the following resolutions:

Resolved, That a committee of —— members be appointed by the President of the Senate *pro tempore*, to take order for superintending the funeral of CHARLES SUMNER, late a member of this body, which will take place to-morrow (Friday) at half-past twelve; and that the Senate will attend the same.

Resolved, As a further mark of respect entertained by the Senate for the memory of CHARLES SUMNER, and his long and distinguished services to his country, that his remains be removed to the Commonwealth of Massachusetts, in charge of the Sergeant-at-Arms, and attended by a committee of —— Senators, to be appointed by the President of the Senate *pro tempore*, who shall have full power to carry this resolution into effect.

Resolved, That, as an additional mark of respect to the memory of the deceased, the Senate do now adjourn.

Mr. SCHURZ. I can say nothing to-day, but offer the following as an amendment to the resolutions:

Resolved, That the Secretary communicate these proceedings to the House of Representatives, and invite the House of Representatives to attend the funeral ceremony in the Senate Chamber to-morrow, at half-past twelve o'clock.

Mr. ANTHONY. I accept the amendment.

Mr. CONKLING. Mr. President, the absence of a committee of the Senate to follow the bier to-day of one who once presided here is enough alone to warn us of the fitness of pausing for a space from the din and business of life. It was my purpose to move that the Senate adjourn in observance of the funeral of Mr. FILLMORE; but meanwhile we are covered by the shadow of a nearer grief. A vacant chair is here, long held by a Senator of distinguished eminence, and one of the most illustrious of Americans. Surely it is fit that we should arrest the business of the Senate, and pay tribute to the long and remarkable life now closed. No honor will be paid to the dead statesman in which I would not join in sincerity and respect, and I second the resolutions moved by the Senator from Rhode Island without attempting to add a word to the graceful and eloquent thoughts which have fallen from him.

The PRESIDENT *pro tempore*. The first question will be on filling the blanks in the resolution. With what number shall they be filled?

Mr. ANTHONY. It was thought advisable not to state the number, but to leave it in the discretion of the Chair. On consultation with the gentlemen from Massachusetts of the other House, that was thought advisable.

The PRESIDENT *pro tempore*. Then the question is, Will the Senate agree to the resolutions as modified?

The resolutions were agreed to unanimously.

The PRESIDENT *pro tempore*. The Senate stands adjourned until to-morrow at twelve o'clock.

HOUSE OF REPRESENTATIVES.

THURSDAY, *March* 12, 1874.

The House met at twelve o'clock m. Prayer by the Chaplain, Rev. J. G. BUTLER, D. D.

The Journal of yesterday was read and approved.

DEATH OF SENATOR SUMNER.

Mr. GORHAM, Secretary of the Senate, (at twelve o'clock and thirty-five minutes p. m.,) appeared at the bar and said: I am directed by the Senate to communicate to the House of Representatives the proceedings of the Senate on the announcement of the death of Hon. CHARLES SUMNER, late a Senator from Massachusetts.

The SPEAKER. The Clerk will read the resolutions of the Senate.

The Clerk read as follows:

IN THE SENATE OF THE UNITED STATES,
March 12, 1874.

Resolved, That a committee of —— members be appointed by the President of the Senate *pro tempore*, to take order for superintending the funeral of CHARLES SUMNER, late a member of this body, which will take place to-morrow (Friday) at half-past twelve; and that the Senate will attend the same.

Resolved, As a further mark of respect entertained by the Senate for the memory of CHARLES SUMNER, and his long and distinguished services to his country, that his remains be removed to the Commonwealth of Massachusetts, in charge of the Sergeant-at-Arms, and attended by a committee of —— Senators, to be appointed by the President of the Senate *pro tempore*, who shall have full power to carry this resolution into effect.

Resolved, That the Secretary communicate these proceedings to the House of Representatives, and invite the House of Representatives to attend the funeral ceremony in the Senate Chamber to-morrow, at half-past twelve o'clock.

Resolved, That as an additional mark of respect to the memory of the deceased, the Senate do now adjourn.

Mr. E. R. HOAR. Mr. Speaker, the event which the resolutions of the Senate announce fell upon the ear of this House and of the country yesterday with startling suddenness. Wherever the news of it spreads through this broad land, not only in this city, among his associates in the public councils; not only in the old Commonwealth of which he was the pride and ornament, but in many quiet homes, in many a cabin of the poor and lowly, there is to-day inexpressible tenderness and profound sorrow.

There are many of us who have known and loved the great Senator, whom this event unfits for public duties, or for any thoughts other than those of that pure life, that faithful public service, that assured immortality.

In response to the invitation of the Senate I offer these resolutions.

The Clerk read as follows:

Resolved, That this House will attend the funeral of CHARLES SUMNER, a Senator from Massachusetts, in the Senate Chamber, to-morrow, at half-past twelve o'clock, and upon its return to this Hall the Speaker shall declare the House adjourned.

Resolved, That a committee of nine members be appointed, who, with the members of the House from Massachusetts, shall accompany the body of the deceased Senator to its place of burial in that Commonwealth.

Resolved, That, as a testimonial of respect for the memory of the deceased, the members and officers of this House will wear the usual badge of mourning for thirty days.

The question being taken on the resolutions, they were unanimously adopted.

The SPEAKER. The resolutions contemplate the attendance of the members of the House from Massachusetts in another capacity than merely as a committee of the House. The committee called for by the resolutions will be as follows:

Messrs. STEPHEN A. HURLBUT, of Illinois; EUGENE HALE, of Maine; CHARLES FOSTER, of Ohio; JOSEPH H. RAINEY, of South Carolina; CHARLES CLAYTON, of California; HENRY J. SCUDDER, of New York; SAMUEL J. RANDALL, of Pennsylvania; JAMES B. BECK, of Kentucky; and JOHN HANCOCK, of Texas.

Mr. E. R. HOAR. I move that the House do now adjourn.

The motion was agreed to; and accordingly (at twelve o'clock and forty minutes p. m.) the House adjourned.

PETITIONS, ETC.

The following memorials, petitions, and other papers were presented at the Clerk's desk, under the rule, and referred as stated:

By Mr. BELL: The petition of citizens of Georgia, for the establishment of a post-route from Clayton to Hiwassee, in the State of Georgia, to the Committee on the Post-Office and Post-Roads.

By Mr. BUTLER, of Massachusetts: The petition of Mary Jane Marston, widow, Elizabeth Jenkins, Henrietta Jenkins, Lydia Ann Williams, widow, and Sarah Jenkins, of Newburyport, Massachusetts, heirs of Nicholas Foquet and Mark Antoine Foquet, to be paid the sum due the estate of said Foquet for services in the revolutionary war, to the Committee on Claims.

By Mr. CLAYTON: Resolutions of the Legislature of California, relative to the survey of the mountain grazing-lands of that State, to the Committee on the Public Lands.

By Mr. COBB, of Kansas: Resolutions of the Legislature of Kansas, in relation to unjust discriminations by the Union Pacific Railroad in regard to freights and passengers, to the Committee on the Judiciary.

Also, the petition of W. H. Quinn and others, in relation to the eight-hour law, to the Committee on Claims.

By Mr. LAWRENCE: The petition of William Armstrong, for a pension, and for an investigation of the action of the Commissioner of Pensions in connection with his case, to the Committee on Invalid Pensions.

By Mr. O'NEILL: The petition of country-produce dealers dealing in the market-houses of Philadelphia, that the Red Bank Ferry Company may have a landing at the foot of Broad street, on League Island, to the Committee on Naval Affairs.

By Mr. RANDALL: The petition of Abbie Devine, for a pension, to the Committee on Invalid Pensions.

Also, the petition of country produce-dealers dealing in the market-houses of Philadelphia, that the Red Bank Ferry Company may have a landing at the foot of Broad street, on League Island, to the Committee on Naval Affairs.

By Mr. SCOFIELD: The petition of W. B. Harlan, of Forest County, Pennsylvania, for a pension, to the Committee on Invalid Pensions.

By Mr. STRAWBRIDGE: The petition of 116 citizens of Bloomsburgh, Columbia County, Pennsylvania, in opposition to the imposition of a tariff duty on tea and coffee, in opposition to any increase in internal taxes, and in favor of the repeal of the second section of the act of June 6, 1872, which reduced by 10 per cent. the duties on foreign imports, to the Committee on Ways and Means.

Also, two petitions of citizens of Danville, Pennsylvania, of similar import, to the Committee on Ways and Means.

IN SENATE.

FRIDAY, *March* 13, 1874.

FUNERAL SERVICES OF MR. SUMNER.

The following prayer was offered by the Chaplain, Rev. BYRON SUNDERLAND, D. D.:

O Lord, our God, in the clear face of Thy providence we come together this day to engage in the solemn ceremonies of an occasion which Thou hast made for us as a pause amid the engagements, the excitements, and the tumults of this present life. We beseech Thee—now that we are all assembled in this place, the representatives of the people and the people themselves, to hear the voice of the Lord our God—to look down upon us with Thy favor and blessing, and sanctify to us all the ceremonies and services of this solemn day. Through Jesus Christ our Lord. Amen.

The Journal of yesterday was read and approved, showing the appointment by the President *pro tempore* of the following committees, under the resolutions adopted yesterday:

Committee on arrangements—Messrs. ANTHONY, SCHURZ, FRELINGHUYSEN, MORRILL of Maine, STEVENSON, and THURMAN.

Committee to accompany the remains and act as pall-bearers—Messrs. ANTHONY, SCHURZ, STOCKTON, SARGENT, OGLESBY, and MCCREERY.

Mr. BUCKINGHAM. Mr. President, on account of the funeral ceremonies which are to take place in Massachusetts on Monday next, I move that when the Senate adjourns to-day it adjourn to meet on Tuesday next.

The motion was agreed to.

A message from the House of Representatives, by Mr. EDWARD MCPHERSON, its Clerk, announced that the House had yesterday passed the following resolutions:

Resolved, That this House will attend the funeral of CHARLES SUMNER, a Senator from Massachusetts, in the Senate Chamber, to-morrow, at half-past twelve o'clock, and upon its return to this Hall the Speaker shall declare the House adjourned.

Resolved, That a committee of nine members be appointed, who, with the members of the House from Massachusetts, shall accompany the body of the deceased Senator to the place of burial in that Commonwealth.

Resolved, That, as a testimonial of respect for the memory of the deceased, the members and officers of this House will wear the usual badge of mourning for thirty days.

At twenty minutes past twelve o'clock the members of the House of Representatives, preceded by the Sergeant-at-Arms and headed by the Speaker and Clerk, entered the Senate Chamber, and were conducted to the seats assigned them.

They were soon followed by the Supreme Court of the United States, and the President and his Cabinet ministers.

At half-past twelve o'clock the casket containing the remains of the deceased Senator was brought into the Senate Chamber, preceded by the Chaplains of the two Houses, and the committee on arrangements, and escorted by the pall-bearers.

The PRESIDENT *pro tempore*. The religious services appropriate to the occasion will now be performed.

Rev. J. G. BUTLER, D. D., Chaplain to the House of Representatives, read 1 Cor., xv, 22–28, and then offered the following prayer:

Great God, we bow reverently in Thy presence. Thou hast done it. Teach us wisdom as we walk among the open graves. Bless the millions whose hearts gather tenderly around this coffin to-day. Bless our own great land, and give unto us continued victory of truth and righteousness. We ask these mercies in the name and for the sake of Him who hath taught us, when we pray, to say: Our Father, who art in heaven, Hallowed be Thy name. Thy kingdom come. Thy will be done on earth, as it is in heaven. Give us this day our daily bread. And forgive us our trespasses, as we forgive those who trespass against us. And lead us not into temptation; but deliver us from evil: For Thine is the kingdom, and the power, and the glory, forever. Amen.

Rev. BYRON SUNDERLAND, D. D., Chaplain of the Senate, read Psalm xxxix, 5–13, and Psalm xc, and offered the following prayer:

Let us pray. Almighty and everlasting God, before Whom the world and all that it contains are as the dust of the balance; before Whom change and time flee away like a shadow; yet art Thou the confidence of all the ends of the earth; for it is in Thee that we live, and move, and have our being; because Thou hast made of one blood all men who dwell on the face of the earth; because Thou hast formed and fashioned us and placed us in our lot. Thou hast appointed the bounds of our habitation, and Thou hast numbered all our days; and it has pleased Thee, O Lord our God, in the fullness of Thine own time, to send among us Thy Son, our Saviour Jesus Christ, the Lord God manifest in the flesh, to bring to us the expectation of light and life and of immortality. And so with Him, in the successive centuries, it has pleased Thee to raise up the prophets and apostles, the heroes and princes of the world. It has pleased Thee, in the conflict and turmoil of this our mortal state, to send forth the ministers of Thy grace and providence, endowed and panoplied for their mighty task. And so, in all the crises of the times, when enormous evils had to be encountered, when the old order of things had to be overthrown, when the new conditions for the new energies of the human race had to be created, Thou hast planted Thy workmen at every point, and Thou hast fitted and guarded and upheld them with courage and with strength.

O Lord our God, how marvelous are all Thy works and ways! How marvelous dost Thou still continue this day before us and before all men, as much in removing away Thy servants from their field of labor as in sending them into it when Thou wilt; so that the day of our death is fuller of meaning than the day of our birth, because it is a grander lesson of our manhood, because it is a chapter far advanced in the book of human destiny!

And now Thou hast removed away from us a man who had stood so long as a prince of the earth, a man whose name and life and character and fame are forever linked with all that is sacred in human institutions, and all that is dear to human hearts. O Lord, our God, we are all bereaved together. The Senate, the Congress, the capital, the country, all have been made desolate. And the old Plymouth State, where so long ago the Pilgrims came—she sits to-day in mourning, a mother weeping for her prostrate son; and the white men and black men, and all men of every name and race throughout the world, shall this day be touched with the grief of this sudden stroke of Thy providence. But we can say nothing against it before Thee, O Thou righteous Judge and supreme Ruler of mankind. Yet peradventure Thou wilt vouchsafe Thine ear to hear the prayer of Thy servants now for all those who have been afflicted in this dispensation, for the surviving but scattered members of his own family and kindred, for those who were so near to his person and in his presence through all the phases of his private and public life; for those children of that enduring race for whose advancement his great powers have been so long employed; for all his companions and contemporaries in the high and lofty circles of human civilization, both at home and abroad; for his colleague and fellow-Senators in this Chamber, and for the Representatives, the people, and the authorities of his native State; and for all those in every class and in every condition who this day so sincerely lament his loss. O, grant to all these the grace and the consolation of Thy Spirit. Sanctify to them and to this nation this most impressive instruction of Thy providence.

And now we beseech Thee, O Lord, bless Thy servant the President of the United States, and the members of his Cabinet; bless the governors and Legislatures of the States; and, we beseech Thee, bless the judges of the Supreme Court of the United States, and all the magistrates in the land. Bless the officers and men of the Army and Navy of the United States. Bless all that are in positions of responsibility, of trust, and of honor among this great people. Bless the teachers and instructors of the nation. Bless those who have the charge of the transmission of intelligence, and the conductors of the public press. And we beseech Thee, O Lord, bless all that are engaged in any walk or pursuit of life, in any department of human labor or enterprise, for the promotion of the race and the comfort of this world. And we beseech Thee, O Lord, bless any that may be under the pains and penalties and burdens of this life, to cheer, to comfort, to strengthen, and to uphold them.

And now, we beseech Thee, give to us, one and all, a sense of true humility and of unfeigned contrition for our sins. Fill us with the spirit of repentance toward Thee and faith in our Lord Jesus Christ. Pardon our iniquities, and blot out our transgressions before Thee; and accept us, one and all, as Thy sons and daughters, through Whom alone, and Thy work of atonement and effectual intercession, we shall be saved.

And now, O Lord our God, be graciously pleased to go with those who shall bear away forever from this place the body of our lamented friend. Give them safe conduct in the sad journey; and we beseech Thee, in Thy kind providence, let all the arrangements for his obsequies be fittingly made among that noble but now stricken people who await the arrival of the funeral train by the old Cradle of Liberty.

O God, the God of our fathers, bless this nation and all the nations. Bless us and all men together. And, when we come to die, open Thou for us the portals of eternity, and crown every soul with a pure, a blessed, and a glorious immortality. Through Jesus Christ, our Lord and Saviour. Amen.

The PRESIDENT *pro tempore*. The services appointed to be performed by the committee of arrangements having been terminated, the Senate of the United States intrusts the mortal remains of CHARLES SUMNER to its Sergeant-at-Arms and a committee appointed by it, charged with the melancholy duty of conveying them to his home, there to be committed earth to earth, ashes to ashes, dust to dust, in the soil of the Commonwealth of Massachusetts. Peace to his ashes!

The casket containing Mr. SUMNER's remains having been removed

in charge of the committee of arrangements and pall-bearers, (to be conveyed to the railroad depot and thence to Massachusetts,) and the persons invited to seats in the Senate Chamber having retired,

Mr. BUCKINGHAM. I move that the Senate do now adjourn.

The PRESIDENT *pro tempore*. Before submitting that motion, as it seems to be necessary, the Chair will announce that, to the vacancy on the committee on investigation in this District, made vacant by the Senate excusing Mr. BOUTWELL, chairman, the Chair appoints the Senator from Nevada, Mr. STEWART, as chairman of that committee.

The Senator from Connecticut moves that the Senate do now adjourn.

The motion was agreed to; and (at one o'clock and twelve minutes p. m.) the Senate adjourned.

HOUSE OF REPRESENTATIVES.

FRIDAY, *March* 13, 1874.

The House met at twelve o'clock m. Prayer by the Chaplain, Rev. J. G. BUTLER, D. D.

The Journal of yesterday was read and approved.

DEATH OF SENATOR SUMNER.

Mr. HURLBUT. The committee on arrangements appointed by the House have requested me to indicate the following as the order of movement, on the part of the House, in attending the funeral of the late Senator SUMNER:

The Sergeant-at-Arms and one of the door-keepers, followed by the Speaker of the House and the Clerk; next, the Chaplain of the House, accompanied by the chairman of the House committee; the members of the House committee, two and two, the gentleman from South Carolina [Mr. RAINEY] leading; and then the members of the House of Representatives.

At twelve o'clock and twenty minutes p. m., the Speaker and members of the House, accompanied by the officers, in the order indicated by the chairman of the committee on arrangements, proceeded to the Senate Chamber.

When the services in the Senate Chamber were concluded, the House returned to its own Hall; and, (at one o'clock and twelve minutes p. m.,) in pursuance of the order of yesterday, adjourned till twelve o'clock to-morrow, the Speaker announcing that the session of Saturday would be for debate only, Mr. WOODWORTH occupying the chair as Speaker *pro tempore*.

HOUSE OF REPRESENTATIVES.

SATURDAY, *March* 14, 1874.

The House met at twelve o'clock m., (Mr. WOODWORTH in the chair as Speaker *pro tempore*.) Prayer by the Chaplain, Rev. J. G. BUTLER, D. D.

The Journal of yesterday was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. SYMPSON, one of its clerks, announced that Mr. STEWART had been appointed a member of the joint select committee, on the part of the Senate, to inquire into the affairs of the District of Columbia, in the place of Mr. BOUTWELL, excused.

INTERSTATE COMMERCE.

The SPEAKER *pro tempore*. The House meets to-day for debate only, and the bill (H. R. No. 1385) to regulate commerce by railroads in the several States is before the House.

Mr. PRATT. Mr. Speaker, it gives me pleasure to support the bill now pending before the House. Believing, as I do, that it is clearly within the constitutional authority of Congress to pass this measure, and that it is demanded by the interests of the commerce and the people of the country, I cannot do otherwise than give it my voice and my vote.

The object and purpose of the bill is to secure and enforce the right of the people to carry on their commerce at fair and reasonable rates of transportation. It will not be denied that transportation by the common carrier at fair and reasonable rates is a right of the people. It is a right that has always existed. It has been one of the doctrines of the common law from its earliest days that the common carrier must carry for all persons, and at reasonable rates of compensation. When, therefore, this bill provides, as it does in the second section, that no person, corporation, or company engaged in operating a railroad into or through two or more States shall charge, demand, or receive more than a fair and reasonable rate of toll or compensation for the transportation of freight or passengers, it simply puts into the form of a statute one of the oldest principles of the common law. It imposes no new obligation upon the railroad companies; it confers no new right or privilege upon the people. The great object of the bill is to provide apt and efficient means for the protection of the existing rights of the people and for the enforcement of the legal duty of the railroad companies. The only regulation of commerce prescribed in the bill is that railroad companies engaged in commerce among the several States shall receive only fair and reasonable rates for the transportation of freight and passengers; a regulation consonant with the natural rights of the public, with the natural duty of the common carrier, and as old and universal as that vast system of law whose growth from the earliest years of English history marks the progress of our jurisprudence and civilization.

At the very threshold of the proposed legislation we are met by the question, has Congress the constitutional authority to pass this bill?

Section 8 of article 1 of the Constitution provides that—

> Congress shall have power to regulate commerce with foreign nations, and among the several States, and with the Indian tribes.

The question, therefore, is this: Under this provision of the Constitution, has Congress the right to prescribe as a regulation of commerce among the several States the rule of the common law, that only fair and reasonable rates shall be charged for the transportation of freight and passengers upon the railroads engaged in such commerce, and to provide necessary and suitable means for the enforcement of that legislation?

It was said by Chief Justice Marshall, in Gibbons *vs.* Ogden, that—

> Commerce is undoubtedly traffic, but it is something more; it is intercourse. It describes the commercial intercourse between nations and parts of nations in all its branches, and is regulated by prescribing rules for carrying on that intercourse.

By the very words of the Constitution, Congress has the power to regulate commerce among the several States, that is, in the words of Chief Justice Marshall, to "prescribe the rules for carrying on that commerce." It is now proposed to prescribe for the government of this commerce the rule of the common law respecting the rates of charge for transportation, and, judging from the words of the Constitution, the power of Congress to prescribe this rule would seem to be too clear to admit of doubt.

It has not been denied that transportation is a constituent of commerce, and as such comes within the regulating power of Congress. Indeed, it has been settled by repeated judicial decisions that the transportation of freight and passengers is an element, and an essential element, of commerce, and that the power to regulate commerce necessarily includes the power to regulate the transportation of freight and passengers. The word "commerce," as used in the Constitution, includes the transportation of freight and passengers, without which there could be no "commerce among the several States."

Mr. Justice Washington, in the case of Corfield *vs.* Coryell, thus interprets this provision of the Constitution:

> Commerce with foreign nations, and among the several States, can mean nothing more than intercourse with those nations and among those States for purposes of trade, be the object of that trade what it may; and this intercourse must include all the means by which it can be carried on, whether by the free navigation of the waters of the several States or by a passage overland through the States, when such passage becomes necessary to the commercial intercourse between the States. It is this intercourse which Congress is invested with the power of regulating, and with which no State has a right to interfere.

This has been the uniform interpretation of this provision of the Constitution by the courts in numerous decisions; and if the uniform and repeated decisions of the courts can settle anything, then it must be regarded as settled by the only tribunals that can authoritatively interpret the Constitution that the power of Congress to regulate commerce among the several States necessarily includes and comprehends the power to regulate the means by which it is carried on.

But, Mr. Speaker, we are told that, although Congress has power to regulate commerce among the several States, and although this power is exercised by regulating the means by which that commerce is carried on, yet Congress has no power to pass the pending bill; that Congress has no power to establish so simple and so just a regulation as that no more than a fair and reasonable compensation shall be demanded for the transportation of freight and passengers.

The gentleman from Kentucky, [Mr. ARTHUR,] who, early in the debate, addressed the House upon this subject, labored at great length and with great ability to show that the Constitution falls far short of giving to Congress any power whatever to legislate touching the charges for the transportation of freight and passengers upon railroads engaged in interstate commerce.

The gentleman, indeed, admits that if the extent of the power is to be deduced solely from the words in which it is granted, it would be ample to warrant the proposed legislation. He says:

> The terms used to express the grant are general. Undoubtedly, in a state of isolation, the words are sufficiently sweeping. * * * The words used comprehend every species of commercial intercourse. They are without inherent limitation.

And again the gentleman says:

> If the words of the grant were to be decisive of the extent, &c., of the power, the enigma would be of easy solution, and the friends of the pending bill might rejoice in the absoluteness and universality of the words used.

But the gentleman finds, or thinks he finds, limitations upon this power which not only serve his purpose by placing this bill beyond its limits, but which confine the grant to an exceedingly narrow compass.

He adverts to the depressed and disordered condition of American commerce at the time of and prior to the adoption of the Constitution, the evils resulting to it from the independent, conflicting, and often retaliatory regulations of the different States, and the influence

of these facts in the formation and adoption of the Constitution, and concludes——

That the paramount object of the grant to Congress of the power to regulate commerce among the States was to remove from it and to preclude the restrictions and burdens inseparable from rival systems of State legislation, and so to secure the only boon it asked, the charity of being let alone, subject only to such general regulations or rules by act of Congress as would inure to its safety and freedom.

Thus the gentleman deduces the paramount object and purpose of the grant, not from the words in which it was made, not from the Constitution that contains it, but from the condition of the country, and of commerce at the time it was made. As the great evil under which commerce was then suffering, was the burdensome and injurious restrictions and taxes imposed by the States upon the commerce of each other, the gentleman infers that the object of the grant was to enable Congress to remove these restrictions and burdens, and to prevent their imposition in the future, and that the exercise of the power thus granted should be confined to such legislation as might be necessary for that purpose. In substance, the gentleman's argument changes this provision of the Constitution from a grant of power to Congress to a prohibition upon the States. The gentleman strenuously insists that the power is not as broad and comprehensive as the words in which it is granted. But he is unable to find in the Constitution the limitations he wants; hence, he exclaims, the power is limited by its objects. And these objects are the removal and prevention of the restrictions and burdens imposed upon commerce by the States under the Confederation, and to these objects alone he would confine the exercise of the power.

Now, Mr. Speaker, I dissent entirely from this construction of this grant of power.

I admit that in construing the powers of Congress, their nature and objects are to be kept constantly in view, and I agree that it is entirely proper to consult the contemporaneous history and condition of the country. But I deny that the nature and objects of the powers of Congress are to be inferred entirely or mainly from contemporaneous history, or that extrinsic facts can be appealed to, to place limitations upon those powers, which are not even remotely suggested by the Constitution itself. I do not agree that the Constitution is to be regarded as a mere prescription of remedies for the evils that afflicted the body-politic at the time of its adoption. The convention that framed it was not a legislature sitting to devise cures for the local and temporary evils of the times. Its functions and duties were of a far higher, nobler, and more comprehensive character. It was engaged in devising a form of government that in time should become the mistress of a continent, and preside over the destinies of unnumbered millions; it was engaged in settling the fundamental principles which should be its strength and its anchor amid all the changing tides of human affairs; it was engaged in clothing it with certain great powers which would enable it "to establish justice, insure domestic tranquillity, provide for the common defense, and promote the general welfare," through all the coming years of the future, and when the peculiar conditions, wants, and evils of the times that gave it birth should have passed away forever.

In framing such an instrument and for such a purpose, the convention could not, from the very nature of the case, adapt it to any merely local or transient condition of affairs in the country. It could not and did not legislate for the country, but it laid down the principles and established the rules by which Congress should legislate for the country.

In section 8, of article 1, the convention enumerated certain great, independent, substantive powers which are conferred upon Congress. Among them is the power of Congress to regulate commerce with foreign nations and among the several States. In construing these powers, it is important to remember the purpose and character of the instrument in which they are contained. It is a constitution, not a statute; a constitution framed for the vast future and intended to be a perpetual source of power from which Congress could draw remedies and measures of relief suited to the constantly changing conditions and circumstances of human affairs. The Constitution remains the same. The powers granted by it remain the same. But the measures by which these powers are carried into execution will change from time to time to suit the constantly varying needs and wants of the country. It is the purpose of the Constitution to furnish Congress with the power to legislate as the exigencies of the country may require. The power in some respects may remain dormant for many years awaiting an occasion for calling it into exercise, but when the occasion comes, when the necessity arises, it is then the duty of Congress to exercise it.

To limit the power of Congress to regulate commerce among the States by the exigencies of commerce at the time of the adoption of the Constitution, is to ignore all growth, all progress and improvement in commerce, and the means by which it is carried on, and to forget, what is patent to us and the country, that that very improvement has engendered a new brood of evils, and of a class entirely different from those that afflicted commerce under the Confederation, but which equally demand for their removal the regulating power of Congress.

The gentleman concedes that the power conferred by the Constitution will enable Congress to prevent the States from imposing burdens upon commerce carried on among the several States. Can he assign any good reason why the same power will not also enable Congress to prevent the railroad companies from imposing unnecessary and oppressive burdens upon commerce by exacting unjust and unreasonable rates for transportation? Is not the latter case as clearly within the terms and the nature of the grant as the former?

Mr. Speaker, I can see no reason whatever in the rule that limits the object of this power of Congress to the removal and prevention of a certain class of evils, simply and only because those evils happened to exist at the time the Constitution was framed and adopted. Why should an appeal be made to extrinsic facts, to exempt from the operation of this grant cases that are as clearly within its terms and purposes as those to which the gentleman concedes its application? Such a rule of construction is, in my judgment, a perversion and violation of the spirit and meaning, no less than of the terms, of the Constitution.

This same argument was most strenuously urged before the Supreme Court of the United States in the case of Sturgis *vs.* Cowninshield, reported in 4 Wheaton. The case involved the constitutionality of a bankrupt law of the State of New York, and it was contended that the spirit and the object of the grant of power to Congress in the Federal Constitution on the subject of bankruptcy, did not go beyond enabling Congress to correct the evils resulting from certain questionable legislation by the States under the Confederation. In delivering the opinion of the court, Chief Justice Marshall disposes of this argument, in his masterly way, by the use of the following language:

Although the spirit of an instrument—especially of a constitution—is to be respected not less than its letter, yet the spirit is to be collected chiefly from its words. It would be dangerous in the extreme to infer from extrinsic circumstances that a case for which the words of an instrument expressly provide, shall be exempted from its operation.

And again, in Gibbons *vs.* Ogden, in interpreting the power now under consideration, the same great jurist says:

It is the power to regulate, that is, to prescribe, the rule by which commerce is to be governed. This power, like all others vested in Congress, is complete in itself; may be exercised to its utmost extent, and acknowledges no limitations other than are prescribed in the Constitution.

Thus, Mr. Speaker, many years ago the Supreme Court of the United States—the tribunal of final authority upon all questions of constitutional construction—after full argument and great deliberation, solemnly rejected the rule that the gentleman from Kentucky adopts, and adopted the rule that the gentleman from Kentucky rejects.

As the power to regulate commerce has no limits except such as are found in the Constitution, so the exercise of that power by Congress can only be limited by the Constitution. It is familiar law that although the legislative powers of Congress are limited to certain subjects, yet as to those subjects they are plenary and supreme.

In Sturgis *vs.* Cowninshield, before referred to, Chief Justice Marshall says:

If any proposition could command the universal assent of mankind, we might expect it would be this: that the Government of the Union, although limited in its powers, is supreme within its sphere of action.

And again, in Gibbons *vs.* Ogden, he says:

If, as has always been understood, the sovereignty of Congress, although limited to certain specified objects, is plenary as to those objects, the power over commerce with foreign nations, and among the several States, is vested in Congress as absolutely as it would be in a single government, having in its constitution the same restrictions on the exercise of the power as are found in the Constitution of the United States.

It follows as an inevitable consequence of these principles that Congress, in the execution of its power to regulate commerce among the several States, can employ such means as its judgment and wisdom shall approve. The Constitution has nowhere prescribed the mode or the means by which this power shall be carried into execution. Congress, having the right and being charged with the duty of regulating commerce, must, from the nature of the case and according to the dictates of reason, be allowed to select the means and to determine what particular regulations are required by the exigencies of commerce and the needs of the country. This power, like all the other powers of Congress, is to be exercised for the public good, and of the means and measures which the public good requires, Congress must be the sole judge.

Let it be remembered that the end sought to be accomplished by the proposed legislation is to prevent the exaction of unjust and extortionate charges for transportation upon railroads engaged in commerce among the States; it is to prevent a great monopoly from taking advantage of the necessities of the people to rob them of the fruits of their labors. Is not the end a legitimate one? Is it not clearly within the scope of the Constitution? Of what use is the power to regulate commerce if it will not authorize Congress to protect that commerce against the greed and injustice of the carrier?

If the object to be accomplished is within the scope of the Constitution, the means are clearly within the discretion of Congress. Congress may always select the means by which it will carry into execution the powers conferred upon it.

Upon this point Chief Justice Marshall says:

But we think the sound construction of the Constitution must allow to the national Legislature that discretion with respect to the means by which the powers it confers are to be carried into execution which will enable that body to perform the high duties assigned to it in the manner most beneficial to the people. Let the end be legitimate, let it be within the scope of the Constitution, and all the means which are appropriate, which are plainly adapted to that end, which are not prohibited, but which consist with the letter and spirit of the Constitution, are constitutional.

By the Constitution Congress has the power to regulate commerce among the several States. The power is plenary, supreme. It recognizes no limitations not contained in the Constitution. Its length and breadth are to be measured by the words in which it is granted, and these, as the gentleman from Kentucky says, "are without inherent limitation." To the judgment and discretion of Congress are committed the means by which it is to be carried into execution, and made to serve the interests and to promote the welfare of the country.

Surely, Mr. Speaker, such a power is ample to authorize the passage of the pending bill.

But the gentleman from Kentucky insists that, even conceding the power of Congress to pass the bill, the measure is unwise and impolitic. He refers to the remarkable growth of commerce in the country since the days of the Confederation, and says that the "triumphs and logic of the past are against the bill."

I confess my inability to see the point to this argument. Because commerce has succeeded in spite of the disadvantages under which it has labored, shall we account those disadvantages, blessings, and refuse to remove them? Because commerce has grown and spread notwithstanding its fetters, shall we therefore say that it is unwise and impolitic to remove the fetters? Commerce has grown and spread and achieved success notwithstanding the unjust and burdensome exactions of the railroads. But I can see in this fact no reason why these exactions should be allowed to continue. If commerce has been able to prosper under the weight of these exactions, how much greater would be its prosperity when relieved of them. The "triumphs and logic of the past" do not argue against affording relief and protection against the injustice that has injured and hindered, but not crushed, the commerce of the country; but they do show the vigor and energy of our industries and traffic, and they point to still greater triumphs and achievements in the future when commerce shall be relieved of the extortion and greed that are now practiced upon it.

It has been abundantly shown in this debate that the commerce of the country has for many years been subject to unfair and unreasonable rates of charge for transportation.

In so far as these charges have been unfair and unreasonable, they have been an unjust and unnecessary burden and tax upon that commerce—a tax that has amounted to many millions of dollars annually. Is it not for the benefit of the people who bear this burden that it should be removed? Is it not for the benefit of commerce, whose vigor it wastes, whose volume it diminishes, and whose value it impairs, that this oppressive tax should be removed? A great wrong and injustice is being practiced upon the people by which they are annually robbed of much of the fruits of their industry. Congress has the power to remedy that wrong. This bill seeks to supply that remedy. Can we have a stronger incentive to action than is here?

Mr. Speaker, I hope to see this bill become a law. And I hope it is but the first step in a radical and comprehensive system of legislation that shall have for its object the deliverance of the commerce of the country from the greed and power of that vast monopoly that now controls it with an iron hand. Congress was invested with the power to regulate commerce in order that it might foster, protect, and promote that commerce. The time has come when this power must be exercised and this duty discharged. This is a question that vitally affects the material interests, growth, and development of the whole country. The vast and rapidly increasing commerce of the country demands a freer way and a cheaper transportation, and from this demand we cannot turn aside without failing—failing utterly, fatally, ruinously—in our duty.

I now yield the balance of my time to the gentleman from Missouri, [Mr. STANARD.]

Mr. STANARD. Mr. Speaker, I feel under obligations to the gentleman from Iowa [Mr. PRATT] for having yielded a portion of his time to me. There appears to be to-day a great pressure for time to speak upon this subject, and I will be as brief as possible. The able arguments that have been made upon this bill for the last two weeks have been directed chiefly to its constitutional and legal bearing. As I am not a member of the legal profession, the few remarks that I expect to make shall be more of a practical than of a legal character.

It is patent to every member of the House that there is a great interest felt in this country on the subject of transportation. Chambers of commerce, from Saint Paul to the Gulf of Mexico, during the past few years, have constantly been passing resolutions asking that the country may have more adequate facilities for transportation, and that they may have *cheaper* transportation. Scarcely a Legislature in the western country during the past two winters has gone through its session without pleading that Congress should do something to relieve the people. Agriculturists throughout the land are pleading for more and cheaper transportation facilities. Cheap-transportation organizations have been formed, speeches have been made, conventions have been organized throughout the country, showing that the people are in earnest; and of all the matters that will come before this Congress for their consideration and deliberation and action, I do not believe there is one in which there is so great an interest felt as there is in the proposition now before us.

Most of the arguments which have been made have been relative to the power of Congress. I propose, sir, to say something relative to the necessity for Congress doing something in this matter. I also propose to show that railroads and rivers bear a very close relation to each other in their possibilities to afford the greatest amount of transportation facilities to the country, that one should supplement the other. It will hardly be said by those who are at all familiar with the commerce of the Upper Mississippi River that the railroads of that section do not discriminate against it, and so regulate their tariffs as to make it impossible for a large class of producers and shippers to avail themselves of cheaper river transportation, as it is well known that they place such arbitrary rates on consignments to the river as preclude their stopping there, charging as much in a majority of cases for transporting produce from fifty or a hundred miles west of the river to it as they do from points of shipment two hundred miles east of the river, and in some cases more, thereby depriving the people of the cheap and additional facilities the country so much needs and so earnestly demands.

Much has been said in this discussion and on other occasions relative to the growing commerce of the country, and more especially of the West. There are many gentlemen now here whose fathers or they themselves carried the seed-corn and the seed-wheat to the great producing States of the western country, and I desire to show by some figures which I have how the productions have increased during the past two or three decades in the West, and thereby to show that if they have increased so much in the past they will also increase in the future, and that it is the duty of Congress to provide for the future as time passes on.

Sir, in 1840 the so-called cereal-producing States of the Northwest produced 166,304,000 bushels of grain; in 1850 the increase was nearly double, or 311,580,000 bushels; in 1860 the increase was to 577,255,000 bushels, and in 1870 to 812,155,500 bushels. I desire to show the increase in production in some of the comparatively new States, in what is now the great central cereal-producing region of this country. In 1850 Illinois produced 77,527,000 bushels of grain; in 1860, 156,543,000 bushels; in 1870, 208,036,000 bushels. Wisconsin in 1850 produced 10,060,000 bushels; in 1860, 35,868,000 bushels; in 1870, 64,199,500 bushels. Minnesota produced nothing in 1850; in 1860, 7,564,000 bushels; in 1870, 35,450,000 bushels. Iowa in 1850 produced 11,809,000 bushels of cereals; in 1860, 57,613,000 bushels; in 1870, 121,951,900 bushels. Missouri in 1850 produced 44,557,000 bushels; in 1860, 81,504,000 bushels; in 1870, 97,793,000. Kansas in 1860 produced 6,483,000; in 1870, 23,725,000 bushels. Nebraska produced in 1870 8,372 bushels; there are no statistics for 1850 and 1860; no production.

Now, there are some gentlemen who seem to think that our western country is pretty well filled up and about finished, and no provision necessary for the future. I have some figures here to show the whole number of acres of land in each of these six States, the number of acres that are in cultivation, the number that are not cultivated, and the percentage of that cultivated to the amount of the entire area of these six cereal-producing States. In Illinois there are 35,459,200 acres of land, 19,329,952 of which are cultivated, it being only 55 per cent. of the entire area of that State. The area of Wisconsin is 34,511,360 acres, of which 5,899,343 are cultivated, or 17 per cent. of the area of that State. Minnesota has 53,459,840 acres; under cultivation, 2,322,102, or only 4 per cent. of the entire area. Iowa has 35,228,800 acres; under cultivation, 9,396,467, or 26 per cent. Missouri has 41,824,000; under cultivation, 9,130,615, or 22 per cent. Kansas has 50,187,520; under cultivation, 1,971,003, or 4 per cent. Nebraska has 78,084,480; under cultivation, 647,031, or less than 1 per cent. of its entire area. Take these six great cereal-producing States, and but 18 per cent. of their entire land is under cultivation. And to show that these States are rapidly overtaking the East in their manufactures, I produce the following:

Table showing the value of manufactures in the following States in 1860 *and in* 1870, *with the percentage of increase in the latter over the former year.*

States.	Value of manufactures in 1860.	Value of manufactures in 1870.	Increase, per cent.
Illinois	$57,580,886	$205,620,672	257
Wisconsin	27,849,467	77,214,326	177
Minnesota	3,373,172	23,110,700	585
Iowa	13,971,325	46,534,322	233
Missouri	41,782,731	206,213,429	393
Kansas	4,357,408	11,775,833	170
Nebraska	607,328	5,738,512	845
Total	149,522,317	576,207,794	285
Maine	38,193,254	79,497,521	108
New Hampshire	37,586,453	71,038,249	89
Vermont	14,637,807	32,184,606	119
Massachusetts	255,545,922	553,912,568	116
Rhode Island	40,711,296	111,418,354	173
Connecticut	81,924,555	161,065,474	96
Total	468,599,287	1,009,116,772	115

Last May, in the course of my remarks before an assemblage of Congressmen in Saint Louis, I said:

The future demands for increased transportation facilities will be in the Mississippi Valley. The census returns of the last decade show that the principal increase in population is in the Western States. The increase of population in the six New England States was 352,641, or 11¼ per cent.; the increase in the six Western States of Illinois, Missouri, Iowa, Kansas, Wisconsin, and Minnesota was

2,669,995, or 58.2 per cent. In agricultural productions almost the entire increase occurred on the broad and fertile valleys of the great West, while the percentage of increase in manufactured goods is largely in favor of the Western States. For example, the increase of manufactured products in Massachusetts was 200 per cent., while the increase in Iowa was over 300 per cent. New York swelled the volume of her manufactures to a little more than 200 per cent., while Illinois rose in her percentage to within a fraction of 400 per cent. Pennsylvania, the grand old Keystone State, celebrated for her manufactures, struggled up to 250 per cent. advance in her manufacturing interests, while Missouri, disenthralled and under the inspiration of her new life, marks the score of her advance at 500 per cent.

And these remarks may not be inappropriate on this occasion, although I would not refer in this connection to any of the Eastern States except to show the rapid growth of the West, and in no way to disparage the East.

The time has come when there is a necessity for some action relative to increased transportation facilities. It is claimed, and truthfully, by the producers of the great Northwest that the railroads have discriminated against the rivers, and that in some instances freight rates are almost equivalent to confiscation.

It is also shown by figures within the reach of every Congressman that more than one-half of the cereal productions of this country are from west of the Mississippi River; that the line of Quincy, Davenport, and Dubuque is to-day about the center of the cereal-producing regions of this country. In 1856 that central line was along the Wabash River. I doubt not, judging from the past, that by 1885 the center of the cereal-producing region will be on the line of Kansas City, Saint Joseph, and Omaha; and I imagine that the people will insist that they shall have all the benefits that can come to them by a free and advantageous use of the Mississippi River and its tributaries, and that railroads will not much longer have the power to unjustly discriminate against them.

I desire in this connection to give some figures relative to water transportation on the Mississippi River. And as like figures have been paraded before the public for many years in a statistical shape, I concluded I would bring them in a different form before the House of Representatives. A little more than two weeks ago, expecting this subject would come up for consideration, and that I might have an opportunity to speak upon it, I telegraphed to some gentlemen I knew in the Mississippi Valley and East, asking for rates of freight, &c. The first dispatch I sent was as follows:

WASHINGTON, *February* 23, 1874.

J. M. MASON,
Superintendent Northern Line Packet Company, Saint Louis, Missouri:

Telegraph me your usual rates freight on grain at an average stage of water in spring and summer from Upper Mississippi River to Saint Louis.

E. O. STANARD.

To this I received the following answer:

SAINT LOUIS, *February* 23, 1874.

E. O. STANARD, *Washington:*

Average rate on grain to Saint Louis is 15 cents per one hundred pounds from Davenport, and 20 cents per one hundred from points above Davenport to Saint Louis.

J. M. MASON, *Agent.*

This would give from Davenport and points on the Upper Mississippi below Davenport to Saint Louis 9 cents per bushel, and to points between Davenport and Saint Paul 12 cents per bushel to Saint Louis.

On the same day I sent the following:

WASHINGTON, *February* 23, 1874.

HENRY C. HAARSTICK,
Superintendent Mississippi Valley Transportation Company, Saint Louis:

Telegraph me your present rates of freight on grain by the bushel or hundred pounds from Saint Louis to New Orleans.

E. O. STANARD.

To this I received the following reply:

SAINT LOUIS, *February* 23, 1874.

Hon. E. O. STANARD, *Member of Congress, Washington:*

In large lots our rates are 8 cents per bushel for bulk corn, and 15 cents per hundred for rolling freight from Saint Louis to New Orleans.

HENRY C. HAARSTICK,
Vice-President and General Superintendent.

On the same day I sent the following dispatch:

WASHINGTON, *February* 23, 1874.

CHARLES E. SLAYBACK & CO.,
New Orleans, Louisiana:

Telegraph the price at which you can contract shipments of grain from New Orleans to Liverpool and to New York.

E. O. STANARD.

To this I received the following reply:

NEW ORLEANS, *February* 24, 1874.

Hon. E. O. STANARD:

We can contract freight on grain shipments Liverpool 13 to 14 per cent. sail and steam; to New York 13 to 14 cents per bushel steam.

CHARLES E. SLAYBACK & CO.

That we might institute a comparison between railroad rates and river rates I telegraphed as follows to Saint Paul:

WASHINGTON, *February* 24, 1874.

PRESIDENT BOARD TRADE,
Saint Paul, Minnesota:

Telegraph at my expense rate of freight by rail on grain from Saint Paul to New York.

E. O. STANARD.

To this I received the following answer:

SAINT PAUL, MINNESOTA, *February* 25, 1874.

E. O. STANARD:

Freight on wheat from Saint Paul to New York 50 cents bushel; no other grain shipped.

W. R. DELANO,
President Board Trade.

On the 24th of February I telegraphed to the mayor of Davenport as follows:

WASHINGTON, *February* 24, 1874.

MAYOR OF DAVENPORT, *Iowa:*

Telegraph at my expense rate of freight on grain, by rail, from Davenport to New York.

E. O. STANARD.

I received on the same day the following answer:

DAVENPORT, IOWA, *February* 25, 1874.

E. O. STANARD:

The printed rate of freight on grain by rail from Davenport to New York is 60 cents per hundred. Will have no difficulty in getting 5 cents off.

J. H. MURPHY, *Mayor.*

On the same day I telegraphed as follows to New York, to ascertain the rates of freight from New York to Liverpool:

WASHINGTON, *February* 23, 1874.

L. ROBERTS, *New York:*

What is the present rate of freight on wheat and corn, per bushel, from New York to Liverpool? Answer.

E. O. STANARD.

I received the following answer:

NEW YORK, *February* 24.

E. O. STANARD, *Washington:*

Grain freights to Europe firm. Sail ten pence; steam ten and a half pence.

L. ROBERTS & CO.

I see that my time is rapidly passing away, and I therefore omit some remarks that I intended to make in explanation of these figures. I will merely give the results of the figures and the conclusions to which these telegrams force me. I have prepared, from these dispatches, a summary of the relative rates by rail and by water transportation from the points referred to.

From Saint Paul to New York, according to these dispatches, the rate by rail is 50 cents per bushel; from Saint Paul to New York, by river and ocean, it is 33 cents—a saving of 17 cents from Saint Paul to New York by way of New Orleans.

From Davenport to New York by rail the charge is 36 cents; by river and ocean 30 cents—a saving of 6 cents on water transportation by way of New Orleans.

From Saint Paul to Liverpool the rate by rail and ocean, according to these telegrams, is 71 cents; and by river and ocean 48 cents—showing a saving of 23 cents by way of New Orleans.

From Davenport to Liverpool, by way of New York, the rate is 56 cents by rail and ocean; from Davenport to Liverpool, by way of New Orleans, the charge is 45 cents—a saving of 11 cents by the river.

From Saint Louis to New York the rate by rail, at the date of these dispatches, was 36 cents a bushel, by river 22 cents—a saving of 14 cents a bushel by river.

From Saint Louis to Liverpool the rate by rail and ocean, according to these dispatches, is 56 cents per bushel, by river 36 cents—a saving of 20 cents per bushel by way of the river.

Taking the whole average of these figures, from various shipping points from Saint Paul to Saint Louis, they show a saving in shipping to New York by the way of New Orleans of 12 cents per bushel; and shipping to Liverpool by the way of New Orleans, from shipping points on the Mississippi River, there is shown an average saving of 19 cents per bushel. And these figures show, counting the production per acre of ground at fifty bushels of corn, a saving of six dollars per acre, and on shipments to Liverpool, on the average production of fifty bushels to the acre, eight and a half or nine dollars.

[Here the hammer fell.]

Mr. STANARD. I hope my time will be extended ten minutes.

Several MEMBERS. Go on.

The SPEAKER *pro tempore*. The Chair hears no objection to the gentleman proceeding.

Mr. STANARD. Mr. Speaker, these are some of the benefits that the people of the West are anxious to realize. And, sir, I have been informed that it has been shown before one of your committees that, by having proper facilities for building iron boats located upon the waters of the West, steamers can be produced of light draught, which will carry on each trip 97,300 bushels of wheat or corn at a price not exceeding 3 cents per bushel from Saint Louis to New Orleans on a draught of eight and a half feet; but if the draught is lessened to six feet, they can carry only 59,800 bushels, a difference of 63 per cent. added to the cost of transportation. And here is a strong argument in favor of the Government hastening the improvement of the channel of the river between Saint Louis and Cairo, so that eight to ten feet of water may always be had during seasons of low water between these two points. Iron boats and barges can nowhere be built cheaper than on the banks of the Mississippi River, as iron is there in inexhaustible quantities; and already there is a demand for them on all our western waters in place of wooden ones, and it is hoped and believed that it will not be long before they will be almost in universal use.

In the arguments that have been adduced to show the benefits of the cheapest and most adequate transportation facilities, the burden has been to show the benefits to the West.

Turning to the Atlantic States. Are they not equally interested? Why, sir, New York requires 45,000,000 bushels of corn more than she produces. She is short 7,000,000 bushels of wheat and 778,010,359 pounds of meat. These, with other articles, swell her short supplies to the weight of 1,278,313 tons, upon which she loses, when compared

with what she might save by the facilities of these iron vessels and improvements of the Mississippi, $9,881,359 annually. Pennsylvania, in like manner, upon her short supplies, will save $6,578,555; Maryland, $1,712,489; and old Virginia, the mother of many States, would save annually $1,612,293.

Turn from these to the manufacturing States. Take Maine, Massachusetts, and Rhode Island, as illustrating the whole. On the short supplies of these States Massachusetts would save $4,419,341, Maine $1,942,224, and Rhode Island $618,523—this last being equal to a tax, if not saved, of $2.85 upon each man, woman, and child in that otherwise prosperous State. By this it is seen that we are mutually dependent upon each other; the States of the West upon those of the East for imports, manufactures, and other industrial products; those of the East upon the West for food supplies; and whatever reduces their cost, reduces also the cost of manufactures, and enables our country to compete successfully in the markets of the world with our agricultural supplies, and with goods made by human ingenuity, sustained and encouraged by these cheapening articles of food. It follows that every State in the Union is deeply interested in these improvements and facilities.

Mr. Speaker, the great Creator, who dug out the ocean and piled the mountains high in air, has spread out the most beautiful and extensive valley through the center of our country that there is on the face of the earth. It now has a population of nearly twenty million souls. It comprises nine hundred and sixty-five million acres of land. Its richness and variety of soil and climate render it more productive than any other part of the globe; the forests of which are hardly touched, and its mines scarcely opened, and less than 20 per cent. of its land cultivated; and will, I believe, before our children are old men and women, have a population of one hundred million people. And the same beneficent Providence has provided this valley with more than twelve thousand miles of navigable rivers, to be as free to the people as the air they breathe, and as universal in blessings as the sunlight.

So much has been said about the capabilities of the Mississippi River to solve the transportation problem, that I will venture an attempt at a short description of it.

From the Balize to Memphis, Tennessee, a distance of about eight hundred miles, there is nearly the whole year water enough to float the largest ships on the ocean, except at the bar at the mouth, where much of the time there is not more than eighteen feet; and I trust the Government will speedily so improve it that the largest vessels can come in without hinderance. And then from Memphis to Cairo, Illinois, a distance of one thousand miles from the mouth of the river, there is an abundance of water the year round for the largest steamers that float on our western waters; and for all this one thousand miles of deep-water navigation it is not necessary for the Government to spend a dollar, to keep it in good navigable condition after leaving the mouth. On the next two hundred miles, from Cairo to Saint Louis, there is sufficient water for more than half the year for any of our boats to run, while on the other half the water is liable to shoal at some six or eight places, so that the larger class of vessels cannot run with much certainty; but these difficulties can be overcome by a moderate expenditure by the Government. And now, sir, we are within one hundred miles of the center of the population of the country, and about half the distance up the valley; and from Saint Louis to Saint Paul, about one thousand miles, there is a sufficient depth of water for boats of ample capacity to accommodate the trade, except in the Des Moines Rapids, at Keokuk, and at the Rock Island Rapids, where the work is so nearly completed, that it is hoped Congress will make sufficient appropriations at this session to complete the works, and make the entire Upper Mississippi in good navigable condition.

I have thus given you a brief outline of the present condition of the Mississippi River; and, sir, is there any such inland navigation in the world? And is it strange that the people are anxious to receive the full fruition of all its possibilities, and anxious that railroads shall not so discriminate against it that they cannot receive all the benefits that should come to them, especially when the country is so much in need of additional transportation facilities? I hope at some other time to have an opportunity of speaking to the House at greater length about the necessity of immediate improvement of the mouth of the river as well as of other points, also of improving some of its tributaries. No Government double-track railroad can give such relief to the people as the Mississippi River. But somebody says it runs the wrong way. Why should it not have the fostering care of the Government running South as well as if it run East? Sir, let Congress give half as much care to the plow-holders' rivers as it has to the bondholders' railroads, and we will have transportation facilities enough; and then the visions of grangers, that appear to be disturbing the dreams of some of our friends and cause them to cry "hay-seed" whenever the subject of cheap transportation is mentioned, may pass away.

But, sir, it is said that the farmers, as a class, are organizing themselves into granges, and demanding cheaper and more transportation. Be it so. They are about 53 per cent. of the population of the country, and certainly have a right to be heard and heeded; and I believe, if this Congress does not comply with their reasonable demands, that others ought to be sent to fill their places who will.

Mr. Speaker, I have already occupied the time of the House longer than I expected; and, thanking the House for their indulgence, I will now give way to others.

PUBLIC EXPENDITURES.

Mr. KELLOGG. I ask unanimous consent, for one half hour, to complete a speech which I commenced on Wednesday last—not on this subject.

The SPEAKER *pro tempore*. The House hears the request made by the gentleman from Connecticut, [Mr. KELLOGG.] Is there objection?

Mr. EDEN. I understood that this day was set apart for the consideration of the particular question of transportation.

The SPEAKER *pro tempore*. The Chair so understands; and if objection is made the request of the gentleman from Connecticut cannot be entertained.

Mr. KELLOGG. I am aware that it is only by the unanimous courtesy of the House that I can obtain the floor for the purpose I have indicated.

Mr. EDEN. I do not object the gentleman's proceeding.

The SPEAKER *pro tempore*. If there be no objection the gentleman from Connecticut will be allowed to speak on the subject he has indicated, for one half hour.

There was no objection.

[Mr. KELLOGG then concluded the speech commenced on Wednesday last. The speech in full will appear in the Appendix.]

INTERSTATE COMMERCE.

Mr. HAZELTON, of Wisconsin. Mr. Speaker, the bill which has been reported from the Committee on Railways and Canals for the regulation of "commerce among the several States" cannot but be regarded as one of vast importance in view of the present aspect of the subject with which it deals.

There is perhaps no question before the public which is challenging such an amount of earnest and searching inquiry as the question how to secure the cheapest and best methods of transportation.

The people of the West, and especially the producing classes, are profoundly exercised upon the subject, because they feel more sensibly than others the burdens to be removed. And yet the evils complained of cannot be limited to any class or any section. They are both local and national. They embrace alike producer and consumer, and reach to every interest and every industry throughout the length and breadth of the land.

Nor is the deep and anxious interest in this subject fortuitous or strange. We have a country of vast extent, whose frontier is being pushed year by year farther into the distant Territories as the tide of emigration sweeps onward toward the Pacific coast. The great producing States lie from six to fifteen hundred miles distant from the sea-board. Between these States and the marts of the sea-board commercial relations of the most extensive and intimate character must in the very nature of things always be maintained. Interdependence between these distant sections is a necessity. Not only so; it is likely to increase in magnitude in the years to come.

It is therefore no matter of surprise that the subject, once having gained the attention of the people, should have leaped with a single bound into the very foreground of our politics.

It is not my purpose in discussing the subject to deal very extensively with statistics. These have been so often presented and considered of late that the importance of the subject is thoroughly understood and appreciated. And besides, sir, place your figures and calculations where you may, you will find the facts quickly overreaching the boundaries you prescribe in the onward march of the nation's development.

It is the peculiarity of our marvelous history that it has outrun all human prognostications. Its grand march has been the wonder of the world, and is likely to so continue for generations to come.

From a paper on my table I take the following items for the purpose of bringing to the immediate attention of the House the few significant facts therein contained:

The total products of cereals, (consisting of wheat, Indian corn, oats, rye, buckwheat, and barley,) in all the States and Territories of the United States, amounted—

	Bushels.
In the year 1840, to	615, 535, 077
In the year 1850, to	867, 454, 032
In the year 1860, to	1, 238, 138, 947
In the year 1870, to	1, 357, 230, 096

The aggregate cereal product of all the nations of Europe in 1868, with a total population of 296,128,293, was reported to the international statistical congress at the Hague, in 1869, to be 4,754,516,604 bushels, being 16 bushels to the head. The product in the United States, in 1870, of 1,357,230,096 bushels, with a population of 38,558,371, was 35 bushels to the head.

That the cereal products of the interior States, north of the Ohio River, embracing the present States of Ohio, Indiana, Michigan, Illinois, Wisconsin, Minnesota, Iowa, Missouri, Kansas, and Nebraska, were—

	Bushels.
In the year 1840	166, 204, 201
In the year 1850	311, 581, 066
In the year 1860	577, 255, 715
In the year 1870	812, 055, 564

Estimating these cereals at 60 pounds avoirdupois per bushel for wheat, 56 for Indian corn, and 32 for oats, with the customary rates for the minor grains, (rye, buckwheat, and barley,) the total weight of the 812,055,364 bushels was 42,302,282,904 pounds, or, in round numbers, 21,000,000 tons of 2,000 pounds, slightly exceeding 40 bushels to the ton. If 11,000,000 tons were reserved (which is an extravagant allowance) to feed the population and animals of the interior States, there would remain for other purposes 10,000,000 tons, nearly all of which, with adequate facilities for cheap and rapid transportation, would be exported to other States, or sent down to the sea-board for export to foreign countries, to feed their constantly increasing populations and animals.

The 10,000,000 tons, if ground into flour or meal, and placed in barrels holding 5 bushels each, would require 80,000,000 barrels, and would fill 40,000 Erie Canal boats, each carrying 250 tons, or 1,000,000 railway freight cars, each carrying 10 tons.

In addition to this, a considerable portion of the 11,000,000 tons reserved to feed the population and animals of the interior would reappear, diminished in weight, but much increased in relative value, in beef, pork, dairy products, and other animal food greatly needed on both sides of the Atlantic, and serving to swell the rich centrifugal streams of our inland commerce.

Now, Mr. Speaker, the practical question to be considered is one of means. It is simply what measures within the Constitution ought to be employed to accomplish the end we have in view—cheap and reliable transportation.

I cannot hope, in the time allotted me, to go into a thorough and adequate consideration of this question in all its phases. I can only outline in a general way the policy which, in my judgment, ought to guide us in dealing with it from the national stand-point, leaving its local bearings to the States, where they properly belong.

The first question which confronts us just here is one of the constitutional power of the Government in the premises. This question lies at the root of the discussion, and its consideration is rendered necessary because of the adverse opinions held on the other side of this Chamber—opinions which were declared in the Forty-second Congress, and have been already reaffirmed in the Forty-third.

This power is claimed under an express grant in the Federal Constitution, as follows:

The Congress shall have power to regulate commerce with foreign nations, and among the several States, and with the Indian tribes.

What is commerce? The narrowest definition of the term—its primitive signification—relates to the interchange of commodities from hand to hand; but in the progress of society, in the broader application of the principles of trade and traffic, it has come to have a more liberal application. In other words, that which is commerce when the implement of transfer is the hand of the parties, is no less commerce when the implement of transfer is the steamboat or the rail-car. The agent is changed, but the thing is the same.

Said Mr. Webster, in defining this subject, in his happy and forcible manner:

We inhabit a various earth; we have reciprocal wants, and reciprocal means for gratifying one another's wants. This is the true origin of commerce, which is nothing more than an exchange of equivalents, and from the rude barter of its primitive state to the refined and complex condition in which we see it, its principle is uniformly the same.

It is commerce, sir, thus defined, over which the power of regulation is granted to Congress—commerce with foreign nations, and commerce among the several States.

Those who have investigated the reasons which led to the abrogation of the old Articles of Confederation and the adoption of the present Constitution need not be told that one of the most potential was the experienced necessity of placing this power of regulation in the national Government.

The distinguished statesman and jurist from whom I have just quoted, in his celebrated argument in the case of Gibbons *vs.* Ogden, which was indorsed by the Supreme Court, uses this language:

Few things are better known than the immediate causes which led to the adoption of the present Constitution; and there is nothing, as I think, clearer than that the prevailing motive was to regulate commerce; to rescue it from the embarrassing and destructive consequences resulting from the legislation of so many different States, and to place it under the protection of a uniform law. The great objects were commerce and revenue, and they were objects indissolubly connected. By the Confederation divers restrictions had been imposed on the States, but these had not been found sufficient. No State, it is true, could send or receive an embassy, nor make any treaty, nor enter into a compact with another State or with a foreign power, nor lay duties interfering with treaties which had been entered into by Congress. But all these were found to be far short of what the actual condition of the country required. The States could still, each for itself, regulate commerce, and the consequence was a perpetual jarring and hostility of commercial regulation.

These views, sir, are thoroughly fortified by the history of that period, as any one can ascertain by investigation.

Now, sir, observe again the language which was incorporated into the organic law under the pressure of an imperative public sentiment, born of a disastrous experience under the Confederation:

The Congress——

The very circumstances under which this provision was enacted render the words emphatic.

The Congress shall have power to regulate commerce with foreign nations, and among the several States, and with the Indian tribes.

The language is clear, forcible, comprehensive. It is an unlimited grant. It is obviously intended for the very object which appears on the face of the provision. Not only so, but in the same section which confers this power and others it is declared, at the end of the section:

The Congress shall have power to make all laws which shall be necessary and proper for carrying into execution the foregoing powers.

Now, sir, if it was necessary in the early history of the Government, when settlements were limited to a narrow belt of country on the Atlantic coast, to lodge the power to regulate "commerce among the States" in the national Government, what shall be said now, in the light of the overpowering necessities which enforce the argument—now, when the commerce of mighty States, then only mighty possibilities, whiten your great inland waters, and thunder along night and day over six competing lines of railway to the sea?

But it is objected that commerce by railway could not have been contemplated when the Constitution was framed, and is therefore not within its terms. But, sir, commerce by steam-vessels stands in the same condition, and yet it has been subject to the most plenary regulations by the Federal authority from the first employment of steamboats, and no one has challenged the power. Besides, sir, the grant of power is not limited to any mode, nor does it apply more to water than to land. It is a power to deal with commerce, no matter how or by what agency it is carried on; otherwise corporations or individuals by simply changing the agencies or means of commerce might place themselves in a situation to defy control.

If to send a thousand barrels of flour from Chicago to New York in exchange for its value in merchandise is commerce when the implement is a steamboat, not less is it commerce when the implement is a rail-car, and in either case it is that identical thing which Congress has been clothed with full power to regulate.

But it is objected again that railways are chartered by, and constructed under, State authority, and therefore exempt from the constitutional provision already quoted. Why exempt? On what principle? Where does the State get the power to authorize individuals or corporations to violate or set aside a plain provision of the Federal Constitution?

I grant that railways chartered by the States are exclusively under State regulation so long as they confine their operations within State limits, and as to all business transacted within such limits; but I deny that when these railways make combinations, so as to constitute through lines, and enter into competition with other agencies for the carrying on of commerce among the States, that they alone of all these agencies are exempt from Federal regulation. I cannot consent to bolster up these great monopolies with any such absurd partiality. If Congress has the power to regulate commerce among the States by steamboats, and sail-vessels, and stage-lines, railroads engaged in the same business, in competition with them, must be subject to the same control.

If railways see fit to limit themselves to local business they are clearly exempt from national regulation. But if they undertake to engage in "through business," outside of and beyond State lines, they become thereby, and to that extent, subject to the legal conditions on which alone such business may be conducted. Nor will they be allowed to plead their charters in violating the law.

These great thoroughfares which are known as "through lines," though composed of subdivisions severally chartered by States, are, for all practical purposes, as to commerce among the States, as thoroughly a unit as if established by a single act of national authority. They make contracts for carrying commodities and passengers from the sea-board to the remotest points of the interior, and *vice versa*. They employ the same cars for the transportation of such freight and passengers between these remote points without change. They are operated for all the purposes of through traffic under one central authority. Where is the logic which exempts them from regulation because of their charters, so long as they choose to engage in a business which is expressly subject to national regulation? As well might it have been claimed that the various regiments of the Union Armies in the recent war—many of them at least—were not subject to regulation by national authority, when they had passed beyond the limit of State jurisdiction, and become consolidated into the Federal Army because enlisted and organized under State authority. The logic in one case is quite equal to the logic in the other. It would be a strange anomaly if the foremost agencies for carrying on interstate commerce in this nation could defy control, because made up of distinct constituents, which latter were chartered by State authority.

It should be remembered, moreover, that many of the through lines are practically owned and operated by a single company. The Pennsylvania Central, for instance, has effected long leases—ninety-nine year leases—of the several branches of road extending into the Mississippi Valley; and the same are as effectually a part of that great route as if chartered in conjunction with it. If State charters can defeat the terms of the Federal Constitution, what is to hinder parties from constructing railways under such charters for the very purpose of turning them over, under the cover of long leases, to one central organization? If such a plan necessarily exempts their business from Federal regulation they are vastly better off than they could be under a national charter. Under the latter they would be subject to regulation; under the former it is claimed they are wholly exempt except in so far as the States may exert the power of regulation.

Again, sir, a large share of the through business is carried on by special organizations, embracing certain agents or officers of the several distinct companies constituting a ring, who make contracts with themselves for the use of their roads and rolling stock, and thereupon run what are known as fast freight-lines, absorbing all the paying business and exacting extra compensation for the greater speed of transportation, thus securing large dividends at the expense of the honest stockholder.

These sub-organizations, it will be seen, are not operating under or subject to State charters, but are really only private parties who lease certain roads and rolling stock for the purpose of engaging in interstate commerce, and nothing else; who have nothing to do with local business. The States cannot regulate their business, because it is wholly a through business.

Now, sir, will it be claimed that this class of business is not within

congressional regulation, and entirely exempt from all control? Such is the logic of the opposition.

But speculation is unnecessary, because the doctrine announced has been established by the highest judicial authority and must be recognized as settled law.

In the Clinton Bridge case, Mr. Justice Miller of the Supreme Court of the United States, in discussing this question, says:

Navigation, however, is only one of the elements of commerce. It is an element because it affords the means of transporting passengers and merchandise the interchange of which is commerce itself. Any other mode of effecting this would be as much an element of commerce as navigation. When this transportation or interchange of commodities is carried on by land it is commerce as well as when carried on by water.

After referring to the fact that steamboats have come into use since the Federal Constitution was adopted, and yet are held to be within the terms of that instrument, he says:

Another means of transportation, equal in importance to the steamboat, has also come into existence since the Constitution was adopted—a means by which merchandise is transported across States and kingdoms in the same vehicles in which it started. The railroad now shares with the steamboat the monopoly of the carrying trade. The one has with great benefit been the subject of salutary congressional legislation, because it is an instrument of commerce. Is there any reason why the other should not? However this question may be answered in regard to that commerce which is conducted wholly within the limits of a State, and is therefore neither foreign commerce nor commerce among the States, it seems to me that where these roads become parts of great highways of our Union, transporting a commerce which embraces many States, and destined, as some of these roads are, to become the channels through which the nations of Europe and Asia shall interchange their commodities, there can be no reason to doubt that to regulate them is to regulate commerce, both with foreign nations and among the States; and that to refuse to do this is a refusal to discharge one of the most important duties of the Federal Government. * * * For myself, I must say that I have no doubt of the right of Congress to prescribe all needful and proper regulations for the conduct of this immense traffic over any railroad which has voluntarily become part of one of those lines of interstate communication, or to authorize the creation of such roads when the purposes of interstate transportation of persons and property justify or require it.

In a recent case, when the constitutionality of a State law attempting to levy a tax on freight transported beyond State limits, or brought from another State, was under consideration, Mr. Justice Strong, of the same court, said:

Nor does it make any difference whether this interchange of commodities is by land or water. In either case, the bringing of the goods from the seller to the buyer is commerce.

If commerce, then subject to regulation; if "commerce among the States," then subject to regulation by Congress.

The illustrious Chief Justice Marshall, in the case of Gibbons *vs.* Ogden, enunciates the same doctrine:

It is the power to regulate, that is, to prescribe the rule by which commerce is to be governed. This power, like all others vested in Congress, is complete in itself; may be exercised to its utmost extent, and acknowledges no limitations other than are prescribed in the Constitution. These are expressed in plain terms, and do not affect the questions which arise in this case, and which have been discussed at the bar. If, as has always been understood, the sovereignty of Congress, though limited to specified objects, is plenary as to those objects, the power over commerce with foreign nations and among the several States is vested in Congress as absolutely as it would be in a single government having in its constitution the same restrictions on the exercise of the power as are found in the Constitution of the United States.

The elementary writers hold the same views.

Judge Redfield, in his recent very able work, refers to this clause of the Federal Constitution, in discussing the power of Congress to regulate "commerce among the States" by means of railways, in the following language:

The meaning of the word "commerce" at the time the Constitution was adopted must have been definitely settled and well enough understood. The word, as well understood, is derived from the Latin *commercium*, and which is found almost in its original form in most of the languages of modern Europe. It means, in its most literal sense, intercourse and exchange both of persons and commodities. It is more nearly synonymous with "traffic" than with any other word in the language, probably. Its great natural divisions for ages have been "foreign" and "inland." The regulation of all the former and that portion of the latter which extended beyond the limits of a single State was, as we have seen, by the organic law of our national Government secured to the nation, and the remainder was naturally left to the particular State where it exclusively existed.

It is obvious that the purpose of the provision was not to be confined to future commerce carried on in the same mode it then was, *i. e.*, by ship and boat navigation, propelled exclusively by wind. If that had been so, the provision could not have been applied to that large portion of commerce now carried on by steam-power, which has already become very considerable, and is constantly increasing in a rapidly advancing ratio. * * * * *

The fact that the entire subject of regulating all commerce among the different States, including all the means and appliances by which it was carried on, was committed to Congress, and that thereafter the States were to have no concurrent action in the regulation of the same, would seem to reduce the question of Congress having the power of regulating interstate railway traffic to the single inquiry whether it forms any portion of the commerce of the country which requires to be regulated at all. Those who assume to argue that Congress has no power to regulate the traffic upon these extended lines of railways, reaching from one end of the Union to the other, must, if they would meet the question fairly, either say the traffic on these extended lines of railway, amounting to many millions annually, probably ten times as much as the entire commerce of the country at the time of the adoption of the Constitution, is not commerce at all, or, if it be, is not subject to any regulation or control whatever. For it is certain the States have neither the power nor capacity to regulate to any purpose, or with any efficiency, this interstate railway traffic. It must, then, come under the control of Congress, or be left to its own devices and impulses—an experiment never yet tried in any other country.—*Redfield on Railways*, pages 720-722.

Justice Story in his learned work on the Constitution, says in speaking of the same subject:

This power the Constitution extends to commerce with foreign nations, and among the several States, and with the Indian tribes.

In regard to foreign nations, it is universally admitted that the words comprehended every species of commercial intercourse. No sort of trade or intercourse can be carried on between this country and another to which it does not extend.

Commerce, as used in the Constitution, is a unit, every part of which is indicated by the term. If this be its admitted meaning in its application to foreign nations, it must carry the same meaning throughout the sentence.

Time forbids a further citation of authorities on this point. The decisions are uniform, consistent, and decisive. They establish the power of Congress under the clause of the Constitution alluded to, and I believe I am correct in asserting that these views are not controverted by any judicial authority whatever.

I should, perhaps, before passing, call attention to the further fact, that the Federal Constitution prohibits any State from making or enforcing any law which shall abridge the immunities of citizens of the United States. One of the immunities of the citizens of the United States is the right to invoke the powers conferred upon the national Government, when needed, for the protection of their rights as such citizens. This they cannot do if a State can create a power within itself to trample upon those rights, and at the same time and by the very same act paralyze the power of the Federal Government to afford relief.

I will only add further, under this head, that the denial of this power to the national Government is a fatal surrender of the sovereignty of the people on this important subject; and it is a surrender which leaves not the States, but the railway power of the country the master of the situation.

Not only is it impracticable to secure co-operation in providing and enforcing remedies, but equally impracticable to secure uniformity of legislation among the different States. Their interests are by no means the same. The States lying near the sea-board can have no interest in a reduction of the rates on through business, which can only operate to require an advance in local rates in order to secure desired dividends. Or, again, any State lying along the great through routes of travel and traffic may be under influences friendly to their own roads, or may, for a liberal percentage of receipts, aid in exacting unreasonable and excessive rates for through business.

All supervision and power of regulation on the part of Congress denied, pray tell me, sir, what is to hinder any State from levying tribute in the manner indicated upon through freights and enforcing conditions of transit upon the people of the interior sending their products by railway to the sea-board? The people of the interior States cannot assent for one moment to such doctrine, even to accommodate those who insist that there are no rights in this Government but State rights, and no sovereignty but State sovereignty. To suppose otherwise is to suppose them stricken with judicial blindness.

I yield to no one in homage to the doctrine of State rights and State sovereignty, properly defined and rightly understood. I insist upon the absolute right of the States to regulate their own affairs in their own way, but I deny their right to regulate the affairs of the nation in their own way; I deny their right or power to nullify the provisions of the Federal Constitution, provided for the benefit of the whole people, by direction or indirection.

In my judgment nothing could be more mischievous and indefensible than that false and perverted theory of State rights which constantly shuts out and cries down the just rights and powers of the national Government, and forever thrusts those of the State before them.

There is no conflict between these two sovereignties, and ought to be none; they are but parts of one harmonious system; and, sir, if there is any school of political ethics which deserves the anathemas of all right-thinking men, it is that school which teaches an opposite doctrine; which insists that the State alone is sovereign and commands an allegiance before and above the allegiance due the national Government; which insinuates that one is less the people's government than the other; which seeks to draw from the homage due to one in order to bolster up the preferred claims of the other.

This false theory of State rights has been the demon of our history as a people. It has flung its blight at different periods across our pathway, until finally, in an evil hour, it sought with desperate effort and with bloody hands to strangle the Republic and sacrifice the liberties of a great people. And yet, notwithstanding the terrible lessons of experience from which we have but just emerged, there are those among us who seem to nurse a strange abhorrence of Federal sovereignty, and look upon it as a foreign and hostile thing, in which they have no part nor lot, instead of regarding it as it is, in fact, the expression of the power and the beneficence of the grandest and freest government on the face of the earth.

I remember to have somewhere read that in the Middle Ages a solemn council of state was actually broken up in Europe because of an owl that chanced to perch on one of the rafters overhead and refused to be dislodged or driven out. It is true he made no hostile demonstration; it is true he seemed as harmless as the august magnates on whom he solemnly looked down. But there he sat, and who could presume to say what mysterious power he might evoke or what dread evil his presence might imply? The apprehension was too powerful for the council; they broke and fled before it. And, sir, I grieve to say there are still worthy citizens of the Republic, all forgetful of the past, to whom the harmless doctrine of Federal sovereignty is even to-day the dismal owl in the rafters, foreboding something direful and deadly.

Have we not had enough of this weak and unworthy jealousy of

national authority? It seems to me, sir, the demands of the hour summon us to a broader view and a juster recognition of the claims of the great body politic. Accepting the vital lessons which experience should teach, let it be henceforth our policy, as it is our privilege, to cherish both State and nation as parts of one grand unity, equally and alike the priceless heritage of the American citizen. Not the State before the nation, nor yet the nation before the State, but each first in its own proper sphere, and both indispensable to the inspiring problem of self-government this great and mighty people is working out.

The bill under consideration seeks not to invade the province of State jurisdiction. It proposes to deal with this subject in its national phases only. The ends it labors to accomplish are essentially national in their character, and can be regulated by no jurisdiction if not by Congress.

This brings us to what is involved in the power to regulate commerce among the States.

The bill under consideration proposes no innovation. It asserts no new or unprecedented doctrine. Railways are common carriers. The doctrine of the common law has always been that common carriers are subject to certain principles of regulation. They are required to serve the public, to serve all alike, to serve all for a reasonable compensation. These are the conditions upon which they are permitted to carry on their business. They cannot usurp the functions of common carriers, and hold themselves out to the world as such except upon these conditions.

"It is agreed," says Judge Cowen, in the case of Cole *vs.* Goodwin, (19 Wendell, 261,) "by all the books that, while the carrier enjoys the privileges of a common carrier, it is a duty he cannot escape in any form, to receive goods, if he has room to carry them, for a reasonable reward."

Parsons states the doctrine thus:

> He must carry the same amount the same distance for the same price for all persons.

This bill does not contemplate the actual fixing of rates by Congress, but leaves it just where the common law leaves it—to the decision of a jury. The adjustment of rates by the commissioners is only *prima facie* evidence of what are reasonable rates.

It seems to me very clear that Congress has the power to go further if it shall be found necessary. The power to regulate commerce among the States is, as we have seen, unlimited. The courts have adjudged that Congress has precisely the same power over commerce by railways as by steamboats and sail-vessels. The regulations imposed are, in their very nature, conditions on which commerce may be carried on. Call them police regulations or what you will, they are neither more nor less than conditions upon which a certain business may be prosecuted.

Now, sir, what is the prescription of rates but another condition on which this interstate traffic may be entered upon and conducted? How does it differ in essence or principle from the regulations which require that the machinery of a steamboat shall bear certain tests; that cargoes shall be packed and stored in a certain manner; that a certain number of watchmen shall be employed; that a certain number of life-boats and life-preservers and signal-lights shall be provided as conditions of engaging in the carrying business by such boats? The fixing of rates is but the making of a rule or regulation by which to ascertain the compensation for a given service.

It may be said that Congress has never attempted to fix rates for commerce by water. Certainly not; there has been no occasion. Combinations among sail-vessels and steamboats being impossible, or at least impracticable, competition has always regulated rates, just as it would by railways if combinations did not prevent.

Suppose the great through lines of railroad should enter into a combination to buy up all vessels of every kind employed in our inland commerce, and should thereupon double or triple the rates of transportation to the sea-board, are we to be told that the Government is utterly powerless to meet such an emergency? Is this authority conferred on Congress, to regulate commerce in the interest of the people, to give out just at the point where the cry for its protection is the loudest and the demand for its exercise is the most imperative?

Few graver questions have confronted American statesmanship. Here are 70,000 miles of railway, representing more than three thousand five hundred millions of capital, collecting from the people every year $473,000,000, practically under the control of a handful of men. This railway system stretches its Briarean arms from sea to sea. Its retainers and agents are in every community. Its possessions are more than princely. Behind it stands the keenest, sharpest brain-power of the nation. Its chiefs are kings. It is impossible to conceal the fact that it is a new and tremendous force in the national economy. It is impossible to measure or comprehend its ultimate influence upon our civil and social polity—upon our republican institutions. Properly controlled and regulated, it may be made a source of prosperity and development to the nation; uncontrolled it may sap the life-blood of the people. The necessity for its regulation by Congress seems to me to be absolute and irresistible.

Let me present the question in another way. It is now conceded that Congress has power under the clause of the Constitution before quoted to improve rivers and harbors, to construct light-houses, wharves, breakwaters, &c. Nor is it seriously doubted that Congress has power under the same provision to construct canals of a national character. If the interests of commerce require (of which Congress is the sole judge) I have no doubt of the power of the national Government to construct a canal at the mouth of the Mississippi, or around the Falls of Niagara, or from the lakes to tide-water.

Precisely the same reasoning would authorize the building of a railroad by the Government, if necessary to the commerce of the nation. If the Government can provide a canal or a railway under the power to regulate interstate commerce, it has, of course, the incidental power to fix rates for using the same. This is obvious.

If Congress has the power to build a railroad and prescribe the terms on which it may be employed, it must have the lesser power of regulating roads already constructed as to interstate commerce.

No one doubts that the States can exercise this power within State limits, unless they have bound themselves in the charter not to do so, and even in the latter case many of our ablest jurists, and some of our State courts, have decided that they may. The State of New York has for more than twenty years limited the fare over the Central Railway to two cents per mile. The State of Iowa, suffering from the custom of the railroad companies of advancing rates at the close of navigation, passed a law requiring the companies in the month of September in each year to fix rates of fare for passengers and freight, and on the 1st day of October to post up a printed copy of the same at all stations and depots, and prohibiting any advance in such rates during the year, under heavy penalty. This law, which at least indirectly fixes the rates and determines that they shall not be raised above the published standard, was sustained both by the State and Federal courts.

So the State exercises this power over ferries, street-railroads, and turnpikes; and also in controlling the rates for storage of grain, &c., in those cases where the business is a monopoly.

Now, all that we contend for is that Congress shall have, as to interstate commerce, precisely the same power which States may exercise as to local commerce.

In the January number of the American Law Register appears an article from the pen of the eminent jurist from whom I have already quoted, Judge Redfield, in which he discusses this subject and says, among other things:

> We are not aware that any fair question can be raised in regard to the right of Congress to control the fares and freights upon interstate railways. No such question has ever been raised in England in regard to the power of Parliament, and we do not comprehend how one could be raised in any country unless there were some constitutional restrictions upon the sovereign power.

Judge Dillon, of the United States district court, a gentleman who has few if any superiors in this country as a jurist, is known to hold the same views. In his notes, appended to the decision of the Supreme Court of the United States in the Clinton Bridge case, (American Law Register, volume 16, page 154,) he says:

> The necessity for some common, central legislative power [over railways] has been most seriously felt. Many of the evils to be remedied growing out of the rivalries and the selfishness of these corporations have proved to be beyond any effective State control.
>
> We rejoice to hear so careful and able a jurist as Mr. Justice Miller, of the Supreme Court of the United States, declare that he has no doubt of the right of Congress to prescribe all needful and proper regulations for the conduct of the traffic carried on over any railroad which voluntarily becomes part of a line of interstate communication, and to authorize the creation of such roads when the purposes of interstate transportation justify or require it.

Now, Mr. Speaker, in concluding what I have to say upon the legal phases of this question, I desire to remark that its final solution will not turn upon any fine-spun theories of State rights, or any hair-splitting adjustment of the powers and relations of State and national jurisdictions. When a great and free people like ours become thoroughly aroused and bent on the accomplishment of a vital object, it is a mistake to suppose you can obstruct their march with cobwebs.

Turn and twist this subject as you will, shroud it with all the subtilties of special pleading at your command, it comes back after all to this one simple proposition: Is the sovereignty of this Government a real and genuine sovereignty, or is it a sham? There is no middle ground. Either your flag waves over this grant of power, or it trails under it. Your authority to regulate is complete and plenary, or it is a mockery and a myth. A sovereignty in manacles is no sovereignty. He who supposes the people can be beguiled into the surrender of their weapons at the very threshold of the contest, misapprehends the firm resolve which stands behind this bill.

If Congress has power to actually prohibit commerce, as the Supreme Court has decided it has, it must have the power to prescribe the conditions on which it may be revived or prosecuted. It is a logical necessity. The whole must include every part.

But let me not be misunderstood. I desire to see no injustice done to railroads. I join in no indiscriminate and senseless war upon them. I recognize the important part they have had in the development and progress of the country. I cannot disguise the fact that they are intimately connected with the comfort, convenience, and general welfare of the whole people; that they are in fact an essential part of the very civilization of which we boast. There is no natural hostility to them on the part of the people.

The complaints we hear are not against railroads as such, but against their mismanagement; against their abuse of the franchises conferred by the people; against the combinations which they are continually making to prey upon the people and the honest stockholder.

The sentiment on this subject, which has at last made its way to the front, is one for which the managers of these institutions are alone responsible. Only a decent regard for the rights and interests of the people would have postponed this action indefinitely. Only last autumn, as if in utter defiance of the people, without provocation and without excuse, rates of transportation were advanced all over the West only to satisfy the greed of non-resident managers and unreasoning officials. And this is only one of numberless illustrations of the reasons which have culminated in an attempt to protect the just rights and interests of the people.

Now, sir, in conclusion, I will only add that the chief reason why I have sought to establish the power in the Government to deal with this subject is because I am anxious to find the needed relief in the regulation of existing lines of road rather than see the Government enter upon the system of constructing new lines.

The theory of Government railroads is one that should be carefully considered in all its bearings before its adoption. If the Government could construct a railroad from the sea-board to the Mississippi; if it could be honestly and efficiently managed in the interest of the people; if you could stop right there, and if two hundred millions could be spared from the Treasury for such purpose, there would be less demand for solicitude on the subject than now exists.

But, sir, when you once enter upon this system you will find it impossible to stop. If the Government can find a warrant for building a railroad from New York to Saint Louis for the benefit of one class or section, it will be called upon to build other roads for the benefit of other classes and sections, until it has usurped the management of all the important lines of transportation. A glance will show how this would come to pass. Philadelphia, Baltimore, Cincinnati, and Chicago would demand branches; and there is no ground on which their claim could be denied. Then would follow similar propositions on behalf of Detroit, Milwaukee, Council Bluffs, and other less prominent places. Ultimately other trunk lines would be required in the South and on the Pacific coast, and in the end the system would extend throughout our borders, requiring a vast army of agents and officials, and swelling the patronage and power of the Government beyond conception.

In my judgment the true policy to be pursued is twofold:

First, to make suitable provision for regulating interstate commerce over the great railroad lines. If the committee's bill fails to do this, let it be modified and perfected, but let it not be antagonized unless something better is offered in lieu of it. Any legislation on this subject must be experimental, and if found defective on trial can be changed. Something must be done at this session in the direction of this bill. The duty is cast upon this Congress to do whatever human wisdom can suggest to remedy existing evils, and this duty cannot be ignored or evaded.

In the second place, and as the complement of this legislation, I desire to see our water-ways improved to their utmost practical limit, with the least possible delay. I have no time now to elaborate. I would have these improvements entered upon in no narrow or sectional spirit, but with regard to the present and prospective demands of our vast inland commerce.

For one-half the cost of a double-track railway from New York to Saint Louis, the Mississippi River may be thoroughly improved from its highest navigable point to the ocean, including the Saint Philip Canal, at its mouth; a grand ship-canal be constructed around the Falls of Niagara on the American side; and the great States of the Upper Northwest be connected with Lake Michigan by way of the Fox and Wisconsin Rivers.

This, I am persuaded, is the true and safe solution of the transportation problem. It involves no rash or questionable experiments, and opens up an easy, speedy, and economical way out of the present and pressing difficulty. If after this policy shall have been fairly tested it shall prove inadequate to the demands of our increasing commerce, it will be time to discuss other and less obvious methods of relief. But, sir, I have little fear that the plan pointed out, in conjunction with an efficient system of State legislation, will prove entirely adequate, and at no distant day place our internal traffic on the high vantage ground it is justly entitled to occupy.

Mr. BURROWS. Mr. Speaker, two questions have arrested and completely absorb public attention—finance and commerce. Whatever of momentary interest other subjects may have awakened in the popular mind, these alone have fixed and held the public regard. However important may be the result of our action in connection with other matters of legislation as affecting the various sections or interests of the country, our judgment upon these will be attended with the most momentous consequences to every individual and every industry within our borders. Whatever else we may do or leave undone, here there must be no mistake, no delay. Whatever apology may be acceptable to the people for errors elsewhere, none will be heeded or tolerated here.

There are times, sir, in the history of nations when the masses of the people, stung by some hideous wrong or struggling for some cherished right, rise in their majesty, and, moving with resistless power on realm and ruler, know no pause or peace but in revolution or reform.

So, sir, to-day the toiling millions of our countrymen, from farm and factory, field and forest, looking upon the prostrate and perishing industry of the many on the one hand, and the concentration of wealth and power in the hands of the few on the other, have risen as one man, and, inspired by a common sympathy and a common hope, breaking away from the restraints of all party affiliation, trampling down the feeble barriers of party control, and moving in unbroken phalanx upon all monopoly, whether of bank or railway, are demanding the recognition and practical operation of the truth, that this is a *Government of the people for the people*, and in its management there must be *even-handed justice for all and unjust tribute to none.*

Fortunate will it be for us—their servants—and doubly fortunate for the people and the country, their happiness and its prosperity, if we heed this demand and prove ourselves worthy of them and masters of the occasion. With this hope, let us seriously address ourselves to the work before us.

Mr. Speaker, I propose to submit some considerations, in connection with the bill before the House, bearing on the question of the power of the General Government to regulate commerce amongst the States when carried on through the instrumentality of railways chartered by the individual States. The bill, in other words, if I comprehend it, presents the grave question whether the Federal Government, under the Constitution, is vested with authority to regulate commerce among the States of this Union, when such commerce is carried on by railway corporations existing solely by virtue of State law; and whether such authority is broad enough to enable Congress to fix the tariff of charges for freight and passenger transportation over these established lines.

Such I understand to be the scope of the proposition under consideration; and in this broad sense I propose to consider it fairly and without evasion.

Whatever power the General Government is permitted to exercise over this subject can be legitimately derived only from the Federal Constitution. As far as it directs we may safely go. Beyond it we cannot venture without imminent peril. But, if I mistake not, we shall find within the scope of that instrument ample authority for the exercise of all such powers as will bring the interstate commerce of the country completely under Federal control.

The Constitution of the United States provides that—

> The Congress shall have power to regulate commerce with foreign nations, and among the several States, and with the Indian tribes.

Stripping this provision of everything foreign to the matter under consideration, we have the broad and unrestrained authority conferred upon Congress to regulate commerce among the States. It is from this provision of the Constitution, if anywhere, that we are to derive the power to exercise that authority contemplated in the bill now before the House.

I shall endeavor, sir, in the presentation of my views upon this subject, to examine—

First, as to where this power rests, and its character;
Secondly, its restrictions;
Thirdly, its extent; and,
Finally, the necessity for its exercise.

WHERE THIS POWER RESTS, AND ITS CHARACTER.

Upon the first inquiry, and as lying at the foundation of this whole subject, I shall attempt to show that the power conferred upon the Federal Government by the Constitution of the United States "to regulate commerce among the States" is *absolute, exclusive,* and *supreme;* and that, whatever that power may be—and I do not now stop to define it—it is lodged solely in Congress. That while the States may prescribe all needful rules and regulations concerning that traffic which is purely domestic in its character, yet they have no more right to regulate that commerce which is among the States than they have to exercise any other power exclusively delegated to the General Government.

The express language of the Constitution would seem to place the question beyond all doubt and make argument unnecessary. Where else, let me ask, but in that instrument do you find authority given to any governmental power in this country to regulate commerce among the States? What State of this Union is clothed with such supreme authority? In what constitution of any of these States will you find the provision embodied in the Federal Constitution giving to such State the power to regulate commerce among the States? Can Michigan, Illinois, Indiana, or any other State in this Union, regulate commerce between itself and its sister State? If *one* State can exercise such authority, then *all* may; and when this is conceded and carried into practical operation you will find one State laying tribute upon the commerce of another, or several States lying directly across the pathway of the commerce of the great West, imposing such burdens upon it as utterly to destroy its value to the producer, or place it beyond the reach of all consumers but the most opulent.

If this power is not absolutely vested in Congress, but can be exercised by the States, then we shall go back to the dark days of the Confederation, and experience the very evils, the existence of which, more than any other one cause, led to the formation of our Federal Union. But fortunately for the peace and stability of the Government, and the harmony of these States, I believe this power was unconditionally surrendered to the General Government to be exercised by it, and it alone, without dictation or restraint, except so far as is imposed by the Constitution itself.

But, while contending that this power to regulate commerce among the States is absolute and supreme in the General Government, I am

not unmindful of the fact that it has been intimated by the courts that, in the absence of the exercise of Federal authority over this subject, the States may assume such power. Sir, I do not believe that such a construction of this provision will stand the test of reason or is sustained by the current of authority. Is it possible that the States, having surrendered to the Federal Government certain powers, can resume these powers at will, if the General Government shall for any reason see fit not to exercise them? If Congress shall fail to establish a uniform system of bankruptcy, may Maine do it? If Congress neglects to coin money or regulate the value thereof, may Michigan do it? May any State declare war in the absence of such declaration by Congress? If the Federal Government shall fail to regulate commerce with any of the nations of the world, could Pennsylvania or Massachusetts exercise such authority? Yet the same provision which confers upon Congress the power to regulate commerce among the States gives to Congress the power to regulate commerce with foreign nations. The one is as broad and sweeping as the other. And as well may it be contended that a State may regulate commerce with foreign nations, in the absence of such regulation by Congress, as to contend that a State may regulate commerce among the States. Both powers are granted in the same provision of the Constitution.

Why, sir, the acknowledgment of such a power for a moment in a State would render nugatory this and every other provision of a like character in the Constitution and make the States coequal with the General Government in the exercise of that authority which was meant to be and is solely vested in the Congress of the United States. In these views upon this branch of the subject I am confident that I am sustained by reason and authority. This provision of the Constitution has been the subject of frequent examination and construction by the Supreme Court of the United States, and to those opinions, bearing directly upon this point, I invite the attention of the House. I think it will be found that they fully bear out the assertion that this power to regulate commerce among the States is *alone with Congress*, and is *absolute, exclusive*, and *supreme*.

Justice McLean, in the Passenger cases, (7 Howard, 392,) speaking of the *exclusive* power of Congress under the Constitution to regulate commerce, said:

Before the adoption of the Constitution, the States respectively exercised sovereign power, under no other limitations than those contained in the Articles of Confederation. By the third section of the sixth article of that instrument, it was declared that "no State shall lay any imposts or duties which may interfere with any stipulations in treaties entered into by the United States in Congress assembled;" and this was the only commercial restriction on State power. As might have been expected, this independent legislation, being influenced by local interests and policy, became conflicting and hostile, insomuch that a change of the system was necessary to preserve the fruits of the Revolution. This led to the adoption of the Federal Constitution.

Chief Justice Taney, in Holmes *vs.* Jennison *et al.*, (14 Peters, 570,) said:

All the powers which relate to our foreign intercourse are confined to the General Government. Congress have the power to regulate commerce, to define and punish piracies.

When an authority is granted to the Union, to which a similar authority in the States would be absolutely and totally contradictory and repugnant, there the authority to the Federal Government is necessarily exclusive, and the same power cannot be constitutionally exercised by the States.

Justice Johnson, in Gibbons *vs.* Ogden, used this language:

The power to regulate commerce here meant to be granted was the power to regulate commerce which previously existed in the States. *The power to regulate commerce is necessarily exclusive.*

The Supreme Court say, in Brown *vs.* State of Maryland, (12 Peters, 446:)

It is not, therefore, matter of surprise that the grant of commercial power should be as extensive as the mischief, and should comprehend all foreign commerce and all commerce among the States. *This question was considered in the case of Gibbons vs. Ogden, in which it was declared to be complete in itself, and to acknowledge no limitations.*

Justice Baldwin, in Groves *et al. vs.* Stoughton, (15 Peters, 511,) says:

That the power of Congress to regulate commerce among the several States is exclusive of any influence by the States, has been, in my opinion, conclusively settled by the solemn opinions of this court.

If these decisions are not to be taken as the established construction of this clause of the Constitution, I know of none which are not yet open to doubt.

Justice McLean, in the same case, said:

The necessity of a uniform commercial regulation, more than any other consideration, led to the adoption of the Federal Constitution. *And, unless the power be not only paramount, but exclusive, the Constitution must fail to attain one of the principal objects of its formation.* It has been contended that a State may exercise a commercial power, if the same has not been exercised by Congress, and that this power of the State ceases when the Federal authority was exerted over the same subject. This argument is founded upon the supposition that a State may exercise a power which is expressly given to the Federal Government, if it shall not exert that power in all the modes and over all the subjects to which it can be applied. If this rule of construction were generally adopted and practically enforced, it would be as fatal to the spirit of the Constitution as it is opposed to its letter. If a commercial power may be exercised by a State because it has not been exercised by Congress, the same rule must apply to other powers expressly delegated to the Federal Government. A power may remain dormant, though the expediency of its exercise has been fully considered. It is often wiser and more politic to forbear than to exercise a power. It is enough to say that the commercial power, as it regards foreign commerce and commerce among the several States, has been decided by this court to be *exclusively given to the Federal Government.*

Justice Story, in speaking of the doctrine of concurrent power in the States to regulate commerce, said:

In the case of Gibbons *vs.* Ogden it was deliberately examined and deemed inadmissible by the court. *Mr. Chief Justice Marshall, with his accustomed accuracy and fullness of illustration, reviewed at that time the whole grounds of the controversy; and from that time to the present the question has been considered, so far as I know, to be at rest. The power given to Congress to regulate commerce* with foreign nations and *among the States has been deemed exclusive from the nature and objects of the power, and the necessary implications growing out of its exercise.*

In Sturgis *vs.* Crowninshield, (4 Wheaton,) the court say:

Full power to regulate a particular subject implies the whole power, and leaves no residuum, and a grant of the *whole* to one, is incompatible with a grant to another, of a *party.*

Whenever the terms in which a power is granted by the Constitution to Congress, or whenever the nature of the power itself requires that it shall be exclusively exercised by Congress, the subject is as completely taken away from State Legislatures as if they had been forbidden to act upon it.

Justice McLean, in the Passenger cases, (7 Howard,) used this language:

When the commercial power was under discussion in the convention which formed the Constitution, *Mr. Madison observed that "he was more and more convinced that the regulation of commerce was in its nature indivisible, and ought to be wholly under one authority."* Mr. Sherman said, "The power of the United States to regulate trade, *being supreme*, can control interferences of the State regulations, when such interferences happen; so that there is no danger to be apprehended from a *concurrent jurisdiction.*"

A *concurrent* power *excludes* the *idea* of a *dependent* power. A concurrent power in two distinct sovereignties to regulate the same thing is as inconsistent in principle as it is impracticable in action. It involves a moral and physical impossibility. A joint action is not supposed, and two independent wills cannot do the same thing. The action of one, unless there be an arrangement, must necessarily precede the action of the other; and that which is first, being competent, must establish the rule. If the powers be equal, as must be the case, both being sovereign, one may undo what the other does, and this must be the result of their action.

But the argument is that a State may regulate commerce until Congress shall act on the same subject; and that the State must then yield to the paramount authority. Is a commercial regulation open to State action because the Federal power has not been exhausted? Shall free goods be taxed by a State because Congress has not taxed them? Shall passengers, admitted by act of Congress without a tax, be taxed by a State? The supposition of such a power in a State is utterly inconsistent with a commercial power, either paramount or exclusive, in Congress. That it is inconsistent with the exclusive power will be admitted; but the exercise of a subordinate commercial power by a State is contended for. When this power is exercised, how can it be known that the identical thing has not been duly considered by Congress? And how can Congress by any legislation prevent this interference? A practical enforcement of this system, if system it may be called, would overthrow the Federal commercial power.

Whether I consider the nature and object of the commercial power, the class of powers with which it is placed, the decisions of this court in the case of Gibbons vs. Ogden and reiterated in Brown vs. The State of Maryland, and often reasserted by Mr. Justice Story, who participated in those decisions, I am brought to the conclusion that the power "to regulate commerce with foreign nations and among the several States," by the Constitution, is exclusively vested in Congress.

Story, in his Commentaries on the Constitution, says:

The want of this power was one of the leading defects of the Confederation, and probably, as much as any one cause, conduced to the establishment of the Constitution. *It is a power vital to the prosperity of the Union; and without it the Government would scarcely deserve the name of a national government, and would soon sink into discredit and imbecility. It would stand, as a mere shadow of sovereignty, to mock our hopes, and involve us in a common ruin.*

In the case of the Reading Railroad Company *vs.* Pennsylvania, (15 Wallace, 232,) the railroad claimed that the statute of the State, so far as it imposed a tax on freight other than that both received and delivered within the State of Pennsylvania, was unconstitutional and void, because in conflict with this provision of the Constitution of the United States.

Justice Strong, in this case, said:

It is not necessary to the present case to go at large into the much debated question, whether the power given to Congress by the Constitution to regulate commerce among the States is exclusive. In the earlier decisions of this court it was said to have been so entirely vested in Congress, that no part of it can be exercised by a State.

The court here referred to the Ogden case, Passenger cases, and 3 Wallace, 713.

It has indeed often been argued, and sometimes intimated by the court that, so far as Congress has not legislated on the subject, the States may legislate respecting interstate commerce. Yet, if they can, why may they not add regulations to commerce with foreign nations beyond those made by Congress, if not inconsistent with them? For the power over both foreign and interstate commerce is conferred upon the Federal Legislature by the same words. And certainly it has never yet been decided by this court that the power to regulate interstate commerce, as well as foreign commerce, is not exclusively in Congress.

Cases that have sustained State laws, alleged to be regulations of commerce among the States, have been such as related to bridges, &c., wholly within a State. However this may be, the rule has been asserted with great clearness, that whenever the subjects over which a power to regulate commerce is asserted are in their nature national, or admit of one uniform plan or system of regulation, they may justly be said to be of such a nature as to require exclusive legislation by Congress. Surely transportation of passengers or merchandise through a State, or from one State to another, is of this nature. It is of national importance that over that subject there should be but *one* regulating power; for if one State can directly tax persons or property passing through it, or tax them indirectly by levying a tax upon their transportation, every other may, and thus commercial intercourse between the States remote from each other may destroyed. The produce of Western States may thus be effectually excluded from eastern markets; for though it might *bear the imposition of a single tax, it would be crushed under the load of many.*

In Houston *vs.* Moore, (5 Wheaton 23,) the court say:

We are altogether incapable of comprehending how two distinct wills can, at the same time, be exercised in relation to the same subject, to be effectual, and at the same time compatible with one another.

Chief Justice Marshall, in Gibbons *vs.* Ogden, said:

It is the power to regulate; that is, to prescribe the rule by which commerce is to be governed. *This power, like all others vested in Congress, is complete in itself, may be exercised to its utmost extent, and acknowledges no limitations other than are prescribed in the Constitution.*

The sovereignty of Congress, though limited to specified objects, is plenary as to those objects.

The power over commerce *with foreign nations, and among the several States, is*

vested in Congress as absolutely as it would be in a single government, having in its constitution the same restrictions.

Where, then, each government exercises the power of taxation, neither is exercising the power of the other; but *when a State proceeds to regulate commerce with foreign nations, or among the several States, it is exercising the very power that is granted to Congress, and is doing the very thing which Congress is authorized to do.*

Whether, therefore, we examine this provision of the Constitution in the light of reason or authority, we must be forced inevitably to the conclusion that the power to regulate commerce among the States, whatever that power may be, is exclusively in Congress, and that such power knows no restriction or restraint except such as is placed upon it by the Constitution itself. And this brings me to the second point of my argument—

THE RESTRICTIONS UPON THIS AUTHORITY.

And here there can be no question that this power in the Federal Government to regulate commerce is confined solely to interstate commerce, and does not extend to that commerce which is purely domestic in its character, and concerns only the individual State. The control over such commerce is exclusively with the States. While I have not the slightest sympathy with that pernicious doctrine of State rights which thrusts its hateful tenets into the discussion of almost every question on the floor of this House, engendering a spirit of jealousy and hostility among these States, threatening their peace and stability, yet there can be no hesitancy in declaring that such commerce as is purely domestic in its nature and confined within the limits of a particular State, is entirely within the control of such State; and Congress has no more power over such commerce than it has over the domestic commerce of England. There is a *State* and there is an *interstate* commerce; and the distinction between the two is clearly and sharply defined. The former is as absolutely within the control of the State as the latter is within the jurisdiction of Federal authority. Can it be difficult to determine what is State commerce and what is interstate commerce; where State authority ceases and Federal authority begins? When an instrument of commerce takes the grain of a farmer from his granary in one part of a State and carries it to another part of the same State as its final destination, that is commerce entirely within that State, and subject alone to the control of that State. So long as the instrument of commerce has its termini within the limits of a State, and engages in moving no merchandise which comes from without or is destined to a point beyond the limits of such State, it is engaged solely in domestic commerce, and Congress has no power to regulate it. In this view of the case I have but given expression to the oft-asserted and, I believe, well-settled doctrine of the courts of this country.

In the Passenger cases, to which I have before referred, Justice McLean said:

No one doubts the power of a State to regulate its internal commerce.

All commercial action within the limits of a State, and which does not extend to any other State or foreign country, is exclusively under State regulation. Congress have no more power to control *this* than a State has to regulate commerce "with foreign nations and among the several States."

In Corfield *vs.* Coryell, (4 Washington's Circuit Court Reports,) Justice Washington used this language:

But this power, which comprehends the use of and passage over the navigable waters of the several States, does by no means impair the right of the State governments to legislate upon all subjects of *internal* police within their territorial *limits* which are not forbidden by the Constitution of the United States.

In the case of United States *vs.* Holliday, (3 Wallace, 416,) Justice Miller said:

The commerce here regulated is a commerce wholly within a State, among its own inhabitants or citizens, and is not within the powers conferred on Congress by the commercial clause.

Chief Justice Marshall, in the case of Gibbons *vs.* Ogden, to which I have already had occasion to refer, said:

The subject to which the power is next applied is to commerce "among the several States." The word "*among*" means intermingled with. A thing which is among others, is intermingled with them. Commerce among the States cannot stop at the external boundary line of each State, but may be introduced into the interior. *It is not intended to say that these words comprehend that commerce, which is completely internal, which is carried on between man and man in a State, or between different parts of the same State, and which does not extend to or affect other States. Comprehensive as the word "among" is, it very properly may be restricted to that commerce which concerns more States than one.* The phrase is not one which would probably have been selected to indicate the completely interior traffic of a State, because it is not an apt phrase for that purpose, and the enumeration of the particular classes of commerce to which the power was to be extended would not have been made, had the intention been to extend the power to every description.

The enumeration presupposes something not enumerated, and that *something*, if we regard the language or the subject of the sentence, must be the exclusively internal commerce of a State. The genius and character of the whole Government seem to be that its action is to be applied to all the external concerns of the nation, and to those internal concerns which affect the States generally; but not to those which are completely within a particular State, which do not affect other States, and with which it is not necessary to interfere, for the purpose of executing some of the general powers of the Government. *The completely internal commerce of a State, then, may be considered as reserved for the State itself.*

The case of the Daniel Ball, decided in 1870, and reported in 10 Wallace, clearly draws the line of distinction between State and interstate commerce.

This case arose under the following circumstances: In March, 1868, the steamer Daniel Ball was engaged in navigating Grand River, in the State of Michigan, between Grand Haven, at the mouth of the river, and the city of Grand Rapids, some forty miles in the interior. The boat was engaged in the transportation of merchandise and passengers between those places, without having been inspected or licensed under the laws of the United States.

The United States filed a libel in the district court for the western district of Michigan, to recover the penalty provided for want of such inspection and license.

The act of July, 1838, provided that it shall not be lawful for the owner, master, or captain of any vessel, propelled in whole or in part by steam, to transport any merchandise or passengers upon the bays, lakes, rivers, or other navigable waters of the United States, without having first obtained a license under existing law; and that, for every violation of the act, the party offending shall forfeit and pay to the United States the sum of $500; and that for this sum the vessel engaged was liable, and might be seized and proceeded against summarily, by libel, in the district courts of the United States.

The libel further averred that Grand River was a navigable water of the United States, and also alleged that the steamer transported merchandise shipped on board of her, destined for ports and places in States other than the State of Michigan, and was therefore engaged in "commerce between the States." The answer admitted most of the allegations—that the steamer was engaged in navigation between Grand Rapids and Grand Haven, and in the transportation of merchandise and passengers between those places; that she was not licensed nor enrolled; that some of the goods that she shipped at Grand Rapids and carried to Grand Haven were destined and marked for places in other States than Michigan, and that some of the goods which she shipped at Grand Haven came from other States, and were destined for places within that State. It was claimed, however, by way of defense, and not denied, that the vessel drew but two feet of water, and was incapable of navigating the waters of Lake Michigan; that she was a common carrier between the cities named, but did not run in connection with or in continuation of any line of steamers or vessels on the lake, or any line of railway in the State. The points of defense relied upon were two:

First. That Grand River was not a navigable water of the United States.

Secondly. That the steamer was engaged solely in domestic trade and commerce, and was not engaged in trade and commerce between two or more States, or in any trade by reason of which she was subject to the navigation laws of the United States, or was required to be inspected and licensed. It was claimed that the fact that some portion of the merchandise shipped was destined for points beyond the limits of the State, or was received from points without the State, did not bring her within the control of Federal authority, in which alone is vested the power of regulating commerce "*among* the States," so long as she did not go beyond the limits of the State in which she was engaged. The district court dismissed the libel, the circuit court reversed this decision and gave a decree for the penalty demanded, and the Supreme Court of the United States affirms the decree of the circuit court. I read only that portion of the opinion bearing upon the point under discussion, Justice Field delivering the opinion of the court:

But it is contended that the steamer Daniel Ball was only engaged in the internal commerce of the State of Michigan, and was not, therefore, required to be inspected or licensed, even if it be conceded that Grand River is a navigable water of the United States; and this brings us to the consideration of the second question presented.

There is, undoubtedly, an internal commerce which is subject to the control of the States. The power delegated to Congress is limited to commerce "among the several States," with foreign nations, and with the Indian tribes. This limitation necessarily *excludes* from Federal control all commerce not thus designated, and of course that commerce which is carried on entirely within the limits of a State, and does not extend to or affect other States. In this case it is admitted that the steamer was engaged in shipping and transporting down Grand River, goods destined and marked for other States than Michigan, and in receiving and transporting up the river goods brought within the State from without its limits; but inasmuch as her agency in the transportation was within the limits of the State, and she did not run in connection with, or in continuation of, any line of vessels or railway leading to other States, it is contended that she was engaged entirely in domestic commerce.

But this conclusion does not follow. *So far as she was employed in transporting goods destined for other States, or goods brought from without the limits of Michigan and destined to places within that State, she was engaged in commerce between the States*, and however limited that commerce may have been, she was, so far as it went, subject to the legislation of Congress. She was employed as an instrument of that commerce; for whenever a commodity has begun to move as an article of trade from one State to another, commerce in that commodity between the States has commenced. The fact that several different and independent agencies are employed in transporting the commodity, some acting entirely in one State, and some acting through two or more States, does in no respect affect the character of the transaction. To the extent in which each agency acts in that transportation, it is subject to the regulation of Congress.

It is said that if the position here asserted be sustained, there is no such thing as the domestic trade of a State; that Congress may take the entire control of the commerce of the country, and extend its regulations to the railroads within a State on which grain or fruit is transported to a distant market.

We answer that we are unable to draw any clear and distinct line between the authority of Congress to regulate an agency employed in commerce between the States, when that agency extends through two or more States, and when it is confined in its action entirely within the limits of a single State. If its authority does not extend to an agency in such commerce, when that agency is confined within the limits of a State, its entire authority over interstate commerce may be defeated. Several agencies combining, each taking up the commodity transported at the boundary line at one end of a State, and leaving it at the boundary line at the other end, the Federal jurisdiction would be entirely ousted, and the constitutional provision would become a dead letter.

In the light of these authorities, I am at a loss to understand how any one can have the slightest difficulty in discovering the boundary line between the State and Federal jurisdiction in the matter of regu-

lating commerce. It is distinct and well defined; and there is no reason for any conflict of authority between the local and the General Governments. Each has its separate and distinct sphere of action; yet they move together in perfect harmony under the sovereign control of two central powers.

I now come, Mr. Speaker, to my third inquiry—

THE EXTENT TO WHICH THIS POWER TO REGULATE COMMERCE AMONG THE STATES MAY BE EXERCISED.

And here I think I may safely affirm that to regulate commerce is not to simply prescribe the rules of traffic between the States, but it extends to the *instruments* of commerce, and places under Federal control everything affecting interstate commerce. What is commerce, and what is the extent of the power to regulate commerce among the States? Our courts have not been silent upon this question, but have repeatedly declared the extent to which this authority may be exercised.

Justice Strong, in the Pennsylvania case to which I have already referred, said:

Beyond all question the transportation of freight, or of the subjects of commerce, for the purpose of sale or exchange, is a constituent of commerce itself. This has never been doubted, and probably the transportation of articles of trade from one State to another was the prominent idea in the minds of the framers of the Constitution, when to Congress was committed the power to regulate commerce among the several States. A power to prevent embarrassing restrictions by any State was the thing desired. The power was given by the same words and in the same clause by which was conferred power to regulate commerce with foreign nations. It would be absurd to suppose that the transmission of the subjects of trade from the State to the buyer, or from the place of production to the market was not contemplated, for without that there could be no consummated trade either with foreign nations or among the States.

Also in Gibbons *vs.* Ogden, the court say:

The mind can scarcely conceive a system for regulating commerce between nations which shall exclude all laws concerning navigation, which shall be silent on the admission of the vessels of one nation into the ports of another, and be confined to prescribing rules for the conduct of individuals, in the actual employment of buying and selling, or of barter. If commerce does not include navigation, the government of the Union has no direct power over that subject, and can make no law prescribing what shall constitute American vessels, or requiring that they shall be navigated by American seamen. Yet this power has been exercised from the commencement of the Government, has been exercised with the consent of all, and has been understood by all to be a commercial regulation. It was so understood, and must have been so understood, when the Constitution was framed.

The words used in the Constitution, then, comprehend, and have been always understood to comprehend, navigation within its meaning; and a power to regulate navigation is as expressly granted as if that term had been added to the word "commerce."

The subject to be regulated is commerce. The counsel for the appellee would limit it to traffic, to buying and selling, or the interchange of commodities, and do not admit that it comprehends navigation. Commerce, undoubtedly, is traffic, but it is something more; it is intercourse.

In its simplest signification, commerce means an exchange of goods; but in the advancement of society, labor, transportation, intelligence, care, and various mediums of exchange, become commodities, and enter into commerce; the subject, the vehicle, the agent, and their various operations become the objects of commercial regulation, ship-building, the carrying trade and propagation of seamen, are such vital agents of commercial prosperity, that the nation which could not legislate over these subjects, would not possess power to regulate commerce. But it is almost laboring to prove a self-evident proposition, since the sense of mankind, the practice of the world, and continual exercise of the power, have so clearly established the right of Congress over navigation and the transportation of both men and their goods, as are not only incidental to, but actually of the essence of, the power to regulate commerce.

Again, they say:

It has, we believe, been universally admitted that these words comprehend every species of commercial intercourse between the United States and foreign nations. It has been truly said that commerce, as the word is used in the Constitution, is a unit, every part of which is indicated by the term.

Story, in his work on the Constitution, says:

"To regulate commerce." The power is to regulate, that is, to prescribe the rule by which commerce is to be governed. The subject to be regulated is commerce. Is this limited to traffic, to buying and selling and the interchange of commodities, or *does it comprehend navigation and intercourse?*

Commerce undoubtedly is traffic; but it is something more. It is intercourse. It describes the commercial intercourse between nations and parts of nations in all its branches.

In the Clinton Bridge case this doctrine is distinctly affirmed. This case arose under the following circumstances:

In 1861 a bill was filed in the United States court for the district of Iowa, complaining of a bridge across the Mississippi River, on the ground that it obstructed navigation, and asked its abatement as a nuisance. Authority to construct the bridge had been obtained from the State of Illinois by special act of the Legislature, and from Iowa under the general law of the State on that subject. The bridge was constructed on the Iowa side, at Clinton. The Chicago and Northwestern Railroad, running from Chicago to Clinton, was built and in operation. On the opposite side of the river, and running to Cedar Rapids, was the Cedar Rapids Railroad, and so on from Cedar Rapids other lines were in process of construction, which, when completed, would connect with the Union Pacific, so that from Chicago westward, over several States, commerce would be carried on crossing the Mississippi on this bridge.

Proofs were taken, and a hearing postponed from time to time, until Congress, in February, 1867, passed an act declaring the bridge a post-route and lawful structure. A motion was made by the defendants to dismiss the bill, on the ground that this act took away the jurisdiction of the court in the case.

The motion was resisted upon several grounds, and among others it was contended that the act of Congress was unconstitutional in several particulars, but specially in this, that Congress had no power to authorize or regulate bridges over the navigable streams of the United States.

Justice Miller, in his opinion, makes use of this language:

The second of these objections involves the consideration of the commercial clause, as it is appropriately called, of the Constitution. The power to regulate commerce is one of the most useful confided to the Federal Government; and its exercise has done as much as that of any other to create and foster that strongest bond of nationality, a community of interests among the States. The want of it was one of the most pressing necessities which led to the formation of the Constitution. The clause has always received at the hands of the courts and of Congress a construction tending liberally to promote its beneficent object. The power to regulate commerce is the power to regulate the *instruments* of commerce. In the case of Cooley *vs.* The Board of Wardens, (12 Howard, 299,) the court says that "the power to regulate navigation is the power to prescribe rules in conformity with which navigation must be carried on. It extends to the persons who conduct it as well as to the instruments used." Navigation is here spoken of as one of the subjects of legislation included in the power to regulate commerce.

In this view of the subject Congress has passed statutes regulating steamboats, their construction, equipment, officers, and crews, prescribing qualifications of pilots and engineers, limiting the number of passengers they may carry, and prescribing the signals they shall use in passing each other; in short, it has established a minute code for building and navigating those vessels. The right to do this depends wholly on the power vested in Congress to regulate commerce, and has never been disputed.

From this, Mr. Speaker, we see something of the extent to which this power has been exercised, and may be exercised, by the Federal Government over commerce when carried on by water. Who doubts but that the same power may be exercised over commerce among the States, however carried on? It is *commerce* that Congress is empowered to regulate. Can you prescribe rules and regulations for the safety of commerce when carried on by steamboat, and cannot enforce the same rules and regulations for the safety of the same commerce when carried on by a steam-car? I shall attempt to demonstrate, by equally well-settled authority, that Congress may regulate commerce to the same extent when carried on by land. The power to regulate commerce among the States cannot be confined to any particular mode of conducting that commerce. It must apply to commerce among the States, however conducted. In reason there can be no distinction between the power over commerce when carried on by water and when conducted by land. It is commerce just the same; and the power to regulate it must be the same.

Justice Washington, in delivering the opinion of the court in the case of Corfield *vs.* Coryell, (4 Washington's Circuit Court Reports, 378,) said:

The first question, then, is, whether this act, or any section of it, is repugnant to the power granted to Congress to regulate commerce.

Commerce with foreign nations and *among the several States* can mean nothing more than intercourse with those nations and *among those States* for purposes of trade, be the object of the trade what it may; and this intercourse must include *all the means by which it can be carried on*, whether by the free navigation of the *waters* of the several States, or by a *passage overland through the States*, where such passage becomes necessary to the commercial intercourse between the States. It is this *intercourse* which Congress is invested with the power of regulating, and with which no State has a right to interfere.

Justice Strong, in Reading Railroad Company *vs.* Pennsylvania, (5 Wallace, 271,) used this language:

Nor does it make any difference whether this interchange of commodities is by land or by water. In either case the bringing of the goods from the seller to the buyer is commerce. Among the States it must have been principally by land when the Constitution was adopted.

In the Clinton Bridge case, to which I have just alluded, Justice Miller said:

Navigation, however, is only one of the elements of commerce. It is an element of commerce because it affords the means of transporting passengers and merchandise, the interchange of which is commerce itself. Any other mode of effecting this would be as much an element of commerce as navigation. When this transportation or interchange of commodities is carried on by land, it is commerce, as well as when it is carried on by water; and the power of Congress to regulate it is as ample in the one case as in the other. The "commerce among the States" spoken of in the Constitution must, at the time that instrument was adopted, have been mainly of this character, for the steamboat, which has created our great internal commerce on the rivers, was then unknown.

Another means of transportation, equal in importance to the steamboat, has also come into existence since the Constitution was adopted. By it merchandise is transported across States and kingdoms in the same vehicle in which it started. The railroad now shares with the steamboat the monopoly of the carrying trade. The one has, with great benefit, been subjected to the control of salutary congressional legislation. Is there any reason why the other should not be? However this question may be answered in regard to that commerce which is conducted wholly within the limits of a State, and which is therefore neither foreign commerce nor commerce among the States, it seems to me that when these roads become parts of the great highways of our Union, acting an important part in a commerce which embraces many States, and destined, as some of these roads are, to become the channels through which the nations of Europe and Asia shall interchange their commodities, there can be no reason to doubt that to regulate them is to regulate commerce both with foreign nations and among the States, and that to refuse to do this is a refusal to discharge one of the most important duties of the Federal Government. For myself, I must say that I have no doubt of the right of Congress to prescribe all needful and proper regulations for the conduct of this immense traffic over any railroad which has voluntarily become part of any of those lines of interstate communication, or to authorize the creation of such roads, when the purposes of interstate transportation of persons and property justify or require it. * * *

Further on the court say:

In these cases the judges have been speaking of navigation. But the terms of the Constitution are not confined to that mode of conducting commerce. Any other means of commerce are obviously within its terms. I have shown that railways are now means of interstate commerce as well as steamboats. Their iron tracks, extending from ocean to ocean, are no more limited by political boundaries than are the rivers which rise in one State and flow through others to the sea. Over the former, propelled by one application of the motive power of steam, roll many cars laden with the products and fabrics of one section of the country for the

supply of the wants of a distant section. Through the latter, propelled by another application of the same power, ply the steamers, laden in like manner, and discharging a like beneficial office. Where lies the difference between them? Why should not the power which regulates one extend to the control of the other?

From these authorities it must be evident that this power to regulate commerce among the States extends to such commerce however carried on; and that the same rules and regulations for the protection of commerce by water may be enforced against a railroad company engaged in such interstate commerce by land. The power in the General Government must be the same in both cases.

But it is said that the bill before the House contemplates the exercise of a power which heretofore has not been assumed; that it is now proposed to so far extend this authority as to allow the General Government to interfere in the question of prices to be charged by the railroad companies for transportation when engaged in interstate commerce. That the bill contemplates the exercise of such a power there is no question; and that it goes further than any regulation has heretofore gone is equally true. But the fact that this power has never been exercised may possibly prove no more than that the exigency requiring its use has never before arisen. Certainly it cannot be argued that because it has never been invoked therefore it does not exist. Such a conclusion does by no means follow.

Does the power of Congress cease with the instrument of commerce? If a railroad company shall engage in interstate commerce, in regulating that commerce have we no greater power than to prescribe the qualifications of the engineer; the number of hands to be employed on each train; the number of tons each car shall carry; the number of passengers allowed in each coach; and the general details of constructing and managing these roads so that the safety and security of men and merchandise may be assured? Is this the extent of our authority? If so, it is "a barren scepter;" and the railroad companies have it in their power to place such tariff upon commerce among the States as to utterly destroy it. It is not of these things that the people complain, but it is of the excessive charges and unjust discrimination which strike at the very soul and life of all commerce.

I hold that the power to regulate commerce among the States is broad enough—indeed it is the very essence of that power—to allow Congress to regulate in some measure the charges for transportation. If we have not this power, a railroad company chartered by a single State, going outside of its chartered privileges and engaging in interstate commerce, is independent of both State and Federal authority, so far as the tariff of charges is concerned, and is above all law and subject to its own sovereign will. If Illinois, lying directly across the pathway of the commerce of the great West, can control the railroads within her limits and then engage in interstate commerce, and is above all regulation by the General Government as to charges for transportation, she can make the entire commerce of the great West lie at her feet and pay her tribute. Or if the corporations she charters, engaging in such commerce, are above all Federal and State control in the matter of charges for transportation, then may one man hold in his hand the material prosperity of forty millions of people.

It has been held by the Supreme Court of the United States, in the Pennsylvania case, to which I have before referred, that a State cannot tax the tonnage passing over its road; that such a tax is a regulation of commerce; that it directly affects commerce among the States, and rests only with Congress. But it is also held by the same authority that a State may tax the gross receipts of a railroad company, which would allow a State to do indirectly what it cannot do directly. Under this rule a State might charter a railroad company to go through its borders with unlimited discretion in the matter of charges, and so allow a heavy burden to be placed upon commerce. Nay, more, might directly connive at it, that it might fill its own coffers by a tax upon receipts, at the expense of the commerce of the entire nation.

This commerce which Congress is vested with power to regulate, in the language of Chief Justice Marshall, is a unit, (that is his language,) every part of which is indicated by the term. Intercourse is commerce. Can the railroad company make such charges for that intercourse as to destroy it, and so far destroy commerce? Traffic is commerce. Can a railroad company make it so expensive by exorbitant charges as to absolutely prevent it and thereby destroy commerce? Why, sir, if this doctrine be correct, the States in their sovereign capacity have created a power not only above State control, but above national control—a power which may engage in that traffic which Congress alone can regulate and carry it on without dictation from the Federal Government. Nay, sir, you have a power which may make commerce among the States prosperous, or can annihilate it at a blow and render valueless one of the greatest industries of the people.

Let me close what I have to say upon the power of Congress to regulate the fare and freight over railroads engaging in interstate commerce by reading an extract from an article published in the January number of the American Law Register, from the pen of the Hon. Isaac F. Redfield, whose opinion upon this subject is entitled to great consideration. He says:

> But the most interesting question just now affecting the regulation of this traffic by Congress is how far, and in what mode, the legislation of Congress may control and define the rate of charge upon interstate railways, whether by way of tolls or of fare and freight. *Fare and freight upon all interstate railway traffic are wholly under the control of Congress* to the same extent they are in England under the act of Parliament, or in any other sovereignty under the governing power, whether legislative or executive. And this congressional regulation and control attach to interstate traffic, not only where it has actually been carried across the dividing line of two States, but from the moment it is taken in charge by the carrier as traffic, whether in goods or persons, and which is destined to cross State lines in its transit. We are not aware that any fair question can be raised in regard to the right of Congress to control the fares and freights upon interstate railways. No such question has ever been raised in England in regard to the power of Parliament, and we do not comprehend how one can be raised in any country, unless there were some constitutional restriction upon the sovereign power.
>
> In the absence of all such restriction the supreme power might impose conditions upon existing companies which would annihilate their business at once. This is admitted by all in regard to the legislative power of the British Parliament, and we have never been able to find any one who could assign any sensible reason why the legislative power of the American Legislatures, both State and national, in the absence of constitutional restrictions, should be less than that of the British Parliament.

But we are told that these railroad companies have been clothed with certain rights and privileges under State charters, and that the General Government has no power to interfere with these vested rights. The bill proposes no interference. It counsels none. It does not contemplate an interference with these chartered privileges; and no possibility of construction could torture it into such a purpose. Neither does it in any way infringe upon the reserved rights of the States. The familiar dogma of State rights, invoked against the use of the powers proposed to be exercised under this bill, is as foreign to this discussion as it is fallacious and ill-timed. The bill concedes to the States the right, which all must acknowledge, to grant to a corporation the power to construct railroads within their borders to engage in domestic commerce. With this the bill does not propose to interfere. It is only when these corporations step over this line, go beyond their chartered rights, and engage in interstate commerce, that the powers contemplated by this bill are to be carried into exercise. Such commerce no State has the right to regulate. It is certainly beyond its power. How idle, therefore, the cry of State rights and State sovereignty when Congress proposes to exercise that authority, and that only, which the States have absolutely and unconditionally surrendered to the Federal Government.

It is not, therefore, a question between Federal power and State authority, but between Federal power and railroad power. It is the simple proposition whether Congress, under the Constitution, has power to regulate commerce when carried on by rail, or whether these corporations are above all law and beyond all control. If these corporations can securely shelter themselves behind the doctrine of State sovereignty, then they are more powerful than the Government itself, and they are indeed masters of the situation. For if the General Government has not power to regulate interstate commerce it exists nowhere, and these railroad kings are indeed "monarchs of all they survey."

In the clear light of the Constitution and unquestioned authority it cannot but be admitted that the power vested in Congress to regulate commerce among the States is absolute, exclusive, and supreme, and embraces within its jurisdiction everything which directly affects the carrying on of such commerce.

NECESSITY FOR THE EXERCISE OF THE POWER.

Mr. Speaker, a word in conclusion as to the necessity for the exercise of this power, and I have done. Nearly a century, sir, has passed since we entered upon our national career, and these years have wrought a marvelous change in the extent and resources of our country. Then your feeble commerce, confined to the Atlantic coast, found easy and ready access to foreign and domestic markets. But what do you behold to-day? Across the Ohio and the Mississippi has rolled the rushing and resistless tide of emigration, over valley and mountain, arrested only by the waters of the western sea. Men of the East! these are your brothers and sons, who, emulating your virtues and your valor, subduing forest and savage, have carved out of this trackless wilderness twenty-seven States and Territories, and crowded them with seventeen thousand people, industrious, heroic, and free. One million four hundred thousand improved farms, containing two hundred million acres, at an estimated value of $5,000,000,000, bear witness to the energy and frugality of this great people. Four hundred cities adorn her valleys; two hundred chartered colleges afford ample means for the education of her children, while twenty-four thousand temples invite to the worship of the God of their fathers.

This mighty people in the main are tillers of the soil, gathering from these acres an annual product of $1,200,000,000. The value of these products depends in no small degree upon the facility and cheapness with which they can be placed in the markets of the world. *I would therefore make broad and deep every river within her borders as the means of the cheapest transportation, and through which her exuberant commerce might float unobstructed to the sea.*

But, when you have accomplished this great work, the difficulty is not wholly removed. There are seasons of the year when these natural avenues are closed by the severity of our climate, during which period these products must perish or seek outlet through the State and over these interstate railroads. If no restrictions can be imposed upon these corporations, the entire commerce of the West may be at the mercy of a single man, and such tribute may be imposed upon it as to utterly destroy its value to the producer, or place it beyond the reach of all consumers but the most opulent.

That this commerce has felt the burden of unjust taxation at the hands of these railroad monarchs no one would presume to deny or justify. Seventy-one thousand miles of iron rail interlacing these States have enabled a few men to wield a power over commerce at

once dangerous and destructive. But not here alone has its power been felt. It has manipulated caucus and convention, made and unmade Legislatures, tampered with the purity of the judiciary; nay, more, it has stalked with royal retinue through the lobbies of this Capitol, marking its victims and smiling upon its pliant retainers.

I know, sir, it is as much as a man's political fortunes are worth to stand in the pathway of this almost omnipotent power; but while I will go as far as "who goes farthest" in protecting these corporations in the enjoyment of every just right, they shall do no wrong to the humblest citizen if my vote or my voice can prevent it.

In this spirit come the six million tillers of the soil, and ask protection at our hands. They come not with bullet nor bayonet; not with hostile banner, but with the ballot, that mighty—

Weapon that comes down as still
As snow-flakes fall upon the sod;
But executes the freeman's will,
As lightning does the will of God.

Mr. Speaker, I have sought, in this discussion, to avoid everything which might be construed into an effort to array one class or interest against another, or which might have the slightest tendency to provoke a spirit of hostility between the various sections of our common country.

Reprehensible as may be the conduct of individuals or corporations in their dealings with the people, oppressive as may be the iron rule of gigantic monopolies upon the industries of the masses, yet that will not furnish the slightest apology for an attempt from any quarter to engender the spirit of enmity and aggression between the rival interests of our broad country. Diversified as these interests may be, they each contribute to the growth and the grandeur of the whole.

Sir, we are, and must be, one people, bound together by the indissoluble ties of a common origin, cheered by the promises of a common hope. With the people, under the Constitution, rests the power of a peaceful solution of all these difficulties. Let us then, knowing no North, no South, no East, no West, nothing but one common country, without fear or favor, passion or prejudice, redress the wrongs of each, while we protect the just rights of all; that all interests, all sections, and all the people may conspire to promote the growth and grandeur of the Republic, under one flag and one Constitution, henceforth and forever.

Mr. EDEN obtained the floor.

Mr. COX. Will the gentleman from Illinois yield to me for a moment?

Mr. EDEN. I yield to the gentleman.

CENTENNIAL CELEBRATION.

Mr. COX. I am honored with the presentation of a memorial, headed by Peter Cooper, Cooper, Hewitt & Co., Phelps, Dodge & Co., L. P. Morton & Co., J. S. Schultz, A. A. Low & Brothers, N. L. & George Griswold, and others who have made commercial life the synonym of enterprising virtue, in favor of enacting such legislation as may insure the full success of the centennial celebration, and to take such prompt, efficient, and liberal action as may be needed to facilitate the thorough organization of the international exhibition. I have been requested by one of the most eminent of the New York merchants to present this paper and to assist in some efficient way in the success of the undertaking, and to say that the men who signed this memorial are representatives of the liberal mercantile element of the great metropolis. To speak of such men would be to attempt to gild refined gold. To meet their wishes in respect to the centennial, if compatible with the relations which a New York Representative should bear to such an event, will be my own highest wish. But, sir, I would prefer, as a member of our Federal Congress, to favor a national, instead of an international, celebration.

I ask unanimous consent to have the memorial referred to the Select Committee on the Centennial Celebration and the proposed National Census of 1875.

Mr. BURCHARD. Can that be done by unanimous consent?

Mr. COX. It can, unless the gentleman objects.

The SPEAKER *pro tempore*. The Chair hears no objection to the request of the gentleman from New York, [Mr. COX.]

INTERSTATE COMMERCE.

Mr. EDEN. Mr. Speaker, the bill reported by the Committee on Railways and Canals, "to regulate commerce by railroad among the several States," is intended to effect such a radical revolution in the whole internal commerce of the country, that it challenges the closest scrutiny upon the part of the representatives of the people.

"Each and every line of railroad extending into or through two or more States, and employed in carrying freight or passengers between points or places in different States, and whether owned and operated by one company, corporation, or person, and known by one name, or owned and operated by several companies, or persons, and known by several different names, shall be regarded as employed in commerce among the several States," and are subjected to the provisions of the bill.

Corporations and individuals engaged in operating such lines of railroad are prohibited from charging, collecting, demanding, or receiving more than a fair and reasonable rate of toll for the transportation of freight of any kind, or of passengers, or for the use or transportation of any railroad-car upon its track, between places in different States.

The President, by and with the advice and consent of the Senate, is to appoint a board of nine railroad commissioners, to be selected from the several judicial circuits of the United States, to hold office for a term of six years, and until their successors are appointed and qualified, unless sooner removed by the President; and to receive as compensation for their services the sum of $4,000 per annum each, and their actual necessary traveling expenses. These commissioners are to be divided into three classes; the first class to continue two years, the second class four years, and the third class six years.

The railroad commissioners are authorized to appoint a secretary at an annual salary of $3,000. It is made the duty of these commissioners to prepare for the owners and operators of each of such lines (of railroad) a separate schedule of reasonable maximum rates of charges for the transportation of passengers and freight cars on or over said lines respectively, and, when necessary, to amend or revise such schedules.

Any corporation, company, or person engaged in operating any line of railroad through two or more States, or parts of States, who shall, after such schedule of rates shall have taken effect, demand or receive more than a reasonable rate of toll or compensation for the transportation of freight, passengers, or cars over any such line, shall forfeit and pay for each offense a sum not less than $500 nor more than $5,000, to be recovered by action to be brought in the name of the United States in any district or circuit court of the United States, &c., in the form of an action of debt, &c. If the charges of such transportation exceed the rate of toll or compensation fixed by the commissioners' schedule, the defendant shall be held guilty of extortion, unless such defendant shall show affirmatively that the rate charged is fair and reasonable.

Following the line of argument adopted by the committee in their report, I will inquire, first, whether Congress under the Constitution has the power to enact such a law; and, secondly, whether, if constitutional, it is expedient.

I admit the first proposition stated by the committee—

That the "commerce among the several States," which may be regulated by Congress, includes commerce carried from State to State by railroad.

But I deny the second proposition laid down by the committee, as follows:

That to regulate the charges for carrying freight or passengers upon interstate railroads so as to limit them to what is fair and reasonable and prevent extortion, is a legitimate exercise of the power to regulate such commerce.

In my judgment the second proposition is supported neither by reason nor authority.

One of the leading objects for calling the convention that made the Constitution was to confer upon the General Government power to regulate foreign commerce and commerce among the States. Under the Articles of Confederation each State could impose import and export duties, limited only by treaty obligations. Each State could impose taxes upon the products of all the other States when brought into or passing through the State for the purposes of trade. The establishment of conflicting rules and regulations for foreign and interstate commerce by the several States, was a constant source of irritation under the Articles of Confederation, and threatened the disruption of the Union.

Upon the adoption of the Constitution the power of Congress was speedily invoked to remedy the evils resulting from the conflicting commercial regulations of the States, in so far as such regulations affected commerce with sister States and foreign powers. All laws of the States imposing taxes in any form on traffic or articles of trade passing beyond the boundary of the States respectively became inoperative on the adoption of the Federal Constitution. In order that no State should have an advantage over any other State the Federal Constitution prohibits the imposition of a tax or duty on articles exported from any State and giving a preference by any regulation of commerce or revenue to the ports of one State over those of another, and the requirement of vessels bound to or from one State to enter, clear, or pay duties in another.

I refer to these provisions of the Federal Constitution because it is a received canon of construction of that instrument that the power given to Congress by the Constitution is limited by the object to be accomplished.

Prior to the adoption of the Constitution commerce among the States was obstructed by conflicting laws. States favorably located with reference to foreign commerce imposed taxes upon the products of their less favored sisters seeking a foreign market; and also upon goods imported from foreign countries for consumption in the States. These burdens bore unequally and unjustly upon the people in some parts of the country; and to remove these evils the power to regulate commerce was conferred upon the General Government.

There was no complaint under the Articles of Confederation that interstate commerce was in any manner oppressed by excessive charges for transportation. Neither was it foreseen, so far as shown by the discussions preceding the adoption of the Constitution, that any evil requiring Federal intervention was likely to arise from such charges. Hence no provision was incorporated in the Constitution which by any fair construction can be tortured into a support of the position that Congress has the power to fix the prices of any of the constituents of commerce. The legislation of Congress upon the subject up to the present time has been confined to the making of rules and regulations as to the manner in which commerce among the States should

be carried on; leaving the prices of all the commodities used in commercial pursuits to be fixed by the agreement of parties engaged in the business. The decisions of the courts referred to in support of the pending bill are all made in the interest of commercial freedom, and against the right assumed by some of the States to tax articles of trade in passing from foreign countries into a State, or from one State to another.

The case of Gibbons *vs.* Ogden, (9 Wheaton,) referred to by a distinguished United States Senator from Indiana, as well as by the committee in their report, as an authority in support of the position of the bill, is not in point. The Legislature of the State of New York granted to Livingston and Fulton the exclusive navigation of all waters within the jurisdiction of that State, with boats moved by fire or steam, for a term of years. The Supreme Court of the United States decided that act, so far as it prohibited vessels licensed according to the laws of the United States for carrying on the coasting trade from navigating the said waters by fire or steam, to be repugnant to the Constitution.

There are other authorities referred to, both by the Senator from Indiana and the Committee on Railways and Canals, defining what constitutes commerce, and also deciding that commerce among the States when carried on by railroads is subject to the regulation of Congress.

The Passenger cases, referred to in support of the bill, reported in 7 Howard, 283, decide against the validity of State laws imposing a tax upon passengers from foreign countries coming into the ports of a State. The advocates of the power of Congress to fix the prices of freight and passengers on interstate railroads content themselves with authorities showing that Congress has the power under the Constitution to regulate commerce among the States. This power is conceded. The question at issue is whether the power to regulate commerce, within the meaning of the Constitution, includes the power to fix the prices of the instruments of commerce and the commodities exchanged between citizens of different States.

The inquiry does not lead us to a consideration of the power of Congress over navigable streams passing through more than one State. These are highways of commerce belonging to the public, in which there is no individual or corporate ownership, and over which Congress can certainly exercise the power to regulate commerce, subject only to constitutional limitations. Yet the proposition has never been made, to my knowledge, for Congress to fix the rate of fare to be charged for carrying freight and passengers upon navigable streams passing through or by more than one State. While Congress may regulate interstate commerce, no matter whether carried on by land or water, I venture the assertion that where the facilities of commerce are artificial, created under the authority of State law, and owned by the State, or by individuals or corporations, such regulation must respect the rights of the owners of such facilities. It is not denied that the States have the power to authorize the construction of railroads, nor that when constructed by individuals or corporations such roads are private property, though subject to the public use. The States' power of eminent domain is brought into requisition to procure the right of way. The Federal Government has no agency whatever in the construction of such a road, nor has it any sort of interest in the same when constructed. Upon what principle, then, of right or justice can the Federal Government, after the State, in the exercise of a constitutional right, has granted a charter for the construction of a railroad, and individuals in puruance of legal authority have invested their money in the construction and equipment of such a road, step in and take charge of the business of the company and control the same against the will of the State and of the owners of the road?

It is not denied by the advocates of the bill before the House that the charter granted by the State to the corporation in such case is a contract between the State and the company that is binding upon both parties. It is conceded that the State may reserve the right under the contract to limit or fix the tolls to be charged by the company for transporting freight and passengers, or may permit the company to fix such tolls subject to the common-law liability in case of extortion or unjust discriminations.

Here, then, we have a legal and valid contract, entered into by the State and the railroad company. It has been fully executed. Both parties are bound to abide by the terms of the contract. Will it be contended that the Federal Government, not having the power to forbid the execution or performance of this contract, can come in after the terms are complied with by both parties and rescind the contract? Would such an arbitrary and despotic act be regulating commerce among the States? What would be the condition and rights and remedies of the two contracting parties after this third party, not having any interest whatever in the making, performing, or the subject-matter of the contract, had interposed and set it aside? In such case what becomes of the valuable consideration which has been given and received? Can the parties be placed in *statu quo*?

It is said that the Congress has the exclusive power to regulate commerce among the States. Grant it. It is equally true that the States have the exclusive power, within their own limits, to construct or authorize the construction of railroads. Congress has no more right to interfere with a State in the performance of a constitutional act than has a State to interfere with Congress in the execution of a power delegated to it. It follows that the State should not interfere with the General Government in regulating commerce among the States; nor should Congress interfere with a State in the construction and operating of railroads within its own borders. The power of the State to make, or cause to be made, railroads and other facilities of commerce within its limits can be fully executed without interfering with the power of Congress to regulate commerce among the States. So the power of Congress can be applied to the regulation of interstate commerce without in any manner interfering with the right of the State to control railroads constructed under its authority. When these railroads are used for the purpose of transporting goods or persons from one State to another, the customary tolls can be charged as compensation to the carriers; but the State can lay no tax either upon the goods or persons *in transitu*. The State cannot forbid the use of the railroad to persons engaged in interstate commerce upon the payment of the charges for transportation, or interpose any obstacle to the free interchange of commodities between the States. The General Government is clothed with the power to prevent any obstruction under State authority to the freedom of interstate commerce. I take the position that it is competent for the States by law to fix reasonable maximum rates for freight and passenger tolls on all railroads within the States and constructed under their authority; and that freight and passengers transported over such roads and passing from one State to another may be required to pay the tolls so fixed by law. When the State fails to enforce this right, the persons or corporations owning or operating such roads may fix such reasonable tolls as a compensation for the use of the road and other facilities of transportation. Should the corporation fail to perform its duties as a common carrier, the persons injured would have to look to the laws of the State for redress.

It is claimed that to charge tolls as a compensation to the carrier and for the use of a railroad and its equipments in transporting persons and property from one State to another, is regulating commerce among the States, within the meaning of the Constitution.

Is this position correct? If so, no matter whether the amount charged be reasonable or excessive, when any charge is made the same becomes a regulation of commerce, and Congress must intervene and establish the price. The amount charged for the service does not give Congress jurisdiction over the subject. No agency except Congress can establish the amount of the charge, or without the authority of Congress make any charge at all. For, be it remembered, the power of Congress over the subject is exclusive.

Sir, I propose to show that the authorities do not sustain such an extraordinary assumption of power. In the Passenger cases, (7 Howard, 283,) Justice McLean, in giving the opinion of the court, says:

> An inquiry is made whether Congress, under the power to regulate commerce among the States, can impose a tax for the use of canals, railroads, and bridges constructed by a State or its citizens. I answer that Congress has no such power. The United States cannot use any of these works without paying the customary tolls. The tolls are imposed not as a tax, in the ordinary sense of the term, but as compensation for the increased facility afforded by the improvement.

The court here makes the distinction between a tax and a toll. A tax upon commerce is a regulation of commerce; but a charge for facilities furnished and services rendered is simply compensation.

We find that the General Government, with all its supposed omnipotence upon the subject, cannot even regulate the price that it will pay for the use of a railroad, but must pay the customary tolls.

The committee, in their report, refer to the case of The Reading Railroad Company *vs.* Pennsylvania, 15 Wallace, 232, to sustain the power of Congress to establish by law the price of freight on interstate railroads. In that case Justice Strong, in giving the opinion of the court, says:

> We concede the right and power of the State to tax the franchises of its corporations, and the right of the owners of artificial highways, whether such owners be the State or grantees of franchises from the State, to exact what they please for the use of their ways. That right is an attribute of ownership. * * * Tolls and freights are a compensation for services rendered, or facilities to a passenger or transporter. * * * A tax is a demand of sovereignty; a toll is a demand of proprietorship. * * * The right to make terms for the use of the roadway is in the grantee of the franchise, not in the grantor.

The distinction here is clearly taken by Justice Strong between the exercise of a power to regulate commerce and the right to exact tolls and freight as a compensation for services rendered, and facilities furnished to passengers and transporters. A legislative act, imposing a tax upon commerce or prescribing the manner in which it shall be conducted, is an act of sovereignty, and imposes burdens upon those engaged in commerce for the benefit of the State or the security of the public. Regulations of such a character cannot be imposed by the State upon commerce among the States. Freight and passenger charges on railroads are made in order to compensate for the use of the road and equipments; are matters of contract between the carrier and transporter, and for their mutual benefit, and do not necessarily involve the exercise of any legislative power. The tax or other regulation, which is an act of sovereignty, is a regulation of commerce. The freight or passenger charge, which is compensation for services or facilities furnished, is an act of ownership, not involving an act of sovereignty, and consequently is not a regulation of commerce.

In the case of Gibbons *vs.* Ogden this view of the subject is very forcibly presented by Justice Johnson. He says:

> As to laws affecting ferries, turnpike roads, and other subjects of the same class, so far from meriting the epithet "commercial regulations," they are in fact commercial facilities, for which, by the consent of mankind, a compensation is paid, on the same principle that the whole commercial world submit to pay lighter-money to the Danes.

The case of Veazie vs. Moore (14 Howard, 568) is directly in point. The State of Maine had passed an act giving to a citizen the exclusive right to the navigation of a portion of the Penobscot River, above the point where the same was navigable without artificial improvements, for a period of twenty years, upon his making certain improvements that would increase the length of the navigation. The improvement was made, and formed a connection with navigable waters used in foreign commerce. The suit was instituted to test the right of the grantee to have the exclusive use of that part of the river made navigable by his improvements. Justice Daniel, in giving the opinion of the court, says:

Nor can it be properly concluded that because the products of domestic enterprise in agriculture or manufactures, or in the arts, may ultimately become the subjects of foreign commerce, that the control of the means of encouragement by which enterprise is fostered and protected is legitimately within the import of the phrase "foreign commerce," or fairly implied in any investure of the power to regulate such commerce. * * * For there is not one of these avocations, the results of which may not become the subjects of foreign commerce, and be borne either by turnpikes, canals, or railroads, from point to point within the several States toward an ultimate destination, like the one above mentioned. Such a pretension would effectually prevent or paralyze every effort at internal improvement by the several States; for it cannot be supposed that the States would exhaust their capital and their credit in the construction of turnpikes, canals, and railroads, the remuneration derivable from which, and all control over which, might be immediately wrested from them, because such public works would be facilities for commerce which, while availing itself of those facilities, was unquestionably internal, although intermediately or ultimately it might become foreign. The rule here given with respect to the regulation of foreign commerce equally excludes from the regulation of commerce between the States and the Indian tribes the control over turnpikes, canals, or railroads, or the clearing and deepening of water-courses exclusively within the States, or the management of the transportation upon and by means of such improvements.

Mr. Speaker, it seems to me that the position I have taken, that the fixing of tolls and freights on railroads is not a regulation of commerce, is fully sustained both by reason and authority.

The committee in their report claim that—

The power of Congress in the matter of controlling and regulating interstate commerce is coextensive with the power of the States over their completely internal commerce.

And because the States have the power to limit the charges on railroads chartered by State authority within the limits of the States, the illogical conclusion is drawn that Congress has the power to fix freight charges on the same railroads, for the bill takes jurisdiction of roads built exclusively under State authority.

The case of Alcott vs. The Supervisors, (16 Wallace, 679,) referred to by the committee in support of this position, does not find the power of the State over the road as an incident to the regulation of commerce. Because the State Legislature authorizes a private corporation to take land for the construction of a railroad, making compensation to the owner, under the State's power of eminent domain, the court says that such a road is a public highway, and "can therefore be controlled by the State. Its use can be defined; its tolls and rates for transportation may be limited."

By a parity of reasoning we might say, as such a railroad is not constructed under the authority of Congress, nor the land taken under the Federal Government's right of eminent domain, and is not a national highway, that it "cannot therefore be controlled by Congress; its use defined, or its tolls and rates for transportation be limited." It is a proposition too clear for argument, that both the State and Federal governments cannot limit the tolls and rates for transportation on the same railroad; and as the Supreme Court has decided that where the railroad is built under State authority, the State has the power to regulate tolls and rates of transportation, the power of Congress is necessarily excluded.

The committee also claim that Congress has the power to pass this bill, because "at common law it was a violation of the obligation of a common carrier to charge unreasonable or excessive compensation for the discharge of any of his duties."

Mr. Speaker, I have been taught to look to the enumeration of powers in the Constitution for authority for congressional action.

The common law is not incorporated in the Constitution, and is not a part of the law of the Union. In the case of Wheaton & Donaldson vs. Peters, (8 Peters, 658,) the Supreme Court in giving the opinion in the case says:

It is clear there can be no common law of the United States. The Federal Government is composed of twenty-four sovereign and independent States, each of which may have its local usages, customs, and common law. There is no principle which pervades the Union, and has the authority of law, that is not embodied in the Constitution or laws of the Union. The common law could be made a part of our Federal system only by legislative adoption. When, therefore, a common-law right is asserted, we must look to the State in which the controversy originated.

It will thus be seen that in order to get the benefit of the common law in reference to the duties of common carriers, the party injured must seek his remedy in the State where the injury was inflicted, and not in the halls of Congress.

Is this species of legislation to stop with the fixing of rates of transportation by railroads? In order to act with efficiency in the establishment of tolls and freight charges, the prices of labor and materials used in repairing and operating the roads must also be established by law. The object sought by fixing the charges for transportation by Congress is to make such charges reasonable. Unless the cost of repairing and operating the roads is reasonable, rates of transportation cannot be made reasonable. Again, the owners of railroads expect to realize an income on the money invested in their construction and operation. The rate of interest on the bonded debts of railroads is an element to be considered in establishing reasonable charges for transportation. Hence the power of Congress to regulate commerce among the States must be brought to bear to reduce the interest charge fixed by the contract between the railroad company and the holder of the bonds when necessary to secure reasonable rates for transportation. There is no half-way ground. Once we admit the power and undertake to execute it, we must take under the control of Congress and fix the price of every element that enters into the expenses to be paid by the company out of the earnings of the road. Where the amount of income is established by law, unless there is also a limit to the expense account in proportion to the income, bankruptcy will soon overtake the company.

Mr. Speaker, if the power of Congress to regulate commerce among the States can be so construed as to include the right to fix the prices of freight, will not the same construction enable Congress to fix the prices of every commodity and of all the instruments used in such commerce?

The demand to-day for the regulation of the price of freights on railroads by Congress, arising out of the oppressions of the farmers of the West from exorbitant rates, may be supplemented by a demand made next year to fix the prices of provisions transported from one State to another, arising out of the necessities of the starving people in the cities of the sea-board.

Upon what rule of construction can it be claimed that Congress, under the power to regulate commerce among the States, can fix the price of the commodity called freight and cannot fix the prices of all other commodities when used as elements of interstate commerce?

Sir, the bill before the House is the initial measure which, if successful, will be followed up by a system of legislation that will in the end overthrow every vestige of both individual and State rights. It is a declaration of the omnipotence of Federal legislation over every industry in the country. The committee in reporting the bill might well liken the power of Congress to that of the British Parliament, and seek by their report, not for a grant of power, but for a limitation upon the power of Congress.

I come now, Mr. Speaker, to inquire as to the expediency of the measure before the House. If Congress has the power claimed for it by the committee, I ask if it is the part of wisdom to surrender the power into the hands of the Executive. He is Commander-in-Chief of the Army and Navy. He has under his control the Post-Office Department, with all its vast machinery and patronage. He has under his command an army of revenue officers. Over three hundred millions of money is every year disbursed by the executive branch of the Government. Three hundred and fifty million dollars of the circulating medium of the country are issued by national banks under the direction and control of the Treasury Department. An innumerable host of Federal office-holders stand ready to do the bidding of the President. And yet Congress, claiming the power to establish the rates of freight and passenger charges on railroads operated in two or more States, shrinks from the performance of that duty, and devolves it on nine commissioners to be appointed by the President, and removable at his pleasure. These nine men will have the power to enrich or impoverish every railroad company in the United States. They may, if they choose, drive commerce from every great city by discriminating against them in freight charges, and force commerce to new centers by discriminating in their favor.

The commissioners will have power to establish rates that will keep Illinois and Iowa out of the markets of the world, and to favor Ohio and Indiana by rates that will enrich their people. Seventy thousand miles of railroad will be subject to the control, to a greater or less extent, of these nine commissioners. Each railroad company will rush to the autocrats of interstate commerce to beg or buy favors. The people of every city in the United States will be suppliants at their feet for favors. The great manufacturing establishments will be compelled to bow down before this new idol that is about to be set up for worship. There will be no power higher than the commissioners, except the will of the President to remove them in case they fail to do his bidding.

When this system of legislation shall have been fully inaugurated there will be no further use for a written Constitution; no necessity for State governments. Under a latitudinous construction of Federal power, whatever policy may, for the time being, seem to commend itself to public opinion, can be carried out by congressional legislation.

When a proposition is gravely presented to the consideration of the American Congress to place under the control of the President of the United States the larger portion of the internal commerce of the country, we may well be alarmed as to what may follow.

It has been said that the interstate commerce is now controlled by a few leading railroad men. There is doubtless more or less combination between the managers of different railroad lines to the prejudice of the people. Yet they are managed with a view to business, and the profit of the stockholders. In order to avoid the evils of railroad combination, shall we withdraw their management from the control of business men and place it in the hands of politicians, to be used as an element of partisan success? What business is carried on by the Government that is not made subservient to the interests of the party in power? When this great bureau of interstate commerce, of which this bill is but the corner-stone, shall have been established, with its power reaching out into every State and every

county in the Union; with its army of clerks and agents, whose ranks will be rapidly recruited after the passage of the bill; and clothed with the power to add to or subtract from the value of all exchangeable commodities, and to appreciate or depreciate the value of all railroad securities by simply changing the rates of transportation, the dominant party will have under its control an engine of political power that will render it invincible.

If the success of the Government in its past management of business affairs gave promise of relief from the evils of railroad monopoly, there would be some inducement to engage in the experiment proposed by the bill. Upon this point we are not without warning. The connection of the Government with the Pacific railroads involved the country in a debt of $65,000,000, and developed the Credit Mobilier swindle. To-day the country stands appalled at the developments of fraud and extortion practiced upon the business interests of the country by the agents of the Government in the collection of internal taxes and customs.

A few years ago the whisky ring was swindling the Government annually of untold millions on account of the whisky tax. The Judiciary Committee of the House has its calendar darkened with cases of impeachment against United States judges. The Federal administration has overthrown the power of the people in the State of Louisiana, and installed a usurping government in its place; which has been followed by a repudiation of the debt of the State.

Wherever the Federal Government has undertaken to engage in business pursuits not absolutely necessary for purposes of Government, such undertakings have been carried on at great pecuniary loss, and the expenditure of the people's money in such enterprises has been marked with profligacy and corruption. Yet, sir, with all these examples before us it is proposed by this bill to make almost the whole of the internal commerce of the country an element of executive patronage, and to put it in the power of the official appointees of the President to cause constant and arbitrary fluctuations in the values of all the products of labor.

I believe that the Legislature of the State of Illinois has asked Congress to take the railroads built by that State, and under its authority, and in large part by the aid of counties, towns, and cities, from the control of the people of that State, and to place them under the control of the Congress of the United States. By this resolution, I undertake to say that the Legislature misrepresents the rights, interests, and wishes of the people to whom I appeal. When the Congress of the United States untertakes to legislate in reference to the purely domestic affairs of the citizens of the State of Illinois, an injury is thereby inflicted upon her people, and an indignity is offered to her sovereignty.

Should this bill become a law, in my opinion a contest will be inaugurated, the result of which will be, either that the Government will in the end own the railroads, or the railroads will own the Government, with the chances of success in favor of the railroads.

CURRENCY AND FINANCE.

Mr. STORM. Mr. Speaker, I can say for myself that I bring to the consideration of this important subject a mind possessed of no preconceived prejudices. A subject of such vital interest to the people, affecting in its far-reaching consequences every man, woman, and child in the Republic, should receive at the hands of Congress a calm and dispassionate consideration.

In times of panics or popular commotions we are more apt to consider what, for the time being, may be pleasing to the few unfortunate persons involved, rather than that which may serve to correct the evil in the future and to avoid its recurrence.

The demagogue in politics is like the quack in medicine. He prescribes what he thinks will be pleasing to the patient for the present, at the same time he knows he is not removing the cause of the evil.

The true statesman, on the other hand, is like the true physician; although he knows his remedy will not for the present gratify his subject, yet he is willing to incur his displeasure if in the end he may be able to effect a permanent cure. However painful the operation, he will apply the knife in order to save the life of his patient.

We have on this floor, Mr. Speaker, some of the former class; they talk loudly about being engaged in a contest for "cheap money," against the "credit-mongers" and "bullionists" of the world. I have no doubt such cheap talk as this will win applause from some men, who have been doing business for the last few years in violation of all the laws of sound trade, and have been indulging in over-trading and carrying on wild railroad enterprises. But the sound business judgment of the country will condemn it, as it has already.

These quacks affect a lofty disdain for the teachings of schools and the wisdom of the past. One of them has declared in debate that he had not studied the men who spent their lives in investigating this subject. Mill, Hume, Ricardo, *et hoc genus omne* are stupid asses. They prefer to follow the teachings of Carey and Elder, who flourished under the shadow of the old United States Bank, and whose best exponent and mouth-piece on this floor is my colleague [Mr. KELLEY] from Philadelphia.

Mr. Speaker, I do not pretend to say this subject is not beset with great difficulties and complications. It is much easier to criticise plans and remedies, and to say what ought not to done, than to propose what should be done. While finance is a science, it is not an exact one. It is not like the science of geometry, where you can propound your theorem and demonstrate it, so that the demonstration may defy contradiction; but it is an empirical science, in which, by a process of a wide induction of facts, certain general and ultimate principles have been ascertained.

I know there are some who contend that the whole subject is involved in such inextricable confusion that one man's opinion is as good as another's. I dissent from this entirely. No, Mr. Speaker; by the experience of all civilized nations, running back for centuries; by the careful and patient study of the laws of trade and of statistics, certain great, leading, and fundamental truths have been established, which constitute the science of political economy, and every statesman of modern times acts upon them. When they have been adhered to, prosperity has followed; when departed from, adversity and disaster have been the result.

Let me state some of these ultimate truths:

That money, as such, is a medium of exchange and a standard of value.

That it ought to be some object which has some fixed amount of value, and as unvarying as possible.

That gold and silver best unite all the requisites for a medium of exchange and standard of value.

That a mixed currency is from its nature unsteady and fluctuating, both in quantity and quality.

That a mixed currency stimulates credit at one time and depresses it at another.

That a credit currency has a constant tendency to demonetize and drive out of circulation the value currency.

Now, Mr. Speaker, if we were to regard money simply as a medium of exchange, as my learned colleague [Mr. KELLEY] would seem to regard it, it would not make much difference whether it was a value currency or a credit currency; whether it was paper or coin. The gambler's "chips," for the purpose of the game, are to him as valuable as the money they represent. If it were only a medium of exchange, like a cart or a boat used in transferring values from one person to another, any conventional article might do. But it is more; its great function is to measure values. And to talk of an "elastic" currency is the veriest solecism imaginable. We might as well talk of an elastic yard-stick, which at one season of the year might be twenty-four inches, at another forty-eight inches. Under our present currency it is about thirty-two inches.

The experience of the world is that the precious metals alone perform this important function. By the manner in which they are scattered over the world, and the certain amount of labor required to bring them into a state fit for money, they have come to possess, the world over, a certain amount of value.

Fixedness of value resulting from fixedness of quantity constitutes the chief advantage of the precious metals over all other objects as a standard of value. Wheat, for instance, possesses value and is in universal demand; but to produce a bushel of wheat this year may cost one dollar, and the next two. So that every object would rise or fall as compared to wheat according as it was plenty or scarce. But it is not so with gold. Providence has come to the aid of man in the manner this product is dispersed throughout nature.

The experience of England, France, and our own country has been that it is unsafe to rely upon a paper currency. Our experience in 1837, and again in 1857, corroborates me in the statement. A purely paper currency, while it is expanding, stimulates credits; then money is plenty; everything is advanced in price, and then we have the "good times" my colleague [Mr. KELLEY] praises so much.

But now see the other side of this picture. The Government, or the bank, as the case may be, cease to expand. Having largely overloaned, they must now not only cease to loan, but call in what they have loaned. Men go to the banks, but they can get no accommodation. Nay, not only so, but in the late panic they could not get their own deposits. Manufacturers, merchants, and tradesmen of all kinds begin to feel the pressure. One of them fails, and his failure drags down twenty more perhaps, having business relations with him; confidence is shaken, the wheels of business are clogged, and we are in the midst of a panic, which in one day sweeps away the fortunes of a life of honest toil and labor.

Such has been our experience again and again. Such, too, has been the experience of Great Britain under a paper currency, and such will continue to be our experience till we come down to a hard-money basis, the money intended by the framers of our Constitution.

The great evil of a paper currency is, that when you once commence the temptation to exceed the proper limit is generally too great to be resisted. It costs so little to make it; rags are cheap; and you have only to set the press in motion and the money is made. The earlier statesmen of the country long ago understood this tendency to overissue.

Hamilton, who cannot be considered an enemy to paper money, said:

> The stamping of paper [by the Government] is an operation so much easier than laying taxes or borrowing money that a government in the habit of paper emissions would rarely fail, in any emergency, to indulge itself too far in the employment of that resource to avoid, as much as possible, one less auspicious to present popularity.

Benton has said:

> As a currency, it is the most seductive, the most dangerous, and the most liable to abuse of all descriptions of currency.

To the same effect is the testimony of Jefferson, Madison, Randolph, and Webster.

It is like the pernicious practice of taking morphine; small doses may do at first, but larger ones must follow if the practice is not entirely abandoned.

When a currency is mixed, consisting partly of coin and partly of paper, and the paper irredeemable, the latter will demonetize the former, and not only drive it out of circulation but out of the country. Currency, like any other commodity, cannot escape the law of supply and demand. This is emphatically so when the coin currency possesses a greater current value than the paper currency. Gold and silver go abroad; the paper stays at home. When we have an overissue of money, like water, it will seek its own level; but the precious metals alone will run off, while our depreciated paper will stay at home.

This fact alone makes the adjustment of the proper proportions of the different kinds of currency a nice question in finance. The instant one kind of currency becomes more valuable than another, it disappears, thus reversing the Darwinian theory that the "fittest survives."

Benton says on this point:

> And this is the third time in twenty years that paper money has suppressed specie as now [1837] it suppresses it; for this is a game [the war between gold and paper] in which the meanest and the weakest is always the conqueror.

We have also a practical illustration in our own financial history. Up to 1838 the proportion of gold to silver, by weight, was 15 to 1. This proportion was too small; gold was undervalued and disappeared. The proportion was then changed by law from 15 to 1 to 16 to 1, and gold again appeared.

The most valuable currency is hoarded. A man having two kinds will pay out that which he regards of the less value or of the smaller purchasing power. My colleague wants a self-adjusting system. So do I. But no invention of legislation can make an irredeemable paper currency self-adjusting; whereas a gold currency, or a paper currency based upon gold, will adjust itself without any effort of legislation.

There is a certain amount of gold in the world in circulation; it is honored and recognized by all civilized nations as a standard of values, and is the only instrument by which international exchanges are effected, and by which balances of trade are adjusted.

As I said before, when our currency is redundant, the excess has a tendency to go abroad; and gold and silver, being the only recognized currency of the world, of necessity have to go. But if, after the gold has left us, the balance of our paper circulation is redundant, then it must depreciate. But the moment the paper currency becomes too small it rises and appreciates gold, and becomes as valuable, and the deficiency in the volume is made up by an influx of foreign coin. Here we have a self-adjusting and self-regulating system, founded upon the immutable law of trade, requiring none of your "subtile principles" of legislative intervention.

My colleague [Mr. KELLEY] and the gentleman from Ohio [Mr. BUNDY] have been quite facetious about the "world's currency;" that Germany would not recognize French coin in the payment of her indemnity; that Bismarck required the French government to melt down her coin and weigh it out to her. I see nothing in this but an exercise of arbitrary power, intended to insult a prostrate foe, by compelling her to strike from her coin the symbol of sovereignty.

Fortunately for this unfortunate nation her stamp gave no value to her coin; it answered the purpose in the payment of the indemnity as well in its molten state as it did when the proud eagle of France was stamped upon it. But had France been in the condition of the United States, and had then been compelled to strike from her greenbacks or her *assignats* the symbol of sovereignty, my friend from Ohio could see, I trust, the value of the "world's currency." No; gold is to-day what it was in the days of Abraham, the "current money with the merchant" in Asia, Africa, Europe, and America. And I hope the day is not far distant when we may have a system of international coinage, by which a traveler may make the circuit of the globe, without being obliged to call upon any banker to have exchanges adjusted for him.

Have we too much currency to-day, or have we too little?

England, to whom we generally go for comparisons, has a population of about thirty-two millions, and a circulation of nearly $600,000,000; amount *per capita*, $18.75.

The United States have a population of forty-one million, and a paper circulation of $772,000,000; amount *per capita*, $18.83.

So that, in reality, we have a larger paper circulation, irredeemable in coin, than Great Britain has in coin and paper together. Her paper is redeemable in coin, and considerably less than half of her circulation. I have excluded our gold and silver from the above statement. And I would also state that the reserve required to be held in Great Britain is greater than in this country.

In 1860 our paper circulation was about $202,000,000, and that, with the coin, gave us a *per capita* circulation of only $14.50, so that we actually have now a *per capita* circulation of $4.25 more than we had in 1860. And yet we hear the cry of "more currency." Besides, bills, promissory notes, drafts, and checks have come into such universal use, that there is not the necessity for as much money as formerly to carry on exchanges.

It is well ascertained through the clearing-house transactions of London and New York that no more than 1 per cent. in coin and 5 per cent. in paper is required to carry on the great mercantile operations of the world. This tendency to the economization of money is greatly on the increase. One dollar in gold in New York or London through the aid of bank-checks, &c., does the business of one hundred dollars.

But, Mr. Speaker, after all, what is the true test of limit for circulation? I contend it is the fact of depreciation alone; that every argument drawn from wealth, population, territorial extent, &c., is not to be relied upon. The depreciation of our currency can be accounted for in two ways only: either it is redundant or it is insecure. That it is not insecure no one believes; the faith, the honor, and property of the country are pledged to the payment of our paper circulation. It is not possible to conceive of a form of indebtedness possessing a higher security. Then what is the only other explanation of this depreciation but that it is redundant? Certainly none. They have the same security that our entire bonded debt has, and the issue in excess of the demand of trade accounts for their depreciation. The moment the Secretary commenced to issue the legal-tender reserve gold went up, or, more correctly speaking, greenbacks went down. And if the Treasury Department had not transcended its proper functions, and had not interfered with the business transactions of the country, we would to-day be so near specie payments that the difference between gold and paper would be very small.

In seeking a remedy, the cause of the disease must first be ascertained. Most find it in overtrading, the importation of luxuries, speculation in stocks, wild railroad schemes. But these are not causes; they are rather effects. I have already hinted at the great producing cause of our late panic, to wit, undue expansion of our paper credit. Although panics sometimes break upon us suddenly, and with all the violence of a hurricane, yet the cause has been silently at work for years. Those few years of prosperity that we usually hear of just before a panic are generally the very years in which the evil is at work. The panic only seems to mark its period of culmination.

We commenced inflation in February, 1862; money became plenty; we repeated the dose in July the same year, and again in March, 1863, till we had about $450,000,000. In June, 1864, we opened again the flood-gates of currency by the national banking act, and almost doubled the amount of it, and literally deluged the country with paper money. These paper promises were, in the history of our country, financial nondescripts. The United States notes were redeemable in nothing, payable at no time, bore no interest, and were legal tender for the payment of all debts except duties on imports and the interest on the public debt.

What, Mr. Speaker, was the result? Why, then we had what the gentleman from Philadelphia so much desires now, cheap money; and we had it with a vengeance. Property of all kinds went up like a balloon. The people had more money than they wanted. Real estate was sought after by some for investment, and it rose 100 per cent. Stock speculations enticed some; luxuries were sought after; fine houses were purchased by many; foreign travel and fashionable summer resorts were enjoyed by many. The glorious years of 1865, 1866, and 1867 were the years when the "shoddies" ruled society. In addition to this, wild railroad enterprises were commenced, which my colleague [Mr. TOWNSEND] in his exceedingly able and sound speech has so well commented on. Speculation went on; but the issue of paper money had ceased, and gold went abroad in one continuous stream to pay for silks, wines, and other needless luxuries, and to adjust an unfavorable balance of trade.

The war and the demoralization of a paper currency had turned from farming and stock-raising no inconsiderable portion of our people. But as the price of everything had been nearly doubled, there soon began to be felt the necessity for more currency. The Treasury Department did for several years what it could to avert the impending disaster, which every man who had learned the A B C of finance knew was sure to come. It has now come, and the penalty for a violation of the true principle of currency has to be paid. Let us bear it with all the patriotism and patience we can command.

Thus do I maintain that an undue expansion of our paper money brought about the panic. In thus arraigning it I do not wish to be understood as imputing bad faith or want of wisdom to those who brought it about. Under the circumstances they did the best they could, and that is a sufficient vindication of their patriotism.

Nor do I wish to be understood as saying that the evils of expansion were not aggravated by grave defects in the law. The system of national banking gave a strong tendency to currency to flow to the financial centers. Naturally it would do this; but when you made these centers places for the redemption of the national-bank notes, you greatly increased the tendency. But when these banks commenced to pay interest on their deposits the evil was fearfully aggravated.

Why should banks pay interest on deposits? The safe custody of the funds, responsibility for their loss, readiness to pay them over when called for, are sufficient compensation for the depositor. These deposits represent the surplus capital of the nation not engaged in active trade, and have generally constituted a large source of profit to banks. No bank should be allowed to purchase its deposits. It is injurious to the bank in the end, as well as to the community.

The country banks, during the spring and early summer, accumulate a large amount of deposits for which they find no investment.

They send them to the large business centers, to be deposited in the banks, and receive from 4 to 6 per cent. interest. The city banks, to make something out of these deposits, must do one of two things, namely, must either use them in excess or in illegitimate business. They must loan them at high rates of interest. None but stock-gamblers will pay it. And thus the money finds employment in wild speculations which bring about our "Black Fridays." If the banks do not prefer to aid the gold and stock gamblers, but desire to loan to the mercantile community, they must loan too close. In the fall there is a demand for the money in the country; they make their "calls" upon the city banks and they are "short," and cannot respond. The depositing banks cannot get at their own deposits, and thus the country is deprived of the currency at the very time it needs it most. This must be prevented by legislation.

I know it will be said that shaving-shops and private bankers will get all the deposits by paying a low rate of interest. If this should be so, the Government must not put itself in competition with the shaving-shops of the country. When the national banks cease to pay interest, they can loan cheaper; and any community will soon learn that the proper place to deposit money is where it can go and borrow on reasonable terms. And it is to be hoped that the different States may soon take such action as will place all these private banking institutions in harmony with the national banking system on the question of interest on deposits.

There must also be a stringent enforcement of the act of March 3, 1869, which makes it unlawful for any officer, clerk, or agent of any national bank to certify any check drawn upon such bank unless the person or company drawing such check shall have, at the time the check is certified, an amount of money equal to the amount specified in such check.

It is impossible to conceive of a more vicious practice than the manner of certifying checks, which has grown up among our national banks. It is violative of one of the most positive and explicit statutes on our books. It erects the teller or cashier of the bank into a board of directors; it gives to these officers the right of deciding who shall enjoy the credit of the bank without consulting those in whom the law vests that delicate and important duty. A practice so dangerous and monstrous the New York Clearing-House Association has condemned in the strongest terms by saying that—

> The amount of such checks which have passed daily through the clearing-house has reached in some instances to twice and three times, and in one or two to four and five times, the capital stock, and this through long periods of time.

The interests of the community and of the stockholders of the banks alike condemn this practice, and demand such legislation as will in the future suppress it.

Mr. Speaker, what is our duty in the premises?

The act of February 25, 1862, was the first measure passed on the subject. The Treasury note provided for by that act was irredeemable, no time of payment fixed, bearing no interest, and made a legal tender for all debts except two classes. And on recurring to the history of this measure, it will be seen that its friends did not pretend to defend it on any other grounds than as a "forced loan," to be redeemed in coin at the earliest day possible. One distinguished gentleman of that Congress, and who was the leading financial spirit of the House then, is with us yet, [Mr. HOOPER.] He so regarded it, as did Mr. Spaulding, of New York, another leading financier of the House.

It was never intended to make that system perpetual. The Government of the United States has in the most solemn manner pledged itself to the earliest practicable redemption possible of this forced loan, in coin. In less than two weeks after the inauguration of General Grant, in March, 1869, Congress enacted the following law:

> That in order to remove any doubt as to the purpose of the Government to discharge all just obligations to the public creditors, and to settle conflicting questions and interpretations of the law by virtue of which such obligations have been contracted, it is hereby provided and declared that the faith of the United States is solemnly pledged to the payment in coin or its equivalent of all the obligations of the United States not bearing interest, known as United States notes, and of all the interest-bearing obligations, except in cases where the law authorizing the issue of any such obligations has expressly provided that the same may be paid in lawful money, or in other currency than gold and silver; but none of the said interest-bearing obligations not already due shall be redeemed or paid before maturity, unless at such time as United States notes shall be convertible into coin, at the option of the holder, or unless at such time as bonds of the United States, bearing a lower rate of interest than the bonds to be redeemed, can be sold at par in coin; and the United States also solemnly pledges its faith to make provision at the earliest practicable period for the redemption of United States notes in coin.

Then I desire to call the attention of the House to the fact that the republican party which assembled at Philadelphia, and renominated General Grant for President, declared in its platform, in reference to the question of specie payments, as follows:

> We witness with pride the reduction of the principal of the debt and of the rate of interest upon the balance, and confidently expect that our excellent national currency will be perfected by a speedy resumption of specie payment.

The liberal republican party at Cincinnati, in the same year, in placing in nomination Mr. Greeley as a candidate for President, declared with still greater emphasis, if possible, its views on this subject. Its platform says:

> A speedy return to specie payment is demanded alike by the highest considerations of commercial morality and honest government.

The democratic party at Baltimore accepted both the candidate and the declaration of principles of the liberal republicans at Cincinnati; so that all the great political parties of the country are committed in the most solemn manner a party can commit itself to a "speedy"—that is the one word all have used—to a speedy return to specie payments. Shall it be said of the great political parties of the country that their platforms of principles are only resolutions of empty buncombe, intended to mislead and inveigle honest people into their support? The people already are losing faith in the sincerity of these resolutions. Congress has already shown what respect it has for them by attempting to restore the abuse of the franking privilege. Are we going to repeat the disregard we have for our solemn platform pledges, by refusing to shape legislative action in order that a speedy resumption of specie payments may be attained?

More than that, the founder of the system, the "father of our greenback currency," as the phrase used to go, so regarded it. It was this part of his scheme that has given Mr. Chase the reputation at home and abroad of being the greatest statesman of his age. His greatness as a statesman rests mainly upon his administration of our finances during the dark period of our terrible civil war. Naturally enough to a man of ambition, this scheme, which was the cause of his greatness, would be cherished. He would seek all occasions to defend it and make it stand forever on our statute-books as an enduring monument of its author's greatness. And yet, when the storm of battle had swept past, and he was called upon to pass judgment upon this great measure of his, in the light of the Constitution, at a time, too, when its constitutionality had ceased to be questioned by many of the leading men of his own party, he did not hesitate to take up his pen and write across the greatest act of his life, "unconstitutional." In delivering his dissenting opinion in the Legal-tender cases, (12 Wallace, page 583,) he said:

> In considering this question we assume as a fundamental proposition that it is the duty of every government to establish a standard of value. The necessity of a standard is indeed universally acknowledged. Without it the transactions of society would become impossible. All measures, whether of extent, or weight, or value, must have certain proportions of that which they are intended to measure. The unit of extent must have certain definite length, the unit of weight certain definite gravity, and the unit of value certain definite value. These units, multiplied or subdivided, supply the standards by which all measures are properly made. The selection, therefore, by the common consent of all nations, of gold and silver as the standard of value was natural, or, more correctly speaking, inevitable. For whatever definitions of value political economists may have given, they all agree that gold and silver have more value in proportion to weight and size, and are less subject to loss by wear or abrasion than any other material capable of easy subdivision and impression, and that their value changes less and by slower degrees, through considerable periods of time, than that of any other substance which could be used for the same purpose. And these are qualities indispensable to the convenient use of the standard required. In the construction of the constitutional grant of power to establish a standard of value every presumption is, therefore, against that which would authorize the adoption of any other materials than those sanctioned by universal consent.

This noble conduct on the part of our late Chief Justice will be remembered as long as noble deeds shall be cherished by his countrymen. Had not the membership of the great tribunal over which he presided been tampered with, Mr. Chase's judgment, which was the opinion of the majority of the court as then constituted, would have saved the country from its present embarrassment. This carrying out of the clearly expressed declaration of the Government, of the men who passed our legal-tender acts, and of all the great political parties of the country, will give rest and quiet to the country, which will do more good than anything else next to resumption itself.

Let it become known that the Government has set its face steadily and immovably in the direction of specie payments, and our gold and silver will come out of their hiding-places and become currency again—that is something which flows, as the word means—passing from hand to hand in making exchanges and measuring values. I do not wish to be understood as being hostile to our greenback and national-bank circulation. Give a uniform Treasury-note circulation, redeemable in gold, and we will have, I hesitate not to say, the best currency in the world; a currency that will really be uniform, because based upon gold; one that will correct redundancy by an outflow of coin, and scarcity by an influx of the same.

Mr. Speaker, the attempt is made here in order to carry out this scheme of inflation to array the South and West against the Eastern and Middle States, upon what is called the unequal distribution of banking capital. But I hope this attempt to excite local prejudices will fail; we have had enough of it in the past. Besides the designing men of the Middle States who are trying to carry out a financial hobby by exciting sectional feelings, there is nothing else in it. And I hope the members of this House from the great West and South are too intelligent to be deceived by these men.

This complaint about an unequal distribution of the currency is based upon a great financial fallacy and delusion. As it has been stated, currency seeks its level. It will go, despite all legislation to the contrary, where the demands of trade and commerce invite it. If all the national banks in 1864 had been located in the State of Missouri, for instance, you could not by such a contrivance keep the currency there. As the Mississippi, by the law of gravitation, flows to the Gulf, so would the stream of currency set toward New England, New York, and Philadelphia; it would go there to pay debts, and if required there would remain, and there would be no return current until the quantity required was supplied. Read the words of Benton, uttered forty years ago in the Senate of the United States in answer to a similar complaint against the notes of the old United States Bank. The difficulty with these notes was that they would not stay South and West, as it was desired, and the words of Benton,

in the light of history to-day, read like prophecy, and are as applicable to the condition of things to-day as they were in 1837:

We have the experiment of this bank [Bank of the United States] not once but twice made; and each experiment proves the truth of the laws which govern the system. The theory of bank circulation, over an extended territory, is this, that you may put out as many notes as you may in any one place, they will immediately fall into the track of commerce, into the current of trade, into the course of exchange, and follow that current wherever it leads. In these United States the current sets from every part of the interior, and especially from the South and West into the Northeast, into the four commercial cities north of the Potomac—Baltimore, Philadelphia, New York, and Boston; and all the bank-notes which will pass for money in those places fall into the current which sets in that direction. When there is nothing in the course of trade to bring them back, there is no reflux in that current. It is a trade-wind which blows twelve months in the year in the same direction.—*Benton's Thirty Years' View*, volume 1, page 451.

Mr. Speaker, this fundamental error in relation to the distribution of currency, entertained by some able and intelligent gentlemen from the West and South, has its origin in the same cause from which springs that other fallacy of "cheap money," by reducing the rates of interest. Archbishop Whately, in his excellent work on logic, says that the foundations of political economy being a few general propositions deduced from observation or from consciousness, and generally admitted as soon as stated, it might have been expected that there would be as little difference of opinion among political economists as among mathematicians; that, being agreed in their premises, they could not differ in their conclusion, but through some error in reasoning so palpable as to be readily detected. And if they had possessed a vocabulary of general terms, as precisely defined as the mathematical, this would probably have been the case. But as the terms of this science are drawn from common discourse, and seldom carefully defined by the writers who employ them, hardly one of them has any settled and invariable meaning, and their ambiguities are perpetually overlooked. Among these terms there are two which the inflationists continually confound, namely, "capital" and "currency."

Capital is that portion of unconsumed produce of past labor expended with a view to future production. Says Mr. Ricardo:

Capital is that part of the wealth of a country which is employed with a view to future production, and may be increased in the same manner as wealth.

Capital consists of food, clothing, tools, raw material, machinery, &c., necessary to give effect to labor.

Money, we have already said, is an instrument of exchange and a standard of value, and consists of coin or paper.

Labor and capital increase the quantity and value of commodities. But money can no more add to their quantity or value than the merchant's yard-stick can add to the quantity or value of the cloth which it measures.

The neglect to observe this distinction has involved us in all this trouble and confusion.

The West and South—especially the South—need capital; and as money is not capital, as I have shown, it is not what is most wanted by them. The late war witnessed the destruction of almost untold millions of property in the South, and the difficulty of their situation has been aggravated by bad government since the close of the war. Their situation is a sad one, and demands our warmest sympathy. But how a further increase of our paper money will aid them, I fail to understand. The currency, if issued, would not stay with them; while an increase of prices would follow, without a corresponding increase of money with which to buy.

The plan that looks to the improvement of the West and South without the application of labor and capital will be like the effort of the man who tried to lift himself over his house by the straps of his boots. Labor, after all, is the true source of wealth, and is so in accordance with divine command, and we cannot escape it by any subterfuge of legislation.

For the same reason that capital is not money, the rate of interest cannot be lowered by increasing its quantity, as is erroneously supposed.

It is not the amount of money circulating in a country which determines the rate of interest. Money is but the representative of value. The effect of a larger or smaller currency is to depress or raise the price of all commodities. What is really the subject which produces interest is not the money, but what it will purchase. No man borrows money to hoard. He borrows it to employ in productive industry. He is willing to pay such an interest as the profits in the business in which he invests it will enable him to pay, and compensate him besides for his risk and trouble. The capitalist who has money to lend is willing to take such a sum as will equal the average rate of profits, less the trouble and risk of employing it in that way. It will be seen that the actual rate depends on the demand for and supply of capital; and its necessary rate—that center about which it oscillates—is the average rate of profit on capital.—*Blackstone*, book 2, page 486, Sharswood's note.

To illustrate: Owing to the scarcity of currency a merchant requires $100 to effect a certain purchase, on which he pays 6 per cent., his loan costing him six dollars. The currency is increased 20 per cent., and the price of the goods which before he purchased for $100 has increased to $120, and he will now require $120 to make the purchase. Suppose now that, in consequence of the ease produced in the money market by inflation, he can effect the loan at 5 per cent. His loan now costs six dollars—just the same as before. What has the borrower gained in this case by a reduction of interest? Nothing; but the evils resulting from inflation have been incalculable.

Is a resumption of specie payments desirable? And, if so, is it practicable? But few on this floor will contend that it is not desirable. Only two speeches that I have listened to would seem to indicate that a specie basis for our currency would not be desirable. One of them characterizes the resolution pledging the Government to the redemption of our legal-tender notes in coin at the earliest practicable period as a piece of buncombe.

While nearly all desire it, a great many seem to think it impracticable. I do not myself, Mr. Speaker, think that a mere legislative fiat will bring it about. I do not think that there is enough gold in the country to-day to do it with. The late report of the Director of the Mint shows:

The amount of gold and silver deposits and purchases, coins struck, and stamped bars manufactured, during the fiscal year, was as follows:

DEPOSITS.

Gold	$59,937,429 45
Silver	12,317,389 43
Total amount received and operated upon	72,254,818 88

Deducting redeposits, bars made and issued by one institution and deposited at another, the deposits were:

Gold	$57,704,385 88
Silver	9,145,328 43
Total	66,849,714 31

COINAGE.

	Value.
Gold, pieces, 1,824,420	$35,249,337 50
Silver, pieces, 11,774,250	2,945,795 50
Minor coinage, pieces, 18,925,000	494,050 00
Total	38,689,183 00

BARS.

Fine gold	$7,554,956 86	
Unparted gold	12,940,659 25	
		$20,495,616 11
Fine silver	3,034,259 56	
Unparted silver	3,987,654 94	
		7,021,914 50
Total gold and silver		27,517,530 61

This certainly would not be enough, with the annual foreign drain upon it. But the repeal of certain laws, and the enactment of others relative to our national banks, which I have indicated, will in two or three years bring us to the desired end. I would so shape legislation as to make our paper money gradually but surely appreciate gold. I would show the people that we had our two kinds of currency, specie and paper, flowing not in diverging but in converging lines, and which by natural movements must meet at some near future, and then mingle and flow together. To do it I will not now advocate any contraction of our present currency, simply because such a proposition cannot pass this House. But I would, in order to insure the end, first, declare that the issue of any portion of the $44,000,000 reserve was illegal, and have it retired and canceled, and fix $356,000,000 as the maximum limit of legal-tenders, to be exceeded under no circumstance; secondly, free coinage.

By throwing the costs of coinage on the depositor, the cost of production to the extent of such charge is increased. The free coinage system of Great Britain has done much to make London the bullion market of the world, and has done much to encourage its export from our own country.

The Director of the Mint, in his annual report, to which I have referred, after stating that the amount of coin in the country is about $140,000,000, goes on and says:

The increase to the stock of coin in this country has been at a very fair rate since the 1st of April last, and the indications are that, although there may be occasional exportations, it will gradually go on until an amount sufficient to enable the country to safely resume specie payments is reached.

This, Mr. Speaker, is the opinion of one of the most competent men in the country, and on this subject. The annual production in this country is about $75,000,000, and is largely on the increase. These changes, taken in connection with the fact that the balance of trade is now in our favor, that no more gold will have to go abroad to settle an unfavorable balance against us, will aid us greatly in the resumption of specie payments. With favorable seasons, freedom from war, our largely increasing commerce, our unbounded resources of field and mine, the products of our mills and manufactories, will bring us to the desired haven of specie payments sooner than many of us dare now believe or hope for.

These, Mr. Speaker, are some of the measures that I believe will give us relief and put the business of our country upon a solid basis.

A "cheap currency!" "Cheap money!" What is it, Mr. Speaker? I contend that that currency is the cheapest for the laboring man which, dollar for dollar, will purchase for him the greatest amount of the necessaries of life. A depreciated currency always increases the cost of everything which the laborer has to buy. If money is scarce, he needs less with which to procure the means of living; if it is redundant, he needs more. So, twist the subject as you may, you acquire quantity of currency at the expense of quality, and you get the quality at the expense of quantity. It is like the well-known law of mechanics, where you gain speed at the expense of power and power at the expense of speed. My colleague [Mr. KELLEY] would have both—a "cheap" currency, and at the same time one that is not redundant. This is as impossible of attainment as perpetual motion.

What the laboring man, as well as every other person, needs is an

unfluctuating currency; for he is the first to suffer by depreciation, as he is the last to gain by appreciation of currency. On this subject Amasa Walker has well remarked:

For labor there is but one demand, namely, the actual or immediate demand; while for all commodities there may be—and when the spirit of speculation has for any cause been engendered—both an actual and speculative demand. Wages cannot, like flour, be bought up in large quantities and kept for a rise of prices.

It is well known that in our late panics the laboring men and mechanics in our furnaces, rolling-mills, and machine-shops were the first to suffer from a reduction of prices, and they will be the last to enjoy the benefit of a rise.

Webster has well said on this subject:

First, as to the currency of the country. This is at all times a most important political object. A sound currency is an essential and indispensable security for the fruits of industry and honest enterprise. Every man of property or industry, every man who desires to preserve what he honestly possesses, or to obtain what he can honestly earn, has a direct interest in maintaining a safe circulating medium, such a medium as shall be a real and substantial representative of property—not liable to vibrate with opinions, not subject to be blown up or blown down by the breath of speculation, but made stable and secure by its immediate relation to that which the whole world regards as of a permanent value. A disordered currency is one of the greatest of political evils. It undermines the virtues necessary for the support of the social system, and encourages propensities destructive of its happiness. It wars against industry, frugality, and economy; and it fosters the evil spirits of extravagance and speculation. Of all the contrivances for cheating the laboring classes of mankind none has been more effectual than that which deludes them with paper money. This is the most effectual of inventions to fertilize the rich man's field by the sweat of the poor man's brow. Ordinary tyranny, oppression, excessive taxation, these bear lightly on the happiness of the mass of the community, compared with a fraudulent currency and the robberies committed by a depreciated paper. Our own history has recorded for our instruction enough, and more than enough, of the demoralizing tendency, the injustice, and the intolerable oppression, on the virtuous and well-disposed, of a degraded paper currency authorized by law or in any way countenanced by Government.

Mr. Speaker, the best interests of our people are opposed to any increase in the volume of our currency; the honor and plighted faith of the Government condemn it; the experience of the past forbids it; and with all these facts staring us in the face, I do not believe this House will so far forget its duty as to place itself in opposition to them.

INTERSTATE COMMERCE.

Mr. ARMSTRONG, by unanimous consent, obtained leave to have printed in the RECORD some remarks on the bill to create a new Territory out of the north half of Dakota. (See Appendix.)

Mr. SMITH, of Ohio. I move that the House do now adjourn.

The motion was agreed to; and accordingly (at four o'clock and twenty-five minutes p. m.) the House adjourned.

HOUSE OF REPRESENTATIVES.

MONDAY, *March* 16, 1874.

The House met at twelve o'clock m. Prayer by the Chaplain, Rev. J. G. BUTLER, D. D.

The Journal of Saturday last was read and approved.

ORDER OF BUSINESS.

The SPEAKER. This being Monday, the first business in order is the call of the States and Territories, beginning with the State of Maine, for the introduction of bills and joint resolutions for reference to their appropriate committees, not to be brought back on motions to reconsider. Under this call memorials and resolutions of State and territorial Legislatures may be presented for reference and printing. The morning hour begins at five minutes after twelve o'clock.

THOMAS MITCHELL.

Mr. WOODFORD. In the absence of my colleague, [Mr. TREMAIN,] I am requested to present for him the bill which I send to the desk.

The bill (H. R. No. 2460) to authorize the extension of the patent of Thomas Mitchell for an improved machine for finishing hair-brush handles was read a first and second time, referred to the Committee on Patents, and ordered to be printed.

SAMUEL BROMBERG.

Mr. COX introduced a bill (H. R. No. 2461) for the relief of Samuel Bromberg; which was read a first and second time, referred to the Committee on Foreign Affairs, and ordered to be printed.

ARABELLA RILEY.

Mr. BASS introduced a bill (H. R. No. 2462) for the relief of Arabella Riley, executrix of the late Brevet Brigadier-General Bennett Riley; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

STATUE OF ADMIRAL FARRAGUT.

Mr. COX introduced a joint resolution (H. R. No. 73) authorizing the erection of a statue of Admiral Farragut; which was read a first and second time, referred to the Committee on the Library, and ordered to be printed.

JOSEPH S. READ.

Mr. LANSING introduced a bill (H. R. No. 2463) for the relief of Joseph S. Read; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

ROBERT G. TRYON.

Mr. SMITH, of New York, introduced a bill (H. R. No. 2464) granting a pension to Robert G. Tryon; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

NATIONAL CURRENCY.

Mr. LAMPORT introduced a bill (H. R. No. 2465) to amend the act entitled "An act to provide a national currency," &c.; which was read a first and second time, referred to the Committee on Banking and Currency, and ordered to be printed.

ABUSES IN THE CIVIL SERVICE IN THE DISTRICT OF COLUMBIA.

Mr. O'BRIEN introduced a bill (H. R. No. 2466) to reform certain abuses in the civil service of the United States in the District of Columbia; which was read a first and second time.

Mr. W. R. ROBERTS. I would like to have that bill read at length.

The bill was read at length, and was referred to the Committee on Reform in the Civil Service, and ordered to be printed.

JUDSON FEMALE COLLEGE.

Mr. VANCE introduced a bill (H. R. No. 2467) to reimburse the Judson Female College in Henderson County, North Carolina, for damages sustained from occupation by United States troops after the close of the war between the States; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

HENRY SMITH AND OTHERS.

Mr. VANCE also introduced a bill (H. R. No. 2468) for the relief of Henry Smith, Charlotte Smith, and others, of the Eastern or North Carolina Cherokees; which was read a first and second time, referred to the Committee on Indian Affairs, and ordered to be printed.

CLAIM OF GEORGIA.

Mr. BELL introduced a bill (H. R. No. 2469) to refund to the State of Georgia certain moneys expended by said State for the common defense in 1777; which was read a first and second time, referred to the Committee on the Judiciary, and, with an accompanying memorial, ordered to be printed.

REMOVAL OF SUITS.

Mr. WHITELEY introduced a bill (H. R. No. 2470) to provide for the removal of suits from State courts to the circuit courts of the United States in certain cases; which was read a first and second time, referred to the Committee on the Judiciary, and ordered to be printed.

CONSTRUCTION OF A STEAMBOAT CANAL.

Mr. WHITE introduced a bill (H. R. No. 2471) to aid and facilitate the Coosa River Slack-Water Navigation Company in the construction of a steamboat-canal from Gadsden, on the Coosa River, in the State of Alabama, to Wetumpka; which was read a first and second time, referred to the Committee on Railways and Canals, and ordered to be printed.

WILLIAM L. LANIER.

Mr. BROMBERG introduced a bill (H. R. No. 2472) for the relief of William L. Lanier, of Alabama; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

UNITED STATES ARMY.

Mr. HOWE introduced a bill (H. R. No. 2473) to repeal so much of the laws relating to the organization of the Army of the United States as make distinctions to the prejudice of colored American citizens; which was read a first and second time, referred to the Committee on the Judiciary, and ordered to be printed.

REGULATION OF COMMERCE.

Mr. SMITH, of Ohio, introduced a bill (H. R. No. 2474) to regulate commerce among the several States and with foreign nations; which was read a first and second time.

Mr. SMITH, of Ohio. I ask that the bill be read.

The Clerk read the bill.

The bill was then referred to the Committee on Railways and Canals, and ordered to be printed.

T. WORTHINGTON.

Mr. SMITH, of Ohio, also introduced a joint resolution (H. R. No. 74) for the relief of T. Worthington, which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

SOLDIERS' MONUMENT ASSOCIATION, POMEROY, OHIO.

Mr. SPRAGUE introduced a bill (H. R. No. 2475) donating cannon and cannon-balls to the Soldiers' Monument Association, at Pomeroy, Ohio; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

POSTAGE ON NEWSPAPERS.

Mr. GUNCKEL introduced a bill (H. R. No. 2476) to fix the rates of postage on newspapers issued once a week and sent from a known office of publication to regular subscribers; which was read a first and second time, referred to the Committee on the Post-Office and Post-Roads, and ordered to be printed.

JOSHUA S. DYE.

Mr. DURHAM introduced a bill (H. R. No. 2477) granting a pension to Joshua S. Dye; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

J. H. DENNIS.

Mr. CRUTCHFIELD introduced a bill (H. R. No. 2478) for the relief of J. H. Dennis; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

WILLIAM F. H. FUGUA.

Mr. CRUTCHFIELD also introduced a bill (H. R. No. 2479) for the relief of William F. H. Fugna, of Rome, Smith County, Tennessee; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

COURT OF CLAIMS.

Mr. ATKINS introduced a bill (H. R. No. 2480) to amend the act approved July 4, 1864, entitled "An act to restrict the jurisdiction of the Court of Claims;" which was read a first and second time, referred to the Committee on the Judiciary, and ordered to be printed.

ALEXANDER M. VINNEDGE.

Mr. PACKARD introduced a bill (H. R. No. 2481) for the relief of Alexander M. Vinnedge, late a private in Company B, One hundred and fifty-fifth Regiment Indiana Volunteers; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

FRANSCISCO QUESADA.

Mr. WILLIAMS, of Indiana, introduced a bill (H. R. No. 2482) granting a pension to Franscisco Quesada, of New York; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

COURTS OF INDIANA.

Mr. NIBLACK introduced a bill (H. R. No. 2483) to change the time of holding the circuit and district courts at the city of Evansville; which was read a first and second time, referred to the Committee on the Judiciary, and ordered to be printed.

THOMAS CRAWFORD.

Mr. WOLFE introduced a bill (H. R. No. 2484) to restore Thomas Crawford, of Indiana, to the pension-rolls; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

CARROLL COUNTY, ILLINOIS.

Mr. BURCHARD introduced a bill (H. R. No. 2485) granting to the county of Carroll, in the State of Illinois, certain unsurveyed and overflowed lands in said county; which was read a first and second time, referred to the Committee on the Public Lands, and ordered to be printed.

NAPOLEON B. GIDDINGS.

Mr. PARKER, of Missouri, introduced a bill (H. R. No. 2486) for the relief of Colonel Napoleon B. Giddings, of Savannah, Missouri; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

JOHN D. LAY.

Mr. HYDE introduced a bill (H. R. No. 2487) to increase the pension of John D. Lay; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

JONATHAN R. SPENCER.

Mr. HAVENS introduced a bill (H. R. No. 2488) granting a pension to Jonathan R. Spencer; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

ELIZABETH NORTON.

Mr. HAVENS also introduced a bill (H. R. No. 2489) granting a pension to Elizabeth Norton; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

HEILA A. COOKSEY.

Mr. BLAND introduced a bill (H. R. No. 2490) granting a pension to Heila A. Cooksey; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

WAR CLAIMS OF COUNTIES IN MISSOURI.

Mr. CRITTENDEN introduced a bill (H. R. No. 2491) ordering the Secretary of the Treasury to pay such county or counties in Missouri any sums of money they may have paid as bounty to volunteer or militia soldiers of the United States during the late rebellion; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

THOMAS PLANT.

Mr. CRITTENDEN also introduced a bill (H. R. No. 2492) for the relief of Thomas Plant; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

JUDICIAL DISTRICT OF ARKANSAS.

Mr. WILSHIRE introduced a bill (H. R. No. 2493) to amend an act entitled "An act to amend an act to divide the State of Arkansas into two judicial districts," approved March 3, 1851; which was read a first and second time, referred to the Committee on the Judiciary, and ordered to be printed.

LANDS FOR ACTUAL SETTLERS.

Mr. WILSHIRE also introduced a bill (H. R. No. 2494) to construe an act entitled "An act to graduate and reduce the price of the public lands of the United States to actual settlers and cultivators;" which was read a first and second time, referred to the Committee on the Public Lands, and ordered to be printed.

LANDS AT PRIVATE SALE.

Mr. WILSHIRE also introduced a bill (H. R. No. 2495) to authorize the sale of public lands in Arkansas at private sale, and for other purposes; which was read a first and second time, referred to the Committee on the Public Lands, and ordered to be printed.

SWAMP LANDS IN FLORIDA.

Mr. PURMAN introduced a bill (H. R. No. 2496) to confirm to the State of Florida the swamp and overflowed lands granted under the act of September 28, 1850; which was read a first and second time, referred to the Committee on the Public Lands, and ordered to be printed.

PRESERVATION OF FORESTS.

Mr. HERNDON introduced a bill (H. R. No. 2497) for the appointment of a commission to inquire into the destruction of forests, and into the measures necessary for the preservation of timber; which was read a first and second time, referred to the Committee on the Public Lands, and ordered to be printed.

J. A. WARREN.

Mr. HERNDON also introduced a bill (H. R. No. 2498) for the relief of J. A. Warren, of Tyler County, Texas, for property taken for the use of the United States during the late war; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

DIRECT TAX.

Mr. HERNDON also introduced a bill (H. R. No. 2499) to repeal so much of the act entitled "An act to provide increased revenue from imports, to pay interest on the public debt, and for other purposes," approved August 5, 1861, and the acts amendatory thereof, approved June 7, 1862, and February 6, 1863, as laid a direct tax of $20,000,000 annually upon the United States, and provided for the collection of the amount apportioned to the eleven States, respectively, then in actual war with the United States, as declared by the proclamation of the President of the United States, issued on the 1st day of July, A. D. 1862; which was read a first and second time, referred to the Committee on Ways and Means, and ordered to be printed.

HOMESTEADS.

Mr. COTTON presented a joint resolution of the Legislature of the State of Iowa, asking such modification of the homestead law in behalf of soldiers and sailors as will dispense with actual residence; which was referred to the Committee on the Public Lands, and ordered to be printed.

WISCONSIN INTERNAL IMPROVEMENTS.

Mr. SAWYER presented a memorial of the Legislature of the State of Wisconsin, relating to the improvement of harbors and rivers in Wisconsin; which was referred to the Committee on Commerce, and ordered to be printed.

GAS-LIGHT COMPANY IN WASHINGTON, DISTRICT OF COLUMBIA.

Mr. ELDREDGE introduced a bill (H. R. No. 2500) to incorporate the Citizens' Mutual Gas-light Company of Washington City, in the District of Columbia; which was read a first and second time, referred to the Committee on the District of Columbia, and ordered to be printed.

TRANSPORTATION OF WESTERN PRODUCTS.

Mr. ELDREDGE also presented a joint resolution of the Legislature of the State of Wisconsin, asking such legislation of Congress as will secure to western products an unobstructed channel of transportation to the markets of the world; which was referred to the Committee on Railways and Canals, and ordered to be printed.

EQUALIZATION OF BOUNTIES.

Mr. ELDREDGE also presented the memorial of the Legislature of the State of Wisconsin, for equalization of bounties to soldiers; which was referred to the Committee on Military Affairs, and ordered to be printed.

BOUNTIES TO SOLDIERS OF THE MEXICAN WAR.

Mr. ELDREDGE also presented a joint resolution of the Legislature of the State of Wisconsin, asking Congress to give bounties to the surviving soldiers of the Mexican war; which was referred to the Committee on Invalid Pensions, and ordered to be printed.

GEORGE SCHWARTZ.

Mr. ELDREDGE also presented a memorial of the Legislature of Wisconsin, for the removal of the charge of desertion from George Schwartz, of Company F, Fifth Regiment Wisconsin Volunteer Infantry; which was referred to the Committee on Military Affairs, and ordered to be printed.

WISCONSIN INTERNAL IMPROVEMENTS.

Mr. ELDREDGE also presented a memorial of the Legislature of the State of Wisconsin, for the protection of the Saint Croix River

and the improvement thereof; which was referred to the Committee on Commerce, and ordered to be printed.

Mr. ELDREDGE also presented a memorial of the Legislature of the State of Wisconsin, for the survey of the route between Lake Superior and the Falls of Saint Croix; which was referred to the Committee on Commerce, and ordered to be printed.

WILLIAM HODSON.

Mr. ELDREDGE also presented a memorial of the Legislature of the State of Wisconsin, for the relief of William Hodson; which was referred to the Committee on Claims, and ordered to be printed.

REPEAL OF BANKRUPT LAW.

Mr. HAZELTON, of Wisconsin, presented a memorial of the Legislature of Wisconsin, for the repeal of the bankrupt law; which was read, as follows:

To the honorable the Senate and House of Representatives of the United States in Congress assembled:

The memorial of the Legislature of the State of Wisconsin respectfully represents that the act of Congress known as the bankrupt law is detrimental to the best interests of the people of this State, and of no benefit to the country at large; therefore the repeal of said act is hereby earnestly requested.

The memorial was referred to the Committee on the Judiciary, and ordered to be printed.

AARON TAYLOR.

Mr. HAZELTON, of Wisconsin, also introduced a bill (H. R. No. 2501) for a pension to Aaron Taylor, late a private in Company M, First Wisconsin Cavalry; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

MILWAUKEE HARBOR.

Mr. MITCHELL presented a memorial of the Legislature of Wisconsin, asking that certain moneys advanced by the city of Milwaukee in the construction of the harbor there be refunded; which was referred to the Committee on Commerce, and ordered to be printed.

SETTLERS WITHIN RAILROAD LIMITS.

Mr. PAGE introduced a bill (H. R. No. 2502) for the relief of settlers on lands within railroad limits; which was read a first and second time, referred to the Committee on the Public Lands, and ordered to be printed.

CHINESE IMMIGRATION.

Mr. PAGE also presented concurrent resolutions of the Legislature of California, for the discouragement of Chinese immigration; which was read, as follows:

Concurrent resolutions on Chinese immigration.

Whereas the great influx of Chinese into the State of California has proved detrimental to the moral and material well-being of our industrial classes, by forcing on them a competition at wages below the cost of subsistence to men of our own origin, who have families depending on their labor for support and education; and whereas article 5 of the treaty of 1868, between the United States and the Chinese Empire—the former containing forty million inhabitants and the latter nearly four hundred millions—provided that the parties thereto shall impose no obstacle to the emigration of their citizens and subjects from one country to the other for the purposes of curiosity, of trade, or as permanent residents, under which stipulation it is notorious that large numbers of persons, frequently aggregating over one thousand in a single vessel, are brought into the port of San Francisco by companies of associated Chinese capitalists, under contract made in China, to perform labor at low wages for their masters for a series of years within the United States, which contracts are enforced by the edicts of secret tribunals which inflict, in defiance of our laws, cruel and arbitrary punishment; and whereas it is against public policy, and the future welfare of our people, that, under any pretext whatever, encouragement should be given by treaty stipulation, or otherwise, to the immigration, free or involuntary, of a servile laboring element whose low standard of living and morality menaces the communities in which it may reside with pestiferous disease; and whereas Mongolian labor has driven from employment large numbers of our people, by a competition which has been prolific of idleness, vice, and suffering among our people, thereby assisting to fill our jails, poor-houses, and hospitals with unwilling inmates: Therefore,

Be it resolved by the senate, (the assembly concurring,) That our Senators be instructed and our Representatives requested to use their influence to have articles 5 and 6 of our treaty with China modified so as to discourage the further immigration of Chinese to our shores, by appropriate action on the part of the Federal Government.

Resolved, That his excellency the governor be requested to forward a copy of the foregoing preamble and resolution to our Senators and Representatives in Congress, at as early a day as possible.

W. IRWIN,
President of the Senate pro tempore.
MORRIS M. ESTEE,
Speaker of the Assembly.

The resolutions were referred to the Committee on Foreign Affairs, and ordered to be printed.

LOUIS GOLDSTONE.

Mr. HOUGHTON introduced a joint resolution (H. R. No. 75) relative to the claim of Louis Goldstone; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

CALIFORNIA INDIAN WAR BONDS.

Mr. HOUGHTON also introduced a bill (H. R. No. 2503) for the payment of certain Indian war bonds of the State of California; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

MOUNTAIN GRAZING-LANDS, CALIFORNIA.

Mr. LUTTRELL presented concurrent resolutions of the Legislature of the State of California, requesting the survey of the mountain grazing-lands of that State; which were referred to the Committee on the Public Lands, and ordered to be printed.

PRESIDIO RESERVATION, CALIFORNIA.

Mr. LUTTRELL also presented concurrent resolutions of the State of California, asking Congress to relinquish a portion of the Presidio reservation for a public park, in the city and county of San Francisco, California; which were referred to the Committee on Military Affairs, and ordered to be printed.

TRI-WEEKLY MAIL FROM SHASTA TO LAKE CITY, CALIFORNIA.

Mr. LUTTRELL also presented a concurrent resolution of the Legislature of the State of California, for a tri-weekly mail-route from Shasta to Lake City, California; which was referred to the Committee on the Post-Office and Post-Roads, and ordered to be printed.

HENRY B. BURGAR.

Mr. DUNNELL introduced a bill (H. R. No. 2504) granting a pension to Henry B. Burgar, late a private in Company K, Fourth Regiment Minnesota Volunteers; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

WINNEBAGO INDIAN RESERVATION.

Mr. DUNNELL also introduced a joint resolution of the Legislature of the State of Minnesota, asking the Government lands in this State, to the amount of twenty sections of the Winnebago Indian reservation, in Waseca and Blue Earth Counties, heretofore sold and conveyed by the General Government to private parties, be granted to the State of Minnesota; which was referred to the Committee on the Public Lands, and ordered to be printed.

RAILROAD GRANTS.

Mr. DUNNELL also presented a joint resolution of the Legislature of the State of Minnesota, asking for a law providing for the cancellation of certain conveyances of land granted to the State of Minnesota in aid of the construction of certain railroads, and for the relief of settlers thereon; which was referred to the Committee on the Public Lands, and ordered to be printed.

MISSION TO SWEDEN AND NORWAY.

Mr. STRAIT presented a joint resolution of the Legislature of the State of Minnesota, relating to the mission to Sweden and Norway; which was referred to the Committee on Foreign Affairs, and ordered to be printed.

IMPROVEMENT OF RED RIVER OF THE NORTH.

Mr. STRAIT also presented a joint resolution of the Legislature of the State of Minnesota, asking for the improvement of the Red River of the North; which was referred to the Committee on Commerce, and ordered to be printed.

IMPROVEMENT OF MINNESOTA RIVER.

Mr. STRAIT also presented a joint resolution of the Legislature of the State of Minnesota, for the improvement of the Minnesota River; which was referred to the Committee on Commerce, and ordered to be printed.

PURCHASE OF HARPER'S FERRY PROPERTY.

Mr. HAGANS introduced a bill (H. R. No. 2505) to authorize the Attorney-General to adjust the claims of the Government upon the purchasers of the property at Harper's Ferry; which was read a first and second time, referred to the Committee on the Judiciary, and ordered to be printed.

REV. JOHN R. HAMILTON.

Mr. HAGANS also introduced a bill (H. R. No. 2506) for the relief of Rev. John R. Hamilton; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

SAMUEL B. WATROUS.

Mr. ELKINS introduced a bill (H. R. No. 2507) for the relief of Samuel B. Watrous for Indian depredations in New Mexico; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

ENABLING ACT FOR NEW MEXICO.

Mr. ELKINS also presented a memorial of the Legislative Assembly of New Mexico, asking the passage of an enabling act for New Mexico; which was referred to the Committee on the Territories, and ordered to be printed.

SIOUX CITY BRANCH OF THE UNION PACIFIC RAILROAD.

Mr. ARMSTRONG introduced a bill (H. R. No. 2508) to compel the construction of the Sioux City Branch of the Union Pacific Railroad, through Southern Dakota and Northern Nebraska, westerly toward the one hundredth meridian, in accordance with the spirit of the acts of Congress granting aid therefor, approved July 1, 1862, and July 2, 1864; which was read a first and second time, referred to the Committee on the Pacific Railroad, and ordered to be printed.

WILLIAM T. SIMMS.

Mr. STEELE introduced a bill (H. R. No. 2509) granting increase of pension to William T. Simms; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

RELATIONS OF DISTRICT OF COLUMBIA TO UNITED STATES.

Mr. CHIPMAN introduced a bill (H. R. No. 2510) to define the relations of the District of Columbia to the United States, and for other purposes; which was read a first and second time, referred to the Committee on the Judiciary, and ordered to be printed.

DEFECTIVE TITLES IN THE DISTRICT.

Mr. CHIPMAN also introduced a bill (H. R. No. 2511) to cure defective titles in the District of Columbia; which was read a first and second time, referred to the Committee on the Judiciary, and ordered to be printed.

NEW AND USEFUL INVENTIONS.

Mr. CHIPMAN also introduced a bill (H. R. No. 2512) to promote new and useful inventions in the United States; which was read a first and second time, referred to the Committee on Patents, and ordered to be printed.

ORDER OF BUSINESS.

Mr. PLATT, of Virginia. The call of States having been completed, I move that the rules be suspended, and that Senate bill No. 360 be taken from the Committee of the Whole and considered now.

Mr. HOLMAN. Is that motion in order?

The SPEAKER. The motion of the gentleman from Virginia is in order. But the Chair will first entertain, by unanimous consent, motions for reference of bills from gentlemen who were not in their seats when their States were called. The gentleman from Virginia [Mr. PLATT] meanwhile has the floor.

DUTIES ON MANUFACTURES OF WORSTED, ETC.

Mr. MYERS introduced a bill (H. R. No. 2513) to define the duties on manufactures composed wholly or in part of worsted and hair of the alpaca, goat, or other like animals; which was read a first and second time.

Mr. MYERS. I ask that the bill be read at length.

Mr. PLATT, of Virginia. I object to time being taken up with the reading of the bill.

The bill was referred to the Committee on Ways and Means, and ordered to be printed.

MRS. MARY A. THAYER.

Mr. LAWSON introduced a bill (H. R. No. 2514) for the relief of Mrs. Mary A. Thayer; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

LIGHT-SHIP AT ENTRANCE TO NEW YORK HARBOR.

Mr. NEGLEY introduced a bill (H. R. No. 2515) to replace the light-ship "Wreck of the Scotland" in its late position at the entrance to New York Harbor, and for other purposes; which was read a first and second time, referred to the Committee on Commerce, and ordered to be printed.

SALT LAKE AND BINGHAM CAÑON RAILROAD COMPANY.

Mr. NEGLEY also introduced a bill (H. R. No. 2516) to incorporate the Salt Lake and Bingham Cañon Railroad Company; which was read a first and second time, referred to the Committee on the Pacific Railroad, and ordered to be printed.

ELIZABETH DAVIS.

Mr. SENER introduced a bill (H. R. No. 2517) for the relief of Elizabeth Davis, of Prince William County, Virginia; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

BENJAMIN T. TINSLEY.

Mr. SENER also introduced a bill (H. R. No. 2518) to compensate Benjamin T. Tinsley, of Roanoke County, Virginia, for the loss of certain cotton seized and destroyed by the United States forces; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

JAQUELINE M. WOOD.

Mr. SENER also introduced a bill (H. R. No. 2519) for the relief of Jaqueline M. Wood, of Lynchburgh, Virginia; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

CIRCULATION OF PUBLIC DOCUMENTS.

Mr. HOSKINS introduced a bill (H. R. No. 2520) to facilitate the circulation of public documents; which was read a first and second time.

Mr. HOSKINS. I ask that the bill be read at length.

The bill was read at length.

The SPEAKER. The Chair finds that there is a mistaken impression in the minds of some members that, if a bill is read at the Clerk's desk when it is introduced, it will be printed in the CONGRESSIONAL RECORD. It will not. The reading of a bill makes no difference whatever in that respect.

The bill was referred to the Committee on the Post-Office and Post-Roads, and ordered to be printed.

BRIDGES ACROSS THE OHIO RIVER.

Mr. HOLMAN. I am requested by the gentleman from Illinois, [Mr. HURLBUT] who is absent under the order of the House, to introduce for him, and have referred to the Committee on Commerce, the bill which I send to the desk.

The bill (H. R. No. 2521) to amend the act entitled "An act to authorize the construction of bridges across the Ohio River, and to prescribe the dimensions of the same," approved December 17, 1872, was read a first and second time, referred to the Committee on Commerce, and ordered to be printed.

MEHITABEL S. WARREN.

Mr. PARKER, of New Hampshire, introduced a bill (H. R. No. 2522) granting a pension to Mehitabel S. Warren; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

JOHN KELLY.

Mr. SMITH, of Virginia, introduced a bill (H. R. No. 2525) for the relief of John Kelly; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

MRS. M. E. TWIFORD.

Mr. PLATT, of Virginia, introduced a bill (H. R. No. 2526) for the relief of Mrs. Mary E. Twiford, of Norfolk, Virginia; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

BERTRAN LEWIS.

Mr. O'NEILL introduced a bill (H. R. No. 2527) for the relief of Bertran Lewis; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

SOLDIERS OF THE LATE WAR.

Mr. CASON introduced a bill (H. R. No. 2528) giving land warrants or Treasury certificates to the soldiers and seamen in the late war of the rebellion in the Southern States; which was read a first and second time, referred to the Committee on the Public Lands, and ordered to be printed.

FREDERICK CITY, MARYLAND.

Mr. LOWNDES introduced a bill (H. R. No. 2529) for the relief of Frederick City and the banks thereof for losses occasioned by the confederate army on July 9, 1864; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

POST-OFFICE DEPARTMENT.

Mr. BANNING introduced a bill (H. R. No. 2530) to repeal section 317 of an act entitled "An act to consolidate and amend the statutes relating to the Post-Office Department;" which was read a first and second time, referred to the Committee on the Post-Office and Post-Roads, and ordered to be printed.

A. W. DODGE.

Mr. ST. JOHN introduced a bill (H. R. No. 2531) for the relief of A. W. Dodge, late postmaster at Otisville, New York; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

EXTENSION OF A PATENT.

Mr. ST. JOHN also introduced a bill (H. R. No. 2532) to authorize the extension of the patent of C. W. Williams for improvement in canal-locks; which was read a first and second time, referred to the Committee on Patents, and ordered to be printed.

SURVEY OF CAPITOL GROUNDS.

Mr. PLATT, of Virginia. I now move to suspend the rules, so as to discharge the Committee of the Whole on the state of the Union from the further consideration of the bill (S. No. 360) making an appropriation for a topographical survey of the Capitol grounds and plans for improving the same, and pass the same with the amendment reported by the Committee on Public Buildings and Grounds.

The bill was read. It appropriates the sum of $5,000, or so much thereof as may be necessary, to be expended under the direction of the Committees on Public Buildings and Grounds of the Senate and House of Representatives, in procuring a topographical survey of the Capitol grounds, and the employment of Frederick Law Olmstead, of New York, in furnishing plans for laying out, improving, and inclosing the same.

The SPEAKER. The Committee on Public Buildings and Grounds reported this bill, with an amendment, which will now be read.

The Clerk read the amendment as follows:

Strike out the word "five," before "thousand," and insert the word "three," so as to make the appropriation $3,000, or so much thereof as may be necessary.

Mr. HOLMAN. Is this motion in order during the morning hour?

The SPEAKER. The gentleman moves to suspend the rules.

Mr. HOLMAN. Can the rules be suspended during the morning hour?

Mr. PLATT, of Virginia. I think the gentleman will find that after the call of States is finished it is in order to move to suspend the rules during the morning hour.

The SPEAKER. The Chair will direct the reading of the rule on the subject.

The Clerk read as follows:

Nor shall the Speaker entertain a motion to suspend the rules, except during the last ten days of the session, and on Monday of every week at the expiration of one hour after the Journal is read, unless the call of States and Territories for bills on leave and resolutions has been earlier concluded, when the Speaker may entertain a motion to suspend the rules.

The SPEAKER. The motion to suspend the rules is in order within five minutes after the House assembles, if the States have been called through for bills on leave. The bill referred to by the gentleman from Virginia [Mr. PLATT] came from the Senate, was referred to the Committee on Public Buildings and Grounds, was reported back from that committee with an amendment to reduce the appropriation from $5,000 to $3,000, and was sent to the Committee of the Whole on a point of order. The gentleman from Virginia now moves to suspend the rules, so as to discharge the Committee of the Whole from the further consideration of the bill, and that it be now passed with the amendment reported from the committee.

Mr. PLATT, of Virginia. I have been requested by some gentlemen to make a brief statement.

Mr. HOLMAN. I must object, unless others can be heard.

Mr. PLATT, of Virginia. Then I will not take up time, but submit the question to the House.

The question was taken on seconding the motion to suspend the rules; and upon a division there were—ayes 82, noes 7; no quorum voting.

Tellers were ordered; and Mr. PLATT, of Virginia, and Mr. HOLMAN were appointed.

The House again divided; and the tellers reported that there were—ayes 125, noes 24.

So the motion to suspend the rules was seconded.

The question was then taken on suspending the rules and passing the bill with the amendments; and upon a division there were—ayes 88, noes 13; no quorum voting.

Tellers were ordered; and Mr. PLATT, of Virginia, and Mr. HOLMAN were appointed.

The House again divided; and the tellers reported that there were—ayes 121, noes 27.

Before the result of the vote was announced,

Mr. HOLMAN said: This bill will lead to the expenditure of millions, and I ask for the yeas and nays on its passage.

The yeas and nays were not ordered, there being but 14 in the affirmative, not one-fifth of the last vote.

So (two-thirds voting in favor thereof) the rules were suspended, and the bill with the amendment passed.

PORTLAND AND LOUISVILLE CANAL.

Mr. HOLMAN. The Committee on Commerce desire further time to consider the bill (S. No. 350) to provide for the payment of the bonds of the Louisville and Portland Canal Company. I therefore ask unanimous consent that that bill, now being a special order for this time, be postponed until Monday next, after the morning hour, and made the special order at that time.

Mr. PLATT, of Virginia. I object.

Mr. NEGLEY. I hope the gentleman will withdraw that objection.

Mr. HOLMAN. I believe the House has never declined to grant such a request of one of its committees. I move that the rules be suspended, in order to make the arrangement I have suggested.

Mr. NEGLEY. I ask the gentleman from Virginia to withdraw his objection.

Mr. PLATT, of Virginia. Understanding that this request comes from the Committee on Commerce, and not from the gentleman from Indiana, [Mr. HOLMAN,] I withdraw my objection.

Mr. HOLMAN. That is not needed. I have moved to suspend the rules to make the order I have indicated.

The question was then taken upon seconding the motion to suspend the rules; and upon a division there were—ayes 55, noes 12; no quorum voting.

The SPEAKER. There being no quorum on this last vote, the two gentlemen who have already twice acted as tellers this morning will again act as such.

Mr. PLATT, of Virginia. I have withdrawn my objection.

The SPEAKER. The gentleman from Indiana [Mr. HOLMAN] declines to accept unanimous consent for his proposition. The tellers will take their places.

Mr. HOLMAN. I will not detain the House further.

The SPEAKER. The gentleman consents to receive unanimous consent for his proposition.

No objection being made, it was ordered accordingly.

ADDITIONAL JUDICIAL DISTRICT FOR NEW YORK.

The SPEAKER. The gentleman from Alabama [Mr. BROMBERG] gave notice some time since of his intention to move to suspend the rules to-day, for the purpose of taking up the bill to prevent the importation of contagious and infectious diseases.

Mr. TREMAIN. I ask the gentleman from Alabama to yield to me to submit a proposition to the House to pass a bill to establish an additional judicial district in the State of New York.

Mr. BROMBERG. I will yield for a motion to suspend the rules and pass the bill.

Mr. TREMAIN. I desire to make a brief statement to show the necessity for early action on this bill.

Mr. KILLINGER. I object to debate.

Mr. TREMAIN. Then I move to suspend the rules and pass House bill No. 2083 to establish an additional judicial district in the State of New York, and to make further provision in relation to the courts of the United States in said State.

Mr. SMITH, of New York. Does the gentleman from Pennsylvania [Mr. KILLINGER] mean that he will not allow a statement of the necessity for immediate action on this bill?

Mr. KILLINGER. I object to debate on the bill.

Mr. CROOKE. I desire to suggest an amendment, which I think my colleague [Mr. TREMAIN] will accept. The bill proposes to make a fourth district in the State, and to fix the salaries for the judges of all the districts. By accident the word "eastern" has been left out, so that the salaries are fixed for three of the judges only. I propose to amend by inserting the words "of said eastern," after the words "of said southern," in the second section of the bill.

Mr. HOLMAN. Does this bill increase the salaries of the judges?

Mr. CROOKE. It does. The present salary is $3,500 a year, and this bill proposes to fix it at $5,000.

Mr. HOLMAN. I hope the House will not set such an example as this.

Mr. TREMAIN. I accept the amendment.

Mr. DEWITT. I desire to suggest an amendment to the second section of this bill. It is to insert the words "including the county of Greene, and" after the words "State of New York," in the first line of the second section; also to insert in parentheses after the word "southern," in the second line, the words "excepting the said county of Greene;" so that that portion of the section will read:

> SEC. 2. That the residue of the said State of New York, including the county of Greene, not embraced in the eastern or in the southern (excepting the said county of Greene) or western districts is hereby created, and shall hereafter constitute, a new and separate judicial district, to be called the northern district of New York, &c.

The effect of the amendment I propose is to transfer the county of Greene from the southern district to the northern district of New York.

Mr. TREMAIN. I accept the amendment of my colleague. Will the gentleman permit a letter from the late Judge Hall to be read, showing the necessity for this bill?

Mr. CONGER. Not unless debate is allowed.

Mr. TREMAIN. I move, then, to suspend the rules and pass the bill as modified by the amendment I have accepted.

The question being on seconding the motion to suspend the rules, the Speaker directed that the question be taken by tellers, and appointed Mr. TREMAIN and Mr. CONGER.

The House divided; and the tellers reported ayes 56, noes not counted.

So the motion to suspend the rules was not seconded.

Mr. TREMAIN. I am willing that the provision with reference to the increase of judges' salaries shall be struck out of the bill. With that modification I renew the motion to suspend the rules and pass the bill.

Mr. HOLMAN. Let the bill, as modified, be read.

The SPEAKER. The provision in regard to salaries, which the gentleman from New York [Mr. TREMAIN] now strikes out, will be read by the Clerk.

The Clerk read as follows:

> And the judge of said northern, and of said southern, and of said eastern, and of said western, district, shall each have and receive an annual salary of $5,000, to be paid quarterly, as the salaries of the district judges are paid.

The SPEAKER. The bill, as now modified, proposes simply to establish a new judicial district, the judge to receive the same salary as the judges of the existing districts.

Mr. TREMAIN. That is, $3,500.

Mr. W. R. ROBERTS. Does not the bill, even in its modified form, involve the same principle?

The SPEAKER. What principle?

Mr. W. R. ROBERTS. Does it not still propose an expenditure of public money?

Mr. TREMAIN. The bill has already been referred to the Committee of the Whole. We now propose to take it out of the committee and pass it.

The SPEAKER. The rule requiring bills making appropriations of money or public property to go to the Committee of the Whole cannot preclude a motion to suspend the rules and pass a bill without such a reference.

Mr. SMITH, of New York. I ask consent that a letter which I received from Judge Hall before his death, and which contains information that ought to be in possession of the House, may be read.

Mr. CONGER. I object.

Mr. HOLMAN. I understand that the only effect of the bill in its modified form is to create a fourth judicial district in the State of New York.

The SPEAKER. That is the only effect. The salary of the new judge is to be the same as that of the other judges.

The question being on seconding the motion to suspend the rules, the Speaker directed that the question be taken by tellers, and appointed Mr. TREMAIN and Mr. KILLINGER.

The House divided; and the tellers reported ayes 56, noes not counted.

So the motion to suspend the rules was not seconded.

IMPROVEMENT OF THE MISSISSIPPI RIVER.

Mr. BROMBERG. The gentleman from Missouri [Mr. STANARD] wishes to submit a motion to suspend the rules, that a temporary appropriation may be made for the improvement of the mouth of the

Mississippi. As I understand there will be no discussion upon the question, I yield to the gentleman to make the motion.

Mr. STANARD. I move to suspend the rules and pass the bill (H. R. No. 2451) to improve the mouth of the Mississippi River.

The bill was read. It appropriates, out of any money in the Treasury not otherwise appropriated, the sum of $30,000, to be expended by the Secretary of War at the mouth of the Mississippi River; said sum to be available from and after the passage of the act.

Mr. STANARD. Mr. Speaker, the appropriation embraced in this bill is simply in anticipation of the regular annual appropriation which would doubtless be made by Congress later in the session. The object is to enable the engineers to have a sufficient amount of money to continue the work from this time until July, the appropriation already made having been exhausted about the first of the present month. That the matter may be officially before the House, if it is desired, I have in my hand two letters, one from Major Howell, the engineer in charge of the work at the mouth of the river, and the other from the Secretary of War.

The question being taken on seconding the motion to suspend the rules and pass the bill, the motion was seconded.

The motion to suspend the rules was then agreed to, (two-thirds voting in favor thereof,) and the bill was passed.

BRIDGE ACROSS THE EASTERN BRANCH OF THE POTOMAC.

Mr. ELDREDGE, by unanimous consent, presented a report of the Committee on the District of Columbia, to accompany the bill (H. R. No. 775) to authorize the construction of a substantial iron or masonry bridge across the Eastern Branch of the Potomac at or near the present Anacostia Bridge; which was referred to the Committee of the Whole on the state of the Union, and ordered to be printed.

TAXATION.

Mr. FIELD, by unanimous consent, introduced a bill (H. R. No. 2533) to increase the taxation on foreign products, and to reduce internal-revenue taxation; which was read a first and second time, referred to the Committee on Ways and Means, and ordered to be printed.

LOUISVILLE AND PORTLAND CANAL.

Mr. SAYLER, of Ohio, by unanimous consent, presented the following memorial of the Chamber of Commerce of Cincinnati, Ohio; which was referred to the Committee on Commerce, and ordered to be printed in the RECORD:

CINCINNATI CHAMBER OF COMMERCE,
Merchants' Exchange, March 13, 1874.

At a regular session of the Cincinnati Chamber of Commerce, held this day, the following preamble and resolution were unanimously adopted:

"Whereas the bill now pending before Congress, providing for the purchase of the Louisville and Portland Canal, will come up for final action in the House of Representatives on Monday next, which bill authorizes the Secretary of War to take possession of said canal within thirty days after the passage of the bill; and whereas a measure of such vital importance to the commerce and navigation of the western and southern waters demands at the hands of this chamber an expression as to the wishes of the mercantile interests of this city:

"*Resolved*, That this chamber respectfully requests our Representatives in Congress to use their best efforts to secure the passage of said bill, as it is now before the House of Representatives, at the earliest practicable period; and the president of this chamber is hereby instructed to telegraph the spirit of this preamble and resolution to Messrs. SAYLER and BANNING, our Representatives in Congress."

S. F. COVINGTON,
President.

S. V. REID, *Secretary pro tempore.*

ACCOUNTS OF MAIL CONTRACTORS.

Mr. STONE, by unanimous consent, submitted the following resolution; which was referred to the Committee on the Post-Office and Post-Roads, and ordered to be printed:

Resolved, That the Postmaster-General be directed to furnish to this House a list of the mail contractors whose accounts for carrying the mails for the quarter ending December 31, 1873, were reported by the Sixth Auditor of the Treasury to the Post-Office Department for payment between December 30, 1873, and January 6, 1874, and paid prior to January 10, 1874; giving the amount reported to be due each contractor; the number of the reports and of the mail-routes so reported; also in whose favor drafts or warrants were issued in settlement of said accounts.

ARKANSAS VALLEY RAILWAY COMPANY.

Mr. WILLIAMS, of Michigan, by unanimous consent, reported from the Committee on the Pacific Railroad a bill (H. R. No. 2534) granting the right of way through the public lands to the Arkansas Valley Railway Company; which was read a first and second time, ordered to be printed, and recommitted.

PREVENTION OF CONTAGIOUS DISEASES.

The SPEAKER. The gentleman from Alabama will now state his motion.

Mr. BROMBERG. I move to suspend the rules for the purpose of taking up for consideration in the House a bill (H. R. No. 1584) to prevent the importation of contagious and infectious diseases into the United States.

Mr. W. R. ROBERTS. Does not the point of order lie against the bill that it involves an appropriation, and must therefore have its first consideration in Committee of the Whole on the state of the Union?

The SPEAKER. Is the proposition to pass the bill under a suspension of the rules?

Mr. BROMBERG. No, Mr. Speaker; I do not propose to pass the bill under a suspension of the rules. My motion is to suspend the rules so as to consider it in the House.

Mr. COX. I do not know that I would object if we had ample time for the consideration of the bill. There is no more important bill before this Congress. It tears up all the quarantine laws of the State. I hope it will be considered; certainly it ought not to be passed without consideration. It ought not to be considered to-day, but should be made a special order for some other time.

Mr. BROMBERG. I hope we will have the bill read, so that the House may know what it is.

Mr. COX. Does the gentleman propose to have the bill considered immediately, or to have its consideration fixed for some future day?

Mr. BROMBERG. I desire to have it considered immediately, and for the reason I have already stated on another occasion. The purpose of the bill demands prompt action. No more important bill can come before the House than this, and if its passage be delayed its whole purpose will be lost for an entire year. We are now threatened all along our coast with the importation of contagious and infectious diseases.

Mr. W. R. ROBERTS. Is not the bill open to the point of order, that it must have its first consideration in Committee of the Whole House on the state of the Union?

The SPEAKER. The gentleman moves to suspend the rules for the purpose of bringing the bill before the House for consideration, and that motion is in order, as well as the motion to suspend the rules and pass the bill.

Mr. BROMBERG. Mr. Speaker, I desired to have this bill set for another day, but found special orders already made to such an extent that it would be months before we could get it up, and therefore gave notice I would move to suspend the rules to-day to consider and pass the bill at this time. I gave notice a week ago I would propose to take up the bill for consideration on Monday, which day was not set apart for any other purpose.

Mr. W. R. ROBERTS. But it was not agreed to take it up to-day.

Mr. COX. I am interested in this bill, and hope the House will allow me to be heard on it.

Mr. BROMBERG. I move the rules be suspended, and the bill be taken up for consideration at this time.

The SPEAKER. That motion is not debatable.

Mr. ELDREDGE. As I understand it the motion of the gentleman from Alabama now is that the rules be suspended to take up the bill for consideration. There is some doubt about what is meant by the gentleman in proposing to bring this bill up for consideration. If the bill is open to debate and consideration in that way, then I understand there will be no objection to his motion; but is that the meaning of the motion?

The SPEAKER. If the motion of the gentleman from Alabama prevails, it will bring the bill before the House for consideration, and if it be not finished to-day, it will go over as unfinished business, and come up to-morrow morning.

Mr. BROMBERG. I call attention to the fact that I gave notice of this motion some time ago.

The SPEAKER. If it be taken up it will consume the rest of this day, and so long as the House may see fit to debate it hereafter.

Mr. WILLARD, of Vermont. Does the gentleman from Alabama propose to allow amendments to be offered to his bill?

Mr. BROMBERG. It strikes me that if the House proceeds to discuss it, the House will take what course it may deem fit in reference to the disposition of the proposition.

Mr. COX. It ought to be amended in many ways. It concerns every State in the Union.

Mr. PLATT, of New York. There are other matters of importance before the House, which can only be considered on Monday.

Mr. COX. If we take it up to-day then we cannot tell when we will get rid of it.

The SPEAKER. Of course, if the bill be taken up for consideration to-day, it would go forward, crushing out the morning hour of each succeeding day until it is disposed of.

Mr. BROMBERG. I call for a vote on my motion.

The SPEAKER. Is there a second?

The House divided; and there were—ayes 60, noes 40; no quorum voting.

The SPEAKER appointed Mr. COX and Mr. BROMBERG tellers.

The House again divided; and the tellers reported—ayes 85, noes 64.

So the motion to suspend the rules was seconded.

The SPEAKER. The question now recurs on the suspension of the rules to take the bill up for consideration at once.

Mr. BROMBERG. I have asked for the reading of the bill, but if that be not desired I will not insist on it.

Mr. SCOFIELD. Is a motion to adjourn in order?

The SPEAKER. It is.

Mr. SCOFIELD. Then I make that motion.

Several MEMBERS. O, no; withdraw your motion.

Mr. SCOFIELD. I withdraw it for the present.

Mr. BROMBERG. I insist on a vote on my motion to suspend the rules and bring the bill before the House for consideration.

The House divided; and there were—ayes 65, noes 59; no quorum voting.

The SPEAKER appointed Mr. MELLISH and Mr. LAMAR tellers.

The House again divided; and the tellers reported—ayes 73, noes 61; no quorum voting.

Mr. BROMBERG. I demand the yeas and nays.

Mr. CONGER. I suggest to the gentleman from Alabama that there

seems to be considerable difference of opinion in the House on this bill, as there was in the committee. Several gentlemen propose to offer amendments to it, and I suggest whether it would not further the object of the gentleman if amendments be offered and ordered to be printed, and some future day be set apart for the consideration of this measure?

Mr. BROMBERG. That certainly would accord with my own intentions, and what I tried to do two weeks ago, when I stated that it was important that there should be an immediate and early consideration of this bill. I am willing to do anything that will secure that object.

Mr. CONGER. I think some conclusion should be come to by the House as to when the bill should come up.

Mr. COX. This bill should never have come from the committee at all.

Mr. W. R. ROBERTS. I call for the regular order.

The SPEAKER. Has the gentleman from Alabama [Mr. BROMBERG] any further proposition to make in regard to the consideration of the bill?

Mr. NEGLEY. I would suggest that it should be set down for consideration three weeks hence.

Mr. BROMBERG. That would be too late.

Mr. NEGLEY. Then say two weeks. I would suggest that this day two weeks be designated for the consideration of the bill. I am satisfied that the House does not now understand it.

Mr. BROMBERG. If it should be made a special order for a week from to-morrow, would it be shut out by any other special orders?

Mr. MAYNARD. It cannot take precedence of other special orders already fixed.

Mr. BROMBERG. I move that the rules be suspended to make this bill a special order two weeks from to-morrow.

The SPEAKER. The Chair thinks that if that order were made the bill would not be reached then, and for this reason: There are two special orders, the one the transportation bill and the other the currency bill, to which the gentleman from Tennessee [Mr. MAYNARD] has just referred, both of which are special orders, under a suspension of the rules, at half-past one o'clock. A subsequent suspension of the rules would have no more force than these special orders already existing, and of course would be after them in point of time.

Mr. COX. There has been a remark made here in the nature of debate, that there is urgency for this bill. There are laws now existing in the States on the subject; and this would override all the laws now existing.

Mr. BROMBERG. I object to debate.

The SPEAKER. The only mode in which the gentleman can escape the necessity of a two-thirds vote on the bill is by having it regularly reported from the Committee on Commerce on the call of that committee. When the committee is called regularly it can report this bill if it chooses; otherwise there is no other process by which it can be brought before the House for consideration except by a two-thirds vote, which will suspend the rules.

Mr. BROMBERG. This has been reported by the committee.

The SPEAKER. When? On a call of the committee?

Mr. BROMBERG. Not on a call of the committee.

The SPEAKER. If it were reported on a call of the committee it would be before the House.

Mr. BROMBERG. Would it be then subject to the point of order?

The SPEAKER. Does the bill contain an appropriation of money?

Mr. HOLMAN. It provides for the payment of expenses.

Mr. BROMBERG. Provision is made in the sixth section for temporary clerks.

Mr. W. R. ROBERTS. It would also be capable of amendment so as to provide for extra compensation for the members of the board.

Mr. HOLMAN. Will the Speaker look at the sixth section of the bill?

Mr. COX. Does that question come up now?

The SPEAKER. The question having been suggested, the Chair was about to answer it hypothetically. The bill the Chair thinks would, as drawn, be amenable to the point of order, and would necessarily go to the Committee of the Whole on the state of the Union.

Mr. COX. I propose to reserve the point of order.

The SPEAKER. It is not apposite now, because the proposition is for a suspension of the rules. But if the bill were regularly reported from a committee, it would then be open to the point of order that it requires an appropriation of money.

Mr. BROMBERG. I move to suspend the rules, so as to make the bill a special order a week from to-day.

The SPEAKER. The gentleman will not promote his object by that motion, for on Monday next the gentleman from Indiana has precedence for the bill in relation to the Louisville and Portland Canal; and the Chair will recognize the gentleman from Alabama to make his motion immediately after the motion of the gentleman from Indiana is disposed of.

Mr. BROMBERG. My only object is to have a day set when we shall have the bill discussed and disposed of. I think the House will agree that the bill ought to be discussed, whatever views gentlemen may entertain in regard to its particular provisions.

Mr. W. R. ROBERTS. The bill is on the General Calendar. Why does the gentleman not allow it to come up in its regular order?

Mr. BROMBERG. Because the yellow-fever season is approaching rapidly.

Mr. COX. I object to debate. The bill will tear up two million dollars already invested in New York in quarantine buildings.

Mr. BROMBERG. I will discuss the question with the gentleman when the bill comes up. I now move that the rules be suspended, and that the bill be set as a special order for two weeks from to-day, after the morning hour.

Mr. STARKWEATHER. I hope no arrangement will be made that will prolong the discussion of this bill day after day. For four weeks the Committee on Appropriations have been waiting to forward their business. Now, if this bill can be set for one day, and finished on that day, I, for one, will not object; but if it is going to occupy a whole week, and thereby delay the business of the Committee on Appropriations, and other important business, then I am opposed to it. If the bill is to be open for discussion and amendment, it is likely to take up at least a week.

Mr. BROMBERG. I think not. I shall attempt to pass the bill in its present form, because it has been well considered and matured in the Committee on Commerce.

Mr. W. R. ROBERTS. I demand the regular order.

The SPEAKER. The motion is that the rules be suspended, and this bill made the special order for this day fortnight, after the morning hour.

Mr. MAYNARD. What will be the effect of that motion if it prevails?

The SPEAKER. It will cut out all other motions to suspend the rules on that day.

Mr. MAYNARD. And will it not go over until the following Monday?

The SPEAKER. The Chair thinks not; it will go over until the next day, and cut out the morning hour of that and all succeeding days until it is disposed of; but it will not interfere with the assignments for half-past one o'clock which were made under a suspension of the rules.

Tellers were ordered on seconding Mr. BROMBERG's motion, and Mr. COX and Mr. BROMBERG were appointed.

The House divided; and the tellers reported—ayes 75, noes 33; no quorum voting.

Mr. BROMBERG. I call for the yeas and nays on the second.

The SPEAKER. The yeas and nays cannot be called on the second, and there being no quorum voting, the Chair will entertain no motion except for a call of the House or to adjourn.

Mr. KILLINGER. I move that the House do now adjourn.

Mr. HOLMAN. I move that there be a call of the House.

The SPEAKER. That motion will be in order if the House refuses to adjourn.

The question was put on Mr. KILLINGER's motion; and on a division there were—ayes 72, noes 48.

Mr. HYNES. I call for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and it was decided in the negative—yeas 77, nays 105, not voting 108; as follows:

YEAS—Messrs. Adams, Archer, Ashe, Atkins, Averill, Barber, Burchard, Clymer, Cox, Crittenden, Crooke, Crossland, Crounse, Danford, DeWitt, Eden, Eldredge, Frye, Glover, Hamilton, Harrison, Hathorn, John B. Hawley, Joseph R. Hawley, Hays, Hoskins, Houghton, Kasson, Kelley, Killinger, Knapp, Lawrence, Leach, Lofland, Lowndes, Lynch, Magee, McJunkin, McKee, Monroe, Myers, Niblack, O'Neill, Orth, Hosea W. Parker, Parsons, Pendleton, Perry, Pike, Poland, William R. Roberts, Sawyer, Milton Sayler, Scofield, Isaac W. Scudder, Shanks, Sheats, Sloss, Smart, John Q. Smith, St. John, Stone, Storm, Strawbridge, Swann, Taylor, Thornburgh, Todd, Tyner, Wallace, Jasper D. Ward, Wells, White, Whitthorne, Charles W. Willard, William Williams, and Wolfe—77.

NAYS—Messrs. Albright, Arthur, Barry, Begole, Bell, Biery, Bland, Blount, Bowen, Bradley, Bright, Bromberg, Buckner, Buffinton, Burrows, Caldwell, Cannon, Cason, Amos Clark, jr., John B. Clark, jr., Clements, Stephen A. Cobb, Coburn, Conger, Cook, Corwin, Cotton, Curtis, Davis, Dobbins, Dunnell, Durham, Field, Fort, Garfield, Giddings, Gunckel, Hagans, Henry R. Harris, Hatcher, Hendee, Herndon, Hodges, Holman, Howe, Hunter, Hyde, Hynes, Kendall, Lamport, Lawson, Loughridge, Luttrell, Marshall, Martin, McCrary, Alexander S. McDill, James W. McDill, McLean, Mellish, Merriam, Milliken, Neal, Negley, O'Brien, Orr, Packard, Packer, Page, Isaac C. Parker, Pelham, Phillips, James H. Platt, jr., Thomas C. Platt, Pratt, Read, Rice, Robbins, Ellis H. Roberts, Ross, Rusk, Henry B. Sayler, Sener, Sessions, Sherwood, A. Herr Smith, H. Boardman Smith, J. Ambler Smith, Sprague, Stanard, Standeford, Starkweather, Townsend, Vance, Wheeler, Whitehead, Whiteley, George Willard, Charles G. Williams, William B. Williams, Willie, James Wilson, Jeremiah M. Wilson, Woodford, and Woodworth—105.

NOT VOTING—Messrs. Albert, Banning, Barnum, Barrere, Bass, Beck, Berry, Brown, Bundy, Burleigh, Benjamin F. Butler, Roderick R. Butler, Cain, Cessna, Freeman Clarke, Clayton, Clinton L. Cobb, Comingo, Creamer, Crocker, Crutchfield, Darrall, Dawes, Donnan, Duell, Eames, Elliott, Farwell, Foster, Freeman, Gooch, Eugene Hale, Robert S. Hale, Hancock, Harmer, Benjamin W. Harris, John T. Harris, Havens, Gerry W. Hazelton, John W. Hazelton, Hereford, Hersey, E. Rockwood Hoar, George F. Hoar, Hooper, Hubbell, Hunton, Hurlbut, Jewett, Kellogg, Lamar, Lamison, Lansing, Lewis, Lowe, Maynard, MacDougall, McNulta, Mills, Mitchell, Moore, Morey, Morrison, Nesmith, Niles, Nunn, Phelps, Pierce, Potter, Purman, Rainey, Randall, Ransier, Rapier, Rawls, Ray, Richmond, James C. Robinson, James W. Robinson, John G. Schumaker, Henry J. Scudder, Sheldon, Lazarus D. Shoemaker, Small, George L. Smith, William A. Smith, Snyder, Southard, Speer, Stephens, Stowell, Strait, Sypher, Charles R. Thomas, Christopher Y. Thomas, Tremain, Waddell, Waldron, Walls, Marcus L. Ward, Whitehouse, Wilber, John M. S. Williams, Wilshire, Ephraim K. Wilson, Wood, John D. Young, and Pierce M. B. Young—108.

So the House refused to adjourn.

Pending the roll-call,

Mr. CROSSLAND said: I desire to state that my colleague, Mr. YOUNG, is detained from the House by sickness, and that my colleague, Mr. BROWN, has been called home by sickness in his family.

The result of the vote was announced as above recorded.

The tellers, Mr. COX and Mr. BROMBERG, then resumed their places.

The House again divided on seconding Mr. BROMBERG's motion

to suspend the rules; and the tellers reported—ayes 101, noes 23; no quorum voting.

The SPEAKER. No quorum having voted, no motion is in order but for a call of the House or to adjourn.

Mr. ELDREDGE. I move that the House do now adjourn.

Mr. HYNES. After the motion to adjourn has just been defeated, and no other motion submitted, is any motion but for a call of the House in order?

The SPEAKER. A vote has been taken since the motion to adjourn was defeated. The business of the House cannot be conducted by the Chair; it requires concurrence of the members, which the members to-day refuse to give. The rules require that if the House finds itself without a quorum, the Chair shall entertain but two motions, one to adjourn, and the other for a call of the House. The Chair will adhere strictly to the rules.

The question was then taken on the motion to adjourn; and upon a division there were—ayes 83, noes 56.

Before the result of the vote was announced,

Mr. HOLMAN called for the yeas and nays.

The question was taken on ordering the yeas and nays; and upon a division there were—ayes 22, noes 97; not one-fifth in the affirmative.

Before the result of this vote was announced,

Mr. SENER called for tellers on ordering the yeas and nays.

Tellers were ordered, there being in the affirmative 29, one-fifth of a quorum; and Mr. FRYE and Mr. SENER were appointed.

The House again divided; and the tellers reported that there were—ayes 31, noes 117.

So (one-fifth voting in the affirmative) the yeas and nays were ordered.

Mr. NEGLEY. I propose to the House to agree——

Mr. COX. I object to debate.

The SPEAKER. Debate is not in order; nothing is in order but to vote on the motion to adjourn.

The question was again taken; and there were—yeas 114, nays 77, not voting 99; as follows:

YEAS—Messrs. Adams, Archer, Arthur, Ashe, Averill, Barry, Bell, Bland, Bright, Buckner, Buffinton, Burchard, Cain, Cannon, Clymer, Stephen A. Cobb, Corwin, Cox, Crittenden, Crooke, Crossland, Crounse, Durham, Eden, Eldredge, Frye, Giddings, Glover, Gunckel, Hagans, Hamilton, Harrison, Hathorn, John B. Hawley, Joseph R. Hawley, Hays, Gerry W. Hazelton, Hereford, Hodges, Hoskins, Houghton, Hubbell, Kasson, Kelley, Kellogg, Killinger, Knapp, Lawrence, Leach, Lofland, Loughridge, Lowe, Lowndes, Lynch, Magee, Marshall, McJunkin, McKee, Merriam, Monroe, Moore, Myers, Neal, Niblack, Niles, O'Brien, O'Neill, Packard, Packer, Hosea W. Parker, Pendleton, Phillips, Pike, Thomas C. Platt, Poland, Pratt, Read, Rice, Robbins, Ellis H. Roberts, William R. Roberts, James C. Robinson, Ross, Milton Sayler, Scofield, Isaac W. Scudder, Shanks, Sheats, Sheldon, Sloss, Smart, John Q. Smith, Standeford, St. John, Stone, Storm, Strawbridge, Swann, Taylor, Charles R. Thomas, Thornburgh, Todd, Townsend, Tyner, Vance, Wallace, Jasper D. Ward, Wells, Whitthorne, Charles W. Willard, Charles G. Williams, William Williams, William B. Williams, and Jeremiah M. Wilson—114.

NAYS—Messrs. Albert, Albright, Atkins, Begole, Biery, Blount, Bowen, Bromberg, Burleigh, Burrows, Caldwell, Cason, Amos Clark, jr., John B. Clark, jr., Clements, Coburn, Conger, Cook, Cotton, Crutchfield, Curtis, Davis, DeWitt, Dobbins, Dunnell, Field, Fort, Henry R. Harris, Hatcher, Havens, Hendee, Herndon, Holman, Howe, Hunter, Hyde, Hynes, Lamport, Lawson, Martin, McCrary, Alexander S. McDill, James W. McDill, McLean, Mellish, Milliken, Mills, Negley, Orr, Orth, Page, Isaac C. Parker, Pelham, Perry, James H. Platt, jr., Rawls, Rusk, Sawyer, Henry B. Sayler, Sener, Sessions, Sherwood, A. Herr Smith, H. Boardman Smith, J. Ambler Smith, Snyder, Sprague, Stanard, Starkweather, Strait, White, Whitehead, George Willard, Willie, James Wilson, Woodford, and Woodworth—77.

NOT VOTING—Messrs. Banning, Barber, Barnum, Barrere, Bass, Beck, Berry, Bradley, Brown, Bundy, Benjamin F. Butler, Roderick R. Butler, Cessna, Freeman Clarke, Clayton, Clinton L. Cobb, Comingo, Creamer, Crocker, Danford, Darrall, Dawes, Donnan, Duell, Eames, Elliott, Farwell, Foster, Freeman, Garfield, Gooch, Eugene Hale, Robert S. Hale, Hancock, Harmer, Benjamin W. Harris, John T. Harris, John W. Hazelton, Hersey, E. Rockwood Hoar, George F. Hoar, Hooper, Hunton, Hurlbut, Jewett, Kendall, Lamar, Lamison, Lansing, Lewis, Luttrell, Maynard, MacDougall, McNulta, Mitchell, Morey, Morrison, Nesmith, Nunn, Parsons, Phelps, Pierce, Potter, Purman, Rainey, Randall, Ransier, Rapier, Ray, Richmond, James W. Robinson, John G. Schumaker, Henry J. Scudder, Lazarus D. Shoemaker, Small, George L. Smith, William A. Smith, Southard, Speer, Stephens, Stowell, Sypher, Christopher Y. Thomas, Tremain, Waddell, Waldron, Walls, Marcus L. Ward, Wheeler, Whitehouse, Whiteley, Wilber, John M. S. Williams, Wilshire, Ephraim K. Wilson, Wolfe, Wood, John D. Young, and Pierce M. B. Young—99.

During the roll-call the following announcements were made:

Mr. BOWEN. I desire to state that my colleague, Mr. HUNTON, is absent on account of ill health.

Mr. WILSON, of Iowa. My colleague, Mr. DONNAN, has been called away from the city to attend the funeral of his father.

The SPEAKER. Before announcing the result of the vote on the motion to adjourn, the Chair will receive bills for reference only, as there are some gentlemen who have not had the opportunity to present them.

IRA FOSTER.

Mr. WILSON, of Iowa, by unanimous consent, introduced a bill (H. R. No. 2532) granting a pension to Ira Foster, late a private in the war of 1812; which was read a first and second time, referred to the Committee on Revolutionary Pensions and War of 1812, and ordered to be printed.

FORT HARKER MILITARY RESERVATION.

Mr. PHILLIPS, by unanimous consent, introduced a bill (H. R. No. 2533) to donate a portion of the military reservation at Fort Harker to the State of Kansas for the establishment of a normal school, and to open the remainder of said reservation for settlement; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

IMPORTATION OF SHIP-MATERIALS.

Mr. BURLEIGH, by unanimous consent, introduced a bill (H. R. No. 2534) to import ship-materials free of duty; which was read a first and second time, referred to the Committee on Ways and Means, and ordered to be printed.

SAINT CECILIA ACADEMY, TENNESSEE.

Mr. HARRISON, by unanimous consent, introduced a bill (H. R. No. 2535) for the relief of Saint Cecilia Academy, Tennessee; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

HEIRS OF JOHN W. DUFF.

Mr. CRUTCHFIELD, by unanimous consent, introduced a bill (H. R. No. 2536) for the relief of the heirs of John W. Duff; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

GAYLE H. KYLE.

Mr. SNYDER, by unanimous consent, introduced a bill (H. R. No. 2537) for the relief of the widow and children of Gayle H. Kyle; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

PONTON BRIDGE ACROSS THE MISSISSIPPI.

Mr. NEGLEY, by unanimous consent, reported from the Committee on Claims a bill (H. R. No. 2538) to legalize and establish a ponton railway bridge across the Mississippi River at Prairie du Chien; which was read a first and second time, ordered to be printed, and recommitted.

COLUMBUS, FAYETTE AND DECATUR RAILROAD.

Mr. HERNDON, by unanimous consent, reported back from the Committee on Commerce, without amendment, the bill (H. R. No. 2077) authorizing the Columbus, Fayette and Decatur Railroad Company, of Alabama and Mississippi, to purchase public lands; which was referred to the Committee of the Whole on the state of the Union.

LANDS IN MICHIGAN.

Mr. CLYMER, by unanimous consent, reported from the Committee on the Public Lands a bill (H. R. No. 2539) relinquishing the right of the United States in certain lands in the State of Michigan; which was read a first and second time, referred to the Committee of the Whole on the Private Calendar, and, with the accompanying report, ordered to be printed.

SESSION FOR DEBATE.

Mr. McCRARY. I ask unanimous consent that there may be a session of the House this evening, at half-past seven o'clock, to be devoted exclusively to debate, no business whatever to be transacted.

The SPEAKER. If there be no objection to this proposition, the motion to adjourn which has prevailed will be construed as a motion for a recess till half-past seven o'clock this evening.

There was no objection; and it was ordered accordingly.

The SPEAKER. The gentleman from Pennsylvania, Mr. CURTIS, will act as Speaker *pro tempore* at the evening session.

PRINTING OF MOIETY INVESTIGATION.

Mr. KELLEY. I am instructed by the Committee on Ways and Means to ask that they may be authorized to have printed, for the use of the committee and other members of the House, the testimony taken by the committee upon the question of the modification of the law in regard to moieties to informers, &c.

The SPEAKER. If there be no objection, the order to print will be made.

There was no objection; and it was ordered accordingly.

The vote upon the motion of Mr. ELDREDGE was then announced; and (at half-past three o'clock p. m.) the House took a recess till half-past seven o'clock p. m.

EVENING SESSION.

The House reassembled at half-past seven o'clock p. m., Mr. CURTIS in the chair as Speaker *pro tempore*.

INTERSTATE COMMERCE.

The SPEAKER *pro tempore*. The House meets to-night for debate only, and the bill (H. R. No. 1385) to regulate commerce by railroads in the several States is before the House.

Mr. KENDALL. Mr. Speaker, all winter long industrious and willing mechanics, artisans, and laborers—the best and the most useful of society—starving and miserably perishing for want of food, on the streets and in the garrets of our proudest and wealthiest city, have been reading from day to day that corn is burned for fuel in the farm-houses of Iowa. Those farm-houses are heavily mortgaged, and their indwellers, with the products of the most fruitful soil piled high around them, lack the necessaries that should be found in every well-ordered and comfortable American home.

While, sir, I am fully impressed with the difficulties that surround any practical solution of the transportation problem, as it is presented to us, I am still firm in the belief that, where such evils and abuses have grown up, as unquestionably exist, there is, and there must be, some adequate remedy—a remedy that shall meet the evils complained of, and that shall be just to all.

As a first step in the reform needed, I believe that the bill under consideration is, with some amendments in its details, the best measure that has been presented. It is not to be reasonably expected that any law upon a subject like this, so new and untried, comparatively, in the legislation of this country, will be perfect at the outset in all its parts. But every one who has given this question any attention at all must be convinced that some legislation for the regulation of interstate railroads must be attempted. The evils that oppress the people, from the management of such railroads, have become too pressing and too clamorous to be disregarded. I take it, sir, that no one here will have the hardihood to treat lightly the complaints that come to us from all quarters of the country.

When gentlemen remember that last year three hundred and fifty million bushels of grain, raised in the Mississippi Valley, were transported by railroad to the Atlantic slope, and that the average freight charge thereon was fifty cents per bushel; and when it is known that the actual cost of such transportation from the Mississippi River to New York need not exceed thirteen cents per bushel, there must be a wrong somewhere that should be righted. How shall it be done? This is the question that is presented to us, and will not be evaded.

The growth of railroads, and of the powerful influences surrounding them, has been far in advance of all legislation for their regulation or control. Railroads are singularly the result of the newest of modern civilization. It is vain, therefore, to search for precedents in the legislation of this or of older countries. Other governments are perplexed equally with our own in attempting to deal with the question. In continental Europe many of the railroads are owned and operated by the states. In England, and with us, they are owned by corporations. The former system, whatever its advantages, seems repugnant to the temper of the American people, and to the spirit of American institutions. That system, right or wrong, is not likely soon to meet with favor here.

Regulation, not ownership, of interstate railroads is the province of the Federal Government. There are strong arguments in favor of State ownership of railroads entirely within the limits of such State. But I doubt if there be any considerable weight of opinion favorable to ownership by the General Government of a line of railway.

There are two things to be considered: the constitutional power of Congress to enact a law like that contemplated in this bill; and then, if such power exists, whether such a law is expedient and will accomplish the purpose desired.

The class of railroads referred to in the bill are interstate railroads. The third clause of section 8, article 1, of the Constitution, provides that Congress shall have power—

> To regulate commerce with foreign nations, and among the several States, and with the Indian tribes.

The very able report accompanying this bill, and the exhaustive speech delivered here a few days ago by the gentleman from Iowa, chairman of the Committee on Railways and Canals, [Mr. MCCRARY,] leave little to be added in defense of the position that Congress has full power under the Constitution to regulate interstate commerce carried on by railroads. The decisions of the Supreme Court of the United States bearing upon this question are numerous, and have been well summarized in that report, and in that speech to which we have listened with admiration and pleasure. The case of Gibbons *vs.* Ogden, (9 Wheaton, 1,) arising in 1824, is familiar to every lawyer. Latterly, the case of Gray *vs.* The Clinton Bridge Company, should be noticed. The decision in this case, delivered by Mr. Justice Miller, is conclusive; and I shall be pardoned if I quote it again in this discussion. That opinion contains the following language:

> Navigation, however, is only one of the elements of commerce. It is an element of commerce, because it affords the means of transporting passengers and merchandise, the interchange of which is commerce itself. Any other mode of effecting this would be as much an element of commerce as navigation. When this transportation or interchange of commodities is carried on by land, it is commerce as well as when carried on by water, and the power of Congress to regulate it is as ample in the one case as in the other. The "commerce among the States," spoken of in the Constitution, must, at the time that instrument was adopted, have been mainly of this character, for the steamboat, which has created our great internal commerce on the rivers, was then unknown.
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> Another means of transportation, equal in importance to the steamboat, has also come into existence since the Constitution was adopted, a means by which merchandise is transported across the States and kingdoms in the same vehicle in which it started. The railroad now shares with the steamboat the monopoly of the carrying trade. The one has, with great benefit, been subject to the control of salutary congressional legislation, because it is an instrument of commerce. Is there any reason why the other should not? However this question may be answered in regard to that commerce which is conducted wholly within the limits of a State, and is therefore neither foreign commerce nor commerce among the States, it seems to me that where these roads become parts of great highways of our Union, transporting a commerce which embraces many States, and destined, as some of these roads are, to become the channels through which the nations of Europe and Asia shall interchange their commodities, there can be no reason to doubt that to regulate them is to regulate commerce, both with foreign nations and among the States; *and that to refuse to do this is a refusal to discharge one of the most important duties of the Federal Government.*
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> As already intimated, the shackles with which the different States fettered commerce in their selfish efforts to benefit themselves at the expense of their confederates, was one of the main causes which led to the formation of our present Constitution. The wonderful growth of that commerce, since it has been placed exclusively under the control of the Federal Government, has justified the wisdom of our fathers. But are we to remit the most valuable part of that commerce again to the control of the States, and to the consequent vexations and burdens which the States may impose through whose territories it must be carried on? And must all this be permitted because the carrying is done by a method not thought of when the Constitution was framed?
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> For myself, I must say, that I have no doubt of the right of Congress to *prescribe all needful and proper regulations for the conduct of this immense traffic over any railroad which has voluntarily become part of one of those lines of interstate communication*, or to authorize the creation of such roads, when the purposes of interstate transportation of persons and property justify or require it.

The gentleman from Kentucky, [Mr. ARTHUR,] while compelled to recognize the force of this authority in its bearing upon the discussion, says:

> Now, what does the court evidently mean by *proper regulations?* Why, it could mean only such regulations as lie within the extent and objects of the grant. As to the objects, they were of the class comprehended in the safety, equality, and freedom of commerce, imperiled and fettered under the Confederation. As to the extent, it is found in the examples in the statutes for the regulation of commerce on steamboats. These were definite and tangible illustrations of the meaning of the court. The objects furnish no authority to this bill. The examples limiting the extent furnish none, because the statutes regulating steamboat commerce leave the carriers free to fix their own price, fare, and freight. And not the remotest intimation is given by the court that the power to regulate embraces in its objects or extent the subject of tolls, fare, or freight; and the court excludes any such conclusion by instancing the regulations of steamboat commerce as of the nature and extent of what is meant by the phrase "proper regulations."

I reply that it is true the learned justice, in his opinion, did not particularly instance, by way of illustration, the regulation of rates of fare and freight; yet it is easy to see that fixing these rates may, in the growth of commerce, become regulations quite as "proper," and quite as necessary, as laws regulating the construction of steamboats, limiting the number of passengers they shall carry, and specifying the signals they shall use in passing each other. The right to do all these things depends wholly upon the power vested in Congress to regulate commerce, and has never been questioned. Now, the right to protect shippers and passengers from extortionate tolls may be quite as "proper," may be quite as important and necessary, under a variety of exigencies in the regulation of commerce, as the construction and equipment of the vehicle by which such commerce is carried on.

The Northwestern Railroad extends from Chicago, in Illinois, to Omaha, in Nebraska, crossing the State of Iowa. Suppose that by an unequal schedule of rates all freight from Omaha or from Chicago, destined for towns along the road in Iowa, should be charged so high as to amount to a prohibition of their transit. Cannot the gentleman conceive that this would be a "proper" subject for "regulation" by Congress? The Union Pacific and the Central Pacific Railroad extends from Omaha to San Francisco, running through the States of Nebraska, Nevada, and California, and the Territories of Utah and Wyoming. Suppose freight from the East or the West, and destined for the interior of Nevada, should be charged such tolls as to utterly prostrate and ruin the local traffic of that State, while enriching and building up at our expense great marts of trade at either terminus. Could not such extortion and discrimination be properly regulated? But precisely such is the condition of interstate commerce along this road. This I shall presently show.

As pertinent here, I quote the canon of constitutional interpretation laid down by Chief Justice Marshall in the case of Gibbons *vs.* Ogden. I commend it to the consideration of my excellent friend from Kentucky, [Mr. ARTHUR:]

> This instrument [the Constitution] contains an enumeration of powers expressly granted by the people to their Government. It has been said that these powers should be strictly construed. But why ought they to be so construed? Is there one sentence in the Constitution which gives countenance to this rule? In the last of the enumerated powers, that which grants expressly the means for carrying all others into execution, Congress is authorized to make all laws which shall be necessary and proper for the purpose. But this limitation on the means which may be used is not extended to the powers which are conferred; nor is there one sentence in the Constitution which has been pointed out by the gentlemen of the bar, or which we have been able to discover, that prescribes this rule. We do not, therefore, think ourselves justified in adopting it.

And again, further on in the opinion in this same case:

> Powerful and ingenious minds, taking as postulates that the powers expressly granted to the Government of the Union are to be contracted by construction into the narrowest possible compass, and that the original powers of the States are retained, if any possible construction will retain them, may, by a course of well-digested but refined and metaphysical reasoning, founded on these premises, *explain away the Constitution of our country, and leave it a magnificent structure indeed to look at, but totally unfit for use.*

It has been said—invoking the maxim, *delegatus non potest delegare*—that this bill proposes an unconstitutional delegation of legislative power by Congress to the board of railroad commissioners, who are empowered to fix the maximum rate of charges for transportation, &c.

As relevant to this objection I shall quote the very full discussion of the question in the opinion of the supreme court of Illinois, deciding the case of People *vs.* Reynolds, (5 Gilman, 1.)

The General Assembly had passed a law providing for a division of the county of Gallatin and the formation of a new county from a part of the same territory, the act to take effect upon a majority vote in favor of such division. It was argued that this was a delegation of legislative power; that the statute referred to was merely a proposition or bill submitted to the people of Gallatin County, to be by them passed into a law or defeated at the polls. The court, holding the statute to be constitutional, say:

> To the General Assembly have the people delegated the legislative powers of the government, only limited and controlled by the Federal and State constitutions, and it is insisted that these powers cannot be delegated to any body of men or any portion of the people, upon the principle that delegated powers cannot be delegated. This maxim is true, unless the delegate is empowered to employ others. The extent to which this maxim should be applied to a legislator depends upon a proper understanding of legislative powers; upon a proper determination of what may be legitimately done in the exercise of those powers. It is easy to say that it is the business of the Legislature to make laws; but then we must inquire, what kind of laws may be made; must they be full, complete, perfect, absolute, depending upon

no contingency and conferring no discretion? This would be absolute legislation, exhausting legislative power on the subject-matter of the law. We presume that nowhere has constitutional learning advanced so far as to assert this doctrine.

* * * * * * *

If the saying be true that the Legislature cannot delegate its powers, it is only so in its most general sense. We may well admit that the Legislature cannot delegate its general legislative authority; still it may authorize many things to be done by others which it might properly do itself. All power possessed by the Legislature is delegated to it by the people, and yet few will be found to insist that whatever the Legislature may do, it shall do, or else it shall go undone. To establish such a principle in a large State would be almost to destroy the Government. The Legislature may grant ferry licenses, or it may lay out roads and specify their metes and bounds, and yet who will doubt that it may delegate this power to others, either by general or special laws? So, also, it may pass all the laws requisite for the government of a particular city, or township, or school district; and who will doubt the propriety of its authorizing this to be done by the people within the city, town, or district, by their local representatives, or even directly?

This is making laws, and laws, too, of as binding efficacy as if passed directly by the Legislature. They are dependent upon the Legislature for their vitality and force; through the act of incorporation, or law under or by virtue of which they are made. Necessarily regarding many things especially affecting local or individual interests the Legislature may act either mediately or immediately. We see, then, that while the Legislature may not divest itself of its proper functions, or delegate its general legislative authority, it may still authorize others to do those things which it might properly, yet cannot understandingly or advantageously do itself. Without this power legislation would become oppressive, and yet imbecile. Local laws almost universally call into action, to a greater or less extent, the agency and discretion either of the people or individuals to accomplish in detail what is authorized or required in general terms. The object to be accomplished, or the thing permitted, may be specified, and the rest left to the agency of others, with better opportunities of accomplishing the object, or doing the thing understandingly.

It has been said by the gentleman from Kentucky, [Mr. ARTHUR,] with a sharpness of illustration, that Congress might as well fix the price of cotton and tobacco as the tolls over a railroad. But let him consider that from time immemorial governments have fixed the price of money by usury laws. Our own Federal Government has delegated authority to many private corporations to fix tolls upon public highways. Our State governments have delegated authority to municipal corporations which, in many instances, have regulated by ordinance the minute affairs of business among citizens; the maximum charges allowed to draymen and hackmen; the price of water and gas, the rate of tolls on street cars, and over bridges or ferries; the rate of speed at which you may drive along the street.

Again, the Supreme Court of the United States, in the case of Olcott *vs.* The Supervisors, (16 Wallace, 678,) declare:

That railroads, though constructed by private corporations, and owned by them, are *public highways*, has been the doctrine of nearly all the courts ever since such conveniences for passage and transportation have had any existence. * * * The railroad can therefore be controlled by the State. Its use can be defined; *its tolls and rates for transportation may be limited.*

And the committee in their report, already referred to, drew from this the obvious conclusion that since Congress may make any regulation concerning commerce among the States, which the State can make concerning that which is completely internal, it follows that since the latter may be regulated by limiting tolls and rates for transportation, so may the former. It would, indeed, be a strange anomaly if a line of railroad operating in but one State, and engaged in local commerce only, should be held subject to legislative control in respect to its charges, while a great through line, crossing the territory of many States, and largely engaged in commerce among them, capable of becoming, if uncontrolled, a vast and dangerous monopoly, should be held free from such control; and yet such is the inevitable consequence of a denial of the power of Congress to limit charges upon interstate lines, while granting to the States power to limit such charges upon lines within their borders.

Besides, railway companies are common carriers, and, as such, are bound to transport passengers and freight at reasonable rates. This principle of law is too familiar to require argument or authority in its support.

The case of Veazie *et al. vs.* Moore, (14 Howard, 571,) is quoted in the very able argument of my friend from Kentucky, [Mr. ARTHUR,] and has been claimed as decisive authority against this bill. But let us recur again to the facts of that case, and by those facts read the opinion of the court. A brief statement of the case is this:

The defendant in error had derived certain rights to the exclusive navigation of a portion of the Penobscot River, *which is wholly within the State of Maine.* Those rights had been obtained by legislative act of that State. Plaintiffs in error had done certain things interfering with these rights, and by decree of the supreme judicial court were perpetually enjoined. And this is what the Supreme Court say:

Upon a comparison of this decree, and of the statute upon which it is founded, with the provision of the Constitution already referred to, we are unable to perceive by what rule of interpretation either the statute or the decree can be brought within either of the categories comprised in that provision.

These categories are—

First. Commerce with foreign nations.

Secondly. Commerce among the several States.

Thirdly. Commerce with the Indian tribes.

Taking the term "commerce" in its broadest acceptation, supposing it to embrace not merely traffic, but the means and vehicles by which it is prosecuted, can it properly be made to include objects and purposes such as those contemplated by the law under review? Commerce with foreign nations must signify commerce which in some sense is necessarily connected with these nations, transactions which either immediately, or at some stage of their progress, must be extra-territorial. The phrase can never be applied to transactions wholly internal between citizens of the same community, or to a polity and laws whose ends and purposes and operations are restricted to the territory and soil and jurisdiction of such community.

Nor can it be properly concluded that, because the products of domestic enterprise in agriculture or manufactures, or in the arts, may ultimately become the subjects of foreign commerce, that the control of the means or the encouragements by which enterprise is fostered and protected is legitimately within the import of the phrase *foreign commerce*, or fairly implied in any investiture of the power to regulate such commerce. A pretension as far-reaching as this would extend to contracts between citizen and citizen of the same State, would control the pursuits of the planter, the grazier, the manufacturer, the mechanic, the immense operations of the collieries, and mines, and furnaces of the country, for there is not one of these avocations, the result of which may not become the subjects of foreign commerce, and be borne either by turnpikes, canals, or railroads, from point to point within the several States, toward an ultimate destination, like the one above mentioned. Such a pretension would effectually prevent or paralyze every effort at internal improvement by the several States, for it cannot be supposed that the States would exhaust their capital and their credit in the construction of turnpikes, canals, and railroads, the remuneration derivable from which, and all control over which, might be immediately wrested from them, because such public works would be facilities for a commerce which, while availing itself of those facilities, was unquestionably internal, although intermediately or ultimately it become foreign.

There is, I submit, sir, not one word in this decision or in the facts of the case referring to interstate commerce. The court say, in terms, that neither the statute nor the decree comes within the provisions of the Constitution referred to, *to regulate commerce among the States.* Here was State commerce exclusively, and the court say that the constitutional provision to regulate commerce *among* the States is not trenched upon by either the Legislature or the decree of the court of Maine. And that is all there is of this authority as applicable in this discussion.

But in the case of interstate railroads, chartered and subsidized by the Government of the United States, how much stronger is the argument in favor of this constitutional power of Congress! Indeed, no argument is needed. In many instances the right of Congress to regulate the rates of transportation is expressly reserved in the charters granted. Such provisions exist in the acts of Congress authorizing the construction of the Union Pacific and Central Pacific Railroads.

The act of July 1, 1862, incorporating the Union Pacific Railroad Company, and made applicable in its provisions to the Central Pacific Railroad Company—a corporation previously existing under the laws of the State of California—contains the following section:

SEC. 18. That whenever it appears that the net earnings of the entire road and telegraph, including the amount allowed for services rendered for the United States, after deducting all expenditures, including repairs, and the furnishing, running, and managing of said road, shall exceed 10 per cent. upon its cost, exclusive of the 5 per cent. to be paid to the United States, Congress may reduce the rates of fare thereon, if unreasonable in amount, and may fix and establish the same by law. And the better to accomplish the object of this act, namely, to promote the public interest and welfare by the construction of said railroad and telegraph line, and keeping the same in working order, and to secure to the Government at all times (but particularly in time of war) the use and benefits of the same for postal, military, and other purposes, *Congress may at any time, having due regard for the rights of said companies named herein, add to, alter, amend, or repeal this act.*

The amendatory act of July 2, 1864, also provides:

SEC. 22. That Congress may, *at any time, alter, amend, or repeal this act.*

So, clearly, in the case of these companies, is the right expressly reserved by Congress to regulate at any time the charges for transportation.

Now, Mr. Speaker, at this point in the discussion I wish to speak specifically of the oppressions and extortions practiced by one of these railroad companies—the Central Pacific—upon the people with whom my lot is cast, and whose interests I mean faithfully to represent. I certainly have no feeling of hostility, personal or otherwise, toward this great corporation, or any single officer or member thereof. To me they are, all and singular, an impersonality, known only as the management of the vast interests under their control cripples and injuriously affects the people of my State.

It can scarcely be necessary to refer to the fact that this road has been built, literally and in fact, by the Government. Not only this, but also in the building of the road a large number of individuals have been enormously enriched—how, I will not stop here to inquire. The investigation into the operations of the Contract and Finance Company may show. I leave that task to others. Let us see, briefly, what the Government—the people—has done for this railroad, which runs through the entire State of Nevada, from east to west; and then let us see what the railroad has done and is doing for the people.

The subsidy for the main line, from Sacramento to Ogden, a distance of 743 miles, was as follows: For that portion between Sacramento and the base of the Sierra Nevada Mountains, 7.18 miles, at the rate of $16,000 per mile, amounting to $114,880; for the succeeding distance of 150 miles, through the Sierras, at the rate of $48,000 per mile, amounting to $7,200,000; and for the remaining distance, 585.82 miles, from the eastern base of the Sierras (and for the most part over level plains) to Ogden, at the rate of $32,000 per mile, amounting to $18,061,120, making a total of $26,061,120, or an average of $35,076 per mile.

In addition to this the company was authorized to issue its first-mortgage bonds for a sum equal to this Government subsidy—the lien of the Government being a second mortgage. So that for this distance of 743 miles the aid rendered to the company, in money, by the Government, was at the rate of $70,152 per mile, amounting to a total of $52,122,240.

The total length of the Central Pacific Railroad, including its branches, is 1,222 miles, and the total amount of Government bonds loaned to it is $27,855,680, with the right to issue its own first-mortgage bonds for a like amount. But I have preferred, as best illustrat-

ing my argument, to speak more specifically of the main line just mentioned from Sacramento to Ogden.

Now, it would seem that a money subsidy of $70,152 per mile, whether you consider that it shall be eventually a loan or a gift, would have been an ample inducement for the construction of a railroad running for the most part over open and level plains affording a natural grade. But in addition, there was the grant—the absolute donation—of ten alternate sections of land on each side of the road, equal to 12,800 acres per mile. Some of these timber lands extending through the Sierras, clothed with the finest forests in the world, are of immense value. But rating them at an average of only $2.50 per acre, they amount to $32,000 per mile. This company, therefore, has received from the Government, in various ways, a total of at least $102,152 per mile of road constructed. And all this magnificent subsidy comes from the people. Have not the people, then, some rights of travel and traffic over this road which its management is bound to respect?

Next, sir, I call your attention to the income derived by this company. I refer now to the entire road and its branches; and its general balance-sheet for 1872 is shown as follows:

Kind.	Gross earnings.	Operating expenses.	Net earnings.
Coin	$7,400,089 35	$4,953,612 43	$2,446,476 93
Currency	4,563,551 22	57,666 42	4,505,884 80
Coin and currency	11,963,640 57	5,001,278 84	6,952,361 73

The following table shows the distribution of earnings and expenses:

Items.	Coin.	Currency.
GROSS EARNINGS.		
Freight	$4,738,853 08	$2,228,591 50
Passengers	2,289,553 84	1,775,656 16
Express	97,489 49	66,905 15
Wharf	4,715 35	
Mail		281,402 21
Miscellaneous	109,881 41	49,349 73
Sleepers	35,273 23	119,482 15
Telegraph	72,084 46	9,149 16
Rental	30,658 85	440 00
Baggage	21,579 65	32,575 16
Total	7,400,089 35	4,563,551 22
Total coin and currency		11,963,640 57
OPERATING EXPENSES.		
Expense of superintendence	$40,271 47	
Station service	402,272 86	$8,136 86
Telegraph service	130,137 09	1 95
Train service	357,644 11	2,487 75
Sleeping-car service	18,488 18	30 35
Ferry service	212,121 20	
Locomotive service	1,240,736 71	
Wharf service	34,104 03	
Repair of track	837,087 15	
Repair of snow-sheds	100,166 01	
Repair of bridges	99,098 98	
Repair of buildings	100,254 41	
Repair of locomotives	502,165 57	
Repair of cars	458,860 83	
Repair of tools	111,973 62	
Miscellaneous expenses	308,230 20	47,009 51
Total	4,953,612 42	57,666 42

The following table exhibits the gross earnings, operating expenses, and net earnings for each month of the year 1872, reduced to their currency values:

Months.	Gross earnings.	Operating expenses.	Net earnings.
January	$592,223 12	$393,586 02	$198 637 10
February	571,836 46	371,705 99	200,130 47
March	875,763 31	404,403 65	471,359 66
April	949,598 30	424,300 22	525,298 08
May	1,380,922 72	444,176 66	936,746 06
June	1,138,272 75	455,757 22	682,515 53
July	1,272,510 29	487,466 12	785,044 17
August	1,271,628 80	469,218 47	802,410 33
September	1,254,688 64	483,295 52	771,393 12
October	1,285,567 52	493,466 68	792,100 84
November	1,293,957 68	503,135 16	790,822 52
December	1,037,992 98	704,431 02	333,561 96
Total	12,924,962 57	5,634,942 73	7,290,019 84

The following table will show the net earnings over operating expenses, the interest on the bonded debt of the company outstanding, and the surplus of earnings over expenses and interest on bonded debt, for each year from the commencement to the present time:

Years.	Net earnings.	Interest on bonded debt.	Surplus of net earnings over interest.
1864	$46,871 91		$46,872 00
1865	280,272 39	$102,111 00	178,161 00
1866	664,206 96	125,380 00	538,827 00
1867	1,087,901 22	277,140 00	810,761 00
1868	1,469,776 36	995,010 00	474,766 00
1869	2,591,497 00	1,084,350 00	1,507,147 00
1870*	3,800,761 34	1,834,930 00	1,965,831 00
1871*	5,171,192 95	2,884,414 00	2,286,779 00
1872*	7,290,019 84	3,554,299 00	3,735,721 00
Total	22,402,499 97	10,857,634 00	11,544,865 00

*The amounts in the above table, prior to and including the year 1869, are all in gold. For 1870, 1871, and 1872, for greater convenience in exhibiting results, the earnings and expenses (which are partly in currency and partly in gold) and the interest payments (which are in gold) are all stated at their currency value by adding to the amounts received and paid in gold the average premium for the year.

These profits are drawn from the people, who have in reality themselves built the road. And a great part of these profits are derived by extortionate discriminations against the people of the State I represent—discriminations in fares and freights that operate against us in our local traffic both ways, toward the east and toward the west; for it is cheaper to send freight from Chicago to San Francisco than from Chicago to Reno, 292 miles nearer, and it is cheaper to send freights from San Francisco to Ogden than from San Francisco to Elko, 275 miles nearer.

This policy of discrimination is fully admitted. No better argument could possibly be made in favor of the bill under consideration than the reply of Governor Stanford, president of the Central Pacific Railroad Company, to a letter of inquiry recently addressed to him by the San Francisco Chamber of Commerce. Upon this point Governor Stanford says:

The policy of all transportation companies, when in the presence of competition, is to take goods very low, and sometimes with no profit margin whatever, rather than not to take them at all. San Francisco being considered as the terminus of a long line of railway from New York, Chicago, or other large cities, also holds the enviable position of being the terminus of numerous sea-routes, and hence is a competitive point. This being a fact, and being desirous of building up our overland business, we finally prevailed upon our eastern connections to waive their claims to their own usual charges on their own individual roads, and to join in the authorizing of agents in the large cities to receive goods and ship direct to San Francisco at a very low rate to meet competition by sea, each road taking but a *pro rata* of such through rate as compensation for hauling the cars and work done. At first this privilege was conceded alone to San Francisco on account of her position, all overtures by us on behalf of other points being for a long time steadily refused; for what is really the simple reason that such points in California, not having the advantages of competition by sea, had no more claims in the estimation of eastern roads to the exceptional advantages of the low through rate than their own business, which was through to them.

We have finally secured for three other points a recognition as through points, viz., Sacramento, Marysville, and San José; but all further concessions in our State have been resisted, and to-day it stands as a fact that *any goods shipped from New York, Chicago, &c., direct to Reno, Stockton, or any point other than the four cities named, are sent way-billed with the ordinary through charges of each road over which they may pass. Shippers, understanding this fact, now rarely ship direct to the place of destination when other than the cities named, but prefer to take advantage of and to profit by the exceptionally low rate forced by the sea traffic, by first shipping to one of these four points, and then reship, by the payment of our usual local rate, to the final point of destination.* In this way the aggregate charges are very much lower than though the goods had been sent direct at the local rates to which they were legitimately subject.

You may, perhaps, see from this, that instead of these arrangements being any proper source of complaint, the advantages which all local points in our State derive from having their tonnage delivered to them at the rates secured to the larger cities alone, by reason of their exceptional location, plus the local rate therefrom, should not be so persistently thrust in the background; and it seems to be proper to remember here that the building of the overland railroad did not and cannot change immediately California's generally isolated condition; *and our claims upon the eastern system of railroads, for all of the benefits of their lower rates, can only be met for the present through our well-known and largest center, all other points receiving only such concessions as their positions apparently entitle them to.* As fast as we can induce our eastern connections to recognize other points in this State as entitled to the benefits of the through rates, we shall do so, and trust soon to announce that Stockton will be added to the list. *So far as Reno is concerned, it is out of reach of any competitive advantages, and by its position has no claims whatever to profit by the benefits conferred upon San Francisco or Sacramento.*

It would undoubtedly be the duty of the commissioners provided for in this bill to see that eastern roads should recognize something more than four terminal or "competing" points along a road of twelve hundred and twenty-two miles in length!

As regards the "competition by sea" above referred to, it has had a most ruinous and destructive effect upon the local trade of Nevada. In order that through freights from New York to San Francisco, and from San Francisco to New York, might successfully maintain "competition by sea," all way freight from either of those cities to Elko, to Wadsworth, to Reno, to Carson, to Virginia City, has been *charged up* in corresponding degree to make good the loss on such through freights.

The railroad commissioners of Massachusetts, in speaking of the failure of competition to equalize and reduce the cost of transportation in Illinois, have stated the case under consideration exactly. They say:

Competition, instead of producing uniformity, cheapness, and stability in trans-

portation, led to precisely opposite results; in place of uniformity, it led to gross inequalities between competing and non-competing points; in place of cheapness, it led to alternations of liberality and extortion; and in place of stability, it led to violence and fluctuation.

Mr. Charles Francis Adams, jr., a member of that board of commissioners, in a very able speech before a committee of the Legislature, says further on this point:

In this State of Massachusetts, since I have been a commissioner, a railroad superintendent has frankly acknowledged to me that, when freight was shipped and paid for to the end of his line, if that freight was switched off at a non-competing point but ten miles from where it came on to his line and a hundred miles short of its paid destination, he always charged the car containing that freight twenty dollars extra— twenty dollars for *not* hauling it a hundred miles; and he justified his extortion. He said his road must live, and that *if he had to haul for cost to competing points he must get double profits out of points which could not compete*; "or," he added, "if people prefer, I will carry their freight by their doors to the point to which it is paid, a hundred miles farther on, and *then haul it back to them* at local rates." In other words, gentlemen—and this fact will bear some degree of reflection—*while the result of ordinary competition is to reduce and equalize prices, the result of railroad competition is to produce local inequalities, and to arbitrarily raise and depress prices.* And yet, the working of this system, this necessary and avowed mixture of pure monopoly with systematic combination, is continually compared, by men who profess to think, with the production of boots and cotton cloth!

Take a few examples of these unjust discriminations, taken from the vast number that are presented all over the country.

Not long since, probably now, goods could be sent from New York to Indiana for 25 cents per one hundred pounds, when the freight from Rochester to the same State was $1 to $1.25. One firm had paid $1.30 per hundred from Rochester to Hannibal, Missouri; while at the same time the same class of freight was moved from Worcester, Massachusetts, to Hannibal for 60 cents, and from Philadelphia for 45 cents.

Rocky Mountain coal, which is selling in San Francisco at $14 per ton, brings $22.50 at Virginia City, Nevada, which is two hundred and fifty miles nearer the mines. At Elko, which is over six hundred miles nearer the mines, the same coal is $15 per ton.

The Central Pacific Railroad Company charges two and a half cents per pound for carrying wool from San Francisco to New York, and charges four cents per pound from Winnemucca, and other places in Central Nevada, three hundred or four hundred miles nearer its destination. The wool-growers of the valleys of that part of Nevada actually find it more to their interest to ship their clip from Winnemucca, three hundred and seventy-five miles, to San Francisco, and then from San Francisco back through Winnemucca, than to pay the rates exacted from Winnemucca direct to New York or Boston!

This company transports freight from San Francisco even to the end of its road, at Ogden, at less rates than to Elko, two hundred and seventy-five miles nearer.

Touching rates of fare over the Pacific roads, it has been claimed that they are less than on any other railroad in the country. The fact is they are greater than on any other railroad in the world. The following table has been compiled from authentic sources:

Rates for one hundred miles in Europe:

In Belgium	$1 56
In Italy	2 52
In Spain	2 82
In Prussia	3 12
In Denmark	3 12
In Austria	3 12
In France	3 20
In Norway	3 20
In Switzerland	3 24
In Holland	3 26
In Portugal	3 40
In Russia	3 46
	36 02

Rates for one hundred miles in America:

Boston and Maine Railroad	$2 75
Erie	3 00
Pennsylvania Central	3 50
Pittsburgh, Fort Wayne and Chicago	3 40
Chicago, Milwaukee and Saint Paul	3 75
Louisville, New Albany and Chicago	4 00
Ohio and Mississippi	4 00
Mississippi, Kansas and Texas	5 00
Mobile and Ohio	5 00
Nashville and Chattanooga	5 00
East Tennessee, Virginia and Georgia	4 50
Richmond and Danville	4 50
	48 40

Rates over the Pacific roads from Omaha to Sacramento are, per one hundred miles, $5.63. And these are railroads built by the people and for the people!

We hear much loose and random talk about the danger of centralization if the Government shall undertake the regulation of this species of interstate commerce by railroad. "Centralization!" Where do we find centralization now but in the hands of a few—even so few as a half-dozen—railroad despots, who hold sway with arbitrary and more than imperial power over the interests of the entire people? Centralization is now in the hands of corporations which by combination have become more powerful than the people. Look to this power!

Poor's Railway Manual for 1873 gives a summary of 57,000 miles of railroad, with liabilities amounting to upward of $3,000,000,000. Their gross earnings were $473,000,000—sums largely in excess of the Government debt and revenue. All this immense sum is capable of being controlled by a directory of the fewest men. On all questions where railroad interests conflict with the interests of the people the influence of this wealth is a unit against the people. In the nervous language of another—

It is the organized, well-disciplined, and well-equipped army against the unorganized, unarmed, and unofficered militia. It employs great armies of men in operating the various lines of road. It is the best customer of the press; it controls the telegraph lines; has the readiest access to the public ear, and is the all-powerful abettor or the terrible foe to political aspirations. Many of our laws are made in its interest, and along every line of railway it keeps in its employ the best legal talent. These men become our judges, and having been educated to view laws relating to railway matters from a railway stand-point, naturally interpret difficult points in its favor. A railroad corporation is soulless, and yet immortal. Wiser than philosophy, it has found in a perpetual charter the elixir of life. When our fathers abolished the law of primogeniture they supposed the country was secure against the evils of vast individual wealth accumulating from generation to generation, because the certainty of death would bring certainty of destruction. But a perpetual charter, granted without consideration, has become a spindle to twist the gossamer thread across the chasm of death. All this vast and constantly increasing wealth is under irresponsible control. A corporation can neither be hung nor sent to the penitentiary; that is to say, there is an entire absence of individual responsibility. Vigorous, alert, all-powerful and perpetual, it only needs unscrupulous managers to become a worse tyrant than Nero, a more dangerous master than Robespierre. Therefore we claim that it is necessary to counteract this great tendency toward a centralization of power through the machinery of the national Government; it is the only power which the present powerful monopolies cannot oppose and overcome.

If we, sir, are to have a centralization of power ruling us, let it be a centralization of power under a government regulated by law, instituted by the people, and in some measure subserving their interests.

Mr. ORR. Mr. Speaker, the bill reported to the House from the Committee on Railways and Canals, and now under consideration, has for its object the regulation and control of that part of the trade, business, or intercourse of the country carried on by means of railroads, and the interchange of commodities between different communities which may properly be designated as commerce.

It is intended to remedy an abuse long known to exist, affecting more or less every portion of the country and every business interest, the consumer as well as the producer, and to hold in wholesome check the prevalent tendency of capital employed in railroad investments toward concentration, in large masses, for the purpose of subverting the general interests of the people, and placing itself beyond their power of control, and rendering smaller and individual interests subservient and tributary to it.

The self-evident necessity for this, or some similar measure, is apparent to every candid person who will carefully and thoughtfully study the present industrial and financial condition of the country, and contemplate the unnatural spectacle presented by a languishing and paralyzed trade, especially that interest whose mission is a productive one, to furnish the commodities which are usually denominated necessaries, and form the basis of subsistence—the nourishment of the nation.

No country in the world known to history has ever, in a more eminent degree, possessed the elements of wealth, prosperity, and power than ours, and yet the tendency to a concentration of capital in the hands of a few, and a combination of interests, and especially those engaged in the carrying trade, into one mass, to be wielded and controlled by one management, regardless of the general welfare, is an alarming symptom of impending danger to our industrial pursuits and threatened paralysis of the productive power of the country. It indicates the existence of a wrong somewhere, an improper arrangement of the running machinery, a want of balance between the wealth-producing forces of the Government, and demands at the hands of Congress a remedy; and in such emphatic and positive terms does the demand come that we cannot well afford to allow it to remain unheeded.

That the passage of this or any similar bill will prove a corrective of all the evils of which the people complain, and remove at once from their shoulders all the burdens that are now borne with so much discomfort, I do not contend. But that the adoption of the principle that commerce by railroad, when carried on between the States, is subject to the same congressional control and regulation that it is when carried on by other means, and a denial by positive law of the erroneous theory that for want of authority in the Constitution expressed in positive and direct terms applicable to railroads, the exercise by Congress of any control over that kind of commerce is an infringement of the Constitution, will be beneficial to the country, and that the assertion of such power in Congress by some act declarative of that principle and the organization of the proper machinery for the prompt enforcement of a law made in support of that view, would result in the diminution of the burdens complained of, I think there is no room left for doubt.

In the early settlement of this country, no question such as confronts us to-day could arise, for the reason that the grain-producing area extended but a short distance from the sea-board, no portion of it being far remote from some port offering convenient facilities for the shipment abroad of any of its surplus productions, and to reach which no one portion possessed very decided advantages over the other portions, the same means being open to all, and to all was denied the advantage of canal and railroad transportation, and in fact any means superior to common wheeled vehicles and the primitive wagon-road.

Such was the condition of the country with regard to its interior carrying trade when the Constitution was formed, and the provision made in that instrument for the regulation of commerce "with foreign

nations and between the States," that it had its first application almost exclusively to water-routes, and to ocean traffic, and to an internal trade very inconsiderable, and beset with difficulties the most embarrassing and dangers the most discouraging.

Instructed by the lessons taught under the Confederation, and with full knowledge of the difficulties which had been experienced upon this subject, the framers made its provisions broad enough to avoid the difficulties from which it was desirable to escape, and comprehensive enough to provide for a commerce of any volume or magnitude, whether carried on by ocean, lake, or river, or when it was transferred to a canal or railroad.

As the agricultural lands filled up and became peopled, the new immigration moved gradually though rapidly westward, carrying the center of production with it and away from the sea-board; and thus approaches to the ports of shipment, and connections with them, became more difficult, and often under such difficulties the prices of agricultural products fell below the cost of production and became drugs in the market and burdens to the producers.

To palliate this evil, however, a large volume of immigration was constantly arriving upon our shores, distributing itself over our agricultural regions, and forcing the center of production still further westward; and as these accessions to the population could not at once become producers by reason of the time necessary to open farms and prepare them for crops, they had of necessity to buy the grain of their neighbors until they could produce it for themselves, thus furnishing a home market for the surplus grain of the interior.

That portion of the immigration which did not seek farms and go to the interior, but became residents of cities and manufacturing towns which had not yet become very remote from any portion of the rural districts, nor very difficult to reach by them, also became potent agencies in relieving the country from the burdens incident to remote markets and insufficient means of transportation.

This volume of immigration not only continued but increased with each year, and the agricultural area rapidly enlarged, the "star of empire" took its way westward, and the seat of production which went with it would soon have passed beyond the possibility of carrying its surplus to the sea-board by the old methods of transportation. But that necessity which is the "mother of invention" invoked her powers to provide a cheaper and more expeditious method of transit.

The construction of a system of wagon-roads leading into this agricultural country from each of the principal cities on the coast was the first device of each to retain to itself the trade of that growing region, and consequently Philadelphia and Baltimore each became the focal point of such a system of roads, while New York, through the medium of the Hudson River, controlled the large area of country watered by that stream in the north and west of it, which floated to it their products in the rude crafts known in that time. These methods were soon outgrown by the rapidly expanding settlements, and the productive territory became so far removed from the sea-board that they became inadequate as a means of transportation, and did not meet the demands of a country thus situated.

The Erie Canal was then projected and pushed forward to completion, and with it came a revolution in the carrying trade with the West. The distant grain-producing districts were practically moved, into a closer proximity to the ocean. Measured by the cost of transportation, the distance between Lake Erie and New York had been diminished by more than 100 per cent. This proposition to connect the lake with the Hudson had been by conservative minds regarded as chimerical, the emanation of a highly romantic and excited imagination, invoking the contempt of those who possessed minds too feeble and a courage too faint to conceive or project an enterprise of such magnitude.

Cheaper and more expeditious transportation was an admitted necessity. The cost of moving a ton of freight from Pittsburgh or the lake to New York was seventy dollars, which upon the greater part of the commodities sold by the farmer was prohibitory. He was too far from the consumer to effect exchanges at such a rate; but the method of relief proposed was so gigantic in its proportions, involving an expenditure in such disproportion to the wealth of the country and State, that it challenged the incredulity of the stubborn and the fears of the timid.

At that time the State of New York had a population of less than a million of souls, with a permanent annual revenue of less than $300,000, with its expenditures fully up to its receipts, while the estimated cost of this work was $5,000,000.

Although nothing short of a pressing necessity could compel the hazard of an undertaking so gigantic, yet the wise and sagacious statesmen of that day were not ignorant of its importance. One of its friends and advocates, full of hope of its completion, in a letter to a friend in Europe, pending the consideration of the measure, prognosticating upon the effects of the work upon the interior, used language so enthusiastic that he was thought to overstate the probability, as much as it was demonstrated in after years he had actually fallen short of the truth, when he said:

> Hundreds of large ships will at no distant day bound on the billows of these inland seas.
>
> Shall I lead your astonishment up to the verge of incredulity? I will. Know, then, that one-tenth part of the expense borne by Britain in the last campaign would enable ships to sail from London, through Hudson River, into Lake Erie. As yet, we only crawl along the outer shell of our country. The interior excels the part we inhabit in soil, in climate, in everything.

The great man who used such prophetic language possessed a vision which penetrated far beyond that of most men of his time, and a conception which grasped the empire to be made out of the then new and unoccupied West, but he failed to realize the whole extent of the probability, because those powerful agents in accomplishing the facts as they now exist, the steamboat and railroad system, had neither of them been invented and could not enter into his computation.

The work was completed, and all and more than its originators claimed for it was accomplished. The interior was rapidly developed. Its surplus produce, before excluded, began to flow eastward to New York, and interchanges began between the sections at greatly reduced cost. The contest between the Atlantic cities for the control of western trade was decided. New York had assured to it the ascendency over all its rivals. Not only was trade compelled to pass through that channel, but it became the basis upon which other systems of internal improvement were constructed, which gathered for its benefit and advantage.

That part of our carrying trade known as interstate commerce received a great impetus with the completion of this work. The connection by water was complete between New York and the great lakes. Commerce, no longer willing to be confined to the ocean and to crawl along our coast, had leaped State lines, and was pushing forward to the interior, and the time had come to test the wisdom of the constitutional provision for the regulation of commerce between the States; and that it could be done upon the rivers and lakes has, I believe, never been denied.

Following that great improvement, soon came the railroad system, effecting a greater revolution in the carrying trade than all the improvements which preceded it. With a growth so rapid that in a space of only a few years it has appropriated to itself almost the entire inland commerce of the country, its lines now aggregate about sixty thousand miles of road. It penetrates into every portion of our vast country, employs a capital of $3,000,000,000, controls a vast army of operatives and employés, and their gross receipts for the year 1872 amounted to $475,000,000, a sum greater in amount than the entire revenue of the national Government. And yet this vast amount of capital has, by successful manipulation and combination, been reduced to the management and control of a few men, and is, we are informed by the opposers of this bill, above and beyond the power of congressional regulation.

If this be true, then the provision of the Constitution which enables Congress to regulate commerce between the States becomes useless as soon as the great opportunity for using it for the accomplishment of practical good arrives.

Had the framers of the Constitution intended the provision to apply only to the commerce carried on by the methods then known, very little necessity existed for covering by it any other than foreign commerce. As long as the internal trade was prosecuted by the old means, by the wagon-road, by the canal, or even after the introduction of railroads, when it was confined to short lines, each operating under its own separate management and in competition with its rivals, the necessity of resorting to congressional interference scarcely arose, and the power, although existing in the Constitution, was latent and hardly need be invoked.

If this estimate of constitutional power be the correct one, then the internal commerce of this country eludes legislative control just at the time when it becomes dangerous by reason of its possession of vast capital and extent, and when safety would dictate the exercise of such power over it.

At the time of the adoption of the Constitution the entire commerce of the nation, compared with what it is now, was of the utmost insignificance. Yet it was of such importance that its separate and exclusive control by the several States was so conflicting and productive of so much danger, that such a change of system as would place the control of the commercial interests in the hands of the General Government and reduce it to one management became a prime necessity. The leading object sought was to secure in Congress the power to regulate not only commerce with foreign nations, but among the States—to remove from it the embarrassments consequent upon the conflicting action of so many different legislative bodies, and place it under the control and make it amenable to one authority, and governed by one uniform law.

A surrender of the powers which, under the Confederation, had been exercised by the States, was necessary to procure harmonious action, under which alone commerce could live.

The abandonment of that divided system which made each State the competitor of the others for foreign trade and its victim in domestic trade, and made the new States remote from the sea-board tributary to those States which possessed a shipping port, were primary and leading objects in the adoption of the Constitution. And if the objections to this bill, based upon constitutional grounds, are valid, it would seem that the transfer of the carrying trade from the common road and the lake and canal to the railroad, had made a return to that system of conflicting and embarrassing State control and legislation under which so many difficulties arose, and from which we had hoped we had been safely delivered, inevitable.

Commerce, to-day, does not differ from what it was at the time of the adoption of the Constitution; and whether carried on by the means used at that time, the sail-boat, common wagon, or canal-boat, or by the more modern and expeditious inventions, the steamboat or

railroad, it is still the commerce which the Constitution sought to regulate.

Commerce is defined by a writer of considerable reputation to be "the interchange of commodities, whether manufactures or agricultural products, for money or for other commodities."

The same writer makes more clear this definition in his account of its origin. He says:

> Its origin must be ascribed to the period when man first acquired the idea of property so perfectly as to be acquainted with the most simple of all contracts, that of exchanging by barter one rude commodity for another.
>
> The wants and ingenuity of his nature would then readily suggest to him a new method of increasing his enjoyments by disposing of what was superfluous in his own stores in order to procure what was necessary or desirable in those of other men.
>
> A commercial intercourse would thus begin and gradually spread to neighboring tribes, but no important interchange could take place between contiguous districts whose soil and climate being nearly the same, would yield similar productions; and as remote countries could not carry on a very extensive intercourse by land, the progressive extension of commerce could take place only in those states that cultivated the art of navigation.

Commerce, as thus defined, is the same in all periods, and however carried on; but as water communication was so long the only means by which any considerable use could be made of it, and that being the case when it was brought under congressional control, it may be well understood how the power conferred was so often misunderstood as only intended to regulate navigation.

The First Congress passed laws in which it asserted its power not only over persons engaged in commerce, but over the instruments used by them in its prosecution. It required masters of vessels to be citizens of the United States; established rules for the government of officers and seamen; and recognized by the general tenor and logic of its legislation, the views I have expressed, that trade and intercourse, whether between this and foreign countries, or between the different parts of this Government, whether carried on by water or upon land, is commerce within the meaning of the provision above cited. The same construction which would prevent its application to railroads would prevent its application to steamboats, for neither had at that time been used in commerce.

Congress has uniformly enacted laws for the regulation of steamboats, prescribed their kinds, construction, and equipments, and prescribed qualifications for pilots and engineers, the kind of signals to be used, put limitations upon the number of passengers to be carried; in short, every regulation requisite for the safety and comfort of passengers, and for the sure and rapid transmission of freight. It has prevented by law the obstruction of navigable streams, and removed from such streams obstructions already existing; widened and deepened the mouths of rivers and harbors, and has always required its assent to be given to the construction of any bridge across a navigable stream.

The authority for the exercise of all this power is found in the provision for the regulation of commerce. Since the advent of railroads a large majority of the interchanges between sections are made by that means; and we are told that by this change of route commerce escapes the regulation and control by Congress, which it is admitted would have been in its power without such transfer; and that whether you can be protected by Congress in the carrying of your goods or not depends upon the kind of agents you select for their transmission, although according to the highest authority it is commerce in either case.

In this view I am sustained by the highest judicial authority; and, as furnishing a complete answer upon this question, I refer to the opinion of Mr. Justice Miller, in the case of Gray *vs.* The Clinton Bridge Company, which, although so often cited in this debate, I beg leave to quote in connection with my remarks:

> Navigation, however, is only one of the elements of commerce. It is an element of commerce, because it affords the means of transporting passengers and merchandise, the interchange of which is commerce itself. Any other mode of effecting this would be as much an element of commerce as navigation. When this transportation or interchange of commodities is carried on by land, it is commerce as well as when carried on by water, and the power of Congress to regulate it is as ample in the one case as in the other. The "commerce among the States," spoken of in the Constitution, must, at the time that instrument was adopted, have been mainly of this character, for the steamboat, which has created our great internal commerce on the rivers, was then unknown.
>
> Another means of transportation, equal in importance to the steamboat, has also come into existence since the Constitution was adopted, a means by which merchandise is transported across States and kingdoms in the same vehicle in which it started. The railroad now shares with the steamboat the monopoly of the carrying trade. The one has, with great benefit, been subject to the control of salutary congressional legislation, because it is an instrument of commerce. Is there any reason why the other should not? However this question may be answered in regard to that commerce which is conducted wholly within the limits of a State, and is therefore neither foreign commerce nor commerce among the States, it seems to me that where these roads become parts of great highways of our Union, transporting a commerce which embraces many States, and destined, as some of these roads are, to become the channels through which the nations of Europe and Asia shall interchange their commodities, there can be no reason to doubt that to regulate them is to regulate commerce, both with foreign nations and among the States; and that to refuse to do this is a refusal to discharge one of the most important duties of the Federal Government. As already intimated, the shackles with which the different States fettered commerce in their selfish efforts to benefit themselves at the expense of their confederates was one of the main causes which led to the formation of our present Constitution. The wonderful growth of that commerce, since it has been placed exclusively under the control of the Federal Government, has justified the wisdom of our fathers. But are we to remit the most valuable part of that commerce again to the control of the States, and to the consequent vexations and burdens which the States may impose through whose territories it must be carried on? And must all this be permitted because the carrying is done by a method not thought of when the Constitution was framed?

For myself, I must say that I have no doubt of the right of Congress to prescribe all needful and proper regulations for the conduct of this immense traffic over any railroad which has voluntarily become part of one of those lines of interstate communication, or to authorize the creation of such roads when the purposes of interstate transportation of persons and property justify or require it.

It is urged that this power is exclusively in the States, and that the application of the contrary rule will unsettle the theories of the fathers on this subject, and reverse the established and well-settled doctrine of eminent domain. I have no disposition to deny the right of eminent domain, nor the power to charter and regulate corporations within a State, including the power of taxation and local control; but it is when railroads cease to limit their operations to the jurisdiction in which they were created, and become portions of through lines, with a combined property spanning a continent, and carrying commodities from State to State, that they grow out of the power of State regulation, and become liable to that control by Congress which is conferred upon it by the clause in the Constitution from whence comes its power to regulate commerce among the States.

If railroad property, thus massed and combined, is beyond the power of the national Legislature, how deplorable is the condition of the country! Examine this picture.

There are to-day sixty thousand miles of railroad in operation in the United States, the larger part of which have entered into the formation of through trunk lines or are branches to them.

The capital used in their construction and operation exceeds that used in any other interest in the country capable of combination.

It is a power dangerous from its vastness alone, and, when used by skillful hands and directed to one common purpose, rides down and tramples out all efforts at competition, and holds at its mercy the business interests of the country. Instead of being disseminated among the people and identified with them, it enthrones itself in Wall street, whence its decrees emanate.

It dictates the carrying rate for the entire country, and discriminates against points incapable of offering a troublesome competition; but if not successful in this, it sends out agents commissioned to exterminate any enterprise likely to become disagreeable in that way.

It has reduced the control of this vast aggregation of power into the hands of a few persons, who, unwilling to be limited to a legitimate purpose, sometimes seize the favorable opportunity to grasp the purse-strings, and cause a flow of the currency of the country into unnatural channels created by their own machinery, and thus wring from the poor their legitimate dues for the benefit of themselves.

It holds high carnival in the stock exchange, augments its values by the adoption of a fiction, and gambles upon its prospective profits based upon this false basis.

It has, by the aid of legislation, been exalted above the condition of natural persons, and for its benefit the sacred principle of exclusive ownership of land has been suspended.

It is allowed to appropriate lands of a private citizen, regardless of his attachment to them.

It has carved out of the public domain an empire in extent, and holds it until it chooses to dispose of it.

It is incapable of committing a crime, and exempt from punishment, except in a pecuniary way; because, being soulless, it cannot sin, although it has the attribute of immortality.

For this it is argued there can be no remedy by Congress, only at the expense of a violated Constitution.

We are asked to seek relief in State laws, which we have shown have not a sufficiently extended range; or in competition, which we have seen can be so successfully thwarted.

When it is sought to control these railroad corporations by State laws, they have always denied the power of the State Legislature to do so, and sheltered themselves under the Constitution of the United States, which alone possessed power to regulate commerce; and now, when we ask Congress for the relief, they tell us it is a flagrant violation of the vested rights of the States, an interference with State prerogatives.

Thus, while the people are demanding that these corporations shall be controlled, and asserting the existence of a power to do so, it seems we are unable to find where that power resides.

A convention recently held by a political organization in my own State has defined its position, and made an attempt to clear away the obscurity from this question.

The fifth article of its platform says:

> That all corporations are subject to legislative control; that those created by Congress should be restricted and controlled by Congress, and that those under State laws should be subject to the control of the State creating them.

When I make an application of this rule to Iowa, where it was intended to operate for the benefit of the people, I find I am still confused. I instance its application to one road in that State, the Chicago and Northwestern. The line operated by it embraces the one known as the Chicago, Iowa and Nebraska road, and the one known as the Cedar Rapids and Missouri River Railroad, both of which were organized and constructed under the laws of the State, and upon their completion each leased its line to the first-named company, when they were made links in the through line from Chicago to the Missouri River.

This platform says that Congress shall not regulate this company, because Congress did not create it. The State cannot regulate it, because the State did not create it; but it was the creature of another

State, whose control does not reach beyond its own limits. Under this rule the State may control the Cedar Rapids and Missouri River Railroad Company and the Nebraska Company; but these companies have long since leased their lines and passed out of the carrying trade.

The same is true of all the lines of road through the State on which the largest business is done—the Burlington and Missouri, the Dubuque and Sioux City, the McGregor Western, and the Mississippi and Missouri roads—all having leased their lines to corporations organized in other States, and engaged in interstate commerce.

Should this power of control operate upon the company who obtained the franchise, which merely owns the road-bed, having no interest in its business, except its annual rental; or should it operate upon the company which operates the road, owns its equipment, pays and controls its operatives, receives and contracts to deliver its freights and passengers, fixes the rates, and gets the money for their transportation?

In my opinion the regulation must depend upon the character of the commerce, which, when found to be of an interstate character, is clearly within the power of Congress.

I support this bill, not because I believe it contains every provision which might with advantage be inserted in it, but because it is a step in the right direction; and, if imperfect now, will inaugurate a system which may be perfected in time. I do not think an inflexible rule for the government of all roads would be successful, for all are not possessed of equal advantages. Hence the appointment of a commission, as contemplated in this bill, I deem a wise provision, calculated to facilitate an equitable adjustment of the subject under all circumstances.

It is no answer to the demand made for this legislative control to say that these railroads do not pay their owners, that their stockholders do not get large dividends. It does not alleviate the suffering of the farmer, who has been charged an extortionate rate by the railroad official, to be told that he has cheated his employers, and that the stockholder shares his sufferings.

We are asked to rely upon competition as a remedy for these evils; but I reply that competition will always be avoided as long as pools and combinations continue, and no power can be found to prevent or to regulate them.

This movement was the other day characterized by the gentleman from Pennsylvania [Mr. STORM] as one emanating from the West. Let me inquire if the people of the West have not reason to complain, as every people have when they are unable to get a fair compensation for their labor.

I close these remarks by referring to some figures taken from the Agricultural Reports of 1866 and 1871, as showing the reason why the people of the West complain. I find that in 1866 Iowa produced of corn 52,283,184 bushels, for which she received $23,000,000. In 1871 the production of corn was 99,600,000 bushels, for which she received $22,774,000. Thus, while her production increased 46,000,000 bushels, her receipts fell off $225,000. The six States of Iowa, Kansas, Nebraska, Wisconsin, Illinois, and Missouri produced a corn crop in 1866 of 273,000,000 bushels, and in 1871 of 444,000,000 bushels. In 1866 their value was $130,000,000, and in 1871 their value was $132,000,000. Thus, for an increased crop of 171,000,000 bushels of corn they only get an increased value of $2,000,000. In these figures may be found the reason why the people of the West demand cheaper transportation.

In the passage of this bill I will regard one step as having been taken in the direction of securing a remedy for these evils.

Mr. CANNON, of Illinois. Mr. Speaker, this bill in substance provides that railroads engaged in transportation of freight and passengers from one State to another shall not receive or demand more than a fair and reasonable compensation for the same, and for a violation of the act in this particular it provides a penalty in each case of not less than $500 nor more than $5,000; and it is made the duty of the United States attorney, in the proper district, to prosecute by appropriate action for the recovery of the same, and also renders the company liable to parties injured for damages caused by such violation, including a reasonable sum for attorney's fees; and further, for the appointment of nine commissioners by the President, by and with the advice of the Senate, who shall assist in the enforcement of the law, and make a separate schedule for each road of reasonable rates of charges for such transportation of freight and passengers from State to State; and if it shall appear upon trial of any suit that defendant has charged more than the rate fixed by schedule for such transportation, then such defendant shall be held guilty of extortion, unless he or it shall show affirmatively that the rate charged was nevertheless fair and reasonable.

This legislation is proposed to be had under that clause of the Federal Constitution which provides that Congress shall have power to regulate commerce between the States. Those who oppose the bill declare that Congress has no power in the premises, or, having the power, that it is not expedient to exercise the same. I desire briefly to advocate both the power of Congress to legislate in the premises, and the expediency of the legislation, and to answer such objections as are urged against the bill, at the same time submitting a few remarks upon transportation by water.

At the time of the adoption of the Constitution, and for many years after, commerce between the States was carried on by sailing-vessels and tow-boats, upon the navigable waters and rivers, and by coaches, carriers' carts, and wagons, on the land; and although from the means of transportation charges were high, competition was sufficient to regulate charges for services performed in the carrying trade, so that there was no extortion, for so far as transportation by land was concerned, if the same was profitable, any man who owned horses and a wagon could become a carrier, and compete successfully with others engaged in the carrying trade, and when such carriage ceased to be profitable he could convert his property and invest his capital in some other business, or could use it in tilling the soil, as might prove most profitable.

So as to water transportation. The coasts and rivers being natural highways of commerce, and free to all, it did not take a large amount of capital to provide vessels for the trade; and when a particular carrying trade ceased to be profitable, the vessels could be transferred to other lines or service. So competition was practicable, for the reason that the business in some shape or other was within the reach of the masses of the people.

When steam was applied to navigation it was within the power of individuals with small capital to place vessels in the trade, and in time vessels were attracted from one line to another by good rates, and almost any required number of vessels could be placed in a given trade within a few months. So competition was still sufficient to regulate prices for carriage of freight and passengers. So in making regulations for commerce between the States there was no necessity for providing additional penalties for refusal upon the part of common carriers to carry at a reasonable rate, as competition was practicable, did exist, and was sufficient to regulate the same.

Next the era of railways was inaugurated, and as they stretched their iron arms in every direction throughout the country, as the country was developed, settlements extended, and commerce increased, the former class of carriers by land disappeared, and the railroads do now substantially all the carrying except that which is done on the water.

Prior to this time the law of competition, as affecting demand and supply, had been effective, and naturally the people relied upon the same law to regulate prices of transportation by rail, and the General Government and many of the States granted lands and gave subsidies to assist in their construction, and very generally the counties, towns, and cities throughout the country gave large subsidies for the same purpose, hoping thereby that the law of competition would regulate charges for transportation in the future as it had in the past, and now we have in this country sixty thousand miles of railway in operation. Vain hope; for as the years have passed away it is demonstrated that railway corporations combine and consolidate with greater rapidity than they can be constructed, and to-day there is less competition between railroads than there was ten years ago. Experience, which is always a valuable school, but ordinarily an expensive one, has shown that we cannot hope for such competition; and if it be necessary to assign a reason for this, which all feel, from the merchant who ships his thousands of tons annually, to the humblest producer of the land, it is done concisely in the last report of the railroad commissioners of Massachusetts, as follows:

> It may now be taken as very generally conceded that railroads are, and from the very nature of things must always remain, practical monopolies; that the operation of the law of competition as affecting supply and demand can exercise a very limited control over them, and that even this limited control is rather of a disturbing than of an equalizing character. The supply of competing railroads is not and cannot be indefinite; nor does the increase in their number tend to diminish the cost of transportation; nor, when unprofitable in one place, can they be moved to another; nor can any excess of capital invested in them be released at will and otherwise used; nor can they be made to feel the influence of competition equally at all points which they serve.
>
> Competition is, however, made up of these very elements here wanting; it is their presence which supplies its effective regulating force to the operation of the natural laws of supply and demand. The popular mind has been slow to realize that they were here wanting; but, once the obvious fact is conceded, it follows that all the dealings of railroads with the community must either be unregulated, except by the intermittent action of a disturbing force, or else that they must be carried on under a greater or less degree of governmental interference.

I do not mean to say that the railways never have competitors as carriers. On the contrary, at all points adjacent to reliable water navigation, as soon as the same opens in the spring, and the vessels begin to carry their enormous loads of the products and manufactured articles of the country to market, the railways that have been carrying freights, while navigation was closed, at their own prices, under agreements between them, find that if they get business to do they must compete with boats and vessels; and while navigation lasts the rates are ordinarily reasonable from favored points; but no sooner does the ice king lay an embargo upon shipping than the managers of railways get together and by agreement arbitrarily advance the prices for transportation, and so they remain until navigation again opens.

Now, then, I know but two ways to regulate this carrying trade: one is by law, and the other by competition; and I think it wise to rely upon each. I have shown, however, that we cannot rely upon competition as between the railways, for if corporations operating sixty thousand miles of railway will not compete, pray how many miles of railway must be operated before they will compete? Then we must rely upon carriage by water for competition, for experience demonstrates that heavy, bulky articles can be transported most economically by water.

Professor William J. McAlpine illustrates this matter of transportation by water as compared with rail, as follows:

With many persons there is an idea that the railway has superseded the canal, and that the former now performs the chief part of the traffic of the country. While the latter is true in regard to interior short lines of trade, it is a serious error in reference to the great transportation between the agricultural West and the Atlantic. The Erie Canal, during the season of navigation, conveys more of this traffic than all the railroads together; more than all the trunk lines from the Saint Lawrence to the Potomac. The boats which come to tide-water have an average cargo exceeding that carried by the longest freight train on the Central Railway. During the busy season more than 150 such boats arrive daily, and their tonnage would require more than 150 freight trains. The greatest number is but 30 per day on the Central Railway. The Erie Canal, therefore, is performing more than five times as much business as the Central Railway. Yet the slow, plodding canal-boat attracts no attention, though burdened with more tons than the bustling, noisy, whirling freight train, which creates a sensation in every village through which it passes. The 4,000 canal-boats, of an aggregate of 1,000,000 of tonnage, moving 5,000,000 tons of cargo per annum, exceed the tonnage of the vessels engaged in the foreign commerce of this city [New York] even before the war.

The interests of the country demand that the products of the Mississippi Valley shall go free, by the way of the great lakes, to the markets of the world, without breaking bulk or reshipment, and that the great inland sea, Lake Michigan, shall be connected with the rivers of the West by making a ship-canal from Chicago to the Mississippi River, and the improvement of the Mississippi River should be immediately looked after by making a liberal appropriation to overcome the obstructions at its mouth. This is of especial importance, when we consider that from Cairo south navigation is open the whole year; and with this improvement made there would be substantial competition, by water, with railways for a great portion of the West and South in the winter as well as in the summer.

But I am reminded that those improvements will cost money, and that retrenchment is the order of the day. No man can or will go further than myself in that direction, so far as the same can be done without injury to the public service, but the country does not demand, nor will it sanction, a penny-wise and pound-foolish policy that would save an appropriation of cents for these improvements, for the want of which the loss to the people would be dollars. Yes, let us retrench; let us stop making appropriations for the erection of massive public buildings, and make them for the improvement of natural water-ways of the country; and if we will spend in the improvement of the Mississippi River a sum equal to what has been spent since 1865 in the erection of public buildings alone in the District of Columbia, ($14,000,000,) it would assist in the development of the country, and save untold millions of dollars to the whole people by way of saving upon freights. No one disputes the power of Congress in the premises, and the expediency of exercising that power is patent to all.

I now desire to call the attention of the House for a few minutes to the proposed legislation to compel railroads engaged in carrying from State to State to do so at a reasonable rate. It is a well-settled principle of the common law, that, I believe, is not controverted by any, that common carriers are bound to carry at a reasonable rate; and so far as the enforcement of that liability is concerned, as to commerce exclusively in a State, the power is in the State, and not in the Federal Government. In my State (Illinois) the constitution declares:

The General Assembly shall pass laws to correct abuses and prevent unjust discrimination and extortion in the rates of freight and passenger tariffs on the different roads in the State, and enforce such laws by adequate penalties, to the extent, if necessary for that purpose, of forfeiture of their property and franchises.

But the laws of a State cannot be enforced outside of its own limits, and when shipments are made, say from Illinois to New York, or *vice versa*, in transit, they must pass through many States; and even if it were practicable to agree in the enforcement of the obligation resting upon common carriers to carry for reasonable rates, we have no assurance that they would all do so. For instance, if the shipment was made by the way of the Pennsylvania Central, New Jersey or some other State might in the interest of her own citizens or corporations in her own territory permit or authorize them to charge excessive rates upon goods transported over her territory; and to remedy evils of that kind that existed under the Articles of Confederation, the Constitution provides—

That Congress shall have power to regulate commerce with foreign nations and among the States.

Many of the States since the adoption of the Constitution have attempted to affix burdens for their own benefit upon interstate commerce. For instance, Pennsylvania, in 1864, by an act of her Legislature, enacted that every railroad company should pay two cents per ton to the State for every ton of freight transported over her territory. Upon a hearing of a case arising under the law, the courts of Pennsylvania sustained the law. On appeal, however, the Supreme Court of the United States held that the State of Pennsylvania had no authority to enforce such law, for the reason that it was a regulation of commerce between the States, a burden upon goods shipped through the State, and that Congress had that power, and not the State. Justice Strong, in delivering the opinion of the court, used the following language:

Beyond all question the transportation of freight, or of the subjects of commerce for the purpose of exchange or sale, is a constituent of commerce itself. This has never been doubted; and probably the transportation of articles of trade from one State to another was the prominent idea in the minds of the framers of the Constitution, when to Congress was committed the power to regulate commerce among the several States. * * * Nor does it make any difference whether this interchange of commodities is by land or water; in either case the bringing of the goods from the seller to the buyer is commerce.

But we are told by some gentlemen who oppose this bill that true it is the State of Pennsylvania cannot collect a tax from the carrier of two cents per ton on freight passing through her territory from or to other States, but that the State of Pennsylvania (I only speak of that State as an example) has created railway companies which in connection with other railway companies are engaged in commerce between the States, and that such companies can, without reference as to whether the charges are reasonable, advance the charges, and so far practically as the producer and consumer are concerned (who in any event have it to pay) can lay a tax not of two cents per ton but of ten or twenty cents a bushel, in the way of a charge for transportation upon grain being transported over the territory of that State; and still we are told that Congress has no power, in the regulation of commerce between the States, to prohibit such extortion.

If that position be correct, then Pennsylvania can authorize a creature of her own creation to do indirectly that which she cannot in her sovereign capacity do directly, and if that can be done, then the power of Congress to regulate commerce between the States is a cheat, a fraud, a delusion. Pray, if Congress has not this power, what remedy has the producer or manufacturer when he is the subject of extortion? Shall he travel from State to State and litigate in the courts for the successive violations of the law by the railroad companies in refusing to carry at reasonable rates? That is not practicable. For instance, a citizen of Illinois shipping a car-load of grain from Illinois to New York, if he obtained redress under such regulation, then under conflicting and dissimilar laws, and sometimes in hostile courts, he would have to litigate in Indiana, Ohio, Pennsylvania, New Jersey, and New York. Such regulation would practically amount to a denial of justice.

My colleague, [Mr. EDEN,] and other gentlemen who claim that Congress has no power to compel railroads engaged in interstate commerce to carry at reasonable rates, cite in support of that position the remarks of Justice Strong, in the case last referred to, (15 Wallace,) which is in substance "that it is conceded that the owners of artificial highways have the right to exact what they please for the use of their ways."

In reply I have to say, if that is the law, it applies to States as well as the Federal Government, for the remark is made without qualification; but it is not the law. The question of the power of the State or Federal Government to control railways so as to make them carry at a reasonable rate was not before the court for consideration, and the remark of the justice was by way of argument and illustration; and he took the pains, no doubt for fear that some one would seize upon what was said incidentally as an announcement of the law, to especially state in the same connection (15 Wallace, page 278) that "all this, however, is abstract and apart from the case before us." And if further proof is needed that he did not intend to announce a principle of law, it can be found in the opinion of the same court afterward given by the same judge, and reported in 16 Wallace, in which it is said, in speaking of a railroad, "The use can be defined; its tolls and rates for transportation may be limited."

My colleague also claims that the common-law liability resting upon common carriers, to carry at reasonable rates, can only be enforced by the States, as the common law is not a part of the Federal law, and further, that he has been taught to look at the enumeration of powers in the Constitution for authority for congressional action.

In reply, Mr. Speaker, to that argument, I admit that the Federal Government is one of special powers, but when jurisdiction and power are given to it by the Constitution, as to such powers it is supreme. Section 8 of article 1 of the Constitution not only gives, in so many words, power to Congress to regulate commerce among the several States, but also authorizes Congress—

To make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof.

So, then, by express provision of the Constitution, as plain as words can give it as to this matter of commerce between the States, Congress has the power to adopt the common law in whole or in part, or to enact any other legislation that it may see proper, or that may become necessary, to regulate the same; and if it requires a decision of the Supreme Court to establish that which the common sense of every man tells him as to what commerce is, we have it, as before shown, namely, the Supreme Court has expressly held that "the bringing of goods from the seller to the buyer is commerce," and in the case under consideration commerce consists of the transportation of goods from a consignor in one State to a consignee in another State, by a railroad, for a price to be paid. That is the whole transaction, and is subject in all its parts to regulation by Congress.

The opponents of this bill say that Congress may regulate as to the kind of car, as to safety, &c., that shall be used, and that stock shall be watered at certain intervals, and matters of that kind; but as to the practical, most material part of the transaction, the price to be paid, as to whether it shall be reasonable or not, Congress has no power in the premises. If they be correct, then Congress only has power to make partial regulations as to commerce between the States; whereas the grant covers commerce in that case as an entirety.

My colleague also claims that the railroads were built under charters granted by the respective States, and that the charter is a contract

between the State and company building the road; and that, now the roads are built, the United States cannot step in and regulate charges of same for transportation.

In reply I say, it is not claimed nor does the bill under consideration provide for the regulation of commerce in any State; on the contrary, it is admitted expressly that such commerce is wholly under the control of the State where it is carried on; but the Constitution was in force at the time these roads were built, and their charters and rights are subject to the same; and when roads built under charters from different States form connections, or make consolidations, and engage in commerce from State to State, then that commerce is subject to regulation by Congress; and that is what is sought to be done by this bill.

Some gentlemen who concede the power of Congress in the premises deny the expediency of exercising that power, saying that it is not practicable to legislate upon this subject; that reasonable rates can only be ascertained by railway experts, and that it is placing too much power in the hands of nine commissioners to permit them, in their ministerial capacity, to ascertain what rates shall be *prima facie* reasonable.

I acknowledge that the enactment of practical legislation is not without difficulty, and I have no doubt but it will take time and experience to perfect the same, and in the ever-varying necessities of the country, no doubt additional legislation will, from time to time, be demanded. It is demanded upon almost all other matters that are subjects of legislation, and for that very purpose we have annual sessions of Congress; and he is but a poor statesman who refuses legislation upon a given subject when it is required, because of the difficulty in perfecting the same. The truth is, the longer it is deferred the more difficult it will be, and the sooner we start the sooner we will come to the journey's end.

My colleague [Mr. MCNULTA] has well said that it is safer to trust nine men without interest in the business, sworn to perform their duty, subject to removal by the President and under the supervision of Congress, to ascertain what charges shall be *prima facie* reasonable, than it is to trust five men, the controllers of the great trunk lines, whose chief desire in many instances is to make dividends upon watered and fictitious stock, to absolutely fix unreasonable rates amounting to extortion, and if Congress refuses or fails in the premises, then in the future, as in the recent past, the country is at the mercy of the sixty thousand miles of railroad now in operation.

Mr. Speaker, this question will be solved; if this Congress does not take a step forward the next will. The people have put their hands to the plow and will not look back.

I do not mean that it would be right or proper to oppress the railroad interest by onerous legislation. There is no such demand made. If the railway interest of this country is to be permanent it must have a fair living compensation for use of capital actually invested, (not dividends upon watered or fictitious stock,) and it would be suicidal to pursue a policy that would unjustly discriminate against that or any other interest. On the other hand, if the railway interest thrives unduly at the expense of the agricultural and manufacturing interests of the country, then those interests will deteriorate; and if the railways could succeed in perpetuating extortion, like the man in the fable who killed the goose that laid the golden egg, they will have destroyed the very interests that support and protect them.

Mr. Speaker, I am tired of hearing intimations that a large portion of the producers of the West are desirous, in the teeth of the Constitution and the laws, of depriving the railway interest of rights under the same. Such is not the case; nowhere can you find greater respect and love for the Constitution and the laws than you find among them. Nowhere can you find greater respect for the rights of all. This is sufficiently evidenced by the willingness with which they, in common with the masses elsewhere, periled their lives and spent their treasure in the late war in defense of the same. They are only seeking under the Constitution self-preservation. Even the worm when stepped upon as it crawls in the path before you, for its preservation turns and strikes at you.

We have tried competition and litigation for relief, and have failed; and now ask—not only ask, but demand—legislation by Congress in the exercise of its power under the Constitution.

Mr. Speaker, let us inquire for a moment who are opposing this legislation, and I will have done. The late war was precipitated by a party of men who, in their devotion to State rights and their enmity to what they chose to style the tendency to centralization, struck hands with the slave power and sought to overthrow the Federal Government and destroy the Constitution. They failed; and now we find extreme State-rights men acknowledging the abuses to be corrected, declaiming against centralization, and striking hands with the great railroad corporations, who have their advocates upon this floor seeking to defeat legislation upon this subject.

I, too, believe in the sovereignty of the States in their sphere. At the same time when the Congress is expressly authorized by the Constitution to do a certain thing—as it is in this case to regulate commerce between the States—then of necessity that power is plenary, and I for one feel that if we fail to exercise it we shall be recreant to the trust reposed in us.

Mr. MCCRARY. I move that the House now adjourn.

The motion was agreed to; and accordingly (at nine o'clock and thirty minutes p. m.) the House adjourned.

PETITIONS, ETC.

The following memorials, petitions, and other papers were presented at the Clerk's desk, under the rule, and referred as stated:

By Mr. ADAMS: A paper for a post-route from London to Green Hall, Kentucky, to the Committee on the Post-Office and Post-Roads.

By Mr. ARCHER: The petition of the trustees of Maryland Agricultural College, for relief, to the Committee on War Claims.

By Mr. ARMSTRONG: The petition of Margaret Clune, for a pension, to the Committee on Invalid Pensions.

By Mr. AVERILL: Resolutions of the Legislature of Minnesota, for an appropriation to improve the harbor of Du Luth, to the Committee on Commerce.

By Mr. BANNING: The petition of Andrew J. Vandegrift, of Covington, Kentucky, for extension of his patent No. 20,525, for a new and useful improvement in grain-separators, to the Committee on Patents.

By Mr. BUFFINTON: The petition of Hannah Mother, of Fall River, Massachusetts, for a pension, to the Committee on Invalid Pensions.

By Mr. CALDWELL: Resolutions of the Medical Society of Madison County, Alabama, in favor of the bill to increase the efficiency of the Medical Department of the Army, to the Committee on Military Affairs.

By Mr. CHIPMAN: The petition of Edward P. Torrey and William B. Tilton, for extension of patent, to the Committee on Patents.

Also, the petition of William Mass, of Washington, Hempstead County, Arkansas, to be compensated for preserving the public archives of the United States land office at Washington, Arkansas, to the Committee on Claims.

By Mr. CLEMENTS: The memorial of the Western Steamboat Association, asking that lights may be maintained upon the Grand Chain, near the mouth of the Ohio River, to the Committee on Appropriations.

By Mr. COX: The petition of John Ericsson, to be reimbursed for services rendered in planning and superintending the construction of the machinery of the United States steamer Princeton, to the Committee on War Claims.

Also, the petition of George C. Jenks, for relief, to the Committee on Claims.

Also, the memorial of Peter Cooper, Cooper, Hewitt & Co., and others, of New York City, asking such legislation as will insure the full success of the centennial celebration, to the Select Committee on the Centennial Celebration and the Proposed National Census of 1875.

By Mr. CRUTCHFIELD: Papers relating to the claim of William F. H. Fugua, of Rome, Tennessee, to the Committee on War Claims.

By Mr. DANFORD: The petition of citizens of Irondale, Ohio, for the repeal of the second section of the act of June 6, 1872, which reduced certain duties, to the Committee on Ways and Means.

By Mr. DUNNELL: The petition of Charles Thimmons, for relief, to the Committee on Claims.

Also, the petition of H. K. Balding, for relief, to the Committee on Claims.

By Mr. DURHAM: The petition of citizens of Boyle and Mercer Counties, Kentucky, for the appointment of a commission to inquire into the alcoholic liquor traffic, to the Committee on the Judiciary.

By Mr. FORT: The memorial of John W. Strevell and 380 other citizens of Livingston County, Illinois, in regard to the insufficiency of the present volume of the currency, and asking an increase of the same, to the Committee on Banking and Currency.

By Mr. GARFIELD: The petition of Samuel Brooks, of Painesville, Ohio, to be restored to the pension-rolls, to the Committee on Invalid Pensions.

By Mr. GIDDINGS: The petition of Pierce H. McBride, of Galveston, Texas, for relief, to the Committee on Invalid Pensions.

By Mr. GUNCKEL: The petition of Elias Anderson, late of the Twenty-second Ohio Artillery, for relief, to the Committee on Military Affairs.

Also, the petition of James Rounsfell, for a pension, to the Committee on Invalid Pensions.

Also, the petition of Selden M. Averill, for a pension, to the Committee on Invalid Pensions.

Also, the petition of sundry citizens of Ohio, for the appointment of a commission of inquiry concerning the alcoholic liquor traffic, to the Committee on the Judiciary.

By Mr. HAGANS: The petition of Rev. J. R. Hamilton, to be reimbursed for commutation money improperly paid, to the Committee on Claims.

By Mr. HAILEY: Numerous petitions of citizens of Idaho Territory, for the passage of the Portland, Dalles and Salt Lake Railroad bill, to the Committee on Railways and Canals.

By Mr. HAWLEY, of Illinois: Resolutions of the board of supervisors of Lee County, Illinois, in favor of the construction of a canal connecting the waters of Lake Michigan with the Illinois, Mississippi, and Rock Rivers, to the Committee on Railways and Canals.

By Mr. HAYS: The petition of the Medical Society of Madison County, Alabama, for the passage of the bill to increase the efficiency of the Medical Department of the Army, to the Committee on Military Affairs.

By Mr. HAZELTON, of Wisconsin: The petition of citizens of Jef-

ferson County, Wisconsin, for an increase of duty on imported hops, to the Committee on Ways and Means.

Also, the petition of Aaron Taylor, for a pension, to the Committee on Invalid Pensions.

By Mr. HERNDON: The petition of O. M. Roberts and B. H. Epperser, for themselves and colleagues, praying Congress to appropriate a sum sufficient to cover the expenses of the Senators and Members elected to Congress in 1866 from the State of Texas, and who failed to obtain their seats, to the Committee on Elections.

Also, papers accompanying the bill for the relief of J. A. Warren, of Tyler County, Texas, to the Committee on Claims.

By Mr. HOLMAN: Papers relating to the claim of Emanuel Mason, to the Committee on Claims.

By Mr. HOUGHTON: The petition, with accompanying papers, of citizens of Ventura County, California, for the passage of a law to enable them to contest a pretended Mexican title to certain lands and to enter the same, to the Committee on the Judiciary.

By Mr. KELLEY: The petition of Henry Holthausen, for relief, to the Committee on Foreign Affairs.

By Mr. KILLINGER: The petition of 96 workingmen at Palo Alto Iron Works, Schuylkill County, Pennsylvania, in opposition to the imposition of a tariff duty on tea and coffee, in opposition to any increase in internal taxes, and in favor of the repeal of the second section of the act of June 6, 1872, which reduced by 10 per cent. the duties on foreign imports, to the Committee on Ways and Means.

By Mr. LAWRENCE: The petition of W. K. Newman and others, of Logan County, Ohio, for a reduction in national expenditures and a reform of certain abuses, to the Committee on Appropriations.

Also, papers relating to the claim of Philip J. Buckey, to be reimbursed for occupation of his property near Tenallytown by United States troops, to the Committee on War Claims.

Also, papers relating to the claim of John Magee to be reimbursed for occupation of his property near Tenallytown by United States troops, to the Committee on War Claims.

Also, the petition of 118 citizens of Logan County, Ohio, for an acknowledgment of Almighty God and the Christian religion in the Constitution of the United States, to the Committee on the Judiciary.

By Mr. McCRARY: The petition of Austin Adams and other members of the bar of Dubuque, Iowa, for legislation to diminish the present excessive expenses of litigation in the Federal courts, to the Committee on the Judiciary.

By Mr. McDILL, of Iowa: The petition of B. F. Montgomery and others, members of the bar of Pottawatomie County, Iowa, for legislation to diminish the present excessive expenses of litigation in the Federal courts, to the Committee on the Judiciary.

Also, the petition of the bar of Mills County, Iowa, of similar import, to the Committee on the Judiciary.

Also, the petition of the bar of Fremont County, Iowa, of similar import, to the Committee on the Judiciary.

By Mr. McJUNKIN: The memorial of citizens of Mahoning Township, Armstrong County, Pennsylvania, in opposition to the imposition of a tariff duty on tea and coffee, in opposition to any increase in internal taxes, and in favor of the repeal of the second section of the act of June 6, 1872, to the Committee on Ways and Means.

By Mr. McKEE: Papers relating to the claim of the Roman Catholic church at Jackson, Mississippi, for compensation for the destruction of parish buildings by United States troops, to the Committee on War Claims.

By Mr. McLEAN: The petition of Granger Salmon, attorney in fact for John W. Monk, for relief, to the Committee on War Claims.

Also, the petition of William T. Blythe, attorney in fact for Robert McRea, for relief, to the Committee on War Claims.

By Mr. MERRIAM: The petition of 32 citizens of Port Leyden, Lewis County, New York, in opposition to the imposition of a tariff duty on tea and coffee, in opposition to any increase in internal taxes, and in favor of the repeal of the second section of the act of June 6, 1872, which reduced by 10 per cent. the duties on foreign imports, to the Committee on Ways and Means.

By Mr. MITCHELL: The petition of O. G. Van Dusen, guardian of Willis C. Pratt, minor child of R. M. Pratt, for a pension, to the Committee on Invalid Pensions.

By Mr. MYERS: The memorial of citizens of Philadelphia, owners and masters of coasting vessels interested in the navigation of the Potomac River, asking, in view of the risk and peril attending vessels in their passage through the draw-bridge at the Virginia channel of the Long Bridge over the Potomac, in the District of Columbia, that Congress shall require said draw and bridge to be altered to accommodate the increasing trade—the water-way of the draw to be enlarged to the full legal width, and the draw to be opened at any hour upon reasonable signal for the passage of vessels, to the Committee on the District of Columbia.

By Mr. PACKARD: Papers relating to the application of Alexander Vinnedge, formerly of Company B, One hundred fifty-fifth Indiana Volunteers, for the removal of the charge of desertion, to the Committee on Military Affairs.

By Mr. RICE: The memorial of the Chicago Board of Trade, for the removal of obstructions from the mouth of Detroit River and from the entrance of Buffalo Harbor, to the Committee on Commerce.

By Mr. ROSS: The petition of 94 citizens of Mansfield, Tioga County, Pennsylvania, in opposition to the imposition of a tariff duty on tea and coffee, in opposition to any increase in internal taxes, and in favor of the repeal of the second section of the act of June 6, 1872, to the Committee on Ways and Means.

By Mr. SCUDDER, of New Jersey: The petition of 38 citizens of Jersey City, New Jersey, of similar import, to the Committee on Ways and Means.

Also, the petition of 62 citizens of Jersey City, New Jersey, of similar import, to the Committee on Ways and Means.

By Mr. SENER: The memorial of T. R. B. Wright, Commonwealth's attorney for Essex County, Virginia, in relation to the destruction of county property by Federal troops, to the Committee on War Claims.

By Mr. SHEATS: The petition of the Madison County Medical Society, of Alabama, for the passage of the bill to increase the efficiency of the Medical Department of the Army, to the Committee on Military Affairs.

By Mr. SHELDON: The memorial of Dulland Williams, proposing to construct the Fort Saint Philip Canal on certain conditions, to the Committee on Railways and Canals.

By Mr. SMITH, of Ohio: The petition of John Kelly, for relief, to the Committee on Claims.

By Mr. STONE: The petition of 15 workingmen of Franklin County, Missouri, of similar import, to the Committee on Ways and Means.

By Mr. TOWNSEND: Several petitions of citizens of Pennsylvania, for the appointment of a commission to inquire into the results of the liquor traffic, to the Committee on the Judiciary.

By Mr. WILSHIRE: The petition of Captain John W. Bevins, for relief, to the Committee on Military Affairs.

IN SENATE.

TUESDAY, *March* 17, 1874.

Prayer by Rev. E. D. OWEN, of Washington, District of Columbia.

The Journal of the proceedings of Friday last was read.

EXECUTIVE COMMUNICATION.

The PRESIDENT *pro tempore* laid before the Senate a letter of the Secretary of War, transmitting to the Senate and House of Representatives a letter from the acting Chief of Ordnance relative to the adoption of the Gatling gun; which was, on motion of Mr. PRATT, referred to the Committee on Appropriations, and ordered to be printed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. McPHERSON, its Clerk, announced that the House had passed the following bills; in which the concurrence of the Senate was requested:

A bill (H. R. No. 2451) to improve the mouth of the Mississippi River;

A bill (H. R. No. 2452) to equalize pensions in certain cases;

A bill (H. R. No. 2453) to amend an act entitled "An act to revise, consolidate, and amend the laws relating to pensions," approved March 3, 1873;

A bill (H. R. No. 2454) to amend section 13 of an act approved March 3, 1873, entitled "An act to revise, consolidate, and amend the laws relating to pensions;"

A bill (H. R. No. 2455) granting an allowance to soldiers who have lost an eye;

A bill (H. R. No. 2456) to amend an act entitled "An act to revise, consolidate, and amend the laws relating to pensions," approved March 3, 1873;

A bill (H. R. No. 104) for the relief of James Coats, of Jackson, Mississippi;

A bill (H. R. No. 735) to increase the pensions of soldiers and sailors who have been totally disabled;

A bill (H. R. No. 2092) for the relief of John W. Divine, late assistant surgeon of the Eleventh Regiment of Tennessee Cavalry; and

A bill (H. R. No. 2190) to amend the act entitled "An act granting pensions to certain soldiers and sailors of the war of 1812, and the widows of deceased soldiers," approved February 14, 1871, and to restore to the pension-rolls those persons whose names were stricken therefrom in consequence of disloyalty.

The message also announced that the House had passed the bill (S. No. 360) making an appropriation for a topographical survey of the Capitol grounds, and plans for improving the same, with an amendment; in which the concurrence of the Senate was requested.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H. R. No. 1577) for the relief of Susan D. Galloway.

The message also communicated a concurrent resolution passed by the House in regard to the Government Printing Office.

The message further announced that the House had agreed to the amendments of the Senate to the joint resolution (H. R. No. 29) authorizing the Secretary of War to detail medical officers of the Army to inquire into and report upon the causes of epidemic cholera, with an amendment; in which the concurrence of the Senate was requested.

ENROLLED BILLS SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills and joint resolution; and they were thereupon signed by the President *pro tempore:*

A bill (S. No. 302) for the relief of Dr. Edward Jarvis;

A joint resolution (S. R. No. 6) in relation to the bronze statue of Jefferson, presented to Congress by Uriah P. Levy, late an officer in the United States Navy;

A bill (H. R. No. 919) to provide for the issuing and recording of commissions to postmasters appointed by the President by and with the consent of the Senate; and

A bill (H. R. No. 1577) for the relief of Susan D. Galloway.

PETITIONS AND MEMORIALS.

The PRESIDENT *pro tempore* presented a joint resolution of the Legislature of the State of Minnesota, praying an extension of time to complete certain lines of railroad in that State; which was referred to the Committee on Railroads.

He also presented a memorial of the Legislature of Wisconsin, in favor of the protection of the navigation of the Saint Croix River and the improvement thereof; which was referred to the Committee on Commerce.

He also presented a memorial of the Legislature of Wisconsin, in favor of a preliminary survey of the water-route between Lake Superior and the Falls of Saint Croix; which was referred to the Committee on Commerce.

He also presented resolutions of the Union League of New York City, in honor of the late CHARLES SUMNER; which were ordered to lie on the table.

He also presented the memorial of the Legislature of Wisconsin, asking for the necessary appropriations to complete the improvement of the harbors on the west shore of Lake Michigan, and of the Fox and Wisconsin Rivers; which was referred to the Committee on Commerce.

He also presented the memorial of the Legislature of Wisconsin, praying for an equalization of soldiers' bounties; which was referred to the Committee on Military Affairs.

He also presented the memorial of the Legislature of Wisconsin, asking for the repeal of the bankrupt law; which was ordered to lie on the table.

He also presented a memorial of the Legislature of Wisconsin, in behalf of William Hodson, late proprietor of a distillery in that State, for a rehearing as to the alleged wrongful collections of revenue from him; which was referred to the Committee on the Judiciary.

He also presented a memorial of the Legislature of Wisconsin, with accompanying papers, asking the removal of the charge of desertion from George Schwartz, late a private of Company F, Fifth Regiment Wisconsin Infantry; which was referred to the Committee on Military Affairs.

Mr. TIPTON presented a petition of citizens of North Carolina, Good Templars, praying for a commission of inquiry concerning the alcoholic liquor traffic in connection with pauperism, crime, the public health, and general welfare; which was ordered to lie on the table.

Mr. WRIGHT. I present the petition of Dennis & Keyes, F. R. West, Hoyt Sherman, and a large number of others, the best merchants, bankers, attorneys, and business men of Des Moines, Iowa, asking for such an increase in the circulating medium of the country as will remove the present stagnation in business of all kinds, assist and not retard the settlement and opening up of millions of the most fertile acres in the world, the growth of the cities and towns of the West and South, as will facilitate the removal of the immense products of the soil; a circulation which shall be, as far as possible, flexible and elastic, and in some measure equal to the wants of the whole country now and its promise for the future. I move the reference of the petition to the Committee on Finance.

The motion was agreed to.

Mr. WRIGHT. I also present a petition of J. W. Morse, T. P. Treynor, D. C. Bloomer, Samuel Haus, and many other business men and good citizens of Council Bluffs, Iowa, asking for the same legislation. I move the reference of this petition to the Committee on Finance.

The motion was agreed to.

Mr. FERRY, of Michigan. So much effort has been made to represent to the country that money is very abundant in the city of New York, the great commercial and financial center of the nation, that it would seem that the business men of the city are arousing to present their own views, and to show that it is a perversion of the true sentiment of the business men of that city, notwithstanding the expressions of the chambers of commerce and other organized forms that have been presented here formally through their immediate representatives. I hold in my hand a petition bearing some four hundred names of leading business men of the city of New York, some doing a business of millions annually. They have been pleased to commit this petition to my hands, and I very cheerfully present it. I will name some of the signers, that it may be known who they are. It is the memorial of H. W. Vincent, Goodwin & Brothers, George I. Forest, J. Kingan, C. H. Ludington, G. H. Bissell, Caswell, Hazard & Co., and 395 other merchants and business men of New York, protesting against the efforts being made to induce Congress to stop the issue of legal-tenders, and to increase the bonded indebtedness of the Government, and praying "that the volume of the currency be increased, especially the legal-tenders, and that provision of elasticity be made, so that business may again be safely resumed." I move that the memorial be referred to the Committee on Finance.

The motion was agreed to.

Mr. FERRY, of Michigan, presented the petition of Warren Hopkins and 7 others, disabled soldiers of the late war, praying Congress to so amend the homestead laws as to grant a soldier whose disability entitles him to not less than six dollars per month pension three years', and those whose disability is equivalent to the loss of a limb, four and a half years' time after entry in which to commence settlement on their homesteads; which was referred to the Committee on Public Lands.

He also presented the petition of Thomas Smith, a disabled soldier of the First Regiment of Michigan Light Artillery, praying that a pension be granted him; which was referred to the Committee on Pensions.

He also presented the petition of Oscar F. Brinton and others, citizens of Wayne County, Michigan, praying Congress to substitute in lieu of the national-bank notes a full legal-tender currency, issued directly from the Treasury, declared equal with coin and interconvertible with Government bonds, bearing interest at the rate of 3.65 per cent. per annum; which was referred to the Committee on Finance.

Mr. THURMAN presented the memorial of Ruth Vaux, praying to be allowed a pension; which was referred to the Committee on Pensions.

Mr. SCOTT presented the petition of S. M. Reynolds, late paymaster United States Volunteers, praying to be relieved from liability for certain moneys lost by him; which was referred to the Committee on Claims.

He also presented the petition of Michael Quarry, a citizen of the county of Huntington, in the State of Pennsylvania, praying for an act of Congress granting him a pension from March 4, 1872; which was referred to the Committee on Pensions.

He also presented the petition of Mrs. Susan McGoldrick, praying that she be allowed a pension; which was referred to the Committee on Pensions.

He also presented the petition and papers of Philip J. Buckey, praying relief for losses sustained by him by reason of the occupancy of his property situated near Tenallytown, District of Columbia, by United States troops engaged in the suppression of the southern rebellion, from October, 1862, to December 1, 1865; which were referred to the Committee on Claims.

Mr. LOGAN. I present a petition of a number of citizens of the town of Rankin, Illinois, asking for an increase of the currency; also a petition of citizens of Paxton, Illinois, with the same prayer; also a petition of citizens of Livingston County, Illinois, with the same prayer. I move their reference to the Committee on Finance.

The motion was agreed to.

Mr. LOGAN. I also present a petition numerously signed by business men and merchants of the city of New York, which I will read:

To the honorable the Senate and House of Representatives in Congress assembled:

Your petitioners beg leave respectfully to represent that they are greatly alarmed at the efforts being made by money-lenders to induce your honorable body to put a stop to the further issue of legal-tenders by the Secretary of the Treasury, and to compel him to increase the bonded indebtedness of the Government, in order to cancel and destroy the too limited and only currency on which the whole people draw interest; thus increasing taxation for the benefit of the foreign bondholder, while reducing the means and ability to pay.

The rapid and immense increase of the industry, resources, and wealth of the country, under the beneficent influence of this safe currency, in which all have confidence and interest, demands its increase rather than destruction. The experience of the last few years, especially in the fall, when the agricultural products of the year must be marketed, has demonstrated that there is insufficient currency to do the legitimate business of the country. Hence there has been increasing stringency in the market, causing great distress and alarm, by which money-lenders have been able to profit for weeks and months, to the extent of ¼ to ½ of one per cent. per day, and in extreme cases even as high as 2 per cent. per day, or from 45 to 700 per cent. per annum, and this in the money center of the continent. This has enabled a few men at such times, by locking up money, to aggravate the difficulty, and thus command their own terms, not a few of whom are now asking your honorable body to contract the currency that they may more effectually ply their infamous traffic.

These causes produced the late disastrous and ruinous panic, which will undoubtedly be reproduced with still more prostrating effects unless relief be afforded.

Your petitioners therefore respectfully ask that the volume of the currency be increased, especially the legal-tenders, and that provision of elasticity be made, so that business may again be safely resumed.

This is signed by about 200 of the business men doing the largest business in the city of New York. Through me they ask to have this petition presented and referred to the Committee on Finance.

The petition was referred to the Committee on Finance.

Mr. WINDOM presented a joint resolution of the Legislature of Minnesota, in favor of the improvement of the harbor of Du Luth; which was referred to the Committee on Commerce.

He also presented a joint resolution of the Legislature of Minnesota in favor of an extension of time to complete certain lines of railroad; which was referred to the Committee on Railroads.

He also presented a joint resolution of the Legislature of Minnesota, in favor of the establishment of a post-route from Saint James, in Watonwan County, via Cedarville, Lone Cedar and Dunnell, in Martin County, Minnesota, to Estherville, in Emmett County, Iowa; which was referred to the Committee on Post-Offices and Post-Roads.

He also presented a joint resolution of the Legislature of Minnesota, in favor of the establishment of a post-route from Marshall,

Minnesota, to Dell Rapids, Dakota Territory; which was referred to the Committee on Post-Offices and Post-Roads.

He also presented a joint resolution of the Legislature of Minnesota, in favor of the cancellation of certain conveyances of land granted to the State of Minnesota in aid of the construction of certain railroads and for the relief of settlers thereon; which was referred to the Committee on Railroads.

He also presented a joint resolution of the Legislature of Minnesota, asking that Government lands in that State to the amount of twenty sections be granted to the State in lieu of the twenty sections on the Winnebago Indian reservation, in Waseca and Blue Earth Counties, heretofore sold and conveyed by the General Government to private parties; which was referred to the Committee on Public Lands.

Mr. CHANDLER. I present a petition, numerously signed by citizens of Detroit; and as it is very brief I will read it:

We, the undersigned, citizens of Detroit, Michigan, respectfully represent to your honorable body that we are opposed to any inflation of the currency, and in favor of the return to specie payments at the earliest practicable moment.

This is signed by every class of citizens in Detroit, by money-borrowers and money-lenders, by ship-builders and ship-owners, by merchants and by lawyers; and the letter accompanying it says that 95 per cent. of the whole business community of Detroit are in favor of this petition. It is very numerously signed, and represents substantially the whole city of Detroit. I move its reference to the Committee on Finance.

The motion was agreed to.

Mr. RAMSEY presented a joint resolution of the Legislature of the State of Minnesota, in favor of a preliminary survey of the country between Saint Croix Falls and the Upper Mississippi River and Lake Superior, with a view to establishing water communication, by canal and locks and dams, between the navigable waters of said rivers and lake; which was referred to the Committee on Commerce.

He also presented a joint resolution of the Legislature of the State of Minnesota, respecting United States pension claims; which was referred to the Committee on Pensions.

He also presented a joint resolution of the Legislature of the State of Minnesota, relating to the mission to Sweden and Norway; which was referred to the Committee on Foreign Relations.

He also presented a joint resolution of the Legislature of the State of Minnesota, in favor of the improvement of the Minnesota River; which was referred to the Committee on Commerce.

He also presented a memorial of the Legislature of the State of Minnesota, in favor of an appropriation for the improvement of the Mississippi River from Saint Anthony's Falls to Sauk Rapids; which was referred to the Committee on Commerce.

He also presented a memorial of the Legislature of the State of Minnesota, in favor of the improvement of the Red River of the North; which was referred to the Committee on Commerce.

He also presented a joint resolution of the Legislature of the State of Minnesota, respecting the improvement of navigation on the Mississippi River; which was referred to the Committee on Commerce.

He also presented a joint resolution of the Legislature of the State of Minnesota, requesting their Senators and Representatives in Congress to procure such an amendment of the revenue laws of the United States as will permit the importation of all text-books free of duty; which was referred to the Committee on the Judiciary.

Mr. PRATT. I present the petition of sundry citizens of the city of Washington, who say that they are greatly wronged and aggrieved by the terms, conditions, and operation of an act of the Legislature of the District of Columbia, creating drainage and sewer sections in the city of Washington, approved June 29, 1873; and, therefore, they say, "as faithful citizens, in duty bound, we do in good faith and earnestness ask your honorable bodies to immediately repeal or modify said act so that taxation shall be in accord with interest and valuation." I move the reference of this petition to the Committee on the District of Columbia.

The motion was agreed to.

Mr. PRATT. I present in the same connection another petition, numerously signed by citizens of this District, on the same subject, with certain accompanying papers; and still a third petition, numerously signed, on the same subject. I move their reference to the same committee.

The motion was agreed to.

Mr. MORRILL, of Vermont. I present a petition of citizens of Indiana, in which they state that in view of the happy issue of our late arbitration with Great Britain, now so promptly and faithfully fulfilled, and the recent address of the British House of Commons to the Queen, praying her to instruct her principal secretary of state for foreign affairs to enter into communication with foreign powers, with a view to the further improvement of international law and the establishment of a general and permanent system of international arbitration, they earnestly pray the President of the United States and the honorable Senate and House of Representatives in Congress assembled to use all suitable endeavors for the attainment of this great and beneficent object, and, as a preliminary measure in the interest of general security, the reduction of national armaments, and they seek an express stipulation between nations that they will not resort to war until peaceful arbitration has been tried, and never without a full year's previous notice. I move the reference of this petition to the Committee on Foreign Relations.

The motion was agreed to.

Mr. MORRILL, of Vermont. I also present two other petitions, numerously signed by citizens of Indiana, to the same purport; also three petitions from citizens of New Hampshire, to the same purport; also three petitions from citizens of Ohio, one of them quite numerously signed, to the same effect. I move the reference of all these petitions to the Committee on Foreign Relations.

The motion was agreed to.

Mr. MORRILL, of Vermont. I present also the petition of Pliny T. Sexton, requesting that the forty-first section of the national-currency act be changed, because it taxes national banks in the several States in an unjust and inequitable manner. I move the reference of this petition to the Committee on Finance.

The motion was agreed to.

Mr. MORRILL, of Vermont, presented the petition of Mary Ryan, praying to be allowed a pension; which was referred to the Committee on Pensions.

Mr. WEST presented the petition of J. B. Chandler, of New Orleans, praying compensation for the transportation of the United States mails between certain points in Mississippi; which was referred to the Committee on Post-Offices and Post-Roads.

Mr. STEWART presented the memorial of William B. Wilson, asking compensation for transporting the United States mails between certain points in Nevada in 1865, 1866, and 1867; which, with his papers already on file, was referred to the Committee on Post-Offices and Post-Roads.

Mr. FRELINGHUYSEN presented the memorial of citizens of Utah, members of the bar of Salt Lake City, in favor of such necessary enactments as will enable the courts in that Territory to administer the law without confusion and embarrassment; which was referred to the Committee on the Judiciary.

He also presented the petition of James T. Barclay, praying the adoption by the Mint of the United States of his improvements to prevent the abrasion or counterfeiting of coin; which was referred to the Committee on Finance.

Mr. ALLISON presented a memorial of citizens of Dubuque, Iowa, protesting against any increase of currency and in favor of an early resumption of specie payments; which was referred to the Committee on Finance.

He also presented a resolution of the Legislature of the State of Iowa, in relation to a proposed canal from Rock Island, Illinois, to the Illinois River, at Hennepin: which was referred to the Committee on Commerce, and ordered to be printed.

He also presented five petitions of citizens of Iowa, praying for an appropriation to complete water communication between the Mississippi River and the great lakes, by the way of the Fox and Wisconsin Rivers; which were referred to the Committee on Commerce.

Mr. HAMLIN presented a memorial, numerously signed by ship-masters, ship-builders, and ship-owners in the town of Searsport, in the town of Stockton, and in the cities of Bangor and Belfast, Maine, praying for an appropriation for the erection of close fog-bells upon the coast; which was referred to the Committee on Commerce.

He also presented additional papers in the case of Colonel Joshua Harrick, praying to be allowed a pension; which were referred to the Committee on Pensions.

Mr. BUCKINGHAM presented a letter from the Secretary of the Interior, addressed to the chairman of the Committee on Indian Affairs, proposing an amendment to the twentieth section of the act regulating trade and intercourse with the Indians, approved June 30, 1834; which was referred to the Committee on Indian Affairs.

Mr. HARVEY presented a concurrent resolution of the Legislature of Kansas, memorializing Congress to pass an act to give to all United States district courts of districts bordering on the Indian Territory concurrent jurisdiction with the western district of Arkansas; which was referred to the Committee on the Judiciary.

He also presented a resolution of the Legislature of Kansas, requesting Congress to enact a law that will compel the perfecting of the title to land claims under railroad grants and the issuing of patents therefor; and, in case of failure of compliance with terms to be provided by law, that all lands so claimed shall be forfeited and revert to the Government of the United States for homestead and pre-emption purposes; which was referred to the Committee on Public Lands.

He also presented resolutions of the Legislature of Kansas, requesting Congress to make provision for auditing and paying the claims of citizens of that State for the loss of property taken or destroyed during the late civil war, by invasion of rebel armies or raids of guerrilla bands into the State; which were referred to the Committee on Claims.

He also presented a concurrent resolution of the Legislature of Kansas, requesting the Congress of the United States to appropriate $500,000 to pay claims of citizens of Kansas, awarded to them by a commission, for losses of property during the territorial troubles of 1855 and 1856; which was referred to the Committee on Claims.

Mr. BOGY presented the petition of Fayette McMullen, in behalf of Mary J. McMullen, praying that her alleged claim against the Government for money seized by the military authorities thereof may be referred to the Court of Claims for adjudication; which was referred to the Committee on Claims.

Mr. HAGER presented a concurrent resolution of the Legislature of California, in favor of the establishment of a mail-route in Sonoma County; also for the establishment of a post-office at Donahue, in that county; which was referred to the Committee on Post-Offices and Post-Roads.

He also presented a joint resolution of the Legislature of California, relative to the mail-route from Shasta City, Shasta County, to Lake City, in Siskiyou County; which was referred to the Committee on Post-Offices and Post-Roads.

He also presented a joint resolution of the Legislature of California, in favor of restoring to the public domain, certain lands reserved for the Atlantic and Pacific Railroad in the State of California; which was referred to the Committee on Railroads.

He also presented a concurrent resolution of the Legislature of the State of California, relative to the survey of the mountain grazing-lands of that State; which was referred to the Committee on Public Lands.

He also presented a concurrent resolution of the Legislature of California, in favor of the relinquishment of a portion of the Presidio reservation for a public park to the city and county of San Francisco; which was referred to the Committee on Military Affairs.

Mr. HITCHCOCK presented a petition of citizens of Richardson County, Nebraska, praying for an increase of the legal-tender notes; which was referred to the Committee on Finance.

He also presented the petition of L. H. Felt, late of the Seventh Kansas Cavalry, praying to be allowed additional bounty; which was referred to the Committee on Military Affairs.

Mr. MORRILL, of Maine, presented the petition of Elizabeth Davis, praying that she may be restored to a pension on account of services of her son, William L. Davis, late of Company E, Twentieth Regiment Maine Volunteers; which was referred to the Committee on Pensions.

PAPERS WITHDRAWN AND REFERRED.

On motion of Mr. SCOTT, it was

Ordered. That the petition and papers of Catherine E. Small, praying for a pension, be taken from the files and referred to the Committee on Pensions.

Mr. WRIGHT. During the last Congress the petition and papers of John S. Corlett, of Hamilton County, Iowa, were presented and referred to the Committee on Pensions, and they reported adversely. There was an accompanying bill which went on the Calendar and was pending at the adjournment of the last Congress. I supposed that I had had an order already to withdraw those papers from the files and have them referred to the Committee on Pensions. It seems the order, if made, has been overlooked. I now ask that the order be made.

The PRESIDENT *pro tempore.* The order will be entered, copies of the papers being retained.

Mr. WRIGHT. I ask, is there a necessity that copies shall be retained, where they are withdrawn to be referred to a committee?

The PRESIDENT *pro tempore.* The order will be entered without requiring copies, as the papers are to be referred at once.

REPORTS OF COMMITTEES.

Mr. BUCKINGHAM. I am instructed by the Committee on Indian Affairs, to whom was referred the memorial of the Legislative Assembly of Montana Territory, asking protection to the citizens of several counties there against the inroads of Indians, to ask to be discharged from its further consideration, and that it be referred to the Committee on Military Affairs, inasmuch as it asks for military protection.

The report was agreed to.

Mr. FERRY, of Michigan, from the Committee on Post-Offices and Post-Roads, to whom was referred the bill (H. R. No. 259) for the relief of James W. Glover, postmaster at Oxford, in the State of New York, reported it without amendment.

He also, from the same committee, to whom was referred the petition of Benjamin Cooley and James W. Boswell, praying compensation for carrying the mails to the United States troops in and around Poolesville, Maryland, from 1861 to 1864, submitted a report, accompanied by a bill (S. No. 595) for the relief of Benjamin Cooley and James W. Boswell.

The bill was read and passed to a second reading, and the report was ordered to be printed.

Mr. MERRIMON, from the Committee on Claims, to whom was referred the bill (S. No. 243) for the relief of Charles W. Denton, of Oregon, reported adversely thereon; and the bill was postponed indefinitely.

He also, from the same committee, to whom was referred the petition of H. W. Read, praying compensation for superintending the transportation of money belonging to the United States from Saint Louis to Santa Fé, New Mexico, in the year 1863, submitted a report, accompanied by a bill (S. No. 596) for the relief of H. W. Read.

The bill was read and passed to a second reading, and the report was ordered to be printed.

Mr. MERRIMON also, from the same committee, to whom was referred the petition of William A. Griffin, late superintendent of the national cemetery at Andersonville, Georgia, praying to be reimbursed for expenses incurred and losses sustained while in charge of said cemetery, submitted a report, accompanied by a bill (S. No. 597) for the relief of William A. Griffin.

The bill was read and passed to a second reading, and the report was ordered to be printed.

Mr. DAVIS, from the Committee on Claims, to whom was referred the memorial of Charles F. Sampson and others, principal owners of the schooner Ada A. Andrews, praying to be indemnified for losses sustained by them in consequence of the sinking of the said schooner by the United States steamer Ticonderoga, May 1, 1871, asked to be discharged from its further consideration, and that it be referred to the Committee on Naval Affairs; which was agreed to.

He also, from the same committee, to whom was referred the petition of Joseph San Roman, administrator of James B. Armstrong, deceased, of Cameron, Texas, praying the appropriation and payment of balance of a certain judgment of the Court of Claims against the United States, reported adversely; and the committee was discharged from the further consideration of the petition.

Mr. CONOVER, from the Committee on Revolutionary Claims, to whom was referred the bill (S. No. 95) for the relief of the heirs of Colonel Francis Taylor and Dr. Charles Taylor, reported adversely thereon; and the bill was postponed indefinitely.

Mr. ALLISON, from the Committee on Indian Affairs, to whom was referred the bill (S. No. 582) for the relief of A. B. Fisher, reported adversely thereon; and the bill was postponed indefinitely.

Mr. STEVENSON. I ask unanimous consent of the Senate to take up a bill for the benefit of the Louisville and Bardstown Turnpike Company.

Mr. PRATT. I have no objection to the consideration of that bill. I should be glad, however, to submit a few reports before it is taken up.

The PRESIDENT *pro tempore.* That is in the nature of an objection.

Mr. PRATT, from the Committee on Claims, to whom was referred the petition of Sarah F. Stapler, in behalf of the heirs of the late John Ross, praying compensation for property destroyed by rebels during the war of the rebellion, submitted an adverse report thereon; which was ordered to be printed, and the committee was discharged from the further consideration of the petition.

He also, from the same committee, to whom was referred the memorial of Samuel Jamison, of New Orleans, praying compensation for the use and occupancy by the United States of certain houses and lots in the city of New Orleans, from July, 1862, to October, 1865, submitted an adverse report thereon; which was ordered to be printed, and the committee was discharged from the further consideration of the memorial.

WILLARD DAVIS.

Mr. WRIGHT. The Committee on Claims, to whom was referred the bill (H. R. No. 1956) for the relief of Willard Davis, have had the same under consideration, and have instructed me to report it back without amendment.

Mr. INGALLS. I presume on the indulgence of the Senate to ask the present consideration of that bill. It has been reported by the House committee favorably, and by the Senate committee also, and there are certain reasons in connection with proceedings pending in the courts in Kentucky that render it desirable that the bill should be immediately passed.

Mr. SAULSBURY. I should like to hear some explanation of that bill before it is taken up.

The PRESIDENT *pro tempore.* Does the Senator object to its present consideration?

Mr. SAULSBURY. Not if I can have a satisfactory explanation.

Mr. WRIGHT. I will state for the benefit of the Senator from Delaware that Mr. Davis was a collector in Kentucky during the war, and during that time guerrillas were constantly in his district, and at times portions of his papers were taken by them and destroyed. It is, therefore, impossible to make a settlement with the accounting officers of the Treasury by reason of the absence of those papers. He has satisfied the accounting officers of the Treasury that he is entitled to about this credit, and they wrote a letter to the committee advising the passage of this bill, saying that they believe it right and just to Mr. Davis under all the circumstances; and upon the report of the committee in the House, together with the letter of the Commissioner of Internal Revenue to the House committee, and also to the Senate committee, this report was made.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill; which directs the proper accounting officers of the Treasury Department to pass to the credit of Willard Davis, late collector in the second and fifth collection districts of Kentucky, the sum of $14,338.33.

Mr. SHERMAN. I ask if there is a report in that case?

Mr. WRIGHT. There is a report accompanying the bill.

Mr. SHERMAN. And that sets out in full the facts?

Mr. WRIGHT. It does.

Mr. SHERMAN. Very well.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

TURKISH AND EGYPTIAN TRIBUNALS.

Mr. CAMERON. The Committee on Foreign Relations, to whom was referred the bill (H. R. No. 1015) to authorize the President to accept, for citizens of the United States, the jurisdiction of certain tribunals in the Ottoman dominions and Egypt, established, or to be established, under the authority of the Sublime Porte and of the government of Egypt, have instructed me to report it back favorably, and I am requested to ask for its immediate consideration.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

It provides that whenever the President of the United States shall receive satisfactory information that the Ottoman government, or that of Egypt, has organized other tribunals on a basis likely to secure to

citizens of the United States, in their dominions, the same impartial justice which they now enjoy there under the judicial functions exercised by the minister, consuls, and other functionaries of the United States, pursuant to the act of Congress approved the 22d of June, 1860, entitled "An act to carry into effect provisions of the treaties between the United States, China, Persia, and other countries, giving certain judicial powers to ministers and consuls, or other functionaries of the United States, in those countries, and for other purposes," he is authorized to suspend the operations of that act as to the dominions in which such tribunals may be organized, so far as the jurisdiction of said tribunals may embrace matters now cognizable by the minister, consuls, or other functionaries of the United States in said dominions, and to notify the government of the Sublime Porte or that of Egypt, or either of them, that the United States, during such suspension, will accept for their citizens the jurisdiction of these tribunals over citizens of the United States, which has heretofore been exercised by the minister, consuls, or other functionaries of the United States.

The bill also authorizes the President, for the benefit of American citizens residing in the Turkish dominions, to accept the recent law of the Ottoman Porte ceding the right of foreigners possessing immovable property in those dominions.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

THE CIVIL-RIGHTS BILL.

Mr. FRELINGHUYSEN. Mr. President, the Senate will remember that some five weeks since, on a discussion pending in the Senate as to the reference of the civil-rights bill, on my statement that if the bill was referred to the Committee on the Judiciary it would probably be reported back in a fortnight, the lamented Senator from Massachusetts, Mr. Sumner, without a vote, acquiesced in that proposition. I feel it due to the committee and to myself to state, that the committee have spent two days when the Senate was not in session, and two of their regular meetings, in considering and perfecting the bill, and that it is now ready to be reported by a majority of the committee; but, as the author of the bill has been taken away, I propose not to report the bill, or to call it up, until the chairman of the committee, [Mr. EDMUNDS,] who favors the measure, is here to take part in the debate, unless his absence should be protracted unreasonably, in which event the bill will be called up. Having made the proposition publicly, I have felt it due to myself and to the committee to make this explanation.

BILL INTRODUCED.

Mr. NORWOOD asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 598) to refund to the State of Georgia certain moneys expended by said State for the common defense in 1777; which was read twice by its title, and, with the accompanying papers, referred to the Committee on Revolutionary Claims.

LOUISVILLE AND BARDSTOWN TURNPIKE COMPANY.

Mr. STEVENSON. I now ask the Senate to take up the bill for the benefit of the Louisville and Bardstown Turnpike Company.

There being no objection, the bill (S. No. 384) for the benefit of the Louisville and Bardstown Turnpike Company, was considered as in Committee of the Whole.

It proposes to direct the Quartermaster-General of the United States Army to audit, adjust, and pay such sums as he may deem proper and just to the president, directors, and company of the Bardstown and Louisville Turnpike Road Company for two bridges on that road, one over Salt River, the other over Floyd's Fork, burned and destroyed by the order of General Nelson, in command at the time of the United States troops in Kentucky, as a military necessity, on the 22d of September, 1862; but the whole amount allowed under the act is not to exceed $13,600.

Mr. SHERMAN. That bill touches upon very delicate ground, and I should like to have the report read or an explanation made which will take it out of the ordinary case. The burning of a bridge by a public enemy, or by our own people during the war, to injure the enemy, ought not to be paid for, as a rule.

Mr. STEVENSON. This bill has been fully investigated by two or three Committees on Claims and unanimously reported.

Mr. SHERMAN. I would rather that the report be read.

The Chief Clerk read the following report, submitted by Mr. SCOTT on the 25th of February, 1874:

The Committee on Claims, to whom was referred the bill (S. 384) for the benefit of the Louisville and Bardstown Turnpike Road Company, submit the following report:

This claim was formerly reported upon in the first session of the Thirty-eighth Congress, by the Committee on Military Affairs of the House of Representatives, (report No. 121,) and again by the Committee on Claims in the Forty-second Congress, second session, (report No. 30,) when it passed the House, and was formerly reported by the Senate Committee on Claims, but failed to receive final action.

The report made in the Forty-second Congress was as follows:

"The Committee on Claims, to whom was referred the claim of the Louisville and Bardstown Turnpike Road Company, submit the following report:

"That the petitioner is the owner of the turnpike road leading from Bardstown toward Louisville to the junction with the road of the Louisville Turnpike Company, ten miles from the city of Louisville, in the State of Kentucky.

"That on the 22d day of September, 1862, two bridges on the complainant's road (one over Salt River and one over Floyd's Fork) were, by order of Major-General Nelson, commanding the United States forces, destroyed for the purpose of hindering and retarding the movements of the enemy, then on his celebrated march toward Louisville from the South. The destruction of the bridges fully appears by the orders of General Nelson, in the hands of the committee, and the certificates indorsed thereon by the officers who executed them.

"The company, immediately after these transactions, made a claim before the Quartermaster-General for compensation for the bridges destroyed, but the Quartermaster-General was of opinion that he had not the necessary legal authority to pay such a claim, and for that reason the claim in that form was abandoned. It was at the same time, however, suggested to the Quartermaster-General that the immediate rebuilding of said bridges would be of imperative necessity to the military service, to which he assented, and himself proposed that the turnpike company should proceed at once to rebuild the bridges, and rely on Congress to repay it for the outlay. This course seemed necessary on account of the dangerous floods to which those streams are subject, which rendered it inexpedient to build temporary bridges, as the Quartermaster's Department was in the habit of doing. All these facts appear in the communication from the Quartermaster's Department.

"The committee find that a report was made by Hon. Mr. Schenck, from the Military Committee, in the Thirty-eighth Congress, fully sustaining this claim, but which was not finally acted upon by the House. The report is printed, and this committee fully concur in its statements and conclusions. The passage of the accompanying bill is therefore recommended, upon the ground that the two bridges were rebuilt by the petitioner, to the great advantage of the military service, in pursuance of the recommendation of the Quartermaster-General, fully believing that Congress would repay the outlay thus incurred, and having good reason so to believe.

"The amount claimed to have been paid for the reconstruction of the bridges is $14,057.37, which is probably correct; but the committee prefer that the amount to be paid for replacing the bridges shall be audited by the Quartermaster-General, and paid by him. They have, therefore, adopted the bill of the Committee on Military Affairs, reported to the Thirty-eighth Congress, and recommend its passage."

This is a correct general statement of the case, and is concurred in by the committee, with this modification, that instead of allowing the company the cost of rebuilding the bridges, the sum to be paid should not exceed the actual value of the superstructures at the time they were burned; and they, therefore, report the bill with the limit fixed by the amendment recommended by the Senate committee in the Forty-second Congress, of $13,600, as the maximum sum that may be allowed, and recommend its passage.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

DISTRICT GOVERNMENT INVESTIGATION COMMITTEE.

Mr. STEWART. Mr. President, on the 13th of March—Friday last—just as the Senate was about to adjourn, the President *pro tempore* appointed me "chairman of the joint select committee on the part of the Senate to inquire into the affairs of the District of Columbia, in place of Mr. BOUTWELL, excused." A question having been raised as to the authority of the Chair to make that appointment, after examining the precedents I came to the conclusion that it was involved in great doubt, if in fact there was any authority at all for it, and I have declined to act, and have not acted under it. It seems important that the record of the Senate should be corrected in this respect. At all events, I do not feel warranted in acting under it. I submit the question to the Senate for their action.

Mr. THURMAN. Mr. President, I wish to make some observations upon this order which was made by the President *pro tempore* appointing the Senator from Nevada. I suppose I may say that it is a privileged question; but if not, I ask unanimous consent of the Senate to be heard upon it.

The order is in these words, as it is upon the Journal:

The President *pro tempore* appointed Mr. STEWART chairman of the joint select committee on the part of the Senate to inquire into the affairs of the District of Columbia, in place of Mr. BOUTWELL, excused.

Now, the first interpretation that would be given, I suppose, by everybody that read that order, or who saw it as it was in the CONGRESSIONAL RECORD, in somewhat different terms than it appears upon the Journal, would be, that the President *pro tempore* had assumed the power to appoint a chairman of a joint select committee. If that had been the intention, the objection to such an appointment would be too obvious to need any argument. The Senate itself could not appoint the chairman of a joint select committee. To do so would be an infringement of the privileges of the House of Representatives. Nor could the House itself appoint the chairman. *A fortiori*, neither the Presiding Officer of the Senate nor of the House could make such an appointment.

But I understand that the true intent and meaning of this order was to appoint the Senator from Nevada chairman of what has been called the Senate branch of that committee; and that raises an extremely important question, one to which the Senator from Pennsylvania [Mr. SCOTT] at a former session called the attention of the Senate, and for the remedy of certain evils connected with it introduced a bill which, it is much to be regretted, has not passed and become a law in order to remove the difficulty. If the intent of the Chair was to appoint a chairman of the Senate branch of that committee, such an appointment assumes this: that a joint committee consists integrally of two committees, that it is not integrally one committee but is integrally two committees; a committee of the Senate which has an integral existence, and a committee of the House which has an integral existence, but acting together in their consultations and coming to joint conclusions. If this be true, it necessarily follows that in every vote taken in the committee, in order to carry any proposition, there must be a majority of each of the committees. It further necessarily follows that in order to constitute a quorum, there must be a quorum in attendance of each of these committees, and in this particular instance there must be at least two Senators present and three Representatives, to make a quorum. Nothing less can make it; and in order to arrive at any conclusion, there must be an affirmative vote of two Senators and of at least three Representatives.

I am not going to argue the question whether a joint committee of the two Houses is integrally one committee, or whether it is inte-

grally two committees, because that very question is now being discussed by learned and diligent counsel before this very committee itself. And, sir, great questions turn upon it; for on the resolution, perhaps, of that question depends the further question whether your acts of Congress in regard to the production of papers and in regard to the testimony of witnesses, and exempting them from any prosecution for anything that they may testify before a committee, apply in this case. Nay more, sir, the question as to who shall administer oaths, whether there is any power to administer oaths, would arise, not in this particular instance it is true, because the joint resolution appointing this particular committee gives it the power to administer oaths and relieves it from all difficulty in that respect; but, looking at all these statutes, which are peculiar and which apply to the examination of witnesses before either House of Congress, or, to use the language of the statute, "before a committee of either House," not using the term "joint committee" at all, whether or not they apply to an investigation by a joint committee, will depend upon the solution of this very question whether a joint committee is integrally two committees sitting together and acting together, but still preserving each its separate autonomy. Therefore the appointment, if the Chair intended to appoint the Senator from Nevada as chairman of the Senate branch of that committee, assumes to decide this very question, this great and grave question, which has never yet been decided by either the Senate or the House of Representatives, nor, so far as I can find after some considerable research, by either House of Parliament. It assumes to decide that question, and rules that a joint committee consists of two separate and distinct committees. I do not know whether the Chair, in making that appointment, had considered that question and intended to decide it, and, as I said, I shall not argue against that decision in case such was the intention of the Chair, and that for the reason I have already stated. But I have this to say, that if it were admitted that the Senate branch of this committee is integrally a committee of the Senate, then, according to the well-established usage of the Senate, and according to well-established parliamentary law, the President had no power whatever to appoint a chairman of that committee. In other words, I deny the right of the Chair, unless specially authorized by the Senate, to appoint the chairman of any committee whatsoever. He may be authorized to appoint a committee, and then he names the committee, and they take rank in the order in which they are named; and by courtesy, not of the Senate, not of the Presiding Officer, but of the committee itself, according to parliamentary usage, the first named on the committee is generally permitted to act as its chairman; but that is mere courtesy, and the committee may at any time elect its own chairman.

In this very instance the joint committee yesterday, upon the Senator from Nevada declining to act on the committee and upon my statement that I declined to preside over the committee, proceeded to elect and did elect, as chairman, the Senator from Iowa, who was a member of the committee from its organization, [Mr. ALLISON.] The right of the committee to appoint a chairman will be questioned by no one, it is perfectly plain; and the same right which that committee had to appoint its chairman to preside over the joint deliberations, each branch of that committee has to appoint its chairman, if, in point of fact, we are two committees and not one; and it is mere courtesy, and nothing but courtesy, that allows the first named to act as chairman and preside over the deliberations.

But, sir, further than that, I deny the power of the Chair not only to appoint a chairman of this Senate branch of the committee, if it is to be considered as integrally a committee of the Senate itself, but I deny his right, in the light of the usage of the Senate, to put the Senator from Nevada or any other Senator above the Senators heretofore appointed on that committee, without the authority of the Senate. The Senate of course can do as it pleases; it may say that this man who is now at the head shall go to the foot, or shall go to the middle, or go anywhere, or be taken off the committee altogether; but the President of the Senate, I maintain, has no such power whatever; and that raises the question.

And now let us see how the matter stands; and I wish to do this, first, for a better understanding of the question, and secondly in justice to myself.

This committee was appointed under a resolution originating in the House of Representatives, as follows:

Resolved, (*the Senate concurring*,) That a joint select committee be raised, consisting of —— Senators, to be appointed by the President of the Senate, and five members of the House, to be appointed by the Speaker of the House, whose duty it shall be to inquire into the matters specified in the petitions of W. W. Corcoran and others; whether unlawful contracts have been made for public improvements in the District of Columbia; whether unlawful assessments and taxes have been levied; the actual cost of such improvements; the amount agreed to be paid therefor; whether correct measurements have been made; the existing indebtedness on account thereof, and what, if any, portion of such indebtedness was created on account of Government property, and may be properly paid out of the Treasury of the United States; and inquire and report what amendments of the organic acts, if any, are necessary to further protect the rights of citizens or regulate the disbursements and collection of moneys; that said committee shall have power to employ a clerk and stenographer, to administer oaths, and send for persons and papers, and shall report to the Senate and House of Representatives.

The message from the House showed the names of the members of the House who had been appointed on the committee. These proceedings took place upon that resolution being received in the Senate:

The PRESIDENT *pro tempore*. Will the Senate proceed to the consideration of the resolution at the present time? If so, the first question will be on filling the blank.

After some remarks by the Senator from Maine [Mr. HAMLIN] the Chair announced that there was no objection to the consideration of the resolution, and then, on motion of the Senator from Maine, [Mr. HAMLIN,] the blank was filled with the word "three," and the Senate agreed to the resolution. Then follows:

The PRESIDENT *pro tempore* subsequently appointed Messrs. FRELINGHUYSEN, BOUTWELL, and THURMAN the committee on the part of the Senate.

There is no designation of a chairman; the resolution authorized no designation of a chairman; it was simply an appointment in the usual form; and if all the members appointed had served, by courtesy the Senator from New Jersey, being the first named, would, undoubtedly, have been allowed to preside over the deliberation; but the Senator from New Jersey declined to serve. He asked to be excused on the same day, and then these proceedings took place:

The PRESIDENT *pro tempore*. Will the Senate excuse the Senator from New Jersey?

The question being put, Mr. FRELINGHUYSEN was excused.

The PRESIDENT *pro tempore*. In consequence of the vacancy occasioned on the joint select committee on the affairs of this District by the Senate excusing the Senator from New Jersey, [Mr. FRELINGHUYSEN,] the Chair will appoint the Senator from New York, Mr. CONKLING.

Now, mark it, the Chair did not assume to appoint Mr. CONKLING to the chairmanship of the committee, or to fill the place on the committee that had been occupied by Mr. FRELINGHUYSEN, but simply appointed him a member of the committee. Then Mr. CONKLING asked to be excused, and he was excused. The Senator from Maine [Mr. MORRILL] was next appointed, but he declined and was excused. Then, on the 11th of February, the Chair filled up the vacancy—a vacancy, mark it, that had been created by the Senator from New Jersey first declining to serve, and then by the Senator from New York declining to serve, and then by the Senator from Maine declining to serve. The committee at that time stood in the order of rank, so to speak, BOUTWELL first, THURMAN second, and a vacancy. The Chair thereupon appointed as follows:

The PRESIDENT *pro tempore*. Before the Senate proceeds to the consideration of the bankrupt bill, the Chair will state, in regard to the vacancy on the joint select committee, on the memorial of W. W. Corcoran and others, created by the Senate excusing the Senator from Maine [Mr. MORRILL] from service, that he appoints the Senator from Iowa, Mr. ALLISON—

Now mark—

so that the committee now, under the rules of the Senate, will stand: the Senator from Massachusetts, [Mr. BOUTWELL,] the Senator from Ohio, [Mr. THURMAN,] and the Senator from Iowa, [Mr. ALLISON.]

That is, Mr. ALLISON, instead of being put in the place of Mr. FRELINGHUYSEN, or Mr. CONKLING, or Mr. MORRILL of Maine, was put at the foot of the committee, as the President declared, in accordance with the rules of the Senate; and that statement was literally correct, as I will now proceed to show; for such is the rule and determination of the Senate, and has been always, with, I believe, but one single exception to be found in the history of the Senate. I find in the Manual, on page 144, this statement:

The Vice-President requested the sense of the Senate whether, in appointing a member of a committee in the place of a chairman resigned, he was to understand it to be the appointment of a chairman, or of a member to fill up the number of the committee; and it was determined that the filling of vacancies by the Vice-President should be only filling the vacancies in the number of the committee.

I have the debate before me when that took place, and the decision; and as it is not very long I will ask the Senate to hear it, for this is an important matter that touches the privileges and feelings of Senators.

Mr. HOWE. Will the Senator be good enough to tell me when that decision was made?

Mr. THURMAN. I have it here; it was made on the 25th of January, 1848. I read from the Congressional Globe for that year, page 209:

On motion, Mr. Bradbury was excused from serving on the Committee on Printing; Mr. CAMERON from the Committee on Commerce; Mr. Yulee from the Committee on Private Land Claims, and Mr. Dickinson from the Committee on Patents.

Some of these gentlemen were chairmen of the committees that they asked to be excused from service on.

The PRESIDING OFFICER stated that he was somewhat embarrassed as to the intention of the Senate in regard to these appointments; whether the chairmen were to be designated by him, or merely appointed to complete the number.

That brought up the precise question whether, where a chairman resigned, the Chair could appoint a chairman or only appoint a member of the committee.

Mr. MANGUM. I understand that the practice of the Senate has been that the Chair simply appoint a member of the committee. I believe that, under parliamentary rules, every committee has a right to make its own chairman; but it has been the invariable practice here to accede to the rule, when the appointment is given to the Chair, that the first named on the committee shall be chairman. Still I think it is within the competency of the committee to displace that chairman at any time and appoint another. But when a vacancy occurs the usage, I think, has been simply to appoint a committeeman.

Then followed Mr. Sevier, who stated the only exception to that usage that I have been able to find; and he did it thus:

Mr. SEVIER. In regard to the practice of the Senate, I happen to recollect one instance which occurred, in relation to a committee of which I was a member—I mean the Committee on Indian Affairs. Judge White had been our chairman for many years. I happened to be the second on that committee. When Judge White resigned his seat in the Senate, the then Presiding Officer of the Senate appointed Mr. Tipton to be chairman.

Mr. CALHOUN. I think the practice has been different—

That is, different from this appointment of Tipton—

I know there have been cases where the chairmen have been appointed by the Presiding Officer; but I think the principle is, that the Chair appoints the committeemen, and it belongs to the committee, where it is not otherwise provided for, to say who shall be chairman.

Mr. YULEE.

Now, I ask particular attention to what Mr. Yulee said, because he had carefully examined the question.

Mr. YULEE said that he had occasion recently to make some little examination of the subject. A vacancy occurred in the Committee on Naval Affairs, and a motion was made, in the terms usual on such occasions, and a member was appointed in the usual manner, and the committee, on examination of the question, found that the precedents were unbroken, that when appointments were made to fill vacancies by the Presiding Officer, under the authority of the Senate, the member appointed takes his place at the foot of the committee. The committee always appointed their chairman unless the Senate thought proper to designate the chairman. This was the case with the Committee on Foreign Relations; but the Committee on Naval Affairs, referring to the precedent of the Committee on Finance and an unbroken series of precedents, considered that to be the rule existing. The case referred to by the Senator from Arkansas did not fall under the observation of the Committee on Naval Affairs.

Mr. SEVIER read from the Senate Journal the case to which he had referred, to show that it was competent for the Vice-President to appoint any Senator he pleased.

The PRESIDING OFFICER then put the question—

The matter was brought directly before the Senate for its decision, whether he could appoint a chairman in place of a chairman resigned, or whether he could only fill up the committee and the member appointed by him go to the foot of the committee.

The PRESIDING OFFICER then put the question, "Shall the appointments be limited to filling up the number?" and

It was decided in the affirmative——

Without, so far as appears, one single dissenting voice.

Mr. SCOTT. Will the Senator from Ohio permit me to ask, for information, at that point, whether before the announcement of the vacancy was made any questions were made as to the power of the President to appoint a member on the committee to fill the vacancy without previous authority from the Senate? That is, was there any decision of the question between the power of the Chair to appoint a chairman and his power to appoint a member, without the previous action of the Senate?

Mr. THURMAN. My impression is that at that time, January 25, 1848, under the rule of the Senate, all committees were appointed by the Presiding Officer. That had originally been for a little while the practice of the Senate. Afterward the Senate took the appointment of committees into its own hands, and very properly, upon the ground that the President of the Senate, the Vice-President of the United States, was not appointed by the Senate and not amenable to the Senate; and therefore the Senate saw fit to take the appointment into its own hands. That has generally been the rule ever since. That was the rule all the time during General Jackson's administration, when the whig party was in a majority in the Senate. It would not trust the democratic Vice-President with the appointment of the committees; it took the appointment into its own hands; and that continued pretty generally to be the rule. But my impression is that under Mr. Polk's administration, when a majority of the Senate were democrats, and the Vice-President, Mr. Dallas, of Pennsylvania, was also a democrat, the old usage for a time was restored, and the Vice-President appointed the committees. At all events it is very certain here that authority was given to fill up these committees.

Mr. President, only a few words more, for I know I am trespassing on the time of my friend from Illinois, [Mr. LOGAN;] but as I have taken very little of the time of the Senate this session, I hope he will forgive me, and I shall not trespass on his time long.

What is the parliamentary law on this subject? It is perfectly plain. In Jefferson's Manual, which will be found in our Manual at page 221, it is said of committees:

Standing committees, as of Privileges and Elections, &c., are usually appointed at the first meeting, to continue through the session. The person first named is generally permitted to act as chairman. But this is a matter of courtesy; every committee having a right to elect their own chairman, who presides over them, puts questions, and reports their proceedings to the House.

That is, every committee is entitled to elect its own chairman, unless it is otherwise ordered. In regard to our standing committees, we know that they are appointed by the Senate itself, under special order, by election, and therefore the committee has no power to elect a chairman; the Senate does that for the committee. But in regard to select committees it is otherwise, and the committee has a right to select its own chairman.

I wish to say one word further on this subject, to show how improvident it would be if a person to be appointed were not placed at the foot of the committee, if he were to be placed at the head of the committee, to be made the chairman of that committee; and I cannot illustrate it better than by this very case. Here this joint committee has been in session off and on for nearly four weeks; it has taken a large mass of testimony, and accumulated a much larger mass of documentary evidence. It has acted with perfect harmony, and according to a system of investigation that was fully discussed at the early meetings of the committee, and determined on and acted on steadily ever since, and I may be allowed to say that no one yet has been found to question the fairness and the propriety of the proceedings of that committee. Now, would it not be strange if, after the committee had thus acted for between three and four weeks, heard testimony, heard counsel, accumulated documentary evidence, studied it and the laws, at this late hour a Senator, perfectly ignorant of what has been done, and having no means of knowing except by trying to catch up by reading four or five hundred pages of print, should be put at the head of that committee?

It does seem to me, therefore, that the wisdom of the rule is perfectly apparent, that when a new man is appointed on a committee he goes to the foot; but he goes to the foot of the committee for another reason. What is the parliamentary law? The parliamentary law is that the committeemen take rank, so to speak, in the order of their appointment; the man first appointed is by courtesy allowed to act as chairman by the committee itself; if he is absent the second man on the committee presides and acts as chairman, and so on; and now if the Senator from Nevada is appointed a member of this committee, when was he appointed? He is the last named; he is not the first named, nor the second named, nor the third named, but he is the last named, and he must take his place below those who were named before. Of course the rights of every member are equal. There is no superiority of right or power in one over the others; but as a question of their rank and of their presiding in the absence of the chairman elected by the committee, and where they preside by the courtesy of the committee according to the order in which they were named, the Senator last named must be at the foot of the committee.

I say, further, that it is essential to the Senate and to the preservation of that good feeling in the Senate which, I am happy to say, has marked the Senate ever since I have been in it, and to that courtesy which is due to the members of the Senate, that men who have served on a committee shall not be overslaughed in this way. I have no interest in it myself. This committee, in the exercise of its undoubted power, appointed a chairman yesterday, a chairman with whom every member of the committee is content, and with whom I venture to say the Senate, the House, and the country will be content—the Senator from Iowa, [Mr. ALLISON.] And I wish to say that so far from having any desire to preside over this committee, the moment the Senator from Massachusetts who had become the head of the committee [Mr. BOUTWELL] was excused, I let it be known, as members of the committee can bear me witness, that I did not intend to preside over the committee, but that as soon as the committee was filled I should ask the committee to elect a chairman.

Why did I not want to preside over the committee? I was not disqualified from presiding over it, but I did not want the additional labor and responsibility that devolve upon the chairman of such a committee. But there was still another reason why I did not want to preside. I had not sought a place on the committee; I would have been glad to have been excused from it; but I did not feel at liberty to ask to be excused, and I did not want to add to my labors by being presiding officer of that committee. But I say there was still another reason. Although there is not, so far as I know, any political question or party question whatever involved in this investigation, and so far as I am concerned there shall be none—although no such question has yet shown its head in that committee, nor do I know that any such will, and none such shall influence me, and I believe none such will influence the other members of the committee, yet I recognize the right of the dominant party in Congress to have the chairmanship of that committee. I recognize the right of the dominant party to have the chairmanship of any committee before which political questions may arise; and therefore, as soon as the Senator from Massachusetts asked to be excused and was excused, I signified my purpose to ask for the appointment of a chairman of the committee as soon as that committee should be filled, and to decline being voted for or receiving any such appointment myself. And yesterday, I may say, as the record of the committee read in open session this morning will show, when the Senator from Iowa was appointed chairman, it was after I had distinctly declared to the committee that I did not wish to continue to preside over it. I have, therefore, no feeling about this matter; but I do think that the privileges and the feelings of members of the Senate are concerned in this business, and that it is contrary to the usages of the body, and contrary to propriety, and contrary to that good feeling which ought to exist in this Senate, to overslaugh members who have served on a committee, and served for weeks upon it, engaged in laborious duties, by the appointment of somebody to go above their heads.

The PRESIDENT *pro tempore*. The Senator from Nevada asks to be excused from further service on the committee.

Mr. STEWART. No; I decline to act under this appointment, and ask to be excused from acting at all under it. I said that I did not think the appointment was regular, and had so stated to the committee after my attention was called to the subject. I want my position exactly understood. The appointment made me chairman. I did not choose to act at all on the committee under the appointment, or have anything to do with it, and I have called the attention of the Senate to the fact. I believe the Senate will come to the same conclusion that the Senator from Ohio has, that the appointment was irregular; but I may be mistaken about that.

The PRESIDENT *pro tempore*. Does the Chair understand the Senator from Nevada as asking to be excused?

Mr. STEWART. From acting under that appointment.

Mr. SHERMAN. I hope the Chair will be instructed to fill the vacancy on the committee without excusing the Senator. I suppose there is a question of parliamentary law, a mere technical question, as to whether he is chairman of the committee or a member of the

committee. I think it is scarcely worth while for us to discuss that here, though my colleague has expressed his opinion. I hope the vacancy will simply be filled, and that the Senator from Nevada will serve as a member of the committee.

Mr. HAMLIN. It seems to me this whole matter has been solved, and in a manner satisfactory to the Senate, by the action of the committee itself. I certainly concur in the view expressed by the Senator from Ohio [Mr. THURMAN] as to the question of the power of the Chair; I believe he has stated the practice of the Senate aright, that unless there be an express order of the Senate authorizing the Chair to appoint the chairman of a committee, he cannot do so; and unless that be expressly granted by the Senate, the man who is first named is only chairman by courtesy; and if there be none of those powers given to the Presiding Officer, it is within the power of the committee to elect its own chairman. They have done so in this case. It seems to me that ought to end this matter; and if there be any necessity for correcting the record the Chair can reappoint the Senator from Nevada, or let us amend the record and have his appointment stand on the Journal simply as a member of the committee.

The PRESIDENT *pro tempore*. The Senate will indulge the Chair one moment on this subject. The Chair has no doubt that he will be believed when he says that he has no desire, and has had no intention, to usurp any authority, or to do more than he was compelled to do in regard to this committee of investigation. He has appointed several Senators, who have been excused by the Senate, and has appointed others to fill their places. The resolution provided that "a joint select committee be raised, consisting of —— Senators, to be appointed by the President of the Senate, and five members of the House, to be appointed by the Speaker of the House." The opinion of the Chair was, without much reflection upon the subject and utterly unaware that he was entering upon doubtful ground, that the power possessed by the Senate in creating its committees was by this resolution conferred upon the Chair, and that if the Senate could elect a chairman, the Chair had power under this resolution to appoint a chairman for the committee on the part of the Senate; though the two committees might elect any one of either committee to preside over their joint deliberations and proceedings.

In the first appointment that was made the Senator from New Jersey [Mr. FRELINGHUYSEN] was not designated in words as chairman; but, what was exactly equivalent to that, he was placed at the head of the committee, which, according to all usage, made him chairman, if there could be any chairman of the Senate branch of the committee. The Chair was under the impression that there were two committees and not one; that they met and acted jointly, as a committee of conference meets and acts jointly; but that each committee represented its own House; and, as the Senator from Ohio has well said, if that be not so, there is no statute whatever, as I understand, to punish perjury or to authorize this committee to send for papers or do anything else. It is upon the theory that there is a committee of the Senate and a committee of the House jointly at work in the investigation of a fact, that the law authorizes witnesses to be sent for, papers to be demanded, and denounces the penalty of perjury for false swearing. That was the impression of the Chair, and it was the intention of the Chair in each appointment to appoint a chairman of the Senate branch of the committee.

The Senator from Ohio reads from the RECORD that when Mr. ALLISON was appointed the Chair announced that the committee, according to the usages of the Senate, would then stand: Mr. BOUTWELL, Mr. THURMAN, and Mr. ALLISON. If that be so, it was an inadvertence on the part of the Chair; the Chair intended to say that the committee would stand, Mr. BOUTWELL, Mr. ALLISON, and Mr. THURMAN, supposing that the Chair had authority to reappoint to the first place or the chairmanship of the committee, and Mr. ALLISON having requested not to be made chairman. But of course the Chair will be very glad to be directed by the Senate in this matter, and will obey its direction cheerfully and gladly.

Mr. THURMAN. I certainly did not intend to impute any wrong motive to the Chair.

The PRESIDENT *pro tempore*. The Chair did not understand the Senator to do so.

Mr. THURMAN. The Chair knows me too well to suppose I could do such a thing as that. But I wish to say that the original appointment of a committee is one thing, and the filling up a vacancy on that committee is another thing. If the Chair was right in its interpretation, whenever the appointment of a committee was given to the Chair the Chair, would have a continuing power to appoint a chairman of that committee forever, as long as the committee had an existence.

The PRESIDENT *pro tempore*. The Senator will allow the Chair at that point to make a suggestion to him for his consideration. The present impression of the Chair is that, technically, the Chair had no power to do anything under this resolution, except to make the first appointment of the committee. The resolution does not authorize the Chair to fill a vacancy that may occur after the original appointments; but the Senate excused Mr. FRELINGHUYSEN, and the Chair appointed another, who was also excused, and so on.

These subsequent appointments were made by the Chair, upon the theory that what the Senate could do in regard to any of its committees the Chair was authorized by this resolution to do in regard to this committee. And the Chair is still inclined to think that if the Senate can name the chairman of a committee, and subsequently, on the resignation, appoint another chairman, of which the Chair entertains no doubt, the Chair had authority to do the same thing in this case, provided he had any authority under the resolution to do more than make the first appointment. But upon this point the Chair is inclined to think he erred, and for that reason the appointment of Mr. STEWART as chairman in this instance was irregular. The Senate can, however, direct an amendment of the record so as to show that Mr. STEWART was appointed to the committee, and this will be a ratification by the Senate.

Mr. THURMAN. I beg leave to say that I think the Chair is in error in that opinion. There is no such power as that of the Senate devolved on the Chair, except in the first instance to appoint the committee. In regard to the appointment of Mr. ALLISON, who came in afterward, that was perfectly proper, because the Senate wing of the committee never was full until the appointment of the Senator from Iowa. The whole thing was *in fieri* until then; everybody had been excused who was appointed except the Senator from Massachusetts and myself. But to put an end to all trouble upon this, I ask leave to move that the Chair do now fill up that committee by appointing a member.

Mr. SHERMAN. It seems to me it is only necessary to change the Journal. I am rather disposed to do that.

Mr. THURMAN. Very well; I prefer that.

Mr. SHERMAN. Let the Senator from Nevada stand as a member of this committee, and by the parliamentary custom laid down in Jefferson's Manual he takes his place on the committee as a member, and the committee have the undoubted right to elect a chairman.

Mr. MORRILL, of Maine. It seems to me that the logic of the law of the Senator from Ohio [Mr. THURMAN] raises a difficulty which has not been contemplated. According to his notions of the constitution of this joint committee, there had been in fact no committee; there had been no legal chairman of the committee until the committee chose a chairman the other day. In the mean time the proceedings have advanced some two or three weeks; and if the difficulties that occur to the Senator now as being involved in the appointment of the Senator from Nevada are real, then the committee is already involved in those difficulties.

Mr. THURMAN. By courtesy, the first named acts as chairman.

Mr. MORRILL, of Maine. If by courtesy, or by law, or by usage, he was chairman, then he was chairman to all intents and purposes. Now, how was this committee constituted? By a joint resolution; but this part of it which pertains to the Senate of the United States, and the appointment of the committee on its part, was absolutely and unqualifiedly the act of the Senate of the United States. So far as the resolution is concerned, as it came from the House, it proposed a committee of five for that body, leaving a blank to be filled by the Senate of the United States, as to its committee, to correspond. When that act was performed by the Senate, then the committee was instituted; but it should be remembered that by the proposition, as it came from the House, the Senate committee takes the precedence, is first named in order in the resolution; and being first in order it is first in precedence; and being first in precedence, the party first named, necessarily, in the institution of that committee, became chairman of it; became chairman of it by the precedents read by the Senator from Ohio. Therefore Mr. FRELINGHUYSEN, being first named, was chairman of that committee, which had, by the action of the Senate, become an entirety; a joint committee to be sure, but by precedents and by the principles of parliamentary law, being first named, he was chairman of the joint committee. Otherwise, if it was not so to be treated, you will see that all the proceedings thus far are irregular, and the witnesses must be sworn over again, and their whole testimony retaken, so far as I see, upon the reasoning of the Senator from Ohio.

Mr. THURMAN. The Senator certainly misunderstands me more than I ever knew him to misunderstand anybody before. The first named on a committee acts by courtesy as chairman of that committee; so the books say; and all its acts are perfectly regular and correct. They permit him to preside, and put questions, and so on; but, as the authorities say, the committee at any time it sees fit may elect a chairman of its own. If they do not do it, this principle of courtesy recognizes the person first named as the presiding officer.

Mr. MORRILL, of Maine. It is not simply in the courtesy of the committee, I submit to my honorable friend; but being named first, he is named by force of parliamentary usage, which has the force of law. He is instituted, therefore, by force of law, and he may exercise all the functions of chairman. Now, what makes this somewhat imperative, in my judgment, is, that this body in the institution of committees is peculiar. It does not confide to its Presiding Officer, for reasons that are obvious enough, the appointment of committees; and therefore, whenever he is specially so authorized, it is presumed that he is authorized to exercise all the powers in the institution of a committee which the body itself is authorized to do. My honorable friend will not deny that it is competent for this body to institute a committee and indicate the chairman, and that it is not in the power of the committee afterward to change it.

Mr. THURMAN. I deny that the Senate can appoint a chairman for a joint committee. It would be a breach of the privileges of the House.

Mr. MORRILL, of Maine. That is not my proposition now; I will

come to that in a moment. But I say it is competent for the Senate to appoint a committee and name its chairman, and he does not hold the place by courtesy of the committee afterward. Then, in this particular case, I submit that the Senate having given the order of precedence by the resolution instituted by the House, is placed in the attitude indicated.

Mr. THURMAN. Allow me to interrupt the Senator one moment, to show where this matter will run to.

Mr. LOGAN. If this debate is to go on in this way, I shall have to ask for the special order. I have been very generous, I think, this morning.

Mr. THURMAN. I will occupy not two minutes, just to state a fact.

Mr. LOGAN. I have no objection to that, but I do not like to be postponed until late in the afternoon.

Mr. THURMAN. I only wish to look at the history of this committee to see how the idea of the Senator from Maine would run us into difficulties. The Senator from New Jersey was first appointed. He stood at the head of the committee, if he were to be considered from that fact as chairman, technically, of the committee. Then when he resigned there was a vacancy in the chairmanship and no vacancy in the membership, because the Senator from Massachusetts and myself did not decline. Then when the Senator from New York was appointed, if he was appointed to fill that particular vacancy, it was the vacancy in the chairmanship, according to the Senator's reasoning, and he would have been chairman, and when he declined and the Senator himself was appointed, then he would have been chairman if he had accepted, because his appointment would have been to fill the vacant chairmanship, according to his reasoning. But he declined. Then the Senator from Iowa was appointed, and according to this reasoning the Senator from Iowa ought to have been appointed chairman of the committee, because according to that reasoning there was only one vacancy, and it was a vacancy not in the membership of the committee, but in the chairmanship of the committee, and therefore the Senator from Iowa ought to have been appointed to the chairmanship, for the Senator from Massachusetts and myself had not declined, we had continued to serve; but instead of that the Senator from Massachusetts became the presiding officer over that committee.

Mr. MORRILL, of Maine. My answer to that is, that that would depend altogether on this general fact, whether in appointing the committee we were appointing it by virtue of the principle of parliamentary law or whether it was to be appointed by the Chair by an express authority conferred upon him to institute this committee as this body could have done it. That is all.

Mr. THURMAN. There was no more authority than is given in any other case.

Mr. MORRILL, of Maine. I am admonished by the Senator from Illinois, very properly, that this whole proceeding is out of his time; and as there is nothing practical in what I am saying, and as the suggestion made by the Senator from Nevada himself obviates the whole difficulty, and that is that he does not decline to serve on the committee but suggests that he is unwilling to serve with this complication, it seems to me that a correction of the Journal is all that is needed in this case. That obviates the whole difficulty. By appointing him on the committee he stands simply as a member of the committee and not as chairman.

The PRESIDENT *pro tempore*. The Chair understands the Senator from Ohio to move that the Journal of Friday last be so corrected as to show the appointment of the Senator from Nevada [Mr. STEWART] as a member of the joint committee.

Mr. THURMAN. That is it.

The PRESIDENT *pro tempore*. The question is on that motion.

The motion was agreed to.

HOUSE BILLS REFERRED.

The PRESIDENT *pro tempore*. Before the Senator from Illinois proceeds on the special order, the Chair will ask the indulgence of the Senate to dispose of business on his table from the House of Representatives.

The following bills from the House of Representatives were severally read twice by their titles, and referred to the Committee on Pensions:

A bill (H. R. No. 2190) to amend the act entitled "An act granting pensions to certain soldiers and sailors of the war of 1812, and the widows of deceased soldiers," approved February 14, 1871 and to restore to the pension-rolls those persons whose names were stricken therefrom in consequence of disloyalty;

A bill (H. R. No. 2452) to equalize pensions in certain cases;

A bill (H. R. No. 2453) to amend an act entitled "An act to revise, consolidate, and amend the laws relating to pensions," approved March 3, 1873;

A bill (H. R. No. 2454) to amend section 13 of an act approved March 3, 1873, entitled "An act to revise, consolidate, and amend the laws relating to pensions;"

A bill (H. R. No. 2455) granting an allowance to soldiers who have lost an eye;

A bill (H. R. No. No. 2456) to amend an act entitled "An act to revise, consolidate, and amend the laws relating to pensions," approved March 3, 1873; and

A bill (H. R. No. 735) to increase the pensions of soldiers and sailors who have been totally disabled.

The bill (H. R. No. 2092) for the relief of John W. Divine, late assistant surgeon of the Eleventh Regiment of Tennessee Cavalry, was read twice by its title, and referred to the Committee on Military Affairs.

The bill (H. R. No. 2451) to improve the mouth of the Mississippi River, was read twice by its title, and referred to the Committee on Commerce.

The bill (H. R. No. 104) for the relief of James Coats, of Jackson, Mississippi, was read twice by its title, and referred to the Committee on Claims.

TOPOGRAPHICAL SURVEY OF THE CAPITOL GROUNDS.

The PRESIDENT *pro tempore* laid before the Senate the amendment of the House of Representatives to the bill (S. No. 360) making an appropriation for a topographical survey of the Capitol grounds, and plans for improving the same.

The amendment of the House of Representatives was to strike out the word "five" before "thousand" and insert the word "three;" so as to make the appropriation $3,000, or so much thereof as may be necessary.

Mr. MORRILL, of Vermont. Let that lie on the table for the present; and after the Senator from Illinois gets through I shall ask for action on the part of the Senate.

The PRESIDENT *pro tempore*. That course will be pursued.

CAUSES OF EPIDEMIC CHOLERA.

The action of the House of Representatives, concurring in the Senate amendment of the joint resolution (H. R. No. 29) authorizing the Secretary of War to detail medical officers of the Army to inquire into and report upon the causes of epidemic cholera, with an amendment, was read.

The amendment of the House of Representatives was to add to the amendment of the Senate—

And the Surgeon-General is hereby authorized and directed to report to the Secretary of War, for publication, such information on the subject as he may have or shall obtain.

The amendment of the House was concurred in.

INVESTIGATION OF THE GOVERNMENT PRINTING OFFICE.

The PRESIDENT *pro tempore* laid before the Senate a concurrent resolution from the House of Representatives; which was read, as follows:

Whereas it is alleged that grave abuses exist in the Government Printing Office; and whereas the abolition of the franking privilege will largely reduce the amount of public printing: Therefore,

Resolved by the House of Representatives, (the Senate concurring,) That the Joint Committee on Printing be required to report, by bill or otherwise, whether the Government Printing Office cannot be discontinued, and whether large sums of money cannot be annually saved by a change in the method of doing the public printing; and that said Joint Committee on Printing have power to send for persons and papers.

The PRESIDENT *pro tempore*. The chairman of the Committee on Printing [Mr. ANTHONY] being absent, if there be no objection, the resolution will be laid aside until his return. ["Agreed."]

PRESIDENTIAL APPROVAL.

A message from the President of the United States, by Mr. O. E. BABCOCK, his Secretary, announced that the President had, on the 11th instant, approved and signed the following acts:

An act (S. No. 353) for the relief of David Braden; and

An act (S. No. 365) for the relief of Matthew Woodruff, late sergeant of Company G, Twenty-first Missouri Volunteers.

NATIONAL-BANK CIRCULATION.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. No. 432) to amend the act entitled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates, and for an increase of national-bank notes," the pending question being the motion of Mr. BUCKINGHAM to refer the bill to the Committee on Finance, with the instructions adopted on the motion of Mr. MERRIMON.

[Mr. LOGAN addressed the Senate. His remarks will appear in the Appendix.]

Mr. FLANAGAN. I move that the Senate adjourn.

The motion was agreed to; and (at five o'clock and thirty-one minutes p. m.) the Senate adjourned.

HOUSE OF REPRESENTATIVES.

TUESDAY, *March* 17, 1874.

The House met at twelve o'clock m. Prayer by Rev. GEORGE P. HAYS, D. D., of Washington and Jefferson College, Washington, Pennsylvania.

The Journal of yesterday was read and approved.

DEPARTMENTAL ADVERTISING.

Mr. COX, by unanimous consent, submitted the following resolution; which was read, considered, and agreed to:

Whereas the act of Congress approved July 15, 1870, contained the following provision: "That no advertisement, notice, or proposal, for any Executive Department

of the Government or for any Bureau thereof, or for any office therewith connected, shall be published in any newspaper whatever except in pursuance of a written authority for such publication from the head of such Department; and no bill for any such advertising or publication shall be paid unless there be presented with such bill a copy of the written authority aforesaid;" and whereas it is alleged that a bill or bills for advertising done in defiance of this provision of the act of July 15, 1870, is now pending before the accounting officers of the Treasury Department: Therefore,

Be it resolved, That the Secretary of the Treasury be, and he is hereby, directed to furnish this House with said bill or bills, and also copies of all correspondence on the subject.

Mr. COX moved to reconsider the vote by which the resolution was adopted; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

PRESERVATION OF TIMBER TREES.

Mr. DUNNELL, by unanimous consent, reported back from the Committee on the Public Lands, as a substitute for bill H. R. No. 2497, the bill (H. R. No. 2540) for the appointment of a commissioner for inquiry into the destruction of forests and into measures for the preservation of timber; which, with the accompanying report, was ordered to be printed and recommitted, not to be brought back on a motion to reconsider.

IMPROVEMENT OF WATER-ROUTES.

Mr. SHEATS. On Monday of last week I introduced a bill (H. R. No. 2382) to provide for the opening and improvement of the navigation of certain water-routes therein named, and for other purposes. I asked its reference to the Committee on Railways and Canals, but it was erroneously referred to the Committee on Commerce. I ask unanimous consent that the reference be changed.

The SPEAKER. If there be no objection, the bill will be referred to the Committee on Railways and Canals.

There was no objection.

BRIDGE ACROSS THE ARKANSAS RIVER.

Mr. NEGLEY, by unanimous consent, reported back from the Committee on Commerce, with amendments, the bill (H. R. No. 2541) in the nature of a substitute for bill H. R. No. 372, giving the consent of Congress to the erection of a bridge across the Arkansas River at Pine Bluff, Arkansas; which was ordered to be printed and recommitted.

CORRECTION OF LAND BOUNDARIES.

Mr. TOWNSEND, by unanimous consent, reported back from the Committee on the Public Lands the bill (H. R. No. 2414) to authorize the correction of boundaries of certain lands, and moved that said committee be discharged from the further consideration of the same, and that it be referred to the Committee on Private Land Claims.

The motion was agreed to.

DEVELOPMENT OF MINING RESOURCES.

Mr. TOWNSEND also, by unanimous consent, reported back from the Committee on the Public Lands a resolution of the Legislature of the State of California, protesting against the passage of the bill amending an act to promote the development of the mining resources of the United States, and moved that said committee be discharged from the further consideration of the same, and that it be referred to the Committee on Mines and Mining.

The motion was agreed to.

OFFICIAL FEES, SOUTHERN DISTRICT OF GEORGIA.

Mr. COOK, by unanimous consent, submitted the following resolution; which was read, considered, and agreed to:

The Attorney-General having called the attention of Congress to the continued violation of the third section of the act of 1853, requiring the district attorneys, clerks of the district and circuit courts, and marshals, to make returns in writing, embracing all the fees and emoluments of their respective offices, of every name and character, on the part of said officers, for the southern district of Georgia: Therefore,

Resolved, That the Committee on Expenditures in the Department of Justice be instructed to inquire specially into said charge, and into the expenditure of the public funds of said Department, and to send for persons and papers.

RECONSIDERATION OF REFERENCES.

Mr. WILLARD, of Vermont, moved to reconsider the various votes to-day upon reference, recommitment, &c.; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

JONAS WARREN.

Mr. CALDWELL, from the Committee on Revolutionary Pensions and War of 1812, reported back the petition of Jonas Warren, for relief, and moved that the said committee be discharged from the further consideration of the same, and that it be referred to the Committee on War Claims.

The motion was agreed to.

ORDER OF BUSINESS.

The SPEAKER. The morning hour now begins at fifteen minutes after twelve o'clock, and the call of committees will be resumed.

IMPROVEMENT OF MOUTH OF MISSISSIPPI.

Mr. STONE. I am directed by the Committee on Railways and Canals to report back, with a favorable recommendation, the bill (H. R. No. 2342) for the improvement of the mouth of the Mississippi River. As this bill contains an appropriation, I suppose it must go to the Committee of the Whole on the state of the Union.

The SPEAKER. The bill will be so referred.

PUBLIC LANDS IN CALIFORNIA.

Mr. LOWE, from the Committee on Mines and Mining, reported back adversely the bill (H. R. No. 738) relating to the public lands in the State of California, and moved that the same be laid on the table.

The motion was agreed to.

PLACER-MINING LANDS IN CALIFORNIA.

Mr. LOWE also, from the Committee on Mines and Mining, reported a bill (H. R. No. 2542) relating to placer-mining lands in the State of California; which was read a first and second time.

The bill was read.

The first section provides that public lands in the State of California, other than those containing veins or lodes of quartz or other rock in place, bearing gold, silver, cinnabar, lead, tin, copper, or other valuable mineral, or lands containing coal, shall not be excluded, as mineral, from pre-emption or homestead entry, unless it shall be shown that *bona fide* mining claims exist thereon, or that the land is necessary for outlet or other mining easements; and the price of both agricultural and placer mineral lands outside of the limits of railroad grants shall be $1.25 per acre; provided that nothing therein contained shall be construed to change any presumption now existing, either by law or Department regulations, that lands within railroad grants are mineral in character; and provided further that nothing therein contained shall be so construed as to in any way enlarge or modify any grant heretofore made to any railroad company or corporation, or to allow any such railroad company or corporation to take in satisfaction of any such grant any placer-mining lands; and provided further that none of the provisions of the act shall be construed to apply to, or affect in any manner, title to any lands now in controversy or being litigated before any State, territorial, or Federal court, or in any Department of the Government.

The second section provides that where two or more settlers have improvements on the same legal subdivision, whether agricultural or placer mining, or both, it shall be lawful for such settlers to make joint entry of their lands at the local land office, or for either of said settlers to enter into a contract with his cosettlers to convey to them their portion of said land after a patent is issued to him, and, after making such contract, to file an application for such land, and prove up and pay for such land, in the same manner and to the same effect as is provided by law for agricultural settlers upon the same legal subdivision; provided that proof of occupation and improvement under mining rules of the portion of said land claimed as a mining claim may be made in said proceeding by the applicant as now provided by law; and notice of said application, where patent of a mining claim is sought, shall be given and have the same effect as is now provided in cases of application for mining claims.

The third section provides that in cases where placer-mining claims are duly located under mining laws, it shall be lawful for the parties applying for a patent for the same to make their application to purchase lands to the extent of the smallest legal subdivisions containing the said claims when such application does not conflict with the rights of other parties, and patent shall issue accordingly; provided that nothing therein contained shall authorize any person or company to locate more than one hundred and sixty acres as a mining claim.

The fourth section provides that all *ex parte* affidavits and proofs required by law to be made before the local land officers in mining or pre-emption cases may be taken before any officer authorized to administer oaths, in the land district where the claim may be situate, or out of such district before the judge or clerk of any court of record; and in all cases of contest the testimony or proofs required may be taken before any clerk of a court of record in the land district where the claim may be situate, on personal notice of at least ten days to the opposing party; or, if said opposing party cannot be found, then by publication of at least once a week for thirty days in a newspaper to be designated by the register of the land office as published nearest to the location of such land; and the register shall require proof that such notice has been given; and such affidavits and proofs, when filed with the register and the receiver, shall have the same effect as if taken before those officers; provided in such cases of contest the testimony of any witness residing out of the land district may be taken in the county of his residence in the mode therein prescribed. Effect shall be given to the act by regulations to be prescribed by the Commissioner of the General Land Office.

Mr. LOWE. I will briefly state the provisions of the bill.

Mr. HOLMAN. This bill is subject to the point of order, but I do not desire to make it until the gentleman has been heard.

Mr. LOWE. I hope the gentleman from Indiana will not make the point of order. Do I understand that he makes it?

The SPEAKER. He proposes to reserve it to hear the gentleman's speech. That can be done by unanimous consent.

Mr. LOWE. By the mining act of 1872 rules and regulations are provided to facilitate the purchase and working of mining veins in the Territories of the West. In the mining districts their operations have been found in most respects satisfactory to the miners and satisfactory to the Department. But this bill proposes to utilize the experience of the last two years, and makes some changes which, in the opinion of the committee and in the opinion of the Commissioner of the General Land Office, will facilitate the development of mining interests, and harmonize the mining operations and acquisition of

titles to mining lands with the necessities of the case and the general policy of the country in this regard.

The first section of the bill substantially performs the office of placing the price of the placer-mining lands the same as agricultural lands. Under existing laws, with respect to mining lands, they are sold at $2.50 an acre, while agricultural pre-emption lands in the same locality are sold for $1.25 per acre. This causes conflict and inconvenience between the two interests. As a matter of fact, it is found that, so far as the value of placer-mining lands is concerned, it is no greater than that of the agricultural pre-emption lands in the same locality. Hence it is the opinion of those who have examined the question, and the opinion of the Committee on Mines and Mining, supported by the advice of the Commissioner of the General Land Office, that these placer-mining lands should be placed upon the same basis as to price with agricultural lands in the same vicinity. It will have the effect, among other things, to dispense with very much of the contest of titles between placer-mining claims and agricultural claims, and facilitate the convenience of entry.

A subsequent section of the bill provides the placer-mining claims may be taken up to the extent of one hundred and sixty acres of land, thus making a change in the present provisions of the mining law which only allows individuals to take up twenty acres. But it does not at all interfere with the opportunities of companies to increase the amounts of public lands which they may take up.

The subsequent sections of the bill make some alterations in respect to the mode of proof, giving greater facilities for the taking of testimony and the making of proof in placer-mining claims. The bill does not interfere at all with the act of 1872 in reference to quartz-mining claims of lodes and veins, strictly so called. It has been carefully considered by the committee, and I believe has the approval of the Delegates and Representatives from the mining Territories and States. It has been carefully examined by the Commissioner of the General Land Office, and has been approved of by him. If no one wishes to debate it, I will call the previous question.

Mr. WARD, of Illinois. I ask the gentleman to yield to me for a few minutes.

Mr. LOWE. I yield ten minutes to the gentleman from Illinois, [Mr. WARD.]

Mr. WARD, of Illinois. Mr. Speaker, I desire to call the attention of the House to the peculiar wording of the first section of this bill. Having done so, I take it, my duty will have been discharged. It reverses the order in which lands shall be entered as to proofs. Heretofore these lands were not subject to entry.

Mr. LOWE. Before the gentleman proceeds further I wish to say to him that the committee have reported a substitute for the bill, and a slight change has been made in the last section of the bill as to testimony.

Mr. WARD, of Illinois. I do not care as to that. That part of the bill to which I desire to call the attention of the House reads as follows:

> That public lands in the State of California, other than those containing veins or lodes of quartz or other rock in place, bearing gold, silver, cinnabar, lead, tin, copper, or other valuable mineral, or lands containing coal, shall not be excluded as mineral from pre-emption or homestead entry unless it shall be shown that *bona fide* mining claims exist thereon.

That is a surrender by the Government of all control over these mining lands; vacant lands not occupied at all in California, yet unentered and reserved under the previous laws. Grants made to railroad companies have heretofore excluded mineral lands. All the legislation of the country in relation to homesteads has steadily excluded mineral lands. I need but call the attention of Congress to that fact for the proof of the assertion I make. This bill reverses that rule. It provides that all lands shall be subject to entry, unless it be shown that *bona fide* mining claims exist thereon. The reverse ought to be the case. Before these lands are to be entered as agricultural lands the reverse ought to be proved. Having once been reserved as mining lands, they ought not be permitted to be entered until some satisfactory evidence is offered that they are not mineral lands, or else you surrender the whole mineral lands of California to be entered as homesteads.

The result is this—and that, I take it, may be the purpose of some who are interested in this bill—that it practically opens all the unsettled mineral lands of California to entry at $1.25, and this will enable those who are so disposed to carry out still further and extend their operations in such a way as practically to gobble up much of the untouched valuable placer-mining lands of California. I do not object to the selling of mining lands; on the contrary, I have introduced into Congress, and at the proper time I shall press upon the attention of Congress, a law which provides for the entry of mineral lands. But they should be entered as such. Under this bill they may be entered as agricultural lands unless it is shown that no *bona fide* claims exist thereon. It subjects them to sale and transfer, and to aggregation and accumulation in the hands of a corporation, or of one man, in the same way that agricultural lands may now be massed and controlled by wealthy individuals or corporations.

Now, if Congress is prepared to say to the people of the country that the mining lands henceforth shall stand precisely on the same basis as agricultural lands with reference to entry, then this bill is right. But it seems to me a fair way to look at this bill in view of the important fact—and it is more important than gentlemen here ordinarily think, unless their attention has been specially called to it—that scattered all along at the foot of the mountains in California, along its gulches and streams, are hundreds of thousands and millions of acres of placer-mining lands which, under this bill, will be entered without the Government receiving any benefit from them beyond what is provided in this bill; and what is worse, entered in such a way that a corporation can gobble a whole gulch or a whole stream upon the foot of a mountain and exclude all enterprises conducted by the private persons who engage in mining in these regions.

I have no interest on earth in this question. My attention has been called to it because I am to some extent familiar with the mining laws and with miners, and because I know their struggles, and know the tendency there is for everything to be aggregated and managed by monopolies and great corporations.

And this bill, whether it be projected for that purpose or not, actually does produce the effect of allowing them to buy these lands, consolidate them, get control of a river or gulch, and keep out the prospectors and miners now engaged in developing the riches of the mines of California. It relates only to California, and I am glad of that; but I do not desire that it shall be passed in relation to that State.

I will say, in addition to this—for I think it a proper matter for me to refer to—that since this bill has been introduced, I have received from many persons interested in mining matters on the Pacific coast, repeated letters making suggestions in reference to this particular provision. Reverse it by putting in an amendment which I suggest, and I have no objection to the passage of the bill. So amend it as to require anybody, before he is permitted to go on and enter lands reserved as mineral lands, to prove, in some satisfactory way, that they are not mineral lands within the true meaning and intent of the law by which they are reserved. By this bill you reverse that, and provide that where a man goes to a land office and wishes to enter a section or quarter-section of these lands, the Government officers shall themselves hunt up proofs, and show that no *bona fide* mining claim exists thereon, and if not, he has a right to enter it. The reverse should be the rule.

If gentlemen, with the statement I have made, are prepared to vote away this grand patrimony of the country and make it possible that it may be gobbled up by a few men and controlled by monopolists, and shut out the miner with his pick and pan, then place the mineral lands in the condition in which this bill places them, and you will have succeeded in doing it.

Mr. LOWE. I yield now to the gentleman from California, [Mr. PAGE.]

Mr. PAGE. Evidently the gentleman from Illinois misconstrues the provisions of this bill. If an experience of over twenty-two years in the mining regions of the State of California gives me a right to speak understandingly upon this question, I think that the remarks I have to offer ought to have some consideration by this House.

It is well known, Mr. Speaker, that no State in the Union is as much in need of legislation by Congress for the settlement of the land questions in that State as California is. We have a great variety of public lands there. We have placer-mining lands; we have quartz or rocky lands; we have timber lands, and we have lands appropriate only for agricultural purposes. Now, in 1866 Congress passed the first law in reference to the mines of California, the tenth section of which I send to the Clerk's desk and desire to have read.

The Clerk read as follows:

> SEC. 10. *And be it further enacted*, That wherever, prior to the passage of this act, upon the lands heretofore designated as mineral lands, which have been excluded from survey and sale, there have been homesteads made by citizens of the United States, or persons who have declared their intention to become citizens, which homesteads have been made, improved, and used for agricultural purposes, and upon which there have been no valuable mines of gold, silver, cinnabar, or copper discovered, and which are properly agricultural lands, the said settlers or owners of such homesteads shall have a right of pre-emption thereto, and shall be entitled to purchase the same at the price of $1.25 per acre, and in quantity not to exceed one hundred and sixty acres; or said parties may avail themselves of the provisions of the act of Congress approved May 20, 1862, entitled "An act to secure homesteads to actual settlers on the public domain," and acts amendatory thereof.

Mr. PAGE. Now, Mr. Speaker, by that law just read at the Clerk's desk, it is provided that lands in California, on which no *bona fide* mining claims exist, shall be open to homestead and pre-emption entry at $1.25 an acre. That is in the tenth section of the law of 1866. But under the construction given to that law by the Commissioner of the General Land Office any person would be permitted to claim what is known as mineral land, either one section or a number of sections of land, and thereby compel the agricultural applicant to go into court or go before the register and receiver, and disprove the mineral character of the land; and under the construction given to that section the Commissioner of the General Land Office, or the Secretary of the Interior, withdrew five counties in my State from homestead and pre-emption entry, without any knowledge of the fact that they contained mineral lands; but simply compelling the parties to disprove what somebody had said, that these lands were mineral in character. I refer to the report of the Commissioner of the General Land Office for 1872, in which he stated that certain townships had been withdrawn from homestead and pre-emption entry on the supposition that they might be mineral lands.

Now what was the effect of that decision? Why, sir, I hold in my hand a paper published in one of the counties of my district, and it

is only one of many hundred in the State, or in what are known as the mining counties, which contains notices and citations at an expense of twenty-five dollars each to the persons who desire to obtain titles to the lands. What for? Why to disprove that the lands sought to be pre-empted or purchased are mineral lands. There was no evidence that they were mineral lands; but, as I say, the lands had been withdrawn under the construction given to the tenth section of the act of 1866. I send to the Clerk's desk, and desire to have read, a copy of the citation and notice; and I understand that it costs every applicant for a homestead in these districts from one to three hundred dollars, he being compelled to take his witnesses to the land office, and the question is to be decided by the preponderance of testimony on the point whether it is agricultural or mineral lands, in favor of one or the other. And in every case it has cost, as I said before, from one to three hundred dollars to disprove that they are mineral lands.

The Clerk read as follows:

NOTICE AND CITATION.

Before the register and receiver of the Stockton, California, land office.

Whereas James F. Morgan, D. S., No. 5494, whose post-office address is Millerton, Fresno County, California, did on the 16th day of January, 1874, apply at this office to enter as agricultural land the fractional north half of northwest quarter, southwest quarter of northwest quarter, and northwest quarter of southwest quarter of section No. 1, township No. 11 south, range No. 22 east, Mount Diablo meridian, which was reserved as being mineral in character, and more valuable for mining than for agricultural purposes, by letter marked "N," dated December 7, 1871, from the honorable Commissioner of the General Land Office: Therefore,

In compliance with instructions of the Commissioner of the General Land Office, it is hereby ordered that on the 23d day of February, A. D. 1874, at ten o'clock a. m., you, each and every person claiming the above land, or any part thereof, appear before us in the United States land office, in the city of Stockton, with your witnesses, prepared to testify as to the mineral or agricultural character of the above-described land, or any part thereof, and show cause, if any there be, why James F. Morgan should not be allowed to enter the aforesaid land, or certain portions of the same. Herein fail not, or the said land will be awarded to said James F. Morgan, upon his furnishing the proper proof of compliance with the pre-emption law.

Witness our hands this 16th day of January, 1874.

MELVILLE COTTLE, *Register.*
OTIS PERRIN, *Receiver.*

The SPEAKER. The Chair desires to have the point of order settled. When this bill was introduced the gentleman from Indiana [Mr. HOLMAN] said that it was amenable to a point of order, and that it should go to the Committee of the Whole on the state of the Union, but that he would wait until he heard the gentleman from Kansas [Mr. LOWE] explain the bill. The Chair stated that that could be done by unanimous consent. That unanimous consent was given, and the gentleman from Kansas finished his explanation, and then yielded to the gentleman from Illinois, [Mr. WARD,] who made an argument against the bill. He was followed by the gentleman from California, [Mr. PAGE,] who is now making an argument for the bill. The gentleman from Indiana still maintains his point of order to be good. The Chair holds that it is not good, and that the bill is now before the House. The time to make a point of order against a bill, if any gentleman desires to do so, is when the bill is introduced; the rules provide that it shall then be done. But a gentleman cannot have a point of order hanging in the air, midway, pending the discussion of the merits of the bill. That cannot be done under the rules of the House. The bill is now before the House.

Mr. SCOFIELD. If we had had that decision in the beginning, when the point of order was first raised, then it would have been fair to the House. But to make that ruling now is depriving other members, who would have made the point of order at the time, of an opportunity to do so.

The SPEAKER. What point does the gentleman make?

Mr. SCOFIELD. I am not making any point of order, but rather complaining, perhaps, of the ruling of the Chair.

The SPEAKER. What did the gentleman understand the point of order raised by the gentleman from Indiana to be?

Mr. SCOFIELD. I understood the gentleman from Indiana raised the point of order, and the Speaker decided that by unanimous consent it should be pending while explanation was made.

The SPEAKER. If the gentleman questions the decision of the Chair he should have an accurate knowledge of the facts. What does the gentleman from Pennsylvania understand that the gentleman from Indiana requested?

Mr. SCOFIELD. The gentleman from Indiana raised the point of order on the bill that it should go to the Committee of the Whole on the state of the Union, but stated that he would wait, without enforcing the point of order, until he should hear from the gentleman who had the bill in charge.

The SPEAKER. Precisely.

Mr. SCOFIELD. The Speaker then decided that that could be done by unanimous consent.

The SPEAKER. Certainly.

Mr. SCOFIELD. Under that unanimous consent the debate upon the bill has been going on since.

The SPEAKER. Precisely. But the gentleman from Indiana said that he would reserve his point of order until he heard from the gentleman from Kansas. The gentleman from Kansas spoke, finished his remarks, yielded the floor to the gentleman from Illinois, [Mr. WARD,] who proceeded to make an argument on the other side, and then was followed by the gentleman from California, [Mr. PAGE.] Now, if the gentleman from Pennsylvania [Mr. SCOFIELD] is correct, this bill, being in the morning hour, at what point to-day or six weeks hence would the right of the gentleman to interpose his point of order cease?

Mr. SCOFIELD. At any time until the gentleman from Kansas who had charge of the bill surrendered the floor.

Mr. HOLMAN. That is the point I was about to make. The gentleman from Kansas still has the floor. The Chair, by uniform practice, has allowed explanations to be made on a bill before a point of order against it is enforced.

The SPEAKER. The Chair has uniformly discouraged, in every way he could, the suspending of points of order. The Chair will rule—and if gentlemen desire to appeal from his ruling the Chair will be glad to have it done—that points of order cannot be held suspended, for the practice tends to great irregularity of business.

Mr. LOWE. If the point is not renewed at the time suggested, then it is to be considered as waived.

The SPEAKER. The Chair waited for the gentleman from Indiana to insist upon his point of order.

Mr. HOLMAN. The gentleman from Kansas had not yielded the floor.

The SPEAKER. He had, so far as he himself was concerned.

Mr. HOLMAN. But he still holds the floor. It is exceedingly important for us to know what the measure is.

The SPEAKER. The gentleman heard the bill read from the Clerk's desk.

Mr. HOLMAN. Certainly; but an explanation of its provisions is important.

The SPEAKER. The point of order obviously lies against the bill, and the Chair looked around expecting some gentleman to raise the point. The gentleman from Indiana indicated that he would raise the point, but proposed to suspend it until the gentleman from Kansas had made an explanation of the bill. The gentleman from Kansas finished his speech, was followed by a gentleman in an adverse argument, then by another on his side. And then the gentleman from Indiana maintains that he is still able to make his point of order against the bill. If so, he has that right six weeks hence.

Mr. HOLMAN. I trust that, inasmuch as this ruling is now so rigorously enforced——

The SPEAKER. The Chair rules rigorously. If a gentleman has a point of order against a bill he should make it when the bill is introduced, and stick to it. The bill is now before the House.

Mr. SCOFIELD. I am glad of that, if the Chair will stick to it.

The SPEAKER. If the gentleman from Pennsylvania will show any instance in which the Chair has varied, his remark may then be courteous.

Mr. SCOFIELD. Perhaps the remark was not courteous in any way. I stated it impulsively, and did not mean it. But I think if I had time I could show a great many instances.

The SPEAKER. The Chair hopes the gentleman from Pennsylvania will state some instance when the Chair has not been consistent in his ruling. Otherwise he hopes the gentleman from Pennsylvania, after examination, will state to the House that he was in error.

Mr. SCOFIELD. I think the Chair will admit that he has always decided that a gentleman to whom the floor is assigned by the Chair holds it for an hour, and that the yielding of it to other members is to be regarded, under the rules, as a portion of his own remarks. That is all I am contending for.

The SPEAKER. That does not apply to this case at all. The gentleman from Indiana [Mr. HOLMAN] suspended his point of order until an explanation had been made by the gentleman from Kansas. It was a point opposed to the bill, obviously not at all in the line of the point which the gentleman from Pennsylvania now makes.

Mr. SCOFIELD. Still the gentleman might yield a portion of his time to somebody else to explain.

Mr. PAGE. I certainly have no desire, and I think no member of the committee has any desire, to press this bill, if a point of order against it be considered sufficient by the Speaker to send it to the Committee of the Whole. It is a bill which members of the Committee on Mines and Mining present to the House in the belief that it is meritorious, and ought to pass. Representing in part the State of California on this floor, I wish to say that the bill now under consideration has been discussed by all the newspapers published in the mining counties of my State, and, with a single exception, has been cordially approved by them.

The gentleman from Illinois [Mr. WARD] says that this bill, if it becomes a law, will throw all the placer-mining lands of California into the hands of corporations; that it will prevent the honest miner from mining, as he has done in years past. Why, sir, this bill does not change the present law as to quantity, or as to the manner of acquiring title under local mining laws. It simply provides for reversing the present ruling of the Commissioner of the General Land Office, under which lands upon which there is no *bona fide* mining claim are presumed to be mineral lands. I know of no reason and no logic by which five counties in my State should be withdrawn from homestead and pre-emption entry simply because there may have been a mine there, or might be in the future. I do not recognize the policy of continuing a law that compels the people of the mining regions of California to pay five times the Government value of their lands in the form of expenses for obtaining title to the same.

The existing law provides that no person or association of persons

can take one hundred and sixty acres of placer-mining lands. This bill makes a change in this single particular: that one person may obtain a title to one hundred and sixty acres of the public lands where no *bona fide* placer-mining claim exists.

Now, Mr. Speaker, the gentleman from Illinois claims to know a great deal about mines in California. Why, sir, it is true that he has introduced into this House a bill on the subject; and one of my colleagues has been hung in effigy on the supposition that it was his bill. As a Representative of California, I believe I am disposed to guard the interests of that State as carefully as is the gentleman from Illinois. I know very well the necessities of that community. I know that the people of the mining districts demand the passage of this bill. I know that it will not prevent any miner from going upon any of the unoccupied public lands, discovering mines there, and holding them, as he does now, under the local mining law. But it will prevent this wholesale withdrawal of public lands from homestead and pre-emption entry, unless they are proved to be mining lands; and there is no better proof of the fact that lands contain valuable placer mines than the existence thereon of a *bona fide* mine.

Mr. LOWE. I yield five minutes to the gentleman from Pennsylvania, [Mr. KELLEY.]

Mr. KELLEY. Mr. Speaker, I have not considered this question as carefully as I should have been glad to do had I appreciated its importance; but looking at the bill hastily, since it has been brought before the House, I am satisfied that it involves a reversal of the policy of the Government as to mineral lands; and I trust that it will receive ample consideration before it shall be finally acted upon. Therefore, if opportunity offers, I shall move to refer it to the Committee of the Whole on the state of the Union, that it may be fully considered.

I have believed for years that the tardy development of our Pacific coast results from the holding of land purely agricultural in very large tracts. I remember to have ridden through a farm there of 30,000 acres, with its own roads and its own villages, and to have heard of other farms of 20,000 acres and more. My observation in three several visits to the Pacific coast has satisfied me of the fact I have indicated, that the progress of development in that region is retarded by the concentration of large tracts of land in the grasp of a few hands. This bill, on its face, seems to remedy that evil, and in that view would invite my sympathy and the approval of my judgment. But upon examination it is found to relate not merely to agricultural lands, but also to mineral lands. If it should become a law, these lands will be taken up, under many names, to be concentrated in a few hands. It will open the way to all the large capitalists and corporations of California and the Pacific coast to employ mere creatures to possess themselves of homesteads, which shall be surrendered for a nominal consideration to those who hold the mineral lands of that coast. At least, sir, these are fears that oppress me.

Mr. PAGE. Will the gentleman allow me to interrupt him a moment?

Mr. KELLEY. I have but five minutes. I am trying to plead for such a disposition of the bill that the gentleman and myself, as well as other members, may have the fullest opportunity for discussion. I therefore ask that the final result to-day shall be the reference of this bill to the Committee of the Whole, so the gentleman from California may have the amplest opportunity to convince the House my fears are unfounded; and, if they be well founded, that I and others may press them upon the House. I simply ask (and I do not wish to be discourteous to the gentleman from California) such reference be given the bill that he may have ample time to show all its merits to the House; and if they be as great as he seems to indicate, he will doubtless prevail and carry the bill.

Mr. LOWE. I now yield for five minutes to the gentleman from Nevada.

Mr. KENDALL. Mr. Speaker, I think I may say, with all deference to the gentleman from Pennsylvania, [Mr. KELLEY,] who has just resumed his seat, that I know something in regard to the present condition of the mineral lands of the State of California over which this bill is intended to take effect; for gentlemen will see it applies exclusively to that State. Now, it has been my fortune to have been a resident of that State for many years, and during a great part of that time to have been engaged in the occupation of mining in the placer-mineral sections. I therefore think I can say very properly that I have some little knowledge of the wants and requirements of the people of that section, and of the condition of the mineral lands of that part of the country.

Now, sir, what is the condition of the mineral lands—the placer-mineral lands of California? They have been examined, dug up, and turned—prospected, as the term is there—for the last quarter of a century. All over that extensive mineral belt, which extends among the foot-hills of the Sierra Nevada, bands of eager and adventurous prospectors have scoured the entire region for twenty-five years past. I assume that in that period of time they have discovered and have worked out, or are now working out, all the placer of any value—all the placer-mineral lands worth occupation and profitable for mining. If my friend from Pennsylvania [Mr. KELLEY] should go over that extensive mineral belt, as I did last summer, and see the utter lack of thrift and permanent improvement—mining claims and machinery and cabins abandoned and desolate; see the stagnation of industry, while around is a soil ready to spring into fruitfulness, and over all is the finest climate in the world—he would be made painfully aware of the condition of affairs that makes a law of the kind proposed a necessity.

To the question, what is the cause of all this want of enterprise and industry, of improvement, and of permanence in homes, and all the social institutions of society, the answer would be seen around him. The gentleman would hear it from the first person with whom he entered into conversation. The answer would be found in the single consideration—true in all ages and in every country—the people have no certain title to the land upon which they dwell. This land is exhausted of its precious metals. Why not let it be owned in fee by its possessors and made the seat of happy homes; of gardens and vineyards and farms and cultivated fields?

I affirm that the people throughout that great extent of country—the miners themselves, agriculturists, horticulturists, men of every class and occupation—all desire that they may have some certain title to these lands upon which they dwell; not that they may work the lands in mining operations, for that is not what they desire, but only that they may cultivate their gardens and their farms without fear of molestation; that they may build up for themselves secure, comfortable, quiet homes. Why, sir, that whole region is to-day infinitely more valuable for the cultivation of vineyards than all the gold which may be contained in its alluvial deposits. Allow that people, occupying this mineral section, to obtain secure title to their homesteads, and then you will have there a fixed, instead of a nomadic, population; instead of bands of roving prospectors, having no fixed place of abode, you will see schools and farm-houses, roads constructed, trees planted, cultivation everywhere.

Now, Mr. Speaker, these in general are the reasons why I advocate the bill here, and why I supported it in the Committee on Mines and Mining, of which I have the honor to be a member.

I believe this bill as applicable to California is demanded by the entire people of that State. It is demanded by the miners themselves. If I am to judge from the tone of the press I must be convinced of the fact that the bill is desired by the whole people.

While I do not think that the provisions of a bill like this ought to apply to a new mining section of country, while I do not think it would be advisable to apply them to our mining Territories where the placer mines are still in a great measure productive, yet I do think in these old mining sections of California, which are so utterly and thoroughly exhausted, that a law like this will work great benefit to the people and to all concerned.

It has been said by my friend from Pennsylvania [Mr. KELLEY] that this will allow these mineral lands to be taken up and absorbed in large tracts by speculators. I say no. How is it now under the mining law already on your statute-book? Placer-mining lands may be taken up in tracts of twenty acres to each individual. A company of eight persons associated together can take now up one hundred and sixty acres of placer-mining lands, as the gentleman well knows.

[Here the hammer fell.]

Mr. LOWE. I yield three minutes to the gentleman from Iowa [Mr. KASSON.]

Mr. KASSON. I wish to call the attention of the gentlemen who advocate this bill, and of the members of the House generally, to this fact, that it is only a few days since we abolished the law authorizing the pre-emption of the public lands, so far as a vote of this House is concerned. This bill includes a restoration of the pre-emption law touching all the public lands of California having any relation to placer mines. And if nothing else existed in the bill to render it obnoxious to the adverse judgment of this House, I think the restoration of the pre-emption provision should do so. I refer to the seventh line of the first section of the substitute, in connection with the first words of the section—

> That public lands in the State of California, other than those containing veins or lodes of quartz or other rock in place, &c., shall not be excluded as mineral from pre-emption or homestead entry, unless it shall be shown that *bona fide* mining claims exist thereon, or that the land is necessary for outlet or other mining easements, &c.

A subsequent provision also contemplates the sale of these lands, by fixing the price at $1.25 per acre. I appeal to the gentleman from Kansas, [Mr. LOWE,] who I know sympathizes with me in the effort to keep the lands of the United States, mining or otherwise, from the grasp and grab of speculators, either to allow this bill to go to the Committee of the Whole, or else to allow it to be amended here and now in this respect.

Of course I have no time, in the few moments allowed me, to speak of the general mining policy of the United States. I have studied it, and been extremely interested in it, and desire, whenever the opportunity offers, to assist in putting our mining system on the only basis on which, in any country, it can be made to flourish; and that is, to let the men have the mines who will work them, and when they cease to work them let them be restored to the Government, and go back to the use of the people whenever anybody shall undertake to work them. But for the present, I have merely desired to call the attention of the House to this restoration of the pre-emption law.

Mr. LOWE. In reply to the suggestion of the gentleman from Iowa, [Mr. KASSON,] in reference to the section of the bill which fixes a price on agricultural as well as placer-mineral lands, I will say that this bill was matured in committee before the passage of the new homestead bill, which has been referred to by the gentleman.

And to make this bill correspondent with the now understood sentiment of the House on that subject, I shall consent to the striking out of the word "agricultural," so that this shall merely fix the price for placer-mineral lands.

Mr. KASSON. But why should that be retained in regard to the placer-mineral lands?

Mr. LOWE. The opposition to this bill seems to be predicated on the idea which has been urged both by the gentleman from Pennsylvania [Mr. KELLEY] and the gentleman from Illinois, [Mr. WARD,] that this legislation would be in the interest of monopolies, and against the humble miners and agriculturists of the West. Certainly no man on this floor would be less disposed than myself to stand here and advocate any such legislation. The fact is that this bill is in the interest of those small miners of the West who have not facilities nor the capital to enter upon those large mining operations which are conducted by the wealthy corporations of the mining regions. Both the agriculturists and the small miners are in constant trouble and constant terror from day to day by reason of the conflict of interest between the agricultural settlers and the great mining interests. It is to do away with that conflict; it is to place them upon the same basis; it is to give an opportunity for the natural and gradual development of industry and wealth, that the committee agree to this bill.

Sir, it is said that this will give opportunities for great companies and wealthy men to grasp the mining resources and obtain possession of the mining localities of California. To the extent which it is possible that has already been accomplished. The question of fact upon which the propriety of the passage of this bill is depending has been the subject of careful inquiry on the part of the Committee on Mines and Mining and of the Commissioner of the General Land Office, and the result of that inquiry is that these placer-mining localities have been so far exhausted or already purchased that there is nothing remaining of them in that State which is of greater value than the agricultural lands themselves. The very question which the gentleman from Pennsylvania [Mr. KELLEY] and the gentleman from Illinois [Mr. WARD] have so strongly urged has especially attracted the serious attention of the committee, and in conversation and communication with the Commissioner of the General Land Office, whose attention had been particularly directed to this question, he said that his examination of the subject, his conversation with those familiar with it, the records of evidence in contested claims, all show that, as far as the mineral resources of the placer mines of California are concerned, they have been either exhausted or purchased and titles acquired under existing law, and that the distinction between placer-mining lands and agricultural lands ought now to be abolished.

The question occurred to us as to the application of this bill to other States and Territories, and it was the opinion of the committee and of the Commissioner of the General Land Office that, while this measure was appropriate to the State of California, it would not be an appropriate method of legislation for those States and Territories which had not been so thoroughly prospected and exhausted as the State of California has been.

Now, Mr. Speaker, inasmuch as I have been appealed to by gentlemen here especially interested in this bill, I am willing that the bill shall take the widest scope for discussion, for I believe that the better it is understood the more strength it will have; and I now move that it be referred to the Committee of the Whole on the state of the Union.

The motion was agreed to.

Mr. HOLMAN moved to reconsider the vote by which the bill was referred; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

WATER FOR NEVADA.

Mr. KENDALL, from the Committee on Mines and Mining, reported back, with the recommendation that it do pass, the bill (H. R. No. 988) to provide for a board of commissioners to report a system for obtaining water for mining and agricultural purposes in the valleys of the State of Nevada; which was referred to the Committee of the Whole on the state of the Union, and the accompanying report ordered to be printed.

MINERAL LANDS IN MISSOURI AND KANSAS.

Mr. LOWE, from the same committee, reported (as a substitute for House bill No. 930) a bill (H. R. No. 2543) relating to mineral lands in the States of Missouri and Kansas; which was read a first and second time.

The bill provides that within the States of Missouri and Kansas deposits or mines of iron and coal shall be excluded from the operation of the act entitled "An act to promote the development of the mining resources of the United States," approved May 10, 1872, and that said act shall not apply to the mineral lands situate and being within the said States. It provides further that said lands shall be declared free and open to exploration and purchase according to the legal subdivisions thereof as before the passage of the said act, and that any *bona fide* entries of such lands within the said States since the passage thereof may be patented, without reference to the provisions of said act.

Mr. LAWRENCE. I hope the gentleman from Kansas will give us some explanation of this bill.

Mr. LOWE. The bill is very simple and plain upon its face. It exempts the States of Missouri and Kansas from the operation of the mining act of 1872. That act was enacted for the express purpose of providing for the disposition of public lands containing valuable minerals, such as gold, silver, cinnabar, &c. At the last session of Congress an act was passed, of which this is almost a transcript, excepting the States of Michigan, Wisconsin, and Minnesota, from the operations of the act of 1872. I understand that my friend from Iowa [Mr. KASSON] now desires that Iowa shall be included in this bill, and I have no objection to its being placed in the bill.

Mr. KASSON. The gentleman from Kansas is mistaken. I did not ask him to include the State of Iowa; I asked him to make some explanation of the bill, for it seemed a remarkable one that applies to two States only.

Mr. LOWE. As I have said, it has already been applied to the States of Michigan, Wisconsin, and Minnesota.

Mr. LAWRENCE. How will the coal and iron lands be disposed of in Missouri and Kansas, if this bill shall pass?

Mr. LOWE. Just as they were before the act of 1872 was passed. No inconvenience, no trouble, whatever, is apprehended or has ever existed. The object of this bill is to leave those States which do not contain valuable mineral lands exactly as they were before the act of 1872 was passed.

Mr. LAWRENCE. Will the gentleman state how the lands are to be disposed of?

Mr. LOWE. Generally, under the homestead and pre-emption law.

Mr. LAWRENCE. They are liable to pre-emption?

Mr. LOWE. They are. I now call for a vote on the bill.

The bill was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

Mr. LOWE moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

ADVERSE REPORTS.

Mr. NEGLEY, from the Committee on Mines and Mining, reported back adversely the following bills, which were laid on the table:

A bill (H. R. No. 405) relating to the entry of homesteads and pre-emptions in California; and

A bill (H. R. No. 1601) to repeal the fifth section of the act entitled "An act to promote the development of the mining resources of the United States," approved May 10, 1872.

ASSAY OFFICE, HELENA, MONTANA.

Mr. HARRIS, of Georgia, from the Committee on Mines and Mining, reported back House bill No. 998 to establish an assay office at Helena, in the Territory of Montana, and moved that the committee be discharged from its further consideration, and that it be referred to the Committee on Coinage, Weights, and Measures.

The motion was agreed to.

MINING CLAIMS.

Mr. PAGE, from the Committee on Mines and Mining, reported back, with an amendment, Senate bill No. 16, supplemental to the act entitled "An act to promote the development of the mining resources of the United States," approved May 10, 1872.

The Senate bill was read.

The first section provides that where applications for patents for mining claims have been filed in the proper district land office, and legal notice thereof given without the appearance of an adverse claimant, and in which cases no further proceedings have been had for the purpose of perfecting title, such applicants shall make final proof and payment on said claims within one year from the date of the passage of this act; and in cases of like applications for patents hereafter filed, the applicants shall, in the absence of an adverse claim during the notice, make said final proof and payment within one year from the date of filing such application, in default of which the proceedings for patent so had by such applicants shall be considered void and without effect.

The second section provides that all affidavits required to be made under this act, the act to which this is supplemental, or the act to which said act is amendatory, may be verified before any officer authorized to administer oaths, and all testimony and proofs may be taken before any such officer, and when duly certified by the officer taking the same shall have the same force and effect as if taken before the register and the receiver of the district land office; provided that when such affidavit or proofs are taken at any place other than within the land district, it shall be by the clerk of any court of record in the United States.

The amendment reported from the committee was to strike out the second section, and to insert in lieu thereof the following:

That all *ex parte* affidavits and proofs required by law to be made before the local land officers in mining or pre-emption cases may be taken before any officer authorized to administer oaths in the land district where the claim may be situate, or out of such district before the judge or clerk of any court of record; and in all cases of contest the testimony or proofs required may be taken before any clerk of a court of record in the land district where the claim may be situate, on personal notice of at least ten days to the opposing party, or if said opposing party cannot be found, then by publication of at least once a week for thirty days in a newspaper to be designated by the register of the land office as published nearest to the location of such mine; and the register shall require proof that such notice has been given; and such evidence and proof, when filed with the register and the receiver, shall have the same effect as if taken before those officers: *Provided*, That in such contest-cases the testimony of a witness residing out of the land dis-

trict may be taken in the county of his residence in the mode herein prescribed. Effect shall be given to this act by regulations to be prescribed by the Commissioner of the General Land Office.

Mr. HOLMAN. I desire to offer an amendment to the first section of this bill.

Mr. PAGE. I cannot yield for any amendment.

Mr. NEGLEY. I understood my colleague on the committee [Mr. PAGE] to agree to permit me to offer an amendment.

Mr. PAGE. I will allow it to be read.

Mr. NEGLEY. I desire to offer an amendment to the first section; which I send to the Clerk's desk.

The Clerk read Mr. NEGLEY's amendment (intended to come in after that proposed by Mr. HOLMAN) as follows:

And provided further, That all persons, companies, or corporations owning veins or mines on said Comstock lode shall make application for patents within six months from the date of the passage of this act, and, in the absence of a *bona fide* adverse claim during the notice, make final proof and payment and file a receipt for such patents in the same manner as hereinafter provided within six months from the date of filing such application, or, if already filed, from the date of the passage of this act; and in default thereof, or in default of filing with the register of the land office at Carson City in all cases where patents have already been issued, an acknowledgment of the receipt of such patent subject to the conditions therein contained within ninety days from the passage of this act, such claims or mines shall be open to relocation by other parties in the same manner as if no location of the same had ever been made, always subject, however, to the conditions of the Sutro Tunnel act, approved July 25, 1866.

Mr. PAGE. I have no objection to that amendment.

Mr. HOLMAN. I desire to amend the first section by adding what I send to the Clerk's desk to be read.

The Clerk read as follows:

Provided further, That nothing herein contained shall affect or make void the proceedings for patents had by applicants for claims or mines in the Comstock lode in the State of Nevada, nor shall it be construed to repeal, impair, or in any way affect the provisions of the act granting to A. Sutro the right of way and other privileges to aid in the construction of a draining and exploring tunnel in the Comstock lode in the State of Nevada, approved July 25, 1866.

Mr. PAGE. I have no objection to that amendment.

The SPEAKER. If there be no objection, the amendments will be considered as adopted.

Mr. KENDALL. I wish to ask the gentleman from Pennsylvania [Mr. NEGLEY] to explain the purpose and object of the amendment which he has offered. It goes on to state that certain parties shall be required to make application for certain mining claims. What is the object of making these requirements of parties who may be in possession of mining claims, whether they desire to perfect their titles or not? I make the inquiry merely for information.

Mr. NEGLEY. The object of the amendment is simply to prevent mining companies from holding title to lands and depriving the Government of the revenue to be derived from payment for the patents. The object is to prevent such companies from permitting their titles to lapse and then taking them up again, thus, perhaps, interfering with the vested rights of others. It is a very simple proposition, merely a restriction for the protection of rights guaranteed by a previous act of Congress.

Mr. KENDALL. Inasmuch as this amendment proposes to change entirely the features and character of the bill, I shall insist, as a member of the Committee on Mines and Mining, that if the amendment is pressed the bill shall go to the Committee of the Whole or be recommitted for a more complete consideration of this provision. If gentlemen will look for a moment at the phraseology of this amendment, they will see that it may be very sweeping and dangerous in its scope. Why, sir, the Comstock lode has yielded $200,000,000 since it was first opened. That lode is now in possession, to a large extent, of certain mining companies. This amendment proposes to compel these companies now in possession of that mining property to come forward and make application for patents to their mining claims within six months, and perfect their title, whether they desire to do so or not.

Now, upon examination I may be in favor of this amendment. It may be all right. But as one member of the Committee on Mines and Mining, I am not willing to stand in my place here and legislate hastily and loosely upon interests of such vast magnitude. I ask gentlemen to pause and consider before they act hastily upon this amendment. I for one want time to consider a proposition of such moment; and unless the gentleman having charge of the bill will allow it to go to the Committee of the Whole for further consideration, I move its recommitment.

Mr. STARKWEATHER. The morning hour has expired, I believe. This is evidently a matter that will occupy further time.

Mr. KASSON. I ask that the amendments be printed, in order that we may have them before us to-morrow morning.

Mr. POTTER. What amendments?

Mr. KASSON. The amendments to the Senate bill. Let them all be printed.

Mr. SPEER. I raise the point of order whether a gentleman having charge of a bill can accept an amendment when any other member of his committee objects. As I understand, the gentleman from Nevada [Mr. KENDALL] objects to this amendment.

The SPEAKER. The Chair will state the position of the bill. The gentleman from California [Mr. PAGE] reported a bill and admitted an amendment of the gentleman from Indiana, and one of the gentleman from Pennsylvania. The Chair, thinking there was no objection, declared that the amendments would be considered as agreed to; but if the House did not so understand, the amendments had better be regarded as still pending. The same result could of course be reached by reconsidering the vote on adopting the amendments.

Mr. PAGE. I stated that if the gentleman from Nevada [Mr. KENDALL] did not object to the amendment, I had no objection to it.

The SPEAKER. The amendments will be regarded as pending; and if there be no objection all the amendments will be ordered to be printed.

There being no objection, it was ordered accordingly.

Mr. NEGLEY. What are we to understand as the position of the bill?

The SPEAKER. The bill is pending, and will come up the first thing in the morning hour to-morrow; the question being upon the several amendments.

Mr. NEGLEY. Mr. Speaker, I regret very much that the gentleman from Nevada [Mr. KENDALL] should claim so much from the courtesy of the House. My amendment was offered and read at the desk; its terms are very simple; and I do not understand why, simply because he is a member of the Committee on Mines and Mining, the gentleman from Nevada should object to any gentleman on this floor offering an amendment of this kind openly, and having it accepted, as this was, by the gentleman from California [Mr. PAGE] in charge of the bill; and when such an amendment has been agreed to, to ask that the question should be reopened and the amendment be considered as still pending. It is, I think, asking a great deal.

Mr. KENDALL. I disclaim most distinctly and unequivocally all intention of discourtesy toward my friend from Pennsylvania; but upon a measure of this importance, involving, as it unquestionably may, millions of dollars to my fellow-citizens and my constituency, I will not consent to this unseemly haste.

Mr. KELLEY. Does not the objection, as to hasty legislation, apply to the whole bill?

Mr. NEGLEY. The argument of the gentleman from Nevada [Mr. KENDALL] would be my argument in support of the amendment.

The SPEAKER. The morning hour has expired.

OFFICERS AND CREW OF THE SHIP WYOMING.

Mr. MYERS, by unanimous consent, reported back from the Committee on Naval Affairs the bill (H. R. No. 782) for the relief of the officers and crew of the United States ship Wyoming, and the Ta Kiang; which was referred to the Committee of the Whole on the Private Calendar.

PLACER-MINING LANDS IN CALIFORNIA.

Mr. LOWE. I ask that the bill reported by me, relating to placer-mining lands in the State of California, be ordered to be printed.

There being no objection, it was ordered accordingly.

NAVIGATION OF THE POTOMAC RIVER.

Mr. RICE, by unanimous consent, introduced a bill (H. R. No. 2544) to secure unobstructed navigation on the Potomac River; which was read a first and second time.

Mr. RICE. I move that the bill be referred to the Committee on the District of Columbia, and be ordered to be printed.

Mr. NEGLEY. The bill should be referred to the Committee on Commerce. It relates to the navigation of one of our rivers.

Mr. STARKWEATHER. Allow me to say to the gentleman from Pennsylvania [Mr. NEGLEY] that this bill refers to the obstruction to navigation by the Potomac bridge. Counsel and parties have been heard very fully on this subject before the Committee on the District of Columbia, and as the question has received a great deal of consideration from that committee, I hope that this bill will be referred to them.

Mr. NEGLEY. It is not my purpose at all to antagonize the bill; but I desire to reserve to the Committee on Commerce its rights in regard to the question of bridges upon the navigable streams of the United States.

Mr. RICE. This subject has been very fully considered by the Committee on the District of Columbia, and a report upon it has been prepared. It is the object of the committee to bring the bill before the House on Friday next and ask its passage, as the time has now arrived when the passage of such a measure is necessary, as every one must see who is acquainted with the subject.

Mr. NEGLEY. No legislation has been passed by this House for a number of years which has imposed so much hardship upon navigation interests as the construction of bridges across navigable streams. It has imposed on the sub-committee of the Committee on Commerce a labor few gentlemen in the House are aware of. I beg of gentlemen (and I make the request in no querulous mood) to allow the Committee on Commerce to offer their bills with such amendments as experience and the recommendation of the Engineer Department may propose.

Mr. STARKWEATHER. Allow me to say that the whole matter of obstruction in the Potomac River has been fully heard before the Committee on the District of Columbia. That committee has had eminent engineers before them. They have had witnesses and counsel before them. They have had a sub-committee appointed to consider the question in every point of view. That committee has been examining it for a month. It seems to me, therefore, that committee, with the report of engineers before them, having heard witnesses and counsel, having considered it, and being now ready to report, should

have the consideration of the bill introduced by the gentleman from Illinois.

Mr. NEGLEY. Let the gentleman agree to the proposition I suggested, that this bill shall be referred now to the Committee on Commerce, and I will agree they shall consider it in time to act on it and make such disposition as their judgment may determine.

Mr. RICE. Then I understand there is no objection to the bill being referred to the Committee on Commerce.

The bill was referred to the Committee on Commerce, and ordered to be printed.

AMENDMENT TO PENSION LAWS.

Mr. CRITTENDEN. I am instructed by the Committee on Invalid Pensions to report back a bill to amend section 1 of an act entitled "An act to revise, consolidate, and amend the Army and Navy pension laws," approved March 3, 1873.

Mr. McCRARY. Has the morning hour expired?

The SPEAKER. It has.

Mr. McCRARY. I demand the regular order of business.

ORDER OF BUSINESS.

The SPEAKER. The gentleman from Iowa [Mr. McCRARY] claims the floor to proceed with the consideration of the transportation bill, and the gentleman from Connecticut, [Mr. STARKWEATHER,] representing the Committee on Appropriations, desires to go into Committee of the Whole on the state of the Union on the legislative, executive, and judicial bill. The gentleman from Missouri [Mr. HYDE] desires both to be postponed in order that he may call up the contested-election case of the fourth congressional district of Georgia. The question will first be on the motion of the gentleman from Connecticut [Mr. STARKWEATHER] that the House resolve itself into Committee of the Whole on the state of the Union.

Mr. STARKWEATHER. Mr. Speaker, it is now four weeks since the Committee on Appropriations have been allowed to have the floor for the purpose of getting forward with their appropriation bills. They have for four weeks held back in order to give opportunities for the prosecution of other business, and especially for the consideration of the transportation bill. It is now necessary we should have business sent over to the Senate, and we think that this important appropriation bill, the legislative, executive, and judicial appropriation bill, which has now been waiting for four weeks, shall be taken up and passed, and sent over to the Senate.

I therefore suggest to the gentleman from Iowa [Mr. McCRARY] that we be allowed to-day to go forward with this appropriation bill. The chairman of the Committee on Appropriations [Mr. GARFIELD] has requested me to say that he is earnestly anxious this appropriation bill should make some progress.

Inasmuch as the gentleman from Iowa, [Mr. McCRARY,] chairman of the Committee on Railways and Canals, has already taken up much time with his bill during the last two weeks, I trust he will now allow us to make some progress with the appropriation bills. I am aware there is great interest taken in the bill reported from the Committee on Railways and Canals. I am also aware that those who are interested in that bill can vote down any other matter of business if they choose to do so. I am aware they can vote down any motion to go into the Committee of the Whole on the state of the Union on an appropriation bill; but I hope they will allow us to proceed with this business to-day; and if we take it up it will be out of the way in a little while, or we will have evening sessions for one committee or the other. I therefore move, in view of the long delay we have had, and at the earnest solicitation of the chairman of the Committee on Appropriations, that the House resolve itself into the Committee of the Whole on the state of the Union, to take up the appropriation bill. The business of the country requires it. The Senate are now waiting for us to send bills over to them.

Mr. McCRARY. I wish to say, if the consideration of the special order is continued with without interruption, I think we shall reach a vote, at the farthest, by day after to-morrow. This appropriation bill will require considerable time. I see no possible reason for pressing it to the exclusion of all other business. The country is not suffering for the passage of the bill at all. It does not take effect, even if it be passed, until July next. The passage of appropriation bills is something Congress must attend to before they adjourn. We have considered this special order for several weeks; we are almost through with it, and I do not think it should be laid aside for the purpose of entering upon a discussion of this appropriation bill, which will continue for a long time.

I am sure the Senate will find something to do for a considerable time, even if we send them no bill whatever. I hope the House will vote down the motion to go into the Committee of the Whole on the state of the Union, in order that we may dispose of this bill as soon as possible. I propose to have a session this evening, and with that I think we can conclude the debate to-morrow, or, at the farthest, by the morning of the next day.

Mr. STARKWEATHER. It is true the appropriation bills must be passed before Congress adjourns. There are twelve of them; we have disposed of three in the House, and there are nine left. If we delay the appropriation bills until the close of the session we will have the same trouble we have had in former years. They will be hurried through committees of conference on the very last days of the session, and will be swelled largely in their amounts. A great deal of wrong legislation will be passed by them, and the country will be put to a serious disadvantage by the delay. This ought to go through in season so that it may be passed in an unobjectionable form.

The SPEAKER. The gentleman from Missouri [Mr. HYDE] desires to have a day set apart for the consideration of the contested-election case in the first congressional district of Georgia.

Mr. HYDE. I desire to suggest Thursday of this week.

Mr. COX. Mr. Speaker, I wish to say——

The SPEAKER. The Chair would suggest that it is not desirable to consume a great deal of time in settling the order of business. Some bills might be disposed of in the time occupied in discussions as to precedence. The gentleman from Missouri [Mr. HYDE] requests that the consideration of the Georgia election case be assigned for Thursday of this week. Is there objection?

Mr. McCRARY. I must object to that. I do not know that the consideration of the transportation bill will be finished by that time.

The SPEAKER. The question recurs, Will the House resolve itself into Committee of the Whole on the legislative, executive, and judicial appropriation bill?

The question being taken, there were—ayes 66, noes 64; no quorum voting.

Tellers were ordered; and Mr. STARKWEATHER, and Mr. WILSON of Iowa, were appointed.

The House again divided; and the tellers reported—ayes 78, noes 77.

So the House agreed to go into Committee of the Whole on the legislative appropriation bill.

EVENING SESSION FOR DEBATE.

Mr. McCRARY. I ask that, by unanimous consent, there be a session for debate only on the transportation bill (H. R. No. 1385) this evening.

There was no objection, and it was so ordered.

COMMISSIONERS OF CLAIMS.

Mr. LAWRENCE. I ask unanimous consent to have the evenings of Monday and Tuesday of next week assigned for the consideration of House bill No. 1565, relating to the commissioners of claims.

Mr. MERRIAM. I object.

LEAVE OF ABSENCE.

Mr. BROWN, by unanimous consent, obtained two weeks' leave of absence, on account of sickness in his family.

Mr. WILSHIRE, by unanimous consent, obtained leave of absence for twenty days, on account of sickness in his family.

Mr. THOMAS, of Virginia, by unanimous consent, obtained leave of absence for a fortnight.

LEGISLATIVE, ETC., APPROPRIATION BILL.

The House then resolved itself into Committee of the Whole on the state of the Union, (Mr. WOODFORD in the chair,) and resumed the consideration of the special order, being the bill (H. R. No. 2064) making appropriations for the legislative, executive, and judicial expenses of the Government for the year ending June 30, 1875, and for other purposes.

The CHAIRMAN. The gentleman from Connecticut [Mr. KELLOGG] has still five minutes of his time remaining.

Mr. KELLOGG. As the House kindly gave me leave last Saturday to close my remarks, I will waive my right.

On motion of Mr. STARKWEATHER, the first reading of the bill was dispensed with.

The Clerk proceeded to read the bill by paragraphs, for amendment.

The following paragraph was read, under the head "Senate:"

For compensation of the officers, clerks, messengers, and others receiving an annual salary in the service of the Senate, namely: Secretary of the Senate, $4,320; officer charged with disbursements of the Senate, $576; chief clerk, $3,000, and the additional sum of $1,000 while the said office is held by the present incumbent, and no longer; principal clerk, principal executive clerk, minute and Journal clerk, and financial clerk, in the office of the Secretary of the Senate, $2,592 each; librarian and seven clerks in the office of the Secretary of the Senate, at $2,220 each; keeper of the stationery, $2,102.40; two messengers, at $1,296 each; one page, at $720; Sergeant-at-Arms and Door-keeper, $4,320: *Provided*, That hereafter he shall receive, directly or indirectly, no fees or other compensation or emolument whatever for performing the duties of the office, or in connection therewith, otherwise than as aforesaid; assistant door-keeper, $2,592; acting assistant door-keeper, $2,592; Postmaster to the Senate, $2,100; assistant postmaster and mail-carrier, $1,728; two mail-carriers, at $1,200 each; superintendent of document room, $1,800; two assistants in document room, at $1,440 each; superintendent of the folding-room, $2,160; three messengers, acting as assistant door-keepers, at $1,800 each; twenty messengers, to be appointed and removed by the Sergeant-at-Arms, with the approval of the Committee to Audit and Control the Contingent Expenses of the Senate, at $1,440 each; secretary to the Vice-President, $2,102.40; clerk to the Committee on Finance, $2,220; clerk to the Committee on Claims, $2,220; clerk of printing records, $2,220; clerk to the Committee on Appropriations, $2,220; one laborer in charge of private passage, $864; one laborer in stationery-room, $864; one special policeman, $1,000; Chaplain to the Senate, $900; chief engineer, $2,160; three assistant engineers, at $1,440 each; two firemen, at $1,095 each; three laborers, $730 each; making in all, $124,680.80.

Mr. WILLARD, of Vermont. I wish to make an inquiry of the gentleman of the Committee on Appropriations who has charge of this bill, and with that view move to strike out in the twenty-eighth line, "$1,296," and insert in lieu thereof "$840;" so that it will read, "two messengers at $840 each."

I wish to inquire why the messengers who are appointed here for the Senate, and who are paid by salary, are paid at higher rates than the messengers which this bill provides for the various Departments, and who are paid $840 a year, as will be found in subsequent por-

tions of the bill. The messengers for the Departments are paid $840, while the messengers for the Senate, it is provided, shall be paid $1,296; and a little further on in the bill there are provided messengers for the House of Representatives at $1,440. My inquiry is why there is this difference in the salaries that are paid to the messengers around the Capitol and the messengers for the various Departments?

Mr. STARKWEATHER. The messengers designated here for the Senate are door-keepers.

Mr. WILLARD, of Vermont. The salaries are by the year.

Mr. STARKWEATHER. The amount of the salary is what it has heretofore been. There is no increase at all, and we have been in the habit of allowing the Senate to fix the salaries of their employés.

Mr. WILLARD, of Vermont. The amount is still larger for the House.

Mr. STARKWEATHER. To attend to the doors of this House and of the Senate requires a man of more talent than to be a messenger at one of the Departments, whose duty it may be to carry a paper from one room to another, or to bring in a little wood for the fires.

Mr. WILLARD, of Vermont. The item I am referring to is for "messengers," not "door-keepers."

Mr. STARKWEATHER. There are a certain number of doors at which messengers are placed. Whatever the number is that number must be provided, and the bill in that respect is precisely as it has been heretofore.

Mr. WILLARD, of Vermont. I understand that; and that is the reason why I made this inquiry.

Mr. STARKWEATHER. The men who take charge of these doors require to have more talent, and ought to have more salary, than the mere messengers of the Departments. We have not increased the amount, but we have thought the amount heretofore paid reasonable, taking into consideration the amount of service that is done.

Mr. WILLARD, of Vermont. I only desire to call attention to this consideration. It was understood when this bill was brought in—I certainly understood from the speech made by the chairman of the committee when reporting the bill—that vigorous efforts had been made upon the part of the committee to reduce expenses, and that they had looked at every point where expenses could be reduced.

They have in some cases, I believe, in the Departments, away from the Capitol, reduced the force, and in some other cases, perhaps, reduced the compensation; but when it comes here at home, in our own household, where it seems to me economy might properly enough begin, if it is to begin at all, where we have the whole control of it, and it is for members of the House to say for themselves and members of the Senate to say for themselves what the compensation shall be, we provide here for salaries for messengers nearly twice as large as what are given in the Departments, and as the gentleman from Connecticut has said, these messengers here are not employed the entire year, but only twelve months out of the twenty-four months of each Congress; and yet they are paid for that twelve months' service three times as much as messengers are paid in the Executive Departments for twenty-four months' service.

Now, I am not saying that these messengers are not important; I suppose they are. These door-keepers are important, of course, to attend the doors, and it needs judgment to attend to them properly; but they should not then be classed as messengers, and we should not maintain this inequality in the pay of messengers. If it requires a higher grade of ability, and therefore should be accompanied by a higher grade of compensation, to provide messengers for the House and Senate than it does for the Departments, why then it is very proper to say so.

But in this connection I desire to call attention to another provision of the bill, to show what seems to me to be inequality in the adjustment of these salaries.

[Here the hammer fell.]

Mr. HOLMAN. I rise to oppose the amendment, and I yield my time to the gentleman from Vermont.

Mr. WILLARD, of Vermont. Here on the fourth page is a provision giving the chief engineer of the Capitol $2,160, and three assistant engineers $1,440 each. I find on page 15, under the head of the "Treasury Department," a provision for one engineer at $1,600. Here is our chief engineer paid $2,160. Now, the engineer here is not obliged to be employed during more than twelve months in every two years. I presume he is only employed while Congress is in session, and yet he is paid over $2,000, while the engineer of the Treasury Department, who has, I suppose, as responsible a position and certainly has a larger building to see to, is paid only $1,000, or about $1,000 less than we pay our engineer.

Now, if these inequalities can be justified by showing that we require a higher grade of ability to perform these duties, why very well. If it requires a higher grade of ability to be an engineer about this Capitol than in the Treasury Department, why very well, let it be so understood; or if it requires a higher grade of ability to be an assistant engineer here, very well, let it be understood. But unless it does, then this is a species of favoritism. It is because members wish to favor the officers about this House and about the Capitol. And the same thing runs all through the bill. It attaches just as much to the Capitol police as it does to the other officers and to the watchmen about the Capitol, for they are paid a larger salary than watchmen at the Treasury Department, who have a vastly greater interest in charge, if a watchman has any interest in charge in either place. It runs through the entire bill, and every official about this House, and the Senate, and the Capitol, is paid a larger sum, in some cases almost twice as great a sum, as officials of the same class are paid in other Departments.

Now, this must either be owing to a species of favoritism—because many of these officials are personal friends of members, and we come in daily contact with them, and so are ready to give them freely of the public money—or else because it requires a higher measure of ability.

The gentleman says it has been so for many years; but that is no reason why it should continue to be so, unless the original inequality was justified by some principle or by some facts that rendered it necessary. If it is necessary that the officers about this Capitol shall be of a higher grade and shall have higher pay in order to procure officials to do the duty, let it be explained. If it is necessary, in order to procure proper officials, that they should be paid larger sums than are paid to officials in other Departments, who have to work twelve months, while most of these officials have to work, on an average, only six months a year, why let it be explained, so that it can go on record, and it may be understood that we are not doing this because these officers are our own servants, and not as a matter of favoritism; but on account of the importance of the duties they perform, which entitles them to a higher reward than others.

I have called attention to this matter for this purpose: members of the Committee on Appropriations have assured the House that they have gone zealously into the work of reducing expenses, cutting off every unnecessary dollar of expenditure in this bill. Now, if they are prepared to give no better reason for continuing this inequality of salaries than the fact that it has been so hitherto, it seems to me that they certainly have not been very thorough in their attempt at reform in this matter of salaries. It does seem to me possible that the salaries of these officials may be graded with some regard to the salaries of similar officials in other Departments.

Mr. STARKWEATHER. I am very glad to hear all these suggestions. This matter was considered very thoroughly in the committee. I will refer now to the matter of the engineers, spoken of by the gentleman from Vermont, [Mr. WILLARD.] He suggests that the engineer in charge here need be here but a portion of the time. He is mistaken, for the engineer is required to be here constantly, even when Congress is not in session, to take care of the machinery in his charge. If any one will take the pains to inquire, he will find that the engineer here, operating in the vaults of this Capitol, with people constantly going through his rooms, must be here day and night, (he or some of his assistants,) in a building costing some seven or eight millions, and where there is a large amount of public property. It seems to me that when we take into consideration the fact that this engineer and his assistants are employed day and night the year round, that his quarters are constantly visited by people, and that they have this important trust, they should be well paid.

We have contrasted his services and compensation with those of other engineers outside. We found that while the engineer in the Department was paid a very low compensation, the engineer and his assistants in the Capitol are not paid as much as persons holding equally responsible positions in ordinary pursuits of life. You will find many engineers, where the trust imposed upon them is not one-quarter as important as it is here, who are paid a larger sum than this engineer and his assistants. It may be that the compensation of the Department engineers is too low. But it seems to me that there is a difference in responsibility. And this machinery is more important, and it is necessary that it should be operated safely and conveniently.

Mr. WILLARD, of Vermont. Are there more people, take the year through, in the Capitol than in the Treasury Department?

Mr. STARKWEATHER. No; and there are not near as many here during the vacation to look after this great property.

Mr. WILLARD, of Vermont. The engineer does not look after it.

Mr. STARKWEATHER. He does not look after all the property, but he looks after his department. And every man, woman, and child coming here day or night, during the session of Congress, and when it is not in session, comes here for the purpose of going over the building, and it is the duty of the engineer to be careful in his department. It is enough to say, in answer to the gentleman from Vermont, [Mr. WILLARD,] that while there is some inequality in the compensation of these officers, yet the compensation of this engineer, considering the services he performs, considering the great amount of property in his charge, is much less than the compensation of persons in similar pursuits in the ordinary walks of life. He receives less than many men get elsewhere in less responsible positions.

In regard to the door-keepers and messengers, it requires almost as much talent for a messenger to keep that door there, [pointing to one of the doors of the Hall]——

Mr. WILLARD, of Vermont. That is an assistant door-keeper.

Mr. STARKWEATHER. Well, call him an assistant door-keeper. There are messengers in charge of the doors. The one in charge of that particular door may not be a messenger, but an assistant door-keeper. But there are messengers here attending upon members, taking messages for them, taking people to them, and performing other duties. It is important to have for such places men with some sort of gumption about them, men of ability, so to speak. Every man will not do for such a position here. In the Treasury Department any man can handle wood, carry a package, or do work of that sort. But here

we must have men with good memories, some knowledge of the propriety of things, who will know what to say, and how to say it, and when to say it, and all about it. Why, sir, it requires as much talent to be a good and efficient door-keeper as it does to be the chairman of any one of half the committees of this House. [Laughter.]

[Here the hammer fell.]

Mr. STARKWEATHER. One word further. The gentleman says that we have made no reduction. Sir, let him look at the close of this bill. We have not designed to cut down the salaries of good men. We did enough of that when we gave up our own; we set a good example there. And when these men come to us and ask us to cut down their salaries below what they really earn, then we will take the matter into consideration. The most we have done has been to do away with those that were not needed. We mean to give fair pay to those that are necessary and do their work. But if there are supernumeraries, as there were in some of the Departments, three or four hundred of them, we cut them off. In that way we have reduced the appropriations in this bill some $4,000,000 below the estimates, and nearly four millions below the amount appropriated by the bill of last year. If any man can show that any of these men do not earn their pay, then cut them down. But if they do earn it, then do not let us cut down their salaries unnecessarily any more than we do our own.

The CHAIRMAN. Debate on the pending amendment is exhausted.

Mr. WILLARD, of Vermont. I modify my amendment so as to make the salary $1,000.

The question being taken on the amendment as modified, there were—ayes 33, noes 35; no quorum voting.

Tellers were ordered, and Mr. WILLARD, of Vermont, and Mr. STARKWEATHER were appointed.

The committee divided; and the tellers reported—ayes 61, noes 90.

So the amendment was not agreed to.

Mr. SMITH, of Pennsylvania. In the clause relating to the mileage of Senators I move to strike out "30" and insert "20," making the appro priation $20,000, and to add the following:

That instead of the mileage now allowed, Senators shall, from the first Monday of December, 1874, be paid only the actual individual traveling expenses incurred in going to and returning from their residence to the seat of Government, by the most direct route of usual travel, once for each session of the Senate, to be certified under their hands to the disbursing officer and filed as a voucher.

Mr. STARKWEATHER. I make the point of order upon this amendment that it changes existing law, and that it goes back of the paragraph to which the previous amendment was offered.

The CHAIRMAN. The point of order, in the opinion of the Chair, is well taken.

Mr. HOLMAN. With the view of making a beginning, if possible, toward reducing our expenditures to something like the former standard, I move to amend by striking out "$4,320" as the salary of the Sergeant-at-Arms and Door-keeper, and inserting "$2,000."

Mr. MYERS. I make the point of order that we have passed the lines containing that appropriation.

Mr. HOLMAN. We are still on the paragraph.

The CHAIRMAN. As this amendment relates to the paragraph now before the committee, it seems to the Chair to be in order.

Mr. KELLOGG. I wish to ask the gentleman from Indiana [Mr. HOLMAN] whether the law does not now fix the salary of these officers.

Mr. HOLMAN. The last act fixing their salaries, so far as I can find, was in 1866, when our currency was inflated far beyond what it is now, and when the expense of living was very much greater, and then this salary was fixed at $2,000. I propose to make this appropriation correspond to the appropriation of 1866, which fixed the compensation of these officers at $2,000. The clause in the act of 1866 is this: "Sergeant-at-Arms and Door-keeper, $2,000." I make my proposition to correspond with that legislation.

Mr. RICE. Did not the Sergeant-at-Arms at that time receive fees in addition to his salary?

Mr. HOLMAN. The act of 1866 made no provision for fees, but simply fixed the salary at $2,000. I submit, Mr. Chairman, that inasmuch as there is, at least at this time, a loudly expressed determination to press measures for retrenchment of expenditures, we should begin the work in earnest. We come now to practical results, to real action. Last session the extravagance of Congress exceeded any precedent, and if a substantial reform is in fact meant in the expenditures of the Government we must go back to a more reasonable era, and we ought to begin right here, in our own household as it were, and restore the salaries of officers of the House as they were fixed in 1866, at the close of the war, and we shall be fixing them high enough; but it is since the year 1866 the startling increase in the civil service has occurred. I presume that the same gentlemen who were employés of the two Houses are in the main still in such employments, and with the old compensation restored will still remain in the same service and discharge their duties as satisfactorily as they did then.

If there is to be real, honest retrenchment we must go back; and strange to say we do not have to go back very far to discover our departure from a reasonable expenditure, at least infinitely more reasonable than the provisions of the present bill. Going back to 1866, we find that every item embraced in this appropriation bill is heavily increased. If, then, there is an intention, as the country has been assured, to bring public expenditures down to a point at which the Government can be reasonably administered with fair economy, we must retrace our steps, not basing our legislation upon recent experience, but upon that wiser policy that prevailed only eight years ago; and this is not asking much, for even then our expenditures were exorbitant. Let us retrace our steps and make a substantial, real reform. Gentlemen have no right to indulge in brilliant speeches in favor of reform without carrying those professions into practical effect.

Mr. STARKWEATHER. Mr. Chairman, it will be observed that the salary allowed in this bill is limited by a proviso at the bottom of the page: "That hereafter he shall receive, directly or indirectly, no fees or other compensation or emolument." It is true the sum here appropriated is something more than the salary was formerly; but the fees and emoluments to which the Sergeant-at-Arms has been entitled, under even the lowest salary he ever had, would, taking one year with another, be much larger than the amount allowed this officer by the present bill—very much larger. Gentlemen will see that, by fixing the salaries and cutting off fees and emoluments, we are really doing the most economical thing that can be done.

Mr. HOLMAN. But the gentleman overlooks the salary of the Door-keeper, which was formerly $2,000, but which now by this bill is fixed at $4,320—an increase of $2,320 in the Door-keeper's salary over the amount appropriated in 1866.

Mr. STARKWEATHER. From an examination which has been made, not by myself, but by members of the Committee on Appropriations, I am satisfied that the Sergeant-at-Arms under this bill will not receive one-fourth as much as he did many years before the war, when his salary was nominally very small. In some cases his fees and emoluments were very large. The system now adopted of paying this officer a fixed salary will leave much more money in the Treasury than would the system which formerly prevailed. I do not wish to take up time, but the fact is that, upon investigation, any man can be satisfied that this is a measure of real economy.

Mr. HEREFORD. I wish to call the attention of my friend from Connecticut [Mr. STARKWEATHER] to a remark he has just made. He says that if we only look back we shall find we are paying the Sergeant-at-Arms and the Door-keeper less than we paid them several years before the war. Upon that point he is certainly in error. I find, by the civil appropriation act for 1860, there was appropriated for the Sergeant-at-Arms and Door-keeper—the same officers whose salary is now under consideration—only $2,000.

Mr. STARKWEATHER. I hope the gentleman will allow me one word.

Mr. HEREFORD. I see the amount appropriated in that year for the Sergeant-at-Arms and Door-keeper was only $2,000. It was for Sergeant-at-Arms and Door-keeper $2,000, and for assistant door-keeper $1,700. That was in 1860. So my friend is mistaken when he says to the House this is less than we paid prior to the war.

Mr. STARKWEATHER. The gentleman has misunderstood me. The offices of Sergeant-at-Arms and Door-keeper were held by the same person. We not only formerly paid a salary, but we also allowed fees. We have cut off all emoluments and fees beyond $4,320 provided for the Sergeant-at-Arms and Door-keeper in this bill, which is much less than was paid before the war.

Mr. HEREFORD. I see nothing in the act of 1860 about emoluments and fees. I see there only a simple appropriation of $2,000 for Sergeant-at-Arms and Door-keeper, whereas in this bill the appropriation is more than double that amount.

Mr. STARKWEATHER. They were allowed to charge ten cents per mile for travel, and used to do it by telegraph and then charge the whole amount. In some cases the Sergeant-at-Arms's fees were more than $10,000 a year, on examination and proof. Now we hold him to perform the duty for $4,320, and he gets no extra compensation. We save the difference between $10,000 and $4,000.

Mr. HEREFORD. That is not all. The Sergeant-at-Arms and Door-keeper not only get $4,320, but we go on to provide for an assistant door-keeper $2,592, and for an acting assistant door-keeper $2,592, whereas there is no such thing in the act of 1860 either as assistant door-keeper or acting assistant door-keeper. I cannot understand what idea the committee intended to convey by this appropriation of $2,592 for assistant door-keeper and then $2,592 for acting assistant door-keeper. So that for the purpose of Sergeant-at-Arms and Door-keeper we pay by the bill now before us the sum of $9,300, whereas before the war in 1860 we only paid the amount of $2,000 for Sergeant-at-Arms and Door-keeper, and $1,700 for assistant door-keeper, nearly three times as much now as we paid then. I cannot see how my friend is sustained by law or by fact when he says it is less now than before the war. On the contrary, by the bill now before us, we are to pay nearly three times as much as we paid under the act of 1860, and yet that Senate is composed of but few more men than it was in 1860.

[Here the hammer fell.]

Mr. COX. I move to strike out the last word *pro forma*. I do it, to say that it is almost impossible for any one, either in the minority or the majority, to cut down a bill of this nature. It is framed in accordance with existing law. That is our formula, and we have to change the law before we can cut down the appropriations. Plain people, of course, will ask who made the law, and why it is not changed. The majority is responsible. I wish we had a rule in this House by which we could cut down salaries when the appropriation bills come up. It is said we have passed by—I think it was the gentleman from Pennsylvania [Mr. MYERS] who made the point of order—that

we have passed by the compensation and mileage clauses for Senators, amounting to $400,000, and therefore it was too late for my friend from Pennsylvania, on this side [Mr. SMITH] to make the point he tendered on the mileage clause. I am sorry he could not make his point; it is so well taken. It ought to be made on this bill; but of course it is ruled out of order.

But we are now on the clause in reference to compensation of officers, clerks, and messengers. They amount to $124,680.80. Compare the aggregate of this present clause with the same clause in the same act of 1860. You will find, whereas it costs now $124,680.80, it cost at that time only $79,640. Yet the gentleman gives us no details about it. So it was in 1862, when the same items were $79,014. The amount was the same in 1863. This was in the midst of the war. Now it cannot be possible that we have more work to do about the Capitol, or rather at the other end of it, than we had during the war. It is not a matter as to the number of members or the rate of pay. No, Mr. Chairman, there is a general system of profligacy. It is not peculiar to these items. We are raising, and have been raising, salaries all around. A gentleman says, "Well, we have cut down our own salaries." O, yes; and now let us cut down others. I do not speak as a demagogue. I do not believe in that sort of economy which Channing said saved candle-ends and cheese-parings; but I do believe at this time, when so many men are out of employment; when men are suffering even unto starvation and suicide, destitution and death; when industrious and honest men are seeking labor, and in despair cannot find it, that profligacy is a crime; ay, and the people will so regard it.

Go back to the time in 1863 when we paid compensation and mileage to members at the rate of $189,000. Now mileage and compensation under this bill are $400,000. Is this, sir, in proportion to the increase of the number of members of the House and Senate, to the cost of living? Is it not rather largely in excess of any such ratio?

No wonder the people are considering these matters outside of politics. I wish both sides to consider the subject without reference to any partisan bearing. For myself I propose to examine this bill, clause by clause, in this light; and wherever gentlemen on that Appropriation Committee have done their whole duty, and have razeed these bills, I propose that they shall have the proper credit. But this side of the House would be recreant to its trust as a minority, if they did not challenge every item in these bills. For, with all the labor of the members of the Committee on Appropriations, they cannot do full justice to the inordinate claims for salary by the members of Congress and the employés, as well here as in the Executive Departments.

I withdraw my amendment.

The CHAIRMAN. The question is on the amendment of the gentleman from Indiana, [Mr. HOLMAN.]

Mr. HOLMAN. I wish to say that I see great force in the suggestion that we are crippled by the provision that the Sergeant-at-Arms shall not receive any fees, and I am not prepared to say myself whether the additional compensation of $2,300 may not be more reasonable than many others, considering the fact that this officer is deprived of fees. This bill is so pregnant with clear instances of unjustifiable increase of salaries, that I will press no questionable reduction.

As I understand, in the Senate the Sergeant-at-Arms is also the Doorkeeper, and under the circumstances I do not think that I should press the amendment. With the permission of the committee, therefore, I will withdraw it, and renew it in another form. I move to amend by striking out in lines 34 and 35 "$2,592," and inserting "$1,700;" so that it will read:

Assistant door-keeper, $1,700.

I wish to call the attention of my friend from Connecticut [Mr. STARKWEATHER] to the fact that in 1866—I am not to take the gentleman back before the war, (I concede that there would be some increased expenditure inevitably growing out of the inflation of our currency,) but I simply ask him to go back to 1866, and I call his attention to the fact that, according to the appropriation bill of 1866, the officer who performed the same service, that of assistant doorkeeper, received then a salary of $1,700, while his salary is now made $2,592, being an increase of nearly $900 in that office. Now, if the gentleman will allow me, I wish to show what is the effect of this kind of legislation. I find that since 1866 there has been an increase in the items composing this paragraph of the bill to the amount of $43,926. An increase, Mr. Chairman, of nearly $44,000 in this one paragraph! The amount in 1866 appropriated by this paragraph was $80,954. You have increased it now to $124,680—an increase in these eight years of the enormous sum of $43,726. You have added almost 40 per cent. to the appropriations under this paragraph above what they were in 1866, when the inevitable expenses of the Government were necessarily greater than they are now.

I trust the gentleman from Connecticut [Mr. STARKWEATHER] will be able to furnish some reason for this increase, for I am not speaking in the spirit of a partisan. The interests involved here are too great for any one to speak on this subject as a republican or as a democrat merely. It is a question of reasonable expenditure, and we ought to look very closely into it, for I hold that every dollar of appropriation for the purposes of Government beyond what is necessary is a corruption fund. You must have economy if you will have honesty in the administration of the Government, and that consideration belongs not only to congressional salaries, but to several other features of public expenditures.

Mr. COX. Will the gentleman allow me one minute of his time?

Mr. HOLMAN. I yield to the gentleman from New York, [Mr. COX.]

Mr. COX. In order that the committee may have the exact figures, I will state that in 1862—I have already given the figures for 1860—the expenditures under this paragraph were $79,014. I have already said that in 1860 they were $79,640, about the same amount. In 1866, as the gentleman from Indiana has stated, they amounted to $80,000. Why is it that recently we have had such an enormous increase of those particular items in this paragraph? We have a right to insist on specific answers. The gentleman who has taken charge of this bill should give us a bill of particulars. We should know just where to strike.

In comparing these various statutes in 1862, 1863, 1864, &c., I find that many of the salaries of the various officers enumerated in those previous laws are less by 30 or 40 per cent. than the salaries fixed for the same officers in the present bill. This will account for the large increase in the aggregate. If the gentleman from Connecticut cannot give us some reason for the increase, I think we should inaugurate a reform now and here by bringing down the appropriations to the old appropriations of 1860, 1862, 1863, or 1866.

Mr. STARKWEATHER. What item does the gentleman find fault with?

Mr. COX. There is an increase in nearly every item.

Mr. STARKWEATHER. Will the gentleman specify one item? We are not on every item.

Mr. COX. I have been making a comparison of the appropriations of the bill with those of previous years. Before I get through I will give you all of them.

Mr. HOLMAN. The case of the assistant door-keeper, now under consideration, is one.

Mr. COX. I find here an additional clerk given to the Senate Committee on Appropriations who did not appear in those former appropriation bills, and the salary of the other clerks is raised in the proportion I have stated. No wonder we have an increased sum. It is for the gentleman to account for the increase in detail.

Mr. STARKWEATHER. The gentleman from New York seems to be fretting himself over the entire bill, and as it is not in order to reply to him except as to the pending paragraph, I will wait till we get to the other sections, where we can have definite complaints to reply to. He does not seem to give us the particular items about which he complains, but I will say this: the gentleman cannot expect now, when he receives $5,000 a year, that the expenses of Congress can be paid as cheaply as they were when he received only $3,000 a year. If he had not voted to increase the pay of members of Congress from $3,000 to $5,000 a year, the expenses would be less. Every one can see that. When the salary of members of Congress was only $3,000 a year, there were only three-fifths of the amount now needed to be appropriated for that purpose.

Mr. COX. Did the gentleman say that I voted to increase the salary to $5,000?

Mr. STARKWEATHER. I do not know that the gentleman did, but nearly everybody did on that side of the House and on this. I have looked over the list of the members who voted for the increase, and I see that nearly all of the members of that House who are now here voted for it.

Mr. COX. The gentleman should know before he makes the statement that I could not have voted for it, for a good reason—I was not then a member.

Mr. STARKWEATHER. No; but the gentleman would have voted for it if he had been here. [Laughter.]

Mr. COX. That is a problematical case. I want facts.

Mr. STARKWEATHER. Now the gentleman is here, he takes the salary of $5,000 a year, and, of course, whether he voted for the increase or not, the expense is something more than it would be if he still received only $3,000.

Mr. COX. I was not speaking of the salaries of members.

Mr. STARKWEATHER. No; the gentleman had nothing to say about that. He will not complain of that.

Mr. COX. If I had attempted again to argue that question the gentleman would have made the point of order that we could not argue it, because it was an appropriation in pursuance of existing law.

Mr. STARKWEATHER. If I had not made that point of order the gentleman would have made it himself.

Mr. COX. I would have made no point of order, sir. But I would have made the point on mileage, especially, had I power—that it should be cut down, all of it.

Mr. STARKWEATHER. The gentleman does not complain about the salaries of members, but he complains because in one or two instances clerks have had their pay advanced. Formerly, at every session, we voted 20 per cent. additional pay, and sometimes more, to these officers. Taking that into account, and also the difference in the cost of living—for I have heard every gentleman on the other side of the House who has talked about inflation say that it costs twice or three times as much to live now as it did, but suppose it only costs twice as much—that will account for all the difference in salaries. The gentleman cannot expect clerks to live on the same sum they had when prices were so very much lower, in the old democratic times.

Mr. HOLMAN. I am only proposing to amend the bill so as to make it conform to what it was in 1866.

Mr. STARKWEATHER. Well, I am replying to that. In 1866 the salaries had not been put up permanently where they are now, but every year, instead of having permanent, fixed salaries, Congress, at the close of the session, voted 15, 20, and sometimes 40 per cent. additional pay. Now we propose to have the officers paid according to law; no more, and no less. Instead of having this scaling up and scaling down, one year one thing and another year another thing, we propose to have it fixed. We say that the bill appropriates less for every one but members of Congress than was formerly appropriated, taking into account the extra compensation heretofore allowed, and the extra cost of living now compared to what it was before the war. If gentlemen will compare the sum appropriated in this part of the bill with what is was before the war, and take into account the additional number of Representatives, and additional compensation required on account of the increased expenses of living, they will find this a very reasonable and economical bill. There has not been a cutting down of salaries so much, but a number of needless clerks and employés have been dispensed with, which reduces this bill about $4,000,000. Now it will cost, according to this bill, and according to all the bills reported by the Committee on Appropriations, less to run this Government than it did under James Buchanan's administration, when you take into account the advanced cost of living, and also the increased population of the country to be governed. Taking all these things into account, these bills are more economical than they were before the war under James Buchanan, when this Government in four years was run into debt $90,000,000, and there was a deficit in the Treasury of $70,000,000, which we have had to provide for this very session of Congress—a deficit and debt incurred in time of peace under Mr. Buchanan. This very bill is more economical than the bill of that day was, when you take into account the number of Representatives, the increase in population, and the increased cost of living.

Mr. SPEER. The gentleman from Connecticut is in error in referring to the expenses of Mr. Buchanan's administration, when he says that the Government was largely run in debt in time of profound peace. He must remember that the Utah war occurred during that time, and an army was sent at great expense to Utah, incurring a debt of several million dollars.

And he is further disingenuous in this, in giving the indebtedness of the administration of Mr. Buchanan, and not giving the annual receipts of the Government at that time. While it may be true that the expenditures of his administration in one year amounted to more than the receipts of that year, it is also true that the receipts of the Government now are double and treble what they were in the time of Mr. Buchanan. But why, let me ask, should the gentleman inject such references as that into the discussion of this bill?

Mr. STARKWEATHER. Because you on that side were comparing the present bill with the bills of former administrations.

Mr. SPEER. I made no such comparison.

Mr. STARKWEATHER. I said "on that side."

Mr. SPEER. It seems to me that the honorable gentleman from Connecticut, [Mr. STARKWEATHER,] charged in this House and before the country with the control of so important a bill as this, should rise above these little petty references. I say this in no unkind spirit. I think it due to the dignity of this discussion, and to truth and justice, that this House should discuss an appropriation bill of this kind without these little petty references to Mr. Buchanan's administration. It does seem to me that when a republican is driven to the wall, and has nothing to say in answer to charges made, he casts himself back upon the name of James Buchanan. Sir, so far as personal and political integrity are concerned, it would be well for this administration and for the country if there were some James Buchanan living to-day.

But I rose for another purpose. In this bill there is provided a salary of $2,592 for the assistant door-keeper of the Senate. Then there is also provided the same salary for the acting door-keeper of the Senate. The point I desire to make is a practical one. If these officers remain here during the whole year, then that salary is not too much. But if the acting door-keeper and the assistant door-keeper of the Senate cease their duties with the adjournment of Congress, then I say it is simply an outrage to pay any man $2,500 a year for standing at a door for the three months of a short session. I inquire of the gentleman having charge of this bill, and I do so in good faith for the purpose of having the House informed, whether these positions devolve a necessity upon these officers of remaining here after the adjournment of Congress? If they come here when Congress meets, and go away when Congress adjourns, then these salaries are extravagantly high.

There is no branch of the Government where we are so likely to be generous as in the compensation of the employés of the House and of the Senate. They are near to us all in their personal and social relations; they are most clever and estimable gentlemen. And there is no duty so unpleasant, in the consideration of a bill of this character, as that of standing up for the right against the men whom you esteem and regard, and whose services entitle them to a just and liberal compensation.

I ask the gentleman to say to the House whether this acting door-keeper and assistant door-keeper cease their duties when Congress adjourns. If so, then their compensation is entirely too high. If there is a Door-keeper, and an assistant door-keeper, and an acting door-keeper, I want the gentleman to define what are the duties of each of those officers. I might understand what were the duties of a Door-keeper, and of an assistant door-keeper, but when you go one step further and have an acting door-keeper, then there arises at once the implication that the assistant door-keeper is not an acting door-keeper. What does he do? He does not act as Door-keeper, because you have an acting door-keeper. It is suggested by a friend near me that perhaps the only duty the assistant door-keeper performs, the only act that he performs, is to draw his salary. I hope the gentleman will answer these pertinent inquiries.

[Here the hammer fell.]

Mr. STARKWEATHER. The gentleman can see what they do. Here is the bill of particulars before him. I knew he was joking when he made his remarks.

Mr. SPEER. Not at all; I am in dead earnest.

Mr. ALBRIGHT. I move to amend by striking out the last word, in order to reply to the remarks of my colleague, [Mr. SPEER.] I desire to say that these door-keepers and assistant door-keepers are salaried officers by the year. They cannot be employed here for nine months or six months in the year and then go back to whatever business they may have left without some sacrifice. They are persons who have some capacity and some merit, and who are qualified to discharge their duties. They are here because of their capacity and qualifications. It does seem to me that it is a very unfair argument to make that these men should be paid simply for so many months' services. The same argument might be applied to members of Congress. They get a salary of $5,000 a year, and draw their pay per month. It might be said that for the six or nine months of each year when they are at home a proportionate amount of their salaries should be deducted. If that is what the gentleman means, then he should propose an amendment, which will affect his own salary and that of everybody else in the same way. These men are the servants of the country just as much while here as are members of Congress. They are needed for the dispatch of the business of this House. Why go into such a petty pleading as to say that these men should be paid only for the time they are actually here?

Mr. SPEER. The gentleman certainly does not desire to be unjust, or to place me in a false position. I did not say they should be paid only for the time they are here, but I said if they were here only during the session of Congress then their pay was too high.

Mr. ALBRIGHT. I cannot yield now to my friend, because I have only five minutes; but he directed his question to the gentleman who has this bill in charge, and wanted to know whether this was to be payment for the time only that these officers were here, or for the whole year. Now, the gentleman knows, and everybody else knows, that this is a yearly pay; that these officers are paid for the year's services. If their services are demanded during the whole year, they must remain here. But even if that is not so, they cannot be in attendance during the session without breaking into any other business in which they might engage. It seems to me this is an ungenerous assault upon these officers; for an examination of former years will show that they are not now getting as much as the same officers formerly received. There are now no perquisites, no special allowances, to which they are entitled; but there is a clean, square pay. Hence it does not seem to me right that these men should be cut down to a pay which shall allow them only so much per month.

Mr. COX. Mr. Chairman, in reply to the honorable gentleman from Connecticut, who has charge of this bill, I beg to say that this side of the House has brought in no partisan remark. In comparing the expenditures of 1860 with the present time, we compared, in part, Mr. Buchanan's administration and four months of Mr. Lincoln's. My other comparisons applied to Mr. Lincoln's time—in 1862 and 1863. The comparison of my friend from Indiana [Mr. HOLMAN] related to 1866. No Administration was mentioned personally. So that it looks like a very microscopic sort of a point to make upon this side to raise the ghost of Mr. Buchanan against any criticism that may be made on the half million or more of dollars appropriated in this portion of the bill.

I think, sir, that the gentleman makes a loose statement when he says that our expenditures are increasing in proportion to our population and the exigencies of the public service. Sir, the expenditures in 1860–'61, including four months of Mr. Lincoln's administration, and omitting pensions and the interest on the public debt, were less by $94,653,678.98 than they are now. Thus the expenses have increased 150 per cent., with only 22 per cent. increase in population. When the gentleman makes that sort of argument he should either have some data for it, or he should withdraw his bill or his speech.

The gentleman also said, "Why do you not compare in detail the items of this bill with the items of previous bills?" When the gentleman asked me that question, I had not the time to make the comparison in full; but in looking over the matter I have made some comparison in four or five cases. The Secretary of the Senate, who formerly received $3,600, receives under this bill, $4,320. The additional allowance for disbursing clerk is increased from $480 to $576. The Chief Clerk, who formerly received $2,500, now receives $3,000. Another clerk is raised from $2,160 to $2,590, and so on. And so I might continue the comparison. Why, sir, the Chaplain of the Senate, in 1860, the man who prays so fruitlessly to God in that body, cannot do it for

the former salary of $750, but must be increased to $900. I suppose that we get better prayers now under this republican administration in view of this increase of 20 per cent. in the pay of the Chaplain. [Laughter.]

But, Mr. Chairman, gentlemen must have some reason to assign for this extraordinary increase. What is the reason? I suppose it is this snug proviso, which has been referred to, in the thirty-first line:

Provided, That hereafter he shall receive, directly or indirectly, no fees or other compensation or emolument whatever for performing the duties of the office.

Yet the gentleman from Pennsylvania [Mr. ALBRIGHT] who just took his seat said that there are no perquisites now; that all such things have been cut off. Why this proviso, then, to cut off what is not? He said, as I recollect his language, "We have, or want, clean, square pay." Well, sir, the old law I have quoted provided a "clean, square pay." In 1862-'63 and down to 1865-'66 there was no provision for perquisites to these officers, so far as I know. If there was, let any gentleman show it and I will withdraw my remark. "Clean, square pay," that is all we care for. That is the object of all our attempts now and hitherto. What is the meaning of this little proviso inserted in this bill? Is it based on figures or is it a convenient sort of loop-hole to creep through when the point is made that the expenses around this Capitol have been increased 40 per cent. in the last six or eight or ten years? At any rate that proviso is limited to a single officer.

[Here the hammer fell.]

Mr. STARKWEATHER. One single word and then I hope we shall be able to have a vote.

Mr. DURHAM. I raise the point of order that debate on this amendment is exhausted.

Mr. STARKWEATHER. There has been no reply——

Mr. DURHAM. I insist on my point of order.

Mr. STARKWEATHER. All right; I would be glad to have a vote.

The CHAIRMAN. The point of order seems to be well taken.

Mr. STARKWEATHER. I hope it will be enforced hereafter. Three gentlemen have spoken on that side on this amendment to one on this.

Mr. DURHAM. I have made the point for this side of the House as much as for that.

Mr. STARKWEATHER. I do not wish to speak further on this question myself, but I hope the rule will be strictly enforced hereafter.

The CHAIRMAN. The rule will be strictly enforced hereafter.

The committee divided on Mr. HOLMAN'S amendment; and there were—ayes 30, noes 45; no quorum voting.

The Chair appointed Mr. HOLMAN and Mr. STARKWEATHER as tellers.

The committee again divided; and the tellers reported—ayes 40, noes 60; no quorum voting.

Mr. SPEER. I hope members will not have any delicacy in voting on this important question.

Mr. HOLMAN. I do not wish to break up the committee because of want of a quorum, and will therefore withdraw my demand for a further count.

So the amendment was rejected.

Mr. WILLARD, of Vermont. I move on page 3, lines 48 and 49, to strike out "$1,440," and insert "$1,200;" so it will read:

Twenty messengers, to be appointed and removed by the Sergeant-at-Arms with the approval of the Committee to Audit and Control the Contingent Expenses of the Senate, at $1,200 each.

Mr. Chairman, I move this amendment in order to ask once more the attention of the committee to the salary of messengers, as well in the Capitol itself as in the various Departments. On page 2 we have 2 messengers, at $1,296 each. It was in respect to this I made my previous motion to reduce to $1,000. On page 3 we have 20 messengers, at $1,440 without any reason being given why they should have more than the messengers on the preceding page. On page 6 I find a messenger provided for the Committee on Ways and Means, at $1,314, which is another rate of compensation. I find there, also, 3 messengers, including one in the House Library, at $1,440 each, the same amount provided in the place in reference to which I make my motion.

I find further, on page 7, 14 messengers in the House, at $1,728 each, and 7 following them immediately, at $1,080 each. I find on page 8, 5 messengers at $1,800, 6 at $1,440, following each other, and 12 immediately following during the session—estimated at five months—at the rate of $1,440 each per annum. The point I desire to call the attention of gentlemen to is this, that messengers are paid from five to eight hundred dollars, and sometimes one thousand, more than messengers are paid in other Departments. I am told in reply by the gentleman having charge of this bill that here it is a more responsible place, and they should be paid a higher rate of compensation. Here we have five or six different rates of compensation for messengers about the Capitol.

The Senate have twenty messengers at $1,440 each; and the House has fourteen messengers, seven at $1,728 each, which is higher than any messenger gets in the Senate, and seven at $1,080, which is lower than any one gets in the Senate. I do not know the reason for this discrimination. I suppose if there is any reason it grows out of the fact that some are supposed to open doors more important, and the others to open doors which are less important.

[Here the hammer fell.]

The CHAIRMAN. The gentleman will restate his amendment.

Mr. WILLARD, of Vermont. My amendment is, on page 3, lines 48 and 49, to reduce the compensation of messengers from $1,440 to $1,200 each.

Mr. SPEER. I desire to say, Mr. Chairman, a word on this subject.

The CHAIRMAN. Is the gentleman in favor of the amendment, or opposed to it?

Mr. SPEER. I move to reduce the amendment ten dollars, as I cannot speak in favor of any increase.

The CHAIRMAN. The gentleman will speak on his ten-dollar amendment.

Mr. SPEER. Mr. Chairman, it may not be known to the country that the yeas and nays cannot be called in the Committee of the Whole, and therefore, for the purpose of giving my friends on this side of the House, as well as on the other, the benefit of the record they make, I say that the gentleman from Indiana, [Mr. NIBLACK,] and the gentleman from Kentucky, [Mr. DURHAM,] and other gentlemen on this floor, should have the benefit of their record here before their constituents at home of voting for $2,592 for a gentleman to stand at the House door for three months. I like those who always preach economy and always vote for the largest expenditures, and I like them the more when I find them on this side of the House. They, as representatives of the people here, have the right to their judgment and the right to their position, but their constituents have a higher right to know the record they are making. There we are when the yeas and nays can be called all preaching economy and reduction of salary.

The gentleman from Indiana [Mr. NIBLACK] was one of the first to give notice of the introduction of a bill to reduce the pay of the members of this House to what it was last year, and yet he is one of the first to go between the tellers in favor of $2,592 salary to the assistant door-keeper of the House. Let his constituents know it; that is all.

I say, Mr. Chairman, if we intend to economize in the expenditures of the Government we must begin somewhere. Let us begin here; let us begin now; let us begin upon those who are nearest to us; let us test our sincerity here and now. If we could call the yeas and nays upon this question, I have no doubt these leaders of the House upon this side would be rallying to the front with the banner of reform swinging in the breeze, with its golden letters on it, and only be struggling as to who should be the staff-bearer. As it is we are powerless; and not only powerless, but taunted by gentlemen on this side of the House whose constituents, I have no doubt, if they could witness the scene to-day, would bow their heads in humiliation.

What I say, Mr. Chairman, is not personal. But I received intimation from the Chair that I was to speak to a ten-dollar amendment. Well, sir, if we could reduce the bill ten dollars, that is so much. I understood the Chair himself, from recent reports, to be in favor of economy and reduction of expenditures, as well as an increase in the hours of labor of the poor girls in the Departments of the Government. If that is the position of the chairman of the committee, I hope he will not fling any taunts at me for trying to save the Government even ten dollars.

Mr. NIBLACK. Am I now recognized by the Chair?

The CHAIRMAN. Does the gentleman rise to oppose the amendment of the gentleman from Pennsylvania?

Mr. NIBLACK. I am in opposition to the gentleman from Pennsylvania. [Laughter.]

Mr. SPEER. In opposition to my ten-dollar amendment?

Mr. NIBLACK. I differ with some gentlemen in one respect at least. I did not come here, in the first place, on a mission of any sort. I came here simply with a desire to do my duty fairly and honestly, as I understood it, and to treat my political opponents, as far as I could, in the same way as I would like to be treated myself under similar circumstances. But I have never found it to my advantage personally, nor as I thought to the advantage of the country, to adopt this policy of watching the spigot while everything was running loose through the bung-hole. I do not think that that is the proper way to practice economy. I prefer always to fight systems; to fight things on general principles; to oppose the establishment of new departments of the Government, or new bureaus of the Government; to oppose increases to whole classes of individuals, where the aggregate increase amounts to something considerable. But I never was in favor of a stingy, parsimonious policy in regard to the employés about the Capitol, who attend here to do our bidding daily and nightly, as we impose it upon them.

I happened to be a member of the last Congress, when the proposition was made to add forty-nine members, to this House, in order to conform to the increase of population in the previous decade, as reported in the census of 1870. I opposed the proposed increase, because it not only made this House more cumbersome, but because it contributed unnecessarily to the increase of the public expenses. But on that occasion, if I remember rightly, I had the opposition of the gentleman from Pennsylvania, [Mr. SPEER.]

Mr. SPEER. You had.

Mr. NIBLACK. The gentleman from Pennsylvania was willing to add to this House forty-nine new members, with a salary of $5,000 each, besides mileage and all the other perquisites and incidents of

their position. Now he wants to strike off ten dollars from the salary of a door-keeper. And I believe when the great crisis fell upon the country, arising out of the back-pay matter, last spring, the gentleman from Pennsylvania was one of the unfortunate men, like myself, who failed to give back the extra compensation voted him. At all events he was charged with this by his constituents.

Mr. SPEER. But I did not hasten here to act the demagogue by giving notice of my intention to introduce a bill to repeal the increase of salary, when I had my own increase in my pocket.

The CHAIRMAN, (rapping the gavel.) The gentleman from Indiana [Mr. NIBLACK] has the floor.

Mr. NIBLACK. I was one of the first to introduce a bill to reduce our salaries. I had opposed that increase when it was made. I always thought that as a mattef of expediency, independent of other considerations, it was a mistake; and I pledged myself voluntarily on the first opportunity to introduce a bill to repeal the law making that increase. I carried out my promise. And if the gentleman from Pennsylvania will take the trouble to look into the matter he will find that in that bill of mine which proposed to repeal the former law I did not attempt to interfere with the salaries of the employés of Congress. And why? Because their duties I considered were somewhat increased on account of the greatly increased number of Representatives, in regard to which the gentleman, as he has stated, failed to vote with me in the last Congress. This increase of expenditures about which the gentleman has been speaking is the natural incident and consequence of what we did in increasing the membership of this House. The House, however, voted to sustain the proposition by a three-fourths vote, and I accepted the situation. And since the increase has taken place in pursuance of a law of Congress, I have accepted the further results of the situation in that increase of expense which everybody knew would result if we increased the number of Representatives as we have done.

Sir, whatever my record may be, it is a very humble one, I know, but I stand upon it upon all occasions, here and everywhere; and I am not at all distressed at anything the gentleman from Pennsylvania may say in that respect.

[Here the hammer fell.]

Mr. NIBLACK. I want a few moments longer. [Cries of "Go on!" "Go on!"]

The CHAIRMAN. If there be no objection, the gentleman from Indiana will proceed.

There was no objection.

Mr. NIBLACK. I do not want to stand in the attitude of striking at subordinates merely, the small men, the men who do menial service, the men who are dependent on the breath of those who appoint them or elect them and who are endeavoring to reduce their pay by a contest like that which has been inaugurated here this morning, while other immense expenditures are allowed to go on unchecked and with the support of some of the very gentlemen who are endeavoring to get this cheap notoriety, if I may use the expression, for economy which I, sir, do not covet. If I am an unfit Representative for my district on this account, in Heaven's name it is time that I should be retired.

Mr. SPEER. I withdraw the amendment to the amendment, in view of the speech of the gentleman from Indiana.

The question recurred on the amendment of Mr. WILLARD, of Vermont; and being put, it was not agreed to.

Mr. HOLMAN. I move to strike out in line 42, "$1,440," and insert "$1,200;" so that it will read:

Two assistants in document-room, at $1,200 each.

Mr. STARKWEATHER. I do not wish to be captious, but it seems to me that that is going back, and is contrary to the rules.

Mr. HOLMAN. No, sir; it is not going back; it is a part of the pending paragraph.

The CHAIRMAN. The Chair understands that all amendments are in order which are to the pending paragraph.

Mr. STARKWEATHER. I do not object to it.

Mr. HOLMAN. Mr. Chairman, this is a small item, a very small item. The amount involved is only $240. I again call attention to the fact that the increase in the items embraced in this paragraph since 1866 amounts to $43,000. It is very easy for gentlemen to talk about small items, and a laugh is indulged in whenever a practical proposition to amend, so as to reduce expenses, is made on this floor. Such propositions are laughed at and met with ridicule, and yet every one of us knows that these millions which are appropriated are made up of these very little items. Gentlemen talk about the large items that they will vote against. Sir, the whole history of our legislation shows that if you propose to have any economy at all you have got to fight every item as it comes up. I should like to see the record of any gentleman who has favored small items, proposing, when the time comes, to vote against big items. Sir, the big items never come, and in spite of the sneers of gentlemen, I shall never hesitate on any occasion to move to amend a proposition before this House, no matter how unimportant it may be as to the expenditure involved, if, in my judgment, it is an improper and extravagant appropriation of money.

Sir, there never will be any economy in this House while gentlemen on this side of the House co-operate with gentlemen on the other side and excuse them for their extravagances. I have seen the other side of the House when there was a real opposition here in the House of Representatives; and when a measure proposing any increase of expenditures was earnestly and honestly resisted and fought upon the part of the men supporting the administration of James Buchanan, they were not fortified in their tendency to profligacy by votes from the republican side of the House. I would be glad, sir, to see that day of economy come back—even that day, although I denounced that administration as a profligate administration, expending unnecessary millions year by year; and for that reason the people very properly hurled that party from power.

Sir, I have shown that upon these little items of expenditure you have increased the appropriation by this bill, on the basis of the appropriations for the same purpose eight years ago, $43,000—in these little items, remember, the expenditures about the Capitol, which have not been increased one dollar by any legislation which has occurred from that day to this.

[Here the hammer fell.]

Mr. STARKWEATHER. I do not want to take up time. The gentleman goes back to 1863. I do not want to be considered partisan, but take the year 1863, the Thirty-seventh Congress; we then had 50 Senators. The gentleman will recollect that there were only 25 States represented in the Thirty-seventh Congress.

Mr. HOLMAN. I have taken the legislation year by year clear back to that time.

Mr. STARKWEATHER. Do not interrupt me. I simply want to state the facts, and to compare the present time with the time before the war. The gentleman goes back to 1863; and in March, 1863, there were only 25 States represented here, and now there are 37. Then there were only 50 Senators; now there are 74. Then there were only 181 Representatives; now there are 302. Well, you must see that the expenses, not only of the members, but the outside expenses, must be increased. It costs more to run 37 States than it does to run 25; and here about this Capitol more clerks and other officers of all kinds are required, because there are more duties to perform.

And the expenditure now in comparison with that of 1863 is much less in proportion. We have now 37 States represented, then we had but 25; we have now 74 Senators, then we had 50; we have now 302 Members and Delegates of this House, then we had only 181. Anybody who will take into account the number of men which are now required to wait upon us, door-keepers, clerks, messengers, &c., and also will consider that, as the gentleman from Indiana [Mr. NIBLACK] said, these men are required to be here night and day, I think will make no objection to the amount of their compensation.

Go into the Senate Chamber at eight o'clock in the morning, when some of us are still in our beds, and you will find there the Door-keeper, the assistant door-keeper, and the messengers and pages, fixing up things, distributing the bills, placing them on file, and working four or five hours before many of us get here to the Capitol at all. When some of us are in our beds, enjoying our salaries of $5,000 a year, [laughter,] or riding out with our fine teams, or playing billiards, or doing something else, these men are here for hours engaged in their work. These reporters are here for hours after we are at home and asleep, as I found out yesterday, for I had occasion last evening to have a little printing done.

Mr. NEGLEY. How many members of the House does the gentleman speak for when he talks of their playing billiards or wasting their time in that way?

Mr. STARKWEATHER. I do not want to be particular in my statement.

Mr. NEGLEY. I agree with the gentleman entirely in all he has said in favor of the salaries of the pages and other officers; but I do disapprove of the habit some have of lecturing the House or their associates on this floor for neglect of duty.

Mr. STARKWEATHER. I have not lectured anybody.

Mr. NEGLEY. The gentleman has made a remark which is general, which travels all over the country, and which is an imputation against us.

Mr. STARKWEATHER. I hope this will not be taken out of my time.

Mr. NEGLEY. It ought to be taken out of your time, for it is taken out of our credit.

[Here the hammer fell.]

Mr. STARKWEATHER. Permit me to correct an impression which the gentleman has given to the country. No one can understand me as disapproving of playing billiards at the proper time. Our best clergymen do that; our cabinet ministers do it. Knowing the gentleman and every member of the House here as well as I do, I am entirely opposed to the statement that has gone forth to the country, that our habits and conduct here are not such as the country would approve. I believe there is a great deal of base slander in that respect. It certainly is the farthest from my intentions to suggest anything, even in the word "billiards," that is improper. I consider it proper to play billiards at the proper time. I wanted to say that, even while we were asleep, these men, whose salaries are so low, and whose salaries some desire to cut down still lower, are at work faithfully for us here.

Mr. NEGLEY. In speaking for myself, I wish to say that there is not a page on this floor, or a door-keeper, who works as many hours in a day as I do. And, in order to qualify his argument, I do not want the gentleman to make an intimation against any member on this floor.

Mr. STARKWEATHER. I have not done that.

Mr. NEGLEY. It is too common a practice.

Mr. HOLMAN. I move to amend my amendment so as to increase the compensation I have proposed ten dollars.

Mr. KELLOGG. I make the point of order that the gentleman having offered an amendment and spoken to it cannot change it, and thereby obtain the right to speak upon it again.

The CHAIRMAN. The point of order is well taken.

Mr. HOLMAN. Then I will withdraw my amendment. I now move to amend by striking out the sum of "$1,440" and inserting "$1,250."

Mr. Chairman, I do not believe the gentleman from Connecticut intends to be disingenuous, or that his purpose is to deceive this House or the country. Yet it is but too apparent that he is seeking to divert attention from the real point involved here.

The question is not whether by the increase of the number of members there was a necessity for the employment of an increased number of employés about the Capitol. The question is whether the salaries of those employed for years shall be now increased enormously over their former compensation, and beyond the rates established during the expensive period of the war. I have at all times regarded the salaries paid by the Government as too high. I have never known a time since I have been a member of this House when I did not consider the salaries paid to members of Congress, officers of the Government, and employés of Congress as far beyond any reasonable standard of compensation. I do not believe salaries should be greater for public employment than are generally paid for equal competency, intelligence, experience, and integrity in private employment. High salaries beget cupidity in public affairs. In my judgment, you may measure the profligacy and extravagance of this Government year by year in every one of its Departments by the increase of salaries alone. When you begin to expend money beyond the real necessities of the public service, you drift rapidly to excessive appropriations in every direction, limited only by the capacity of the Treasury. Increase of salaries is invariably the first step in the progress of extravagance. We saw this strikingly illustrated in the last Congress.

If I might be permitted the remark without being charged with being illiberal, I would say this: that a more perfect contrast between the dominant side of the House as it exists to-day, and that side as it was on its first advent into power during the last years of Buchanan's administration, cannot well be conceived. The change and revolution are complete. The old spirit that gave it power is no more. I admired the resolute purpose of the republican party of that day as much as I questioned the wisdom of its political opinions. In its youthful vigor it was earnest for economy.

Every eye was vigilant and every heart was earnest in the effort to retrench and reform the abuses that had grown up during the years of Mr. Buchanan's administration and those of his democratic predecessors. I gloried in the manhood of that party in demanding and compelling a reduction in the expenses of the Government.

The contrast of the present with the past is melancholy indeed. The singleness of purpose for the public good is no more; the sentiment of economy has died out, and cupidity in public affairs rules the hour. You seldom bring forward a measure of retrenchment even after a series of the most brilliant speeches in favor of economy. If a measure gets a hearing in the House which in fact proposes to retrench, if it is indeed a reduction of expenditure, many gentlemen upon that side of the House give it their earnest opposition; a still larger number treat it with sublime indifference; while a small portion only give it their cordial support, and these gentlemen are in the main powerless. The party as a body, in its leadership and in the spirit that animates it, is not the party that came into power during the last days of James Buchanan's administration. The name only remains. It was then a party of retrenchment and reform; it is now a party that looks with complacency upon expenditures manifestly beyond the wants of the Government, and the spirit of self-aggrandizement and personal advantage rules its counsels.

Why, sir, when I pointed out the fact that you are by this short paragraph alone increasing your expenditures in salaries, right under our eyes, over $43,000 a year beyond the year 1866, one of the most expensive years of our history, I supposed that some gentleman on the other side of the House would rise and say, "We have professed to be in favor of reform; we came into this Congress on the platform of economy and retrenchment; we have assured the country in our speeches and through the public press that there shall be retrenchment; that the party shall reform itself, and we will at least go back in the interest of economy to a grade of expenditure such as prevailed during one of the most expensive years in our history." But, sir, even a proposition to bring back the salaries of our various officers here to the standard of that year meets with profound indifference or earnest resistance; and not a gentleman on the other side, except the gentleman from Vermont, [Mr. WILLARD,] is willing to give it support by speech, and a few others by their silent votes.

[Here the hammer fell.]

Mr. KELLEY. Mr. Chairman, it would be well to compare expenses with resources, a thing the gentleman from Indiana [Mr. HOLMAN] does not seem willing to do. Take his four years of economy, the administration of James Buchanan, a time of profound peace, in which a debt of $90,000,000 was incurred for the current expenditures of the Government. There never has been a season of such profligacy as those same four years, in which the revenues of the country ran down from $64,000,000 to $39,000,000; in which the people, persecuted by taxation, extravagance, and bad legislation, fled the land, so that immigration fell from 250,000 a year down to 91,000; and the tide of emigration almost equaled that of immigration.

Why, sir, during these ten years of alleged extravagance—during almost every day of which the gentleman from Indiana has been here, and when he was more influential in the counsels of the nation than even now—it was the remark of my then venerable colleague, Thaddeus Stevens, that a bill for $10,000,000, $20,000,000, or $30,000,000 of expenditure encountered no opposition from that side of the House; but when the question was to be settled whether an expenditure for manure to put around newly planted trees should be $500 a year, there was an hour's debate upon the question, because gentlemen on the other side thought that one-half the sum would be adequate. [Laughter.] For whom and for what do we now legislate in comparison with that period? Sir, I have had occasion within ten days to call the attention of the House to the fact that, from the days of Jamestown and Plymouth Rock down to the beginning of our recent war, our people had accumulated but $14,000,000,000 of property; yet within these same ten years of alleged profligacy we added $16,000,000,000 or $2,000,000,000 more in ten years than we had gathered before in more than two hundred years. We have in the mean time nearly trebled our railroads, and in doing so have trebled and more than trebled our mail service. We have created States and rendered every part of our Territories accessible, so that they are now populated. We have surveyed the land, and made every part of our broad country the home of civilization and enterprise.

What, sir, are the proportions of the taxes of this day to the earnings and accumulations of the people to what they were when despair drove back to his fatherland the immigrant who had sought in vain for the means of living in this country under our free institutions and our beautiful flag! The expenses of the Government are more in gross; but they never sat so lightly upon the people as they do now. The taxes of a country are the annual draught it makes upon the annual earnings of the people; and during those same ten years of alleged extravagance they paid in one year $490,000,000, and in the next nearly $450,000,000, and in those two years loaned from their accumulated profits $1,000,000,000 to support the Government against the southern wing of the democratic party.

[Here the hammer fell.]

Mr. COX. I move again to amend by striking out the last word. Sir, when this debate began there was no idea that it would take a partisan turn, or such an economical turn as the gentleman from Pennsylvania [Mr. KELLEY] has given to it. The gentleman from Pennsylvania must have heard, however, that recently the people have been more or less influenced by something that has taken place in this House and country.

Mr. KELLEY. By the wit of the gentleman.

Mr. COX. It is not inflation that has had a peculiar influence upon them; that question is yet to be fairly tested in this House; that matter is going leisurely along, and nothing is being done about it; all the business of the country waits for our action on that subject. It is another sort of inflation that I refer to—the swelling of our expenses. There must have been some reason why the people of various States, East and West, last fall showed their feelings so plainly about the dominant party. And why did the people of the State of New Hampshire—which is honored by being represented by the gentleman upon my right [Mr. PARKER]—speak so significantly about our policies? Why have they given us their judgment? Gentlemen contemn it, do they? As they complain of our efforts here to economize, so they complain that the people are beginning to be thoughtful and economical. Why not heed their lessons on the subject?

Mr. Chairman, the human mind has no idea of detestation, nor human language any mode of expression adequate to express the thorough contempt of the people to-day at the shilly-shally, namby-pamby, wishy-washy economy pretended by this House. [Laughter.] We hear a great deal of noisy grinding, but no meal. [Laughter.] That is a Persian metaphor. It is a wise one. It is from the East.

We hear economy preached here all the time; but because some gentlemen, Messrs. HOLMAN and SPEER on this side, aided by one honorable exception on the other, my friend from Vermont [Mr. WILLARD] undertake by their amendments or remarks to challenge comparison between the economical years, 1860, 1862, 1863, and 1866, and the present and recent lavish years, not on population, (although there we met them,) but on the definite salaries of officers, messengers, and other employés of the Senate, then they sneeringly say it is such a little matter! [Laughter.]

Little drops of water—

I would remind the Sunday-school scholars on the other side, [laughter]—

Little drops of water,
Little grains of sand,
Make the mighty ocean,
And the pleasant land.

[Great laughter.]

Sir, infinite nature proclaims and illustrates to gentlemen, through all the stellar spaces, that, compared with constellations, you are all infinitesimal atomies, especially on the other side of the House, [laughter;] that, compared with the mountains, as well as the stars, you are each and all infinitely and ineffably little. [Renewed laughter.]

You do not know how small you are until you look up at the Sierras, the Himalayas, and the Alps! [Great laughter.]

When, sir, we make our point on a large principle, though it may be on a small sum; when we undertake to show how to begin to build, after the manner of nature, grand economies out of small, then we are taunted that we are saving at the spigot only. We are thus taunted by members on both sides. We are voted against by members on this side, almost in a body. Our party will take notice why we are voted down, and who by, in our attempt to make this Government pure and economical. Oh! yes; you go home to your State, congressional, and county conventions, and concoct and write out bold, inspiring resolves that it is the duty of all men to practice economy in public administration; and then you go—I will not say sneak through, but serenely go—through the tellers and laugh at our practical attempts, while you vote down economy. [Laughter.] But when the yeas and nays are called, Mr. Chairman, they are then for economy. [Laughter.]

I do not belong to-day to any side of this House. [Laughter.] I am not particularly in affiliation with that side or this; I am an eclectic philosopher. [Laughter.] I pick out gentlemen like the present Chairman of the Committee of the Whole, [Mr. WOODFORD,] and many of the distinguished gentlemen before me, some on this side and some on the other, and make my party. That is my party for this House. Outside of it, I am at home in the bosom of my democratic constituents. Think you the people do not understand it? I gave you notice there was meaning in New Hampshire. [Laughter.] There is a bigger meaning coming from thrifty, steady Connecticut; and there will be still greater meaning among the grangers who are to come hereafter. I understand from accurate sources—from gentlemen who come here from the West, and who understand western politics, and their impulses and movements—that not a single man, scarcely, of either party in this House from there will ever come back to it. [Laughter.]

[Here the hammer fell.]

Mr. RICE. Mr. Chairman, I have no expectation of answering gentlemen who have already spoken, but as I am somewhat bewildered by the action of the House, being a stranger to it, I speak more for relief than I do with the hope of getting any information. [Laughter.]

Now, sir, I shall never be able to find out, and I am sure the world will never know, what the administration of James Buchanan has to do with the salary of a man in the folding-room. [Laughter.] And yet we see distinguished men earnestly addressing this assembly, and confining themselves entirely to what has happened in this country ten or fifteen years ago, when the only discussion ought to be whether $1,440 shall be given to a man working in this Capitol.

Can this be in earnest, can this be equal to the important question before this country and this House, the appropriation bill to pay the expenditures of the Government in order that it may go on and discharge its function? I think not. I do not know how far the joke may go. It seems to be clearly understood between gentlemen. There is much said about this side of the House and that side of the House, but I hope in discussing this question of the salary of the laboring man or any other man it will never enter into my mind, for I hold it is not seriously meant by gentlemen, that party has anything whatever to do with paying a salary of $1,440 to a man who is at work here.

The chance is the man comes from a distant place, goes to a member of Congress and asks his assistance to get the place. And he does get it. And he has left his home and has paid his expenses, and he lives in a city that makes its living in six months out of the twelve, and the cost of living is increased by that. Now, when you propose to give him $1,440 a year, a large portion of this House gets up and makes a demonstration occupying half of the day's session to show that that man ought to have forty or one hundred dollars less.

Now, I hope Mr. Buchanan's administration will be let alone. And I hope gentlemen here—I do not know but I may be going too far in asking them to do so—but I hope gentlemen here will confine themselves in true earnest to this bill reported by the Appropriation Committee. And, if it is right that it should be adopted, let us adopt it. Let us get done with this work. There is a great deal more to do, and only yesterday I heard a gentleman say that we were likely to be here till September. For my own part I hope to be away a great deal sooner.

The CHAIRMAN. The question is on the amendment of the gentleman from New York, [Mr. COX.]

Mr. COX. I withdraw it.

The CHAIRMAN. The next question is on the amendment of the gentleman from Indiana, [Mr. HOLMAN.]

Mr. HOLMAN. Let the amendment be again reported.

The Clerk read as follows:

Strike out on line 42, page 3, "$1,440," and insert in lieu thereof "$1,250;" so it will read:
Two assistants in document-room, at $1,250 each.

The question being taken, there were—ayes 23, noes not counted.

So the amendment was not agreed to.

Mr. HOLMAN. I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Add to the paragraph these words:
Provided, however, That no greater sum shall be paid for services hereinbefore set forth under the foregoing provisions than was allowed and paid for the like services by the provisions of an act making appropriations for the legislative and other expenses of the Government, approved July 23, 1866.

Mr. HOLMAN. I will only state that the adoption of this amendment will make a difference in the aggregate of the items composing this paragraph of $43,726. In other words, the increase in the appropriations made by this paragraph, over and above the amount of appropriations in 1866 for the same purposes, is $43,726.

Mr. STARKWEATHER. I make the point of order on that amendment that it is new legislation.

Mr. HOLMAN. I submit that the point of order is made too late.

The CHAIRMAN. The Chair thinks it is too late to raise the point of order.

The question was taken on Mr. HOLMAN's amendment; and there were—ayes 36, noes 63; no quorum voting.

Mr. SPEER. I ask for tellers.

Tellers were ordered; and Mr. STARKWEATHER and Mr. SPEER were appointed.

The committee again divided; and there were ayes 32, noes not counted.

So the amendment was not agreed to.

The Clerk read the following paragraph:

For contingent expenses of the Senate, namely:
For clerks to committees, $25,000.

Mr. HEREFORD. I offer the following amendment:

After the word "committees" strike out "$25,000" and insert "$15,000;" so it will read:
For clerks of committees, $15,000.

It may be an unpopular thing, Mr. Chairman, to offer such an amendment as this; nevertheless, whatever may be the risk of unpopularity, I shall offer it, and give my reasons for doing so. The appropriations in this paragraph and in the following paragraph, from line 72 to line 79 inclusive, are all of a piece, and heretofore have been made in one paragraph. There is, first, an appropriation for clerks of committees of $25,000, and then for pages there is an appropriation of $6,700; making for clerks of committees and pages of the Senate $31,700.

Now, sir, in 1866—it seems it does not suit the temper of the gentlemen on the other side to go back to 1860—but going back even to 1866, there was paid for clerks to committees, pages, and horses and carryalls, in all, $18,000; and we have now for the same purposes nearly $32,000. Will the gentleman who has charge of this bill tell the House, and tell the people, why it is that there is an increase in this one item alone of $13,000, and that simply for the clerks to the committees and the pages of the Senate, although in 1866 there was added also the pay for the horses and the carryalls? But in this bill we are asked in a subsequent paragraph to pay—

For hire of horses and mail-wagons for carrying the mails, $5,475.

That is, for the very same items we have in 1874 the enormous sum of $37,000; whereas in 1866, under the rule of this very same party, all that was asked for was the sum of $18,000. Will gentlemen say that it was less expensive to live here in 1866 than it was in 1873? I ask gentlemen on both sides of the House, irrespective of party, to do what the people demand of us; that is, to do something in the direction of economy, and in the direction of lessening the burdens of the people.

I have observed, during the short time I have been here, that there is one great difficulty under which we labor. Too many of us change our views after we have been before our constituents. When during a congressional election we are brought face to face with the hard-working yeomanry of the country we feel honest; but when we come here we get into a different atmosphere, and honesty is not always adhered to. I charge nobody with corruption. I charge no party with wanton profligacy; but somehow or other we are in a different atmosphere here from that which surrounds us when we are with our people at home.

I ask the members of this House on both sides to sustain the amendment I have offered; and I ask also the gentleman who has charge of this bill to explain to the committee, if he can, why there should be those enormous differences between the appropriations of 1866 and 1874. If the gentleman is unable to do so satisfactorily, I shall insist, and insist earnestly, on the adoption by the committee of the amendment I have offered.

Mr. GARFIELD. I hope that the House will not be longer delayed by the same argument, which I understand has been repeated ten or fifteen times on this bill. I rise to oppose the amendment, and ask for a vote.

The question was taken on Mr. HEREFORD's amendment, and on a division there were—ayes 50, noes 59; no quorum voting.

Tellers were ordered; and Mr. HEREFORD and Mr. RUSK were appointed.

The committee divided; and the tellers reported—ayes 56, noes 49; no quorum voting.

Mr. GARFIELD. I move that the committee rise.

Mr. SPEER. Is that in order when the committee is dividing?

Mr. GARFIELD. If the gentleman insists on a call of the roll, he can have it.

Mr. SPEER. I simply inquired if the motion is in order while the committee is dividing.

The CHAIRMAN. Whenever it appears to the Chair or the commit-

tee that no quorum is present, a motion that the committee rise is in order, if no motion be made for a call of the roll.

Mr. SPEER. There is a quorum here.

Mr. RUSK. Then why do not they vote?

Mr. SMITH, of Ohio. Is it competent to have a call of the House in committee? I think no motion is in order except that the committee rise.

The CHAIRMAN. The rules prescribe that when the committee finds itself without a quorum the roll shall be called; but what is known as a call of the House is, of course, not in order in the committee. The proper motion is that the committee rise, which the gentleman from Ohio has made.

The question was taken on Mr. GARFIELD'S motion; and it was agreed to.

The committee accordingly rose; and the Speaker having resumed the chair, Mr. WOODFORD reported that the Committee of the Whole on the state of the Union had, according to order, had under consideration the special order, a bill (H. R. No. 2064) making appropriations for the legislative, executive, and judicial expenses of the Government for the year ending June 30, 1875, and for other purposes, and had come to no resolution thereon.

ORDER OF BUSINESS.

Mr. McCRARY. I desire to ask unanimous consent of the House that the session of to-morrow be set apart for discussion upon the transportation question. A number of gentlemen have suggested to me that there is a very general desire to accept an invitation to go to Chester, Pennsylvania, on the part of a good many members, and if the session can be given entirely to debate on the transportation question we can progress very far with it, and at the same time accommodate a great many gentlemen who desire to leave the city.

The SPEAKER. That requires unanimous consent.

Mr. POLAND. I have no objection to the arrangement suggested if it will not interfere with our session to-morrow evening.

Mr. McCRARY. It will not.

Mr. GARFIELD. If a majority of the House expect not to be here to do business, of course I will not raise any objection; but I do feel that if we omit these days, the only three days of the week which are given to our appropriation bills, we will cause a very serious loss. I do not know how far gentlemen are going away so as to leave the House without a quorum.

Mr. McCRARY. We shall progress in the business of the House by giving to-morrow to the discussion of the transportation bill as much as we could possibly do in any other way.

Mr. GARFIELD. Does the gentleman propose to take any action whatever on his bill to-morrow?

Mr. McCRARY. None whatever. I propose that the whole day be devoted to discussion, and that no vote shall be taken.

Mr. E. H. ROBERTS. If the gentleman gave notice that he would press his bill to-morrow, would it not have the same result as if he had obtained unanimous consent? He has control of the bill.

Mr. McCRARY. The House, by a majority vote, might go into Committee of the Whole on the appropriation bill.

Mr. STARKWEATHER. If there is to be discussion on so important a measure, it is surely important that gentlemen should hear it.

Mr. McCRARY. We take it for granted that those who desire to hear the discussion will be here.

The SPEAKER. Gentlemen will observe that a large part of the discussion does not proceed on a day of that kind; gentlemen decline to speak. Is there objection to devoting to-morrow to debate only on the transportation bill, with the evening session for the purpose for which Wednesday and Thursday evenings have heretofore been given, the consideration of the revision of the laws?

Mr. WILLARD, of Vermont. Is the arrangement to be made with the understanding that the debate of to-morrow is to be the same as at the evening sessions, debate irrespective of the Committee on Railways and Canals?

The SPEAKER. The Chair does not understand how that is to be.

Mr. E. H. ROBERTS. I object to the arrangement.

Mr. GARFIELD. Then I give notice that I shall ask the House to go into Committee of the Whole on the state of the Union on the legislative appropriation bill immediately after the morning hour to-morrow.

Mr. McCRARY. And I shall ask the House to proceed with the special order—the transportation bill.

MILITARY ACADEMY APPROPRIATION BILL.

Mr. MARSHALL, from the Committee on Appropriations, reported a bill (H. R. No. 2545) making appropriations for the support of the Military Academy for the fiscal year ending June 30, 1875; which was read a first and second time, ordered to be printed, referred to the Committee of the Whole on the state of the Union, and made a special order immediately after the Indian appropriation bill shall have been disposed of.

Mr. HOLMAN. I reserve all points of order upon the bill.

REDUCTION OF THE ARMY.

Mr. COBURN, from the Committee on Military Affairs, reported a bill (H. R. No. 2546) to provide for the gradual reduction of the Army of the United States; which was read a first and second time, and ordered to be printed.

Mr. COBURN. I move that this bill be made the special order for the first Tuesday in April, after the morning hour, to the exclusion of all other orders, and from day to day until disposed of.

Mr. GARFIELD. I shall object to that, unless appropriation bills are excepted, that having been done in the case of nearly all the other special orders.

Mr. COBURN. What will be the effect of such an exception?

The SPEAKER. It will place the bill in the same position that the transportation bill now is in—subject to a motion to go into Committee of the Whole on an appropriation bill.

Mr. SMITH, of New York. I must object, unless an exception is made in favor of the report of the Committee on Elections.

The SPEAKER. The Chair thinks that is a proper exception.

Mr. COBURN. Does the gentleman desire to call up his election case on that day?

Mr. SMITH, of New York. We hope to reach it before; if not, then we will call it up on that day.

Mr. COBURN. How long will it take?

Mr. SMITH, of New York. Perhaps three or four hours.

Mr. COBURN. I will not object.

No further objection being made, it was ordered accordingly.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. SYMPSON, one of its clerks, announced that the Senate had passed a bill of the following title; in which the concurrence of the House was requested:

An act (S. No. 384) for the benefit of the Louisville and Bardstown Turnpike Company.

The message further announced that the Senate had passed a joint resolution of the following title, with amendments; in which the concurrence of the House was requested:

A joint resolution (H. R. No. 29) authorizing the Secretary of War to detail medical officers of the Army to inquire into and report upon the causes of epidemic cholera.

The message also announced that the Senate had passed, without amendment, bills of the following titles:

An act (H. R. No. 1015) to authorize the President to accept, for citizens of the United States, the jurisdiction of certain tribunals in the Ottoman dominions and Egypt, established, or to be established, under the authority of the Sublime Porte and of the government of Egypt; and

An act (H. R. No. 1956) for the relief of Willard Davis.

EMPLOYÉS OF THE DOOR-KEEPER.

Mr. McKEE. I ask unanimous consent to submit the following resolution at this time:

Resolved, That the Door-keeper be, and he is hereby, directed to report to this House, without delay, the number and classes of all his subordinates and employés, the salary or per diem paid to them in classes, the duties that are being performed by each class, the States and districts from which they are respectively appointed, upon whose recommendations they were so appointed, when they were appointed, what number of supernumeraries are now, and have been, paid out of the enforced or voluntary contributions of one-third of the monthly salary paid to those actually performing the duties, and how many out of each class can, in his opinion, be dispensed with on account of decrease of lack of work under his charge.

Mr. GARFIELD. I object to the resolution being adopted, and move that it be referred to the Committee on Accounts.

Mr. McKEE. I hope the gentleman will not object. It is for information on his own bill.

The SPEAKER. Does the gentleman consent to the reference?

Mr. McKEE. I do not.

Mr. GARFIELD. I move that the House now adjourn.

Mr. TODD. Pending that motion I move that when the House adjourns to-day it be to meet on Thursday next.

EPISCOPAL CHURCHES IN THE DISTRICT OF COLUMBIA.

Mr. ELDREDGE. I ask unanimous consent to report back from the Committee on the District of Columbia a bill simply to approve the act of the Legislature of the District with reference to the Episcopalian churches here. It has been ascertained that there is some defect in their organization, and this bill is simply to give them the powers which they have ordinarily exercised. It is very desirable that the bill should be passed before Easter Sunday, for the reason that the churches hold their elections at that time.

There being no objection, the bill (H. R. No. 2422) to approve an act of the Legislative Assembly of the District of Columbia relative to parishes of the Protestant Episcopal Church was received, and ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

Mr. ELDREDGE moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

THOMAS HARDEMAN, JR.

Mr. WHITELEY, by unanimous consent, introduced a bill (H. R. No. 2547) to remove the political disabilities from Thomas Hardeman, jr., of Bibb County, Georgia, imposed by the fourteenth amendment to the Constitution of the United States; which was read a first and second time, ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed, two-thirds voting in the affirmative.

Mr. WHITELEY moved to reconsider the vote by which the bill was

passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

The question was then taken on the motion to adjourn until Thursday; and upon a division—ayes 44, noes not counted—it was not agreed to.

ASBURY E. ANDERSON.

Mr. CASON, by unanimous consent, introduced a bill (H. R. No. 2348) for the relief of Asbury E. Anderson, a private soldier; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

INTERSTATE COMMERCE.

Mr. MCCRARY. I move that the House now take a recess.

The SPEAKER. The House this morning, by unanimous consent, ordered that the session of this evening should be for debate only, upon the transportation bill. The gentlemen from Ohio, Mr. SPRAGUE, will occupy the chair as Speaker *pro tempore*.

Mr. CONGER. I ask that the session of to-morrow be for debate only, on the transportation bill. The members of the Committee on Commerce, and a great many other members of the House, are quite anxious to go to-morrow to witness the launching of the largest steamship that has ever been built in the United States. We consider it a part of our duty, perhaps, in connection with the question of commerce and ship-building, that we should go there. The business of the House will proceed, if the session of to-morrow be for debate only, and those who desire to witness this interesting event will be able to do so. I have been here for five years, and have not been absent one hour from a business session of this House. I would dislike to go to-morrow if a business session is being held here, and I again ask unanimous consent that the session of to-morrow be for debate only.

Mr. E. H. ROBERTS. I am informed by gentlemen that the committee which would have the morning hour to-morrow does not desire to occupy it. With the understanding that the gentleman from Iowa [Mr. MCCRARY] will call up his transportation bill immediately after the reading of the Journal, I will withdraw the objection I made.

Mr. PAGE. I believe a bill from the Committee on Mines and Mining is now pending in the morning hour.

The SPEAKER. That will hold its place.

Mr. PAGE. If that bill can go over to the next morning hour, I have no objection to the arrangement proposed.

The SPEAKER. The bill will hold its place in the morning hour until disposed of. The gentleman from New York [Mr. E. H. ROBERTS] having withdrawn his objection, the proposition is again before the House, that by unanimous consent the session of to-morrow shall be devoted to debate only, on the transportation bill, no business whatever to be transacted; the evening session to be given as usual to the revision of the statutes at large. If there be no further objection, this arrangement will be made. The Chair hears none. The gentleman from Maryland, Mr. ALBERT, will act as Speaker *pro tempore*.

The question being taken on the motion of Mr. MCCRARY for a recess, it was agreed to; and accordingly (at four o'clock and thirty-five minutes p. m.) the House took a recess until half-past seven o'clock p. m.

EVENING SESSION.

The House assembled at half-past seven o'clock p. m., Mr. SPRAGUE in the chair as Speaker *pro tempore*.

INTERSTATE COMMERCE.

The SPEAKER *pro tempore*. The House meets to-night for debate only, and the bill (H. R. No. 1385) to regulate commerce by railroads in the several States is before the House.

Mr. SCUDDER, of New Jersey. Mr. Speaker, I would not address the House on this subject were it not that I feel it my duty to state the reasons that will control my vote on this bill. When we consider the nature of this bill there are two propositions which seem to be involved. The first is the subject-matter of the bill; the second is the mode by which Congress seeks to exercise this power. Now, if you consider the subject-matter of the bill, you will see how wide is its scope, how important its bearing, how extensive its ramifications. There are now 73,539 miles of railroad in this country, which cost $3,159,423,057. Vast in its magnitude, this great property is represented by bonds to the amount of $1,571,578,944, and by capital stock to the amount of $1,607,844,113. When we consider, then, the vast extent of these works and the great amount of capital involved in this property and in this business, we see the importance of any legislation touching this subject. Even the gross annual earnings of this property amount to $473,241,055. The net earnings of this property as a whole are said to amount to about 5.2 per cent.

Now, this great property the bill seeks to vest in a commission composed of nine members; and from the decision of that commission no appeal has been provided. All the power that is reserved in case of a penal suit for taking fares not authorized by the commission is that the defendant must prove affirmatively on his part that the rates are reasonable.

This vast power is not only to be exercised by a commission, but it must be exercised over great highways, the most of which have been created by State authority, by direct contracts between the State and the companies.

There is another very striking thing about this bill; these commissioners are to have the extraordinary power to send for persons and for papers; they are to have the right to investigate the proceedings of these great corporations which have created these highways; to go into the details of their affairs; to examine them in such way as their discretion may determine. It is true some provision has been made with reference to applying to the courts of the United States for the possession of books and papers. But in this free country, under a representative Government, this vast and extraordinary power of sending for persons and papers is to be lodged in nine commissioners, five of whom can exercise that power. It seems to me to be monstrous. It seems to me that neither the people of this country nor the people of any other enlightened country would ever stand the exercise of so great a power.

Now, Mr. Speaker, the learned gentlemen who have presented this bill are sincere undoubtedly; they are zealous, and are backed by strong constituencies no doubt; they have honest motives; but I take it that, when they come to consider this vast subject, they will be induced to retrace to some extent their steps. They claim this power under the right granted by the Constitution to Congress to regulate commerce. Now, how has Congress heretofore regulated commerce? That is a very serious question. In what mode, in what manner, has Congress regulated commerce? Let us see. Congress has established ports of entry (one of the material elements in commerce) where ships, both domestic and foreign, enter; ports for clearance and for the usual business incident to ports of entry. They have exercised the power of regulating commerce by preventing States from taxing commerce as it passes from one State to another, by duties, or imposts, or other restrictions.

The great case which has excited the attention of the gentlemen who have engaged in this debate, and which has always excited the attention of the country, is the case of Gibbons *vs.* Ogden. Now, that was a very simple case; and it will not warrant any of the deductions which have been made by the learned gentlemen who have discussed this subject.

About the year 1808 a steamboat passed from the wharves of the city of New York to Albany. Fulton and Livingston and many of the mechanical geniuses of that time were engaged in that very great enterprise. It was a success. To reward those distinguished gentlemen, those great pioneers in invention, those men who were far in advance of the age in which they lived, the State of New York enacted a law that the right of navigation in its waters by steam-vessels should be exclusive in certain parties for a limited time. That was resisted. Gibbons was a man well known in my part of the country, a man always antagonistic in his disposition, a man who was always ready for opposition. Many humorous stories are told of him. One is that once in a barber-shop he was charged more than he thought was right; and with the natural element of antagonism in his mind he started an opposition barber-shop. He went once to a watering-place, and they did not give him proper accommodations; and such was his peculiar antagonism of disposition that he started a rival watering-place. When they attacked Gibbons, they attacked the wrong man. To this natural antagonism in his disposition Mr. Gibbons united great force of character and power of mind.

The result of all that litigation was to declare that the exclusive right of navigation in the waters of the State of New York by steam, as granted by that State, was void.

A great many things were said in that opinion, and a great many things said in other opinions pronounced by the Supreme Court of the United States and other learned tribunals; but when we come to examine every decision made by that high tribunal or any other tribunal on this subject, we may sum it all up in these few words: "You seek to impose restrictions on commerce; you cannot do it. Hands off; commerce is free." That is the upshot of it. That is all that was ever decided by any court.

They have held that a passenger coming into the country could not be compelled to pay taxes by State authority. That was, "Hands off; commerce is free." They have held even a bill of lading, which represented interstate commerce or foreign commerce, could not be taxed by State law. Hands off!

Now, Mr. Speaker, this power has never, at any time, been exercised by fixing the rates for which common carriers could transport. Learned gentlemen may read extracts from opinions and learned essays on this subject, but when we come to find the particular subject-matter which has been adjudged, there is no case which declares that the business of transportation can be regulated by Congress by fixing the rates. Can Congress fix the price of a steamboat as a regulation of commerce? And yet a steamboat is one of the elements of commerce. Can Congress fix the price of a railroad-car? And yet a railroad-car is one of the elements of commerce. Can Congress declare how much it shall cost per mile to build a railroad? And yet these are all elements of commerce, as well as anything else; because without steamboats, without railroads, without cars, without locomotives, without the means of transportation, commerce cannot be carried on.

Now, again, I submit to these learned gentlemen that Congress connot compel a railroad company, created by a State, to transport beyond the State limits. I think no gentleman will deny that Con-

gress cannot compel railroads created by State authority to transport beyond the State limits.

This transportation from State to State is made by mutual arrangement with the railroads by lease or by contracts, but, though they are made by mutual arrangement, it is certainly one test of the power that the local railroad created by a State—and the most of these railroads are—cannot be compelled by Congress to transport beyond the State limits. Inasmuch as Congress cannot compel a railroad to transport beyond its lines, it is a serious element in this question before us. The railroads created by Congress stand on a different ground. Congress, in such instances, has reserved the power to change their charters.

We have steam navigation from State to State, and coastwise from State to State. Has Congress ever attempted to fix the rates of steam navigation? You must consider, so far as the States are concerned, they have reserved the right in their charters to limit the rates, and the companies incorporated have accepted the contracts as granted by the State Legislature. They are contracts, and have been accepted, and accepted with these conditions, that the State can regulate them. According to this bill, though by the contract the State can regulate the rates of fares, it is sought to transfer to another tribunal outside of the State this very power of fixing the rates, and that produces at once conflict between State authority and the authority of the United States.

But the argument derived from this fact of the State having reserved the right to fix the rates cannot help the parties in this case, because that was a right reserved in the contract between the State and the company which was incorporated, and the company accepted the charter on these express conditions.

This peculiarity exists in this bill, to which I call the attention of gentlemen who have it in charge: by this bill the commissioners can fix the rate one day and file their schedule of rates with the clerk of the district court, and the next day they can change those rates, and the rates can be changed just as often as these commissioners please.

It is contended on the other side that fixing the rates is the regulation of commerce. I contend, on the contrary, it is not a regulation of commerce, but it is the control of the business itself.

Now, learned gentlemen have cited a great many cases of this sort: that a municipal corporation, for instance, the city of Washington, may regulate cab-hire and the rate of transportation between particular points; that the city of New York, or the city of Philadelphia, may exercise that power. Congress also has exercised power of this sort, and have appointed commissioners for the purpose of determining whether a steamboat is fit for navigation; whether her boilers are in good condition; whether her engine is in a proper condition; whether she has the proper appliances or not. Now, when you look at the question of municipal regulation of the rates of fare for hackhire, or of rates of fare for ferries, those are police regulations. That great judge, Chief Justice Marshall, when he delivered his opinion in Gibbons *vs.* Ogden, said the regulation of a ferry was a police regulation. If, then, these are police regulations, they are not regulations of commerce. That is clear.

You grant at once that these various cases, which have been cited by learned gentlemen, go to show that a municipal corporation can fix the regulations and rates for hack hire, can license inns and taverns, can regulate the speed of locomotives within municipalities. They are not, then, under the Constitution, commerce or regulations of commerce by Congress, because the line of distinction in this country has been clear and well defined, and marked by principles which are distinct. It is clear, then, that if these regulations upon which gentleman rely, and which appear so plausible, and almost convincing when stated, are police regulations, they are not regulations of commerce by Congress under the Constitution of the United States.

The history of our railroad combinations is exceedingly simple. I recollect, years ago, traveling in the southern part of the country, toward the Ohio River, in a stage-coach. I met a Tennessee man there. He talked of the enterprise of Tennessee and of the enterprise of Kentucky. "But how, my friend," said I, "how do you claim that?" His answer was, "We build our turnpikes up to the State line of Kentucky, under a promise on the part of the people of Kentucky that they will build their turnpikes so as to go farther up." Now, here two States by local laws sought to have access from the southern part of Tennessee to the Ohio River; but these turnpikes were the creatures of the State. It would have been absurd to suppose that Congress should step in and regulate the rights of transportation from the southern parts of Tennessee to the Ohio River over these turnpikes created by the local authority by fixing the rates of fare. I do not think anybody would have claimed that right.

When we look at the history of the consolidation of railroads we find that it is a very simple history. Like that case in Kentucky and Tennessee, where the people of each State built their turnpikes to the State line for the purpose of facilitating interstate communication, railroads have been built for local purposes in States, as, for instance, from Albany to Schenectady, and so on, step by step, until you got to Buffalo. But the Ohio people stepped in and they made their lines; and the Indiana people stepped in and made their lines; and the Illinois people stepped in and made their lines. These were at first local lines, created by State authority; and the necessity of the case induced the companies controlling them to agree to transport over the whole line. The singularity of this case is that they are all the creatures of State authority and for the public convenience and for the public necessity they carried passengers and merchandise from State to State. Has Congress ever, under any circumstances, claimed the right; has any power ever been exercised which has been sanctioned by any law or the decisions of any court that the business of transportation could be regulated by Congress by fixing the fares?

Mr. FORT. May I ask the gentleman a question there?

Mr. SCUDDER, of New Jersey. I will hear the gentleman's question with the greatest of pleasure.

Mr. FORT. Do I understand the gentleman to claim that these railroads do business with a reference to State lines? I would ask the gentlemen how they do their business? Do they run their lines from State to State, and through the several States?

Mr. SCUDDER, of New Jersey. The answer is very simple. The railroads were created, in the first instance, by State authority, for local purposes. And, after they were created by State authority for local purposes, it was found convenient and necessary for the public interest that they should join by contract or lease so as to go from State to State.

Now, I suppose my learned friend from Illinois [Mr. FORT] would claim that, when they do make these contracts to go from State to State, Congress could fix the rates of fare. That must be his claim. This question has been illustrated by a very strong case, which arose in the State of New Jersey. That case was this: Owing to some jealousy of the Erie Railway existing in the State of New Jersey, created by other corporations, they enacted a law that foreign corporations doing business in the State of New Jersey, and transporting merchandise and passengers across the State, should pay a transit duty of so much per ton and so much per passenger. That road, by means of its vast connections away in the Eastern States, and its vast connections away in the Western States, transported passengers and also goods from New England to the Mississippi River and beyond. The question arose, should the State of New Jersey impose the transit duty? The supreme court of New Jersey held that it could. The court of appeals held that it could not; that that was interstate commerce, and should be free; but they decided in that case, as I said before, to put it into very plain, simple English, "Hands off;" that was all.

Mr. FORT. Will the gentleman let me ask him one question right there?

Mr. SCUDDER, of New Jersey. I will answer any question with the greatest pleasure.

Mr. FORT. The gentleman no doubt admits that when a railroad company, acting within a State, takes upon itself the duty of receiving goods for transportation beyond the State line, it become a common carrier in the sense of an interstate carrier, does it not?

Mr. SCUDDER, of New Jersey. You are right; very well; it becomes a common carrier for the transportation of merchandise and passengers from State to State; and if a State shall say we will tax that transit, then the power of Congress intervenes, or the clause of the Constitution intervenes, and says you cannot do it; but no power has ever yet been exercised to this extent, that Congress can fix the rates of transportation of these common carriers. It never has been done yet, and I do not believe under our railroad system it can be done and stand.

Now let me see a little further. These railroad commissioners can change these rates as often as they please. Take the instance of a city municipality; they pass an ordinance fixing the rates of fare in hacks. Suppose that ordinance was unlawful or unreasonable, why, by that great prerogative writ of *certiorari*, derived from English law and existing in every State in this Confederacy, the highest tribunal in the State, which represents the King's Bench in England, can remove that ordinance fixing the rates, and if the regulation is unreasonable can declare it void. Where is there any such power here? The arbitrary power granted to these commissioners is without appeal in any sense. Nobody can appeal from it; nobody has any redress. The power is greater than that of any monarch in the world; the power is greater than that of any despotism which exists. How can they appeal? The only method of appeal which is authorized by this bill is that they must affirmatively prove that the rates are reasonable; there is no appeal; no review of the order itself. The commissioners make these orders; they revoke these orders; they file them from time to time, and there is no power anywhere to review them, and I do not know whether, under the system which exists in this Government, under our laws creating the courts of the United States, there is any common-law power to use the prerogative writ of *certiorari;* but at all events there is no provision of that kind in this bill.

Now, Mr. Speaker, I have shown how this consolidation naturally sprung up from existing circumstances. Our friends from the West very naturally feel that they should have cheap transportation; it is a very natural impulse. We can well conceive how it does exist. But you must recollect that there are two sides even to this question. Railroads have been carried into the far West, carried into the wilderness, where lands are fertile, where corn is raised in abundance, and where wheat grows if you only scratch the ground and sow it. They complain when they get away off in this wilderness, off from the seats of commerce and business, off from the markets, that they cannot get a proper price by reason of the cost of transportation. Time will cure all that evil; that same genius and enterprise, that same capital, that same spirit of the American people which has car-

ried the railroad into the wilderness, will ultimately carry people around it, and they will ultimately have a home market. It is in this intervening state of affairs that these gentlemen chafe about it; but the evil will cure itself in time.

Mr. WILSON, of Iowa. I do not like to interrupt my friend, but I should like to say a word.

Mr. SCUDDER, of New Jersey. I have no objection; I have my own views about this matter.

Mr. WILSON, of Iowa. The gentleman is so good-natured that I thought I would like to state the real reason that we complain.

Mr. SCUDDER, of New Jersey. Very well.

Mr. WILSON, of Iowa. Complaint is not that even from the far West railroads charge so much for a long haul that our products cannot reach market; the complaint is that we have natural highways in our rivers and can have artificial highways in canals by which our surplus can be carried very cheaply; but railroads have been built up, as the gentleman has described, so as to form trunk lines, making one continuous line in the interest of men living in New York City, who absolutely refuse by discriminating rates to permit the West to use those cheap water-lines. That is what we complain of.

Mr. SCUDDER, of New Jersey. I am very glad my friend interrupted me, because I know he is a man who does not interrupt me for any improper purpose. Congress can regulate commerce by deepening our rivers, by removing obstructions therefrom; Congress, under the example set in the construction of those great railroads which span the continent, can construct these canals, and your President has recommended that plan.

Mr. WILSON, of Iowa. But they are not yet constructed.

Mr. SCUDDER, of New Jersey. There is an interregnum, then, there is an intervening period; but during that invervening period, though you may feel a sense of oppression and wrong; though the railroads may not act justly or wisely—I am not here as their defender; I am here as the defender of a principle only—in the intervening period you have to suffer; and probably this discussion may lead to great results, and bring about some of those results which are in the mind of my learned friend.

Mr. NIBLACK. If these roads chartered by the States do not choose to stop at the proper crossings and junctions with canals and rivers, is not that a matter of State regulation?

Mr. SCUDDER, of New Jersey. The States can do it; they have already exercised that power.

Mr. WILSON, of Iowa. Will the gentleman allow me one word?

Mr. SCUDDER, of New Jersey. Certainly; certainly.

Mr. WILSON, of Iowa. I will not interrupt the gentleman if he objects.

Mr. SCUDDER, of New Jersey. O, go ahead.

Mr. WILSON, of Iowa. Suppose the Mississippi River freezes up, the States of Iowa and Minnesota have to go through other States to reach the open Mississiipp. The State jurisdiction does not extend to the open Mississippi.

Mr. SCUDDER, of New Jersey. Very well; can my friend remedy the evil by doing an unlawful act, to wit, fixing the rates of other people's business?

Mr. WILSON, of Iowa. We think it is lawful.

Mr. SCUDDER, of New Jersey. Well, just on that point we differ. Now, my purpose was only to state my views and explain my vote.

I will go on and speak to another question in connection with this subject. I have not examined and carefully read the discussion on this bill; but there is another point which I believe has been touched on, and which has impressed my mind very greatly, and it is this The creation of this commission of nine men, five being a quorum,: with the right to exercise this power, is in my judgment an unlawful delegation of legislative power to a commission. I believe the question has been touched upon, but I think it is one which is conclusive, so far as the true bearings of this case are concerned. Now, let us see. Here is a delegation of the power of Congress. If the commissioners fix the rate to-day, they must also fix the termini, because fixing the rate involves that under this act; they must do both. The commissioners then, in every State, exercise a legislative power. They fix the termini; they give the most honest consideration to the subject, we may suppose, (for we may presume that all things are rightly done;) and then they fix the rates, and to-morrow they change the rates, and the next day they may change them again. Is not every act that these commissioners do a legislative act? Now, if it be a legislative act, it then is clearly not in the power of Congress to part with its great powers. We are discussing here every day the tariff laws. Can Congress grant to commissioners the right to fix the customs or rates of duties upon goods imported into this country? Can it delegate that power to them? Commissions have been exceedingly useful in our country and in others in this way: they have been appointed to inquire, and investigate, and report. But Congress has always fixed the rates of duties. If you grant to a commission the right to fix the rates of duties, you strip yourselves, as the representatives of a great government, of the legislative power of Congress. Congress has a right to declare war. If you grant that right to commissioners, why, then commissioners exercise that most extraordinary sovereign power of declaring war. Commissioners frequently fix up treaties of peace, and refer them to the proper tribunal, the President and Senate, for ratification and confirmation; but the power to declare war is in Congress. The power to exercise all these great functions is in Congress. You cannot part with that power, and I should say that if you parted with that power you would be derelict in your duty, and the highest tribunal of this country would say that you had done an act which it was beyond your power to do.

Now, you will see that each determination of those commissioners is final; the last determination is final, and Congress does not ratify their action in any sense. It is not referred to Congress for ratification; it is not referred to Congress for approval. Nay, more; these men in secret sit enthroned above and beyond the power of Congress. You would not trust them to exercise that power upon your farms, or in your business, or in your merchandise. Nay, more; you would declare war and shed your blood before you would grant such a power. But because there is a feeling with reference to these railroads you rush into these extremes and do that which is unlawful.

Now, this is not a judicial act. You can grant judicial powers. There is no plaintiff, there is no defendant, there is no court. As an old civil lawyer said, there is no *actor*, no *reus*, no *judex*. In secret, of their own volition, these committees will exercise this extraordinary power.

Now I would suggest to my learned friend to examine the enumerated powers conferred by the Constitution upon Congress. You cannot then have this power. It is a legislative power. Even the municipality of the city of New York that fixes the rates for the transportation of passengers in hacks, exercised a legislative power by ordinance, as was held by the highest tribunal of the State of New York; it was a local police power.

We all know that commissioners may license pilots, even though it may appear to be against the sound rule of the Constitution of the United States. States have passed pilot laws, and they have been allowed to remain. But they are nothing more than the police regulation of commerce. The business of transportation between this and a foreign country, or coastwise between one State and another where the pilot is used, that business has never been regulated by fixing the rates of transportation. The rate of transportation is not a police regulation, but it is the business itself.

It seems to me a little singular, as I have already remarked, that ferries have been regulated by States and municipalities; that seems somewhat anomalous. In the State of New York, on the Saint Lawrence, the court of common pleas, or the sessions of the counties adjoining the Saint Lawrence, have licensed ferries across that river. That seems to me to be an extraordinary power. But, to come back to the case of Gibbons *vs.* Ogden, that has been treated as a police arrangement. It is certainly carrying the police arrangement to the highest possible extent. But it has been so recognized; the supreme court of the State of New York has acknowledged that cities licensing taverns, Congress licensing engineers of steamboats, is a police arrangement. There is a bill now before Congress purposing to take away from the commissioners the power of regulation of steamboat navigation; that is, the power to say whether the vessel is in proper condition, or her boilers or her machinery are in proper condition, vesting that power in Congress alone, and in this way, that Congress is to prescribe the rules and regulations.

I submit, then, respectfully to the House that this power cannot be delegated. In a recent case of great interest which arose in my own State a question of this sort was presented: commissioners were appointed to lay out a highway called a boulevard, and those commissioners were empowered by an act of the Legislature to apportion certain taxes which were to be raised for the construction and maintenance of that boulevard on certain districts. The court held that that was a sovereign power, the power of apportionment, and that it could not be delegated. It is true you have your assessors who assess upon valuations, who assess the property prescribed by the act of the Legislature. But those assessors, under the powers which existed in our State governments—and those powers are sovereign except as they are limited by the constitution of the State and of the United States—those assessors have not the right to apportion those taxes as they please. They can assess taxes, but not apportion them, because that is a delegation of the sovereign power of the State. That sovereign power in this country, where we have no lords paramount, is in the two branches of Congress and the President of the United States, or in the two branches of the State Legislature and the governor of the State.

Now, let me ask you, candid, honest man as you are, when those commissioners fix the rates of transportation, does Congress fix them? Take that question home and consider it. Does this Congress fix the rates? The fixing the rates is the regulation of commerce claimed by the advocates of this bill. If Congress does not fix the rates, and the commissioners do fix them, then you grant away the power to regulate commerce, as you claim it, and vest it in commissioners.

I have, with the indulgence of the House, presented my views of the subject of this bill in a rather cursory manner.

Mr. ELDREDGE. Will the gentleman allow me to call his attention to one provision of the Constitution which I think supports his position?

Mr. SCUDDER, of New Jersey. With the greatest pleasure in the world.

Mr. ELDREDGE. It seems to me that he ought not to pass it by in his speech. The gentleman claims that the commissioners, having the power to fix the rates, necessarily have the power to fix the termini.

Mr. SCUDDER, of New Jersey. Certainly, that is clear.

Mr. ELDREDGE. I agree entirely with the gentleman in his position. Now, would not that enable them to violate this provision of the Constitution: "No preference shall be given by any regulation of commerce or revenue to the ports of one State over those of another?"

Mr. SCUDDER, of New Jersey. They might do it, not purposely, but inadvertently.

Mr. ELDREDGE. Would they not almost necessarily discriminate against one port in favor of another?

Mr. SCUDDER, of New Jersey. In all human probability they would. At all events, the answer to my learned friend is this: they might do it, and probably would do it. Therefore, in that sense, they would go against a plain and clear provision of the Constitution of the United States.

But if they did do so, where is the remedy? Where is the appeal? Where is the right of review? What tribunal can review it? Why, you part with your power, and you give it to five men—this vast power. The evil sought to be remedied may be great; but I think that the remedy proposed would be infinitely worse, if it could be carried into effect.

[Mr. HOLMAN addressed the House. His remarks will appear in the Appendix.]

[Mr. WILLIE addressed the House. His remarks will appear in the Appendix.]

Mr. McCRARY. I move that the House adjourn.

The motion was agreed to; and accordingly (at nine o'clock and forty-five minutes p. m.) the House adjourned.

PETITIONS, ETC.

The following memorials, petitions, and other papers were presented at the Clerk's desk, under the rule, and referred as stated:

By Mr. AVERILL: The memorial of the Legislature of Minnesota, for an appropriation for the improvement of the Mississippi River from Saint Anthony's Falls to Sauk Rapids, to the Committee on Commerce.

Also, resolutions of the Legislature of Minnesota, in favor of a preliminary survey of the country between Saint Croix Falls and the Upper Mississippi River and Lake Superior, with a view to establishing water communication, by canal and locks and dams, between the navigable waters of said rivers and lakes, to the Committee on Commerce.

By Mr. CASON: The petition of Asbury E. Anderson, for relief, to the Committee on Military Affairs.

By Mr. COBURN: The memorial of the State board of education of the State of Indiana, asking Congress to grant to the State, for a polytechnic institution of learning, the arsenal grounds at Indianapolis, to the Committee on Military Affairs.

By Mr. HATCHER: The petition of Susan Giles, widow of Joseph Giles, formerly a private in Company C, One hundred and thirtieth Illinois Volunteers, to the Committee on Invalid Pensions.

By Mr. HAYS: The petition of 46 workingmen of Bibb Furnace, Alabama, in opposition to the imposition of a tariff duty on tea and coffee; in opposition to any increase in internal taxes; and in favor of the repeal of the second section of the act of June 6, 1872, which reduced, by 10 per cent., duties on certain foreign imports, to the Committee on Ways and Means.

By Mr. MAGEE: The petition of 144 citizens of Greenwood Township, Perry County, Pennsylvania, of similar import, to the Committee on Ways and Means.

By Mr. MAGINNIS: The petition of citizens of Montana Territory for the payment of the claim of the Southern Methodist publishing house at Nashville, Tennessee, to the Committee on War Claims.

By Mr. MAYNARD: The petition of S. S. Ryan, late captain Company H, Sixth Tennessee Volunteers, for arrears of pay, to the Committee on Military Affairs.

By Mr. MONROE: The petition of citizens of Marshallville, Wayne County, Ohio, for the prepayment of postage on all printed matter, to the Committee on the Post-Office and Post-Roads.

Also, papers relating to the claim of Thomas F. Carter, to the Committee on War Claims.

By Mr. PARKER, of Missouri: The petition of Koch, Chew & Co., and others, of Saint Joseph, Missouri, for the abolition of the import duty on mass or stick licorice, to the Committee on Ways and Means.

Also, the petition of George W. McKean, to be reimbursed for outlays made while postmaster at Lexington, Missouri, to the Committee on Claims.

Also, resolutions of the State grange of the State of Missouri, in favor of liberal appropriations for the improvement of the Mississippi River and its tributaries, to the Committee on Commerce.

Also, resolutions of the State grange of the State of Missouri, representing 100,000 Patrons of Husbandry, asking that the proceeds of the sales of the public lands be donated to the States for educational purposes, to the Committee on Education and Labor.

By Mr. SAYLER, of Indiana: The petition of certain members of the bar in Northern Indiana, for a United States district and circuit court at Fort Wayne, Indiana, to the Committee on the Judiciary.

By Mr. SENER: The petition of John C. Cox, of Stafford County, Virginia, for a pension, to the Committee on Invalid Pensions.

By Mr. SOUTHARD: The petition of George W. Voorhees, of Coshocton County, Ohio, praying Congress to set aside the action of the court-martial dismissing him from the service, and for such a change of the record as will show an honorable discharge, to the Committee on Military Affairs.

By Mr. STRAIT: Resolutions of the Legislature of Minnesota, asking for the establishment of a post-route from Marshall, Minnesota, to Dell Rapids, Dakota Territory, to the Committee on the Post-Office and Post-Roads.

By Mr. WHITEHEAD: The memorial of citizens of Buckingham County, Virginia, in regard to the tax on tobacco, to the Committee on Ways and Means.

By Mr. WILSON, of Indiana: Papers relating to the claim of Ira Foster, for a pension, to the Committee on Revolutionary Pensions and War of 1812.

By Mr. ———: The petition of George W. Taylor, of Pennsylvania, in relation to the centennial celebration at Philadelphia, and that military displays and military weapons be not allowed at the exposition, to the Committee on the Centennial Celebration and Proposed National Census of 1875.

IN SENATE.

WEDNESDAY, *March* 18, 1874.

Prayer by the Chaplain, Rev. BYRON SUNDERLAND, D. D.

The Journal of yesterday's proceedings was read and approved.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. McPHERSON, its Clerk, announced that the House had passed the following bills; in which the concurrence of the Senate was requested:

A bill (H. R. No. 2543) in relation to mineral lands;

A bill (H. R. No. 2547) to relieve from political disabilities Thomas Hardeman, jr., of Georgia; and

A bill (H. R. No. 2422) to approve an act of the Legislative Assembly of the District of Columbia, relating to parishes of the Protestant Episcopal Church.

PETITIONS AND MEMORIALS.

The PRESIDENT *pro tempore*. The Chair presents a communication, in the form of a petition, from Mrs. P. R. Lawrence, of New York, on behalf of the "Harry Hill saloon mass meeting," informing the Senate that the tidal wave of temperance will soon reach Washington, and the petition asks that the band of praying women may be received at the bar of the Senate, conducted by the Chaplain; and that the present occupant of the chair, Senator CHANDLER, and Senator SPRAGUE be appointed a committee to receive them at the bar of the Senate. [Laughter.] This paper will be referred to the Committee on Finance.

The PRESIDENT *pro tempore* presented a memorial of the Legislature of Wisconsin, in favor of cheap transportation from the West to the sea-board; which was referred to the Select Committee on Transportation Routes to the Sea-board.

He also presented the memorial of the Legislature of Wisconsin, asking that bounties be granted to the surviving soldiers of the Mexican war; which was referred to the Committee on Military Affairs.

Mr. FERRY, of Michigan, presented the petition of James N. Thorp and 322 others, citizens of Wyandotte, Michigan, praying Congress not to restore the duty on tea and coffee, or increase internal taxes, and that the second section of the act of June 6, 1872, reducing the duty upon manufactured cottons, woolens, &c., be repealed; which was referred to the Committee on Finance.

He also presented a memorial of 1,150 citizens of Michigan, praying for the establishment of a general and permanent system of international arbitration; which was referred to the Committee on Foreign Relations.

Mr. SCOTT. I present the petition of George Washington Taylor, of Chester County, Pennsylvania, who is a member of the Society of Friends, urging many reasons why the centennial exhibition should be held, being both national and international in its features; putting this question: "Would it not be truly a love-feast for all the world, in which all nations could unite in the bond of peace?" and closing with this prayer:

> Pardon the suggestion from a member of a religious body, opposed to war, (though true in their allegiance,) that Congress ordain that no military displays nor use of military weapons be permitted to mingle with this eminently peaceable and friendly exhibition and universal demonstration of gratitude.

I move the reference of this petition to the Committee on Appropriations, as that subject is now before that committee.

The motion was agreed to.

Mr. JOHNSTON presented the petition of James H. Parker, grandson and heir, and for the coheirs, of Thomas Parker, deceased, praying indemnification for spoliations committed by the French prior to the year 1801; which was ordered to lie on the table.

He also presented the memorial of Thomas W. White, praying to be paid an amount of money received and receipted for by Major-General Curtis; which was referred to the Committee on Claims.

Mr. WEST presented the petition of Albrecht & Plagge, praying

to be indemnified for injuries to their plantation caused by the Army of the United States; which was referred to the Committee on Claims.

Mr. MORRILL, of Vermont, presented petitions of citizens of Wisconsin, West Virginia, Iowa, Pennsylvania, New Jersey, and Massachusetts, praying that the President of the United States and the Senate and House of Representatives would seek by an express stipulation between nations, that they will not resort to war until peaceful arbitration has been tried, and never without a full year's notice; which were referred to the Committee on Foreign Relations.

Mr. HAMILTON, of Texas, presented the petition of George A. O'Brien, grandson and heir, and for the coheirs, of Richard O'Brien, deceased, praying to be indemnified for spoliations committed by the French prior to the year 1801; which was ordered to lie on the table.

Mr. MITCHELL. I present a memorial of citizens of Oregon, signed by 1802 persons, praying for the passage of the bill introduced by myself in aid of the Portland, Dalles and Salt Lake Railroad. In their memorial they say:

> Your memorialists respectfully represent that the entire people of Oregon and of the adjacent Territories are deeply interested in obtaining railway communication with the East; that the vast interior country between the Cascade Mountains and Salt Lake is without means of transportation, and that the Portland, Dalles and Salt Lake Railroad is an enterprise calculated to assist greatly the wants of commerce, and to develop a country rich in natural resources. The isolated condition of this entire region is a constant drawback to its growth and prosperity. Your memorialists would respectfully state that the bill introduced by Senator MITCHELL, asking aid for this enterprise, is in the true interests of commerce and of territorial development. The enterprise itself is entitled to take rank as a national work, and as such demands, as we think, the favorable attention of Congress. We, therefore, citizens of Oregon, respectfully express a wish that the bill may pass.

The memorial was referred to the Committee on Railroads.

Mr. BOREMAN. I present the petition of J. F. Caldwell, M. D., representing that he has invented a railroad to be placed at the bottom of rivers, bays, &c., upon which cars with floors above the surface of the usual stage of the water can be placed for the transportation of passengers from shore to shore without interrupting the navigation of the water by ships, &c., and by which bridges can be rendered unnecessary, and praying that he be granted the exclusive right to use the same. I move the reference of the petition to the Committee on Patents.

The motion was agreed to.

Mr. BOREMAN presented the petition of Nancy Flesher, of West Virginia, praying to be allowed a pension on account of the services of her son, James Flesher, as a carrier of dispatches and a scout during the late war; which was referred to the Committee on Pensions.

He also presented the petition of Daniel M. Miller, a citizen of the county of Wirt, West Virginia, praying that he may be placed on the pension-rolls; which was referred to the Committee on Pensions.

Mr. SARGENT presented the petition of John Barry, late captain First United States Cavalry, praying to be restored to the rank and commission held by him on the 31st of December, 1870; which was referred to the Committee on Military Affairs.

Mr. FRELINGHUYSEN presented a petition of citizens of Macon, Georgia, praying for the removal of the political disabilities of Thomas Hardeman, a citizen of that State; which was referred to the Committee on the Judiciary.

Mr. STEVENSON presented the memorial of Andrew J. Vandegrift, of Covington, Kenton County, Kentucky, praying an extension of his patent for grain separators; which was referred to the Committee on Patents.

Mr. OGLESBY. I present a preamble and resolutions of the Board of Trade of the city of Chicago, concurring in resolutions passed by the Board of Trade of the city of Buffalo, in regard to appropriations for clearing out the Detroit River at a point near the Lime Kiln. Application has been made to the present Congress to reduce the usual appropriation for the work from $600,000 to $100,000. These resolutions protest against the limitation, and ask that the appropriation may be, under the circumstances, continued at $600,000. I move the reference of the preamble and resolutions to the Committee on Commerce.

The motion was agreed to.

Mr. GORDON. I present a memorial of certain leading business houses of New York, protesting against the present system of finance as hostile to their interest and to the interests of the producing classes; protesting also against conferring the control of the money of the country in a few favored banking institutions, and asking for a change in the present system, by the issue of convertible and reconvertible bonds. I move that this memorial be referred to the Committee on Finance.

The motion was agreed to.

Mr. GORDON presented the petition of the agricultural convention of the cotton States, praying a modification of the patent laws; which was referred to the Committee on Patents.

He also presented the petition of D. W. Champagne, of Columbus, Georgia, grandson and heir, and for the coheirs of John R. Champagne, deceased, praying to be indemnified for spoliations committed by the French prior to the year 1801; which was ordered to lie on the table.

Mr. PRATT. I present a petition numerously signed by citizens of the eleventh congressional district, in the State of Indiana, respectfully praying Congress to take steps as promptly as possible, in cooperation with other governments, for the settlement of international difficulties by arbitration, and the formation of a high court of nations, or such other pacific measures as their wisdom may suggest, for the settlement of international difficulties without a resort to arms. I move the reference of this petition to the Committee on Foreign Relations.

The motion was agreed to.

PAPERS WITHDRAWN AND REFERRED.

On motion of Mr. WRIGHT, it was

Ordered, That the petition and papers in the case of W. S. Mitchell be taken from the files and referred to the Committee on Claims.

On motion of Mr. MITCHELL, it was

Ordered, That the petition and papers of W. L. Adams be taken from the files and referred to the Committee on Claims.

On motion of Mr. PRATT, it was

Ordered, That Mrs. Maria A. Lee be allowed to withdraw from the files of the Senate the papers in her claim for pension, received from the House of Representatives during the last session of Congress.

AMENDMENT TO AN APPROPRIATION BILL.

Mr. JOHNSTON. My colleague [Mr. LEWIS] being sick, has requested me to offer for him an amendment to the bill (H. R. No. 1009) making appropriations for the support of the Army for the fiscal year ending June 30, 1875, and for other purposes. I move that it be referred to the Committee on Appropriations, and printed.

The motion was agreed to.

SARAH F. STAPLER.

Mr. WRIGHT. Yesterday the Senator from Indiana, [Mr. PRATT,] from the Committee on Claims, reported back the petition of Sarah F. Stapler, in behalf of the heirs of the late John Ross, praying compensation for property destroyed by rebels during the war of the rebellion, adversely. Upon the suggestion of a member of the House, who had given his attention to this claim, but had no opportunity to appear before the committee, and also with the consent of the Senator who reported the petition to the Senate, I move that the order discharging the committee be reconsidered, and that the petition be recommitted.

The motion was agreed to.

REPORTS OF COMMITTEES.

Mr. PRATT, from the Committee on Claims, to whom was referred the petition of the Milwaukee and Rock River Canal Company, praying Congress, by joint resolution, to so construe "a resolution for the relief of the State of Wisconsin," approved July 1, 1864, as to entitle them to reimbursement out of the canal land fund for certain amounts paid out by them, submitted an adverse report thereon; which was ordered to be printed, and the committee was discharged from the further consideration of the petition.

Mr. MITCHELL, from the Committee on Claims, to whom was referred the petition of Matilda Barnett and sisters, praying compensation for property destroyed by United States troops during the late war, reported adversely thereon; and the committee was discharged from the further consideration of the petition.

Mr. WRIGHT. I am instructed by the Committee on Claims, to whom was referred the claim of Elkanah Huddleston, praying compensation for services rendered as second lieutenant, from August 10, 1862, to January 13, 1863, to report it back adversely. We find that his petition was reported upon on the 3d of January, 1871, adversely. It was afterward recommitted to the committee without any additional evidence. They concur in the former report, and ask now that the claim be disallowed by the Senate; not that the committee be discharged, but that this report adverse to the claim be adopted.

The report was adopted.

Mr. OGLESBY, from the Committee on Indian Affairs, to whom was referred a communication from the Secretary of the Interior, inclosing a report of the Commissioner of Indian Affairs, in reference to the necessity of legislation in behalf of the Mission Indians of California, and asking for an appropriation of $150,000 to meet their immediate wants and necessities, submitted an adverse report thereon; which was ordered to be printed, and the committee was discharged from the further consideration of the subject.

Mr. INGALLS, from the Committee on Pensions, to whom was referred the bill (H. R. No. 1954) granting a pension to Henry B. Rider, reported it without amendment.

He also, from the same committee, to whom was referred the bill (H. R. No. 1445) granting a pension to William H. Edwards, reported adversely thereon, and the bill was postponed indefinitely.

Mr. HAMILTON, of Texas, from the Committee on Pensions, to whom was referred the bill (H. R. No. 497) granting a pension to William Haffords, of South Yarmouth, Massachusetts, reported it without amendment.

He also, from the same committee, to whom was referred the bill (S. No. 414) granting a pension to Alice Mullally, mother of John Mullally, of Company C, Second Wisconsin Cavalry Volunteers, reported adversely thereon, and the bill was postponed indefinitely.

He also, from the same committee, to whom was referred the petition of Thomas H. Babcock, late Company C, One hundred and seventy-seventh New York Volunteers, praying for an increase of pension, reported adversely thereon, and the committee was discharged from the further consideration of the petition.

Mr. DENNIS, from the Committee on Commerce, to whom was referred the bill (H. R. No. 2225) to amend the act entitled "An act to

prevent the extermination of fur-bearing animals in Alaska," approved July 1, 1870, reported it without amendment.

BILLS INTRODUCED.

Mr. SCOTT asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 599) relating to witnesses and to proceedings before congressional committees; which was read twice by its title.

Mr. SCOTT. In view of the statements made by the Senator from Ohio [Mr. THURMAN] yesterday, I will state that this is the same bill introduced by me about two years ago; and in view of the statements made by him I would recommend it to the speedy action of the Judiciary Committee. I move that it be referred to the Committee on the Judiciary.

The motion was agreed to.

Mr. SCOTT asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 600) for the relief of Captain J. B. Thompson; which was read twice by its title, and referred to the Committee on Military Affairs.

Mr. WEST asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 601) granting a pension to Mrs. Janet Scott West, widow of Cato C. West, deceased; which was read twice by its title, and referred to the Committee on Pensions.

Mr. SARGENT asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 602) for the relief of John Barry; which was read twice by its title, and referred to the Committee on Military Affairs.

Mr. JOHNSTON (by request) asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 603) to approve an act of the Legislative Assembly of the District of Columbia relating to parishes of the Protestant Episcopal Church; which was read twice by its title, and referred to the Committee on the District of Columbia.

Mr. HITCHCOCK asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 604) to confirm an agreement made with the Shoshone Indians (Eastern band) for the purchase of the south part of their reservation in Wyoming Territory; which was read twice by its title, and referred to the Committee on Indian Affairs.

Mr. SPENCER asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 605) to amend the act entitled "An act to provide for the better security of life on board of vessels propelled in whole or in part by steam, and for other purposes," approved February 28, 1871; which was read twice by its title, referred to the Committee on Commerce, and ordered to be printed.

Mr. WINDOM asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 606) for the relief of settlers on railroad lands; which was read twice by its title, and referred to the Committee on Public Lands.

Mr. WRIGHT (by request) asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 607) to provide for the opening and improvement for navigation of certain water-routes therein named, and for other purposes; which was read twice by its title, referred to the Select Committee on Transportation Routes to the Seaboard, and ordered to be printed.

Mr. CONOVER asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 608) granting the right of way through the public lands in the States of Florida and Alabama to construct and maintain a railroad; which was read twice by its title, referred to the Committee on Railroads, and ordered to be printed.

TOPOGRAPHICAL SURVEY OF THE CAPITOL GROUNDS.

Mr. MORRILL, of Vermont. I ask the Senate to take up a bill which passed the Senate some days ago, and which has been returned from the House of Representatives with an amendment. The Senate made an appropriation of $5,000 for the employment of a topographical engineer in relation to the public grounds around the Capitol. The House has reduced the appropriation from $5,000 to $3,000. I think we can get along with that amount of money, and I ask for action on the amendment of the House.

There being no objection, the Senate proceeded to consider the amendment of the House of Representatives to the bill (S. No. 360) making an appropriation for a topographical survey of the Capitol grounds and plans for improving the same.

The amendment of the House of Representatives was to strike out in line 1 the word "five," and in lieu thereof to insert the word "three;" so as to make the appropriation $3,000, or so much thereof as may be necessary.

The amendment was concurred in.

CHANGE OF A VESSEL'S NAME.

Mr. SPENCER. I am instructed by the Committee on Commerce, to whom was referred the bill (H. R. No. 2228) to authorize the Secretary of the Treasury to change the name of the propeller William M. Tweed, of Buffalo, to report it back without amendment. There is no objection to the bill; and to save time I ask for its present consideration.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill; which proposes to authorize the Secretary of the Treasury to change the name of the propeller William M. Tweed, of Buffalo, owned by the Union Steamboat Company, a corporation of the State of New York, to Newburgh, and to grant the vessel proper marine papers in the latter name.

Mr. MORRILL, of Maine. It ought to be stated what the object or necessity is.

Mr. SPENCER. The object of the bill is to change the name of this propeller. The present name is William M. Tweed.

Mr. MORRILL, of Maine. That is apparent on the face of it; but what is the necessity for it?

Mr. SPENCER. It is asked for by numerous citizens of Buffalo, the owners of the vessel.

Mr. MORRILL, of Maine. Is there any report?

Mr. SPENCER. It is not usual to make a report in such cases.

Mr. MORRILL, of Maine. It is not a matter of course to change the name of a vessel; but if there is any special reason for it, very well.

Mr. SPENCER. The only reason is that the name is distasteful to the owners.

Mr. MORRILL, of Maine. That may be; but she may have a bad reputation for sea service. A ship may have never foundered at sea, but she may have a bad reputation on account of bad qualities, and her owner comes here to get the name changed; and in such a case that is not a good thing to do. If there is a special reason, of course I do not object to it.

The PRESIDENT *pro tempore*. The Secretary will report the name of the vessel to be changed.

The CHIEF CLERK. William M. Tweed.

Mr. MORRILL, of Maine. The name would not affect her sailing. She might stand rough weather, notwithstanding her name.

Mr. SPENCER. I hope the Senator will not object.

Mr. MORRILL, of Maine. Let me inquire if there is any report. It is not a trifling matter to change the name of a ship.

Mr. SPENCER. There is no written report on the subject.

Mr. MORRILL, of Maine. Is there any special reason? Has she been cast away by disaster?

Mr. SPENCER. There is no special reason except that the name is distasteful to the owners.

Mr. MORRILL, of Maine. Is that all?

Mr. SPENCER. That is all.

Mr. MORRILL, of Maine. Then I think it very trifling legislation.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

THE CALENDAR.

The PRESIDENT *pro tempore*. If there be no further morning business, the Secretary will report the Calendar.

Mr. SARGENT. I ask the Senate to take up and consider at the present time Senate bill No. 176, to encourage the establishment of public marine schools, which was reported from the Committee on Naval Affairs.

Mr. SHERMAN. That is a departure from the rule. The morning hour has been by our rule devoted to bills not subject to objection. If the Senator knows that the bill will create any opposition, I hope he will not press the motion.

Mr. SARGENT. My impression is that there is not a Senator in the Chamber who will object to this bill.

Mr. SHERMAN. We shall reach it in its order after awhile.

Mr. SARGENT. I shall not insist against the objection of the Senator, but it is a bill of great public interest, and I desire early action on it.

The PRESIDENT *pro tempore*. The Secretary will report the first bill on the Calendar.

SEBASTIAN REICHERT.

The first bill on the Calendar was the bill (S. No. 419) for the relief of Sebastian Reichert; which was read a second time, and considered as in Committee of the Whole.

The bill provides for paying to Sebastian Reichert, or his legal representatives, $600, being the amount of the consideration money (and actual costs attending suits required by the Commissioner of the General Land Office to be instituted) paid for the northeast quarter of the southeast quarter, the southeast quarter of the northeast quarter, the north half of the northeast quarter, the southwest quarter of the northeast quarter, all in section 4, and the north half of the northwest quarter, in section 3, all in township 1 south, of range 10 west, of the third meridian; and which lands had previously to their entry been in part confirmed under previous right, and the title to the same under the previous confirmation decided by the Supreme Court of the United States.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

ARMY PAY DEPARTMENT.

The next bill on the Calendar was the bill (S. No. 320) to increase the Pay Department of the Army.

Mr. LOGAN. Let that bill be laid aside for the present. I want to see what the action of the House will be.

The PRESIDENT *pro tempore*. The bill will be laid aside.

SILOMA DECK.

The next bill on the Calendar was the bill (S. No. 192) for the relief of Siloma Deck, which was considered as in Committee of the Whole. The bill authorizes the Secretary of the Treasury to audit and settle the loss sustained by Mrs. Siloma Deck, in the year 1862, by depredations committed by the Sioux Indians in Minnesota, and to pay such

a sum as he shall think right and proper, not exceeding $1,095.37; which settlement shall be in full for all claims arising from the depredations.

An amendment was reported by the Committee on Indian Affairs, in line 8, after the word "appropriated," to strike out the words "such a sum as he shall think right and proper, not exceeding;" so as to read:

And he is hereby authorized to pay, from any money in the Treasury not otherwise appropriated, the sum of $1,095.39.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

L. S. CAMPBELL.

The next bill on the Calendar was the bill (H. R. No. 1223) for the relief of L. S. Campbell, which was considered as in Committee of the Whole.

The bill proposes to direct the Quartermaster-General to pay L. S. Campbell, out of any money appropriated for the Quartermaster's Department, the sum of $224.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

CENTENNIAL MEDALS.

The next bill on the Calendar was the bill (H. R. No. 1753) to authorize medals commemorating the one hundredth anniversary of the first meeting of the Continental Congress and of the Declaration of Independence.

Mr. WEST. As that bill never appears to have been reported upon by any committee, I object to its consideration.

The PRESIDENT *pro tempore*. Does the Senator move to refer it?

Mr. WEST. Yes, sir; to the Committee on Revolutionary Claims.

The motion was agreed to.

SUSAN A. SHELBY.

The next bill on the Calendar was the bill (S. No. 433) for the relief of Susan A. Shelby; which was read a second time, and considered as in Committee of the Whole.

The bill directs the Secretary of the Treasury to pay to Mrs. Susan A. Shelby, of Port Gibson, Mississippi, $10,351.02, in full of her claim for cotton captured and sold by the United States.

Mr. MORRILL, of Maine. Is there a report in that case? If there is I should like to hear it.

The Chief Clerk read the following report, submitted by Mr. MERRIMON on the 4th of February:

The Committee on Claims, to whom was referred the petition of Mrs. Susan A. Shelby, praying compensation for cotton seized at Port Gibson, Mississippi, in 1864, have had the petition, proofs taken, &c., accompanying the same, under consideration, and beg leave to submit this report:

The facts established and presented in support of the claim of the claimant are substantially and sufficiently set forth and referred to in a report made by the Senate Committee on Claims during the second session Forty-first Congress, (Senate Report No. 186,) and the same is made part of this report, and herewith filed. This claim has been continuously before Congress since the 28th of May, A. D. 1868, and favorably recommended in both branches of Congress, but has never been finally acted upon. The committee are of opinion that the claim is a just one, and ought to be paid. They report back the accompanying bill, and recommend that it be passed.

"[Forty-first Congress, second session.—Senate Report No. 186.]

"Mr. KELLOGG made the following report, (to accompany bill S. No. 942:)

"The Committee on Claims, to whom was referred the bill (S. No. 942) for the relief of Susan A. Shelby, have had the same under consideration, and make the following report:

"The claimant is a widow lady, and during a portion of the war resided at Port Gibson with her family, consisting of two daughters. At the time of the secession of Mississippi she was the owner of a small property in Port Gibson, and possessed in her own right thirty-five slaves, whom at an early period during the war she emancipated.

"During the progress of the war, and as early as 1863, she invested what money she had in cotton, with the hope of saving something for her children, and also to enable her to pay off a small mortgage on her homestead, and believing that the Union forces would aid her in getting it into the Federal lines, she succeeded in purchasing one hundred bales of upland cotton, which she secreted on the plantation of a friendly neighbor in the vicinity of Port Gibson. It appears that she was encouraged by General McPherson and leading Union citizens to adopt that course as the best way to save something for herself and children.

"After she had purchased the one hundred bales of cotton, she obtained permits, first from General McPherson, then from General Slocum, and lastly from General Dana, (the successive commanders at Vicksburgh,) to transport her cotton to Vicksburgh. After considerable delay she obtained the necessary transportation to move the cotton to the river, but the small detail of Union soldiers which had been furnished to protect the cotton *in transitu* were overpowered, the cotton was captured by the rebels, and carried to a place where they stored their cotton.

"Incited by this attempt to get her cotton out of the confederate lines, and also by her well-known loyalty, the confederates threatened her with personal violence, and, by a system of persecution and abuse, drove the claimant from her house. She fled first to Vicksburgh, and thence to New Orleans, where she remained until the close of hostilities.

"After that section of the country had been brought under the authority of the United States, Colonel George W. Jackson, commanding the Ninth Indiana Cavalry, was sent to Grand Gulf and Port Gibson, with orders to capture and secure to the United States all the confederate cotton in Claiborne County, Mississippi. In pursuance of such orders he collected a large amount of cotton, which was turned over to the Treasury agents, or sent to Colonel Earle, who was then stationed at Rodney, to be by him turned over to the Treasury agents, and shipped either to Memphis and Cincinnati or New Orleans for sale. It appears that one hundred bales of cotton belonging to claimant were stored with the confederate cotton, and on or about the 1st day of June, 1865, it was seized by Colonel Jackson's command, together with other cotton. Of this cotton one hundred and thirty-four bales were turned over to A. A. Dewey, Treasury agent at Port Gibson, and by him shipped to Memphis, and thence to Cincinnati, where it was sold by William P. Mellen, general agent of the Treasury Department. The proceeds of seventy-two bales of this cotton were released by order of the President to a Mrs. Miller; the remaining sixty-two bales were sold; the net proceeds, amounting to $7,294.68, were paid into the Treasury.

"The remaining thirty-eight bales were shipped by Colonel Jackson, with a lot of one hundred and sixty-five bales, to Colonel Earle, at Rodney, where it was turned over to Treasury Agent J. J. Mushaway, by whom it was shipped to New Orleans, where it was sold, and the net proceeds, amounting to the sum of $13,270.93, were paid into the Treasury. Of this amount claimant is entitled only to the value of thirty-eight bales, and as the cotton realized only $80.43 per bale, it would amount to $3,056.34. The amount realized for the sixty-two bales added to this sum would amount to $10,351.02.

"Colonel Jackson admits that Mrs. Shelby's cotton was seized and turned over to the Treasury agents, and says that he would have released her cotton and returned it to her, but that he had no authority to do so. This Colonel Jackson states in a letter directed to claimant at the time of the seizure; and he reports it in a letter to General Grant, in which he recommends a settlement of the claim. This letter bears the following indorsement by General Grant: 'I would join with Colonel Jackson in recommending that a fair settlement be made with Mrs. Shelby for cotton of hers which Government got actual possession of.'

"The loyalty of claimant, her ownership of the cotton, and the seizure of the same by Colonel Jackson's forces, are well established by the concurrent testimony of many witnesses, and are admitted by the Federal officers who were there at the time and acquainted with all the facts. Not only was claimant loyal, but she did all she could in aid of the Federal Army. The main difficulty connected with this claim appears to have been in identifying the cotton and in tracing the proceeds of it into the Treasury of the United States. The House Committee on Claims was strongly impressed with the justice of this claim, and made several attempts to get official evidence of the receipt of the proceeds by the Treasury Department, but apparently failed to do so; notwithstanding this they recommended a bill for the payment of $5,000, which passed the House at the last session.

"Since the House bill has been before this committee, the Treasury Department have been requested to furnish information on this subject. A full report of all cotton seized in the county of Claiborne, Mississippi, was sent to the committee. All previous calls, it seems, had only requested a return of the facts concerning Mrs. Shelby's cotton, but as her name did not appear in the records in connection with this cotton, it having been stored with the confederate cotton, the return from the Department did not furnish the necessary evidence.

"The return to the last call upon the Department furnishes all the facts connected with the seizure, shipment, and sale of all the cotton taken in that county; and in comparing the evidence in this case with the dates of seizures and shipments of cotton from that county, your committee are satisfied that her cotton was seized by Colonel Jackson's command; that it was turned over to the Treasury agents, shipped, and sold as above described, and the proceeds thereof paid into the Treasury of the United States, amounting to the sum of $10,351.02. They therefore report the accompanying bill, as a substitute for House bill No. 408, and recommend its passage."

Mr. FRELINGHUYSEN. I do not know who has charge of this bill; but I want to know why this claim cannot be prosecuted before the Court of Claims without action here.

Mr. SCOTT. The Senator from North Carolina [Mr. MERRIMON] reported this bill, and has examined the case fully. He can answer any questions that are put as to the facts of the case. I am not sure whether or not I can answer the interrogatory put by the Senator from New Jersey; but the probability is that the statute of limitations in this case interposes between this claimant and her remedy in the Court of Claims. The case, however, is one which upon its merits, even if the statute of limitations were a bar to proceedings in the Court of Claims, would at any time, when fully considered, command the attention and the assent of Congress. I do not know of any case since I have been in the Committee on Claims which has disclosed so great merit, so much suffering upon the part of the claimant, and now when her case has been reached in this form, I trust there will be no further objection made to her securing what is undoubtedly due her.

Mr. FRELINGHUYSEN. I certainly do not wish to throw any obstacle in the way of the settlement of a just claim. I wanted to be sure that there was not in this bill some dangerous precedent in reference to these cotton claims. I know that that thing is possible; but with the assurance of the chairman of the Committee on Claims, I do not object to this bill.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

PUBLIC MARINE SCHOOLS.

The next bill on the Calendar was the bill (S. No. 176) to encourage the establishment of public marine schools; which was considered as in Committee of the Whole.

The Committee on Naval Affairs reported the bill with an amendment to strike out all after the enacting clause, and in lieu thereof to insert the following:

That in order to promote nautical education, and to educate officers and seamen for the merchant and naval marine in scientific and practical navigation, and in the arts, trades, and occupations pertaining to seamanship, the Secretary of the Navy is hereby authorized and empowered to supply, upon the written application of the governor of a State or the authorities of the cities hereinafter named, a suitable vessel, with all her apparel, together with charts, books, and instruments, provided that the same may be conveniently spared from the naval service, to be used in the establishment of public marine schools in each of the ports of New York, Boston, Philadelphia, Baltimore, and San Francisco; and the ships and material so furnished by the Government may be loaned to the States or cities in which said ports are situated, upon the condition that the said States or cities establish, at their own expense, a nautical school for the education of youths desirous of entering the merchant or naval marine; and where such are already engaged in that service, of suitable age, they may be offered facilities for improvement in their nautical education: *Provided*, That if any such school shall be discontinued, the property aforesaid shall be returned to the United States.

SEC. 2. That the President of the United States be, and he is hereby, authorized, on the application of the governor of any of said States or authorities of said cities establishing such schools, to detail officers of the Navy to act as president, superintendent, or instructors of such schools: *Provided*, That no persons shall be sentenced to, or received at, such schools as a punishment, or commutation of punishment, for crime.

Mr. SARGENT. The committee have authorized me to move to strike out in line 4 of the amendment the words "and naval," and the words "or naval" in line 19 after the word "merchant" and before the word "marine" in each case.

The amendment to the amendment was agreed to.

Mr. SARGENT. The object of this bill is to make available for the merchant marine and for the Navy of the United States, that element of youths in our large commercial cities most valuable if properly utilized, but most destructive to society if allowed to run to waste as at present; to provide them with the means of an education in seamanship, thus filling up our merchant marine and Navy with American citizens instead of as now with poor material drawn from nearly all the countries of the world. It is believed that this measure will produce this beneficial result. I will state that there are four of these schools under the patronage of the English government in the Thames, and that they produce results which are very much in favor of the system.

The amendment of the Committee on Naval Affairs, as amended, was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

DEPARTMENTAL CONTRACTS.

The next business on the Calendar was the joint resolution (H. R. No. 52) explanatory of resolution approved January 31, 1868, entitled "A resolution limiting contracts for stationery and other supplies in the Executive Departments to one year;" which was considered as in Committee of the Whole.

It provides that the resolution approved January 31, 1868, entitled "A resolution limiting contracts for stationery and other supplies in the Executive Departments to one year," shall not be held or construed to apply to or include mail-bags, mail locks and keys, postal cards, postage-stamps, newspaper-wrappers, or stamped envelopes.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

HENRY C. CAREY.

The next bill on the Calendar was the bill (S. No. 259) to authorize the proper accounting officers of the Treasury to settle with Henry C. Carey; which was considered as in Committee of the Whole.

It provides for a settlement with Henry C. Carey for his services as acting consul of the United States at Elsinore, Denmark, from the 1st of July, 1872, to the time when the consul of the United States took charge of the office, and to allow him compensation for that period of time at the rate now allowed by law to a United States consul at that place.

The Committee on Commerce reported an amendment to add to the bill the following proviso:

Provided, That any fees collected and appropriated to his use by said Henry C. Carey during said time shall be deducted from the amount paid to him.

The amendment was agreed to.

Mr. BOREMAN. Is there a written report in that case? I should like to understand what the bill means.

Mr. SPENCER. There is no written report; but there is a letter from the Secretary of State, giving the reasons for the bill. I reported it.

The bill was reported to the Senate as amended, and the amendment was concurred in.

Mr. BOREMAN. I understand there is a letter from the Secretary of State. I wish to know what the bill is about.

Mr. SPENCER. If the Secretary cannot find the letter, I will explain the bill. Mr. Carey is an Englishman who, during the absence of the American consul at Elsinore for about a year, performed the duties; but he cannot draw the pay, because he is not an American citizen. The State Department recommend the passage of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

STATE OF LOUISIANA.

The next bill on the Calendar was the bill (S. No. 446) to restore the rights of the State of Louisiana.

Mr. WEST. I should like to have that go over.

The PRESIDENT *pro tempore*. The bill will be laid aside.

BISHOP & CO.

The next bill on the Calendar was the bill (S. No. 272) for the relief of Bishop & Co., bankers, of Honolulu, Hawaiian Islands; which was read a second time, and considered as in Committee of the Whole.

The bill is a direction to the Secretary of the Treasury to pay $1,181.73, in gold coin, with interest at 6 per cent. per annum, from June 3, 1872, to Messrs. Bishop & Co., bankers, of Honolulu, Hawaiian Islands, or to their duly-authorized attorney, as a reimbursement for moneys paid by Bishop & Co. to the Bank of California, for charges upon moneys advanced upon the requisition of C. S. Mattoon, United States consul, for the relief of wrecked and destitute seamen.

Mr. SHERMAN. I should like to have the report read in that case.

Mr. CHANDLER. I will state very briefly, as the report is quite lengthy, that Bishop & Co. advanced to our consul the money which is herein specified, and he remitted it to his bankers in San Francisco, but the draft was protested and payment refused by the Secretary of State, because the fund for the relief of disabled seamen was exhausted. The Secretary of State says the claim is just, and ought to be paid. The money was honestly advanced by these parties to our consul to relieve our sailors.

Mr. SHERMAN. I make no question in regard to what came from the Secretary of State on the subject; but it is a matter which he does not pass upon. It is passed upon by the Treasury Department. I am told that the fund appropriated for the purpose of relieving sick and disabled seamen was overdrawn, and that payments were made which have not received the sanction of the Treasury Department. It makes no difference to us where this consul got the money, or that he borrowed it in Honolulu; unless he borrowed it properly, in accordance with the law, and expended it properly, the Government of the United States ought not to be holden. I suggest to the Senator whether a dangerous precedent may not be set by allowing a consul of the United States in a foreign port, under pretense that he desires to relieve American citizens, to borrow money or draw drafts without authority of law. I think it is better to have the report read; and, if the facts do not bear out the allegations that have been made to me in regard to this class of cases, I shall withdraw all objection; but I think the report ought to be read.

Mr. CHANDLER. I have no objection to that; but the Senator will remember that a few years ago there were a large number of wrecks in the Arctic Sea and a large number of our sailors were thrown upon an island, and our consul at Honolulu was compelled to go to great expense in bringing these sailors off from that island to Honolulu. That year the expenses were extraordinary on account of the great number of wrecks.

Mr. SHERMAN. I get my information from others; but I understand that the expenses thrown upon this consul were probably more than the ordinary amount, but not enough to exhaust the fund appropriated for such purposes, and that the expenditure of that money has not been sustained by the proper accounting officers of the Treasury, and that money was expended which was totally unnecessary, beyond his power, and beyond the limits fixed by law.

Mr. CHANDLER. That is a mistake; but let the report be read.

The Chief Clerk read the following report, submitted by Mr. CHANDLER on the 6th of February:

The Committee on Commerce, to whom was referred the bill (S. No. 272) for the relief of Bishop & Co., bankers, of Honolulu, Hawaiian Islands, having had the same under consideration, report:

That on the 19th day of December, 1873, Hon. Hamilton Fish, Secretary of State, addressed a letter to the chairman of the Committee on Commerce, United States Senate, accompanied with certain letters relating to a claim of Messrs. Bishop & Co., bankers, of Honolulu, Hawaiian Islands, for $1,181.73 in gold coin.

The Committee on Commerce, having duly considered the letters and papers relating to the above-mentioned claim, concur in the opinion expressed by the honorable Secretary of State, that "the claim appears to be entirely just and equitable," and therefore report a bill to appropriate the amount of the claim, with interest at 6 per cent. per annum from the time that the amount specified was due.

This claim originated in the failure to pay a draft on the Department of State, drawn by Mr. Mattoon, the United States consul at Honolulu, and negotiated through the claimants, for the relief of destitute seamen, the appropriation having been exhausted at the time the draft was presented. Messrs. Bishop & Co. negotiated the draft through the Bank of California, which, on being apprised of the non-payment by the Department of State, charged them interest on the sum advanced, and the claim is for reimbursement of the sum so charged.

The occasion of the exhaustion of the appropriation was the unusual amount of bills drawn by the consul at Honolulu, made necessary by the wreck about that time of a large fleet of whaling vessels in the Arctic Sea, near Behring's Straits, the crews of which, in great numbers, were carried to Honolulu, when it became the duty of the consul, according to law, to relieve them.

Mr. SHERMAN. The Senator is aware that the appropriation made for the relief of destitute seamen in foreign countries is a large appropriation—I think two or three hundred thousand dollars; not an appropriation for a particular consulate or particular part of the world, but an appropriation at large. Consequently it is scarcely possible, it is not probable, that this $1,100 draft would exhaust a large appropriation of $200,000. It is because the items for which it is claimed this money is due have not been allowed to the consul that this payment has not been made. Therefore it is a question not so much with the Secretary of State, who no doubt thinks under the circumstances the consul was justified, but it is a question with the Treasury Department, as to whether this money has been properly expended.

Let me inform the chairman of the Committee on Commerce that the precedent ought not to be established without grave consideration that the United States is bound to pay the drafts of a United States consul in a foreign country unless the money is really due for the actual purposes for which it was expended. What right has a consul of the United States in a foreign country to draw upon the Secretary of State for a sum of money beyond the authority conferred upon him by law? If this money was really properly expended by the consul, it should be paid out of the ordinary appropriation for this purpose. I think the showing made by the committee is not sufficient.

Mr. CHANDLER. The Senator will recollect that this fund is drawn upon by every consul in every sea-port on the face of the earth where American shipping goes. There is no allegation whatever that this money was not properly expended, and there never has been such an allegation. Some other consul somewhere else may have drawn improperly; but there is no allegation that this consul did. These bankers advanced the money on the ordinary voucher on which money is advanced all over the world, in good faith, and the draft

was protested because the fund was exhausted, the calls upon it having been larger that year than ever before, or than they ever will be again, on account of these thirty or forty wrecks in the Arctic Sea.

Mr. SHERMAN. What is the date of the draft?

Mr. CHANDLER. June 3, 1873, the report states. There is no allegation, and never has been any, that this money was improperly expended, or expended except according to the principles of the law.

Mr. SHERMAN. The allegation is made to me that the accounts of this officer are suspended at the Treasury Department for want of the requisite vouchers.

Mr. CHANDLER. In this particular case?

Mr. SHERMAN. This particular officer. I do not know as to this particular draft.

Mr. CHANDLER. There was a time, five or six years ago, when this office was overhauled, and the man in possession of it discharged; but since this consul came into possession of the office there has been no allegation of improper action on his part whatever.

Mr. SHERMAN. If the case goes over, I will promise to show the Senator that the accounts of this officer are suspended at the Treasury Department, or else I will acknowledge that the objection which I make is a mistake. I object to the bill being further considered to-day.

The PRESIDENT *pro tempore*. The bill will be laid aside.

Mr. CHANDLER. I will ask the Senator from Ohio to allow this bill not to be displaced, but to resume its place upon the Calendar, and to be taken up after he shall have made his inquiry at the Treasury Department.

Mr. SHERMAN. I have no objection; but I ask the Senator in return to make an official inquiry of the Secretary of the Treasury whether this officer's accounts are unsettled on account of this or any other cause.

Mr. CHANDLER. I will do so. It now retains its place on the Calendar.

The PRESIDENT *pro tempore*. It will be understood that this bill is not disposed of; and the morning hour having expired the unfinished business of yesterday is before the Senate, which is the bill (S. No. 432) to amend an act entitled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates, and for an increase of national-bank notes."

ORDER OF BUSINESS.

Mr. WEST. I move that the Senate proceed to the consideration of the bill (H. R. No. 1009) making appropriations for the support of the Army for the fiscal year ending June 30, 1875, and for other purposes.

Mr. LOGAN. I wish to suggest to the Senate that we ought at least to make some arrangement as to when the question of finance shall be concluded. This thing of postponing it from day to day is getting to be rather a strange proceeding. If there is any other person in the Senate on either side desirous of making a speech, of course no objection can be interposed to his taking time for that purpose; but I do think, unless some gentleman desires now to continue the discussion, that we ought at least to agree upon a time, so that the Senate may have notice when we are to vote on this question, so that we may intelligently act, and so that if the matter is to go back by vote of the Senate to the Committee on Finance, they may act intelligently in returning a bill which they may suppose at least expresses the opinions of the Senate. It seems to me there ought not to be any disposition on the part of any of us to prevent a vote being taken at some time. If some agreement can be made by unanimous consent, so that this question will not be laid aside, but that we merely take up temporarily some other business, and then have an understanding as to when this question shall be taken up and acted on and concluded, I shall interpose no objection.

Mr. SHERMAN. I shall vote against any proposition to postpone the financial question until there is some definite vote on it. The whole country, the entire business community at least, is appealing to us, entreating Congress to do something. While there is a great diversity of opinion as to what ought to be done, while there are widely different views on the subject, yet there is a universal outcry that Congress ought to do something on this question that affects the daily business of life. I have received letters from different parts of the United States, some from my own State, from merchants who lately went East to buy goods, and returned home without engaging in the ordinary business of their concerns, because, they say, the feeling is universal that the action of Congress may affect, one way or the other, the business in which they are about to engage, and they therefore appeal to us to inform them what is to be the amount of currency on which they are to base their contracts, what action Congress intends to take which will affect the value of what they buy and what they sell. There is an appeal that, I think, must come to every Senator, it certainly does come to me, to take action on the subject. Therefore I shall vote against any proposition to put aside the financial question to take up the Army bill or any other bill.

But at the same time I can see that to-day we shall not be able to take any definite vote. There are fifteen or twenty Senators absent. It is true they have not perhaps sufficient cause for being away, but they are absent; and we know the effect of that will be to probably create delay. I add therefore my voice to the suggestion made by the Senator from Illinois, that either to-day, now, without taking up the Army bill, or after the Army bill is disposed of, we determine to "sit out" the financial bill and get through with it by voting upon all the pending propositions, and dispose of the question.

My own advice would be that in order to expedite this matter it would be better, after the debate that has already been had, in view of the varying views that have been expressed, to allow the Committee on Finance to pass upon the whole subject. But it may be very properly replied that they can pass upon it without this bill being formally referred; and it is true that if they can agree upon anything that in their judgment will promote the public interest, they can report it, even pending the present proposition. So I do not make any motion to refer, though I think it would be just as well to refer the whole subject-matter to the Committee on Finance for a few days, and I think in two or three or four days they might possibly report back something upon which they could agree. But if that is not advisable—and perhaps it is not as this matter has been debated so long—the bill might stand here for a day or two longer; but when it is taken up again I trust the Senate will "sit it out," and not meet and hear one long speech and then adjourn, and come back the next day to hear another long speech and then adjourn, and so on; but that we shall come here with a view to conduct a business debate upon the pending proposition until the whole matter is disposed of and the final action of the Senate is taken on the subject.

Mr. HAMLIN. Mr. President, I want to add one or two earnest words in concurrence with what has been so well said by the Senator from Ohio. I think the discussion on the financial question has been very long and very protracted; and, whatever may be the action at which the Senate shall finally arrive, the Senate owes it to itself and to the country that that action should be had. I should express only my own opinion if I were to say that I think this discussion has been carried to an extent that is little less than criminal, when you look at the wants of the country. Whatever may be our action, it should be known. There are various ways in which we can certainly arrive at it. We can fix a time certain when we shall vote. I will vote with the Senator from Ohio against displacing this question at any time and at all times, unless we can have some arrangement by which we shall know that we will come to some conclusion, to wit, that conclusion which the majority of the Senate shall determine. We do owe it to the country to come to a conclusion. Why, sir, I get daily letters from all parts of my section of the country asking when the action of this body is to be known. If we were to pass a resolution to-day by a united vote here, affirming that we would do nothing, that would do good, for the country would then know what we were going to do; and do what we may, I hope this bill will not be displaced for the Army appropriation bill or any other bill under heaven until we fix a time when we shall have positive action upon this bill. It does seem to me that there has been so much discussion upon it that Senators, in view of its great importance and of the financial condition of the country, might have a little forbearance and cease to talk much more upon the question.

Mr. CHANDLER. I concur entirely with what has been said by the Senator from Ohio, and likewise by the Senator from Maine. Any action is better than no action; and I would suggest to my friend from Ohio and to the Senate that after those Senators have delivered their speeches who are now prepared to speak—and I am told there are two or three, and certainly the courtesy of this body would be violated by preventing them from expressing their views in full—we adopt, by unanimous consent, the five-minute rule. Let us resolve that, when the question is taken up after these speeches shall have been delivered, we take it up under the five-minute rule, and adhere to that rule until the final vote.

Mr. WEST. Can you fix a definite time when these speeches will end?

Mr. CHANDLER. If there is any Senator here ready to make his prepared speech now, I shall vote against displacing this question even for the Army bill; but I am told that one or two of the Senators who are now absent for the day desired to make speeches on the subject. I merely throw out that suggestion.

Mr. DAVIS. I would add to what Senators have said, as to the importance of an early disposition of the pending currency bill, that the country is unsettled and desires that something should be done. Many important business enterprises are now standing still awaiting the action of Congress, and the people should know what we are going to do; and if we are to do nothing, the country ought to know that. If there is no other Senator who wishes to submit remarks, I will briefly state my position on the question now. ["Go on!" "Go on!"]

The PRESIDENT *pro tempore*. Does the Senator from Louisiana withdraw his motion?

Mr. WEST. If there is any one subject upon which the Senate entertains a unanimity of opinion, it seems to be that this financial question shall be brought at some early day to a determination; and yet, when you come to apply that desire to its effect upon the result of the action of the Senate, we do not seem to come to any conclusion at all. The Senator from Michigan suggests that upon the conclusion of the speeches which are to be made upon this bill or, rather, upon the finance question, we shall then adopt the five-minute rule. That is a very indefinite proposition. "Upon the conclusion of the speeches that are to be made." Judging from what we have heard here in this Chamber within the last three months, we can form no conclusion when these speeches are to leave off and the five-minute rule to begin.

Now, I make this suggestion to the Senate, and I hope it can be put in such a manner that it can be submitted to their action, that when the discussion of the financial measure shall be again resumed three days shall be devoted to it without interruption, and the final vote shall be had on the third day. My friend on the left [Mr. BUCKINGHAM] suggests one day. I should be most happy to agree to one day; and if the Senate will accept one day I will be very glad.

Mr. FRELINGHUYSEN. Suppose you say "not more than three days."

Mr. WEST. I will make this motion—perhaps it would be in order; but if it is not, the Chair will relieve me of my embarrassment—that when the financial question shall be resumed——

The PRESIDENT *pro tempore*. Such a motion is not in order.

Mr. WEST. I have thrown out the suggestion to weigh with Senators, and perhaps we can act upon it hereafter.

Mr. FERRY, of Michigan. What is the pending motion?

The PRESIDENT *pro tempore*. To postpone the pending bill, and proceed to the consideration of the Army appropriation bill.

Mr. FERRY, of Michigan. The chairman of the Committee on Finance has announced the fact, known to many Senators, that there are several Senators necessarily absent, some of them by illness; and for one, I care in that respect but little what the complexion of the sentiment of the Senate is at present, but upon the broad principle that we should not, upon a grave question of this kind, take any advantage of the absence of Senators to press a vote and thus prevent such absent Senators from expressing themselves by vote or otherwise. I think it was the understanding, perhaps confined to myself, but it may extend to others, that there would be no definite vote taken upon this question to-day; and I think I state what will be assented to by other Senators.

I am not disposed to prolong this discussion, nor a definite solution of this question by vote. I think I have stated before that I would occupy no further time upon the question, and I have only spoken when it appeared that there was no disposition to bring the question to an issue. I like the suggestion made by the Senator from Louisiana, and I would be glad to have the day fixed, and I would be willing to make that day to-morrow; and yet I am not willing to exclude any Senator from speaking if he desires, because I have taken my share; and on that principle, if on no other, I should be unwilling to deny others. If we could fix no later than Monday next, that would be giving sufficient notice to absent Senators to be present. When we take up the question let us remain upon it, whether early or late, and keep up continuous sessions until the question is decided, confining it to one, two, or three days, as the Senate may determine. I am willing to vote to confine it to two days, keep it within two days, and sit it out if necessary during the night of the second day.

I am very anxious—and I corroborate what the chairman of the Finance Committee has stated in that respect—that we have from all quarters of the country pressure that Congress will settle the question one way or the other; and as was said by a Senator on my left, that whether our decision be for or against an increase of currency, the country would accept the determination, and resume business if they could. Only let the people know what they are to do. It is unjust to the country, now that we have been three months on this question, to prolong it unnecessarily, when the business of the spring season is opening. I trust that we may come to some understanding now, and if so, I shall be willing to allow the interposition of the Army appropriation bill, provided we come to an agreement that early next week, say on Monday next at the latest, we resume the question of finance, whether we get through with the military bill in the mean time or not.

Mr. MORRILL, of Maine. I think it is time we had some understanding about this finance question, and especially about the order of business, for it has become now a question of the order of business. This question of finance, in one way and another, special and general, has been before the Senate more than three months, to the exclusion of almost everything else. It has lingered and it has languished, and languishing it is near its death, one would think. I believe the country has rather come to the conclusion that it is so near dead that nothing need be expected of it. At any rate, it is unquestionably true that if it lies across the path of the business of the Senate much longer we shall be here looking the hot days of August and September in the face before we are able to adjourn. That is clear.

Now, sir, charged in some sense with the business of the Senate, which is urgent and exigent and must be accomplished before we can adjourn, I shall feel it my duty to urge the consideration of the appropriation bills when they are in order, against this or any other proposition which may lie across their path; and I do not think it unreasonable at this period, after this length of time, that the Senate of the United States should go on to the consideration of that business which must be done before we can adjourn, when it is ready, in preference to anything else. I do not think it is a good argument, when an appropriation bill is now ready and its consideration is asked, to say, "We will go on with the finance question. We are not exactly ready to go on at this moment, but we are ready to make some sort of an arrangement by which hereafter we hope to come to some conclusion on the financial question."

Now, Mr. President, it is evident that we are in no condition to act on that question, nor shall we be until we get some report from the Committee on Finance. That I have believed from the beginning. That grows more and more obvious every day. Why not then let the question lie on the table, or why not send it to that committee and allow them to report it back, or at any rate allow the business which is exigent and urgent to proceed in some way while the committee are considering this question and until they are in a condition to report?

Surely, the Army bill ought to come up now without opposition; because it is apparent from what the Senator from Michigan has just said that the friends on one side and the other of the different views of the financial question are in no condition to go on with it to-day. They are lying on their arms; Senators are away; too large a portion of those who have taken an active interest in this question are away to advance its consideration. We are ready with the Army appropriation bill. Why not allow us to go on with it, and on Monday next, or to-morrow if you please, if the appropriation bill passes from the consideration of the Senate to-day, as I hope it may, if the Senate is full again you can proceed with the financial question? But after three months' discussion, such as has characterized this question—and I do not speak of that offensively, but I speak of the breadth of it, the scope and comprehension of it—I insist that it is unreasonable, when the Senate is not in a condition to engage in it to-day, to oppose it against a bill of the importance of the Army appropriation bill, and which is ready. I hope, therefore, the friends of the financial bill will allow the Army bill to come up.

Mr. SHERMAN. I will send to the Chair a proposition to see whether it meets the view of the Senate, and if we can act by general consent on the order which I send up, it may expedite business.

The PRESIDENT *pro tempore*. The order will be read.

The Chief Clerk read as follows:

Ordered, That after the passage of the Army appropriation bill, the pending financial question shall be continued to a final vote; that after it is resumed, not exceeding two days shall be allowed for general debate, and after that the debate shall be confined to speeches not exceeding ten minutes by each Senator on the pending proposition.

Mr. MORRILL, of Maine. It seems to me, if that arrangement can be entered into, we shall make progress to-day with a bill that is important, and that ought to be out of the way, and then Senators will be in and can proceed with the financial question. That comports, I believe, with the views of the Senator from Michigan.

Mr. LOGAN. I have no disposition, and certainly have shown none during this whole debate, to prevent a vote at any time. So far as speeches have been made by me, they have been only because the Senate was not in a condition to vote. I have been ready all the time for a vote. The suggestions made by the Senators who occupy a little different position on this question from what some of the rest of us do, are always for a reference to the Committee on Finance. I do not think that is exactly what should be done; and then these suggestions are made as though we stood in the way. Now, the first question that stands before the Senate is the vote on the reference, and that is the first in order as it stands when we are ready to vote.

I have not a word to say about the committee; but nothing has prevented them from reporting a bill any day if they could agree upon one. But the question involved in a vote by the Senate on the points before it, is a very different proposition, and one that we have been discussing for months; and as far as I am individually concerned, I want no action that will take that out of the Senate until the vote is recorded; and I presume nobody desires anything else.

Mr. MORRILL, of Maine. This contemplates that exact thing.

Mr. LOGAN. With this proposition, individually, I am perfectly satisfied, if the rest of the Senate is. Let the Senator go on now who is ready to speak. The resolution of the Senator from Ohio can lie over until he is through, and then if nobody else desires to speak, let us take it up and pass it, and then take up the other bill. I have no objection to that. Do I understand the Senator from Ohio to propose this order for action now?

Mr. SHERMAN. The Senator from West Virginia [Mr. DAVIS] has the floor now, and he is indifferent whether he proceeds to-day or after the Army appropriation bill is through with.

Mr. LOGAN. My remarks were made not with the object of depriving him of the floor, if he desires to go on now. If he does, I will oppose taking up the order; if not, I should have no objection, as far as I am individually concerned, unless there is objection by other persons. I will ask the Senator from West Virginia if it is just as agreeable to him to go on now, for I will interpose no obstacle.

Mr. DAVIS. I do not understand the Senator.

Mr. LOGAN. I rose for the purpose of opposing action upon the order of the Senator from Ohio at present, in order to give the Senator from West Virginia an opportunity of proceeding now. If he does not desire to proceed now, I have no objection to the adoption of the order, so that he may proceed when the question comes up again. That is all. It was in his behalf I made the suggestion that the proposition should not be acted on until after his remarks were made.

Mr. DAVIS. It will answer my purpose just as well to speak when the Senate resumes the question again as now. I will wait till then, or go on now, just as the Senate pleases. It is immaterial to me.

Mr. LOGAN. I asked the question because there is no one here, of course, who would desire to pass a resolution that would interfere with the Senator's proceeding with his remarks. If he does not prefer to go on now, I am ready to vote for the resolution or order of the Senator from Ohio.

Mr. SHERMAN. The Senator from West Virginia himself, sitting by my side, said he did not care whether he proceeded now or afterward.

Mr. LOGAN. My remarks were only addressed to the Senator from West Virginia with a view of accommodating him.

Mr. SHERMAN. I think the Senator from West Virginia had better make his remarks when the Senate is fuller than to-day, in case this resolution is agreed upon.

The PRESIDENT *pro tempore*. The Senator from Ohio asks for unanimous consent to an understanding in regard to the future progress of the bill which is the unfinished business of yesterday. Let the proposition be again reported, so that it may be understood.

Mr. DAVIS. One moment. Will it be understood that in the event of the adoption of the resolution I have the floor when the subject comes up again?

The PRESIDENT *pro tempore*. The Senator from West Virginia now has the floor on the unfinished business, and will be entitled to it whenever it comes up again.

Mr. THURMAN. What is the question before the Senate?

The PRESIDENT *pro tempore*. On the motion of the Senator from Louisiana, [Mr. WEST,] to postpone the pending and all prior orders and proceed to the consideration of the Army appropriation bill, pending which the Senator from Ohio, the Senator's colleague, [Mr. SHERMAN,] asks to have unanimous consent to an understanding in regard to the future disposition of the financial question.

Mr. THURMAN. I think that resolution of my colleague had better lie over and not be received now. It is not in order except by unanimous consent.

The PRESIDENT *pro tempore*. One objection carries it over, of course.

Mr. THURMAN. I am so much opposed to any order of the Senate, adopted by a mere majority, to restrict debate——

Mr. HAMLIN. That requires unanimous consent.

Mr. THURMAN. But it is in the nature of an order, and perhaps in that form may be passed by a majority, although I do not know that it would be consistent with our rules. But I wish to say that I for one am perfectly willing and would be glad if the Senate would agree to take the vote on this financial measure next Monday, or on Friday, the day after to-morrow. More than a month ago, I think, I expressed the opinion which I entertained then, and entertain more strongly now, that one of the chief causes of the stagnation of business in the country is the uncertainty as to what will be the legislation of Congress. Every day has confirmed me in that opinion, and therefore I am most anxious that this matter of what we shall do on the subject of the currency shall be settled at the earliest possible moment. Before the question is finally settled, I shall ask the Senate to hear very briefly the views which I entertain upon the general subject; but, as I have said before, I prefer to speak upon some definite measure, when such definite measure shall be reported, and I prefer that the more earnestly because I am apprehensive that of the different sections in this Chamber upon this subject there can scarcely half a dozen men be found who are agreed upon any specific measure, and that therefore this debate which has taken place, and in which doubtless there has been a great deal of learning and a great deal of information, has been after all—I say it without disrespect to anybody—a useless consumption of time.

I shall, therefore, be perfectly willing to agree, so far as I am concerned, that the vote may be taken on Friday, or next Monday, and I would hope that we might by unanimous consent agree to take the question up on one or the other of those days, or, if not, that we agree to sit the bill out either on Friday or Monday, according to usage of the Senate; and I think we shall get a vote long before midnight if we do so.

Now, in regard to taking up the Army appropriation bill in the mean time, I have to say that if the Army appropriation bill is to have the same fate that the naval appropriation bill had, if we are to vote eighteen millions of money, as I believe we did by that bill, in about two hours or less, the Army appropriation bill is a very slight obstacle indeed. If the Senator from Louisiana, or the Senator from Maine, expects to put through the appropriation bill for the Army, and which, I suppose, involves an expenditure of more than $18,000,000—I do not know; but I suppose as the naval bill was $18,000,000 the Army bill is more—in the brief space in which the naval appropriation was put through, it is a matter, practically, of very slight importance whether we take it up now or whether we defer it until some other time. But as it is barely possible that it is not wise legislation to appropriate eighteen or twenty million dollars in less than a couple of hours, as it is barely possible that it is our duty to investigate such an appropriation bill a little more carefully than the other was investigated, I think the best thing we can do is to let the Army appropriation bill lie where it is until this financial question is disposed of. I do not think it is wise to take it up now. If you take it up it may give rise to discussion. Now, let us agree that we will take the vote on the financial measures either on Friday or Monday next, I do not care which, and if we cannot agree by unanimous consent to that, let us consent to "sit it out," and then we shall agree upon something, and I think that is very much better than to take up the Army appropriation bill now, or to make any order such as my colleague proposes.

Mr. MORRILL, of Maine. I should like to know, Mr. President, what my honorable friend would do in the mean time?

Mr. THURMAN. I am surprised, after the experience of the last three months, that the Senator should ask me what I would do. He did not mean exactly what I would do. I will go and discharge the duties that have been imposed on me by the Senate, and sit every day in their discharge; but if he wants to know what the Senate will do, I think in the light of three months' experience I may say they will talk. [Laughter.]

Mr. MORRILL, of Maine. I propose to interpose at all stages of that proceeding a motion to lay every proposition on the table which has that particular object in view, and proceed to such considerations as are now proposed to be submitted to the Senate; and it was because it was apparent that the Senate was not in a condition, by the attention of its members to-day, to proceed with the finance bill, that I proposed to go on with a bill which we might consider. That is a proposition which the Senator from Ohio overlooks altogether. The real question now is, whether we will proceed to business which is ready and demands attention, or whether we will let that lie on the table until the honorable Senator can give his attention upon the Senate, and not consider the Army bill until some indefinite future time, for fear that the Senate in his absence will pass it without due consideration, and we idle our time here waiting for some days to come around when the Senate is full to proceed with the consideration of the question of finance.

Now, upon the question of business and the order of business, it is most apparent that my honorable friend from West Virginia [Mr. DAVIS] does not desire to occupy the attention of the Senate at the present time, and is just as willing to do it at some other time, and that when he is through there is to be nobody here to proceed with the discussion of finance, and we are not to be in a condition to proceed with it. It is obvious that, if we wish to economize time, we had better, by general agreement, proceed with the Army bill now.

My honorable friend from Ohio facetiously alludes to the fact that the Senate passed the naval appropriation bill in some two hours, more or less. I think in less time than that. I considered it at the time a very great compliment which the Senate paid to the Committee on Appropriations. They had entire confidence in that committee.

Mr. THURMAN. It was negligence on the part of the Senate.

Mr. MORRILL, of Maine. If it was negligence, I should like to know where my friend from Ohio was on that occasion. Can he account for himself? Why was he away from this post of his duty? And why should he come here at this late date and talk about eighteen millions having passed through without proper scrutiny, without giving some account of himself? I think if we wish to consult economy of time and to make progress, as we evidently are not now in a condition to go on with the question of finance on account of the absence of so many Senators who take a deep interest in it, and as that sentiment seems to be expressed on all hands, by my honorable friends from Illinois and from Michigan as well as on this side by the chairman of the Committee on Finance, why not allow the appropriation bill to come up, and when Senators are ready to advance with the finance question, then take it up with a view of settling it in a given time as proposed by the Senator from Ohio, [Mr. SHERMAN?] I hope, therefore, we shall all agree to proceed with the Army bill.

Mr. LOGAN. I hope, before the vote is taken on this motion to postpone, there will be some agreement about this question.

Mr. WEST. With the consent of the Senator from Illinois, I will waive the motion to postpone until action can be had by the Senate on the order offered by the Senator from Ohio.

The PRESIDENT *pro tempore*. That has been objected to and postponed.

Mr. WEST. Very well; then I insist on my motion.

Mr. SHERMAN. Let it stand as a pending resolution, so that we can call it up to-morrow.

The PRESIDENT *pro tempore*. It will be so entered.

Mr. LOGAN. Why cannot the chairman of the Committee on Finance, so as to accommodate all—I do not suppose there will be any objection—agree to the suggestion of his colleague, that we commence voting on Monday? The Senator from Maine says that Senators on this side, occupying a different position on this question, are not ready to go on. We are ready, so far as that is concerned. There is no delay on our side. None of us desire to speak; but we did not wish to oppose the suggestions of others, because there are gentlemen on the other side who desire to speak.

Mr. MORRILL, of Maine. And do I not understand that it is conceded that Senators are away who desire to do so?

Mr. LOGAN. Certainly; and for that reason I say it would be an accommodation to them, and in my judgment we ought to do it for both sides. That is my honest opinion. If the chairman of the Committee on Finance will accept his colleague's suggestion I think a majority of those occupying the position I do will agree to it, that we commence voting on Monday next, or on Friday of this week; I do not care which.

Mr. SHERMAN. I will vote for any proposition that will bring this question to the most effective and quickest solution. But at the same time the Senator from Illinois ought to reflect that it would be pretty hard to say that on Monday next, when we resume the consideration of this subject, the matter shall be closed that day.

Mr. LOGAN. I do not suggest that. I say let us commence on Monday morning to take action on the question. I do not say when the final vote shall be taken, but that the subject shall be continued under consideration until a final result be reached. It may be on Monday, or it may be on Tuesday, or it may be on Wednesday.

Mr. SHERMAN. The Senator need not trouble himself on that score. Even if the Army bill is taken up now, the very moment it is disposed of this currency bill comes up like Monsieur Tonson; but when the Senate will determine it is another question.

The PRESIDENT *pro tempore*. If the motion of the Senator from Louisiana should prevail, and the pending question be postponed, it will take its chances like all other business.

Mr. SHERMAN. No; it stands as a special order at the head of the Calendar, and comes up as a matter of course.

The PRESIDENT *pro tempore*. It has never been a special order. It has been for many days the unfinished business.

Mr. SHERMAN. If that is the case, it is perfectly obvious that we ought not to postpone it.

Mr. MORRILL, of Maine. Allow the Army bill to come up by general consent, with an understanding that it does not displace the currency bill.

Mr. LOGAN. We might not have unanimous consent to that.

Mr. MORRILL, of Maine. We can have it now, I think.

Mr. STEVENSON. If the finance question is postponed, that will only prolong the debate. Now, why can we not go on and finish it? There are gentlemen ready to speak to-day. Why interpose other business, and stop us in the progress of the consideration of a great subject that the needs of the country require should be disposed of? It seems to me that all the waste of time occurs by stopping the discussion of one question, which has proceeded for weeks, to take up another. I am unwilling to agree to any arrangement by which we shall postpone this matter to-day and take it up some time next week. I am opposed to it, for the reason that when we come to it next week we shall then be upon a broad sea of unlimited debate. Let us go on with this discussion now. There are gentlemen present who are willing to speak. I understand my friend from West Virginia is prepared to deliver his views to us now. Why not let us go on, and when there is a stoppage in the debate on the finance question, then it will be a pertinent and fit question whether we shall go on with something else? If there were no gentlemen here prepared to go on with the discussion to-day, that would be a good reason why we should take up something else; but I understand there are gentlemen willing and ready to proceed with the finance debate. I do not think any more important question can come up. All our wholesale merchants in the North and in the West are looking to our action, waiting to see what Congress intends to do. How can they make their purchases for the fall in Europe without knowing whether you are going to inflate, which they think will increase the price of gold, or whether you are going to stand still? And how can they judiciously make those purchases without understanding what the action of Congress will be in its tendency, either to stand where we are, or by a large inflation of the currency to put up the price of gold? I say let us go on with this discussion now. If there are gentlemen prepared to speak, as I think there are, we shall perhaps reach a vote this week, and then let the Army bill come up; but if there is nobody ready to go on now, I am perfectly willing to take up the Army bill and proceed with that.

Mr. LOGAN. I hope the Senate will proceed with the finance question now, without further debate.

Mr. FERRY, of Connecticut. Mr. President, I have not at any time said a word upon this subject of finance during the whole long debate for three months. I have been guided in my action as to the progress of the bill by the Committee on Finance. I have desired to understand the course which they wished the Senate to adopt, and then to vote accordingly; but the truth is I cannot understand it from the action of the committee themselves. The committee tell us through their chairman that they are exceedingly anxious to bring this question to a solution here at the earliest possible moment, and they have told us so for weeks; and yet for weeks other business has been permitted from time to time to intervene and the financial question has been put off.

Now, the experience of every Senator here is precisely that which is the experience of the chairman of the Committee on Finance. Every one of us is receiving letters from home, begging us to do something to bring this question to a practical solution; and if we now permit the Army bill or anything else to intervene, setting aside, apparently at present only temporarily, the financial discussion, I think past experience shows that we shall postpone the solution to a period of which we now cannot form any clear anticipation. I am opposed, therefore, to taking up the Army bill or anything else. Let gentlemen who are prepared to speak on the financial question, if there is only one, go on and speak. Then if there is no other Senator prepared to go on with the financial discussion we can go into executive session, or adjourn, and come here to-morrow and continue the financial discussion again. In other words, let us begin this matter of closing the financial question, and begin it now, instead of waiting to begin it on Friday or Monday next.

The PRESIDENT *pro tempore*. The question is on the motion of the Senator from Louisiana [Mr. WEST] to postpone the pending and all other prior orders and to proceed with the Army appropriation bill.

Mr. DAVIS. If the bill now pending is to be postponed, had it not better be laid aside informally and the Army bill taken up?

Mr. SHERMAN. I think the Senate will not postpone it. Let us take the vote.

Mr. DAVIS. Very well.

Mr. HAMLIN. I ask the Senator from West Virginia if he has yielded the floor for the purpose of allowing this motion to be made? If he has not it cannot be made.

Mr. SHERMAN. It was made before he took the floor.

Mr. DAVIS. I gave way for the purpose of learning the sense of the Senate; and whenever that is determined I am ready to proceed if the pending bill is not laid aside.

Mr. HAMLIN. The Senator from West Virginia has power to claim the floor, and nobody can take him off it.

The PRESIDENT *pro tempore*. The Senator from West Virginia yielded for the purpose of allowing the motion to be put.

Mr. STEVENSON. Do I understand that the Senator from West Virginia says he is prepared to go on now?

Mr. DAVIS. It is wholly immaterial whether I go on now or hereafter. My remarks will be brief, perhaps not exceeding an hour.

Mr. FERRY, of Michigan. I understand the Senator from West Virginia is prepared to speak, and it seems an act of courtesy due to the Senator to allow him to be heard; and I shall act with that view.

Mr. WEST. The Senate having to my satisfaction manifested a disposition to continue the debate on the financial question, and I have no doubt that a majority of the Senate are of this opinion, I withdraw my motion to proceed with the Army appropriation bill so as to enable the Senator from West Virginia to go on.

The PRESIDENT *pro tempore*. The motion is withdrawn, and the Senate resumes the consideration of Senate bill No. 432, upon which the Senator from West Virginia is entitled to the floor.

Mr. WEST. If my friend from West Virginia will allow me, I desire to give notice to the Senate that at any moment when the financial question is not pressed upon the immediate consideration of this body I shall move to take up the Army appropriation bill.

PRESIDENTIAL APPROVAL.

A message from the President of the United States, by Mr. O. E. BABCOCK, his Secretary, announced that the President had this day approved and signed the joint resolution (S. No. 6) in relation to the bronze statue of Jefferson, presented to Congress by Uriah P. Levy, late an officer in the United States Navy.

HOUSE BILLS REFERRED.

The bill (H. R. No. 2543) in relation to mineral lands was read twice by its title, and referred to the Committee on Public Lands.

The bill (H. R. No. 2547) to relieve from political disabilities Thomas Hardeman, jr., was read twice by its title, and referred to the Committee on the Judiciary.

The bill (H. R. No. 2422) to approve an act of the Legislative Assembly of the District of Columbia relating to parishes of the Protestant Episcopal Church, was read twice by its title, and referred to the Committee on the District of Columbia.

INVESTIGATION OF THE GOVERNMENT PRINTING OFFICE.

The PRESIDENT *pro tempore* laid before the Senate the following concurrent resolution, received from the House of Representatives yesterday; which, on motion of Mr. SHERMAN, was referred to the Committee on Printing:

Whereas it is alleged that grave abuses exist in the Government Printing Office; and whereas the abolition of the franking privilege will largely reduce the amount of public printing: Therefore,

Resolved by the House of Representatives, (the Senate concurring.) That the Joint Committee on Printing be required to report, by bill or otherwise, whether the Government Printing Office cannot be discontinued, and whether large sums of money cannot be annually saved by a change in the method of doing the public printing; and that said Joint Committee on Printing have power to send for persons and papers.

NATIONAL-BANK CIRCULATION.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. No. 432) to amend the act entitled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates, and for an increase of national-bank notes," the pending question being the motion of Mr. BUCKINGHAM, to refer the bill to the Committee on Finance, with the instructions adopted on the motion of Mr. MERRIMON.

Mr. DAVIS. Mr. President, the subject of finance is both a vast and important one; so much so that the attention of the whole country is being directed to the action of Congress. There are, perhaps, nearly as many views as there are Senators in this Chamber. Much has already been said on the bill now pending. It is my intention to be as brief as the subject will admit.

The people are becoming impatient. Business men are at a loss to know how to act. Uncertainty as to our action paralyzes industry. I think we ought, at an early day, to pass the bill now pending with amendments, so that the manufacturers, mechanics, and merchants may know how to act. If we intend to do nothing, the country ought to know it at once. "Money," says an eminent political economist and banker, "is an instrument of commerce, designed to facilitate the exchange of all commodities, by presenting an equivalent in a portable and convenient shape." What is needed in our present currency is stability, a fixed value, and that measured by a standard recognized by the world. This would give stability and safety to trade and busi-

ness that would be healthy. In the money centers it is estimated that not more than 5 per cent. of the business is done in currency or coin; and this is due to the system of exchanges between the banks by means of their clearing-house facilities; and hence the larger cities require less currency proportionately than the more sparsely settled communities.

The first proceeding in Congress in regard to the establishment of a bank was in June, 1780, which resulted in an act chartering in 1781 the Bank of North America. The old United States Bank was chartered February, 1791, and its charter was renewed in 1816. On the 3d of July, 1832, Congress passed a second bill renewing the charter. On July 10, President Jackson vetoed the bill, and the veto was sustained. On the 22d of September, 1833, by order of President Jackson, the Government deposits were removed from the bank. On March 3, 1836, the charter of this bank expired; but, it having obtained a charter from the Legislature of Pennsylvania, it continued to work until October, 1839, when it failed and went out of existence.

In 1841, under the lead of Mr. Clay, Congress passed a bill renewing the old United States Bank in somewhat different form and name. President Tyler vetoed this bill, and Congress failed to pass it over his veto. This would indicate that a majority of the people and statesmen of former years did not favor a large amount of paper money, not even United States Bank currency.

The issuing of paper money passed entirely into the hands of banks chartered by the respective States, and so continued until the act of Congress of February, 1863. During the recent war the first national bank, under the act of February 25, 1863, was organized in Philadelphia, June 20, 1863, and the first circulating notes were issued December 21 of the same year. Since that time 2,129 national banks have been organized, 32 of which have failed, and 117 gone into voluntary liquidation. During the last year 68 banks have been organized, 11 have failed, and 21 have gone into voluntary liquidation, leaving 1,980 in existence on November 1, 1873.

The act of February 25, 1863, and the subsequent acts of June 3, 1864, and March 3, 1865, authorize the issue of three hundred millions of circulating notes to national banks to be organized under the provisions of those acts, one hundred and fifty millions of which were required to be "apportioned to associations in the States, in the District of Columbia, and the Territories, according to representative population, and the remainder among associations formed in the several States, the District of Columbia, and the Territories, having due regard to the existing capital, the resources and business of each State, District, and Territory."

The whole amount of currency authorized by these acts was issued to national banks during the four years following.

The act of July 12, 1870, authorized an additional issue of $54,000,000, and provided that such notes should be issued to banking associations organized or to be organized in those States and Territories having less than their proportion under the apportionment contemplated by the act of March 3, 1865, and that the bonds deposited with the Treasurer of the United States to secure the additional circulation should be of any description of United States bonds bearing interest in coin. It also provided that a new apportionment of the increased circulation should be made as soon as practicable, based upon the census of 1870. Of this additional circulation, authorized by the act of July 12, 1870, there were issued to November 1, 1871, $24,773,260; in the year ending November 1, 1872, $16,220,210; in the year ending November 1, 1873, $7,357,479; leaving, November 1, 1873, still to be issued to banks already organized, and in process of organization, $5,649,051.

It will be seen that during the first sixteen months this act was in force $24,773,000 were taken, the next year $16,220,000, and in the next, ending November last, $7,357,000, (I give round numbers,) and that there were in November last between five and six millions of the fifty-four authorized not yet issued; but this is all promised to States having less than their legal and just proportion.

It will be four years next July since the fifty-four millions were ready for the States having less than their proportion. They have taken it at the rate of about fourteen millions a year, and during the year ending November last only about seven and a half millions were taken. From this it is fair to estimate that twelve or fifteen millions per annum would be as much as the States that have less than their proportion would take of national-bank currency. Now if the bill pending could be amended by striking out "twenty-five" and inserting "fifty," it would probably fill the wants of the States that are entitled to additional circulation for the next three or four years. This would at once transfer gradually from the States North that have an excess of national-bank currency to the States in the South that are entitled to it under existing law; and they ought to have it. Nearly all agree that if the currency were fairly distributed it would serve the wants of the people much better than now. In my opinion, a transfer of the excess from the North and East to the South and West is the true remedy, and not inflation.

It is well known, and has been often stated since the subject has been before the Senate, that the six New England States have over seventy millions excess, and the five Middle States have over nine millions, making in all over eighty millions. It is equally well known that the fourteen Southern and Southwestern States have fifty-one millions less than they are entitled to; also that the nine Western States, commencing with Ohio, have twenty-one millions less than the act of July 12, 1870, gives them. Massachusetts alone has forty millions more than she is entitled to under the law, while Virginia has more than four millions less than she is legally and justly entitled to.

Virginia paid into the Treasury of the United States last year in internal revenue over $7,000,000. This is considerably more than all New England paid; and yet Virginia has less than four millions of national-bank circulation, while New England has over one hundred and ten millions.

Massachusetts has more excess of circulation than the fourteen Southern and Southwestern States have in all. The excess of Massachusetts is $40,284,482, and the fifteen States named, including the District of Columbia, have but $38,160,308.

Again, New England has within less than ten millions of circulation of what the twenty-six States and nine Territories, known as Southern and Western States and Territories, have.

I repeat, what is needed is a transfer, an equal distribution, under the act of July 12, 1870. If this is done, some of the capital of the national banks now doing business in the North and East may find its way South and West. The transfer will close none of the banks, but simply reduce their circulation.

From the report of the Comptroller of the Currency for 1873, page 31, I take the following:

The whole amount of national-bank currency, legal-tender notes, and fractional currency issued up to November 1, 1873, is—

National-bank currency	$350,332,884
Legal-tender notes	360,952,206
Fractional currency	47,876,149
Total	759,161,239
Deduct amount held by the Treasury and by the banks	128,140,727
Which will leave unaccounted for, or in circulation	631,020,512

The total State-bank circulation in 1860 was $206,998,085. The bank circulation of all the States in December, 1862, was $238,677,218, so that the circulation *per capita* in 1862 was $7.59.

The total paper circulation November 1, 1873, was $759,161,230. Deducting the amount held by banks and Treasury as reserve, $128,140,727, leaves $631,020,512.

Taking forty millions as the basis of population, we have $16 *per capita*, or more than double what it was in 1862, (or any previous year or period.)

The bank-note circulation of 1862 was larger than at any previous date.

Mr. GORDON. I should like to ask the Senator a question there: whether the State-bank circulation was not capable of expanding as it was wanted?

Mr. DAVIS. The State banks were capable of expanding to almost any extent to which they had gold to redeem their circulation.

Mr. GORDON. Was not their circulation three to one on a gold basis?

Mr. DAVIS. I have given the paper circulation, not the gold; I am coming to the gold after awhile.

Mr. GORDON. The Senator stated the capital of the State banks, as I understood.

Mr. DAVIS. I said not a word about capital. I said the total State-bank circulation, all told, in all the States in 1860, was $206,000,000 in round numbers, and in 1862, after the suspension of specie payments, it increased to $238,000,000, or $7.59 *per capita*. I will say here that a great portion of that circulation was in the States of the South. Virginia, I recollect, had $19,000,000. The amount of paper money in the country, *per capita*, now is more than double what it was in 1862, or in any previous period of paper money. You will bear in mind that, in what I have said about the present circulation, I have deducted $128,000,000 held by the national banks and by the United States Treasury as reserves, and I have only counted what is actually in circulation.

Mr. LOGAN. How about the gold?

Mr. DAVIS. After awhile I will dispose of the gold that is now in the country and that which was in the country in 1860.

What I have stated about the circulation will be found verified by the Treasury Report of 1872, on page 210.

So we have an increased paper circulation, November 1, 1873, of $392,349,302, about 160 per cent. increase over 1862. This is exclusive of the $128,140,727, held as reserves in the banks and the Treasury of the United States; and does not include the $25,000,000 of legal-tender increase since November 1.

The total valuation of property in 1860, was $16,159,616,088; in 1870, it was $30,063,518,439. Population in 1860, 31,443,321; in 1870, it was 38,558,371. Increase in wealth, about 86 per cent.; in population, about 25 per cent., or an average of the two of about 55 per cent. This would make our paper circulation increase about 160 per cent., and wealth and population combined, 55 per cent.; showing the increase in circulation to be nearly three times as much as the increase of wealth and population.

Of course there was gold, previous to 1862, held by the banks as reserve, and some in circulation. But it will be remembered that I have not included in this calculation the $128,000,000 of legal-tenders held as reserves by the banks and the Treasury.

The assessed valuation of property, according to the census, was, in 1860, $12,084,500,005; in 1870, $14,174,986,732; which is about 16 per cent. increase. But I have taken what is estimated as the true value, which makes about 86 per cent. increase.

The State banks suspended specie payments December 28, 1861.

The following table gives the amount of all kinds of paper circulation, and the premium on gold, each June 30 and December 31, from June 30, 1862, to December 1, 1873:

Date.	United States notes and other forms entering into the circulation.	National currency.	July total.	January total.	Premium on gold.
June 30, 1862	$147,725,235 00	.....	$147,725,235 00	.....	15
June 30, 1863	411,223,045 00	.....	411,223,045 00	.....	30
Dec. 31, 1863	603,264,577 25	$280,000	.....	$603,544,570 25	55
June 30, 1864	755,162,333 70	31,170,500	786,332,833 70	.....	158
Dec. 31, 1864	719,006,202 95	76,066,420	.....	795,072,622 95	116
June 30, 1865	699,371,400 25	146,137,860	845,509,260 25	.....	41
Dec. 31, 1865	709,622,011 87	236,636,098	.....	946,258,109 87	40
June 30, 1866	609,044,725 46	281,479,908	890,524,633 46	.....	50
Dec. 31, 1866	1,273,199,361 32	298,588,419	.....	1,571,787,780 32	34
June 30, 1867	1,025,231,523 02	298,625,379	1,323,856,902 02	.....	39
Dec. 31, 1867	723,135,302 85	299,846,206	.....	1,022,980,508 85	38
June 30, 1868	482,122,712 47	299,762,855	781,885,567 47	.....	42
Dec. 31, 1868	398,834,757 37	299,747,560	.....	698,582,317 37	35
June 30, 1869	392,945,058 61	299,742,474	692,687,532 61	.....	36
Dec. 31, 1869	399,544,014 68	299,629,322	.....	699,173,336 68	21
June 30, 1870	399,091,562 48	299,267,486	698,359,048 48	.....	16
Dec. 31, 1870	397,852,197 38	304,956,849	.....	702,809,046 38	10
June 30, 1871	397,182,152 06	317,212,919	714,395,071 06	.....	12
Dec. 31, 1871	403,408,970 27	327,727,308	.....	731,436,278 27	9
June 30, 1872	399,607,213 52	336,220,692	735,827,905 52	.....	14
Dec. 31, 1872	405,395,761 12	342,541,452	.....	747,937,213 12	12
June 30, 1873	401,831,067 94	344,858,627	746,689,694 94	.....	15
Dec. 1, 1873	416,908,860 45	348,544,009	.....	765,452,869 45	9

It will be seen that on June 30, 1862, gold was 15 per cent. premium; June 30, 1864, 158 per cent. premium, which is the highest point reached at the dates given. December 31, 1871, it was but 9 per cent. premium; December 21, 1873, it again came to 9 per cent. premium. The largest amount of all kinds of currency out at any time was December 31, 1866, $1,571,787,780.32; and from this date it was rapidly reduced, until on December 31, 1868, it was $698,582,347.32, which is less than at present.

Mr. LOGAN. That does not include the national-bank currency.

Mr. DAVIS. I take the total circulation just as the Treasury reports it. The total circulation December 31, 1868, was $698,000,000 leaving off the odd dollars. Since then it will be recollected $54,000,000 have been added to the national-bank circulation by the act of July 12, 1870. I think I am correct; at least I state it as a fact, and I am glad to be corrected if I am wrong.

Previous to the panic, early in September last, there was no one bold enough to say that there was not sufficient circulation for the trade and business of the country; in fact, it was generally stated that there was too much paper money. Its abundance led to wild speculations, and particularly to the building of costly railroads in distant and wild countries, far in advance of the wants of the people. The experience of all countries, especially that of our own, teaches us that an abundance of paper money causes panics. The prospects for a healthy fall trade were never more encouraging than at the beginning of September last. None complained that there was not currency enough for all the business wants of the country. I wish to call particular attention to this fact, that previous to September last there were none that I heard of anywhere, in the Senate or in the country, who said that there was not circulation enough for all the legitimate business wants of the country; and yet we have to-day $26,000,000 or $27,000,000 more currency than we had at that time. Like a thunder shower in harvest-time the panic came; all lost confidence; banks and people held all the currency they had, and got all they could, holding tight to it, to sell at a premium, or fearing a demand would be made on them. This caused a want of confidence, which it has taken and will take time to restore. When it is fully restored, and a transfer made of a part of the excess of bank circulation held in the North to the States of the South and West, I fully believe that a large majority of the people will agree that we have paper money enough. Keep in mind that no one complained previous to September last that we were short of currency; and recollect that we now have twenty-six millions more of greenback currency than we had last September.

Currency is now transported so quickly from point to point that the same amount will do twice the business it would have done ten or fifteen years ago. Again, the new and complete system of clearing-house certificates, used in the large cities, saves the use and handling of large amounts of currency formerly employed in settling balances.

One of our wants is a fixed currency; not to-day worth ninety cents on the dollar, to-morrow eighty-five cents, and next week ninety-two cents. This gives Wall street opportunities to make "corners," and put up or down gold currency, produce, &c.

The officers of the United States Mint and Edward Young, esq., of the Treasury Department, estimate the gold in this country as being in 1861 two hundred and fifty to two hundred and seventy-five million dollars; in 1873, one hundred and forty millions. Half of the $140,000,000 is probably in the Treasury of the United States.

Add our one hundred and forty millions of gold now in this country to the $128,000,000 of legal-tenders held by national banks as reserve and in the United States Treasury, and you have $268,000,000, or fully as much as the gold we had in 1861. So it cannot be said that I have made an unfair comparison when I put the circulation *per capita* in 1862 at $7.59, and in 1873 at $16.

I think we have paper money enough for all business wants; but if we are to have more currency, in what form should it be? To this point I wish especially to call the attention of my friend from North Carolina, [Mr. MERRIMON,] who offered an amendment to the bill now pending for the purpose of adding $46,000,000 to the present volume of bank currency. On that interest would have to be paid by the Government. If we are to have additional circulation, I say let us have it of the money that costs the Government nothing in the way of interest, and not an increase in the way provided for by the amendment now pending, which will be an additional expense to the people. If we are to have an increase, let us have it in greenbacks. What we want, and what you want, gentlemen of the South, is, I think, a transfer from the East and the North to the South, which you are justly entitled to, and which I will aid you to secure; and I will say just here if the Senators of the North are determined to prevent a transfer to the South, such as is contemplated by the act of July 12, 1870, I am then ready to help my southern friends to have additional circulation. They are justly entitled to that transfer, and they ought to have it; but if they vote against it, as some of them have done heretofore, of course they have themselves to blame, and not Senators from the North.

I say, if there is to be an increase of the currency, let it be in the form of greenbacks; and if additional greenbacks are issued an equal amount of 6 per cent. bonds ought to be returned and canceled, not to be reissued without authority of law, as I believe the recent increase of greenback currency was.

Let me say to the Senators from the South and West that national-bank currency cannot be had without money or its equivalent. National banks are formed about in this way: A number of gentlemen in the South or West conclude that they want a national bank with $100,000 capital. First, $115,000 must be raised to buy the bonds. These bonds are left with the Comptroller, and in due time $90,000 in currency is furnished. They then commence business. They must keep 15 per cent. of greenbacks as a reserve; that leaves $76,500, which can be loaned or used. They pay 1 per cent. tax per annum on the $90,000, and ½ per cent. on all deposits made in the bank. This tax yielded to the United States Treasury last year nearly $7,000,000.

It will be seen that to start a national bank of $100,000, you take from your town or county $115,000 and bring back $90,000, only $76,500 of which is available banking capital. So you have $25,000 less than you deposited in bonds, and $38,500 less than was before available to your people.

The bonds held by the Government are much more than ample to secure the note-holder against loss. If the 15 and 25 per cent. required to be held as reserves by the national banks were reduced, say one-half, it would put in active use about $50,000,000 of currency which is now held as reserves, and might cause less money to be kept by country banks in the redeeming cities; and there I might agree with some of my friends on the other side. I believe that ought to be let loose. Fifty million dollars of currency are now held needlessly as reserve, which has caused much less money to be held in the country banks. A national bank is allowed to keep three-fifths of the amount of its reserve in the large cities. They have a rule by which interest, generally 4 per cent., is allowed on such deposits. That causes bankers in the country, as they are bound to keep a reserve, to send it to the cities, and it necessarily takes that much out of the towns which are not redemption cities and carries it to the large money centers. My suggestion is to reduce that reserve one-half, which would put fifty millions in active use without increasing the volume.

If a gold bank, one that redeems its circulation in gold, was now started, it would get, under present laws, but 80 per cent. in circulation; for a bond that cost $115 it would get but $80 of currency. Our bonds to-day, I believe, are quoted at from 115 to 119. The banks also have to keep 15 per cent. in gold reserve. This ought not to be. We should encourage gold banks. I see no reason why a gold bank should be given but 80 per cent. of circulation while currency banks are given 90 per cent., and the gold bank is required to redeem its notes in gold, and also to hold the 15 or 25 per cent., as the case may be, in reserve. It appears to me that we ought in some way to remedy that.

I believe the country will soon demand of Congress a free banking law, and also that the interest paid to the national banks on the bonds owned by them shall be reduced. Of course, in that case the tax also would be materially reduced.

The convertible and reconvertible bond and greenback bill, presented at the last session and renewed at this by the able and distinguished chairman of the Finance Committee, has in my opinion many good qualities, and I think will bring good results. I hope it will receive the early and favorable attention of the Senate. It has a tendency to prevent panics. Under it the holder of bonds or greenbacks can change and interchange, and it will bring the bond and greenback to near the same value, or par. It may depreciate the former, but it will appreciate the latter and bring them near together.

I agree with Senators of the South and West, that they have not

banking capital enough. I am willing to vote to aid them in a way that I feel sure is the best for them and the country. The question is, have they the means to take up bank currency, and will you vote to transfer bank circulation from States that have an excess to States that have less than the act of July 12, 1870, allows each State? In 1862, in round numbers, there was $238,000,000 State-bank currency; in November, 1873, $632,000,000 of legal-tenders and national-bank notes. Let us see how it was and is now distributed, in round numbers:

States.	1862.	1873.
Massachusetts	$28,000,000	$59,000,000
Rhode Island	6,000,000	13,000,000
Virginia	19,000,000	4,000,000
North Carolina	5,000,000	1,800,000
South Carolina	6,000,000	2,300,000
Georgia	8,300,000	2,300,000
Louisiana	8,800,000	3,600,000

This shows that before the war Virginia had about two-thirds as much bank-note circulation as Massachusetts. Now Massachusetts has about fifteen times as much as Virginia. If you compare Massachusetts and North Carolina, you will find that before the war the proportion was between a fifth and a sixth. Now Massachusetts has more than thirty times as much as North Carolina. With most of the other Southern States the proportion is nearly the same.

With such facts, how can any southern Senator refuse to vote for a fair, equal, and gradual transfer, as contemplated by the act of July 12, 1870? I believe that the Comptroller has the *lawful power now*, and ought at once to give the notice, and as soon as possible commence the transfer. Let us see what the act says. It provides that when the fifty-four millions of additional circulation "*shall have been taken up*," "the Comptroller of the Currency shall, as additional circulation may be required by the banks having less than their proportion, make a requisition for such an amount, commencing with the banks having a circulation exceeding $1,000,000 in States having an excess of circulation, and withdrawing their circulation in excess of $1,000,000, and then proceeding *pro rata* with other banks having a circulation exceeding $300,000 in States having the largest excess of circulation, and reducing the circulation of such banks in States having the greatest proportion in excess, leaving undisturbed any States having a smaller proportion until those in greater excess shall have been reduced to the same grade, and continuing thus to make the reduction provided for by this act until the full amount of twenty-five millions provided for shall be withdrawn; and the circulation so withdrawn shall be distributed among the States and Territories *having less than their* proportion, so as to *equalize the same*."

You will notice the act says "shall have been taken up." Now, I think it has been "taken up" when it is promised; and it has all been promised for several months. The Comptroller thinks *all* the bonds must be actually in his vaults. The act does not say "when issued," but says "taken up." And here I will state that a day or two ago I asked the Comptroller whether the $54,000,000 provided for by the act of July 12, 1870, had been taken up. His reply was, "Yes." Then I said, "Why not call upon the banks North and East for the $25,000,000 contemplated by that act?" He then said that he had construed the act that it would have to be actually issued before he could call upon the banks North; and it is known that it takes a year after the notice is given before they can get it. Therefore I suggest the great importance of passing the bill now pending at once, so that this transfer may be made from the North and East to the States of the South.

The act does not say "when issued," but "when taken up." The Comptroller says it is all engaged, but not issued; but he admits that it is promised, and I think that is the same as "taken up," according to the act.

But the more abundant you make anything, the less valuable. The experience of the Confederate States ought to teach us this. If but a hundred millions of currency had been issued instead of billions, we all know the value would have remained greater as long as there was any foundation for it to stand on. What gives gold its value is that it costs about its worth to produce it. Make it as plenty as brass or iron, and it would no longer have its present value. This is a conclusive argument against inflation.

It is admitted that our present banking system, with some amendments, would be equal to any known to the world. The greenback or national-bank note passes in any part of our country at its full value. Our Government's credit and stability are equal to any that exist. The full faith of the United States is pledged to redeem the greenback and national-bank circulation in gold, yet it is 10 or 12 per cent. below par. There must be a cause for this. Is it owing to the large amount in circulation? If so, and more is put on the market, will it not be like a corporation's or an individual's credit that is now 10 or 12 per cent. below par? It is well known to us all that if I have my promises to pay upon the market, and they are below their face value, if I issue additional promises to pay without making the proper exertions or providing a way for redeeming what I have already in circulation, the effect is necessarily to reduce the value of all, and to impair my credit in the market. There is to-day the Government's pledge to redeem every dollar of our circulation in gold, and yet it is 10 or 12 per cent. below gold. There must be a cause for this, and that I shall leave for others to explain.

Mr. SAULSBURY. There is too much of it out.

Mr. DAVIS. That is my opinion; but some Senators laugh at that suggestion, and their conclusion is different. I notice my friends from Illinois and Michigan both smile; and I will give way for a moment to either of them to tell me why it is that greenbacks to-day are 10 or 12 per cent. below par.

Mr. FERRY, of Michigan. I will ask the Senator whether in the case supposed it would not depend on his ability to pay whether his paper would be below par or not in the market? Upon that point I will also call his attention, in order that he may frame his reply, to the fact which he has stated, that at one time which he mentioned there was a circulation in the country of $1,571,000,000, with the same wealth, the same country, and the same faith to pay. Now, I ask him if the Government could hold in circulation that volume then, and be able to maintain its credit, can it not a much smaller volume at the present time?

Mr. SHERMAN. I would like to answer that.

Mr. DAVIS. In a moment. That is a very pleasant question. My friend says there was once $1,571,000,000 on the market; now there is less; and he makes the comparison. Well, of course he knows that the Government at that time commenced making provision for calling in a part of that large amount; but at that time he did not tell you that gold commanded four or five times as much premium as it does now. Besides, a large portion of that so-called circulation was bearing interest. My friend asks whether the depreciation in the case stated by me would not depend on my ability to pay. In part it would, but in this case it would not. It depends upon how much I have out and my willingness to pay. If I owe and will not pay, if my paper is constantly being presented and I do not pay it, of course my credit must go down, especially when I should undertake to increase it.

Mr. FERRY, of Michigan. The Senator of course does not want to misrepresent me. If the Senator issues his paper, it is upon the presumption that he proposes to pay at some time. This Government never issues its paper without assurance to the world that it will pay.

Mr. SHERMAN. When?

Mr. FERRY, of Michigan. When it is practicable to pay; no repudiation is assumed directly or impliedly by this Government in the issue of its currency; neither would I presuppose any such thing. It could not be assumed in regard to the Senator, when he made an issue of his own paper, when he said if he issued more it would depreciate in the market. I reply to him that the volume of his paper-issue would depend entirely upon his ability to pay, and his ability to pay would be a guarantee of his willingness to pay.

Mr. STEVENSON. I ask the Senator whether it would not depend a great deal upon the popular faith in his ability to pay, and whether a continued expansion of the notes from time to time and putting off payment, even with faith in the ultimate ability, would not depreciate the paper?

Mr. FERRY, of Michigan. I reply that, if the Senator had the ability to pay, there would not be any unwillingness to pay. The Government has declared its faith that it will pay at some time, as stated by the Senator. Now, I say that the Government, when able conveniently to pay, will pay; and if the Senator wants a more definite answer to the question of cause of depreciation, I will give it. I do not, however, want further to interrupt him unless he wishes it——

Mr. DAVIS. I do not object; it is very pleasant.

Mr. FERRY, of Michigan. In reply, therefore, to the question why the money is depreciated, I would say to him that it is mainly because the Government itself depreciates its own paper by not making it a legal tender for all purposes, and I cite in proof the currency of France, which stands to-day without material depreciation, because France has issued paper payable for all dues, customs as well as other.

Mr. DAVIS. I ask the Senator if he would favor the Government receiving its duties on imports in greenbacks?

Mr. FERRY, of Michigan. I believe I have stated that, had I the control—of course that is a presumption, but the Senator has put it in that form—if I had control of the currency of the country I would do this very thing, as France successfully does to-day.

Mr. DAVIS. If——

Mr. FERRY, of Michigan. Let me answer, because the Senator has put a very grave question. I would act in this as I would in private business. Experience is always the best teacher, and I would never do an act of my own to discredit my own financial standing.

Mr. DAVIS. Let me ask the Senator right there, how is it that he would issue an additional amount of promises to pay, when his credit—he is speaking of the Government—is already down to twelve cents below par? He wants now to put out additional promises to pay, without any time fixed for redemption; and yet he says he never would injure his credit knowingly.

Mr. FERRY, of Michigan. I am trying to answer the Senator, but he does not take directly my answer. My view is, if the Government would put an end to the traffic in gold by no longer employing many thousands of merchants in New York and elsewhere to supply through customs the gold that is necessary for the Government wants, and let the Government issue its paper a full legal tender, and then, as sole purchaser of coin, provide itself for public necessities—there would

then be so little demand for coin and no competition in the market, the premium would disappear. That would be the substantial answer to the question. But if the Senator predicates all upon the issue of promises to pay, then I ask him, why does not the issue of bonds, which are merely promises to pay in future, discredit them?

Mr. DAVIS. They are paying each day interest, and that in gold.

Mr. FERRY, of Michigan. Then it narrows down to this, that the simple promise to pay at the end of six months at the rate of 5 per cent. interest annually in coin—understand me, the Government agrees to pay on her bonds 5 per cent. annually, and pays it semi-annually—then this promise to pay 5 per cent. interest, and the bond-holder waiting six months before he receives any fulfillment, that little 5 per cent. gives the whole value to your bond, according to the doctrine of the Senator, for both currency and bonds are promises to pay, interest included.

Mr. DAVIS. Certainly not the whole value. I admit the greenbacks are worth 90 per cent. probably to-day, and the bonds are worth 115. That is because both are promises of the Government to pay, and pay in gold, but the holder of the bond is receiving interest, and the holder of the greenback is not. I have had no satisfactory answer yet why it is that the Government promises to pay, and promises to pay in gold, every dollar of circulation, national-bank and greenback, fractional and otherwise, and yet it is 10 or 12 per cent. below par to-day, while the bonds are above gold, as a rule. Not all of them, but the most of them are above gold. It is because one of them is paying interest and the holder is receiving interest, while the other is not. It cannot be denied that if the government, the individual, or the corporation whose paper is already below its face-value, without making provision for the payment of what it already owes, issues additional promises to pay, its credit goes down.

Mr. FERRY, of Michigan. The Government has not discriminated against its promises to pay in the form of bonds and has in the form of currency, and both rest upon the faith of the nation, but the discredit of the one covers substantially its depreciation. Now, let me put this question to the Senator: The last census shows that the aggregate wealth of this nation in round numbers is thirty billions of money. The whole volume of our currency is, say, $750,000,000. Now, with this $30,000,000,000 of wealth, with the faith and honor of the nation pledged for the redemption of its currency, can the additional amount of $46,000,000 as proposed by the Senator from North Carolina, or an addition of $100,000,000, cause any doubt to rest upon the ability of the Government to pay, in the judgment of the Senator?

Mr. DAVIS. I believe firmly if additional currency is given in any form to the country, instead of the transfer which is contemplated by the act of July 12, and which it is acknowledged by all I believe ought to be done—I say if additional currency is issued the country does not know when and where we are going to stop. The next year the same thing may be re-enacted over again. I say further that I believe if this $46,000,000 is issued, or any other amount, it will show to the people of the country that we are disposed to increase the currency, and being disposed to increase it, the country will not know when and where we will stop, and it will thus reduce the purchasing value of all that is now in circulation. In other words, I believe that if the instructions now pending should be given to the committee to prepare a bill to increase the national-bank circulation $46,000,000, it will reduce the value of the whole volume of circulation more than the $46,000,000.

Mr. FERRY, of Michigan. Mr. President, I dislike to interrupt the Senator so much, but he must not lose sight of the fact——

Mr. DAVIS. You need not make any apology; it does not trouble me.

Mr. FERRY, of Michigan. We are both good-natured, and are both good friends.

Mr. DAVIS. I hope so.

Mr. FERRY, of Michigan. And my friend from Delaware [Mr. SAULSBURY] is, as he implies, the arbitrator between us; in fact we are all friends. But the Senator from West Virginia [Mr. DAVIS] must not lose sight of the fact that no part of this issue of $46,000,000 can leave the Treasury without a deposit of 10 per cent. more in value of bonds of the Government, which he values so highly. Not a dollar of that money can get into circulation except upon the relation of ninety cents of currency to a hundred cents of bonds, so that there cannot possibly be that illimitable issue that would so depreciate the currency as long as there must be a hundred cents of the Government-bond promises deposited there before ninety cents currency promises can be drawn.

Mr. DAVIS. That is clear; but what I said was that if we start we do not know where we will stop. Now, as my friend has been putting some questions to me, I should like to ask him one. Would you be willing to stop at $46,000,000, and say you have enough? You ask now that the committee be instructed to bring in a bill increasing the national-bank circulation $46,000,000; and, by the way, you do not say where it is to be distributed, whether it is to go to Massachusetts or to North Carolina, but the presumption is that it is to go to North Carolina if they have the means to take it. Now, I ask the Senator, if that instruction should be given and the Finance Committee presents a bill with that view carrying out that instruction, whether he would be willing to stop there, or whether he would desire to increase that circulation to a greater extent? In other words, will he want to increase the greenbacks after that, or is $46,000,000 all he wants?

Mr. FERRY, of Michigan. Mr. President, I have nothing to conceal on this question. The proposition of the Senator from North Carolina would bring up the volume of the currency, together with the $44,000,000 reserve, to about what I thought might be the right point, and it would seem I have the support of the Senate to affirm my judgment. The $44,000,000 would, with the $46,000,000, make the total volume of circulation $800,000,000. The $44,000,000 reserve ought to be made a part of the permanent circulation, and not be left to issue and withdrawal at pleasure. I answer the Senator, therefore, that after having $46,000,000 national-bank notes and the $44,000,000 reserve we should be disposed to rest.

Mr. DAVIS. Now, instead of $46,000,000 we have nearly $100,000,000 inflation or increase of the currency; so that it is not the $46,000,000 some Senators are after, but, as I said a moment ago, it is to instruct the committee to bring in the $46,000,000 increase; and yet there is something back of that, for the purpose of bringing it up to nearly $100,000,000.

Mr. FERRY, of Michigan. The Senator will understand that there are $26,000,000 of the $44,000,000 reserve out already.

Mr. DAVIS. I understand that, and I believe it has no right to be out. I believe that the Treasury issued it in violation of law. I believe, and I know, that the very act which calls in bonds, orders them to be retired and canceled, uses the same language as to the currency, and I think that there is no right and there is no law to-day, none whatever, in my opinion, to sustain the issue of the forty-four millions; and the Senator himself would not be willing to let this Congress go by without in some measure providing that that reserve should be put in circulation. He is a little afraid of that, and I do not know but what he has acknowledged that that twenty-six millions went out in violation of law.

Mr. FERRY, of Michigan. No; because my name is appended to a minority report, with that of the Senator from Iowa, dissenting from the report of a majority of the committee and sustaining the Secretary in issuing the forty-four millions; and, therefore, I am very consistent in supplementing his action by asking that Congress shall now fix that reserve as part of the permanent circulation.

Mr. DAVIS. The question why greenbacks are at 10 or 12 per cent. discount has not been explained yet to my satisfaction. The Senators have not said that it is because of the quantity, the abundance of the circulation; which they would have to say if they would come square to the fact.

I would not contract or expand the currency, but would transfer from the North and East to the South and West the excess of bank currency as fast as is provided for by the act of July 12, 1870. I admit you cannot legislate money in this or that place. As surely as water will find its level, or that two and two are four, money will find the trade and business centers. You might as well try to legislate that water should run up hill, as try to legislate that money shall go into certain places and remain there. The two are about alike, in my opinion.

In conclusion, permit me again to say that I believe it to be our duty, at as early a day as practicable, to fix and settle a plan, so that the business men of the country may know what to depend on. I am told that many persons are waiting and holding large enterprises in check to see what Congress will do concerning the currency. This keeps many men out of employment, and leaves in an unsettled state much of the business of the country. I hope we will amend the bill now pending so as to transfer forty or fifty millions, instead of twenty-five, and pass it at an early day.

Mr. WEST. Mr. President, I should like now to renew my motion to postpone the pending and all previous orders, and to take up the Army appropriation bill, if no Senator desires to go on with the financial discussion.

Mr. SHERMAN. If that can be done informally, so as to allow the pending matter to come up in the morning as the unfinished business, I have no objection. Perhaps the Senate may order otherwise, but I cannot agree to give way entirely.

The PRESIDING OFFICER, (Mr. RANSOM in the chair.) Does the Senator from Louisiana move to take up the Army appropriation bill informally?

Mr. WEST. Before I make that motion I should like to understand the Senator from Ohio, and know whether that would involve bringing up the financial question regardless of a vote of the Senate.

Mr. SHERMAN. A majority of the Senate can at any time postpone any of these bills.

Mr. WEST. Then what business will be in order at one o'clock to-morrow?

The PRESIDENT *pro tempore*. If the pending measure be laid aside informally, for the purpose of considering the Army bill, the finance bill will be considered as the unfinished business at the adjournment to-day.

Mr. SHERMAN. And the Senator may get a majority of the Senate to sustain him, so as to continue the consideration of the Army bill to-morrow.

Mr. WEST. I move, then, that the finance bill be laid aside informally, and that the Army bill be now considered.

The PRESIDENT *pro tempore*. The Senator from Louisiana moves that the finance bill be laid aside informally for the purpose of pro-

ceeding with the consideration of the Army appropriation bill, with the understanding that the finance bill shall remain the unfinished business to-night, and be the unfinished business at one o'clock to-morrow.

Mr. LOGAN. As I understood the statement of the Chair this morning, unless it was the special order that would not do; but if that will be the result I have no objection.

The PRESIDENT *pro tempore*. It is the unfinished business of to-day, and will be so considered.

Mr. LOGAN. Very well.

The PRESIDENT *pro tempore*. The question is on the motion of the Senator from Louisiana.

The motion was agreed to.

ARMY APPROPRIATION BILL.

The Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. No. 1009) making appropriations for the support of the Army for the fiscal year ending June 30, 1875, and for other purposes.

Mr. WEST. Mr. President, on behalf of the Committee on Appropriations I now ask the attention of the Senate to the consideration of the Army appropriation bill. I think the chairman of the committee very justly remarked this morning, in some comments which he made upon the action of the Senate, that he considered it a very great compliment to the committee that so much was intrusted entirely to their discretion, and that the Senate was so willing to betake themselves to other occupations more congenial. It is a dry subject, and yet it has its interest.

In presenting the Army bill, as now before the Senate, I desire simply to call the attention of members to some contrasts that present themselves with the figures of last year; also with the estimates made for this year; and further as to the amount passed by the House of Representatives and the amount presented by the committee. The total amount appropriated by Congress for the support of the Army for the fiscal year now about concluding was $31,796,000.08. The original estimates for the fiscal year commencing on the 1st day of July next, as submitted by the Treasury Department, were $34,543,267, and as revised by a reduction of $325,000 to the amount of $34,218,267. The House curtailed these estimates and sent us a bill appropriating $28,301,916.60. The Committee on Appropriations of this body now reports the bill back with the recommendation that the sum total of the appropriation be $27,733,500; in other words, $6,484,767 less than the amount estimated for, and $4,062,508 less than was appropriated last year, showing a very material reduction in the amount proposed to be expended in the support of the Army for the current year.

This reduction is mainly due to what, in the parlance of the times and particularly in connection with the discussion that we have heard here for such a lengthy period, may be called shrinkage. It is not a pecuniary shrinkage. It is a pecuniary gain, resulting from the curtailment of the Army by a provision that limits enlistments under the sum appropriated for that purpose to the number of twenty-five thousand men. This, it has been thought, could be done without any prejudice immediately to the service, that it would be a yielding temporarily to the necessity of the times, and whenever the resources of the country would permit it that we could then expand the *matériel* of the organization without touching the integrity of the organization itself. There has been the main gain in the reduced expenditures now recommended by the committee, and I trust that the Senate will sustain the committee in that recommendation, or otherwise without that reduction we may look for an expenditure of some $3,000,000 more.

There are various clauses in the bill that will invite the attention of the members of the Senate as we approach them, and I trust that by the time we arrive at their consideration in the bill there will be a sufficient number of the Senate here to give consideration to them. There is a railroad section, if I may so call it. There is a provision in the bill on page 6, as follows:

That no part of the money appropriated by this act shall be paid to any railroad company for the transportation of any property or troops of the United States over any railroad which, in whole or in part, was constructed by the aid of a grant of public land, on the condition that such railroad should be "a public highway for the use of the Government of the United States, free from toll or other charge" for such transportation; nor shall any allowance be made out of any money appropriated by this act for the transportation of officers of the Army over any such road, when on duty and under orders as a military officer of the United States. But nothing herein contained shall be construed as preventing any such railroad from bringing a suit in the Court of Claims, &c.

The evident intention of Congress, so far as legislation on this subject has proceeded, has been to come to some conclusion as to the manner in which the land-grant railroads throughout the country should be dealt with by the Treasury Department. That is a most interesting subject, as we have, as Senators are aware, sixty-seven land-grant railroads in this country. We are paying them large sums of money under an arbitrary ruling of the Quartermaster's Department, which appears to me equitable and just; but still it is desired, on the part of the Government and the companies, that this matter should be adjudicated by some authority that will set the question between the railroads and the Government at rest forever.

There is a proposition relating to the uniform of the Army. Last year, when this bill was under consideration in the Senate, the Committee on Appropriations made an amendment to the House bill, which, had it passed, would have had the effect of confining the clothing used by the Army to such stock of that material as was on hand remaining from the war. There was quite an earnest discussion on the subject as to whether the clothing in which the soldiers of the Army had fought, who carried this country successfully through the great rebellion, was good enough for times of peace. Under the circumstances by which the change had been made—having been made by the President by virtue of the authority vested in him by law to prescribe the uniform of the Army—it was thought better in the Senate to allow the matter to remain as he had ordered it. On the occasion when this bill was acted upon by the House, that body provided—

That none of the money hereby appropriated shall be used in the purchase of hats, uniform caps, forage caps, uniform coats, uniform jackets, flannel sack-coats, and unlined coats, which articles the Quartermaster's Department shall issue from the supply now on hand, known as the old pattern.

We find that the Senate virtually decided what it would do in that case last session, and that it is now estopped from going back to the old uniform, for the reason that it would give the Army a motley appearance, and would also probably unkindly controvert the action of the President in the premises.

The only other feature of general interest that I know of in the bill is that relating to the consideration of war claims. The House provided for an increase of the present southern claims commission by the addition of two members to that body, with the intention of giving them jurisdiction of all claims for quartermaster and commissary stores originating in the States that were hitherto not declared in rebellion, and were known as the loyal States. Probably that question may elicit considerable discussion in the Senate, and I will not enlarge upon it at the present time.

These are the general features of the bill. First, such a reduction of the expenditures as accords with the necessity for economy now pressing upon the appropriation branch of Congress. Next, the question of settlement of the relations between the land-grant railroads of the country and the compensation for transportation. Third, whether the present uniform as established by the President of the United States in accordance with law, as when we discuss that question I shall be prepared to show, shall remain as he has ordered it. And fourth, whether there shall be a change with reference to the disposition of war claims in the loyal States, that is to say, shall they still remain under the jurisdiction of the Quartermaster-General and the Commissary-General respectively? But the committee has made a provision that all unexpended balances prior to July 1, 1872, shall immediately revert to the Treasury, which recalls from disbursement, as I will show to the Senate when we arrive at that point, between $4,000,000 and $5,000,000 now lying to the credit of those Departments in the Treasury.

I shall not detain the Senate, Mr. President, with my own remarks any further, but I should like to proceed with the bill.

The PRESIDING OFFICER, (Mr. PRATT in the chair.) The bill will now be read at length, and the amendments reported by the Committee on Appropriations will be acted on as they are reached in the reading of the bill.

The Chief Clerk proceeded to read the bill.

The first amendment of the Committee on Appropriations was in section 1, line 12, after the word "men," to insert "including Indian scouts;" so as to make the item read:

For expenses of recruiting and transportation of recruits, $105,000. And no money appropriated by this act shall be paid for recruiting the Army beyond the number of 25,000 enlisted men, including Indian scouts.

The amendment was agreed to.

The next amendment was in line 27, to reduce the appropriation "for pay of the Army, and for allowances to officers of the Army for transportation of themselves and their baggage when traveling on duty without troops, escorts, or supplies, and for compensation of witnesses while on court-martial service; for traveling expenses of paymasters' clerks; for payment of postage on letters and packages, and cost of telegrams received and sent by officers of the Army on public business," from $11,450,000 to $11,400,000.

The amendment was agreed to.

Mr. WEST. I am instructed by the committee to ask for a verbal change in the language in line 29. The expression is a little unfortunate, "to any person whatever in the service of the United States," and the committee recommend that the words "whatever in the service of" be stricken out, and the following words inserted, "holding appointment or employment under;" so that the clause will read:

That only actual traveling expenses shall be allowed to any person holding appointment or employment under the United States.

The amendment was agreed to.

The reading of the bill was continued.

The next amendment of the Committee on Appropriations was to strike out the following proviso in lines 34, 35, and 36:

Provided further, That nothing herein shall be construed to allow more than ten cents a mile for such transportation.

Mr. SHERMAN. That proviso, I think, is a great safeguard. Without that a person's traveling expenses might be more than ten cents a mile. I can imagine the cost of traveling in these luxurious days, with all the conveniences, might be more than ten cents a mile, and as I see this committee is very much in search of economy I think it is a bad thing to strike out that proviso. It is very easy to make traveling expenses run above ten cents a mile.

Mr. WEST. What the Senator remarks is very correct; but it is to be presumed that officers charged with the duty of auditing mileage accounts will see that they have not been incurred with any extraordinary extravagance. The object of the committee in striking out this proviso was to protect those officers who were engaged in moving about in the sparsely settled sections of our country where there are few facilities of transportation, such as in the Indian Territory, Oregon, Washington, and Arizona, where they would probably incur an expense of twenty cents a mile. Unless this proviso be stricken out, the very men who are obliged, under the orders of the War Department, to move from place to place, at an expense of from twenty to twenty-five cents per mile, would be ten and fifteen cents out of pocket every mile they traveled. It is solely to protect these officers that we move the amendment. It is not with a view of adding to the extravagance of the present service.

Striking out the proviso, the officer moving is restricted to his actual traveling expenses, which means from here to New York, if I am correct as to the railroad fare, about eight dollars. If he is ordered from here to New York, that is what he gets, eight dollars. But if he moves in the Territory of Washington, and it costs him fifteen dollars to go one hundred miles, he then does not lose five dollars, by getting ten cents a mile simply from the Government, but the Government allows him his actual expenses. The term "actual expenses," as construed in the Army, has reference entirely to the disbursement out of the officer's pocket as he travels, as I have had occasion to know. You are obliged to render a statement that you paid such and such stage-fare, such and such railroad fare, such and such steamboat fare, and on your certificate, upon honor, you are reimbursed that money; and under this provision, as now submitted by the committee, officers will be confined to such an expenditure. Had it not been for this change, officers were allowed ten cents a mile for traveling expenses. A man coming from New Orleans here, say fifteen hundred miles, was allowed $150, and yet his railroad fare cost but seventy-five dollars. That is what we propose; not to curtail the officers of the Army only, but that every man who travels for the Government of the United States shall only be compensated according to the actual amount that the traveling costs him. That is the intention of this clause, and it will allow more than ten cents a mile, if the officer can show to the authorities auditing these disbursements that he actually and warrantably expended so much.

Mr. MORRILL, of Vermont. May I ask the Senator from Louisiana if there has been any complaint heretofore on the part of military men that the mileage that has been allowed for many years has been inadequate?

Mr. WEST. It has been too much, undoubtedly.

Mr. MORRILL, of Vermont. Then why not allow the limitation of ten cents a mile to remain?

Mr. WEST. Because, to give an illustration, it is two hundred and forty miles from here to New York, and a man can go there for three and a third cents a mile, and for that he is to get eight dollars; but he might travel two hundred and forty miles out in Oregon, which would cost him fifty dollars, and ten cents a mile would only be twenty-four dollars back to him?

Mr. MORRILL, of Vermont. And yet, as I understand the Senator, there has been no complaint about the mileage heretofore?

Mr. WEST. No; because the officer had his option to take either the ten cents a mile or his actual expenses; and in a country where he spent over ten cents a mile he was reimbursed for his actual expenses, and when he did not spend the ten cents he took the ten. Now we put them all down to actual expenses.

Mr. MORRILL, of Maine. This is understood to be a limitation on the present travel. At present rates ten cents a mile on regular travel is very much beyond the actual expense of travel. The clause, therefore, is a limitation on that expense. This proviso would seem to negative the presumption to some extent that ten cents a mile was in excess.

Mr. MORRILL, of Vermont. May I ask the Senator from Maine if he will object to inserting, after the word "expense," the words "not exceeding ten cents a mile," and then let the proviso be stricken out?

Mr. WEST. It will be the same thing.

Mr. MORRILL, of Maine. What is that?

Mr. MORRILL, of Vermont. Will the Senator allow this amendment: after the words "traveling expenses," on line 28, insert the words, "not exceeding ten cents a mile?"

Mr. MORRILL, of Maine. That is the purport of the amendment now. The general object of this clause of the bill is to restrain, as a general proposition, the rule of ten cents a mile travel. For example, in the case of an officer traveling from Omaha here, or from across the continent, his mileage at ten cents a mile both ways would be very much greater than the actual cost of his travel. This clause is to restrain that. But it was stated to the committee, as a matter of fact, that there are exceptions to that rule, where an officer, traveling in Montana, Oregon, and perhaps Arizona and some of the other Territories, necessarily, in the amount he would pay to the common carriers there, would have to expend more than ten cents a mile. Therefore it would not be just to that class of officers; and as it was exceptional the Committee of the Whole thought that while the general rule would be true, there was no great abuse likely to grow out of the exception, and hence the proviso was stricken out. That is the object. If the Senate think there is danger in it, they ought not to concur in it.

Mr. HAMILTON, of Texas. I will say to the Senator from Vermont that in New Mexico and Western Texas there is a very extensive district of country where officers have to travel a great deal. On the public conveyances through that country my impression is the charge is at least twelve and a half cents a mile. I know that is the rate on the principal stage-routes in the settled portions of the country where there are no railroads, and outside of that I have no doubt the expenses are still larger and exceed twelve and a half cents a mile in specie. Now, if an officer can travel all over the United States and take the average of mileage, traveling on railroads from here to New York, and from New York to Chicago, and from there to Omaha and so on, and then occasionally on the frontier in stages, he might afford to average his mileage at ten cents and do very well; but if he is confined to stages alone and travels three or four times a year at twelve and a half cents a mile in specie and gets but ten cents a mile in currency, he would not like to travel, and would not, unless he was obliged to do it under the orders of the Department. I do not think there ought to be any objection made to striking out the proviso as proposed by the committee.

The PRESIDING OFFICER, (Mr. PRATT in the chair.) The question is on the amendment of the committee proposing to strike out the proviso.

The amendment was agreed to.

Mr. SHERMAN. I am afraid this will defeat the very object of the committee. I appreciate the object.

Mr. MORRILL, of Maine. Do not divide now, but let it be acted on in the Senate.

Mr. SHERMAN. I will reserve it for a vote in the Senate.

The reading of the bill was continued.

The next amendment of the Committee on Appropriations was in line 38, to reduce the appropriation "for subsistence of regular troops, engineers, and Indian scouts," from $2,452,416.60 to $2,409,000.

The amendment was agreed to.

The next amendment was in lines 55 and 56, to reduce the appropriation "for regular supplies of the Quartermaster's Department" from $4,500,000 to $4,250,000.

The amendment was agreed to.

Mr. MERRIMON. Is this bill accompanied by a report?

The PRESIDING OFFICER. It is a general bill. There is no report.

Mr. DAVIS. It is the regular Army appropriation bill passed by the House of Representatives, considered by the Committee on Appropriations, and reported here, and it has been on the table for three weeks or more. It is regularly reported from the Committee on Appropriations.

Mr. MERRIMON. I have very great respect for the Committee on Appropriations, but I should like to act somewhat on my own judgment about it. I see enormous amounts set apart here for special purposes, and they certainly seem to me very much too great. I should like to be informed about the various appropriations and the reasons for them. I do not wish to vote so much money without knowing why we are giving a vote for such large appropriations.

Mr. DAVIS. Any particular point the Senator wishes information upon, either the chairman or the Senator from Louisiana will give to him with pleasure undoubtedly. Is there any point as to which the Senator wishes an answer to any question?

Mr. MERRIMON. Not in this particular clause. I am not prepared to say that I desire particular information about any particular clause in this section; but it does seem to me that a bill appropriating so much money for so many purposes ought to be accompanied by a report, so that the Senate could act somewhat upon their own judgment.

Mr. MORRILL, of Maine. My honorable friend would not expect certainly that there should be a report accompanying all these appropriations. That would not give him much information. Allow me to say to the honorable Senator that all these appropriation bills are based upon specific estimates; and if he will turn to the Book of Estimates, laid on our table very early in the session, he will find all of the items to which he refers specifically estimated for, and the statutes under which they arise referred to, or the branch of the service stated, and with such specifications as will enable him to judge in a general way of the demands of the service. If the Senator has in his mind any difficulty on any particular point, the committee will be very glad to give him any information.

Mr. MERRIMON. Now I begin at line 41, on page 3:

For the regular supplies of the Quartermaster's Department, consisting of stoves for heating and cooking.

How many stoves? Where are they to be used? By whom? Are stoves used, while the Army is being conveyed about from place to place, for cooking, while they are in the course of transportation? Then further:

Of fuel for officers, enlisted men, guards, hospitals, store-houses, and offices.

How many officers? how many enlisted men? how many guards? how many hospitals?

Mr. WEST. I would commend the report of the Secretary of War to the Senator from North Carolina.

Mr. MERRIMON. That is a vast volume. It does seem to me that in acting on a bill of this character we ought to consider it at a time when the attention of Senators would be directed to its consideration. I confess very frankly that I have been engaged about a great many other matters, and I have had no time to consider the clauses of this bill. It seems to me that the time for taking up a bill of this character ought to be fixed in advance, in order that the minds of Senators might be directed to its consideration, and they be prepared to discuss the various items for which appropriations are made when the bill comes up for consideration.

Mr. WEST. Were the Senate to pause in its deliberations and in the transaction of the ordinary business of the nation until such particular time as each Senator might be fully informed of the matter immediately under consideration, there would be no termination whatever to our labors. That must be apparent to every Senator here. Consequently all matters of a peculiar character are intrusted to peculiar committees that are organized to have cognizance of them, as the Senator very well knows by his service on committees. He speaks of this report of the Secretary of War as being a vast volume. It has been the duty of the Committee on Appropriations to digest every particle of information that is in the volume, to form their conclusions according to their judgment based on the information contained in it. That has been the action of this committee. If the Senator is prepared now to object to anything, as has already been intimated to him, the Committee on Appropriations are prepared to inform him; but I submit to him and to the Senate that unquestionably, if we are to delay the transaction of the public business until each particular Senator has thoroughly informed himself of the advisability of every item, we shall never come to any conclusion at all. I say that it is the duty of each Senator either to be prepared to object and have his grounds of objection ready, or not to retard the public business.

Mr. MERRIMON. I do not complain of the committee. I have already said that I have very great respect for them. The point I make is, that a bill of this character ought to be taken up at a time fixed in the future, so that each Senator may have an opportunity to look through that volume to which the Senator refers me.

My eye has fallen on this item in line 153, page 7:

For preservation of clothing and equipage from moth and mildew, $30,000.

I do not know how that sounds to the gentleman, but it seems enormous to me.

Again:

For maintaining national military cemeteries, $150,000.

The cemeteries are inclosed, and I suppose all that is necessary is to keep one or two men to guard them and see that the fences are kept up and the grave-stones kept up.

Mr. WEST. Has the Senator any idea how many national cemeteries there are in the country?

Mr. MERRIMON. Suppose you say there are five hundred. I take it there are not that many.

Mr. WEST. I never heard the Senator's proposition paralleled but once before, and that was in a remark of a memorable individual who lived in Vermont. His name was Fiske. He was asked for a subscription for a new fence to a grave-yard, and he said he did not see the point; for the people inside did not want to get out, and nobody outside wanted to get in. [Laughter.] Undoubtedly the Senator must know that with some one hundred and fifty national cemeteries, where the dead of the Union are sleeping, it requires something like the sum that is appropriated in this bill to maintain those cemeteries in decent and respectable order. It is only about $1,000 for each cemetery, to maintain the walks from wash and from decay, keep the fences in order, and provide a custodian. I am not prepared to say now exactly how many cemeteries there are, but I think I am safe in saying at least one hundred and fifty.

Mr. MERRIMON. Suppose there are one hundred and fifty, then I do insist, and if I have an opportunity to look into the facts I believe I can show, that this appropriation is above what it ought to be.

Mr. STEVENSON. I hope we shall take up the bill in order; and when we get to the cemetery clause we may dispose of that. We have not yet reached the cemeteries. Let the bill be taken up in order, so that objection to section by section can come up; otherwise we shall never get through the bill.

Mr. MERRIMON. My friend does not take the point. I am merely pointing out the reason why we should not be considering now the bill section by section. I say if all other Senators are like myself, they are not prepared to consider any section. I know I am not.

The PRESIDING OFFICER. The reading of the bill will be continued.

The Chief Clerk continued the reading of the bill.

The next amendment of the Committee on Appropriations was in the item "for incidental expenses of the Quartermaster's Department," in lines 70 and 71 to strike out the words "at posts and other places when ordered by the Secretary of War," and insert "when traveling on orders;" so as to read:

Expenses of the interment of officers killed in action, or who die when on duty in the field, or at posts on the frontiers, or when traveling on orders, and of non-commissioned officers and soldiers.

The amendment was agreed to.

The next amendment was in line 87, to reduce the gross appropriation for incidental expenses of the Quartermaster's Department from $1,300,000 to $1,200,000.

The amendment was agreed to.

The reading of the bill was continued until the following clause, lines 116 to 131, was reached:

That no part of the money appropriated by this act shall be paid to any railroad company for the transportation of any property or troops of the United States over any railroad which, in whole or in part, was constructed by the aid of a grant of public land on the condition that such railroad should be "a public highway for the use of the Government of the United States free from toll or other charge" for such transportation; nor shall any allowance be made out of any money appropriated by this act for the transportation of officers of the Army over any such road when on duty and under orders as a military officer of the United States. But nothing herein contained shall be construed as preventing any such railroad from bringing a suit in the Court of Claims for the charges for such transportation, and recovering for the same, if found entitled thereto by virtue of the laws in force prior to the passage of this act.

Mr. LOGAN. I do not desire to enter into any discussion over this proposition, but I do not know that I fully understand it. It is in reference to pay for the transportation of officers and troops over railroads. I wish the Senator from Louisiana would state what the object of it is. Officers of the United States are not such persons as the Government pays transportation for.

Mr. WEST. If an officer is ordered to go from here to New York with a detachment of troops, and is not provided with funds, he produces an order from the Quartermaster's Department to the railroad company that transports them, and the railroad company brings in the bill for transportation to the Quartermaster's Department. That is the way transportation is paid for. If you say "troops," that does not mean "officers," and so the phrase "officers and troops" is customarily used.

Mr. LOGAN. Officers and troops are provided for by the Government. But the point I wish to call attention to is, what is the meaning of the language that no money shall be used for paying transportation of troops over railroads where they have been in part built by a land grant from the Government of the United States?

I have no war to make upon this clause; I do not care anything about it; but I want to understand it. For instance, one of the railroads in the State of Illinois received a land grant under the general provision that applies to all railroads of that kind. I presume there is no construction which has ever been given by any Department of the Government that deprives that company of the right of receiving pay for the use of its cars and other material of that kind in transporting troops. I know the contract with the Government was to transport troops during the war; and they received pay for it. I presume this does not mean that a railroad shall be used for all time for the purposes of the Government during war and not be paid anything for it. The Government may have the use of the railroad; but, certainly, the machinery of the road the company is entitled to some pay for, no matter how the road was built, whether by lands or otherwise. At least, that has been the rule, and has been conceded to be the law. That was acceded to by the Secretary of War. I know the road in my State received pay for just such transportation as is provided for here. If it is intended to be cut off, very well. I merely wish to know what this is.

Mr. WEST. I stated in my opening remarks what the issue was between the land-grant railroads of the country and the Government. I find in a little manual of the Quartermaster's Department full information with reference to those roads. They are some six or seven in number. The grants have been conferred by the United States upon a variety of conditions, and the three prominent conditions will be demonstrated by what I shall quote from the respective acts making the grants. For instance, the first land-grant railroad, I think, was the Illinois Central, and there Congress stipulated that "the said railroad and branches shall be and remain a public highway for the use of the Government of the United States, free from toll or other charge upon the transportation of any property or troops of the United States." That appears to be language that was copied from some old turnpike charters in the different States, that where a franchise to a turnpike was laid down, the property of the State should be conducted over it free from toll or charge, the parties, however, the State or the authorities, whichever they might be, providing the means of locomotion on those roads. The same language is used in a variety of land grants to railroads. Among others I will cite the Grand Rapids and Indiana road. Then there was other verbiage in acts, and other intentions evidently expressed by Congress in its legislation. I will cite now the Cairo and Fulton road, and the great Missouri, Kansas, and Texas road, a road running from Saint Louis down to the center of Texas. In the case of the Cairo and Fulton road, by the act of July 20, 1866, it was provided that—

All property and troops of the United States shall at all times be transported over said railroad and branches at the cost, charge, and expense of the company or corporation owning or operating said road or branches, respectively, when so required by the Government of the United States.

So that whatever doubt there might have been as to the intention of the Government in making the grant to the Illinois Central Railroad with reference to the charge for transportation, there can be no doubt in reference to this, because it distinctly states that the property shall be transported by the railroad free from all charge. In the other case it was only provided that there should be no toll charged to the Government for the use of the road-bed.

Again, we have the great railroads to the Pacific, as to which it is stipulated that the whole amount due to them for transportation—that is the act of July 1, 1862—shall be reserved from payment by the Treasury of the United States and placed to the credit of these roads upon their bonds. In a subsequent act of July 2, 1864, that provision was amended so that "one-half of the compensation for services rendered to the Government by said company shall be required to be applied to the payment of the bonds."

This clause in the bill before us is now intended to bring to the adjudication of the courts the three separate principles that are involved in these three separate classes of legislation. One is that we should reserve all the money, or half of it; another is that they should do the entire work of transportation for the Government at their own expense entirely; and the other is that they should afford the Government the use of their road, upon which the Government might put its own means of transportation. As this question is now managed by the Quartermaster's Department, there are controversies continually arising between it and the railroads as to the amount of compensation, first, that should be reserved; next, how much should be reserved in the case of the Union Pacific and others; and next as to how much should be reserved on those railroads where we merely have the right of way without paying toll; and next whether we should pay on other railroads that agreed, according to their charters, to do the entire transportation free of charge. The practice is this: With the railroads running to the Pacific, 50 per cent. on the amount earned is retained. On the Illinois Central and other great railroads chartered on that same principle, the Quartermaster's Department reserves 33⅓ per cent. for the use of the road. And upon such roads as the Cairo and Fulton, and the Missouri, Kansas and Texas, they reserve it all. This provision of the bill is intended to submit all these varied questions of contest, as between the railroads and the Government, to the courts for adjudication. It cannot seem to be a matter of very great doubt to any mind that will examine the particular wording of the statutes how the courts will decide; but until you get such a decision, these controversies continually arise between the Quartermaster's Department and the railroad interest. Passing this bill as it is, it makes an issue to be decided by the Court of Claims in the first place. It is an issue that the railroad companies are quite willing to meet. They have made no objection to it; or at least the committee has heard none; or at any rate I, as the member in charge of the bill, have heard none. It is an issue that they want decided, and I do not think there can be much doubt as to the way it will be decided, equitably to all parties concerned. This is all that is proposed by the clause.

Mr. SCOTT. From the statement made by the Senator from Louisiana, it strikes me that this is taking one of these classes of cases into the Court of Claims only for the purpose of having a decision made against the Government. I refer to the case which he states as of the Illinois Central Railroad. The statement which I understand him to make is that the terms of the act granting the land were that the Government was not to be charged toll, but that the company was not to furnish the vehicles or motive-power for transportation. If that be so, the only question that would be left would be the relative proportion that the Government should pay for the use of the vehicles and motive-power. This, however, takes the whole question in, as to whether the Government is liable at all for transportation over the Illinois Central Railroad. It seems to me rather an idle ceremony for us to go into the Court of Claims for the purpose of having a judgment rendered against the Government, as on the Senator's statement it certainly would be. Here the Government would retain the whole amount due to the Illinois Central Railroad, when it is conceded that it is not entitled to retain the whole amount.

Mr. MORRILL, of Maine. I did not understand the Senator from Louisiana to state any such proposition.

Mr. SCOTT. If I have misapprehended his statement I certainly should be glad to be corrected.

Mr. MORRILL, of Maine. I think it is a misapprehension entirely of the ground on which we proceed. This is not a new question, as the Senator may remember. This question of compensation for transportation over roads which have been subsidized by the Government has been up several times. It was here during the war in 1862, and perhaps earlier, and also at a later period, and thoroughly discussed. There has been a question to what extent this privilege goes, whether it is, as the Senator from Illinois suggests, a privilege to use the rails, or whether it is a right of transportation over the roads by the Government. Perhaps the confusion arises from the fact that as to this particular Illinois road and some other roads the language was used which had been employed in prior grants with reference to turnpikes. It is said by these roads to the Government, "You may use our rails, but you must not expect us to furnish the rolling-stock; we shall not transport for you. You have declared this a public road, and you have the right to run over it. We know perfectly well you have no means of doing it." Anybody can see that if it is limited to that, it is no privilege at all, because the Government has no rolling-stock and no practical right to use the road. That is to say, the right is worth nothing. That is the proposition. Now, as I understand, this difficulty arising in regard to this class of roads has been compromised heretofore. I do not know what the fact is, however, but the Senator from Louisiana doubtless does.

In another class of roads it is provided specifically that they shall be transporters. The question is between that class and this particular class. The House of Rspresentatives, this being a moot question, say, we will have this question settled, and we will treat all these roads alike; they have all been subsidized alike. I do not mean in the amount, but the treatment of the Government has been about the same to all these roads. They have been subsidized, and certain rights of transportation have been reserved in all. In some of them it is clear, and no question arises about them; but from the employment of particular language a question arises to the others. Now, the object of this section is to submit the whole question to the courts, or, in other words, to require of these roads to afford transportation, with authority to submit the question, if they are not satisfied, to the courts for consideration. I understand that to be about the upshot of the whole thing.

Mr. LOGAN. I merely made the inquiry because I did not know what construction had been given by the committee to these grants which caused them to provide this clause. I know, in reference to the road to which the Senator has alluded in Illinois, that a contract was made between the Secretary of War and the company in reference to the transportation of troops, and, as he says, a compromise on this particular question, the Secretary of War, I believe, yielding the point. He contended that the Government had the right to use the road under the provisions of the charter, but admitted that it had no right to use the carriages and coaches of the company for the purpose of transporting stores, &c., without pay. Hence they made a division, allowing the Government the right to use the road, but making the terms for the use of the power and cars such as to harmonize with the opinions of the Secretary of War.

Mr. MORRILL, of Maine. Undoubtedly that is the exact condition of the question, and the Senator will see the spirit in which this originated. Certain roads, we hold, are entitled to furnish actual transportation of troops and munitions of war, absolutely and unqualifiedly, without compensation.

Mr. LOGAN. That I am not discussing. In reference to those having that peculiar provision in their charter I have nothing to say and no opinion to express.

Mr. MORRILL, of Maine. But I am stating why this originated. Here is another class of cases, where the bounty of the Government has been bestowed precisely as in the other class, but the roads say, "As a matter of good fortune to us you were not quite happy in the choice of the language which you apply to us, and therefore our obligation is not so broad as that of the other class of corporations." That is the precise question that the House of Representatives proposes to submit to the courts by this clause, whether they are or are not liable.

Mr. LOGAN. But the principle on which the grant was made to the road in the State which I in part represent was the same principle that had applied to turnpikes; and on the theory of turnpike roads I do not think there can be any question as to what the law is, and as to the right of the Government.

Mr. MORRILL, of Maine. My honorable friend would hardly argue that the Congress of the United States supposed that the right of running over that road or using that road, having no furniture of its own, was a right of any value?

Mr. LOGAN. I am not arguing anything about it, but stating the theory on which the grant was made, and the settlement made by the Secretary of War, Mr. Stanton, who I think was a very good lawyer. I am only stating this proposition in my own mind as a legal proposition, in order to sever the grant to that road from these others, and let it stand alone. I do not think there is any question about the law at all.

Mr. MORRILL, of Maine. That is the precise question which it is proposed to submit.

Mr. LOGAN. Still I have no opposition to make to the clause. I only make these suggestions because I do not see the necessity of forcing people into costs and courts on a proposition as to which, as the Senator from Pennsylvania says on the case standing alone by itself, unless there is something in it that I cannot see, there can be but one decision rendered.

Mr. SCOTT. I do not wish to be considered as being at all in opposition to having any disputed question between the Government and any or all the railroads disposed of in court. My remarks were based on the quotation made by the Senator from Louisiana in reference to the Illinois Central Railroad, and the only point there was in them was that, if that was so clear a case as that there was no controversy about it, I did not see the policy of taking it into court along with others where the controversy did exist. If, however, the Senator from Maine, the chairman of the committee, considers that there is any controversy there which ought to be disposed of in the courts, so as to get the principle settled, I do not object.

Mr. LOGAN. I have no objection. I only called attention to it to see on what basis the committee had decided, because heretofore, thinking of the question and examining it when it was up, at the time the Government and the road had a contest I formed my opinion about it and have never changed it. I have no opposition to make to this clause; but I would make this suggestion for the consideration of the committee: whether it would not be better to allow these roads to have an action in the United States courts in the districts through which the roads run than to force them to come here to the Court of Claims. It seems to me much more convenient, and

certainly no inconvenience to the Government, because it is immaterial to them. The question might be settled in the United States district and circuit courts in the districts through which the roads pass. I merely make that suggestion. No matter how the courts decide, the question would come to the Supreme Court of the United States, the highest tribunal in the land, to which we must all yield. It seems to me it would be more convenient to the parties litigant than to force them to come here to Washington City; but still I have no amendment to offer; I merely make the suggestion.

The PRESIDENT *pro tempore*. The reading of the bill will be proceeded with.

The next amendment of the Committee on Appropriations was in line 138, to reduce the appropriation "for hire of quarters for officers on military duty; hire of quarters for troops; of store-houses for the safe-keeping of military stores, offices, and of grounds for camps and summer cantonments, and for temporary frontier stations; for the construction of temporary huts and stables; and for repairing public buildings at established posts," from $1,500,000 to $1,400,000.

The amendment was agreed to.

The next amendment was to strike out the following proviso to the appropriation "for the purchase and manufacture of clothing, camp and garrison equipage, and for preserving and repacking stock of clothing, camp and garrison equipage, and materials on hand at the Schuylkill arsenal and other depots," from lines 145 to 152:

Provided, That none of the money hereby appropriated shall be used in the purchase of hats, uniform caps, forage-caps, uniform coats, uniform jackets, flannel sack-coats, and unlined coats, which articles the Quartermaster's Department shall issue from the supply now on hand, known as the old pattern; and none of the articles above enumerated shall be purchased until those now on hand are exhausted.

The amendment was agreed to.

The next amendment was in line 154, to reduce the appropriation "for the preservation of clothing and equipage from moth and mildew" from $50,000 to $30,000.

Mr. MERRIMON. I desire to ask the Senator in charge of this bill to give the Senate or myself some information as to what is meant by an appropriation "for the preservation of clothing and equipage from moth and mildew, $30,000." I confess I cannot comprehend the necessity for it.

Mr. WEST. The Senator asks me as to the necessity and not what is meant?

Mr. MERRIMON. What is meant.

Mr. WEST. It is meant to preserve clothing and equipage.

Mr. MERRIMON. How can it be in such a condition as to require so much money to prevent the moths eating it up?

Mr. WEST. There is quite an amount of material necessary to clothe and provide equipage for an army of thirty thousand men, as we have at present, though it will be reduced to twenty-five thousand men under this bill. There is a patent right in the possession of certain individuals to whom the Government has paid hitherto very large sums of money, and this is quite a small amount in comparison with what we have paid heretofore. It is recommended by the War Department, indorsed most thoroughly (and that is the strong point that commends it to the favor of the committee) by the Quartermaster-General, whose integrity none will question, and in favor of whose opinions there is a very general concurrence.

Mr. MERRIMON. What is purchased? What is the expenditure for?

Mr. WEST. The clothing that is to be worn by the soldiers is taken in the condition of its cloth to a certain manufactory in Philadelphia and there steeped in this patent process that belongs to certain individuals. The consequence is that the articles so subjected to that process are rendered almost impervious, and in fact for all practical purposes entirely so, to the attacks of the moth. The wagon-covers, the tents, and all other canvas appliances that are in use by the Army, are also subjected to the same treatment, and it is conceded that it is a very great economy that this should be done.

I suppose the Senator understands in his domestic economy that if he could provide a remedy against moth for his household goods and effects he would be very glad to pay such a percentage as is here paid upon the disbursement of the Army for clothing for the year. For instance, there is $1,450,000 of this clothing used every year, and we pay $30,000 for rendering that impervious to the attacks of moth and to preserve it against mildew.

Mr. MERRIMON. I move to strike out "$30,000" and insert "$20,000."

The PRESIDENT *pro tempore*. The Senator from North Carolina moves to amend the amendment of the committee by striking out "$30,000" and inserting "$20,000."

Mr. STEVENSON. I should like to ask the Senator from North Carolina, because I profess to be an economist not only in theory but in practice, if he has any estimate different from that which the Quartermaster's Department has furnished us as to the cost of preserving this clothing.

Mr. MERRIMON. I answer the Senator very frankly that I have not. I stated awhile ago that I was entirely in the dark so far as I was concerned, and I was anxious to raise discussion upon some of these points in order that I might get a little light. I frankly confess that I have very little light on the subjects embraced by this bill. I have not had an opportunity to examine them, and I desire to have that opportunity.

Mr. STEVENSON. The Committee on Appropriations, of which I am a humble member, investigated this subject. Of course no committee can go personally into an examination in minute detail of the estimates of the various Departments. Those estimates rest upon the Departments themselves. They have been printed and laid on the table for months, ever since Congress assembled, and are on the table of every Senator. He must, therefore, look at those estimates, and unless he can show that a particular estimate can be diminished with propriety to the service, we must acquiesce in it.

Mr. MERRIMON. Will the Senator allow me to ask him what induced the committee to reduce the amount of this appropriation from $50,000 to $30,000?

Mr. STEVENSON. We proposed that reduction because an examination having been instituted by the committee through one of its members, he reported to us that, after full consideration, and on consultation with the Department, he found that it could be reduced that much and no more. Now, when the Committee on Appropriations meet, the various bills for the expenditures of the Government are distributed to the various members of the committee, who each has charge of a particular branch. My honorable friend from Louisiana has charge of the military bill; my honorable friend from West Virginia has charge of the fortification bill; and so each bill is distributed to a member. He examines the estimates; he takes weeks in going round to learn the reasons for them, and he then reports to the Committee on Appropriations, "I think such an expenditure can be reduced to such an amount." Now, the honorable Senator who has charge of this bill, and who went to various Departments to ascertain what was the lowest point to which the estimates could be reduced, reported to us that this particular item for the preservation of clothing could, without detriment to the public service, suffer a reduction of so much money, and, after full discussion in the committee, they agreed on that sum.

Now, I should be perfectly willing to reduce it $10,000 more, if I could have any information from the Department or from Senators or from anybody else that the service would justify it. But we must act upon estimates and upon investigations made by committees to whose charge appropriation bills are committed, they being guided by the best lights before them. The committee, believing that this was the lowest sum to which this appropriation could go, placed it at this sum by a reduction of $20,000. We did not think we could go any lower. I shall have to vote for that, unless my honorable friend from North Carolina can give me information upon which I can reduce it still further.

Mr. MERRIMON. I cannot give the information now. It seems to me a very enormous amount for such a purpose; and, seeing that the report of the committee on the face of the bill appeared to be based on a vague estimate, I thought we might as well put it at $20,000.

Mr. MORRILL, of Maine. I appreciate entirely the motives of my honorable friend from North Carolina. They are entirely proper. The idea of paying $30,000 for protecting clothing from moths naturally strikes the Senator from North Carolina; but allow me to call his attention to one or two prominent facts which will enable him to form some estimate for himself of the probabilities of the expenditure. At the close of the war we had an immense amount of clothing on hand, amounting to millions. We have a very large amount of clothing now, amounting to several millions.

Mr. MERRIMON. What is it kept for? Why is it not sold?

Mr. MORRILL, of Maine. That is another proposition. The Senator will allow me to confine myself to this particular point, because it is impossible for us to discuss at once the entire range of the public service. We have this clothing on hand. It must be preserved. We appropriated last year $200,000 for that specific end. The estimates for this year were $100,000; the revised estimates were $50,000. The House of Representatives appropriated according to the revised estimates. Looking at the whole thing as carefully as they could, as a practical question, I am bound to believe they thought $50,000 could be economically administered in the preservation of the large amount of clothing we have on hand, and so they appropriated it. But the vigilance of my honorable friend from Louisiana seemed to him to detect the fact that we might perhaps squeeze through with $30,000, and so we cut it down $20,000; and that is the way it stands.

These are the general facts in regard to it, and I think on the whole it will be conceded that they raise a reasonable presumption in favor of at least $30,000.

Mr. SAULSBURY. I wish to ask my friend from Maine if the provision in lines 141 and 142 does not cover that particular item:

For purchase and manufacture of clothing, camp and garrison equipage, and for preserving and repacking stock of clothing, camp and garrison equipage, and materials on hand at the Schuylkill arsenal and other depots, $1,450,000.

Mr. MORRILL, of Maine. That has nothing to do with this. It is entirely separate.

Mr. SAULSBURY. I cannot understand it so. "Preserving" it from what? From burglars, from moths, and from everything. It seems to me to cover the preservation of the material at the Schuylkill arsenal and other depots. It seems to me that provision covers the whole thing, and that this item is wholly unnecessary. If the other appropriation is sufficient to preserve it, take care of it at all these depots, then why is there a special provision for preserving it against moth?

Mr. WEST. I think I can satisfy the Senator from Delaware that the two propositions are distinct. On line 142 the intention is to pro-

vide other means for the preservation of this clothing temporarily. For instance, if tobacco is required to be bought in baling some of this clothing under the clause for preserving, that tobacco could be provided. Furthermore, the manual labor necessary to handle this clothing from time to time, to prevent it from being attacked by moths, is included in that appropriation, and it is very well. It is particularly for the interest of the Government that there should be a specific provision as to the amount of money that may be expended in paying for this particular process of preserving it against moth and mildew.

The Senator will notice that if you strike out lines 153 and 154, and do not give them any money to pay for using this patent process, under the preceding clause as to preserving they might use $250,000 of the previously appropriated amount. That is patent to anybody. Here is $1,450,000 appropriated for various purposes; one of them is for preserving. Now, if the Quartermaster's Department choose to be corrupt in the matter, they may use a quarter of a million of that appropriation for this patent process. On the contrary, in the subsequent clause we stipulate just how much money they shall pay for that process, and the other expression for preservation is merely for some little temporary expense, and also to pay for the manual labor involved in handling the clothing, to air it, &c.

Mr. CHANDLER. If my honorable friend from Delaware had had a little more experience in the way of family, he might perhaps have understood better the necessity for protecting woolen material against moths. I have had a little experience in that way myself, and I should say it has cost me more than forty or fifty dollars a year for the last fifteen years to protect against moths in my own household affairs; but probably my friend from Delaware can put a three-cent paper of tobacco in his trunk and protect all his surplus wearing material. [Laughter.] It is not so in the case of a family. There are carpets and sundry other things that must be protected from moths. I would advise my honorable friend to acquire a little more experience in that way. [Laughter.]

Mr. SAULSBURY. I hope my friend from Michigan does not consider his family a moth at any rate. [Laughter.]

The PRESIDENT *pro tempore*. The question is on the amendment of the Senator from North Carolina to the amendment of the Committee on Appropriations.

The amendment to the amendment was rejected.

The PRESIDENT *pro tempore*. The question now recurs on the amendment of the Committee on Appropriations to strike out "fifty" and insert "thirty."

The amendment was agreed to.

The Chief Clerk read the next clause of the bill as follows:

For maintaining national military cemeteries, $150,000.

Mr. MERRIMON. I ask the Senator in charge of the bill how many cemeteries we have. I do not wish it to be understood that I am opposed to taking all proper care of the national cemeteries. I am as warmly in favor of that as anybody. I believe they ought to be preserved and protected and adorned; but I should like to know how many we have got, in order that there may be some basis laid for this large appropriation of money, $150,000; and I should like to know how many keepers there are to each, the necessary employés there are, and the work they have to do.

Mr. WEST. We gave for this purpose last year $275,000. The amount estimated for this year was $275,000, and the committee has curtailed it $125,000, making the amount $150,000. I am not prepared to answer at this moment how many national military cemeteries there are at present in the United States. They are incidentally alluded to in the report of the Secretary of War, in which he makes reference to something over seventy-five, but those are the cemeteries where certain headstones were procured; and there are more than that number, I am satisfied. But in reply to what the Senator inquires of me as to what is done at these cemeteries, I will commend him to the report of the Secretary of War, page 119, from which I will read a few brief sentences:

The number of interments in the national military cemeteries by last year's report was 317,962. One hundred and forty-eight Union soldiers have been added to the list during the year. None have been removed. The number of the known is 170,187; unknown, 147,823.

The Quartermaster-General goes on to say that a new national cemetery is being established at Fort McPherson, to which the bodies of those who have fallen in the Indian fights of that frontier and been buried at neighboring posts are to be removed.

The cemetery established on the occupation of the city of Mexico by the Army of the United States has, under a law approved on 3d March, 1873, been designated a national military cemetery, and placed under the guardianship of the Secretary of War.

That is to be maintained. Then he goes on to mention the different improvements that have been made in the various cemeteries during the year, among which are those at Newbern and Raleigh, in the Senator's own State; I suppose he has seen them, or heard of them. At Beaufort and Florence, South Carolina. They have been putting brick walls around these cemeteries, and at Memphis, Tennessee; stone walls at Danville, Glendale, Seven Pines, and Staunton, Virginia; at Salisbury, North Carolina, and Forts Leavenworth and Scott, Kansas. Then, superintendents' lodges have been built during the year, or are being erected at Danville, Glendale, and Seven Pines, Virginia, at Raleigh and Wilmington, North Carolina; Camp Nelson, Logan's Cross-Roads, and Lebanon, Kentucky; Memphis, Chattanooga, Fort Donelson, and Knoxville, Tennessee; and Fort Smith, Arkansas. Then he says:

There remain to be provided for permanent inclosures at Andersonville, Georgia, Fort Gibson, Indian Territory, Grafton, West Virginia, and Fort McPherson, Nebraska.

There is a superintendent, whose pay is equivalent to that of a first sergeant, who has charge of each one of these cemeteries. I judge that there are over one hundred of these men in the service of the United States at the present time, and the money is expended, as the Senator will see, in providing in many cases walls and lodges at the places, and also in preserving the grounds.

Mr. MERRIMON. The honorable Senator has not answered, certainly to my satisfaction, the questions I propounded to him, and it must be manifest to every Senator here that this appropriation of $150,000 for this purpose is but a mere estimate and guess. We all know that the Senator from Louisiana is a highly intelligent gentleman, and he is put in charge of this bill, and yet he cannot tell us the number of cemeteries, the number of persons placed in charge of them, the number of employés, or how the money is to be expended. This vast sum of $150,000 is appropriated without even the gentleman in charge of the bill being able to tell us for what particular purpose it is to be used. This is only another evidence of how important it is that we should proceed very cautiously in the consideration of a bill that appropriates millions and tens of millions of the people's money. I do contend that we are not prepared to go on with the consideration of this bill. We are maturing the bill now, section by section. By and by we shall have to vote for the bill as a whole, or be placed in the position of voting against an appropriation bill for the support of the Army.

Mr. WEST. I scarcely wish to detain the Senate any longer, but I dissent entirely from the Senator's statement that I have not informed myself on this subject. It may be that I am not very happy in my expression, but I have told him that there are nearly one hundred national cemeteries in this country. I cannot say precisely how many, but I know over seventy-five, and, I think, up to a hundred. I have said that this fund is used to preserve the cemeteries from time to time, as the Senator knows every public ground in the country must be preserved. It is also expended in compensation to the individuals who have charge of the cemeteries, who are paid a compensation reasonable in amount. When the Senator reflects that we have—I will put it even at the lowest amount—seventy-five national cemeteries in this country, for their care and their maintenance and their preservation, and for providing permanent walls in a great many instances that shall endure to all time, it does seem to me that the amount of $150,000 is anything but guess-work. It has been based upon the estimates made by the officers in charge of this particular branch of the service. Those officers have examined into these expenditures; they have made their report to us. We have the advantage of the experience of preceding years of what these expenses have cost, and we have based our conclusion upon that experience.

The PRESIDENT *pro tempore*. The Secretary will proceed with the reading of the bill.

The Chief Clerk resumed the reading of the bill.

The next amendment of the Committee on Appropriations in the clause providing "for Army contingencies," line 157, to strike out the words "namely, such as are."

The amendment was agreed to.

Mr. MERRIMON. I wish to ask the gentleman what sort of contingencies these are; what the appropriation of $100,000 in this clause embraces? It seems to me we make very large appropriations for everything that can be conceived of, and yet there are contingencies left out that require $100,000. I should like to have some information as to what those contingencies are.

Mr. WEST. After an appropriation has been made by Congress to provide for all the expenditures that might be conceived possible in the conduct and management of an army of thirty thousand men, it is to be presumed that some other expenses may arise which had not been contemplated; and it is to provide for such expenditures. It is made under the particular direction of the Secretary of War, and he makes a return annually to Congress of what the expenditure consists. I will give the Senator an instance. Take the Military Academy at West Point, or take the barracks down at Fortress Monroe. Some catastrophe or accident might arise there, such as the explosion of the magazine or the burning down of the quarters of the troops, that would require the disbursement of some such sum as might be embraced within this limit to put the place in proper repair again. If Congress is not in session we have no arrangement that will enable the Secretary of War to avail himself of any fund; and in a peculiarly specified disbursement of $28,000,000, which this bill provides for, we merely say here are $100,000 to provide for such accidents.

I have an official report here of how this money has been expended in previous years. For instance there is the item of advertising, which is not provided for in any other part of the bill. All that is to be paid out under the immediate direction of the Secretary of War to prevent any imposition in the charges that might be judiciously imposed. All the telegraphing done by the Secretary of War is paid

for out of this fund. There are legal fees constantly necessary to be incurred by the War Department. The item last year was $5,000. Books of a military character for Army use were bought last year, probably many of them foreign books, to the extent of $5,000.

Mr. MERRIMON. What amount was appropriated last year under this head?

Mr. WEST. The same amount—$100,000. Whenever the Secretary of War, or any of the immediate attachés of the War Department, move about on public business their mileage comes out of this fund, and it is a fund expended directly under the immediate action of the Secretary of War, and he makes an annual report to Congress of what he does with it.

The PRESIDENT *pro tempore*. The reading of the bill will proceed.

The Chief Clerk resumed the reading of the bill.

The next amendment of the Committee on Appropriations was in line 171, to reduce from $10,000 to $5,000 the appropriation "for the Army Medical Museum, and medical and other necessary works for the library of the Surgeon-General's Office."

Mr. MERRIMON. I move to cut that down one-half, by striking out $5,000, and inserting $2,500.

Mr. WEST. I had a suggestion to make, in which I think I was entitled to precedence as from the Committee on Appropriations. The committee instruct me to withdraw that amendment which reduces the appropriation from $10,000 to $5,000, so as to leave the amount stand $10,000; and I will state to the Senate, and to the Senator from North Carolina, what the object is.

This money is used by the Army Medical Museum to collect a variety of information on medical and surgical affairs, the benefit of which accrues to the whole medical profession throughout the United States. The mere proposition for a reduction of $5,000 in that item has, if I can so express it, invited the ire of the faculty all through the country. For instance, the medical societies of the State of New York have held indignation meetings on the subject, and have furnished us with their representations. Medical societies all over the country assert to us that this is the poorest economy this committee has been engaged in; and the result of the reduction from $10,000 to $5,000 will be to curtail the advantages that have hitherto accrued to the medical profession, and consequently to humanity, throughout the country, by the amount heretofore appropriated. I think myself that that is the poorest proposition of economy, in a reduction of $568,000 from the bill, that the Senate has yet indulged in; and under the instructions of the committee I withdraw the amendment, and move that the item stand at $10,000.

Mr. MERRIMON. I am not sure that I understand what the provision means:

For the Army Medical Museum, and medical and other necessary works for the library of the Surgeon-General's Office, $5,000.

I do not see how the mere fact that books are bought for this particular library, is going to enlighten the medical profession of this country and the world besides.

Mr. STEVENSON. I think I can explain to the Senator from North Carolina. We have a medical museum here fully supplied with the latest works. There are issued from this department medical works of its own for distribution. It has lately issued two volumes of the Medical History of the War, in which large plates of wounded soldiers are contained, which are of great interest to medical men.

They also furnish other medical statistics, of which each Senator and each Representative is entitled to a certain number. They distribute them among their constituents. I care nothing about indignation meetings that medical societies may hold. They have no influence whatever on me if my sense of duty happens to come in antagonism with their view; but on this subject I have received many letters and many resolutions from societies of the highest credit in Kentucky. They receive these works, and all the medical societies in the State not only receive benefit through this medical museum and through the Medical History of the War, and through the plates issued illustrating the latest treatment of wounds, whether gun-shot or otherwise, and of diseases of every character; but through this instrumentality the people of the United States receive this information; and it was because these societies in the various States thought we were going to cut down this supply and that the amount of the appropriation would not be sufficient to allow them to get it, that these manifestations came up to Congress.

I think my friend from North Carolina certainly has seen that Medical History of the War, and I cite that because I doubt whether there is a Senator on this floor who has not had applications for copies of that work ten or twenty fold more than he could supply. That has been my experience; and I think it is a work not only creditable to science in this country, but to the medical science of the world. I think, when we are having an expenditure for Army museums, that we should let the people get the benefit of them, and of all the publications which they publish. That is the case with the Patent Office Report and the Agricultural Report. As to how far this was originally constitutional in some of its branches, I should, perhaps, agree with my friend. I think the practice has grown up to be a very bad one; but as long as we have these medical museums under an express grant in the Constitution to maintain and regulate armies, I think we ought at least to let the people have the results of their labor, and we cannot do it under an appropriation of $5,000.

Mr. MERRIMON. I would not be understood as being hostile to the medical profession. On the contrary, I am very friendly toward them, and I am ready to vote an appropriation for the encouragement of science and learning anywhere and at any time. I appreciate the work to which my friend from Kentucky refers as much as any one. I am ready to vote for the publication of a new edition of it. I believe the medical profession of the country and the interests of the country demand it. I should like to see it distributed to the medical profession and public libraries all through the country. But the point that he makes against the exception I take, it seems to me, is not well founded. This appropriation is not for the purpose of publishing a book or paying some money to collect materials for a book; it is for the purpose of buying books to go into the library.

For the Army Medical Museum, and medical and other necessary works for the library of the Surgeon-General's Office, $5,000.

I suppose that is intended to pay for medical periodicals, and such other books as may come out as the Surgeon-General may deem proper to be added to his library.

Mr. STEVENSON. Let me ask my friend a question, to bring it down to a practical point. How can the Surgeon-General and his subordinates keep up with the progressive achievements of medical science without having the latest editions, the latest discoveries, both in Europe and America? The Surgeon-General hears that there is a great discovery in France or in Germany. He desires to get it. Where is he to get the money from? Will you keep him chained down? Will you deny him the knowledge which science, not only in medicine, but in other things, is daily achieving? And how can he have it unless you make these appropriations?

Mr. MERRIMON. I concede that the Senator is correct in that view; but I do maintain that it would not take $5,000 to buy up the current literature for the next year on that subject. It is now proposed not only to take $5,000 but make it $10,000. I am willing to agree to $5,000, but I will not go the $10,000.

Mr. LOGAN. I am opposed to the amendment proposed by the Senator from Louisiana to increase the amount to $10,000, and I will give my reasons.

I think the Senator from Kentucky is mistaken in reference to the manner in which this money is used. The medical works that he speaks of as having been distributed for the benefit of the medical faculty in this country are not works produced from the money that is appropriated for this library.

Mr. STEVENSON. I did not say so. My friend misunderstands me, and I am very glad to have an opportunity to explain. I say that all the medical works which we distribute cannot be produced without allowing the men who write those works to have the material with which to make discoveries. In other words, this medical museum asks $10,000. For what purpose? Not to furnish the books that I alluded to, but to qualify scientific physicians to furnish matter which, when compiled, we distribute.

Mr. LOGAN. The Medical History of the War was not extracted from scientific works particularly, but was made up from the reports of the different medical officers who acted as surgeons and assistant surgeons during the war, in reference to the manner of treating wounds of different characters, in reference to the manner of amputations, and everything applicable to surgery in the Army. It is a very valuable book. An appropriation was made by Congress for the printing and publication of so many copies of it, to be distributed to the different colleges and medical men throughout the country. But this appropriation is one that has been creeping in for the last few years, making a separate library from the Congressional Library. The truth is that the Congress of the United States ought to provide for the procuring of books for the Congressional Library, and not for a medical library. They may be procured by a person appointed by Congress on the recommendation of medical or other persons for particular purposes; but whenever you appropriate, year by year, money to enable different individuals to procure libraries, you have half a dozen different libraries without having them a part of the Congressional Library.

I made this very objection to this proposition once before. The Congressional Library ought to contain all the libraries belonging to the United States, for the benefit of all classes of its officers, whether medical, legal, scientific, or otherwise. It ought to be a part of the Congressional Library, and whenever you appropriate money to different scientific men belonging to the different scientific branches of this Government, you have separate and distinct libraries, separate and distinct appropriations, and you never know how much money is expended for that purpose. That is the objection I have to this. It is not because I oppose procuring scientific works. I believe in it. I was the Representative on the floor of the other House who advocated the appropriation which was made for the printing of this Medical and Surgical History of the War, and I did it for two sessions before I got the appropriation made. I have always advocated appropriations for purposes of this kind beneficial to science. But an appropriation like this ought to be in connection with the Congressional Library of the United States, and the books ought to belong there. All the books of the Government that are in use, it makes no difference whether used by the medical part of the Army, the medical part of the Navy, or any other branch of the public service, ought to be taken from the Congressional Library, and be charged of record, so that the Government may know what they are, and where they are, and what has become of them.

Now, $10,000 is more money than any medical college in the United States would use during any fiscal year for procuring scientific works on this branch of science, and it is too much. If I thought it was not too much I would vote for it; but I am satisfied it is too much. If gentlemen will examine into the prices of books, and the number of new authors in medical or any other branch of science, they will find that $5,000 expended every year for additions to a library will make you a very extensive library in a very few years. I think $5,000 is enough.

I merely make this suggestion which I have thrown out. I do not move any proposition to make this a part of the Congressional Library. I discussed it before, and it did not seem to have any impression on anybody. Hence I do not propose to do it again; but my impression is that $5,000 is ample; I will not say too much, but it is certainly sufficient.

Mr. STEVENSON. As to whether Congress ought to put its medical library under the control of the Librarian I have nothing to say. That might meet my view when the proposition came up. The law library is not in the same room.

Mr. LOGAN. I do not mean the same room. Control is what I am talking about, so that we may have some record.

Mr. STEVENSON. Whether the Librarian of Congress ought to have control of all this medical library and of the law library is a question on which I have nothing to say; but I have a word to say in reply to my friend, and I think he will agree with me when I get through.

I thought $5,000 was sufficient as he does, and I voted to reduce the item to $5,000. Upon information I afterwards received, and upon which I was compelled to rely, I shall be very willing that it shall be increased, though I care very little about it. The committee reported $5,000.

Mr. LOGAN. I think that is enough.

Mr. STEVENSON. Perhaps so; but who is to decide that?

Mr. LOGAN. The committee, I suppose.

Mr. STEVENSON. On what basis, as to correct results, shall the committee act? We reduced it to $5,000.

Mr. SARGENT. The committee subsequently changed their action.

Mr. STEVENSON. The committee subsequently changed their action upon information which the Senator who has charge of this bill reported to us as proper in consultation with the gentleman who has charge of this medical museum, the Surgeon-General. I presume the Surgeon-General knows exactly the wants of this department. It is true the funds to distribute the Medical History of the War do not come out of this item; but this medical museum had a great deal to do with the accuracy of that work. This medical museum was established during the war. Go into it and you see not only books, but every medical invention. Improvements in chemistry, improvements in anatomy, improvements in the various branches of medical science are found there. Then, in addition, you find representations taken during the war of every species of gun-shot and cannon wound; you find photographs of soldiers suffering from saber-cuts. These wounded soldiers, with their wounds, were photographed, and the photographs are to be found now in this medical museum.

Mr. LOGAN. That is true.

Mr. STEVENSON. Then you must furnish the scientific men there engaged with scientific works to enable them to study these wounds; and as you give them facilities, the various medical men studying these photographs, diagnosticating the wounds, they come to certain results, and these results constitute the history, which is then distributed. We all remember the great reputation of Dr. Physick, who lived in Philadelphia. There might be good physicians throughout the Union; but why was he regarded as pre-eminent? First, nature formed him a physician; and then he spent years abroad in the hospitals of Europe, and his reputation was established. Now we give to the young intellect of America, and especially to our military surgeons and assistant surgeons, every opportunity of acquiring knowledge in surgery and in medicine, and we post them as to their advances, and the results of their studies and investigations appear in the books to which I have alluded. The information which this appropriation has enabled them to obtain is redistributed by publications in every part of the Union.

Now, as to the sum, whether $5,000 or $10,000 be necessary, I do not know; but after we had struck it down to $5,000, the Surgeon-General insisted that that was not sufficient, and we had to act on his information.

Mr. LOGAN. I appreciate the position of my friend from Kentucky. I do not claim any credit for myself, but I do not believe any man in the Senate Chamber has done much more than I have, as a representative, to advance the interests of science during the term I have served.

Mr. STEVENSON. I yield that certainly. I think so.

Mr. LOGAN. Hence my opposition to this large appropriation is not because I am opposed to the spread of science. If you will look at the history of your geological surveys that are in operation now and from whence you are getting reports, you will find that I made the first motion in the Congress of the United States to appropriate money for that purpose. As I said before, I advocated the first proposition for the distribution of medical works; but there is one difficulty that my friend from Kentucky does not seem exactly to see. What I was calling his attention to was the difficulty we are getting into as members of Congress, in reference to these appropriations. We appropriate money, $5,000 or $10,000 in this case, for what? It is for no purpose on earth but to buy pamphlets and subscribe for medical pamphlets and medical journals, and to procure the newest works. I insisted before, and insist now, that no money should be appropriated for a library by Congress, except for the Congressional Library. To-day you can step into the Congressional Library and get every one of the pamphlets that these gentlemen will subscribe for. Your action here the last few Congresses (because this is a new thing that has crept into the appropriation bills) has been but to duplicate works that there was no necessity for. I did not want to say that, but I will say it now, because it is a fact. This practice of expending money merely to accommodate individuals and to please certain men, is entirely without any reason whatever. This money ought to be appropriated to the Congressional Library of the United States, and then, upon the recommendation of the courts, let certain law books be furnished; of medical men, certain medical works, and so on; but all should be paid for out of the same fund, the same appropriation. As to the place where they are kept, that is a different matter. This very thing we are doing now is encouraging the duplication of libraries in this country at the amount of the expense that you appropriate every year, without any benefit whatever.

I have made these suggestions to the Senate and to the Appropriations Committee. Whether they will be followed or not, or whether they will be considered, or whether any one deems them of any value or not, makes no difference to me. I have suggested them before, and my honest opinion is that $10,000 given to any man, I care not whom, cannot be expended in the next fiscal year prudently in purchasing magazines and medical works that have come out since the last purchase. I do not believe any such thing. It is an extravagant appropriation, and, as I said, it is a duplication of pamphlets and works that can be found in the Library of the Congress of the United States just as fast as they are published, for each publication, all over the world, just as fast as it is published, is sent here to the Congressional Library, and you can find it there to-day. Hence I say you are duplicating your libraries and expending money unnecessarily.

Mr. MORRILL, of Maine. There is no kind of doubt about what my honorable friend means. This is too much money for books.

Mr. SARGENT. I ask my friend to yield to me for a moment. I wish simply to remark in reply to the closing statement of the Senator from Illinois, that I understand these works are not to be found in the Congressional Library; that they are not collected by Mr. Spofford.

Mr. LOGAN. Which works?

Mr. SARGENT. The medical works which we are purchasing, and which have been purchased heretofore under similar appropriations.

Mr. LOGAN. I do not know whether I am correct or not, and if I am not, I am misinformed; but my understanding is that each publication is procured for the Congressional Library of every class of works.

Mr. SARGENT. These publications are European works, and of course they are not sent to our Library.

Mr. LOGAN. I beg the Senator's pardon.

Mr. MORRILL, of Maine. My honorable friend from Illinois gives prominence to a fact that is not in this case; and that is the difficulty and the infirmity of his argument, if he will allow me to say so. This is not to buy books.

Mr. LOGAN. What is it for?

Mr. MORRILL, of Maine. It is for the support of a museum, a medical museum.

Mr. LOGAN. Let us read it.

Mr. MORRILL, of Maine. There are some books in it.

Mr. LOGAN. It reads:

For the Army Medical Museum, and medical and other necessary works.

What other necessary works?

Mr. MORRILL, of Maine. I was going to remark to the honorable Senator that the objective point is the support of a museum. Books are connected with it necessarily, but that is not the chief expense by any means. If my honorable friend had given attention to the subject and looked at the Book of Estimates, particularly that portion of it which treats of the disbursements, he would have seen that the principal portion of the $10,000 was expended last year in the support of the museum, and whoever looks in upon that museum will see that during the war there was collected in the city of Washington a collection of medical works and medical subjects treating of the whole matter of wounds and diseases that were connected with the Army that is invaluable to the country.

Mr. LOGAN. Everybody agrees to that.

Mr. MORRILL, of Maine. That is just what we are preserving; that is just what this $10,000 is for, chiefly and mainly. The books are ancillary. Now, it may be worth while to explain about the books. My honorable friend from California, who is always familiar with subjects of this kind, and so happens to be thoroughly informed about them, states what is undoubtedly true, that this is to purchase a class of books which are not found in the Congressional Library—specialties. I am not going to argue the question whether this is so or not, but my friend from Illinois should know this: that the Congressional Library has only two copies of any one book. Can these be loaned out to this institution? Does my honorable friend think that the

books, the specialties of the profession, can be obtained in the Congressional Library and there be loaned out?

Mr. LOGAN. Not at all. I said no such thing.

Mr. MORRILL, of Maine. And for that very reason my honorable friend will see that the Congressional Library is not at all reliable for such an institution as this.

Mr. LOGAN. The Senator misunderstood me entirely. I said nothing about having these books put up here in the Congressional Library; but that this should be a part of it, because the Library of Congress should have jurisdiction, and exercise it, over all the books that belong to the Government as part of that library, it makes no difference where the books are kept.

Mr. MORRILL, of Maine. My honorable friend is stating a general proposition with which I am entirely in accord. I think as to the practice of the Government—and we are going to try to correct it to some extent this session—there is a practice of buying books for various public libraries, which is erroneous.

Mr. LOGAN. That is it exactly. I did not mention that, but I meant just that.

Mr. MORRILL, of Maine. But this does not touch that.

Mr. LOGAN. You can go to the Bureaus and find a book of the same kind in every one of them, and find the same in the Library, purchased three, four, and sometimes eight or ten times, by the Government.

Mr. MORRILL, of Maine. I agree to that; but what I would be very glad to invite my honorable friend's attention to is the distinction between that and this precise thing. It is as broad as anything can be. When we look to the fact, which I got up to emphasize, that the object is the support of the museum, which I know my friend desires, and that the books are simply ancillary, the question becomes a very plain one in my mind. It was in this sense that the committee, with a desire to retrench, agreed to reduce this item to $5,000, but on further examination we came as clearly to the conclusion that the sum ought to be $10,000.

Mr. CHANDLER. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After twenty minutes spent in executive session the doors were reopened, and (at five o'clock and fifteen minutes p. m.) the Senate adjourned.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *March* 18, 1874.

The House met at twelve o'clock m., Mr. ALBERT in the chair as Speaker *pro tempore*. Prayer by Rev. GEORGE P. HAYS, D. D., of Washington and Jefferson College, Washington, Pennsylvania.

Mr. DONNAN. I move that the reading of the Journal be dispensed with.

There being no objection, the motion was agreed to.

The SPEAKER *pro tempore*. The House meets to-day for debate only; no business whatever to be transacted. The subject of discussion is the bill (H. R. No. 1385) to regulate commerce by railroads in the several States.

INTERSTATE COMMERCE.

Mr. WILLARD, of Michigan. Mr. Speaker, the interest elicited in the discussion of this bill is sufficiently warranted by the ultimate object which it seeks to accomplish. That object is the exemption of our interstate commerce from unnecessary and unjust burdens. But while the bill embodies a plan for the regulation of fares and freights imposed by railway corporations, we may still assume that its real purpose is the permanent provision of cheap transit in the interchange of commercial products throughout the immense extent of country which owes allegiance to this Government, and is entitled to its care. The Government regulation of railway traffic is only a part of a much greater whole, and involves a question of much broader scope—one which has never intermitted its claims upon public attention, and can never cease to be of vital interest as long as we have a Government to uphold, or a people to uphold it—as long as we possess industries and require a commerce for supplying the demands of an extensive and varied population.

POPULAR INTEREST IN THE QUESTION.

The question thus presented is neither new nor of limited discussion. Its agitation is not alone confined to this Hall nor to the Chamber at the other end of the Capitol. It engrosses, perhaps more than any other topic, the thought and speculation of the people. It has been one of the leading subjects to occupy the columns of the daily and weekly press. It has called forth articles in our ablest magazines and reviews. It has been the problem that has sought solution at the farmer's fireside, in the shop of the mechanic, and in the counting-room of the merchant and manufacturer in every part of the land, as well as in workingmen's councils and in the chambers of commerce in all the prominent business centers. It has furnished the basis of repeated calls for conventions in nearly every county, especially at the West; and it has, in numerous instances, brought together deliberative assemblies representing the business interests, not alone of one or more States, but of the entire Union. It has been before State Legislatures and State constitutional conventions, and has there inaugurated new and untried measures of legislation; and now this question comes before Congress, not, indeed, as an utter stranger to these Halls, as I shall endeavor to show, but with an emphasis of demand far greater than it has hitherto possessed in our nation's annals.

NEW ERA IN THE NATION'S LIFE.

The reason of the increased importance which this question has acquired in the eye of the public is obvious. For there is scarcely need in this presence to mention the fact that our Republic has now entered upon a new era of existence, and has reached a stage of advancement which marks essentially a new period in its history. Our statesmanship in the future is to be chiefly directed to achievements which in the past have been comparatively subordinate.

WHAT THE NATION HAS ACHIEVED.

The first century since the date when the American people began to devise measures for the general welfare through the instrumentality of a Federal Congress, will during the present year have reached its close. The work of that century has been, indeed, a great one; and is displayed in results which it would be idle for me to enumerate, or, perhaps, even to mention. Suffice it to say that statesmanship hitherto has found an appropriate field for the performance of duty in the tasks imposed in the securing of our national independence; in the first creation of the Union of the States; in the practical adjustment of our political institutions to those principles and doctrines of democratic freedom upon which they are theoretically founded; in the provision of the requisite machinery for effecting the required purposes of the Government and the putting of that machinery into proper order; in establishing the relations of the new Republic with the family of the world's nations; and more recently in the removal of that greatest obstacle which has ever existed to the real completion of national unity and the reconciliation of sections, through an experience which, however stern and severe, has at the last culminated in the attainment of a ground-work for permanent prosperity and future growth, which may be deemed to fitly close the formative, unifying and organizing period in the life of the nation.

THE NATION'S NEXT DUTY.

The work which lies before the American people, and cannot fail to demand marked attention from the Government in the era upon which we are now entering, is the inauguration of more enlarged and comprehensive measures for the interior development of the entire country. It is the encouragement of industries in every portion of the land, and the devising of plans for rendering its almost immeasurable resources available for the well-being of the people who dwell upon the soil of the Republic. It is the especial task of the immediate future to make the territory we occupy a fitting theater for the activities and energies of a people who, in material thrift and business enterprise, are laying the best possible basis for the institutions of intelligent liberty, and a high and advanced civilization.

Everything, therefore, relating to the welfare of our material interests, our agriculture, our manufactures, our commerce, everything which provides for making capital remunerative, or for giving a generous reward for labor, comes to us weighted with incentives and obligations which no man can overlook and retain the least claim to true statesmanship or enlightened patriotism.

SURPRISING GROWTH OF COMMERCE.

This duty requires additional force at this particular juncture, from the fact that the business activity and wealth-producing facilities of the world are just now undergoing a remarkably rapid development. The unexampled increase of commerce among the civilized nations of the globe, appears to be exactly coincident with and is no doubt in large measure the cause of, that unprecedented urgency with which this question of interstate commerce is now forced upon the public consideration.

Within the last two decades, the aggregate foreign commerce of the leading nations of Europe, and on this side of the Atlantic, has been more than doubled. The total amount of the export trade of these nations was, in 1855, but $4,241,700,000, while in 1872, seventeen years afterward, this trade had reached the sum of $9,276,000,000, being an increase of 118½ per cent. The population of the countries whose trade has received this extraordinary growth, has indeed increased at the same time, but only at such a low rate compared with that of the development of their commerce, that the *per capita* increase has been 90 per cent., the trade of the great commercial nations of the globe having been in 1855, on the average for each individual of the population, $15.62, and in 1872, $29.76. This enlargement of the amount of foreign trade has been accompanied with a corresponding increase, both of production and consumption, by the people with whom, at home and abroad, the various industries of this country have been brought into commercial connection. The increase of business and wealth has also been attended with a like addition to the means of inland commerce and the transportation of the products of labor.

Within the brief period to which we have just referred, there were built in the United States 48,730 miles of railroad, and in Europe about 59,000 miles, at an aggregate of estimated cost, on both continents, for construction and equipment, of $10,000,000,000. The appli-

cation of steam to manufactures and transportation, together with the opening of the gold-fields in California and Australia, as also the ambition for industrial achievements enkindled by the new ideas of political liberty, everywhere manifest, have contributed to this marvelous addition to the world's capital, have impressed a new feature upon the age in which we live, and have inevitably impelled us to a new crisis of statesmanship.

RESPONSIBILITY OF THIS CONGRESS.

Without undervaluing, therefore, the importance of the various other questions which now await legislative deliberation and disposal, there can be no hazard in declaring that the responsibility of the present Congress is so fully centered in the duty of clearing the way and taking the initiatory steps for the proper solution of the transportation problem, and in the adoption of the right method of Government action in regard to internal improvements, that the meeting of this responsibility on the one hand, or its evasion on the other, will respectively determine whether the Forty-third Congress will enjoy the credit of having nobly and courageously improved, or of having weakly and negligently missed the opportunity of a performance commensurate with the requirement of the hour.

THE BETTER POLICY INDICATED.

If, in my remarks upon the bill now under consideration, I shall be able to contribute something toward exciting a deeper sense of this responsibility, or toward indicating the practical methods of meeting it, I shall have accomplished all that I design, and almost more than I can dare to expect. In this attempt I shall leave to others the discussion of the legal aspects of the proposition now before the House, as well as the work of arraying statistics to prove the imperiousness of the demand for legislation in behalf of the interests of our interstate commerce, and shall confine myself to suggestions upon what I deem the true national policy on a great national question.

The end, Mr. Speaker, sought to be reached by the plan proposed by the very able Committee on Canals and Railroads, and supported by what must be confessed to be exceedingly cogent arguments, is one which cannot fail to challenge universal approval. Accordingly, it is with regret that I find myself obliged to dissent from the views of the committee, when they come to bring forward the measures by which they propose to secure that end. The result desired is cheap transportation; and the committee certainly deserve the thanks of the House and of the country for the earnestness, vigor, and patriotic zeal with which they have endeavored to grapple with the difficulties and to overcome the giant evils which obstruct the attainment of this result. In what I am about to say, therefore, if I shall oppose their method, it will not be because I do not most heartily sympathize with their purpose, but because I believe that for the attainment of this purpose there is a more excellent way. I firmly cherish the conviction that there is a better path through the entangling wilderness which is hedged about this question than can be found in any direct Federal interference with existing facilities—I mean the path of Government aid in creating certain great arteries of inland communication for commerce and trade, both by water and land—arteries which being kept open for the flow of our products, will afford every needed regulation for our interstate traffic.

The reasoning which, in my view, justifies a policy of this kind, is based upon the highest considerations of public utility, and is overwhelmingly conclusive.

A PROMINENT DESIGN OF GOVERNMENT.

When our fathers asserted in the preamble of the Constitution that the "general welfare" was one of the purposes for which that instrument was ordained by the people, they but declared the self-evident object of all government. The nation which they embraced under that Constitution we justly and proudly style a republic, because it aims to secure the common welfare of the people, and thus realizes the essential definition of that term, as applied to a popular form of government, by the most philosophic and accomplished statesmen of antiquity. "A republic," says Cicero, "is the common weal of the people; but a people," he continues, "is not every collection of men brought together, as it may happen; it is a collection of human beings, united together by the bond of common justice and the utilities to be derived from association." The American people, in their very union, indeed in the very notion that they are a people, have the obligation imposed upon them, not alone to secure individual rights by just laws, but to associate themselves for the creation of those great national improvements, those substantial and enduring utilities, which they and their posterity may possess in common and enjoy forever. Government is shorn of one of its most essential functions when it neglects to promote the general welfare. No political maxim can be more plain; and that every American may read it, and know it, this maxim has been engraved upon the very portals of the Constitution.

TRANSPORTATION THE GREAT CIVILIZER.

Equally unchallenged, also, is the fact that commerce and human welfare are shown by every lesson of history to be inseparably associated. Commercial facilities everywhere mark the course and give the measure of civilization. Were we to choose a single term which should at once serve as the index and the watch-word of human progress, it would be that term with which we have become so familiar in the agitation of the question before us. The word "transportation" is inscribed upon the front banner of man's highest enterprise and achievement. It indicates the line of march taken by the races distinguished for material and social improvement, art, culture, liberty, and religion. Where a bountiful nature had already provided facilities for transportation, there we find the theater of industry and enlightenment. Europe and Western Asia, intersected by numberless seas, inlets, and rivers, invited energy and business thrift, while Africa, with an even coast and an almost riverless interior, discouraged commerce and turned civilization from its shores. It was transportation that led the star of empire westward; and it is that which gives to America, with her inviting sea-coast, her inland lakes, her mighty rivers, and her artificial pathways of iron, an advancement and a social and moral condition which forty centuries of attempted improvement have denied to Asia.

ARTIFICIAL FACILITIES DEMANDED.

But these commercial facilities are never so adequately supplied by nature that they need no improvement at the hand of man. The incentive given by their partial supply naturally inspires an endeavor to make this supply more complete. This has led to great works for improving the channels of trade and inland communication at those periods when the spirit of enterprise has shed luster upon the age in which it was manifest. The military roads built throughout the Roman Empire were only second in importance to the Roman law in preparing the way for the institutions of modern society. The little state of Holland, in her bravely undertaken and bravely completed system of dikes and canals, laid the foundation of an industrial prosperity and of a stand for liberty which have surrounded her with a rare glow upon the historic page, and will ever continue to elicit the admiring attention of mankind. Nor is our own country without a conspicuous instance of the same kind. The State of New York, under the lead and inspiration of that illustrious statesman, DeWitt Clinton, with a courage then without example, and since almost without parallel on this hemisphere, opened the Erie Canal as the highway for western commerce, and thereby secured to herself a commercial supremacy freely accorded in the proud title she wears—the Empire State.

INDIVIDUAL EFFORT INADEQUATE.

Sir, we cannot doubt that to improve the channels of commerce is to promote the best interests of society and to lift the nation to true greatness. But we must remember that the accomplishment of such works is not within the reach of a single arm. Individuals cannot wield the force or provide the means requisite for so great a task. Hence an aggregation of capital and an association of effort must be secured. No one man's unaided enterprise can protect Louisiana from the overflow of the Mississippi, or Holland from the angry and destructive invasions of the North Sea. No one man's unaided ability is sufficient to connect the great lakes with the Hudson, or to span the continent with a railway.

CORPORATIONS OR THE GOVERNMENT, TO WHICH SHALL WE RESORT?

But the necessary aggregation of capital and association of effort can only be obtained through corporations or through the action of the Government. Between these we must make our choice. The danger of having no alternative but the uncontrolled power of the former has become clearly obvious; and the want of such an alternative has brought the industrial interests of the country to the embarrassment from which the bill of the committee proposes a way of relief.

We have seen that aggregated capital, wholly under private control and unregulated by any constant and reliable competition, is, like those two elements so serviceable to man, fire and water, a most excellent servant but a very dangerous master. The power of our railway corporations, and the wide reach of their influence, are not to be disguised. A Philip II, in the Escurial, with his iron will and unrelenting despotism guiding the movements of armies and determining the fate of populous communities by the quiet stroke of his pen, is reproduced in the railway president of our times, who holds the business interests and welfare of cities and States subject to his dictation. The corporations thus controlled may do much in providing the agencies for conducting our immense inland traffic, but that does not release the Government from the obligation to open those highways of commerce which the whole people can claim as their own, and which can alone place upon the tyranny of monopoly a safe, invariable, and practicable check.

THE DOCTRINE OF 1787.

The national Government, in a solution of the transportation problem by the method here indicated, would only adopt a policy which numbered among its advocates the ablest statesmen and the wisest patriots of a century ago. Indeed, as we have heard in the course of this debate, the regulation of commerce and the adjustment of the facilities of trade between the several States, more than any other one thing, gave birth to the Republic.

In the convention that framed the Constitution the question of aiding commerce by artificial means of communication opened by Government did not escape notice. The duty appears to have been generally conceded, though some members of the convention doubted the propriety of expressing it in distinct terms, for fear that opposition might be needlessly incurred in certain quarters from the expression of a prerogative which the new government would evidently possess without it.

VIEWS OF FRANKLIN.

Benjamin Franklin desired to give this prerogative explicit mention, and moved to add to the clause authorizing Congress to establish post-roads the following words: "and to provide for cutting canals when deemed necessary." With his prophetic eye the foremost sage of America seemed to foresee the imperious needs of the very crisis to which we have now come. He seemed to grasp and comprehend the demands of our inland commerce, and the pressing call of the measureless products of the Mississippi Valley for free and open pathways to the sea. And it is doubtful, Mr. Speaker, whether that chiefest of statesmen who adorned our history previous to and during the time of the formation of the Republic, is more entitled to the gratitude of posterity for the matchless sagacity with which, as the agent of the Colonies at the court of Saint James, he circumvented the designs of British tyranny, or for the scientific skill with which he showed how to ward the lightning's bolts from human life and property, than for his standing forth in the Federal Convention of 1787 as the advocate of a system of internal improvements to be inaugurated and conducted under the national auspices. He was for expressly ingrafting in the fundamental law of the land that provision which he deemed so vital to its prosperity, and to put beyond all cavil and doubt the authority of the Government, through this important instrumentality, to provide for the essential welfare of the vast population which was in successive generations to inherit this continent.

SECONDED BY MADISON AND OTHERS.

The proposition of Franklin received the cordial support of James Madison, who, in the course of the debate upon it, declared that, "the political obstacles to a union of the States being removed, a removal of the natural ones, as far as possible, ought to follow;" and the States of Pennsylvania, Virginia, and Georgia gave to the amendment an affirmative vote.

But the instrument, without the amendment, was not considered defective in its grant of power in this regard; for we find Edmund Randolph urging upon the people of Virginia the adoption of the Federal Constitution on the ground that it would open the way for the inauguration and perfection of great internal improvements by the General Government. The views of Alexander Hamilton upon this subject are familiar to all. He saw in the Constitution every agency which could be brought out and used for extending the vital currents of commerce throughout the land, and for infusing life and the means of growth into the industrial interests of the people.

SUPPORTED BY SUBSEQUENT STATESMEN.

Certain reasons, in a later period of our history, induced a construction of the Constitution which would place a limit to this power. At one time this doctrine was especially prevalent at the South. But, sir, I would remind you that it was a citizen of Georgia, Mr. Baldwin, an able and influential statesman, and afterward United States Senator from the present Empire State of the South, who stood up, eighty years ago, in the American Congress and advocated the policy of national internal improvements, for the very reason, which we find so strongly forced upon our consideration at this time, that these improvements could not be efficiently and successfully conducted by the several States. In the House of Representatives, February 11, 1794, on the bill to provide for an extended survey of post-roads, he struck the key-note of the argument for all similar measures, declaring that it was "the business of the Government to undertake the improvement of the roads; for the different States are incompetent to the business, their different designs clashing with each other."

By a force of expression and eloquence of statement which may be said to characterize all the writings and state papers of Mr. Madison, he, in his message to Congress in 1815, recommended a national system of roads and canals; though he afterward vetoed Mr. Calhoun's "bonus bill," which provided the preliminary means for giving efficiency to that measure. In the debate on that bill Mr. Pickering and Mr. Clay strenuously indorsed its constitutionality, and gave it a cordial and earnest support. Mr. Cambreleng, "after mature deliberation," as he says, "and having devoted much attention to the question," arrives at the view that the construction of roads and canals is one of the constitutional prerogatives of the General Government—a doctrine which gained the modified acquiescence of Mr. Berrien. Even Mr. Madison, whose change of view, induced by his extreme theory of strict construction, we have already noted, never relinquished his opinion respecting the advantages which national arteries of commercial communication would afford to the country; and later in life, when the question of national aid to these enterprises was conspicuously agitating the public mind, he reiterated his faith in their utility, and declared his conviction that the power of making canals of right should be vested in Congress.

CONFIRMED BY THE GREAT EXPOUNDERS.

But, whatever doubt may have existed respecting the constitutional power to charter, aid, or conduct enterprises of commercial improvement, it is safe to assume that such doubt is no longer seriously indulged. Those great expounders of the Constitution, Webster and Clay, with the sweeping might of an irresistible logic, and with a breadth of statesmanship that knew no horizon but the limit imposed by the national welfare, put this doubt among the things of the past, and established the policy of improving the rivers and harbors of the nation, and of encouraging other undertakings in behalf of the interests of internal commerce by the Federal authority.

THE PLAN OF THE COMMITTEE INEXPEDIENT.

The expediency of looking in the direction here indicated for the regulation of our interstate traffic is, therefore, the especial feature of the question which remains for the nation to consider. The greatest argument to be urged in support of this expediency is the difficulty of providing the requisite transportation facilities, at reasonable and controllable rates, by any other method. The people justly complain of the evils of monopoly in our internal carrying trade, but experience has shown that the evils of monopoly seldom find an efficacious remedy in direct governmental interposition for the regulation of values. The very life of business is freedom; and that life loses its energy when subjected to arbitrary laws, imposed by an authority other than its own. Human industry and its product, capital, are liable to innumerable conditions and to countless varieties of relation to each other and to society; and no wisdom has yet been great enough to point out a better plan than to leave them to the self-regulating balance-wheel which governs the movements of business and commerce the world over. Labor and capital, however invested and however directed, compose a complex machine, so intricate in its construction and so delicate in its motion, that the attempt to interfere with its automatic freedom by external dictation has invariably worked ruin to itself and disaster to the community. Schemes to fix the prices of products or to determine the profit of capital by municipal regulation or statutory enactment have never proved a success.

REGULATION BY A COMMISSION DIFFICULT AND DANGEROUS.

The principle of regulation by specific law, itself difficult and dangerous, gives place to greater dangers and greater difficulties when the regulation is submitted to the arbitrary control of a commission. This commission must be composed of men; and where are the means to be found for inevitably securing a class of men who shall approach the delicate and intricate task imposed upon them without favor and without prejudice? Setting aside the fact that, if the members of the commission should be among the most sagacious and just citizens that could be obtained for the purpose, they would still be unable to adjust the relations of investment and profit in a business of such immense magnitude, who is to guarantee that these men shall be wisely and judiciously selected? Who shall assure us that they will be wholly impartial? Who shall give us warrant that they will not be chosen in the interest of the railroads? Or, if we avoid this Scylla, who shall guard us from the opposite Charybdis of having a body of men in that position who would refuse to recognize for railroad corporations even the most common rights of property? Do we not know that the appointing power which should name this commission would be too great a stake for the railroad party on the one hand, or the anti-railroad party on the other, to forego the effort to secure it without a violent struggle? Thus we should have a strife in our national politics, an apple of discord in our public affairs, which, to say the least, it is exceedingly unsatisfactory to contemplate, and which, above all things, we should hesitate to invoke. We ought, I think, to pause before inaugurating a state of things in which the great body of the agricultural and other producers, and the exclusive owners of all the channels of our vast inland commerce and the highways over which the products of the continent are to be carried, shall be put into a necessary and inevitable condition of commercial and finally of political antagonism. The bill is objectionable, if for no other reason than that it offers a bid for the railroads to strive for the political supremacy of the country, and to gain the control of the national Legislature and the Federal courts.

A DESIRABLE CHECK.

The Federal authority might very properly be invoked in the creation of statutes for preventing railway officials from misapplying the capital under their control and converting it to their own personal advantage through the formation of transportation companies of which they are the stockholders and managers, and by which they monopolize for their own benefit the business and profits of the roads over whose interests they have been selected as the responsible guardians. It is this *imperium in imperio*, this monopoly within a monopoly, this wielding of the vast property of a greater public to the sole benefit of a lesser junta of custodians, that puts the grip of Hercules upon our struggling commerce, and tends to wither the life of every kind of business which seeks the channels of our interstate traffic. Find the way for making these unjust combinations impossible; make it a crime by law, as it is in fact, for the trustee to pervert his trust to his own emolument, and to obtain the power to lay tribute upon the business community by the means of other men's property, and you will then go far toward reaching the core of the evil of which the people on every side so loudly complain.

GOVERNMENT REGULATION BY COMPETITION.

But, Mr. Speaker, I apprehend that no restriction by statute, no limits imposed upon corporations, by any regulations, either State or national, will permanently secure cheap transportation. By a law of political economy, a higher law than Legislatures can make, cheapness is a result which must come from competition. But in our American railway system we have failed of the result in a large degree from not being able to provide its cause. Competition, when obtained, is soon lost in combination. The people have aided to build competing lines of railroad only to find that the consolidation of these lines had defeated their efforts. Is there not, however, some source to which we can look for the supply of a remedy which we in vain have sought from private enterprise? Is there no power that can give us compe-

tition, and thus insure to us cheapness? I believe there is such a power—a power which can be easily exerted for the universal welfare, and without trenching upon a single individual right; a power that can regulate commerce by the unerring and unfailing law of competition, and that power exists in the national Legislature, of which this House forms a part, thus directing the mighty arm of the Republic to one of the most beneficent ends to which a government can direct its energies, next to the preservation of liberty and the security of justice. The achievement of New York in the completion of the Erie Canal, by which competition was instituted by the State, has insured a cheapness of transit which has defied all the combinations of monopoly. It has furnished a sure and successful regulator of fares and freights, and has thus conferred untold benefit upon the producer. That channel of commerce opened by State authority, in its assured success for nearly half a century, points to a policy which the American people must inevitably adopt and utilize on a broader scale in the control and regulation of the rates of our interstate transit.

THE TWO GREAT NATURAL CHANNELS.

It is a fortunate circumstance that the facilities for cheap competitive routes of commerce, under the Government auspices, have already been partially afforded in the physical features of the continent. Nature has been generous of her aid in this consummation, and cordially invites the co-operation of man. Two rivers, numbered among the very chiefest on the face of the globe—the Saint Lawrence and the Mississippi—seek the ocean respectively near our northern and our southern border. If we except certain removable obstructions, these rivers possess a vessel-bearing capacity which enables them to extend the world's ocean traffic into the very heart of the continent, and to bring far the greater share of our wide territory into intimate communication with the common highway of the nations. The former of these is the outlet of the great lakes, and invited the special notice of Washington, who, just after the Revolution, on the shores of Lake Ontario expressed his gratitude for the beneficent care of Divine Providence in vouchsafing the grant of these immense inland seas to his country for the benefit of its internal commerce; while the purchase which a few years later gave to our people the control of the other channel was, as we all know, the crowning triumph in the statesmanship of Jefferson.

THE LAKES AND THE SAINT LAWRENCE.

The chief obstructions of the water-route by the lakes and the Saint Lawrence are the Falls of Niagara, foreign occupation, and the high latitude in which the river meets the ocean. These are to be obviated, first, by a ship-channel around the Falls, thus affording for the larger portion of the year direct trade between the young and rising emporiums on the lakes and the marts of Europe; secondly, by increasing the capacity of the Erie Canal, thereby bringing these emporiums into direct connection with New York, the point at which all the leading arteries of our continental and foreign commerce must inevitably center. This great pathway of trade should be extended westward, linking Lake Michigan with the Mississippi by a water-route and opening a communication with the immense river system which stretches thence to the base of the Rocky Mountains. It is the increase of facilities on this northern commercial line which more especially excites the interest of the State which in part I have the honor to represent upon this floor. The products of Michigan, as well as her imports, demand the opening of the freest and cheapest possible route eastward to the Atlantic; and this demand has found expression in the unanimous sentiment of her Legislature, embodied in a memorial presented to this Congress, urging the early construction of the Niagara Falls Ship-Canal.

THE MISSISSIPPI.

The obstruction which prevents the navigation of the Mississippi by sea-going vessels exists chiefly at its mouth, being produced by the same cause which gives constant enlargement to its delta. An appropriation immeasurably small, when compared with the resultant benefit, would give the means of avoiding this, and, with certain additional improvements to its channel, would make sea-ports of the cities which stud its banks for a thousand miles. New Orleans would be touched with a new life and become animated with a business vigor that would displace the complicated strife of her politics, would stimulate in her a generous rivalry with her commercial sisters, that would at once wipe out every trace of past alienation, and bind her merchants and all her citizens with those of the East and the North by the bond of a common interest and a common prosperity. It was the demand for free commerce through the mouth of the Mississippi that furnished to the great States of the Northwest the strongest incentive to preserve the integrity of the Union in the late war; and we may be assured that the facilities obtained by this commercial outlet are allied not alone with the material welfare, but with the patriotism of the whole people.

THE TWO INTERMEDIATE CHANNELS.

But, Mr. Speaker, between these interstate water-routes, which respectively reach the sea at New York Harbor and the Gulf of Mexico, an extent of territory intervenes, comprising numerous States, populous cities, and embracing a geographical surface which in the next century will sustain a hundred millions of people engaged in every variety of agricultural and mechanical industry. This region demands commercial accommodations not supplied by the lake route, or that of the Mississippi. But the provision for the supply is indicated by a single glance at the map. At one point the valleys of the Ohio and the James Rivers approach each other in close proximity; and at another point those of the Tennessee and the Altamaha, each traversed by large, navigable streams, and inviting the construction of canals and the opening of lines of communication, which would not only confer inestimable advantages upon the belts of country more immediately adjacent, but would afford, for well-nigh the year round, transportation facilities for the States lying beyond the Mississippi, as also those north of the Ohio. Thus Norfolk, in Virginia, and Savannah, in Georgia, would each become the gateway for the ingress and the egress, not of a mere provincial, but of a national commerce. These cities would take the commercial rank which is their just due, and would realize the most sanguine hopes of their founders and of succeeding statesmen. Their spacious harbors would no longer wait for the index that marks on the dial-plate of destiny the high purposes of nature in their formation, and would at once be covered with a forest of masts; their streets would become busy with a continental trade; and the lines of traffic which would connect them with the West and the Northwest would form, with the Mississippi and the Saint Lawrence, a quadruple cordon of commerce which, together with the net-work of subsidiary routes ramifying through every portion of the Republic, would vitalize the entire Union with a commercial life such as man has never yet seen, and render the goodly frame of our Federal fabric so perfectly indissoluble that nothing could dissever its firmly compacted joints, and no power could break it into sections, save the fiat of Omnipotence.

DOUBLE-TRACK FREIGHT RAILWAY.

These water-routes, however, may fail to supply the requirement of permanent and unvarying competition. They will probably need to be supplemented by a double-track freight railroad, chartered and controlled by the Government, under conditions for rendering it as nearly as possible an actual highway for the transit of products. The demand for speed and for winter transportation will cause the railway to be an indispensable means of carriage—a fact which removes our surprise when we observe that the most advanced thought upon the subject now under consideration tends toward the experiment for attaining cheap transportation by the establishment of this kind of a regulator of fares and freights under the auspices and by the aid of the Government. The board of railroad commissioners in Massachusetts, in their recent report, after a full and exhaustive discussion of the question of railway regulation as related to the State, arrive at a conclusion which most forcibly sustains this view. I will ask the Clerk to read from the report the following paragraphs which I send up to his desk.

The Clerk read as follows:

While the experiment of executive supervision is upon its practical trial in Illinois, the discussion has made a step further in advance in Massachusetts, where a proposal of partial State ownership has been agitated. This is the final possible solution of what is known as the railroad problem. As a solution, it differs in two important respects from that now being attempted in Illinois. It neither seeks to effect any separation between the ownership and the management of railroad property, nor does it try to establish an arbitrary regulation of railroads, wholly inconsistent with the fundamental principle upon which the railroad system was founded. In Massachusetts, as in Illinois, that fundamental principle was competition, and it is to competition, through the light of experience, that the project of State ownership, as proposed in Massachusetts, seeks to make the system return. The proposal has been to attempt the regulation of all the railroads of the State, through the public management of one of them. The community is thus to experiment with its own property, and not with that of private parties. Starting from the fundamental proposition that competition is the best possible regulating power—far better than the arbitrary decision of any tribunal as to what may or may not be "reasonable"—the theory of partial State ownership next recognizes as a corollary to this principle the aphorism that where combination is possible competition is impossible. Both reason and experience show that the combination of railroads owned by private corporations is not only practicable, but that it is absolutely necessary to save them from destruction at each other's hands. Competition among railroads beyond a certain point can, indeed, result only in their consolidation. It therefore both has followed, and necessarily must follow, that either competition as a regulating force will be abandoned and recourse had, as in France and Illinois, to an executive substitute for it, or else that some competing agent must be introduced into the system so differently constituted from the other members of it that it will not enter into combination with them. This alien element it is sought to secure through diversity of ownership—a public road competing with private roads. But the end always kept in view is, not the abandonment of competition as the regulating force, but the return to it. It is, on the contrary, those most reluctant to accept a partial State ownership who propose the abandonment of all reliance on competition and a recourse to arbitrary regulation.

Mr. WILLARD, of Michigan. The argument which is here urged in support of a method of competition proposed for inauguration by the State may also be applied to the policy which the Government should adopt in the regulation of commerce between the States, and the facilitation of transit from the remote interior to the sea-board.

OMISSION OF DETAILS.

But in the remarks now made, Mr. Speaker, it is not my intention to give the details of any of the plans which might be suggested for the action of the Government in cheapening fares and freights, by the method which I have endeavored to simply indicate rather than to unfold. The time allotted me in this debate forbids such an attempt, and besides, as already stated, I willingly yield that task to those whose experience may justly entitle them to lay that branch of the subject before the House and the country. I shall be more than satisfied if I can but add a grain to the weight of argument and encouragement which seems to impel the nation to this new step of duty in its triumphant march toward a great destiny. To this it is urged, not alone by every consideration of public utility, but by the inspiring

voices whose echoes still linger in this Capitol, reminding us of the earnest convictions and high aspirations which from time to time, in regard to this consummation, have found utterance from the lips of the most illustrious statesmen of the Republic.

NATIONAL DEBT OUGHT NOT TO HINDER.

But in advocating this view of national policy, I am not unaware that I present a view which in many quarters is considered impracticable and even utopian.

Those who propose a system of national improvements on a scale sufficient to meet the wants of the country are accused of temerity, especially at this time, when the nation is so heavily burdened with debt. But the House should be reminded that wealth is the result of enterprise, not of a mere hard-fisted and grinding economy. Men in private business do not make improvements simply because they are sufficiently rich and abounding in means; but because, if poor, they desire to be so no longer, and if already wealthy, they wish to become wealthier. The path from poverty to riches is taken by those who have energy and enterprise; and the determination to pursue that path has inspired nearly every great undertaking which has lifted the human race to a higher level of enjoyment and prosperity. When a nation ceases to develop the resources of its wealth, then look for the destruction of its credit, for the financial embarrassment of its people, and a fixed paralysis upon all their energies.

That cheap transit is the national road to wealth we cannot doubt. The products of the country, if they can only command the prices they deserve, would soon relieve the nation of the burden of its debt, would give us the balance of trade with foreign nations, and thus at once solve the otherwise intricate riddle of the currency. It would give better rewards to the labor and higher profits to the investments of the western farmer, and also cheaper bread, cheaper clothing, and cheaper homes to the eastern workingmen. In short, there is no other key which will unlock so many of the trying and difficult questions of American statesmanship as this.

OBJECTION OF JOBBERY ANSWERED.

It is further objected to this policy of Federal improvements that it opens the way for jobbery and peculation. But this argument should not be allowed to have weight before an intelligent people, who are determined to exercise a watchful scrutiny over the acts of their officials. If the logic here used proves anything, it proves too much. If it has any force, as applied to the measure before us, it has force also against every measure which intrusts the Government with an expenditure of money. Perhaps we had better cease all operations whereby any financial outlay is made, because it affords a chance for mismanagement and plunder. But, Mr. Speaker, when we are prepared to concede that we can have no honesty of administration, the time will have come for us to abandon all hopes of having a government for this Republic. The people have faith in their form of government, for it is the people's own; and they will find a way for securing economy and judiciousness in the expenditure of the public funds. Indeed, a rigid watchfulness of the way in which their money is spent will be one of the most essential features of their policy. In this sign they will conquer, by this rule they will measure and determine the amount of the confidence which they repose in their public men; and by it they will largely judge of the qualifications which they shall demand in those to whom they shall confide the administration of their affairs.

REPLY TO THE OBJECTION OF UNEQUAL BENEFIT.

Another objection frequently urged against these undertakings by the Government is, that they do not confer equal benefits upon every part of the Union. But this objection is chiefly made by those who have hitherto reaped the most solid advantages from Federal legislation in behalf of their own industrial interests. If the western farmer has ever been induced to murmur at the unequal effects of the tariff, he has at once suppressed that murmur when confronted with the suggestion that the imposition, though somewhat unfair and unequal, was still for the general benefit of American industry. The laborer in Michigan and Iowa has realized his common fellowship with the laborer in Pittsburgh and Lowell; and as he has taken his way eastward from his wilderness or prairie home, and has stood beside the smoking furnaces or listened to the hum of the spindles in the great manufacturing centers of the East, he has been animated with the reflection that the encouragement of industry and the liberal reward of labor in his own country, in whatever portion, were worthy of being sustained, even though it were done in some measure at his own cost. Thus New England and Pennsylvania, and the Eastern States in general, have developed their mighty industrial resources; and the West has been content to aid in this consummation, not alone from a common pride in the achievements of American enterprise, but from the recognition of the undeniable axiom that the prosperity of one section is also the prosperity of all.

If the West and the South now put forth their claims, shall they not meet with a generous response from those portions of the Union whose industries have been made to thrive by the general acquiescence in the principle that the business of the country, and the material resources and prosperity of the country, must be developed, even if, in some quarters, this should seem to be done at the expense of a temporary sacrifice.

Gentlemen of the East, the West has been indulgent, nay, generous, in encouraging a system that would enhance the price of your products and the value of your property. We have aided to give thrift to your enterprises, to enlarge your cities, and to build up your truly imperial industries; and now, in our turn, we ask you to be equally indulgent and equally generous when we come with a demand that consideration should be given to a subject in which we have a special and peculiar interest. As we have been willing to see that our welfare was bound up in one common destiny with yours, so now may you see that your welfare is bound up with ours.

THE DUTY OF A CIVILIZED PEOPLE.

We all recognize the truth, Mr. Speaker, that this is a business age; and what man is there among us worthy to bear the name of American, whose pulse does not beat faster, and the current of whose life-blood does not have a quicker flow, as he observes the magnificent march and the constantly increasing conquests of our enterprise? This enterprise is the leading feature of the time in which we live, and conspicuously indicates the duty as well as the destiny of the people of this Union. And the people everywhere are lifting themselves up to the level of this inspiring thought, in regard to the obligations that lie immediately before them. We do not occupy this domain of territory, stretching from ocean to ocean, and bounded respectively, in its extreme limits north and south, by the Arctic Circle and the Tropic of Cancer; we do not occupy this territory as a race of savages whose only aim it is to gain a temporary subsistence from the productions of its soil, and to bequeath it to the generations that shall succeed us in the same condition in which we found it, without development and without improvement. Nor are we, as a semi-barbarous people, simply to extract the precious ores from its mountains, to cut down its noble forests, and to use its rivers and lakes as a means of communication, just as they may chance to have been provided by nature, without any attempt to improve and enlarge upon the munificence of her bounty. No, sir; our mission, the mission imposed by our civilization, is a higher and a nobler one. We are to embellish this country and to adorn it with useful and permanent improvements. Toward this result private enterprise is to contribute within the sphere of its ability, and where the need requires, municipal and State aid is to be rendered, and when these prove insufficient the strong arm of the Republic itself must be invoked, especially when the requirement of aid is enforced by obligations which are derived from one of the most weighty and solemn purposes for which the Union was created, the promotion of the general welfare of the people who made and who sustain this Government.

THE CRY OF THE WEST.

Especially do the people of the interior demand the improvements for which I now plead. The voice that is echoed throughout the Mississippi Valley, and which rings from the Alleghanies to the Rocky Mountains, is the same as that which sounded from the lips of the famous ten thousand Greeks, as they threaded their way through the fastnesses of Asia Minor, or that which became the watch-word in our own times of the army of Sherman in its march from Atlanta, and that cry is, "The sea, the sea!" We come with no hostile forces; we come with no warlike battalions; we ask no tribute and demand no forage; we come in the name of that Peace which hath her victories more renowned than those of War; we come in the name of a great people and a great industry, with an offer of blessing and prosperity to the entire nation—the East as well as the West, the North as well as the South—and we demand for ourselves and the millions who are to come after us, free, open, and unrestricted pathways for our commerce to both oceans, the Atlantic and the Pacific.

Mr. WOLFE. Mr. Speaker, the size of this body, the rules which govern it, and the practice observed by the Chair, and I might add, "the good of the service," do not permit every member to speak when he wants to, or upon any subject he may select. The division of the House into committees, and the assignment of the various subjects of legislation to the appropriate committees, wisely transfer most of the valuable labor of this often noisy and confused body to the quiet and orderly committee-room, where the subjects can and do receive patient and careful consideration.

At all events, such has been the case with the bill now under discussion. It has been very carefully considered by the Committee on Railways and Canals, both as it regards the necessity of some legislation on the subject and the power of Congress to enact it. And, as a member of that important committee, I now feel that it is not only my privilege but my duty to detain the House a short time in presenting my views upon some of the mooted questions presented by it; at least so far as to explain the reasons why I shall vote for the bill.

The time allotted for discussion here will not allow me to touch upon all the questions that are involved in the proposition, nor to answer all the objections that may be urged against it. I will, therefore, confine myself chiefly to the two main questions, namely, first, does the public welfare require any such legislation? and, secondly, has Congress the constitutional power to enact such a law? If either of these questions must be decided in the negative, the bill ought not become a law. But, sir, if the facts show that some such legislation is needed to protect the people from the extortions and unfair discriminations practiced by the mammoth railroad corporations, and to teach these corporations that they are not wholly irresponsible to all law except their own will, and to compel them to discharge their pub-

lic duties with some decent regard to the rights of the public; and if we shall be compelled to say, as a naked question of constitutional law, that Congress, and no other body, has the power to intervene on behalf of the people and to apply the remedy, then our duty is plain. The oath that we have taken to "support the Constitution of the United States" is no more binding than is that part of the oath by which we are bound to "faithfully discharge our duty." It is our duty to support the national Government in all its just and necessary powers, as much as it is to support and protect the State governments in the exercise of all their reserved rights and powers.

Gentlemen who make such loud pretensions in defense of that Constitution must remember that it is just as much a violation of that sacred instrument for a State to exercise a power that is delegated to the United States, as it is for the United States to exercise a power that was reserved to the States. The two governments, so far as their rights and powers are concerned, are as separate and independent of each other as are the three great departments of the Government—the executive, the legislative, and the judicial—separate, distinct, and independent in their powers, privileges, and functions. The national Government, as well as the State governments, is our government, and I am proud of it. True, its powers are limited, and I am glad of it; but within those limits it is supreme. It was made by the people, and ratified by the States. The people and the States are both bound by it. Within the power conferred by the Constitution upon the national Government the States are wholly without power. There is no such thing as concurrent jurisdiction between the national Government and the State governments. A subject belongs to the one or the other exclusively. The question in this case is, to whom does the power of regulating commerce among the several States belong?

These governments, national and State, are the people's governments; both forms are necessary to the government of the country; and yet, to hear some persons talk about the national Government, one would suppose it was some foreign, tyrannical, and despotic institution, that by fraud or violence was forced upon the people to steal away their liberties and oppress them. Now, let me say to gentlemen that while it is their right and their duty to be watchful of their liberties, let the attack or the threat come from whatever quarter it may, these indiscriminate and false cries upon all occasions, "without rhyme or reason," do the cause of State rights no good; but, on the contrary, by tending to make it ridiculous, do it great injury.

I know, sir, that the people, and especially those who are opposed to the present Administration, are very and justly watchful of the encroachments of the powers of the national Government over the rights of the States. I know, sir, that numerous instances may be found in the legislation of this country, during the last twelve years under republican rule, in which the Constitution has been disregarded and the rights of the States encroached upon or seriously threatened. But these instances do not affect in any way the question before us, and they must not be permitted to be drawn into this discussion. Let this bill stand upon its own merits, or let it fall if it has none; but do not let its fate depend upon the sins that have heretofore been, or hereafter may be, committed by Congress. We want no vicarious punishment inflicted in this case; especially when all the benefits of such fallacies and such prejudices are to inure to the advantage of the great railroad corporations, whose power is the great danger to be feared; a danger beside which even the great dangers resulting from Federal encroachments are comparatively tame and harmless.

But let us see what it is that we are proposing to do. Let us see if it is true, as my friend from Kentucky [Mr. ARTHUR] stated in the beginning of his speech a few days ago, when he said we were proposing, "by act of Congress, to make a Federal incursion into the reserved province of executed contracts between man and man;" or let us see if it is true that we are proposing to make a raid upon the States, or to interfere in any way with any right or power that the State can claim or exercise under the Constitution of the United States. I affirm this bill does no such thing. I affirm that the powers which will be exercised by the Federal Government under this bill are powers which are expressly conferred upon it, and in which the States have no more power than they have to regulate commerce with foreign nations. It is not a right of the States to do what this bill proposes to do. As well might my learned friend from Kentucky, and others who may be wrapped in his web of abstractions, claim that Congress has invaded the province of State or of private right when it enacted the law regulating commerce upon our public rivers, as now to be frighted out of their wits by this proposition, which is simply to apply the same principle exactly to commerce carried on over the public highways known as interstate railroads. By what kind of reasoning can these gentlemen say that Congress may regulate commerce upon our rivers, and not "invade the province of private or State right," by providing in the minutest particulars how a steamboat shall be constructed, how its machinery shall be operated, the number of passengers it may carry, what means for their safety shall be provided, and a hundred other details involving plenary power over the whole subject, and yet when this bill, which falls far short of such minute regulations, and which only provides that the railroad carriers shall not rob their customers by unreasonable charges, and shall not make unreasonable discriminations, is submitted, exclaim, "O, hands off; our sacred doctrine of State rights stands in the way; you may invade the province of private right on the public rivers, but in the name of democracy, in the name of State rights, in the name of private right, you must not do the same, or anything like it, upon our public railroads?"

I tell gentlemen who make such a proclamation that they are not the oracles who hold in their hands the key of the temple in which I worship. The creed of my political church is not such a bundle of inconsistencies as they would have us believe. No, sir; the day, thank God, has gone by, and I hope never to return, when any political party in this country can be controlled by any of these "one-ideaed" abstractions. O, will my dear friends who seem so nervous on this subject never learn that the democratic party is a living organization simply because it is founded upon living issues; and that whenever it shall have nothing but the dead bones of the past to hold up to the gaze of the people the logic of events will prove that the dead bones and their worshipers alike will be consigned to the same tomb? First or last, that is the inevitable result. If gentlemen wish the democratic party to live and prosper they must infuse into it the spirit of life. This can be done alone by keeping it in harmony with the spirit of the age and the wants of mankind. The law of party life, when properly understood, will be found to consist of a single word—*utility*. This is peculiarly a utilitarian age, and we are peculiarly a utilitarian people. The American of to-day—I mean the ruling sentiment of to-day, of whatever nationality that rules America—has great veneration for the past honors and past glories of mankind; but that same American of to-day wants to see those honors and those glories recorded upon the monuments, the cenotaphs, and historic records of the country, and not upon our statute-books, where they would only mar its symmetry and clog the wheels of our advancement. In a word, if the democratic party will march square up to the front, and not belie its fame in all its past career, as the party of progress and of the people, it will by such a bold movement demonstrate to the world that it has not outlived its day of usefulness, and will thereby command and receive the admiration and the support of the people.

The bill under consideration is for the purpose of regulating that branch of our commerce that is carried on over those railroads, and only those which run into or through two or more States. The bill, it will be observed, does not propose to interfere in any way with those railroads that are operated wholly within a single State. The regulation provided for is to fix the rates and schedule of prices for carrying passengers and freight, prohibiting extortion, or the making of unreasonable charges for such services, prohibiting unfair discrimination as common carriers, and fixing penalties for such acts of extortion. And for the purpose of establishing such reasonable rates the bill provides for the appointment by the President, by and with the consent of the Senate, of nine railroad commissioners, one from each of the nine circuits of the United States circuit courts. Such commissioners are given the power to make all necessary examinations in regard to all facts in connection with such railroads as shall enable them to fix upon what would be reasonable charges for each railroad, and to make a schedule of such charges. And in all trials for extortion the rates so fixed in such schedule shall be taken *prima facie* to be reasonable charges; but on any trial for extortion the railroad company or carrier may show that the rates which are charged to be extortionate are, in fact, reasonable, notwithstanding such schedule. In other words, the burden of showing that any rates charged above the schedule rates are reasonable is thrown upon the railroad company.

Now, that is the substance of the "incursion" so elaborately, and I may say ably, opposed by my friend from Kentucky, [Mr. ARTHUR.] I have examined this bill carefully and listened to him patiently, and I am yet compelled to confess that I do not see where the incursion, as he calls it, comes in. The bill, in its broadest scope, and in its prime object, is simply to protect the people against the extortions and unfair discriminations of such common carriers as are engaged in interstate commerce. In other words, the bill proposes to interfere in behalf of the fifteen or twenty million farmers of all the interior portions or this great country, so as to enable them to transport their surplus produce to the sea-board at fair and reasonable rates. Now, sir, if that is a raid upon the States, I say it is far preferable to the raid the railroad monopolies have been making upon the people for the last few years.

This is not a contest between the Federal Government and the States. It is a contest between the people on the one side, and the railroad corporations on the other. Gentlemen must not be permitted to change the name of the parties to this contest. These corporations cannot be permitted to appropriate the cloak of States rights under which to maintain their claim of a right to lord it over the people. That game is too old, and we who are watching it are too old to be cheated by it. No, sir; let the parties to this contest stand upon their own merits; let them fight under their own colors. And, so far as I am concerned, they must fight under their own generals. When the rights of the States are assailed I will defend them. When the rights of the people are assailed I will defend them. But when the pretended rights of these great corporations are assailed, when their grasping powers are assailed, they must look elsewhere for an advocate.

The question of railroad extortions by charging unreasonable rates for carrying passengers and freight, and the power of Congress over the subject, are, perhaps, the most interesting questions now before the American people. During about the last forty years the railroad

system of the United States has been established. That system now embraces about seventy thousand miles of road, whose iron bands stretch their wonderful net-work over the entire country. The value of that peculiar kind of property is estimated at something near $4,000,000,000; and the earnings of these corporations amount annually to $400,000,000, a sum about equal to the entire revenues of the United States. The obstructions at the mouth of the Mississippi River—which render that otherwise great highway, as an outlet to foreign commerce, almost useless—compel the fifteen or eighteen million people who inhabit the great valley of that river and its tributaries, including fifteen States, with their $1,000,000,000 worth of annual productions, to employ these interstate railroads in the transportation of their vast surplus productions to the sea-board, for sale in foreign countries, or to be consumed by the non-agricultural regions of the East, or the non-cereal-producing regions of the South.

The present condition of the avenues of our interstate and domestic commerce leaves the agricultural people of the great Northwest almost entirely dependent upon the railroads for the means of carrying their productions to market, while the East and the South are equally dependent upon the same carriers to receive these agricultural productions for the supply of their people with food. During nearly one-half of the year, while the Erie Canal, in New York, and the Welland Canal, in Canada, are closed by ice, the entire commerce between the West and the East is carried on over the four great trunk-line railroads, (not to mention the Grand Trunk, in Canada.) These are the New York Central, the Erie, the Pennsylvania Central, and the Baltimore and Ohio; and these have formed connections or combinations with, or obtained leases of, nearly all the most important western roads; and the result is, that both of the sections of the country, West and East, are compelled to pay tribute to these vast corporations, or, I might say, vast monopolies.

That these corporations have used their hitherto-unmolested powers in fixing their own charges at rates which have made them the most wealthy corporations on the continent is a fact that even the railroad advocates here will not deny. And the manner in which the exorbitant earnings of these railroads are covered up, under the cloak of moderate dividends, not only shows their frauds, but is conclusive evidence of their acts of extortion. To show how their power to fix their own tariff of charges is abused, just as such power always is abused when it is irresponsible, I need but refer to a single example. The total cost of the consolidated roads, now known as the New York Central, to the stockholders and bondholders, was less than $30,000,000; yet, by the device known as "watering the stock"—that is, issuing additional stock for the earnings of the road instead of dividends—the stock of that corporation has been swelled to the enormous amount of $90,000,000—three times the true amount; and upon that vast sum the earnings of the road now pay a dividend of 8 per cent. per annum, equal to a dividend of 24 per cent. upon the actual cash capital invested. To enable the owners of that corporation to thus nearly double their investment every four years, the agriculturists of the West and the consumers of the East are compelled to pay tribute. If that corporation earned only the reasonable compensation of 10 per cent. on the actual investment, it would yield $3,000,000 in dividends annually. But 8 per cent. on the watered stock amounts to $7,200,000; showing a grab of $4,200,000 which that one company is annually making over and above reasonable compensation; and that is the amount of the tribute the people are paying annually to that single corporation. And to enable these corporations to continue forever such extortions the sacred name of State rights is invoked. Verily, that is the old game of attempting to "steal the livery of Heaven to serve the devil in." My opinion is, the livery is slightly too thin to hide the monster's horns.

Yet, in the face of these enormous dividends, we are told that railroad companies cannot afford to carry passengers and freights at lower rates than they are now charging; and the only way the farmers of the West and Northwest can ever get cheap transportation is for them to compel the Government to expend one or two hundred million dollars to open up water-communications as channels of commerce to the sea-board. While I am in favor of these water-lines being opened, or at least some of the more important ones, as auxiliaries in cheapening transportation, I do not think such water-lines the only source of relief the people have.

The nature of the agricultural productions of the West and Northwest renders them peculiarly sensitive to these extortionate charges. Those articles that are light compared with their value, as cotton, worth usually eighteen or twenty cents per pound, and other light articles, as sugar and tobacco, are not so much affected by high charges for transportation. But nearly all of the principal articles produced by the farms of the great central basin of the Union are comparatively heavy compared with their prices; and the result is some of them do not bear shipping at all to the eastern markets. Hay and potatoes are of that class; for the value of the article would not pay the freight. At a cost of three cents per ton per mile it would take the whole value of the following articles to ship them by rail the following distances:

	Miles.
Cotton, at 19 cents per pound, could be shipped	12,666
Sugar, at 10 cents per pound, could be shipped	6,666
Tobacco, at 8 cents per pound, could be shipped	5,333
Wheat, at $1.24 per bushel, could be shipped	1,377
Potatoes, at 54 cents per bushel, could be shipped	600
Hay, at $22 per ton, could be shipped	733

From these figures it will be seen that the transportation question in all of its aspects is of the first importance to the people of the central valley. It is too important to be pushed aside in order to sustain any fine, hair-splitting abstractions. The people will not have, and should not have, any patience when their vital interests are threatened with perpetual restrictions with these fine-spun theories. My theory is, that the Government was made for the people, and should be so administered as to subserve their interests; and when it ceases to be of that character, it should be remodeled so as to accomplish that beneficent purpose.

Now, sir, in view of the depressed condition of agriculture in the West, and the causes which have produced it, which are a scarcity of money and the obstructions of interstate commerce by reason of these railroad extortions and a lack of proper water-communications to the sea-board—I say, in view of these facts, need we be astonished that there is a popular and indignant uprising and earnest protest throughout the country, known as the granger movement? For my part, my only astonishment is that the revolution did not begin sooner. That it has been so long delayed is evidence that the people are patient and long-suffering.

The questions that are presented by this bill are highly interesting, not only on account of the fact that they involve a grave issue in the old contest between capital and labor, but also because the questions in the form presented, as political questions, are new. We have no party platforms to guide us, or rather to limit and control our judgments and our actions. None of us are here under any pledges of a political nature, either expressed or implied. We are in that unbiased condition in which we can treat these questions fairly, if we are disposed to do so.

But, sir, the most interesting question in connection with the provisions of this bill is this: Has Congress the power under the Federal Constitution to regulate commerce "among the several States" to the extent and in the manner that this bill provides? I will express my views upon the whole question before I conclude; but for the present I desire to say that after mature and unbiased consideration of the question as to the power of Congress to regulate commerce carried on over the interstate railroads, to the extent of fixing a reasonable tariff of charges for carrying passengers and freight, and providing penalties for extortions practiced by such carriers, and to prevent unfair discriminations, I am clearly of the opinion that such power exists, and that it is plenary, and exclusively in the Federal Government; the States having no more power over the subject of interstate commerce than they have over foreign commerce.

But before examining that question, I wish to say or repeat that there is no one here or elsewhere who is a more firm and unwavering advocate of the old democratic—or, if you please, Jeffersonian—doctrines of "State rights" and "a strict construction of the Constitution" than I am; I mean when those doctrines are properly interpreted and applied. I do not, and never did, believe in that misinterpretation and misapplication of the doctrine of State rights as understood and acted upon by the extreme men of the Calhoun school of statesmen, when they claimed secession to be its legitimate sequence. The State rights taught by Jefferson and enforced by Jackson in his proclamation against the South Carolina nullifiers were the rights of a State *in* the Union, and not its right to go out of the Union. It has been said by the advocates of centralization of power in the Federal Government, by usurping and absorbing the powers of the States, that the democratic doctrine of State-rights was overthrown and wiped out by the results of the war. But that is not true. It was only the Calhoun construction of that doctrine that found its last grave at Appomattox. The true democratic doctrine was not in any way or in any degree involved in that contest. I say it found its *last* grave at Appomattox; it found its first grave in the great contest between Webster and Hayne, in this Capitol, over forty years ago.

The democratic doctrine of State rights, so ably promulgated by Jefferson in his first inaugural address, is, that our home, State governments are the palladium of our liberties, and that they ought to be preserved in all their vigor. That doctrine, truly applied, would remove the danger of territorial expansion, and lead to peace and amity between the sections. It would give us increased political purity, and a cheaper and more satisfactory administration of justice. Centralization, by removing the power away from the people, leads to irresponsibility on the part of office-holders, and renders abuses difficult to be corrected. In a country like ours, where there is such a great diversity in climate, soil, productions, business, morals, education, and wealth, it is only through the means of these home governments that these various and diverse local interests can be properly cared for, because there only can they be properly understood.

These things were well understood and appreciated by the fathers when they made the Constitution; and they did leave all the powers with the States that the general welfare demanded should be left there. But the fathers knew there were some powers that the States could not well or safely exercise. Hence they wisely withheld some powers from the States, and as wisely gave certain powers to the General Government. Yet, by doing so, they did not favor centralization; and we, who now favor the exercise by the General Government of those powers conferred upon it, are not in favor of centralization any more than they were.

The powers delegated to the Federal Government belong there; and

it is the settled doctrine, settled by our highest judicial tribunals, that such powers cannot be exercised by the States. A power conferred upon Congress belongs exclusively to Congress, and the States cannot exercise it.

The Constitution of the United States (article 1, section 1) says:

> The Congress shall have power to regulate commerce with foreign nations, *among the several States*, and with the Indian tribes.

This language, it seems to me, is too clear and explicit to admit of more than one interpretation, or, as jurists express it, too clear to admit of construction. Yet we may have politicians among us who have learned their knowledge of constitutional guarantees and limitations from loosely constructed and illogically construed party platforms, who may entertain some doubt as to the meaning and extent of this clause of the Constitution; and for their benefit, whether they are here or elsewhere, I now propose to give the question a brief consideration in the light of the highest judicial authorities of the country.

In the first place, it will be observed that the *subject* which Congress has been charged with the duty of regulating is *commerce;* and hence it is important to understand the meaning of that term and the sense in which it was used.

Judge Redfield, in his able and interesting work on Railways, at page 720, uses the following language:

> The natural import and construction of the terms of the Constitution would not seem to admit of much doubt, judging from the language merely. The meaning of the word "commerce," at the time the Constitution was adopted, must have been definitely settled and well enough understood. The word, as is well understood, is derived from the Latin *commercium*, and which is found almost in its original form in most of the languages of modern Europe. It means, in its most literal sense, intercourse and exchange, both of persons and commodities. It is more nearly synonymous with "traffic" than with any other word in the language, probably. Its great natural divisions for ages have been "foreign" and "inland." The regulation of all the former and that portion of the latter which extended beyond the limits of a single State was, as we have seen, by the organic law of our national Government, secured to the nation, and the remainder was naturally left to the particular State where it exclusively existed.
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> It is obvious that the purpose of the provision was not to be confined to future commerce carried on in the same mode it then was, *i. e.*, by ship and boat navigation, propelled exclusively by wind. If that had been so, the provision could not have been applied to that large portion of commerce now carried on by steam-power, which has already become very considerable, and is constantly increasing in a rapidly advancing ratio.

In the celebrated case of Gibbons *vs.* Ogden (9 Wheaton, 1) decided by the Supreme Court of the United States fifty years ago, that great jurist, Chief Justice Marshall, delivering the opinion of the court, uses the following language:

> The subject to be regulated is commerce; and our Constitution being, as was aptly said at the bar, [by Mr. Webster,] one of enumeration and not of definition, to ascertain the extent of the power it becomes necessary to settle the meaning of the word.
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> The counsel of the appellee would limit it to traffic, to buying and selling, or the interchange of commodities, and do not admit that it comprehends navigation. This would restrict a general term, applicable to many objects, to one of its significations. Commerce, undoubtedly, is traffic; but it is something more, it is intercourse. It describes the commercial intercourse between nations and parts of nations in all its branches, and is regulated by prescribing rules for carrying on that intercourse.

According to this high authority, commerce is not limited in its meaning to "traffic" and "buying and selling," and hence something more than the mere traffic—the buying and selling of commodities—may be regulated. It means commercial intercourse in all its branches, "*and is regulated* by prescribed rules for *carrying on* that intercourse." This language leaves no room to question that Congress has the power to prescribe rules, that is, enact laws, to regulate the *carriers* and the *carrying* of commodities between or among the several States, as well as rules for carrying on all other kinds of commercial intercourse.

The subject of regulating the fare of passengers, and the price for carrying freight by common carriers, is not new to the law. The rules of the common law, with which all lawyers ought to be familiar, have for ages taken cognizance of the subject, and prohibit the charging of unreasonable rates by common carriers. This constitutional provision did not originate the policy of legal interference to prevent extortion by common carriers. It only determined which of the governments, the State or the national, should have jurisdiction over the subject so far as it relates to the three kinds of commerce mentioned, namely, "with foreign nations," "among the several States," and "with the Indian tribes." In each of these, and exactly alike in each, the Constitution has conferred upon the legislative branch of the national Government complete and exclusive jurisdiction. What Congress cannot do on that subject cannot be done by any power on earth. The entire subject—not only a part of it, but the entire subject—is committed to Congress. Judge Redfield, in his work on Railways, already referred to, at page 722, says:

> The fact that the *entire subject* of regulating all commerce among the different States, including *all the means and appliances by which it was carried on*, was committed to Congress, and that *thereafter the States were to have no concurrent action in the regulation of the same*, would seem to reduce the question of Congress having the power of regulating interstate railway traffic to the single inquiry whether it forms any portion of the commerce of the country which requires to be regulated at all. Those who assume to argue that Congress has no power to regulate the traffic upon these extended lines of railway, reaching from one end of the Union to the other, must, if they would meet the question fairly, *either say the traffic on these extended lines of railway, amounting to many millions annually, probably ten times as much as the entire commerce of the country at the time of the adoption of the Constitution, is not commerce at all; or, if it be, is not subject to any regulation or control whatever.* For it is certain *the States have neither the power nor capacity* to regulate to any purpose, or with any efficiency, this interstate railway traffic. It must, then, come under the control of Congress, or be left to its own devices and impulses—an experiment never yet tried in any other country.

Mr. Justice Story, in his Commentaries on the Constitution, than which there is no higher elementary authority in this or any other country, lays down the doctrine in regard to this power of Congress to regulate commerce among the several States, that such power is plenary and exclusively in Congress. He says:

> It is general and unlimited. Full power to regulate a particular subject implies the *whole subject*, and leaves no residuum. The grant of the whole is incompatible with the existence of a right in another to any part of it. A grant of power to regulate necessarily excludes the action of all others who would perform the same operation on the same thing.

This authority is as clear and pointed as language can make it. The power being granted to Congress necessarily excludes the power of a State to do the same thing. Then, if we voluntarily abdicate the power by refusing to exercise it, there is no power anywhere to exercise it, and the result would be that these pampered monopolists would be left in full possession of the field; and the vast agricultural and commercial interests of all the interior portions of the country would be now, and for all time to come, at their mercy. If they did not oppress the commerce among the States, it would be simply because they would choose not to do so. If the people's rights were respected it would be by the favor of these monopolies. I am not willing to leave the assertion of a right to the favor of any one, and especially to those whose pecuniary interest is against the right. The history of all such contests in every age, and in every part of the world, shows that these great corporations have oppressed the people whenever they have had the power to do so; and so far, their history in this country furnishes no exception to the rule. *And yet the favor and good will of these corporations toward the people, are all the guarantees that those who oppose legislation by Congress on this subject have to offer us.* In the light of history, and with our experience of the soullessness of corporations, this is poor consolation indeed. Is it possible that our fathers made such a terrible mistake in the organization of our Government as to leave such a power without any control? I do not believe they made such a mistake; and I would be extremely sorry to know they had done so. And I can inform my eloquent friend from Kentucky, [Mr. ARTHUR,] and all others who agree with him, that it will require more than his "glittering generalities" and obsolete abstractions to convince me that such a grave mistake was made by them.

And on this same general subject I quote again from the opinion of Marshall, C. J., in the case of Gibbons *vs.* Ogden:

> To what commerce does this power extend? The Constitution informs us, to commerce "with foreign nations and among the several States, and with the Indian tribes." It has, we believe, been universally admitted that these words comprehend every species of commercial intercourse between the United States and foreign nations. No sort of trade can be carried on between this country and any other to which this power does not extend. It has been truly said that commerce, as the word is used in the Constitution, is a unit, every part of which is indicated by the term. *If this be the admitted meaning of the word in its application to foreign nations, it must carry the same meaning throughout the sentence, and remain a unit, unless there be some plain, intelligible cause which alters it.* The object to which the power is next applied is to commerce "among the several States." The word "among" means intermingled with. A thing which is among others is intermingled with them. Commerce among the States cannot stop at the external boundary line of each State, but may be introduced into the interior.
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> It is not intended to say that these words comprehend that commerce *which is completely internal*, which is carried on between man and man in a State, or between different parts of the same State, and which does not extend to or affect other States. Such a power would be inconvenient, and certainly is not necessary. Comprehensive as the word "among" is, it may very properly be restricted to that commerce which concerns more States than one. The phrase is not one which would probably have been selected to indicate *the completely interior traffic of a State*, because it is not an apt phrase for that purpose; and the enumeration of the particular classes of commerce to which the power was to be extended would not have been made had the intention been to extend the power to every description. The enumeration presupposes something not enumerated, and that something, if we regard the language or the subject of the sentence, must be *the exclusively internal commerce of a State.*

Again, I read from the same decision:

> This principle is, if possible, still more clear when applied to commerce "among the several States." They either join each other, in which case they are separated by a mathematical line, or they are remote from each other, in which case other States lie between them. What is "commerce" among them, and how is it to be conducted? Can a trading expedition between two adjoining States commence and terminate outside of each? And if the trading intercourse be between two States remote from each other, must it not commence in one, terminate in the other, and probably pass through a third? Commerce among the States must of necessity be commerce with the States.

After a careful study of these authorities, the general power, and indeed I may say the plenary power, of Congress over the subject ought to be regarded as settled. The decision of Gibbons *vs.* Ogden has stood the test for fifty years unquestioned. While the court in the mutation of political parties has been in harmony with the political sentiment at different times of the different parties who seemed to entertain opposite opinions in regard to State rights and constitutional construction, yet that decision has never been questioned. But as well and firmly as these old authorities seem to settle the question, I desire to still further strengthen my position by a few other authorities, some of them of more modern date, and even more pointed and direct in their application.

In his able work on Constitutional Limitations, (page 586,) Judge Cooley, of the supreme court of Michigan, says:

> It is not doubted that Congress has the power to go beyond the general regulations of commerce, which it is accustomed to establish, *and to descend to the most minute directions* if it shall be deemed advisable; and that to whatever extent ground shall be covered by those directions the exercise of State power is excluded. Congress may establish police regulations as well as the State, confining their operation to subjects over which it is given control by the Constitution.

In Gray *vs.* The Clinton Bridge Company, (see American Law Register, January, 1868,) Mr. Justice Miller, whose ability and character for conservatism on constitutional questions of this kind are unquestioned, in his decision uses the following language:

Navigation, however, is only one of the elements of commerce. It is an element of commerce, because it affords the means of transporting passengers and merchandise, the interchange of which is commerce itself. Any other mode of effecting this would be as much an element of commerce as navigation. When this transportation or interchange of commodities is carried on by land, it is commerce as well as when carried on by water, and the power of Congress to regulate it is as ample in the one case as in the other. The "commerce among the States," spoken of in the Constitution, must, at the time that instrument was adopted, have been mainly of this character, for the steamboat, which has created our great internal commerce on the rivers, was then unknown.

Another means of transportation, equal in importance to the steamboat, has also come into existence since the Constitution was adopted, a means by which merchandise is transported across States and kingdoms in the same vehicle in which it started. The railroad now shares with the steamboat the monopoly of the carrying trade. The one has, with great benefit, been subject to the control of salutary congressional legislation, because it is an instrument of commerce. Is there any reason why the other should not? However this question may be answered in regard to that commerce which is conducted wholly within the limits of a State, and is therefore neither foreign commerce nor commerce among the States, it seems to me that where these roads become parts of great highways of our Union, transporting a commerce which embraces many States, and destined, as some of these roads are, to become the channels through which the nations of Europe and Asia shall interchange their commodities, there can be no reason to doubt that to regulate them is to regulate commerce, both with foreign nations and among the States; *and that to refuse to do this is a refusal to discharge one of the most important duties of the Federal Government.* As already intimated, the shackles with which the different States fettered commerce in their selfish efforts to benefit themselves at the expense of their confederates was one of the main causes which led to the formation of our present Constitution. The wonderful growth of that commerce, since it has been placed exclusively under the control of the Federal Government, has justified the wisdom of our fathers. But are we to remit the most valuable part of that commerce again to the control of the States, and to the consequent vexations and burdens which the States may impose through whose territories it must be carried on? And must all this be permitted because the carrying is done by a method not thought of when the Constitution was framed?

For myself, I must say I have no doubt of the right of Congress to prescribe all needful and proper regulations for the conduct of this immense traffic over any railroad which has voluntarily become part of one of those lines of interstate communication, or to authorize the creation of such roads when the purposes of interstate transportation of persons and property justify or require it.

In the recent State freight-tax case, (15 Wallace, 232,) in the Supreme Court of the United States, Mr. Justice Strong, in delivering the opinion of the court, says:

Beyond all question, the transportation of freight, or of the subjects of commerce, for the purpose of exchange or sale, is a constituent of commerce itself. This has never been doubted, and probably the transportation of articles of trade from one State to another was the prominent idea in the minds of the framers of the Constitution, when to Congress was committed the power to regulate commerce among the several States. * * * Nor does it make any difference whether this interchange of commodities is by land or by water. In either case, the bringing of the goods from the seller to the buyer is commerce.

Again, in the same case, the court says:

It is not necessary to the present case to go at large into the much-debated question whether the power given to Congress by the Constitution *to* regulate commerce among the States is exclusive. In the earlier decisions of this court it was said to have been so entirely vested in Congress that no part of it can be exercised by a State. It has, indeed, often been argued, and sometimes intimated by the court, that so far as Congress has not legislated on the subject the States may legislate respecting interstate commerce. Yet, if they can, why may they not add regulations to commerce with foreign nations beyond those made by Congress, if not inconsistent with them? for the power over both foreign and interstate commerce is conferred upon the Federal Legislature by the same words. And certainly it has never yet been decided by this court that the power to regulate interstate, as well as foreign commerce, is not exclusively in Congress.

And again the court says:

The rule has been asserted with great clearness, that whenever the subjects over which a power to regulate commerce is asserted are in their nature national, or admit of one uniform system or plan of regulation, *they may justly be said to be of such a nature as to require exclusive legislation by Congress. Surely transportation of passengers or merchandise through a State, or from one State to another, is of this nature.*

Now, in the face of these standard elementary authorities, and these clear and pointed decisions of the highest judicial tribunal of this country—the court of last resort—will it be seriously urged, or can it be maintained as a legal proposition before the American people, that Congress has not the constitutional power to legislate as this bill provides? In the language of Mr. Justice Miller, *supra*, "for my part I must say that I have no doubt of the right of Congress to prescribe all needful rules and proper regulations for the conduct of this immense traffic over any railroad that has voluntarily become part of those interstate communications."

I hear it admitted by some persons, as my friend from Illinois, [Mr. EDEN,] in his speech a few days ago, that Congress has some kind of a general, undefined power over interstate commerce; but they deny that Congress has any power to fix the rates and fares that may be charged by the carriers who are engaged in the business of carrying over these public highways. To this I answer:

First. This bill, in fact, does not attempt to fix any rates; it only establishes a rule of evidence, by providing for a schedule of rates, which shall be *prima facie* evidence of what is reasonable compensation.

But, secondly, I claim that the power does exist to fix the rates and fares to be charged by such carriers of interstate commerce, because the admission that Congress has any power over the subject at all is, under the decisions of our highest courts, an admission that Congress has plenary power, that is, full, ample, and complete power over the whole subject. There is no limitation of the power. As was said by Chief Justice Marshall in Gibbons *vs.* Ogden, already quoted, the power is "one of enumeration, and not of definition." And Judge Cooley says Congress may "descend to the most minute directions, if it shall be deemed advisable." But if possible still more pointed is the statement of Judge Redfield, in the January number of the American Law Register, in which he says:

We are not aware that any fair question can be raised in regard to the right of Congress to control the fares and freights upon interstate railways. No such question has ever been raised in England in regard to the power of Parliament, and we do not comprehend how one could be raised in any country, unless there were some constitutional restriction upon the sovereign power.

There is no constitutional restriction upon the sovereign power of Congress over the subject of commerce among the several States; but, on the contrary, the same section 8 of article 1 of the Constitution which provides that Congress shall have power "to regulate commerce among the several States," also provides in the last clause thereof that Congress shall have power—

To make all laws which shall be necessary and proper for carrying into execution the *foregoing* powers, and all other powers vested by this Constitution in the Government of the United States, or in any Department or officer thereof.

One of these "foregoing powers" is this identical power "to regulate commerce among the several States." Instead, therefore, of there being "a constitutional restriction upon the sovereign power," there is, in fact, a constitutional extension of the general power "to regulate." This certainly makes the power as plenary as human language can make it.

But I have another important authority upon the same point. Judge Dillon, of the United States district court, one of the very ablest jurists in this country, in his note to the decision in the Clinton Bridge case, (see American Law Register, volume 16, page 154,) says:

The necessity for some common, central legislative power [over railways] has been most seriously felt. Many of the evils to be remedied, growing out of the rivalries and the selfishness of these corporations, have proved to be beyond any effective State control. We rejoice to hear so careful and so able a jurist as Mr. Justice Miller, of the Supreme Court of the United States, declare that he has no doubt of the right of Congress to prescribe all needful and proper regulations for the conduct of the traffic carried on over any railroad which voluntarily becomes part of a line of interstate communication, and to authorize the creation of such roads when the purposes of interstate transportation justify or require it.

In still further support of the *extent* and the *exclusiveness* of the power of Congress over the subject, I call especial attention to the following decisions:

Chief Justice Taney, in Holmes *vs.* Jennison *et al.*, (14 Peters, 570,) holds as follows:

All the powers which relate to foreign intercourse are confined to the General Government.

And it must be remembered that the power of Congress over interstate commerce is identically the same; and the Chief Justice adds:

When an authority is granted to the Union, to which a similar authority in the States would be absolutely and totally contradictory and repugnant, there the authority to the Federal Government is necessarily exclusive, and the same power cannot be constitutionally exercised by the States.

Justice Johnson, in Gibbons *vs.* Ogden, says:

The power to regulate commerce here meant to be granted was the power to regulate commerce which *previously* existed in the States. The power to regulate commerce is necessarily exclusive.

In Brown *vs.* The State of Maryland, (12 Peters, 466,) the Supreme Court of the United States uses the following language:

It is not therefore matter of surprise that the grant of commercial power should be as extensive as the mischief, and should comprehend all foreign commerce and all commerce among the States. The question was considered in the case of Gibbons *vs.* Ogden, in which it was declared to *be complete* in itself, and to acknowledge *no limitations.*

In Groves *et al. vs.* Stoughton, (15 Peters, 511,) Justice Baldwin says:

That the power of Congress to regulate commerce among the several States is exclusive of any influence by the States has been, in my opinion, conclusively settled by the solemn opinions of this court. If these decisions are not to be taken as the established construction of this clause of the Constitution, I know of none that are not open to doubt.

In Houston *vs.* Moore, (5 Wheaton, 23,) the court say:

We are altogether incapable of comprehending how two distinct wills can, at the same time, be exercised in relation to the same subject, to be effectual, and at the same time compatible with one another.

In Sturgis *vs.* Crowninshield, (4 Wheaton,) the court say:

Full power to regulate a particular subject implies the whole power, and leaves no residuum, and a grant of the *whole* to one is incompatible with a grant to another of a *part.*

Whenever the terms in which a power is granted by the Constitution to Congress, or whenever the nature of the power itself requires that it shall be exclusively exercised by Congress, the subject is as completely taken away from State Legislatures as if they had been forbidden to act upon it.

Justice McLean, in the Passenger cases, (7 Howard,) uses this language:

When the commercial power was under discussion in the convention which formed the Constitution, *Mr. Madison observed that "he was more and more convinced that the regulation of commerce was in its nature indivisible, and ought to be wholly under one authority."* Mr. Sherman said: "The power of the United States to regulate trade, *being supreme,* can control interferences of the State regulations, when such interferences happen; so that there is no danger to be apprehended from a *concurrent jurisdiction.*"

A *concurrent* power *excludes* the *idea* of a *dependent* power. A concurrent power in two distinct sovereignties to regulate the same thing is as inconsistent in principle as it is impracticable in action. It involves a moral and physical impossibility. A joint action is not supposed, and two independent wills cannot do the same thing. The action of one, unless there be an arrangement, must necessarily precede the action of the other; and that which is first, being competent, must establish the rule.

If the powers be equal, as must be the case, both being sovereign, one may undo what the other does, and this must be the result of their action.

But the argument is that a State may regulate commerce until Congress shall act on the same subject; and that the State must then yield to the paramount authority. Is a commercial regulation open to State action because the Federal power has not been exhausted? Shall free goods be taxed by a State because Congress has not taxed them? Shall passengers, admitted by act of Congress without a tax, be taxed by a State? The supposition of such a power in a State is utterly inconsistent with a commercial power, either paramount or exclusive, in Congress. That it is inconsistent with the exclusive power will be admitted; but the exercise of a subordinate commercial power by a State is contended for. When this power is exercised, how can it be known that the identical thing has not been duly considered by Congress? And how can Congress, by any legislation, prevent this interference? A practical enforcement of this system, if system it may be called, would overthrow the Federal commercial power.

Whether I consider the nature and object of the commercial power, the class of powers with which it is placed, the decisions of this court in the case of Gibbons vs. *Ogden and reiterated in Brown* vs. *The State of Maryland, and often reasserted by Mr. Justice Story, who participated in those decisions, I am brought to the conclusion that the power "to regulate commerce with foreign nations and among the several States," by the Constitution, is exclusively vested in Congress.*

In the same case the same distinguished jurist says:

No one doubts the power of a State to regulate its internal commerce. All commercial action within the limit of a State, and which does not extend to any other State or foreign country, is exclusively under State regulation. Congress have no more power to control *this* than a State has to regulate commerce with foreign nations or with the several States.

Another argument in favor of the right of sovereign power, whether that be the State, as in cases of purely State commerce, or the national Government in cases of interstate commerce, to control and regulate the operations of railroad corporations as carriers, arises from the admitted legal doctrine of eminent domain, as claimed and granted in behalf of such corporations.

Eminent domain is the ultimate and high power of the sovereign to take private property for public use. It is based on the doctrine that private right must be subordinated to the public good. It is a right incident to every sovereignty, State and national alike. Under that extraordinary power, asserted *in favor* of railroad corporations, private property is taken for the road-beds; and taxation, which can only be enforced for public purposes, is asserted, and its legality is sustained by the courts. This may all be correct; but if so, it conclusively establishes the legal proposition that these corporations, though private as to the *rights* of property, are public as to the *use* of it, and such use is at all times under the control of wholesome legislation so as to protect the public from extortion, or any other abuses and inequitable practices on the part of such corporations.

It would, indeed, be a monstrous doctrine, if it were true, that these corporations are so far public as to authorize them to invoke in their behalf the extraordinary powers, eminent domain and taxation, and yet they are so private that the sovereign power has no control over them, and that they must be regarded as independent of the people and the Government. Surely the common sense of the nation must repudiate such a doctrine as that; and I hope my friend, the eloquent abstractionist from Kentucky, [Mr. ARTHUR,] will repudiate it also before he is much older. Fortunately, our highest courts have repudiated it. In the case of Olcott *vs.* The Supervisors, (16 Wallace, 678,) the Supreme Court of the United States, upon this point, say:

That railroads, though constructed by private corporations, and owned by them, are public highways, has been the doctrine of nearly all the courts ever since such conveniences for passage and transportation have had any existence. Very early the question arose whether a State's right of eminent domain could be exercised by a private corporation created for the purpose of constructing a railroad. Clearly it could not, unless taking land for such a purpose, by such an agency, is taking land for public use. The right of eminent domain nowhere justifies taking property for a private use. Yet it is a doctrine universally accepted that a State Legislature may authorize a private corporation to take land for the construction of such a road, making compensation to the owner. What else does this doctrine mean, if not that building a railroad, though it be built by a private corporation, *is an act done for a public use?* And the reason why the use has always been held a public one is, *that such road is a highway*, whether made by the Government itself or by the agency of corporate bodies, or even by individuals when they obtain their power to construct it from legislative grant. It would be useless to cite the numerous decisions to this effect which have been made in the State courts. We may, however, refer to two or three, which exhibit fully not only the doctrine itself, but the reasons upon which it rests. *Whether the use of a railroad is a public or a private one depends in no measure upon the question who constructed it or who owns it. It has never been considered a matter of any importance that the road was built by the agency of a private corporation. No matter who is the agent, the function performed is that of the State.* Though the ownership is private, the use is public. So turnpikes, bridges, ferries, and canals, although made by individuals under public grants, or by companies, are regarded as *publici juris*. The right to exact tolls or charge freights is granted for a service to the public. The owners may be private companies, but they are compellable to permit the public to use their works in the manner in which such works can be used. That all persons may not put their own cars upon the road, and use their own motive-power, has no bearing upon the question whether the road is a public highway. It bears only upon the mode of use, of which the Legislature is the exclusive judge.

And in the same case the court say:

The railroad can therefore be controlled by the State. Its use can be defined; *its tolls and rates for transportation may be limited.*

It will be observed that this case maintains the right of a State to regulate the use of a railroad within its own jurisdiction by limiting or fixing the rates of toll for transportation; and that right is predicated upon the right of eminent domain, and the fact that so far as the use of the road—not the use of the franchise, but *the use of the road—is for the public*, the road is a public highway; and being a public highway, the State has the right to control and regulate its use.

The Dartmouth College case is relied upon by the railroad advocates as an authority in favor of the doctrine that no right of legislative control exists in the case of a corporation, unless such right of control is reserved in the charter; that in the absence of such a reservation all the franchises and chartered rights are in the nature of a contract and are inviolable without the consent of the corporation. To this I answer that *that* decision has no relation whatever to the incorporation of a company as a *common carrier*, or for the purpose of interstate commerce. Common carriers are a class of persons who, at common law, have always been under the peculiar regulations of law, materially different from persons of other occupations. Unlike other persons, they are not permitted to make any contract, as to charges for carrying, which they may see proper to make. The law wisely recognizes the fact that the contracting parties are not equal; the carrier has the advantage; and if not specially restrained from using that advantage, the greatest and most intolerable extortions and other oppression would be the result. Hence it is that the common law has always interposed its just control by prohibiting such carriers from contracting or receiving more than reasonable compensation for their services. A contract for any excess above what is reasonable and fair compensation is void. Such carriers are regarded, in some sense, as public officers.

Judge Redfield, in his able work on Carriers and Bailments, section 132, says:

Carriers of goods and passengers, who set themselves before the public as ready to carry for all who apply, become *a kind of public officers*, and owe to the public a general duty independent of any contract in the particular case.

Such was not the case with the Dartmouth College corporation. It was under no special restraint, and could make any contract in regard to the subject-matter involved in the case that it saw proper to make. There were no common-law or other legal limitations, and no questions of eminent domain, which in any way affected its right to take property exempted from taxation. Hence, that decision may be sound law, (which I am not bound to admit;) but it has no application whatever to the question under discussion.

But it may be contended that a State by granting a charter in such cases, without reserving the power to control and regulate it, by implication surrenders the right. It is possible that such a right in regard to these corporations for public use might be surrendered by an express provision to that effect; but that is doubtful; for such a surrender would, it seems to me, destroy the only foundation upon which the right of eminent domain can rest. But the point I desire to make is this, that the rights of the sovereign—be it State or national—are never lost or surrendered by implication. This is a fixed and settled rule of construction, and is applied in all cases in which the sovereign is a party.

But this is not the material question. It matters not what may be the rights of a State in regard to the railroad corporations and that class of commercial transactions that are confined exclusively to a single State. The State alone may have, and, indeed, I think does have the power to regulate the *corporate powers* of the railroad company which it has chartered. But the power to regulate the commerce that passes over such company's road is another thing entirely, and in no degree depends upon the charter. The "power to regulate commerce among the several States," and the right of Congress to exercise that power, depend upon the express grant in the Constitution of the United States, and not upon any provision in any State charter. It matters not whether the franchise is owned by a corporation or by private persons, or even by the State. The use of the road for the purposes of interstate commerce, or foreign commerce, or commerce with the Indian tribes, is the condition that gives Congress its jurisdiction; and it matters not what may be the provisions of the charter, or any other provisions made by the State, the power of Congress remains unaffected.

While a State is sovereign within its sphere, it must be remembered that the national Government is equally sovereign within its sphere. And neither has the right to encroach upon the other; and therein consists the true doctrine of State rights. It must always be considered in connection with national rights. Under our system of government the two must exist together. The one is no more sacred than the other.

Suppose the Legislature of Massachusetts, or any other sea-board State, should grant a charter to a steamship company to carry freight and passengers between a port in the State and some foreign port—and there doubtless are many such charters granted by State authority; and suppose that in such charter it should be provided that the company shall have certain powers or privileges clearly inconsistent with the laws of Congress which have been made "to regulate commerce with foreign nations." Will it be said that such a charter would limit, in any degree, the power of Congress over the subject, or in any degree nullify or affect the act of Congress? Was not a similar question settled in the nullification controversy in 1833, so effectually settled against the doctrine of nullification that its most ardent adherents abandoned it nearly forty years ago? Yet that exploded doctrine is practically contended for by those who claim that a State, by granting a charter to a common carrier, under which "commerce among the several States" is carried on, ousts Congress of all power to regulate such interstate commerce. I am satisfied not very many men can be driven to such an absurdity in order to sustain a false theory of governmental power, based upon a misconception and misapplication of those wise old Jeffersonian doctrines of "State rights" and "a strict construction of the Constitution."

To hear the opponents of this bill talk about the Federal Government, one would naturally conclude that they were wholly unacquainted with the causes and necessities that produced it. Our fathers were as ardently attached to the State governments as any modern State-rights man can be. But, fortunately, unlike the opponents of this bill, they were controlled by more than that one idea; they felt the necessity for a power to administer those subjects of legislation which were of such a general character that the States either could not at all or could not efficiently administer them. This subject of commerce among the several States was not then as important as it is now; yet it was even then considered so important as to be provided for in the Federal Constitution. It was provided that the whole subject, because it concerned more States than one, should be delegated or given up to the General Government. And now to exercise the power thus intrusted to the Federal Government is not only a right but a duty; as much so as it is the right and the duty of a State to attend to its local internal affairs.

Why, sir, did it ever occur to these gentlemen who oppose this bill that both of our governments, national and State, are essential parts of our system; and that each alike rests upon the same bottom rock, "we, the people," for its foundation? It is well enough to have a due amount of watchfulness and jealousy for the rights of our State governments, and to support them in all their vigor. When there is any real danger in that direction, as there often has been of late years, I shall willingly resist the invaders and do all I can to assist in their overthrow; but, sir, every act that the General Government does is not an invasion of State rights. A blind devotion to abstractions must not permit us to overlook the great want of this progressive age. We must be practical as well as watchful. And I can say to all, individuals and parties, that unless you do show yourselves practical, as living men in a live age, you will, and ought to be, "snowed under." Do gentlemen not know that abstractions in statesmanship and political economy, as well as all other matters that concern our welfare, must and will be displaced by the practical living ideas that mold public opinion and crystallize it in the legislation and the general policy of the country? Political leaders who cannot understand these things ought to, and will be compelled to, take a back seat.

Do you not know, sir, that this nation is now in the throes of a revolution on the great labor question, and in the great contest to curb the power of monopolies? It may take years to settle these questions. Party conventions must meet, and they must take action upon them, and woe be to that party that shall fail to take the side of the people against this and all other moneyed oligarchies. Certainly these monopolies will make a stand. Four or five thousand million dollars, now invested in the railroads of the United States, will not lack for newspapers and orators, here and elsewhere, to wage their side of the contest. Let not the friends of this bill or of the policy which it seeks to institute anticipate an easy victory. Capital, in any of its varied forms, never did surrender without a struggle; and we must not expect that it will do so now. No, sir; we must expect, and I do expect, to see the principles of this bill, and all other bills on the same subject, fought vigorously here, and it may be defeated. But it will go before the people. Whether this bill is passed, or whether it is defeated, the principal feature of it—the power of Congress over the subject—will continue to be agitated before the people. Parties will be compelled to take sides upon it; but if the people are true to themselves I have no fears for the result. But it is a contest that must be waged in earnest and with vigor on the part of the people if they would be victorious.

In conclusion I will say, as to the bill itself in its various details, and in its scope and intended operations, I do not intend to take up much time. Like all other new propositions it is only an experiment, and can be perfected alone by practical experience—by a trial. In fact, I do not expect that any legislation on the subject, any more than legislation on other subjects, will remove all the evils that exist. I am not so utopian in my expectations as to look for any such a result from any legislation on any subject. But, sir, I do expect that the passage of this bill will accomplish one great and good result. It will at least teach these great railroad corporations that they have a master; that they are not wholly irresponsible to both Government and people. Such a lesson will, of itself, do much good. Irresponsibility furnishes the opportunity and the encouragement for evil-doing. When these great corporations shall learn certainly that they can be and will be restrained and controlled, I am satisfied that such fact alone will have a moralizing effect upon their conduct. At all events, the enactment of this bill as a law will be a beginning in the right direction. It will form a basis upon which future legislation can be enacted that will be more beneficial than the warmest friends of this particular bill can reasonably hope for. And in this regard, without discussing the details of this bill, I think it is about as free from objections, as to matters of detail, as we have a right to expect possible in view of the novelty of the subject. I am satisfied that every member who would be willing to support any bill on the subject, involving the same general principle, can afford to vote for this one. At least I shall do so, in the confident hope that it will tend to promote the general welfare of the whole country.

Mr. DONNAN. Mr. Speaker, I agree with many of the positions which have been taken by the advocates of this bill. I support its general features, doubting, at the same time, whether it can accomplish all that is claimed for it. In the remarks which I shall now submit I do not propose to deal with the specific provisions of this bill, but rather to address myself to what I deem to be its ulterior objects, the securement of cheaper transportation, and a better prosperity consequent thereon, for the people of the country.

No nation can continuously permanently prosper, which permits any one or more of its large industries to languish. So closely interwoven are its varied material interests, so largely do the welfare and advancement of all depend upon the prosperity of each, that in the body-politic, as in the human organization, one member does not suffer without causing pain to be experienced throughout the entire system. Accordingly observation and history very well establish the fact, that wherever the energies of a people have been permitted, with the freest scope, to push forward in profitable employment, there has general prosperity most prevailed and national wealth most rapidly aggregated.

Legislation cannot create wealth, but it can greatly obstruct or broadly widen the avenues which lead thereto. Careless inattention to the circumstances and necessities of the time, which are always variable in a rapidly developing country; culpable negligence to properly provide facilities for the successful prosecution of any of the industries, when the necessity therefor is known and recognized, soon dissatisfy and dishearten the class of citizens pursuing such avocation which thereby has ceased to be profitable. If such obstruction be of long duration, loss of production, deleterious effect upon other industries, and irreparable injury to individual and to national prosperity ensue. When, however, the legislative power observes the requirements of the present and the inevitable necessities of the future, and by prudent enactment removes, if possible, every obstruction which bars the profitable employment of mind and muscle, enabling all branches of industry to move forward in united and general advancement, then the conditions-precedent to prosperity and progress are met, and their attainment is assured.

PROGRESS IN THE PAST.

If you turn back and view all these nearly ten decades of our national existence, you will find, indeed, here and there brief periods during which there has been a lack of successful prosecution of one or other of the great national industries. But, fortunately, such period has never been protracted. Either the party to whose political action such prostration of business was justly attributable has been replaced, or the policy so changed as to restore comparatively equal opportunity for the great mass of citizens to engage in profitable pursuits. The result has been an unparalleled development of the resources of the country. Some of that generation are yet alive who in boyhood could reach the uncultivated and unoccupied West without going beyond the limits of the Empire State; while the valley and plain of the Mississippi and the gold-ribbed mountains beyond were almost a limitless unknown. In so brief a period as has since intervened our hundreds of thousands have become tens of millions; the vast territory from ocean to ocean is being rapidly changed from a wilderness to fruitful fields; the north and south frontier line, although upwards of fifteen hundred miles in length, has, for a considerable term of years last past, been pushed westward sixteen miles every year by the resistless tide of empire, thus adding to the new settlements annually an area exceeding in extent three such States as Massachusetts. Over all this grand expanse of domain, old and growing and new, the groundwork of intelligence and culture, the elements of commercial and Christian civilization, are well founded, giving promise of a grander future than ever anticipated by the most sanguine in the past.

THE BAR TO PRESENT AND FUTURE PROSPERITY.

But, sir, under this grand progress we have been making, the center, especially, of our vast agricultural production, has been carried farther and farther westward, until it is now a thousand miles or more distant from the sea-board. The amount of the annual product beyond what is or can be consumed by the home market has increased until its aggregate is now counted by thousands of millions of bushels; and yet this is but a tithe of what the States west of Lake Erie can and will produce when under full cultivation. With a soil unsurpassed in fertility, easy of cultivation, and yielding annually immense harvests, the West ought to be to-day the most prosperous section of the country. It is not. Do you ask why? The answer is found in a single sentence. The Government has failed to furnish the proper and necessary facilities of transporting the rich products of their flocks and fields to a remunerative market.

It is said that the entire annual harvest of wheat in the State of Massachusetts is barely sufficient to feed her population from one breakfast to another; and yet when the people of that State are paying seventy-five cents per bushel for Iowa corn, its producer realizes less than twenty cents per bushel, the whole margin being swallowed up in transportation between the two States.

Do you wonder that a comprehension of the present situation and the inevitable certainty that the difficulty must continue to grow worse, if possible, in the future, as the volume of production increases, causes among all classes of our people a remedy, an *adequate remedy*, to be the all-absorbing topic of discussion?

It is claimed, and may well be claimed, that the prosperity of not only the Western States but that of the country generally, is largely dependent upon a profitable disposition of the mineral and agricul-

tural products which now form and must continue to form so large a part of our real and substantial wealth, and the successful exportation of which will maintain for the people of this country an equilibrium of trade relations with the people of the world.

THE RAILROAD SYSTEM.

Where shall we find a remedy adequate to our necessities? Can we longer hope for it in the present or any possible railway system of carriage? I am not of the number who join in the present general denunciation of all railroads, and of the generous legislation by which they have been extended, in all directions, until their numerous freight and passenger trains are now drawn an aggregate distance of upward of seventy thousand miles. Ten or fifteen years ago any man who then could have the hardihood to oppose liberal aid for the extension of these lines for travel and traffic in Iowa, would have been denounced as an enemy to his community and to the State. I cannot forget that to them, perhaps more largely than to any other one agency, is due the magnificent development which my own and many surrounding States have made in the recent past. I cannot forget the absolutely helpless condition we would be in to-day, as to present and future progress, did no such system exist. The railroad system has been, is, and will continue to be, an agency, a powerful agency, of civilization and commerce. It is nevertheless exactly true, that as a freight line, it has largely failed to accomplish what was justly expected of it.

The railroad will always prove an inestimable benefit in furnishing a sure and rapid means of travel, and unequaled facilities for the transportation of express and postal matter and the lighter and more perishable articles of commerce. But for the heavier, bulkier, products of the farm, in case they must be freighted a long distance, the railroad has failed to furnish a reasonably cheap means of transportation; and now that such products have so enormously grown in quantity, the facilities offered by this means have become wholly inadequate. This incapacity arises through no fault of the railroad corporations; for they have shown most commendable enterprise in doubling their tracks and in building new parallel lines, so as if possible to meet the ever-increasing business arising from the astounding development and fertility of the West.

But the people complain and believe that there has been no effort whatever to furnish a reasonably cheap transportation by these corporations. Like all others organized for pecuniary profit, there is a continual tendency to take advantage of existing circumstances. It is estimated that we have now nearly fifty million tons of surplus products annually to be carried to the sea-board from the Mississippi Valley. The seemingly trifling excess of one cent per hundred pounds on freight charge amounts, on such an aggregate yearly shipment, to $12,000,000.

The Merchants' Exchange of Saint Louis, in their report to the Senate Committee on Transportation, say:

> There were shipped to the eastern sea-boards during last year wheat and flour to the amount of one hundred and forty million bushels, at an excess of freight of twenty cents per bushel, causing a loss to the producer, West, and to the consumer, East, equal to $28,000,000—

A sum in one year largely more than sufficient to complete a continuous water-route of large capacity from the Mississippi River, by way of the great lakes, to the Atlantic Ocean; a sum five times in excess of the interest which would annually accrue upon the necessary appropriations for the construction of the most extensive system of water-communication which I have heard proposed by the most enthusiastic advocate of such an independent means of transportation.

If competition has been relied upon, as indeed it has been, to reduce freights to the lowest possible sum, it is only to discover that combination of interests has taken its place, and to such an extent as to constitute absolutely a monopoly of the carrying trade; to discover that less than half a dozen railroad presidents are able at will to levy a tax upon the industries of a vast empire in the Mississippi Valley greatly exceeding in amount aught those people have ever been called upon to pay to the General Government, even in its extremest need; an exacting, burdensome tax, from which, through wise and prudent assistance of the General Government, there ought to be an early escape, a complete relief.

CONGRESSIONAL RESTRICTION.

There has been, and there still is, an urgent appeal that Congress shall exercise its fullest constitutional authority over these corporations, and put a stop to unjust discriminations and exorbitant tariffs, so as, if possible, to secure a more uniform rate and a cheaper transportation.

The bill now under consideration looks to the adoption and enforcement, under suitable penalties, of rules and regulations concerning commerce among the several States, as carried on by railroads for the taking of no more than fair and reasonable freights or compensation. This I believe to be within the rightful authority of Congress—a step in the right direction.

Without stopping to discuss specifically the provisions of the bill, which have been ably and fully discussed by a number of others, I shall here and now say that I shall support the general features of this bill. In case a system of water-transportation shall be inaugurated, an anti-discriminating freight law will be of material value in enabling localities a short distance from the water-routes to reach and transship their products, while, without it, discrimination by the railroads might render the water-line nearly valueless to such communities. But I question whether any fair *pro rata* freight law would not prove a detriment to those shipping a long distance by depriving them of the large reduction now conceded to through freights.

Besides, when you stop to compute the magnitude of the investments which have been made for construction, for depots, for rolling-stock, for repairs, and for operating expenses, I doubt—nay, it seems to me a certainty—that any reasonable use for the capital invested will prevent the attainment of any such reduction as the necessities of the country so urgently demand.

FREIGHT RAILROAD.

It has also been advised as a relief measure to construct a new double-track freight line of railway between the city of New York and some point on the Missouri River. This could only be done at the enormous cost of over $175,000,000; and with that sum invested in its construction its rate of carriage must inevitably be above that minimum which is the great object in search of which the people of the West are now engaged.

Besides, if chartered and constructed by private capital, how long would it be before existing companies would secure a majority of the stock, and so control it in conjunction with the present combinations? If you say it will be held subject to regulation as to charges for freight by Congress, that can only amount to the very same power which you now propose to exert over those lines already built. If it be proposed to construct, equip, and operate such a line wholly at Government expense, and by Federal officials and employés, then I submit that experience teaches the inability of Government to construct any such gigantic work as economically, or to operate it when constructed so cheaply, through its agents, as it may otherwise be done; and we shall have a fruitful source of contention, if not of corruption, for all time to come.

While, therefore, I cannot doubt that it would necessarily add greatly to the burden of taxation, I do most seriously question whether, if built, it would be of value commensurate with its cost, and whether it would or could accommodate the wants and relieve the necessities of the inland commerce of the country.

WATER TRANSPORTATION.

The requisite means for the interchange of commercial commodities which our present exigencies require, and which the future will still more require, must afford a large *increase of capacity*, accompanied by a large *decrease of cost*. To my mind, it is quite evident we shall not obtain both these results by rail or by any other known method of freightage by land.

But, sir, we can find both combined in water transportation. The natural water-channels of the country, when properly improved, will furnish highways for commerce, with a capacity almost unlimited. Belonging to the nation, there can be no exclusive privileges, for all desirous of so doing may engage in the carrying trade. Necessary as some limitation tariff law in regard to railroads may be, requiring commissions to examine and report upon, and penalties and forfeitures to enforce it, the water highway will protect from adverse combinations, and will execute its own restrictions as to freightage by the broadest possible competition.

IMPROVEMENT OF FOX AND WISCONSIN RIVERS.

Before proceeding further upon the general question let me here call the attention of the House particularly to the continuous water communication between the Mississippi River and the Atlantic Ocean by way of the great lakes. I desire to do this especially for two reasons: first, because my own section of the country is directly interested in its early completion; and, secondly, because, although the great advantage to be gained has been recognized by the General Government, and the improvement of that portion of the route between the Mississippi River and Lake Michigan has been energetically commenced, yet, so great has been the pressure for a decrease of expenditures, that it is now proposed to appropriate only $350,000 of the $750,000 which the officer in charge reports as the amount required for the proper prosecution of that work for the fiscal year ending June 30, 1875.

Six years ago General Warren took occasion to say in his report that if this water-communication were made as good as it was susceptible of being made, that at least one-half the surplus product of wheat raised in the group of States tributary to this line would be shipped over it in preference to any other; and he adds:

> We believe it safe to say that a good line of water-transportation from the Mississippi to Green Bay can be built so as to profitably transport wheat at one-half cent per ton per mile. The line would be two hundred and eighty miles long, and this would make the cost $1.40 per ton. This, in the present wheat crop, would save, over what the railroads charge, $3.60 per ton, making a saving of $5,760,000. It must be kept in view that we have supposed one-half the crop to go by railroad and down the Mississippi below the Rapids, and we have not taken into account the benefits of the trade from Lake Michigan to the Mississippi, which will be quite as great an addition.

Thus was a loss approximating $4,000,000 sustained by our people in 1858, and each year since then, for want of the completion of these improvements, and that on account of shipments of the surplus wheat products alone eastward. Now, consider the ever-augmenting crops of wheat and other farm products which, since then, would have been thus transported with a comparative saving on freights returning westward from the lakes into the Mississippi Valley. The aggregate

annually amounts to a larger sum than the entire estimated cost of improvement of these rivers. Remember that Iowa is paying to-day 16.2 cents per bushel for carrying her cereals from her eastern border to the lakes, and you will not be surprised that although she has three times previously memorialized Congress on this subject, the Legislature of Iowa, now in session, sends the following memorial and resolutions:

To the Senate and House of Representatives of the United States:

The memorial of the General Assembly of the State of Iowa represents that the annual report of D. C. Houston, of the United States Engineers, on the Fox and Wisconsin Rivers improvement, shows that the project of rendering navigable the channels of the Fox and Wisconsin Rivers is entirely feasible at a moderate expense; and

Whereas the General Government has already entered upon said work, and as said improvement is of great national importance: Therefore,

Be it resolved by the General Assembly of the State of Iowa, That our members of Congress be requested to urge the appropriation of a sufficient sum of money to carry this great enterprise to a successful completion: *Provided*, That the regulation and control of the entire route from the Mississippi River to the lakes may be retained in the General Government, and shall not pass under the control of any private corporation or company, to the end that the transportation of the products of the country may be subjected only to such tolls as may be necessary to maintain said improvement in perfect condition and repair for public use.

Resolved, That the secretary of state is directed to forward a copy of this preamble and joint resolution to the President of the United States Senate and to the Speaker of the House of Representatives, with a request that they may be laid before each House of Congress, and that a copy be sent to each Senator and member of Congress from this State.

JNO. H. GEAR,
Speaker of the House.
JOSEPH DYSART,
President of the Senate.

Approved February 2, 1874.

C. C. CARPENTER.

I am just in receipt of numerous petitions, signed by upward of two thousand citizens of my own district alone, and am notified that many other petitions of like nature are on their way here, setting forth briefly the advantages to be derived and urging the early completion of this improvement. I heartily join in their request, and give such voice as I am able, to their petitions, at this earliest possible opportunity.

And yet, I doubt not, when the House is asked to appropriate the full estimate of the engineers in charge, we shall hear that much-abused cry of *economy* raised against it. In his last report, page 224, the Chief of Engineers says regarding this work:

There is no public work more national in its character than this. By it, the products of the Northwest will find cheap transportation to the sea-board, and the lumber and iron of the North, to the Mississippi Valley. One of the great problems of the day is to secure cheap transportation for these indispensable and bulky commodities, and while no one route will meet the demands of the country, there is no other route which will meet the necessities of so large a section of the United States at so small an expense as this.

To cut down the appropriations for the rapid completion of a work of this magnitude, importance, and necessity, because of present financial circumstances, while a vast and ever-augmenting loss is suffered in consequence, has no more the elements of real economy, or of common prudence, than it would be for a farmer heavily involved, to attempt to save up the amount of accruing interest from the necessary food for his teams, by the faithful service of which he must till the soil, cultivate the crop, and reap and market his harvest—upon which he must really depend to meet both the interest and principal of his debt. On the contrary, the largest appropriation which can be advantageously expended upon this route during the next fiscal year, looking to its early completion, is at once economy and duty. It never was, and it never will be, economical, to save a few hundreds of thousands at an annual loss of several million dollars. In view, therefore, of the great benefits which will accrue to a large section of the country, I earnestly hope and urge that Congress will not delay this work by small appropriations, but push it vigorously, so that its benefits may be secured at the earliest day practicable.

NIAGARA FALLS OBSTRUCTION.

There remains, however, another obstruction to a continuous east and west water-line to the sea-board at Niagara Falls. Twice heretofore the House of Representatives have passed a bill incorporating a company, and loaning the credit of the Government to the extent of $6,000,000, for the construction of a canal around this barrier to western commerce. In the last Congress I introduced a bill providing for such a canal, to be constructed by the General Government under the direction of the War Department. It was considered by the Committee on Commerce, who, in reporting it again to the House, among other things, said:

The question involved in the provisions of this bill is one of very great importance. It is no less than whether we, as a whole nation and people, shall continue to expand and increase in population, prosperity, and wealth, or whether, by a parsimonious policy, we shall hamper, cripple, and blight one of the most important industries of the whole country; indeed, the one upon which all others are dependent, to wit, the agricultural interest. It needs no argument to prove that upon the development and prosperity of this industry depend the prosperity and development of all others.

The committee's report goes on to show the aggregate product of the States clustering around the lakes, and estimates the value of their aggregate production (provided remunerative markets are secured) in the year 1880 at $1,744,482,677. The report also calls attention to the manifest advantages which would accrue to the various agricultural, manufacturing, and commercial interests.

As a part of some remarks which I took occasion to make when this report was presented to the House, I gave comparative tables of distances and cost per mile, showing by the one that the cost per bushel by the present route from the Mississippi to Liverpool, at the lowest rates heretofore charged, amounted to 51.6 cents, and by the other, the completed water-route, the same bushel could be transported to the same market for 30.4 cents; thus demonstrating the enormous saving which it was believed could be thus secured. I then said:

From these tables it appears that with the facilities asked for, the shipper at Dubuque, Iowa, on the western bank of the Mississippi River, can make a saving upon a ton of freight shipped to the foreign market of Liverpool amounting to the sum of $6.93, or a saving of twenty and one-fifth cents upon each bushel of wheat. Does any one say this is theory, and that the results of practice seldom approximate closely to the standard of theory? Then I ask him to discount it, if he will; to reduce it 100 per cent. if he deems it just; but to make the calculation for himself, and he will find that even when so reduced the saving upon the entire wheat crop of the States west of Erie and north of the Ohio River for last year alone would amount to the enormous sum of $20,000,000, more than sufficient to complete the great improvement provided for in this bill. Then I ask him to make a fair calculation of the entire saving upon all the commodities transported between the West and the eastern and foreign markets for a single year; and then to agree with me that this work ought not be longer delayed.

Our States at the West invite largely to agriculture. Their leading source of wealth lies in the abundant products of the soil. But the employment of the farmer has become far less remunerative than that of almost any other. We hear much in these Halls and elsewhere of taxation bearing heavily upon the people; and it is, and must for some time to come continue a burden. But it is as a feather compared with the tax which takes more than a moiety in the way of freight, which must be deducted from the market price of his product, and thus reduces the amount he receives, until his yearly toil and magnificent harvest recede into a profitless pursuit. Change this, as you can do, by giving him greatly reduced freights and thus enable him to save the greater portion of the market value of his crops; give him some profit for his summer's labor, and he will not only meet his legitimate taxes without a murmur, but he will bless the Government which shows a proper fostering care of the nation's great primary industry.

A year's delay has intervened only to confirm one's conviction that each succeeding year renders the necessity more imperative for the breaking down of this barrier to a vast and annually augmenting commercial business. When we assembled here in December last, owing to the financial condition of the Treasury and of the country, friends of this measure advising, by their request I introduced and had referred to the Committee on Railways and Canals a bill (H. R. No. 188) providing for the incorporation of a construction company, authorizing it to enter into a contract with the Secretary of War, with the approval of the President, for the early completion of this proposed canal.

I do not stop to discuss the provisions of that bill, because if the Government is too much embarrassed financially to undertake this work, is it not, at the very least, its duty to permit and liberally encourage her citizens to invest private capital therein if they are willing so to do? In my opinion, however, this work is of such national character that the Government should itsel fconstruct it for the public good. Besides, when completed, it ought to be open for the thirty-four hundred vessels which float upon the bosom of the chain of northern lakes, not at a toll, which would pay interest upon the capital invested and the cost besides, but at the lowest charge which might be necessary to keep the canal in good repair. I shall therefore favor such amendment of the bill.

Some one asks, why not use and depend upon the Canadian Welland Canal? Without stopping to consider the feasibility or probability of its enlargement to such capacity as to render transshipment unnecessary, I deem it quite sufficient to say that we should never depend upon a great highway of American commerce passing through territory foreign to the United States, and hence liable to exactions, either through selfish interests or inimical feeling, which might render it useless in time of peace and dangerous in time of war. If any one supposes that under the recent treaty the use of the Canadian canals is guaranteed to our people, he will be corrected by the following statement, made by Mr. White, of Montreal, at Chicago, in October last, before the National Board of Trade:

But, Mr. President, what I want to point out at this moment is this, that these water communications, when improved, are the communications of the Dominion of Canada, and under the control of the Dominion of Canada, subject to no treaty stipulations as to their use; subject entirely to the legislation, which, from time to time, the government of Canada may think it necessary to adopt. That is, to my mind, the consideration which belongs to this board to consider. And although the past policy of the people of Canada may lead them to believe that there will always be a liberal policy on the part of Canada in relation to the trade and commerce of this great continent, at the same time we must not overlook the fact that the people of Canada are like the people of the United States; that they are disposed to look after their own interests, and that if, in the future, they should see in this magnificent system of intercommunication the means of enforcing legislation on the part of the American people, which they considered to be to their advantage, it would hardly be considered, especially by our American friends, I should say, extraordinary if they should adopt that principle. I am aware that there is a feeling prevalent here, that by the Washington treaty the use of the canals has been guaranteed to the United States. The use of the canals has never been guaranteed to the United States by any treaty stipulation up to this time. What has been guaranteed to the United States is the free navigation of the Saint Lawrence.

Let, therefore, our commercial lines be within our own borders, especially when it is both possible and feasible. Let the teeming products of the interior, by cheap and uninterrupted water-communication, out upon Lake Ontario, and we shall be able to avoid the extortionate charges on transshipment at Buffalo, for that city sits like a toll-gatherer at the gateway of our present commercial thoroughfare, and her tax upon our prosperity is greater, comparatively, than that of the railroads and of the Erie Canal. Let us cheaply out upon Ontario, and we shall then reach competing routes for Baltimore and Philadelphia,

New York, Boston, and Portland, one of which is now insisting that it will soon be able to deliver our wheat from this lake in Boston for less than four cents per bushel. Let us reach Ontario and we reach an open water-route to the ocean, via the Saint Lawrence, upon which, under the Washington treaty, we may float our commerce to and from the ocean without let or hinderance from the Canadian or British government.

Statistics show conclusively that the Eastern States, year by year, are growing less of breadstuffs and are becoming thus more dependent upon the grain-producing Western States for food supplies; while we of the West not only are annually greatly enlarging such products, but are large consumers of eastern manufactured products. A greatly reduced freight between the sections will inure to the mutual advantage of both, advancing their prosperity and adding enormously to their accumulations of wealth. It is believed that during the year 1873 not less than three hundred and fifty million bushels of grain from the Western States have been carried to the Atlantic seaboard at an average cost of fifty cents per bushel. The present cost, therefore, of moving a single surplus crop of grain from the Mississippi Valley is $175,000,000. With a thoroughly improved continuous waterline, not subject to State tolls, at least one-half of this enormous sum can be yearly divided between producer West and consumer East,

NO ONE LINE SUFFICIENT.

Let me not be understood, however, as presuming that any one line of water-transportation can render all the relief required for the multiplied products and industries of the different sections of the country. The more eastern cotton-growing States want supplies from the bursting granaries of the Northwest, and we want to supply that market.

B. W. Frobel, of Georgia, says to the Senate Transportation Committee:

> A single railroad brings annually to Atlanta, and other stations along its line, western products valued at more than $40,000,000.

Yet so expensive is the transportation that he also states the price of corn in those States last year to have been upward of ninety cents per bushel, when it was worth but ten or fifteen cents in Iowa and Missouri. Surely no length of argument could more effectually show the mutual and great advantage to be derived by a comparatively inexpensive canal system which would reduce this cost of exchange to a fraction of the present expense. Were this evil properly remedied, the six million acres which, in four of these States of the cotton belt, distant from the Mississippi River, are now planted in food crops, employing one-half their capital and labor in the cultivation of grain, being able to buy their bread from the Northwest cheaper than raise it, would again be largely devoted to growing cotton, the best exporting crop which the country can produce; while at the same time they would furnish an accessible market for tens of millions of bushels of our grain, which under existing circumstances is sometimes marketless and all but worthless on our hands.

THE MISSISSIPPI.

But, sir, who in earnest search for cheap water transit, as an independent means of conveyance, can overlook that channel, along which flows a grand current almost from the extreme north line of our territory to the Gulf of Mexico? Unlike the proposed great freight railroad, its right of way and road-bed require no expense, for they already belong to the country; no hundreds of millions of dollars to construct its track, for a beneficent Providence has furnished one which breaks not down and wears not out, free to all competition, and broad enough to accommodate the weightiest inland commerce of the world. Yet, for lack of improvements comparatively trifling in expense, we fail to realize even 10 per cent. of its real value as a commercial channel. Its upper waters, including the long arms bearing eastward toward the lakes or westward to the mountains, are left in a few places seriously obstructed for navigation, and, at its confluence with the Gulf, bars of sand and mud have been permitted to form and remain such a barrier that during the last year thirty ships at one time have been seen lying in the mouth of the river, laden with cargoes valued at upward of $8,000,000, struggling, some so long as thirty days, to effect an entrance or an exit, and subjected besides to an exorbitant tax for towage assistance. Under such condition of things our immense products are compelled to seek other and more expensive outlets to foreign markets, and ocean commerce is virtually excluded from the Mississippi Valley.

Aside from "the Union first, last, and always," no other sentiment so strengthened the purpose and nerved the arm of the hardy sons of the Northwest against the late attempt to disrupt the nation as the determination that no foreign power should be able to tax our commerce at the mouth of the Mississippi, or to obstruct or prevent our use of this open highway to the sea. Her treasure flowed freely, her bravest men bled, and her best men fell in this behalf. Preserved, as it happily is, for the use of an undivided country, it is not strange that the Northwest protests against being in great measure deprived of the practical benefits of this channel of interchange, for want of an inconsiderable expenditure from the general Treasury for its improvement. This river drains nearly a thousand million acres of the most fertile land in the world. Facilitate the advancement of this section of the country in conjunction with the others, and from soil and mine this valley will develop a wealth beyond the expectations of even her own remarkably sanguine people. Open cheap highways for her products, and a few generations hence will find a commerce floating from that valley greater than the entire commerce of the country to-day.

Cognizant of the benefits which would accrue to her citizens, the Legislature of my own State has again memorialized Congress within the last few weeks for the improvement of this great commercial channel.

CHEAPNESS OF INTERCHANGE MOST DESIRABLE.

In a memorial of the American Cheap Transportation Association I notice a statement by the late Commodore Maury, said to be based upon various tests and actual comparison of cost among existing lines of traffic, to the effect that transportation by railroad is 500 per cent. cheaper than by common wagon, and by free canal is 600 per cent. and by river it is 750 per cent. cheaper than by railroad. Probably these estimates quite closely approximate the actual cost as between the different modes of conveyance. If it be true that for the great bulk of our commercial commodities, celerity of transit is of little value, while cheapness of carriage is the great desideratum sought, it seems undeniable that these methods of which I have spoken can and will furnish an adequate remedy for the evil under which we now suffer. Believing it demonstrable to a mathematical certainty that a thorough system of water-transportation will save nearly, if not quite, the round sum of $100,000,000 annually upon the aggregate of our inland commerce now, and a much larger sum in the future, it appears to me the interest and duty of the General Government to provide such a system with the least possible delay.

All classes of our people are either producers or consumers. Every reduction on freight enhances the price of the article for the producer and lessens its cost to the consumer. Hence the entire millions which by this means may be saved will be distributed among the people. The manufacturing States will thus be enabled to compete more successfully with foreign nations in that branch of industry, and will cheapen these articles in turn to the agricultural States, enabling them to buy more largely and to pay for what they purchase. Expensive transportation, like high taxes, oppresses industry and becomes a grievous burden. Cheap interchange fosters industry, begets prosperity, and advances the interests of all.

FOREIGN MARKETS.

But I should stop far short of the legitimate range of this question, if not extended beyond the limits of our own country. Upon its proper solution depends our ability to supply a large demand for breadstuffs in Western Europe. Formerly England raised about four-fifths of the cereals which her population consumed. Her production has relatively decreased until at present she produces less than 40 per cent. of her consumption, with her demand for importations gradually increasing. Her requirements for last year were thus set forth by the London Times in November, 1872:

> For ten months, ending the 1st of October, England has imported 130,000,000 bushels of wheat, over and above her own production, to feed her population of England, Scotland, and Ireland; and the probability, nay, certainty, is that for the next two months her importations will amount to 20,000,000 bushels more, making for the year 150,000,000 bushels, and that, too, over and above large importations of rye, barley, oats, and some corn from the States. The probabilities are that for the coming year this amount will be increased about 10 per cent.; in other words, our importations of wheat for the year ending the 1st of January, 1874, will be about 165,000,000 bushels, and more likely to be 10,000,000 bushels more than to fall short 5,000,000.

What nations secure the benefit of this market? Chili, three or four times more distant than ourselves, but on the sea-board, furnishes somewhat to this demand; Russia supplies very largely; while, with our splendid harvests, we have hitherto furnished not more than an average of 5 per cent. of the aggregate carried to this vast market. Why are we thus excluded? Because Russia, with an enterprise and wisdom which commend themselves to us to-day, has so improved her water-channels for transportation that she is able to deliver her wheat in Liverpool from the Baltic at thirty-five cents and from the Black Sea at forty-five cents per bushel. We can furnish a superior article of grain; but owing to our present expensive system of freightage she successfully competes—yes, all but excludes us from the English market. This can and should be changed.

Here is what Barings Brothers, the London bankers and European provision brokers, thought of our opportunities in this direction in 1868. In their circular they say:

> The demand of the western European markets for the cereals, as wheat, corn, barley, &c., exceeds 500,000,000 bushels per annum. If the Americans will open up that water-route from the valley of the Mississippi to the Atlantic sea-board, by way of the great lakes and the river Saint Lawrence, and thereby inaugurate cheap transportation thereon, they can and will supply a very large proportion of that demand.

If, therefore, the cost of transporting grain from the fields of the West to Liverpool can be reduced to thirty-five cents per bushel, and I think I have shown that it is possible to reduce it to nearly thirty cents, we shall be able to supply hundreds of millions of bushels of the foreign demand and virtually control that market. The drain of gold from this country to meet the coin interest on the public debt held abroad, and the adverse balance of trade, is well-nigh to $200,000,000 a year. Furnish them the necessary cheap transportation, and our people will seize the golden opportunity, and pay your golden obligations abroad with their golden wheat, and keep the gold of the country at home.

This, in my judgment, will lead naturally, directly, and more speedily

to specie payments than all the resolutions and enactments which it is possible for this Congress to pass, agreeing and obligating ourselves to pay gold when we have none to pay.

I look hopefully into the early future for a greatly increased and more advantageous foreign trade southwardly and westwardly through the Gulf of Mexico. An impediment lies in the way at present, in the want of reciprocal trade relations with the Spanish-American states and provinces.

It is true our treaty with Spain runs in the amiable language that the two nations, to "augment their prosperity and opulence, will in future give to their mutual commerce all the extension and favor which the advantage of both countries may require." It is also true, I believe, that our commodities are admitted into Spanish possessions on like terms with those of other nations. Yet, while we admit the products of Cuba untaxed, with the exception of two or three articles, averaging probably not to exceed 25 per cent. on her admitted products, her tax is almost prohibitive against us: as, for instance, eight dollars on a barrel of flour and forty cents per bushel on corn, averaging not less than 80 per cent. on our products. Surely, if a more generous reciprocity of trade can be secured it would promote the "prosperity and opulence" of both nations, and would certainly be of immense advantage to our Southern States and to the Mississippi Valley.

The rate of duties is still more oppressive in Mexico. The aggregate of taxes upon American commodities for that country is stated by our consul at Veru Cruz as amounting to 96 per cent. As a consequence we supply not more than 10 per cent. of the commerce which they receive. Their demand is large for such products as we raise, and it seems quite possible to open the way for a large and lucrative commerce with that country.

And when the interoceanic channel is cut across the Isthmus of Panama, as it will be before the younger members of this House shall see their "three-score and ten," then we shall be in position to reap the full fruition of the commerce of the East and of India, and to see our country become first in commercial power, as she now is first in her latent resources, in her rate of development, and in the unconquerable will of her people.

PUBLIC DEMAND.

No one doubts the emergency that is upon us. From Maine to the base of the Rocky Mountains, from Minnesota to Florida, the people of the country have joined in the cry of distress and the prayer for relief. Men in all stations, from day-laborers and farmers, to the President of the United States, have commended this subject to our present consideration. Public meetings, city councils, boards of trade, commercial conventions, governors of States in official messages, and State Legislatures by memorials, representing an undoubted majority of the citizens of the country, have asked for the improvement of one or all of the channels of water-communication, as least expensive and most certain to afford an adequate remedy.

If the Government will not undertake this system of internal improvements, then at least it ought to encourage private capital to invest itself in this direction. But it will be very generally conceded that such thoroughfares should not be controlled by corporations, authorized, as they inevitably must be if built by private capital, to tax the industries for their use, repairs, and cost.

Does some one say wait? Delay until we shall obtain a plethoric Treasury? Why, sir, we have already delayed too long. The very lack of cheaper transportation has largely caused this halt in our onward march of prosperity. If you leave the producers of wealth to suffer this vast annual loss, and even more in the future than in the past, pray when will you obtain a full Treasury and a flowing tide of prosperity?

ECONOMY AND DUTY.

Economy is always wisdom. But all is not economy which offers that effective plea. I will follow any gentleman upon this floor in behalf of that which gives best evidence of real economy. But, sir, I never have, and never will legislate for a republic like this, from a parsimonious stand-point. In our individual affairs we do not decline to sow one dollar when we know it will produce a harvest of five dollars; and this rule of action is equally good for legislative duty. If the sum of $100,000,000 can be saved annually from excessive cost of transportation, to be distributed among the various classes of industry by a governmental expenditure, the annual interest of which would be largely less than ten millions, every year of further postponement by Congress is anything but economy. It is not even parsimony. It is nothing less than a culpable neglect of public duty.

Suppose the Government could advantageously expend the sum of $50,000,000 upon such a system of navigation improvements during the next fiscal year. Suppose, for that object, it should accept from the people a loan for such sum, and instead of distributing the Treasury notes issued thereon to banks, pay them out exclusively for material furnished and for labor performed upon such improvements, thus placing the money directly in the hands of the more needy and now unemployed laboring men, and so reach the capitalist ultimately, rather than directly. Shall we pass any monetary relief measure which would be more quickly experienced or more keenly appreciated than something of this nature?

The people do not expect relief from the enormous tribute they are now paying without expense, nor do they so much fear that expenditure as they dread the lack of profitable employment. Give them but free scope for their energy, and remunerative pay for their industry, and a single generation of our brothers and sons will cancel the debt, principal and interest, and show you a more prosperous nation than we are at present, or have been during the past.

CONCLUSION.

This question comes to us through no political appeal, and should be considered in no partisan spirit. Yet the dominant party will be held responsible for such legislation as may be enacted, as it will also be held answerable for the neglect or failure to provide some adequate remedy for the existing evil to which I have referred.

The gravest questions which can arise in the history of a nation have come up within the last two decades. The republican party was born of the spirit of reform, and was elevated to power by a resistless sentiment of progress which pervaded the people. It has hitherto shown itself equal to the greatest emergency. Never have reforms equal in magnitude and in effect, never has advancement in all that exalts a nation in the recognition and guarantee of the rights of the citizen, been effected in so brief a time, by any other party, at any period in the history of this or of any other nation, as during its term of control. Nor has this party ever been so invincible with the people as when it has taken its boldest, firmest steps in favor of radical reform and progress.

The nation's life has been saved; the sole blot upon its escutcheon erased; American citizenship vindicated, and those who so recently met to take each others' lives, are now met in amity, working side by side as colaborers in behalf of our whole country's broadest prosperity. But, however brilliant they may have been, no party can stand upon its past achievements alone. It must prove its ability and willingness to consider and determine the issues of the living present, with a steady devotion to the best interests of the people.

I have no right, either through age, experience, or wisdom, to offer suggestions as to what direction should be taken by that party which has received my most willing allegiance since I attained the years of manhood. But, speaking for myself only, it seems to me the republican party cannot afford to rest its present record upon the number of clerks it can discharge, or upon a showing of what sum it may shave off from the usual annual appropriations for the working of this vast machinery of government. The cry of millions in this land to this Congress is, "Prepare the way for a better prosperity!" An evident determination in the halls of legislation to effect this object will reanimate the flagging energies of the industrial classes; and the party which shall inaugurate it will secure the confidence and support of the masses whose material interests are thus subserved.

I close as I began. Open wide the avenues which lead to wealth; give room for enterprise; foster and promote "industry in all shapes, in all instances, and by all means," and older nations may boast as they may of regal splendor, or of renowned and ancient history, but youthful America will lay her hand upon the scepter of the supremacy of the world.

MESSAGE FROM THE PRESIDENT.

A message was received from the President of the United States, by Mr. BABCOCK, one of his secretaries, informing the House that he had approved and signed bills of the following titles:

An act (H. R. No. 1365) to grant an American register to the Canadian schooner George Warren;

An act (H. R. No. 447) extending the time for the completion of the Green Bay and Sturgeon Bay and Lake Michigan Ship-Canal, in the State of Wisconsin;

An act (H. R. No. 2224) making an appropriation to pay the operators of the Government telegraph connecting the Departments with the two Houses of Congress;

An act (H. R. No. 919) to provide for the issuing of commissions to postmasters appointed by the President by and with the advice and consent of the Senate;

An act (H. R. No. 1402) granting a pension to John A. Fisher; and

An act (H. R. No. 1558) to amend the act entitled "An act to encourage the growth of timber on western prairies."

MESSAGE FROM THE SENATE.

A message was received from the Senate of the United States, by Mr. GORHAM, its Secretary, notifying the House that that body had concurred in the amendment of the House to the bill (S. No. 360) making an appropriation for a topographical survey of the Capitol grounds and plans for improving the same.

It further announced that the Senate had passed, without amendment, bills and joint resolution of the following titles:

An act (H. R. No. 1223) for the relief of L. S. Campbell;

An act (H. R. No. 2228) to authorize the Secretary of the Treasury to change the name of the propeller William M. Tweed, of Buffalo; and

A joint resolution (H. R. No. 52) explanatory of a resolution approved January 31, 1868, entitled "A resolution limiting the contracts for stationery and other supplies in the executive Departments to one year."

It also announced that the Senate had passed bills of the following titles; in which the concurrence of the House was requested:

An act (S. No. 176) to encourage the establishment of public marine schools;

An act (S. No. 192) for the relief of Siloma Deck;

An act (S. No. 259) to authorize the proper accounting officers of the Treasury to settle with Henry C. Carey;

An act (S. No. 419) for the relief of Sabastian Reichert; and

An act (S. No. 433) for the relief of Mrs. Susannah A. Shelby.

It further announced that the President had informed the Senate he had approved and signed bills and joint resolutions of the following titles, namely:

An act (H. R. No. 353) for the relief of David Braden;

An act (H. R. No. 365) for the relief of Matthew Woodruff, late first sergeant of Company G, Twenty-first Missouri Volunteers; and

A joint resolution (S. R. No. 6) in relation to the bronze statue of Jefferson, presented to Congress by Uriah P. Levy, late an officer in the United States Navy.

INTERSTATE COMMERCE.

Mr. WOODWORTH. Mr. Speaker, the question before the House gives great latitude to debate. It involves the several propositions before Congress looking to the solution of the vexed problem growing out of the uses and abuses of the carrying trade as now practiced throughout the country. It is my purpose in taking the floor, if I can have the ear of the House, to speak briefly of these several propositions, but mainly of the constitutional power of Congress over the agencies employed in interstate commerce, and of the comparative merits of the bill recommended by your Committee on Railways and Canals and the one introduced by myself early in the session, it being House bill No. 1079.

Sir, in the remarks I may submit I shall not attempt to imitate the example of others who have participated in this debate by speaking of the magnitude and importance of the transportation question. I shall discuss nothing that is not a question here. The marked attention with which the House has listened thus far to this debate—an unusual thing, I have observed, for this very undeliberative body—clearly shows its sense of the importance of the subject, and manifests its disposition to give to it a most thoughtful consideration. This, to me, sir, is a hopeful indication that a result will be reached which will relieve the country of the burden that, like the "Old Man of the Sea," in the fable, is clinging to the shoulders of all our industries with a weight so crushing that it is a thing no longer to be borne.

I judge, by the indications I see about me, that gentlemen fully recognize the fact that, next to the currency question, of which my friend here upon my right [Mr. KELLEY] makes a specialty, and which ought to have been disposed of weeks and months ago, the transportation problem is the important subject of the session.

THE FORCE TO BE CONTROLLED—THE ABUSES TO BE REMEDIED.

In order to solve this problem we must understand the forces to be controlled, and we should know something of the nature and the extent of the abuses demanding a remedy. Primarily, the highways of a country, by whatsoever contrivances they may be operated, belong in common to the people. Our State Legislatures have hitherto pursued the policy of creating artificial persons and endowing them with the sovereign powers of eminent domain, have committed to them the building and management of railways and canals, until now the whole carrying trade is under their control. What was the prerogative of governments has become the privilege of corporations. You will doubtless, sir, recollect that the fathers, in order to prevent the dangerous accumulation of wealth in individual hands, or rather I should say under the control of the few, forbade laws of primogeniture. These corporations have entirely defeated the intent of this wise interdiction. The magic of legislative power has made them immortal. They drank of the elixir of life in the very charters which created them. Clothed with the power of a sovereign, and endowed by the acts of your State Legislatures with perpetual life, they have achieved complete control over the carrying trade, whereby they may levy such tribute and such exactions as they please upon the industry and the emprise of the country. With enormous capital, with immense revenues, with vast armies of men in their employ, with the practical immunity from law which they, in most States of the Union at all events, contrived to enjoy, with the robes of sovereignty wrapped about them, they are a power within the Government superior to the people and fast climbing to superiority over the Government itself. How they are managing to do this is best known to him who is most familiar with "the extra legal service accounts" and "the India-rubber accounts" of some of these corporations.

This, sir, is the force to be controlled. This is the autocracy that must be dethroned if we are to have a solution of the transportation problem, as proposed in the bill now under consideration. These corporations are the railway, the fast freight, the express, and the dispatch companies that control all the railways and nearly all the water-ways of the country. The abuses they practice, if I may presume to classify, seem to be of two sorts: first, such as immediately affect the general public; and, secondly, such as result from the mismanagement or malmanagement of the business in which they are engaged. Of the first class I may principally enumerate extortionate charges, unjust discriminations as between shippers and as between localities; failures to observe the common-law obligations of common carriers, and failures to provide for the safety and convenience of the traveling public. Of the second class the watering of stocks, the payment of enormous salaries to railroad officials, the delegating of the business of a railroad company to another corporation whereby railroad stockholders are defrauded, and the engaging in other business than that of transportation by transportation companies, are the most prominent. I could not, even if I understood them all, as I do not pretend to do, undertake to enumerate the schemes and devices resorted to by railroad kings and fast-freight-line princes to defraud the laymen of railroad corporations, and whereby they contrive to pocket the lion's share of the profits of all the industries of the land. The secret workings of railroad rings—such histories as that of the South Improvement Company—the practices of railroad corporations among the coal mines of Ohio and Pennsylvania, and with the farmers of the West, of which we have heard much in the course of this debate, are, however, sufficiently understood to make plain some of the abuses which demand a remedy. What that remedy shall be is the substance of the question, as I understand it, now before the House.

THE PLAN PROPOSED—RIVER IMPROVEMENT—COMPETITION BY GOVERNMENT.

The plans suggested by the several propositions that have been offered here for the remedy of the more apparent of these abuses may be grouped into three classes: first, the improvement of the Mississippi and the other natural water-ways of the country, which was so earnestly advocated the other day by the gentleman from Missouri, [Mr. STANARD,] and which has so many friends upon this floor, especially among gentlemen from the West and the Southwest; secondly, Government competition; and thirdly, Government control.

Both the bill recommended by the committee and the one introduced by myself are based upon the idea of Government control. Of the other plans permit me to speak briefly before proceeding to the consideration of the questions presented by these bills.

So far as the improvement of our river navigation is concerned, I have no doubt that reasonable expenditures by Government in this direction would be amply justified by the benefits to be reaped by the people inhabiting large regions of the country. But, sir, those benefits would accrue to only a part of the people, and for only a portion of the time. Take down the map of the country. Look at the course of your rivers. Draw a line across it east and west upon the meridian that marks the northern boundary of winter navigation, and the reasons are before you. Although nature has bountifully supplied our continent with numerous rivers that run seaward from many regions, yet both the climate and geography of the country forbid a reliance upon them to meet the commercial needs of all our people. The rapidity of railway transit, its independence of the seasons, the fact that it may reach its arms out from commercial centers into regions where no navigable rivers run, make it, it seems to me, the method upon which we must chiefly rely to meet the commercial needs of the people of all sections and for all seasons.

To the scheme of Government competition which the gentleman from Michigan [Mr. WILLARD] so stoutly advocated a few moments ago I have two objections: first, it would add too largely to the burdens of the country; and, secondly, it would be a departure from the true prerogative of government, and would centralize power in the hands of an existing administration to a degree, I fear, inimical to the success of our republicanism. Let us for a single moment look at these objections a little more in detail. It is true that of the bills pending before the House two or three are framed upon the hypothesis that private capital will come forward and build railroads to compete with those already in existence. I do not believe it, sir. With all due respect to the judgment of the gentlemen who are the authors of these bills, I repeat that I do not believe it. Sir, these bills are drafted upon the delusive idea that capital will seek the poorer instead of the better investment. A railroad built solely to afford cheap transportation can only return a limited profit upon the investment, and the capitalists of the country have yet to earn the reputation of unselfishness. I have no objections to these bills if Government aid lurk nowhere in them, for they are innocent of harm. They are likewise impotent for good, unless it be true that you expect to compel such investments by failing to afford any other relief from the abuses the people now suffer. In that case I object to the principle. Why should the people be compelled to purchase an immunity from evils from which it is the clear right and duty of Government to protect them?

Other bills—at any rate the one introduced by the gentleman from Illinois [Mr. HURLBUT]—propose Government aid. Whether his bill proposes Government aid direct, or the guarantee of a certain interest upon the bonds of the company, it means that in the end Government must pay for the road. Sir, we have had enough of this. The people of this country have seen lands from which empires might be carved pass from their ownership into the hands of corporations, and they have witnessed gigantic swindles practiced upon them in the name of internal development, until they will shrink in dismay from any such proposition as is contained in the bill of the gentleman from Illinois. The people of this country will never suffer such a proposition to be accomplished as long, at any rate, as other remedies are within our reach.

Mr. Speaker, without enlarging upon the reasons, permit me to say that I do not believe that the competitive scheme can be made successful without Government aid, and to this I object, first, because it would impose a burden upon the people of the whole country to benefit only a portion of them, for you cannot build these competing lines to run everywhere; secondly, because it would add too largely to the volume of our national burdens; and, thirdly, because it would be a

wide and dangerous departure from the true office of governments. The immense aggregation of power given by railroad ownership is well illustrated in Belgium and in Russia. It may do in a monarchy, in which a change of administration by the people is never in order, but in a republic the machinery of government should never become so ramified or interwoven with the industries or speculations of the people as to become impeditive to the free constitutional exercise of the popular will. Let us not forget that the only prerogative of governments is to govern; not to engage in the industries or speculations of the people, but to control them with the power of sovereignty—with the *jura summi imperii* that resides with government—whenever those industries or speculations interfere with natural rights or become obstructive to the prosperity of the people.

My friend from Michigan [Mr. WILLARD] said in substance that the statesmanship of the future must aim at development and progress in material things, through the energies of government. Something of the policy of France under the empire must enter into it. Rather should he have said that the wisest statesmanship of the future will seek to develop our resources and prosper our people, through a polity which will foster our industries, secure to labor its due rewards, and encourage enterprise in its widest fields, by throwing over each the shield of protection against whatsoever cripples or feeds upon them. With such a policy the hope of to-day may be made the fact of to-morrow. Our commerce, which, as the gentleman said with classic metaphor, is now pent up in inland valleys, and like the ten thousand Greeks in Asia Minor, is echoing the cry "The sea! the sea!" would under such policy find ample pathway to either ocean. As Xenophon found the way for these ten thousand to the Euxine by his energies and force, so will our commerce by the like qualities of our people find way to the marts of the Atlantic seaboard, and to those that stand by the Golden Gate beckoning to Asia for its traffic across the western sea. Protect the people against wrongs and their emprise will do the rest. This should be the ambition of the statesman, and by this, the grandeur of which we have heard to-day as possible may be realized.

DANGERS TO BE AVOIDED.

In listening to this debate, both to-day and heretofore, I have been much impressed by a sense of the danger we are in of committing some grave error by hasty or ill-considered legislation. Whatever we do must be so done as to remedy the abuses, without disturbing the uses, of the agencies employed in the carrying trade. We must seek to remedy evils without discouraging the investment of capital in railway enterprises, those enterprises which have been so potent in the development of our grand civilization, and in the progress of the grand age in which we live. I am quite certain that the most extreme anti-railroad man on this floor will agree with me in this remark.

NATIONAL CONTROL—THE POWER UNDER THE CONSTITUTION.

A somewhat troublesome feature of this question arises from the obscurity that seems at first glance to envelop the question as to what power in the premises resides with the States and what is delegated by the Constitution to the General Government. This question is discussed somewhat at length in the very able and lawyer-like report submitted by the Committee on Railways and Canals, and has likewise been discussed at much length by gentlemen who have participated in this debate. It, nevertheless, is still regarded as the most difficult feature of the transportation question; and I therefore, if the House will continue its attention, propose to discuss it briefly, in doing which I shall, as far as possible, avoid a trespass upon the ground so ably and so well occupied by others.

Article 1, section 8, of the Constitution gives to Congress the power "to regulate commerce with foreign nations, and among the several States, and with the Indian tribes." What authority did the framers intend to give by this language? It is a prime rule of construction that words not technical shall be understood in their usual and ordinary sense. Webster defines the word "commerce" to mean "an interchange or mutual change of goods, wares, productions, or property of any kind, between nations or individuals, either by barter or by purchase and sale." The same authority tells us that to regulate means "to adjust by rule." If these significations are to attach, and no others can, then Congress has power to adjust by rule or law all interchange of commodities between parties separated by State lines.

There is an overwhelming reason why this power must reside with Congress. The jurisdiction of a State is exhausted at the limit of its territory. When an article of commerce passes across a State line, it goes from one jurisdiction into another. While one power may regulate the delivery and the other the reception, neither can exercise full control over the whole transaction without treaty or agreement between them. This treaty or agreement, made necessary by the force of the situation, is contained in the words of the Constitution which I have quoted. The necessity for a power to regulate commerce among the States was a chief cause which led to the formation of the Federal Constitution, as all familiar with the history of that document know. I understand the structure of our system to be such, that States have exclusive control of all matters of police that are purely internal to them, to be exercised without impingement of defined principles of republicanism, while the Federal Government has exclusive jurisdiction over all matters that are wholly or partially external to a State. From this it follows that the Federal Government has control of all commerce across State lines, and, *ex necessitate*, has control of the machinery through which it is conducted. This view is supported by the *dicta* of the best writers upon the Constitution, and by a formidable line of Supreme Court decisions from a very early time down to the present. There was a time very early when this doctrine did not obtain, so tender were our courts and statesmen then of State rights. It was once said that, in order to determine the jurisdiction of Congress over a river, its waters must be tasted. If salt, Congress might legislate; if fresh, Congress had no jurisdiction. It was from this period that the gentleman from Kentucky [Mr. ARTHUR] was able to exhume utterances in support of his constitutional objection to the bill of the committee. This idea, however, passed away with the now-nearly extinct race of State-rights sticklers, who had but very little confidence in the power or uses of the Federal Union.

As early as 1824 that profound jurist, Chief Justice Marshall, in the case of Gibbons rs. Ogden, (found in 9 Wheaton's Reports, and so often referred to in this debate,) announced the doctrine of national jurisdiction over interstate traffic, and from that time hitherto courts and authorities have indorsed it, until now it is a matter well settled by adjudication. I will not consume time to quote from these decisions, as others have liberally quoted from them, except in the single instance of the most recent one in point. In the Clinton Bridge case, (1 Woolworth's Circuit Court Reports,) decided in 1867, Mr. Justice Miller said:

> When these roads [railroads] became parts of the great highways of the Union, acting an important part in a commerce which embraces many States, and destined, as some of these roads are to become the channels through which the nations of Europe and Asia shall interchange their commodities, there can be no reason to doubt that to regulate them is to regulate commerce both with foreign nations and among the States, and to refuse to do this is a refusal to discharge one of the most important duties of federal government. As already intimated, the shackles with which the different States fettered commerce, in their selfish efforts to benefit themselves at the expense of their confederates, was one of the main causes which led to the formation of our present Constitution. The wonderful growth of that commerce since it has been placed exclusively under the control of the Federal Government has justified the wisdom of our fathers. But are we to remit the most valuable part of it to the control of the States through whose territory it must be conducted and to all the vexations which they may impose? And must all this be permitted, because the carrying is done by a method not thought of when the Constitution was framed?

An act of Congress approved July 15, 1866, entitled "An act to facilitate commercial, postal, and military communication among the several States," broadly assumes the power which good reasoning and the best authorities say is vested in the General Government. The act of March 3, 1873, regulating the transportation of live stock over railways, is likewise an assumption of this power. Both this act and the one first named, which was passed upon the memorial of the late Governor Tod, of Ohio, to remedy a hardship arising in the district which I represent, by reason of the refusal of the State of Pennsylvania, or rather of the Pennsylvania Railroad Company, which is "the power behind the throne" in that State, to allow a local Ohio railroad to cross the State line, are each notable precedents for the legislation now proposed. It seems to me that this power to regulate commerce among the States by control of the agencies it employs, whether a canal, a river, or a railroad, is now, in view of these precedents and holdings, scarcely a question for debate. At any rate it has been so fully discussed by others, that I will not speak to it further.

There is, however, one branch of the constitutional question that has not yet been discussed upon this floor in my hearing, except perhaps by inference; that is as to the power of the national Legislature to regulate interstate commerce, by fixing rates or prescribing rules in conflict with corporation charters granted by States. For instance, if a railroad corporation, whose line extends through Ohio and Pennsylvania, holds charters from these States giving to it the right to charge five cents per ton per mile, can Congress limit its charges to a less sum? Upon this I have no doubt. The power of Congress is exclusive and supreme. A State, in granting a charter, cannot vest a right outside and beyond the limits of its jurisdiction. It cannot in any way abridge the power of Congress to regulate commerce among the States.

Story, in his work on the Constitution, volume 2, section 1067, says:

> It has been settled upon the most solemn deliberation that the power (to regulate commerce among the States) is exclusive in the Government of the United States. The reasoning upon which this doctrine is founded is to the following effect: The power to regulate commerce is general and unlimited in its terms. The full power to regulate a particular subject implies the whole power, and leaves no residuum. A grant of the whole is incompatible with the existence of a right in another to any part of it. A grant of a power to regulate necessarily excludes the action of all others who would perform the same operation on the same thing. Regulation is designed to indicate the entire result applying to those parts which remain as they were, as well as to those which are altered.

Again, in section 1068 of the same volume, he says:

> The power to regulate commerce is not at all like that to levy taxes. The latter may well be concurrent, while the former is exclusive, resulting from the different nature of the two.
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> * * * * * * *
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> But when a State proceeds to regulate commerce with foreign nations or among the several States, it is exercising the very power which is granted to Congress.

In section 1071, he uses this language:

> The reasoning by which the power given to Congress to regulate commerce is maintained to be exclusive has not been of late seriously controverted, and it seems to have the cheerful acquiescence of the learned tribunals of a particular State, one of whose acts brought it first under judicial examination.

There are numerous other *dicta* to the same purport, but I will not

consume time to make further quotations. If gentlemen wish to examine the question further I refer them to Kent's Commentaries, section 19, and to Rawl on the Constitution, chapter 9, pages 81 to 84, and also to the case of Gibbons rs. Ogden, to which I referred a few moments ago, and in which the whole subject is discussed with much learning and perspicuity.

I deduce from what I have said upon the constitutional question that Congress has the full and exclusive power to correct all the abuses practiced by transportation companies engaged in interstate commerce.

I do not forget that a few days ago, upon motion of my colleague, [Mr. SMITH,] the House resolved that Congress had this power, by a vote, I think, of 171 to 64. This indicates the views of a majority here, so that I have no fear of the defeat of national supervision upon the question of the jurisdiction of Congress, notwithstanding the elaborated effort of the gentleman from Kentucky, [Mr. ARTHUR,] and of other gentlemen, to convince the House to the contrary. This resolution of my colleague a western metropolitan newspaper derisively styled "God in Congress." Such expressions only show how new this question is to the general public, and give some faint color for the idea prevailing abroad, unpleasant expressions of which occasionally come to us, that nothing is less understood by Americans than the dual system of government under which they live.

Mr. Speaker, I have now given what seems to me to be good reason for the opinion that the easy and ready solution of the transportation problem lies in legal supervision, and also for the opinion that this supervision may be constitutionally exercised by Congress. I beg now to be permitted to speak briefly of the comparative merits of your committee's bill and the one introduced by myself, to which I made allusion in the early part of my remarks.

I understand, sir, that if the pending motion to recommit be withdrawn, or if the demand for the previous question be not sustained when it shall have been made, this bill of the committee will be susceptible of amendment. I give notice now that I shall move to substitute my bill for the committee's bill, if I shall be permitted to do so. It lies, I suppose, within the will of the chairman of the committee, and at the proper time I shall ask him for the opportunity to make the motion.

I have already said that both my bill and the bill of the committee are based upon the idea of Government control. I hope that gentlemen will carefully consider them both with a view to a friendly criticism of the means which each employs for the exercise of that control.

THE M'CRARY BILL—OBJECTIONS TO IT—MERITS OF THE TWO PLANS FOR NATIONAL CONTROL.

The committee's bill, in brief, is this: it directs whatever of power it gives against the evils of extortionate charges and unjust discrimination, without defining what shall be considered to be an extortionate charge or an improper discrimination. Its vagueness in this respect is peculiar, and I call the attention of the House to it.

It creates a board of nine commissioners, one for each judicial district in the United States, which board may sit at such times and in such places as its members may elect. This board may establish schedules of rates to be observed by railroad companies, unless such companies shall choose to litigate the question of reasonableness of rates. It may summon witnesses; it may prosecute for penalties; it may gather statistics, and it may make recommendations to Congress. This, I believe, is a fair and full synopsis of the provisions of the bill of the committee.

My first objection to it, sir, is that it strikes feebly and vaguely at only two of the abuses from which our people now suffer. There are other wrongs practiced by railroad corporations than those of extortionate charges and unjust discriminations. Those are the main ones, I grant you, but still there are other abuses that aggrieve the people. I enumerated some of them in the early part of my remarks. Gentlemen will have no trouble to recall them to recollection. Not one of these abuses does this bill pretend even to reach and remedy. It is a half-way measure, emasculated, weak, vigorless.

The principal shaft from the quiver of your committee which has been incubating for months upon this subject, and, let me say, grappling with commendable zeal with the most difficult problem of the times, is directed against the abuse of extortionate charges. How is it proposed to prevent extortion? Let us look for a moment into the practical workings of the bill and see. Under it your commissioners go forward and establish a schedule of rates. If these rates are less than what a railroad company desires to exact, it refuses to be governed by the schedule. Thereupon your commissioners institute a prosecution for the penalty. Now, if the railroad company can secure the decision of a court or the verdict of a jury, to the effect that the schedule is unreasonable, then it will not be liable either for the penalty or in damages to the aggrieved shippers. We were told the other day by the chairman of the committee recommending this bill, [Mr. MCCRARY,] in his very able and exhaustive speech in support of it, that by common law that obtains everywhere railroad companies are liable in damages for practicing extortion. Therefore, all the benefit which the shipper will reap from this legislation will be in the shadowy advantage it gives him by casting the burden of proof in an action at law upon the railroad company upon the question of reasonableness of rates. All the benefit that it will give to the public will be the remote possibility of the collection of the penalty, of which I apprehend railroad corporations will stand in little fear.

What an idea for the exercise of sovereignty is this. What a control, when it is no control, unless a court or jury, sitting away off somewhere in some obscure corner of the country, should happen to agree with your Government officers upon what would or would not be reasonable in the schedule. The gentleman from Illinois [Mr. HURLBUT] said, with much more of truth than forcefulness, as a fact making in favor of the committee's bill, which he advocated, that in "New York railroad companies control Legislatures and own courts." I have too much confidence in the purity of our judiciary to believe that this is very generally true throughout the country; but I submit to the gentlemen of this House that it would be unwise to make every court or panel of jurors that may happen to sit under the provision of this bill a sovereign independent commission to establish or disestablish the rates to be charged by railroad companies. Under this bill no schedule of rates could be established upon which the public could rely with confidence and certainty. There would be "nothing constant but change." Schedules would constantly fluctuate between the sittings of courts and the sessions of your commissioners. Weak old Lear never held his scepter with a feebler hand or to a more uncertain purpose than would Government by this bill assert its sovereignty over the mightiest and most unscrupulous power in the land. You will not control by such weak and uncertain measures a power which for two decades has laughed at State laws and snapped its fingers at all efforts of control. You attempt to bind a giant with hairs. This legislation will do the country no good, except as it may be initiative of a better law hereafter. If I vote for the committee's bill, as I expect to do if the House should refuse to substitute a better one for it, it will be mainly in the hope that it will be followed by better legislation in the future.

Another objection to the committee's bill seems to me to lie in the loose and imperfect organization of the board it creates. It will not be a department. It will not be a bureau. It will sometimes sit, and sometimes it will not be in session. It will have no definite duties to perform beyond those stated with great generality in the bill, of instituting an investigation into the rates charged by railroad companies and to fix schedules. Is this, Mr. Speaker and gentlemen of the Committee on Railways and Canals, the sort of instrument you would select with which to control corporations?

Still another objection to the bill recommended by the committee seems to me to lie in the fact that its provisions affect only railroad companies or corporations. Sir, without the figures before me, I assert that three-fourths of the freights of this country are not transported by railroad companies direct. The fast freight-line, the express and the dispatch companies, do a large share of the business now; and if this bill should become a law, it would be a very easy matter indeed for them to do it all for the purpose of evading its provisions.

My final objection to the bill recommended by the Committee on Railways and Canals lies in the fact that the board it creates may exercise an arbitrary power in the establishment of rates. No rule is to guide them; nothing whatever but the judgment or the caprice of the commissioners, as the case may be. This, sir, in my judgment, is unwise; it is dangerous; it is unsafe legislation. If you happen to get upon your board a majority of men who, by reason of corruption or with honest intent, favor these monopolies, then all the abuses of which the people complain will be continued. If, on the other hand, you happen to get upon your board a majority of anti-railroad extremists, the railroads will be crippled—possibly crippled out of existence—if the courts should happen to be hostile to them. This would be sadly to the disadvantage of our internal commerce, and obstructive to the material progress of the age in which we live.

These, sir, very briefly and imperfectly stated, are my principal objections to the bill recommended by your Committee on Railways and Canals. I have already trespassed upon the patience and attention of the House longer, I know, than is the usual right of a new member on this floor; and I have not the time to exhaust the entire field of objections. But I do hope that gentlemen will carefully consider the provisions of this bill before the vote is taken upon the question of substitution, if the chairman of the committee permits me to make that question when the proper time arrives.

BILL NO. 1079.

The bill proposed to be substituted, although perhaps not perfect in all its details, is certainly free from the objections of which I have been speaking. It creates a permanent bureau, carefully organized, and guarded against corruption—a bureau that will have fixed and definite duties to perform—and that will have ample power to enforce its own mandates and the laws of Congress.

I am sorry, let me say in passing, that we have not in the economy of our Government a department of industry, to which this bureau might be attached. The wealth, the jurisprudence, the internal affairs, the Army and Navy, and the commonwealth, are each represented by secretaries in the executive councils of the nation; but the industries of the country, that which is at the base of all other interests, has, directly, no voice there.

In the absence of such a department as that, this bureau is to be annexed to the Department of the Interior, but except in minor matters is to be entirely independent of it. This bureau must regulate rates; it must guard human life by superintending the condition and the repairs of railroads; it must require that the public convenience

be subserved in the running arrangements of railroads; it must gather statistics upon definite and fixed inquiries, so that Congress and the country may rely upon the information or the statistics that they will from time to time receive; and it must, in the name of the United States, enforce the provisions of the bill for the remedy of the various abuses of which I have been speaking.

Let me call the attention of the House to the fact that this bureau will exercise no arbitrary power in the establishment of rates. It will be governed by a definite, a fixed, and, as I think, a just rule. Rates must be so regulated as to yield a net earning of 10 per cent. upon the capital necessarily employed in the business of transportation, for unindebted companies; and 15 per cent. for companies indebted upon their construction account. If this be too much or too little, change it. The principle is certainly the correct one.

This, sir, will give to the people of this country cheap transportation. At the same time capital invested in railways will yield a profitable though not speculative return.

How much this will cheapen transportation a few figures will show. The Railway Monitor states that we have in the United States 71,564 miles of railway, which cost $3,728,416,000. The net earning of 54,454 miles of this railway was, in a year not named, $174,350,913. The cost of these railroads is not stated; but railroads average to cost in the United States $50,000 per mile, and the equipments not far from $4,000 per mile; so that the cost of these 54,454 miles of railroad would be not far from $2,940,516,000. Now, sir, a very simple exercise of arithmetic will show what an enormous reduction would be made by the provisions of this bill in the cost of transportation, if these figures are reliable, of which there can be no doubt. The cost, earnings, and expenditures of particular roads are very accessible; so that the reduction to be made in any particular instance can be readily ascertained.

There is another feature of this bill, and I came near forgetting it, which ought, it seems to me, to commend it to the support of the House and the favor of the country. While the bill recommended by your committee will, as has been said here to-day, require a considerable yearly expenditure by the Government, the bureau proposed by my bill will cost the Treasury nothing, inasmuch as its expenses are to be paid by a tax upon the income of those corporations whose practices have made this legislation necessary. This is exact justice. At this time, when your Committee on Appropriations is laboring to reduce expenditures, and at all times, the question of expense is by no means unimportant. Although the cost of this bureau will come indirectly from the patrons of these corporations, it is right that the expense should be borne by those benefited in the proportion that that benefit is received.

CONCLUSION.

One word more, sir, and I have done. I have not sought to influence the legislation upon this subject because I hear the tramp of grangers in the West or the resolutions of cheap-transportation associations in the East. While to heed the voice of the people is the duty of the Representative, to scramble to be in the popular tide without convictions is unworthy the man who is worthy to be here. I gave expression to the view which I take now in another legislative body long before the bugle-notes of the rallying grangers echoed over the champaigns of the West, or the earnest demands of transportation associations were heard among the hills of the East. I have no ambition in connection with this subject but to see the Forty-third Congress incorporate into its history that it grappled with and solved the most intricate problem of the times in the interests of the people and for the prosperity of the republic. This, sir, will be a grand history, and it is my ambition to be a part of it by voting for the most perfect bill upon the subject which the wisdom of the House can furnish.

I thank the House for the marked attention with which it has listened to me.

Mr. NIBLACK obtained the floor.

Mr. POLAND. I am not aware any other gentleman desires to speak on this question, and if the gentleman from Indiana will yield I will move that we take a recess until this evening, to go on with the codification of the laws.

Mr. NIBLACK. I do not desire to occupy much time, and may as well say what I have to say this evening as to postpone it.

Mr. POLAND. Very well; I will not make the motion.

Mr. NIBLACK. Mr. Speaker, in what I have to say on this bill I will not attempt an argument on the general power of Congress to regulate commerce among the several States. That has been sufficiently discussed by those who have already spoken.

The gentleman from Kentucky [Mr. ARTHUR] who opened this debate in opposition to the bill has left but little to be said by one holding my views as to the power of, and limitations upon, Congress in that respect. In fact, the whole ground of opposition to this measure has been so well occupied by him and other gentlemen who have preceded me that I shall only seek to add a few words on what seem to me to be some of its most objectionable features.

Whatever may in reality be the power of Congress over the commerce of the country, whether foreign or domestic, it is not claimed, I believe, that Congress has ever at any time heretofore attempted to exercise that power to the extent now proposed. Congress has complete and undisputed power over our foreign commerce in all its ramifications and all its details, yet in all the various acts regulating our intercourse with foreign nations not the slightest approach has ever been made toward anything like intermeddling with the prices of freight or of any other article or commodity connected with commerce, or with charges for the transportation of passengers. Consequently it is now proposed to apply to our domestic commerce a rule, a regulation, which is entirely new in our legislation and wholly without a precedent in any parallel case. We are therefore invited by this bill to enter upon a new field of legislation and within the boundaries of a newly discovered and undefined power. In view of the immense interests involved, both public and private, it behooves us to see that nothing is hastily and inconsiderately done simply because the country expects us to do something to revive our drooping commerce, and because we may not just at the moment know what else to do.

If Congress may regulate the prices of freight and passengers carried by a railroad because they happen to be taken across a State line, then it may do the same thing as to a vessel of any kind, whether large or small, which may navigate any of our lakes which lie between States. It may also regulate and prescribe the charges and tolls on ferries and bridges across rivers which constitute the boundaries between States, as well as upon omnibus lines, which, in many instances, form a connecting link between railroads. The principle involved in the power is just as applicable to any other method of conveyance as to railroads. It will apply all the same to lines of stage-coaches, of wagons, or of pack-mules, which carry freight or passengers across State boundaries.

If the power of Congress really extends to the cases enumerated, then why may it not extend to the hotels and eating-houses which are connected with, or under the control of, these lines of interstate communication? The prices charged at these hotels and eating-houses are as often extortionate and unjust to passengers as any other charges they are required to pay. Then why not regulate those prices also? Ought not a provision looking to the regulation of such hotels and eating-houses to have been embraced in the bill we are considering, if we are expected to cover all the grounds of complaint?

Sir, if we are to enter upon this business of regulating prices and charges, where is the limit to be fixed beyond which we may not go? In that respect where shall the power of Congress cease and that of the State begin? It does seem to me that the committee have confounded the power to regulate with the power to create. Congress is not specially charged with any duty in the creation of commerce. That is the work of the States, of the local municipalities, and of the people, in their private pursuits. Commerce has first to be created before the power of Congress attaches to it, and Congress is not charged with any of the duties of proprietorship or ownership concerning commodities which enter into it. Hence it is that heretofore we have always acted on the theory that charges for freight transportation and travel are outside of the domain of congressional legislation.

The demand for cheap transportation, Mr. Speaker, which comes up to us from the States of the West and the South; is a most natural demand, and the only surprise with me is that it has been so long deferred; and in that respect the people of those sections especially have been patient and long-suffering. We of the West are no longer able to find a market for most of our surplus products in the South, as we used to do. We have had to seek new markets and new channels of commerce. These new channels consist almost entirely of railroads, of greater or lesser extent. To build these roads we have borrowed immense sums of money, often at ruinous rates. As a result they cost too much money to be profitable as an investment, at fair rates for transportation. When they are built, a struggle for quick reimbursement begins. A wide-spread dissatisfaction with their management very often, and, indeed, very generally, ensues.

In casting about for a remedy as to some particular grievance, we look into the charter of the company of which we complain. To our surprise, we find that in our anxiety to get the road we have granted away much more in the charter than we ought to have done, judged in the light of subsequent events. We find, in most cases, that we have not even reserved to the State the power to control the prices for freight or passengers, and that hence the Legislature which gave the charter is often powerless to afford relief. Much of which we complain, therefore, arises from careless and inconsiderate State legislation, and is hence beyond the reach or jurisdiction of Congress. If the worst shall come, however, there is still a remedy left to the people as to charters inconsiderately or unwisely granted. They can, by means of amendments to their existing State constitutions, or by the adoption of new constitutions in their respective States, amend or modify those charters, or sweep them out of existence, as they may prefer. The recent action of the State of Pennsylvania is a notable instance of what the people of a State may do by the means of a constitutional convention, to amend their constitution. Our railroad system is yet new, however, and very incomplete. Many important links are wanting. Many new connections have yet to be made before we can judge fully of what railroads are capable. The softening influences of time and greater experience in the management of railroads will, I trust, very much mitigate many of the evils now complained of, and perhaps may remove others altogether.

The great remedy, however, and the one on which I mainly rely, is competition. That can be created by the improvement of our great rivers, and the construction, if necessary, of other lines of water-communication.

By the construction of a canal near the mouth of the Mississippi River of only a few miles in length, or by deepening the channel at its confluence with the Gulf, as may be found most expedient, so as to allow the largest class of vessels to pass and repass without hinderance, we can at once reduce the price of freight more than one-half between the whole Mississippi Valley and the great markets of Europe. If this shall be found insufficient, then let us connect the waters of the Mississippi with the lakes of the North, and when found practicable, bring together the navigable waters by similar means in other sections of the country. I should prefer to spend many and increasing millions in this way, from time to time as we may be able, even with all the risks that some of the money shall be wasted, than to enter on the policy which this bill proposes. The development of these water-lines only involves a given amount of money, while the passage of this bill introduces into the Government a new element of political power which may prove unrelenting and even destructive.

Mr. CRITTENDEN. Will the gentleman from Indiana permit me to ask him a question?

Mr. NIBLACK. Certainly.

Mr. CRITTENDEN. Will the charges on through freights from Southern Indiana and Missouri be reduced by the passage of the McCrary bill?

Mr. NIBLACK. I fear not, Mr. Speaker. We have certainly no guarantee that such will be the result. On the contrary the chances are, sir, that these charges will be increased on many of the through lines, so as to bring them up to the general average. But, sir, that brings me to another branch of this question, to which I was about to allude.

One of the most irritating causes of complaint which I have ever heard against the management of our railroads arises from discriminations against local freights. These discriminations are often real grievances and call loudly for a remedy. These grievances, however, are, as a rule, of local concern only, and are remediable, so far as any remedy can be applied, by the proper State Legislatures. Even if these Legislatures have in many instances, if not in most cases, granted away the power to control the rates of charges, they certainly have the power to intervene and to prevent unjust and unreasonable discriminations as between different classes of shippers. Congress is therefore not called upon to interfere in these local troubles, as it clearly has no jurisdiction over them.

But, sir, grant that there are some evils in railroad management which cannot be fully reached by State legislation, or by legitimate competition as proposed. Shall we then rush into this untried experiment of congressional intermeddling, which if not successful will rivet our chains only the more tightly? The nine commissioners proposed to be appointed under this bill will practically have control of the charges for freights and passengers all over the country. These commissioners are to be appointed by the President, and removable at his pleasure. Congress will have power to amend or change the law at any time under which these commissioners are appointed, and from which they derive all their power. These commissioners will necessarily be subservient to the President for the time being, whoever he may be. Being, too, also greatly dependent on Congress, they will of course desire to be also in harmony with that body, and personally useful to its members as far as practicable.

The railroads of the country when combined can wield a very powerful, if not a controlling influence in national politics. Very naturally the President would, in the end, if not in the beginning, seek the friendship and influence of this great power, and possibly often endeavor to combine it in his favor by the appointment of commissioners acceptable to the railroads. As an almost inexorable consequence these commissioners would be expected so to dischargs their duties as to secure the friendship and support of the railroade to the administration in power at the time. This friendship and support, when secured, would, of course, be used to elect from time to time a Congress in harmony with the administration. Then, sir, would it be Congress regulating the railroads, or would it not rather be the railroads really regulating Congress?

We of the West have, for many years past, had strong and decided views in regard to the currency and the finances, in which we have had reason to believe an actual majority of the people of the country have largely shared. Yet we have at all times been and are still unable to enforce our views, simply because the weight of capital has been and still is against us.

Sir, if under this bill any perceptible power shall be exercised over the railroads, it will necessarily introduce them as a new element in Federal politics, and especially in our presidential and congressional elections. They cannot be expected to feel indifferent as to results which may exercise such an influence over their business and the profits of their investments. The ultimate effect must be to still further extend and more closely cement the partnership already existing between the concentrated capital and the political power of the country. This new alliance consummated and what will become of the demand of the people for cheap transportation? What, then, indeed, would become of the demand of the plain people of the country for anything which capital might not be inclined to give?

Can we afford to risk so much in the mere hope that we will occasionally be able to save a few dollars on a car of freight, or on some journey to a distant State? Are not the chances too great against the probable success of the experiment?

If this bill shall become a law, new and most responsible duties are at once imposed on the Federal Government. It is not to be presumed that nine commissioners will long be regarded as sufficient. We may reasonably expect soon to have at least one for each State. A new tribunal is thus at once brought into existence, with most important and extraordinary powers, without any direct responsibility to the people. A new swarm of officers will be created, whose salaries must be provided by increased taxation, under the specious pretense that transportation may be cheapened over the great through lines of the country, when the greatest grievances arise out of the shipment and delivery of our local freights, over which these officers will have no jurisdiction.

Sir, during the earlier period of our national existence our greatest strength consisted in the simplicity of our Government. There were but few opportunities for the enrichment of men in office, and hence the inducements to peculate or misgovern were not great. The events of the last few years have worked a revolution in this respect, and drifted us away from our ancient simplicity. By assumptions on the one side, and concessions on the other, new and greatly increased powers have already been added to the national Government, and correspondingly new duties imposed upon it. It is now almost imperial in its power, in its revenues, and in its patronage. Shall we still further increase this patronage by passing this bill? Ought we not, rather, to retrace our steps in many respects, and reinaugurate greater simplicity and greater economy?

Sir, it is folly to think of conferring imperial powers and imperial duties on a Government like ours, and long continue it a real republic. The spirit will first be driven out and after awhile the form will necessarily disappear. For the purposes of this argument I have based my opposition to this bill mainly on grounds of expediency alone. I might add still other reasons for my opposition, but it is unnecessary now. With my present views of public policy I cannot vote for this bill, nor can I vote for any similar bill without doing violence to theories of government I have long entertained.

CHEAP TRANSPORTATION AND CURRENCY.

Mr. BLAND. Mr. Speaker, I desire to address myself to this House at this time upon subjects not altogether political, but such as I deem of intense interest to my constituents.

TRANSPORTATION.

I am aware that, with certain elements in this House, one who may attempt to urge here the necessities of the West and South, in the way of cheap transportation and more money, is at once accused of sprinkling his hair with hay-seed and rushing to the grangers' camp. Be it so. I have no hesitation in accepting the situation in that particular as well as all others.

I find that as a democrat I can well indorse every measure advocated by the grangers, as I understand them. Indeed, their principles are such as have been maintained by the party to which I have always acknowledged allegiance.

Old issues of a sectional character, growing out of and anterior to the war, are well-nigh obsolete. We probably more readily recognize the fact that those issues are out of question because new ones have arisen of such moment with the people as to overshadow the worn and jagged remnants of war bickerings. A country suddenly stricken with poverty, financial panics, and wide-spread bankruptcy, finds too much of present pressing trials, exciting common sympathies and mutual grievances, and demanding united action for relief, to permit stale prejudices to longer divide them or impede their efforts for reform and justice.

We may rejoice that old issues of a sectional character are dead. But let us not suppose that grave ones have not taken their place. We should not overlook the fact that the questions now agitating the farmers of the Northwest, West, and South are in many respects sectional; nor should we disregard the further fact that, though sectional in one sense, yet in a broader sense of general prosperity, they are truly national, and should be so regarded and dealt with.

Notwithstanding Heaven has smiled upon the agricultural portion of the country, rains have fallen, and the radiant sun has ripened year after year rich and abundant harvests, yet the people have become poorer, money scarcer, and times harder than ever known before. These results the people attribute partly to unwise and unjust legislation, and partly to withholding necessary legislation for their relief on the part of Congress.

Congress has neglected the improvement of the water-courses of the West and South. While the Federal Government has been wantonly lavish in granting lands and other vast subsidies to corporations for building railroads, out of which have grown up gigantic systems of corrupt jobbery, the great water outlets to the sea have been shamefully neglected. Mr. Speaker, when we reflect that the people of the West and Northwest took up arms in the late civil war, more than all else, for the purpose of forever securing to themselves the free navigation of the Mississippi River and its tributaries, that their produce might find easy, cheap, and ready transportation to the markets of the globe; and further consider that this great river, the "Father of Waters," is now practically without a mouth or outlet because of our neglect—I might say as completely blockaded as Jeff. Davis ever was or ever could be able to make it—we then in a true and comprehensive sense realize the criminal dereliction to duty of which Congress has been guilty with regard to the improvement of this national highway.

It may be alleged by those who have controlled the legislation of the country that reconstruction, "civil rights," so called, and kindred measures have overshadowed all other subjects, and demanded the very first attention of Congress to the exclusion of all others. This may answer for those who had more interest in railroad jobs and the diversion of trade and commerce North and East on the lines of these roads, but for a Western or Southern Congressman, be he republican or democrat, that answer is simply an insult to the people.

But no such pretext longer exists. The people are sick of those stale issues. None now are agitating these civil-rights humbugs, except a few noisy politicians, who desire to divert the attention of the people from the searching investigation they are now giving to this party misrule that is crushing the laboring interest of the country. It is our duty, irrespective of party or party issues, to devote the time of this Congress to the relief of the people.

The republican party has an unlimited control in both Houses of Congress, and will be held responsible for the legislation that takes place as well as for any neglect of needed legislation; yet every democrat here is in duty bound to assist the republicans in all measures for the advancement of the material interests of the people. This duty they will perform. The people are passing through an ordeal that will not permit them to patiently submit to the behest of any party or party measure. There is no party in their poverty and trials; all are on an equality there, and unless the existing parties show a disposition to relieve them, they will disregard party and party discipline, and lead off in a bold determination to right their wrongs outside of party.

I think I speak advisedly when I say that the people have resolved, and that irrevocably, to compel the opening up of water-communications. The people of the Mississippi Valley have determined that, cost what it may, this Government shall open and keep open the mouth of that river. If this Congress fails to do its duty in that behalf, they will try a different suit; if the party in power fails to perform that duty, another party will be accorded the opportunity.

Mr. Speaker, I shall not attempt to arrange statistics showing the wealth of the Mississippi Valley, its productions, and means of reaching markets, in order to show the necessity or justice of this demand. Our desks are now loaded with them sent here by the people interested. Besides, it is enough for us to know that this people demand it. This is the very heart and vitals of this Republic. This valley is its substratum of wealth and greatness. More than half our population are urging this measure. This we all know, and we further know that this fact of itself is sufficient reason why it should be done.

If I were to speak as a democrat and in a strictly partisan point of view, with no other desire than party ascendency, I might express the hope that this Congress would disregard this demand of the people, for I assume but few will come back here from this section who now flag in this duty. But I above all other considerations desire some relief to the people who sent me here. I feel that I ought to be of some service to them other than as a partisan. I believe I cannot better serve them than to work for the opening of the mouth of the Mississippi River, and the ultimate improvement of all its tributaries. I do not believe that the vexed question of cheap transportation can be otherwise permanently and satisfactorily settled.

The project proposed by some for the Government to build lines of railways is a dangerous one. We have had too much already of jobbery of this sort. It results usually in nothing but peculation and a dishonest waste of the people's money. While I am ready to admit that Congress may have the lawful power to regulate materially the railroads of the country passing through different States, yet its exercise is of very doubtful propriety, and can be tolerated only upon the principle of an experiment where the necessities of the case demand the trial of doubtful remedies as a last resort. It will make place for an army of agents and Government commissioners, who, if we are to judge from past experience, will more likely combine with the managers of railways to further oppress us than institute any measures of reform and regulation that will result in benefit to any one.

There is another danger, that they may adopt unwise and harsh measures, and thus cripple the roads we have and render them less able to accommodate the people, and, besides, deter further investment of capital in that kind of enterprise.

It is our duty to so legislate as not to cripple any interest of the country, but to foster and protect all. We need all the competition we can properly secure from the investment of capital in railroads in order to induce competition. For the same reason we should improve our rivers and resort to competition in this way, for in competition, and in that alone, can we reasonably expect a solution of this question of transportation as well as all other questions of trade and commerce.

FINANCES.

Mr. Speaker, I cannot close without adverting to another subject that, in my opinion, is of no less importance to the people I have the honor in part to represent than that of cheap transportation. It is probably unnecessary for me to say that I allude to the financial condition of the country.

In order to properly understand this matter, we must consider it from the beginning of the present system of paper-money issue by authority of the national Government.

It is too late now to argue whether the departure from the democratic principle of hard money and opposition to national banks, or the supervision of Congress over the finances of the people, was the part of wisdom or not. It is enough for us to know that it has been done, and that financial ruin and disaster have been the result.

I am opposed to any system of congressional supervision of the amount of money the people shall have as a circulating medium. This evil we can avoid, and should immediately do so. The volume of currency the country needs and should have ought to be left with the people, subject to the law of demand and supply. Free banking may accomplish this; at least it would probably obviate the objection to our present system. It is not so much owing to the limited amount of money now in circulation that the country is suffering financially, as to the fact that the people, as a class, in the South and West went largely in debt during the periods of an inflated currency, and now find these extravagant debts hard to pay, because of the policy of contraction.

During the war greenbacks flooded the country; and owing to the novel character of this money and its abundance, as also to the uncertainty of its redemption, the people distrusted it. The consequence of this was to cause extravagance to be the rule. They desired rather to enjoy the luxuries to be procured by this money than to save it for future use or risk. Of course it sought investment in all manner of property and schemes of speculation. Property went up in proportion as money was more plentiful and of depreciated value. States, counties, and municipal corporations issued their bonds to assist in the building of railroads and other enterprises. These bonds were sold at large discounts, and the building of these improvements carried on while labor and material were at the highest figures, thus costing largely in excess of what they could now be built for.

After the people had thus contracted debts, both in public and individual capacity, believing that money would continue plentiful and all property valuable, the Government began a system of contraction in order to get back upon a specie basis. As contraction went on, of course money became, on account of its scarcity, more valuable; in proportion as money neared a specie standard, property, produce, and labor fell in price. This system of contraction was the anaconda that has crushed the debtor class.

The gradual contraction of the currency more seriously affected the South and West, because it was here that internal improvements were needed. The South had been devastated by war; it was necessary that she should borrow in order to carry on her business and commercial relations. The West were in need of railroads and the improvement of farms, and were in debt for these and similar purposes. Besides, being an agricultural people, they were not provided with the ready money that always seeks commercial centers and mercantile communities. Another cause that materially affected these sections was the unequal distribution of the currency under the national-bank system. It requires no argument to show that these debts and interest thereon could be met with less difficulty if money was now as plentiful as when they were contracted.

Is it just toward the debtor class that the means of paying their debts, relied on when contraced, should be taken away?

The money-lender profits by every measure of contraction, because he can buy with his money, owing to its scarcity and the consequent depression in property values, double what he could at the time it was loaned. A, who loaned B $5,000 during inflation, and took a mortgage on B's farm worth $10,000, now takes the farm to pay his $5,000 mortgage, when to have purchased it at the time of the loan would have cost him $10,000.

The West and South, as before remarked, and especially the agricultural portions, are the debtor class. They feel the squeeze of this anaconda more tightly than any other part of the community. If I am permitted to express my opinion of the real cause of the poverty of the farming community, I should say that this monetary question explained it. The want of transportation doubtless has much to do with it, but it is not the only reason. Give agriculturists the means to pay off their debts and the problem will be solved, unless they commit the same error of going in debt while times are easy and money plentiful.

It cannot be expected, nor do I think it would be policy, to go entirely back to the days of inflation, and issue money without stint or limit; but there ought to be some system devised whereby more money could be put in circulation and partial relief given to the people. This would enable them to emerge from debt, and at the same time prevent a repetition of extravagance.

Mr. Speaker, as a rule, I am opposed to any currency except such as is based on specie payments. But we must not undertake to reach a specie basis all at once; the resumption must be slow. Give the people time, that by rigid economy they can gradually reach a specie basis without utterly bankrupting the farming community.

This question of currency is one of extreme difficulty to deal with, and great caution should attend every effort to legislate upon it.

Of one thing, Mr. Speaker, I am, however, convinced; and that is, the policy for the great mass of the laboring community is to give them more money, that they may be the better enabled to extricate themselves from the load of debt that now oppresses them. In order to partially accomplish this result, we ought to issue the reserve of forty-four millions, and if we *must* continue the present banking system, let it be free to all. I am opposed to this policy of congressional monopoly in the shape of banks. Nor should we undertake to say how much

money the country should have; but let that matter be regulated by the laws of business.

I have felt it my duty to express in my humble way what I deem to be the wants of the people whom I in part have the honor to represent on this floor. I know that there is a strong opposition here and in many other quarters to any further increase in the volume of the currency. But this opposition comes from the money centers, from those who are fortunate enough to be out of debt.

During the war there was a circulating currency in the Northern States alone of about $2,111,000,000, giving about $100 *per capita* of circulation. Since the close of the war there has been withdrawn from circulation about $1,241,000,000, leaving but $869,000,000; which, less the reserve, $234,000,000, leaves a balance of currency of $635,000,000. There has been probably a loss of at least $7,000,000; and this would leave now in circulation for us, about $627,000,000.

If we estimate our present population at forty-three millions, we find that we have now *per capita*, $14.58; while England has about $24.28, Germany $24.80, and France $34.72.

Owing to the unjust and unequal distribution of the national-bank issues New England has about thirty dollars *per capita*, while the West has but about seven dollars, and the South less than three dollars. This all comes of the pernicious legislation of Congress.

It is not at all wise for Congress to undertake to limit the circulation of the money of the people, nor to make divisions of it among the States. Because we have no means of knowing what amount of currency is needed, in making the distribution among the States it seems that by some hook or crook New England got the lion's share of this as well as all other favors at the disposal of the party in power. Hence it is that New England and all those who are controlled by their interest in national banks are opposed to disturbing this system of currency, or to such a modification of it as will give more money to the people.

The South and West are borrowers from the older States, and went in debt at a time when the circulation of the country was nearly double what it is now. Hence it is no mystery that the one should desire more money, and why the latter should insist on a policy of contraction. New England wants gold or its equivalent for the greenbacks she loaned when gold was from 25 to 50 per cent. premium.

The West and South, being sparsely settled and yet to be developed, should have more money *per capita* than the older-settled States; but under congressional rule the reverse is the case. The whole financial system ought to be so amended as to allow the people to regulate for themselves the amount of currency to be placed in circulation. Until this is done we shall have financial panics, wild speculation on the probabilities of the legislation of Congress upon the financial question, whether it is to be expansion or contraction. The business of the country is now paralyzed and stagnant, because of the uncertainty of our legislation on this subject. The whole matter of the volume of currency should be regulated, as before stated, by the laws of supply and demand.

Mr. Speaker, I have offered these crude and hasty remarks upon the great questions that now agitate the people of the West and South, and in which my constituents are vitally interested. Cheap transportation to the sea-board, and a currency stable in volume and amply expanded to meet a populous and growing country, is what they demand. At least that is my honest conviction of their true interest; and I should do less than what I conceive to be my whole duty did I not place their case before this Congress, and ask for them at least a respectful hearing. I shall continue to demand these measures, unless I shall be differently instructed by those who sent me here.

Mr. Speaker, I have said thus much upon the general subjects of transportation and currency. I come now to the particular bill under consideration.

This bill proposes to place, directly and immediately, under the control of the appointing power of the President, the regulation of all the railroads of the country, constituting over two billions of property.

The proposition is at once startling, and is equaled in audacity of conception and reckless departure from all former legislation of Congress only by the recommendation of the Chief Magistrate himself, in his last annual message, that palatial mansions should be erected here at the expense of the people for the accommodation of their servants.

When and where shall end this greed for centralized power and regal pretensions of this Administration?

Mr. Speaker, when I voted some time ago for a resolution directing the committee that reported this bill to report a bill having in view the regulation of this species of commerce, I then supposed that a measure having that object in view would be brought forward, but I am astounded at the result.

Here we find a bill that, whatever may be the intentions of its authors, will have no other effect than to place at the disposal and patronage of a political party the whole power of the railroad corporations of the country. Shall we have in this country a coalescence of political and corporate monopoly, that will rule the people as with a rod of iron? For one I solemnly protest against such a corrupt union.

When this Administration, under the lead of one who has been accused by a lamented founder of the party as aiming at Cæsarism in this Government, shall have thus seized the control of the vast railroad interests of the country, to be followed by a like seizure of the whole system of telegraphs, as recommended by one of his Cabinet officers, the country has just cause to be alarmed. Indeed, when this act of Cæsarism and centralism shall have been accomplished, the people may as well take a long farewell of not only all hope of cheap transportation, but of their liberties as well. When shall this deception cease?

Under the name and pretext of reconstruction States were reduced to mere dependencies, stripped of their political liberties, and despoiled of their property. Having accomplished the plunder of States and their subjection to the political control of the Administration, the next step is, under the name of cheap transportation, to take possession of the railroads and telegraphs throughout the country, and run them in the interest of Cæsarism.

The people ask for bread, but you give them a stone. They ask to have their water-ways improved and made available for competition with these roads, thus securing cheap transportation, permanantly and effectually. But this demand is met by a proposition to turn into political machines the vast power of these railways.

I am in favor of regulating these roads, and would go to the very verge of constitutional power for that purpose; but I cannot support this bill in its present shape. Why not allow it to be amended, so as to permit these commissioners to be elected by the people instead of being appointed by the President? Or, what would answer the same purpose, let the governors of the several States, elected by the people, constitute the board of commissioners, and give to the State courts concurrent jurisdiction with the Federal courts in all cases where citizens of the particular State may be a party to any suit arising under the provisions of the bill.

Stripped of centralism and Cæsarism, I would support any measure that would give a reasonable guarantee of regulating these roads in the interest of cheap transportation. As a political grab I protest against it.

From the indications here I am led to the conclusion that the railroad managers are desirous for the passage of the bill in its present shape, in order that there may be a combination of railroad and political power—the republican party to rule the country and the railways to rule the republican party; thus forming a political and railroad monopoly, to serve which the people would be but serfs, "the hewers of wood and drawers of water."

Mr. Speaker, I desire the regulation of these roads in the interest of the people, and at the proper time, if allowed, I desire to offer amendments to the bill that in my opinion will accomplish this result.

Mr. WHITEHEAD obtained the floor, but yielded to

Mr. POLAND, who moved that the House take a recess until half-past seven o'clock this evening.

The SPEAKER *pro tempore* stated that under the order of the House the session this evening would be for the purpose of proceeding with the codification of the laws, and that Mr. ALBRIGHT, of Pennsylvania, would occupy the chair as Speaker *pro tempore*.

The motion of Mr. POLAND was agreed to; and accordingly (at four o'clock and forty-five minutes p. m.) the House took a recess till half-past seven p. m.

EVENING SESSION.

The House reasssembled at half-past seven o'clock p. m., Mr. ALBRIGHT in the chair as Speaker *pro tempore*.

REVISION OF THE STATUTES.

The SPEAKER *pro tempore*. The House meets this evening to resume the consideration of the bill reported from the Committee on Revision of the Laws of the United States. It is entitled "A bill (H. R. No. 1215) to revise and consolidate the statutes of the United States in force on the 1st day of December, A. D. 1873."

Mr. SAYLER, of Ohio. Mr. Speaker, my work to-night begins at title 58, "The public health," page 1232. This title is substantially the act of the 25th of February, 1799, respecting quarantines and health laws, and is found in the first volume of the Statutes at Large, page 619. It is only changed in the arrangement and order of the sections, somewhat in its words to meet the present condition of affairs, but not at all in its meaning. I have, therefore, no amendment to suggest to it.

The next is title 59, "Hospitals, asylums, and cemeteries," chapter 1, "Hospital relief for seamen." I have examined carefully, compared with this revision the several original acts of which it is made up, and have no amendment to suggest to the title except the following to section 4876.

The Clerk read as follows:

On page 1236, section 4876, in lines two and three, strike out the words "officer, warrant officer, petty officer, seaman, ordinary seaman, fireman, and coal-heaver," and in lieu thereof insert the words "officer, seaman, and marine," so it will read:

SEC. 4876. The Secretary of the Navy shall deduct from the pay due each officer, seaman, and marine, in the Navy, at the rate of twenty cents per month for each person, to be applied to the fund for Navy hospitals.

Mr. SAYLER, of Ohio. Mr. Speaker, the reason for that amendment is this: the words suggested are the precise words of the act of March 2, 1799, and are the same words everywhere else used throughout this title, or chapter 1 of this title.

The amendment was agreed to.

Mr. SAYLER, of Ohio. Chapter 2 of this title, "The Soldiers' Home," is a codification of the acts of March 3, 1851, March 3, 1859,

and July 5, 1862. I have compared the text with the original acts, and find no amendment to suggest.

Chapter 3, "The National Home for Disabled Volunteer Soldiers," is a codification of the acts passed on the 21st March, 1866, and the 23d January, 1873. I have also compared this revision with the original acts, and find no amendment to suggest.

Chapter 4, "The Government Hospital for the Insane," is a codification of the acts of March 3, 1855, February 7, 1857, February 28, 1861, and July 16, 1866. I have an amendment to offer to section 4907.

The section was as follows:

SEC. 4907. The chief executive officer of the Hospital for the Insane shall be a superintendent, who shall be appointed by the Secretary of the Interior, and shall be entitled to a salary of $2,500 a year, and shall give bond for the faithful performance of his duties, in such sum and with such securities as may be required by the Secretary of the Interior. The superintendent shall be a well-educated physician, possessing competent experience in the care and treatment of the insane; he shall reside on the premises, and devote his whole time to the welfare of the institution; he shall, subject to the approval of the visitors, engage and discharge all needful and usual employés in the care of the insane, and all laborers on the farm, and determine their wages and duties; he shall be the responsible disbursing agent of the institution.

Mr. SAYLER, of Ohio. I offer the following amendment. Add at the end of the section the following words:

And shall be *ex officio* secretary of the Board of Visitors.

This is found in the original act, and we see no reason for its omission.

The amendment was agreed to.

Mr. SAYLER, of Ohio. The only other changes that are made in this chapter are to adapt the language to the present form of the government of the District of Columbia, and are found in section 4918. In the fifth line of that section the words, "the governor of the District," are substituted for the words in the original, "the corporate authorities of the city of Washington and of Georgetown." And so elsewhere there are changes of this kind made, pertaining to the courts; they are made so as to correspond to the present form of the government of the District, and hence the language is supposed by the committee to be just as it ought to be in this revision.

Chapter 5, "The Columbia Institution for the Deaf and Dumb," is a codification of six acts passed from 1857 to 1870. There are no changes in this chapter except those which are of the same character as I have just suggested in connection with the previous chapter. I have no amendment to offer to it.

Chapter 6, "National cemeteries," is a codification of acts from 1862 to 1873. I have compared the text here with those acts, and have no amendment to suggest.

This, Mr. Speaker, is all the portion of the work that I have to present to-night.

Mr. POLAND. I now yield to my colleague on the committee, the gentleman from Pennsylvania, [Mr. MOORE.]

Mr. MOORE. The portion of the work assigned to me commences with title 38, "The currency," on page 930. The first amendment I have to offer is to section 3632.

The section was as follows:

SEC. 3632. The whole amount of notes for the fractions of a dollar, issued as currency, shall not, at any time, exceed $50,000,000.

Mr. MOORE. I offer the following amendment:

In line 1 insert the words "or stamps" after the word "notes."

That is the language of the original act.

The amendment was agreed to.

Mr. MOORE. The next amendment I have to offer is to section 3636.

The section was as follows:

SEC. 3636. No portrait hereafter engraved shall be placed upon any of the bonds, securities, notes, fractional or postal currency of the United States while the original of such portrait is living.

Mr. MOORE. I offer the following amendment:

In line 1 strike out the words, "hereafter engraved."

The amendment was agreed to.

Mr. MOORE. The next amendment I have to offer is to section 3639.

The section was as follows:

SEC. 3639. When any United States notes are returned to the Treasury, they may be reissued, from time to time, as the exigencies of the public service may require.

Mr. MOORE. I offer the following amendment:

In line 3 strike out the word "service," and insert the word "interests" in lieu thereof.

That is the language of the original act.

The amendment was agreed to.

Mr. MOORE. My next amendment is to section 3679.

The section was as follows:

SEC. 3679. All proceeds of sales of old material, condemned stores, supplies, or other public property of any kind, except the proceeds of the sale or leasing of marine hospitals, or of the sales of revenue-cutters, or of the sales of commissary stores to the officers and enlisted men of the Army, or of the sale of condemned Navy clothing, or of sales of materials, stores, or supplies by any exploring or surveying expedition authorized by law, shall be deposited and covered into the Treasury as miscellaneous receipts, on account of "proceeds of Government property," and shall not be withdrawn or applied, except in consequence of a subsequent appropriation made by law.

Mr. MOORE. I offer the following amendment:

In line 6, strike out the word "by," after the word "supplies," and insert the word "to;" so that it will read, "supplies to any exploring or surveying expedition."

That is the language of the original act.

The amendment was agreed to.

Mr. MOORE. My next amendment is to section 3721.

The section was as follows:

SEC. 3721. The heads of Departments, in communicating estimates of expenditures and appropriations to Congress, or to any of the committees thereof, shall specify, as nearly as may be convenient, the sources from which such estimates are derived and the calculations upon which they are founded, and shall discriminate between such estimates as are conjectural in their character and such as are framed upon actual information and applications from disbursing officers. He shall also give references to any law or treaty by which the proposed expenditures are, respectively, authorized, specifying the date of each, and the volume and page of the Statutes at Large, or of the Revised Statutes, as the case may be, and the section of the act in which the authority is to be found.

Mr. MOORE. I offer the following amendment:

In line 8 strike out the word "he," at the commencement of the sentence, and insert the word "they" in its place.

This change is necessary because the reference is to heads of Departments.

The amendment was agreed to.

Mr. MOORE. My next amendment is to section 3753.

The section was as follows:

SEC. 3753. All moneys received from the leasing or sale of marine hospitals, or the sale of revenue-cutters, or from the sale of commissary stores to the officers and enlisted men of the Army, or from sales of condemned clothing of the Navy, or from sales of materials, stores, or supplies by any exploring or surveying expedition authorized by law, shall respectively revert to that appropriation out of which they were originally expended, and shall be applied to the purposes for which they are appropriated by law.

Mr. MOORE. I offer the following amendment:

In line 5 strike out the word "by" after the word "supplies," and insert the word "to" in its place; so it will read, "supplies to any exploring or surveying expedition."

The amendment was agreed to.

Mr. MOORE. My next amendment is to section 3768.

The section was as follows:

SEC. 3768. When any officer or agent duly authorized to receive, redeem, or cancel any Treasury notes issued under acts passed prior to August 10, 1846, shall receive, or pay, any Treasury note which has been previously received or redeemed by any officer or agent having authority to receive or redeem such note, and which has subsequently thereto been purloined and put into circulation, the Secretary of the Treasury, upon full and satisfactory proof that the same has been received or paid in good faith, and in the exercise of ordinary prudence, may allow a credit for the amount of such note, to the officer or agent so receiving or paying the same.

Mr. MOORE. I offer the following amendment:

In lines 2 and 3 strike out the words "under acts passed prior to August 10, 1846," and insert in their stead the words "by authority of law."

The amendment was agreed to.

Mr. MOORE. I move to strike out section 3772.

The section was as follows:

SEC. 3772. It shall be the duty of each of the Executive Departments of the Government to publish in one of the daily newspapers in the city of Washington, on Tuesday of each week, a list of all contracts which have been solicited or proposed to it during the week next preceding. The list shall state briefly the subject-matter of each contract so solicited or proposed to be made, its terms, the name of the proposed contractor and of all persons known to be interested therein, directly or indirectly, and of all persons who solicit, request, or recommend the making of any such contract.

Mr. MOORE. I move to strike out that section altogether, for the reason that it appears to be obsolete in operation.

The motion to strike out the section was agreed to.

Mr. MOORE. These are all the amendments I have to suggest.

Mr. POLAND. I now yield to my colleague on the committee, from Indiana, [Mr. CASON.]

Mr. CASON. The first amendment I have to offer is to section 4728.

The section was as follows:

SEC. 4728. No light-house, beacon, or landmark shall be built or erected on any site until cession of jurisdiction over the same has been made to the United States.

Mr. CASON. I offer the following amendment:

In line 1, after the word "beacon," insert the words "public piers."

The amendment was agreed to.

Mr. CASON. My next amendment is to section 4736.

The section was as follows:

SEC. 4736. The Light-House Board, with the approval of the Secretary of the Treasury, shall prescribe, and from time to time may alter or amend, such regulations as they deem proper for securing an efficient, uniform, and economical administration of the light-house establishment.

Mr. CASON. I offer the following amendment:

In line 3, after the word "amend," add the following words: "and cause to be distributed."

The amendment was agreed to.

Mr. CASON. The next and last amendment I have to offer is to section 4752.

The section is as follows:

SEC. 4752. The President is authorized, in executing the provisions of this title, to use all maps, charts, books, instruments, and apparatus belonging to the United States, and to employ all persons in the land or naval service of the United States, and such astronomers and other persons as he shall deem proper.

Mr. CASON. I move to insert after the words "United States," in the third line, these words: "and to direct where the same shall be deposited."

The amendment was agreed to.

Mr. POLAND. I desire to offer an amendment to section 649.

The section is as follows:

SEC. 649. When a suit is removed for trial from a State court to a circuit court, as provided in paragraph 1 of section 642, and in such of the foregoing sections as relate to the removal of causes for the purpose of protecting all persons in the United States in their civil rights, and to furnish the means of their vindication, any attachment of the goods or estate of the defendant by the original process shall hold the same to answer the final judgment, in the same manner as by the laws of such State they would have been held to answer final judgment had it been rendered by the court in which the suit was commenced. In the other cases mentioned in the foregoing sections, besides the previous provisions of this section; and any injunction granted before the removal of the cause against the defendant applying for its removal shall continue in force until modified or dissolved by the United States court into which the cause is removed; and any bond of indemnity or other obligation, given by the plaintiff upon the issuing or granting of any attachment, writ of injunction, or other restraining process, against the defendant petitioning for the removal of the cause, shall also continue in full force, and may be prosecuted by the defendant and made available for his indemnity in case the attachment, injunction, or other restraining process, be set aside or dissolved, or judgment be rendered in his favor, in the same manner and with the same effect as if such attachment, injunction, or other restraining process had been granted, and such bond had been originally filed or given, in such State court.

Mr. POLAND. I move to strike out that section, and insert in lieu thereof the following:

SEC. —. When a suit is removed for trial from a State court to a circuit court, as provided in the foregoing sections, any attachment of goods or estate of the defendant by the original process shall hold the same to answer the final judgment, in the same manner as by the laws of such State they would have been held to answer final judgment had it been rendered by the court in which the suit was commenced; and any injunction granted before the removal of the cause against the defendant applying for its removal shall continue in force until modified or dissolved by the United States court into which the cause is removed; and any bond of indemnity or other obligation, given by the plaintiff upon the issuing or granting of any attachment, writ of injunction, or other restraining process, against the defendant petitioning for the removal of the cause, shall also continue in full force, and may be prosecuted by the defendant and made available for his indemnity in case the attachment, injunction, or other restraining process be set aside or dissolved, or judgment be rendered in his favor, in the same manner and with the same effect as if such attachment, injunction, or other restraining process had been granted, and such bond had been originally filed or given, in such State court.

The section that we propose to insert is the section as it was drawn by the commissioners. It has been changed to some extent by Mr. Durant, and the committee think that the section as drawn by Mr. Durant is liable to some misapprehensions. They prefer the original section as it was revised by the commissioners, and the section that we propose to insert is an exact draught of that prepared by the commissioners.

The amendment was agreed to.

Mr. POLAND. The next section which I desire to amend is section 3039.

The section is as follows:

SEC. 3039. All duties upon imports shall be collected in ready money, without giving credit therefor.

Mr. POLAND. I move to strike out the words "without giving credit therefor," and to insert at the end of the section the words "and shall be paid in coin or in United States notes payable on demand, authorized to be issued prior to the 25th day of February, 1862, and by law receivable in payment of public dues."

The amendment was agreed to.

Mr. POLAND. I move to strike out section 3040, as follows:

SEC. 3040. The several collectors are authorized, under such regulations as may be prescribed by the Secretary of the Treasury, whenever they shall deem it necessary to protect and secure the revenue of the United States against frauds or undervaluation, and whenever the same is practicable, to take payment of the amount of duties chargeable upon any article bearing an *ad valorem* rate of duty, in the article itself, according to the proportion or rate per cent. of the duty on such article. The collector shall cause merchandise, so taken, to be sold at public auction within twenty days from the time of taking the same, in the manner prescribed in this title, and place the proceeds arising from such sale in the Treasury of the United States. But the collector or appraiser shall not be allowed any fees or commissions for taking and disposing of such merchandise, and paying the proceeds thereof into the Treasury, other than are now allowed by law.

The amendment was agreed to.

Mr. POLAND. I move that section 3122, and all the remaining sections of that chapter, up to and including section 3128, be transferred to page 749, to come in after section 3038.

Those sections are all correct, but they all relate to transportation of merchandise in bond, and they have been placed in the chapter relating to drawbacks of duties, and improperly so placed, as the committee think. They propose, therefore, to transfer them to the end of the chapter in relation to bonded warehouses and transportation in bond.

The amendment was agreed to.

Mr. POLAND. The next amendment I desire to offer is to section 2595.

The section is as follows:

SEC. 2595. There shall be in the collection districts of Wisconsin the following officers:

First. In the district of Superior, a collector, who shall reside at Marquette, a deputy collector who shall reside at Sault Sainte Marie, and a deputy collector who shall reside at Mackinaw.

Second. In the district of Milwaukee, a collector and an appraiser, who shall reside at Milwaukee, and a deputy collector at each of the ports of Southport, Racine, Sheboygan, Green Bay, and Depère.

Mr. POLAND. I move in line 8 to strike out "Southport" and insert "Kenosha."

The same word occurs twice on the same page. We have already changed it in one place, but in the other place we omitted to make the change. The name of the place has been changed from Southport to Kenosha.

The amendment was agreed to.

Mr. POLAND. The next amendment is to section 2673. An amendment was made to that section on a former evening by adding to the section, and we desire now to withdraw that amendment. The provision that was inserted there is a provision of the statutes, but we find it in another place. At the beginning of our work we had no index, and hence we did not notice it. It is already in its appropriate place. I move to strike out the amendment formerly adopted.

The amendment formerly made and now proposed to be stricken out is as follows:

Add at end of section 2673:

Collectors and surveyors of the collection districts on the northern, northeastern, and northwestern frontiers are authorized to keep on sale, at their several offices, blank manifests and clearances required for the business of their districts, and to charge the sum of ten cents, and no more, for each blank which shall be prepared and executed by them.

The amendment was agreed to.

Mr. POLAND. The next amendment is to section 2740.

The section is as follows:

SEC. 2740. Whenever the emoluments of any surveyor, other than those named in the preceding section, shall exceed $2,000 in any one year, after deducting therefrom the necessary expenses incident to his office in the same year, the excess shall be paid into the Treasury for the use of the United States. And no surveyor shall, on any pretense whatever, in the aggregate, receive, or retain for himself, more than $4,500 a year, including all commissions or fees or emoluments, or any other commissions or salaries which are now allowed and limited by law; but each surveyor shall be entitled to a maximum compensation of $4,500 a year, out of any and all fees and emoluments by him received.

Mr. POLAND. I move to amend that section by adding to it the following:

And when any surveyor shall perform the duties of collector, he shall be entitled to the same compensation as is allowed to a collector for like services, and shall be subject to the same limitations.

The amendment was agreed to.

Mr. POLAND. The next amendment is to section 2859.

The section is as follows:

SEC. 2859. The collector at the port of entry shall permit no entry to be made of merchandise, where the duty on the same shall exceed the amount of the bond deposited with the surveyor, nor shall the surveyor receive the bond of any person not entitled to a credit at the custom-house, nor for a sum less than fifty dollars. When the bond has been completed, and the actual amount of duty ascertained and certified on the margin, the surveyor of the port where the bond is taken shall deposit the same for collection in such bank as may be directed by the Secretary of the Treasury.

Mr. POLAND. I move to strike out all after the word "shall," in line 8, as follows: "deposit the same for collection in such bank as may be directed by the Secretary of the Treasury;" and insert in lieu thereof the words "collect said duties and pay the same into the Treasury of the United States;" and to strike out, after the word "person," in line 4, the words "not entitled to a credit at the custom-house, nor."

The amendments were agreed to.

Mr. POLAND. The next amendment is to section 3137.

The section is as follows:

SEC. 3137. If any collector, naval officer, surveyor, or other person especially appointed by either of them, or inspector, shall have cause to suspect a concealment of any merchandise in any particular dwelling-house, they, or either of them, upon proper application on oath to any justice of the peace, shall be entitled to a warrant to enter such house, in the day-time only, and there to search for such merchandise; and if any shall be found, to seize and secure the same for trial; and all such merchandise on which the duties shall not have been paid, or secured to be paid, shall be forfeited.

Mr. POLAND. I move to insert after the word "dwelling-house," in line 4, the words "store, building, or other place," and also to insert after the word "house," in line 6, the words "store or other place."

The amendment was agreed to.

Mr. POLAND. The next amendment is to section 2989.

The section is as follows:

SEC. 2989. No leases shall be entered into by the United States for any warehouses for the storage of warehoused or unclaimed merchandise at any port where there may exist any private bonded warehouses.

Mr. POLAND. I move to amend that section by adding to it the following:

Provided, That such buildings may be leased as may be required for the use of appraisers for the examination and appraisal of imported merchandise at the ports where such officers are provided by law; and the collectors may lease for short periods at any of the smaller ports such stores as may be required for custom-house purposes, with the approval of the Secretary of the Treasury.

The amendment was agreed to.

Mr. POLAND. I now move that sections 2964, 2965, and 2966 be transferred to page 779, to come in after section 3164.

I will state that these sections contain the provisions of the act passed three or four years ago, authorizing the seizures of books and papers by customs officers, under the order of a judge, which just now is making so much disturbance in the world. The sections were inserted correctly by the revisers, but they were put into the chapter in relation to appraisers, and we think they properly belong to the chapter containing provisions for the enforcement of the collection laws and the collection of duties. We therefore propose to make the transfer. The laws are properly transcribed, but they were placed in the wrong place.

The amendment was agreed to.

Mr. POLAND. I move to strike out section 3171.

The section is as follows:

SEC. 3171. Any deputy collector stationed in any district of the customs contigu

ous to a foreign territory, to whom a manifest of merchandise, subject to duty, shall be delivered, is hereby authorized to require of the importer of such merchandise the payment of the duties thereon, or good and ample security, either by bond, with one or more sufficient sureties, for the payment thereof, or by the deposit of a portion of such merchandise, equal, at least, to double the amount of the duties on the whole importation; which bond shall be canceled, or the merchandise so deposited shall be delivered to the owner, on the producing to the deputy collector a certificate of the collector of the district that the duties have been duly paid.

Mr. POLAND. That section contains the provisions of an old law in relation to taking security for the payment of duties. All the recent provisions of law upon that subject require the duties to be paid immediately, and without giving any credit whatever. We think they repeal these earlier provisions, which provided for giving security.

The amendment was agreed to.

Mr. POLAND. The next section to which I desire to offer an amendment is section 3176.

The section is as follows:

SEC. 3176. If the owner, master, or person in charge of any vessel, car, or other vehicle so sealed, shall not proceed to the port of destination thereof named in the manifest of its cargo, freight, or contents, and deliver such vessel, car, or vehicle to the proper officer of the customs, or shall dispose of the same by sale or otherwise, or shall unload the same, or any part thereof, at any other such port, or shall sell or dispose of the contents of such vessel, car, or other vehicle, or any part thereof, before such delivery, he shall be deemed guilty of felony, and on conviction thereof, before any court of competent jurisdiction, pay a fine not exceeding $1,000, or shall be imprisoned for a term not exceeding five years, or both, at the discretion of the court; and such vessel, car, or other vehicle, with its contents, shall be forfeited to the United States, and may be seized wherever found within the United States, and disposed of and sold as in other cases of forfeiture. Nothing in this section, however, shall be construed to prevent sales of cargo, in whole or in part, prior to arrival, to be delivered as per manifest, and after due inspection.

Mr. POLAND. I move to amend that section by inserting after the word "port," in line 2, the words "or place;" also, by inserting after the word "port," in line 6, the words "or place."

The amendment was agreed to.

Mr. POLAND. The next amendment I have to offer is to section 3194.

The section is as follows:

SEC. 3194. The master of any vessel so enrolled or licensed, destined with cargo from a place in the United States, at which there may be no custom-house, to a port where there may be a custom-house, shall, within twenty-four hours after arrival at the port of destination, deliver to the proper officer of the customs a manifest, subscribed by him, setting forth the cargo laden at the place of departure, or laden or unladen at any intermediate port, to the truth of which manifest he shall make oath before such officer. If the vessel, however, have no cargo, the master shall not be required to deliver such manifest.

Mr. POLAND. In line 7, after the word "port," I move to insert the words "or place."

The amendment was agreed to.

Mr. POLAND. The next amendment I have to offer is to section 5508.

The section is as follows:

SEC. 5508. If two or more persons conspire to defraud the United States in any manner or for any purpose, and one or more of such parties do any act to effect the object of the conspiracy, all the parties to such conspiracy shall be liable to a penalty of not less than $1,000 and not more than $10,000, and to imprisonment not more than two years.

Mr. POLAND. I move to amend that section by inserting after the word "conspire" the words "either to commit any offense against the United States or."

The amendment was agreed to.

Mr. POLAND. The next amendment I have to offer is to section 5516.

The section is as follows:

SEC. 5516. Every person who falsely represents himself to be a revenue officer, and, in such assumed character, demands or receives any money or other article of value from any person for any duty or tax due to the United States, or for any violation or pretended violation of any revenue law of the United States, shall be fined $300, and imprisoned at hard labor not less than six months and not more than two years.

Mr. POLAND. I move to insert at the end of line 5 of that section, after the words "shall be," the words "deemed guilty of a felony, and shall be;" and in line 6 I move to strike out the words "at hard labor."

I will state, in reference to this amendment, that our criminal statutes have all sorts of provisions, without much regard to propriety. Some of them say that a person who does so and so shall be deemed guilty of a felony; others say that he shall be deemed guilty of a high crime and misdemeanor; others that he shall be deemed guilty of a high misdemeanor; others that he shall be deemed guilty of a misdemeanor; and they provide a certain punishment. I apprehend that the legal consequences are not changed by the use of either word, except that by possibility in some States, by the laws of the States, a man may be excluded from testifying or excluded from voting, if he has been found guilty of a felony. And, therefore, it may be of some consequence, because, wherever an offense is declared by law to be a felony, it would have a different legal consequence from what it would have if the offense were merely declared to be a misdemeanor, or were not declared to be a felony.

The amendment was agreed to.

Mr. POLAND. The next section to which I wish to offer an amendment is section 5518.

The section is as follows:

SEC. 5518. Every person who promises, offers, gives, or causes or procures to be promised, offered, or given, any money or other thing of value, or makes or tenders any contract, undertaking, obligation, gratuity, or security for the payment of money, or for the delivery or conveyance of anything of value, to any member of either House of Congress, either before or after such member has been qualified or has taken his seat, with intent to influence his vote or decision on any question, matter, cause, or proceeding which may be at any time pending in either House of Congress, or before any committee thereof, shall be fined not more than three times the amount of money or value of the thing so offered, promised, given, made, or tendered, or caused or procured to be so offered, promised, given, made, or tendered, and shall be, moreover, imprisoned at hard labor not more than three years.

Mr. POLAND. I move to amend that section by striking out the words "at hard labor," in line 14.

The amendment was agreed to.

Mr. POLAND. The next amendment I have to offer is in section 5565.

The section is as follows:

SEC. 5565. Every officer of the United States, or person holding any place of trust or profit, or discharging any official function under, or in connection with, any Executive Department of the Government of the United States, or under the Senate or House of Representatives of the United States, who acts as an agent or attorney for prosecuting any claim against the United States, or in any manner, or by any means, otherwise than in discharge of his proper official duties, aids or assists in the prosecution or support of any such claim, or receives any gratuity, or any share of or interest in any claim from any claimant against the United States, with intent to aid or assist, or in consideration of having aided or assisted, in the prosecution of such claim, shall pay a fine of not more than $5,000, or suffer imprisonment at hard labor not more than one year, or both.

Mr. POLAND. I move to amend by striking out the words "at hard labor," in line 13.

The amendment was agreed to.

Mr. POLAND. The next section which I propose to amend is section 5567.

The section is as follows,

SEC. 5567. Any member of either House of Congress who asks, accepts, or receives any money, or any promise, contract, undertaking, obligation, gratuity, or security for the payment of money, or for the delivery or conveyance of anything of value, either before or after he has been qualified or has taken his seat as such member, with intent to have his vote or decision on any question, matter, cause, or proceeding which may be at any time pending in either House, or before any committee thereof, influenced thereby, shall be punished by a fine not more than three times the amount asked, accepted, or received, and by imprisonment at hard labor not more than three years.

Mr. POLAND. I move to amend that section also by striking out the words "at hard labor," in line 10.

The amendment was agreed to.

Mr. POLAND. I wish now to turn to section 5526.

The section reported from the committee was as follows:

SEC. 5526. Every person who falsely makes, forges, or counterfeits, or causes or procures to be falsely made, forged, or counterfeited, or willingly aids or assists in falsely making, forging, or counterfeiting, any coin in the resemblance or similitude of any of the minor coinage which has been, or hereafter may be, coined at the mints of the United States; or who passes, utters, publishes, or sells, or brings into the United States from any foreign place, or has in his possession, any such false, forged, or counterfeited coin, with intent to defraud any person whatsoever, shall be punished by a fine of not more than $1,000 and by imprisonment at hard labor not more than three years.

Mr. POLAND. Some evenings since there was an amendment adopted to this section, to strike out the words "of the minor coinage," and to insert in lieu "copper coin, or coin composed of copper and other base metal." I am instructed by the committee to now ask that that amendment may be withdrawn.

The reference made in the work of the commissioners to the statutes against counterfeiting coin referred to the earlier statutes, where these words "minor coinage" are not to be found. They were first introduced into an act passed at the last session of the last Congress. Congress seems then to have adopted a short and comprehensive term for all the base-metal coinage, that is, "minor coinage." And that term has been used by the revisers. We think it correct according to the act of the last Congress, which act had not come to the notice of the committee at the time this amendment was made. We therefore ask that the amendment may be withdrawn.

No objection was made.

Mr. POLAND. I move that sections 5613 and 5614 be transposed in order of arrangement.

The motion was agreed to.

Mr. POLAND. My next amendment is to section 522.

The section was as follows:

SEC. 522. The commissioner of public buildings shall furnish proper offices for the use of the Office of Education.

Mr. POLAND. This is a part of the work examined by my colleague from Massachusetts, [Mr. E. R. HOAR.] We had occasion in several places to make the same amendment in relation to public buildings which were formerly under the care of the commissioner of public buildings. We struck out those words in many places where they were found. But in looking over my copy I discovered that I had no note of such an amendment to this section. I move to strike out the words "commissioner of public buildings," and to insert in lieu the words "Chief of Engineers."

The amendment was agreed to.

Mr. POLAND. The committee desire to ask an order from the House that they may have printed any of these long written amendments they may deem it advisable to print, for the purpose of making up our volumes. These long manuscript amendments take up much space, and it would be far more convenient to have them printed.

The SPEAKER *pro tempore*. Has not such an order already been made?

Mr. POLAND. Such an order has been made in reference to some proposed amendments relating to the District of Columbia, but not

in the general terms I now propose. Some of the amendments we have already adopted are quite lengthy, covering several pages of manuscript. It would be much more convenient to have them printed, and we ask to have such an order made.

No objection was made, and it was so ordered.

Mr. POLAND. I believe that is as far as we are prepared to go to-night. We have not occupied a great deal of your time to-night, although it has taken a great deal of time to prepare the work we have presented.

I move that the House now adjourn.

The motion was agreed to; and accordingly, (at eight o'clock and thirty minutes p. m.) the House adjourned.

IN SENATE.

THURSDAY, *March* 19, 1874.

Prayer by the Chaplain, Rev. BYRON SUNDERLAND, D. D.

The Journal of yesterday's proceedings was read and approved.

PETITIONS AND MEMORIALS.

Mr. BUCKINGHAM presented the memorial of Captain Albert G. Clary, United States Navy, asking to be raised from the degradation placed upon him by promotions which took place in July, 1866; which was referred to the Committee on Naval Affairs.

Mr. FRELINGHUYSEN presented the petition of James T. Barclay, proposing improvements in minting operations so as to prevent abrasion and falsification of coin; which was referred to the Committee on Finance.

Mr. MORRILL, of Vermont, presented three petitions of citizens of Illinois, praying the substitution of arbitration as a means of settlement of international differences instead of war; which were referred to the Committee on Foreign Relations.

Mr. FLANAGAN presented a resolution of the Legislature of Texas in favor of an appropriation to improve the navigation of Soda Lake and Cypress Bayous; which was referred to the Committee on Commerce.

Mr. MORTON presented the petition of John W. Trewitt, of Fort Wayne, Indiana, praying to be allowed a pension; which was referred to the Committee on Pensions.

He also presented the petition of Andrew Clarke, late private Fifty-third Indiana Volunteers, praying to be reimbursed $950 paid for a substitute when drafted, and from which draft he was not released, but had to serve in person; which was referred to the Committee on Claims.

He also presented the petition of James Calhoun, late second lieutenant Third Indiana Cavalry, praying to be allowed back pay for services as second lieutenant in 1863; which was referred to the Committee on Military Affairs.

Mr. MORTON. I present a petition of 925 farmers and mechanics of Owen County, Indiana; and as it is short I will read it:

To our Senators and Representatives of Indiana in Congress:

We, the undersigned petitioners, of Owen County, Indiana, believing that some measure should be adopted by Congress to relieve the financial embarrassment of the country, would respectfully petition you to use your influence and urge it upon Congress to pass without delay a bill increasing the volume of currency sufficient to meet the legitimate demands of trade and business.

The petition was ordered to lie on the table.

He also presented the petition of Valentine Steiner, postmaster at Knightstown, Indiana, praying to be relieved from liability for postage-stamps destroyed by fire on the night of the 17th of September, 1873; which was referred to the Committee on Post-Offices and Post-Roads.

Mr. SCHURZ presented the petition of Daniel Duffy, a pilot of the Mississippi fleet during the late war, praying additional pay for his services; which was referred to the Committee on Naval Affairs.

REPORTS OF COMMITTEES.

Mr. PRATT, from the Committee on Pensions, to whom was referred the bill (H. R. No. 1122) granting a pension to Mrs. Martha E. Northup, widow of First Lieutenant Edward B. Northup, late of the Seventeenth United States Infantry, reported it without amendment, and submitted a report thereon, which was ordered to be printed.

He also, from the same committee, to whom was referred the bill (H. R. No. 816) granting a pension to Jane LaFont, reported it without amendment, and submitted a report thereon, which was ordered to be printed.

Mr. PRATT. The same committee, to whom was referred the bill (H. R. No. 2099) granting a pension to Mrs. Elizabeth Copeland, direct me to report adversely thereon and move its indefinite postponement. I wish to make a brief explanation as to this bill. This lady is now drawing a pension, and the object of this bill is to give her arrears of pension for several years past. The Senate, during the last four years, since my connection with the Committee on Pensions, has refused to pass bills of that character giving arrears of pensions. It is supposed that it would make a draft of several millions upon the Treasury were Congress at this time to pass a bill of that kind. Still, I understand that the House of Representatives has recently passed a bill—and probably it is on our desks now—granting these arrears. If they are to be granted it should be done by a general bill, and not in exceptional cases. Therefore the committee instruct me to recommend that this present bill be indefinitely postponed.

The bill was postponed indefinitely.

Mr. SPENCER, from the Committee on Commerce, to whom was referred the bill (H. R. No. 2185) granting an American registry to the American-built Peruvian steamship Rayo, now rebuilt in the United States and converted into a sailing-vessel, reported it with an amendment.

Mr. SPENCER. I am directed by the Committee on Commerce, to whom was referred the bill (H. R. No. 2451) to improve the mouth of the Mississippi River, to report the same favorably and ask its immediate consideration.

The bill was read.

Mr. SARGENT. Where does that come from?

The PRESIDENT *pro tempore*. The Committee on Commerce.

Mr. SAULSBURY. It requires some explanation of the necessity of it.

Mr. SPENCER. This amount is recommended by the Secretary of War. The bill has already passed the House. The appropriation of last year has been exhausted, and this $30,000 is to come out of the appropriations for next year. The Secretary of War reports that the amount of money appropriated heretofore has been expended, and this amount of $30,000 is to be deducted from the amount appropriated in the river and harbor bill for next year.

Mr. SARGENT. Are we certain that there will be any river and harbor bill this year?

Mr. SPENCER. I suppose so.

Mr. SARGENT. There seems to be considerable doubt whether there will be any river and harbor appropriations this year or not. It seems to me it would be better this bill should go over until the river and harbor bill passes, and then make this amount available for the current fiscal year.

Mr. WEST. That is the purpose of this very bill.

Mr. SARGENT. But it is obviously impossible to pass special appropriations for local wants. The river and harbor appropriation bill goes on the theory that there is a general consideration of the wants of the country; and if it may be necessary on that bill to authorize an expenditure during the current fiscal year, it can be so stated in the bill, and certainly that bill, if it pass at all, will pass in time for use during the current fiscal year.

The PRESIDENT *pro tempore*. Does the Senator object to the consideration of the bill?

Mr. SARGENT. I do not wish to make factious opposition, but I think it is a dangerous principle.

The PRESIDENT *pro tempore*. Is there objection to the present consideration of the bill?

Mr. SAULSBURY. I object.

The PRESIDENT *pro tempore*. The bill will be placed on the Calendar.

Mr. OGLESBY, from the Committee on Pensions, to whom was referred the bill (H. R. No. 1396) granting a pension to Thomas J. McIntire, of Rowan County, Kentucky, reported it without amendment.

He also, from the same committee, to whom was referred the bill (S. No. 503) for the relief of Susan R. Moore, the relative and legatee of Phœbe Schofield, a pensioner, reported it without amendment.

He also, from the same committee, to whom was referred the petition of Margaret A. Hoffner, praying for a pension, submitted a report, accompanied by a bill (S. No. 609) granting a pension to Margaret A. Hoffner. The bill was read and passed to a second reading, and the report was ordered to be printed.

Mr. DENNIS, from the Committee on Commerce, to whom was referred the bill (S. No. 528) to protect the navigable waters of the United States from injury and obstruction, reported it without amendment.

He also, from the same committee, to whom was referred the bill (H. R. No. 1364) to amend the act entitled "An act to regulate the carriage of passengers in steamships and other vessels," approved March 3, 1855, reported it without amendment.

Mr. INGALLS, from the Committee on Pensions, to whom was referred the bill (H. R. No. 814) granting a pension to Olive S. Breed, reported it without amendment.

He also, from the same committee, to whom was referred the bill (H. R. No. 52) granting a pension to Mary Swift, daughter of Thomas Truxton, deceased, late commodore in the United States Navy, reported adversely thereon, and moved its indefinite postponement; which was agreed to.

He also, from the same committee, to whom was referred the petition of Elizabeth Haines, a nurse in the United States hospital at Keokuk, Iowa, praying that a pension be granted her for disability contracted in the United States service and in the line of duty, submitted an adverse report thereon; which was ordered to be printed, and the committee was discharged from the further consideration of the petition.

Mr. HAMILTON, of Texas, from the Committee on Pensions, to whom was referred the bill (H. R. No. 1950) granting a pension to Isaac M. Grant, reported it without amendment.

He also, from the same committee, to whom was referred the petition of Chloe Ann Ketcham, widow of Archer M. Ketcham, deceased,

praying for a pension, submitted an adverse report thereon; which was ordered to be printed, and the committee was discharged from the further consideration of the petition.

Mr. MORRILL, of Maine, from the Committee on Appropriations, to whom was referred the bill (S. No. 489) authorizing the President of the United States to purchase a site for a coaling station, Navy depot, and other governmental uses, at Fort Point, Port Royal, Beaufort County, South Carolina, and making an appropriation for said purchase, asked to be discharged from its further consideration, and that it be referred to the Committee on Naval Affairs; which was agreed to.

BILLS INTRODUCED.

Mr. HAGER asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 610) to authorize the correction of the boundaries of certain lands in California; which was read twice by its title, referred to the Committee on Private Land Claims, and ordered to be printed.

He also asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 611) for the relief of settlers on certain lands in the State of California; which was read twice by its title, referred to the Committee on Private Land Claims, and ordered to be printed.

Mr. HAGER. I introduce these bills by the request of certain parties who feel aggrieved in consequence of the surveys made under old Spanish grants. There has been a controversy existing for some time in California, growing out of disputed boundaries, the settlers claiming that the ranch boundaries have been extended beyond what the courts authorized by the surveys made under the authority of the United States; and in this way they have, as settlers, been deprived of their possessions by what they allege are illegal and fraudulent surveys made under Government authority. These bills I have introduced at the request of parties in interest, and I desire to state that I do not commit myself either for or against them, because I am not sufficiently informed as to the matter in controversy, but introduce them for the reason that I feel it my duty to introduce a bill that is respectful on its face, relating to a proper subject of legislation, when requested to do so by my constituents.

Mr. HAGER also asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 612) for the relief of Jacob Vogt, James Malone, Joseph Schalter, John W. Martin, William H. Huff, Ephraim Chaquette, S. A. Densmore, and George F. L. Quelet; which was read twice by its title, and, with the accompanying papers, referred to the Committee on Public Lands.

FUR-BEARING ANIMALS IN ALASKA.

Mr. DENNIS. I ask for the consideration of a bill I reported yesterday, in relation to the extermination of fur-bearing animals in Alaska.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. No. 2225) to amend the act entitled "An act to prevent the extermination of fur-bearing animals in Alaska," approved July 1, 1870.

The bill proposes to amend the act of July 1, 1870, so as to authorize the Secretary of the Treasury to designate the months in which fur-seals may be taken for their skins on the islands of Saint Paul and Saint George, in Alaska, and in the waters adjacent thereto, and the number to be taken on or about each island respectively.

Mr. DAVIS. I should like to know whether that bill comes from a committee. It relates to a very important question.

Mr. DENNIS. I reported the bill yesterday from the Committee on Commerce. I ask for its present consideration from the fact that it is urged by the Secretary of the Treasury, as ships are about to leave San Francisco on the 5th of next month, and it is necessary for them to have this information that they may act accordingly.

Mr. DAVIS. Is there a written report in the case?

Mr. SARGENT. I understand it is a House bill.

Mr. CHANDLER. If the Senator from West Virginia will permit me, I will say that it is believed to be very important that this bill should pass at once, as vessels sailing for Alaska leave on the 5th of next month, and there is very little time to make the arrangements.

Mr. DAVIS. I ask the Senator from Michigan, what is the necessity of the bill, and what change is wanted in the present law?

Mr. CHANDLER. The present law compels them to kill twenty-five thousand seals on the island of Saint George and seventy-five thousand on the island of Saint Paul. There are one-thirtieth as many seals on the island of Saint George as on the island of Saint Paul; and it is exterminating the seals on the smaller island while it is leaving a large excess on the larger. It was a mistake in the original bill, which is herein corrected.

Mr. DAVIS. Does it change the amount to be paid into the Treasury from that source?

Mr. CHANDLER. It does not at all. It leaves an option with the Secretary of the Treasury. He may if he sees fit, if in the experience of seal killing it should be found not to interfere at all with the present number of seals, increase the number from time to time on the larger island and diminish it on the smaller.

Mr. DAVIS. Is it the intention of the bill to leave a discretionary power with the Secretary of the Treasury to change the price paid?

Mr. CHANDLER. Not at all; there is no change whatever in that respect.

Mr. DAVIS. Then I have no objection.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

ENGINEERS AND PILOTS.

Mr. CHANDLER. I move to take up for consideration the bill (S. No. 580) to authorize the employment of certain aliens as engineers and pilots.

Mr. SHERMAN. I give notice that after this bill is disposed of, I shall insist on the regular order.

Mr. CHANDLER. I hope this bill will be passed, as it is very important.

The motion was agreed to; and the bill (S. No. 580) to authorize the employment of certain aliens as engineers and pilots, was read a second time, and considered as in Committee of the Whole. It provides that any alien who, in the manner provided for by law, has declared his intention to become a citizen of the United States, may be licensed, as if already naturalized, to serve as an engineer or pilot upon any steam-vessel subject to inspection under the provisions of the act entitled "An act to provide for the better security of life on board of vessels propelled in whole or in part by steam and for other purposes," approved February 28, 1871.

The bill was reported to the Senate, ordered to be engrossed for a third reading, read the third time, and passed.

SUBMERGING THE COLORADO AND MOHAVE DESERTS.

Mr. JONES. I offer the following resolution:

Resolved, That the Committee on Commerce be, and they hereby are, instructed to inquire into the expediency of directing a survey to be made by Government engineers, with a view of determining the feasibility of submerging the Colorado and Mohave deserts and Death Valley, and of reporting the probable effect of such submersion upon the climate and the agricultural and commercial interests of the adjacent country in the States of California and Nevada, and the Territory of Arizona.

Mr. President, I desire to state that two or three gentlemen at their own expense caused quite an elaborate survey to be made of the desert of Colorado during the last season by several engineers of considerable experience, and regarded on the Pacific slope as being men of great attainments. Their reports are handed in with this resolution, and I ask, for the information of the Senate and for the instruction of the committee, that those reports, which I submit, be printed.

Mr. WEST. I have no objection to make to the reference that the Senator proposes on this subject, and yet it seems to me that the Committee on Commerce is scarcely the proper committee to refer such a question to. It is a question involving the irrigation of the public lands of the United States, and in my opinion it more properly belongs to the Committee on Public Lands. I merely throw out the suggestion, without any intention of making any change in the Senator's proposition, but I do not see that it pertains particularly to the Committee on Commerce.

Mr. JONES. I am not particular to what committee it is referred. I desire the investigation.

Mr. WEST. Then I move to amend by striking out "the Committee on Commerce," and inserting "the Committee on Public Lands."

Mr. JONES. I accept the amendment.

The resolution as modified was agreed to.

The PRESIDENT *pro tempore*. The accompanying papers will be printed if there be no objection. The Chair hears no objection, and that order is made.

CAPTURE AND KILLING OF INDIANS.

Mr. BUCKINGHAM submitted the following resolution; which was considered by unanimous consent, and agreed to:

Resolved, That the Secretary of the Interior be, and he is hereby, directed to communicate to the Senate any information in his possession, or that may be obtainable through Indian inspectors, superintendents, and agents, as to the number of Indians, including women and children, who have been taken as captives or killed by United States troops during the year 1873, and particularly under what circumstances so captured or killed, and upon whose order, or for what cause, and whether or not upon their reservations, as well as the tribes to which at the time they severally belonged; also, the number and description of citizens and soldiers killed by Indians during the same period; also, that he make like inquiry for the six months ending June 30, 1874, and report to Congress in December next.

INDIAN AGENCIES IN NEVADA.

Mr. STEWART submitted the following resolution; which was considered by unanimous consent, and agreed to:

Resolved, That the Secretary of the Interior be requested to inform the Senate if any inspector has visited the several Indian agencies in Nevada; and, if so, furnish the Senate with a copy of the report upon each agency; also what Indian reservations have been made in Nevada, where, and by whom, and also at whose instance the reservation on the Muddy, in the southeastern part of the State, was made, the extent of the same, and how many settlers there were thereon at the time said reservation was made; and also who are the agents and sub-agents employed in said State, and what portion of the past year each has actually resided on the reservation in his charge.

AMENDMENT TO AN APPROPRIATION BILL.

Mr. SPENCER submitted an amendment intended to be proposed by him to the bill (H. R. No. 1009) making appropriations for the support of the Army for the fiscal year ending June 30, 1875, and for other purposes; which was referred to the Committee on Appropriations, and ordered to be printed.

BISHOP & CO.

The PRESIDENT *pro tempore*. The Secretary will report the first bill on the Calendar.

The CHIEF CLERK. The first bill on the Calendar is the bill (S. No. 272) for the relief of Bishop & Co., bankers, of Honolulu, Hawaiian Islands.

Mr. SHERMAN. The answer to the communication of the Senator from Michigan has not been received, and I ask that that bill be passed over informally without displacing it. Let it stand at the head of the Calendar until the answer is received.

The PRESIDENT *pro tempore*. The bill will be laid aside.

CHEYENNE WATER-SUPPLY.

The next bill on the Calendar was the bill (H. R. No. 1756) to amend the act entitled "An act to withdraw from settlement and sale a certain section of land in Wyoming Territory," approved May 23, 1872; which was considered as in Committee of the Whole.

It proposes to amend the first section of the act of May 23, 1870, so that it shall read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the north half and the southeast quarter of section 30, in township 14 north, of range 66 west, of the public lands in Laramie County, Wyoming Territory, be, and the same are hereby, withdrawn from settlement and sale under existing laws, and reserved for the use of the city of Cheyenne, in said county, for the purpose of enabling the proper authorities of said city to construct and maintain on said land a reservoir of water for the supply of said city.

Mr. MORRILL, of Maine. Where did that bill come from?

The PRESIDENT *pro tempore*. The Committee on Public Lands.

Mr. MORRILL, of Maine. I would ask the Senator reporting it how much land is involved?

Mr. KELLY. Three-fourths of a section. It is simply to amend and perfect the law heretofore passed making the grant.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

METROPOLITAN POLICE.

The next bill on the Calendar was the bill (S. No. 304) relative to the Metropolitan police of the District of Columbia.

Mr. DAVIS. Is there any report in that case?

The PRESIDENT *pro tempore*. There is no written report with the bill.

Mr. DAVIS. I think it had better go over. The Senator who reported it is not here.

The PRESIDENT *pro tempore*. The bill will be laid aside.

PRAIRIE BAND OF POTTAWATOMIES.

The next bill on the Calendar was the bill (S. No. 221) to fund the sum due the Prairie band of Pottawatomie Indians, under the provisions of the treaty of February 27, 1867, and to transfer and fund any sum which may be found due from the Citizens' band of Pottawatomies to the Prairie band, according to an agreement entered into between said bands July 18, 1873, and to use both principal and interest for the civilization of said Indians; which was considered as in Committee of the Whole.

The bill requires the Secretary of the Interior to invest any sum found due the Prairie band of Pottawatomies in bonds of the United States, bearing 5 per cent. interest, which sum thus invested shall hereafter be used by the Commissioner of Indian Affairs, both principal and interest, for the benefit of those Indians, for their civilization, in such way and at such times as may be authorized by the President of the United States. It further provides that any sum of money which may be found due from the Citizens' band of Pottawatomies to the Prairie band, according to an agreement entered into between those bands, at the office of the superintendent of Indian affairs in Kansas, July 18, 1873, may be transferred from the amount to the credit of the Citizens' band and placed to the credit of the Prairie band, and when so transferred the same shall be invested by the Secretary of the Interior in United States bonds, bearing interest at the rate of 5 per cent. per annum, and shall be regarded as a fund for the civilization of the Prairie band, to be used by the Commissioner of Indian Affairs, both principal and interest, for their civilization, under the direction and by the authority of the President of the United States.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

PLACER-MINING LANDS IN CALIFORNIA.

The next bill on the Calendar was the bill (S. No. 405) relating to the placer-mining lands in the State of California; which was read at length.

Mr. MORRILL, of Vermont. This seems to be a reversal of the whole system pursued since the foundation of the Government. I object to the present consideration of the bill.

Mr. SARGENT. I should like to say that it is not a reversal of any principle heretofore adopted.

Mr. MORRILL, of Vermont. I am willing to hear an explanation of it, but I suggest to the Senator from California that this is too important a bill to be passed in the morning hour.

Mr. SARGENT. I am willing to take it up at any time when we can consider it; but if it goes by now, we are hardly likely to reach it again. It is a bill which has been very carefully considered by the mining committees of both Houses and reported back favorably in both Houses. I have on my desk, which I have cut out and preserved, columns of articles in favor of this bill, from our local papers all through the mining regions, strongly indorsing the bill. I know of no higher guarantee. And back of that I have my own experience for twenty-five years in the mining regions, and my own practice as a lawyer dealing with these questions, and this bill is the best thing I can devise to relieve some of my people from difficulties that they are laboring under. It does not change the system, but simply smooths away some rugged points in the application of the law.

Mr. MORRILL, of Vermont. My impression is that it will require more explanation than can be given in the remaining time of the morning hour. I insist on the objection.

The PRESIDENT *pro tempore*. The bill will be laid aside.

APPRAISEMENT OF MERCHANDISE.

The next bill on the Calendar was the bill (S. No. 318) to provide for the appraisement of merchandise in certain cases; which was considered as in Committee of the Whole.

The bill provides that whenever any goods, wares, or merchandise shall be imported by the manufacturer or producer thereof, or when the appraisers shall be of opinion that the invoice of any goods, wares, or merchandise does not correspond with the market value of such goods, wares, or merchandise at the place of shipment, although such invoice may state truly the cost of such goods, wares, or merchandise, it shall be the duty of the appraisers to fix the actual market value of such goods, wares, or merchandise at the place of shipment at the date of exportation, by ascertaining the cost of the same, or of goods of a similar character, to other parties.

The Committee on Finance proposed to amend the bill in line 12 by striking out the word "cost" and inserting the word "value," and in line 13 by striking out the words "to other parties," and inserting "manufactured or produced by other manufacturers or producers, or sold to other *bona fide* producers in open market;" so as to read:

It shall be the duty of the appraisers to fix the actual market value of such goods, wares, or merchandise at the place of shipment at the date of exportation, by ascertaining the value of the same, or of goods of a similar character, manufactured or produced by other manufacturers or producers, or sold to other *bona fide* purchasers in open market.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMERICAN FORK RAILWAY COMPANY.

The next bill on the Calendar was the bill (S. No. 332) granting to the American Fork Railway Company a right of way through the public lands for the construction of a railroad and telegraph.

Mr. WINDOM. I should like to examine that bill before it is acted upon.

Mr. HITCHCOCK. I hope the gentleman will allow me to say one word.

Mr. WINDOM. I have no objection to a statement.

The PRESIDENT *pro tempore*. Does the Senator from Minnesota object to the consideration of the bill?

Mr. WINDOM. I object to the passage of the bill until there is an opportunity to examine it. I did not know it was here.

The PRESIDENT *pro tempore*. The bill will be passed over.

JOSEPH COUNCIL.

The next bill on the Calendar was the bill (S. No. 465) for the relief of Joseph Council, of Mobile, Alabama; which was read a second time, and considered as in Committee of the Whole.

The bill provides for the payment to Joseph Council, of Mobile, Alabama, of $1,000, in full payment and satisfaction of his claim for raising, repairing, and delivering the rebel torpedo-boat Saint Patrick to the navy-yard at Pensacola, Florida.

Mr. FRELINGHUYSEN. Is there a report in that case? If there is, I should like to hear it.

The Secretary read the following report, submitted by Mr. CRAGIN on the 10th of February:

The Committee on Naval Affairs, to whom was referred the memorial of Joseph Council, having had the same under consideration, beg leave to report:

The claimant sets forth in his memorial that he is a resident of Mobile, Alabama, and claims $1,147, for compensation for services rendered the Government in raising, repairing, and delivering the rebel torpedo-boat Saint Patrick to the navy-yard at Pensacola, Florida.

When our forces captured Mobile, the enemy sunk two of their vessels in the vicinity of the ship-yard of Mr. Council, the boat in question being so near it that he was obliged to raise her in order to launch a vessel that he then had on the stocks for repair.

The Government claimed these sunken vessels as United States property, and some time in 1867 entered into an agreement with one Colburn to raise them, on the terms that one of the boats should become his property. This contract was not carried into effect, but became a nullity from inaction on Colburn's part, which fact is clearly set forth in a letter dated January 11, 1867, from Commodore Winslow (then commanding the Gulf squadron) to Mr. Council, extending to him the same terms, and stating that proposals for wrecking and raising the Bigbee will be received, and that the lowest offer would be accepted and contract made, &c.

Council was not able to raise both of these vessels, but was compelled to either lose the use of his ship-yard or remove the Saint Patrick out of the way. And he affirms that upon laying these facts before Commodore Winslow, directions were given him to raise and deliver the vessel to the Pensacola yard, and that a reasonable amount would be awarded as compensation.

The claim was filed for adjudication in the Department, and a board of appraisers ordered to ascertain the value of the boat; and it appears they reported the same as $1,000, although the claimant contends that, as a matter of fact, she was worth a much larger sum at the time of her delivery at Pensacola.

The Chief of the Bureau of Construction and Repair, after considering this case, reported to the honorable Secretary of the Navy, on the 11th of April, 1872, that the boat was raised and delivered by Council; and as the cost of raising, &c., was more

than the appraised value, recommended the payment of $1,000, suggesting that the advantage to the claimant of having it removed was well worth to him the difference between amounts claimed for services and the value as above set forth.

Your committee is of the opinion that, having faithfully rendered the services to the Government as stipulated in agreement with Commodore Winslow, he should receive a reasonable compensation, and that the sum recommended by Constructor Hanscom is a reasonable amount for the services rendered.

If the Government, by one of its officers, enters into a contract with a citizen for any specific performance, and then receives the benefit from that contract, (although verbal,) we think it should also be held to its responsibilities.

The committee report the accompanying bill, and ask its passage.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BONDED WAREHOUSES FOR RICE.

The next bill on the Calendar was the bill (H. R. No. 476) to establish bonded warehouses for the storing and cleansing of rice intended for exportation; which was considered as in Committee of the Whole.

It provides that importers' bonded warehouses, to be used for the storage and cleansing of imported rice intended for exportation to foreign countries, may be established at any port of entry in the United States, under such rules and regulations as the Secretary of the Treasury may prescribe.

The Committee on Finance reported the bill with amendments, in line 5, to insert after the word "imported," the word "uncleaned," and after the word "rice," to insert "and paddy."

Mr. SCOTT. After that bill was reported, upon consultation with the Secretary of the Treasury it was discovered that the amendments which had been reported by the committee would really to a certain extent defeat the purpose of the bill. The words "uncleaned" "and paddy" were inserted on the supposition that the word "rice" would not cover it, because the words "uncleaned rice and paddy" are those used in the revenue laws. There is a certain character of rice imported that is classed as "uncleaned" under the revenue laws, and has again to be cleaned, although the customs duty is assessed on it as cleaned rice. Therefore, for the purpose of accomplishing the purpose of the bill, which has the entire approbation of the Treasury Department, I ask that the amendments reported by the Committee on Finance be non-concurred in, and the bill passed as it came from the House.

The PRESIDENT *pro tempore*. The question is on the amendments reported by the committee.

The amendments were rejected.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

ESTIMATES AND APPROPRIATIONS.

The next bill on the Calendar was the bill (S. No. 409) to revise, consolidate, and amend the statutes in relation to estimates, appropriations, and public accounts.

Mr. WEST. I see that that bill is reported by the chairman of the Committee on Finance; and I suggest to him, in view of its very great importance, that probably it will be inexpedient to push it at this late period of the morning hour, especially as the chairman of the Committee on Appropriations, I observe, is not in his seat.

Mr. SHERMAN. This same bill was reported at the last session by the Committee on Appropriations, and the chairman of the Committee on Appropriations I know is desirous to have action upon it. I have no objection to its going over until to-morrow, but I do not want it to lose its place, because I have conferred with him, and he desires that it should be acted on.

Mr. WEST. Let us act upon it, as far as we can, to-day.

Mr. SARGENT. I think it had better lie over.

Mr. SHERMAN. Very well.

The PRESIDENT *pro tempore*. The bill will be passed over.

Mr. SHERMAN. I hope it will not be displaced on the Calendar.

Mr. WEST. It ought not to lose its place.

Mr. SHERMAN. If the bill is to go over, I would prefer that it should be referred to the Committee on Appropriations. There are some things in it that I think they ought to consider.

The PRESIDENT *pro tempore*. The Senator from Ohio moves that the bill be referred to the Committee on Appropriations.

Mr. SHERMAN. Yes, sir.

The motion was agreed to.

C. E. ROGERS.

The next bill on the Calendar was the bill (S. No. 207) for the relief of C. E. Rogers; which was considered as in Committee of the Whole.

It proposes to direct the Postmaster-General, in settling the accounts of C. E. Rogers, late postmaster at Carver, Minnesota, to allow him a sum not exceeding $222.50, as indemnification for a like amount belonging to the post-office fund, and stolen from him on the 29th of October, 1869, if it shall satisfactorily appear to the Postmaster-General that Rogers was guilty of no negligence in the custody of the money and postage-stamps stolen.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. MCPHERSON, its Clerk, announced that the House had disagreed to the amendment of the Senate to the bill (H. R. No. 1923) authorizing the payment of annuities into the treasury of the Seminole tribe of Indians, asked a conference on the disagreeing votes of the two Houses thereon, and had appointed Mr. JOHN T. AVERILL of Minnesota, Mr. JOHN P. C. SHANKS of Indiana, and Mr. ABRAM COMINGO of Missouri, managers of the conference on its part.

GEORGE M. RICHARD.

The next bill on the Calendar was the bill (H. R. No. 215) to exempt George M. Richard, of Pittston, in the State of Pennsylvania, from the payment of $881.29, for postage-stamps stolen from his office while postmaster; which was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

WILLARD HOWE.

Mr. STEWART. I desire to ask a favor of the Senate. I ask to take up a bill out of its order—the bill (S. No. 563) for the relief of John M. McPike.

Mr. ANTHONY. I will not object; but had we not better go on with the Calendar in order?

Mr. STEWART. I cannot be here all the time, and that is the reason I ask this now. I will not press it against the wish of the Senate, though I am anxious the bill shall pass. It has been delayed many years on account of my neglect.

The PRESIDENT *pro tempore*. Is the motion withdrawn?

Mr. STEWART. I withdraw it.

Mr. ANTHONY. I beg to remark here that if we take out of the order of business those bills which Senators are particularly anxious to have passed, we neglect all the others. If we keep those that Senators are anxious to pass in their place, then they will help to push the Calendar along. Although I shall not object to anything my friend from Nevada wants done, I think the best way is to go on regularly in order.

The Chief Clerk read the next bill on the Calendar, being the bill (H. R. No. 1213) for the relief of Willard Howe, of Massachusetts; which was considered as in Committee of the Whole.

It proposes to direct the Auditor for the Post-Office Department to credit the account of Willard Howe with the sum of $474.54, to reimburse him for the payments made by him.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

REUEL B. FULLER.

The next bill on the Calendar was the bill (H. R. No. 1576) for the relief of Reuel B. Fuller, of Wilton, Maine; which was considered as in Committee of the Whole.

It proposes to direct the Postmaster-General, in the settlement of the accounts of Reuel B. Fuller, postmaster at Wilton, Franklin County, Maine, to credit him with $169, being the amount of postage-stamps and postal funds stolen from the post-office of Wilton, without fault or negligence on his part.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

JAMES R. YOUNG.

The next bill on the Calendar was the bill (S. No. 470) for the relief of James R. Young; which was read a second time, and considered as in Committee of the Whole.

It authorizes the proper accounting officers of the Treasury to allow and credit to James R. Young, late postmaster at Lisbon, New Hampshire, $309.84, postage-stamps stolen from his safe and office by burglars on the night of May 15, 1869, without any fault or neglect on his part.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

COWAN & DICKINSON.

The next bill on the Calendar was the bill (S. No. 63) for the relief of Perez Dickinson, the surviving partner of James Cowan, deceased, heretofore trading and doing business under the firm name and style of Cowan & Dickinson, of Knoxville, East Tennessee.

Mr. WRIGHT. That is of a class of cases that I know will provoke a great deal of discussion here. There is a very lengthy report. I therefore object to the present consideration of the bill.

Mr. SCOTT. Before the Senator interposes an objection, let me state to him that I am in receipt of a letter from the Senator from Tennessee, not now in his place, who sits on the right, [Mr. BROWNLOW,] stating that he is very much interested in the disposition of this bill; but the state of his health is such that he fears he will have to leave the city and return to his home in a few days, and he makes an appeal to me to endeavor to bring it up and have it passed. I do not know whether it is likely to elicit discussion or not, but I wish to make that statement before the Senator objects.

The PRESIDENT *pro tempore*. The morning hour having expired, the Senate resumes the consideration of the unfinished business, which is the finance bill, and the bill just read will remain at the head of the Calendar for to-morrow morning.

ORDER OF BUSINESS.

Mr. WEST. If the Senator from Ohio will not object, as I understand the Senate is not now prepared to continue the further consideration of the question of finance, I shall move to lay aside the financial question informally to continue action upon the Army appropriation bill.

The PRESIDENT *pro tempore*. The Senator from Louisiana asks unanimous consent to lay aside informally the pending order, and proceed with the Army appropriation bill.

Mr. SHERMAN. I will ask the Senator from Indiana if he desires to speak to-day on the finance question?

Mr. MORTON. I do not.

Mr. ANTHONY. If there is a difference of opinion between the Appropriation and Finance Committees, as we are going on so well with the Calendar, would it not be as well to give it another hour?

Mr. WEST. There is not any difference.

Mr. SHERMAN. I simply rose to say that I would make no objection now to the postponement of the financial question until after the Army bill is disposed of; and I say this with a view to promote the public business. I believe the early disposition of the financial question itself will be promoted by a day or two's delay now. The Committee on Finance will probably be able to report at an early day; and perhaps it may promote the final disposition of the question to postpone the pending bill for a day or two.

The PRESIDENT *pro tempore*. Is there objection to the motion of the Senator from Louisiana? The Chair hears none, and the Army appropriation bill is before the Senate.

DISTRICT GOVERNMENT INVESTIGATION.

Mr. ALLISON. I ask the Senator from Louisiana to consent to lay aside this bill informally for a moment, that we may take up the bill appropriating $10,000 to pay the expenses of the joint select committee for the investigation of the affairs of the District of Columbia.

Mr. WEST. I will yield to that.

The PRESIDENT *pro tempore*. If there be no objection, the bill referred to by the Senator from Iowa will be taken up. The Chair hears no objection.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. No. 583) making an appropriation to defray the expenses of the joint select committee to inquire into the affairs of the District of Columbia.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

ARMY APPROPRIATION BILL.

Mr. WEST. Now I insist on the regular order.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. No. 1009) making appropriations for the support of the Army for the fiscal year ending June 30, 1875, and for other purposes, the pending question being on the amendment of the Committee on Appropriations, in line 171, to reduce from $10,000 to $5,000 the appropriation "for the Army Medical Museum and medical and other necessary works for the library of the Surgeon-General's office."

Mr. WEST. I ask that the amendment be non-concurred in.

The PRESIDENT *pro tempore*. The question is on the amendment of the committee.

Mr. MERRIMON. I find that I did not place a proper construction in this clause of the bill, owing to the omission of a comma at the close of the word "museum." It reads, "for the Army Medical Museum," and there should be a comma there, but there is none, and then it proceeds, "and medical and other necessary works for the library of the Surgeon-General's office, $5,000." If it is for all the purposes named, I think the appropriation ought to be $10,000.

Mr. WEST. Let the Clerk make that correction of punctuation by inserting a comma after the word "museum."

Mr. SARGENT. The better way would be to put the word "for" after the word "and."

Mr. WEST. That is true. Let that be done.

The PRESIDENT *pro tempore*. If there be no objection that change will be made. The question now is on the amendment of the committee reducing the appropriation from $10,000 to $5,000.

The amendment was rejected.

The next amendment of the Committee on Appropriations was in line 196, after the word "construction" in the proviso to the clause making appropriations for the ordnance service to defray current expenses at the arsenals, to strike out the words "or repair," so as to make the proviso read:

And provided further, That none of the money hereby appropriated shall be expended for the construction of buildings.

The amendment was agreed to.

The next amendment was in line 3, of section 2, after the words "Quartermaster-General," to insert the words "and of the Commissary-General of Subsistence, prior to July 1, 1872," so as to read:

That all balances of appropriations, for whatever account, made for the service of the Departments of the Quartermaster-General and of the Commissary-General of Subsistence, prior to July 1, 1872, which at the passage of this act shall remain undrawn upon the books of the Treasury.

Mr. SHERMAN. I wish to call the attention of the Senator from Louisiana to the phraseology of this section, which will involve us in the same difficulty that we were involved in years ago by the passage of a similar law. I think, if the construction of the Treasury Department is right, the language here used is entirely nugatory. I refer to the construction put upon the act of July 12, 1870, providing that all balances of appropriation contained in the annual appropriation bills, and made specifically for the service of any fiscal year and remaining unexpended, shall be covered into the Treasury; and which further provides "that all balances of appropriations which shall have remained on the books of the Treasury, without being drawn against in the settlement of accounts for two years from the date of the last appropriation made by law, shall be reported by the Secretary of the Treasury to the Auditor of the Treasury whose duty it is to settle accounts thereunder," &c. Under that section of the law they hold that where an appropriation of $1,000,000 is still unexpended at the end of the fiscal year, yet if at any time within two years after that it is drawn against to the amount of $1,000, that it not only keeps in the Treasury or subject to draft the $1,000 so drawn against, but the whole balance of the appropriation. That is the construction under which the Treasury officers are now acting.

Mr. WEST. Is that construction objectionable to the Senator?

Mr. SHERMAN. Certainly it is.

Mr. WEST. This is intended to obviate that.

Mr. SHERMAN. It falls into the same language, except instead of the word "against" the word "upon" is used: "All balances of appropriations, for whatever account, made for the service of the Department of the Quartermaster-General, which at the passage of this act shall remain undrawn upon the books of the Treasury," instead of "undrawn against." You will have the same difficulty, unless you make this language so clear as to exclude the conclusion to which they have arrived. I suggest to make it read: "All balances of appropriations, for whatever account, made for the service of the Department," &c., "remaining on the books of the Treasury."

Mr. WEST. I will accept that. Having the very same object with the Senator, I think it would be well to perfect the language.

Mr. SHERMAN. In the case of salaries, for instance, instead of the money being covered into the Treasury at the end of the fiscal year, it was held that, as long as any draft was made on the fund within two years, the whole fund was available and at the disposition of the Department. When there seems to be an indisposition to carry such a law as this into effect, it is difficult to frame language to insure it.

I would make it read, "remaining on the books of the Treasury," and use the express words, "shall be carried to the surplus fund." I would strike out the words "which at the passage of this act shall," and just say "remaining undrawn," striking out the word "upon."

Mr. WEST. One moment. We cannot do that, because we propose to change the phraseology there and strike out the words "at the passage of this act," and insert "on the 30th day of June, 1874." If the Senator will allow me, I will interpose that, and ask for action on that first, and then his proposition can come up next.

Mr. SHERMAN. Very well; that is right.

Mr. WEST. I am instructed by the committee to recommend that the words, in line 5, "at the passage of this act," be stricken out, and the words "on the 30th day of June, 1874" inserted, giving a margin, as the Senate and Congress undoubtedly intended to do when they originally passed the limitation on these appropriations, of two years exactly. Instead of making it take effect on the passage of this act, it takes effect at the end of the fiscal year. It allows a margin.

The PRESIDING OFFICER, (Mr. ANTHONY in the chair.) The question is on the amendment moved by the Senator from Louisiana, in line 5, after the word "which," to strike out "at the passage of this act" and insert "on the 30th day of June, 1874."

Mr. SHERMAN. The words "undrawn upon" are the words that create the difficulty, and they ought to be stricken out. They are construed to limit the effect of the restriction, so that if there is a single draft outstanding against the fund it keeps open the whole fund appropriated for two years thereafter.

Mr. WEST. The Senator's proposition then is simply to make it read, "remaining on the books of the Treasury." That is acceptable, I have no doubt, to the other members of the committee.

The PRESIDING OFFICER. The amendment suggested by the Senator from Ohio will be regarded as agreed to if there be no objection. It is agreed to; and the question is on the amendment of the Committee on Appropriations as amended.

The amendment was agreed to.

The next amendment of the Committee on Appropriations was in section 2, after the word "office," in line 10, to strike out:

And except the balances remaining from such appropriations for the fiscal years ending June 30, 1873, and June 30, 1874, respectively.

The amendment was agreed to.

Mr. SHERMAN. I suggest that, to make this clearer and avoid all ambiguity, the words "and be carried to the surplus fund," in line 14, should be transposed to line 6, so that the operative words will come in before the exception.

Mr. WEST. The exception is stricken out.

Mr. SHERMAN. No; the exception I refer to is from line 6 to line 10; and the operative words ought to be inserted above, or these other words should be in parentheses.

Mr. WEST. Then on line 6, in order to meet the views of the Senator, with which I am entirely in accord, before the word "except," I move to insert the words "shall be carried to the surplus fund," and to strike those words out of line 14.

The PRESIDING OFFICER. The section will be read as it would stand if thus amended.

The Chief Clerk read as follows:

SEC. 2. That all balances of appropriations, for whatever account, made for the service of the Departments of the Quartermaster-General and of the Commissary-General of Subsistence, prior to July 1, 1872, which on the 30th day of June, 1874, shall remain on the books of the Treasury, shall be carried to the surplus fund,

except such as the Auditor of the Treasury, whose duty it is to settle accounts ag.. ast such appropriations, shall certify to the Secretary of the Treasury to be necessary in the settlement of such accounts pending in his office.

The next amendment of the Committee on Appropriations was to add to section 2 the following words:

And the Quartermaster-General, Commissary-General, and Third Auditor of the Treasury shall continue to receive, examine, and consider the justice and validity of such claims as shall be brought before them under the act of July 4, 1864, and the acts amendatory thereof; and the Secretary of the Treasury shall make report of each claim allowed by them, at the commencement of each session of Congress, to the Speaker of the House of Representatives, who shall lay the same before Congress for consideration.

Mr. SCOTT. The insertion of that amendment, together with the proposition to strike out the fourth section of the House bill, brings before us a question upon which I desire to say a very few words.

The fourth section, proposed to be stricken out, it will be observed, would have the effect of transferring from the Quartermaster and Commissary Departments to the southern claims commission, as it is termed, the consideration of cases now pending before those two departments; and this presents a question which, I think, is assuming so much importance in its general aspects that the attention of Congress should be directed to it. It is the general subject of how claims against the Government are to be disposed of.

There are four tribunals at present existing for the adjudication of claims: first, the regular committees of Congress, treating them as one tribunal; secondly, the southern claims commission; thirdly, the Quartermaster and Commissary Departments; and fourthly, the Court of Claims; and each one of these has a separate class of claims to pass upon. The magnitude of them will be apparent when I state that the docket of the Senate Claims Committee at this time has upon it one hundred cases more than at the corresponding period of the last Congress. A statement of the number before the Quartermaster and Commissary Departments I had, but by some accident I have mislaid it.

Mr. WEST. Eleven thousand and upward.

Mr. SCOTT. I am told the number there is eleven thousand and upward unacted upon. In the southern claims commission the number, according to the last report which they made, is as follows:

The whole number of claims presented to the commissioners is 22,298.

This is the aggregate of all that have been presented since the organization of the board in 1871, about three years.

The gross amount of all the claims filed is $60,258,150.44. The aggregate of the claims disposed of by the three reports which have been made to Congress is 5,254.

So that there are over seventeen thousand claims yet pending before the southern claims commission; and the section which is proposed to be stricken out, if I remember it properly, removes the limitation of the time for the presentation of petitions, which expired on the 3d of March last, until the 3d of March, 1875.

Mr. President, it is apparent that with this vast number of claims some better mode of disposing of them must be provided than now exists. In no one instance, except in the Court of Claims, is the Government represented by counsel, for the purpose of carefully and laboriously preparing the defense which the Government has against these claims. It is true that in the committees of Congress, in the Quartermaster and Commissary Departments, and in the southern claims commission, the persons who have to decide these claims find themselves in the anomalous position of considering the *ex parte* testimony which is produced by claimants for the purpose of making out their claims against the Government, of examining it with all the scrutiny which that circumstance is likely to compel them to exercise, and then, after they have thus examined the testimony of the claimant taken *ex parte* to support his case, they find themselves, from the necessity of the case, in the anomalous position of turning around and becoming the counsel of the Government for the purpose of defending the Government against the demand of the claimant. Any one can see how very defective this mode of proceeding is; that it is impossible to know, after a case has been thus examined and adjudicated, whether justice has been done either to the claimant or to the Government.

I approve of this amendment which we now have immediately under consideration, and of the proposition to strike out the fourth section of the bill, for this reason: This amendment relates to a class of cases which have been for a long time under consideration in these departments, and a large number of them have been partially examined, and they are merely suspended, awaiting the official examination of the officers upon further testimony to be produced. Those officers have a knowledge of these claims which could not be obtained in a new tribunal for many months, for perhaps a year; and the tribunal to which it is proposed to send them in the fourth section is simply composed by the addition of two more commissioners to the southern claims commission, making those two a side commission, in reality, for the purpose of exclusively examining the claims transferred from the Quartermaster and Commissary Departments; so that there would be the anomaly of this one tribunal divided into two departments for the purpose of examining different classes of claims, and in both the anomaly which I have already presented of there being no counsel really for the purpose of protecting the interests of the Government. The only provision that is made which can be considered as defending the interests of the Government is, that under the regulations provided by the commissioners, they may cross-examine in certain cases when the testimony is being examined; but the commissioners themselves are not familiar with the merits of each case, so that the privilege of cross-examining must be a very limited one, and not so effective as it would be in the hands of counsel who have examined each case and prepared themselves to know its merits.

I am entirely satisfied that before the commissioners of claims, before the Quartermaster and Commissary Departments, and before any other tribunal that may be authorized for the purpose of hearing this vast multitude of claims, the Government could well afford to employ and pay the best counsel in the land, and would save large amounts of money by doing it; and in view of the statement of business which I have made as already suspended before the committees of Congress, the claims commission, and the Quartermaster and Commissary Departments, I wish to call attention to the subject now, for I think that either at this session of Congress, or very soon, it becomes absolutely necessary, both for the purpose of doing justice to the honest and deserving claims and of defeating undeserving and dishonest ones, and of doing justice to the Government, some more expeditious tribunal should be erected for the purpose of having these claims adjudicated. Why, sir, take the southern claims commission. It has already been in existence three years. It has disposed of five thousand cases. There are seventeen thousand cases yet to be disposed of; and any one can see that at that rate, disposing of five thousand cases in three years, it will take them ten years to dispose of the cases now before them, if the time even be not extended for another year to permit a single additional claim to be filed.

The necessity, therefore, of considering the question of limitation upon the time for filing claims, of the kind of tribunals and the number of them that ought to be organized, and of the provision to be made for protecting the interests of the Government, is apparent; and some effective action ought to be taken upon it, and taken soon.

I only rose at this time to call attention to this general necessity, saying that, for reasons which I have given, I favor the amendment already before us for the purpose of continuing these cases before the Quartermaster-General and Commissary-General, believing that they will be more effectively disposed of there, with the knowledge those departments have of them, with the trained clerks they have for the purpose of examining these cases, than they would be by transferring them to the southern claims commission. I wish to say nothing whatever in disparagement of any of these tribunals. They are doing the best they can under their organization, and with the means given to them by the Government; but except in the Court of Claims, the machinery for securing justice to the worthy claimant, and at the same time protecting the Government against unfounded claims, is totally inadequate.

Mr. WEST. You except the Court of Claims?

Mr. SCOTT. Yes; I say with the exception of the Court of Claims.

Mr. BOREMAN. Mr. President, I agree with the Senator from Pennsylvania that the amendment of the committee should be concurred in by the Senate. I have looked into this matter a little, and I am satisfied that the Quartermaster's Department and the Commissary's Department are in a better condition to do justice to the claimants and at the same time to the Government than the tribunal which is proposed to be substituted by the section proposed to be stricken out.

How this section in the House bill came to be suggested I cannot imagine. It is not recommended by any Department, so far as I know. It is not asked for by the claimants. It is not in the interest of expedition nor in the interest of economy. The Quartermaster's Department has had presented to it upward of thirty-one thousand claims. Of these over twenty thousand have been disposed of, leaving eleven thousand yet undetermined The Commissary Department has had from three to four thousand claims presented to it for consideration and action, and of these but two hundred and forty-seven remain, I believe, undisposed of; so that it will be seen that the Quatermaster's Department has proceeded to dispose of the claims in that department at the rate of about two thousand a year, and has given satisfaction, so far as I know, to the claimants and to the country. So also with the Commissary Department. The section under consideration proposes to throw open the door to a different class of claimants than has ever before gone before this southern claims commission.

Mr. WEST. Pardon me. Will the Senator allow me to ask him whether the third section proposes to do it?

Mr. BOREMAN. The section proposed to be stricken out—the fourth section.

Mr. WEST. Ah! the section proposed to be stricken out.

Mr. BOREMAN. Yes, sir; I say it is proposed to put before the southern claims commission a class of claims that they have never heretofore had jurisdiction of, and a large proportion of which are now pending in the Quartermaster and Commissary Departments.

Mr. WEST. Then I am to understand the Senator as supporting the report of the committee?

Mr. BOREMAN. I favor the report of the committee. The claims intended to be transferred to the southern claims commission by the section which came from the House are those belonging to citizens of loyal States. Heretofore they have had jurisdiction of claims from the insurrectionary States only.

In addition to that, there is proposed an addition of two members to the southern commission, and they are to sit as an independent body, making a separate and distinct commission, in addition to the one which we already have, which will entail upon the Government an

extraordinary expense. In addition to that, it will be necessary to have additional clerks, messengers, agents, and all these.

Now, if you will look at the history of this southern claims commission, you will find that since its creation it has been authorized to employ additional agents, additional clerks, additional short-hand reporters, additional commissioners for taking testimony, all of whom are to be paid out of the Treasury except the fees for taking depositions. The annual expense of this southern claims commission, as reported, exceeds $50,000 to-day, and this is a proposition to add to that expense very materially, and so far as I have been able to ascertain from those who are interested, and from the officers of the Government, the action upon the claims sought to be transferred will be retarded, the expense will be increased, and nobody profited.

I trust the suggestion of the committee will be adopted, and that the recommendation to strike out the section will be concurred in.

The PRESIDING OFFICER, (Mr. ANTHONY.) The question is upon the amendment of the Committee on Appropriations as an addition to the second section of the bill.

The amendment was agreed to.

Mr. WEST. The next amendment is to strike out sections 3 and 4, or the rest of the bill.

The PRESIDING OFFICER The question is now upon the amendment of the Committee on Appropriations, to strike out sections 3 and 4, being the residue of the bill.

Mr. WEST. The Senators who have spoken on the preceding amendment have given undoubtedly satisfactory reasons for striking out the fourth section, and I will not burden the Senate with any remarks on these sections at the present time. Section 3 can be dispensed with, simply for the reason that we have, by the amendment beginning on line 3 of the preceding section, embraced the whole body of it, the whole spirit of it, and the whole letter of it, in fact, so that it is now irrelevant in the bill. The motion is now to strike out all of the remainder of the bill, being sections 3 and 4.

Mr. DAVIS. I did not hear the proposition of the Senator from Louisiana. It is just as it came from the committee that he proposes to have the bill stand, as I understand.

Mr. WEST. Precisely.

Mr. MERRIMON. What is the question before the Senate?

The PRESIDING OFFICER. The question is on striking out the remainder of the bill.

The amendment was agreed to; being to strike out the third and fourth sections, as follows:

SEC. 3. That all balances of appropriations, for whatever account, made for the service of the Department of the Commissary-General of Subsistence, which at the passage of this act shall remain undrawn upon the books of the Treasury, except such as the Auditor of the Treasury whose duty it is to settle accounts against such appropriations shall certify to the Secretary of the Treasury to be necessary in the settlement of such accounts pending in his office, and except the balances remaining from such appropriations for the fiscal years ending June 30, 1872, to June 30, 1873, and June 30, 1874, respectively, shall be carried to the surplus fund.

SEC. 4. That all claims of citizens who remained loyal adherents to the cause and Government of the United States during the war for stores or supplies taken or furnished during the rebellion for the use of the Army of the United States, and for the use or loss of vessels or boats while employed in the military service of the United States, including any such claims now pending and undetermined in any department of the Government, shall be presented, before the 1st day of November, 1875, to the commissioners of claims created by act of March 3, 1871, who shall have exclusive jurisdiction to hear and determine the same: *Provided*, That all such claims now pending and undetermined in the Department of the Quartermaster-General and the Department of the Commissary-General of Subsistence shall, on the passage of this act, be transferred to the said commissioners of claims; and such transfer shall be regarded as presentation within the meaning of this act. And all evidence taken in reference to said claims, and now on file in the office of the Quartermaster-General or Commissary-General, and admissible under the rules and regulations of their Departments, shall be transferred with the claims, and be considered as if taken under the rules and regulations of said commission. And there shall be appointed by the President, with the advice and consent of the Senate, two additional commissioners of claims, with the powers, duties, and compensation of the commissioners created under the act of March 3, 1871, and who shall devote their time exclusively to the claims transferred to the commission by the provisions of this act; and the decision of the said two additional commissioners thereon shall be taken and held to be the decision of the commission, unless in case of disagreement of the two, when the decision of the presiding commissioners shall be given, and shall be decisive. And all such claims which shall not be presented to said commissioners on or before said day shall be barred, and shall not be entertained without further authority of Congress: *Provided*, That nothing herein shall be deemed to affect or impair the limitation for the time for the presentation of petitions prescribed by section 2 of the act of March 3, 1873. Such commissioners shall, under the provisions of the act of March 3, 1871, and the acts in amendment thereof, receive, examine, and consider the justice and validity of such claims as shall be brought before them, and shall make report of their proceedings, and of each claim considered by them, at the commencement of each session of Congress, to the Speaker of the House of Representatives, who shall lay the same before Congress for consideration.

The PRESIDING OFFICER. The bill is before the Senate as in Committee of the Whole, and still open to amendment.

Mr. LOGAN. I ask to go back to line 223, on page 10.

The PRESIDING OFFICER. The Chair is reminded that there is one amendment of the Committee on Appropriations which was passed over. It will be now stated.

The CHIEF CLERK. On page 2, line 34, it was proposed to strike out the following proviso:

Provided further, That nothing herein shall be construed to allow more than ten cents a mile for such transportation.

Mr. WEST. As that amendment was reserved at the request of the Senator from Ohio who is not now in his seat, I suggest that it be passed over, and other amendments entertained, to give that Senator an opportunity to be heard when he returns.

Mr. LOGAN. I desire to offer an amendment now, as I was not noticing at the time the Senate took action on that part of the bill to which I wish to move it. At the end of the first section, after line 223, I move to insert:

Provided further, That $20,000 be appropriated to continue experiments on the Moffatt breech-loading system of ordnance.

This appropriation is recommended by the Ordnance Department and by the Secretary of War. My attention was called to it by the Secretary of War. He wrote me a letter, which I have in my hand, suggesting the propriety of this amendment to this bill. It is an experiment that is going on by the Ordnance Department, and they ask this appropriation for the purpose of completing the experiment in reference to this gun. I think it is a very proper thing to do.

Mr. WEST. Neither the Secretary of War nor the Ordnance Department made any such recommendation to the Committee on Appropriations, and I think I shall be compelled to raise a point of order, that the Senator has not offered the amendment in time and in accordance with the usage of the Senate; that is, that it should be submitted, and notice should be given, and it should be reported by his committee. We had no notice of it. I do not say that I am prepared to consent, nor will I dissent to the proposition, but I shall be compelled, under the usages of the Senate, to raise the point of order on its reception.

Mr. LOGAN. If the Senator raises the point of order, and it is out of order to offer the amendment, of course that is the end of it. I know nothing about what recommendations were made to the Committee on Appropriations by the Secretary of War.

Mr. WEST. I ask for a ruling on my point of order.

The PRESIDING OFFICER. The Chair is compelled to rule the amendment out of order, although it would be in order if notice had been given, as the estimate comes from the War Department. An amendment proposing an increase of appropriation must come from a committee of the Senate or the head of a Department, and also the Committee on Appropriations must have had one day's notice of it.

Mr. LOGAN. I, of course, have no objection to the decision of the Chair; I presume it is correct. I will only say in reference to matters of this kind that it is very hard for one committee to know what another committee has before it; and when the Committee on Appropriations reports appropriations in reference to matters connected with the Army, the Committee on Military Affairs are not consulted at all. I find no fault with that. This suggestion was sent to me as chairman of the Military Committee. I suppose the Secretary of War presumed that our committee would probably have something to do with suggestions in reference to such matters, and for that reason he sent it to me. I had the papers in my desk yesterday, and intended to give the notice yesterday that the amendment would be offered, but I forgot it; it passed out of my mind, and I did not do it. I said to the Senator having charge of this bill that I intended to offer the amendment, and I thought he consented to it; but of course I must have been mistaken in that from his remarks now. I suggested to him that I should offer the amendment, and yet I did not offer it. Of course it comes under the rule stated by the Chair.

Mr. WEST. There are a good many things occurring in the press of business hurriedly, and if I made such an admission as that, it was merely to the Senator, and it did not refer to the action of the Senate.

Mr. LOGAN. Certainly. I can find no fault with the Senator at all.

Mr. WEST. I think the Senator might appeal to the Senate, and make such representations as he sees proper as to the expediency of the expenditure, and let them say whether they will consent to make the appropriation or not.

The PRESIDING OFFICER. If the Senator from Louisiana withdraws his point of order, the amendment can be entertained by unanimous consent.

Mr. WEST. I withdraw my point of order, and then we can discuss the merits of the proposition.

Mr. SARGENT. I should like to hear the letter of the Secretary of War read. It may be that covers the case so that discussion will be unnecessary.

The PRESIDING OFFICER. Is there objection to entertaining the amendment of the Senator from Illinois? The Chair hears none, and it is before the Senate.

Mr. LOGAN. I will read the following communication from the Ordnance Department in reference to the matter:

A 3.09″ Moffatt breech-loading field-gun, authorized to be fabricated and tested under the act of Congress approved June 6, 1872, was manufactured at the South Boston Foundery during the last year, under orders from this office, and under the immediate supervision of the inventor.

It is made of the best forged crucible-cast steel, (Firth's,) complete in one ingot, (except the steel breech-mechanism)—

That part it is not necessary to read. Further:

A *résumé* will show a well-built, strong gun, and a breech-mechanism working freely and well as far as tested, and a satisfactory record of experiments and tests as far as they have gone, and good projectiles, and a powder giving satisfactory pressures. The experiments are evidently too few to establish that the gun is so far perfected that it can be pronounced as ready for competitive tests with more matured systems, even as far as the free working of the breech-mechanism is concerned in the ordinary vicissitudes of experimental firing, and hence it is intended to subject the gun to further tests, with the view of ascertaining if it has any defects not yet apparent, and of perfecting it with a view of competitive trial with other systems, and which latter trials, it is presumed, will be exhaustive, and the breech-loading question for field-service solved.

From the above it will be seen that the gun promises well as a practical working system. A full report will be furnished when the experiments are completed.

S. CRISPIN,
Brevet Lieutenant-Colonel U. S. A., Major of Ordnance.

This letter was referred to myself by the Chief of Ordnance, and I referred it to the Secretary of War, and the Secretary of War, on March 9, sent me the following letter:

WAR DEPARTMENT,
Washington City, March 9, 1874.

SIR: I have the honor to return the letter which you referred to me from Mr. R. R. Moffatt, suggesting that an amendment be inserted in the Army appropriation bill, appropriating $20,000 to continue experiments with the Moffatt breech-loading system of ordnance, and beg to invite your attention to the indorsement thereon of the acting Chief of Ordnance, dated the 7th instant. I concur with the Chief of Ordnance in recommending that an appropriation be made for this purpose.

Very respectfully, your obedient servant,

WILLIAM W. BELKNAP,
Secretary of War.

Hon. JOHN A. LOGAN,
United States Senator.

This is all that I know about it. The papers came to me in that way, and on the suggestion of the Secretary of War I am ready to offer an amendment. That is all I have to say about it.

Mr. MORRILL, of Maine. Has this been passed upon by the Committee on Military Affairs?

Mr. LOGAN. It has not. I stated that I had the papers in my desk here and overlooked them, and forgot to have action by the committee; but intended to suggest the amendment, and offer it to this appropriation bill. A question of order was raised and decided against the amendment, and I have nothing further to say about it.

Mr. MORRILL, of Maine. Allow me to inquire of the Senator whether he has formed any judgment of his own as to the fitness and propriety of this thing?

Mr. LOGAN. I have not; for I know nothing about it, except from these letters.

Mr. MORRILL, of Maine. Then is my honorable friend in a condition to move it?

Mr. LOGAN. I presume I may move it on the suggestion and recommendation of the Secretary of War and the Chief of Ordnance, who say the experiments are not completed, and they desire to complete them; and the Secretary of War recommends an appropriation for that purpose.

Mr. MORRILL, of Maine. Still, the committee have not considered it.

Mr. LOGAN. If the Senator desires to make his suggestion, supposing that I am offering this amendment for the purpose of trifling with the committee, I will say that I have not examined Moffatt's breech-loading gun or any other breech-loading gun, nor do I propose to do so, for it is not in my line; but this communication was sent to me, and I deemed it my duty, as chairman of the Military Committee, to offer the proposition. I have done so. If there is objection to it on the part of the Senate, I care nothing about it.

Mr. MORRILL, of Maine. It is most obvious that my honorable friend has performed his duty to a certain extent, and to a certain extent not; and he will allow me to speak with the utmost candor about that. He is the last man whose motives I would undertake to impugn in an official way, so that my friend will allow me to say that, if I intended anything of that sort, certainly he knows me well enough to know that any such remark is gratuitous; but in this branch of the service, as in almost all other branches of the service, there is an extreme solicitude to test things. That is all right; and the gentlemen connected with the service have their pet schemes. So far as they reflect the public interest, so far we ought to adopt them; but it is our judgment and not theirs, after all, as to the amount of appropriations we can afford to make, which is to govern; and that is particularly so this year when the service is being cut down to the very verge, and in some instances absolutely crippled.

I would not raise an objection here if the Senator from Illinois, the chairman of the Committee on Military Affairs, being the organ of this branch of the service, had applied his discrimination to this subject, so that he could say, "It is my judgment this is a good thing to do." I would take his judgment; but he has not said so.

Mr. LOGAN. How could I have any judgment about the propriety of the appropriation, or the gun either, unless I had examined it?

Mr. MORRILL, of Maine. Precisely.

Mr. LOGAN. Well, I am not the examiner of guns.

Mr. MORRILL, of Maine. No; and I ask my honorable friend whether he is in a condition, not having examined the gun, and not having given the Committee on Appropriations an opportunity to examine it by referring it to them, to ask this appropriation? I throw that responsibility on him as chairman of the Committee on Military Affairs. Having that branch of the service under consideration, does he say that it is a good thing, in his judgment, to do to appropriate $20,000 for that particular service? If he does, and takes the responsibility, I withdraw all objection. If he does not, then I insist that this should go to the committee.

Mr. LOGAN. This seems to me to be a very strange way of throwing responsibility on individuals. Every man who offers a proposition is responsible for it as a Senator, so far as that is concerned.

Mr. MORRILL, of Maine. He is responsible for offering it, but he is not responsible for its adoption unless he advises it.

Mr. LOGAN. I will reply to the Senator in this way: I am not in the habit of suggesting appropriations to this committee for their adoption very frequently. I will, however, call the attention of the Senate to appropriations which have been made by Congress heretofore. I believe at the last session you appropriated $80,000 for experiments and tests for the Ordnance Department. During the preceding session of Congress I think $150,000 were appropriated for the same purpose. Now, I ask the chairman of the Committee on Appropriations, on what authority were these appropriations made? Were they reported by the Committee on Appropriations after examining these guns? Did the committee or either of them go to Fortress Monroe and examine the gun that $80,000 was appropriated at the last session of Congress for experimental tests of? Did any one do it? Does the Senator get up in the Senate to ask me if I have made examinations of these things? I have not. Of course I have not. I merely said to the Senate that I presented this amendment according to the suggestion of Mr. Crispin, lieutenant-colonel in the Ordnance Department, and the recommendation of the Secretary of War; and that is all I have to base my opinion upon. I presume the acting Chief of Ordnance is a man of integrity. I presume he is a man of ability. He has made this recommendation, and that is all I know about it.

Now, if the Senator, as chairman of the Committee on Appropriations, will go to the Ordnance Department and examine all the cartridges, and all the guns, and everything connected with the ordnance of the United States, and give his opinion to the Senate before appropriations are made, then I will concede the point that it is the duty of the Senate to make these examinations. I have not made them, and did not offer this proposition with any view of pressing it if the Committee on Appropriations meant to oppose it. For that reason I will now say, for the satisfaction of the Senator who appears to be so particular about my examination of this question, that I will withdraw the amendment, and give notice to the Senate that I will, if the committee agree with me, offer it to another appropriation bill hereafter.

Mr. MORRILL, of Maine. One word of explanation seems to be necessary. By the way in which the honorable Senator thinks it worth while to address me as to the particularity which I propose to exact, the honorable Senator will see that the Committee on Appropriations, is not acting on personal considerations in any way whatever.

Mr. LOGAN. I will ask the Senator, inasmuch as he was so particular while putting questions to me as to my examinations, upon whose recommendation he, as chairman of the committee, reported to increase the appropriation for the library of the Medical Department of the Army from $5,000 to $10,000, whether it was on the recommendation of the Surgeon-General or merely on his own authority?

Mr. MORRILL, of Maine. I will answer the gentleman with great frankness and candor. It was on a careful consideration of the entire subject, as well by the Surgeon-General as by several other persons having definite information and knowledge on that subject. And now, for the satisfaction of the Senate, I will answer the direct question he put to me, how we got at the estimate of $80,000 for experiments?

In all these cases, where we are not advised by the regular organ of the committee, (as we always are happy to be where a thing has been examined by him and is found to be right and he advises us to do it,) we never do such a thing without calling the parties before us, and inquiring of them precisely as to the necessity of the measure, the character of it, and passing our own judgment as a committee upon the propriety and fitness of it as connected with the public service. I do not believe there is an instance of this kind that has escaped that committee at any time while I have been upon it. In this instance, if this recommendation had come to us, we should not have reported the appropriation until we had sent for the ordnance officer to tell us in particular and in detail the whole thing. If my honorable friend had done that, or if he had done anything else which would enable him to form a judgment, I would have withdrawn all objection so far as I was concerned; but as it rests, it is simply putting $20,000 on an appropriation bill upon the recommendation of a Bureau, which we never do.

Mr. LOGAN. Is the Secretary of War a Bureau?

Mr. MORRILL, of Maine. The Secretary of War simply indorses the Bureau officer. He does not undertake to exercise any judgment himself.

Mr. LOGAN. I do not care to continue this discussion. I will relieve the chairman of the Committee on Appropriations of a part of the difficulty which seems to have been fallen into.

Mr. MORRILL, of Maine. I would thank my honorable friend not to allude to the chairman of the Committee on Appropriations in that way. The chairman of the Committee on Appropriations is in no difficulty on this subject. The Senator presents himself here without having complied with the rules of the body at all——

Mr. LOGAN. I did not say the Senator was in difficulty. I referred to the difficulty we had fallen into in reference to this matter.

Mr. MORRILL, of Maine. The Senator referred to the chairman of the Committee on Appropriations, distinctly, as falling into a difficulty.

Mr. LOGAN. No, sir.

Mr. MORRILL, of Maine. When I stand here and speak of the rules of the Senate, and address myself to a proposition in respectful terms, I need not be referred to as having fallen under difficulties. I think it is a little extraordinary, and the Senator will allow me to say I see no occasion for it.

Mr. LOGAN. If the Senator will subdue his excitement for a moment, I will state to the Senate what I did say, and then he will see

whether his interpretation is correct or not. I said I would relieve the chairman of the Committee on Appropriations from the difficulty that we seem to have fallen into in reference to this question, not alluding to the difficulty he had fallen into. I made no such remark, used no such language. I do not see any necessity for any excitement about this matter. I was going to say that I notice in this appropriation bill large amounts of money appropriated to prevent the moth from eating up the clothing. I presume the committee have had the gentlemen before them with the moth poison, and examined it. I find a great many hundred thousand dollars appropriated here for different purposes; a million and upward for horses, forage, commissary stores, &c. I should like to know upon what authority these things are done. They are done properly; I do not question it; but they are done upon the recommendation of the heads of the Bureaus that require these appropriations, and in no other way, as the Senate well knows. Why is it that I should be criticised for presenting a recommendation from the head of the War Department with this amendment? When the Senator objected and the Chair ruled it out of order, I withdrew it. I thought that was sufficient; but now, as I said, to relieve the difficulty—not the difficulty that the Senator is in, as he thought I alluded to him, though I did not—I will present these papers and ask that they be referred to the Committee on Appropriations, that that committee may examine the question, and in their next appropriation bill, if they think it proper, report it; and if not, they need not. That will relieve the difficulty I mentioned.

Mr. WEST. I believe this discussion is informal; but as some remarks have dropped from the Senator from Illinois with reference to the influences that control the Committee on Appropriations in making recommendations for specified sums, I do not think he has exactly candidly stated the motives by which we are governed.

Mr. LOGAN. I said nothing about your motives. I said the influence that governs a committee is the recommendations from the heads of the Departments who have the disbursing of these moneys. It seems to me there is no offensive language in that, because we know the influences we are governed by in reference to our opinions as to what amount should be appropriated for particular items.

Mr. WEST. I have taken no offense; but I wish to make this suggestion to the Senator, in which I think he will see eminent fitness: Were there to be a proposition in an appropriation bill to change, for instance, the armament of the troops of the United States by a mere appropriation of dollars and cents, would he consider such a measure properly within the jurisdiction of the Committee on Appropriations, or ought it to be deliberated upon by the Committee on Military Affairs? If there was a proposition here in this bill that so many thousand dollars be appropriated to arm the troops of the United States with the Chassepot musket, would that be a matter for the Committee on Appropriations to consider? No, sir. We have other instances. Another instance has been presented to me within a few days, and I have declined to consider it until it could be acted upon by the Committee on Military Affairs. There is a proposition coming in with reference to the Gatling gun. Would it be within the province of the Committee on Appropriations to report an appropriation for the adoption of a particular arm until that particular arm had been recommended by the proper committee, which is the Committee on Military Affairs? So it is in reference to this. The Senator has been called upon here to say whether he, as chairman of the Military Committee, recommends this peculiar breech-loader. So far as I have seen it, it commends itself very much to me; I favor it; but until the Committee on Military Affairs actually recommend it to the Senate and tell us that such an armament will conduce to the interest of the United States, most assuredly the Committee on Appropriations ought not to be called upon to appropriate a dollar for it; and we do not do it without such recommendation.

Mr. LOGAN. I cannot see the necessity for all this stir that has been made by the moving of this amendment. The Senator from Louisiana very well knows that the question about the experimental test of this gun has been before the committee before. It was before the committee at the last Congress. Appropriations were made; and it was being tested; and this was merely asking for an amount to continue the experimental test. It has been already before the committee. I have had nothing to do with it. The Senator was on the Committee on Military Affairs last year, and also on the Committee on Appropriations, and we referred all matters of this kind to him because he was on the Appropriation Committee. It was covered by the general appropriation made last year after having been examined here in one of the rooms by different committees and by all who desired to examine it. It was a matter of public notoriety here. I do not see any necessity for all this stir, and therefore I have withdrawn the amendment.

The PRESIDING OFFICER. This discussion goes on by unanimous consent, there being no amendment pending.

Mr. WEST. I rise to move an amendment which, without unanimous consent, I cannot offer; and I will submit very briefly to the Senate my reasons for asking that consent. This is an amendment that was submitted by myself on the 27th of February, 1874, and referred to the Committee on Military Affairs, who, up to this time, have not reported in regard to it. Unless some action is taken of this kind at the present moment, and a bill that is offered by the Committee on Military Affairs should fail to become a law, there would continue to exist much complaint of inefficiency in one branch of the military service—the Pay Department. The Paymaster-General, in his report, calls our attention to it.

Mr. MORRILL, of Maine. What is the amendment?

Mr. WEST. My amendment is to this effect:

Provided further, That so much of the act of July 5, 1838, as forbids the detail of officers of the Army as acting paymasters be, and the same is hereby, repealed; and hereafter the Secretary of War shall be authorized to make such details and to prescribe the bonds which he may consider necessary to be given by the officers so detailed.

The particular clause of section 31 of the act of July 5, 1838, which I desire to repeal is in these words:

And no officer of the line of the Army shall be hereafter employed as acting paymaster.

The Paymaster-General says:

The most important matter which it is my duty to bring before you is the imperative necessity of more paymasters. The sixth section of the act of 3d March, 1869, forbids any appointments and promotions in the staff of the Army until further legislation. The thirty-first section of the act of 5th July, 1838, forbids the detail of officers of the Army as acting paymasters. Thus the Pay Department has not the resources of the Quartermaster or the Subsistence Department for details for temporary duty.

For instance, whenever the peculiar duties of the Quartermaster's Department or the Subsistence Department become very burdensome, or are to be exercised in localities where no particular officer of that department is stationed, it is within the power of the Secretary of War to detail an officer of the line to act as acting quartermaster or acting commissary.

There are two propositions—this one that I make and the one that was made by the Senator from Illinois and recommended by the Military Committee. Mine is to take officers from the line and detail them temporarily on duty as acting paymasters. His is to increase the staff of the Army by the appointment of six majors. In other words, when we have a prospect of an increase of officers not particularly assigned to duty, because we are diminishing the rank and file of the Army, I want the Pay Department to avail itself of their services; and the Senator's proposition is, with a reduced Army, to increase the number of officers. There is the distinction. I propose by this amendment to take those officers who will be relieved from duty in the line, and to avail of their services in the Pay Department, which has been depleted by death and by resignation down to that limit where it is scarcely adequate to do justice to its particular branch of the service.

There is one more objection I should like to present to the Senate in connection with the proposition to make more majors in the Army. I am enough of a soldier to believe that a man should find promotion by gradual and meritorious service. There is no department in the Army but that of the pay where a man, when he first goes into the service, is made a full-fledged major. Why should that be? Why should there be a major of the Pay Department to handle the funds, when the quartermaster, who handles just as much and has the responsibility of property besides, is only a lieutenant? We can take captains out of the Army and make them give bonds under this provision; we can take lieutenants out of the Army and appoint them to duty as acting paymasters; and undoubtedly they can discharge that duty as faithfully and efficiently as if we took civilians from the street and made full-fledged majors of them at once. It is not economical, and it is scarcely just to the men who have earned their positions in the Army to put full-fledged majors over them merely to handle the money that pays the troops. There are other services. I do not wish to disparage in this connection the service of the officers of the Pay Department, but I do say they ought not to be given that preference invidiously over other branches of the service. I ask the Senate to consider this amendment now, because it will only have this opportunity to do it on the Army bill, and then, if this amendment should be defeated and the Senator's bill should be defeated, the Pay Department will continue in its present inefficiency owing to its depleted number.

The PRESIDING OFFICER. Is there objection to the consideration of the amendment proposed by the Senator from Louisiana?

Mr. BOREMAN. Let it be read.

The PRESIDING OFFICER. The amendment will be read for information, subject to objection.

The Chief Clerk read as follows:

Provided further, That so much of the act of July 5, 1838, as forbids the detail of officers of the Army as acting paymasters be, and the same is hereby, repealed; and hereafter the Secretary of War shall have authority to make such details, and to prescribe the bonds which he may consider necessary to be given by the officers so detailed.

Mr. SARGENT. I do not think the amendment ought to be received or put on this bill.

Mr. LOGAN. Before the objection is made I should like to say a word.

Mr. MORRILL, of Maine. I rose for the purpose of calling the attention of the chairman of the Committee on Military Affairs to the effect of this, and whether it has been examined by that committee.

Mr. LOGAN. I am not going to object to this amendment because it has not been considered by the Military Committee. There has nothing been considered by the Military Committee that has been considered by the Appropriation Committee in connection with this bill. They have referred nothing to us for our consideration. I do not object to it on that account. If the Military Committee is to be ignored,

be it so; I do not care one cent. It will save us a great deal of work. If the Appropriation Committee propose to regulate the Army of the United States in detail I have no objection, and I hope they will do it.

Mr. SARGENT. This does not come from the Appropriation Committee.

Mr. LOGAN. Very well; wherever it comes from, I hope that committee will make the Army more efficient than it is; and it is certainly tolerably efficient now. But this proposition to allow forty-six paymasters to stand as majors, and then add to them by detail; to have a parcel of them paymasters in fact and a portion of them detailed officers, is simply absurd, in my judgment, as a military proposition. If the Senator will propose right here on this bill, without reference to the Military Committee—for I care nothing about that, I am not near so sensitive as some of the gentlemen on the Appropriation Committee—to abolish the Pay Department entirely and let quartermasters disburse the funds, I will agree to it and advocate it. But to undertake to regulate the staff of the Army so as to have forty-six paymasters with the rank of major and then give authority to the Secretary of War to detail a parcel of captains who will be outranked by every man in the Pay Department, I do not consider a very good military proposition. I do not care anything about the bill that the Military Committee reported for the six paymasters.

Mr. SAULSBURY. Will the Senator, as chairman of the Military Committee, allow me to ask him a question?

Mr. LOGAN. Yes, sir.

Mr. SAULSBURY. I ask what his judgment is as to the requisite number of paymasters to perform the service required of the Pay Department?

Mr. LOGAN. I shall have to answer that as I did a similar question awhile ago, that I have no judgment about it, except that which I have formed from the reports of the Secretary of War and the Paymaster-General; and they are not considered good authority, it seems. The Secretary of War recommends the additional paymasters. The Paymaster-General says it is impossible for him to get along without six additional paymasters. He asked for more; but that number, he says in his report, is absolutely indispensable. I have reported a bill according to their recommendation. I have no other testimony, no other evidence. I presumed that they were honest men, and that in their reports they stated the truth. I took that for granted, and reported a bill in accordance therewith. That is all the information I have, and it is all any of us have in reference to matters of this kind. As I said, I care nothing in the world about the bill which I reported. I shall not object to this proposition; but I do not think it is the way to legislate in reference to the Army of the United States.

The PRESIDING OFFICER. The Chair misunderstood the Senator from Louisiana, and supposed from his remarks there was an appropriation contained in this amendment. The amendment is not out of order if it contains no appropriation. It does not require unanimous consent to receive it. It is before the Senate.

Mr. DAVIS. I rise to ask the Senator from Illinois whether the estimates of the Secretary of War and the Paymaster-General are made on the basis of the Army being thirty thousand or twenty-five thousand men? I understand that in the other House there is provision made this year for an army of but twenty-five thousand strong, while last year it was thirty thousand.

Mr. LOGAN. I did not refer to that; but that bill has not passed the Senate yet. Yesterday, when the paymasters' bill was called up, as reported by the committee, I asked the President of the Senate to let it lie aside, because the question was in the House; and if their bill should become a law the Army would not require these paymasters; if not, they would be required. Hence the bill that I reported was laid aside yesterday to await the action of Congress on the House bill referred to by the Senator from West Virginia.

Mr. DAVIS. The bill now before us has been reported on the basis of an army of twenty-five thousand, not thirty thousand.

Mr. WEST. The Senator is on the committee, and knows that we have reduced the item for pay just to bring it down actually to what is necessary for an army of twenty-five thousand men.

Mr. DAVIS. That is just what I was stating. I said the present bill reported from the Committee on Appropriations was on the basis of an army of twenty-five thousand men, and not thirty thousand.

Mr. WEST. I urge this matter upon the attention of the Senate, being convinced that it will be the only effectual mode of remedying that very inefficiency in the Pay Department which is so earnestly pressed upon our notice by the chief of that department. It is not at all probable, I think I can state here, that any bill for the reduction of the Army will pass, nor do I believe the Senate will ever consent to the increase of the staff of the Army when you are at the same time decreasing the rank and file of it. Therefore I ask for this action now.

In reply to the criticisms of the Senator from Illinois upon military legislation, wherein he says it will be very bad policy to have forty-six majors and six captains in this corps, I call his attention to the fact that at the present time, by the report of the Quartermaster-General, there are over three hundred officers of the line of the Army doing duty now by detail in the Quartermaster's Department.

Mr. LOGAN. That is very true.

Mr. WEST. Then why not have the same rule in the Pay Department? The only reason we do not have the same rule in the Pay Department is because the officers of the Pay Department are bonded officers, and the Secretary of War has no power under the restrictions of the act of 1838 to detail an officer to a duty where he is responsible for money, unless he gives a bond. Now, here we propose to repeal that restriction. We propose to give him the opportunity to take these officers who are going to be cut loose by the reduction of your men to twenty-five thousand, and give the Pay Department the benefit of their services, instead of having them walking around Washington, or loafing around somewhere else.

Mr. BOREMAN. Will the Senator allow me to ask a question?

Mr. WEST. Certainly.

Mr. BOREMAN. Does the Senator propose to detail these officers without requiring them to give bond and security?

Mr. WEST. No, sir; the Secretary of War is obliged to require bonds from them by the amendment. There will be plenty of captains about, plenty of them that are invalided at the present moment, who will be very glad to have their services availed of. It will give you the efficiency the Pay Department requires; it will do it in the most economical way; and it will relieve us from the great inconsistency of increasing the staff of your Army when you are decreasing your rank and file. The reason for it is this: although we reduce the rank and file, we do not reduce the area of service, and it will require these additional men. I think it is the most economical and the most direct way of getting at it.

Mr. MORRILL, of Maine. Allow me to suggest to my colleague upon the Committee on Appropriations that if the chairman of the Committee on Military Affairs is right, if there is, either by bill or otherwise, practically a reduction of the Army to twenty-five thousand men, there is no necessity for an increase of the pay staff. He will see that this action is not necessary in order to give additional force in that direction. Therefore I suggest whether there is any necessity for putting it upon this bill. As we have reduced the Army, do we need any more force in the Pay Department?

Mr. WEST. We do.

Mr. MORRILL, of Maine. I understood the chairman of the Committee on Military Affairs to say that in the event of the reduction of the Army to twenty-five thousand he did not think the Pay Department need be increased.

Mr. WEST. There is no use in predicating any action of the Senate upon a probable reduction of the Army, because we have not got to that; but, as I stated before, the reduction of the rank and file of the Army to twenty-five thousand men will not involve any reduction in the necessary force of the Pay Department, because the posts will be the same. I have made this suggestion in view of relieving the necessities of the Pay Department in the most economical and judicious and the fairest way that presents itself to my mind, and I hope the Senate will act upon it.

Mr. LOGAN. I thought at one time that we had about gotten through with the practice of putting general legislation on every appropriation bill. I thought the Senator from Louisiana was very much opposed to that when he was on the Military Committee, but perhaps I was mistaken in that. If the determination of the Senate is to do this character of legislation I have nothing to say; but I should like to know from the Senator from Louisiana why it would not have satisfied him as well to move this as a substitute for the bill that I reported from the Committee on Military Affairs? Why is it that everything which is reported has to be overslaughed in an appropriation bill? I should like to know what the reason is for this kind of legislation, and this opposition to everything that comes from the Military Committee.

Mr. WEST. If the Senator will allow me to interfere, he will remember that I did his committee the due courtesy of submitting this amendment to them. They have had the opportunity to consider it; and I can only say that it has been pretty effectually strangled there. One more question the Senator asked me. What was it?

Mr. LOGAN. I do not remember.

Mr. WEST. Yes; you asked me another.

Mr. LOGAN. I have nothing to say about bills being strangled. I am not in favor of a bill that I do not agree to, that is very certain; and I presume the Military Committee will not be very likely to report one that they do not agree to.

Mr. WEST. They may report it adversely.

Mr. LOGAN. We may report adversely; but we did report in favor of six additional paymasters, as recommended by the Pay Department. Now, this is only a different mode of striking out certain numbers of paymasters in the Army, or of preventing their being appointed, which is the same thing.

Now, if it is proper to detail six men from the line as paymasters, it is proper to detail all that the Pay Department has; and I say now that if this amendment be considered—and I shall not object to its being considered—I will put the Senate to the test right here. If the detail is proper for six paymasters, it is proper for forty-six. Can the Senate think it is proper to let the forty-six paymasters remain who are already in commission, and then make details to fill up the corps from officers of the line, when there are no more officers of the line than are necessary? If it is proper to detail six, it is proper to detail the whole number needed. If the Senate adopts this proposition of the Senator from Louisiana, I shall then move to amend it so as to repeal the law authorizing paymasters in the Army and requiring details to be made for the whole; and thereby we shall get rid of forty-six paymasters in the Army. If the object is economy, let us be

economical. If the Senate proposes to make this distinction, be it so; but I say if it is right that far, it is right as far as all are concerned, and I will move an amendment to strike out the whole corps and detail the whole force from the line.

Mr. SARGENT. I think the Senate should understand distinctly that this amendment, now pending, is not offered by the Committee on Appropriations, and not suggested by them. It comes from our friend from Louisiana, [Mr. WEST,] and on his own responsibility. For one I should have liked to examine this proposition in the leisure of the committee-room, and if I was not able to do that, I should like to have the advice of the Military Committee. I should like to ask what the General of the Army thinks of this innovation, and what the Secretary of War thinks of it. It affects the efficiency of the Army in the highest degree, and I should like to know what the valuable opinion of the Paymaster-General is on a proposition of this sort. I desire to divest this proposition of the idea that it is supported by the Committee on Appropriations.

Mr. WEST. Nobody has said that.

Mr. SARGENT. Very well. The Senator will allow me to suggest kindly to him that he appears here, for the purposes of this bill, as the organ of the Committee on Appropriations. We placed the bill in his hands, and he was directed to report it in a certain form.

Mr. WEST. The Senator will pardon me. He must not place me in a false light.

Mr. SARGENT. I certainly do not wish to do so.

Mr. WEST. In introducing this amendment, I took occasion explicitly to say that I did it on my individual responsibility entirely.

Mr. SARGENT. Very well. I will assist the Senator in his good purpose of informing the Senate, by emphasizing that, by calling particular attention to it, and giving that as one reason why the amendment ought not to be adopted. There has certainly been no proper testimony of the necessity of any such change as this, or as to whether it would be safe for the Army to make this change. I can see the difficulty which is insisted upon by the chairman of the Military Committee that here we have discharging the same duties, on the same apparent level, with the same responsibility, officers of different grades. Those who are now to be detailed would be outranked, and you might say overslaughed—for the term is a military one, and, perhaps, used in that connection it is a proper one—by their associates. I can see that that is liable to lead to confusion; or, if it is not liable to lead to confusion, let us understand so from the Secretary of War, the General of the Army, or the Paymaster-General.

I trust that this amendment will be offered by and by in connection with the bill which has been reported from the Military Committee; and let us hear the arguments then on the respective sides of this question, when we can act certainly more at leisure than we can on this appropriation bill. I understand it has been considered and rejected by the Committee on Military Affairs, showing that that committee——

Mr. LOGAN. The Senator will pardon me; I did not say that. I did not allude to its consideration by the Military Committee. The Senator from Louisiana said the Military Committee had had an opportunity to consider it. I merely said that the Military Committee had reported a bill for six paymasters, which is different from this, leaving the inference to be drawn which the Senator has drawn.

Mr. SARGENT. I drew that inference. It seems to me better for us not to adopt this proposition now, but to let it come up in regular order as an amendment to the bill to which it will be germane, because there is nothing more dangerous in legislation—and I say so after having observed the operation of it for years—than general legislation upon an appropriation bill. It never ought to be done except on the very highest motives. Sometimes, where there is a public exigency which requires it, or where we cannot follow the ordinary forms of legislation, it may be that then, with some hesitation, with great care, we may incorporate legislation upon an appropriation bill. But generally an appropriation bill ought to discharge the single object which it properly has, and that is the making of appropriations required by existing laws, not changing existing laws. It is as dangerous as it is in organizing a commission to codify your statutes, to authorize them to change the statutes, and make them such as the commissioners or codifiers think is right or would be an improvement. Obviously such a system would lead to confusion and disorder; and it is so with appropriation bills, which have a single purpose, to divert them from that purpose and change the laws of the land.

Mr. WEST. In reply to the comments just made by the Senator from California as to the danger of incorporating general legislation in appropriation bills, I can only refer him to the fact that he did not see much danger when he reported a very important provision in this bill legislating as to the Army.

Mr. SARGENT. We had the opportunity of considering it carefully in committee, and it was considered with all the light and knowledge that could be given us in the leisure of the committee-room.

Mr. WEST. I admit that, but still that danger was obviated there. But I will accept the suggestion of the chairman of the Military Committee. I will withdraw the amendment now, and give notice that when the bill comes up for the increase of the staff of the Army by the appointment of six majors, I will contest it on the ground that when we decrease the rank and file, we do not want any more officers; and I shall propose this as a substitute for the bill reported by the Committee on Military Affairs at the proper time; and in the meanwhile these questions can weigh with the Senate for their consideration and action.

Mr. SARGENT. Before the Senator takes his seat, I will thank him if he will call my attention to the amendment to the Army bill which he says we considered in committee.

Mr. WEST. I will call the Senator's attention to it. It is the legislation in the bill which makes the Army consist of twenty-five thousand instead of thirty thousand men.

Mr. SARGENT. But that provision came from the House, and was referred to us by the Senate.

Mr. WEST. I only say we legislated.

Mr. SARGENT. Would the Senator have us report the bill back without considering the matter referred to us?

Mr. WRIGHT. I understand the Senator from Louisiana to withdraw the amendment?

Mr. WEST. Yes, sir.

Mr. WRIGHT. So that there is no question before the Senate?

The PRESIDENT *pro tempore*. There is no question before the Senate except the bill itself.

Mr. WRIGHT. I wish to call the attention of the Senator from Louisiana having the bill in charge, and also of the chairman of the committee, to a portion of the bill that was passed over yesterday, but very little being said on the subject. Commencing at line 116, on page 6, it will be found that it is provided—

> That no part of the money appropriated by this act shall be paid to any railroad company for the transportation of any property or troops of the United States over any railroad which, in whole or in part, was constructed by the aid of a grant of public land, on the condition that such railroad should be "a public highway for the use of the Government of the United States, free from toll or other charge" for such transportation.

As I remember, the Senator from Louisiana yesterday stated to us that there were three classes of roads that fell within what was contemplated by this part of the bill; and that I may not misstate what he then said, I refer to the words employed by him in the discussion. He said yesterday:

> The first land-grant railroad, I think, was the Illinois Central, and there Congress stipulated that "the said railroad and branches shall be and remain a public highway for the use of the Government of the United States, free from toll or other charge upon the transportation of any property or troops of the United States." That appears to be language that was copied from some old turnpike charters in the different States, that where a franchise to a turnpike was laid down, the property of the State should be conducted over it free from toll or charge, the parties, however, the State or the authorities, whichever they might be, providing the means of locomotion on those roads. The same language is used in a variety of land grants to railroads. Among others I will cite the Grand Rapids and Indiana road. Then there was other verbiage in acts, and other intentions evidently expressed by Congress in its legislation. I will cite now the Cairo and Fulton road, and the great Missouri, Kansas and Texas road, a road running from Saint Louis down to the center of Texas. In the case of the Cairo and Fulton road, by the act of July 20, 1866, it was provided that—
>
> "All property and troops of the United States shall at all times be transported over said railroad and branches at the cost, charge, and expense of the company or corporation owning or operating said road or branches, respectively, when so required by the Government of the United States."
>
> So that whatever doubt there might have been as to the intention of the Government in making the grant to the Illinois Central Railroad with reference to the charge for transportation, there can be no doubt in reference to this, because it distinctly states that the property shall be transported by the railroad free from all charge. In the other case it was only provided that there should be no toll charged to the Government for the use of the road-bed.
>
> Again, we have the great railroads to the Pacific, as to which it is stipulated that the whole amount due to them for transportation—that is the act of July 1, 1862—shall be reserved from payment by the Treasury of the United States and placed to the credit of these roads upon their bonds. In a subsequent act of July 2, 1864, that provision was amended so that "one-half of the compensation for services rendered to the Government by said company shall be required to be applied to the payment of the bonds."

As I understood the Senator from Louisiana yesterday, the object of the committee was to provide, as to all these three classes of roads, that no compensation should be paid to any of them for the transportation of troops, munitions, or officers, and that they should all be required to go to the Court of Claims for the purpose of having the question decided. I think I am not mistaken in saying that was the view he presented; indeed, there can be no question of it in view of what appears in the RECORD. If that be so, I suggest to the Senator that the bill as it now stands does not reach what he contemplates; for the bill, it will be remembered, provides—

> That no part of the money appropriated by this act shall be paid to any railroad company for the transportation of any property or troops of the United States over any railroad which, in whole or in part, was constructed by the aid of a grant of public land on the condition—

Now, what is the condition?

> that such railroad should be "a public highway for the use of the Government of the United States, free from toll or other charge" for such transportation.

I submit that that language confines it alone to the first class of roads that the Senator spoke of yesterday, and that the consequence would be that those roads, and those alone, would be required to go to the courts; whereas the second and third classes of roads that were referred to would have the right to charge as they have charged heretofore, and we be compelled to pay them. I submit to the Senator that if his purpose is to confine it to the first class of roads, he is wrong; if his purpose is to include all three, then he wants different language. In this I may be mistaken; but I call his attention to it, and I suggest to him, and also to the chairman of the committee, whether it would not be better to amend the bill in this respect.

> That no part of the money appropriated by this act shall be paid to any railroad company for the transportation of any property or troops of the United States over

any railroad which, in whole or in part, was constructed by the aid of a grant of public land.

Stopping there, and striking out all from that until you come to line 127, the close of that period, and then inserting "officers" immediately after "property," so as to read:

For the transportation of any property, officers, or troops of the United States over any railroad which in whole or in part, &c.

In this I may be mistaken; but it appears to me that either the clause does not go far enough, or, if the committee contemplate what they stated yesterday, it does not cover the ground.

Mr. MORRILL, of Maine. Allow me to call the attention of the Senator on that point to the difficulty that obviously arises with his amendment. Suppose the clause stops at the words "constructed by the aid of a grant of public land." There are certain roads who have had grants of public land, who are entitled to compensation by the very terms of their charters. Take the Union Pacific, the Kansas Pacific, and all that class of roads; they are largely subsidized, and under the circumstances of that subsidy the Government only retained a portion of the price of transportation. So he will see that his amendment would include that class of roads that have been subsidized and that have a right to charge. The difficulty, I think, which the Senator apprehended in this case in its application to a particular class is obviated by the fact, as I understand it to be, that in the other classes of roads, not included, as I think they are not by this language, their charters particularly prescribe that they are subjected to free transportation; and therefore they need not be included in this clause of the bill which proposes to turn the other roads over to the courts.

Mr. WRIGHT. It seems to me that the suggestion made by the Senator from Maine, however much of force there may be in it, is not entirely in harmony with what was said yesterday by the Senator from Louisiana having the bill in charge; for he said yesterday that questions were arising before the proper Departments as to all these classes of roads, as to what should be the measure of compensation; and that the object of the clause of the bill as it stands was to provide that none of them should have compensation, but that they should all be required to go to the Court of Claims, and that they made no objection to it.

Mr. MORRILL, of Maine. There are different classes of roads. Of one class of roads that was spoken of yesterday, I will mention the Illinois Central as characteristic of that class where the acts provided that the roads should be public ways, and that the Government should have the free use of those ways. That is the class that is intended to be reached by this provision.

There is another class which have been subsidized by public lands or otherwise, and the right of free transportation has been reserved to the Government. There is no question about that class; and, as the Senator will perceive, no question of compensation can arise, because there the charter is explicit.

There is still another class that have been subsidized by the Government of the United States, but yet are permitted to charge; provided, however, they shall not charge the Government more than their ordinary rates; and provided further, that one-half of the compensation may be retained by the Government of the United States to be applied to their liabilities to the Government.

These are the three classes, as I understand. The Senator will perceive that no provision could be applied to all three alike without doing injustice to one or other of these classes; but as to the second class I named, the provision is not necessary, because there the charter provides for free transportation; and as to the third class, it would be absolutely unjust, and the probability is that we have not the power to subject them to the rule that is sought to be applied in this bill. I suggest, therefore, that the amendment perhaps would work an injustice.

Mr. WRIGHT. I have no question in the world that injustice might be done; but it occurred to me from the beginning that injustice would be done under the bill as it stands. I will read from what was said by the Senator from Louisiana, who has the bill in charge, [Mr. WEST,] yesterday, and I cannot see how what he said yesterday can be reconciled with what the chairman says now:

As this question is now managed by the Quartermaster's Department, there are controversies continually arising between it and the railroads as to the amount of compensation, first, that should be reserved; next, how much should be reserved in the case of the Union Pacific and others; and next as to how much should be reserved on those railroads where we merely have the right of way without paying toll; and next whether we should pay on other railroads, that agreed, according to their charters, to do the entire transportation free of charge. The practice is this: With the railroads running to the Pacific, 50 per cent. on the amount earned is retained. On the Illinois Central and other great railroads chartered on that same principle, the Quartermaster's Department reserves 33½ per cent. for the use of the road. And upon such roads as the Cairo and Fulton, and the Missouri, Kansas and Texas, they reserve it all. This provision of the bill is intended to submit all these varied questions of contest, as between the railroads and the Government, to the courts for adjudication. It cannot seem to be a matter of very great doubt to any mind that will examine the particular wording of the statutes how the courts will decide; but until you get such a decision—

Upon what? Upon all these roads—

Until you get such a decision, these controversies continually arise between the Quartermaster's Department and the railroad interest.

What "railroad interest?" All the railroad interests referred to by the Senator from Louisiana.

Passing this bill as it is, it makes an issue to be decided by the Court of Claims in the first place. It is an issue that the railroad companies are quite willing to meet.

What railroad companies? All the railroad companies that are referred to.

They have made no objection to it—

No one of these railroad companies has made any objection—

or at least the committee has heard none; or at any rate I, as the member in charge of the bill, have heard none. It is an issue that they want decided, and I do not think there can be much doubt as to the way it will be decided, equitably to all parties concerned. This is all that is proposed by the clause.

That is what was said yesterday in the discussion of this bill. I submit that, according to that argument, all the railroad companies that have land grants are included and contemplated by the bill as it now stands; and that is the intention.

Mr. WEST. Yes, sir.

Mr. WRIGHT. That being so, I submit that there can be no escape from the proposition that the bill as it now stands only includes the first class of roads that are referred to by the Senator, for the reason that you will remember that the Illinois Central Railroad was the one first referred to whose charter was copied from an old turnpike charter, and there are one or two others falling within the same class, where it has been decided by the courts, as I understand, and claimed by the railroad company and admitted by the Government, that the Government must pay, as it is said here, 33½ per cent. for the use of the rolling-stock and for the use of the rails. The language that is found here, I say, covers that class of roads and none others; and if you leave the bill as it now stands, it will inevitably follow that the roads which fall within the second and third classes are entirely excepted from the operation of the bill.

In this I may be entirely wrong; but if so I should like to be corrected. I should like to see how it is possible, under the language of the bill as it now stands, to include roads that have no such conditions in their charters as are recited in this part of the bill; for it will be remembered that it quotes the words: "a public highway for the use of the Government of the United States, free from toll or other charge." That is a quotation from the charter of the Illinois Central road and that class of roads, and is not to be found in the charters of the second and third classes that were referred to by the Senator yesterday.

Mr. WEST. There is precisely where the Senator is mistaken, although, perhaps, it will be desirable to amend the peculiar phraseology of this clause. I will call his attention to the fact that the language used in the bill is also in some of the charters of the roads, with a further continuance of the phrase. In the case of the Cairo and Fulton road the language of the grant was:

And the said railroad and branches shall be and remain a public highway for the use of the Government of the United States—

Just as the bill says—

and that all property and troops of the United States shall at all times be transported over said railroad and branches at the cost, charge, and expense of the company.

We could not have made the bill any more particular without putting in almost the whole of these charters. Perhaps it will be better to adopt, to a certain extent, the suggestion of the Senator from Iowa, but not to its full extent. I will show him the difficulty. He would bring into court the roads that have been aided by a grant of public lands, but are not bound to render a consideration in the way of free transportation. For instance, take the Atlantic and Pacific Railroad; it was aided by a grant of land; and under the Senator's amendment it would be compelled to come into court for an adjudication of its settlement; and yet the act incorporating it says "that the said Atlantic and Pacific Railroad, or any part thereof, shall be a post-route and military road, subject to the use of the United States, for postal, military, naval, and all other Government service, and also subject to such regulations as Congress may impose restricting the charges for such Government transportation," merely making it amenable to such determination of the proper compensation of that road as the officers charged with the disbursement of the money should determine. Under the proposition of the Senator from Iowa you would bring into court all these roads, whether they have been granted land subject to no conditions, or whether they have been granted land subject to conditions. I submit to him, if he wishes to perfect the clause, he certainly does not wish to bring in the railroads that have no conditions imposed on them; but, perhaps, on some consideration, we shall be able to make an alteration in what he proposes.

Mr. WRIGHT. If I have been led into error in this respect, it is on account of what the Senator said yesterday; for I understood him distinctly that all the roads which had land grants fell under one or the other of three heads.

Mr. WEST. If I did not say so, I meant to say that where there were conditions there were three classes of roads; but there are unconditional roads which this clause does not affect, but which the Senator's amendment would affect. I propose to comprise all those lines that were incorporated with conditions of service.

Mr. WRIGHT. My object was only to call the attention of the Senator from Louisiana to what it seemed to me was a defect in this clause of the bill. He seems to concede himself now that the bill as it stands does not reach exactly what he designed, and that I may not misstate him I will read from what he said yesterday:

The grants have been conferred by the United States upon a variety of conditions, and the three prominent conditions will be demonstrated by what I shall quote from the respective acts making the grants.

He then proceeded to quote from the respective acts making the grants; and I certainly was led to believe that he arranged all the roads under one or the other of the three heads. He says now he did not intend to go so far.

Mr. WEST. I did not include the roads that had received grants unconditionally.

Mr. WRIGHT. If there be roads that have unconditional grants, I can see very well that my amendment is too broad; but I submit to the Senator that the bill, as it stands now, does not do what he designs. It is very certain, as it seems to me it must appear to any legal mind, that the bill as it stands only includes one class of roads and leaves the other two entirely out.

I have suggested this amendment. I have called the attention of the Senator from Louisiana having the bill in charge to the fact. I have no disposition to retard the passage of the bill; I certainly do not want to throw anything in the way to prevent the passage of the bill to-day. Having called his attention to this matter, I shall for the present withdraw my amendment, for the reason that I have no time to put it in such form as I think would be necessary, in view of the suggestion that there are some roads which have unconditional grants. I concede that the amendment as proposed by me would include those also. I do not wish to include them. Having suggested to the Senator the difficulty, I leave the bill with him and withdraw the amendment for the present.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. MERRIMON. I move to amend in line 154, page 7, by striking out "30" and inserting "5," so as to make the appropriation $5,000; and adding at the end of the line the words:

And the Secretary of War is hereby required to sell such Army clothing and other Army supplies as are not required for the use of the Army, and the gross proceeds of such sales shall be paid into the Treasury.

The PRESIDING OFFICER. The amendment which the Senator proposes to strike out has been adopted and is not amendable now; but his object can be attained after the bill has been reported to the Senate by reserving the amendment in this line.

Mr. MERRIMON. I thought the bill had been reported to the Senate.

The PRESIDING OFFICER. It has not; it is still in Committee of the Whole.

Mr. MERRIMON. Then I do not insist on the amendment at present.

The PRESIDING OFFICER. The Chair understands there was an amendment passed over on page 2.

Mr. DAVIS. I think that was at the instance of the Senator from Ohio.

Mr. WEST. We have waited for him once.

Mr. MORRILL, of Maine. He only wants to raise the question in the Senate.

Mr. DAVIS. Let it be reserved for the Senate on behalf of the Senator from Ohio, and let the bill be reported.

The PRESIDING OFFICER. The amendment is to strike out the proviso at the end of the clause as to mileage. It will be regarded as agreed to.

Mr. STEVENSON. I wish to offer an amendment to the bill, to come in at the close of the second section, on page 10.

The Chief Clerk proceeded to read the amendment, as follows:

That hereafter the Court of Claims shall have jurisdiction to hear and determine all claims of any citizens of the United States who remained loyal adherents to the cause and Government of the United States during the rebellion, or who severally took the oath prescribed by the President's proclamation of December 8, 1863, and authorized by the thirteenth section of the act approved July 17, 1862, and who severally kept and maintained said oath inviolate, and arising as follows: first, for stores or supplies taken, furnished, or used by competent civil, military, or naval authority in any State of the Union; secondly, also for the use and loss of vessels or boats while employed in the service of the United States during the rebellion; thirdly, also for the use and occupation of real estate by the Army of the United States, other than for the passage of the armies and the temporary encampments, not exceeding five days; and such court shall only have jurisdiction of such claims when such real estate was taken, used, or occupied under competent military or civil authority, for the use and in the service of the United States; fourthly, also for damage to or destruction of the real or personal property of any citizen during said rebellion, whenever the same was damaged or destroyed by competent military authority as a military necessity, to weaken and harass the enemy, or to protect, assist, and strengthen the United States forces; that for the purposes of this act the rebellion shall be deemed to have commenced on the 15th day of April, 1861, and to have ended on the 2d day of April, 1866, except as to that part of Louisiana lying west of the Mississippi River, and as to the States of Arkansas and Texas, where the same shall be deemed and taken to have ended on the 20th day of August, 1866.

Mr. MORRILL, of Vermont. I have heard enough of this to satisfy me that it is new legislation, and therefore out of order on this bill. I make the question of order.

Mr. STEVENSON. I do not see why it is out of order. We are on that very point.

The PRESIDING OFFICER. The Chair thinks it is not objectionable on the ground of being new legislation. The rule which prohibited new legislation on appropriation bills was a special one which expired with the session at which it was passed. There is no such general rule. In the apprehension of the Chair, the amendment is in order so far as it has been read. If, however, it makes an appropriation, it may be out of order.

Mr. STEVENSON. It makes none.

The Chief Clerk continued the reading of the amendment, as follows:

SEC. —. That all claims now pending, or that shall be pending, before the southern commission of claims, and all claims of the kinds and classes designated in the first section of this act, which may or shall be pending before the Quartermaster-General, the Commissary-General, the Third Auditor, the Secretary of the Treasury, or before any other executive officer or department, shall immediately, after the passage of this act, be transferred and transmitted, with all papers, records, and evidences relating to the same to the said Court of Claims, and the same may then be proceeded with in said court to final hearing and judgment, in the mode prescribed by the several acts relating to said court and the rules of practice adopted therein, except so far as the same may be changed by the provisions of this act or by any subsequent enactment of Congress.

SEC. —. That the said Court of Claims shall appoint as many commissioners as it may deem necessary and convenient for the speedy determination of the pending cases, not less than one for each judicial district of the United States, for the States recently in rebellion, as well as for the States of Kentucky, Missouri, Maryland, and West Virginia; and the said court shall transmit to the said commissioners lists of the respective cases of claimants residing within their several districts. And the said commissioners shall, at the instance of the several claimants, designate a time and place for the hearing of each case, and give not less than ten days' notice of the time and place of said hearing to the district attorney of the United States of the proper district. And the said commissioners shall severally have power to issue subpœnas to the witnesses whose attendance may be required by either party to testify in the case. Any witness refusing to obey such subpœna may be proceeded against, as is provided in the first and second sections of the act approved January 24, 1827, (fourth volume of Statutes at Large, page 497.) And the said commissioners, at the time and place of hearing, or at such time and place to which they may adjourn the same, shall proceed to hear the witnesses both for the claimants respectively and the United States, and shall cause the same to be reduced to writing as nearly verbatim as given by the witnesses as can be done; and when the testimony on both sides shall be closed, the said commissioners shall make a condensed statement or synopsis of the facts proved, which, together with the testimony, shall be transmitted to the Court of Claims. And the clerk of the Court of Claims shall cause the report of the commissioners to be printed and placed upon a list for trial; and either party, under such rules and limitations as the court shall prescribe, may file exceptions thereto, and the same shall be proceeded in to final judgment, as in cases of reports of commissioners or masters in chancery.

SEC. —. That the Attorney-General, whenever he may deem it expedient, shall designate a competent person, in each of said judicial districts, to assist the several district attorneys in the performance of the duties enjoined by this act, whose compensation shall be —— dollars per day for each day actually engaged in said work, which shall be paid to such person by the Department of Justice, upon the joint certificate of the commissioners and the district attorney. The said commissioners shall be paid such per diem and fees as shall be prescribed by the said Court of Claims, the said per diem and fees to be paid by the parties respectively; and in each case the amount of per diem and fees charged to each party shall be stated upon the report in the case by the commissioner. And in case of overcharge or extortion, the said court shall cause the excess to be refunded to the party paying the same, and may, in its discretion, dismiss such commissioner. The said court shall also have authority to appoint an additional assistant clerk, at $1,500 per annum; and an additional messenger, at $900 per annum. And the salaries of the Chief Justice and judges of said court shall be $6,000, respectively, from and after the 30th day of June, 1874; and the terms of said court shall hereafter commence on the third Monday of September in each year, and shall continue so long as shall be necessary for the speedy trial of all cases pending in said court.

SEC. —. That on the first Monday of December in each year, and on the first Monday in each succeeding month while Congress is in session, the said court shall transmit to each House of Congress a report containing the names of the parties in whose favor the said court has rendered judgments under the provisions of this act, the date and amount of such judgment, and a synopsis of the subject-matter of the claim for which judgment was so rendered. And the same shall be payable to the claimant, his agent, or attorney, when an appropriation for that purpose shall have been made by Congress: *Provided*, That in all judgments rendered by said court under this act, where the amount in controversy shall exceed $3,000, either party may appeal to the Supreme Court of the United States in the manner now provided by law.

SEC. —. That each of the commissioners appointed under this act shall procure a book or docket, upon which he shall enter each case transmitted to him by the Court of Claims, and shall from time to time enter all proceedings had before him upon said docket, with the respective dates thereof. After any case shall have been upon the docket of a commissioner for any period over six months, either party may take a rule upon the other to have the proofs closed within sixty days; and at the end of said time, unless for cause shown the same shall be extended, the same shall be marked closed, and the report made up, and, together with the proofs and papers in the case, be sent by said commissioner to the clerk of the Court of Claims in such manner as the said court shall, by its order, direct.

SEC. —. That the time for commencement of actions under the provisions of the act entitled "An act to provide for the collection of abandoned property, and for the prevention of frauds in insurrectionary districts," approved March 12, 1863, and the various amendments and supplements thereto, be, and the same is, revived and extended for one year from and after the passage of this act. The foregoing provision shall embrace all such cases for proceeds of cotton as were directed to be paid by the Secretary of the Treasury by the fifth section of the act approved May 18, 1872; and all acts and parts of acts hereby altered or supplied, or that are inconsistent with the foregoing provisions, be, and the same are hereby, repealed; and the board of southern claims commissions be, and the same is hereby, abolished.

Mr. STEVENSON. If there is any reform in this Government more earnestly required than another, it seems to me it is in the mode in which war claims against the Government are now adjudicated and passed upon. Such a reform is required by the interest of the Government not less than that of the claimants. It was said by some Senator in the Chamber this morning that there were now eleven thousand claims before the Quartermaster and Commissary Departments. I do not know how many there are before the southern claims commission.

Mr. DAVIS. Seventeen thousand.

Mr. STEVENSON. Now, Mr. President, it seems to be an utter denial of justice to a claimant, whose property has been taken, to allow the present condition of affairs to remain *in statu quo*. The amounts so justly due our people, many very poor and dependent, will never be disposed of, and they never can be disposed of under the present system without great change and large increase of the clerical force in the two departments to whose charge the settlement of them is now committed. I object, too, to the manner in which they are at present disposed of. I utterly deny the right of the Quartermaster-General, for whom I have great respect, and I earnestly protest against his standard, however honest and sincere, of passing himself, or allowing his subordinates to pass, upon the loyalty of claimants. Loyalty or disloyalty should be proved by acts of friendship or hos-

tility to the Government during the war, and not by a man's sympathies or the opinions of others, who may be his enemies, unless accompanied by proof of acts of disloyalty by the claimant. Suppose a claimant did sympathize with the South, but gave no open expression to that sympathy in acts or otherwise, but remained loyal to the Government; where a desire to see the unity of the Government upheld was as strong or stronger than the sympathy which he felt for the people of the South, and induced him to remain in the Union, why should he not receive the value of his property taken by the Government and applied to its own use?

Mr. President, men who were entirely loyal, true to the Union during the entire war, might have sympathized with the South, if such sympathy was accompanied by no act of open or secret hostility, and yet are fully, by every standard of justice, entitled to compensation for property taken or furnished the Government. Yet by the standard, as established by the Quartermaster-General now, if a man said since the war that he had sympathized with the South, unaccompanied by any act of open or secret hostility at any time against the Government, no matter what amount of property was taken from him, he is entitled to no compensation. I do not think the Quartermaster-General or the Commissary-General desire to be unjust. The principle on which they act is erroneous. Sympathy, unaccompanied by acts of hostility, is not disloyalty. I insist that claimants who may have sympathized with the South and yet who proved true to the Government, who were guilty of no act of secret or open hostility during the war, are as much entitled to compensation for property taken by the Government and applied to its use as those who did not sympathize with the South and who furnished nothing. Every citizen who gave no aid and comfort to the enemy, but adhered to the Government, who was taxed to carry it on, who perhaps gave hundreds of dollars to raise bounties for the enlistment of volunteers, does not lose his legal right to compensation for property taken because he may have sympathized, or said he sympathized, with the South. Acts speak louder than words. I think the Quartermaster-General is in error in supposing a mere sympathizer with the South, whose sympathy found no expression in acts, whose property has been taken by the Government, is not entitled to compensation.

But I object to the present mode of adjudication of these claims by the departments, upon another ground. They are intrusted to subordinates at distant points, who have neither the time nor the ability properly to investigate into the merits of each claim, who act on hearsay testimony, and who, therefore, have not the proof properly to pass upon the rights of the Government or the rights of the claimant. The allowance of compensation for property is a judicial question; it should be investigated upon evidence. Legal testimony should be weighed and compared, and then the claim should be decided upon calmly and deliberately. This can never be done so long as these claims remain to be adjudicated upon in the Commissary Department or the Quartermaster Department. They have not the force, the time, or proper facilities for certain or correct results. The duties of the office require too much of their time to allow proper investigation and deliberation on war claims. I speak from experience. I know claims in Kentucky, the justice of which is not denied, to the amount of hundreds of thousands of dollars, which have, after a delay of years, been passed upon and rejected because the Quartermaster-General has, conscientiously no doubt, acted on reports from subordinates, who, without proper examination and without legal testimony, have reported against the claim; or, if the claim was proved, has, upon hearsay testimony of the claimant's personal enemies, reported that he sympathized with the South. Was he guilty of any act of insubordination? No. Was he guilty of any act of disloyalty? No. Had he done anything illegal? Nothing. But persons inimical to him, or perhaps his own frank admissions that he sympathized with the South, but had been always loyal, made to some subordinate, sent out ten years after the war to investigate his claim—upon such an *ex parte* report you deny him the justice of paying him a *quid pro quo* for property taken by the Government and applied to its own use. Is that just? Is that the mode in which the Government will, or can, cultivate, through every part of this Republic, a love for its administration of justice? I say, no sir; and I repeat that the whole system upon which such adjudication rests is wrong in theory and unjust in practice. It should be changed, and changed promptly. Every hour's delay works wrong and injustice to the Government and claimant alike.

The amendment I propose relieves the Quartermaster's Department and the Commissary Department from all these war claims, and commits their adjudication and examination upon legal testimony to the Court of Claims. They have time, and they possess ability, which enable them to decide every claim upon a legal and equitable basis. Their judgment will rest upon a full examination of the testimony and evidence offered by the Government and by the claimant alike.

We have in the Court of Claims a proper judicial tribunal for accurate adjudication. The amendment proposes that the Court of Claims shall appoint commissioners, one for each Federal judicial district throughout the United States. It is to be the duty of these commissioners to investigate the claims of the claimants, and take testimony in support of or against the validity of the claim, and the loyalty or disloyalty of the claimant, and to report the evidence to the Court of Claims, where each case can be heard and judicially decided. If the amount exceed $3,000, either party may have an appeal to the Supreme Court of the United States.

I am unable to see what possible objection can exist to the general plan of this amendment. I am sure that claims are now often paid by the United States which ought not to be paid. I am equally well satisfied that there are just claimants who are entitled to compensation, but who have been denied compensation upon illegal testimony, and upon erroneous and inaccurate reports. This amendment will overcome existing obstacles to correct results. It seeks in the main to do justice both to the Government and to the claimant. It gives time for a thorough investigation, not only of the testimony offered by the claimant, but by all rebutting testimony which the Government can or chooses to offer. All claims will be judicially decided, and when disposed of the judgment of the court will be final and conclusive, unless where the amount authorizes an appeal to the Supreme Court.

The Commissary-General and the Quartermaster-General both desire to get rid of these claims. These officers are well satisfied that they have not the time, in justice to the duties of the office, and that the testimony upon which they are compelled to act is often incomplete, the result of which must be unsatisfactory, if not unsafe, conclusions.

But another argument in favor of this. In this way we shall hasten the adjudication of these claims; Congress will get rid of applications which now crowd our committees; and in every aspect in which I have been able to look at it, I think the Court of Claims is the proper tribunal. They will have ample time to investigate and to decide, and correct results will be reached both upon the side of the Government and upon the side of the claimants.

Mr. FRELINGHUYSEN. Mr. President, it seems to me that this is the most extraordinary proposition of legislation that I have ever heard since I have been in the Senate. It is that on an appropriation bill we should undertake to change the whole judicature of the nation in reference to these claims; to appoint commissioners for every judicial district in the rebel States and in some of the other States, who are to take testimony in order to make out these claims against the United States. Further than that, we are by a statute to recognize what I do not understand to be the law at all, that the United States is bound to pay for the occupation of real estate by the Army of the United States, even within the enemy's lines. There is no such law of nations; there are no such claims against the United States; and yet we are now asked by a statute to recognize that as a binding law upon this country.

Further, their Court of Claims is to entertain all claims "for damage to, or destruction of, the real or personal property of any citizen during said rebellion, whenever the same was damaged or destroyed by competent military authority as a military necessity, to weaken and harass the enemy, or to protect, assist, and strengthen the United States forces." That is, we are by statute now to recognize that the Treasury of the United States is to be drawn upon, by every one who can bring evidence of his loyalty, for all the damage that was done by Sherman's march to the sea. Well, sir, if the Treasury of the United States could be drawn upon to pay the loyal people of the North for all that they suffered, for all their loss of property, there might be some justice and some propriety in this measure; but that is not the proposition. The proposition is that they shall go unpaid, and that you shall draw upon their property to pay for these alleged losses at the South.

Then this amendment goes on and directs that the Court of Claims "shall appoint as many commissioners as it may deem necessary and convenient for the speedy determination of the pending cases, not less than one for each judicial district of the United States for the States recently in rebellion, as well as for the States of Kentucky, Missouri, Maryland, and West Virginia;" and it further authorizes the Attorney-General to appoint a corps of officers, that is, to appoint in each one of the judicial districts a competent person, with a salary, to act in behalf of the United States. Then another thing the amendment contains is a repeal of the limitation which is about expiring under the act for the collection of abandoned property, opening the Treasury of the United States now, at this period, to every possible claim that can be conceived of in all the States that were in rebellion, and in the four other States named; and that is to be done with the Senate but half filled, by an amendment to an appropriation bill. Mr. President, I move to lay the amendment on the table.

Mr. STEVENSON. I hope the Senator will withdraw that motion until I can reply to his argument.

Mr. FRELINGHUYSEN. I will withdraw the motion for that purpose; but the Senator made his argument some time ago.

Mr. STEVENSON. O, no; I have not replied to my friend's argument.

Mr. FRELINGHUYSEN. Very well; I will withdraw the motion for the present.

Mr. STEVENSON. The gentleman states, as it seems to me, a most extraordinary proposition of law. I am certainly much more astounded by his showy and confident denial that a government is responsible to its loyal people for property taken from them for its own use than he can possibly be by any proposition stated by me.

There are two sorts of damages. A nation which makes war has a right to pass through its territory; and if war takes place, and in that conflict the subject's property is destroyed, the nation is not liable; but if the government seizes property, fearing that it will fall into

the hands of the enemy; or if the government destroys a house for fear the enemy may get an advantageous lodgment, or that such house may be in the way of defense, then I submit that upon *principle and authority* the government is liable; and if my honorable friend, whose legal reputation far exceeds mine, has never heard of that doctrine, I promise to establish it to his satisfaction by text-books of acknowledged merit as well as by reports of adjudicated cases in State and Federal courts.

Mr. FRELINGHUYSEN. Will my friend permit me just there?

Mr. STEVENSON. Certainly.

Mr. FRELINGHUYSEN. I would inform my friend that I have heard of what the law on this subject is pretty thoroughly; for as long ago as 1868 I had the honor for several days in this Senate to argue this very question; and I think I know all that the books state on the subject. I will say further that the books do not state, and my friend cannot find the authority, that a government is liable for damages done in war inside of the lines of the enemy.

Mr. STEVENSON. Mr. President, I do not understand any distinction about enemy's lines when the Government takes the property of its citizens and applies it to its own use. The only distinction I suppose to be recognized is, that if the loss of property results from or is destroyed in battle, the Government is not liable and does not pay, whether inside or outside the enemy's lines, or whether such battle occurs in a loyal or in a disloyal State. But if the Government takes private property, or causes the property of its citizens to be destroyed, either to prevent such property from falling into the hands of the enemy or to prevent the occupation of such property by the enemy in the event of battle, then I insist the Government is liable for property of its citizens thus taken or destroyed.

Let me illustrate the principle, as I claim it, so that there can be no misunderstanding between the Senator from New Jersey and myself. I undertake to say that if the Union and the confederate armies had joined battle, as they frequently did during the war, in Kentucky, and a citizen's house was directed, before the conflict began, to be seized and burned by the order of the United States general in command, either to prevent the enemy from taking shelter in it or because it might impede the assault of the United States troops during the fight, then the Government is liable. Does the Senator from New Jersey admit or deny that proposition? Further: I insist if there were salt-works or powder-works, or flour-mills, in any State where the United States troops and the confederate army were, and the Government threatening battle, and it was feared by the commander of the United States forces that the works named, or the salt, powder, or flour stored therein might fall into the enemy's hands, and in order to prevent such a catastrophe the officer commanding directed these works, belonging to loyal citizens, to be destroyed, is not the Government of the United States liable? I say it is; and I defy contradiction by any authority, either in the text-books or in the reports of recognized authority.

Now I will cite some authority, notwithstanding the statement of the honorable Senator that he is thoroughly posted in the law, which goes, as I think, to refute his position, if I understand him correctly. He states the law to be that the Government is not liable for property of a loyal citizen seized and appropriated in Kentucky if in enemies' lines. Vattel discusses this question. He says:

> Such damages are of two kinds: those done by the state itself or the sovereign, and those done by the enemy. Of the first kind some are done deliberately and by way of precaution, as when a field, a house, a garden, belonging to a private person, is taken for the purpose of erecting on the spot a town rampart, or any other piece of fortification, or when his standing corn or his store-houses are destroyed to prevent their being of use to the enemy. *Such damages are to be made good to the individual, who should bear only his quota of the loss.*

Claims for property taken by the Government in the instances put by Vattel are precisely the character of claims provided for in my amendment. Vattel is high authority, but if his doctrine be denied others are at hand. Grotius asserts the same doctrine. He says:

> The king may in two ways deprive his subjects of their right, either by way of punishment or by virtue of his eminent power. But if he do so in the last way, it must be for some public advantage, and then the subject ought to receive, if possible, a just satisfaction for the losses he suffers out of the common stock.

Again he says:

> The state has an eminent right of property over the goods of the subjects, so that the state, or those that represent it, may make use of them, and even destroy and alienate them, not only in extreme necessity, but for the public benefit, to which we must add that the state is obliged to repair the damages suffered by any subject on that account out of the public stock.

Here, again, Grotius enumerates the cases covered by my proposed amendment. In the county of Kenton, and within a mile or two of the city where I have lived for more than thirty years, the Federal and confederate armies met face to face, in full survey of the city of Cincinnati. But after great preparation the confederate army retreated, without a battle, and without a pursuit by the Union forces. The private property of many citizens was appropriated by the Government for its own use. Wood was cut and taken, valuable land was seized and appropriated by the United States for fortifications, and a great deal of the land rendered unfit for use for years. Does the honorable Senator from New Jersey insist that, in instances like that cited, loyal citizens whose property was seized and appropriated by the Government are not entitled to reparation by the United States? Mr. William Whiting, whose authority the Senator will not, I am sure, question, as a cautious and able writer on this subject, says:

> If the private property of loyal citizens, inhabitants of loyal States, is appropriated by our military forces for the purpose of supplying our armies and to aid in prosecuting hostilities against a public enemy, the Government is bound to give a reasonable compensation therefor to the owner.

Again he says:

> When individuals are called upon to give up what is their own for the advantage of the community, justice requires that they should be fully compensated for it. Otherwise public burdens would be shared unequally.

Again he says;

> Public use does not require that the property taken shall be actually used. It may be disused, removed, or destroyed, and destruction of private property may be the best public use it can be put to. Suppose a bridge owned by a private corporation to be so located as to endanger our forts upon the banks of a river. To demolish that bridge for military purposes would be to appropriate it to public use.

Private property may be destroyed by the order of the commanding general, and the destruction of it may be the best public use it can be put to. Suppose a bridge owned by a private corporation is located so as to endanger the forts upon the banks of a river, suppose a house to be interposed between our guns and the enemy's, and the commanding general commands that they shall be destroyed—no compensation! The Senator's argument boldly leads to that result.

Mr. FRELINGHUYSEN. If my friend wants an answer, I can answer him. I understand the law to be very clear, that if a house is destroyed within the lines of the Government, within the Union lines, it is to be paid for; and I understand it to be just exactly as clear that if it is destroyed within the enemy's lines, it is not to be paid for. If a loyal person is within the enemy's lines with his person or his property, it takes the complexion of the enemy's country, and for all purposes of law becomes enemy's property; and that is the law.

Mr. STEVENSON. If my friend had uttered that sentiment during the war in some parts of the country he might at periods of great excitement have been taken up and hung as a disloyal man.

Mr. FRELINGHUYSEN. I think it is very likely I would have been hung in Kentucky during the war if I had been there. [Laughter.]

Mr. STEVENSON. He would. I say as a disloyal man. Why? Because by "enemy's country" many might have deduced an implication he thought the States had a right to secede and the United States had no right by coercion to force them into the Union. The United States claimed the whole Union, and that as the acts of secession were held null and void, then there was legally no enemy's country. Had the confederates with their armies reached New Jersey, as they did Ohio and Pennsylvania, and that government had, for its own use, seized property of loyal citizens of New Jersey, would the Government be released because the confederates had penetrated New Jersey and the property was taken in the enemy's lines?

If the Government had burned a house at Gettysburgh, Pennsylvania, to prevent the rebels from occupying it, or appropriated other property of loyal citizens, is the Government, not liable to make reparation? Were there not enemy's lines at Gettysburgh? and were not the lines of the Union troops and the confederates continually changing during the war? And how could the great principle of law, rendering the Government liable to its loyal citizens for a seizure of property taken and appropriated to its own use, be demonstrated a whit by the continually varying lines of the enemy?

I can well understand how property belonging to citizens and destroyed in battle by either army, Union or confederate, does render the Government liable for such loss. But I do not understand what the Senator means when he so broadly states that if the Government appropriates property of its loyal citizens to its own use, and not in battle, but within the enemy's lines, the Government is not liable.

Mr. CARPENTER. Will the Senator allow me to ask him a question?

Mr. STEVENSON. Certainly.

Mr. CARPENTER. Will not the same logic by which the Senator proves that there was no enemy's country, prove that there was no enemy?

Mr. STEVENSON. By no sort of means. I have not said there were no enemies' lines, and still less that there were no enemies—that is, many brave and gallant men whom the Government regarded and treated as enemies. The Supreme Court of the United States will give my friend the answer, that this rebellion was to be carried on by the same rules of war as though it were England instead of a part of the United States.

Mr. CARPENTER. Exactly. Suppose our armies had destroyed a house in Canada, would the Government have paid for it?

Mr. STEVENSON. Probably not. That would depend on circumstances.

Mr. CARPENTER. Well, in Liverpool.

Mr. STEVENSON. Just the same.

Mr. CARPENTER. Then, if the same principle applies to the war between the North and South as would apply to a war between us and England, if we destroyed a house outside our lines we would not pay for it.

Mr. STEVENSON. I have not said there were no enemies—or no enemies' lines; but I claim that property taken by the United States from its own loyal citizens, and applied to its own use, renders the Government liable, whether taken within or without the enemy's lines; and that, whether the confederate army had gone to Wisconsin and stretched its line of battle in that beautiful and growing State, the Government would still have been liable for private property taken and applied to its own use, whether taken within or without the confederate lines. I put this question to the Senator from Wisconsin:

If the confederate army had penetrated to Wisconsin, as it might have done, and there the Union Army, in the same State, had seized private property in the city of Milwaukee, for the purpose of fortifying the city before the confederate army had reached there, does he assert that the loyal owner of that property thus seized had had no claim against the United States and entitled to no reparation? I await the reply of the honorable Senator. It is a fair thing, when a Senator begins during a debate to ask questions, that he should in turn answer some; and I shall be glad to have mine answered.

Mr. CARPENTER. Certainly; and the answer to the question is a very plain one. The Senator starts out with a question, and instead of adhering to it he changes and asks a totally different one. He says, suppose the rebel army had got into Wisconsin; and then he terminates his question by saying, suppose the Government had taken property before they got into Wisconsin.

Mr. STEVENSON. My friend, I hope, does not desire to quibble.

Mr. CARPENTER. Your friend does not want to quibble. We want to be understood on this question.

Mr. STEVENSON. I shall be most happy to make my question clear and intelligible. I do not desire an answer until the Senator understands my question. I put a question involving one phase of the legal proposition of law which we are discussing so pleasantly as friends and lawyers.

Mr. CARPENTER. Certainly.

Mr. STEVENSON. Now, the question I propound is, had the confederate army reached Wisconsin, and were already approaching Milwaukee, where the Union army was intrenched awaiting its arrival, and the Federal Government had burned a dozen houses which the commanding general of the United States forces deemed advisable, as they impeded a clear view of the approach of the enemy, and the houses thus seized were the property of loyal citizens of Wisconsin, would, or not, the Government be liable for reparation, although within enemies' lines?

Mr. CARPENTER. Mr. President, I understand the principle of law to be well settled. The taking of property by the Government in a loyal country, in our own country, is always to be compensated. The taking of property for the purpose of destruction—if he chooses to style that the taking of property—is not to be compensated if it be taken in enemy's country and destroyed for the purpose of weakening the enemy. Now, then, to answer the particular case which the Senator puts about Wisconsin; while Wisconsin was held by the Government and no army was upon its soil, if the Government had taken this property for any purpose, that would be one thing. But suppose the rebel army had reached Wisconsin, had taken possession of Milwaukee, and was using it as its base of operations, and from the public buildings of Milwaukee they were sending forth missiles upon the Union works around the city, does any man suppose that if, in the progress of an actual battle in Milwaukee, the Union army had destroyed a portion of that town and driven the rebels out of it, the Government would be liable to compensate for that property? When it was once taken and held in permanent occupation by the rebel troops, then it became the enemy's country. I am very happy to say there was never any danger of that being the case in Milwaukee; and if the Senator's friends—I do not mean his friends, but his constituents—had not drawn the nice distinction which he does between their affections and their conduct; if they had been as loyal in their hearts as he says they were in their conduct, there might have been less of this property now to be compensated for.

Mr. STEVENSON. Mr. President, I shall not undertake to go into a discussion of the war. You cannot discuss a legal question in the Senate that the war is not discussed, and a fling at Kentucky. Whenever Wisconsin shall be shown to have furnished abler or braver men in defense of the flag, or made greater sacrifices for the Union, than Kentucky did, it will then be time enough to consider who excelled in that conflict. We are now discussing the legal liability of the Government for property of its loyal citizens seized and applied to its own use. I am not to be driven from the point at issue by an irrelevant reference to Kentucky's action in the war.

I call the Senate to witness, when the Senator from Wisconsin interrupted me he asked if property was taken in the enemy's lines by the Government for its own use, and not in battle, whether I thought the Government was liable. He denied it. I put the question flatly to him if the confederate army had penetrated Wisconsin, the Government of the United States had seized private property of loyal people and applied it to its own use, in order to prepare for the approach of the confederate army, was the Government not liable? And how does the Senator answer? Why he says it is well settled the Government would be liable for private property destroyed in a loyal country, but not for property destroyed in battle. But when the confederate army reached Wisconsin, what about the enemy's lines that the Senator first spoke of? Were the line of confederate bayonets, when in Wisconsin, less an enemy's line than when in Kentucky?

If the Government is not liable for property of its citizens seized and applied to its own use in Kentucky, because within the enemy's lines, why does not the same doctrine apply to enemy's lines at Gettysburgh or at Milwaukee? My question has been evaded rather than answered. The Senator asked me, if property were taken by the United States and applied to its own use in Canada or Liverpool in the event of a war with England, whether the Government would be liable. I said that would depend upon whether the property seized was the property of a loyal American citizen; if so the Government would be liable, even in an enemy's country. Let us see what Judge Taney says on the subject. I read from 13 Howard, page 115——

Mr. CARPENTER. My friend had better read the Prize cases, where the court passed on this very question.

Mr. STEVENSON. One decision at a time. I will come to the Prize cases presently. I am now upon the special point whether there cannot be a claim against the Government of the United States for personal property taken for public use even in an enemy's country, if the property be the property of a loyal citizen. Judge Taney says:

> There are, without doubt, occasions in which private property may occasionally be taken possession of or destroyed to prevent it from falling into the hands of the public enemy.

He does not say within any line; he does not say within any particular domain.

Mr. CARPENTER. Will the Senator state whether that is the case where the man whose property was taken was traveling with the Army, and under its protection?

Mr. STEVENSON. No; the case cited was during Doniphan's expedition, where Colonel Mitchell, of Saint Louis, at the head of a part of the Army, seized property belonging to an American citizen lest it should fall into the hands of the enemy.

Mr. CARPENTER. But was not that citizen traveling with the Army and under its protection?

Mr. STEVENSON. I do not remember, nor does that fact make the least difference.

Mr. CARPENTER. I want to know the fact.

Mr. STEVENSON. I want to read law, and show that the principles of law as laid down cannot be affected by the fact whether the citizen whose property was taken was traveling or stationary. Now listen:

> There are, without doubt, occasions in which private property may occasionally be taken possession of or destroyed to prevent it from falling into the hands of the public enemy, and also where a military officer charged with a particular duty may impress private property into the public service or take it for public use. Unquestionably, in such cases, the Government is bound to make full compensation to the owner.

When the confederate army came into the State of Kentucky and met the Federal troops under General Nelson, at Big Hill, in Madison County, property of loyal citizens was taken and appropriated by the Government. These honest men have not yet been paid. If the astounding doctrines of law this day announced by the Senators of Wisconsin and New Jersey be true, they are in great danger of never being compensated. I confess I cannot perceive how the enemy's lines, in the late rebellion, can destroy or diminish the liability of the Government for the appropriation of private property of loyal men to its own use because it is in a locality where the confederate army was intrenched.

I must say, with profound respect to the Senator from New Jersey and the Senator from Wisconsin, that I have never heard the doctrine for which they contend in text-books or reports; it is at war with the whole action of Congress for the past fifty years. I had not supposed that the liability of the Government would be doubted; and I can but hope it will find no substantial support in or out of Congress.

The Prize cases, according to my reading, do not sustain the doctrine that the property of loyal citizens can be seized and appropriated by the Government with impunity in enemy's lines. Does the honorable Senator from Wisconsin seriously believe that if we were to invade Canada, and were to find the vacant house of a loyal American citizen in Montreal and were to seize and appropriate the house as a public necessity to Government use, or from military necessity were to burn it, that the Government would not be liable? If we were to seize any property, not in war, that belonged to him, as a matter of military necessity, does the gentleman insist that the Government would not be liable?

Mr. CARPENTER. I totally disagree.

Mr. STEVENSON. Then the gentleman thinks that the right of eminent domain, which is the right of a sovereign to appropriate to public use the property of the individual, and which right the Constitution of the United States denies shall ever be exercised by the Government, without first making just compensation—he thinks that that right is to be regulated by the fact of the actual position of the Army when the property is taken, or by the latitude or longitude in which the contending forces happen to be at the time of the seizure of such property.

Mr. CARPENTER. If the Senator will allow me a moment, I should like to get at a distinct understanding between us.

Mr. STEVENSON. Certainly.

Mr. CARPENTER. If we were at war with England, for instance, and sent our Army to invade Canada, the moment we crossed the Canadian line we should be in enemy's country. Any person domiciled there, doing business there, is, for the purposes of war, enemy's person and enemy's property; and we could no more distinguish between the property of an American citizen residing there and the property of a British subject residing there than we could draw any other distinction that has no existence. It is an impossibility.

We invade a country; that whole country is enemy's country. Just as soon as the principle came to be applied in the late war that it was a territorial war; as soon as the exchange of prisoners was agreed

upon, then the Supreme Court, in the Prize cases, held that it became a geographical war, and that everything outside the lines of the Union was enemy's property. That is the distinction.

The case in which the Senator has read from the opinion in 13 Howard, was the case of a man traveling into Mexico under the protection of the Army with goods, a merchant, encouraged to go and under the protection of our Army. His property was taken; and there it was held that the Government should pay for it, just as the court would hold if the Government had destroyed private property of the general commanding the forces. It was a mere matter of justice between us and men in our Army, whether as merchants, or generals, or officers; but the Supreme Court never would have held such a doctrine in regard to American citizens who had been permanently residing in Mexico.

Mr. STEVENSON. The gentleman is mistaken in the facts of Harmony's case entirely. The court decided that the public peril did not authorize Colonel Mitchell to destroy the property of the citizen which he did destroy lest it might fall into the enemy's hands. The court decided, if the peril had been imminent, the Government would have been responsible, but that the officer seizing and destroying private property did so at his peril. The court held Colonel Mitchell personally liable to the claimant for the property destroyed, and subsequently Congress passed a bill paying this judgment against Mitchell. That precedent is against the Senator.

I understand, I think, the principle in the Prize cases. I have not looked at them lately. The Senator is greatly in error in supposing that the principle there settled antagonizes with the principle of liability by the Government to loyal citizens for property seized and appropriated to its own use in the enemy's country. The Senator is greatly in error in supposing that if I had been a loyal citizen in Savannah, and on declaration of war I had left there and come North, and joined the Union Army, and on reaching Savannah General Sherman, as a military necessity, burned my house, not in battle, but expecting an attack, I say the Government is bound to make reparation to the loyal owner of that house. The Senator denies it. I say so by the authority of the Prize cases. The reasoning of the decision in those cases overrules that principle.

The ruling in the Prize cases only held that in a seizure of a vessel belonging to the public enemy they could not distinguish between the goods on that vessel belonging to a Union citizen and a rebel citizen of Virginia.

The secession of the Commonwealth of Virginia from the Union and joining the rebellion had decided the status of all her people. The State was a public enemy, and so no discrimination could be drawn between the rebels and the Union people, so far as the seizure of the vessel went. The character of public enemy of Virginia was technically impressed on her people, and the vessel and her contents were a prize.

Now, I cite the case of General George H. Thomas, of the Union Army. He was a native of Southampton County, Virginia. He left property in Virginia, and joined his destinies with the United States and led the Union armies. Had General Grant burned his house in Southampton as a military necessity, the Senator would deny the liability of the Government to pay General Thomas, because, he says, it was in the enemy's country. Is the Senator in earnest?

But, Mr. President, I have tired the Senate too long. This debate has been sprung upon me and was wholly unexpected. I had no conception that the amendment would awaken so much ire, and precipitate a debate which I had no dream of. Lawyers often differ on important questions both of the Constitution and the law.

The honorable Senator from New Jersey [Mr. FRELINGHUYSEN] and myself differ *toto cælo* on the true construction of several clauses in the Constitution of the United States. He thinks, by way of illustration, that the clause to "pay the debts and provide for the common defense and general welfare" is a distinct, substantive grant of power, and under it he proposes to make an appropriation of $15,000,000 for the centennial celebration at Philadelphia.

There are able and eminent men who have agreed with him in this construction, and that the clause empowering Congress "to lay and collect taxes, excises, duties, and imposts, to provide for the common defense and general welfare," contains not one, but two substantive grants of power.

There are other jurists and statesmen who, with Judge Story, insist that the power to lay taxes, duties, excises, and imposts was limited by the subsequent clause relative to the public defense and general welfare; and, as I argued the other day, unless the centennial exposition can be shown to be for the common defense or the general welfare, the power to make any appropriation, at least under that clause, does not exist.

I hope the amendment I offered will be adopted. It is an act of tardy justice to those whose property the Government has used. Millions of dollars are due to poor and honest men for property used and appropriated by the Government of the United States. They shrink from no investigation, they are ready to go into the Court of Claims, and by judicial investigation establish the amounts due them by the Government—so long due them and unjustly withheld.

Mr. CARPENTER. Mr. President, turning to the case of Mitchell *vs.* Harmony, in 13 Howard, and reading from the opinion of the court the statement of the facts, I find the following:

> The trading expedition in which the plaintiff and the other traders were engaged was, at the time they set out, authorized by the laws of the United States. And when General Kearney arrived they were permitted to follow in the rear and to trade freely in all such places as might be subdued and occupied by the American arms. The plaintiff and other traders availed themselves of this permission and followed the Army to Santa Fé.

These were the circumstances in which this man's property was situated. He was under the protection of this Government. He was trading in obedience to our laws, and under the protection of our arms; and, under these circumstances, the court held that an officer of the Army had no right to destroy his property. I am not going into any general debate on this subject. It is one which has been debated in this Chamber for weeks. I intend, when I conclude, to move to lay this amendment on the table. I shall, therefore, not pretend to go at large into the discussion, or into a full reply to the Senator from Kentucky, but wish to call his attention to one paragraph in the decision in the Prize cases, which is the law pronounced by the highest judicial tribunal in the land upon the precise question under discussion.

The court say:

> Under the very peculiar Constitution of this Government, although the citizens owe supreme allegiance to the Federal Government, they owe also a qualified allegiance to the State in which they are domiciled. Their persons and property are subject to its laws.
>
> Hence, in organizing this rebellion, they have *acted as States* claiming to be sovereign over all persons and property within their respective limits, and asserting a right to absolve their citizens from their allegiance to the Federal Government. Several of these States have combined to form a new confederacy, claiming to be acknowledged by the world as a sovereign state. Their right to do so is now being decided by wager of battle. The ports and territory of each of these States are held in hostility to the General Government. It is no loose, unorganized insurrection, having no defined boundary or possession. It has a boundary marked by lines of bayonets, and which can be crossed only by force. South of this line is enemies' territory, because it is claimed and held in possession by an organized, hostile, and belligerent power.

A power at war at that time with the Government of the United States.

> All persons residing within this territory whose property may be used to increase the revenues of the hostile power are, in this contest, liable to be treated as enemies, though not foreigners. They have cast off their allegiance and made war on their Government, and are none the less enemies because they are traitors.

The doctrine of the Supreme Court of the United States, clearly enunciated over and over again, is that the war which has just closed was a territorial war, and that all within the lines of actual military possession by the rebels was enemy's country, and every man living there was an enemy in the eye of the law, and must be so treated, and his property was enemy's property. If destroyed in the course of military operations, it was like any other destruction of enemy's property; and its destruction does not constitute a claim against the Government.

Mr. HOWE. Will my colleague allow me to ask him a question?

Mr. CARPENTER. Certainly.

Mr. HOWE. Independently of the language (which I think not very fully guarded) which he has just quoted from the decision of the court, does he not himself think there is a great difference between calling a man living on one side of this line an enemy and calling his property enemy property?

Mr. CARPENTER. I do not. I do not understand that a rebel, for instance Jeff. Davis, after he was fairly embarked in the rebellion, could, to save his property, leave it in the South, and by simply coming across our lines save his property. It was still enemy's property, because property in an enemy's country, which might be made to contribute to carry on the war against the Union.

Mr. HOWE. I concede that the property is by the law considered enemy's property, all property on one side of that line; but I do not think that public law or municipal law ever undertook to designate an individual as an enemy simply because his property was in one place rather than in another.

Mr. CARPENTER. If that is what my colleague means, I am with him decidedly. I do not understand, for instance, that my colleague, sitting in the Senate from 1862 to 1870, and standing faithfully by the cause of the Union, could have been denounced as a public enemy if it could have been shown that he owned forty acres of land in South Carolina. That I never claimed, of course. Yet his land, if it was capable of producing anything that would aid the army, was enemy's property; that is to say, being in an enemy's country, it was subject to all the burdens which the government could lay upon any other property found in that country. That is all I mean.

Mr. HOWE. But the language of the court goes further than that, does it not?

Mr. CARPENTER. I do not understand that it does. I understand the object of the court in this language was to say that this war was to stand on the footing of a geographical war; and that within the lines held permanently by the enemy everything was enemy's, whether men or things; and the court was not drawing the distinction between men residing or not residing there. The court said:

> All persons residing within this territory—

That is, enemy's territory—

> are enemies.

They never said, and never meant to say, that a man residing within the Union lines was to be regarded as an enemy because he owned enemy property, that is, property within the enemy's lines.

Mr. STEVENSON. I ask the Senator from Wisconsin where is that

boundary? I want to come to an application of principles to facts. Where does he understand the Supreme Court of the United States to place the line?

Mr. CARPENTER. Let the court answer that question. I read from the decision:

It has a boundary marked by lines of bayonets, and which can be crossed only by force.

That is the line of the enemy's country. It was not State lines; it was the line of force; it was the line of the bayonet; it was the point beyond which you could not go, except by the exercise of force. That was the line which separated the Union from the enemy's country.

Mr. STEVENSON. Then the Senator thinks that Kentucky and Missouri were both within what the Supreme Court intended to establish as enemy country in that opinion?

Mr. CARPENTER. That depends upon a question of fact, which I am not able to answer at this moment. If those States were held out of this Union by bayonets, by the distinctly drawn line of military occupation, and we could not pass into either of those States except by force, they were enemy's country; otherwise not.

But let me call attention to one provision of this amendment——

Mr. WEST. If the Senator will permit me, I should like to call his attention to the fact that the destruction of property by the United States forces for which these claimants seek recompense here, occurred in territory that was afterward and at the time of the destruction occupied by the United States forces; and I ask him, was that enemy's country after that line of bayonets had been stricken down and the Union armies had taken possession of that territory? Was it then enemy's country under that decision of the Supreme Court?

Mr. CARPENTER. I want to call attention for a moment to a precise provision of one part of this amendment. The fourth class of cases in which the Court of Claims is to have jurisdiction reads as follows:

Also for damages to, or destruction of, the real or personal property of any citizen during said rebellion, whenever the same was damaged or destroyed by competent military authority as a military necessity, to weaken and harass the enemy, or to protect, assist, and strengthen the United States forces.

As I understand that provision, every man's horse who was killed in battle is the subject of a claim in the court. If General Lee had been riding a horse owned by my colleague—to return to the case which he put to me—at Gettysburgh, and that horse had been shot, my colleague could under this bill go into the Court of Claims and present a claim for that horse. There is no exception in this amendment that I can find, which would save property destroyed in actual conflict of arms from being compensated for.

Mr. SARGENT. The Senator from Wisconsin will allow me further to suggest that there is no limit on the question of loyalty or disloyalty there.

Mr. CARPENTER. So I understand. This is all I propose to say on this amendment now.

Mr. STEVENSON. Let me call the Senator's attention to what is evidently a mistake in his reference to the opinion in the Prize cases. He did not read the first part of it, or I am sure he would have seen his error.

Mr. CARPENTER. I said nothing about the Prize cases except to read from the opinion.

Mr. STEVENSON. But you did not read enough. I asked you where the line was, and you said just where the bayonets were.

Mr. CARPENTER. I did not say that. I read what the court said.

Mr. STEVENSON. You did not read enough.

Mr. CARPENTER. I read all that was material, I think.

Mr. STEVENSON. I propose to read a little more. I thought certainly this opinion confined that line to the seceded States. I see on looking at it that it does, and I will read:

Hence, in organizing this rebellion, they have acted as States claiming to be sovereign over all persons and property within their respective limits, and asserting a right to absolve their citizens from their allegiance to the Federal Government. Several of these States have combined to form a new confederacy, claiming to be acknowledged by the world as a sovereign state—

A sovereign government.

Their right to do so is now being decided by wager of battle. The ports and territory of each of these States are held in hostility to the General Government. It is no loose, unorganized insurrection, having no defined boundary or possession. It has a boundary marked——

What has a marked boundary? This confederate government; these seceded States, territorially known, both their ports and everything else.

It has a boundary marked by lines of bayonets, and which can be crossed only by force. South of this line is enemy's territory.

Mr. CARPENTER. There is no possible way to escape the plain meaning of the opinion. Of course my friend does not mean to escape.

Mr. STEVENSON. No, indeed.

Mr. CARPENTER. And there is no way to render it ambiguous.

Mr. STEVENSON. I think not.

Mr. CARPENTER. The court say in deciding the proposition that all the country which was held in actual and continuous military possession against the United States was enemy's country, and as a part of the argument leading to that conclusion, that these States were organized communities, and made war in their corporate capacity.

Mr. STEVENSON. To show my friend that he is entirely misapprehending the opinion, and that there can be no doubt about it, I propose to read him a decision which shows that the Government is responsible for property where both sides were in conflict and outside of the confederate lines. They have decided in the Court of Claims this identical question.

Mr. CARPENTER. I should want to see at least two decisions of the Court of Claims before I should admit it to be law, or before I should vote an appropriation to pay a judgment rendered upon that principle. I say the Supreme Court of the United States in this opinion—and the doctrine has been steadily adhered to and always enforced in the subsequent decisions of the court—held the proposition that in this war the country held by the enemy in military possession, continuous actual occupation, was enemy's country. The court, in reasoning on the subject, alluded to the fact that the Union is composed of States, and that these States had made war as States, and assumed to take all their people out of the Union; and they speak of their territory and property as being enemy's territory and property; but when we come to the precise line marking enemy's country, they say:

It is not a loose, unorganized insurrection, having no defined boundary or possession. It has a boundary—

What has a boundary? This enemy's country has a boundary—

marked by lines of bayonets, and which can be crossed only by force. South of this line—

That is, south of this line of bayonets—

is enemy's territory, because it is claimed and held in possession by an organized, hostile, and belligerent power.

Mr. MORRILL, of Maine. And the Senator will allow me to say that long before there had been a line marked by authority of Congress and by proclamation of the President, well defined; and yet the court going upon the principle for which the Senator contends, enlarged that well-defined line as stated in that proclamation, by saying that notwithstanding that the line was marked by bayonets——

Mr. CARPENTER. We are not discussing now the question of fact as to where that line was. We are on the proposition contained in this amendment, of submitting all the questions in regard to the destruction of property within the enemy's line, wherever it was, whether it was on the north line of Kentucky or on the south line of Kentucky; whether it ran on the north line of the Gulf States or midway through them—submitting all the questions in regard to property south of that line to the jurisdiction of the Court of Claims, and it is for the present purpose quite immaterial where that line really was.

Mr. MERRIMON. I beg to ask the Senator a question, not to engage in the discussion. I desire to understand exactly the ground he occupies. I am not sure that I do.

Mr. CARPENTER. I am north of the enemy's line. [Laughter.]

Mr. MERRIMON. I do not think anybody can mistake that. [Laughter.] I wish to understand what position the Senator really occupies; and I will put a case to test it. An American citizen, in all respects in accord with his Government, happened to reside, in the year 1863, in the State of South Carolina, and he had lands and personal property there. The Union Army passed through that State and took his corn for the use of the Army, took his lumber for the use of the Army. Technically that citizen was in the enemy's country. That is a technical rule, and a purely technical rule. After the war is over, at this time, that same citizen, who had preserved his proper lawful relations with the Government, comes and asks the Government to pay him for his corn and for his lumber. Do I understand the Senator to say that in that case the Government is not bound to pay?

Mr. FRELINGHUYSEN rose.

Mr. CARPENTER. My friend from New Jersey wants to answer that question, and I yield to him.

Mr. FRELINGHUYSEN. I want to say a word or two on this subject in answer to the Senator from Kentucky, [Mr. STEVENSON.] I understand the Senator from Kentucky to claim that it was wellnigh advancing a treasonable doctrine to assert that there was such a thing as an enemy's line in the recent rebellion; for we were all under the Union, all under the flag, and that if I had had the audacity or the courage——

Mr. STEVENSON. I did not use the word "audacity."

Mr. FRELINGHUYSEN. My friend did not use the word, but it amounts to that. He said that if I had had the courage to assert such a sentiment in Kentucky, I should have been hung as a rebel.

Mr. STEVENSON. No; my friend wholly misunderstands me. I did not confine it to Kentucky. It would have been worse in Philadelphia. I wish my friend to understand me. I understood him to say that there was enemy's country there. Well, if there was enemy's country there, the United States had a right to wage war to reclaim that country. If he had said that the men residing there were really enemies as a matter of right and had a territory which the United States could not legally reclaim, he would, in the estimation not of Kentuckians alone, but more particularly of Pennsylvanians, perhaps in Philadelphia during the excitement of the war, have been regarded as disloyal. Why? For the reason that secession had no

sort of right, and that the Government had a right to reclaim the whole territory.

Mr. FRELINGHUYSEN. Well, Mr. President, whether disloyal or loyal, I shall submit to the Senate in a very few words that there is no question that there were well-defined lines between the Union and the confederate forces; that a different rule of law existed in reference to loyal people, whether they were on the one side or on the other side of that line; and it will not do after the war is over to come here and tell us that we were all one grand brotherhood, living under the star-spangled banner, and that it was treason to say that this nation was severed. Why, Mr. President, that very principle of recognizing this as a war, instead of as a rebellion, was the most humane principle that was ever adopted, and was commended by the courts on account of its humanity.

Mr. STEVENSON. Let the Senator understand me. I did not claim that so far as the seceded States went there was not a line. In reply to the Senator from Wisconsin, I said that the only enemy's line was the boundary of the seceded States; and the bill which I have offered as an amendment does not touch them.

Mr. CARPENTER. It does apply to everything south of that line, does it not?

Mr. STEVENSON. No; except Kentucky and Missouri.

Mr. SARGENT. I understand it applies to every State in the Union.

Mr. STEVENSON. Suppose it does?

Mr. FRELINGHUYSEN. This proposition applies to every State of the Union, and applies especially to Kentucky, Missouri, Maryland, and West Virginia.

Mr. STEVENSON. Let it apply to them all.

Mr. FRELINGHUYSEN. I was saying, when last interrupted, that the principle of treating the rebellion as a war was on the side of humanity, and was commended by the courts. If it had been a mere rebellion, what would have been the obligation of the Government? It would have been to treat those captured as rebels and to execute them; and what would the consequence have been? Retaliation; our prisoners would have been executed; and it would have been a war of blood and carnage that would have more disgraced humanity than it did.

I do not intend to make any speech on this subject; but my friend seemed to think that there was no law to sustain those of us who oppose his proposition. Let me read him some. He has referred us to Vattel. Let me refer to that authority on this very subject, on page 293 of his great work:

> Civil war breaks the bands of society and government, or at least suspends their force and effect; it produces in the nation two independent parties, who can consider each other as enemies and acknowledge no common judge. These two parties, therefore, must necessarily be considered as constituting, at least for a time, two separate bodies, two distinct societies. Having no common superior to judge between them, they stand in precisely the same predicament as two nations who engage in a contest and have recourse to arms.

That is Vattel. Then, again, in the Prize cases, (2 Black, 674,) the Supreme Court say:

> All persons residing within this territory, whose property may be used to increase the resources of the hostile power, are in this contest liable to be treated as enemies, though they are not foreigners.

Again:

> The products of the soil of the hostile territory, as the source of its wealth and strength, are always regarded as legitimate prizes, without regard to the domicil of the owner, and much more so if he reside within their territory.

And that, perhaps, would answer the question put by the Senator from North Carolina. If the property was within the enemy's lines, "without regard to the domicil of the owner," it may be taken.

But still further, in the Alexander cotton case, found in 2 Wallace, page 419, the Chief Justice says:

> It is said that, though remaining in rebel territory, Mrs. Alexander had no personal sympathy with the rebel cause, and that her property, therefore, cannot be regarded as rebel property; but this court cannot inquire into the personal character and disposition of individual inhabitants of enemy territory; we must be governed by the principles of public law so often announced from this bench as applicable alike to civil and international wars, that all the people of each State or district in insurrection against the United States must be regarded as enemies until by the action of the Legislature and the executive, or otherwise, that relation is thoroughly and permanently changed.

I think that the authority of Vattel, that the authority of the Supreme Court of the United States, show clearly that this rebellion was to be treated as a war, and that we are not liable, as this amendment proposes, for all the ravages done by Sherman's army in his march to the sea.

This subject has been fully discussed heretofore, and it does seem to me that this amendment is, in its provisions, the most extravagant and the most unreasonable that I have ever known presented in this House. I move that it be laid on the table.

Mr. STEVENSON. I want to say to the Senator from New Jersey——

The PRESIDING OFFICER, (Mr. FERRY, of Michigan, in the chair.) The motion is not debatable.

Mr. STEVENSON. I am not going to debate it. I ask the Senator from New Jersey to withdraw it, that I may read him an authority.

Mr. FRELINGHUYSEN. I withdraw the motion; but I fear the discussion may continue for a day or two.

Mr. STEVENSON. I have the authority of the President of the United States on my side of this question. I think he saw about as much of the war as any one, and was as loyal a man as could be found. In 1870 Congress passed an act to pay Otis N. Cutler $50,000 for cotton taken by military authorities to pack the machinery of the steamer Tigress, to enable her more securely to run the rebel batteries at Vicksburgh. That was in the heart of the South, and the military authorities took his cotton. The boat and cotton were sunk on the trip, destroyed by the rebels. If the Government must pay for cotton taken by its Army, and then destroyed by the enemy, it would seem just as proper to pay for property taken by its Army, and then destroyed by itself. That act was passed by Congress, and approved by the President. The papers in the case show that the present President examined its merits while acting as Secretary of War, and although he refused to pay the claim, for want of authority, he pronounced it meritorious, and referred it to Congress. Subsequently Congress passed it, and he signed the bill. That was in the enemy's country; that was near Vicksburgh; and I suppose this was a loyal man; I do not know. I can cite cases not only in the late war with Great Britain, where reparation was made in the Eastern States; and this is the first time, so far as I have heard, that the liability of the Government has been questioned in such cases.

The President, I know, vetoed one bill; but in an argument of great power, which is unanswerable, by the distinguished Senator from Wisconsin, the colleague of my friend with whom I have had this discussion, he presented the whole question, and showed not only by the text-books, but by the theory and the practice of our Government, that it has always paid men whose property was taken for the use of the Army. Suppose war does dissolve partnerships; suppose it does separate communities; are not they restored when the war ceases? Will my honorable friend from New Jersey say that the whole history of this country is not bristling with precedents where upright, honest, poor men have been paid—not paid during the war but when the war ceased—for property which the United States appropriated? I do not care what line you use, when the war is over, and the Government took it not during battle but for its own use, it cannot make a cover of the fact of war, if the man was loyal, to keep it from paying him a *quid pro quo;* and I trust in God this Government never will do it. I do not care what latitude or what longitude such a claim comes from. Whenever any citizen of Wisconsin in any sort of war shall show that the Government of the United States, *pendente bello*, took his property for its use, my tongue I hope will be palsied if it does not say "ay" to a bill returning him the value of what the Government took. I shall not want to live under this Government when it shall undertake to avoid its responsibilities for property which it took from its people by saying, "Though we took it *pendente bello*, though we did take your honest house or your forage or your other property, and it was a public necessity that required it, yet you were on the other side of the loyal lines and therefore we will not pay you."

Mr. MERRIMON. Mr. President, in the course of the remarks of the honorable Senator from Wisconsin, [Mr. CARPENTER,] by his leave, I propounded to him a respectful question. He declined to answer the question, but yielded to the Senator from New Jersey, who, he said, would answer. The Senator from New Jersey did not answer it or advert to it. I simply desire to say that he declined to answer the question which I propounded.

Mr. FRELINGHUYSEN. I beg the pardon of my friend. I read him an authority stating that all property within the enemy's lines, no matter what was the character of the individual in sentiment, whether loyal or disloyal, was subject to the rules applicable to enemy property; and I referred him, and called his attention at the time, to the Alexander cotton case as the announcement of that opinion by the Supreme Court of the United States.

Mr. MERRIMON. The gentleman has not answered my question to my satisfaction.

Mr. FRELINGHUYSEN. That may be.

Mr. MERRIMON. I was anxious to understand both himself and the Senator from Wisconsin. The case I put was this: An American citizen having adhered in all respects to the Government of the Union, happened, in the year 1863, to reside in the State of South Carolina. The Army of the United States passed by his house, and took from him a thousand bushels of corn for the use of the Army, and a quantity of lumber for the use of the Army. This property was appropriated and used. The question is, can the Government decline to pay that debt to that citizen after the war has ceased?

Mr. HOWE. Mr. President, I do not propose to debate the question before the Senate at all, but to make one or two remarks to justify the vote which I shall give upon a motion which I understand is to be submitted very soon, to lay the pending amendment upon the table. I shall be obliged to vote for that motion when it is made. I should be reluctant, however, to have it understood, either by the Senate or by the country, that in voting for that motion I was approving to the reasoning which I have heard advanced here against the pending amendment.

Some of the questions involved in the pending amendment have been heretofore discussed very largely in the Senate. Some of the questions involved in that amendment are novel, and have not received full consideration, if any consideration, in the Senate. I understand the whole measure contained in the pending amendment is now before the Committee on Claims. All the doctrines involved in that amendment are quite familiar to several very distinguished lawyers who

are on that committee. I suppose in due time they will report to the Senate what they conceive to be the law of the case. I have, from what I know of the constitution of that committee, an abiding faith that whatever they say to the Senate about the law of the land, will be very safe for the Senate to follow.

I think it objectionable to move such propositions on appropriation bills; and unless there is some overruling necessity which seems to demand it, that of itself would be sufficient reason for my voting to lay this amendment on the table. That is one of the reasons why I shall vote to lay it on the table. The other is that I think this subject will be laid before us in a better shape for our consideration at no very distant day by the Committee on Claims; and then I shall be ready to consider the whole subject, and I deem it proper to say that when that time comes I shall be ready to reaffirm, by my vote at least, every proposition which I have heretofore maintained in the Senate. There is nothing about this doctrine which is new to me, and I do not believe I ever advanced an opinion in the Senate upon the subject in which I am very likely to be shaken during this state of existence. What may happen to me hereafter I do not know.

Mr. SCOTT. The Senator from Wisconsin who has just taken his seat has expressed for me the reasons why, when the motion is made, I will vote to lay the amendment on the table. It is a very important amendment, and it is now, as he has stated, before one of the standing committees of the Senate for consideration as a separate bill, and I shall not vote to put it upon any bill until it has been fully considered. But as it is before that committee, and the questions which are involved in it have to some extent been raised, I do desire for the guidance of that committee to elicit the views of some of the Senators who have spoken upon this question, on the very point made in the authority, Mrs. Alexander's cotton case, read by the Senator from New Jersey. I will read the concluding sentence which he read, for the purpose of putting the question so that this information may be elicited, if we can get it, for our guidance:

> We must be governed by the principles of public law so often announced from this bench as applicable alike to civil and international wars, that all the people of each State or district in insurrection against the United States must be regarded as enemies until by the action of the legislature and the executive, or otherwise, that relation is thoroughly and permanently changed.

Now, in view of the fact that there were executive proclamations recognizing the period when the war closed, and that since that time each of the States that were then in rebellion has been from time to time admitted to representation in Congress until all the people in those States are represented as citizens of the United States, I ask, have not the relations which existed during the war, and which the court felt compelled to recognize for the purposes of the war, been "thoroughly and permanently changed;" and, if so, then what are the rights of those citizens of the United States who maintained their loyalty during the period of the war?

Mr. HOWE. Will my friend allow me to call his attention to a case which he does not seem at this moment to have in his mind, but with which he is familiar—the case, I think, of the Venice, in which this very court qualified this very language, and held that fifteen days after the line of bayonets which they said marked the distinction between enemy and friendly territory in the Prize cases—fifteen days after that line had been driven back and had uncovered this vessel, the vessel was outside of enemy's territory and was within the protection of the laws of the United States?

Mr. SCOTT. I remember the case to which the Senator from Wisconsin refers; but I did not rise for the purpose of entering into this argument, but for the purpose, if possible, of eliciting for the guidance of the committee that has this measure under consideration, the views of those Senators who take the opposite opinion, as to whether these relations have or have not been permanently changed; and if so, what are the rights of citizens since these relations have been permanently changed?

Mr. SARGENT. Mr. President, it seems to me that several propositions are involved in this amendment, some even more serious than those which have been discussed.

This amendment is one of that class of measures which come before us occasionally, which are pressed through here by powerful lobbies, the objective point being the Treasury of the United States. I suppose every Senator has had called to his attention the demands of the South for cotton claims. He has been called upon to consider the question whether the cotton tax shall be refunded. He must have observed that gentlemen who desire positions in Washington from the Southern States, aspiring to this body or elsewhere, occasionally raise the question that the United States Treasury should be burdened to pay for the slaves which were confiscated or taken as a military necessity, in the language of the proclamation of Mr. Lincoln.

This is of the same class of measures. The fourth provision or specification is of exactly the same nature as the one which was urged recently in Virginia, that the United States should be required to pay for all slaves which were liberated in order that the war for the suppression of the rebellion might have a better chance of success. If these measures succeed one by one, is there any Senator here who can tell what the limit of the debt of the United States will be, and how much greater must be our burdens of taxation? If they are not to succeed as a whole, if there is to be a resisting power against these measures, must we not stop at the first one? Must we not fully understand its aim and its scope?

The fourth provision here is that the United States Treasury shall be called upon to pay "for damage to or destruction of the real or personal property of any citizen during said rebellion," not of loyal citizens or disloyal citizens, but of any citizen whatever, "whenever the same was damaged or destroyed by competent military authority as a military necessity, to weaken and harass the enemy, or to protect, assist, and strengthen the United States forces." Is there any distinction in principle between that and the case of liberating $4,000,000,000 worth of slaves to harass and weaken the enemy and strengthen the cause of the Union?

Mr. CARPENTER. Will my friend allow me to make him a suggestion at that point?

Mr. SARGENT. Certainly.

Mr. CARPENTER. Would not that very fourth clause as it stands apply to the slaves who were emancipated in the early portion of the war?

Mr. SARGENT. That occurred to me; and it would seem to me the fair construction.

Mr. CARPENTER. That was the destruction of a man's property in his slaves.

Mr. SARGENT. Certainly; a destruction of the right to the slave's labor.

I call attention to another provision of this amendment. We are not merely referring these claims to the Court of Claims as a more convenient tribunal to dispose of these matters, where, as gentlemen say, there may be counsel on both sides, and a better sifting of the evidence; but we are enlarging enormously the classes of claims on which they may pass. We are giving our sanction to claims of an entirely novel character, which never have been contemplated by any legislation of Congress. Here it is provided in the third clause that we shall pay "for the use and occupation"—in fact as if there were the relation of landlord and tenant—"for the use and occupation of real estate by the Army of the United States, other than for the passage of the armies, and their temporary encampments not exceeding five days." If an army encamped in a field for ten days, we are required to pay rent for the use and occupation of that field. Here were our armies for years in the rebellious States, occupying sometimes the roads, sometimes the adjacent fields, not doing any particular damage, but simply occupying them; and yet here is a special provision that the use of real estate in that way shall be paid for. It is proposed that we shall pay for the use and occupation of real estate throughout the Southern States. Who can tell what this will amount to? Was this contemplated in any former legislation? In the statute of 1871, when we provided the southern claims commission to pass upon the claims of loyal citizens in the Southern States, we simply provided for two classes of cases: first, where there were supplies furnished, and for which I believe quartermasters' certificates were given; and, secondly, claims for the use or loss of vessels or boats which were in the military service of the United States. Both of these are here retained, but for some reason—is it a mere accident?—the word "military" is dropped out, so that a steamer or a vessel may have been in the postal service of the United States, or may have been remote in the European waters, and if, during the period between the 15th of April, 1861, and the 2d of April, 1866, such a vessel was used or lost in any service of the United States, the owner may go before the Court of Claims, and go, not under the rules governing cases ordinarily submitted to it, but under the special provisions of this amendment.

If Senators will look at the details of it, they will find that right here is the point where resistance must begin, unless we are disposed to double the national debt, unless we are ready to embark upon measures which may require an indefinite increase of national taxation.

Now, sir, I am and always have been since the rebellion closed, since there was no longer a necessity for striking strong blows upon the front of the rebellion, against slavery or by any apt means by which its power might be overthrown, disposed to be most lenient toward our brethren of the South. I have been in favor of measures of amnesty, and of measures of kindness; but I desire to be just to the people of the whole Union; and if the affections of the southern people can only be called back by disowning the principles upon which we fought for the unity of this country, or by gross injustice to the rest of the people of the country, then I say for awhile longer we must be stern with them until they arrive at a sense of that justice which is due to the whole country. For that reason I am opposed to this measure being fastened on this appropriation bill, and for the reasons which I have named I think it would be most inexpedient to enlarge the scope of these claims; and I say that it is due to the republican party from the Senators whom it has elected to this floor, and who are responsible for the drafts which are made on the Treasury, that they watch measures like this and defeat them.

Mr. CARPENTER. I wish to call attention to the paragraph read from Mrs. Alexander's cotton case in 2 Wallace by the Senator from Pennsylvania. I do this with some embarrassment after the very modest request which he made that somebody would say something about this to aid his committee. I have no idea that anything I can say will have that effect; but I wish to call his attention to this language for the purpose of suggesting to him what I think is its true construction.

The court say:

> We must be governed by the principles of public law so often announced from this bench as applicable alike to civil and international wars, that all the people of

each State or district in insurrection against the United States must be regarded as enemies until, by the action of the legislature and the executive, or otherwise, that relation is thoroughly and permanently changed.

I understand this to mean the same as the language which I will now repeat wo mean if t he court had been speaking of a war between the United States and England; the court would then have said, "We must be governed by the principles of public law so often announced from this bench as applicable alike to civil and international wars, that all the people of Great Britain and her colonies on this continent must be regarded as enemies until a treaty of peace shall be concluded between the two countries." I think this expression would mean exactly the same thing as applied to such a case that the language read from this opinion means in the case where it is found. The court meant simply to say that until peace should come to exist, all persons in enemy's country must be considered as public enemies. But the court, I think, did not intend to say that what was rightfully done during the war could be considered as a wrong after the war should cease. If we were at war, for instance, with Great Britain, and the question was whether we had properly destroyed property in Canada, that question would have to be determined with reference to the facts and circumstances which attended the destruction of the property. If it was destroyed during the pendency of war, and under circumstances which authorized its destruction as the property of an enemy, then the destruction was legal, and its destruction would be considered as legal through all time, after peace as well as during the war.

Mr. STEVENSON. My friend from Wisconsin will allow me to call his attention, as a distinction between the cases, to the fact that the President was authorized to issue his proclamation, and upon compliance with that proclamation certain results followed. That distinguishes it from the ordinary case of a public war.

Mr. CARPENTER. That would only distinguish it in this respect, that that might be another means by which the relation of enemy might be terminated. That is all. But the point now under consideration is whether an act which was properly done while the relation of enemy existed, perfectly justifiable on the part of the Government at the time, can be considered as a wrong after peace is established. I am not speaking here, of course, of what the Government may do as an act of generosity toward southern men. That is another thing. But this is put on the ground of right. The Senator from Kentucky relies on authorities to show that the Government is under a duty to make compensation. Now, I say that the court here did not intend, and in the nature of the case could not intend, to declare that after peace should be concluded an act which had been done would be viewed differently after the peace than it would have been viewed if it had come before the court during the war, because the character of any act, its rightfulness or wrongfulness, must depend on the circumstances in existence when the act was done. Property is destroyed. The owner makes a claim on the Government. The question is, what were the circumstances under which the Government destroyed the property? Was war raging. Was it necessary, to protect the Union and to secure the success of our armies, that this property should be destroyed? If so, then its destruction was proper. If it was proper when done, then it is proper always, and nothing that may take place afterward can change the character of that transaction.

Mr. PRATT. Will my friend allow me to put a question?

Mr. CARPENTER. Certainly.

Mr. PRATT. I put to him the case of a citizen of South Carolina, who was thoroughly loyal, who, because of his loyalty, was a refugee from the State. After the rebellion commenced he entered our Army, served throughout the war, was wounded, is now drawing a pension. His property was taken and used, and consumed or destroyed by the Union troops during the existence of the rebellion. Now, is it not competent and proper for the political department of this Government, whatever the courts may have decided as to the status of the parties while war was raging, to pay that loyal man, though he was a constructive enemy according to the decision of the courts?

Mr. CARPENTER. Understanding that question as coming from the great heart of the Senator from Indiana, I should say yes; let us be generous with such a man; certainly, let us give him a pension; if that will not support him handsomely, let us give him more; and if he wishes to call it compensation for property, let him call it so. But when the question comes from the brain, when the owner comes here for the purpose of making a legal claim against the Government, I deny it. It was that man's misfortune that his property became enemy property. It may not have been his fault, but it certainly was not the fault of the Government. He is compelled, at the worst, only to have his property subjected to a state of things which was forced upon it by the community in which his property was situated. This was not the fault of the General Government, and the General Government cannot be made liable to compensate him for that inconvenience or for any of its consequences. We went down to South Carolina with our troops to suppress an insurrection. There was but one way to do it, and that was to treat the entire State as enemy's territory, and every man, woman, and child in it as a public enemy. As the Senator from New Jersey said, that was the merciful method. Now, then, the mere accident of one man's being loyal in feeling, and although for that reason he may have been compelled to escape from his home, cannot change the principle. If that was enemy's property we had a right to deal with it as such, and all the courts declare that doctrine; the necessity of the case imposed it upon this Government during the war.

Mr. PRATT. Another question. Did not the political department of the Government, did not Congress, did not the President, during the whole continuance of the war, recognize that the Government had friends in the seceded States? Did it not in numerous instances, one or two of which I will refer to, recognize a distinction in the enemy's country between those who were waging war against the Government and those who were friendly to the Government? I remember one instance, the act of 1862. It declared that the Secretary of the Interior should drop from the pension-rolls all persons who were either actively engaged in the rebellion or who were aiding and abetting the rebellion, or who sympathized with those who were waging war upon the Government; that they all should be dropped from the pension-rolls; and all the rest, of course, were to be retained on the pension-rolls, and were.

Then I remember there was another act which made an appropriation of some kind, to the extent of $2,000,000, for the purpose of furnishing arms to the friends of the Government who lived in the rebel States. There were other acts and proclamations of the President which recognized this distinction between friends of the Government and enemies of the Government in the insurrectionary States.

Mr. CARPENTER. That is undoubtedly true. But when the Senator refers to that fact he means in the seceded States, as States without regard to where the line of force was drawn. The Government of the United States certainly never made any provision to help people living inside the lines of the rebellion; and the question we are now discussing is, whether the Government is liable after peace is established for an act done in the enemy's country, properly done at the time it was committed?

Mr. HOWE. Let me remind my colleague of one act which the Government did pass for the benefit of its friends within the seceded States and on the wrong side of this hostile line, to wit, the act for the reclamation of abandoned cotton, by which it was provided that all such cotton should be taken, and should be sold, and the proceeds paid into the Treasury irrespective of whether it belonged to a friend of ours, or a foe of ours; yet making this distinction, that our friends, no matter where they lived, might go into the Court of Claims, and recover there a judgment for the proceeds of their cotton.

Mr. CARPENTER. What does that prove, except that in a particular instance it pleased Congress to be very indulgent and very generous to that class of people? It does not change the principle I am now contending for.

What Congress is pleased to do, and what the Government of the United States may be arraigned at the bar of justice for not doing, are very different things. Will the Senator from Indiana claim that after this war had ended a pensioner whose name had been stricken from the roll as an act of war, while war was raging, could come here and claim of the Government, as matter of right, his back pension?

Does my colleague mean to say, in the case put by him, that if Congress had not given any such grant, had not made any such provision, those persons could come into the Court of Claims, or go to the bar of justice anywhere, or call the nation to account at the bar of public opinion, and demand as a right that the Government should do so and so? That the Senator must make out in order to make the other fact of any avail in this discussion.

Mr. HOWE. It occurred to me, Mr. President, that this Government of ours, which is always controlled by justice in its legislation, and not by any higher law, might pass just such an act for the relief of its friend when he came to us from outside of those fiery lines asking this measure of justice as we did in fact pass while he was shut up within those lines and made no demand upon us whatever. In other words, if this controlling sense of justice, which should always inspire legislators, impelled us to make just that distinction in favor of our friends when they asked nothing of us, it might require us to do the same thing when they come forward and demand of us to do it.

Mr. CARPENTER. It occurs to me that the law which my colleague refers to may be justified upon a totally different ground. It may have been a very wise act of war. Suppose in case of a war with Great Britain Congress should pass an act that any man in Canada who would give supplies to our Army, or who would do any other thing which it would be desirable to us to have him do, should have certain advantages in the future. That might be a wise measure of war. When we were dealing with the rebel States this legislation on the part of Congress, the resolutions that Congress was constantly passing, were designed to satisfy the southern people that the Government was disposed to be just with them; and not only that, but to be generous; and it proved this by all these acts of generosity, and I take it they are traceable to that feeling and to that purpose rather than to be regarded as a standard of strict justice. Congress did not assume to administer exact justice in that case; if it had, it would have administered a different dose, I think, from that which was provided in that particular act; its disposition in that regard was very different. Congress was not in a mood to deal very tenderly with the South as matter of justice; but as matter of policy, wise policy, Congress passed this act.

The law to which both Senators have referred seems to me to be defensible on two grounds: first, as an act of generosity within the power of Congress; and, secondly, as a wise act of war, one well de-

vised to divide and distract the enemy. The only constitutional objection there could be to this measure—I do not entertain it—is that which my friend from Kentucky put so pertinaciously and so warmly the other day to the Senator from New Jersey, that this measure can only be defended as an appropriation for the general welfare.

I do not see any objection to its constitutionality except on that ground, and I do not agree to that. I think Congress could constitutionally pass this proposed amendment, and a state of things may come in the future when Congress will be justified in entering upon this subject and providing for some of these cases. We are not talking about that now. This amendment does not ask Congress to make appropriations in particular cases for our friends. It proceeds upon a principle, and declares that all the classes mentioned in it may go to the Court of Claims and demand relief as a matter of right and justice.

I say they have no right to demand it as a matter of justice. I say they are precluded, from the fact that the things they complain of were done in enemy's country, and were justifiable when done; and if justifiable when they were done, they must be considered as justifiable for all time.

Mr. STEWART obtained the floor.

Mr. LOGAN. Will the Senator give way for a moment? I presume this discussion will continue to-morrow, and I should like to have an executive session.

The PRESIDING OFFICER, (Mr. FERRY, of Michigan, in the chair.) Does the Senator from Nevada yield for that purpose?

Mr. STEWART. I yield.

Mr. LOGAN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After seven minutes spent in executive session the doors were reopened, and (at four o'clock and fifty-five minutes p. m.) the Senate adjourned.

HOUSE OF REPRESENTATIVES.

THURSDAY, *March* 19, 1874.

The House met at twelve o'clock m. Prayer by the Chaplain, Rev. J. G. BUTLER, D. D.

The Journal of yesterday was read and approved.

WILLIAM SADLER.

Mr. COTTON, from the Committee on the District of Columbia, reported back a bill (H. R. No. 2380) granting a pension to William Sadler, of Washington, District of Columbia; and moved that the committee be discharged from the further consideration of the same, and that it be referred to the Committee on Invalid Pensions.

The motion was agreed to.

DEVELOPMENT OF MINING RESOURCES.

The SPEAKER. The morning hour begins at seven minutes past twelve o'clock. The House will resume the consideration of the bill (S. No. 16) supplemental to the act entitled "An act to promote the development of the mining resources of the United States," approved May 10, 1872. The Committee on Mines and Mining reported the bill with an amendment in the nature of a substitute for the second section. When the bill was last under consideration amendments were offered by the gentleman from Indiana [Mr. HOLMAN] and the gentleman from Pennsylvania, [Mr. NEGLEY.]

Mr. KENDALL. I desire to move an amendment to the amendment moved by the gentleman from Indiana, [Mr. HOLMAN.]

The amendment moved by Mr. HOLMAN was to add to the first section of the bill the following:

Provided further, That nothing herein contained shall affect or make void the proceedings for patents had by applicants for claims on mines on the Comstock lode, in the State of Nevada, nor shall it be construed to repeal, impair, or in any way affect the provisions of the act granting to A. Sutro the right of way and other privileges, to aid in the construction of a draining and exploring tunnel to the Comstock lode, in the State of Nevada, approved July 25, 1866.

The amendment of Mr. KENDALL was to strike out the words "affect or make void the proceedings for patents had by applicants for claims on mines on the Comstock lode, in the State of Nevada, nor shall it," so that the amendment of Mr. HOLMAN will read as follows:

Provided further, That nothing herein contained shall be construed to repeal, impair, or in any way affect the provisions of the act granting to A. Sutro the right of way and other privileges, to aid in the construction of a draining and exploring tunnel to the Comstock lode, in the State of Nevada, approved July 25, 1866.

Mr. NEGLEY. I object to the amendment to the amendment.

The SPEAKER. The Chair is under the impression, upon further examination, that the amendment of the gentleman from Nevada is in order at this stage. The Chair did not observe until just now that the amendment offered by the gentleman from Indiana is to the first section of the bill, not to the second. He was under the impression that it was a proviso to the committee's amendment. Therefore the amendment of the gentleman from Nevada can be entertained now.

Mr. STORM. I understood that the amendment of the gentleman from Indiana was accepted by the gentleman having charge of the bill.

The SPEAKER. The gentleman had no right to accept it.

Mr. STORM. I understood the Chair so to declare.

The SPEAKER. The Chair never decided that a gentleman representing a committee has the right to accept an amendment. The gentleman in charge of this bill admitted the amendment, that is, yielded for its presentation to the House; but he could not incorporate it into the bill.

Mr. ELDREDGE. In the order in which the amendments now stand, should not that of the gentleman from Indiana be first disposed of?

The SPEAKER. The Chair will so construe.

Mr. PAGE. Am I entitled to the floor as having charge of the bill?

The SPEAKER. The Chair so understands.

Mr. PAGE. I desire to state that on Tuesday last, when this bill was reported by myself from the Committee on Mines and Mining, my colleague upon the committee, the gentleman from Pennsylvania, [Mr. NEGLEY,] came to me for the purpose of having an amendment to the bill accepted. I did not know what that amendment contained. I understood the gentleman to assure me that it merely excepted from the provisions of the bill the Comstock lode. It will be remembered that after I consented that the amendment should be sent to the Clerk's desk to be read, I stated that if the gentleman from Nevada [Mr. KENDALL] had no objection to the amendment, I certainly had none. I had not at that time an opportunity to examine the full scope of the amendment; but since that time I have examined it, and I am of opinion that it ought not to be adopted. I hope the House will vote it down. I have no objection to the amendment offered by the gentleman from Nevada to the original amendment of the gentleman from Indiana.

Mr. ELDREDGE. Will the gentleman allow me to ask him why we should not provide that the vested rights of Mr. Sutro, if he has any, should not be taken away by this bill?

Mr. PAGE. I have just stated that I have no objection to the amendment proposed by the gentleman from Nevada, which I think will guard carefully the vested rights of Mr. Sutro and everybody else.

Mr. ELDREDGE. The gentleman did not hear my question through. I understand that the amendment of the gentleman from Indiana only goes to the extent of preserving.

Mr. KENDALL. It goes further.

Mr. ELDREDGE. I hope I may be allowed to finish my remark.

Mr. PAGE. The amendment of the gentleman from Indiana goes further. It exempts from the provisions of the bill all the mines upon the Comstock lode.

Mr. ELDREDGE. I hope the gentleman will allow me to finish my statement.

Mr. PAGE. I do not wish to be further interrupted. The bill now under consideration has been carefully examined by the Committee on Mines and Mining, who have unanimously reported it, and ask its passage. The gentleman from Pennsylvania, [Mr. NEGLEY,] who was present when the committee took action upon the bill, and who consented to it, has now offered an amendment which I ask the House not to adopt.

I desire to explain the provisions of the Senate bill now under consideration. The first section provides—

That where applications for patents for mining claims have been filed in the proper district land office, and legal notice thereof given without the appearance of an adverse claimant, and in which cases no further proceedings have been had for the purpose of perfecting title, such applicants shall make final proof and payment on said claims within one year from the date of the passage of this act; and in cases of like applications for patents hereafter filed, the applicants shall, in the absence of an adverse claim during the notice, make said final proof and payment within one year from the date of filing such application, in default of which the proceedings for patent so had by such applicants shall be considered void and without effect.

The act of Congress approved May 10, 1872, provides in the second section that any party who holds what is known as a "quartz claim" under that act, may, if he has complied with all the requirements of the local laws then in force in his mining locality, make his application under the provisions of the act of 1872 to purchase from the Government by paying the sum of five dollars per acre. The sixth section of that act provides that notice of his application, after being filed with the register and receiver in the land office, shall be published in some newspaper for the period of sixty days, after which time no adverse claim can be admitted. I desire to read the concluding sentence of the sixth section of that act:

At the expiration of the sixty days of publication the claimant shall file his affidavit, showing that the plat and notice have been posted in a conspicuous place on the claim during said period of publication. If no adverse claim shall have been filed with the register and the receiver of the proper land office at the expiration of the sixty days of publication, it shall be assumed that the applicant is entitled to a patent, upon the payment to the proper officer of five dollars per acre, and that no adverse claim exists; and thereafter no objection from third parties to the issuance of a patent shall be heard, except it be shown that the applicant has failed to comply with this act.

Now, sir, the practice has been that after the application has been made, and the notice published for a period of sixty days, at the expiration of which time no adverse claim can be considered, then the party rests upon his rights, goes no further toward obtaining the patent to his claim; and the Government does not get the pay for it. The party rests upon his rights, and does not go on and perfect his claim, and pay the Government for it.

Now, the first section of this bill provides that within one year from the expiration of the sixty days, or from the date of the application for a patent to a mining claim, the applicant shall perfect his title and pay the Government the sum of five dollars per acre. I trust every gentleman here will recognize the justice of this, because under the present law they can stop after the sixty days have expired, and the Government is kept out of this money, and no adverse claim after this can be admitted.

The second section of this bill provides that testimony in contested cases may be taken before any officer authorized to administer oaths in the said district where the claim may be situated, or if out of such district, then before the judge or clerk of any court of record. The thirteenth section of the law of 1872 provides that all affidavits may be taken before any person authorized to administer an oath. The second section of this bill provides that all *ex parte* affidavits may be taken before any officer authorized to administer an oath when taken within the land district within which the claim is situated; if without the land district, then before a clerk of a court of record; or if taken out of the State, then also before a clerk of any court of record. The bill only goes further than the present law by permitting the evidence to be taken where parties reside out of the land district. That is the only addition it makes to the law of 1872. I trust, therefore, that after this explanation I have made every gentleman here will see the necessity for the passage of this bill.

But, sir, I am sorry that my friend from Pennsylvania [Mr. NEGLEY] offered the amendment he did the other day. And at the same time I regret to have to refer to the fact that Mr. Sutro is cumbering the tables of members of this House with defamatory publications against every member of Congress who does not see fit to vote for some pet measure of his, charging such members with being corrupt, and acting, as he asserts, in the interest of the Bank of California. Why, Mr. Speaker, the ghost of the Bank of California has followed this distinguished gentleman all over the continent. I remember receiving a letter from this gentleman some time ago warning us against the Bank of California, and telling us that his rights were to be invaded by that institution. No longer ago than yesterday he gave notice that no bill should be passed in the interest of the miners of the United States unless he was first consulted; that he would defeat every measure introduced into this House affecting those interests unless he were first consulted as to its provisions. I trust, Mr. Speaker, that the members of this House, while they will not adopt any measure that would be unjust to Mr. Sutro, or any one else who has vested rights, will not allow Mr. Sutro or anybody else to dictate to them when the great mining interests of this country are at stake.

A bill has been introduced by the gentleman from Illinois, [Mr. WARD,] and is now under consideration by the Committee on Mines and Mining, which contains the same provision as is contained in the amendment offered by the gentleman from Pennsylvania, [Mr. NEGLEY.] We have not reported that bill as yet; we are still engaged in considering it. It contains virtually the same provisions; only the bill offered by the gentleman from Illinois is a general one, while the amendment of the gentleman from Pennsylvania applies to the Comstock lode. And I say, Mr. Speaker, rather than that the interests of hundreds of people among my constituents and the constituents of the gentleman from Nevada, [Mr. KENDALL,] and perhaps of every member upon this floor—because the stock in some of those mineral claims in Nevada is owned by people all over the country—rather, I say, than an odious amendment like this should become a law, I should infinitely prefer that the whole bill should be defeated. I do not recognize the right of any individual, however distinguished he may be, to declare publicly or privately that no bill shall become a law until he is first consulted. I do here protest, in the presence of the members of the Forty-third Congress, that the interests of the mining States of this Union shall not be made subservient to Mr. Sutro or any of his adherents.

Mr. NEGLEY. Will the gentleman allow me to address one interrogatory to him?

Mr. PAGE. Yes.

Mr. NEGLEY. Does the gentleman know of his own knowledge that Mr. Sutro made such a declaration?

Mr. PAGE. I do. I do know it of my own knowledge. I never saw Mr. Sutro in my life, and would not know him if I did see him. But I do know that he made that declaration; and I appeal to the members upon this floor not to put a law upon the statute-book that would be an outrage upon the parties who may be fortunate or unfortunate enough to own stock in the Comstock lode.

The main provisions of the bill have, I believe, been explained by me satisfactorily, and I hope they will be adopted. I am willing, Mr. Speaker, so far as I am concerned, that the amendment offered by the gentleman from Nevada should be incorporated in this bill. I do not desire to affect any right that might have been acquired by Mr. Sutro, or anybody else. But I do claim that the interests of the people of the mining States are paramount to the interests of any individual.

I will now yield, Mr. Speaker, ten minutes of my time to the gentleman from Nevada, [Mr. KENDALL.]

Mr. NEGLEY. Will the gentleman from California, before he takes his seat, allow me to put an interrogatory to him?

Mr. PAGE. Yes, sir.

Mr. NEGLEY. The gentleman has declared to the House the amendment I have offered is a gross outrage upon his constituency; will he have the kindness to state to the House wherein it is an outrage, and wherein it does injuriously affect the rights of any one of his constituents?

Mr. PAGE. Mr. Speaker, I will answer the gentleman's question by simply saying it does all that by repealing the present law, and providing that parties who have not or do not take out their patents within six months shall have their claims forfeited.

Mr. NEGLEY. By repealing; how and in what way?

Mr. PAGE. The very amendment which the gentleman offers has the tendency to repeal the act of 1872.

Mr. NEGLEY. Wherein is it a repeal?

Mr. PAGE. I yield now to the gentleman from Nevada.

Mr. KENDALL. I wish, Mr. Speaker to say that I trust gentlemen will engage in this discussion temperately, understandingly, calmly. I am glad to see my friend from Pennsylvania [Mr. NEGLEY] smile approval at this remark with his accustomed good nature.

I said when this amendment was offered the other day that I desired time to carefully examine its scope and bearing. The amendment was offered by a member of the Committee on Mines and Mining, where the bill had been carefully and repeatedly considered. It was offered by the gentleman from Pennsylvania, [Mr. NEGLEY,] a member, as I have said, of the Committee on Mines and Mining, then and here for the first time. It had never been brought to the attention of the committee by that gentleman nor by any one else. I find no fault with this; not at all. It is undoubtedly the right of the gentleman to select this method to mature the bills reported to this House by his own committee.

Sir, the more I have considered the effect of this amendment offered by the gentleman from Pennsylvania, the more I am convinced that, in its seemingly harmless phrase, a great wrong may be done; that it may have the effect, though I know my friend does not intend it, of robbing a class of people of millions of their money and property if it becomes the law—millions of the money of my constituents.

Mr. NEGLEY. I hope the gentleman will state right here how it will rob millions from his constituents.

Mr. KENDALL. That I will do with a great deal of pleasure, if my friend will allow me, for it is a part of my speech, if you please; only do not let him get impatient.

The bill reported by the committee (S. No. 16) provides that, where applications have been made for patents to mining claims, the claimant shall go on and perfect his title, if no adverse claim is set up within one year; and in default thereof, what? Not that his claim shall be forfeited or be open to relocation; not that he shall be deprived of any rights of possession whatever? No; only his proceedings and preliminary application shall be void, and that, if thereafter he shall wish to obtain a patent to his claim, he shall begin anew, just as if no application had been made at all.

Now comes in this amendment; and what does it provide? Notice the difference; notice the harshness of its conditions. The amendment applies to claims on the Comstock lode, so called, in the State of Nevada. It requires "all persons, companies, or corporations" holding mines on this lode to make their application within six months from the passage of this act, and then to make final proof; and, in case no adverse claim is presented, take their patent within six months from the filing of such application. Then follow other conditions and requirements of which I shall speak. Now, sir, what is to be the penalty for a failure to comply with this mandatory clause to make application and take out a patent? Nothing less than a forfeiture of the claim, which is declared to be open to relocation by any other parties whomsoever!

Does the gentleman who offers this amendment, do gentlemen of this House, understand the state and condition of mines and mining on this Comstock lode? I will tell him, I will tell you, because I think I know something about it. I find here one of Mr. Sutro's maps—one of three hundred kindly put upon our desks—of which I can make some use.

A great part of this lode shown across this map [holding it up] is possessed by a number of corporations or companies which are working successfully rich and productive mines. These constitute one class, and of them I will soon speak.

Outside of the claims of these companies, along that great lode, wherever it has been explored, or wherever it can be traced, or wherever it is supposed to exist in any of its branches or ramifications, are not less than two hundred claims or locations in various stages of development, but all of which, so far, have been unproductive, without a dime of profit to their owners, but a dead and heavy expense to every one concerned; and I am glad to see my friend from Pennsylvania [Mr. KELLEY] interested in what I am saying, for he knows how this is from personal observation. These are prospecting claims. You see them all around the vicinity of that lode, extending over the hills and along the ravines for from seven to ten miles. They are worked in shafts and pits and through tunnels, often by poor men; by men whose all—their muscle and sweat and indomitable will—are invested in the desperate venture of finding a paying mine. They are engaged in a hand to hand struggle, engaged in the most hazardous business known to men, often deeply in debt for the necessaries of life, working on, hoping on, sometimes almost against hope; they are men oftenest who have given their best days, the prime of life, to this too fascinating pursuit; but, nevertheless, a pursuit that has

more than once saved the country from a financial panic and rescued the credit of the Government at the breaking out of the rebellion, and took us safely through the civil war.

Such are these prospectors, and these are the privations and hardships they endure. And now, sir, what do you propose to do? Look at the new burden that is to be imposed. These men, so far, have only an empty, barren, excavation in the earth. They do not know yet whether they have a claim that is worth the paper upon which their application would be written or their patent engraved. You compel them to pay $500 or $1,000 in fees and purchase-money for the poor privilege of delving along the strike of this lode in the hope of finding paying ore. Some of them have thus worked for ten, twelve, fifteen years, and are poor and disappointed in their hopes even now.

Mr. NEGLEY. Will the gentleman tell us how these poor men can have been working for fifteen years without making a dime?

Mr. KENDALL. The gentleman is too impatient. He should know, and does know—every one knows—that such is unfortunately too often the hard fate of mining for the precious metals. But I will come to that.

Mr. NEGLEY. I am interested in what the gentleman says.

Mr. KENDALL. I am glad my friend is interested.

To require them to do this is, I say, a hardship that every miner will and may rightfully regard as an oppression. The effect will be to discourage prospecting. Who will want to take out a United States patent, with all its attendant expense, merely for the privilege of hunting for a mine? Why single out the unproductive mines along the Comstock lode? Why strike at the prospectors there? Elsewhere you allow the prospector to hold his claim by possession as long as he pleases. Even if he has made application for a patent and fails to perfect his title, you do not forfeit his claim; you only remit him back to a new application. Why this inequality? To prospectors for mines generally you say, "If you have made application for a patent to your claim, and no contest has arisen, go on and perfect your title, or else lose the benefit of the step already taken. You may remain in possession of your claim until it is worth patenting, or forever, if you are willing to take the chances of adverse claim of title." But to the prospector on the Comstock lode you say, "Apply for your patent, receive and receipt for the same, or else your claim shall be open to relocation by other parties—by the first vagabond that has a mind to levy black-mail."

Now, sir, as to the other class of "persons or companies"—those who are working productive mines along this lode—the "Ophir" company, the "Belcher," the "Hale and Norcross," the "Crown Point," &c.: the mines of these companies are of immense value, and at first view of the case it no doubt seems a plausible proposition to require them to pay the Government price for their locations and receive patents. But, Mr. Speaker, my fellow-members of the Mining Committee, gentlemen of the House wishing to see fair play and justice to every one, I do assure you, and will convince you that in view of past legislation, an amendment of the sort proposed would work a monstrous wrong.

Bear with me now a moment while I call your attention to this past legislation, and to certain well-known facts connected therewith. Reference is made in the amendment now under discussion to "the Sutro tunnel act of July 25, 1866," which granted the right of way and certain other franchises to Mr. Adolph Sutro and his associates to construct an exploring and draining tunnel into the Comstock lode. At different times during the same year, 1866, contracts and agreements were entered into between the principal mining companies on the Comstock lode and Mr. Sutro, looking to the construction of this tunnel. These contracts executed by the various companies at different times from April to August, 1866, are elaborately drawn, detailed in statement, and closely guarded in all the conditions and stipulations. I have here copied from one of these original instruments—all identical in terms—the first and the fourth articles, which I ask the Clerk to read.

The Clerk read as follows:

ARTICLE 1. The parties of the first part, in consideration of the premises, and in consideration of the covenants and agreements hereinafter mentioned, to be kept and performed by the party of the second part, covenant and agree to and with the party of the second part, that the parties of the first part will, on or before the 1st day of August, 1867, commence, and with reasonable energy and vigor, and at their own expense, run, excavate, and complete the tunnel and lateral drifts hereinafter mentioned, and put the same in condition for use, in accordance with the provisions of the said act of the Legislature of the State of Nevada, and with the covenants in this agreement contained, for the purpose of draining the mines on the said Comstock lode, and furnishing other conveniences for working the same.

* * * * * * *

ART. 4. If the work shall not be commenced on or before the said day, and with said sum of $3,000,000 subscribed, and 10 per cent. thereof actually paid in cash, as hereinbefore provided, or if, after so commencing, the parties of the first part shall during any year fail to expend on account of the work the sum of money hereinbefore agreed to be expended during such year, this agreement shall, at the option of the party of the second part, cease and determine, and thereafter be of no effect.

Mr. KENDALL. Another article of the agreement provided that the mining companies should pay to Mr. Sutro a royalty of two dollars per ton on all their ore extracted after the tunnel should be completed.

Now, I turn to the Sutro tunnel act of July 25, 1866, and request the Clerk to read the third section.

The Clerk read as follows:

SEC. 3. *And be it further enacted*, That all persons, companies, or corporations owning claims on said Comstock lode, or any other lode drained, benefited, or developed by said tunnel, shall hold their claims subject to the condition, (which shall be expressed in any grant they may hereafter obtain from the United States,) that they shall contribute and pay to the owners of said tunnel the same rate of charges for drainage or other benefits derived from said tunnel or its branches, as have been, or may hereafter be, named in agreement between such owners and the companies representing a majority of the estimated value of said Comstock lode at the time of the passage of this act.

Mr. KENDALL. There is the contract, and there is the legislation in reference to it now on the statute-book.

Mr. NEGLEY. Do you object to that legislation?

Mr. KENDALL. Not at all; you mistake the drift of my argument entirely, as you will see directly. I repeat, there is the contract and there is the statute law.

[Here the hammer fell.]

Mr. KENDALL. I ask the indulgence of the House for a few moments longer.

Mr. NEGLEY. I hope the gentleman will be allowed to proceed.

Mr. PAGE. I yield five minutes more to the gentleman from Nevada.

Mr. KENDALL. The contract stipulates for the construction of the tunnel and the payment of the royalty. The statute comes in and declares that these companies, parties to the contract—

Shall hold their claims subject to the condition (*which shall be expressed in any grant* [patent] *they may obtain from the United States*) that they shall contribute and pay to the owners of said tunnel the same rate of charges * * * as have been or may be hereafter named in agreement between such owners and the companies, &c.

Now, sir, recently, as I am informed, these companies have instituted suit—*quia timet*—to test their liability to pay this royalty of two dollars per ton on the ore extracted when the tunnel shall have been completed. They claim, as I understand, that Mr. Sutro, on his part, has failed to comply with the conditions of the contract, which is, nevertheless, a cloud upon their title, and that consequently they are released from their obligations.

Mr. NEGLEY. Does the gentleman say that himself?

Mr. KENDALL. I beg the gentleman not to interrupt me; I think I shall answer any questions he might desire to ask before I get through.

As to the merits of this suit, they cut no figure here. I had believed all along that these contracts were of binding force, and I am free to say that I hope they are. I wish this enterprise of the Sutro tunnel to proceed. I have believed, and still believe, that it will do much to develop and encourage the mining interests of the West. I have been in favor, and am still in favor, of appropriate legislation in its aid. I repeat and reaffirm all that I have said in its favor. But I will not, if I know it, legislate for a controversy, for a suit pending. Here is the contract, and here is the existing statute, as I have shown you. Upon the facts, whatever they may be, and upon the law as they find it, the parties are in court; and now comes the amendment under consideration, thrown in suddenly, in the manner I have mentioned, which would settle in the most summary and arbitrary way the entire controversy. Gentlemen surely understand me. Read, if you please, the amendment:

All persons, companies, or corporations owning claims or mines on said Comstock lode shall make application for patents within six months from the date of the passage of this act; and in the absence of a *bona fide* adverse claim during the notice make final proof and payment, and file a receipt for such patent in the same manner as hereinafter provided, within six months from the date of filing such application, or, if already filed, from the date of the passage of this act; and in default thereof, or in default of filing with the register of the land office at Carson City, in all cases where patents have already been issued, an acknowledgment of the receipt of such patent, subject to the conditions therein contained, within ninety days from the passage of this act, such claims or mines shall be open to relocation by other parties in the same manner as if no location of the same had ever been made, always subject, however, to the conditions of the Sutro tunnel act, approved July 25, 1866.

That is, plainly and in terms, you propose to compel these mining companies to take out patents which, by the law of July 25, 1866, will be and can be issued only on condition that the companies shall pay the royalty of two dollars per ton on their ore. They cannot get their patents without this condition being attached to them. You would say, by this amendment, to these companies, "You shall take out patents to your claims binding you, in perpetuity, *to pay this tax, or your claims shall be subject to relocation.*"

But, sir, the legality of this very tax, this royalty, is the very subject-matter of the suit pending. Is such to be our legislation? I hope and trust not. And here I take occasion to repeat that I have been, and still am, friendly to the Sutro tunnel enterprise. I have spoken in its behalf here and before the people in my State. I should rejoice to see it encouraged by Government aid. I will oppose, with all the force and influence I possess, any infringement on the rights of its projectors. Hence I will support a part of the amendment offered by the gentleman from Indiana, [Mr. HOLMAN.] And for the reason that I support the one, for that reason I oppose the other. The one protects vested rights; the other tramples them in the dust. Let not Mr. Sutro, or his swift and ill-judging friends, claim equity for themselves, while they would outrage the rights of others. As for me, I intend to perform my public duty without fear or favor from either of the parties that have been mentioned in this discussion. They are nothing to me in my action here, either of them, although for them, as individuals or citizens, I have no feeling but of kindness and good will.

One word further in regard to the amendment of the gentleman from Indiana, [Mr. HOLMAN.] Why the first clause of this amendment? Why the words—

That nothing herein contained shall affect or make void the proceedings for patents held by applicants for claims on mines on the Comstock lode?

Why make this useless provision? I assert that no good reason can be shown. We want no special legislation, favorable or adverse, for the miners on that lode; and hence I have offered an amendment to the amendment; so that the amendment will simply read—

That nothing herein contained shall be construed to repeal, impair, or in any way affect the provisions of the act granting to A. Sutro the right of way and other privileges, to aid in the construction of a draining and exploring tunnel to the Comstock lode.

I would not detract the value of a picayune from the rights of Mr. Sutro, and I am glad the saving clause is in the bill.

[Here the hammer fell.]

Mr. PAGE. I now yield five minutes to the gentleman from Missouri.

Mr. BLAND. Having resided for nine or ten years on the Pacific coast, and for some six years of that time near this Comstock lode at Virginia City, I believe I can offer a few suggestions why the amendment proposed by the gentleman from Pennsylvania [Mr. NEGLEY] should not prevail. I lived there before this legislation by Congress in reference to what is known as the Sutro tunnel. I believe the country would be better to-day if all this legislation was wiped out. I know from my experience on the Pacific coast, and especially while in Virginia City, that honest miners, the toiling portion of that community, were frequently oppressed by these large companies.

I do not think that the interests proposed to be subserved here to-day are particularly those of the large mining companies or of Mr. Sutro. As I understand it, the honest, toiling miners, who have prospected the mines, who have expended their money in their development, and who are now probably unable to purchase these lands, having expended all their means in prospecting and developing the claims, are liable to be ground down by the operations of both the Bank of California and of these rich mining companies. As I understand it, this bill is in the interest of the miners, and not in the interest of the rich companies.

There is a little secret history concerning this Comstock lode that you gentlemen here may not be acquainted with. Those who have resided there will know that there are veins traversing north and south, parallel with that Comstock lode, which is situated on the brow of a large hill or mountain; above and below that lode are other veins or lodes running parallel with it. Those other veins have been prospected ever since the discovery of the Comstock lode. These rich companies have always contended that the Comstock lode embraced all these other parallel lodes or veins. Sutro, in running his tunnel, will have an opportunity to open some of them and use them. But there is a third party, the honest miners who have prospected these other lodes, who believe that they have some rights irrespective of Sutro or the Bank of California. They are the parties to be affected by this bill.

[Here the hammer fell.]

The SPEAKER. The five minutes of the gentleman have expired.

Mr. BLAND. Allow me a few moments more.

Mr. PAGE. I cannot do so, for I have to call the previous question in five minutes, and I have promised to yield to the gentleman from Pennsylvania [Mr. NEGLEY] for three minutes.

Mr. BLAND. I have not yet had an opportunity to state what I desire on this subject.

Mr. PAGE. I cannot yield further to the gentleman; I must call the previous question in five minutes or this bill will go over.

Mr. NEGLEY. I appeal to the gentleman from California [Mr. PAGE] to yield to the gentleman from Missouri, [Mr. BLAND.] This is an important question, and the discussion of it should not be cut off in this way.

Mr. PAGE. I shall not object to yielding, if the time for calling the previous question can be extended.

Mr. HOLMAN. I hope the gentleman will yield, and that the time will not be taken out of that to which he is entitled.

Mr. RANDALL. So far as I have heard, all who have spoken have been on one side.

Mr. PAGE. I will yield, with the understanding that I may be allowed to call the previous question.

Mr. BLAND. It is proposed by this amendment of the gentleman from Pennsylvania that the parties or companies "interested in claims on this Comstock lode" shall, within a certain time, take out their patents. Now, if you say that you will compel them to do what is an impossibility, for they do not know whether their claims are on what is technically the Comstock lode or not, and thus they may lose their title by a mere technicality. I protest against it in the name of the miners there, who I know have been delving for years and years, while these rich corporations have been trying from time to time to dispossess them of their rights under this very technicality. I say the interest of the honest toilers in the mines, who I know have spent their money in those enterprises, demands that the protection here proposed should not be confined to the Comstock lode. Such a restriction is a trick, and will work great damage to the honest toiling people of that section of the country, many of whom, after exhausting their means, are not able to take out patents. When you compel a party to take out a patent and vest the title in him, right there prospecting ends. As long as a patent is suspended there is likely to be prospecting and delving for silver and gold. When a title is obtained that is the end of the matter. The proper policy would have been to compel parties to expend a certain amount of money or to make certain discoveries before giving them a title.

Mr. SPEER. Is the gentleman in favor of the bill and against the amendment?

Mr. BLAND. I am in favor of the bill, and against the amendment.

Mr. SPEER. Against the amendment of the gentleman from Indiana, [Mr. HOLMAN?]

Mr. BLAND. I am opposed to the amendment of the gentleman from Pennsylvania, [Mr. NEGLEY,] because it is confined to the Comstock lode. Under that amendment parties may locate in what is considered the Comstock lode, but they may find out afterward that it is not, so that the whole location will be vitiated; or parties may locate a lode and get a patent for it, and a party who claims that he is on the Comstock lode may get a patent and shove them off. I say that under such a provision as the amendment of the gentleman from Pennsylvania, interminable litigation will grow up to the injury of the honest miner.

Mr. SPEER. Is the gentleman in favor of the amendment of the gentleman from Indiana?

Mr. BLAND. I am.

Mr. PAGE. Mr. Speaker, at what time does the morning hour expire?

The SPEAKER. At seven minutes after one o'clock.

Mr. PAGE. If a vote on the bill is not reached to day, will it come up in the morning hour to-morrow?

The SPEAKER. It will not come up until next Tuesday.

Mr. PAGE. There are several gentlemen who desire to speak on the bill, and I do not wish to cut off debate at all, but I desire to reserve all points on the bill and to bring it to a vote.

The SPEAKER. The Chair apprehends that the floor will not be claimed for other business to-day until half-past one o'clock, at which hour the special order will supervene.

Mr. PAGE. I yield to the gentleman from Pennsylvania [Mr. NEGLEY] for ten minutes.

Mr. NEGLEY. Mr. Speaker, it is a source of very great surprise to me that the presentation of an amendment in such simple and explicit terms as that which I have offered, and now pending, should awaken the opposition of almost every Representative from California, as well as the gentleman from Nevada [Mr. KENDALL] and the gentleman from Missouri, [Mr. BLAND.] This opposition is seemingly made on behalf of the "honest miner;" but I think an examination as to the application for patents made upon the Comstock lode will show that it is in the interest of rich corporations, and that my amendment is not liable to any reasonable objection. I trust I shall have the attention of the House while I explain briefly my reasons for offering and supporting the amendment now pending. As great stress has been laid upon the rights of the companies mining upon the Comstock lode, permit me, by way of explanation, to call attention to the number and character of the applications made for patents and the claims secured under a possessory title and patents.

There are thirty principal mining claims on the Comstock lode. Of these twenty-two companies have applied for patents. Eight companies have never applied for patents. Only fifteen have been issued. One application has been rejected, and two are now being examined. Of the fifteen patents issued only seven have been delivered; seven remain in the register's office unclaimed. Of all those delivered but one receipt is on file. The application has been made on most of these claims for more than six years, surely a sufficient time to execute the requirement of a liberal law, and in nowise oppressive to those enjoying the bounty of the Government without cost to themselves.

Now, it appears that there has been a purpose in refusing to take out these patents; that there is a similar purpose in concealing from the Government and from the public the existence of the receipts and the patents; for information reaches me (and it comes undenied) that the register of the district has disappeared; that the receipts given for six of the seven patents have also disappeared; and up to this time the Government has not received a single dollar for the immensely valuable property which it has passed over to these mining companies, who, if the gentleman from Nevada is correct in his assertion, have realized $200,000,000 from the mines situate on the Comstock lode.

Mr. KENDALL. I hope the gentleman will not misstate what I said. My remark was that the product of the Comstock lode had probably reached $200,000,000; but I might have added that the expense of extracting that amount of mineral wealth has reached probably $250,000,000.

Mr. NEGLEY. It does not make any difference, Mr. Speaker, as to the question of figures. If I had made a statement on the subject, I should have estimated the sum at $170,000,000, which has been realized by the mining companies working this lode. The Crown Point, one of these companies, has paid in dividends during the last two years upward of $2,000,000. Another company, the Belcher, has paid an equal amount. These are the poor mining companies referred to, who have their earnest advocates on this floor; and while speaking here in behalf of their rights these gentlemen forget that there are other rights involved worthy of special consideration, the rights of those who hold, under conditions perfected by contract and statutes, which remain to be fulfilled—obligations that the terms expressed in one of the sections of Senate bill No. 16 seek to annul. That this mischievous legislation has been actuated by improper motives I do not affirm; but I am constrained to question the spirit of equity claimed by the advocates of the bill.

If it has been offered in good faith and intended to protect all existing rights, why then has my amendment, proposing this and nothing more, provoked such bitter opposition from the honorable gentlemen who have awakened a lively interest in the House this morning by their vehemence?

As early as July 25, 1866, Congress was pleased to grant to Mr. Sutro a franchise, permitting him to purchase a certain quantity of land at $1.25 an acre, and a certain quantity of mineral land at five dollars an acre. He was also authorized to construct a tunnel penetrating into the Comstock lode, to test experimentally, if you please, the value of the lode at that great depth, which would be about two thousand feet from the top of the mountain.

At the same time the mining companies then working the Comstock lode, who did not, however, own a foot of land, but merely held the possessory title by license, or a squatter's privilege, entered into written contracts with Mr. Sutro, agreeing to pay him so much per ton for the ore to be extracted and carried out through the proposed tunnel at the base of the mountain, at a far less cost than by the existing methods of raising the products of the mines, thereby dividing the profits of the enterprise with the miners.

Mr. PAGE. Allow me to interrupt the gentleman to ask him whether he does not know there are several claims below the proposed level of the Sutro tunnel?

Mr. NEGLEY. I am referring, Mr. Speaker, to the records before me; I refer also to the act of Congress passed July 25, 1866, and to the requirements contemplated in that act.

Mr. Sutro entered upon the consummation of this great work with zeal and in good faith, relying upon the pledges of the Government and the promises of the parties contracting with him. He has proceeded with the faithful execution of the work until the present time. He has expended nearly $2,000,000 of private capital. There have been completed upward of six thousand feet of this tunnel, and when consummated it will not only be a great contribution to the science of geology and mining, but it will create and give a fresh stimulus to the mining interests of the United States.

But Mr. Sutro soon found a jealous opposition on the part of these mining companies, accompanied by extraordinary efforts to obstruct the progress of his vast and hazardous undertaking. From that day to this they have continued their opposition in every possible form, fairly and unfairly. They have attempted to prevent his enterprise receiving credit abroad. They have embarrassed his operations at home by instituting suits in the State of California, as we are informed by the gentleman from Nevada. They now appear by the presence of their friends—worthy gentlemen, I agree—upon this floor, who seek to prevent a proper construction of the law being made in his favor in any act passed by this Congress amendatory of the mining laws.

The gentleman from California is correct in stating this bill was agreed to by the Committee on Mines and Mining. It was done, to be sure, without much consideration on my part. It was a matter of no special interest to my constituents, nor did it occur to me whether Mr. Sutro's interests were protected or not. In fact, it was not incumbent upon me to watch over the interests pertaining to the Sutro tunnel until it became my duty, as a member on this floor, to enter my protest against a bold attempt to deprive his company of their vested rights.

But, sir, when I came to give a little attention to the act of Congress relating to the Sutro tunnel now upon the statute-book, and when I came carefully to consider the pending bill, I then discovered what appeared so simple in verbiage was really intended to cut off the rights of Mr. Sutro under the patents, which would be declared void and of no effect should the Senate bill pass without amendment.

Mr. PAGE. I desire to ask the gentleman right here one question: If that is all he desires, why is he not willing to accept the amendment of the gentleman from Nevada, [Mr. KENDALL,] because that says in express language it shall not affect Mr. Sutro?

Mr. NEGLEY. I am the best judge in the line of my duty of what I shall support and what I shall not support.

Now, in giving reasons why I think this bill ought not to pass without the pending amendment, I will read some extracts from the paper I hold in my hand, as part of my argument in favor of the amendment:

Many have made applications, but have purposely neglected to take any further steps to perfect their titles,——

Mr. KENDALL. What paper is the gentleman reading from?

Mr. NEGLEY. For the gentleman's better understanding I will send it to the Clerk's desk, and ask to have read the portions which I have marked with pencil.

Mr. KENDALL. I hope the House may be apprised of the nature and source of the document, so we may judge of its authority and authenticity.

Mr. PAGE. I desire to have the gentleman add to it the name of its author.

Mr. NEGLEY. Please do not interrupt me any further.

Mr. KENDALL. I have a duplicate of it here on my desk, and I wish to state that it is signed by Mr. Sutro, and is headed "The California Bank ring against the Sutro tunnel."

Mr. PAGE. I also have a duplicate of it.

Mr. NEGLEY. I hope both the gentlemen have duplicates, as it contains nothing but facts.

Mr. PAGE. It is signed by Mr. Sutro himself. I have the full text of the pamphlet. I believe I am the possessor of one of the original copies.

Mr. KENDALL. Lithographed, is it not?

Mr. PAGE. No, sir.

The SPEAKER. The gentleman from Pennsylvania has the right to have the document read.

Mr. NEGLEY. I desire to have the portions read which are marked with blue pencil.

The Clerk read as follows:

Many have made applications, but have purposely neglected to take any further steps to perfect their titles, while others have received their patents, but it can no longer be shown that they have formally accepted them, for the only evidence to that effect, the duplicate receipts, have been stolen from the register's office at Carson, and the register in office at the time has disappeared.

Section 1 of Senate bill No. 16, referring to mining claims, patents for which have been applied for, and the proof not perfected in one year, provides that "in default of which the proceedings for patents so had by such applicant shall be considered void and without effect." * * * * * *

1. To allow the acceptance of the terms of the Sutro tunnel act, implied by an application for patents, to become void by the operation of law, so that it shall no longer be evidence of such implied acceptance.

2. To allow not only the application, but all the proceedings for patent so had by such applicants, to become void and without effect, which might be construed to make void also the proceedings for patents already issued, especially in those cases where the duplicate receipts have been stolen.

3. To enable these parties to speedily secure a new patent without the Sutro tunnel clause, should they, towards the end of the session, succeed in smuggling in a repeal of the Sutro tunnel act at so late an hour that Congress could not correct the error before another session.

4. To allow them, in a new application for patents, to enlarge and float the boundaries of their claims further east, in order to cover the country in which the late developments give every reason to suppose that the Sutro tunnel will make large and independent discoveries of lodes.

Another amendment to Senate bill No. 16, offered to-day, declaring that such mines on the Comstock lode shall be open to relocation, for which patents are not applied for within six months and the title perfected within six months additional, would have that effect, and would at the same time secure to the Government the price of the land, which has been withheld from it for a number of years.

Mr. NEGLEY. The paper from which the Clerk has just read has been addressed to members of this House by Mr. Sutro. It contains the facts which are the basis of the argument in favor of the adoption of the amendment I have offered. Better reasons than those contained in that pamphlet do not present themselves to my mind.

The gentleman from California during his remarks stated the adoption of my amendment would be a great outrage.

The SPEAKER. The gentleman's time has expired.

Mr. GARFIELD. I rise to move that the rules be suspended, and that the House resolve itself into Committee of the Whole to resume the consideration of the legislative, judicial, and executive appropriation bill.

Mr. PAGE. The motion of the gentlemen from Ohio is not in accordance with my understanding that the regular order would not be demanded until half-past one o'clock. It is because of that understanding that I have allowed the discussion to run on.

The SPEAKER. The gentleman from California [Mr. PAGE] has the right to try the sense of the House on seconding the previous question.

Mr. GARFIELD. If the gentleman wishes to try the sense of the House on seconding the previous question, and the bill of which he has charge, with the amendments to it, can be brought to a vote without further debate, I have no objection.

The SPEAKER. If the demand for the previous question is seconded, the House will immediately come to a vote on the bill and amendments. If the House declines to second the demand for the previous question, the Chair will then recognize the gentleman from Ohio, [Mr. GARFIELD.]

Mr. NEGLEY. Will the Chair explain the order of voting if the previous question should be seconded?

The SPEAKER. If the previous question shall be seconded, the first vote will be on the amendment offered by the gentleman from Nevada [Mr. KENDALL] to the amendment offered by the gentleman from Indiana [Mr. HOLMAN] to the first section of the bill; and the next vote will be taken upon the proviso offered by the gentleman from Pennsylvania [Mr. NEGLEY] as an addition to the proviso offered by the gentleman from Indiana.

Mr. NEGLEY. And if the House refuses to second the demand for the previous question the bill and amendments will be left open for further debate.

The SPEAKER. If the House refuses to second the previous question the bill will go over till Tuesday morning, in the morning hour.

Mr. MERRIAM. Mr. Speaker, I hope this question will go over to some future time for public discussion, as interests of vast amount are involved.

The SPEAKER. The gentleman from California, Mr. PAGE, and the gentleman from Pennsylvania, Mr. NEGLEY, will act as tellers on the demand for the previous question.

Mr. PAGE. I desire to make a parliamentary inquiry. If the previous question shall not be sustained, what position will the bill then occupy?

The SPEAKER. The bill will be in precisely the same position as it is now, and will go over till the morning hour of Tuesday.

Mr. RANDALL. I would suggest that a *viva voce* vote be taken on seconding the previous question. It may perhaps save the time that would be consumed in voting by tellers.

The question being taken on seconding the demand for the previous question, there were—ayes 13, noes not counted.

So the previous question was not seconded.

The SPEAKER. The House having refused to second the call for the previous question, the bill goes over till the morning hour of Tuesday next. The gentleman from Ohio [Mr. GARFIELD] is now recognized by the Chair to move that the House go into Committee of the Whole on the legislative appropriation bill.

REVISION OF THE STATUTES.

Mr. POLAND. Before the motion of the gentleman from Ohio is put, I ask unanimous consent that the revision of the statutes may be engrossed by using a printed copy of the same with the amendments copied into it, and that the reading of the engrossed bill may be dispensed with.

Mr. RANDALL. There should be attached to it a certificate of the Clerk of the House that the engrossment is true and correct.

Mr. POLAND. I have no objection to that.

Mr. HOLMAN. Will the Chair state what the proposition is?

The SPEAKER. The gentleman from Vermont [Mr. POLAND] from the Committee on Revision of the Laws of the United States, asks that when the revision is completed in the evening sessions of the House, it may be engrossed by using the printed copy of the same with the amendments copied in, and that the reading of the engrossed bill in the House may be dispensed with. And the gentleman from Pennsylvania [Mr. RANDALL] suggests, as a condition thereto, that the engrossed copy presented to the House shall have the certificate of the Clerk of the House that it is correctly and truly engrossed.

Mr. RANDALL. With a recital of the resolution granting this permission.

The SPEAKER. Of course. If there be no objection this arrangement will be made. The Chair hears none.

Mr. POLAND. I desire to say one word further in reference to this revision. The committee were in hopes to have completed it this week. They now expect to be able to finish the revision next week, and the committee will not ask the House to have an evening session for this evening. We do not ask another session for this work until Wednesday of next week.

ORDER OF BUSINESS.

The SPEAKER. The gentleman from Ohio [Mr. GARFIELD] moves that the House resolve itself into Committee of the Whole for the consideration of the legislative, executive, and judicial appropriation bill.

Mr. GARFIELD. In view of the statement which has just been made to the House by the gentleman from Vermont, [Mr. POLAND,] I hope the House will consent to hold an evening session this evening for the consideration of the legislative appropriation bill, unless the gentleman from Iowa [Mr. MCCRARY] wants it for the consideration of the transportation bill.

Mr. MCCRARY. I am very reluctant to consume any of the time of the House in contending about the order of proceeding. And I have therefore said to my friend from Ohio, with the concurrence of the Committee on Railways and Canals, that I will not press the special order to-day; but certainly on Monday I shall endeavor to bring it up and have its consideration continued until it is disposed of. I think it can be disposed of on Tuesday, and I understand the gentleman from Ohio to say that he will not antagonize the measure at that time.

Mr. GARFIELD. I hope the gentleman will take Saturday and Monday for his measure, and get it disposed of on Monday.

Mr. MCCRARY. If that arrangement can be made, I will be glad to have it so; but I am not certain now that that can be done.

Mr. MERRIAM. I appeal to the House to take up on Tuesday the banking and currency question. The country is waiting for the action of Congress on that question. Four months have elapsed and nothing has been done in regard to it. And meanwhile the business of the country is almost stagnated, and is looking to us for relief. I think we should not take up bills which can as well be postponed, and put them ahead of that question.

The SPEAKER. The Chair is under the necessity of restraining the daily discussion as to the order of business. The House must proceed to business, instead of occupying time in discussing its order.

Mr. G. F. HOAR. I desire, with the leave of the House, to suggest to the chairman of the Committee on Railways and Canals whether he will not now ask unanimous consent that the debate on the transportation bill may proceed on Monday, after the morning hour.

The SPEAKER. The Chair would advise the gentleman from Massachusetts that there is a special order, in charge of the gentleman from Indiana, [Mr. HOLMAN,] from the Committee on Commerce, in regard to the Louisville and Portland Canal, which comes up immediately after the morning hour on Monday.

Mr. G. F. HOAR. I understand that will take but a few minutes, and this unanimous consent may be given subject to that.

The SPEAKER. Subject to that and subject also to a pending motion of the gentleman from Alabama, [Mr. BROMBERG,] in regard to the bill from the Committee on Commerce in relation to infectious diseases; that, however, is not for debate, but merely for a vote.

Mr. DAWES. I would like to hear that statement again.

The SPEAKER. The gentleman from Massachusetts suggests that the bill reported by the Committee on Railways and Canals be taken up on Monday after the special order for that day is disposed of, and that Monday and Tuesday be devoted to its consideration; Tuesday to be the last day, and the vote to be taken on that day. The Chair has heard a desire expressed by some gentlemen, which it is not especially his province to mention, but which he states for the information of the House, that there should be five or ten minutes' debate on amendments allowed on the transportation bill. The gentleman who has charge of the bill will please take notice of that fact.

Mr. SMITH, of New York. If the gentleman from Iowa is asking unanimous consent, I must object.

Mr. GARFIELD. Then I insist on my motion that the House resolve itself into Committee of the Whole on the state of the Union on the appropriation bill.

The motion was agreed to.

Before going into Committee of the Whole—

VESSELS IN COAST TRADE AND FISHERIES.

Mr. ALBRIGHT, by unanimous consent, introduced a bill (H. R. No. 2549) to amend an act entitled "An act for enrolling and licensing ships or vessels to be employed in the coasting trade and fisheries, and for regulating the same," passed February 18, 1793; which was read a first and second time, referred to the Committee on Commerce, and ordered to be printed.

SUBSISTENCE OF INDIANS.

The SPEAKER laid before the House a letter from the Secretary of the Interior, in relation to an appropriation for subsisting the Red Cloud and White Stone Indian agencies; which was referred to the Committee on Appropriations, and ordered to be printed.

GATLING GUNS.

The SPEAKER also laid before the House a letter from the Secretary of War, in relation to an appropriation for the adoption of the Gatling gun; which was referred to the Committee on Appropriations, and ordered to be printed.

NORMAN WIARD.

The SPEAKER also laid before the House a letter from the Secretary of War, transmitting an inclosed letter from Norman Wiard, proposing experiments in ordnance and for making and testing new guns of large caliber; which was referred to the Committee on Military Affairs, and ordered to be printed.

ABOLITION OF THE FRANKING PRIVILEGE.

The SPEAKER also laid before the House a letter from the Secretary of War, in answer to a resolution of the House of December 8, 1873, in relation to expenses incurred upon the abolition of the franking privilege; which was referred to the Committee on the Post-Office and Post-Roads, and ordered to be printed.

SALE OF HORN ISLAND RESERVATION.

The SPEAKER also laid before the House a letter from the Secretary of War, in answer to a resolution of the House of February 16, 1874, in relation to the sale of the Horn Island military reservation in the Gulf of Mexico; which was referred to the Committee on Military Affairs, and ordered to be printed.

FIRE-ALARM TELEGRAPH IN THE DISTRICT OF COLUMBIA.

The SPEAKER also laid before the House a letter from the Secretary of War, in relation to House bill No. 1574, to aid in the construction of a fire-alarm telegraph in the District of Columbia; which was referred to the Committee on the District of Columbia, and ordered to be printed.

SURVEYS OF RIVERS.

The SPEAKER also laid before the House a letter from the Secretary of War, transmitting reports of surveys made of Fort Deer River, below Dyersburgh, Tennessee, and the Red River of the North, from Moorhead, Minnesota, to Pembina, Dakota; which was referred to the Committee on Commerce, and ordered to be printed.

FINES, PENALTIES, ETC.

The SPEAKER also laid before the House a letter from the Secretary of the Treasury, in answer to a resolution of the House of March 10, 1874, transmitting a statement of the fines, penalties, and forfeitures collected in the districts of Boston and New York, from November 30, 1873, to March 1, 1874, and the disposition made of the proceeds thereof; which was referred to the Committee on Ways and Means, and ordered to be printed.

WILLIAM REDUS.

The SPEAKER also laid before the House a letter from the Secretary of the Interior, in relation to the claim of William Redus for compensation on account of depredations committed by Osage Indians; which was referred to the Committee on Claims, and ordered to be printed.

MRS. FLORA A. DARLING.

The SPEAKER also laid before the House a letter from the Secretary of War, in relation to the petition of Mrs. Flora A. Darling for the restoration of money and valuables which she claims were taken from her in January, 1864, by the military authorities at New Orleans; which was referred to the Committee on War Claims, and ordered to be printed.

WRECK OF THE SHIP PATRICIAN.

The SPEAKER also laid before the House a letter from the Secretary of War, in relation to an examination of the wreck of the ship Patrician, on Noon Day rock, at the entrance of the harbor of San Francisco, California; which was referred to the Committee on Commerce, and ordered to be printed.

EXPENSES OF THE MODOC WAR.

The SPEAKER also laid before the House a letter from the Secretary of War, transmitting papers showing the cost, in the Quartermaster's Department, of the Modoc war; which was referred to the Committee on Military Affairs, and ordered to be printed.

RECONNAISSANCE OF THE UTE COUNTRY.

The SPEAKER also laid before the House a letter from the Secretary of War, in answer to a resolution of the House of March 6, 1874, transmitting a report and map of the reconnaissance in the Ute country, made in 1873 by Lieutenant E. H. Ruffner, of the Corps of Engineers; which was referred to the Committee on Military Affairs, and ordered to be printed.

LIEUTENANT B. F. HUMPHREY.

The SPEAKER also laid before the House a letter from the Attorney-General, in relation to the case of Lieutenant B. F. Humphrey, of the United States Army; which was referred to the Committee on Military Affairs, and ordered to be printed.

CONFERENCE COMMITTEE.

The SPEAKER announced as the conference committee on the part of the House on the disagreeing votes of the two Houses upon the bill (H. R. No. 1923) authorizing the payment of annuities into the Treasury of the Seminole tribe of Indians, Mr. AVERILL, Mr. SHANKS, and Mr. COMINGO.

LEAVE OF ABSENCE.

Mr. CRITTENDEN was granted leave of absence for two weeks on account of sickness in his family.

Mr. STANARD was granted leave of absence for a fortnight.

Mr. BARRERE was granted leave of absence for ten days.

COMMISSIONER OF FORESTRY.

Mr. DUNNELL, by unanimous consent, submitted the following resolution; which was read, under the law, and referred to the Committee on Printing:

Resolved, That there be printed five thousand extra copies of the report of the Committee on the Public Lands on the message of the President in relation to the appointment of a commissioner of forestry.

LEGISLATIVE, ETC., APPROPRIATION BILL.

The House then resolved itself into Committee of the Whole, (Mr. WOODFORD in the chair,) and resumed the consideration of the bill (H. R. No. 2054) making appropriations for the legislative, executive, and judicial expenses of the Government for the year ending June 30, 1875, and for other purposes.

The CHAIRMAN. When this bill was last under consideration, the committee was taking a vote by tellers upon an amendment offered by the gentleman from West Virginia, [Mr. HEREFORD,] which amendment will be reported by the Clerk.

The amendment was in the portion of the bill relating to the contingent expenses of the Senate, and was to reduce the appropriations for clerks to committees from $25,000 to $15,000.

Mr. GARFIELD. I desire to say, before the vote is taken on that amendment, that it recurs to me as rather a novelty that the portion of this appropriation for Senate expenses, which the Committee on Appropriations have cut down more than any other perhaps, in the debate here seems to have been the most violently assailed. Last year the two items of appropriation for clerks of committees and pages of the Senate amounted to $44,000. This year, with the increase of pay made in the appropriation bill of last year, the estimates would have been $65,000. In the first place we repealed the increase of salary and took off that extra, and then we cut down the pay of the pages of the Senate fifty cents per day, making the total for these two items $24,700, or almost $10,000 less than before the increase of pay, less than it has been any year since the war. We have cut it down so low that our only fear is the Senate will consider it almost an outrage that we have cut so deeply. Now the proposition is that this appropriation already cut so low shall be reduced nearly 40 per cent. further. Again, if gentlemen desire to follow at all any line of regular order in cutting down, where it can be done, and let the appropriations stand where they are already cut as deeply as they ought to be, this at least will not be interfered with. I hope the amendment will not be agreed to.

Mr. RANDALL. There is one suggestion I desire to make to the gentleman in charge of this bill. It is that if at any time it is found that this sum is not sufficient the Senate can secure an appropriation for the deficiency. It is in the contingent expenses not only of the two Houses of Congress but in all the Departments that the great leaks have been discovered. To my mind it is the duty of this House to correct them wherever it can, and not compare the appropriations of this year with those of any other or with the administration of Mr. Buchanan, as was done the other day. It does not matter to this House nor does it matter to the country at this time what were the expenditures of the Government under Mr. Buchanan's administration. We want them cut down now to what they ought to be. If they were too high then, two wrongs do not make a right, and we had better correct the evil now.

Mr. GARFIELD. I hope that we will have a vote.

The CHAIRMAN. The tellers will resume their places—the gentleman from West Virginia, Mr. HEREFORD, and the gentleman from Wisconsin, Mr. RUSK.

Mr. HEREFORD. I desire a little information upon this point. I have no desire to cut down the appropriation bill below what is actually necessary. But, as I said in my remarks when this bill was before under consideration, the appropriation now asked for is very much larger than it was in 1866 and 1869.

Mr. GARFIELD. The gentleman is mistaken about that. In 1868 the appropriation for this purpose was $55,000, and we now propose to give $31,000. The two items of appropriations for clerks of committees and for pages of the Senate were estimated for in a lump, and the Committee on Appropriations have separated them, as here reported.

The committee again divided; and the tellers reported that there were—ayes 70, noes 84.

So the amendment was not agreed to.

The Clerk read as follows:

For hire of horses and mail-wagons for carrying the mails, $5,475.

Mr. GARFIELD. I offer the following amendment, which will not change the amount:

After the word "mails," insert "and for one saddle-horse for messengers."

The amendment was agreed to.

The Clerk read as follows:

For fuel and oil for the heating apparatus, $10,000; for furniture and repairs of furniture, $9,000; for labor, $12,000; for folding documents, and materials therefor, $5,000; for packing-boxes, $740; for miscellaneous items, exclusive of labor, $25,000.

Mr. RANDALL. I move to amend the clause just read by striking out "12" and inserting "7," so as to make the appropriation for labor $7,000; and by striking out "25" and inserting "15," so as to make the appropriation for miscellaneous items, exclusive of labor, $15,000. This amendment will make a reduction of $15,000. My object as to the first branch of my amendment is to obtain an explanation; and as to the matter of miscellaneous expenses of the Senate, exclusive of labor, I am satisfied that $15,000 is all that should be asked or appropriated.

Mr. GARFIELD. In answer to the gentleman from Pennsylvania, I will state that the item of appropriation for labor last year was $16,000. The estimate was for $16,000 this year. The Committee on Appropriations, after conference with the Senate Appropriations Committee on this as on other items concerning the appropriations for that body, ventured to cut down this item to $12,000, although that was going a little lower than the Senate committee were willing to assent to. The estimate for miscellaneous expenses, exclusive of labor, was $40,000. We cut it down to $25,000, believing that a reduction of $15,000 could probably be borne.

Here I want to say once for all that, in regard to the Senate expenditures, which come almost exclusively under the management of that body, we did not feel quite the same freedom in cutting down as we would upon any matter relating to our own House. We did, however, go a little further than the estimates would seem to warrant, partly by consent of the Committee on Appropriations of the Senate, and partly by going beyond what they were willing to assent to. It seemed to us that a reduction of $4,000 in the item for labor and $15,000 in the item for miscellaneous expenses was going as far as we could safely go. We did not wish to risk the necessity of deficiencies in matters of this sort, if we could avoid it. That is all the explanation I have to give.

Mr. RANDALL. The gentleman is fully aware that the contingent expenses of the two Houses, embraced, I believe, under the designation of miscellaneous expenditures, have been the subject of great scandal. I have examined this bill, and believe firmly that an appropriation of $15,000 for miscellaneous expenses of the Senate, exclusive of labor, is sufficient for that body.

I know that there is a sort of etiquette between the two Houses which makes it difficult for us to cut down the Senate estimates; but if we do not make a reduction in the expenses of the Senate, we shall be embarrassed when we come to the question of cutting down our own, as I have no doubt we are disposed to do. If the expenditures of the Senate be allowed to remain untouched, then, however much disposed we may be to correct abuses, there may be some difficulty in cutting down our own expenses if the result should show that the House is running at a less rate of expense than the Senate.

I withdraw that part of my amendment relating to the appropriation for labor, and confine the amendment simply to the last item of the paragraph, so as to reduce the miscellaneous expenses of the Senate, exclusive of labor, to $15,000, instead of $25,000 as proposed in the bill. The expenditure of $40,000 for such purposes (which the gentleman from Ohio says was the old figure) was a rank waste of money without excuse; and if the gentleman has been watching the newspapers of late, as I suspect he has, he knows that the Senate in its expenditures for miscellaneous items is sadly vulnerable.

Mr. GARFIELD. I only remind the gentleman that out of this miscellaneous fund are paid all the expenses of investigating committees unless special additional appropriations are asked for.

Mr. RANDALL. That is not so as to the District of Columbia investigation.

Mr. GARFIELD. I do not speak of that; but I say that the expenses of ordinary investigations, ordered by either House singly, are paid out of the miscellaneous fund.

Mr. RANDALL. Well, I would much prefer that investigating committees should have their expenses provided for by a direct and specific appropriation for the purpose.

Mr. GARFIELD. The Committee on Appropriations have cut down this item from $40,000 to $25,000. If the Committee of the Whole think it can be still further reduced so as to make the amount $15,000, according to the motion of the gentleman from Pennsylvania, I will not contend about the matter, but submit to the judgment of the committee. I have done my duty in stating the case.

The question being taken on the amendment of Mr. RANDALL, there were—ayes 49, noes 33; no quorum voting.

Mr. GARFIELD. For the sake of saving time, I will not contest this question further. I am willing the amendment shall be considered as adopted.

The CHAIRMAN. If there be no objection, the amendment will be considered as adopted.

There was no objection.

The Clerk read as follows:

For one captain, $2,088; three lieutenants, at $1,800 each; twenty-seven privates, at $1,584 each, $42,768; and eight watchmen, at $1,000 each, $8,000; making, in all, $58,256, one-half to be paid into the contingent fund of the House of Representatives, and the other half to be paid into the contingent fund of the Senate: *Provided*, That whenever a member of the Capitol police or watch force is suspended from duty for cause, said policeman or watchman shall receive no compensation for the time of such suspension.

Mr. GARFIELD. I am instructed by the Committee on Appropriations to move the following amendments:

In line 89 strike out $2,088, as the salary for the captain of the Capitol police, and insert $1,800; in line 90 strike out $1,800, as the salary of each of three lieutenants, and insert $1,600; in lines 91 and 92 strike out $1,584, as the salary of the privates, and insert $1,200.

The law fixing the pay of the Capitol police at the figures stated in the printed bill was passed in the beginning of 1872. We have followed that law steadily until last year, when the pay of the Capitol police, under the general salary increase, was increased 15 per cent. In pursuance of that increase the estimate for the Capitol police was $56,994.40. The committee, following the late reduction, reported it as it stands here in the bill, doubting whether they had the right, without the point of order being made against it, to reduce the amount. But on reflection they agreed to lay before the House a proposition making the reduction as I have suggested in this amendment to pay eighteen hundred, sixteen hundred, and twelve hundred dollars, respectively, for the three positions of chief, assistant chief, and private in the force, which will make a reduction of nine thousand and some odd hundred dollars, or nearly ten thousand dollars in the total. This, the committee believe the police force can stand without very serious injury, and they ask it be adopted.

Mr. RANDALL. Now, Mr. Chairman, I do not care to antagonize the Committee on Appropriations. It is an ungracious thing at any time to reduce salaries. I shall, however, call attention to a memorandum which I have made here when I was studying this bill, that the captain of the watch at the Treasury gets only $1,400, while the watchmen get $720 each, the acting lieutenant $1,000, as will be seen by looking at the appropriations made in this very bill.

Mr. GARFIELD. That is right.

Mr. RANDALL. Then why should a distinction be made in the two forces?

Mr. GARFIELD. The gentleman from Pennsylvania asks, why should that discrimination be made? The subject was brought before the Committee on Appropriations, and this was the answer: In the Treasury Department, as in all other Departments, there is a responsible head, who has control and charge of the building, and the watchmen there are very much more subordinates, personally, than here in the Capitol. It was necessary, in the judgment of Congress, in a building abandoned for a large share of the year by its natural managers, the two Houses of Congress; a building which probably has from twelve to sixteen millions of property in it, in the building and furniture—there is, perhaps, more in the Treasury Department, but it is not left to be guarded for a large portion of the year only by watchmen—this building, I say, is left a considerable portion of the year without anybody in charge of it, unless it be the organized police force; and it was deemed necessary in the judgment of Congress years ago, when this thing was discussed, and the present force organized, it was considered of the utmost importance that the men who are to be intrusted with the high responsibility should be men of such character as would require a higher salary than is paid to ordinary watchmen.

The committee then having charge of the appropriations under the lead of the gentleman from Massachusetts [Mr. DAWES] gave this matter full review, and a sub-committee of the Committee on Appropriations, of which the gentleman from Kentucky [Mr. BECK] was a member, made a careful examination of the whole subject and reported in favor, not only of the present police organization, but of the present rates of pay as reported in this bill. The reasons they gave to the House were satisfactory that the organization should remain in the main untouched, but we thought, in view of the general reduction of expenditures, this large reduction might reasonably be made.

Mr. WALLS. I move to strike out the proviso just read, and will insert in lieu thereof what I will send to the Clerk's desk.

The Clerk read as follows:

That the appointment of the Capitol police shall hereafter be made by the Sergeants-at-Arms of the two Houses and the architect of the Capitol extension, but the captain of the police force may suspend any member of said force, subject to the action of the officers above referred to.

Mr. GARFIELD. I make the point of order on that amendment that it changes the law, and therefore is not in order.

Mr. WALLS. It is precisely the law of last year. I wish to ask the chairman of the Committee on Appropriations why it is that his committee seeks to change the law from what it was last year, so as to make every member of the Capitol police force subject to the action of one man, the captain of the police. Now, if this bill passes as reported by the committee, any member of the Capitol police force may be suspended by the captain of the police force, and there is no one to determine whether he has been suspended for proper cause or not. It is all left to the captain of the police. My amendment is copied verbatim from the appropriation bill of last year. I hope the amendment will be agreed to.

Mr. GARFIELD. The gentleman is mistaken in regard to the facts. The point of order does lie against his amendment. The fact is that all the captain of the police force can do is to temporarily suspend a man and report his case to the three others, who can reappoint or remove and appoint another. That does not change the bill at all. We have added a proviso that when the captain of the police force suspends a man, he shall be without pay until the power that can appoint or remove shall determine whether he shall stay or not.

The CHAIRMAN. The section as reported by the committee appears to change the law in some respects, and the Chair will not hold that the point of order lies against the amendment of the gentleman from Florida.

Mr. WALLS. I cannot see why the pay of a policeman or watchman should be stopped during the time of his suspension. If the captain has power to suspend a man, and he has to wait for trial, I think he ought to be paid until he is tried and dismissed, if that should be the result, or until he is restored. This is nothing more nor less than an attempt on the part of some one to put the control of the police in the power of one man, and that, the captain of the police.

Mr. GARFIELD. What the gentleman is discussing is not an amendment to my amendment at all. I raise the point of order that it is not germane.

The CHAIRMAN. The point of order of the gentleman from Ohio [Mr. GARFIELD] is correct. The Chair will recognize the gentleman from Florida to offer his amendment after that of the gentleman from Ohio has been disposed of. The Clerk will again read the amendment of the gentleman from Ohio.

The amendment was again read.

Mr. DUNNELL. I move to strike out the proviso beginning on line 98.

The CHAIRMAN. The amendment offered by the gentleman from Minnesota [Mr. DUNNELL] is subject to the same point of order as that of the gentleman from Florida, [Mr. WALLS,] that it is not germane to the amendment of the gentleman from Ohio. The Chair will recognize the gentleman from Minnesota at the proper time to offer his amendment. The question is on the amendment of the gentleman from Ohio, [Mr. GARFIELD.]

Mr. SENER. I ask that it may be reported.

The CHAIRMAN. It has been twice reported already.

The question being taken on Mr. GARFIELD'S amendment, it was agreed to.

The CHAIRMAN. The Chair will now recognize the gentleman from Florida [Mr. WALLS] to offer his amendment.

Mr. WALLS. I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Strike out the proviso beginning in the ninety-eighth line, as follows:

"*Provided*, That whenever a member of the Capitol police or watch force is suspended from duty for cause, said policeman or watchman shall receive no compensation for the time of such suspension."

And insert the following words:

That the appointment of the Capitol police shall hereafter be made by the Sergeant-at Arms of the two Houses and the architect of the Capitol extension; and the captain of the police force may suspend any member of said force, subject to the action of the officers above referred to.

Mr. WALLS. I will state that this is verbatim the law of last year; and I cannot see why the Committee on Appropriations should want to change the control of the police force or the pay of the men. I do not think it right to suspend a man from office and keep him here waiting for trial, and not pay him at all during that time. I wish to have the law made just as it was last year.

Mr. GARFIELD. I desire simply to say that the Committee on Appropriations found that in order to give a proper control over the police force it was necessary to make the men understand that if they got drunk, or behaved badly in any other way, so that they were suspended, and had their names laid before the board who had the power to remove or appoint, they could not draw pay while under suspension for cause. In order therefore to keep the police force under better control, and to have better discipline among them, this clause was

added, that when a member of the police force was suspended for cause, the pay should be stopped until the case was disposed of by the board having the power of suspension or removal. This does not change the old law at all, except simply by saying that while he is suspended, during the time of suspension, the pay of the policeman or watchman shall not go on. I hope the committee will not strike out the proviso. By retaining it they will both save money to the Treasury and increase the efficiency and discipline of the police force.

The CHAIRMAN. The question is on the amendment of the gentleman from Florida, [Mr. WALLS.]

Mr. O'BRIEN. I ask the chairman of the Committee on Appropriations if the amendment of the gentleman from Florida is not the law at present?

Mr. GARFIELD. Certainly it is the law; and all his amendment does is to strike out the proviso, which deprives a man of pay while he is suspended for cause.

The question being taken on the amendment offered by Mr. WALLS, it was not agreed to.

Mr. DUNNELL. I offer the amendment which I send to the desk.

The Clerk read as follows:

Strike out the proviso commencing on line 98, as follows:

"*Provided*, That whenever a member of the Capitol police or watch force is suspended from duty for cause, said policeman or watchman shall receive no compensation for the time of such suspension."

Mr. DUNNELL. While the adoption of this proviso might possibly save a few dollars to the Treasury, I think its principle is decidedly wrong and oppressive. It should be remembered that when a man is suspended he has liabilities as well as when he is at work. This proviso strikes at the man's family. If the man be so unfortunate as to be accused of some dereliction of duty he is suspended. He might be kept suspended for thirty days or sixty days, and on then being brought to trial may be found innocent; yet in that case, under this proviso, he loses his pay during the time of his suspension, although afterward found innocent.

The gentleman from Ohio has said that a man may be suspended for being drunk. Now, our laws should be humane; they should be Christian as far as possible. Suppose this man who is thus suspended has been suspended for drunkenness—you suspend him and then cut off his pay. By doing so you but madden the man and drive him to desperation. You make his family, his wife and children, suffer. I say this is wrong. When a man is suspended for an alleged cause let him be tried forthwith, and, if found guilty, let him be removed; if found innocent, let him be acquitted and go on with his work. But by no means hang him up and suspend his pay at the mere caprice and whim of this captain of police. You give this captain too much power altogether. You make him a petty tyrant. He can kill and make alive at his word, and suspend the man's pay.

Mr. Chairman, we never take away a man's salary until he is found guilty. His salary goes on while he is under trial. I say let us carry out this principle here, and let these men be tried and have their compensation while they are being tried. The principle of this proviso is wrong, and I hope the committee will strike it out. I ask a division on it.

Mr. GARFIELD. If the gentleman's amendment is carried, it will break down all the discipline of the force; we might just as well let them go at once.

The question being taken on Mr. DUNNELL's amendment, it was not agreed to.

Mr. GARFIELD. I am disposed to think that there is no objection to an amendment which has been suggested by the gentleman from Mississippi, [Mr. BARRY.]

Mr. BARRY. I move to insert after the word "cause," in the proviso, the words "and not reinstated;" so that it will read:

Provided, That whenever a member of the Capitol police or watch force is suspended from duty for cause, and not reinstated, said policeman or watchman shall receive no compensation for the time of such suspension.

If a man is not reinstated, it seems to me he ought not to be paid during the time of his suspension; but if he is reinstated he should be paid.

Mr. GARFIELD. I have no objection to that amendment, but it should come in at the end of the proviso, after the word "suspension."

Mr. BARRY. Very well; I will offer it in that form.

The amendment was agreed to.

Mr. GARFIELD. I ask that authority be given to the Clerk, when amounts are changed in a paragraph, to change the footing so as to make it correspond.

The CHAIRMAN. It will be so ordered if there be no objection. The Chair hears none.

Mr. SENER. I move to strike out in lines 93 and 94 the word "eight" where it occurs, and to insert "twelve;" so as to make it read:

Twelve watchmen, at $1,000 each, $12,000.

I ask the attention of the committee to this amendment. There are now, and there have been, as I understand, but eight watchmen employed under authority of existing law in addition to the Capitol police. The necessity for twelve watchmen will be shown by the two letters which I send to the Clerk's desk and ask to have read.

The Clerk read as follows:

WASHINGTON, D. C., *December* 12, 1873.

Hon. JOHN R. FRENCH,
Sergeant-at-Arms United States Senate:
Hon. N. G. ORDWAY,
Sergeant-at-Arms House of Representatives:

It becomes my duty to call your attention to the fact that the fences have all been removed from the east and west parks of the Capitol grounds, leaving those grounds wholly open and exposed, without watchmen during the night-time; and as four watchmen were left off the rolls some time since, I think it would be well for you to ask the Vice-President and the Speaker of the House of Representatives to authorize you to put on four men—the same number that was dropped when the last change was made—in order that you may have some watchmen whom we can place in the grounds at night, to prevent injury being done to the trees and other property of the Government.

I find already that much of the box bordering around the walks has been removed during the night since the removal of the fences.

Respectfully, &c.,

S. S. BLACKFORD,
Captain United States Capitol Police Force.

I concur in the necessity for the additional men.

N. G. ORDWAY,
Sergeant-at-Arms House of Representatives.

Approved, the public service seeming to demand it imperatively.

J. G. BLAINE.

I concur in the views of the Speaker.

H. WILSON.

OFFICE SERGEANT-AT-ARMS HOUSE OF REPRESENTATIVES,
Washington, March 18, 1874.

MY DEAR SIR: I have to go away for a day or two, and on looking into the appropriation bill I find that there are but eight watchmen provided for, whereas there should be twelve.

The Appropriation Committee did not appropriate for but eight last year; but when the fence was removed from around the Capitol grounds it became necessary, in order to protect the trees and shrubs, and to see that no damage was done during the night, to have two more men for each park, making four in all. This increase was made upon the authority of the Speaker of the House and the Vice-President, and upon the application of the captain of the police. The men were put on duty on the 1st of January; and I believe some of them went to duty about the 16th of last December.

Mr. French, the Sergeant-at-Arms of the Senate, is away, and I have not the order of the Speaker and Vice-President at hand, but my clerk will get it and make a copy for you to use when you get to that part of the appropriation bill providing for the watchmen. State these facts; and, if necessary, read the captain's letter and the authorization of the Presiding Officers of the two Houses, which make it obligatory upon the Senate and House to make the appropriation.

I am obliged to be away for a day or two, and write you this note in order that the matter may not be overlooked if it should come up during my absence.

Very respectfully, your obedient servant,

N. G. ORDWAY,
Sergeant-at-Arms House of Representatives.

Hon. J. B. SENER.

Mr. SENER. Mr. Chairman, it will be seen by the reading of those letters that these watchmen have been placed on duty, and that they have been discharging the duties required of them, and that they are doing duty daily or nightly; that they were placed there under an authorization by the Speaker of the House, and the Vice-President of the United States, the Presiding Officer of the Senate. It is shown also by the officers who have these matters in charge that they are necessary. They have discharged the duty for two or three months and have received no pay. If this appropriation is not made, these watchmen, the necessity of whose employment is certified to by the Presiding Officers of the two Houses, and by the police authorities of the Capitol, will have to be discharged, and the result will be that the public grounds will be exposed.

Mr. HOLMAN. I rise to oppose the amendment. The papers which have been read at the Clerk's desk are in harmony with all the communications that come to this House from officers of the Government. I think that if a communication were to come here proposing to diminish the number of employés or to reduce their salaries, it would do what seldom happens here—create a profound sensation.

For the purpose of getting a few facts about these items of expenditure, I send to the Clerk's desk and ask to have read an amendment putting the appropriation back to what it was a few years ago when a distinguished citizen of Illinois, Mr. Elihu B. Washburne, was here demanding economy on the other side of the House.

The Clerk read as follows:

Strike out the whole paragraph and insert:
For Capitol police, $21,480.

Mr. HOLMAN. Twenty-one thousand four hundred and eighty dollars was the entire appropriation for this purpose in 1866. I have copied the amendment from the act of 1866.

Mr. GARFIELD. Before the gentleman moves to strike out, it is in order to perfect the paragraph by amendments.

Mr. HOLMAN. Still a substitute is, of course, always in order, although it will not be voted on until the amendments proposed in order to perfect the paragraph shall have been disposed of.

The CHAIRMAN, (Mr. POTTER in the chair.) It is in order for the committee, in the first place, to perfect the paragraph by amendments thereto before voting on striking it out.

Mr. HOLMAN. Certainly, the vote will first be taken on the amendments to perfect the paragraph; but still the motion to strike out is in order.

The CHAIRMAN. But the gentleman from Indiana will see that other gentlemen may desire to perfect the paragraph.

Mr. HOLMAN. A motion to strike out is always in order; but it does not come to be voted on until propositions to amend the text have been voted on.

The CHAIRMAN. The Chair will regard the motion of the gentleman from Indiana as pending.

Mr. HOLMAN. Now, Mr. Chairman, I have said so often that I do not desire to repeat it, but I must, that there can be no such thing as economy in appropriations unless we commence somewhere. Gentlemen talk about diminishing extravagant expenditures, but they never

reach the point at which they are willing to commence. These millions and millions of dollars appropriated for salaries are made up of small items.

Now, in 1866, when gold was at a premium of 50 per cent., and when the expense of living at the capital was certainly higher than it is now, an appropriation of $21,480 was deemed to be sufficient for this purpose, whereas it is now proposed to appropriate over $50,000 for the same purpose. I have not asked the gentleman from Ohio to go back to the more economical period before the war; I do not ask that, but I take one of the most expensive periods in our history, the year 1866, when the cost of living was far beyond what it is now.

All I ask is that we shall go back a short time, that we shall retrace our steps to the extent only of fixing upon reasonable standards of expenditure as they were understood eight years ago. Nothing has occurred since then to render it necessary to increase the number of persons to be employed here, or to increase their salaries, unless it be the vandalism which has torn down the tasteful and elegant inclosures about these grounds. If that is given as a reason, then I say it is like other steps of your progress; you first lay the foundation for an increase of expenditure, and then come forward and ask appropriations to meet it. You first enact a law to remove the monuments which were agreeable to our memories because they reached far back into the past, and then you come forward and insist upon an increased number of employés and an increase of appropriations to the extent of more than $30,000 a year for that purpose. It is thus, step by step, that these millions are built up. I trust there is an opposition party in this House who will show to the country that they have at least a disposition to resist this tendency to increase the appropriations of the Government.

Mr. SENER. I respect the motives which prompt my distinguished friend from Indiana, [Mr. HOLMAN,] who opposes this amendment or any other that may be offered which seems to increase instead of curtailing the expenditures of this Government. But it seems to me the true test to be applied to this amendment or any other is simply to ascertain whether it is necessary for the public service. Is it essential for the preservation of these grounds, the ornament of this capital, and the pride of this nation? Is it necessary that these walks and paths shall be patrolled, protected at the lone hour of night, when citizens from all parts of the Republic, and those residing here in Washington, are passing to and fro through these grounds? If this force is necessary for that purpose, I say that no mere cry of economy should be sufficient to sway the judgment of this House against voting an appropriation which is recommended by our Sergeant-at-Arms, approved by the Sergeant-at-Arms of the Senate, and which also has the indorsement of the distinguished Presiding Officer of this body, and likewise of the Vice-President of the United States. This amendment involves simply an appropriation of $4,000, and in the judgment of those officers it is necessary in order to protect these grounds in the night time, to keep away bad people, to protect citizens who are passing through the grounds, and to guard the trees and shrubbery which surround and make these grounds beautiful.

Mr. GARFIELD. I oppose the amendment, and hope it will be voted down.

Mr. GUNCKEL. I wish to call the attention of the committee to the numbers employed on the police force. We have here, for this Capitol alone, twenty-seven members of the police and four officers, and also eight watchmen. And if gentlemen will turn to pages 10 and 11 of this bill they will find that provision is made for quite a number of other employés, engineers, firemen, &c.; and among them four additional laborers in the Capitol, at an annual expense of $2,880. They will also find quite a number of laborers employed not only in the Capitol, but in other public grounds. Each public square in Washington has provided for it a watchman at Government expense.

According to this bill the police force and watchmen employed in the Capitol cost over $58,000 per annum. Thinking this item rather large, I had the curiosity to ascertain the expenditure for similar purposes in England. I found that for the two houses of Parliament the number employed was about one-third less; that the ordinary annual expenses for police and watchmen for the two houses of Parliament is £2,360; then there is an extra expenditure for police and watchmen during the sessions of Parliament of £430, making a total of £2,790. Now, calculating the pound at five dollars in our currency, it will be seen that the entire expense of policing and watching the two houses of Parliament is $13,950; while for performing that service about this Capitol the expense is $58,000, or about four times as much. I am told by gentlemen who have visited the Parliament buildings, (I have not,) that they are about as large and about as difficult to police and watch as this Capitol. Why, then, should we pay four times as much for that service here?

We have here a police force of twenty-seven men, and for that are provided a captain and three lieutenants. I object to the amendment of the gentleman from Virginia, [Mr. SENER,] and as soon as it shall be in order I will move to cut down the number of officers, and also the number of privates in this police force, believing the force larger than is necessary. I agree with my friend from Indiana [Mr. HOLMAN] that if we really mean economy, we should commence here and now.

[Here the hammer fell.]

Mr. PLATT, of Virginia. I ask my colleague [Mr. SENER] to withdraw his amendment, and I will renew it

Mr. SENER. I will do so.

Mr. PLATT, of Virginia. I renew the amendment simply to say to the House that my friend from Ohio [Mr. GUNCKEL] seems to think that everything in this House and in this country must be measured by the standard which is established in England. I want to ask him if he desires that we shall pay our laborers according to the standard of pay in England? I noticed that while the military appropriation bill was before the House the gentleman called attention to the fact that we pay a great deal more for certain things in this country than is paid for similar things in England.

Does not the gentleman know that we pay more to mechanics and laborers of all grades than they receive in other countries? It is one of our proudest boasts that labor is better rewarded in this country than in the despotic countries of Europe. This is one of the principal things that draw immigration to our shores; and I hope that whatever argument the gentleman may make in regard to these matters he will not contend that labor in this country should be put on a level as to pay with labor in Great Britain and Europe.

Mr. PARSONS. Is it not true that the members of this police force are on duty only one day out of every three?

Mr. PLATT, of Virginia. I do not know whether that is so or not; that is a question the gentleman can answer for himself, if he has any information on the point.

Mr. PARSONS. I understand that the whole difficulty about the police force is simply this: there is one captain of police——

Mr. PLATT, of Virginia. As the gentleman is not asking a question, I hope he will not speak in my five minutes.

Mr. GUNCKEL. I wish to ask the gentleman from Virginia [Mr. PLATT] whether he means to say that an ordinary laborer in England gets only one-quarter as much as a similar laborer in this country; or, in other words, does a laborer here get four times as much as a laborer in England?

Mr. PLATT, of Virginia. I believe that average will hold good.

Mr. GUNCKEL. Then the gentleman is not well informed on the subject.

Mr. PLATT, of Virginia. Certainly the American laborer receives a much larger proportion of pay than the laborer abroad.

Mr. GUNCKEL. Four times as much?

Mr. PLATT, of Virginia. I do not know whether the disproportion is so great as that in all cases, but I know that it is in some instances. I do not, however, care particularly about that point. I want to protest, as a member of this House and as a representative of American laborers, against any attempt being made here to introduce into this country the standard of prices prevailing in countries abroad.

Mr. PARSONS. I had no intention of occupying a moment's time in regard to this question——

Mr. PLATT, of Virginia. I renew the amendment offered by my colleague, [Mr. SENER.]

Mr. PARSONS. I was about to do the same thing; I am obliged to the gentleman for his courtesy. The sum appropriated by this bill for Capitol police force is now about $40,000, with the reduction proposed in the amendment of the gentleman from Ohio, [Mr. GARFIELD,] the chairman of the Committee on Appropriations. I believe the salaries fixed are about right, and that they ought to be left as the Committee on Appropriations has left them. But I wish to ask the chairman of the Committee on Appropriations whether it is not true that there are three lieutenants of police in this Capitol, and that the Capitol police is divided into three squads, each squad doing duty one day in every three? Is not that the reason of the extraordinary expense for watching this Capitol? I believe that every man who is employed in the various Departments of the Government has daily occupation and daily hours of labor. But as to the Capitol police, my impression is (I may be entirely wrong) that only nine men are on duty every three days.

Mr. GARFIELD. They are on duty eight hours out of every twenty-four.

Mr. PARSONS. If these policemen only work twenty-four hours in three days, and if that is the reason of the enormous expense of this police force, my idea would be that instead of adding four watchmen, as my friend from Virginia desires, some of these twenty-seven policemen who are doing nothing around the Capitol should be dispensed with.

Mr. ALBRIGHT. Do not eight hours constitute a legal day's work?

Mr. PARSONS. Not for a member of Congress. [Laughter.]

Mr. PLATT, of Virginia. This proposition does not affect members of Congress. Before the gentleman from Ohio [Mr. PARSONS] takes his seat I wish to call attention to the fact that, according to his own statement, these men work daily the number of hours recognized by the present laws of Congress as a day's work for Government employés. They are on duty eight hours out of twenty-four.

Mr. PARSONS. I do not so understand.

Mr. PLATT, of Virginia. It is the fact. These policemen are divided into three gangs, which do duty in succession, each serving eight hours out of the twenty-four.

Mr. SENER. I wish to ask my friend from Ohio [Mr. PARSONS] whether he prefers that the park of this Capitol should be guarded by four watchmen or by privates of the police force, receiving a salary of $1,500?

Mr. PARSONS. I do not particularly object to the gentleman's amendment; but I desire that these policemen shall perform their full share of duty.

Mr. KELLEY. Permit me to offer a suggestion. In addition to the fact that these men are on duty eight hours out of every twenty-four, it should be borne in mind that when the House and the Senate adjourn, the fires go out; and I know a number of these men who have suffered very much in health from their exposure to the intense cold and the draughts prevailing in this Capitol at night.

Mr. PARSONS. I have in my desk at this moment a large number of applications for places on the Capitol police, because these positions pay so much better than places on the police in my own city. These applicants are perfectly willing to run the risk of any damage to their health in this Capitol, where they are protected from the sun and the storm, rather than serve twelve hours daily in the open air upon our city police, engaged often in fighting with burglars and exposed to the other perils to which policemen everywhere else than here are subjected. I do not object to a properly regulated and properly paid police in the Capitol. I did not rise to make any objection on that score, but to inquire whether it is the fact that these men are only on duty one day out of every three.

The CHAIRMAN. Debate on the amendment is exhausted.

Mr. SENER. I hope the House will recollect that this is recommended by all the officers having charge of the matter as necessary.

The amendment to the amendment was again reported.

Mr. ARCHER. I move to amend the amendment, making it "nine" instead of "twelve."

Mr. WOODWORTH. Will the gentleman yield to me for one moment?

Mr. ARCHER. I will say what I have to say, and the gentleman from Ohio can take the floor afterward.

Now, Mr. Chairman, the remarks of the gentleman from Virginia [Mr. SENER] are calculated to mislead the House. The four watchmen appointed under the order of the Vice-President and of the Speaker of the House have been ordered to be paid up to this time out of the contingent fund of the Senate and House.

Mr. SENER. I beg the gentleman's pardon; I am almost sure that it is not so. Does the gentleman know the fact to be as he states it?

Mr. ARCHER. I am on the Committee on Accounts, and we have passed their bills; but whether the proper officer of the House has paid them or not I cannot say. If he has not, they will be provided for in the deficiency bill, and not in this.

Mr. SENER. I understand differently.

Mr. ARCHER. But the effect of the amendment of the gentleman from Virginia would not be to pay the four men employed under these officers, but it would be to perpetuate and make the number of watchmen about the grounds twelve instead of eight, which would be a permanent increase of four.

Mr. SENER. Do you think eight are sufficient?

Mr. ARCHER. I think eight officers are sufficient to guard the grounds which lie in front of the Capitol. But the Committee on Accounts have audited these bills for payment out of the contingent fund of the House and Senate, or by a provision in the deficiency bill, because the Speaker of the House and the President of the Senate thought at that time, while the first changes were being made, it was necessary there should be this temporary guard. The eight now provided by law, I feel satisfied, and I think my committee feel satisfied, are sufficient to guard the grounds around the Capitol. I mean those eight in addition to those we have in the Botanical Garden and in addition to the Capitol police which the law now authorizes.

Mr. SENER. Will you pass any more accounts?

The CHAIRMAN. The gentleman's time has expired.

Mr. WOODWORTH. I do not wish to say a single word, but I have in my hand a little information on the subject discussed by my colleague, [Mr. PARSONS,] and I desire it may be read at the Clerk's desk. I think he will find that he is altogether mistaken in some of the statements he has made.

The Clerk read as follows:

UNITED STATES CAPITOL,
Washington, D. C., March 18, 1874.

DEAR SIR: Your letter of a late date making inquiries as to the duties, numbers, &c., of the Capitol police, was duly received, and in answer thereto I submit the following:

The United States Capitol police force consists of one captain, three lieutenants, and twenty-seven privates, and is divided into three "reliefs" of nine privates and one lieutenant, each relief doing duty twelve out of every thirty-six hours, alternating day and night the year round, excepting thirty days' leave of absence granted to each man during the recess of Congress. Counting two hours for one, for every hour of night duty, as is the custom in other branches of Government employ, the Capitol police render to the Government twelve hours' duty out of every twenty-four hours.

The duties of the Capitol police are to preserve order and decorum within the Capitol and its grounds; to protect the public property within the same from injury and depredation; to enforce the rules and regulations prescribed by the Presiding Officers of the two Houses of Congress in regard to the opening and closing of the building and admitting persons thereto. And after the adjournment of Congress, each day and during the night, as well as during the recess, the Capitol with its entire contents is in charge of the Capitol police, and they are held strictly responsible for the faithful protection of the same. The building is required to be patrolled outside every night, as often as once every hour, and the windows to the various committee-rooms examined, that they may not be left open exposing their contents to theft. And each policeman while on duty inside of the building is required to visit all parts of his post once in every fifteen minutes; and in this way the Capitol and all of the public property therein contained, is guarded day and night the year round. There is scarcely a night when the building is searched by the police but that the windows or doors to committee-rooms, or other rooms connected with the Senate or House of Representatives, are found insecure and frequently left open. The night of the 24th of February, the windows and doors opening into ten committee and other rooms, containing the most valuable documents and records of both Houses of Congress, were left unfastened. And again, on the night of the 8th of March, 1874, there were found open, in like manner, fourteen windows and doors of important rooms in connection with the Senate and House of Representatives. And from January 1 to March 8, 1874, sixty-seven windows and forty-three doors opening into important rooms of the Senate and House, have, at different times, been found open, exposing their contents to theft. They were secured by the police on night duty. So it will be seen that the Capitol police renders valuable service to the Government in protecting the public property under their charge, as well as preventing the building from being defaced by curious and careless visitors. And while other employés of the Capitol are enjoying the luxury of sleep, the police are required to be watchful and vigilant at all hours of the night. As to the reduction of the force, I will say that the Capitol is visited by thousands of people every day, and to preserve order throughout the building, to protect the business of the Supreme Court and Court of Claims from interruption, to guard the Congressional Library and a vast mass of important records of the courts, as well as of both Houses of Congress from depredation, and watch a large amount of valuable property besides, cannot, in my judgment, be properly done with a less number of men than we now have. It will be remembered that in addition to the duties of the police, above enumerated, each member of the force is required to furnish his own uniform at an expense of about $125 per annum.

Very respectfully, your obedient servant,

S. S. BLACKFORD,
Captain United States Capitol Police.

Hon. L. D. WOODWORTH.

The CHAIRMAN. Debate on the amendment of the amendment to the amendment is exhausted.

Mr. SENER. I ask the gentleman from Maryland to withdraw the amendment to the amendment, and I will renew it.

Mr. GARFIELD. I shall object to any further withdrawals.

Mr. SENER. I have a right to renew the amendment.

The CHAIRMAN. The question is on the amendment to the amendment, and all debate is out of order.

Mr. SENER. May I ask a question?

The CHAIRMAN. Certainly.

Mr. SENER. I am certainly not familiar with the parliamentary usages of the House, but I have observed this, that when certain gentlemen offer to withdraw there is no sort of objection. I do not see why my friend cannot withdraw his amendment so I may renew it and speak to it.

Mr. GARFIELD. I object to any withdrawal.

The CHAIRMAN. The gentleman from Maryland, [Mr. ARCHER,] asks leave to withdraw his amendment. Is there objection?

Mr. GARFIELD. I object.

The amendment to the amendment was disagreed to.

Mr. SENER. I move to amend the amendment by striking out "twelve" and inserting "eleven."

The CHAIRMAN. That amendment is in order, and the gentleman has the floor.

Mr. SENER. Mr. Chairman, I see one thing very plainly here, that a young member has to assert his individuality or he will get but little show in this House. I observe certain members can debate from the beginning to the end of our daily sessions and it is always in order; but if certain others of us rise to speak we are always very disorderly. The House will bear me witness that I have not annoyed them much during this session. This is my second appearance on this floor. And I am here now to respond to what my friend from Maryland [Mr. ARCHER] has said.

The gentleman from Maryland has made the point as against me that this additional force is not necessary; while in the same breath he contends that the Committee on Contingent Expenses has done, what? Why, that they have absolutely passed these accounts—for what purpose? Passed them that they may be put into the next deficiency bill, so that they may be paid month after month until July of this year, the end of the present fiscal year.

If, then, the Committee on Accounts have done this thing; if they have done it upon their responsibility as members of this House, and upon their responsibility as the most trusted committee of this House; if their action is an approbation of the action of the Sergeant-at-Arms of this House, and of the Sergeant-at-Arms of the Senate, and of the Presiding Officers of both Houses, does that go to show that my amendment is unnecessary? Does it not, on the contrary, establish the fact of its necessity? If it is necessary for the current fiscal year, then why strike it down, and attempt to strike me down here when I offer to insure a necessary appropriation for a necessary service? If it is necessary until July, will it not be necessary after that time?

I say, coming back to my original amendment for twelve watchmen, that it is right; that it is necessary for the protection of this Capitol. It is not right to save at the spigot and waste at the bung. It is not right to be striking at the subordinate watchmen, and to be voting other appropriations that will be coming in soon; not only recommending an increase of salaries to heads of Departments, but absolutely recommending additional service in those Departments.

I withdraw my amendment to the amendment, and hope the committee will see the necessity of what I first proposed, namely, of increasing the number of watchmen to twelve.

Mr. ARCHER. I desire to say just one word. When the Committee on Accounts passed these accounts, they passed them subject to the approval of the House when the House should come to act upon them in the consideration of the deficiency bill. The high officers of this House and of the Senate had thought it was necessary at that time that these men should be employed; that in accordance——

Mr. BUFFINTON. My friend from Maryland, who is my colleague on the Committee on Accounts, I think is somewhat in error. If I understood him correctly, the gentleman from Virginia [Mr. SENER]

stated that the Committee on Accounts had passed bills when there was no appropriation.

Mr. SENER. That is what my friend from Maryland told me.

Mr. BUFFINTON. The appropriation bill passed last year provides that this account shall be paid, one half from the contingent fund of the House, and the other half from the contingent fund of the Senate. The Committee on Accounts have passed no bill unless there has been an appropriation for it.

Mr. SENER. I leave the question to be settled between my two friends of the Committee on Accounts. I know nothing about it myself.

Mr. ARCHER. That was the view of the Committee on Accounts. But since the Committee on Accounts have met, and since I have been here in the House this morning, the Clerk informs me that the appropriation last year was for eight watchmen, but that, twelve having been employed, there would be a deficiency, which would have to be made up in the deficiency bill. The action of our committee is not the doing of an illegal act by disposing of any money which we had not the control of.

Mr. SENER. I did not mean to say that.

Mr. ARCHER. I understand that. I understand that the gentleman did not mean to be offensive in that way. It is for the whole House to act on what we have done, and either approve or disapprove.

Mr. SENER. But you recommend favorable action. I ask leave to withdraw my amendment to the amendment.

There was no objection, and the amendment to the amendment was withdrawn.

The CHAIRMAN. The question recurs on the original amendment of the gentleman from Virginia, [Mr. SENER,] to strike out "eight," before the word "watchmen," and insert "twelve."

The question being taken on the amendment, there were—ayes 9, noes not counted.

So the amendment was not agreed to.

Mr. GARFIELD. I desire to offer an amendment to perfect the paragraph before a vote is taken to strike it out.

The CHAIRMAN, (Mr. WOODFORD in the chair.) The Chair is informed that, while he was absent, the gentleman from Indiana [Mr. HOLMAN] moved to strike out the paragraph. Does the gentleman from Indiana insist on taking the sense of the committee on that motion?

Mr. HOLMAN. I do; but I think the amendment of the gentleman from Ohio [Mr. GUNCKEL] is in order when he proposes to perfect the original text before the committee votes on the question of striking it out.

The CHAIRMAN. The amendment offered by the gentleman from Ohio [Mr. GUNCKEL] will be reported.

The Clerk read as follows:

In line 90 strike out "three" and insert "two," so it will read "two lieutenants;" and in line 91 strike out "seven," so it will read "twenty privates."

Mr. GUNCKEL. I desire to raise the question whether this Capitol police force is not unnecessarily large. I propose to cut down the officers one, and to take seven from the number of privates.

In some remarks I made a few moments ago I endeavored to show that the expense of this police force was unnecessarily large, and I compared it with similar expenses in connection with the houses of Parliament in England. My friend from Virginia [Mr. PLATT] called attention to what I said upon that point, and criticised me for saying it. I think it would be proper for me, if I were endeavoring to enconomize, to compare my expenses with those of my neighbors, if I were carrying on a store or manufactory, so that I might ascertain by the comparison with the way in which my neighbors conducted a similar business how I might retrench. Looking at this matter in the same way, I had the curiosity to ascertain what the similar service costs in another country, and from the comparison I made I find this expense unnecessarily large.

Now, my friend says that I do not take into account the fact that labor is cheaper there than it is here. But, sir, as I suggested to him, it is certainly not four times greater here than it is there. And more than that, he fails to take into account the other fact, that the force here is twice as large as the force there. Is there any reason why it should take two men to do duty here which it takes one man to do there? I assert that there is no building in the United States where so large a force is employed in proportion to its size as about this Capitol. We find the newspapers of the country wondering all the time what this Capitol police force has to do, and we have heard to-day, for the first time officially, that there is a police force numbering thirty-one men; that that force has only a holiday of one month in the year; that occasionally some of them are awake when others are asleep, and that on a given occasion they shut fourteen windows. Twenty-seven policemen shut fourteen windows! Now, I maintain that an expenditure of over $50,000 a year for this police force is unnecessarily large, and I think the very communications which have been sent here and read at the desk show that fact better than anything else could. I hope, therefore, that in the line of economy we shall reduce this appropriation. It is said that we are "penny-wise;" that may be so; but it does not therefore follow that we are "pound-foolish." There is another old adage, that if you take care of the pennies the pounds will take care of themselves; and I have generally found that those who are disposed to be economical in little matters are the very gentlemen who stand up for economy in greater matters.

Mr. GARFIELD. I want the committee to understand the reason why not only the present Committee on Appropriations, but the Committees on Appropriations for several years past, have recommended the present organization of the Capitol police. It was thought to be unsafe to leave this Capitol without a force at all times on hand and watching it; and it was also thought that whatever the force we may have ought to be, it should be divisible by three, and that each one of the three divisions ought to have somebody to command and take charge of it.

Mr. GUNCKEL. Why three? There are only two wings to the Capitol.

Mr. GARFIELD. Simply because no one, so far as I am able to find out, is willing or able to stand watch for one half of twenty-four hours each day of the year and guard everything in this Capitol and take care of it. The understanding has been, and that has been the practice for five years, that there are three reliefs. One-third of the force goes on for eight hours, while the others rest; the second third goes on for the next eight hours; and the last third goes on for the next eight hours, and such relief is under the command of an officer. Now, if gentlemen think it safe to leave this building for a part of the night unwatched, let them do so. If you have only two reliefs, one will have to be on duty during one part of the day and the other for the other part of the day, and for the rest of the time the building will be left unguarded and liable to be broken into by burglars.

Mr. KASSON. What are the present stations of the police?

Mr. GARFIELD. The committee called the officers of the Capitol police before them and asked them precisely how they disposed of the nine men that go to make up one-third of the twenty-seven, and they informed us that they kept up nine police stations—one to each wing in each story; and it seemed to us when they gave us the stations which they kept constantly occupied by policemen that it would not be safe to abandon any one of those stations.

Mr. KASSON. How about the dome?

Mr. GARFIELD. The dome itself requires constant watching. During the day a stream of visitors is pouring up and down the flight of stairs that leads to the top of the dome. The doors of the Capitol are open on all sides during the day, and members of Congress have access here late into the night; and if gentlemen think it safe to leave so valuable a property as this, isolated as it is, standing alone by itself, let them say so. It is not, as Westminster Hall is, surrounded by the courts and by other buildings, with all the police of the city to guard it; it is not everywhere shut in, as the houses of Parliament of England are. There is no comparison between the relative exposure of the two buildings. For my own part, I believe we have made this provision as close and careful in its economy as it ought to be made.

[Here the hammer fell.]

Mr. RANDALL. It seems to me that the captain could perform the duties of one of these lieutenants with great propriety.

Mr. SPEER. Is not the amendment divisible, so that we can take a vote first on the reduction of the number of lieutenants? I think the captain should take the place of one of the lieutenants.

The CHAIRMAN. The amendment is divisible.

The question was taken on the first clause of the amendment; and on a division there were—ayes 29.

Without counting the negative votes tellers were ordered, and Mr. GARFIELD and Mr. RANDALL were appointed.

The committee again divided; and the tellers reported that there were—ayes 39, noes 57.

The CHAIRMAN. Is a further count insisted upon?

Mr. RANDALL. It is.

The CHAIRMAN. The rule requires that when the absence of a quorum is disclosed in committee the roll of members shall be called. The Chair has done all in his power to induce members to vote and to facilitate the business of the committee. The Chair will now enforce the rules, and direct the roll to be called, in order to ascertain the absentees, to be reported to the House.

Mr. O'BRIEN. Is it in order to move that the committee rise?

The CHAIRMAN. The committee will rise informally to receive a message from the Senate.

The committee rose, and Mr. HARRIS, of Massachusetts, having taken the chair as Speaker *pro tempore*—

MESSAGE FROM THE SENATE.

A message from the Senate was communicated to the House by Mr. SYMPSON, one of their clerks, informing the House that the Senate had passed without amendment House bills of the following titles:

A bill (H. R. No. 215) to exempt George W. Richmond, of Pittston, in the State of Pennsylvania, from the payment of $881.29 for postage-stamps stolen from his office while postmaster;

A bill (H. R. No. 476) to establish bonded warehouses for the storing and cleaning of rice intended for transportation;

A bill (H. R. No. 1576) for the relief of Reuel B. Fuller, of Wilton, Maine;

A bill (H. R. No. 1756) to amend an act entitled "An act to withdraw from settlement and sale a certain section of land in Wyoming Territory," approved May 23, 1872; and

A bill (H. R. No. 2225) to amend an act entitled "An act to prevent the extermination of fur-bearing animals in Alaska," approved July 21, 1870.

The message further announced that the Senate had passed, and requested the concurrence of the House in, bills of the following titles:

A bill (S. No. 221) to fund the sum due the Prairie band of Pottawatomie Indians under the provisions of the treaty of February 27, 1867, and to transfer and fund any sum which may be found due from the Citizens' band of Pottawatomies to the Prairie band, according to an agreement entered into between said bands July 18, 1873, and to use both principal and interest for the civilization of said Indians;

A bill (S. No. 207) for the relief of C. E. Rogers;

A bill (S. No. 318) to provide for the transmission of merchandise in certain cases;

A bill (S. No. 465) for the relief of Joseph Council, of Mobile, Alabama;

A bill (S. No. 470) for the relief of James R. Young;

A bill (S. No. 580) to authorize the employment of certain aliens as engineers and pilots; and

A bill (S. No. 583) making an appropriation to defray the expenses of the joint select committee to inquire into the affairs of the District of Columbia.

LEGISLATIVE, ETC., APPROPRIATION BILL.

The Committee of the Whole resumed its session.

The CHAIRMAN. The Clerk will proceed to call the roll of members.

Mr. G. F. HOAR. I rise to a point of order. It is that the committee having risen, and the House having received a message from the Senate, there cannot now be a call of the roll until a new vote shall disclose the want of a quorum.

The CHAIRMAN. The rising of the committee was informal, and according to the usual custom. The Chair, with great respect, does not think the point well taken.

Mr. G. F. HOAR. Can the business of receiving a message from the Senate be transacted except in the House with a quorum present? And is it not, therefore, a presumption that a quorum of the House in receiving that message has transacted business?

Mr. RANDALL. The question of a lack of a quorum was not raised in the House.

The CHAIRMAN. The count upon the last vote disclosed no quorum voting. The gentleman from Pennsylvania, [Mr. RANDALL,] insisting upon a further count, it is the duty of the Chair, under the rule, to direct the roll of members to be called.

Mr. O'BRIEN. As this is an important bill, I insist upon my motion that the committee rise.

The CHAIRMAN. That motion is not in order. There is evidently a quorum of members present in the Chamber, although the count on the last vote discloses that no quorum was voting.

Mr. SPEER. On Tuesday last when the committee divided, and it was shown that there was no quorum voting, if I am not in error, the Chair held that the only motion in order was that the committee rise.

The CHAIRMAN. The Chair, having served one day's session longer now than he had then, understands the rules better and will enforce them. [Laughter.] The Clerk will proceed to call the roll.

The roll was called, and the following members failed to answer to their names:

Messrs. Adams, Arthur, Atkins, Barber, Barnum, Barrere, Bass, Brown, Burrows, Benjamin F. Butler, Roderick R. Butler, Cessna, Freeman Clarke, Clinton L. Cobb, Cox, Creamer, Crocker, Crounse, Curtis, Dawes, DeWitt, Dobbins, Duell, Elliott, Farwell, Fort, Freeman, Gooch, Eugene Hale, Hancock, Hays, Gerry W. Hazelton, Herndon, Hersey, Hooper, Hoskins, Hunton, Hurlbut, Hynes, Jewett, Kellogg, Killinger, Knapp, Lamison, Lamport, Lansing, Lewis, Lofland, Lowe, Luttrell, Maynard, MacDougall, Morey, Morrison, Niles, Nunn, O'Brien, Orth, Page, Phelps, Pierce, Pratt, Ray, Richmond, James W. Robinson, Ross, Milton Sayler, Henry J. Scudder, Sheldon, Sloss, Small, George L. Smith, William A. Smith, Standeford, Starkweather, Stephens, Stowell, Sypher, Taylor, Tyner, Waldron, Jasper D. Ward, Wilber, John M. S. Williams, Wilshire, Wood, John D. Young, and Pierce M. B. Young.

The Speaker having resumed the chair,

Mr. WOODFORD said: The House being in Committee of the Whole upon the bill (H. R. No. 2064) making appropriations for the legislative, executive, and judicial expenses of the Government for the year ending June 30, 1875, and for other purposes, found itself on a division without a quorum. The Chair directed the roll to be called, and now, in accordance with the rule, reports the absentees, that their names may be entered on the Journal.

The SPEAKER. The roll shows the presence of two hundred members, and under the rule the House at once resolves itself again into the Committee of the Whole. But the Chair cannot refrain from remarking upon the extraordinary circumstance that, with two-thirds of the entire House present, the Committee of the Whole should be compelled to rise for lack of a quorum. The gentleman from New York [Mr. WOODFORD] will resume the chair as Chairman of the Committee of the Whole.

The Committee of the Whole on the state of the Union resumed its session.

The CHAIRMAN. A quorum having appeared upon the roll-call, the House is again in Committee of the Whole. The Clerk will read the pending amendment.

The Clerk read as follows:

In line 90 strike out "three" and insert "two;" so as to provide for two lieutenants of the Capitol police.

The question being taken on agreeing to the amendment, there were—ayes 23, noes 115.

So the amendment was not agreed to.

The CHAIRMAN. The next question is upon the second clause of the amendment, which is to strike out "seven" in line 91 so as to provide for twenty privates instead of twenty-seven.

The amendment was not agreed to.

The CHAIRMAN. The gentleman from Indiana moves to amend by striking out the pending paragraph and inserting the following:

For Capitol police, $21,480.

Mr. HOLMAN. I make a *pro forma* modification of my amendment, with the view of having read an extract from the appropriation act of 1866. I desire to show what was the appropriation for this purpose in that year, when the expenses of living in this city were far greater than they are now.

The Clerk read as follows:

For Capitol police, $21,480: *Provided*, That $330 of the appropriation for the Capitol police may be used during the present fiscal year.

Mr. HOLMAN. Now, Mr. Chairman, it is proposed that we shall more than double the appropriation made for Capitol police in 1866, a year which I have selected because it was one inevitably expensive. The proposition is to appropriate for the Capitol police over $50,000, an actual increase of nearly $30,000 in this item right here in our own household, as it were. Only a few years ago fourteen men, at a salary of $940 each, performed this entire duty. Now, one captain, three lieutenants, twenty-seven privates, and eight watchmen constitute this force. Yet gentlemen talk about economy, and profess to be in favor of retrenchment in the expenses of the Government!

If, sir, we cannot get back to that grade of expenditure which prevailed during the extravagant year of 1866, what do gentlemen propose to accomplish? We have time and again heard from the chairman of the Committee on Appropriations his statement about making heavy reductions, yet almost every item, as we reach it, shows something like a doubling of the appropriations over those adopted in 1866, which, as the first year after the war, I have taken as a standard. Yet you talk about economy and retrenchment.

It would seem that the party endowed with the control of the affairs of the nation is absolutely incapable of retracing its steps, and of effecting a reform inside of the party. Why, sir, every exhibition day by day on this floor shows the utter impossibility of doing that. Gentlemen here follow the lead of committees. A dozen gentlemen do the legislation for this House. A dozen members control our action upon all subjects of appropriation. When has the Committee on Appropriations, bringing in these enormous items of increased expenditure, been overruled by the action of the House?

I admit that the opposition here is ineffective. I admit that this side of the House shows none of that spirit of resistance which usually belongs to an opposition party. Thus you, gentlemen of the dominant party, are without any effective pressure from this side. The responsibility is solely upon you to make that strong, vigorous, determined opposition which would compel reduction. In the absence of any pressure to reduce expenditures, we are drifting on day after day and year after year until we are in danger of realizing the evils which have been predicted time and again when the corruptions arising from exorbitant and profligate expenditures shall sap the very foundations of the Republic.

Gentlemen talk about these being "small items." Sir, when do the big items come? I have never yet seen a gentleman who, after resisting reduction in small items, did not, when we came to larger items, find some excuse for appropriating the full amount asked. By the documents read at the Clerk's desk from the heads of your Departments and your Bureaus, and from officers of this Capitol, it appears that the disposition is to still press onward in adding to the monstrous load of salaries which are now weighing down the industries of the country.

Mr. KELLEY. Mr. Chairman, we are about to legislate for the pay of a number of disabled soldiers, who have been called into the civil service of the Government, and who give a legal day's work in each day, alternating day and night, for the humble pay they get.

Mr. GUNCKEL. How many disabled soldiers are there on the Capitol police force?

Mr. KELLEY. So far as I know, every man is disabled.

Mr. GUNCKEL. The gentleman is much mistaken.

Mr. KELLEY. They are broken in health by their exposure to the severity of each alternate night. I happen to know a number of them, and know whereof I affirm.

The course of the gentlemen on the other side in the economies they are pursuing is well described by a writer in the March number of the Fortnightly Review, when criticising the liberal party which was about being turned out of power in England. I wish to read what he writes, and you will see how applicable it is to the course the gentleman from Indiana [Mr. HOLMAN] is pursuing:

The effect of their great and ceaseless efforts at economy was destroyed and turned to bitterness by the growing sense that this economy was in small things; that it allied itself to sharp practice, and was cynically indifferent to individual hardship. In a word, the impression deepened that there was about them a temper of meanness, and this impression stung the public mind. It is one of those things

about which it is difficult to argue, and of which the object hardly ever estimates the force. When a man is generally believed to be mean, it is in vain for him to asseverate that he is prudent and just. It is equally in vain for him to treat the charge with contempt. It will pull down a man and it will pull down a ministry. A great nation does not care to learn that it has economized a million by maneuvers which touch its sense of self-respect.

And what is true of great nations beyond the water is true of the American people. They do not want a system of parsimony that shall degrade the servants of the Government. They do not want, when they call into such positions as we have called worn-out soldiers of the Republic, they shall be put on starving pay.

Gentlemen compare the expense of the police of the Parliament houses. Thank God, sir, the United States Government and none of the local governments of the country pay their servants as the British government pays its subordinates. We do not lavish upon the heads of the Government vast amounts, nor do we degrade to servile life whoever fills a humble place under our Government.

Again, sir, when a man enters the police of the Parliament house of England he enters a life-office, and when injured in its service he receives a pension; and during the years of old age and illness the government he serves cares for him. It is not so with these poor men. They are appointed for a short term of office. A change in the Congress of the United States may move them all. They are here at a distance from their homes, with their families with them, and some of them maintaining their families in their distant homes; and it will shock the sense of the American people to know the leaders of a great party are trying to make capital out of the reduction of the pay of this class of the servants of our nation.

Mr. ALBRIGHT. I desire to say a word or two on this subject.

The CHAIRMAN. Debate is exhausted on the amendment.

Mr. ALBRIGHT. I will renew the amendment.

The CHAIRMAN. It has not been withdrawn.

Mr. ALBRIGHT. I wish to say the force is composed of disabled soldiers.

The CHAIRMAN. The gentleman must move an amendment.

Mr. ALBRIGHT. I move to strike out the last word. Now, Mr. Chairman, there are three one-armed soldiers on this police force; five other pensioned soldiers, and nine soldiers besides who are hardly able for the ordinary duties of life. Then why attempt to strike at this class of men, who have given their limbs for the life of the country, who have given up almost everything they could give for their country? You are not paying them a great deal of money, while the duties they perform about this Capitol are responsible and important.

Now, why should there be any other rule applied to this police force than is applied to other employés of the Government? The men who work in the navy-yards and arsenals and in the different Departments of the Government are paid for eight hours' labor. That makes a day. Men in the Army, when they are on picket or ordinary duties, are off four hours and on two, giving one-third of their time to the country.

It is certainly true that this Capitol needs the care of men who are constantly on the watch to keep it in good condition, and not, as the gentleman from Ohio said, to open and shut twenty-seven windows or fourteen doors. They are performing a much more important duty than this; and it seems to me, and it has seemed to me all the time, that this striking at the inferior employés of Government, proposing to cut down their salaries and to lessen the force, is not generous and does not look very well, coming—I will not say from what party—but does not look well coming from men who represent the country in the halls of Congress.

I should regret to find the republican party commencing to strike down the one-armed, crippled, and pensioned soldiers employed here to take care of the Capitol. I should be sorry even to find the gentlemen on the other side belonging to the democratic party engaged in a movement of that kind. I do hope that all of us, whether of one party or the other, appreciate the services of the men who have fought for the country. I withdraw my amendment to the amendment.

Mr. HOLMAN. I offer the following amendment to the pending proposition:

Add the following proviso:
Provided, however, That any disabled soldier on said police force, if any, shall be retained on the same, notwithstanding the reduction herein provided for, and his salary shall be paid out of the contingent funds of the House and the Senate.

The CHAIRMAN. The Clerk will report the entire amendment as it will read if this amendment to the amendment be adopted, as both the original amendment and the amendment to the amendment are offered by the gentleman from Indiana.

The Clerk read as follows:

Strike out the paragraph and insert as follows:
For Capitol police, $21,480: *Provided, however,* That any disabled soldier on said police force, if any, shall be retained on the same, notwithstanding the reduction herein provided for, and his salary shall be paid out of the contingent funds of the House and the Senate.

Mr. GARFIELD. I make the point of order on that amendment. To pay this out of the contingent fund is forbidden by law.

Mr. HOLMAN. I submit that the gentleman's point of order comes too late, after the amendment has been read a second time in the committee.

Mr. GARFIELD. The amendment which has just been offered contains a clause about the contingent fund which is contrary to law.

Mr. HOLMAN. I consent to withdraw that portion of the amendment.

Mr. GARFIELD. I make the further point of order that making this a special law in regard to the officers of the police force is a change of the law.

The CHAIRMAN. The Chair has already overruled that point of order when made to a similar amendment, because the paragraph itself seems to involve a change of the existing law.

Mr. GARFIELD. But the gentleman moves to strike out the whole paragraph and put in a new one.

Mr. HOLMAN. Still it is germane to the pending proposition.

Mr. GARFIELD. Very well; let it go.

The CHAIRMAN. The question is on the amendment of the gentleman from Indiana, [Mr. HOLMAN.]

Mr. HOLMAN. As the amendment now stands, it makes the same appropriation as was made in 1866.

Mr. BIERY. I move to amend the amendment by striking out the last word.

I offer this amendment for the purpose of making a few remarks. It seems that the cry of economy is the great hobby that is ridden to-day in the House for purposes which I can understand. We find it brought in wherever a subordinate of the Government can be reached. Wherever there is a poor clerk serving for a small pittance, wherever a soldier getting employment here about the Capitol or elsewhere receives two dollars a day, he must be cut down. Now, I cannot comprehend that this attempt at what is called economy is made with any sincerity by the other side of the House.

This side of the House was lectured the other day by one of the prominent gentlemen on the other side from the city of New York, [Mr. COX.] He told us that we were like a set of Sunday-school scholars, who ought to learn to say—

Little drops of water,
Little grains of sand, &c.

We were reminded that New Hampshire in the East had spoken, and that after this the grangers of the West would come in with still greater meaning. It seems to me that the gentleman attempted to frighten the men on this side of the House from doing their proper duty, under the solemn oath which they took when they entered this House in December.

Sir, I cannot comprehend what the gentleman meant when he spoke of economy. I find that the same gentleman introduced a bill only few days ago providing that the Government should donate two hundred condemned cannon to be turned over to one McDonald, of the city of New York, for the purpose of a statue to Admiral Farragut. Why, sir, two hundred condemned cannon, at fifty cents per pound, would be $1,000,000. Are they all exploded cannon? Are they ordnance which cannot be sold? It may be that a cannon has been superseded by a later invention, and though in good order it is still a condemned cannon. We hear the cry of economy coming up on the other side of the House, but wherever there is a little loop-hole to sneak out by we find the cloven hoof sticking out.

Mr. COX. Mr. Chairman——

Mr. BIERY. I have only a few minutes and decline to be interrupted.

The gentleman told us that the grangers were coming, and he tells his friends on both sides of the House that a new party has sprung up, a party of economy.

Sir, we have had a little experience of that. In 1872 there was an attempt made to get up a party of that kind; but gentlemen opposite will not soon forget that party amalgamation. Does the gentleman propose to go back to his native Buckeye State to unite with the grangers? I see that they have just started an additional grange up East. Does the gentleman propose to join that? If so, I am afraid they will have a split in their grange.

The gentleman speaks of this side of the House, as Sunday-school scholars, and he says that we are mere atoms compared to the mountains and the stars. When he speaks of mountains, does he refer to that snow-clad mountain on the island of the Manhattoes that was erected for a court-house at a cost of $5,000,000, where, in purchasing carpets at the rate of five dollars a yard, they purchased enough to span the globe; where, in plastering at the rate of thirty cents a yard, there was plastering enough done to cover all the acres on the island of the Manhattoes? Is that the mountain he refers to? He says that we are only atoms when compared with the stars. Does he mean the stars of which he sang in his earliest years—

Twinkle, twinkle, little star, &c.?

Or does he refer to that beautiful sparkling gem of a star on the grass, the dew-drop? I would like the gentleman to explain. True, we are only atoms; but, as he says—

Little drops of water,
Little grains of sand,
Make the mighty ocean
And the pleasant land.

And this million of atoms altogether make the stars and the mountains both.

[Here the hammer fell.]

Mr. COX. I do not propose to reply to the remarks of the accidental member from Pennsylvania. [Laughter.]

Mr. BIERY. I withdraw my amendment to the amendment.

The question recurred on Mr. HOLMAN'S amendment.

Mr. HOLMAN. I withdraw the latter clause of that amendment, as I see it is not necessary.

The Clerk read Mr. HOLMAN's amendment, as follows:

Strike out the paragraph, and insert in lieu thereof:

For Capitol police, $21,480: *Provided, however*, That any disabled soldiers on such police force, if any, shall be retained on the same.

The question was put on the amendment; and on a division the Chairman stated that there were—ayes 28, noes 118.

Mr. HOLMAN. I rise to a question of order. If the Chair says that he counted 118 in the negative, I have nothing to say.

Mr. GARFIELD. The Chairman did say so.

The CHAIRMAN. The Chair does not presume that it will be necessary to restate a fact twice to the gentleman from Indiana.

Mr. HOLMAN. I ask for tellers on my amendment.

Tellers were ordered; and Mr. GARFIELD and Mr. HOLMAN were appointed.

The committee divided; and the tellers reported—ayes 29, noes 114.

So the amendment was not agreed to.

The Clerk read the next paragraph of the bill as follows.

House of Representatives:

For compensation of members of the House of Representatives and Delegates from Territories, $1,535,000.

Mr. RANDALL. I want to call the attention of the chairman of the Committee on Appropriations to the fact that there are three hundred and two Members and Delegates, at $5,000 a year, and the amount appropriated by this paragraph is $20,000 in excess of what will be required.

Mr. GARFIELD. There are always cases of contested elections, which are provided for in the estimate.

Mr. RANDALL. That comes out of the contingent fund of the House.

Mr. GARFIELD. Will the gentleman wait until I get through? A member sometimes takes his seat and it is contested, and another man is admitted, and the pay of the two overlaps. We provided last year that hereafter no expenses of contested elections should be paid out of the contingent fund. We, therefore, put in a surplus here for that purpose this year.

Mr. RANDALL. That explanation is satisfactory.

The Clerk read the next paragraph of the bill, as follows:

For mileage, $130,000.

Mr. SMITH, of Pennsylvania. I move to amend that paragraph by striking out "$30,000," and inserting "$20,000;" and by adding thereto the following proviso:

Provided, That Senators, Representatives, and Delegates in Congress shall, from the first Monday in December, 1874, be paid only the actual individual traveling expenses incurred in going to and returning from their residences to the seat of Government, by the most direct route of usual travel, once for each session of the House to which such Senators, Representatives, or Delegates belong, to be certified under their hands to the disbursing officer of each House and filed as a voucher.

Mr. PARKER, of Missouri. I make the point of order upon that amendment that it changes existing law.

Mr. HOLMAN. It is only a limitation on the appropriation.

Mr. SMITH, of Pennsylvania. I ask my friend from Missouri to withdraw the point of order, that we may test the sense of the committee on this question.

The CHAIRMAN. Does the gentleman from Missouri insist on the point of order?

Mr. PARKER, of Missouri. I do.

The CHAIRMAN. The Chair believes that the point is well taken.

Mr. ALBRIGHT. I move to add at the end of the paragraph the following proviso:

Provided, That the mileage paid Representatives and Delegates from Territories shall not exceed the actual traveling expenses.

Mr. PARKER, of Missouri. I make the point of order on that amendment also.

Mr. HOLMAN. It is but a limitation on the amount appropriated.

The CHAIRMAN. The Chair having twice ruled upon this point of order as against such an amendment, is compelled, consistently, to renew the ruling. If any gentleman desires to appeal from the decision of the Chair to the committee, the Chair will be happy to entertain the appeal.

Mr. SPEER. I appeal from the ruling of the Chair, on the ground that the amendment is simply a limitation on the appropriation.

The CHAIRMAN. Debate is not in order.

The question was, "Shall the decision of the Chair stand as the judgment of the committee?" and being taken, upon a division there were—ayes 128, noes 18.

So the decision of the Chair was sustained.

Mr. SMITH, of Pennsylvania. I move to amend the pending paragraph by striking out $130,000 and inserting $30,000. It will be found by reference to the second page of this bill that this Committee of the Whole have already agreed to appropriate $30,000 for the Senate. I move this amount for the purpose of calling the attention of the Committee of the Whole to a matter which perhaps they may not understand as well as they ought, otherwise the abolition of the mileage abuse would not be so strenuously opposed. In order to ascertain precisely what has been expended under the mileage system I took the pains to address a letter to the Secretary of the Treasury, the reply to which I ask the Clerk to read.

The Clerk read as follows:

TREASURY DEPARTMENT,
Washington, D. C., January 15, 1874.

SIR: In compliance with the request made in your telegram of the 13th instant, I have the honor to inclose herewith a statement of the amount paid to members of the House of Representatives, Forty-second Congress, for mileage.

I am, very respectfully,

WM. A. RICHARDSON,
Secretary.

Hon. A. HERR SMITH,
House of Representatives United States.

The statement referred to in the letter of the Secretary of the Treasury is as follows:

Statement of the amount paid for mileage to members of the House of Representatives, Forty-second Congress.

To whom paid.	Number of miles.	Amount.
E. L. Acker, Pennsylvania	157	$188 40
George M. Adams, Kentucky	893	714 40
Jacob A. Ambler, Ohio	444	355 20
Oakes Ames, Massachusetts	490	392 00
Stevenson Archer, Maryland	70	56 00
William E. Arthur, Kentucky	612	734 40
J. T. Averill, Minnesota	1,333	1,599 60
Moses K. Armstrong, Dakota	1,450	1,740 00
Alexander Boarman, Louisiana	1,623	649 20
E. W. Beck	761	304 40
Thomas Boles, Arkansas	1,218	974 40
N. P. Banks, Massachusetts	510	408 00
J. Allen Barber, Wisconsin	1,037	1,244 40
H. W. Barry, Mississippi	1,210	968 00
J. Beatty, Ohio	587	469 60
J. B. Beck, Kentucky	710	568 00
J. S. Bigby, Georgia	775	930 00
B. T. Biggs, Delaware	130	104 00
J. A. Bingham, Ohio	450	360 00
J. T. Bird, New Jersey	200	160 00
Austin Blair, Michigan	711	568 80
J. G. Blair, Missouri	1,125	1,350 00
E. M. Braxton, Virginia	60	72 00
J. Brooks, New York	235	188 00
J. M. Bright, Pennsylvania	730	876 00
G. M. Brooks, Massachusetts	468	184 00
C. W. Buckley, Alabama	859	687 20
James Buffinton, Massachusetts	412	329 60
H. C. Burchard, Illinois	963	770 40
S. S. Burdett, Missouri	1,300	1,040 00
B. F. Butler, Massachusetts	495	396 00
R. R. Butler, Tennessee	394	315 20
J. G. Blaine, Maine	645	516 00
S. N. Bell, New Hampshire	518	621 60
W. H. Barnum, Connecticut	370	296 00
J. L. Beveridge, Illinois	853	682 40
F. C. Bunnell, Pennsylvania	331	132 40
T. W. Clark, Texas	1,840	736 00
R. P. Caldwell, Tennessee	920	1,104 00
L. D. Campbell, Ohio	636	763 20
J. M. Carroll, New York	434	520 80
F. Clark, New York	393	471 60
C. L. Cobb, North Carolina	300	240 00
J. Coburn, Indiana	704	563 20
A. Comingo, Missouri	1,350	1,620 00
O. D. Conger, Michigan	766	612 80
B. C. Cook, Illinois	1,300	
Alvah Crocker, Massachusetts	451	360 80
A. R. Cotton, Iowa	982	1,178 40
S. S. Cox, New York	235	188 00
J. M. Crebs, Illinois	1,087	869 60
J. V. Creely, Pennsylvania	140	112 00
J. Critcher, Virginia	100	120 00
E. Crossland, Kentucky	1,152	1,382 40
J. B. Chaffee, Colorado	1,987	2,384 40
N. P. Chipman, District of Columbia		
W. H. Claggett, Montana	2,945	2,356 00
J. C. Connor, Texas	2,240	1,792 00
J. M. Coghlan, California	3,170	2,536 00
C. B. Darrall, Louisiana	1,647	1,317 60
J. J. Davis, West Virginia	332	398 40
H. L. Dawes, Massachusetts	432	345 60
R. C. De Large, South Carolina	582	698 40
O. J. Dickey, Pennsylvania	163	130 40
W. C. Donnan, Iowa	1,100	1,320 00
P. M. Dox, Alabama	713	570 40
D. M. Du Bose, Georgia	736	883 20
R. H. Duell, New York	554	664 80
R. T. W. Duke, Virginia	117	93 60
M. H. Dunnell, Minnesota	1,265	1,518 00
O. J. Dodds, Ohio	610	244 00
B. F. Eames, Rhode Island	432	518 40
C. A. Eldredge, Wisconsin	1,019	815 20
R. B. Elliott, South Carolina	574	688 80
S. Ely, jr., New York	235	282 00
J. Edwards, Arkansas	1,515	1,314 00
C. C. Esty, Massachusetts	450	180 00
J. F. Farnsworth, Illinois	882	705 60
C. B. Farwell, Illinois	842	1,010 40
G. A. Finkelnburg, Missouri	1,032	825 60
S. C. Forker, New Jersey	167	200 40
C. Foster, Ohio	630	756 00
H. D. Foster, Pennsylvania	348	417 60
W. P. Frye, Maine	616	739 20
W. D. Foster, Michigan	836	668 80
D. C. Giddings, Texas	1,966	1,572 80
J. M. Gallegos, New Mexico	2,424	1,939 20
J. A. Garfield, Ohio	565	452 00
A. E. Garrett, Tennessee	840	1,008 00
J. Lawrence Getz, Pennsylvania	200	160 00

Statement of the amount paid for mileage, &c.—Continued.

To whom paid.	Number of miles.	Amount.
E. I. Golladay, Tennessee	807	$968 40
M. Goodrich, New York	550	660 00
S. Griffith, Pennsylvania	472	566 40
S. Garfielde, Washington Territory	4,397	3,517 60
W. S. Herndon, Texas	2,375	1,900 00
S. O. Houghton, California	3,296	2,636 80
J. Hancock, Texas	2,080	1,664 00
R. J. Haldeman, Pennsylvania	120	96 00
E. Hale, Maine	742	593 60
G. A. Halsey, New Jersey	220	264 00
S. Hambleton, Maryland	140	112 00
W. A. Handley, Alabama	834	1,000 80
S. M. Hanks, Arkansas	1,197	1,436 40
A. C. Harmer, Pennsylvania	148	117 60
J. C. Harper, North Carolina	457	548 40
George E. Harris, Mississippi	956	764 80
J. T. Harris, Virginia	156	187 20
H. E. Havens, Missouri	1,340	1,608 00
J. B. Hawley, Illinois	1,022	817 60
J. R. Hawley, Connecticut	347	138 80
J. B. Hay, Illinois	964	771 20
C. Hays, Alabama	855	684 00
G. W. Hazelton, Wisconsin	993	1,191 60
J. W. Hazelton, New Jersey	160	192 00
F. Hereford, West Virginia	271	325 20
J. Hill, New Jersey	260	208 00
G. F. Hoar, Massachusetts	425	340 00
W. S. Holman, Indiana	675	540 00
S. Hooper, Massachusetts	475	380 00
W. H. Hooper, Utah Territory	2,400	1,920 00
E. A. Hibbard, New Hampshire	546	655 20
W. T. Jones, Wyoming Territory	1,849	2,394 00
W. D. Kelley, Pennsylvania	144	115 20
C. W. Kendall, Nevada	2,761	3,313 20
M. C. Kerr, Indiana	869	695 20
J. H. Ketcham, New York	315	252 00
J. W. Kiltinger, Pennsylvania	150	180 00
A. King, Missouri	1,020	1,224 00
Thomas Kinsella, New York	235	282 00
S. W. Kellogg, Connecticut	341	272 80
C. N. Lamison, Ohio	635	762 00
W. H. Lamport, New York	361	433 20
W. E. Lansing, New York	515	618 00
J. M. Leach, North Carolina	358	429 60
J. H. Lewis, Kentucky	887	709 60
D. P. Lowe, Kansas	1,320	1,584 00
J. Lynch, Maine	581	464 80
J. McCleery, Louisiana	1,623	649 20
M. D. Manson, Indiana	825	990 00
S. S. Marshall, Illinois	995	796 00
H. Maynard, Tennessee	512	409 60
W. McClelland, Pennsylvania	426	511 20
J. R. McCormick, Missouri	1,117	893 60
G. W. McCrary, Iowa	1,091	872 80
J. C. McGrew, West Virginia	292	233 60
H. D. McHenry, Kentucky	1,025	1,230 00
A. T. McIntyre, Georgia	891	1,069 20
E. McJunkin, Pennsylvania	430	516 00
G. C. McKee, Mississippi	1,351	1,080 80
J. F. McKinney, Ohio	640	768 00
T. W. McNeely, Illinois	1,150	920 00
U. Mercur, Pennsylvania	367	146 80
C. L. Merriam, New York	523	627 60
W. M. Merrick, Maryland	35	42 00
B. F. Meyers, Pennsylvania	272	326 40
A. Mitchell, Wisconsin	927	1,112 40
J. Monroe, Ohio	557	668 40
J. H. Moore, Illinois	938	750 40
F. Morey, Louisiana	1,503	1,202 40
G. W. Morgan, Ohio	527	421 60
J. L. Morphis, Mississippi	930	744 00
L. Meyers, Pennsylvania	140	112 00
R. C. McCormick, Arizona	4,350	3,480 00
S. A. Merritt, Idaho	3,065	3,678 00
J. S. Negley, Pennsylvania	374	299 20
W. E. Niblack, Indiana	868	694 40
S. L. Niblack	896	1,075 20
J. Orr, Iowa	1,192	1,430 40
J. Packard, Indiana	901	720 80
J. B. Packer, Pennsylvania	177	141 60
F. W. Palmer, Iowa	1,195	956 00
J. C. Parker, Missouri	1,409	1,690 80
E. D. Peck, Ohio	696	556 80
J. M. Pendleton, Rhode Island	382	458 40
L. W. Perce, Mississippi	1,515	1,212 00
A. F. Perry, Ohio	610	488 00
E. Perry, New York	385	462 00
J. A. Peters, Maine	714	571 20
J. H. Platt, jr., Virginia	146	116 80
L. P. Poland, Vermont	558	446 40
C. H. Porter, Virginia	130	112 80
C. N. Potter, New York	255	204 00
W. P. Price, Georgia	850	680 00
E. H. Prindle, New York	522	626 40
H. W. Parker, New Hampshire	473	567 60
J. H. Rainey, South Carolina	631	504 80
S. J. Randall, Pennsylvania	140	112 00
W. B. Read, Kentucky	920	1,104 00
E Y. Rice, Illinois	925	1,110 00
J. M. Rice, Kentucky	798	638 40
J. Ritchie, Maryland	84	100 80
E. H. Roberts, New York	478	573 60
W. R. Roberts, New York	235	282 00
J. C. Robinson, Illinois	979	1,174 80
J. Rogers, New York	642	770 40
R. B. Roosevelt, New York	235	282 00

Statement of the amount paid for mileage, &c.—Continued.

To whom paid.	Number of miles.	Amount.
J. M. Rusk, Wisconsin	1,157	$1,388 40
S. H. Rogers, North Carolina	313	250 40
A. A. Sargent, California	3,068	2,454 40
P. Sawyer, Wisconsin	1,037	829 60
G. W. Scofield, Pennsylvania	400	320 00
J. E. Seeley, New York	341	409 20
W. S. Sessions, New York	447	536 40
J. P. C. Shanks, Indiana	718	574 40
L. A. Sheldon, Louisiana	1,567	1,253 60
S. Shellabarger, Ohio	577	692 40
H. Sherwood, Pennsylvania	355	426 00
F. E. Shober, North Carolina	375	300 00
L. D. Shoemaker, Pennsylvania	300	360 00
J. H. Slater, Oregon	3,250	3,900 00
H. W. Slocum, New York	235	188 00
J. H. Sloss, Alabama	792	950 40
H. B. Smith, New York	296	355 20
J. A. Smith, Ohio	590	472 00
W. C. Smith, Vermont	618	494 40
O. P. Snyder, Arkansas	1,589	1,906 80
R. M. Speer, Pennsylvania	223	267 60
T. J. Speer, Georgia	800	640 00
W. P. Sprague, Ohio	520	624 00
B. N. Stevens, Illinois	965	1,158 00
J. E. Stevenson, Ohio	611	488 80
J. B. Storm, Pennsylvania	330	396 00
W. L. Stoughton, Minnesota	753	602 40
W. H. H. Stowell, Virginia	240	288 00
C. St. John, New York	318	381 60
J. G. Sutherland, Michigan	799	958 80
T. Swann, Maryland	40	32 00
J. Hale Sypher, Louisiana	1,567	1,253 60
H. H. Starkweather, Connecticut	376	300 80
J. L. Strong, Connecticut	347	138 80
H. Snapp, Illinois	882	705 60
J. Taffe, Nebraska	1,338	1,070 40
W. Terry, Virginia	313	375 60
C. R. Thomas, North Carolina	352	422 40
D. Townsend, New York	240	288 00
W. Townsend, Pennsylvania	166	132 80
B. S. Turner, Alabama	864	1,036 80
J. H. Tuthill, New York	320	384 00
G. Twichell, Massachusetts	475	380 00
J. N. Tyner, Indiana	829	663 20
W. H. Upson, Ohio	510	408 00
P. Van Trump, Ohio	520	416 00
W. W. Vaughan, Tennessee	1,015	1,218 00
D. W. Voorhees, Indiana	800	640 00
A. M. Waddell, North Carolina	375	450 00
S. Wakeman, New York	659	790 80
M. M. Walden, Iowa	1,187	1,424 40
H. Waldron, Michigan	700	840 00
A. S. Wallace, South Carolina	480	384 00
J. T. Walls, Florida	1,017	1,220 40
J. M. Warren, New York	390	468 00
W. B. Washburn, Massachusetts	409	163 60
E. Wells, Missouri	1,032	825 60
W. A. Wheeler, New York	647	517 60
R. H. Whiteley, Georgia	921	736 80
W. C. Whitthorne, Tennessee	825	990 00
C. W. Willard, Vermont	559	447 20
William Williams, Indiana	733	586 40
William Williams, New York	679	814 80
J. M. Wilson, Indiana	714	856 80
J. T. Wilson, Ohio	629	503 20
B. Winchester, Kentucky	814	651 20
F. Wood, New York,	235	188 00
P. M. B. Young, Georgia	825	660 00
Total	209,763	196,557 60

Mr. SMITH, of Pennsylvania. That was the mileage paid for the Forty-second Congress. In order to show the actual amount which has been paid to members of the Forty-third Congress, for the first session, I have here a statement which I have received from the Committee on Accounts of this House.

The statement is as follows:

George M. Adams, Kentucky	.....
William J. Albert, Maryland	$93 00
Charles Albright, Pennsylvania	.....
Stevenson Archer, Maryland	.....
William E. Arthur, Kentucky	60 20
Thomas S. Ashe, North Carolina	56 50
John D. C. Atkins, Tennessee	76 00
John T. Averill, Minnesota	112 00
M. K. Armstrong	123 30
Henry B. Banning, Ohio	.....
J. Allen Barber, Wisconsin	68 50
William H. Barnum, Connecticut	51 00
Granville Barrere, Illinois	86 00
Henry W. Barry, Mississippi	126 00
Lyman K. Bass, New York	46 00
James B. Beck, Kentucky	52 00
Josiah W. Begole, Michigan	54 00
Hiram P. Bell, Georgia	80 80
John Berry, Ohio	44 40
James S. Biery, Pennsylvania	35 94
Richard P. Bland, Missouri	82 00
James H. Blount, Georgia	63 75
Reese T. Bowen, Virginia	46 30
Nathan B. Bradley, Michigan	56 90
John M. Bright, Tennessee	92 90
Frederick G. Bromberg, Alabama	114 00

John Young Brown, Kentucky	$77 00
Aylett H. Buckner, Missouri	75 50
James Buffinton, Massachusetts	35 76
Hezekiah S. Bundy, Ohio	30 00
Horatio C. Burchard, Illinois, (claims nothing)	.....
John H. Burleigh, Maine	44 90
Julius C. Burrows, Michigan	60 00
Benjamin F. Butler, Massachusetts	70 60
Roderick R. Butler, Tennessee	43 00
Richard H. Cain, South Carolina	50 00
John H. Caldwell, Alabama	106 00
Joseph G. Cannon, Illinois	80 00
Thomas J. Cason, Indiana	54 00
John Cessna, Pennsylvania, (claims nothing)	.....
Amos Clark, jr., New Jersey	18 80
John B. Clark, jr., Missouri	97 50
Freeman Clarke, New York	48 00
Charles Clayton, California	428 00
Isaac Clements, Illinois	85 30
Hiester Clymer, Pennsylvania	.....
Clinton L. Cobb, North Carolina	26 90
Stephen A. Cobb, Kansas	102 00
John Coburn, Indiana	48 00
Abram Comingo, Missouri	97 00
Omar D. Conger, Michigan	60 00
Philip Cook, Georgia	89 90
Franklin Corwin, Illinois	.....
Aylett R. Cotton, Iowa	68 40
Samuel S. Cox, New York	29 00
Thomas J. Creamer, New York	26 00
Thomas T. Crittenden, Missouri	94 50
Alvah Crocker, Massachusetts	63 50
Philip S. Crooke, New York	19 00
Edward Crossland, Kentucky	100 50
Lorenzo Crounse, Nebraska	130 00
William Crutchfield, Tennessee	66 00
Carlton B. Curtis, Pennsylvania	27 50
George Q. Cannon	330 00
J. B. Chaffee	220 00
Lorenzo Danford, Ohio	30 40
Chester B. Darrall, Louisiana	170 00
Alexander M. Davis, Virginia	44 10
Henry L. Dawes, Massachusetts	20 00
David M. De Witt, New York	45 66
Samuel A. Dobbins, New Jersey	17 00
William G. Donnan, Iowa	57 60
R. Holland Duell, New York	62 72
Mark H. Dunnell, Minnesota	97 00
Milton J. Durham, Kentucky	55 00
Benjamin T. Eames, Rhode Island	35 50
John R. Eden, Illinois	56 00
Charles A. Eldredge, Wisconsin	102 00
Robert B. Elliott, South Carolina	60 50
S. B. Elkins	250 00
Charles B. Farwell, Illinois	.....
Moses W. Field, Michigan	60 00
Greenbury L. Fort, Illinois	74 00
Charles Foster, Ohio	46 00
James C. Freeman, Georgia	81 00
William P. Frye, Maine	72 00
James A. Garfield, Ohio	49 50
De Witt C. Giddings, Texas	188 50
John M. Glover, Missouri	79 10
Daniel W. Gooch, Massachusetts	52 00
Lewis B. Gunckel, Ohio	.....
J. Marshall Hagans, West Virginia	.....
Eugene Hale, Maine	.....
Robert S. Hale, New York	79 20
Robert Hamilton, New Jersey	42 00
John Hancock, Texas	219 00
Alfred C. Harmer, Pennsylvania	20 00
Benjamin W. Harris, Massachusetts	40 60
Henry R. Harris, Georgia	95 30
John T. Harris, Virginia	.....
Horace H. Harrison, Tennessee	75 75
Robert A. Hatcher, Missouri	91 00
Henry H. Hathorn, New York	.....
Harrison E. Havens, Missouri	100 00
John B. Hawley, Illinois	.....
Joseph R. Hawley, Connecticut	25 00
Charles Hays, Alabama	121 00
Gerry W. Hazelton, Wisconsin	89 08
John W. Hazelton, New Jersey, (claims nothing)	.....
George W. Hendee, Vermont	43 50
Frank Hereford, West Virginia	16 30
William S. Herndon, Texas	230 00
Samuel F. Hersey, Maine	69 50
E. Rockwood Hoar, Massachusetts	52 00
George F. Hoar, Massachusetts	46 00
William S. Holman, Indiana	45 00
Samuel Hooper, Massachusetts	62 00
George G. Hoskins, New York	44 00
Sherman O. Houghton, California	428 00
Albert R. Howe, Mississippi	118 00
Jay A. Hubbell, Michigan	163 00
Morton C. Hunter, Indiana	59 10
Eppa Hunton, Virginia	6 00
Stephen A. Hurlbut, Illinois	75 00
Ira B. Hyde, Missouri	79 75
William J. Hynes, Arkansas	146 00
John Hailey	430 00
A. Hodges, Arkansas	161 00
Hugh J. Jewett, Ohio	.....
John A. Kasson, Iowa	107 50
William D. Kelley, Pennsylvania	.....
Stephen W. Kellogg, Connecticut	.....
Charles W. Kendall, Nevada	528 30
John W. Killinger, Pennsylvania	20 00
Robert M. Knapp, Illinois	86 00
Lucius Q. C. Lamar, Mississippi	110 00
Charles N. Lamison, Ohio	.....
William H. Lamport, New York	.....
William E. Lansing, New York	52 00
William Lawrence, Ohio	.....
John D. Lawson, New York	$23 50
James M. Leach, North Carolina	42 00
Barbour Lewis, Tennessee	102 50
James R. Lofland, Delaware	.....
William Loughridge, Iowa	96 00
David P. Lowe, Kansas	94 00
Lloyd Lowndes, jr., Maryland	.....
John K. Luttrell, California	450 00
John R. Lynch, Mississippi	120 00
John A. Magee, Pennsylvania	.....
Samuel S. Marshall, Illinois	74 40
James S. Martin, Illinois	68 00
Horace Maynard, Tennessee	45 80
George W. McCrary, Iowa	83 00
Alexander S. McDill, Wisconsin	95 70
James W. McDill, Iowa	103 60
Clinton D. MacDougall, New York	63 00
Ebenezer McJunkin, Pennsylvania	34 00
George C. McKee, Mississippi	122 00
William P. McLean, Texas	200 00
John McNulta, Illinois	72 00
David B. Mellish, New York	21 00
Clinton L. Merriam, New York	42 00
Charles W. Milliken, Kentucky	77 70
Roger Q. Mills, Texas	174 50
Alexander Mitchell, Wisconsin	.....
James Monroe, Ohio	$40 00
William S. Moore, Pennsylvania	32 00
Frank Morey, Louisiana	166 00
William R. Morrison, Illinois	80 00
Leonard Myers, Pennsylvania	19 00
Martin Maginnis, Montana Territory	692 00
D. B. McFadden, Washington Territory	679 20
Lawrence T. Neal, Ohio	37 00
James S. Negley, Pennsylvania	28 00
James W. Nesmith, Oregon	590 00
William E. Niblack, Indiana	41 90
Jason Niles, Mississippi	116 00
David A. Nunn, Tennessee	96 00
William J. O'Brien, Maryland	.....
Charles O'Neill, Pennsylvania	.....
Jackson Orr, Iowa	74 50
Godlove S. Orth, Indiana	51 30
Jasper Packard, Indiana	53 00
John B. Packer, Pennsylvania	.....
Horace F. Page, California	428 00
Hosea W. Parker, New Hampshire	58 00
Isaac C. Parker, Missouri	120 00
Richard C. Parsons, Ohio	43 00
Charles Pelham, Alabama	90 66
James M. Pendleton, Rhode Island	33 70
Eli Perry, New York	50 20
William Walter Phelps, New Jersey	25 50
William A. Phillips, Kansas	.....
Henry L. Pierce, Massachusetts	42 00
Austin F. Pike, New Hampshire	66 00
James H. Platt, jr., Virginia	23 60
Thomas C. Platt, New York	38 00
Luke P. Poland, Vermont	100 00
Clarkson N. Potter, New York	40 00
Henry O. Pratt, Iowa	84 20
William J. Purman, Florida	176 00
Joseph H. Rainey, South Carolina	96 50
Samuel J. Randall, Pennsylvania	9 50
Alonzo J. Ransier, South Carolina	50 00
James T. Rapier, Alabama	78 10
Morgan Rawls, Georgia	72 00
William H. Ray, Illinois	86 50
William B. Read, Kentucky	70 50
John B. Rice, Illinois	38 00
Hiram L. Richmond, Pennsylvania	39 60
William M. Robbins, North Carolina	45 50
Ellis H. Roberts, New York	47 00
William R. Roberts, New York	24 00
James C. Robinson, Illinois	80 00
James W. Robinson, Ohio	40 50
Sobieski Ross, Pennsylvania	36 00
Jeremiah M. Rusk, Wisconsin	111 00
Philetus Sawyer, Wisconsin	.....
Henry B. Sayler, Indiana	50 50
Milton Sayler, Ohio	.....
John G. Schumaker, New York	17 00
Glenni W. Scofield, Pennsylvania	14 00
Henry J. Scudder, New York	22 00
Isaac W. Scudder, New Jersey	.....
James B. Senor, Virginia, (claims nothing)	.....
Walter L. Sessions, New York	42 00
John P. C. Shanks, Indiana	55 40
Christopher C. Sheats, Alabama	81 80
Lionel A. Sheldon, Louisiana	116 00
Isaac R. Sherwood, Ohio	50 00
Lazarus D. Shoemaker, Pennsylvania	28 00
Joseph H. Sloss, Alabama	86 30
William B. Small, New Hampshire	45 00
James S. Smart, New York	48 00
A. Herr Smith, Pennsylvania	12 50
George L. Smith, Louisiana	200 00
H. Boardman Smith, New York	.....
J. Ambler Smith, Virginia	.....
John Q. Smith, Ohio	40 00
William A. Smith, North Carolina	40 00
Oliver P. Snyder, Arkansas	160 50
Milton I. Southard, Ohio	35 40
R. Milton Speer, Pennsylvania	.....
William P. Sprague, Ohio	40 70
Edwin O. Stanard, Missouri	70 00
Elijah D. Standeford, Kentucky	51 00
Henry H. Starkweather, Connecticut	.....
Alexander H. Stephens, Georgia	241 30
Charles St. John, New York	27 90
William H. Stone, Missouri	70 00
John B. Storm, Pennsylvania	27 78

William H. H. Stowell, Virginia	$68 00
Horace B. Strait, Minnesota	117 00
James D. Strawbridge, Pennsylvania	.....
Thomas Swann, Maryland	.....
J. Hale Sypher, Louisiana	157 00
William R. Steele	220 00
Alexander W. Taylor, Pennsylvania	24 10
Charles R. Thomas, North Carolina	41 00
Jacob M. Thornburgh, Tennessee	44 80
Lemuel Todd, Pennsylvania	14 90
Washington Townsend, Pennsylvania	14 88
Lyman Tremain, New York	40 20
James N. Tyner, Indiana	53 00
Christopher Y. Thomas, Virginia	.....
Robert B. Vance, North Carolina	63 00
Alfred M. Waddell, North Carolina	44 00
Henry Waldron, Michigan	50 00
Alexander S. Wallace, South Carolina	64 00
Josiah T. Walls, Florida	140 00
Jasper D. Ward, Illinois	36 50
Marcus L. Ward, New Jersey	19 10
Erastus Wells, Missouri	70 00
William A. Wheeler, New York	55 60
Alexander White, Alabama	90 00
Thomas Whitehead, Virginia	.....
John O. Whitehouse, New York	.....
Richard H. Whiteley, Georgia	100 00
Washington C. Whitthorne, Tennessee	77 90
David Wilber, New York	57 30
Charles W. Willard, Vermont	53 50
George Willard, Michigan	48 00
Charles G. Williams, Wisconsin	85 00
John M. S. Williams, Massachusetts	45 80
William Williams, Indiana	58 50
William B. Williams, Michigan	51 20
Asa H. Willie, Texas	196 00
Ephraim K. Wilson, Maryland	25 20
James Wilson, Iowa	70 00
Jeremiah M. Wilson, Indiana	57 30
Simeon K. Wolfe, Indiana	53 00
Fernando Wood, New York	17 00
Stewart L. Woodford, New York	27 80
Laurin D. Woodworth, Ohio	36 00
William W. Wilshire, Arkansas	.....
John D. Young, Kentucky	73 60
Pierce M. B. Young, Georgia	.....
Total	20,339 07
Approximated expenses of 39 members, who have not submitted an account	3,137 84
Total expenses	23,476 91

Mr. SMITH, of Pennsylvania. This is information which I wish to bring to the attention of this committee and the attention of the reformers, the real reformers—not the men who simply talk reform, but the men who act reform. I do this because I was very much surprised the other day, when I had occasion to bring forward this matter, to find that the point of order was made upon me by the gentleman who then had charge of this bill, [Mr. STARKWEATHER,] and who in his speech made use of the following language, laudatory of the republican party:

> What further reforms have been accomplished by a republican Congress? The mileage was a great abuse. A republican Congress has done this. It has cut off constructive mileage, reduced it one-half, and limited it to one mileage a session. The next step will soon be taken, and it will be abolished altogether.

Now, at the very first opportunity when my work would be effective I introduced this amendment. I have not taken the trouble to introduce a bill which might have been choked in committee or killed by various dilatory motions. But I have introduced it right here on the legislative appropriation bill, just as it was introduced last year. If it was proper to do it then and there, I hold that it is equally proper to do it now and here.

The statute of the 3d of March, 1873, restricted Senators, Members, and Delegates in Congress to the expenses incurred in coming from and returning to their homes once during each session of Congress, and directed each Senator, Representative, or Delegate to certify the amount expended, and file the same with the disbursing officer of the Senate or House as a voucher. This was passed, as I said before, became a law, and in the amendment I have offered I have given it almost verbatim.

I have introduced here nothing new or startling, but simply that which was adopted by the Forty-second Congress at its close, and readopted by the Forty-third Congress at its first session. I believe it is the honest wish of every member of this House that this proposition may be carried into effect. If that is so, then why not adopt it at once?

To show that this measure is feasible, that it is not a clap-trap proposition, I have shown to this committee exactly what was paid for mileage for the Forty-second Congress, and what was paid for actual traveling expenses to members for the first session of the Forty-third Congress. The amount paid for the Forty-second Congress was $196,000. The amount paid for the first session of the Forty-third Congress was $23,000. Double that amount, and you have $46,000, or a saving of $150,000 from the amount paid for the Forty-second Congress.

I now come to a practical point. Is it fair that we should charge so much more for traveling expenses than we incur? I am perfectly willing that every member should have paid him the actual expenses which he incurs in traveling to and from Washington City four times during his term. But I do most seriously object, so far as I am myself concerned, to being allowed one hundred and sixty dollars when I can make my trip for twenty-five.

Mr. CROUNSE. I move that the gentleman be excused from taking it if he does not want it.

Mr. SMITH, of Pennsylvania. I did not hear the gentleman. If he uttered anything personal, my answer is I will have no personal quarrel. I ignore all questions of politics on this paramount subject of reform. I speak in behalf of the depleted Treasury.

Mr. CROUNSE. I do not know who the gentleman is that is now speaking, but I venture to say this: I bet that he lives contiguous to the capital, or not more than one State off, and that he is not a married man. [Laughter.]

Mr. SPEER. I raise the point of order that it is against the law to bet. [Laughter.]

Mr. SMITH, of Pennsylvania. I do not know where the gentleman over the way hails from; but the locality of a man who answers an argument by a bet is of no consequence; that smacks of the ring.

Mr. CROUNSE. Well, I will guess, then.

Mr. SMITH, of Pennsylvania. If the gentleman has an argument to make, I will try to answer him. I do not want him to undertake to bluff me off by proposing to bet.

I am sincere in this movement. I want the reform to commence with the members; and instead of reducing the pay of the poor, mangled soldier in the employ of the police force, I would vote him a reasonable increase. The man who came to the rescue of his imperiled country deserves well of Congress.

Mr. SPEER. I move that the committee rise for the purpose of having the gentlemen introduced to each other. [Laughter.]

Mr. SMITH, of Pennsylvania. Some of the gentlemen around me have been kind enough to inform me that the gentleman on the other side is from Kansas. Now, it may be proper to refer to what his mileage would be for coming from Kansas.

[Here the hammer fell.]

Mr. CROUNSE. I have but a word to say on this matter. Any reference that I may have made to the gentleman on the other side was in the most perfect good humor. It seems that we are not acquainted with each other; but I guess remarkably well, according to the information I have since had from members about me. I guessed in the first instance that the gentleman resided at a place very contiguous to the capital. I judged this from the fact that every time this mileage question comes up it receives an attack from some member who lives so near the capital that he can go home every Friday night and be back here by Monday. I guessed further that he was an unmarried man. I believe that on this point also I am borne out by the history of the gentleman. He has, I believe, no family to bring to the capital, or to visit if he leaves them at home. Therefore, he is at liberty and is likely to assail the mileage allowance. He can do it very cheaply and economically; but let the gentleman put himself in the attitude of myself and other members who live hundreds of miles away from this capital, and who have presented to us the alternative either of leaving our families at home or of bringing them here at an expense which the gentleman and others like him do not contemplate when they so vigorously attack this mileage.

Having said this much, I can almost wish that the mileage allowance were blotted out in order to remove a bone of contention which seems to be introduced here very often.

Mr. SMITH, of Pennsylvania. Mr. Chairman, I desire to say——

The CHAIRMAN. The gentleman from Pennsylvania [Mr. SMITH] has already spoken, but if there be no objection he will be permitted to proceed.

Mr. GARFIELD. Let us have a vote.

Mr. HOLMAN. I hope the gentleman from Pennsylvania will be allowed five minutes more.

The CHAIRMAN. Is there objection to allowing the gentleman from Pennsylvania to speak five minutes further? The Chair hears none.

Mr. SMITH, of Pennsylvania. The gentleman who has just taken his seat can state whether he was here as a member of the last Congress.

Several MEMBERS. He was not.

Mr. SMITH, of Pennsylvania. Then his predecessor received over $1,000 as mileage. I presume from the practice out there that the gentleman travels on free passes. If I am mistaken he will correct me.

Mr. CROUNSE. What is the question?

Mr. SMITH, of Pennsylvania. It is a very common practice for members from the West to travel upon passes. Perhaps that is the case with the gentleman. If I am mistaken, of course he will correct me.

Mr. CROUNSE. It is not so in my case. The gentleman may speak for himself, and I will speak for myself. I hold no passes, and I ask for none; I pay my way as I go.

Mr. SMITH, of Pennsylvania. I am trying to ascertain the facts in regard to the question, and the gentleman can aid me very much if he will tell me exactly what was paid to him by the Sergeant-at-Arms as mileage for the first session of this Congress. The actual cost of travel to the gentleman, according to his own return, was $130. Now he will be entitled to receive as mileage at least $500. Is that fair? I submit that question to the House.

I have no personal feeling in this matter at all. I do not go home

very often, perhaps not as often as I ought to do in order to attend to my professional duties there. As other members will bear witness, I have been absent only one day this session. I have been here uniformly, to the neglect of my practice at home. But the question is not whether I go home often or not. The question is, whether it is fair and honest for members of Congress to charge five times as much for their traveling expenses as is actually expended by them. Is it not fair to charge precisely what it costs, and no more? When a merchant sends a clerk out to attend to business, he would not allow that clerk to charge as traveling expenses ten times the amount of the actual cost.

I wish gentlemen to divest themselves of any personal feeling in this matter. I have none. My friend from Kansas [referring to Mr. CROUNSE] is a stranger to me; but I think, when we come to know each other, he will understand that what I am pleading for is substantial reform—a reform which commences at home, which commences with ourselves, not a reform which will cut down the pay of poor, unfortunate, crippled soldiers. I do not want to cut down their pay. I would rather raise the pay of the maimed soldier who has given his limbs while serving in defense of his country.

Mr. ELDREDGE. I would like to ask the gentleman a question. There is some misapprehension as to what he said concerning his expenses. He was understood by some to say that it cost him twenty-five dollars to get from his place of residence to this city.

Mr. SMITH, of Pennsylvania. O, no. During the whole term it would not cost me more than that. Twelve dollars and fifty cents is the cost of the trip both ways.

Mr. ELDREDGE. I thought there was a misapprehension on the subject; and I wanted the gentleman to make himself explicit.

Mr. SMITH, of Pennsylvania. I want to be explicit. We have been exceedingly careful to say no Army officer, no naval officer——

Mr. ATKINS. If I have the right to object, I do object.

The CHAIRMAN. What is the gentleman's objection?

Mr. ATKINS. That the gentleman shall not go beyond his time.

The CHAIRMAN. He is going on in his time.

Mr. ATKINS. I object to his exceeding his time.

The CHAIRMAN. That objection would have been in order when he rose to take the floor the second time. The Chair asked for objection, but there was none.

Mr. ATKINS. I thought the Chair said his time was out.

The CHAIRMAN. The Chair asked if there was objection, but there was none. The gentleman has a few seconds left; and then the Chair will recognize the gentleman from Oregon.

Mr. SMITH, of Pennsylvania. Time is money, Mr. Chairman, but it does not seem to be worth much to me or to the House.

The CHAIRMAN. The gentleman's time has now expired. Is there objection to the debate being continued?

There was no objection.

[Mr. NESMITH addressed the House. His remarks will appear in the Appendix.]

The question recurred on the amendment of Mr. SMITH, of Pemsylvania.

The committee divided and there were—ayes 58, noes 95.

Mr. SENER demanded tellers.

Tellers were ordered; and Mr. SMITH, of Pennsylvania, and Mr. CROUNSE were appointed.

The committee again divided; and the tellers reported—ayes 58, noes 92.

So the amendment was rejected.

Mr. MELLISH. I move to strike out line 106, "for mileage, $130,000."

It seems to me it is time this great American swindle should be abolished. That is all I have to say.

Mr. CLYMER. It will be remembered that in response to the popular demand, made with a determination not to be disregarded, this House in January last passed a bill fixing the salary of its members at $6,000, including the pay, the mileage, stationery, and all other perquisites formerly received by members of Congress. The bill went to the Senate. It was there amended by fixing the salary at $5,000, restoring the mileage, and allowing each member $125 for stationery. The bill came back to this House, and the question was whether we should concur in it as amended by the Senate. There was an almost universal expression of opinion here, publicly at least, and also by many privately, that as it was the best thing we could obtain from the Senate we would have to agree to it; but that when the proper time came, either in this appropriation bill or by special law, we could abolish this mileage system, which has always been condemned by the American people as a swindle and a fraud.

That was what was then almost universally agreed to. I did not believe, sir, that it would be done, and the votes in this committee to-day prove that it cannot be done. And it was for that reason, sir, that I and the gentleman from New York [Mr. COX] and some others voted against the bill as amended by the Senate. I thank my colleague from the Lancaster district, [Mr. SMITH,] who had voted for concurring in that bill as it came from the Senate, for his effort to do his duty to-day. He deserves the thanks of this House. He deserves, and will I know receive, his reward at the hands of his constituents of the great county of Lancaster. He has shown by official data that the actual expenses of both coming and returning here for all the Members and Delegates of this Congress are but $46,000. He has shown that for the last Congress the mileage was $196,000. And had that Congress been equal in numbers to this, it would have been at least $250,000. And having shown that the actual expenses were but $46,000, it is clear that $150,000, or if you estimate it by the increase in the number of Members and Delegates, $200,000, are to be given away without cause and without reason. I say, sir, that when gentlemen go back to their constituents they will have to explain the change in their position to-day from the ground they occupied in voting on the bill restoring mileage. It is my proud satisfaction that I have recorded my vote against it. The people demand its repeal, and will never rest satisfied until their wishes are obeyed.

Mr. TREMAIN. What is the question before the committee?

The CHAIRMAN. The question is upon the motion offered by the gentleman from New York [Mr. MELLISH] to strike out the line 106, "for mileage, $130,000." Upon this motion the gentleman from Pennsylvania [Mr. CLYMER] has spoken under the rules in its favor. It will be in order for the Chair to recognize one member who shall speak against the motion offered by the gentleman from New York.

Mr. TREMAIN. Then I will offer a word or two. As the law has been passed by the present session of Congress, mileage is allowed to Representatives and Delegates in coming to and returning from the next session of Congress. This bill provides for the expenses for the year ending June 30, 1875, and therefore makes provision, and the only provision that is contemplated to be made, for the mileage expenses of the next session of Congress. This House having, after full consideration, deliberately determined that the salaries shall be as they were under the old law, with the mileage and the stationery, and then other expenses were allowed by prior law, in addition to the $5,000, I submit that it is trifling with the legislation of this House to attempt now to legislate so that no provision shall be made for the payment of the mileage, which both Houses of Congress, by overwhelming majorities, have declared shall be awarded to and received by the Representatives. And I submit that the amendment would leave this House in the awkward position of having passed a law by an overwhelming majority that mileage should be allowed at the next session of Congress, and yet in the appropriation bill making no appropriation for allowing this compensation to be drawn. Is this the way, sir, to change existing laws? If the existing laws are to be amended, let them be amended in the proper way.

But I have risen, sir, more for the purpose of expressing my desire, as a humble member of this House, that the House will with more energy and more activity proceed to the discharge of the important business before it. We have here an appropriation bill composed of sixteen hundred lines. We have been in session day after day and have only reached about the ninetieth line of this bill. When are we to get through with these appropriation bills? When are we to reach the great questions upon which the country is anxiously looking for action by this House—the financial measure, the transportation measure, the bankrupt law, the civil-rights bill, the Geneva award bill, and various other measures in regard to which the country is looking to us anxiously for action? I submit we are trifling with the valuable time of the House and the country, and I hope the amendment will not be adopted.

Mr. RANDALL rose.

The CHAIRMAN. Debate on the pending amendment has been exhausted.

Mr. RANDALL. I move to strike out the last word.

Mr. NIBLACK. I rise to make a parliamentary inquiry. Is it not in order to perfect the text before the motion to strike out is put? If it is, I desire to submit an amendment.

The CHAIRMAN. The paragraph which it is proposed to strike out consists of a single line. Before the motion to strike out is put, it is in order for the Chair to entertain an amendment to perfect the text.

Mr. NIBLACK. I desire to reduce the amount proposed by one-half, and on that proposition I desire to be heard.

The CHAIRMAN. The Chair recognized the gentleman from Pennsylvania, [Mr. RANDALL,] and then he recognized the gentleman from Indiana, [Mr. NIBLACK,] as he supposed upon a point of order. The gentleman from Pennsylvania is entitled to the floor.

Mr. RANDALL. I do not propose to be drawn into a discussion on this question of compensation. I have always been in favor of adequate salaries, and lest I might be charged with a dog in the manger policy, I have abstained from voting on this question of mileage; but I cannot allow that the suggestion shall be made and pass unnoticed that there is any equality in a member from the State of New York, or from the West, receiving any more salary than I do in a blind-door way, when his services and expenses are little more than mine. For instance, I sat here in the Thirty-eighth Congress alongside of the Delegate from Washington Territory, who received $18,000 a year under this system of mileage, while I received but $6,300. That is an inequality which should be corrected either in this bill or elsewhere.

But there is one other remark of the gentleman from New York [Mr. TREMAIN] which I want to combat, and that is that we here who are seeking to reduce these appropriations, and seeking to reduce the expenditures of the Government, are standing in the way of legitimate legislation. For one, I will stand here like a rock, if necessary, upon each item of the bill where I feel that there can be a reduction made, and I will not be drawn away from the subject before us by

the bankrupt bill, or the increase of currency bill, or anything else. The greatest possible benefit that this House can render to the people of the country is to strike down the expenditures of the Government, and I did, for one, suppose that we would have the co-operation in that respect of the Congressman at large from the great State of New York.

Mr. TREMAIN. Will the gentleman answer me one question?

Mr. RANDALL. I will if I can.

Mr. TREMAIN. Suppose your salary law which you have passed remains unchanged, and you then refuse to appropriate money to pay the mileage, is not that mileage a legal debt against the Government, and are you proposing to repudiate it?

Mr. RANDALL. I propose to ask the gentleman this question: if a majority of this House say they will not appropriate money for that purpose under that law, how are you going to sue for it?

Mr. TREMAIN. Just as any other claimant who has a claim against the Government does, come to the next Congress and ask Congress to do what it agreed to do.

Mr. RANDALL. Well, I propose to discuss these appropriations item by item, whether they involve dollars or cents.

Mr. MELLISH. I have only one sentence to utter. My amendment has been characterized by my colleague [Mr. TREMAIN] as trifling. I have only to say that, at every opportunity to stop the stealing of $130,000 from the Treasury of the United States, I shall continue to indulge in trifling.

Mr. PARKER, of Missouri. I rise to a point of order. Does the gentleman from New York undertake to say that members of the House are engaged in stealing $100,000? Is that what he means?

Mr. MELLISH. I repeat what I said when I introduced the amendment. I think this is the great American swindle. I think that exactly defines what it is. I do think it is the greatest abuse that has existed under any Government since the world was made.

Mr. PARKER, of Missouri. I want to know if the member from New York means that the gentlemen composing this House of Representatives have by their votes been engaged in the business of stealing $130,000?

The CHAIRMAN. Neither the question, in the form put, nor the original remark of the gentleman from New York seems to the Chair to be parliamentary. [Laughter.]

Mr. PARKER, of Missouri. I want to ask the Chair if the remarks of the gentleman from New York were parliamentary? My remark is directly pertinent to the remarks of the gentleman; and when, by direct declaration or by innuendo, the gentlemen who are my colleagues on this floor and myself are charged with stealing money, whether it is parliamentary or not I will be found on this floor combating that declaration.

Mr. GARFIELD. Let us have a vote now.

Mr. POTTER. Is debate on the pending question exhausted?

The CHAIRMAN. It is.

Mr. RANDALL. I withdraw my amendment to the amendment.

Mr. POTTER. I renew it.

The CHAIRMAN. The Chair would state that some time ago, after the gentleman from Indiana [Mr. NIBLACK] raised the point of order, it seemed to be generally understood that he was to have the floor after the gentleman from Pennsylvania, [Mr. RANDALL.]

Mr. NIBLACK. The amendment I desire to offer is to perfect the text.

Mr. RANDALL. I hope the gentleman will withdraw his amendment for the present, and let us have a free fight over this matter.

Mr. NIBLACK. No, sir; I cannot do that. I move to strike out one-half of the appropriation, so as to make it $65,000, which would be equivalent to fixing the mileage at ten cents per mile. I have always been opposed to the proposition embraced in the salary bill of the last Congress, which looked simply to paying the traveling expenses of members, for the reason that there never would in practice be any uniformity about it. It is left to members to certify the amount of their expenses, and there is no way of supervising or testing the question of the amount to which they are entitled. I think the time has come when the mileage ought to be reduced. I know that if my motion should prevail, and we cut down the amount of the appropriation one-half, there would still be a legal claim against the Government, as the law now stands, for the remaining one-half. But I make this pledge in the presence of this committee: that if my motion shall prevail I shall certainly follow it up by the introduction of a bill which will legalize the reduction, and fix the mileage hereafter at ten cents per mile for the ensuing session of Congress, and for all time to come. I think that ten cents a mile is but a fair allowance for traveling expenses, allowing a little more compensation than the actual expenses of traveling. I therefore submit my motion in good faith; I shall insist on a vote upon it; and if it shall be adopted, I intend to follow it up with a bill legalizing the reduction which it proposes.

Mr. POTTER. I rise to oppose the amendment of the gentleman from Indiana, [Mr. NIBLACK.]

Mr. MELLISH. Will my colleague [Mr. POTTER] allow me to explain one sentence of my statement?

Mr. POTTER. How long?

Mr. MELLISH. Not more than a minute.

Mr. POTTER. I will yield.

Mr. MELLISH. In answer to the gentleman from Missouri, [Mr. PARKER,] I will say that I will modify my statement so as to call this only constructive stealing, or legal stealing. But I do not withdraw the expression that this system of mileage is the great American swindle.

Mr. POTTER. I rise to oppose, *pro forma*, the amendment of the gentleman from Indiana, [Mr. NIBLACK,] not because it proposes to reduce the appropriation for mileage, but because it does not reduce it enough.

My distinguished colleague, the Representative at large from the State of New York, [Mr. TREMAIN,] is undoubtedly right in saying that this method of getting rid of mileage is not the best method of legislation; that it is irregular, when the law provides mileage for members, that we should not make the appropriation in accordance with the law. But it is none the less true that we must sometimes approach reforms in an indirect way. During the last Congress when it was desired to raise the salaries of members and officers of the Government, no other method was found practicable except exactly this indirect way. The provision of law increasing salaries in that Congress was grafted upon an appropriation bill and completed by the report made by a committee of conference. It is true that in the first instance the House gave leave to consider the measure in connection with an appropriation bill; none the less it was through the medium of an appropriation bill the change in the law was effected.

Now, my distinguished colleague may be sure that if we can make a sufficient reduction in the appropriation, by a vote of the House, some method will be found by which we can alter the law so as to make it conform to the reduction. It is not an infrequent movement, in the interest of sound economy and legislation both, to begin a reform at the appropriation end. I quite agree that the mileage for members of the next Congress will be a debt after that Congress meets. But I am equally confident that if we succeed in reducing this appropriation for mileage at this Congress, the next movement certain to follow will be to make the law as to mileage conform accordingly.

So far as the mileage itself is concerned, my view is simply that the present system of mileage is unequal and unjust; that if any payment of the kind should be made to members it should be of actual traveling expenses. I have never yet heard any one make a satisfactory defense of the present system of mileage on principle. If the present salary of members of Congress is not large enough. (and I am bound in frankness to say that I do not think it is quite enough,) then let it be increased to a fit sum, and have the increase take effect only at some future time, as it ought. But so far as mileage is concerned, to give one member for coming here $2,000 and another but five dollars beyond his actual traveling expenses is most unequal, and, as I think, is entirely unjust; and I am in favor of any form of movement, direct or indirect, which will lead to the ultimate repeal of any such allowance for mileage or other perquisite beyond the fixed and equal salary that may be given by law to each member.

Mr. PARKER, of Missouri. The member from New York [Mr. MELLISH] saw proper to amend his statement.

Mr. RANDALL. And to make it a little worse.

Mr. PARKER, of Missouri. And to rest upon his last statement that "this is the great American swindle."

Mr. POTTER. The gentleman is not alluding to me, I hope?

Mr. PARKER, of Missouri. No; not at all.

Mr. GARFIELD, (to Mr. POTTER.) You are not a great American swindle, and never were.

Mr. PARKER, of Missouri. I suppose the gentleman means that it is a swindle, because it proposes to take out of the Treasury the sum of $130,000. Now, sir, it so happens that during the present session of Congress we have had before us several propositions on this question of the pay of members of Congress. One proposition adopted by this House was that in lieu of mileage and all allowances each Senator, Member of the House, and Delegate in Congress should receive an annual salary of $6,000. If that proposition had prevailed by a vote of the Senate and become the law of this country, then, instead of appropriating this sum of $130,000, we would have had to appropriate an amount aggregating $155,000 more fer the pay of members of Congress.

Now, from the statements of the gentleman from New York [Mr. MELLISH] in this debate it would be inferred that he was the last member of this House who would have voted for that increase of our salary. Yet, unfortunately for him, the record shows that he voted for this proposition to pay $6,000 a year to each member of Congress.

Mr. MELLISH. Is not the gentleman mistaken?

Mr. PARKER, of Missouri. I will take the official record of the vote for it.

Mr. MELLISH. The record is incorrect, then. [Laughter.]

Mr. PARKER, of Missouri. Well, I prefer to stand upon the record as being more certain than the memory of the gentleman.

Mr. MELLISH. I know the vote was right in the New York papers.

Mr. PARKER, of Missouri. I venture the assertion that if the gentleman were called upon to answer under oath he could not tell how many pages of the RECORD were occupied by a speech of his which consumed only five minutes in the delivery, but which, when published in the RECORD, was found to embrace nearly all the editorials of the New York dailies for weeks past, and to aggregate eight or ten pages.

Mr. MELLISH. Was not that speech a good deal better than many that are delivered here?

Mr. PARKER, of Missouri. If the gentleman would abstain from filling the record of this House with two or three speeches a day, as has sometimes been the case, there would be perhaps a little more money saved to the Treasury.

Now, I want to know how any gentleman can maintain himself upon a proposition of this kind. There is a law existing requiring a certain amount to be paid for mileage; yet the gentleman stands upon the record as indorsing a proposition that proposes to take from the Treasury for that purpose $155,000 more. This proposition is denominated "the great American swindle;" while the other is all honest and fair and right.

Now, Mr. Chairman, I have no personal feeling in my remarks; but I am sick and tired of sitting day after day listening to certain gentlemen of this House impugning the motives of everybody else here. We are all peers upon this floor. No man's motives ought to be impugned upon any speech which he makes or any vote which he casts. Yet it has become a common practice day after day for some member to get up here and denominate some proposition as a "steal" and a "swindle." Yet these same gentlemen propose to go out to the country and ask the people to respect this Congress as it ought to be respected as the representative body of a great and proud nation, although they themselves, day after day, by their declarations and their conduct, are educating the country to believe that this House is made up of thieves. It is for the purpose of correcting, if possible, this obnoxious and pernicious practice that I have made these remarks.

Mr. COX. Mr. Chairman——

Mr. RICE. I move that the committee rise.

Mr. MELLISH. May I be allowed one sentence?

Mr. GARFIELD. I hope that before the committee rises we shall have a vote.

The CHAIRMAN. The Chair recognizes the gentleman from New York, [Mr. COX.]

Mr. MELLISH. It seems to me that I ought to be allowed to correct the statement of the gentleman from Missouri, [Mr. PARKER.]

The CHAIRMAN. Does the gentleman from New York [Mr. COX] yield to his colleague, [Mr. MELLISH?]

Mr. COX. I yield for one minute.

Mr. MELLISH. My name appeared in all the New York papers as voting with the 131 members who voted to reduce the salary. There were 130 votes in the negative. If I had not voted as I did, that proposition would not have been carried.

I say, further, that the difference between the speeches which are put in the RECORD by the gentleman from Missouri and those of myself is, that my speeches are for the purpose of keeping money in the Treasury, while his are to try and take it out.

Mr. GARFIELD. Now, Mr. Chairman, I ask unanimous consent——

Mr. COX. I believe I still have the floor. I only yielded one minute to my colleague, [Mr. MELLISH.]

Mr. RICE. I thought I was recognized on a motion that the committee rise.

The CHAIRMAN. The Chair will recognize the gentleman from Illinois [Mr. RICE] as soon as the gentleman from New York [Mr. COX] has concluded his remarks.

Mr. COX. Mr. Chairman, I think it is about time that the committee should rise. So much irascibility has been exhibited in the debate, so much has been said in the way of reproach upon Congress, that I think the time is about come when we should go to our festivity; in other words, our dinner.

One word as to what fell from my honorable colleague [Mr. TREMAIN] who represents the State of New York at large. He ought to know that it will never be possible to blot out this mileage abuse unless we stop the appropriation. We have to-day the chance for a fair vote upon the proposition to stop the appropriation. In no other way will this abuse ever be repealed. Unless we adopt some such proposition, this inequality will be kept up; and there will be no end to this discussion about salaries or mileage. The people will discuss it this fall. They are discussing it now. Only two or three of us who opposed the bill that was passed the other day, get proper credit with the people. The discussion is going on. It will not stop, sir. It is a good deal like the water-wheel into which a man clambered and went to sleep, he being a little "tight." [Laughter.] When he awoke somebody said to him, "Johnny, what are you doing there?" "O!" said he, "I am in bed; but the darned thing won't stay still." [Laughter.] So it is with this movement. You never will have an end to this discussion about mileage unless you blot out the appropriation for the cash. I hope this House will do so upon the proposition now presented. I move that the committee rise.

Mr. GARFIELD. I ask that we may have a vote to-day; otherwise another day may be consumed in this discussion.

Mr. SENER. I object to debate.

Mr. TREMAIN. I hope my colleague [Mr. COX] will withdraw for a few minutes his motion that the committee rise.

Mr. COX. My colleague [Mr. TREMAIN] can go on just as well to-morrow as now.

Mr. TREMAIN. The floor was promised to the gentleman from Illinois, [Mr. RICE,] and he has consented that I shall occupy it.

The CHAIRMAN. The Chair stated that at the close of the remarks of the gentleman from New York [Mr. COX] he would recognize the gentleman from Illinois, [Mr. RICE,] for the motion that the committee rise. If any gentleman insists upon it, it is proper that motion should be put.

Mr. TREMAIN. I will renew the motion that the committee rise, if my colleague will withdraw it.

The CHAIRMAN. The gentleman from New York [Mr. TREMAIN] asks unanimous consent to speak five minutes. The Chair hears no objection. At the expiration of his remarks the motion that the committee rise will be put.

Mr. TREMAIN. Mr. Chairman, this debate has assumed a most extraordinary phase. During the discussion of the salary bill, in the few remarks I submitted to this House, I took occasion to express my entire disapproval of the whole mileage system. Congress, after considering the question of the appropriate salary which should be paid, after having devoted weeks of discussion to it, has passed a law establishing the rate of compensation. Is there any man who sincerely believes, during the present session of Congress, that compensation will be changed? Is it to be supposed this Congress is so fickle-minded, after having devoted so large an amount of time and discussion to that question, it will be changed? I submit there is no man here who can coolly and deliberately believe for a moment the law we have put on the statute-book is to be changed during the present session. What, then, is the consequence?

Mr. ELDREDGE. I rise to a question of order.

The CHAIRMAN. The gentleman will state it.

Mr. ELDREDGE. My point of order is that the House is in a state of disorder.

The CHAIRMAN. The gentleman from Wisconsin raises the question that the House is in disorder. The point seems to be well taken, and gentlemen will at once resume their seats.

Mr. TREMAIN. I am, sir, as on the original question, entirely opposed to the inequalities of the mileage system; but I am in favor of sustaining the honor, the credit, and the plighted faith of this Government. And I submit, sir, with that law standing on the statute-book, with members coming to the next Congress and no appropriation made to pay them, this House has placed the Government in a condition of quasi repudiation.

It is in vain to say this is the proper mode to bring about your reform. Pass your appropriation in conformity with the plighted faith of the Government, and then, if you can secure an amendment of the law, your appropriation becomes a mere *brutum fulmen*. It harms nobody. But of course, if on the other hand you do not amend your law, you stand in a position of repudiating the honorable obligations of this Government.

I submit again, all this debate on this allegation of reform is simply superficial.

Mr. COX. Will the gentleman allow me to ask him a question?

Mr. TREMAIN. With pleasure.

Mr. COX. I wish to ask him whether there ever was a good plan of reform except under the old English parliamentary system of stopping supplies? Why, sir, all our progress in liberty comes from the use of that by the Parliament of Great Britain.

Mr. TREMAIN. I undertake to say the British government, with that fidelity to its plighted faith and honor which ever distinguished it, has never in that indirect and sneaking mode sought to avoid the effect of statutes passed. Never, sir. They do business in the old-fashioned Anglo-Saxon mode of hitting the evil full and squarely in the forehead. If you propose to amend the law, amend it by a bill directly for that purpose, but never repudiate in form or substance.

Mr. HOLMAN. I desire to offer a compromise proposition.

The CHAIRMAN. It was understood at the close of the remarks of the gentleman from New York the Chair would entertain a motion that the committee rise.

Mr. HOLMAN. I am willing to submit that motion.

Mr. TREMAIN. I promised to renew that motion, which had been for a moment withdrawn. I now do so.

Mr. GARFIELD. I hope the committee will not rise.

Mr. RANDALL. I object to debate.

The committee divided; and there were—ayes 62, noes 78.

So the committee refused to rise.

Mr. GARFIELD. I desire to ask a parliamentary question. I wish to know whether debate is not exhausted on the pending amendment?

The CHAIRMAN. The pending amendment is that offered by the gentleman from Indiana, which the Clerk will read.

The Clerk read as follows:

Strike out "130," in line 106, and insert "65;" so it will read "for mileage, $65,000."

Mr. HOLMAN. I wish to say a word.

The CHAIRMAN. Debate is clearly exhausted on that amendment.

Mr. NIBLACK. I insist on a vote.

Mr. HOLMAN. I rise to a question of order. The gentleman moved to strike out this paragraph, and I moved to insert certain words. I make the proposition as a measure of peace.

Mr. GARFIELD. Is there an amendment pending?

Mr. HOLMAN. I propose one.

The CHAIRMAN. The gentleman from Indiana [Mr. HOLMAN] offers an amendment, which the Clerk will report.

The Clerk read as follows:

That any provision of law allowing mileage to Senators, Members, and Delegates be, and the same is hereby, repealed. And such Senators, Members, and Delegates shall hereafter receive only the actual expense of traveling from their place of residence to attend the sessions of Congress; and the sum necessary for that purpose for the next fiscal year is hereby appropriated.

Mr. PARKER, of Missouri. I raise the point of order on that amendment that it changes existing laws.

Mr. HOLMAN. When it was proposed in last Congress to raise the salary of the Chief Executive of the nation, and this point of order was raised, the proposition was held to be in order.

Mr. PARKER, of Missouri. Is debate in order on the point of order?

The CHAIRMAN. The Chair desires in making his decisions to be guided by precedents, and will be very grateful for any precedent which may be cited bearing on the point of order which has been raised.

Mr. HOLMAN. During last Congress, the gentleman from Massachusetts, [Mr. DAWES,] I think, being in the chair, the motion being made to increase the salary of the Chief Executive, the Chair decided that the proposition was in order. The Committee of the Whole overruled that decision, but it was subsequently sustained by the action of the House.

Mr. DAWES. The precedents are all the other way. There was a rule made on purpose to make it in order to increase a salary, but there is no rule to make it in order to decrease a salary. The principle of the rule is understood to be this: that it may be necessary, in the opinion of the House, in order to carry on the Government, to increase the compensation of certain of its officers; but it was assumed that no House would ever suppose it could be necessary, in order to carry on the Government, to decrease the compensation.

Mr. POTTER. That is the theory of the rule.

Mr. DAWES. Yes; that is the theory of the rule.

The CHAIRMAN. The Chair is of the opinion that the point of order raised by the gentleman from Missouri [Mr. PARKER] is well taken, and rules the amendment of the gentleman from Indiana [Mr. HOLMAN] out of order.

Mr. GARFIELD. I hope we will now have a vote.

The CHAIRMAN. The question is on the amendment of the gentleman from Indiana, [Mr. NIBLACK,] which the Clerk will again report.

The Clerk read as follows:

Amend by striking out "$130,000" and inserting "$65,000;" so it will read: "for mileage, $65,000."

The question being taken, there were—ayes 68, noes 98.

So the amendment was not agreed to.

Mr. GARFIELD. I ask that the Clerk commence the reading of the next paragraph, and I shall then move that the committee rise.

The Clerk read as follows:

For compensation of the officers, clerks, messengers, and others receiving an annual salary, in the service of the House of Representatives, &c.

Mr. GARFIELD. I move that the committee rise.

The motion was agreed to.

The committee accordingly rose; and the Speaker having resumed the chair, Mr. WOODFORD reported that the Committee of the Whole on the state of the Union had had under consideration the special order, being the bill (H. R. No. 2064) making appropriations for the legislative, executive, and judicial expenses of the Government for the year ending June 30, 1875, and for other purposes, and had come to no resolution thereon.

CHARGES AGAINST THE COMMISSIONER OF PENSIONS.

The SPEAKER laid before the House a letter from the Commissioner of Pensions, transmitting his reply to the charges of Mrs. Helen M. Barnard; which was ordered to be printed, and referred to the Committee on Invalid Pensions.

REDUCTION OF THE ARMY.

Mr. HAWLEY, of Connecticut. The edition of the bill (H. R. No. 2540) reported by the Committee on Military Affairs for the reduction of the Army is pretty well exhausted. I move that it be reprinted.

There was no objection, and it was so ordered.

EMPLOYMENT OF ALIENS AS ENGINEERS AND PILOTS.

On motion of Mr. CONGER, by unanimous consent, the bill (S. No. 580) to authorize the employment of certain aliens as engineers and pilots was taken from the Speaker's table, read a first and second time, and referred to the Committee on Commerce.

COMMITTEE ON EXPENDITURES IN THE DEPARTMENT OF JUSTICE.

The SPEAKER. The gentleman from Ohio, Mr. PARSONS, asks to be excused from serving on the Committee on Expenditures in the Department of Justice. To this request the Chair hears no objection. And the Chair appoints, in the place of the gentleman from Ohio, the gentleman from Alabama, Mr. SHEATS.

LEAVE OF ABSENCE.

Mr. MILLS, by unanimous consent, obtained leave of absence until Tuesday the 24th instant.

ENROLLED BILLS SIGNED.

Mr. DARRALL, from the Committee on Enrolled Bills, reported that the committee had examined and found truly enrolled bills and joint resolutions of the following titles; when the Speaker signed the same:

An act (H. R. No. 1015) to authorize the President to accept, for citizens of the United States, the jurisdiction of certain tribunals in the Ottoman dominions and Egypt, established, or to be established, under the authority of the Sublime Porte and of the government of Egypt;

An act (H. R. No. 1956) for the relief of Willard Davis;

An act (H. R. No. 1223) for the relief of L. S. Campbell;

An act (H. R. No. 2228) to authorize the Secretary of the Treasury to change the name of the propeller William M. Tweed, of Buffalo;

A joint resolution (H. R. No. 29) authorizing the Secretary of War to detail a medical officer of the Army to inquire into and report upon the causes of epidemic cholera;

A joint resolution (H. R. No. 52) explanatory of resolution approved January 31, 1868, entitled "A resolution limiting contracts for stationery and other supplies in the Executive Departments for one year;" and

An act (S. No. 360) making an appropriation for a topographical survey of the Capitol grounds and plans for improving the same.

CYPRESS BAYOU AND SODA LAKE.

Mr. McLEAN, by unanimous consent, presented a joint resolution of the Legislature of Texas, requesting her Representatives to use their efforts to procure an appropriation to improve the navigation of Cypress Bayou and Soda Lake, and to make Jefferson a port of entry; which was referred to the Committee on Commerce, and ordered to be printed.

FIRST INTERNAL-REVENUE DISTRICT, OHIO.

Mr. BANNING, by unanimous consent, presented a memorial of the internal-revenue gaugers of the first district of Ohio; which was referred to the Committee on Ways and Means, and ordered to be printed.

And then, on motion of Mr. GARFIELD, (at five o'clock and ten minutes p. m.) the House adjourned.

PETITIONS, ETC.

The following memorials, petitions, and other papers were presented at the Clerk's desk, under the rule, and referred as stated:

By Mr. ALBERT: The petition of Cicero A. Moore and others, of the Ninth Maryland Volunteers, for extension to them of the benefits of the act giving three months' extra pay to those soldiers who were prisoners in the hands of the enemy in Andersonville, Libby, and other prisons in the South, to the Committee on Military Affairs.

By Mr. ARCHER: The petition of Mary Ann Drury, for a pension, to the Committee on Revolutionary Pensions and War of 1812.

By Mr. BECK: The petition of R. R. Brown, of Lexington, Kentucky, for relief, to the Committee on Claims.

By Mr. BUFFINTON: Papers relating to the application of Mrs. Emily Booth, of New Bedford, Massachusetts, for a pension, to the Committee on Invalid Pensions.

By Mr. CLAYTON: Resolutions of the people of San Diego, California, represented by an executive committee of forty citizens, in favor of Federal aid to the Texas and Pacific Railroad Company in the form of a guarantee of the bonds of said company, so guarded and restricted as to impose ultimately no additional burden or tax on the country, to the Committee on the Pacific Railroad.

Also, the memorial of the Los Angeles Chamber of Commerce, California, in regard to the wine interests of California and the duties on imported wines and brandies, to the Committee on Ways and Means.

Also, resolutions of the Legislature of California for the restoration to pre-emption and homestead entry of the odd sections of land reserved for the Atlantic and Pacific Railroad north of the town of Santa Barbara, to the Committee on the Public Lands.

Also, resolutions of the Legislature of California, in favor of the relinquishment of a portion of the Presidio reservation for a public park to the city and county of San Francisco, to the Committee on Military Affairs.

Also, resolutions of the Legislature of California, in favor of the establishment of certain post-routes and post-offices, to the Committee on the Post-Offices and Post-Roads.

By Mr. CLYMER: Several petitions of citizens of Berks County, Pennsylvania, in opposition to the restoration of the tariff duty on tea and coffee, in opposition to any increase in internal taxes, and in favor of the repeal of the second section of the act of June 6, 1872, which reduced by 10 per cent. the duties on certain foreign imports, to the Committee on Ways and Means.

By Mr. COMINGO: The petition of citizens of Cass County, Missouri, for a post-route from West Line to Belton, Missouri, to the Committee on the Post-Office and Post-Roads.

By Mr. CORWIN: The petition of 37 iron and steel workers of Joliet, Illinois, of similar import, to the Committee on Ways and Means.

By Mr. CURTIS: The petition of druggists of Erie, Pennsylvania, for the repeal of the stamp tax on medicines, to the Committee on Ways and Means.

By Mr. GARFIELD: Papers relating to the claim of Rafael Madrazo, owner of the bark Teresita, to be paid the proceeds of sale, &c., &c., to the Committee on Claims.

Also, the petition of citizens of Ohio in relation to the eight-hour law, to the Committee on Appropriations.

By Mr. HOSKINS: The petition of 41 citizens of Byron, Genesee County, New York, for an increase of five cents in the duty on hops, to the Committee on Ways and Means.

By Mr. McLEAN: The petition of George A. O'Brien, for the payment of the French spoliation claims, to the Committee on Foreign Affairs.

By Mr. MILLS: Papers relating to the case of Mrs. E. P. Murphy, to the Committee on Indian Affairs.

By Mr. O'BRIEN: The petition of Mary Miller, of Baltimore, Maryland for a pension, to the Committee on Invalid Pensions.

By Mr. O'NEILL: The petition of George W. Leamy, late second lieutenant Company B, Ninth Pennsylvania Cavalry, for a pension, to the Committee on Invalid Pensions.

By Mr. POLAND: The petition of R. H. Start and other members of the Vermont bar, that the time for holding the United States courts at Windsor, Vermont, may be changed, to the Committee on the Judiciary.

Also, the petition of George N. Dale and other members of the Vermont bar, of similar import, to the Committee on the Judiciary.

By Mr. POTTER: Communications of Francis T. Garretson, of New York, in relation to postage on letters within the limits of the city of New York, to the Committee on the Post-Office and Post-Roads.

By Mr. SCHUMAKER, of New York: Memorials and resolutions of the New York Academy of Medicine, numbering 400 physicians; the New York Pathological Society, comprising 300 physicians as members; the New York Medical Library and Journal Association, comprising 300 physicians as members; and the Medical Society of the County of New York, having 700 physicians as members, asking Congress to increase the efficiency of the Medical Department of the United States Army, to the Committee on Military Affairs.

By Mr. SENER: The petition of John H. Parker and others, heirs of Thomas Parker, deceased, of Accomack County, Virginia, asking indemnity for French spoliations, to the Committee on Foreign Affairs.

Also, the petition of Warner Ewbank, of Lancaster Court-House, Virginia, for relief, to the Committee on War Claims.

By Mr. SMITH, of Virginia: The petition of M. G. Anderson and others, citizens of Louisa and Hanover Counties, Virginia, for the establishment of a post-route from Perkinsville, in Goochland County, to Hopeful, in Louisa County, Virginia, to the Committee on the Post-Office and Post-Roads.

By Mr. STANDEFORD: The petition of sundry tobacco manufacturers and dealers of the State of Kentucky, for the abolition of the import duty on mass or stick licorice, to the Committee on Ways and Means.

Also, the petition of William McDowell for the passage of a special act giving him arrears of pension, of a general law repealing the limitation clauses in existing pension laws, to the Committee on Invalid Pensions.

Also, the petition of William Nay, of similar import, to the Committee on Invalid Pensions.

Also, the petition of Violet Jividon, of similar import, to the Committee on Invalid Pensions.

Also, the petition of Caroline Dawkins, of similar import, to the Committee on Invalid Pensions.

Also, the petition of Richard Pollard, of similar import, to the Committee on Invalid Pensions.

Also, the petition of John Hazel and James Childs, of similar import, to the Committee on Invalid Pensions.

Also, the petition of T. M. Armstrong and others, of similar import, to the Committee on Invalid Pensions.

By Mr. TREMAIN: Resolutions of the Union League Club, of New York City, in favor of the general principles of the joint resolution H. R. No. 1917, so far as the same relates to the cancellation of fraudulent naturalization papers, to the Committee on the Judiciary.

By Mr. VANCE: The petition of E. J. Hoffman and others, for a post-route from East La Porte, Jackson County, to Cherryfields, Transylvania County, North Carolina, to the Committee on the Post-Office and Post-Roads.

By Mr. ——: Papers relating to the claim of Mrs. Mary Sublatt, for a pension, to the Committee on Revolutionary Pensions and War of 1812.

IN SENATE.

FRIDAY, *March* 20, 1874.

Prayer by the Chaplain, Rev. BYRON SUNDERLAND, D. D.

The Secretary proceeded to read the Journal of yesterday's proceedings.

Mr. MORRILL, of Maine. I move that the further reading of the Journal be dispensed with.

The PRESIDENT *pro tempore*. The Senator from Maine moves that the further reading of the Journal be dispensed with. The Chair hears no objection, and the reading is dispensed with.

PETITIONS AND MEMORIALS.

Mr. ALLISON presented the petition of sundry citizens of Muscatine, Iowa; a petition of citizens of Iowa City, Iowa; a petition of the State University of Iowa, and a petition of citizens of Solon Post-Office, Johnson County, Iowa, praying the substitution of arbitration as a means of settlement of international differences instead of war; which were referred to the Committee on Foreign Relations.

Mr. BOGY presented resolutions of the State Grange of Missouri, in relation to the disposition of the public lands; which were referred to the Committee on Public Lands.

Mr. HAGER presented a resolution of the Legislature of the State of California, remonstrating against the granting of an additional subsidy to the Pacific Mail Steamship Company; which was referred to the Committee on Commerce.

He also presented a resolution of the Legislature of California, in favor of the passage of an act declaratory of the meaning of the joint resolution of Congress of June 28, 1870, in reference to the reserve for a land grant to the Southern Pacific Railroad Company in that State, and for the restoration of certain lands therein to the public domain; which was referred to the Committee on Railroads.

Mr. BUCKINGHAM. I presented a few days since a memorial from the chiefs and head-men of the Oneida Nation of Indians, asking the payment of certain sums of money claimed to be due the Six Nations of Indians under the treaties of 1838 and 1842, which was referred to the Committee on Indian Affairs. I move now that that memorial be printed.

The motion was agreed to.

Mr. INGALLS presented additional testimony in the case of Martin V. Jackson's application for a pension; which was referred to the Committee on Pensions.

Mr. MORRILL, of Vermont, presented a petition of Rev. N. Newton Glazier and others, praying for an amendment of the pension laws; which was referred to the Committee on Pensions.

Mr. SCOTT presented the petition of Madeline Vinton Dahlgren, widow of the late Rear-Admiral Dahlgren, asking compensation for property taken and used by the United States; which was referred to the Committee on Naval Affairs.

Mr. SCOTT. I present a petition of citizens of Philadelphia and New Jersey, asking Congress to grant to the Red Bank Ferry Company a landing at the foot of Broad street, and the right of way, as I understand, across League Island, for the purpose of enabling the farmers to have quick transit to the city of Philadelphia. I move its reference to the Committee on Naval Affairs.

The motion was agreed to.

Mr. SHERMAN presented the petition of Charles Fitch and others, heirs of Joseph Billings, praying indemnity for spoliations committed by the French prior to the year 1801; which was ordered to lie on the table.

Mr. LEWIS presented the petition of Myer Myers and others, praying to be indemnified for spoliations committed by the French prior to the year 1801; which was ordered to lie on the table.

He also presented the petition of Dabney H. Maury, of Richmond, Virginia, praying the removal of his political disabilities; which was referred to the Committee on the Judiciary.

Mr. KELLY presented a petition of citizens of Oregon and Washington Territory, praying for the removal of obstructions in the Columbia River at the Cascades and the Dalles; which was referred to the Committee on Commerce.

Mr. PRATT. I beg leave to present seven petitions emanating from citizens of different parts of the State of Indiana, praying Congress to take steps as promptly as possible, in co-operation with other governments, for the settlement of international difficulties by arbitration, and the formation of a high court of nations, or such other pacific measures as the wisdom of Congress may suggest for the settlement of international difficulties without resort to arms. I move their reference to the Committee on Foreign Relations.

The motion was agreed to.

IMPORTATION OF CHINESE.

Mr. HAGER. I have a resolution from the State of California in regard to Chinese immigration, and as it is an important subject for us in California, I desire, after submitting the resolution, to make some explanatory remarks.

The PRESIDENT *pro tempore*. The Senator from California asks unanimous consent to make some explanatory remarks on the memorial which he proposes to present. Is there objection? The Chair hears none.

Mr. HAGER. A short time ago a memorial was presented by my colleague from the laboring men of the State of California, signed by nearly 17,000, asking for relief on the same subject-matter to which this joint resolution of the Legislature which I now offer relates; that is, to the importation of Chinese into the State of California. I use the word "importation" instead of "immigration" intentionally, as the correct descriptive term, as I will explain.

It is a subject of very considerable moment to us, I may say of the highest importance, and, although perhaps not well understood here, it is rapidly assuming such proportions as must necessarily make it a national question. I will read this resolution, as it embraces the

whole subject-matter, and will take occasion to explain the subject to which it relates in connection with the Burlingame treaty:

Concurrent resolution on Chinese immigration.

Whereas the great influx of Chinese into the State of California has proved detrimental to the moral and material well-being of our industrial classes by forcing on them a competition at wages below the cost of subsistence to men of our own origin, who have families depending on their labor for support and education; and whereas article 5 of the treaty of 1868, between the United States and the Chinese Empire—the former containing forty million inhabitants and the latter nearly four hundred millions—provided that the parties thereto shall impose no obstacle to the emigration of their citizens and subjects from one country to the other, for the purposes of curiosity, of trade, or as permanent residents; under which stipulation it is notorious that large numbers of persons, frequently aggregating over one thousand in a single vessel, are brought into the port of San Francisco, by companies of associated Chinese capitalists, under contract made in China, to perform labor at low wages for their masters for a series of years, within the United States, which contracts are enforced by the edicts of secret tribunals, which inflict, in defiance of our laws, cruel and arbitrary punishment; and whereas it is against public policy, and the future welfare of our people, that under any pretext whatever encouragement should be given, by treaty stipulation or otherwise, to the immigration, free or involuntary, of a servile laboring element, whose low standard of living and morality menaces the communities in which it may reside with pestiferous disease; and whereas Mongolian labor has driven from employment large numbers of our people, by a competition which has been prolific of idleness, vice, and suffering among our people, thereby assisting to fill our jails, poor-houses, and hospitals with unwilling inmates: Therefore,

Be it resolved by the senate, (the assembly concurring,) That our Senators be instructed, and our Representatives requested, to use their influence to have articles 5 and 6 of our treaty with China modified so as to discourage the further immigration of Chinese to our shores by appropriate action on the part of the Federal Government.

Resolved, That his excellency the governor be requested to forward a copy of the foregoing preamble and resolution to our Senators and Representatives in Congress, at as early a day as possible.

W. IRWIN,
President of the Senate pro tempore.
MORRIS M. ESTEE,
Speaker of the Assembly.

Such is the resolution of the Legislature of the State of California, and to my own knowledge the recitals therein are correct.

This subject of Chinese immigration, so called, is not understood, I respectfully submit, either in this Chamber or among the people of the Atlantic States. Is has not the characteristics of immigration. We call it the importation of Chinese, and it is so denominated in this resolution, and the word used is strictly appropriate. It is the importation of a servile element of that people, and it has none of the characteristics of free and voluntary immigration. The treaty to which this resolution refers, article 5, reads as follows:

ART. 5. The United States of America and the Emperor of China cordially recognize the inherent and inalienable right of man to change his home and allegiance, and also the mutual advantage of the free migration and emigration of their citizens and subjects, respectively, from the one country to the other, for purposes of curiosity, of trade, or as permanent residents. The high contracting parties, therefore, join in reprobating any other than an entirely voluntary emigration for these purposes. They consequently agree to pass laws making it a penal offence for a citizen of the United States or Chinese subjects to take Chinese subjects either to the United States or to any other foreign country, or for a Chinese subject or citizen of the United States to take citizens of the United States to China or to any other foreign country, without their free and voluntary consent respectively.

Article 6, which is also alluded to in the resolution, is as follows:

ART. 6. Citizens of the United States visiting or residing in China shall enjoy the same privileges, immunities, or exemptions, in respect to travel or residence, as may there be enjoyed by the citizens or subjects of the most favored nation. And, reciprocally, Chinese subjects, visiting or residing in the United States, shall enjoy the same privileges, immunities, and exemptions in respect to travel or residence, as may there be enjoyed by the citizens or subjects of the most favored nation.

It will be observed that by article 6 the Chinese are placed upon an equality with the most favored nations, and so are we in China placed upon an equality with the most favored nations. Our citizens have the privilege to go to China for curiosity, for trade, or for permanent residence; yet it is well understood that Americans cannot penetrate into the interior of China unless by special license, and then it is necessary to have a guard of soldiers for protection. So far as they dare be, they are to-day as exclusive in their intercourse with us as they were anterior to this treaty.

Now, sir, I do not want it to be understood that we object to the treaty as it reads. Neither would we object to it if its provisions were observed and faithfully carried out. But the provisions of this treaty are disregarded. The Burlingame treaty, as it reads, might not be objectionable to the people of the State of California, for the reason that it merely recognizes the right of immigration from China to the United States, for "purposes of curiosity, of trade, or as permanent residents," and prohibits immigration for other purposes, such as we complain of, and as I will explain. There is no immigration to the State of California or to the United States from China for purposes of curiosity, of trade, or as permanent residents. The lowest estimate from the best sources of information, is that there are about eighty thousand Chinese now in California, and some estimate it at one hundred thousand. Of those eighty thousand, there is not one in a thousand that comes there for purposes of curiosity, or of trade, or as a permanent resident. This article (article 5 of the treaty) further says:

The high contracting parties, therefore, join in reprobating any other than an entirely voluntary emigration for these purposes.

That is, for the purpose of trade, of curiosity, or of permanent residence. Then it proceeds to provide that each country shall pass penal laws to prohibit any other kind of emigration from China to this country or from this country to China.

The point which I wish to get at is to explain the character of this Chinese emigration, and to show that it is not only in conflict with the Burlingame treaty, but in conflict with a law as old as March 2, 1807. That was the law to suppress the African slave trade.

I will read section 1 of that act of 1807, intended to abolish the African slave trade and to prohibit the importation of persons of color to be held to service or labor. It reads as follows:

That from and after the 1st day of January, 1808, it shall not be lawful to import or bring into the United States, or the territories thereof, from any foreign kingdom, place, or country, any negro, mulatto, or person of color, with intent to hold, sell, or dispose of such negro, mulatto, or person of color as a slave or to be held to service or labor.

Under the Burlingame treaty I undertake to say that there is gradually being introduced into the United States a species of slavery, and instead of that treaty being a blessing, as it has been regarded, I venture to say that next to the African slave trade it will prove to be the greatest curse that ever befell our country, unless some remedy be administered here to prevent this importation of servile labor—I may say this introduction of slavery.

Mr. BAYARD. Is it the cooly trade?

Mr. HAGER. It is nothing else but the cooly trade, and it is being gradually introduced, as I hope to show.

The same thing, I may say here, has heretofore been attempted in Australia, but they, more philosophical and far-seeing, perhaps, than we, have suppressed it. There is no longer any Chinese emigration to Australia. For certain political and social reasons they found it absolutely necessary to prohibit it. Formerly they had one hundred thousand; now they have twenty thousand; and in the adjoining island of New Zealand they have prohibited and excluded it entirely.

I have stated that not one in a thousand comes to the State of California for the purposes of curiosity, or of trade, or as a permanent resident, according to the language of this treaty. They do not come there as free, voluntary immigrants, with wives and children and the surroundings of home, but they come under servile-labor contracts entered into before they leave the ports of China, and against the prohibition or decrees of the Chinese government. In a conversation that I had with Governor Low, our minister to China, a short time before I left California, he told me that the Chinese government had tried in every way to carry out the provisions of this treaty by prohibiting this kind of emigration, knowing that it was contrary to our laws and contrary to the provisions of article 5 of this treaty; but it is carried on through the English port of Hong-Kong, outside of the jurisdiction of Chinese authority and law.

We cannot complain of the Chinese government as violating that treaty by encouraging an involuntary emigration under these servile-labor contracts. They are enticed to the port of Hong-Kong by the agents of the parties that own and control them in the State of California, and they are embarked from that port; and the Chinese government have no control over it, or if it had, as I am informed, it would have been suppressed long ago.

The facts are these: all the Chinese in California are owned by companies, known as the six Chinese companies, an association of Chinese capitalists located in San Francisco, who have their agents in China, at Hong-Kong and in the interior, collecting from that vast population the refuse, the most degraded portions of it, binding them to these servile-labor contracts, under which they are brought to California, and all Chinese so imported are owned and controlled by these six companies as effectually, as thoroughly, as the slaves of the South were formerly owned and controlled by their masters. For a small stipend they bind themselves to these companies for a term of years, and the companies hire them out in California and receive the proceeds of their labor. This is the question which I wish to present to the Senate, and this is the question that is brought before Congress by the resolution of the Legislature of California which I have had the honor to present. These companies pay all the expenses of these servile laborers, and clothe and feed them. When they arrive at San Francisco they are taken charge of by their agents; they are lodged and taken care of, and they are hired out to our people from one up to ten thousand, if you see fit to make an application for that number; and they are entering into all the avenues where labor seeks employment. The result is they exclude our own citizens. The result is that they discourage the foreign emigrant to California, are crowding out citizen labor from every avenue where it seeks employment; and this is discouraging foreign emigration from Europe to California.

It is well understood among the immigrants that come from Europe that if they go to California their labor must come into competition with this servile Chinese labor, and the consequence is they are discouraged from going there. Our own citizen labor is unable to compete with this servile labor, because what will sustain a Chinaman will not sustain our citizen laborer. If a citizen can afford to work for fifty dollars a month, a Chinese will do it for thirty dollars; if the citizen labor comes down to thirty dollars a month, Chinese labor will come down to twenty dollars; and if citizen labor comes down to twenty dollars, the Chinese will come down to ten dollars, and then they will make money. That is the condition there, so that there is no fair competition. Their clothing and their food are inexpensive compared with ours; they are taken care of, as I say, entirely by these companies, with the understanding that they are to be sent back to China dead or alive, believing, as they do, that it is essential for their happiness in the future world, and that if they would there mingle with friends and relatives they had known on earth they must be buried in their native country.

Mr. BAYARD. Do they make their own contracts for labor?

Mr. HAGER. They make their own contracts; they make them in China before they come here, and bind themselves to these companies for a term of years.

Mr. BAYARD. Individually?

Mr. HAGER. Individually they enter into these contracts in China, and the emigration is encouraged by the steamship companies for the profits of the traffic, and sometimes a thousand, sometimes fifteen hundred, come over in one vessel. The agents of these six companies of capitalists associated together in San Francisco have their agents in China, and they procure these men, get them to enter into these contracts, and ship them, not from a Chinese port, as I have stated, but from the English port of Hong-Kong. Governor Low told me the Chinese government was opposed to the emigration, and had tried to suppress it, and would do it if they had the power. But it has no power to do it in that port.

Mr. MERRIMON. For what sort of labor are they used?

Mr. HAGER. They are hired in private families as cooks, and in the capacity of chambermaids, although they are males, as waiters, and as porters in stores; in the factories, in the mines, in the fields of agriculture, wherever labor is employed, there these Chinese are offered at lower rates than our citizens can afford to work for, and the result is that at this time there are thousands of our own people in the streets of San Francisco destitute of the necessaries of life, because they have been crowded out from all employments by this Chinese labor. They cannot compete with it. It is not a question as between the sobriety of this nation or that, or the honesty of this or that race, or the skillfulness of this or that people; it is merely a question of cheap labor. Our people cannot compete with them. It is impossible, because, as I say, if they come down to twenty dollars a month the Chinese can make money at ten dollars a month; and one race must give way to the other; the result will be that either our white citizen labor will be entirely driven from every field of labor, or else, driven to desperation, with starvation before them, there will be an upheaval which will lead to scenes of violence and blood, however much we may deplore it, shocking to our humanity, and which may produce a thrill of horror throughout the civilized world. We have been apprehensive of this for years. It has been on the eve several times of being precipitated.

Now, sir, as I stated, you can go to these companies and hire from one to one thousand, or from ten to ten thousand, or even twenty thousand, of these people at such rates as you may bargain for; and if they have not the number on hand they will supply them; they will send to China for them. You can go there from here and make a contract with these six companies to bring you fifty thousand Chinese here, just as fast as the vessels can bring them across the ocean, under these servile-labor engagements to the companies. The companies collect all their wages; the Chinese do not collect them. They receive a small stipend, which is agreed upon beforehand. They have their secret tribunals, where they administer justice, right in our midst. They never go into an American court for the administration of justice among themselves. They have their own secret tribunals, as this resolution recites, where they pronounce judgment and where they inflict punishment, corporeal and otherwise; so that these Chinese are kept together in fear and by superstition, so that they are entirely obedient to these six companies. That is the condition of Chinese immigration, so called, which we call Chinese importation, as it exists in California, and, as I say, in derogation of the very language of the treaty under which they are brought here.

We are peculiarly situated. We are at the extreme verge of this western continent. The course of empire can go no farther west. We occupy the place where the Occident and the Orient meet. Chinese civilization and American civilization meet upon the shores of the Pacific, and we have got to breast this storm, this influx from Asia in our State. We see it in all its bearings, in all its evils. We see that it is driving our own citizens and European immigration from us; we see that if it is to be continued, with our new commercial relations, with steam communication with China, in the course of time they must outnumber us. China might spare one million or five millions of its surplus population without experiencing the sensation of a vacuum. They will come if there is a field for them, and they will enter at once into competition with our people in every field of labor. If you should extend to them the elective franchise, they must have absolutely the control of that State. There is but one word that prevents their being made citizens, the word "white" in our naturalization laws. Strike that out, and California will surrender to the Mongolian.

I have a pamphlet here which was recently sent to me, from which I will read a passage, which presents the subject as fully as any words of mine can illustrate it. It is as follows:

> By their coming as servile labor, they add nothing to our military strength, nothing to our material wealth, nothing to our political welfare, nothing to our moral improvement, nothing to our educational interests, nothing to our architectural beauty, nothing to our æsthetic taste, and no refining influence to our social intercourse, but directly to the contrary of all these, so that the only possible advantage of their presence is to cheapen the price of citizen labor. But universally to cheapen the price of an article is to injure the class of persons interested in its production; so to cheapen the price of citizen labor is to injure the whole laboring class, because labor is their capital. But as the price of labor and capital is always regulated in market according to supply and demand, an excess of servile labor will reduce the demand for citizen labor. Therefore to cheapen the labor of a citizen, by introducing a lower race of servile laborers, is to exclude the citizen, and often a whole family, for one servile laborer employed.

That presents the case precisely as it is.

There is another phase of this Chinese immigration, so called, to which I desire to call the attention of the Senate. I have stated that they do not come here in the character of immigrants, with wives and children and the surroundings of home; but we do have female immigration. They bring females under contracts for purposes too vile for me even to mention in this Chamber. Their persons are bound for a term of years, and young girls from fifteen to twenty years of age are brought to California, owned entirely by those who bring them. They are exposed in our cities with such charms as they possess, and throughout the whole mining region, in order to attract the passer-by into their dens of vice. This is called Chinese immigration, too. In a paper that I received from San Francisco yesterday, I find what is an ordinary thing with us; but perhaps it will be a surprise to the Senators here, unless they are familiar with this question, when I read it. It is as follows:

> CHINESE SLAVERY—AN INTERESTING EXAMPLE TO BE INVESTIGATED IN COURT.
>
> Last Thursday afternoon Officer Kearns was approached by a Chinaman, who informed him that a Chinese female was detained against her will in a Chinese hagnio in an alley off Jackson street, and that for more than thirty days she had not been permitted to leave the house. The officer reported the matter to the police headquarters, and upon receiving instructions he visited the premises described by the Chinaman, and found the female alluded to in a small room in the upper part of the house. He took her in charge, and at the same time arrested Tan Pe Sam, the keeper of the place, on a charge of keeping a house of ill-fame. Subsequently this charge was altered to false imprisonment.
>
> The woman taken from this house was conveyed to the Chinese mission, on Washington street, where she was, through an interpreter, questioned by Rev. O. Gibson, and the following is a report of the interview which took place:
>
> "What is your name?
> "Nan Lung. Formerly I was called Tia Ngan.
> "How old are you?
> "Twenty-two years old.
> "When did you come to San Francisco?
> "Year before last, the twelfth month. [That would be about January, 1872.]
> "Did you come here of your own free will?
> "No; I was sold and brought here.
> "Who sold you?
> "Some kidnappers seized me and brought me away by force, and a woman named Ah See sold me to Ah You for $150.
> "Who brought you to California?
> "Ah You.
> "What did Ah You do with you?
> "Sold me to Tan Pe Sam for $370.
> "How do you know that Tan Pe Sam paid $370 for you?
> "Because I received the money in my own hands.
> "What did you do with the money?
> "I handed it over to Ah Pat, who is Ah You's sister.
> "Why did you hand it to Ah Pat?
> "Because Ah You passed me over to Ah Pat to be sold."

That is to get rid of our laws. They have a way of doing these things among themselves. The girl receives the money, pays it over, and says "That is what I owe to you," in order to avoid the appearance of a sale of the person.

The account goes on:

> "About what time did Ah You or Ah Pat sell you to Tan Pe Sam?
> "Last Chinese year, second month, third day.
> "Where have you been since Ah You sold you?
> "Living with Tan Pe Sam."
>
> The woman then stated that in Tan Pe Sam's house she had been leading a life of shame against her will, but did so because she had been bought for that purpose, and had been forced to do it. After that the questioning was resumed:
>
> "While living with Tan Pe Sam, could you leave when you chose?
> "No; she would not permit me to leave.
> "Did you not go on the street sometimes?
> "Yes; but Tan Pe Sam always went with me.
> "Do you wish to go back to Tan Pe Sam?
> "No.
> "What do you wish to do?
> "I wish to marry Ah Yung."

She had a lover, and that is what exposed the whole matter in the courts; otherwise it would have been kept secret.

> The woman then produced a document, written in Chinese characters, of which the following is a translated copy.

I read this to show the nature of these contracts. Here is one relating to the females that are brought over, and those relating to the males are of a similar character. This contract is translated in these words:

> To assist a certain woman, Tai Ngan, the two parties speaking plainly, and agree that with her body Tai Ngan shall assist San So four years and a half. If sick fourteen days, no account shall be made of it; but if sick fifteen days, Tai Ngan shall serve one month additional. When the four years and a half have expired, Tai Ngan may choose her own man without any interference. That there may be proof of this agreement, two papers are written in witness.
>
> Twelfth Chinese year, second month, third day.
>
> TAI NGAN.

That is one of these contracts relating to the females which I happened to receive in a paper yesterday, and although with us they are very often exposed in the courts and these contracts brought out, I read this here, as it perhaps will better illustrate the character of this so-called Chinese immigration under the Burlingame treaty as we experience it in the State of California, and, as I say, being carried on in violation of the treaty itself, and contrary to the wishes of the Chinese government. It has none of the characteristics of immigration. It is nothing more nor less than the introduction of cooly labor—slavery in fact—under color of immigration.

It may be said, in answer to all this, why does not California legislate upon this subject? We have made efforts to suppress this kind of immigration, this gradual introduction of slavery in California,

this bringing of females there for immoral purposes. We have passed laws intending to suppress it, but we were met with the objection, all such legislation is in contravention of the treaty with China; you are legislating on a subject that exclusively belongs to the Federal Government, attempting to regulate commerce with foreign nations, and in violation, too, of solemn treaty engagements. We, as a State, are powerless to administer any relief by local legislation, and if any remedy be administered it must come from the national Congress.

Sir, I am not in physical condition to-day to address the Senate, but perhaps on some future occasion, when it assumes some form of legislation, I may avail myself of some opportunity again to present this question, so important to us, for the further consideration of the Senate; but I desire at this time, as an initiative, to offer the following resolution in connection with the resolutions of the Legislature of California:

Resolved, That the Senate Committee on Foreign Relations be instructed to advise with his Excellency the President in regard to the expediency of opening negotiations with the Emperor of China, with a view to obtaining such modification or enlargement of the treaty with China, commonly known as the Burlingame treaty, as will check the importation into the United States of Chinese females for immoral purposes and of Chinese males as coolies, or for the purpose of fulfilling servile-labor engagements.

This is a resolution merely to inquire into the expediency, and I hope it will meet with no opposition on the part of any Senator.

The PRESIDENT *pro tempore*. The resolution is not yet in order.

Mr. HAGER. I ask leave to submit it in connection with the resolutions of the Legislature of California.

The PRESIDENT *pro tempore*. The Senator from California asks unanimous consent to present at the present time a resolution out of order.

Mr. MORRILL, of Vermont. I suggest that the Senator wait until the morning business is through.

The PRESIDENT *pro tempore*. That is an objection.

PAPERS WITHDRAWN AND REFERRED.

On motion of Mr. INGALLS, it was

Ordered, That the papers in the case of Martin V. Jackson be taken from the files of the Senate and referred to the Committee on Pensions.

REPORTS OF COMMITTEES.

Mr. STEWART. I am instructed by the Committee on Railroads to report back the bill (H. R. No. 1778) granting permission for a railway from the wharf of the Baltimore Steam Packet Company, at Old Point Comfort, Elizabeth City County, Virginia, to Mill Creek Bridge, in the same county, and ask that it be referred to the Committee on Military Affairs. I have looked through the bill and cannot see any objection to it; but still I do not think it is proper for the Committee on Railroads to interfere with military reservations. We therefore ask to be discharged, and that the bill be referred to the Committee on Military Affairs.

The report was agreed to.

Mr. STEWART also, from the same committee, to whom was referred the bill (S. No. 35) granting aid to the Atlantic and Great Western Canal Company, reported adversely thereon, and moved its indefinite postponement; which was agreed to.

Mr. ALLISON, from the Committee on Pensions, to whom were referred the petition of Henry Woodson, late Company H, Fifth Regiment Missouri State Militia, praying to be allowed a pension, and the petition of Patsey Inlow, widow of Abraham Inlow, late Company F, Fifty-third Regiment Missouri Militia, praying to be allowed a pension, submitted adverse reports thereon; which were ordered to be printed, and the committee was discharged from the further consideration of the petitions.

He also, from the same committee, to whom was referred the bill (H. R. No. 1230) granting a pension to Elizabeth W. Prindle, guardian of the minor children of Joseph F. Doak, deceased, reported it without amendment.

He also, from the same committee, to whom was referred the bill (H. R. No. 1227) granting a pension to Eliza A. Maxham, reported it with an amendment.

He also, from the same committee, to whom was referred the petition of Jefferson A. French, late of the United States naval service, Mississippi squadron, praying for a pension, submitted a report, accompanied by a bill (S. No. 613) granting a pension to Jefferson A. French.

The bill was read and passed to a second reading, and the report was ordered to be printed.

Mr. MORRILL, of Vermont, from the Committee on Public Buildings and Grounds, who were directed by a resolution of the Senate of January 22 to inquire into the expediency of suspending the expenditure of all appropriations for public buildings not yet commenced, and to cover such appropriations into the Treasury, submitted a report; which was ordered to be printed.

Mr. HAMILTON, of Texas, from the Committee on Pensions, to whom was referred the bill (H. R. No. 2096) granting a pension to James Roach, reported it without amendment.

Mr. HAMILTON, of Texas. I am instructed by the Committee on Pensions, to whom was referred the petition of Timothy Page, of Niagara County, New York, praying for a pension, to report it adversely. This case has been twice or three times before Congress, and reported adversely upon. I therefore move the adoption of this report, and that the written report be printed.

The motion was agreed to.

Mr. CHANDLER, from the Committee on Commerce, to whom was referred a resolution of the Legislature of California, asking an appropriation for removing the wreck of the ship Patrician, and the rock known as the Noon Day rock, near the entrance to the harbor of San Francisco, submitted a report, accompanied by a bill (S. No. 614) to provide for the removal of the wreck of the ship Patrician, near the entrance to the harbor of San Francisco, California.

The bill was read and passed to a second reading; and the report was ordered to be printed.

EPISCOPAL PARISHES IN THE DISTRICT OF COLUMBIA.

Mr. JOHNSTON. The Committee on the District of Columbia, to whom was referred the bill (H. R. No. 2422) to approve an act of the Legislative Assembly of the District of Columbia, relating to parishes of the Protestant Episcopal Church, have instructed me to report it back without amendment, and to ask for its present consideration.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

It approves the act of the Legislative Assembly of the District of Columbia entitled "An act for the relief of parishes of the Protestant Episcopal Church in the District of Columbia," approved June 26, 1873, and repeals all acts now in force in the District of Columbia inconsistent therewith.

Mr. SHERMAN. I should like to have an explanation of this bill.

Mr. JOHNSTON. The State of Maryland, before this District was ceded to the United States, had some laws in regard to this church by which it was provided that nobody except those who lived inside the parish where the particular church was situated should vote in the vestry election. After the District was ceded to the United States, Congress, by a law passed in 1801, adopted that same provision in regard to this church; but it is found now to be a fact that more than four-fifths of the members of the church live outside of the respective parishes of the particular churches which they attend.

Mr. SHERMAN. I have no objection. I thought it might relate to church property.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BILLS INTRODUCED.

Mr. STEWART. I desire to introduce a bill for increasing the pension of Mrs. General Sumner. There were two or three cases at the last session, standing precisely on the same footing. The Committee on Pensions reported adversely on all the cases; but one or two of the bills passed, and the chairman of that committee moved then, as Mrs. Sumner's case stood on the same ground as those that had already passed, to reconsider the report in her case, but he failed to succeed in his motion, and it went over. I now ask leave to introduce a bill and have it referred to the Committee on Pensions, that they may do justice in the matter.

By unanimous consent, leave was granted to introduce a bill (S. No. 615) to increase the pension of Mrs. Hannah W. Sumner, widow of Major-General Edwin V. Sumner, who died March 21, 1863, while in command of the Department of the West; which was read twice by its title, and referred to the Committee on Pensions.

Mr. SPENCER asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 616) relating to sales under deed of trust in the District of Columbia; which was read twice by its title.

Mr. SPENCER. I introduce this bill by request. I wish to state that I have not examined the law that it proposes to amend, and consequently I know nothing about its merits. I move that it be referred to the Committee on the District of Columbia, and printed.

The motion was agreed to.

IMPORTATION OF CHINESE.

Mr. HAGER submitted the following resolution:

Resolved, That the Committee on Foreign Relations be instructed to advise with the President in regard to the expediency of opening negotiations with the Emperor of China, with a view to obtaining such modification or enlargement of the treaty with China, commonly known as the "Burlingame treaty," as will check the importation into the United States of Chinese females for immoral purposes, and of Chinese males as coolies, or for the purpose of fulfilling servile-labor engagements.

Mr. HAMLIN. I do not think that resolution has any business in this body whatever. Neither we, as a body, nor the committee, have anything to do with negotiating treaties. It seems to me that the voluminous papers which the Senator's colleague [Mr. SARGENT] presented to this body sometime ago and had referred to that committee have no connection with any action in this body upon the subjects embraced, save one, according to my recollection. There was one practical question of legislation which might arise under those papers, and it was considered whether the memorials should not be referred to another committee. With negotiating treaties this body has certainly nothing to do. We are simply a ratifying body; and all of the resolution which relates to the negotiations or change of treaties ought to be addressed to the President for his consideration; and if upon a due consideration of that subject the Executive shall deem it wise or proper to enter into any additional negotiation with the Chinese government he will do so; and when he shall submit the result of his action to us, we then shall consider it. But to direct the committee to inquire even into the expediency of any action in relation to negotiating a treaty, I think—I do not speak with precise certainty—is unprecedented. I believe no such precedent can be

found in the history of the Government. I therefore object to the resolution, this morning at least, and let it go over.

The PRESIDENT *pro tempore*. Objection is made to the present consideration of the resolution.

NATIONAL-BANK CIRCULATION—LIMITATION OF DEBATE.

Mr. SHERMAN. I move that the Senate take up the resolution that I offered day before yesterday in regard to the finance question.

The PRESIDENT *pro tempore*. The resolution will be read.

Mr. SHERMAN. I propose to modify it to meet the changed condition of things.

The PRESIDENT *pro tempore*. It will be read as modified.

The Chief Clerk read as follows:

Resolved, That the bill (S. No. 432) to amend the act entitled "An act to provide for the redemption of 3 per cent. temporary-loan certificates and for an increase of national-bank notes," approved July 12, 1870, be made the special order of the day for Monday next at one o'clock; and that not exceeding two days shall be allowed for general debate; and after that, the debate shall be confined to speeches not exceeding ten minutes by each Senator on any pending proposition.

Mr. MORRILL, of Vermont. I move to amend by striking out "two days" and inserting "one day." I am satisfied that will be sufficient.

Mr. SHERMAN. That is a question for the Senate. If any Senators here desire to speak at length on the subject, I do not wish to cut them off. I would rather have it one day.

Mr. FRELINGHUYSEN. Say "not more than two days."

Mr. SHERMAN. Perhaps we can make it less than two days; and if so we will do it.

Mr. MORRILL, of Vermont. I will vary the amendment by saying "not more than two days."

Mr. SHERMAN. That is what it says now.

The PRESIDENT *pro tempore*. The resolution will be again reported.

The Chief Clerk read the resolution as modified.

Mr. BAYARD. Is that the bill on which the general question of finance has been and is being discussed?

Mr. SHERMAN. Yes, sir.

Mr. BAYARD. I trust, sir, that the proposition to restrict debate on this subject will not receive the favor of the Senate. The other day suggestions were made that time had been wasted, and the Senate was rather taken to task for having wasted public time respecting the discussion of this question. Sir, I regard this as utterly unjust, when you consider the sudden and dreadful collapse that occurred in the finances of this country last fall, and the circumstances under which we met here in December, and the fact that there is throughout the country a very great conflict of opinion, the surges of which are beating to and fro until this very hour, and the people have been, with an anxiety that never was exceeded, with an anxiety in this body that I do not think was ever exceeded, endeavoring to discover the proper issue for our relief. The debate on this subject has been earnest; its tone has been all that it should be. Men have differed most widely, but they have differed conscientiously; and no speech has been made, to my knowledge, in the Senate that has not been dictated by a high sense of public duty, without the least disposition to waste public time or to indulge in individual feeling.

Mr. President, I do not know what is to be the issue of the counsels of Congress on this subject; but I do know that seldom it is in the life of a man that he is called upon to act in regard to questions more pregnant with momentous results to the people, not only of this generation but of others also, than are involved in the proper decision of the questions embraced by this whole financial subject.

Sir, we may discuss measures that have been hinted at in the body; we may discuss measures that may be reported to the Senate by the Committee on Finance, and perhaps in all probability two days will be sufficient for their ample discussion, because that which has preceded has not been useless. Gentlemen have indicated their counsels by their speeches. They do understand the subject better from their own points of view, and I trust from points of view suggested by other persons. And therefore it is not probable that more than two days may be needed for the discussion of the measures already proposed. But who can tell what new measures may be thrown into this debate in the shape of amendments? Who can tell what new light may be sought to be thrown into the debate? Do you tell me that we shall confine ourselves to a ten-minute discussion of matters of this kind? No, sir; no. It may be that what we have discussed may be but the beginning of what we may be called upon to discuss hereafter. It may be that questions still more difficult to decide will be broached in the course of the discussion, which it would be madness and folly to attempt to consider under the restricted rule of debate.

I am most anxious that a result should be reached. There is something in uncertainty that unsettles every man's mind, and there is something of relief in a decision, whether that decision is in accordance with your own views or not. I think we all feel that. I think the country feels that. But, sir, we cannot serve the country better than by delaying a decision on this subject until that decision shall be founded upon a thorough knowledge of the principles of what we are discussing and the best method of applying them.

I do hope that there will be no attempt to fix a ten-minute rule of debate on amendments. We have had in the Senate before, agreements, after a long debate, that at a certain hour we should proceed to vote; but that has been held not to exclude amendments which might be offered up to that hour; and what has been the result? That amendments of an exceedingly obnoxious character to many members of the body have been forced through in silence, because debate was choked off under a rule which could not anticipate what the nature of the amendments to be offered or their effect might be.

If we had a fixed measure, if that measure alone was to be discussed, then we might agree to take the vote after two days' debate; and such a proposition might be reasonable. But we do not know what shape the measure will take; we do not know what amendments will be offered, and, under such circumstances, I should be most unwilling to see a restriction upon debate until we know the subjects to which that debate will relate.

Therefore, while I am very willing indeed that this bill should be taken up on Monday, and discussed on Monday and Tuesday, and until it is closed, until there shall be, to use the phrase so common to this body, "something done upon this subject," yet I trust that the Senate will agree with me when I move, as I now do, to strike out that portion of the proposed order which limits the debate to ten minutes upon amendments after the close of the general debate on Tuesday next.

The PRESIDENT *pro tempore*. The morning hour having expired, the Senate resumes the consideration of the Army appropriation bill.

Mr. SHERMAN. I suggest to the Senator having charge of that bill whether it would not be better to settle this matter now. It will take but a few minutes, I imagine. I have nothing to say about it myself, but let us now fix the order of business for Monday; otherwise we may be engaged in a dispute about it then. I think Senators will see that we shall gain time by fixing the duration of the finance debate. This order is in pursuance of a custom. There are several precedents, I know, for I have offered similar resolutions myself. Undoubtedly the Senate can restrict debate. It is a question as to how far they ought to restrict debate. As a general rule, they ought not to do it; but they have done it in many cases, and there is no doubt about the power of the Senate to prescribe a rule.

Mr. BAYARD. We never, I think—I say it with due respect to the larger experience of my friend from Ohio—have fixed a limitation on debate, except on amendments touching money appropriation bills; and we all know by our experience that on those bills the time rarely was occupied.

Mr. SHERMAN. That observation will have to be extended to tax bills and revenue bills reported from the Committee on Finance, of which my friend is a member. There is no doubt about the power of the Senate to regulate the manner of disposing of its business. As to time, we have had three months; we have heard every ebb and flow of popular opinion on this subject, from all classes of people; and we have had the benefit of every light which can be thrown on the subject. If any Senator desires to express his views at length, there are two days reserved for him; and it seems to me that after those two days have expired, we may then approach the solution of this question on a ten-minute debate, without any danger of cutting off anybody.

Mr. BAYARD. Suppose you do not move the ten-minute rule until the end of the two days' debate, and then see how the question stands.

Mr. SHERMAN. That is a matter for the Senate. I simply wish to bring the question before the Senate to save time.

Mr. BAYARD. The Senator can move the adoption of this rule at that time quite as well as now.

Mr. MORRILL, of Maine. That applies after the two days.

Mr. BAYARD. I know; but it is on new amendments, of the character of which we have no knowledge at this time. I trust that restriction will not be adopted.

Mr. MORRILL, of Maine. If there is a disposition to vote on this order now, I will not interpose by calling for the Army appropriation bill; but if there is to be further debate, I give notice that I shall call for it.

The PRESIDENT *pro tempore*. It may be laid aside informally, for the purpose of proceeding with this subject.

Mr. SCHURZ. I desire simply to make a suggestion to the chairman of the Committee on Finance. I think if he desires to have this finance question disposed of he will reach his object by simply making his bill the special order for Monday, with a general understanding that we shall continue the discussion of that bill until it is disposed of.

I agree perfectly with the Senator from Delaware when he says it is impossible for us to foresee what amendments may be thrown in which would make a ten-minute rule very injurious indeed. For instance, somebody may move something in connection with the $44,000,000 reserve, a thing which has not been discussed at all during this debate, and which will necessarily provoke very elaborate discussion—a discussion which cannot be confined to ten minutes. There are other subjects. I suggest to my friend from Ohio that his object will be reached completely if he insists on making his bill the special order for Monday, with a general understanding that it shall continue from day to day until disposed of.

Mr. LOGAN. That has been the understanding by agreement already.

Mr. SCHURZ. If that has been agreed to, I think this resolution is unnecessary.

Mr. SHERMAN. I will take as much as I can get now, and try to get the rest hereafter. I therefore will simply submit for the present the motion that the finance bill be made the special order for Mon-

day; but I give notice to Senators that either during the two days I propose to allow for general debate, or at some time, I shall insist on a ten-minute debate or some abbreviated debate, because I know, without some such order as that, we shall not be able to dispose of the financial question in all its aspects, if we hope to dispose of it at all; and then I give further notice, so that Senators may not be taken unawares, that, so far as one man can, I intend to stand by the subject until it is disposed of by final action of the Senate, and I wish that action to be comprehensive, so as to embrace the whole subject-matter, so that we may not again be called upon to consider the general financial aspect.

I move now simply that the bill be made the special order for Monday.

Mr. ANTHONY. I hope the Senator will not withdraw his original resolution. I have never known a rule of this kind to be abused, and practically it is impossible to take any advantage of it. If amendments of an unexpected character are introduced, it is always in the power of any Senator under such a rule to speak as long as he chooses, because he can make a motion to indefinitely postpone the whole bill, and then he can speak as long as he pleases.

Mr. BAYARD. On the merits of the proposition?

Mr. ANTHONY. Certainly. A motion to indefinitely postpone opens the whole bill and every amendment that is offered to it.

Mr. BAYARD. The objection to that is that it is treating our own rules with disrespect. It is an evasion that the Senate ought not to make it necessary for a gentleman to resort to. If the Senate makes a rule, and I vote for it, I intend to keep it, and I would not care to beat the devil around the bush by making a motion of the character indicated by the Senator from Rhode Island, to postpone the question indefinitely, in order to get in my remarks, or to take up the time of the Senate by an enlarged discussion after it agreed to restrict debate. I think the question had better be allowed to rest in that broad sense of duty and honorable discretion which ought to govern every member of this body in the course of debate. I feel so much the importance and gravity of this subject, I feel so much the gravity of the results of the action of the Congress of the United States in respect to this question, that even if I anticipated the overthrow of those ideas which I conscientiously hold to be right, I would rather let the debate be prolonged until each man's sense of duty was satisfied, and let that be the proper gauge, than agree, on a question of this kind, to fix a limitation of ten minutes.

Mr. ANTHONY. It is not for me to insist on the original motion if the chairman of the Committee on Finance chooses to withdraw it; but I think there is no evasion and no "beating the devil around the bush" in making a motion to indefinitely postpone a bill if something is introduced that is unexpected, some amendment that was not anticipated. I think it perfectly fair and perfectly legitimate. But if we are to have no other amendments, if we are merely to discuss the same questions that have been discussed, certainly very fully, and very ably I think, and in very good temper on both sides, we can get through in ten-minute debate. However, I shall not press it if the Senator who has charge of the bill does not.

Mr. SHERMAN. I am trespassing now on the time of the Committee on Appropriations. I think we shall accomplish the same result by simply making the bill a special order for Monday; and I give due notice that the resolution being still pending I shall call it up hereafter, but not now.

Mr. ANTHONY. When the Senator says he means to press the bill, we do not understand that he means to "sit out" a bill of this kind, and make it a question of physical endurance.

Mr. SHERMAN. I mean to let the Senate adjourn at a reasonable hour, of course; but I mean to antagonize this currency bill against any proposition of any character I can conceive of now. That is my purpose, and I hope the Senate will stand by me in it.

Mr. HOWE. I want to say that I will stand by the Senator from Ohio in the effort which he promises to make next week. I would have stood by him in such an effort three months ago. I am very glad that he has made up his mind not to press the adoption of this rule at this time, not because I care a fig about its future operation, but it looks to me like a reflection on the past, which I do not think is justified. I do not want the country to be instructed, I do not want the country to suspect, that the Senate of the United States has actually been wandering about in the mazes of an endless debate since the 1st of December. This debate has been prolonged, I think, not because of any exigencies which arose out of the difficulties of the question. This Senate, as prolific as it is of talk, could have been exhausted long ago if we had kept the subject before the Senate. I doubt myself if it was wise to have kept it before the Senate. I do not think the honorable Senator from Ohio has tried to keep it before the Senate. I do not think I should have done so if I had been in his place. I am sure I should not if I had been there and been as sensible as he is. Therefore, I do not think there is anything in our past experience which proves the necessity for adopting this extreme rule at this time. Let us commence with this new purpose next Monday; if after abiding by that a short time we find that the Senate cannot be exhausted, then I will agree to go with the Senator from Ohio in the effort to suffocate or stifle the Senate.

Mr. CRAGIN. I should like to inquire of the Senator from Ohio, the chairman of the Committee on Finance, if he can give us any assurance that after the Finance Committee shall have made their report this whole subject of debate will not again be launched upon the Senate.

Mr. SHERMAN. I cannot.

Mr. CRAGIN. Then I would simply suggest, if there are any of the speaking gentlemen here who have not made a third, fourth, fifth, or sixth speech upon this subject, that they would graciously content themselves to make those speeches after the committee shall have made its report, and let us not use up all next week with this preliminary debate.

The PRESIDENT *pro tempore*. The Senator from Ohio now moves that Senate bill No. 432 be made the special order for Monday next at one o'clock.

The motion was agreed to.

ARMY APPROPRIATION BILL.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. No. 1009) making appropriations for the support of the Army for the fiscal year ending June 30, 1875, and for other purposes, the pending question being on the amendment of Mr. STEVENSON, to insert additional sections relative to the jurisdiction of the Court of Claims in regard to certain specified classes of claims.

The PRESIDENT *pro tempore*. The Senator from Nevada [Mr. STEWART] is entitled to the floor.

Mr. STEWART. I took the floor yesterday, when the Senate was about to adjourn and gave way to a motion for an executive session, thinking that I would make some remarks on the amendment of the Senator from Kentucky, [Mr. STEVENSON;] but the Committee on Appropriations are very anxious to go on with the bill——

Mr. MORRILL, of Maine. If the Senator will be so graceful as to yield the floor, I wish to submit a motion. After all that has been said on this subject, in view of the fact that this amendment is a bill which is before one of the standing committees of this body, under careful examination at the present time, which may come to this body under such circumstances that the whole question involved in it may be discussed—I say, considering these facts, if the Senator would yield to enable me to move to lay the amendment on the table, I think he would do a very good thing.

Mr. STEWART. I take it for granted the question will be again before the Senate, and I have some decided notions about it which I wish to express.

Mr. MORRILL, of Maine. I would not make the suggestion if I did not conceive that the Senator would have ample opportunity to discuss the principles involved.

Mr. STEWART. There are not resources in the country to stand the demands that would be made under this kind of legislation. But I will not enlarge at this time. I give way.

Mr. MORRILL, of Maine. For the considerations I have stated, I move that the amendment lie on the table.

The PRESIDENT *pro tempore*. The Senator from Maine moves that the amendment offered by the Senator from Kentucky be laid on the table.

The motion was agreed to.

The PRESIDENT *pro tempore*. There is one reserved amendment of the Committee on Appropriations on page 2, line 34, to strike out at the end of the provision for the pay of the Army the following proviso:

Provided further, That nothing herein shall be construed to allow more than ten cents a mile for such transportation.

Mr. SHERMAN. It was upon my request that that matter was laid over; but I am willing to accept any proposition from the Senator from Louisiana [Mr. WEST] that will guard the Treasury from paying more than ten cents a mile except in certain cases, which he defined and spoke of, in sparsely settled countries, where the actual cost of travel is more than ten cents a mile. I am afraid that if this proviso is stricken out there will be a constant effort made to increase the cost of traveling by officers. That is the natural tendency, of course, at all times. Sometimes officers pay more than ten cents a mile when there is no occasion for it. I think, therefore, there ought to be a general maximum limit beyond which they cannot go, unless in defined cases, where a greater sum ought to be allowed. If the Senator from Louisiana, being more familiar with military affairs than I am, will draw such an amendment as to make a maximum ordinarily, and then define certain special cases where the accounting officers may allow officers traveling in remote regions, where the bare cost of traveling is higher than ten cents, I will vote with him. But there ought to be some general maximum limit to regulate and govern all cases except the exceptional ones, which can be defined in proper language.

Mr. WEST. I think the suggestion of the Senator from Ohio would incumber this bill with too much detail in connection with this particular proposition. I think we have to trust something to the discretion and the judgment and the intelligence of the officers of the Treasury whose duty it is to audit the accounts of Army officers for travel.

Now, I will state once more exactly the process that an officer undergoes who is paid mileage or actual traveling expenses. He is obliged to produce his vouchers, or to certify on honor (which is the custom in the Army) that he has spent so much money for steamboat travel, or for railroad fare, or for stage fare; and upon that condition and on that statement his account is audited, and the money is reim-

bursed to him. I submit to the Senate that under recent legislation in regard to the mileage of Senators we had to state our actual traveling expenses, and we were paid just what we certified that we had disbursed to bring us here to the capital. Then it would have been unjust, for instance to the Senator from Oregon, traveling from the extreme West, to have confined him to ten cents a mile if his actual expenses had exceeded ten cents. I forget his distance, but I think it is thirty-five hundred miles; the Senator can inform us what is the distance he travels.

Mr. KELLY. Four thousand miles.

Mr. WEST. Very well; if in coming here he had spent $500, and we had limited his allowance to ten cents a mile, he would have been out of pocket $100. So with an Army officer coming from Oregon; if it costs him $500 to come to the capital under orders, as it might under certain circumstances, on coming here and satisfying the Department that it actually cost him that money, and that he could not come here for less, under the stipulation of the Senator from Ohio he would actually lose $100 out of his pocket.

It is not to be supposed that any particular extravagance is to be engaged in or incurred by these officers in making their travels. They must actually represent on their certificate on honor, and they are responsible for that certificate under their commissions, that they have spent so much money; and if an officer comes forward and says, "I have spent fifteen cents a mile," in the name of conscience why not give it to him? I do not think that we can perfect the bill in any way that will meet the views of the Senator from Ohio. I think the interests of the Government are guarded and the interests of the officers also protected by the clause as the Committee on Appropriations have left it.

Mr. HAMLIN. It would seem to me very unwise to strike this provision from the bill; but it occurs to me that there might be an amendment made to the bill as it already stands which would cover the precise point that was made by the Senator from Ohio. I do not believe myself that there are many cases, I doubt if there are any, where the actual necessary expenses of traveling will exceed ten cents a mile. But concede that there are; then let the language of the bill remain as it is, and add to it, "except in such cases as it shall be proved to the accounting officers that the actual necessary expenses exceed the rate of ten cents per mile." Then you have a limitation which will meet the case that the Senator from Louisiana would provide for. If there are cases where the actual necessary expenses exceed ten cents a mile, that language would cover precisely such cases. There is no use in disguising the matter. If you leave it unlimited and all open, you will not find two gentlemen who will travel over the same route with the same expense. One will be more expensive than another. There should therefore, in my judgment, be a limitation.

Besides, I think the maximum now fixed by law at ten cents a mile will about double the actual expenses over the inhabited portions of the country where railroad facilities exist. So, taking it as a whole, even if there were no qualifying words, there would be no wrong, no error in the language of the bill if it were to remain as it is. But I would put in these qualifying words; and it seems to me if there are cases where more than that sum should be allowed it could be allowed on the furnishing of the items where the expenses were necessary. I would have the word "necessary"—"where the necessary expenses exceed ten cents a mile."

Mr. MORRILL, of Maine. This would be perhaps the view of my colleague. The clause now reads:

Provided further, That nothing herein shall be construed to allow more than ten cents a mile for such transportation.

Then add:

Except in cases where a greater sum has been paid for actual traveling expenses.

Mr. MORRILL, of Vermont. "Actual and necessary."

Mr. HAMLIN. Yes; "actual and necessary."

Mr. MORRILL, of Maine. Perhaps that would cover it.

Mr. WEST. Then the motion will be to non-concur in the amendment of the committee first.

The PRESIDING OFFICER, (Mr. ANTHONY in the chair.) The question is on agreeing to the amendment to strike out the proviso.

Mr. SAULSBURY. I wish to ask the chairman of the committee a question for information.

Mr. HAMLIN. The precise vote is first to amend, because the amendment of the committee is to strike out; and you can perfect the words to be stricken out before the question is taken on striking out. Then the question would recur on concurring, and that could be voted down.

Mr. SAULSBURY. I ask if the construction of this proviso would not allow to every officer ten cents a mile for travel? Under this proviso could not the auditing officers allow every officer ten cents a mile?

Mr. MORRILL, of Maine. If he actually paid that much.

Mr. WEST. That is covered by line 31, as the Senator from Delaware will see by examining the bill.

The PRESIDING OFFICER. The question will be first on the amendment moved by the Senator from Maine [Mr. MORRILL] to the proviso.

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on the amendment of the Committee on Appropriations, to strike out the proviso as amended.

The amendment was rejected.

Mr. WEST. On consultation with the Senator from Iowa, [Mr. WRIGHT,] and also with the chairman of the committee, I move, at the commencement of line 123, on page 6, to insert the following words: "or upon any other conditions for the use of such roads;" so that the clause, if amended, will read:

Was constructed by the aid of a grant of public land, on the condition that such railroad should be a public highway for the use of the Government of the United States, free from toll or other charge, or upon any other conditions for the use of such roads for such transportation.

By that means all the land-grant roads will be brought under the operation of that clause.

The PRESIDING OFFICER. The question is on the amendment moved by the Senator from Louisiana.

The amendment was agreed to.

The bill was reported to the Senate as amended.

Mr. MERRIMON. I desire to offer now the amendment which I indicated yesterday.

Mr. SARGENT. Let the question be first taken on the amendments made as in Committee of the Whole.

The PRESIDING OFFICER. The Chair understands the Senator from North Carolina to desire to reserve the amendment on page 7, line 154. If there be no other amendment indicated for reservation, the question will be on concurring in the other amendments.

The amendments were concurred in, with the exception indicated.

The PRESIDING OFFICER. The amendment indicated by the Senator from North Carolina will now be read.

The CHIEF CLERK. The Senate, as in Committee of the Whole, struck out in line 154 "50," and inserted "30," so as to make the clause read:

For preservation of clothing and equipage from moth and mildew, $30,000.

Mr. MERRIMON. Now, I move to amend the amendment by striking out "$30,000," and inserting "$5,000;" and by adding to the clause:

And the Secretary of War is hereby directed to sell such Army clothing and other Army supplies as are not required for the use of the Army; and the gross proceeds of such sales shall be paid into the Treasury.

Mr. WEST. Is that question divisible?

The PRESIDING OFFICER. It is. There are two propositions.

Mr. WEST. Then, unless the Senator should be induced by what I shall say to withdraw the latter part of his amendment, I shall call for a division of the question; and I would ask the attention of the Senator from North Carolina to the fact that the Army appropriation bill of last year provided for precisely the same thing as the latter portion of his amendment prescribes now.

Mr. MERRIMON. I propose to make some remarks in support of the proposed amendment, and intended to advert to that very point. The clause of the law to which the Senator refers does not embrace as much as the proposed amendment.

Mr. WEST. Very well. I of course will give the Senator an opportunity, but I propose now to divide the question and take the sense of the Senate on the latter part of the amendment first, which I am entitled to do under the rules.

The PRESIDING OFFICER. The proposition may be divided; and then the first question is on striking out "30," and inserting "5."

Mr. MERRIMON. It is upon the whole amendment that I desire to submit some remarks.

Mr. President, by the bill under consideration it is intended to make an appropriation of a fraction over $27,500,000. This is a very large sum of money, and accustomed as the American people are to extravagant expenditures in the administration of their Government, they will desire to know how and why so much money is expended for the support of an army in time of peace which in the aggregate does not now exceed thirty thousand men. I am not much accustomed to the practice in this Chamber, and the methods of passing bills of this magnitude through this body. My experience is short; but I am profoundly impressed with and astonished at the hasty and inconsiderate manner in which a bill appropriating so much money, affecting directly the people, is passed through the Senate.

The report of the committee is based simply upon estimates. What data there are to support such estimates does not appear to the Senate; and, judging from what we have seen and heard, it seems to me the committee themselves are not well or satisfactorily informed as to those data.

I suggested the other day that I thought we were in too great a hurry about the passage of this bill. I thought we ought to take more time, and that the Senate ought to be better informed in regard to it. Nevertheless we hurried on, and from that time to this I have not had much opportunity to look into the many items of appropriation; but I have troubled myself to look into this, the item of appropriation which I propose to amend, and it seems to me there is no adequate necessity for the appropriation provided by it, or, if for any at all, that the sum of $5,000 is sufficient to answer every practical purpose.

At the close of the late war the Government had on hand quartermaster stores amounting to tens of millions of dollars in value. Why that was so I have not been able to ascertain, but the fact is nevertheless true; and although large amounts of those stores were

sold soon after the close of the war, yet as late as the 30th of December, 1872, the Quartermaster-General reported that there were woolen clothing and tents alone on hand equal in value to the amount of $23,435,821.27. Parts of these vast amounts of quartermaster stores have been sold from time to time. In the years 1869, 1870, and 1871, at two depots, Jeffersonville and Philadelphia, of these stores were sold goods to the value of $1,450,028.49. But there yet remain on hand vast amounts of these quartermaster stores, consisting of Army clothing, and a variety of goods out of which to make Army clothing, hats, caps, tents, and an innumerable variety of things, all of which are still kept at the expense of the Government—kept at the expense of the Government for storage, for packing, for protection in various ways, from moth and thieves. The expense annually incurred to protect this clothing is enormous, as I shall be able to show the Senate presently. Why these goods are not disposed of I have not been able to learn; and I should like to be informed by the gentleman who has this bill in charge, when I get through with what I have to say.

Notwithstanding these vast amounts of clothing and other stores were on hand, a new uniform was recently devised for the Army, and this clothing, and goods to make the same, that the Government now has in its possession, costing so much, and costing so much more annually for its care and keeping, the Government now has no practical use for at all. The Quartermaster-General in his report makes this allusion to it:

To supply the Army with the necessary clothing and equipage during the coming fiscal year, it is estimated that an appropriation of $2,000,000 will be required. The large quantities of clothing rendered surplus by the adoption of the new uniform will be sold under the law of March 3, 1873, at public auction. The clothing on hand at the Philadelphia depot will be disposed of at auction on the 2d of October, (to-day,) and all the obsolete clothing in possession of officers at the various posts, garrisons, depots, &c., in the United States, will be disposed of in like manner as required by law.

The gross proceeds of these sales will be covered into the Treasury of the United States.

The large quantity of unserviceable clothing in store at the depot at Jeffersonville, Indiana, will, under the orders of the Secretary of War, be kept in store till next year, in order to avoid throwing on the market at this time more property than can be disposed of with advantage to the Government.

It is expected that more money will be realized from these sales than will be required to supply the Army with the necessary clothing during the coming year.

In another place he says:

The stock of blankets, stockings, and boots and shoes left on hand at the close of the war has become exhausted, or *unserviceable from long storage.*

At another place he says:

The expenditures on account of the moth and mildew proof process of George A. Cowles & Co. during the fiscal year have been $350,000. This includes $200,000 appropriated for the current fiscal year, but made available for expenditure during last fiscal year. To prepare such articles of woolen and cotton fabrics on hand as have not yet been submitted to the process, an additional sum of $100,000 has been asked in the estimate for the coming fiscal year.

The Secretary of War, referring to this subject in his report, says:

The sale of a large quantity of clothing stored at the Western or Jeffersonville depot, on the Ohio, is deferred until next season.

He says further on:

The sum of $350,000, appropriated for the purpose by Congress, has been expended in treating the woolen and cotton material in store according to the above process, in order to render it proof against moth and mildew. To complete its application to all material which will need it during the next fiscal year will require the sum of $100,000, for which an estimate has been submitted.

Now, to give the Senate some general idea of the vast amount of goods on hand to supply an army of thirty thousand men, I beg to call attention to a few items of articles mentioned in the Quartermaster-General's report, which answer no practical purpose in the world, and only serve to put the Government to the expense of tens of thousands of dollars from year to year until such goods are sold, and until indeed they shall be so rotten and worthless that they will bring no money.

On the 30th day of June, 1873, the Government had on hand among the quartermaster stores 390,199 Army caps; 325,041 forage-caps; 337,425 ostrich feathers; 268,025 uniform coats; 395,751 uniform jackets; 226,416 trousers for footmen, 104,904 for mounted men; 326,129 flannel coats, lined; 345,807 unlined; 370,445 flannel shirts; 731,391 flannel drawers; 117,269 great-coats for cavalry, 256,791 for infantry; 126,957 woolen blankets; 406,696 rubber blankets; 270,155 poncho covers. On the same day the Government had 1,107,525 yards of dark blue flannel, three-fourths of a yard wide; of striped blue kersey, six-quarters wide, 660,078¾ yards.

I cite these items from the report referred to for the purpose of giving the Senate a general idea of the vast amount of clothing that is now on hand, and which answers no legitimate or useful purpose in the world. A new uniform has been devised, and is now used by the Army, and these goods cannot be consumed by the Army at all.

Mr. WEST. The Senator is mistaken; it is only a few of the goods that cannot be used.

Mr. MERRIMON. The Senator can show, when I get through, that I am mistaken, and how and to what extent I am mistaken. I confess my information is not as definite as I could desire, but I get my information from official data. I go by the report of the Secretary of War and the report of the Quartermaster-General, and I take it, their reports are correct; they ought to have correct information, and I presume they are quite as correct as the Senator.

The point I wish to make is that this vast surplus of goods, amounting in value to millions and tens of millions of dollars, ought to be sold, and the Government rid of them, without reference to how they have been accumulated, whether rightfully or wrongfully; and, further, I desire to urge upon the Senate that Congress ought not to appropriate money to apply this anti-moth process when the goods ought to be sold as they answer no practical purpose at this time. It seems to me that there ought to be kept on hand and in storage a very small quantity of quartermaster supplies for the Army. If only a reasonable quantity to answer the current wants of the Army is kept on hand, then, if this process is necessary at all, a very small application of it will answer every practical purpose.

There is another thing about the matter that I do not understand. I have shown that $350,000 have already been expended for the purpose of applying this anti-moth process to these quartermaster stores; and when these stores have already had it applied to them, I cannot understand how it is necessary that this large amount should be appropriated in order to reapply it. I should like to have information upon that point, if the Senator can give it.

But there is another view of the matter that I wish to present, and in all seriousness. It is manifest to my mind that the estimates made for this purpose, as well as for many other purposes mentioned in the bill, and upon which Congress is acting so hastily and making such large appropriations, are based upon the merest conjecture in the world. According to the first estimate, made out by the proper officer, $100,000 were demanded for the purpose of applying this anti-moth process. On the assembling of Congress in December it was suggested that the estimates must be revised and cut down. Why, sir, according to law and the duty of the officer, he ought not to have made a greater estimate when he first made his estimate than was really necessary. Were $100,000 necessary then? When Congress directed a revisal of these estimates, with a stroke of the pen he cut down the estimates to $50,000, and no explanation is given why $50,000 will answer the purpose. When the Senate Committee on Appropriations came to consider this matter, without any additional information so far as the Senate can see or I can understand, they said that $50,000 was too much and $30,000 was enough, and they cut down the appropriation to that sum. I cannot see any data upon which these estimates were made except the merest conjecture, and I do insist that while we are making these large appropriations, the data upon which we act ought not to be purely conjectural. The Senate ought to know what it is about; and therefore it is that I have felt constrained, not in any spirit of captiousness but simply to subserve the public good, to offer the amendment cutting down this appropriation to $5,000, and also to offer the additional amendment, requiring the Secretary of War to have all this vast accumulation of goods sold, so that the Government may be rid of it before it rots upon its hands, and will be worthless after an expenditure not only of $350,000, but of tens of thousands of dollars more, to preserve and get ready for sale articles which nobody will want in the end.

The most of these goods are not to go to the Army, because we have a new uniform, and they will not answer Army purposes hereafter.

The Senator from Louisiana called my attention to the fact that the last Congress provided for the sale of this property. I submit to the Senator that he is mistaken in that respect. I looked to the clause of the act he cites, and it does not embrace anything but made-up goods. I will read the section to which he referred. It is in the appropriation act for the benefit of the Army, passed at the last session of Congress, and reads as follows:

For purchase and manufacture of clothing, camp and garrison equipage, and for preserving and repacking stock of clothing, camp and garrison equipage, and materials on hand at the Schuylkill arsenal and other depots, $1,523,508.81: *Provided*—

And this is the material part of the section—

That when the new uniform is distributed to the troops, the clothing of the old style no longer to be issued, incapable of alteration, shall be sold by the Secretary of War, at public auction, after due public notice by advertisement; and the gross proceeds of such sales shall be covered into the Treasury.

Mr. WEST. If I do not interrupt the Senator, I wish to ask him what he proposes to sell under his amendment?

Mr. MERRIMON. All the surplus quartermaster stores that the Secretary of War shall determine are unnecessary for the purposes of the Government. There is a vast accumulation of a great variety of quartermaster stores that the Government has no manner of use for, which are on hand and kept at great expense; and I insist they should be sold before they ask other vast sums that never can be realized for them.

Mr. WEST. Where does the Senator get his authority for that statement?

Mr. MERRIMON. I get it from the report of the Secretary of War and from the report of the Quartermaster-General.

Mr. WEST. Will he be kind enough to quote it?

Mr. MERRIMON. I have already done so.

Mr. WEST. I have not heard it. Be kind enough to show where the Secretary of War or the Quartermaster-General says that he has got surplus quartermaster stores. Does the Senator know the distinction between quartermaster stores and clothing?

Mr. MERRIMON. I understand Army clothing is a part of the quartermaster stores.

Mr. WEST. No, sir; they are very distinct. If the Senator had had a little military service he would know the distinction.

Mr. MERRIMON. I am not a military man, but I have always understood that whether clothing belongs to the Quartermaster Department or not, it is for the use of the Army, and the Quartermaster has charge of it.

Mr. WEST. Does the Senator ask that clothing be sold? Is that what he wants done?

Mr. MERRIMON. I want all surplus stores sold.

Mr. WEST. There is nothing but clothing. You want clothing sold, do you?

Mr. MERRIMON. Yes.

Mr. WEST. Very well; I will answer that proposition.

Mr. MERRIMON. I want that sold; and I want more than clothing sold. There are vast quantities of cloth not manufactured, and other articles in great supply on hand, as the report shows.

Mr. WEST. But they can use that cloth; manufacture it into clothing.

Mr. MERRIMON. I understand not.

Mr. WEST. Then you are not informed correctly, sir.

The PRESIDING OFFICER. Senators will please address the Chair.

Mr. MERRIMON. Now, sir, we are about to make an appropriation of this sort:

For purchase and manufacture of clothing, camp and garrison equipage, and for preserving and repacking stock of clothing, camp and garrison equipage, and materials on hand at the Schuylkill arsenal and other depots, $1,450,000.

I want to read this clause from the report of the Quartermaster-General in the face of that large appropriation. The Quartermaster-General says, on page 154:

It is expected that more money will be realized from these sales—

That is, the sales of this clothing—

than will be required to supply the Army with the necessary clothing during the coming year.

I take it that means something, or it means nothing. I presume that it means something; and if these large sums are to be realized, as the Quartermaster-General says sufficient to buy clothing for the Army next year, why should we appropriate this $1,400,000 to buy new clothing for the current year? I cannot understand it, nor do I believe the people will understand it. I trust the proposed amendment will prevail, and thus save $25,000, which otherwise will be worse than thrown away.

Mr. WEST. That is about the longest speech requesting information that I have heard in this Senate. I think the Senate will bear in mind that it is customary, when a Senator rises to address the Senate, for him to have some information to impart to it.

Now I want to respond to the proposition made by the Senator just at the conclusion of his remarks. He says that if the Quartermaster's Department is going to sell $2,000,000 worth of clothing the coming year, why do they want any money to buy clothing with? Is that the gentleman's proposition?

Mr. MERRIMON. That was a mere suggestion.

Mr. WEST. Well, sir, if the Senator had looked at the law he would have found that when the Quartermaster-General sells a dollar's worth of clothing he must put the money in the Treasury; he cannot use it to buy more clothing with; and that is plainly declared by the very act to which I called the Senator's attention. There is nothing, let me say here, for the Quartermaster's Department to sell to-day but clothing; and the Senator asks why they do not sell it. That is a proposition which has been perplexing the Senate and perplexing Congress for a considerable time, and they have ascertained why it is not sold. It is because if you flood the market with this clothing the result will be—what? You offer it to the soldier in preference. Then you have sold it to the merchant for one dollar when the Government charges the soldier five dollars for it. The Government cannot afford to proceed on any such proposition. The Government is gradually effectually reducing the quantity of clothing on hand. But the Senator speaks of it as something extraordinary that we should have such an amount on hand. Sir, there were extraordinary emergencies that required the accumulation of such an amount of clothing, and the Senator very well knows it. This is clothing that we had on hand when we emerged from this rebellion that necessitated its use, and it has been gradually used and applied by the Army. The stock has been and is being gradually reduced.

The Senator asks, if $350,000 has been applied to the preservation of this clothing from moth, why do we want any more money for that purpose? We want more money for the moth process to apply it to the new clothing that is coming out. He has spoken of the change of uniform. Does he know what that is? Is he informed on that subject? It is a mere immaterial change of uniform; it is a mere change of the facings of the coat, and a change in the hat and in the cap.

Mr. MERRIMON. May I ask a question?

Mr. WEST. Certainly.

Mr. MERRIMON. If the new uniform is made out of the goods on hand, why do you want to buy more goods?

Mr. WEST. Because there are many sizes that are made. How is clothing for the Army made up? Of different sizes—ones, twoes, threes, fours, fives; and if you get out of the sizes of ones and twos, the most usually worn, of course you must supply them. I should like to see the Senator dressed in a No. 1 coat. It would not fit him. That is the reason. We must have a supply of the various sizes.

The Senator lays down the proposition that this clothing ought to be sold. We show him that we are selling it and putting the money in the Treasury. Now he asserts that $5,000 is enough to preserve $1,450,000 worth of clothing, &c., from damage by moth and mildew. I submit that it is not adequate. The proposition is to expend $30,000 for the purpose. The Quartermaster-General says he ought to have $50,000; but we, according to the information we have, say he must get along with $30,000.

Mr. MERRIMON. May I ask the Senator upon what the committee based their estimate? The Quartermaster-General said at first that $100,000 were necessary. He afterward said, when he was directed to reduce the estimates, that $50,000 were necessary. The committee then said that $30,000 would do. I should like to know upon what data these three several estimates were made, and why they came down first from $100,000 to $50,000, and then from $50,000 to $30,000.

Mr. WEST. We never ask a Department when it reduces its estimate why it cuts it down; we are glad to have it do that; and if they would reduce all their estimates 50 per cent., we should never ask them a question about it.

Mr. MERRIMON. Then I would ask why the committee cut down the estimate from $50,000 to $30,000?

Mr. WEST. Because they could not afford to give any more.

Mr. MERRIMON. I do not think we can afford to give more than $5,000.

Mr. WEST. Well, I will submit that to the Senate.

The PRESIDING OFFICER. The question is on the first branch of the amendment to the amendment moved by the Senator from North Carolina, to reduce the appropriation from $30,000 to $5,000.

Mr. MERRIMON. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. NORWOOD. I desire to ask the Senator from Louisiana, as a matter of information for myself, how much has been expended for the preservation of this clothing against moth by Congress. I think there was an appropriation at one time of $300,000; whether it ever went into effect I am not informed.

Mr. WEST. I will reply to the Senator by reading from the report of the Quartermaster-General, on page 121, of which he is furnished with a copy:

The sum of $350,000, appropriated for the purpose by Congress, has been expended in treating the woolen and cotton material in store according to the above process, in order to render it proof against moth and mildew.

I do not say whether I have favored that idea or not, but it has been done by an appropriation by Congress, and has been used.

Mr. NORWOOD. One other question. When was this appropriation first made, and how many years have appropriations been made for that purpose? Can the Senator tell us how much has been expended annually in this way?

Mr. WEST. I have the data here. My recollection is that $150,000 was appropriated one year, and $200,000 the year preceding. It is now reduced, so as to apply simply to the new material that is coming out.

Mr. NORWOOD. I understand, then, that none of this money is to be applied to the old material still on hand. Is that correct?

Mr. WEST. I do not understand that this $30,000 can be applied to the old material.

Mr. DAVIS. As a member of the Committee on Appropriations I examined, as far as was possible, into the question of the necessity of an appropriation to preserve Army clothing from moth, and why so large a sum as was first proposed, $50,000, should be appropriated. I was disposed to say that nothing ought to be appropriated; but after a good deal of information obtained from the Department, and learning the amount of clothing on hand and seeing the actual necessity of preserving it, I agreed that $30,000, probably, was not too great a sum. I have in committee endeavored to reduce all appropriations to the lowest possible sum; but I think we cannot subserve true economy by departing from the recommendation of the committee in this respect. I say this much in explanation of the vote I shall give on this question.

The question being taken by yeas and nays, resulted—yeas 12, nays 29; as follows:

YEAS—Messrs. Bogy, Cooper, Dennis, Goldthwaite, Hager, Johnston, Kelly, McCreery, Merrimon, Norwood, Ransom, and Saulsbury—12.

NAYS—Messrs. Anthony, Boreman, Buckingham, Cameron, Carpenter, Chandler, Conover, Cragin, Davis, Ferry of Michigan, Flanagan, Frelinghuysen, Hamilton of Texas, Hamlin, Harvey, Ingalls, Logan, Mitchell, Morrill of Vermont, Morton, Oglesby, Pease, Ramsey, Sargent, Sherman, Spencer, Wadleigh, West, and Wright—29.

ABSENT—Messrs. Alcorn, Allison, Bayard, Boutwell, Brownlow, Clayton, Conkling, Dorsey, Edmunds, Fenton, Ferry of Connecticut, Gilbert, Gordon, Hamilton of Maryland, Hitchcock, Howe, Jones, Lewis, Morrill of Maine, Patterson, Pratt, Robertson, Schurz, Scott, Sprague, Stevenson, Stewart, Stockton, Thurman, Tipton, and Windom—31.

So the first branch of the amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now recurs on the second branch of the amendment of the Senator from North Carolina to the amendment made as in Committee of the Whole.

Mr. MERRIMON. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WEST. I merely rise to call the attention of the Senate, before they vote on this proposition, to the fact that it is almost word for word the statute for last year as it stands, with this exception, that

the Senator proposes to sell quartermasters' supplies, and it is a very well-known fact, as I am apprised, that the only surplus material now on hand is the clothing; and there is a process, dating back, I think, to 1828, by which all unsalable property can be sold by the Quartermaster's Department, and this legislation is mere surplusage.

Mr. MERRIMON. I have already referred to sundry articles on hand, reported by the Quartermaster-General, which, if I have common sense, I know not to be articles of clothing for soldiers or anybody else.

Mr. CARPENTER. I shall vote against this amendment, simply because I understand it has been the law for several years.

The question being taken by yeas and nays, resulted—yeas 12, nays 28; as follows:

YEAS—Messrs. Bogy, Cooper, Dennis, Goldthwaite, Johnston, Kelly, McCreery, Merrimon, Norwood, Ransom, Saulsbury, and Stockton—12.

NAYS—Messrs. Anthony, Boreman, Buckingham, Carpenter, Chandler, Conover, Ferry of Michigan, Flanagan, Frelinghuysen, Hamilton of Texas, Hamlin, Harvey, Hitchcock, Ingalls, Logan, Mitchell, Morrill of Vermont, Oglesby, Pease, Pratt, Ramsey, Sargent, Sherman, Spencer, Stevenson, Wadleigh, West, and Wright—28.

ABSENT—Messrs. Alcorn, Allison, Bayard, Boutwell, Brownlow, Cameron, Clayton, Conkling, Cragin, Davis, Dorsey, Edmunds, Fenton, Ferry of Connecticut, Gilbert, Gordon, Hager, Hamilton of Maryland, Howe, Jones, Lewis, Morrill of Maine, Morton, Patterson, Robertson, Schurz, Scott, Sprague, Stewart, Thurman, Tipton, and Windom—32.

So the second branch of the amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is on concurring in the amendment made as in Committee of the Whole in line 154.

The amendment was concurred in.

Mr. HAMILTON, of Texas. I move to strike out the proviso commencing on line 159, page 7. It is in the appropriation for the contingencies of the Army generally. It says:

Provided, That none of the money hereby appropriated shall be expended, directly or indirectly, for any use not strictly necessary for and directly connected with the military service of the Government.

I submit to the Senator from Louisiana that that is rather a reflection on the Department. This proviso is attached to the general appropriation for Army contingencies. If it was attached to an appropriation for any particular department of the Army, I think it would be proper enough. Money appropriated for the Quartermaster's Department, for example, should not be diverted to any other service; but this is for the entire Army. After all the other necessities thought of have been supplied, here is an appropriation for the Army generally, and it says in effect that the Secretary of War shall not misapply the money. I think it is proper to strike it out. Undoubtedly, if an officer should misapply any of this money, without the proviso, he would be liable to a court-martial if he belonged to the Army The proviso does not restrain a man if he is not honest enough to apply the money properly. This does not amount to anything really.

The PRESIDING OFFICER. The Senator from Texas moves an amendment, which will be read.

The CHIEF CLERK. It is moved to amend the bill by striking out the following proviso, commencing on page 7, line 159:

Provided, That none of the money hereby appropriated shall be expended, directly or indirectly, for any use not strictly necessary for and directly connected with the military service of the Government.

Mr. MORRILL, of Maine. I understand my honorable friend to make this motion on the ground that the proviso is an implied reflection on the War Department.

Mr. HAMILTON, of Texas. I so understand it.

Mr. MORRILL, of Maine. I do not think it susceptible of that inference, and I am sure the Department will not understand it so. If the Senator will reflect a moment on the character of the service that this $100,000 for contingencies provides for, he will see the necessity of defining in some general way the objects of the expenditure. We provide for the Army, for everything we can, for all the service that is practicable, specifically; and yet, the Senator knows that in a service extending all over this country, and particularly in remote portions of the country, in sparsely settled portions, contingencies arise which leave it very much to discretion as to this whole amount of $100,000. It is simply to meet contingencies. What are these contingencies? He will agree, I fancy, with the committee that the contingencies here contemplated are strictly of a military character; and yet, how easy it is to depart from that; how easy it would be to put a construction upon this bill in a great variety of instances, by which this contingent fund might be used for something not strictly military. I could give numerous instances which I do not care to refer to, where I think it has been done, without reflecting upon the Department in any way whatever, because this contingent expenditure is not always under the immediate eye of the Department; the money is often expended necessarily in remote portions of the country. This, therefore, is simply prescribing a rule within which the contingent fund shall be expended, namely, only for what are strictly military uses. I hardly think that is an imputation.

Mr. HAMILTON, of Texas. It looks to me precisely like making an appropriation, and placing it under the supervision and control of the Secretary of the Senate for the purposes of the Senate contingent expenses, and then adding a proviso that he should not buy fast horses and buggies with the money. It is precisely of that nature, because it implies that if this proviso is not attached to it, the Secretary of War will apply the money to some other purpose than the use of the Army. That is what it says in plain language.

The PRESIDING OFFICER, (Mr. BOREMAN in the chair.) The question is on the amendment moved by the Senator from Texas, to strike out the proviso.

The amendment was rejected.

Mr. LOGAN. On page 1, from line 10 to line 13 inclusive, I move to strike out these words:

And no money appropriated by this act shall be paid for recruiting the Army beyond the number of twenty-five thousand enlisted men, including Indian scouts.

I desire to call the attention of the Senate for a moment to this provision. It is like many other provisions that creep into bills where they ought not to be found. I do not think it is proper legislation to legislate on every appropriation bill for the increase or reduction of the Army, or for the organization of the Army. Let us look at this clause. It is, first:

For expenses of recruiting and transportation of recruits, $105,000,

I want to call the attention of the Senator who has charge of the bill and the chairman of the committee to this point. It is first proposed to appropriate $105,000 "for the expenses of recruiting and transportation of recruits."

And then you provide in the same paragraph or item, that—

No money appropriated by this act shall be paid for recruiting the Army beyond the number of twenty-five thousand enlisted men, including Indian scouts.

Let us examine that for a moment. The Army to-day consists, I believe, of about twenty-seven thousand men, other than officers. This prohibition prohibits entirely any further recruiting in the Army. If you prohibit any further recruiting in the Army, as you do by this clause, beyond twenty-five thousand, and the Army is now beyond twenty-five thousand, why provide that $105,000 shall be appropriated for recruiting and the expenses of recruiting? I ask some one to explain to me how it is possible that that can be consistent in this bill?

Mr. WEST. If it will not interrupt the Senator, I will answer.

Mr. LOGAN. Certainly, I will hear the Senator's explanation.

Mr. WEST. By the cessation of recruiting down to twenty-five thousand a number of men will be discharged. The Army may run down to twenty-three thousand by deaths, desertions, discharges, and otherwise. Then, when you are down to twenty-three thousand, you have to use some of this money to recruit back to twenty-five thousand. That is the answer.

Mr. LOGAN. I presumed that was the object. But we have now a little over twenty-seven thousand men in the line, and it is not presumable that there will be over two thousand desertions and deaths in the next fiscal year in so small an army as this, without any war going on. This $105,000 is appropriated upon the express—I will not say understanding, for there cannot be any such understanding—but on the contingency that there will be desertions and deaths to the amount of two thousand and upward in the Army in the next year among the private soldiers, not the officers. Therefore this $105,000 is appropriated, not to be used to extend the Army beyond twenty-five thousand men. That is the first objection I have to it.

There is a second objection. I know it has got to be so nowadays that if any Senator or Representative opposes a proposition that is looking in the line of economy, he is accused at once of trying to create expenditures to embarrass the Government. I do not think I am trying to embarrass the Government when I say to the Senate now that my judgment is that any attempt to reduce the number of the private soldiers in the Army to-day attended with, not directly but indirectly, a disorganization of the Army. Let us see what is accomplished by it. You do not reduce the number of companies in the Army; you do not reduce the number of regiments in the Army; you do not reduce the number of officers in the Army. But what do you do? You leave the frame-work of the Army standing just precisely as it is. You leave each regiment with the intention that the regiment may have, perhaps, eight hundred or a thousand men, but you will allow it to be reduced down until you have merely the frame of a regiment—the officers, the sergeants, the corporals, but no men. It is not the men in the Army that is the expensive portion of the Army; it is not the private soldier that creates the great expense of the Army by any means. That constitutes the merest trifle so far as expense is concerned. The expense of an army is in its transportation, its clothing, its supplies of ammunition, of ordnance stores, &c., and the pay of officers, and not the mere pittance that is paid to the private soldiers.

Sometimes we get an economical streak on ourselves; and what do we do? We make a grand raid upon some Department, and discharge about twenty-five clerks, and think we have performed a great feat in the line of economy. In about four weeks after you have done that, by some resolution introduced into Congress calling upon some of these Departments for reports or evidence in some particular case, you have with that a resolution authorizing that Department to employ temporary clerks for the purpose of doing this duty, and thereupon they all go back again, and sometimes double the number that was discharged. That is the line of economy that is sometimes pursued here in Congress.

Then, again, you find that there must be economy in the Army. How does it commence? It commences by providing that persons shall not be enlisted as private soldiers. That is no economy. You do not reduce the expense of the Army by stopping recruiting, except the mere pittance that is paid to the soldier; and I can demonstrate

it. Suppose you have thirty regiments. These thirty regiments are organized; you have a complete organization. You undertake to transport these thirty regiments from here to the Pacific coast. You make your contract for the transportation of your regiment, for the camp and garrison equipage, for all the equipage necessary and pertaining to the Army. Your camp and garrison equipage and everything that pertains to the Army is not reduced because you prevent recruiting. This recruiting applies to each company in the Army. Five recruits might be necessary for one company, three recruits might be necessary for another company, ten recruits might be necessary for another company, and so on; but because these few men might be required to make up the quota in each company, they are not sufficient to reduce the expense of the camp and garrison equipage and transportation. Hence your Army would cost you just the same precisely that it does to-day, except the mere pittance, as I stated, that you pay to the private soldier for his monthly allowance.

In my judgment this is not economy; in my judgment this is anything but economy; and I will show you why. We reduce the number of private soldiers by this bill to twenty-five thousand men. You leave the frame-work standing for thirty thousand men. The very next year an appropriation bill for the Army comes forward; what will be the result? You have either got to reduce the frame-work of the Army down to the twenty-five thousand men, or else you have got to appropriate to fill up the frame-work of the Army to its completion. If you appropriate the next fiscal year to fill up the frame-work of the Army, you only appropriate then, in addition to this amount, that which you fail to appropriate now; and there is no economy in that. It is merely putting off a short time on credit; and it does strike me at least as commencing at the wrong end of this system.

I once, as chairman of the Military Committee in the other House, introduced a bill for the reduction of the Army; but how did I do it? How did we reduce the Army then? We reduced the Army then down to what we considered the minimum that we should have in this country, down to a certain number of regiments; and we examined it very carefully. I know I spent a great deal of time in the examination of that question, and we put it down to the very lowest point that we believed the United States could stand in its present condition with an Army. How did we do it? Sir, we reduced officers as well as private soldiers. We consolidated regiments; we consolidated companies; we mustered the supernumerary officers out of the service; and in that way we got rid of the expensive portion of the Army. But this is commencing at the other end; it is getting rid of the least expensive portion of the Army, and leaving the most expensive portion untouched. If this is economy, I do not understand it. I do not care what any gentleman may say to the contrary, it is only a matter of opinion among us; but I do not believe to-day that our Army is one man more than it ought to be. In fact, if it was left to me—my judgment, of course, is nothing more than the judgment of any other man—I would fill the frame-work of the Army as it stands to-day up to the maximum, instead of reducing it. In that way I would keep the Army in such a condition that the unnecessary expense which attaches to an Army when it is reduced down to a mere fragment, while preserving the expensive part of its organization, would not be incurred every year.

Now let me say to the Senator from Louisiana—and well he knows this fact—that if you reduce the number of men, leaving the officers as they are, the result will be this: If a company, or two companies, are stationed at a fort in the East, and you require more men on the plains for the purpose of protecting the border settlements, and you remove these companies from the East to the West, you remove the officers and their baggage, and the sergeants and corporals, and a diminished number of the rank and file; and while the cost of transportation will not be appreciably decreased you will have companies so depleted that they will be of no service when you get them to the place where service is required.

I do not believe that anywhere in the world except here is any attempt ever made to reduce the mere men of the Army, unless the whole Army altogether is reduced in conformity with the number fixed as the standard. Our Army is not too big, and I am very sorry to see this attempt made now for a reduction of the private soldiers of the Army so as to leave us a mere open frame-work without any filling up to it whatever.

The first objection, as I said, is because this is an attempt to legislate for the reduction of the Army on an appropriation bill, and no such legislation ever ought to make its appearance. An appropriation bill ought to be kept strictly, in my judgment, applicable to that which pertains to appropriations. Why is that so? The Appropriation Committee's duty, in my judgment, is to provide ways and means to carry out the laws that are enacted by Congress. They are to find the ways and means; that is, they are to discover and to examine into the question, and thereby ascertain the amount of money that is necessary for the running of the machinery of the Government for the next fiscal year. But this idea of tacking on appropriation bills general legislation every year, without any reference to any other part of Congress, in my judgment is very detrimental to wise legislation and a very bad precedent.

For these reasons I move to strike out these three lines providing for a reduction of the Army.

Mr. WEST. Mr. President, the Senator's objection to legislation of a general character on an appropriation bill would have been much better taken had it been made in season. It is his duty, as the chairman of the Committee on Military Affairs, to inform himself of every act of legislation of the co-ordinate branch of Congress that affects the branch of service under his cognizance. He knew that this bill was here. It has been on our tables for six weeks. He knew that this proposition was in it; and he comes forward at the last moment, and objects to it now, when, if his motion was acceded to by the Senate, it would involve the recommittal of the bill and the expenditure of $3,000,000 more money.

Why does he talk about the frame-work of the Army? What is the proposition? It is to reduce the rank and file five thousand men, and thereby do—what? Anything in the way of entailing increased expense? He says we are to have then one hundred and fifty officers, or at the rate of three to every one hundred surplus, provided that every officer of the Army is in good health. That is all the surplus we have. Does the Senator want the Senate to believe that twenty-five thousand men are going to cost as much as thirty thousand men, and that this is no economy; that twenty-five thousand men will want as much subsistence, will want as much clothing, will want as much transportation, as thirty thousand? If he will examine the bill itself, he will find that in every one of these instances we have curtailed the appropriation. Here is the saving in this bill; here is where we have reduced four millions from the amount we appropriated last year. That is the saving, and that is the economy which is practiced in this case.

He says that it is preposterous to suppose that two thousand men will be required to be recruited into the Army of the United States next year. Does he know that ten thousand were recruited last year? Look at the report that lies on his table from the Adjutant-General, showing that nearly ten thousand men were recruited into the Army, of the United States last year; and if we reduce it one-sixth we may expect to recruit two or three thousand next year. Death, desertion, and discharge deplete the Army constantly; more particularly desertion. Here is the report on my table of the Adjutant-General's action, in which he shows that he recruited 9,981 men last year.

The Senator tells us that there will be no saving, when it is palpable before him here that we have made a saving, that we appropriated for this same service last year $31,796,000, and that by virtue of this reduction, made by the House of Representatives and ourselves, the present bill is $27,773,000, or $4,000,000 less than it was last year.

Now, speaking of the reduction, let us look at its effect. It is not a reduction of the Army; it is a reduction of the amount appropriated to the War Department to recruit men with. It operates a reduction of the Army, to be sure, but it is a reduction rendered necessary; it is a shrinkage of the rank and file of the Army according to the pecuniary resources that we have at our command.

He speaks of the number of men in the Army. What was it at the date of the Secretary's last report? Twenty-five thousand and seventy-three men; that was all the Secretary of War had at the date of his last report. How were they disposed of? Fifteen thousand eight hundred and eighty-eight of them in the Indian country; 2,230 at the forts on the sea-board and the lakes; 3,964 principally in Texas; and 2,991 in other States independent of Texas. Is not that protection enough? With twenty-five thousand men before, we have preserved the peace in this country; we have maintained our borders to a certain extent, and to a very efficient extent, against incursions by the Indians. There are the twenty-five thousand men disposed of last year. We only say to the Secretary of War "We do not want to increase the number next year; keep it down to this." That is the proposition; and I ask the Senate's earnest consideration to the amendment of the Senator from Illinois, with the assurance that if it carries, this bill must be recommitted to the Committee on Appropriations, and it must come back for your consideration with an increase of $3,000,000. That virtually will be the result. The Army was only twenty-five thousand last year. We say "Keep it there; do not increase it;" and by that means you can save $3,000,000 or $4,000,000.

Mr. LOGAN. I certainly did not expect to arouse the Senator from Louisiana to the extent that I have. He appeals to the Senate to know what I have been doing for the last five or six weeks, or whatever number of weeks it was, and says that I had not paid attention to this bill. Why, sir, this matter has been before no committee that I am on. I hope the Senator will not make such allusions as though I had not been doing my duty because I have not noticed what bills the Committee on Appropriations have before them. I noticed this clause in this bill. I saw it in the bill; and I intended to make the motion that I have made. That was all I could do. I am not on the Committee on Appropriations; I have nothing to do with their work. I have intended all the time to make this motion when I should have a chance to do so, for the very reasons that I have given to the Senate.

We are told that this will reduce the expenses $3,000,000. I did not say that this reduction would not reduce the expenses. I said no such thing; but I said it was commencing at that which did make the expense least, that is, with the private soldier; and that the economy of this bill was striking at that which was least expensive. That is what I said, and I say so still. I ask the Senator now to explain to me, what are you going to do with the surplus officers you leave? They are more expensive than the private soldiers. Do you propose to strike the private soldier out, and leave the frame-work

of the Army stand without filling in? That is the objection I have to it.

Mr. WEST. We should have only one hundred and fifty extra officers, provided every officer in the Army is well and capable of doing his duty.

Mr. LOGAN. What do you propose to do with them?

Mr. WEST. We can detail some of them for the Pay Department.

Mr. LOGAN. We only want six there. What will you do with the rest? This only shows, when the Senator comes to state the facts, that this proposition is, what I said it was, commencing at the wrong end. You will have one hundred and fifty officers that you have no use for, and you prevent the recruiting of a few men whose pay is thirteen dollars a month. You leave officers who cost each, perhaps, as much as ten or twenty men in the Army. Now I do not want to strike at either. I do not want to strike out the officers. I do not think our Army is any too large. I would fill it up. I say this kind of economy is no economy at all, because the very next year you will agree to fill the Army up when this crisis has passed, and then you will appropriate the very amount of money that the Senator now speaks of to fill up with recruits that you now prohibit being put into the Army. You will find the Secretary of War at the very next session telling you that the frame-work of the Army has run down until he has many supernumerary and superfluous officers, and he must have men to fill up the Army.

Mr. CARPENTER. Mr. President, I do not propose to discuss the policy of reducing the Army. I am not on the Committee on Military Affairs, and I am no soldier to speak of. But I shall vote for this amendment for this reason: the most vicious kind of legislation, we all know, is that of ingrafting general provisions into an appropriation bill. I have been here now about five years, and I have never known a single session to pass in which I have not heard all the older Senators regret it, deplore it, condemn it; and yet it has been forced upon us at every session since I have been here, from the fact that the appropriation bills have passed at the heel of the session when everything was in a whirl, when there was no time for reconsideration by the Committee on Appropriations; and the evil confessed by everybody has been submitted to for that reason alone. Now, fortunately, (and for one I desire to thank the Committee on Appropriations for it,) this bill and another have been presented here early in the session. There is ample time now to set our face against this species of legislation, or to give it a complete indorsement and open it to the fullest extent hereafter. There is no more propriety in reorganizing the Army in an appropriation bill than there is the Navy; no more than there is in reorganizing the judicial system of the United States in an appropriation bill. It is well known to men familiar with the subject that our present judicial system has become entirely deficient and incapable of discharging the duties which the Government owes to suitors, and that we must have some enlargement of it, and some provision made for appeals. It would be just as appropriate for the Committee on the Judiciary to come in here with the bills before them, or bills which might properly be sent to that committee, and seek to ingraft them as amendments on this appropriation bill, as it is to put here the provision that is now in the bill for reducing the Army.

Now we have an opportunity to say here on this question whether we will countenance this legislation or whether we will disapprove it. This bill can go back to the Committee on Appropriations, and if it requires any revision it can be revised in twenty-four hours and can be brought back here and passed. And now let us either say that we will discountenance this kind of legislation, or let us have no more of this hypocrisy that I have listened to ever since I came here, that we are all opposed to any legislation in an appropriation bill except simply to appropriate money for purposes provided for by existing law.

It seems to me that that should be done. There is not a lawyer in the country who has been called upon to practice in the Federal courts who does not know that the most vicious provisions, the most ill-considered, the most improvident provisions of law, have been hurried into appropriation bills. Only a few years ago an appropriation bill contained a provision about witnesses testifying in the judicial courts, having no more relation to the appropriation bill than anything that you can conceive of.

Our Appropriation Committee is an eminently well qualified committee for the purposes for which it was created; but we have for the purposes which this part of the bill contemplates another committee organized and the members selected with reference to their fitness upon that subject, and I believe that committee is honored by the presence of the Senator from Louisiana.

Mr. LOGAN. Not now.

Mr. CARPENTER. However that may be, the Committee on Military Affairs is entirely competent to discuss this matter, and to prepare any bill that is necessary to be prepared on the subject, and to that committee the matter should be left. If this Appropriation Committee is to usurp the province of the Committee on Military Affairs, is to reorganize the Army, let us go through and reorganize the courts. This is as good a place to do that as it is to do this thing; and the necessity for doing it is much greater than the necessity for reducing the Army. The mere fact that $3,000,000 is to be saved by not appropriating it proves nothing. If that is a good thing, without reference to its consequences, it would be a better thing to reduce it $5,000,000, better still to reduce it $10,000,000. If there is any merit whatever in the mere fact that you appropriate $3,000,000 less than you did last year, why do you not make it $10,000,000 less than last year? The answer would be that that cannot be done with proper regard to the service. The question comes back, whether this reduction has a proper regard to the service.

Mr. MORRILL, of Maine. That is the point.

Mr. CARPENTER. That question, I submit to my honorable friend, should be considered by the Committee on Military Affairs. Now, to my honorable friend from Maine, on a question of appropriation, I should yield implicit assent. If he proposed to open the Treasury to take out five, ten, fifteen, or twenty millions, I should follow him with the meekness of a disciple; but on a question of reducing the Army or increasing it, I would trust my friend from Illinois five times where I would him once. That is the theory on which our committees are organized. They are organized with reference to their fitness to discharge the duties assigned them; and I say that this reorganization of the Army is no duty that belongs to the Appropriation Committee.

Mr. WEST. Do you call this a reorganization of the Army?

Mr. CARPENTER. Certainly.

Mr. WEST. The organization affects the officers.

Mr. CARPENTER. I am learning tactics. I supposed that when the Army is changed in its basis, its number increased or diminished, that Army is reorganized. According to the Senator, if the entire line was abolished, and all the officers retained, that would not be a reorganization of the Army; but it would be an ill-organized army, according to my idea of what an army should be; but I will yield even that to my honorable friend from Louisiana, who is a soldier and an appropriating committee. [Laughter.]

Mr. WEST. I ask the Senator if he goes into action with one hundred men, and loses thirty in the fight, whether his force would then be reorganized or reduced?

Mr. LOGAN. It would be rather disorganized. I can tell the gentleman that. [Laughter.]

Mr. WEST. That is a different question.

Mr. MORRILL, of Maine. Mr. President, the Senator from Illinois raises the question of the impropriety of considering the reduction of the Army on an appropriation bill. I think that is a very apposite remark to say the least of it. And the Senator from Wisconsin deprecates all general legislation upon an appropriation bill. I think that opinion is sound. I have always been very strenuously opposed to that; I think it is vicious in principle. But it turns out that in this particular case neither of those two things is attempted; and that, both gentlemen will allow me to say, is the infirmity of their statements.

This is an appropriation for the Army, for the military service of the country. Well, what do we find the military service of the country to have been the last fiscal year? We appropriated for thirty thousand men last year. We find that we paid only twenty-five thousand; that the military service, as a matter of fact, was only twenty-five thousand. Why, then, do we want to appropriate for thirty thousand this year? Unless we intend to make extra efforts to fill up the Army to thirty thousand, clearly we need not appropriate for more than twenty-five thousand.

Mr. LOGAN. Allow me to ask the Senator a question. This restriction prohibits the increase of a man above twenty-five thousand.

Mr. MORRILL, of Maine. Certainly.

Mr. LOGAN. Therefore, it stops recruiting. Now, suppose it read, allowing it to be entirely proper, in this way: "for expenses of recruiting and transportation of recruits, $105,000," and stop right there; would there be any impropriety in that?

Mr. MORRILL, of Maine. I do not see any.

Mr. LOGAN. Then you do not restrict the recruiting at all, except by the sum you appropriate; but you are restricting it by law here. This idea of restricting the Army in an appropriation bill, when it can be done just as well in another way, is something that I cannot agree to, upon principle or upon the question of right.

I will make another suggestion to the Senator so that he may respond to it. In my view, I do not desire the Secretary of War to increase the Army to thirty thousand men, or to recruit it up to thirty thousand men; it may not be necessary; but I do desire him to fill up the Army so as to keep it from being depleted, and to get the number of recruits that is absolutely necessary to keep up the organization to its proper standard, not, perhaps, to the maximum, but to the proper standard. That is the object I have.

Mr. MORRILL, of Maine. The point on which I desire to address the Senate is this: that the Committee on Appropriations, having appropriated for twenty-five thousand men, appropriated for what they found the service to have actually been last year. With a law authorizing thirty thousand men, practically there were but twenty-five thousand in the service. Reasoning from that, it was believed that, with the demands of the service not greater this year than last year, twenty-five thousand men were all that would be necessary. Does my honorable friend mean to say that the demands of the service are greater than they were last year? Does he mean to say, from his own information and judgment, that he believes the same number of troops which answered the service last year will not answer this?

Mr. LOGAN. I will answer the Senator in this way, if he will allow me: If the Government of the United States does not require an Army beyond twenty-five thousand men, if you undertake to leg-

islate on that basis, in God's name reduce it to twenty-five thousand, officers and all. Just cut it down, and I have nothing to say, if you think that proper. I object to the manner in which it is done. If you think there are but twenty-five thousand men necessary, cut your officers off with the men; but do not keep the frame-work of the Army, that is the most expensive, and not fill it up.

Mr. MORRILL, of Maine. It is not the duty of an appropriating committee to appropriate for a service beyond its actual demands, beyond the service that practically exists. Now, as a matter of fact, it was found that twenty-five thousand men was all the force you had last year, and it was believed by the other branch of Congress, evidently, that that is all the service needs. Now I take occasion to say that, acting upon what would have been the suggestion, doubtless, of the chairman of the Committee on Military Affairs, the Committee on Appropriations, before they sanctioned this provision, put themselves in communication both with the General of the Army and with the Secretary of War, as to whether an appropriation of this kind would answer the demands of the service, and had their assent to the proposition.

Mr. LOGAN. Will the Senator allow me a word right there?

Mr. MORRILL, of Maine. Certainly.

Mr. LOGAN. Doubtless the committee had their assent to it; and I could give the reason for that. The Secretary of War and the General of the Army are not going to get into a collision with the Appropriation Committee or with Congress. I will not say what their opinions may be, for I do not know; but if the chairman of the committee, as a private individual, will ask the Secretary of War whether he thinks this is a proper mode of managing the Army, I pledge you my honor that he will tell him no; that he requires more recruits to keep it up.

Mr. MORRILL, of Maine. If my honorable friend says he told him so I will believe it.

Mr. LOGAN. I am not saying what he told me; I only say that the mere fact of the General of the Army and the Secretary of War consenting to this does not prove what their opinions are by any means as to its propriety.

Mr. WEST. They made no objection.

Mr. MORRILL, of Maine. No objection comes from the Committee on Military Affairs, or from either of these heads of Departments, that I am aware of.

Mr. SARGENT. My recollection is that before the House committee—when this matter was under consideration—the General of the Army, the Adjutant-General, and several others, represented that this was destructive to the Army. That is my recollection. I know General Sheridan did so.

Mr. WEST. The Senator does not exactly state the fact correctly. The Committee on Military Affairs in the House were entertaining the reduction of the organization of the Army when those gentlemen appeared, and they objected to the reduction of the organization.

Mr. MORRILL, of Maine. Now about the sufficiency of this service. It is evident enough on what basis the Committee on Appropriations in the House acted; and that was that twenty-five thousand men were found adequate last year, and twenty-five thousand would be this year. That was the idea precisely. My friend from Illinois says to us, "You ought not to judge of it; we (speaking of his committee) ought to judge of it." I would be most thankful if my honorable friend would advise us whether that is enough or not.

Mr. LOGAN. The Senator is very much mistaken. I did not say he ought not to judge of it.

Mr. MORRILL, of Maine. Well, not in this way; the Appropriation Committee should not undertake to appropriate without having the service changed. My answer to that is that the service is changed practically. We appropriate for the practical demands of the service as they were last year, and what are believed to be the demands of the service this year. Does anybody assert that troops are wanted, or are likely to be wanted, in the South as they have been heretofore? Nobody expects it; nobody believes it. Where are they wanted? On the frontiers chiefly. Well, sir, to-day, if five thousand additional troops were wanted on the frontiers, they might be had from the harbor of New York and other easy and soft places about here, to the very great advantage of that community, in my judgment.

Mr. LOGAN. We have nothing but officers in the harbor of New York.

Mr. MORRILL, of Maine. You have a thousand men in the harbor of New York to-day.

Mr. SARGENT. Then the Senator is better informed than the reports of the Adjutant-General.

Mr. MORRILL, of Maine. If my friend will look at the debates in the House of Representatives on this very subject he will see that that fact was stated as gathered from the reports, and that five thousand men might be taken from the interior and transported elsewhere.

I hardly think that anybody will claim that the demands of the service are likely to be greater than twenty-five thousand men. I agree with my honorable friend from Illinois that it would not be a good thing to undertake to organize the Army through an appropriation committee. But that is not the question. The real question is, whether the appropriation committee have not a right to look at such a fact as was reported to them from the service last year, and as comes to us this year from the military departments of the Government, and say that, practically, the demands of the service being so and so, we make the appropriations accordingly. That is all there is of this question. Whether as a matter of fact the Army should be put at twenty-five thousand men is a question I would not undertake to judge of; but that is not this question. This appropriation means that as to this year we make an appropriation only sufficient to keep the Army at twenty-five thousand men, and the money shall not be used beyond that point. The whole question is open next year to any legislation which my honorable friend from Illinois, the chairman of the Committee on Military Affairs, may think it wise to propose.

Mr. LOGAN. So far as the Military Committee is concerned, I did not desire to get into a controversy about the duties of these committees, nor do I now; but when suggestions are made that the Military Committee or any other committee might take charge of a matter of this kind and examine into it, I will only say in reply that while I am chairman of the Military Committee I will never examine with a view to reporting a bill for the reduction of the Army when I do not believe a reduction of the Army ought to be made. Hence it is not necessary to report any such bill from the Military Committee with the views I entertain, unless the committee should differ with me, because I do not believe the Army is too large.

Mr. MORRILL, of Maine. Allow me to ask whether the Senator believes now that the demands of the service require that the Army should be filled up to the full quota of thirty thousand men?

Mr. LOGAN. I will answer that by saying that there never has been an army in existence since the world began that was full up to the quota. That is an impossibility. You make the frame-work of an army, and you may fill it to-day, and to-morrow it will be depleted. That is the natural course of things connected with an army. I say the frame-work of an army of thirty thousand, in my judgment, is none too large for this country, and it ought to be kept as near to the quota as possible. Why?

Mr. MORRILL, of Maine. Are twenty-five thousand men enough?

Mr. LOGAN. I do not think they are, for a good organization. The Senator seems to have misunderstood me. When I am speaking of the Army in this connection, I speak of the Army as an army efficient for service; and there is no man who ever had experience in an army who does not know that it is necessary to keep an army as near the maximum as possible to make it efficient. I will give the Senator an illustration. You appoint a man captain of a company. He has one hundred men; it is a beautiful, splendid company, of good men. Through disease, desertion, and the casualties of battle, his company runs down to about forty men. The captain pays no more attention to it, and it goes into the charge of a lieutenant. So it is with a regiment; so it is with every arm of the service; whenever you deplete a man's command until it is not of sufficient strength and magnitude to cause him to give it his entire attention, it is neglected. The army therefore becomes disorganized, so far as its drill and *esprit de corps* are concerned. That is the natural result always in an army; and for that reason I say that there ought to be no restriction on getting men to fill up the Army unless you restrict the frame-work of the Army. Now, if you will reduce the frame-work of the Army to twenty-five thousand, if your judgment is that the Army ought to be no more than that, you will have done justice to the whole Army; but by reducing the men of the Army, and prohibiting them from going beyond a certain standard of number, you do affect the efficiency of the whole Army; and there is no officer in the United States Army to-day who knows his duty but what will tell you so if you ask him. I know that is the fact from experience; and for that reason I have a pride in maintaining the efficiency of the Army; not because I am chairman of the Military Committee, but because I think I know something about military affairs—not so much as other men, but some little at least. I have a pride in whatever Army we may have, whether small or great, that it shall be efficient. I want to see the service effective; and I know from experience you cannot make it effective as long as you continue to deplete it by depleting its organization. When I say "organization," I do not mean what the Senator from Louisiana means. It applies to the whole machinery of the Army; everything in connection with it is part of its organization. It takes all of it together to make the whole. This is a depletion—a disorganization of the Army to that extent; and for this reason I do think that to strike these lines out would promote the efficiency of the Army. I do think it would be better, because then you have no legal restriction upon filling up the ranks of the Army.

Let me put a case to the chairman of the Committee on Appropriations. Suppose, in depleting this Army to twenty-five thousand, the desertions happen to be from some particular command, some particular regiment, until that regiment becomes almost entirely exhausted. Then you cannot recruit any more; and what do you do with that regiment? You leave it there, like the skeleton of an animal, without anything but the skeleton of an organization.

Mr. WEST. Does not the Senator know that men can be transferred from regiment to regiment?

Mr. LOGAN. Yes, sir; certainly. I know that; but does not the Senator from Louisiana know that when you transfer from one depleted regiment to another you benefit neither, but injure both?

Mr. MORRILL, of Maine. Allow me to ask one question.

Mr. LOGAN. Certainly.

Mr. MORRILL, of Maine. How does the Senator account for the

fact that, the law standing authorizing thirty thousand, it yet happened that during the last year we had but twenty-five thousand?

Mr. LOGAN. I can tell the Senator exactly how it happened. A great portion of our Army is stationed in the Indian country and in the mining regions; and there are so many inducements for desertions that we have had more desertions in the Army the past few years than we ever had before.

Mr. MORRILL, of Maine. So that, with an authorized Army of thirty thousand, it is only practicable to maintain really twenty-five thousand.

Mr. LOGAN. It was found that they could not maintain more than the actual number we had with the amount authorized to be appropriated for the purpose of recruiting. If this appropriation is made, and they do not maintain more than that, they cannot help it, but they ought not to be debarred from doing it if they can do it. I will say further to the Senator that if this appropriation is made in this way, and the evidence is that while the frame-work is thirty thousand you can keep but twenty-five thousand men, and Congress will not appropriate money enough to fill up the frame-work of the Army, then I shall take it as an instruction from the Congress of the United States to the committee that I am chairman of to provide for an army of that number, and then we will see where the balance of the Army goes.

Mr. MORRILL, of Maine. Mr. President, I do not intend to procrastinate this debate at all. It is apparent, as a practical question, that the committee has appropriated for the demands of the service as it stands. My honorable friend from Illinois has stated a fact which I have no doubt is true of the service generally, that, with a nominal force by law of thirty thousand men, it is only practicable to keep about twenty-five thousand men in the field. Therefore the limitation here would not affect the real condition of the Army upon that assumption.

Mr. LOGAN. The Senator is mistaken about practically not keeping more than twenty-five thousand men. I say itis not practicable to keep the Army at the maximum; that it is an impossibility.

Mr. MORRILL, of Maine. But my honorable friend accounted for the fact of its being at twenty-five thousand men by its having been put higher and falling down to that point.

Mr. LOGAN. That is true; I stated the fact.

Mr. MORRILL, of Maine. Assuming that, then it turns upon this practical question alone, whether this sum is sufficient to meet the actual demands of the service. That is all there is of it.

Mr. HAMILTON, of Texas. Mr. President, I concur with the Senator from Illinois and the Senator from Wisconsin in every word they have said on this subject. But there is another reason, not mentioned by either of those Senators, why this amendment should be adopted and the proviso stricken out. I will answer the question put by the Senator from Maine in regard to the sufficiency of the Army for the work it has to do. I do not think that the Army is of sufficient strength to-day to protect the frontiers of this country. Day after day and week after week we have reports of depredations coming from every portion of the frontier pretty nearly, all through Arizona and portions of California, Idaho, and Texas. In every quarter almost where there are any Indians at all there are more or less depredations committed. There has scarcely been a moon within the last seven years, on the frontiers in my State, that the people have not been depredated upon by Indians; it is almost an every-day occurrence on the frontier.

I do not complain of the Army. I think the Secretary of War and the commanding General of the Army have done all that they could do to protect the frontier; but the Army is insufficient, and I shall take occasion some of these days to call the attention of the chairman of the Committee on Military Affairs to the question of the reorganization of the Army. We have twenty-five regiments of infantry; and I have been unable to ascertain upon what those men have been employed, or what they can do. Almost the only service that we require in this country now is mounted infantry or cavalry. An infantry regiment on foot cannot do any duty on the frontier except to keep camp. Our coast defenses have been occupied by artillery in the main. The infantry are quartered around, I do not know where. A great many of them are on the plains; and they keep camp on the frontier while the cavalry do the scouting. If the infantry was cut down to fifteen regiments, and the cavalry raised to fifteen regiments, the Army would be of better service, for the wants of my State at least, than it is to-day.

I wish to make a suggestion to the Senator from Maine in regard to the maximum of the Army as proposed in this appropriation bill. He thinks it should be put at twenty-five thousand men; but inasmuch as when the maximum was thirty thousand men it could only be kept practically at twenty-five thousand, it must follow that if we should make it twenty-five thousand we shall not keep it really above twenty thousand. Surely it will fall below twenty-five thousand men. As the Senator from Illinois remarked, we cannot keep the Army at the maximum; we are losing men every day.

Mr. MORRILL, of Maine. If my honorable friend will observe the language of the provision he will see that it makes no such limitation to twenty-five thousand men. It is that recruiting shall not go on beyond that point.

Mr. HAMILTON, of Texas. That makes a limit. We had a limit last year and we fell five thousand below that limit it seems. Now, I say that we shall probably fall as much below this year. If you say we shall not go beyond twenty-five thousand men, then I think it is likely we shall not have above twenty thousand effective men in the service. If we have forty regiments in service we shall have twenty thousand men in the field in actual service, fifty men to a company only. It is a mere skeleton, and the companies are inefficient; they cannot half do the duty that is required of them.

There has been a bill pending in the other House which I have been expecting to come here, providing for the reorganization of the Army. I expected to make some remarks upon that bill, because the people of my section of country have been bearing very patiently the calamities which have fallen upon them in the last seven or eight years. They have complained very little, but they are now about putting two thousand men in State service. I do not know whether the Government here will permit it or not, but the necessities of that people require them to do something; they are simply bleeding at every pore, and they are determined to protect themselves if they can do so, for the Government of the United States will not protect them, or has not done so up to this time.

Now, Mr. President, looking at the appropriation proposed for the civil service of the Government, for forty other schemes or propositions of one kind and another, it seems strange that when a bill comes here for the support of the Army, which is a meager support, and when it is a meager army for this great country, when it is too small, it is proposed to cut it down one-fifth. As the Senator from Illinois remarked, you may keep your forty skeleton regiments in service, but they do not amount to more than twenty effective regiments would amount to, whereas the expense is double; for I agree with him perfectly in regard to the expense. I say the amount you reduce is infinitesimal by cutting off five thousand men. The bulk of the expense is in the frame-work, the transportation, the officers, the equipping, and a thousand and one things that burden your regiments. These skeleton regiments will cost within a fraction as much money as full regiments, whether on the march or stationed, or wherever they may be. I do not think we shall save anything worth talking about by cutting off these five thousand men, when there are sections of the country that are not protected.

Mr. WEST. Which sections?

Mr. HAMILTON, of Texas. Arizona particularly. Possibly you will need these troops in other sections of the country worse than you do just now, but there the necessity is abiding; it has been there all the time; it is there to-day; and I do not look for any cessation of hostilities there until the Indians are confined on their reservations, or killed out. I hope the amendment will be adopted, and the clause stricken out.

Mr. WEST. Mr. President, the Senator who has just addressed the Senate assumes that the Army of the United States is not sufficient for the defense of the country. We have heard nothing of that kind from the President of the United States; we have heard nothing of that kind from the Secretary of War, or from the General of the Army. On the contrary, all their communications to us lead us to the conclusion that the number of men at their disposal during the past year has been adequate for the maintenance of the public tranquillity and for the protection of our Indian frontier.

The Senator says that it is to be taken for granted that when we authorize the enlistment of thirty thousand men we can only get twenty-five thousand; that we cannot get any more. That is not the case. There was not such an immediate necessity for those men as to stimulate the War Department to recruiting up to the full number. Now there will be. But virtually the result of this action by Congress will be to drive the non-combatants into the field, and that is the object of it. Take the report of the General of the Army. He tells us of four thousand men stationed, God knows where, and those are the men that we want to get at.

The Senator says that his State is not protected. He has one-sixth of the Army of the United States now on service in the State of Texas. Perhaps it is not as much as he would like to have; but, considering our pecuniary condition, can we with any propriety go on and increase these expenses? Let the Senator consider for a moment this suggestion in reference to the expenditures. Can we do anything as a body in the way of originating increased revenue? Have we not already intimations enough from the other end of the Capitol to lead us to conclude that we must get along with the amount of revenue already provided, and that we can look for no increase from that quarter? Consequently, as one co-ordinate branch of the Government, we are obliged to stand on the defensive in the way of curtailing our expenses.

When Senators tell us that there is no reduction in the expense of the Army when we reduce it five thousand men, certainly they do not tell us what is the fact, because what is the evidence of it in this bill? If they had studied it, they would see it. The amount estimated for by the War Department for the pay of the Army was $12,300,000. That is at thirty thousand men. We appropriate $11,400,000, and there is a saving right off in that one item of $900,000. I think $900,000 is some saving. Then, take the item of subsistence. They asked for $2,852,000 for the subsistence of thirty thousand men. We give them $2,419,000. There is a saving of $433,000, which, with the $900,000 that I have mentioned, makes $1,333,000. A million and a third saved in the mere matter of the pay and subsistence of five thousand men is no small matter. And so I could go on all through this bill; and I think it is a little thing for gentlemen to get up here and say that, when we have reduced our expenditures three millions

in consequence of this reduction of five thousand men, it is no saving. For my part, it is palpable to me that by this proposition we clearly save $4,000,000; that is to say, we reduce the Army expenditures this year to $4,000,000 less than they were last.

Now, we know that it is customary, in speaking of the cost of the service in this country, to estimate $1,000 for every man in the service. That is what it costs, officers and all. At thirty thousand men you have $30,000,000, as we had last year. At twenty-five thousand men we have $27,000,000, because the reduction is not proportionate; but it is that reduction that is compelled by the circumstances which I have stated, that we must at this end of the Capitol save the money, for the other end will not give it to us.

If any Senator can controvert the proposition I have made, that in the expense of pay and subsistence we save $1,333,000, and in other instances up to the amount of $4,000,000, from what was appropriated last year, I will cheerfully vote with him to strike out this clause. Strike it out, and I warn the Senate that this bill must go back to the Committee on Appropriations, and we must come back here with an increased expenditure of nearly $3,000,000.

Sir, we can let this Army shrink to-day, and next year, when we have got the money, we can run it up to thirty thousand men. Cut down your regiments, as the Senator from Illinois proposes, and when will the Congress of the United States be willing again to raise the Army five thousand men? Not until you have another war, and the possibility of that seems remote enough. This is a shrinkage, under the circumstances, of necessity, for economy compels the Senate to make it. If you do not accede to it, you must go back and ask for more money.

Mr. DAVIS. Mr. President, the amendment is simply, instead of letting the Army by deaths, desertions, expiration of term, and otherwise, go down to twenty-five thousand men, to keep it up to thirty thousand men. Instead of appropriating $27,000,000, as this bill does, it is going back and appropriating $30,000,000. The Secretary of War, I notice, in his testimony before the committee of the other House, uses just those words. He says if you make the Army twenty-five thousand, then about $25,000,000 or a little upward will supply it; if you make it thirty thousand, he must have $30,000,000. So the question is simply whether you will let the Army by its natural shrinkage be twenty-five thousand men, or whether you will put it up to thirty thousand men.

Mr. LOGAN. The Senator misunderstands the amendment entirely. The motion to strike out this clause does not propose to increase the recruiting five thousand men; it proposes no such thing. It only proposes to strike out the restriction which prohibits it from going beyond twenty-five thousand men. When you appropriate $105,000 for recruiting purposes, I do not think any man who knows anything about the expense of recruiting will suppose that there will be very many recruits under this proposition.

Now, there is one thing that I will state to the Senate that I did not before. With your appropriation of but $105,000, and the proviso that the Secretary of War shall not recruit above twenty-five thousand men, you will have your Army, as the Senator from Texas said, composed of about twenty thousand men; because if this $105,000 runs down as rapidly as it did last year, you have not appropriated money enough to keep the Army up to twenty-five thousand men. You cannot do it under this proposition; and at the same time, if you do not appropriate money enough, you still restrict the Army to twenty-five thousand men.

One other objection. This little clause, that you cannot go above twenty-five thousand men, goes before the country as a piece of economy, when it is a deception. You can hardly recruit anybody into the Army with $105,000 so as to keep the Army up to anything like its proper status. I am not asking you to appropriate any more money. I do not move to increase the appropriation; but I have moved to strike out the restriction, as improper in a bill of this kind and improper generally.

Mr. DAVIS. I ask the Senator from Illinois if the result of striking this out is not to let the Army remain as now fixed by law, at thirty thousand men? If, however, we retain the clause, it restricts the Army to twenty-five thousand men?

Mr. LOGAN. It restricts the number of enlisted men to twenty-five thousand. This proviso does not restrict the Army at all. It restricts the number of enlisted men, but it does not affect the Army so far as the frame-work of the Army is concerned. It does not reduce an officer of the Army.

Mr. DAVIS. Are not the men in the Army?

Mr. LOGAN. Certainly; but did you ever see an Army made up alone of privates?

The PRESIDENT *pro tempore*. The question is on the amendment of the Senator from Illinois, [Mr. LOGAN.]

The question being put, a division was called for; and the ayes were 12 and the noes 18; no quorum voting.

Mr. WEST. I call for the yeas and nays.

The yeas and nays were ordered; and being taken, resulted—yeas 18, nays 25; as follows:

YEAS—Messrs. Anthony, Carpenter, Conover, Cragin, Flanagan, Hamilton of Texas, Hamlin, Harvey, Hitchcock, Howe, Ingalls, Logan, Morrill of Vermont, Pease, Ramsey, Sargent, Spencer, and Tipton—18.

NAYS—Messrs. Bayard, Bogy, Boreman, Buckingham, Chandler, Cooper, Davis, Dennis, Goldthwaite, Hager, Johnston, Lewis, McCreery, Merrimon, Morrill of Maine, Norwood, Oglesby, Ransom, Saulsbury, Schurz, Scott, Stevenson, Stockton, West, and Wright—25.

ABSENT—Messrs. Alcorn, Allison, Boutwell, Brownlow, Cameron, Clayton, Conkling, Dorsey, Edmunds, Fenton, Ferry of Connecticut, Ferry of Michigan, Frelinghuysen, Gilbert, Gordon, Hamilton of Maryland, Jones, Kelly, Mitchell, Morton, Patterson, Pratt, Robertson, Sherman, Sprague, Stewart, Thurman, Wadleigh, and Windom—20.

So the amendment was rejected.

Mr. SPENCER. I offer the following amendment, to be inserted after line 131, on page 6, section 1:

Nor shall this restriction be construed as affecting settlements for services performed by any such railroad under contract with the Government prior to the passage of this act.

Mr. MORRILL, of Maine. If the Senator will allow me to make one remark, I will say that, if the Senate intends to adhere to its former vote, that amendment ought not to be made.

Mr. WEST. I will just say to the Senate that that amendment was considered in committee, not coming from the Senator from Alabama, but from another quarter, and the conclusion that the committee arrived at was that, inasmuch as this money is appropriated for the fiscal year to commence on the 1st of July, this clause cannot affect any service prior to that time.

Mr. SPENCER. Then what objection can there be to this amendment? I cannot conceive of any.

The PRESIDENT *pro tempore*. The question is on the amendment of the Senator from Alabama.

The amendment was rejected.

Mr. LOGAN. I wish to offer an amendment. Inasmuch as the Senate have voted in the restriction that the Army shall not go beyond twenty-five thousand men, and inasmuch as that is done in the line of economy, though I opposed it because I did not think it was economy, we might as well, as we are on that line, make the economy go far enough to be effective. I move, therefore, to insert after the word "scouts," in line 13, on page 1, the following:

Provided, That the officers of the Army be reduced in the same ratio corresponding to the twenty-five thousand men provided in this bill, by muster out by the Secretary of War.

I move this amendment so as to make the frame-work of the Army correspond with the number of private soldiers in the Army. If gentlemen are in favor of economy, let us test the question.

Mr. MORRILL, of Maine. Let us have the vote.

Mr. LOGAN. I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. STOCKTON. I do not at this hour, when everybody wants to get to a vote, as I do myself—for I think there has been debate enough on this bill—rise for any other purpose than to explain very briefly the reason for the vote I shall cast. We have found by experience that we can neither improvise an army nor a navy. While we may not need over a certain number of men either in the Navy or in the Army, and while it may be economy to move at this time in the direction of reduction, I do not think it necessarily follows that persons who are in the service permanently as officers, who may have been educated by us at great expense and cost, should be forced to leave the service on account of a temporary economy, when their services may be required perhaps the next year. That is my reason for voting as I shall on this occasion.

Mr. LOGAN. I merely wish to say, in reply to the Senator from New Jersey, that if he had been here—I did not notice him, though perhaps he was here—when the discussion was going on in reference to the other question, I opposed the clause which I now move to amend, because it would produce disorganization and derangement of the Army. But I said that if the Senate passed the proposition to reduce the effective force of the Army to twenty-five thousand men, then I would take it as an instruction in the line of economy, and that the Senate meant to have an army of twenty-five thousand. If the Senate mean by their vote to reduce the Army to twenty-five thousand as a matter of economy, you certainly must reduce the officers in the same ratio; otherwise you have no economy. You have a set of supernumerary officers by reducing your Army in this way that are of no use on top of God's earth. You have no use for them in the world. Now if economy is what gentlemen mean, I ask you to make the Army complete at twenty-five thousand by mustering out the supernumerary officers.

Mr. MORRILL, of Maine. Just one word now. The fitness of the honorable Senator's proposition and the propriety of it, so to speak, and its appositeness to what we have done, will be illustrated by a single statement. The clause in the bill is not a proposition to reduce the Army one man, as the Senator knows. It is simply a proposition not to furnish the means of recruiting beyond twenty-five thousand, where it stood last year. That is the proposition. It is no disorganization of the Army at all. Now the Senator says, the Senate having done that thing which he does not approve of, he will muster out of the service the officers who permanently belong to the Army; and he pretends not to see the distinction between mustering out officers and not recruiting the rank and file.

Mr. LOGAN. In reply to that, I will say that I do see the distinction, if there is any, and I will answer the Senator in this way: If you have no men at all, you need no officers. If you have no men to command, you certainly need no officers to command them. Then, if you have but twenty-five thousand men, you only need a correspond-

ing number of officers to command the twenty-five thousand; not so many officers as you need for thirty thousand men.

According to the theory of this bill I am correct. I said that I did not think it was proper legislation to have it on this bill. I do not think so now. But the Senate has voted it on the bill in opposition to my urgent request to strike it out.

Now, you say you do not deplete the Army, but you provide that it shall not be increased beyond a certain number. That is fixing the Army at that number, and there is no other construction to be placed upon it. When you say the Army shall not be increased over twenty-five thousand men, you fix the maximum number of the Army so far as the soldiers are concerned; and it is just as right to fix it as far as the officers are concerned.

Further, the history of the Army in this country shows that after every war we have ever had the officers were mustered out with the soldiers. The officers of the regular Army were reduced in proportion to the number of men retained after the recent rebellion. So it was when the Army was mustered out after the war with England. The officers were mustered out in the same proportion with the men. In the reorganization after the late war we retained enough officers to command the Army up to its maximum of thirty thousand men. Now you provide that its maximum shall be twenty-five thousand; and according to the rule established by Congress five years ago when they made the maximum and mustered officers out to correspond with that maximum, the same thing should be done now. I do not want, as I said awhile ago, to muster anybody out, either man or officer, for I do not believe you have an army at all too large; but if you prevent the recruiting of the Army up to the maximum allowed by law and limit it to twenty-five thousand, as this bill does, it is unjust to keep officers of the Army doing nothing and drawing their pay, and they should be mustered out to correspond with the number of men.

Mr. WEST. I will only detain the Senate one moment to call their attention to what very great injustice this might do to the officers of the Army, and how much the War Department might be embarrassed if we were to adopt the amendment of the Senator from Illinois. With an Army of twenty-five thousand men last year, and an Army of twenty-five thousand men next year, why should not the number of officers be precisely the same? Take the text of the Senator's amendment, and you require the Secretary of War to muster these officers out. Whom will he muster out? Will he begin with the General of the Army and muster him out?

Mr. LOGAN. O, no.

Mr. WEST. There is no knowing where he will begin at. It leaves it entirely discretionary with the War Department to muster out officers who have rendered good and efficient service, and whose services in the future may be exceedingly valuable. If the amendment is to be adopted at all, it should be perfected. Now it would confer an exceedingly arbitrary and embarrassing power upon the Secretary of War, one that would work great injustice to men who have served their country in the field. I hope the Senate will reject the amendment.

Mr. LOGAN. I will perfect the amendment to agree with the proposition of the Senator. Let the Clerk insert——

Mr. WEST. I made no proposition.

Mr. LOGAN. I will carry out your theory. Just insert "the Secretary of War shall consolidate the regiments down to twenty-five and muster out the supernumerary officers." I guess that will correspond with the Senator's view, and then the Secretary of War will have to muster out the supernumeraries after consolidation. That was the language of the bill that mustered them out four years ago.

The PRESIDENT *pro tempore*. The Senator had better step to the desk and put his amendment in writing as he desires it to stand.

The amendment having been prepared, was read, as follows:

Provided, That the Secretary of War shall consolidate the regiments to twenty-five, and muster out the supernumerary regimental officers after consolidation, after an examination before a board of officers, to be appointed for that purpose by him.

The question being taken by yeas and nays, resulted—yeas 18, nays 27; as follows:

YEAS—Messrs. Bogy, Carpenter, Goldthwaite, Hamilton of Texas, Hamlin, Hitchcock, Howe, Johnston, Lewis, Logan, McCreery, Norwood, Oglesby, Pease, Pratt, Schurz, Spencer, and Tipton—18.

NAYS—Messrs. Allison, Anthony, Bayard, Boreman, Buckingham, Cooper, Cragin, Davis, Dennis, Flanagan, Frelinghuysen, Ingalls, Merrimon, Mitchell, Morrill of Maine, Morrill of Vermont, Ramsey, Sargent, Scott, Sherman, Stevenson, Stewart, Stockton, Thurman, West, Windom, and Wright—27.

ABSENT—Messrs. Alcorn, Boutwell, Brownlow, Cameron, Chandler, Clayton, Conkling, Conover, Dorsey, Edmunds, Fenton, Ferry of Connecticut, Ferry of Michigan, Gilbert, Gordon, Hager, Hamilton of Maryland, Harvey, Jones, Kelly, Morton, Patterson, Ransom, Robertson, Saulsbury, Sprague, and Wadleigh—27.

So the amendment was rejected.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

SEMINOLE ANNUITIES.

The Senate proceeded to consider its amendment to the bill (H. R. No. 1923) authorizing the payment of annuities into the treasury of the Seminole tribe of Indians, disagreed to by the House of Representatives.

On motion of Mr. BUCKINGHAM, it was

Resolved, That the Senate insist upon its amendment to the said bill, disagreed to by the House of Representatives, and agree to the conference asked by the House on the disagreeing votes of the two Houses thereon.

Ordered, That the conferees on the part of the Senate be appointed by the President *pro tempore*.

The PRESIDENT *pro tempore* appointed Mr. BUCKINGHAM, Mr. INGALLS, and Mr. STEVENSON.

ENROLLED BILLS SIGNED.

A message from the House of Representatives, by Mr. MCPHERSON, its Clerk, announced that the Speaker of the House had signed the following enrolled bills and joint resolution; and they were thereupon signed by the President *pro tempore*:

An act (H. R. No. 1015) to authorize the President to accept, for citizens of the United States, the jurisdiction of certain tribunals in the Ottoman dominions and Egypt, established, or to be established, under the authority of the Sublime Porte and of the government of Egypt;

An act (H. R. No. 1956) for the relief of Willard Davis;

A bill (H. R. No. 1213) for the relief of Willard Howe, of Massachusetts;

A bill (H. R. No. 2225) to amend an act entitled "An act to prevent the extermination of fur-bearing animals in Alaska," approved July 1, 1870;

A bill (H. R. No. 1756) to amend the act entitled "An act to withdraw from settlement and sale a certain section of land in Wyoming Territory," approved May 23, 1872;

A bill (H. R. No. 476) to establish bonded warehouses for the storing and cleansing the rice intended for exportation;

A bill (H. R. No. 1576) for the relief of Reuel B. Fuller, of Wilton, Maine;

A bill (H. R. No. 215) to exempt George M. Richard, of Pittston, in the State of Pennsylvania, from the payment of $881.29 for postage-stamps stolen from his office while postmaster;

A bill (S. No. 360) making an appropriation for a topographical survey of the Capitol grounds, and plans for improving the same;

A bill (H. R. No. 2228) to authorize the Secretary of the Treasury to change the name of the propeller William M. Tweed, of Buffalo;

A bill (H. R. No. 1223) for the relief of L. S. Campbell;

A joint resolution (H. R. No. 52) explanatory of resolution approved January 31, 1868, entitled "A resolution limiting contracts for stationery and other supplies in the Executive Departments to one year;" and

A joint resolution (H. R. No. 29) authorizing the Secretary of War to detail medical officers of the Army to inquire into and report upon the causes of epidemic cholera.

ADJOURNMENT TO MONDAY.

On motion of Mr. SARGENT, it was

Ordered, That when the Senate adjourns to-day it adjourn to meet on Monday next.

COMMITTEE SERVICE.

Mr. SARGENT. I move that the President *pro tempore* have power to fill the vacancies upon the Committee on Privileges and Elections, and the Committee on Education and Labor.

Mr. WEST. I hope that proposition will lie over to-day.

Mr. SARGENT. I submit the motion.

Mr. WEST subsequently said: I wish to withdraw an objection to the resolution about filling vacancies on certain committees. There was a resolution offered by the Senator from California that the Chair have power to fill certain vacancies. I withdraw the objection which I made to its consideration.

The PRESIDENT *pro tempore*. The Senator from California moves that the Chair be authorized to fill the vacancy upon the Committee on Privileges and Elections, and also upon the Committee on Education and Labor, occasioned by the death of Mr. Sumner.

The motion was agreed to.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. MCPHERSON, its Clerk, announced that the House had passed a bill (H. R. No. 2423) explanatory of an act entitled "An act to provide for the creation of corporations in the District of Columbia by general law," in which it requested the concurrence of the Senate.

CLERK TO A COMMITTEE.

Mr. WRIGHT. I submit the following resolution:

Resolved, That the Committee on Civil Service and Retrenchment be allowed a clerk, to date from the organization of said committee, and to be paid only during the sessions of the Senate.

Mr. DAVIS. I do not understand that.

Mr. WRIGHT. I will state to the Senator from West Virginia that the Committee on Civil Service and Retrenchment is a standing committee, and, as was supposed, by the rules of the Senate was entitled to a clerk, but it seems that the practice of the Senate is to require a formal resolution to that effect, where a new committee is raised.

Mr. DAVIS. Have you had a clerk?

Mr. WRIGHT. We have had a clerk all the time.

Mr. DAVIS. Has he been paid?

Mr. WRIGHT. That is just the trouble, that he cannot be paid for want of this resolution

The resolution was agreed to.

FORTIFICATION APPROPRIATION BILL.

Mr. DAVIS. I move that the Senate proceed to the consideration of House bill No. 1037, known as the fortification appropriation bill.

The motion was agreed to; and the bill (H. R. No. 1037) making appropriations for the construction, preservation, and repair of certain fortifications and other works of defense, was considered as in Committee of the Whole.

Mr. DAVIS. This bill appropriates for all sea-coast purposes of fortification $904,000 for the next fiscal year. The appropriation for the current fiscal year was $1,847,000. The original estimate at this session, submitted by the Chief of Engineers, was $3,376,000, and the revised estimate of that officer was $1,407,500.

It will be observed that this bill appropriates less than half as much money for the present fiscal year as was appropriated for the last, and $503,500 less than the revised estimate of the Chief of Engineers. For the last twenty years the regular appropriation for the sea-coast has been more on an average than that made by this bill.

The largest guns in use previous to 1862 were of 10-inch bore, using a shot weighing about 128 pounds. In 1862 the 15-inch gun was first used. They weigh 25 tons. They throw a ball weighing 450 pounds, and require 100 pounds of powder to a shot, and can be fired every three or four minutes.

In a recent test one of this class of guns sent a ball into an ordinary earth-bank 40 feet—sand is usually used in fortifications; a ball will go about half the distance into sand.

Since the use of the 15-inch guns nearly all the forts on the sea-coast have been, or ought to be, much enlarged and strengthened.

There are now two 20-inch guns in use, one at Fortress Monroe and the other near New York. The 20-inch gun weighs 55 tons, throws a ball weighing 1,100 pounds, and uses 200 pounds of powder at a shot. This is the most powerful and largest gun used.

The embankments and walls of the present fortifications, owing to the large guns that are now in use, have to be materially improved and made heavier.

There are 95 forts on our sea-coast, 25 of which are specially provided for by this bill; consequently there are 70 for which there is no appropriation whatever in this bill. There is, however, a contingent fund of about $100,000 in this bill, about which some questions may be asked. That contingent fund is for the care of the 70 forts now on the sea-coast, for which there is no specific appropriation made in this bill.

The committee, after carefully considering the bill, think no amendment ought to be made, and report it just as it came from the House.

The bill was reported to the Senate without amendment.

Mr. MORRILL, of Maine. I believe the Senator from Nebraska is very anxious to have an amendment to the bill, and has stepped to his committee-room, I think, for it.

Mr. DAVIS. My attention has been called to the fact that the bill as read names no particular year for which the appropriation is made. Of course it is for the fiscal year commencing July 1, next, and I supposed the bill specified that. If it does not, I move to amend it by inserting after the word "defense," in line 6, the words "for the fiscal year ending June 30, 1875."

The amendment was agreed to.

Mr. HITCHCOCK. I offer the following amendment; to be inserted after line 10:

For the construction of a post on the North Fork of Loup River, in Nebraska, $50,000.

I send to the Chair a letter from the Secretary of War, which explains the necessity for this appropriation.

The Chief Clerk read as follows:

WAR DEPARTMENT, WASHINGTON CITY, *March* 3, 1874.

SIR: In reply to yours of the 2d instant, suggesting the necessity of the establishment of a permanent military post on the North Branch of the Loup River, for the protection of the settlements of Northwestern Nebraska, I beg to invite your attention to the following extract from the annual report of Brigadier-General E. O. C. Ord, commanding the Department of the Platte:

"I have again to call attention to the exposed condition of Nebraska, north of the Union Pacific Railroad, and extending from the Missouri River for three hundred miles westward, in which there is not a single military station. This country is as rich as any other portion of Nebraska, but the fear of Indians has retarded its settlement. It has been subject to frequent raids from the Sioux of Spotted Tail's, and now from Red Cloud's, reservation. When, on a recent visit East of the first-named chief, he did me the honor to call, with his lieutenants and concubines, at my office, I called his attention to a raid which some of what were called his people had just committed on the peaceable Baptist and Danish settlers on the Loup. He replied in quite a haughty manner that 'he had not come here to be talked to in that way.' As I had no power to control his movements or make him, or the people whom he claimed to rule, respect the property of the white settlers, the touching upon facts put an end to further conversation.

"I think a post should be established somewhere about midway on a line drawn from Fort Randall, on the Missouri River, to Fort McPherson, on the Platte. It need not cost to exceed $50,000, and, under the sense of security which it would give to settlers, the rapid increase of a tax-paying population would soon repay the outlay."

I would say further that I have not had time, since the receipt of your letter, to obtain reports from the General and Lieutenant-General of the Army upon this subject, but I have no doubt, from former observations made by them, that there is an actual necessity for the establishment of a post in that country.

Very respectfully, your obedient servant,

W. W. BELKNAP,
Secretary of War.

Hon. P. W. HITCHCOCK,
United States Senate.

Mr. DAVIS. This is not the appropriate bill for this item, even if the appropriation proposed by the amendment of the Senator from Nebraska ought to be made. This is the fortification bill, and no appropriation should go on it except for fortifications on the sea-coast. I suppose there never has been such a thing as an appropriation made for a post on a river in the interior in the fortification bill. That, probably, should go on the river and harbor bill, or on the Army bill, or some other bill, but certainly not on this. Under the instructions of the committee and my own judgment I shall have to resist the amendment. Besides, the sum proposed is double the amount which in my judgment ought to be appropriated, if anything. I hope, therefore, the amendment will not be added to the bill.

Mr. HITCHCOCK. As to the propriety of this amendment upon this bill, I have to state that the amendment itself has been submitted to the Military Committee and approved by them, and it was then referred to the Committee on Appropriations. At the suggestion of the chairman of the Committee on Appropriations the amendment was moved to this bill. I know of no rule of the Senate which requires that the appropriations in this bill should be made strictly and exclusively for fortifications on the sea-coast.

I suppose the Senate has a right to consider the proposition on its merits; and from the recommendation of the general commanding the department, from the recommendation of the Secretary of War, and the recommendation of the Committee on Military Affairs of the Senate, and from my own knowledge of the facts, I believe that the amendment is a very important and a very desirable one. As to the amount, all I have to say is that the Secretary of War recommends the amount named, and believes that a less amount would be insufficient.

Mr. DAVIS. I did not understand the letter read from the Secretary of War, unless there be some other, as specially recommending this appropriation. I am told that the General of the Army has not made any such request. I hardly think this proposition should be adopted.

The PRESIDENT *pro tempore*. The question is on the amendment of the Senator from Nebraska.

Mr. NORWOOD. Before the vote is taken I wish to inquire whether this measure is recommended by the Secretary of War or by the commanding general. That would control my vote.

Mr. HITCHCOCK. It is recommended by the commanding general, by the General of the Army, and by the Secretary of War.

Mr. SHERMAN. The trouble with this amendment is, in the first place, that it does not come from the Military Committee, and in the next place this bill is purely a bill for fortifications and sea defenses. I never have known it to go beyond the protection of the present system of fortifications and building new fortifications. I know military posts are established in the West out of the appropriation made for the Quartermaster's Department or from the appropriations for the pay of the Army. Soldiers are used and employed to build up ordinary posts.

Mr. WEST. We have stopped that by a provision of law which prohibits the Secretary of War from doing it.

Mr. SHERMAN. I was not aware of that.

Again, as a matter of course, a permanent post like Fort Leavenworth ought to be only established after full investigation and careful examination by engineering and other officers, and on the recommendation of the Military Committee. It seems to me my friend from Nebraska has not got his proposition on the right bill; and then I think there is no sufficient information here to justify us in establishing a permanent military post. Transient posts are made day by day by the Army, without any special appropriation, out of the regular appropriations for the Quartermaster's Department and other general appropriations for the Army.

Mr. LOGAN. I do not know that the examination has been made that the Senator suggests by an engineer officer; but this matter was referred to the Military Committee. I do not know that that would have any influence here; but it was agreed to on the recommendation of General Ord, who is in command of that department.

Mr. SHERMAN. If the Senator had recommended this from the Military Committee as an amendment to the Army bill, I know no reason why it should not go there.

Mr. LOGAN. We did not recommend it as an amendment to any particular bill, but agreed to it and referred it to the Committee on Appropriations for them to put it on such bill as they saw proper, and they did not see proper to put it on any.

Mr. MORRILL, of Maine. My honorable friend is not correct. The amendment itself said it was to go on this particular bill.

Mr. LOGAN. How do you mean?

Mr. MORRILL, of Maine. The amendment is proposed to this particular bill as coming from the Military Committee.

Mr. LOGAN. I only stated that the amendment was not reported by the Appropriation Committee to any bill.

Mr. MORRILL, of Maine. No; but the amendment came from the Committee on Military Affairs, to be proposed to this particular bill.

Mr. LOGAN. Very well; I have nothing to say about that. I only stated that it was referred to the Appropriation Committee, and does not appear to come back from that committee as an amendment to any bill.

Mr. MORRILL, of Maine. The Committee on Appropriations did

not adopt it; they did not reject it; but the Committee on Military Affairs having considered it, the Committee on Appropriations not having the business before them, concluded on the whole to allow it to be moved in the Senate without their recommendation, on the recommendation of the Committee on Military Affairs. That is exactly the way it stands now. If the Committee on Military Affairs have examined it and are satisfied that it is the proper thing to do, I do not propose to oppose it. I hardly think it is allowable on this bill. It is designed undoubtedly for the regular Army appropriation bill, but inadvertently the Senator from Nebraska did not take the proper precautions to bring it within the rule on that bill, so that he finally fell back on this bill; and that explains the whole difficulty about it.

Mr. WEST. Having had occasion, as the Senate very well knows, to scrutinize the expenditures of the military establishment of the country quite critically within the last few days, I ask the Senate's consideration to what I shall say in favor of this expenditure. With reference to the informality of its proffer, I will add that it was informally, or contrary to usage, offered to the fortification bill, but in the Committee on Appropriations it was committed to myself as having charge of the Army bill, where it properly belonged, to investigate the subject as to whether we ought to spend this money and to so report, or report the reverse to the committee. I did do so. I examined the question and satisfied myself, and I hope I shall satisfy the Senate, that we ought to expend this money, and I so reported to the committee; but the committee were engaged on other matters of too much importance to induce them to consider this, and consequently it went over and could not be brought in under the rule. There is that much of informality about it here.

Now, with reference to the actual merits of the case, General Sherman, the general commanding the Army, is particularly enthusiastic on this subject. He says that if he only had $50,000 to devote to the promotion of tranquillity on the frontier, he would put it right there at that spot, where it will benefit the country fourfold in two years.

Furthermore, it has been said that there has been no formal examination of the site. Hence the amendment does not definitely fix the site. That site is discretionary with the Secretary of War on the advice of the General of the Army, and the General of the Army differed from the Senator from Nebraska, and proposed to put the post at a more remote locality.

Now, if the Senate can waive this question of informality, and if it is good policy to spend the money there, they have my voucher that, so far as I have examined it, I do not know any better place to put $50,000 than right there.

Mr. LOGAN. In reference to the examination of the committee, I said, irrespective of the effect it might have on the adoption of this amendment, that this amendment was agreed to by the Military Committee, and then referred to the Appropriation Committee regularly, with the recommendation of the Military Committee. They were never inquired of as to what they based their recommendation on; but I can state it, so far as I am concerned. I know General Ord very well; I served in the Army with him; I have known him a long time. I do not believe General Ord would make a recommendation of anything on earth that he did not honestly believe was correct and proper, and for the benefit of the service. On these papers I concluded (because I could not go through and examine the details, and had no other evidence) that it was a proper thing to be done; and for that reason it was recommended, and for none other.

Mr. TIPTON. I shall not prolong this discussion; but there is no question at all about the propriety of this act; and nothing can be done by Congress that would do as much to encourage peaceful, quiet, constant immigration to that region of the country as the establishment of this post.

Mr. SHERMAN. I will move, or it can be done by general consent, that the Army bill be reconsidered with a view to have this amendment put there, conceiving it to be proper from the statement made. I do not think it would be wise to set the example of putting appropriations for these interior posts on the fortification bill, but if that is in order, as it can be done in a moment, I move to reconsider the vote on the passage of the Army appropriation bill.

The PRESIDENT *pro tempore*. The Senator from Ohio moves to reconsider the vote by which the Army appropriation bill was passed.

Mr. WEST. I do not know how I can consent to that. If the Senator will guarantee that we shall not open any of the vexed questions——

Mr. SHERMAN. O, no!

Mr. WEST. Then it is understood it opens nothing else. ["Agreed."]

Mr. SHERMAN. Certainly.

The PRESIDENT *pro tempore*. The question is on the motion to reconsider.

The motion was agreed to.

Mr. SHERMAN. Let the previous votes be regarded as reconsidered also, and the bill open before the Senate.

The PRESIDENT *pro tempore*. The Army appropriation bill will be regarded as on its third reading and open to amendment.

Mr. HITCHCOCK. Now I move to amend the Army appropriation bill by adding to the first section:

For the construction of a post on the North Fork of Loup River, in Nebraska, $50,000.

Mr. DAVIS. I move to strike out $50,000 and insert $30,000. From the information I got it is not to be a permanent fort, to remain there for all time; and it is within a State which is being settled up. I think efficiency would be served as well by $30,000 as $50,000, while economy would be served by the smaller appropriation. I have made some inquiry about it.

Mr. LOGAN. It is not presumable that the Secretary of War will expend more money than is necessary for this purpose. I do not want any one to take my judgment in reference to a matter of this kind, because there are others more conversant with it than I am myself; but I do not believe you can establish a post, for the purpose of maintaining troops at it, that will be of any consequence, for less than $50,000.

Mr. MORRILL, of Maine. I will say to my colleague on the committee, [Mr. DAVIS,] with permission of the Senator from Illinois, that I have seen a dispatch from the Secretary of War within a few minutes, saying that nothing less than $50,000 should be appropriated.

Mr. SARGENT. One hundred thousand dollars is ordinarily the amount for such an object.

Mr. LOGAN. And sometimes more. I know enough about such things to say that I do not believe any post can be established for less money than that, which will amount to anything and be of any benefit to troops.

Mr. MORRILL, of Maine. If I were going to suggest an amendment, it would be that it should be limited to $50,000.

Mr. DAVIS. Seeing the telegram from the Secretary of War, saying that $50,000 is as low as it ought to be, I withdraw the amendment.

The PRESIDENT *pro tempore*. The Senator from West Virginia withdraws his amendment to the amendment.

Mr. SARGENT. This ought to come in after line 223, on page 10 of the Army bill.

Mr. FRELINGHUYSEN. Say "a sum not exceeding $50,000."

Mr. MORRILL, of Maine. That would not help it, allow me to state. It might come back unless you limited it. If the object is to limit the expense, then you must have language to that effect.

Mr. SARGENT. "That a greater amount than herein appropriated shall not be expended for such purpose."

Mr. FRELINGHUYSEN. Very well.

Mr. STEVENSON. Is there any estimate or any recommendation from the War Department for this fortification?

The PRESIDENT *pro tempore*. It has been stated by Senators that the Secretary of War and the General of the Army recommend this appropriation.

Mr. SARGENT. There is a letter here from the Secretary of War.

Mr. STEVENSON. Why was it not estimated for? I ask if there is any estimate for it. Is there any authentic estimate of what this fort is going to cost? I am opposed to undertaking it unless I know that there has been an estimate, because all these appropriations begin in this way. The point of my inquiry is, has there been any estimate made of the cost of this fortification?

Mr. LOGAN. It is not a fortification, nor is it a fort; it is only a post; and the $50,000 appropriated is merely for the purpose of such necessary accommodations at that place as are needed.

Mr. DAVIS. I move to amend, by providing that when completed the cost shall not exceed $50,000.

The PRESIDENT *pro tempore*. The Senator from West Virginia moves to amend the amendment.

Mr. SHERMAN. My own judgment is that these posts are established as a matter of course, without a special appropriation. I always supposed they were made out of the appropriations for quartermaster and other supplies.

Mr. SARGENT. They were until a certain time, when we prohibited it by law.

Mr. SHERMAN. I know when I was connected with the appropriation bills those items were understood to include this.

Mr. LOGAN. That was true; but it has been stopped by law, and it now requires a special appropriation to establish a military post.

Mr. SARGENT. I would suggest this amendment to add to the clause:

Provided, That the cost of such post shall not exceed the sum hereby appropriated.

The PRESIDENT *pro tempore*. This amendment will be considered as agreed to; and the question is on the amendment of the Senator from Nebraska as amended.

The amendment, as amended, was agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

The Senate resumed the consideration of the bill (H. R. No. 1037) making appropriations for the construction, preservation, and repair of certain fortifications and other works of defense.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended, by adding the words "for the fiscal year ending June 30, 1875."

HOUSE BILL REFERRED.

The bill (H. R. No. 2423) explanatory of the act entitled "An act to provide for the creation of corporations in the District of Columbia by general law" was read twice by its title, and referred to the Committee on the District of Columbia.

EXECUTIVE SESSION.

Mr. SCOTT. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After nine minutes spent in executive session the doors were reopened, and (at four o'clock and forty-six minutes p. m.) the Senate adjourned.

HOUSE OF REPRESENTATIVES.

FRIDAY, *March* 20, 1874.

The House met at twelve o'clock m. Prayer by the Chaplain, Rev. J. G. BUTLER, D. D.

The Journal of yesterday was read and approved.

ORDER OF BUSINESS.

Mr. HYDE. I rise for the purpose of calling up the contested-election case of Sloan *vs.* Rawls, from the first district of Georgia.

Mr. HAWLEY, of Illinois. I would like to inquire if that case will take up any time?

The SPEAKER. The Chair thinks it will occupy the time until the business of the District of Columbia comes up at two o'clock.

Mr. HAWLEY, of Illinois. I hope the morning hour will not be crowded out; we have not had a morning hour for private bills for two weeks, I believe.

The SPEAKER. The gentleman having charge of this contested-election case has been struggling for a hearing for five weeks.

Mr. HAWLEY, of Illinois. I understand very well that it is a privileged question; but I appeal to the gentleman not to press it now, on the ground that this is private-bill day.

The SPEAKER. The Chair is under the impression that private bills receive more attention in proportion than any other class of business, and the House can better afford to take up this question on private-bill day than on any other. For that reason the Chair recognized the gentleman from Missouri, [Mr. HYDE.]

Mr. DAWES. Mr. Speaker, I am instructed by the Committee on Ways and Means to give notice to the House that on Monday I will ask, in the name of the committee, the privilege of bringing before the House for consideration what is generally called the $400,000,000 bill, with an understanding that amendments proposing to reduce the amount will be admitted. I shall myself introduce an amendment to limit the amount to $356,000,000; but any amendment proposing to reduce the amount below $400,000,000, I am instructed by the committee to say, they will permit to be offered to the bill, if the House will allow them to bring it up for action on Monday.

The SPEAKER. The Chair will state to the gentleman the condition of business on Monday. At the close of the morning hour the gentleman from Indiana, [Mr. HOLMAN,] from the Committee on Commerce, has a bill pending with reference to the Louisville and Portland Canal. The gentleman from Alabama, [Mr. BROMBERG,] from the same committee, has a bill in relation to infectious diseases. After those matters have been disposed of, the Chair will recognize the gentleman from Massachusetts.

ELECTION CONTEST—SLOAN *vs.* RAWLS.

Mr. HYDE. I now call for the reading of the resolution submitted by the Committee on Elections.

The Clerk read as follows:

Resolved, That Hon. Morgan Rawls is not entitled to a seat in this House as a Representative from the first congressional district of Georgia, in the Forty-third Congress.

Resolved, That Hon. Andrew Sloan is entitled to a seat in this House as a Representative from the first congressional district of Georgia, in the Forty-third Congress.

Mr. SPEER. Is not the resolution reported by the minority of the committee pending as a substitute for that?

The SPEAKER. It is, and will be first voted upon. It is printed in connection with the report.

The resolution reported by the minority of the committee was as follows:

Resolved, That Hon. Morgan Rawls, the sitting member, was duly elected, and is entitled to the seat occupied by him in this House as the Representative from the first district of Georgia in the Forty-third Congress.

Mr. HYDE. Mr. Speaker, the question to which I desire to call the attention of the House this morning is one of the most important which, under a republican form of government, can come before the House; for what question can be of greater moment or importance than the right of a numerous constituency to representation in the law-making body? As a member of the Committee on Elections, I feel that the duties which I have to perform are strictly judicial, and I try to discharge those duties with judicial fairness and impartiality. And, sir, I am willing to accord to my colleagues on the committee the same spirit of fairness and impartiality which I claim for myself. It is, sir, a matter of regret to me that we have in this case two reports; a majority report, unanimously republican, and a minority report unanimously democratic. I shall not animadvert upon the motives of gentlemen in regard to these reports, but confine myself strictly to the facts in the case, and I say that upon the facts, as they are proved in the record, which is now before the House, I rest this case with the utmost confidence to the decision of the House.

The notice and the answer in this case covered a large number of specifications. There are in the notice thirty-seven specifications and charges, and in the answer of the sitting member there are seventeen. These two series of charges and countercharges contain a summary of nearly all the political villainy which has grown up under republican institutions in any country; but I am happy to state that only a small part of these has been proved by the record, and yet we have over four hundred pages of printed matter.

Now I desire particularly to call the attention of the House to the minority report, which covers twenty-four pages of closely printed matter. In this minority report they take up and discuss fifteen different topics. They discuss them in a manner which would lead the members of this House, or any person, without examining the testimony, to suppose that they were examining questions and discussing points in regard to which they were in conflict with the majority of the committee. Yet, strange as it may seem, out of these fifteen points which are made by the minority of the committee in their report, only five are in conflict with the points made by the majority of the committee. As a specimen of the accuracy and judicial fairness of this minority report, I wish to call the attention of the House to what they say upon page 20 of the printed report. Speaking of Liberty Hill precinct—and that portion of their report covers some four printed pages—they use this language:

> The undersigned were amazed at the effrontery of the contestant's demand. They are still more amazed at the action of the majority of the committee in response to this demand, by which action all but 9 of the 60 votes are counted for the contestant, these 9 votes being excluded for the sole reason that the witnesses were not named in the notice to take depositions. But they cannot believe that the House will perpetrate a wrong so flagrant as either to set aside the official returns of this precinct or to count 51 of these votes for the contestant.

Now, sir, not a single word of this statement which the minority of the committee make is founded upon the majority report; no such language is contained in that report.

Mr. SPEER. Will the gentleman yield to me for an inquiry?

Mr. HYDE. Certainly.

Mr. SPEER. Did not the majority report, as read before the committee, count these votes? And was not that portion of the report stricken out without the knowledge of the minority and after the minority report was read?

Mr. HYDE. There was no majority report except the one that was made; there never could be but one majority report in the same case. Any proposition that any member may have made, which was not finally made a part of the majority report, has nothing to do with this case. Certainly the minority ought not to speak of it as a part of the majority report when it never was any part of it.

Mr. SPEER. Was it not a part of the majority report as read to the committee?

Mr. HYDE. There were different views read to the committee upon this point. But the majority report is the report that was finally agreed to by the majority of the committee. That report was agreed upon in the presence of the gentlemen who drew this minority report, in the presence of every member of the minority of the committee. And I say the statement is not founded upon any fact whatever.

Mr. SPEER. The gentleman is in error about that entirely.

Mr. HYDE. I pass from the consideration of this point to many other mistakes equally glaring in the minority report which has been presented for the consideration of this House. Before I do that, however, I wish to call the attention of the House to the returns and to the solid basis upon which we place this case. On page 362 of the record of this case you will find what are certified by the secretary of state of Georgia as the regular returns of this election, upon which the proclamation and certificate of the governor were based. By those returns Mr. Rawls has 8,319 votes, and Mr. Sloan 6,979 votes, making a majority for Mr. Rawls, as he claims, of 1,340 votes. That was the majority for Mr. Rawls by the returns, which his friends regarded as regular. That majority was obtained only by rejecting a larger number of votes honestly and fairly cast for Mr. Sloan.

In the next place, I desire to call the attention of the House to another report certified by the secretary of state of Georgia, and to be found on page 278 of this record. By that return, certified to under the seal of the secretary of state, Mr. Sloan has 8,350 votes, and Mr. Rawls 8,338, making a majority for Mr. Sloan of 12 votes upon the returns as they are certified to and on file in the office of the secretary of state of Georgia. Now, sir, take the returns as they are certified and on file in the office of the secretary of state, and we find that Mr. Sloan is elected by a majority of 12 votes.

I desire to call the attention of the House to the three particulars in which these two certificates of the secretary of state differ. The last certificate has an addition of three items which were not contained in the former, and by which Mr. Sloan is found to have had a majority of votes. The first is an error of 38 votes, in consolidating the vote of Burke County. I need not go into the particulars of this return, because there is no controversy between the majority and the minority of the committee in regard to it. All are agreed that those 38 votes were omitted by mistake. They were the votes of Bark Camp precinct, in Burke County, where Mr. Sloan received 38 votes, and they by mistake were not consolidated. As there is no conflict between the two reports upon that point, I need not spend further time in discussing it.

The next item is the vote of Bailey's Mills precinct, in Camden County. As is admitted upon both sides, and conclusively shown by the evidence, the only reason why these votes were not consolidated with the county returns was because the return of that precinct was not received until a few hours after the returns had been consolidated and sent to the secretary of state. They were perfectly regular, and ought to have been consolidated; and both the minority and the majority of the committee agree that the votes should be counted.

The next point to which I wish to call attention is the matter of the three country precincts of Chatham County. This is one of the chief points upon which the two reports differ. It is an important point in determining the question of who is elected from this congressional district. The only question in regard to the validity of these votes is in regard to the validity of these three voting precincts. The contestant claims that they were legal precincts, and that the election was legally and fairly held there, without fraud or interference of any kind. The sitting member claims that those precincts had been abolished; that therefore the votes there given could not be counted. There is no evidence whatever to show that the election was not fairly and honorably conducted; and there is the most abundant proof that such was the fact, that the election was in every respect legal and fair, provided the election precincts were legal precincts.

Now, sir, the whole question in regard to the legality of these precincts rests upon the order by which they were established. By the laws of Georgia the ordinary of the county has power, except in the county seat, to establish voting precincts; and by an order, which is printed on page 174 of the record, the ordinary of Chatham County established these precincts in 1868, in the following order:

It being necessary that election precincts should be established in the county in order to facilitate the election to be held on the 3d day of November next, it is therefore ordered that election precincts be, and they are hereby, established at Cherokee Hill, &c.

Now, sir, it is claimed by the sitting member that the forepart of this order—the preamble, the whereas, you may say, to the order—limits the establishment of precincts to the election of 1868, and that after that they were abolished.

It being necessary that election precincts should be established in the county, in order to facilitate the election to be held, &c.

Now, a majority of the committee claim that those words were simply a preamble, describing and stating the reason for present action, but that they did not have, and could not have, the effect of abolishing those precincts on the 4th day of November, 1868, or one day after the election; that they are still valid precincts, or would be if they had not been abolished by this same ordinary a month after the election in 1872. I desire to call the attention of the House particularly to the action of this ordinary; for this man, who is now a political friend of the sitting member, comes before the parties who took this testimony, and declares it was his intention when he established these precincts to have them only applicable to the election of 1868.

Now, sir, certainly we cannot permit the testimony of a judge, taken five years after he has made his record, to vary or destroy the record of a court of justice. And, sir, I think that the action of this same ordinary, in abolishing these precincts a month after the election in 1872, shows conclusively that he had no confidence himself in his own opinion thus solemnly expressed in his testimony.

I therefore hold, sir, that the election precincts were perfectly legal, and that the election in these precincts, as is proven by the testimony of King S. Thomas, on page 55, Avery Smith, on page 57, and James Porter, on page 58, was conducted honorably and fairly. The returns were regular in every particular, and there is no reason in the world why they should not be counted.

But the gentlemen who represent the minority in this case claim (and this was an afterthought) that these precincts were abolished by the Legislature in the act of 1870. Now, sir, the Legislature of that State did in 1870 pass a special election law for a particular election; but by every term and provision of that law it was made applicable only to the election of 1870; and, more than that, in 1871 it was repealed.

But notwithstanding all that, I desire to call the attention of the House to the extraordinary statements made here by the minority of this committee. On page 38 of the report, after arguing that these election precincts were abolished by the act of 1870, they use the following language:

It is plain that the previous statutory provisions authorizing the existence of precincts like these under consideration were in conflict with the provisions of this act, which tolerate precincts only in incorporated and organized cities and towns. These provisions were, therefore, not merely suspended for the occasion of the election of 1870, but were absolutely repealed.

Now I would like to know from the sitting member, and from the minority of the committee, what becomes of the 76 other voting precincts in that district which are not in incorporated cities and towns? Why, sir, they claim that by this act every precinct except those in incorporated cities and towns was abolished. They prove too much. They have not seen the effect of this broad doctrine which they have laid down here. Why, sir, I have had an estimate made of the number of voting precincts in that district, and they are estimated at 114, while the incorporated towns number, as estimated, 38; so that there would be left 76 voting precincts, which, according to the argument of the minority of the committee, are illegal. Now, why do not the minority go into that question and throw out these 76 other precincts, as well as the 3 in Chatham County? I think the minority of the committee have overstepped the bounds of reason. They have proved too much, which is one of the best ways of showing the absurdity and folly of their argument.

But, sir, they further call attention to certain orders made by the ordinary of that county in relation to holding the election. One of these orders, dated 1870, and which was made under this special election law, to which I have called attention, and therefore could not apply to any other election, has, it is claimed, the effect of showing the intention of the authorities in that county—the idea and the understanding that these precincts were abolished. Why, sir, what is the language of that order?

ELECTION PRECINCT, *December* 16, 1870.

To the Voters of Chatham County:

You are respectfully notified that there will be but two ballot-boxes to receive your votes at the ensuing election, to be held on the 20th, 21st, and 22d instants, and that both boxes will be at the court-house in Savannah. Voters residing within the city limits are requested to vote in the box at President-street entrance to court-house, (north side.) Voters residing in Chatham County, outside of the city limits, will please vote at box on York-street entrance to court-house, (south side.)

HENRY S. WETMORE,
Ordinary Chatham County.

The language in this order is construed by the minority of the committee to reach forward to all time. The "ensuing election," to be held on certain specified days, means, in the opinion of the minority, that the order reaches forward to all elections. Notwithstanding that in the order which I quoted a few moments ago the words, "it being necessary to provide means for holding the election in 1868," are construed by the minority as limited to a particular and special election, the words of the order I have just cited are construed to extend through all time. Such is the reasoning by which the minority of the committee attempt to sustain their report.

They say also that these election precincts were "stealthily exhumed." They seem to wish to have it understood by the House that nobody knew any election was to be held at these precincts; that they were "stealthily exhumed" by the contestant and his friends. Now, sir, there were over 1,200 voters who voted at these precincts. More than that, the supervisors of the election were appointed for every one of them by the United States judge for the southern district of Georgia, days before the election. Yet the minority of the committee would undertake to make members of this House believe there was some fraud here; that these precincts had been "stealthily exhumed" by the contestant and his friends on the eve of the election, in order to cast votes for the contestant. I say their language is not upheld by evidence—not sustained in any particular by the evidence or the facts in the case.

They say further, on page 34 of the report, that the election officers not only acted at precincts where they did not reside, but also voted at precincts where they did not reside. Now, Mr. Speaker, such is the law of Georgia. An elector can vote in any precinct in the county where he lives. They are enrolled; a poll list is made out; they are registered, and these poll lists are furnished to every precinct; and any man who is a voter in any county in Georgia has a right to choose what precinct he will vote in. There is nothing illegal about it, nothing wrong in it whatever. It is not only legal, but customary.

In conclusion, therefore, upon this part of the case, I say there is most abundant evidence, not only showing the legality of the returns of these precincts, but also showing that the election was in all respects fairly and honorably conducted.

Another precinct in which there is an issue between these two reports is the precinct of Lawtonville, in Burke County. I desire briefly to call the attention of the House to the facts in that case. It is not necessary to go into a long detail of the evidence. The facts in the case are simply these: that the election was held fairly and honorably; was participated in by both parties; and there was no trouble whatever until they came to count the votes. What then took place? Every one of the election officers was a democrat. Both the judges and the clerk were democrats. They commenced counting the votes, but when they found that Mr. Sloan, the republican candidate, had a greater number of votes than Mr. Rawls, they stopped counting, and refused to make out and forward the returns. That is the whole difficulty in this case. They refused to make out the returns, all of them being democrats, because Mr. Sloan had a majority of the votes cast. This statement is borne out by the proof. It is amply sustained by the evidence in the case.

One democratic judge, however, and one democratic clerk remained and went on with the count, and when completed the result was 189 for Mr. Sloan and 113 for Mr. Rawls.

Now, what does the minority of the committee say in regard to this? On page 21 of their report they say there is no testimony as to the actual vote, except that of one Stanley Young, the United States supervisor. I call the attention of the House to the proof. You may call it testimony or whatever else you please. Turn to the report of the testimony on page 130, and you will find the report made by the supervisors of the precinct appointed by the United States judge. One of these supervisors was appointed for the republican party, and the other for the democratic party, as the law required. In their returns they both certify that the vote was as the majority of the committee count it. It will be there seen by the supervisors' report

that the vote is given as follows: The republican vote, 189; the democratic vote, 113. It is signed not only by Dr. Young, who was the republican supervisor, but it is also signed by Judge Carswell, who was the democratic supervisor.

But what further proof is there of the correctness of this vote, which the minority of the committee refuse to count? This report is sworn to by Mr. Young, on page 124 of the record. He swears to the correctness of that report, and that the vote was as counted. There is also exhibit B, the certificate of the clerk of the superior court of the county, and of John H. Perkins, in which this vote is stated exactly as it is in all these other papers to which I have referred; and the correctness of this exhibit is also sworn to by this democratic judge. When asked the question, he testifies, on page 89 of this report, that he is a democrat to the core; and yet he swears that he counted these votes, and that the count is correct.

The minority of this committee try to make this House believe, on page 23 of their report, that threats and intimidations were used to make these judges perform their duties and return these votes according to law. Well, now, I desire to call the attention of the House, if any member pleases to look at it, to the testimony on that point which is found in this printed record, and in which it will be shown that the only threats or intimidations that were used were merely telling them that they ought to make the return as the law required, and that they would be subject to the penalties of the law if they did not do it. I wish, sir, that such threats and intimidations were ever made to officers who neglect or fail to discharge their duties—threats and intimidations which only hold up to them the consequences of a willful and corrupt and partisan violation of the law, which tell them that they shall be prosecuted according as they have violated the law. I think such threats and intimidations as this ought ever to be made and to be encouraged.

The minority say further, on page 23 of their report:

> It will be a sad day for the purity of elections and the honor of our country when the rights of a Representative in Congress shall be dependent upon one so regardless of even the forms of the law, and so insensible to the obligations of his oath.

I think, sir, it will be a sadder day for the purity of elections when we can have the officers, the judges, and the clerks all of one political party, and when they refuse to make a return of the election for the sole reason that their party is defeated at the polls.

Now, sir, the next point made in the majority report is in relation to Liberty Hill. They did not change this vote at all. They left it precisely as the sitting member claims that it should be. They do not give the contestant anything which he claims in that precinct; and yet five pages of the report are taken up with a rehearsal of the testimony of colored men and animadverting on the action of the majority of the committee, when they have done no such thing as stated by the minority in their report.

The next precinct to which I desire to call attention is the precinct of Jeffersonton, in Camden County. At this precinct Mr. Sloan received 205 votes. The only question in regard to the vote of this precinct is, not whether it was fairly and impartially conducted—there is no claim that such was not the case—but in regard to the legality of the precinct. And, sir, upon that question the law is so clear and convincing that there cannot be, in my judgment, the possibility of a doubt in regard to it. And yet the minority take issue with us upon that question. The precinct of Jeffersonton, or Jefferson, as it is sometimes called, was established by an act of the Legislature of Georgia, approved December 21, 1821; and that act has never been repealed. That is as much as need to be said in regard to the legality of that precinct.

But, sir, there is another question connected with it to which it is perhaps well to call attention. The ordinary of the county, who had authority to abolish precincts in any place, except where they were at the court-house, did, in 1868, undertake to abolish this precinct. But it was then the court-house of the county, and, by section 1312 of the code of Georgia, the ordinary has no power to abolish a precinct which was at the court-house or county seat; so that his order was absolutely void. And that is the only question there is in regard to this. It is true that the court-house was afterward removed, a law authorizing its removal having been passed. But, sir, this order being void at the time it was made, and the precinct having been established by an act of the Legislature, which is unrepealed, I claim that there is no question in regard to its validity. It is true that the minority of the committee referred to a report made in the Legislature of Georgia in regard to the election in this very precinct, which was held in October, before the November election in 1872, for members of the Legislature. Well, sir, I have that report here. It is very short, and it is a very interesting document. But I do not propose to take time to read it. I will merely state that it shows that a Legislature in which the majority was overwhelmingly democratic threw out this precinct in order to give a democrat his seat in the Georgia Legislature, and send a republican home, who, they stated themselves in their report, had a majority of the legal votes in his district. That is the fact to which the majority of the committee refer. It may be very good authority for my friends who make the minority report, but it is very poor authority for me, and I do not propose to follow it in this or in any other case.

I next desire to call the attention of the House to the returns for Bullock County. And to show the House how liberal the majority of the committee have been with the sitting member and with his claim, I will state that in the county of Bullock he was allowed the vote of every precinct but one. According to the returns 568 votes were cast for Rawls, and not a single vote for Sloan, the republican candidate. The majority of the committee has allowed this whole return except one precinct return, in regard to which it does not show, a single part or syllable of it, from what county or precinct it was made, or where the election was held, or in what district of Georgia it was held. I say, sir, that we have allowed the returns of this county; and yet, sir, what are the facts? I desire to call the attention of the House to the facts in regard to this Bullock County return. And I say at the outset that there could not be conceived a case where every provision which the law makes for the purity of elections had been more completely violated than it was in the case of Bullock County. Why, sir, what was done with the returns? As soon as the precinct returns were made they were sent to the county seat, and not a single one of them was ever delivered into the hands of one of those officers whom the law designates as the parties to receive and consolidate them. But, on the other hand, they were every one delivered to a man by the name of Sorrier, a lawyer, who lived at the county seat, a partisan of the sitting member, who took those returns and poll-books and ballot-boxes and ballots, every paper and every ballot appertaining to that election, into his exclusive control, and so kept them for about two weeks after the election, and he never turned over those papers, never turned over the copies of the returns or the poll-lists or ballots to the clerk of the superior court of that county, as required by law, and nobody knows what has become of the ballots. It is supposed that he destroyed them; but anyhow they were in his possession, and have never come out of it. That man made up this return and signed the names of the managers of the election to it; and yet they swear that they never saw the return and never signed it, and some of them swear that they never authorized him to sign it, and did not know anything about its being made. He kept the returns in his possession until the returns from the other counties in the district had all been sent forward and had been received at the office of the secretary of state, and then he put in this return: 568 votes for Mr. Rawls, and not a single vote for the contestant in this case.

I may say here that the majority of the committee, desiring to show all fairness to Mr. Rawls in this case, desired not to throw out a single vote, unless it was absolutely required by law that they should do it; but if you count every vote that has been returned to the office of the secretary of state Mr. Sloan is elected, or if you go into particulars, if you take the evidence and exclude votes upon strict technicalities and questions of law, then also Mr. Sloan would be elected by a very much larger majority. Yet, strange as it may seem, the minority in their report complain of the action of the majority, because they do not count the votes of all the precincts—because there is one precinct in this county which they do not count.

Well now, sir, what is the fact in regard to that precinct? On page 39 of part second of this printed record will be found the return from the precinct which was rejected by the majority of the committee. If you examine the returns you will see that it is a return of the State of Georgia, but it does not say of what county or precinct. There is not a single syllable in it, or in the oath or certificate, or anything else, which shows what district of Georgia it was made from; and I say that, after rejecting, as we must reject, this consolidated return, which was made by a man who had no authority whatever to make it, and who had no connection whatever with the election—after rejecting that as wholly inadmissible, we certainly cannot count a precinct return which does not show from what county it comes; and yet, sir, we are charged by the minority of the committee with unfair discriminations against the sitting member. Why, sir, here is some of their language:

> The undersigned cannot concur in the conclusion of the majority of the committee, to reject the returns of the forty-fifth district of Bullock County, which gives Mr. Rawls 75 majority, and at the same time accept the returns of one of the precincts of Camden County, giving Mr. Sloan a majority of 205, and also the returns of Bryan County, giving Mr. Sloan a majority of 72.

Sir, there is a broad difference between this return and the return of Bryan County; and I wish to call attention to the fact that the minority of the committee, in copying that return into their records, omit the certificate of the secretary of state which was attached to that return, while on the page before, in speaking of the return from Camden County, they give that certificate, because in the former case the certificate of the secretary of state does not say anything about where the return came from; but in the one in regard to Bryan County it does, and for some reasons, best known, perhaps, to the gentlemen themselves, they have omitted it. But I call attention to it, and I call attention to the further fact that there is not a syllable of evidence impeaching the correctness of this Bryan County return. There was no complaint made by the sitting member against it, no testimony against it, and how could the majority of the committee arbitrarily throw out a return which, although it may not be perfectly regular on its face, is certified by the secretary of state, as the return from that county, and is not complained of by Mr. Rawls, and not proved to be incorrect by him in any particular. I say there is a difference between these cases which they cite here in an attempt to show that the majority of the committee has used unjust discrimination. Turn to page 25 of their report and there you find the Bullock County precinct return. That return was rejected by the majority of the committee, because there is not a word, there is not anything in

the return itself, or in the testimony, to show what county it was from.

Now, sir, there are many questions connected with the vote in the city of Savannah to which, if I had time, I should be glad to call the attention of the House; and I do desire to call the attention to one point in regard to that vote. They undertook there, for the purpose of evading the statute of the United States called the enforcement law, or for some other purpose best known to themselves, to establish four voting places in one precinct. The laws of Georgia require that there shall be only one voting place in a militia district; and yet, if you will turn to page 278 of the printed record, you will find a plan of the court-house in which they established four different ballot-boxes at one precinct, with four complete and distinct sets of officers of the election.

Now for this precinct, under the law of the United States, two supervisors of the election had been appointed. In the report of one of said supervisors which we give here in the report of the majority of the committee, one of them states that it was impossible for him to superintend more than one of those ballot-boxes. I believe that such an evasion and violation of the law would justify the committee in throwing out the entire vote of the city of Savannah. But the committee have done no such thing. Although Mr. Rawls received a large majority there, although the election was there so conducted that the supervisors could inspect only one of the four ballot-boxes, although an attempt was made to have the whole county, some parts of which I am informed were twenty-three miles from the court-house, vote at this one precinct, where every obstruction in the way of objecting to the votes of colored men, requiring them to be sworn that they had paid their taxes, and everything of that kind was resorted to before their votes were received, yet the committee have disregarded all these irregularities and have counted the entire vote in favor of Mr. Rawls.

Mr. Speaker, as my time has about expired, I will, in conclusion, only call the attention of the House to the recapitulation of the vote on pages 12 and 13 of the majority report as printed. It will there be seen that, counting the votes actually on file in the office of the secretary of state, and to which he has certified, Mr. Sloan had a majority of 12 votes. But adding the votes of the other precincts, which I think I have clearly shown Mr. Sloan is entitled to, he has a majority of 136 votes. I say that the committee has been liberal to Mr. Rawls; they have not rejected at least 700 or 800 votes which, if you were to give a strict construction to the law, they would be required to reject from his vote; and I say candidly I should vote to reject them if it were necessary to the decision of this case. I believe that this majority of only 136 for Mr. Sloan has been reduced to that number by counting several hundred votes for the sitting member which, according to the law and according to a fair construction of the rules of evidence, he is not entitled to, and would not receive if this question was to be tried in any court of justice. But as it was not necessary, as it made no difference in the result, as Mr. Sloan is elected even if you count all those votes, in order to avoid the possibility of complaint on the part of the sitting member and of his friends, the committee have counted them all, and yet Mr. Sloan is elected by a majority of 136 votes.

Mr. SPEER. I do not propose, Mr. Speaker, in the remarks which I shall submit to the House, to go over all the controverted points in this volume of testimony, and in the arguments of counsel which were made to the committee; nor, perhaps, shall I refer to all the points touched by the reports of the majority and the minority of the committee. I shall discuss chiefly those questions which of themselves are decisive of the case.

Sir, it surely is not the duty or the province of this House to *elect* Representatives *to* Congress; that is the duty of the people. But it has of late years become the custom or the practice for the House to elect those whom the people have defeated. Hence for the last several years Congress has been flooded with contested-election cases. And the case before us is so fruitful of indications from beginning to end of the contestant's faith that this custom would be followed in his case, that no gentleman who will read over carefully the evidence can come to any other conclusion than that this contestant had made up his mind long before the election to contest it in the event of his defeat at the polls. His friends, both before and after the election, boasted defiantly that Sloan would get his seat. That kind of boasting is spread over the testimony from one end to the other; and perhaps their prophecy is to ripen into the fulfillment of possession and enjoyment by the action of this body to-day.

I do not propose to reply at much length to that portion of the argument of the gentleman who preceded me which complains of the report of the minority. It is true that we were amazed at the effrontery of the contestant in asking the committee to throw out 105 votes for the sitting member, on the ground, as he alleged, that certain colored persons who could not read or write had voted for him, and their votes were not counted. He called some sixty of these colored persons, only two or three of whom could read and write, several of whom swore that they voted for both the contestant and contestee, and for Grant and Greeley, and that the only way they knew how they voted was that they got their tickets from Tom, Dick, or Harry. Strange to say, the majority, when their report was first drawn and read to the committee, counted the votes of these witnesses for the contestant, in addition to the votes given him by the election returns. With the understanding that they were to be counted in the report as submitted to the House, the minority of the committee expressed their amazement at the effrontery of the contestant's demand, and their additional amazement that the committee should heed that demand and count those votes.

And now, after that report was so read to the committee, counting those additional votes for the contestant, and when that count has since been stricken out without the knowledge of the minority, and we have left our arguments against the counting of those votes in the minority report, my friend from the majority comes into the House to-day and lectures the minority for making an argument against the counting of those very votes which he had counted in the majority report as he read it to the committee, and which he only struck out after he heard the minority report read, and which we did not know were stricken out and were not counted until his report was printed.

With what kind of countenance can a member of the committee come here and lecture the minority for constructing an argument against his, without knowledge that he had yielded to the force of our argument, until after the reports were printed? We find that for some reason he has omitted that branch of his report; and then he criticises us for not omitting that branch of ours. We would have omitted it if we had known the argument had been so effectual upon the minds of the majority as to compel them to strike out that part of their report. It is true that this branch of the report of the minority had more virtue in it than we anticipated. We did not know that it would have so much efficacy as to induce the withdrawal of those 35 or 40 additional votes that were counted for the contestant. As the count of those votes has been withdrawn by the majority, there is now no contest here as to Liberty precinct, Burke County. We say those votes should not be counted, and the majority do not count them. They are not, then, in controversy; and the gentleman's reference to this precinct only shows how reluctantly he was compelled to part with the child of his early love.

Now, Mr. Speaker, I propose to show that, in any view that can be taken of this case, no gentleman who regards the law of the case and the obligation which he has taken as a member of the House, can vote to seat the contestant. Taking as a basis the majority report itself, giving them every doubtful precinct, giving the contestant every vote that rests upon controverted evidence, I propose to show, as a question of law, that beyond peradventure the sitting member is entitled to his seat.

The return as originally made, elected the sitting member by a majority of 1,340 votes. The majority report holds that the contestant was elected by a majority of 136. There is an error of 9 votes, which I think my friend will agree with me has been made by the majority in favor of Sloan. It is not material whether those 9 votes be counted or not, because the result, in my view of the case, will be the same. But Scotland precinct, in Emanuel County, gave Sloan 19 votes and Rawls 10 votes; giving Sloan a majority of 9. In that precinct the officers were not sworn, and the return is signed by only two managers instead of three, as the law requires. The law of Georgia requires a copy of the oath of the election officers to be transmitted with the ballots and the poll-lists. In this case there was no such oath transmitted, and no such oath taken, so far as the evidence shows; and the election was not held by the three officers, as required by law. Hence those 9 votes should not be counted as a part of the majority of Mr. Sloan, and so I understood the majority report to concede, as it was read in the committee. That would reduce the majority of Mr. Sloan, according to the reasoning of the majority of the committee, to 127. Starting, then, either with 136, as the report makes it, or with 127, as we say it ought to be, and as the majority of the committee will, I think, admit—starting either with 136 or 127 majority for Mr. Sloan, upon their own basis let us see now what becomes of the case.

The minority say that Jeffersonton precinct, in Camden County, should not be counted. We submit to this House, as a plain proposition of law, that Jeffersonton precinct was not a legal voting place, under the plain letter of the statute of Georgia—a statute well understood and recognized, and enforced by the action of the house of representatives of the Georgia Legislature in 1863, in an election contest arising upon and determined by the result of this poll. If that be so, the votes cast there, or alleged to have been cast there, are of no more legal validity than if they had been cast in a barn, or a pig-sty, or a sheep-pen. In the first place, what is the law, and then what is the evidence as applicable to the question? The section of the Georgia code which bears upon this point is section 1312; which reads as follows:

> SEC. 1312. Such election shall be held at the court-houses of the respective counties, and, if no court-house, at some place within the limits of the county site, and at the several election precincts thereof, if any, established or to be established. Said precincts must not exceed one in each militia district. Such precincts are established, changed, or abolished by the justices of the inferior court, descriptions of which must be entered on their minutes at the time.

Now, Jeffersonton had been the county site of Camden County. It had been the place where the courts sat to administer justice. Under the law of Georgia it was the place to hold the elections; it was the county site. It is true a republican ordinary—in 1868, I believe—made an order abolishing it as an election precinct; but the law having established the county site as an election precinct, the order of the ordinary abolishing it was void. He had authority to establish

election precincts outside of the county site; but as the law established the county site as a precinct, the act of the ordinary could not abolish it. The republicans wanted to abolish that precinct in 1868; but the order, I say, was void, because Jeffersonton, being the county site, was established by law as a voting place. But afterward, the Legislature of Georgia passed an act submitting to the people the question whether Jeffersonton should remain the county site of Camden County. If a majority voted in favor of it, it was to continue the county site; if a majority voted against it, the county site was to be removed.

Mr. SMITH, of New York. Will my colleague permit me to ask him a question?

Mr. SPEER. Certainly.

Mr. SMITH, of New York. Do you claim that Jeffersonton became an election precinct by being the county seat?

Mr. SPEER. It was established as an election precinct many years ago by act of assembly. I maintain this: it was an election precinct under the revised code, if at all, by virtue of having been the county seat.

Mr. SMITH, of New York. It was established as the county seat in 1820 or 1821.

Mr. SPEER. Yes, sir.

Mr. SMITH, of New York. By a specific act of the Legislature, which has never been repealed, either directly or by implication.

Mr. SPEER. I thought you wanted to ask me a question.

Mr. SMITH, of New York. I ask you that question, whether you claim it was an election precinct by virtue of its being the county seat? If so, your argument is legitimate; but if the election precinct existed by act of the Legislature, then you have to do away with the act of the Legislature.

Mr. SPEER. The interruption by my friend is not at all offensive. I am glad to have it. I claim this, that by the code of Georgia every county seat was made an election precinct. Jeffersonton, being the county seat, became, under the terms of the code, an election precinct.

Mr. SMITH, of New York. It was before.

Mr. SPEER. I say it was even before the war, and it was continued then under the code of Georgia, adopted after the war, as an election district; but I maintain that, it never having been established since the adoption of the code of Georgia as a precinct, otherwise than as it was made a precinct by the code, being the county seat, the moment the county seat was removed from Jeffersonton it ceased to be a voting precinct. It will not be pretended that the adoption of the code of Georgia, providing the time, place, and manner of holding elections throughout the entire State; providing how, when, and where election precincts should be established, did not repeal the act of the Legislature upon this subject of 1820. The Legislature of Georgia covered all these questions and all these subjects in the code adopted since the war. Now, if I am correct, then Jeffersonton was a voting precinct under the law, because, and only because, it was a county seat. Then if it ceased to be the county seat, it ceased to be a lawful voting precinct. That proposition is as clear, it seems to me, as the sun at noonday.

I say, then, that the Georgia Legislature passed a law submitting the question to the people of Camden County whether Jeffersonton should continue to be the county seat. They voted that it should not; and on page 47 of the testimony taken by the contestant himself it is proved that at the time this election for Congress was held, in 1872, it was not the place where the courts were held.

Joseph Shepard, sworn by the contestant, page 47 of the testimony, testifies:

> Cross-question. Where was the court-house of Camden County at the day of election, and did you preside at the court-house in holding the election?
>
> Answer. The county site is in Saint Mary's. There is no court-house building there. The town furnishes a house for court purposes. I presided at the town hall, which is used by the ordinary in holding his courts.

Here the evidence shows that in pursuance of the law authorizing a vote upon the question of removing the county seat it had been removed, and the several courts of that county, in the year 1872, when this election was held, were held at Saint Mary's.

What is the proposition of the majority of the committee? They maintain, in substance, that the act of the ordinary in abolishing the precinct was void, and that because the people had not torn down the court-house Jefferson continued to be the county seat for voting purposes.

Mr. SMITH, of New York. O, no; my colleague misstates the position of the majority of the committee.

Mr. SPEER. If the gentleman has any question to submit, I will yield to him.

Mr. SMITH, of New York. I hope my colleague on the committee will not misstate the views of the majority. They predicate their finding upon the fact that there was an election precinct at Jeffersonton, under the act of 1820, and under that alone. That elections have been held at that precinct from that time to this fall is not questioned.

Mr. SPEER. The chairman of the committee is a good lawyer, and an honest one. Let me put to him a question in good faith. Do you say that the code of Georgia did not repeal that act of 1820? Answer yes or no.

Mr. SMITH, of New York. I am surprised the gentleman asserts it.

Mr. SPEER. Answer yes or no.

Mr. SMITH, of New York. I say no; there is not a vestige of logic to sustain any proposition like it.

Mr. SPEER. Very well; then there is simply a difference of opinion. I do not understand the conclusion of the majority to be placed solely on that ground. It refers to the act of 1821, and speaks of the repeal of statutes by construction, but also refers to the act of the ordinary as being void, and claims that the election was held in good faith.

Mr. SMITH, of New York. If the gentleman will permit me, I will read the act of the Legislature of Georgia making this a voting district.

Mr. SPEER. The gentleman can read it at the conclusion of my remarks.

Now, I affirm that the report of the majority of the committee can rest alone upon the position, as I view it, that Jeffersonton continued the county seat of Camden County as long as one log of the court-house rested upon another. If a fire burned the court-house down, it would cease to be a county seat. If a tornado should blow it down, it would cease to be a county seat. But as long as it stands, until time shall have wasted it away, it shall be a voting place.

Mr. SMITH, of New York. Will the gentleman allow me to interrupt him once more?

Mr. SPEER. Certainly; I yield to the gentleman.

Mr. SMITH, of New York. The majority report, on page 8, says that this precinct was designated and made a voting district by an act of the Legislature of Georgia, approved December 21, 1821. That is the ground on which the majority put it, and none other.

Mr. SPEER. Well, Mr. Speaker, it seems to me almost useless labor, in the time I have, to argue to this House that that act of 1821 has been repealed. But I am surprised that the chairman of the committee should venture to state here, or anywhere, his opinion that that law is still in force. I am amazed that any lawyer would presume to give such an opinion, that that act of the Assembly of Georgia is in force, when the legislation of Congress for years recognized Georgia as a Territory, without organization or laws; when its whole government had been overthrown, and when the party in power treated the State as a prostrate and dependent province. And no gentleman was firmer, I presume, in the advocacy of the reconstruction policy of Congress than the present chairman of the Committee on Elections. When the State was helplessly under the control of Congress, without representation here, and ruled by Federal bayonets, no one on the other side of the House ever whispered that the laws of Georgia, enacted before the war, were still in force. And when the State had been thoroughly reconstructed, and had been permitted to resume her place in the Union, recognizing the new order of things, her Legislature passed a general election law—embracing the whole State—establishing certain places as voting precincts, and providing how any others needed should be established. And yet in the face of these facts, for the purpose of turning out a democrat and putting in a republican here, the gentleman will disregard his record for the past ten years, and insist that a local statute of Georgia, passed in 1821, survives the war; survives the reconstruction measures of Congress, and the subsequent legislation of Georgia providing complete and ample machinery for all elections, establishing places of voting throughout the State.

To exhume this local statute from the ashes of the war, and attempt to vitalize it in this House to-day, may suit the tastes and purposes of the majority of the committee, but the desperate necessity for the performance is all that can be urged in its defense.

Mr. SMITH, of New York. My colleague's political friends always recognized it as an election precinct until a colored man got to be elected there to the Legislature.

Mr. SPEER. If that is true, it is not in the evidence, and is unknown to me. And as it is not in the evidence, and is not claimed to be, it is certainly improper for the chairman to make such a statement on this floor. I see by the evidence that it was abolished as a voting precinct by a republican ordinary in 1868.

Mr. SMITH, of New York. Elections were held there afterward.

Mr. SPEER. Precisely so. Still the evidence shows that the gentleman's party abolished it as a voting precinct.

Now I submit to this House, in view of the law of the case, in view of the undisputed fact that the county seat was not at Jeffersonton, but at Saint Mary's, that the courts were held at Saint Mary's, that no courts were held that year at Jeffersonton, with what degree of fairness can any gentleman on this floor, with a knowledge of the facts, admit the vote of Jefferson precinct?

Why, sir, this very question arose in the Legislature of Georgia, in a contest for a seat in the house of representatives in 1873, between two gentlemen claiming to have been elected the month before this election for Congress. The question was whether the vote cast at Jeffersonton should or should not be counted; and I hold in my hand the journal of the house of representatives of the Georgia Legislature, showing the action of the house on that subject, and I ask the Clerk to read it.

The Clerk read as follows:

> Your committee, to whom was referred the contested-election case from the county of Camden, beg leave to report, that we have carefully examined the law and evidence, and find from the testimony that there were polled 595 votes for a representative in the most numerous branch in the General Assembly, on the 2d day of October, 1872; that Henry L. Hillyer received 306 of said votes, and Ray Tompkins received 289 votes. Your committee further ascertained that there were votes cast at two precincts in the same militia districts, to wit: Jeffersonton and Satilla Mills;

and we are of opinion that the votes cast at Jeffersonton precinct were illegal, because the evidence shows that no such precinct existed by law and that the election at that precinct was null and void, because it was not held at the proper place, according to paragraph 1362 of Irwin's Revised Code.

The number of votes cast at that precinct for Hillyer was 180, for Ray Tompkins 24; which will leave the result as follows: For Hillyer, 180, 126—306; for Ray Tompkins 24, 265—289; leaving a majority for Tompkins of 139.

Your committee, therefore, recommend that Mr. Ray Tompkins, the duly elected representative from said county according to law, be permitted to retain his seat as a member of the General Assembly.

R. W. PHILLIPS, *Chairman.*

On motion of Mr. Phillips, the rules were suspended, and the foregoing report adopted.

Mr. SMITH, of New York. My colleague permits me to correct a statement I made a few moments ago, speaking from my recollection of the case. I find now that I was in error in stating that a colored man was elected in this precinct. It was a man alleged to be a carpet-bagger.

Mr. SPEER. I am always willing to yield to have justice done to a colored man as against a carpet-bagger.

Now, if the House agree with me that Jeffersonton precinct was not a legal voting place, then give this contestant every vote the committee give him, and he is beaten by 78. So that whether this House shall seat him or not, even if they follow the majority on matters of fact, depends on whether they regard this as a legal voting place. That will determine this case. While there is a volume of testimony here embracing a large number of pages, and while the arguments before the committee have been very elaborate, yet, conceding to the contestant every disputed question of fact, it all comes down here to the question whether the House shall count the votes cast at Jeffersonton.

It seems to me that those gentlemen who will take the time to look at the law with reference to this one precinct can come to no other conclusion than that at the election of 1872 there was no authority to hold an election at Jeffersonton. Saint Mary's at that time was the county seat, and an election was held there on the same day for the election of Congressmen. All those persons who wished to vote and had a legal right to vote could go to Saint Mary's and vote. It was the place established by law; an election was regularly held there, and in the teeth of the law, and of the knowledge of the voters there of what the law was, it was an act of defiance of the law on their part to go to a place not authorized for that purpose and hold an election. It is a singular fact, too, that the vote of that precinct was unanimous for Sloan; 205 votes are returned for Sloan and none for Rawls. It is a singular circumstance that this election held at an unauthorized place returns 205 votes for the contestant and not a single vote for the contestee, when at the election held the month before the democratic candidate for assembly received 24 votes.

Mr. CESSNA. I desire my colleague's permission to ask a question or two, right at this point, in regard to this matter.

Mr. SPEER. Very well.

Mr. CESSNA. Does my colleague found his argument on the belief, as a member of the committee, after having investigated the subject, that there were not 205 honest voters who honestly and fairly cast votes at that precinct for the contestant? Does he believe that as a matter of fact, without reference to the legality or illegality of the poll?

Mr. SPEER. What is your other question?

Mr. CESSNA. My second question is this: What was the political complexion of the committee of the Georgia Legislature which made the report that he has had read; and did not that question take shape in the Legislature of Georgia just as this question has taken shape in the Committee on Elections of this House? I ask these questions for information and not for the purpose of embarrassing the gentleman.

Mr. SPEER. I will answer the questions in the reverse order in which they have been put. The last question has been put by my colleague, I have no doubt, because he believes that election committees always decide contested cases as he did when he was on the Committee on Elections of this House, in favor of their own party. That is the only reason I can conceive of why he should ask such a question.

Mr. CESSNA. I beg the gentleman's pardon. I did not hear that remark.

Mr. SPEER. I cannot yield for further interruption.

Mr. CESSNA. I simply ask the gentleman to repeat his remark in regard to the Committee on Elections.

Mr. SPEER. I say that the only reason I can give for my colleague asking the last question is, that he believes that the committee on elections in the Legislature of Georgia decide cases as he did when he was on the Committee on Elections in this House, in favor of his own party.

Mr. CESSNA. Mr. Speaker——

Mr. SPEER. I have not time to yield further. I will answer your second question, and then proceed with my argument.

Mr. CESSNA. No; but the gentleman has no right to state what is not true as a matter of fact, and then refuse to allow a contradiction.

Mr. RANDALL. Will my colleague state when, as a member of the Committee on Elections, he reported otherwise than in favor of his own party?

Mr. CESSNA. In quite a number of cases.

Mr. SPEER. I do not want to do my colleague injustice, but as he volunteered an irrelevant question, I take occasion to add that if there is anything on this earth for which he is distinguished it is for the most unrelenting partisanship. If he shall ever rise to the dignity of being just to a political adversary I will be glad to state it, the first knowledge I have of the fact.

Now, as to the other question. Whether the votes cast at this precinct were cast by legal voters or not, I cannot say, because that question, as far as I recollect, was not raised before the committee, and was not considered by the committee. There was no testimony taken by the contestee in reference to this poll. He relied upon the legal proposition that Jeffersonton precinct was not a legal voting place; and, relying upon that, he did not go into the question of the character of the voters or the manner in which the election there was held. But the fact that all the votes cast were for the contestant seems to me to throw suspicion on the fairness of the election, when in the previous month 24 democratic votes were polled.

Now, if the House agrees with me in reference to this precinct, the contestee was elected by 78 votes, giving to the contestant every vote that the majority claim for him, and giving him the advantage of every irregularity alleged in the whole district from beginning to end.

But what further is there in this case? The majority of the committee throw out 75 votes in Bullock County. Why? Because they say that the return of the forty-fifth district of Bullock County does not show at what precinct the votes were cast; and yet they count two returns, this very Jeffersonton return and the Bryan County return, which are subject to the same objection, equally unsupported by the evidence for lack of which they rejected 75 votes in Bullock County.

What is the fact as to Bullock County? It is true that as to one precinct the election officers, when they came to fill up the return, forgot to write in the name of the county. The return was legally made and legally signed, but the election officers forgot to write in the name of the county. The certificate was headed, "State of Georgia, —— County." That was all that was deficient—the name of the county.

Now, what further? It is proved by two of the managers of that election that they held the election, and that it was properly held. I ask the Clerk to read from the testimony of two of the managers of that election, examined by the contestant, showing that it was properly held.

The Clerk read as follows:

JOHN GREEN sworn:

Question. Did you act as manager of the election in Bullock County, held on the 5th of November last, for presidential electors and member of the Forty-third Congress; and, if so, at what precinct?

Answer. I did, at the forty-fifth militia district, known as the Club-House, in the capacity of notary public and *ex officio* justice of the peace. Hiram Franklin and John Jones presided with me.

JOHN G. JONES sworn:

Question. Did you, as one of the managers, bring to the court-house the returns of the election held at the forty-fifth district precinct in this county on the 5th day of November last for presidential electors and member of Congress; and, if so, what did you do with them?

Answer. As one of the managers at that precinct, I brought the returns to the court-house. I returned them to B. J. Sims the morning after the election. I know nothing more about them.

Mr. SPEER. Now it appears from that testimony of two of the officers who made the precinct return, and whose names are signed to it, that they held the election in that precinct, and that it was regularly and fairly held. Yet the committee reject this vote because, in making their certificates, the officers omitted to put in the name of the county. I suppose the certificates were furnished by the officers of the different counties with printed headings, and the election officers ought to have written in the blank the name of the county, which they omitted. And in the face of this testimony, that that precinct election was fairly held, and that the precinct returns on file in the office of the secretary of state were regularly signed by the officers authorized by law to hold the election, yet simply because the name of the county is omitted, the committee throw out the returns. Yet they count the Jeffersonton precinct and the Bryan County return, which give majorities for the contestant, when there is no evidence from any quarter as to how the elections were there held, and when the certificates in both cases are defective. There is nothing in the proof to show the time of the Bryan County election, or the place of the consolidation of the returns. Nor is there anything to show the place of the Jeffersonton election, so far as the certificate to the return is concerned.

Why, then, that discrimination? Why count the two in favor of the contestant and reject the others against him, if the committee wished to be fair? Upon every principle of fairness and justice this forty-fifth district of Bullock County should be counted. If the vote is not right and honest, why did not the contestant attack it? He urges nothing against the legality of the vote itself; simply that it was not technically legally returned. He calls not a single witness to assail the honesty of the vote, to show that the election was not properly held at the proper place and the proper day. But because the certificate itself is defective in the omission of the word "Camden," 75 votes are taken from Mr. Rawls. Yet in the face of similar defects in other returns they count nearly 300 votes for Mr. Sloan. I hold that the forty-fifth district of Bullock County should be counted, and that would increase the majority for the sitting member, upon the basis of the report of the majority itself, to 153 votes.

Then we come to the Lawtonville precinct in Burke County. That

vote was not returned at all by the election officers. A return was made by the United States supervisors of election of 189 votes for Sloan and 113 for Rawls, giving 76 majority to Sloan; and the committee count that return. It was not in the consolidation; it was not returned by the election officers. They expressly refused to return it, because two of them swear that after an absence of a few minutes in the afternoon from the election room, on their return they found the ballots thrown out of the boxes on the floor, lying loose on the floor mixed with other ballots, and one of the supervisors by the name of Young, (Young by name, but old in fraud,) a friend of the contestant, aided by some other parties there, was assorting them and counting them. Young said that the ballots as assorted and counted there did not agree with the tally-list; that they tried to make them agree and they could not. Those election officers who had been absent but fifteen or twenty minutes from the room refused to have anything to do with the election. This man Young, who had emptied the ballots out, was busy assorting the tickets, which he had no legal right to handle at all. He had one of the election officers arrested afterward, and told the other that it would be to his (Young's) interest to have the vote as he counted it returned, and that Sloan would go to Congress anyhow.

Here is the testimony:

H. L. PERKINS sworn:

Question. Where do you reside?

Answer. In the sixty-first district of Burke County, Georgia.

Q. Did you attend an election or any voting place in the aforesaid county on the 5th day of November, 1872, when presidential electors, and Morgan Rawls and Andrew Sloan, candidates for Congress, were voted for?

A. I attended the election. I do not know whether it was on the 5th day of November or not. I think it was, though. I attended the election at Lawtonville, in the sixty-first district.

Q. Who were the managers at that place of the election?

A. John H. Perkins, William Warnock, and myself.

Q. Did you make up a return of said election, certify to the same, and send it forward for consolidation with the other precinct returns of Burke County?

A. I did not.

Q. Did the managers at the aforesaid precinct make up, certify to, and send forward a return of said election?

A. We did not.

(Counsel for contestant objects on the ground that the witness cannot know whether other managers besides himself made up, certified, and sent up such return.)

Q. Why did not the managers make up, certify to, and send forward a return of that election?

A. The reason I did not sign it was because the ballot-boxes were emptied during my absence. The same reasons were assigned by William Warnock for not so doing.

Q. When was the ballot-box emptied, and where were the purported ballots when you returned, that caused you to refuse to make up, certify to, and send forward a return?

A. The ballot-boxes were emptied on the floor of the room, and when I saw the purported ballots they were lying loose on the floor. The voting was done in the same room I saw the ballots lying.

Q. Did you authorize any person to empty said ballot-box and turn the ballots out loosely upon the floor?

A. I did not.

Q. Who was in the room and near the ballots lying loose on the floor when you returned?

A. Doctor Young and Judge Carswell, who were the supervisors; George Warnock, who was a clerk, and John H. Perkins, who was a manager, were around the purported ballots lying on the floor.

Q. What did Dr. Young have to do with said election?

A. He was supervisor for the republican party.

Q. Did Dr. Young handle the ballot-box, or the loose ballots on the floor?

A. He did handle the loose ballots; he said he was assorting them.

Q. Was Dr. Young handling these ballots when you returned and found said ballots loose on the floor?

A. He was.

Q. Were there not many loose ballots lying around the room where said election was held that had not been polled?

A. There were some. I do not know how many.

Q. Did any party attempt, on or after the day of said election, to induce you to make up and certify to a return of said election?

A. They did.

Q. Please state the name of said party.

A. Dr. Young.

Q. What did Dr. Young say to you?

(Counsel for contestant objects to witness stating anything that occurred between himself and Dr. Young unless contestant was present at the time.)

A. Dr. Young sent for me to come to see him. I came. He said it would be much better for me to sign up those papers as a manager of said election, as it would save me a great deal of trouble, for by signing them and getting John Perkins to sign them would put an end to any future trouble; that Sloan would go to Congress anyhow. He said that I would have to go to Savannah, and be put to a great deal of trouble and expense in February, at the next sitting of the United States court. He also used the argument to induce me to sign said papers, that Sloan was a superior man to Rawls, and that *Sloan would go to Congress any way, and it would be best to sign up without any trouble*; that he (Young) would get Judge Carswell to sign up also; and that if John Perkins and myself would sign, it would not make any difference whether William Warnock did or not. He said that it would be to his interest for me to sign the papers.

Q. Were any of the managers of the aforesaid precinct election arrested? If so, when, and by whom?

A. William Warnock was arrested by Deputy Marshal Smith. It was after the election in November, I think.

Q. How long after said election was it when Warnock was arrested?

A. Not more than three weeks, I think, after said election.

Q. Had Warnock been arrested when Young endeavored to get you to certify to this precinct election?

A. He had.

Q. Who represented Mr. Andrew Sloan here in this neighborhood since the election in endeavoring to get you to sign and certify to the aforesaid election return, and getting up witnesses to be used in this contest?

A. Dr. Young has been representing Mr. Sloan by trying to get me to sign those papers. And I hear that he has been getting up witnesses for Sloan among the negroes at night at their club meetings, and other places, I suppose.

(Counsel for contestant objects to witness stating what he has heard.)

Q. Are you well acquainted with Dr. Young, in this neighborhood, and with the people of this neighborhood?

(Counsel for contestant objects upon the ground that the matter inquired about has no connection with this case.)

A. I have known Dr. Young intimately for fourteen years. I was raised here, and I know all the people in this neighborhood.

Q. What political party received the majority of the votes polled at the Lawtonville precinct, in the sixty-first district, in Burke County, when the aforesaid election was held, at the October election just preceding the election held for presidential electors and Congressmen?

A. The democratic party—I mean the candidates of the democratic party—received the majority of votes.

Q. How has the majority of the votes polled at said precinct been in the last several elections, politically?

A. Democratic.

(Counsel for contestant objects to the last two questions and answers upon the grounds that there is better evidence of the facts stated. The election returns themselves, of the several elections named, constitute the proper evidence on this point.)

Q. Was there a large number of democratic electors present and voted at the election at the aforesaid precinct on the 5th day of November, 1872?

A. There was a large number of men there who voted. They belonged to the democratic party.

Q. Who was known as the democratic candidate for Congress, at that election?

A. Morgan Rawls.

WILLIAM WARNOCK: (Page 18, small pamphlet.)

Q. Why did you not make up, certify to, and send forward to the court-house, for consolidation with the other precinct returns of Burke County, the ballots polled at that precinct, or the result of the election at said precinct?

A. Because in the evening after the voting was closed we had a recess. Two of the managers left the room, leaving the boxes in charge of the third manager until we returned. When I returned I found the ballots out of the boxes and on the floor, in such a condition that I could not certify to the number or for whom they were cast, the boxes having been opened and the ballots taken out in the absence of H. L. Perkins and myself, two of the managers.

Q. Were there any loose election tickets lying around that had not been polled by any elector at that election?

A. There were a few; I don't think very many.

Q. Did you make an effort, when you returned and found the ballot-boxes emptied on the floor, to verify the list of voters; and what did that effort show?

A. I did not. Mr. John H. Perkins, one of the managers, and Dr. Young, one of the supervisors, said they could not make them agree; that there were seven ballots short, or over, I disremember which.

Q. How long were you and H. L. Perkins absent from the room during this recess, when these ballot-boxes were emptied upon the floor?

A. I think it was about fifteen or twenty minutes; it might have been longer, or not so long; it was a short time.

Q. Before leaving the room, in attempting to tally any of the ballots, did you call out to the clerks, Wheeler and Wilson, and Grover and Baker, for the purpose of having tallies made thereof?

A. I did not.

Q. Did you upon leaving the room remark that you would not return, or say that you were tired and were going home, and did not care to count out republican tickets?

A. I did not.

Q. Did H. L. Perkins make any such remark?

A. Not in my hearing. We left the room together.

Q. Did you return to the room for the purpose of completing said election; and would you have carried out that intention had it not been for finding the ballot-boxes emptied and the ballots scattered on the floor?

A. I did return for that purpose, and would have done it, had it not been for that cause.

Q. Did you ever state to Dr. Young that a report he made of said election, as supervisor, was correct?

A. I did not, and did not know that he had made one, only from hearsay.

In view of these facts and the character of Young, and of the further fact that in October, 1872, but one month before this election, Smith, democrat, for governor, had 139, and Walker, republican, only 41 votes at this precinct, and that it had always been democratic, the pretended majority for Sloan, of 76, is covered with suspicion and should be rejected.

That would take off 76 votes from the majority report, and would leave the majority for the sitting member 229.

Now a word or two about the three outlying precincts in Chatham County, which were established by the ordinary as voting places in 1868, for the presidential election of that year. There had been no election held there from 1868 to 1872. In the mean time a governor had been elected, members of the Legislature had been elected, and county officers had been elected, and no man, woman, or child in Chatham County had thought of going to one of those places to vote until this congressional election in 1872.

Here is the order by which they were established as precincts for the election of 1868, by a republican ordinary, the officer authorized to do so under the code of Georgia:

OCTOBER 22, 1868.

It being necessary that election precincts should be established in the county, in order to facilitate the election to be held on the 3d day of November next, it is therefore ordered, that election precincts be, and they are hereby, established at Cherokee Hill, in the eighth militia district, embracing the whole of said district: at Chapman's house, in the seventh militia district, embracing the whole of said district; and on the Isle of Hope, embracing the whole of the fifth and sixth militia districts.

HENRY S. WETMORE,
Ordinary of Chatham County.

The universal understanding of the people of all parties was that these precincts were established for the one election only, and such was the purpose of the ordinary, as he swears, thus:

Question. What legal precincts did you recognize as places of voting on the 5th day of November, 1872, when a member of the Forty-third Congress was voted for in Chatham County?

(Counsel for contestant objects to the question, on the ground that the recognition of witness in the premises has nothing to do with the issue in the case.)

Answer. My opinion is, and was at the date referred to, *that there were no legal election precincts in Chatham County at election referred to; that the only legal polling place was at the court-house, in Chatham County.*

Q. Were you appealed to or requested, on or before the 5th day of November, 1872, to establish election precincts outside the limits of the city of Savannah, in Chatham County; and, if so, by whom, and to what political party did those appealing or requesting belong?

(Counsel for contestant objects to the question, on the ground that it is not in rebuttal nor in support of any allegation contained in contestee's allegations.)

A. *The day preceding the election in question I was asked by Mr. J. E. Bryant, whom I understood to be a committee for this purpose, to establish the same election precincts in Chatham County as were established for the presidential election of* 1868. *Hearsay makes Mr. J. E. Bryant a republican.*

Q. When you speak of the precincts established for the presidential election in 1868, in Chatham County, do you mean that they were only established for that election?

(Counsel for contestant makes same objection as to the previous question.)

A. As ordinary of Chatham County, I inherited the powers of the old inferior court, which, among other things, had the authority to establish or abolish election precincts, conformably to the code of Georgia, in certain forms. Pursuant to this authority, and in accordance with the law, *I established several election precincts in Chatham County for the election to be held for President in* 1868. It was my intention, when I established these precincts, to have them in force only for the election referred to.

Cross-question. Does it not require an order of the court of ordinary to abolish a precinct once established by an order of the same?

A. If precincts are established *without any limitation as to their use* I would say an order would have been made to abolish them.

Cross-question. Would you state what words, if any, in the order 22d October, 1868, constitute the limitation that would abolish the precinct in question without an order?

A. It is my opinion, and it was my intention, that the following words, "*being necessary that election precincts should be established in the county to facilitate the elections to be held on the 3d day of November next*," being the first part of the order of October 22, 1868, should limit the establishment of election precincts in Chatham County for the day recited in the order only.

Cross-question. Does the order itself state that the precinct shall exist for that day only?

A. That is a matter of interpretation of meaning. *I think that the abolishment is a fair inference, at least from the context of the order, and so treated it for four years; and to the best of my knowledge and belief it was so treated for four years.*

Cross-question. What necessity, if any, existed at the time of the passage of the order for the establishment of precincts in the county, that did not exist at subsequent elections of a similar character?

A. In 1868 it seemed to me at least proper to try the experiment of new polling places, then not existing in the county; the managers of some of these polling places reported violence and intimidation shown them; and regarding these precincts established only for the presidential election of 1868, I afterward concluded it better to have the elections held only at the court-house, under the eye of the sheriff and his deputies, so that, if possible, peace and good order could be preserved.

It will be seen from the above testimony that, on the day *preceding this election*, Mr. Bryant, *the friend of Sloan*, asked the ordinary to *re-establish these precincts*, and he refused. It is thus shown that the contestant himself, a lawyer residing in Savannah, knew these places were not legal voting precincts.

But how and by whom were these elections held? The following testimony shows:

KING S. THOMAS sworn:

Question. What office did you hold in Chatham County on the 5th day of November last?

Answer. I was justice of the peace.

Q. In that capacity did you act as manager of an election on that day for presidential electors and member of Congress, and where?

A. I did, at Isle of Hope, Chatham County.

Q. Who were the other managers of that election?

A. Joseph Sneed and Lewis Bennett, freeholders.

Cross-question. Where did you and the other persons who attempted to hold an election at the so-called precincts reside at the time of said election?

A. Lewis Bennett and myself resided in the city of Savannah, and Joseph Sneed at White Bluff, in the sixth district. Lewis J. Moody resided in the seventh district, at Chapman's house. John A. Staley resided in the city of Savannah; Depont C. Rice resided in the city of Savannah; Isaac Seeley resided in the city of Savannah; James Porter resided in the city of Savannah; Avery Smith resided in the city of Savannah. The names of the clerks at the Isle of Hope were John H. Deveaux, who resided in Savannah, Isaac Beckett, who resided in Savannah, and William Cantwell, who resided in Savannah. Charles O. Fisher resided in Savannah; John J. Newton resided in Savannah. I was mistaken about William Cantwell being a clerk at Isle of Hope; he was at one of the other precincts; do not know which. Those are the only clerks whose names I know.

Cross-question. Did you and the other managers of the election, and clerks at said election, held at the so-called precinct at Isle of Hope, cast votes for presidential electors, and member of the Forty-third Congress?

A. I and the other managers and clerks, except one, voted at that election. I voted for Andrew Sloan. To the best of my knowledge the managers and clerks were all republicans.

AVERY SMITH sworn:

Question. Were you manager of an election at Cherokee Hill, in Chatham County, for presidential electors and member of Congress on the 5th day of November last? If so, who else were managers, and in what capacity did you act as such?

Answer. I was. Mr. Isaac Seely and John A. Staley were the others who acted with me. We all acted in the capacity of freeholders.

Cross-question. Where did you and the other managers at the precinct where you presided, and the clerks, reside at the time of said election?

A. They all resided in the city of Savannah.

Cross-question. Did you and the managers and the clerks at the so-called precinct vote for members of Congress and for presidential electors at that place?

A. I voted, and to the best of my knowledge, the other managers voted. I do not know for whom they voted. I voted for Andrew Sloan.

Cross-question. Was said election held in any house, or where was it held? Did you have a ballot-box, and from whom did you obtain it?

A. It was not in a house. Two of the managers having the ballot-box in charge sat in a buggy. One of them received the ballots from the voters and sang out the name to the clerks, at the same time numbering the ballot and passing the same to the other manager, who put it in the ballot-box. The clerks were in a carriage near by the buggy, I do not know from whom the ballot-box was obtained.

JAMES PORTER sworn:

Question. Did you act as manager at the election for presidential electors and Congress on the 5th day of November last? If so, where and in what capacity, and who were your fellow-managers?

Answer. I did act as a manager at Chapman's house, in Chatham County, as a freeholder. L. C. Rice, a freeholder, and L. J. Moody, a justice of the peace, presided with me.

Cross-examined:

Cross-question. Where was your residence and the residence of the other managers, and of the clerks, who presided with you at said precincts on the day of said election?

Answer. My residence and that of my fellow-manager, Mr. Rice, and the clerks, was at Savannah, Chatham County. There were three clerks. Lewis J. Moody, justice of the peace, who presided at said election, resided at the 6-mile post on the Ogeechee road.

Cross-question. Did you and the other managers, and the clerks at said precinct, vote on the day of said election at said precinct?

A. I did, and presume they did; cannot say positively.

A day or two before the election, without the knowledge of Mr. Rawls, the sitting member, they had the United States judge of that district appoint supervisors for these three precincts in Chatham County. Those supervisors drove out and went through the form of holding an election. Look at the vote. At Cherokee Hill 386 votes for Mr. Sloan, and none for Mr. Rawls; at Isle of Hope 253 votes for Mr. Sloan, and none for Mr. Rawls.

Mr. SENER. Did the United States judge appoint supervisors on only one side, politically?

Mr. SPEER. We allege that they were on but one side; at least none of them voted for the democratic candidate.

At Chapman's house 600 votes are returned for Mr. Sloan and 2 for Mr. Rawls. Thus, in an aggregate vote of 1,241 in those three precincts, Mr. Rawls receives but 2 votes. If supervisors had been appointed by the judge in good faith, one of them at least at each poll should have been a democrat; and that would have given the sitting member at least one vote in the precinct.

Mr. SENER. Is there any testimony to show whether there is any allegation that any of the supervisors were democrats?

Mr. SPEER. It was the duty of the judge under the law to appoint one from each party, but as he was evidently a friend of Sloan he doubtless appointed his friends. I think one of the appointees did not act.

But how were these elections held? Not by residents of the precinct; not by voters who lived there; they were held by vagabonds and scalawags from the city of Savannah, who drove out to these places in buggies on the day of the election and pretended to hold an election. At Cherokee Hill the election officers sat in a buggy in the highway. The clerks sat in another buggy; and there they allege they received 386 votes for Sloan, and not one for Rawls. They drove back to the city of Savannah in the afternoon evidently proud of their day's work.

Now, can it be seriously pretended that the ordinary, in establishing these precincts in 1868 for the purpose of the presidential election of that year, intended to establish as a *permanent* voting place a point on the highway, where there was no building of any kind, neither house, nor barn, nor pig-sty; not even a tree or stump to mark the spot. The people understood these precincts to be established solely and only for the one election; and the brilliant idea of resurrecting them in 1872 originated with the contestant, as a happy but novel means of securing a seat in Congress.

To show that he himself knew that they were not legal voting precincts, Mr. Bryant, representing him, understood by the ordinary to be his agent, the committee appointed by the contestant's friends, applied the day before the election to have them re-established; and the ordinary, a republican, refused to comply with his request. In the face of that fact, against the common understanding of the people, without the knowledge of the contestee and his friends that any person meditated an election at those precincts, agents and hirelings of the contestant rode out to these places on the day of election in buggies, held pretended elections in the highway and returned 1,239 votes for the contestant and 2 for the contestee. Mr. Rawls believes and alleges that these pretended elections were held for the purpose of enabling persons to vote who had paid no tax, and were otherwise disqualified, and who would not have been permitted to vote at any place where there were challengers or where the officers were honest.

When they were enacting a fraud of this character and magnitude they might have made clean work of it and given the whole vote to the contestant. It seems almost a pity to mar the beauty of these returns by destroying the harmonious completeness of a solid vote; but these gentlemen seem suddenly to have been seized with some compunctions of conscience and to have given Rawls 2 votes out of 1,241 to relieve their honest souls! It might as well have been a clean, clear sheet. If the purpose of these fellows was, as avowed in the district, to put Sloan in, they ought to have made the vote solid and claimed credit for the audacity of the fraud.

The gentleman who preceded me dwelt at some length on the fact that Bullock County gave Sloan a unanimous vote; but he forgot to state that the county has voted unanimously for the democratic ticket for several years, and that while Sloan is a stranger there Rawls was born in it, and his parents before him, and that he is well known to its people.

But it is not necessary to dispose of the question as to the legality or illegality of these precincts in the view which I take of this case. Starting with the majority given by the report of the majority of the committee, I have endeavored to demonstrate that upon law and justice, and reason and authority, and every principle of common fairness, the sitting member is entitled to his seat.

There are other questions in the case, but I have not time to go over them.

The learned gentleman who preceded me said, "If it had been necessary to throw out the vote of the city of Savannah, where between 5,000 and 6,000 votes were cast, and Rawls had over 700 majority, he would reject it." Necessary for what? Necessary to further justice, or necessary to seat the contestant? If the vote of Savannah was illegal, the majority should have thrown it out, let it defeat or elect whom it might.

The justice of a vote, and its right to be counted, can never depend upon the result, as to whom it shall elect or whom it shall defeat. Yet, from the beginning to the end of this case, there appears to have been but one object on the part of some of the majority; and that is, the unseating of one man and the seating of another. The votes cast in Liberty Hill precinct are not counted now. They were counted in the report as originally drawn and as read before the committee; but they are not counted now, because it seems, under the language of the gentleman who has just preceded me, it was not necessary to count them in order to seat his friend.

In any just view of this case, Rawls is elected; and, in the judgment of the minority of the committee, his majority is 1,466. If the contestant be seated, his friend Dr. Young will become a prophet, and Lawtonville should go into history.

Having now, as I understand, twenty minutes of my time left, I will yield to the gentleman from Georgia, [Mr. BLOUNT.]

The SPEAKER. The gentleman has only twelve minutes left.

Mr. SPEER. If I have only twelve minutes left, I presume the gentleman from Georgia does not wish to proceed under that limitation.

Mr. BLOUNT. No, sir.

Mr. SPEER. The gentleman from Georgia proposes to go over the case somewhat more fully than I have done; and I prefer that the other side should now take their hour and let the gentleman from Georgia follow. I will yield to the gentleman from Mississippi [Mr. LAMAR] if he desires.

Mr. HYDE. I call the previous question.

Mr. SPEER. I trust that will not be done.

Mr. LAMAR. I hope the debate will not be limited in this way.

Mr. SPEER. The sitting member desires to be heard, especially hrough his colleague from Georgia, [Mr. BLOUNT.] We understood that there should be the amplest opportunity to discuss the case. I appeal to the fairness of members on both sides.

Mr. SMITH, of New York. How long does my colleague on the committee desire?

Mr. SPEER. About an hour. The gentleman from Georgia [Mr. BLOUNT] wishes to go over the whole case. I trust the justice of the House will not close discussion at this hour. It was not expected on this side by the sitting member and his friends. They have given attention to the case, and of course wish to be heard.

Mr. HYDE. So far as I am personally concerned, do not care if this discussion runs a month. But there is pressure of other business, and I am satisfied the House does not desire to take up much more time with this particular case. And that is the reason why I have moved the previous question.

Mr. SMITH, of New York. Will not my colleague be satisfied with forty-five minutes?

The SPEAKER. The hour of two o'clock having arrived, and this being the third Friday in the month, the Committee on the District of Columbia is entitled to the floor. The Chair recognizes the gentleman from New York, [Mr. HALE,] chairman of the Committee on the District of Columbia.

Mr. HALE, of New York, rose.

Mr. SMITH, of New York. I understand, if my colleague will permit me, we can compromise this matter by allowing the other side to take forty-five minutes, and at the end of that time we will demand the previous question, which will allow us an hour to close debate.

Mr. HALE, of New York. That will leave but little opportunity for the Committee on the District of Columbia.

Mr. SMITH, of New York. We will only take up an hour and forty-five minutes.

Mr. HALE, of New York. I think we ought not to do it.

The SPEAKER. The gentleman from New York is entitled to the floor. The Chair has always ruled that at the hour of two o'clock, on the third Friday of the month, the Committee on the District of Columbia is absolutely entitled to the floor.

Mr. HALE, of New York. If the House will assign to us equivalent time on another day, we may agree to allow this election case to go on. If the House is in session to-morrow, we will take to-morrow.

Mr. LAMAR. I suggest, then, that to-morrow be assigned to the Committee on the District of Columbia for its business.

Mr. SMITH, of New York. There are six or seven contested-election cases pending before the Committee on Elections, not reported. Within three or four days three cases will be reported, one being the Louisiana case, which will be of some magnitude. It seems to me, therefore, no obstruction should be put in the way of expediting the business of the Committee on Elections. I ask the House to go through with this case to-day or to-morrow.

Mr. MYERS. Has anything been assigned for to-morrow?

The SPEAKER. There has not.

Mr. SPEER. Let the business of the District of Columbia go on to day, and we can finish this contested-election case to-morrow.

The SPEAKER. The Chair has endeavored to impress the fact upon the House that following the regular order more surely tends to harmony and to the advancement of public business than any other mode. If the regular order is followed to-day the Committee on the District of Columbia has the floor on the business of that committee. If any portion of the day be remaining after that business has been concluded this election case will again come up; but if the Committee on the District of Columbia exhausts the day, then this case will come up to-morrow as the unfinished business.

Mr. SPEER. That will do.

PACIFIC MAIL STEAMSHIP COMPANY.

Mr. LUTTRELL, by unanimous consent, presented concurrent resolutions of the Legislature of the State of California, requesting Congress to oppose any further subsidy to the Pacific Mail Steamship Company; which were referred to the Committee on the Post-Office and Post-Roads, and ordered to be printed.

SUBSIDIES TO CORPORATIONS.

Mr. LUTTRELL also, by unanimous consent, presented concurrent resolutions of the Legislature of the State of California, opposing any further grant of lands or subsidies to corporations or railroad companies, and to restore certain lands to the public domain; which were referred to the Committee on the Public Lands, and ordered to be printed.

PAYMENT OF DISTRICT SCHOOL-TEACHERS.

Mr. HALE, of New York. I yield to my colleague on the committee from Iowa, [Mr. COTTON.]

Mr. COTTON. Mr. Speaker, the House adopted a resolution directing the Committee on the District of Columbia to report a bill compelling the payment of arrears of teachers' wages. The committee find no way to accomplish this purpose, except by reporting a bill for an appropriation directly by Congress, the funds of the District being exhausted. I am therefore directed to report to the House, in pursuance of that order, a bill (H. R. No. 2550) making an appropriation for the payment of teachers in the public schools in the District of Columbia.

The bill was read a first and second time.

The bill provides that the sum of $97,740.50 be, and the same is thereby, appropriated, out of any money in the Treasury not otherwise appropriated, for the payment of teachers in the public schools in the District of Columbia, from the 1st day of September, 1873, to the 1st day of March, 1874; and that the money which may be paid under the act shall be regarded as an advancement made by the United States to said District, to be deducted from money which Congress may hereafter appropriate for the reimbursement to the District of any expenditure. The money appropriated in the bill to be disbursed under the supervision of the Commissioner of Education.

Mr. RUSK. I make the point of order that, as the bill makes an appropriation of money, it must have its first consideration in the Committee of the Whole.

Mr. COTTON. I suppose the point of order is good.

Mr. G. F. HOAR. I desire to ask the gentleman from Wisconsin [Mr. RUSK] whether as this committee will be entitled to precedence in the Committee of the Whole to-day, if the House shall go into the Committee of the Whole, he will not consent that the bill shall be considered in the House, rather than insist on its being referred to the Committee of the Whole.

Mr. RUSK. I should prefer having the bill considered in the Committee of the Whole.

The SPEAKER. The point of order is well taken, and the bill goes to the Committee of the Whole.

CORPORATIONS IN THE DISTRICT.

Mr. ELDREDGE, from the Committee on the District of Columbia, reported back, with the recommendation that it do pass, the bill (H. R. No. 2423) explanatory of the act entitled "An act to provide for the creation of corporations in the District of Columbia by general law."

The bill was read. It provides that the fourth section of the act entitled "An act to provide for the creation of corporations in the District of Columbia by general law" shall be construed to authorize any corporation formed in pursuance of the provisions of said act, for the purpose of carrying on marketing, to locate and construct a suitable building or buildings wherever they may deem it expedient, with the necessary stalls, stands, and appurtenances, and to use and occupy the same as a public market, and for such other purposes as may be determined by such corporation, and to let out such stalls, stands, or other portions of such buildings, and to collect rents therefor, and generally to manage the same for their interests; provided, that the government of the District of Columbia shall at all times have power to make and enforce such regulations with regard to such market and the management thereof as, in their judgment, the convenience, health, and safety of the community may require.

Mr. ELDREDGE. There is a report accompanying the bill, but I believe I will not detain the House by asking the Clerk to read it. The object of the bill is simply to make certain what I think myself is now contained in the law. Congress has provided a general corporation act for the District of Columbia.

Mr. G. F. HOAR. I desire to raise the point of order now if it applies to this bill. I do not know whether it applies or not without asking the question of the gentleman from Wisconsin.

Mr. ELDREDGE. If the gentleman will ask his question, I will endeavor to answer it.

Mr. G. F. HOAR. I see that the bill authorizes the corporation to locate market-houses wherever they see fit. Does that authorize their location on public lands?

Mr. ELDREDGE. No, sir. If the gentleman had waited a moment he would have perceived from the explanation I was about to make that there is nothing in the bill which would authorize that.

Mr. G. F. HOAR. If I had waited a moment I would have lost my right to raise the point of order.

Mr. ELDREDGE. The gentleman can reserve his point of order and allow me to state the object of the bill.

The SPEAKER. The Chair is satisfied that the point of order does not apply to this bill. It makes no appropriation of public property in any form.

Mr. ELDREDGE. Under this general act of incorporation, the parties engaged in this enterprise proceeded to organize and file their papers in the registry of the District of Columbia, as they are required by the general act of incorporation to do. But on submitting the case to their lawyer, he raised a doubt as to whether the act authorized the organization and incorporation of market companies. The only object of this bill is to make the general law broad enough to comprehend within its scope such cases as this.

The original act for the creation of corporations does now use expressly the term "markets;" and yet the technical question is raised whether it is sufficiently comprehensive to allow them to go on and build the markets and rent the stalls and collect the rents. This company have already organized under the act, and this is simply to make this general act of incorporation broad enough to comprehend the rights and powers and objects they desire. It is only an amendment to the general act of incorporation, and to remove a doubt. I had no doubt myself that the act was broad enough, and did include markets. But the question was raised, and this is simply to remove all doubts, that the company may go on and build the markets and exercise the powers they are authorized to exercise under this general act of incorporation.

If there are no questions to be asked, and no one desires to make any remarks upon it, I will call the previous question.

Mr. WILLARD, of Vermont. Before the previous question is called, I desire to inquire of the gentleman from Wisconsin, what latitude, in his judgment, this gives to this corporation as to the location of sites for market buildings or stalls?

Mr. ELDREDGE. It gives no latitude whatever. It simply allows the company to organize under the general law; and that has all the limitations and guards that I apprehend the gentleman from Vermont, or any other person, would desire to have in an act of incorporation.

Mr. WILLARD, of Vermont. The phraseology to which I desire to call the gentleman's attention is this: The bill says:

> That the fourth section of the act entitled "An act to provide for the creation of corporations in the District of Columbia by general law" shall be construed to authorize any corporation formed in pursuance of the provisions of said act, for the purpose of carrying on marketing, to locate and construct a suitable building or buildings wherever they may deem it expedient.

Mr. POTTER. It ought to read, "on the lands of such corporation."

Mr. WILLARD, of Vermont. The language of the bill does not so specify.

Mr. ELDREDGE. Of course they cannot locate their building on the lands of anybody else.

Mr. WILLARD, of Vermont. The point I make is this: that the language is broad enough in its terms to authorize the company to locate on any public lands in this city.

Mr. ELDREDGE. O, no; it would not authorize them to take the house of the gentleman from Vermont, or to locate in my domicile.

Mr. WILLARD, of Vermont. My objection is that the language of the bill authorizes the location on the public grounds anywhere in this city. It seems to give the right to this corporation to locate where they please.

Mr. ELDREDGE. There is no provision in the general appropriation act authorizing the exercise of the power of eminent domain by any corporation.

Mr. WILLARD, of Vermont. I am either quite dull or I fail to make myself understood. This bill provides in terms that the former act shall be construed as giving power to this company to locate their building wherever they may deem it expedient. Now the Government owns in the District of Columbia public grounds which Congress has control over, and this bill is broad enough in its terms to authorize this corporation, if they see fit, to select some portion of the public grounds on which they will locate one of their market buildings. I only desire that the bill shall be explicit in its provisions, so as to prevent that.

Mr. ELDREDGE. I have no objection to any amendment which may be suggested limiting the bill in that regard; but there is no such power, and no such thing need be apprehended. In fact the articles of incorporation of this company are made out, and, as far as they can be, they are incorporated. It is the Northern Liberty Market, and its place is fixed. This bill is only intended to make certain their right to be incorporated under the former act.

Mr. POTTER. I move to amend by inserting after the word "construct" the words "on the grounds of such corporation;" so that it will read:

> Shall be construed to authorize any corporation formed in pursuance of the provisions of said act, for the purpose of carrying on marketing, to locate and construct on the grounds of such corporation a suitable building or buildings, &c.

Mr. ELDREDGE. I have no objection to that amendment.

The amendment was agreed to.

Mr. G. F. HOAR. I desire to make another suggestion in regard to this bill.

Mr. ELDREDGE. I will hear the gentleman.

Mr. G. F. HOAR. It seems to me that the bill as it is drawn is open to another objection. The bill provides that any corporation formed, in pursuance of the general corporation law, for the purpose of carrying on marketing, may locate its building wherever it pleases, and construct it, provided that the government of the District shall have power to make such regulations in regard to the market and its management as they shall see fit. Now, I do not understand that it is the policy of any of our cities of considerable size, or of any cities of considerable size anywhere, to permit the proprietors of a market-house to put that market-house where they choose. The site of a public market is a very important matter to the public. It is a place to which large quantities of provisions are carried.

Mr. ELDREDGE. The gentleman need not argue the question. If he has an amendment which will accomplish his purpose, I will hear that amendment. We can see what the gentleman's argument is.

Mr. G. F. HOAR. It may be that some gentlemen of the House are not quite so bright as to be able to see my argument before I make it.

Mr. ELDREDGE. Perhaps some of them may not be bright enough to see it when you get through.

Mr. G. F. HOAR. That is very possible. But I will, at any rate, take the liberty of finishing my sentence, if the gentleman from Wisconsin will permit me to do it.

Mr. ELDREDGE. If the gentleman will submit his amendment I will take it into consideration at once. I do not want to hear his argument. I want to save time, if I can. We have a great deal of other important business to do.

Mr. G. F. HOAR. I believe I have the floor.

The SPEAKER. The Chair understood the gentleman from Wisconsin to yield to the gentleman from Massachusetts.

Mr. ELDREDGE. I will yield to the gentleman to offer an amendment, and will hear it read.

Mr. G. F. HOAR. The site of a market is a place where——

Mr. ELDREDGE. I do not yield for a speech; I will allow the gentleman to offer an amendment.

Mr. G. F. HOAR. I do not understand that it is the right of the gentleman from Wisconsin to deprive me of the floor after having yielded it to me.

The SPEAKER. The gentleman from Wisconsin is entitled to the floor.

Mr. ELDREDGE. For once in my life, I believe I have the floor now. It is a very strange thing for a gentleman on this side of the House to have the floor; it is a little odd, certainly. If the gentleman has an amendment I will be glad to have it read; but I wish to save time.

Mr. G. F. HOAR. I desire to state to the House in a single sentence——

Mr. ELDREDGE. I cannot yield for a speech.

Mr. G. F. HOAR. I desire to state to the House, in a single sentence, the purpose for which the amendment is proposed. It may be unnecessary for me to offer it; I do not know whether——

Mr. ELDREDGE. I repeat that I do not yield to the gentleman for a speech.

Mr. G. F. HOAR. Then I ask the House to vote down the previous question. There may be other defects in the bill.

Mr. ELDREDGE. If the gentleman desires to offer an amendment to cure any defect in the bill I will be glad to have him do so.

Mr. G. F. HOAR. I propose to do it under the rules of the House, if at all, and not at the will of any particular member who may be so arrogant as to suppose that he is entitled to govern the House.

Mr. ELDREDGE. There is no arrogance about it. I want to hear the gentleman's amendment. If there is any defect in the bill I shall be very glad to have it corrected. I yield to the gentleman for that purpose.

[Cries of "Regular order."]

The SPEAKER. The regular order is proceeding, and the gentleman from Wisconsin has the floor.

Mr. ELDREDGE. I am waiting for the gentleman from Massachusetts to offer his amendment, which I see he is drawing up.

Mr. G. F. HOAR. I will try to offer it after the House has dealt with the motion for the previous question.

Mr. ELDREDGE. Very well; then I call the previous question.

The question was taken on seconding the previous question; and upon a division there were—ayes 54, noes 48; no quorum voting.

Tellers were ordered; and Mr. ELDREDGE and Mr. G. F. HOAR were appointed.

Mr. ELDREDGE. I wish the gentleman would present his amendment and not take up the time of the House by requiring a vote by tellers.

Mr. G. F. HOAR. I only desire to present my point with the view of learning whether an amendment is necessary.

Mr. ELDREDGE. If the gentleman has any question to ask I will answer it.

Mr. G. F. HOAR. All I desire is to accomplish that.

Mr. ELDREDGE. How much time does the gentleman want for that purpose?

Mr. G. F. HOAR. Three minutes.

Mr. ELDREDGE. The gentleman shall have that, and I will add two minutes more.

Mr. G. F. HOAR. It seems to me, that in regard to the choice of a site for a market-house, the authorities of the District of Columbia should be entitled to a hearing. It is a very important public question, even if they owned the ground, where a market-house should be situated. What I desire to ask the gentleman from Wisconsin [Mr. ELDREDGE] is, whether he understands that this bill has reserved the necessity of obtaining the assent of the District government to the selection of the spot where the market-house is to be established. If not, does he object to so amend the bill as to secure that?

Mr. ELDREDGE. I understand that the proviso of this bill reserves to the District government entire control over the subject, puts it entirely and absolutely in their hands, so that a market-house cannot be built if they forbid it. And if the bill does not accomplish that purpose, I would be very glad to have the gentleman prepare an amendment that will accomplish it.

Mr. G. F. HOAR. Then I move to amend, by inserting after the word "expedient," in line 9 of the printed bill, the words "the spot to be approved by the government of the District of Columbia."

Mr. ELDREDGE. Does the gentleman want the "spot" approved, or the location of the market-house approved?

Mr. G. F. HOAR. We have already said they may locate and construct a market-house wherever they may deem it expedient. The word "site" or "location" may be used in preference to "spot." I will say "the location of the market-house to be approved by the government of the District of Columbia."

Mr. ELDREDGE. I would rather that, instead of saying "the government of the District of Columbia," the gentleman would indicate some particular officer; because the government, as a government, may not be able to agree. I do not know exactly what "government of the District of Columbia" means.

Mr. G. F. HOAR. That term is used in the bill itself, and that is the reason I employed the term. I supposed the gentleman knew what it meant.

Mr. ELDREDGE. Suppose the gentleman should say "the governor of the District?"

Mr. G. F. HOAR. I have no objection. I used the word "government" because that is in the bill itself.

Mr. ELDREDGE. If the House is in favor of the amendment, I have no objection to it.

Mr. G. F. HOAR. I move to amend by inserting after the word "expedient" the words "the location thereof to be approved by the governor of the District of Columbia."

Mr. ELDREDGE. I am content with that, if the House is satisfied with it. Of course I have no right to accept it, but I think there is no objection to it.

The amendment was agreed to.

Mr. ELDREDGE. I now call for the previous question upon the bill as amended.

The previous question was seconded and the main question ordered; and under the operation thereof the bill, as amended, was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time and passed.

Mr. ELDREDGE moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

ENROLLED BILLS SIGNED.

Mr. DARRALL, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles; when the Speaker signed the same:

An act (H. R. No. 215) to exempt George M. Richard, of Pittston, in the State of Pennsylvania, from the payment of $881.29 for postage-stamps stolen from his office while postmaster;

An act (H. R. No. 476) to establish bonded warehouses for the storing and cleansing of rice intended for exportation;

An act (H. R. No. 1213) for the relief of Willard Howe, of Massachusetts;

An act (H. R. No. 1576) for the relief of Reuel B. Fuller, of Wilton, Maine;

An act (H. R. No. 1736) to amend the act entitled "An act to withdraw from settlement and sale a certain section of land in Wyoming Territory," approved May 23, 1872; and

An act (H. R. No. 2225) to amend the act entitled "An act to prevent the extermination of fur-bearing animals in Alaska," approved July 1, 1870.

GOLD PANIC.

Mr. GARFIELD. I ask consent of the House to have printed in the RECORD a letter from Hon. John Bigelow, of New York, making some explanations of matters contained in the gold-panic report of 1870, which he thinks requires some explanation on his part. The financial editor of the New York Times was a witness before the Committee on Banking and Currency, and gave some evidence relating to an editorial published in the Times, and referring to the gold panic. That editorial was prepared by persons not connected with the Times office, and it was sent to Mr. Bigelow with the request that it be published. There was nothing in the evidence before the committee that indicated that Mr. Bigelow was in any way cognizant of the purpose of those who prepared the article, nor was there anything in the report of the committee which in any way reflected upon Mr. Bigelow. I do not think it at all necessary for his vindication that this letter should be published. But he has requested it, and I take pleasure in communicating his request to the House, and asking that his letter be printed in the RECORD.

No objection was made. The letter is as follows:

54 WEST TWENTY-FIFTH STREET,
New York, March 5, 1874.

SIR: I have to-day for the first time seen the report on the gold-panic investigation, made in March, 1870, by the Committee on Banking and Currency, of which you are chairman. In the testimony accompanying it I find the following statement attributed to C. C. Norvell, the financial editor of the Times of this city:

"Q. Was there an editorial on financial subjects presented to you for insertion in the New York Times, some time in the month of July or August, by Jay Gould?

"A. No, sir; not by Mr. Gould nor by anybody from Mr. Gould. Mr. Bigelow took charge of the editorial department of the Times about the 1st of August. About the 5th of the month he had an interview with the President, probably at Mr. Corbin's house. On the 6th appeared an editorial wholly irrespective of any matter of gold. Mr. Bigelow requested me to furnish him the figures to which reference had been made in his interview with the President. I wrote out a general article; it was published on the 7th. This article on the 6th, which had nothing to do with the gold speculations, seems to have been in some way confounded with the article of the 25th.

"Q. What article was that?

"A. That was what we call in our office an 'outside article.' Articles come to us well written on the topics of the day and we adopt them as our own. How this article reached the office I only know from hearsay. As to whether Mr. Gould, Mr. Corbin, or who sent it, I have no knowledge. I did not see the manuscript for some time after, and not until this controversy arose. That article was represented to have come from some particular friend of the President. I have every reason to believe it was put in type just as it was written, and double-leaded to be published as an editorial leader. I had gone home to Staten Island, and my assistant in the money department told Mr. Bigelow he had better leave it over until he could see me; that, whether it was written in the interest of the Administration or not, it certainly seemed to compromise the Administration, and utterly to stultify our own position in regard to gold, especially the last paragraph, which was most illogical and seemed to be a plausible plea for the highest possible gold that the market could be brought up to. I will do Mr. Bigelow the justice to say that he could not have believed it to come from any inspired source. General Grant had left the city on the 20th. This came to me about the 23d. It was to have appeared on the morning of the 24th; and when the suggestion was made to Mr. Bigelow that it was in my department, as he had just come into the office, and had not watched our course on this subject, it was proper that he should turn it over, which he did, and which I am sure he would not have done if he had believed that General Grant had seen it before it came into the office. I have no doubt that it was sent under false pretenses, and I do not think Mr. Bigelow had any doubt after the occurrence of September that it was intended to be imposed upon us as a semi-official expression by the President."

While this investigation was progressing I was living at my home in the country and seeing but few of the public prints. I regarded it as a sort of partisan war upon the President, which would come to nothing, and in which I, at least, had no personal interest. I naturally inferred that if the relations of the Times to the controversy took a shape that concerned me personally I should be sent for as, in a legal sense, the most competent witness. I was never sent for, however, nor did any of my friends or enemies, if I had any, in Washington or elsewhere, give me any intimation that my personal or professional character was in any way involved in your investigation. Owing, I suppose, to my absence from the country from April, 1870, until the last summer, I never saw a copy of your report until prompted to inquire for one by a quotation from it which I casually met with about a week since. A friend sent me yesterday the copy from which I have made the foregoing quotation.

I will not disguise from you my surprise and indignation at finding myself thus paraded in an official document as the possible accomplice or dupe of a knot of gold-gamblers, and the sanction of your committee given to the implication that it was only through the greater shrewdness or virtue of one of my subordinates that the journal I had been directing was not taken in the trap that had been laid for it. Though whatever mischief such a calumny could do me, if any, is now nearly, if not quite, irreparable, I cannot afford to let it go for one unnecessary day or hour unchallenged.

I will not waste any time in conjecturing why, if the newspaper article in question was worthy of the curiosity manifested about it by your committee, I, who necessarily know more about it than any one else, was never sent for, nor why secondary testimony was preferred to such as I could have given. Neither are the reasons any longer perhaps, if they ever were, matters of much consequence. It is, however, a matter of supreme consequence to me, and I feel that I have a right to ask, as an act of simple justice, that my version of the incident, referred to in Mr. Norvell's testimony, should go upon the records of Congress where it may endure at least as long as the rest of the testimony embodied in your report.

Assuming, as I feel I may do with entire confidence, that you will not hesitate to recognize the propriety of this request, I hasten to submit to you, and through you to Congress, the following statement:

As I approached my residence, about four o'clock in the afternoon of a day in the latter part of September, 1869—if Mr. Norvell's dates are correct, it was on the 23d—I found a carriage in front of my door and Mr. James McHenry just getting in it to drive away. Seeing me, he returned, and after an exchange of salutations, proceeded to say that he had come to bring me an article, presenting the views of the President on the financial situation, which he, as well as the President, desired to see in the Times. He added that he thought the article of sufficient importance to merit being leaded conspicuously, and if it appeared the following morning, he would have it telegraphed to the London Times.

I took the manuscript, and as I slipped it into my pocket said I would look at it, and of course would do what I could to oblige him. After answering a friendly inquiry about his family which I addressed to him he drove off, and I went on my way. This was all that passed between us, and discloses all that I knew of the origin and purpose of the article which he left with me. I had had too much familiarity with the ingenious artifices by which newspaper contributors often seek to enhance the value of their wares to place as high an estimate upon it as Mr. McHenry did. At the same time I knew that he enjoyed exceptional means of knowing what might be the financial views of the Administration, if it had any; and, of course, as a large railway operator, he had the greatest interest in possessing himself of them. I felt, therefore, in what he had given me, I was quite likely to find an instructive and available contribution.

When I reached my office that night, to save my time and eyes, I sent the manuscript at once to the printers, presuming that part or all of it would be available in some way. I did not examine it at all, I think, till it came to me in proof. I was not long in discovering, when I did read it, that it was unavailable as a whole, and not only that, it would take more time to put it into shape than I could then give to it but even when revised would fall far short of the value, to us at least, which Mr. McHenry seemed to attach to it.

As soon as I reached this conclusion I gave orders to let the article lie over, and directed a message to be left for Mr. Norvell, who resided out of town and rarely came to the office in the evening, to call upon me upon his arrival in the morning. When he came the following day I handed him a proof of the article, told him all that I knew of its history discussed with him such of its objectionable features as were most obvious, told him we could never recommend the Government "to foul its own nest;" and as it was desirable, if possible, to oblige Mr. McHenry, that I had sent for him to say that if he could make anything of the article, and harmonize it with the previous course of the Times, I would thank him to do it. I the more wished to show a disposition to oblige Mr. McHenry because we could not serve him. Mr. Norvell took the article and modified it as it finally appeared in the Times. He knew, when he returned the proof to the printer, just as much of its origin as I did. It was kept over and referred to him, not upon the suggestion of his assistant nor of any one else, nor because of any suggestion, for none was ever made to me, that it was in Mr. Norvell's department; neither because I had any doubts about publishing the article as written, for I had decided against that before I had finished my first perusal of it, but because I had no time at that hour of the night to correct it, or even to ascertain whether it was worth correcting.

If blame attached to any one for what did appear of Mr. McHenry's article in the Times, it attached to me, and to me alone. If there was any merit in excluding portions of it, that equally was mine, and mine alone; for no one had anything to do with either except in the execution of my instructions. Any pretension to the contrary is simply preposterous. It is not the custom of managing editors to take directions in regard to what shall appear in their columns from subordinates, nor was it mine, happy as I always was to profit by their counsels; and if I had thought the article of Mr. McHenry suitable to print, it is scarcely necessary to say that the public would have found it in the Times on the following morning.

It is but justice to Mr. McHenry to state here that he called at my office on the day the article appeared and stated that his friends were not only greatly chagrined at the changes it had undergone, but would have preferred that it had been suppressed altogether. I told him he ought not to ask, and that it was unreasonable to expect, any responsible journal to recommend to the Federal Government a policy so obviously designed to impair its credit, or, as I repeated to him, "to foul its own nest." He then rather surprised me by the assurance that he had not read the article, and did not know that it was conceived in that spirit. I convinced him that I had stated its purport correctly, and he left me apparently satisfied with the disposition I had made of it. He did not tell me who wrote the article, if he knew, nor who, beside himself said, by a sort of implication, the President desired its publication. Neither was I myself enlightened upon either of these points, except through the report of your committee.

I am very sorry to be obliged to trouble you and your colleagues with what, by the lapse of time, may seem to have degenerated into a merely private and personal grievance; but a statesman of your experience does not need to be told that the reparation of an injustice to one is the reparation of an injustice to every one.

I am, sir, with great respect, your very obedient servant,

JOHN BIGELOW.

Hon. JAMES A. GARFIELD.

ORDER OF BUSINESS.

Mr. HALE, of New York. I now move that the rules be suspended, and that the House resolve itself into Committee of the Whole on the state of the Union, for the purpose of considering those bills on the General Calendar pertaining to the District of Columbia.

The motion was agreed to.

The House accordingly resolved itself into Committee of the Whole, Mr. DUNNELL in the chair.

The CHAIRMAN. The House is in Committee of the Whole, for the purpose of considering the bills upon the Calendar relating to the District of Columbia.

INDIGENT BLIND.

The first bill on the Calendar relating to the District of Columbia was a bill (H. R. No. 184) to provide for the better education of the indigent blind in the District of Columbia.

Mr. HALE, of New York. I move that this bill be passed over for the present, as we are not now prepared to consider it.

The motion was agreed to.

ANACOSTIA AND POTOMAC RIVER RAILROAD.

The next bill was a bill (H. R. No. 2103) giving the approval and sanction of Congress to the route and termini of the Anacostia and Potomac River Railroad, and to regulate its construction and operation.

Mr. HALE, of New York. This is a bill to fix the termini and authorize the construction of a street railroad in the city of Washington by a company incorporated under a general law for that purpose. There being a possible question as to the application of a general incorporation law to railroads and street railways, a clause is inserted in this bill validating that organization, so as to put it beyond doubt.

The committee may not be aware that under the organic act creating the government of this District the entire control of street railways, the fixing of the termini, the authorizing of the construction of the roads, and the laying of the rails, is reserved to Congress; so that, whether a company be incorporated under a general act by the District authorities or by a special act of Congress, the authority is always with Congress to fix the termini of the road and to grant the right to lay down the rails. That is the object of this bill.

The road, the construction of which is proposed under this bill, is familiarly known in Washington as the Anacostia road, commencing at the end of the navy-yard bridge, running then upon a designated route, (the different streets being prescribed in the bill,) following near the line of the Potomac River, a greater or less distance from it, but most of the way upon what is known as the island, after crossing the mouth of the old canal, and terminating on Pennsylvania avenue, at Fourteenth street.

The bill also contains a provision that whenever the navy-yard bridge shall be rebuilt, so as to make it a proper bridge for the use of a railroad company, this road shall be permitted to cross on that bridge to Uniontown, on the other side of the Eastern Branch. The bill limits the fare in the city of Washington to five cents, but provides that upon an extension of the road across the navy-yard bridge to Uniontown, an additional fare of five cents may be collected.

The bill has been well considered in the committee. The sub-committee have gone over the ground carefully, and were unanimously of the opinion that the route was one upon which the construction of a road would promote the interests of the city, and that no objection exists to such construction. The committee were also satisfied that the general voice of the inhabitants of the southwestern and southeastern sections of the city, through which the road is to pass, is strongly in favor of the construction of this road.

If no gentleman has anything to say upon the subject, I move that the bill be laid aside, to be reported to the House with a recommendation that it pass.

The motion was agreed to.

WASHINGTON CITY AND POINT LOOKOUT RAILROAD COMPANY.

The next District bill was the bill (H. R. No. 2075) supplementary to the act entitled "An act to authorize the Washington City and Point Lookout Railroad Company to extend a railroad into and within the District of Columbia," approved January 22, 1873.

Mr. HALE, of New York. I move that this bill be passed over.

There being no objection, it was ordered accordingly.

BRIDGE OVER EASTERN BRANCH OF THE POTOMAC.

The next District bill on the Calendar was the bill (H. R. No. 2106) to authorize the construction of a substantial iron and masonry bridge across the Eastern Branch of the Potomac, at or near the present Anacostia bridge.

The bill was read. It appropriates the sum of $250,000, out of any money in the Treasury of the United States not otherwise appropriated, for the purpose of constructing a substantial iron and masonry bridge across the Eastern Branch of the Potomac River, at or near the present Anacostia bridge, in the District of Columbia, the bridge to be constructed upon plans to be approved by the Chief of Engineers of the Army, and under his supervision and direction.

Mr. ELDREDGE. I ask that the report accompanying this bill be read.

The Clerk read as follows:

The Committee on the District of Columbia, to whom was referred the bill (H. R. No. 775) to authorize the construction of a substantial iron or masonry bridge across the eastern branch of the Potomac, at or near the present Anacostia bridge, have had the same under consideration, and now beg leave to submit the following report:

On the 21st of February the committee reported House bill No. 2106 as a substitute for House bill No. 775.

The navy-yard bridge was built by a chartered company about fifty years since, and was maintained as a toll bridge until June 30, 1849, when Congress appropriated $30,000 for its purchase, and it was made a free bridge. Since its purchase, annual appropriations have been made for its repair and for the pay of watchmen, varying from three to five thousand dollars, and at one time the bridge has been entirely, and at another mainly, rebuilt. During the late war its uses were indispensable to the Government, and its wear was so great as to require the bridge to be almost entirely rebuilt in 1870. Since it has become the property of the United States nearly $100,000 have been expended in keeping it in condition for use. This bridge is a necessary part of the thoroughfare and only access, except by water, from Washington to the Government Hospital for the Insane, which cares for all the insane persons the Government is under obligations to support, amounting to about six hundred patients. Forts Foote and Washington also lie on the same side of the river, and receive their supplies over this bridge. A large number of Government clerks, mechanics, laborers, and employés of various kinds at the navy-yard and at the various Departments of Government use this bridge in going to and returning from their daily duties. It is estimated that fully one-fourth of the market-supplies to the *personnel* of the Government and the citizens of Washington are brought to the city by this bridge. The necessity for reconstructing the bridge in a more substantial manner, both as a public convenience and as a measure of economy to the Government, has been fully presented to Congress, and will appear in Senate Executive Document No. 100, first session Forty-first Congress, in a report made by the commissioner of public buildings and grounds, in compliance with a resolution of the Senate.

This officer says in this report:

"The importance of a permanent and substantial bridge across the Anacostia, at or near the point indicated, has been sufficiently well established. The present structure forms one of the principal avenues leading into the capital, and is kept in most constant use; a continuous line of foot-passengers, horsemen, carriages, and wagons can be daily seen passing over it, either entering or leaving the city; the travel seems uninterrupted. Great quantities of the products of the neighboring farms and gardens, and large numbers of cattle, sheep, and swine reach the markets by this bridge, and very considerably increase the supplies of the animal and vegetable kind needed for consumption. * * * The bridge also connects the city with that very thriving locality known as Uniontown, at present numbering very nearly three thousand inhabitants. * * * * Many persons connected with the Government Departments reside there, and have daily to cross and recross the bridge."

As showing the travel over this bridge, the commissioner further says:

"The following figures will show the average amount of travel over it for one month: Foot-passengers, 21,654; horses and riders, 1,195; horses and carriages, 7,408; teams and wagons, 5,920; cattle, 367; hogs, 263; sheep, 412. It must be borne in mind that this count was kept from sunrise to sunset of each day, and that a large proportion of those engaged in marketing pass generally during the night in time to be at their stands by the break of day."

This was in 1869, since which time the travel has much increased.

This officer recommends that the bridge should be a permanent structure, possessed of such durability and strength as would be sufficient to support the heaviest weight that any future and sudden emergency may require. He submits five different plans for bridges, varying in cost from $175,000, to $319,670.

The present engineer in charge of public buildings and grounds was before the committee, and strongly urged the necessity for the building of a new bridge. He reported the present structure as dangerous, and that it is liable to go down at any day. He submitted plans for an iron bridge to cost $367,536.

The superintendent of the Government Hospital for the Insane was also before the committee, and strongly urged the necessity for a new bridge. He stated that one of the loaded wagons belonging to the Government, while crossing the present bridge last summer, broke through, and a valuable pair of horses was drowned, while the driver barely escaped with his life.

The interest which the Government has in maintaining a substantial bridge is strongly presented by this officer in a written communication, from which some of the facts in this report are drawn.

The committee have considered the question as to the comparative economy of building a new bridge or endeavoring to maintain the present one in a safe condition, and they have been forced to the conclusion that economy as well as other interests of the Government require an entirely new structure.

Among the statements in relation to this matter made to the committee by the engineer in charge of the public buildings and grounds, the committee report to the House the following. He says:

"It is necessary, in order to an economical and proper construction of the bridge, that the entire amount needed for its construction should be appropriated by Congress at one time. The bridge could be built in a year, I presume, and without interrupting travel. The Government has a great many employés at the navy-yard, arsenal, and marine barracks, all of whom are supplied more or less with country produce from Maryland; and there is a large class of people on the other side, in addition to the Insane Asylum and the forts, that should be considered. I do not know anything about the cost of the present bridge. Last year $7,000 were spent on it for repairs; $5,000 were spent on it the year before that, and $7,000 the year before that, besides the salaries of two watchmen, who are needed there to attend the draw. If a permanent bridge were built there one watchman would be sufficient. I do not consider the bridge as it now is safe for a heavy load to go over it. It would be condemned by any corps of engineers. I do not believe it could be repaired so as to make it a safe bridge without the expenditure of an amount which would about equal that required to build a new one. It is very desirable to have the bridge located where it now is."

The committee have considered the question as to the amount necessary for building such a bridge as will be durable and lasting, and concur in the recommendation that the sum of $250,000 would be sufficient for that purpose; and they therefore recommend the passage of House bill No. 2106.

Mr. WILLARD, of Vermont. The Committee of the Whole will bear in mind that some time since the Committee on the Judiciary were instructed by a resolution to make an inquiry as to the relative rights and interest of the Government of the United States and the people of this District in the property within the District; and in connection with that resolution was urged the importance of ascertaining what proportion, if any, of the expenditures in this District for streets, highways, public buildings—bridges, I suppose—and other matters of that kind, should be borne by the Government.

It is important, it seems to me, that that matter should be settled, if it is possible to settle it, so that it may be determined what definite proportion of the expenditures incurred here for various matters of this sort should be borne by the Government of the United States. Of course the Government owns a large amount of property in this District.

Mr. HALE, of New York. If my friend will allow me, I can perhaps obviate the difficulty he is now suggesting by an explanation which I am prepared to give.

Mr. WILLARD, of Vermont. I will wait and hear the gentleman's explanation.

Mr. HALE, of New York. I fully concur with the gentleman from Vermont, that it is desirable we should not make any appropriation for public improvements in Washington, or should not determine the amount to be paid from the Treasury for any such purpose, until we shall receive the report of the Judiciary Committee upon the questions referred to them, and perhaps also the report of the joint investigating committee upon some matters which have direct pertinence to the same general subject. The Committee on the District of Columbia therefore propose to avoid asking the House to pass upon questions of that character, involving generally the relations of the Federal Government to the District, and their respective obligations in regard to the expenditures of money by way of public improvement or otherwise, until those committees shall be able to report. The case of the Anacostia bridge, referred to in this bill, stands, however, upon an entirely different footing; and the committee saw no reason for awaiting the report of the Judiciary Committee, or any other committee, before acting on this subject, for the reason that the matter does not involve the question as to the ordinary relations of this District to the Federal Government.

This bridge was originally a private bridge, built and owned by an incorporated company. Some years ago (my impression is it was before the beginning of the late war, but unfortunately I have not my papers at hand to refer to) the Federal Government, under the authority of an act of Congress, purchased this bridge, taking a transfer from the company of all its rights. From that time to this the Federal Government has been the sole owner and controller of the bridge in every respect. The Government has kept it in repair, so far as it has been kept in repair, during that time; for I regret to say that during a large part of the time within the last few years the bridge has been in a very imperfect condition. The Government, as the assignee of the company, is, as the committee conceive, beyond all doubt bound to maintain a bridge there for the public interest. It is not a matter with which the District of Columbia as a government has anything to do. It is not a matter for which the inhabitants of the District are subject to taxation. The only question presented in this case, as the committee conceive, is, whether the Government should fulfill its duty in maintaining this bridge, which it certainly impliedly obligated itself to maintain when it took the transfer of the title from the company. This is my explanation in reply to the suggestion of the gentleman from Vermont.

Mr. WILLARD, of Vermont. As I understood the object of the resolution of inquiry which was sent to the Committee on the Judiciary, it was to establish some new relation between the Government and the District of Columbia as to the proportions which each should pay of public expenditures in the District. But perhaps it is not wise to discuss that point except so far as it may be a ground for passing this over for the present. It might be well perhaps to pass this bill over until that committee shall come in with their report, and until the committee which has been investigating some of the expenditures of the District of Columbia shall come in with their report.

For these reasons it seems to me advisable that the consideration of this bill should be postponed. But meanwhile let me call attention to another feature of the bill. I suppose if the Government is to be at the charge of maintaining this bridge as a free bridge perpetually, the cheapest course in the end would be to build an iron bridge. But it is to be noticed that this bill makes no provision as to the amount the bridge shall cost, as to making any contract for the bridge, as to limiting the amount of expenses which may be incurred in its construction, or as to the time when it shall be built. It does nothing in fact except to authorize the appropriation of $250,000 as a starting-point toward building an iron bridge. That is all that is said about it except that it shall be a substantial iron bridge, and then at the conclusion it has the provision that the said bridge shall be constructed on a plan to be approved of by the Chief of Engineers of the Army, and under his supervision and direction. Under that provision a bridge might be built which would cost millions of dollars. I do not say that it will cost as much. But it might; and the Government is pledged to go on with the work if a plan is approved of by the Chief of Engineers. If he makes a report involving an expenditure of one or two million dollars, the Government is pledged to go on with the bridge, according to the plan approved by this officer.

If this were a work requiring to be done instantly there might be some excuse for leaving this at the discretion of an officer of the Government. But we have all of us had experience how much these public works cost at the very best, when Congress endeavors to put around them every possible limitation. But when, as in this case, Congress leaves it without any limitation whatever, we are left to imagine what may be the total that this bridge will finally cost. I am told that some estimates were before the committee that it could be built for something less than $400,000. How carefully these estimates were made, or whether they were based on any proposition showing that it could be completed for that sum, I do not know. However, according to some estimates, it was supposed that it would cost in the neighborhood of $400,000; but it is clear that as this bill now stands it may be made to cost very much beyond that. And inasmuch as there is no need of any haste, as I conceive, about this, I think the consideration of the bill might as well be postponed. I suppose this old bridge can be patched up and kept running for some months longer; and it seems to me much the wiser course for us to determine, in the first place, something definite as to what such a bridge as is desirable for crossing the river at that point will cost, made with iron, assuming that we will be at the whole expense of it.

Mr. ELDREDGE. If the gentleman will allow me, I will make a suggestion which will perhaps aid him a little in considering this subject. His experience and mine I suppose will lead us both to the same conclusion, that if we had put into the bill any sum beyond which the cost of this bridge should not go, it would at all events reach that limit. It was therefore considered by the committee that it was better to put it in this form than to insert a definite sum beyond which the cost should not go; for we supposed that in that event all the arrangements would be made to build it at a sum about what we should name as the maximum sum.

Then, again, a word as regards the necessity of this bridge at the present time. The bridge, as was proven before the committee, is now absolutely unsafe. The engineer who has examined it told the committee that he expected every time he heard from the bridge to hear that it had fallen; that he should not be surprised to hear of its falling any day or any moment. And it has fallen, and teams have been lost. It is a bridge extensively used. Yet it is entirely out of repair, and Congress has been appropriating yearly sums of money for repairs. It is useless, in the judgment of the committee, to make any further repairs on the bridge. Congress has made this a free bridge, and it is on our hands.

A question of duty arose as to what we should do in regard to it—as to what was our duty in regard to the bridge being in this state. Should we wait and leave a bridge like this, traveled constantly, liable to fall at any hour, or should we make an appropriation for it? There is not a member of the committee, in my judgment, who has a single particle of feeling on the subject at all. I believe every member of the committee rose to the consideration of his duty in the premises as to what ought to be done. And it was on that consideration, and for that reason alone, we consented to report this bill to the House.

Mr. WILLARD, of Vermont. I trust no gentleman of the committee will think for a moment I have in any respect whatever reflected upon them.

Mr. ELDREDGE. I did not so understand the gentleman's remarks. I have only taken the opportunity to say, in behalf of the committee, that we made an effort to rise to a proper consideration of what our duty was in regard to this matter.

Mr. WILLARD, of Vermont. There is no doubt the House ought to take reasonable precautions in reference to legislation of this kind,

and especially in view of the experience we have had in the construction of public works.

Mr. ELDREDGE. I meant to suggest that if there is any limitation which the gentleman from Vermont can suggest which should be embraced in the bill, I, as one of the members of the committee, will be glad to have it incorporated. I would like, and I have no doubt the Committee on the District of Columbia would like, to have it done. We have looked at it in every light we could as to how best we could build this bridge—how it could be done in the cheapest, and at the same time in the most serviceable way—what is the least sum of money for which we could put up the structure. I apprehend the bridge will not cost a very large sum, perhaps not greater than $250,000. The lowest sum, if I remember correctly, in the estimates was about $260,000. The committee thought it might be done for less than that. Those estimates were made at a time when higher prices ruled than at present. It is an important bridge, and ought to be taken care of at once.

Mr. WILLARD, of Vermont. Whether it is possible to make any limitation in reference to the expenditures upon any one of these public works, other than in the way contemplated in this bill, I confess myself ignorant. It has sometimes seemed to me utterly impossible for this Congress to in any event attempt to accomplish anything in the way of limitation upon any expenditure of the Government. We in various ways put limitations upon appropriations; we say they should be used only for specific purposes, and if not used within two years they should be covered into the Treasury; that the amount of work we appropriate for should not exceed a certain sum; but in nine cases out of ten, and I think ten cases out of ten, these limitations amount in the end to nothing substantial.

Now, it seems to me a way might be devised by which the Chief of Engineers of the Army here should be authorized by joint resolution to solicit bids for the construction of an iron bridge across this Anacostia River, and he might report to Congress the result of his solicitation for bids, and the contracts offered to him in pursuance of it. Then we should ascertain at once what the amount would be which would be required to build such a structure, and whether on the whole we desired one kind or another, on our judgment as to the comparative expense of the different kinds of bridges. Whether we shall have a substantial bridge, whether of masonry or of iron, is wholly left to the Chief of Engineers. If there should be a structure costing $100,000 more than another just as serviceable and substantial, he is at liberty to select that kind of bridge. But I do not wish to make any captious opposition to this bill, of course.

Mr. HALE, of New York. Let me ask the gentleman right here whether he does not think, upon the whole, the judgment of the Chief of Engineers as to material, style, and character of bridge, would be more satisfactory to the country even than the judgment of this body and its coadjutor body at the other end of the Capitol?

Mr. WILLARD, of Vermont. If I wish to get the judgment of an individual or of a body as to the kind of structure which should be put up here, as to durability and strength, of course I should prefer the opinion of the Chief of Engineers to the opinion of the Committee on the District of Columbia, as much as I esteem their judgment. But when it comes to the question of expense between two classes of structure where each may be equally serviceable, equally good as far as the purpose for which it is to be raised is concerned, then I do not know but I should prefer the opinion of the committee to the opinion of the Chief of Engineers. In other words, sir, I should regard the committee probably as having more interest in keeping down the cost of the bridge without detriment to the bridge itself, and should rely on the judgment of the committee rather than on the opinion of the Chief of Engineers. As a professional man, of course his judgment is worth more than the judgment of the whole House. I understand that very well. Still, as a question between two structures, the one equally serviceable with the other, but the one costing $100,000 more than the other, I should prefer the judgment of the gentlemen on the Committee on the District of Columbia to the judgment of the Chief of Engineers. If it were a question only as to the strength or durability of the bridge, I would, of course, prefer the opinion of these officers, but not upon the question whether a cheaper or more expensive bridge shall be constructed. It does seem to me that there ought to be some limitation upon the cost of the proposed bridge.

Mr. HALE, of New York. Will the gentleman suggest what the limitation should be?

Mr. WILLARD, of Vermont. I wish that the committee would state what their judgment in the matter is from the estimates that have been submitted to them, and what, in their opinion, would be a fair cost of the bridge.

Mr. HALE, of New York. I would say that, from the estimates made to us, $375,000 would a little more than cover the highest estimate made.

Mr. WILLARD, of Vermont. I would suggest, then, that we put in the words "the expense not to exceed in all $250,000."

Mr. HALE, of New York. I think that is too small a sum.

Mr. WILLARD, of Vermont. Then make it $300,000.

Mr. HALE, of New York. I do not think we ought to say less than $300,000.

Mr. WILLARD, of Vermont. Well, I will move to add to the proviso the words "the whole expense thereof not to exceed $250,000."

Mr HALE, of New York. For the purpose of testing the sense of the House, I will move to amend the amendment so as to make the sum $350,000 instead of $250,000. I think I am quite as desirous as the gentleman from Vermont that rigid economy should be observed in the building of such structures; but if we build an iron bridge, which I believe is true economy, I think there is no doubt, from the information given to the committee from official sources, that $250,000 would fall very considerably short of the amount for which it can be built. I think we have reason to believe that $350,000 will build it, although the estimates run a trifle over that. I trust that in a matter of this kind the House will not hesitate between an appropriation of $250,000 and $350,000. There is no danger in leaving the question of the construction and the character of the bridge to the Chief of the Engineer Corps. Certainly if he cannot be trusted with that matter, it is hard to say whom we shall trust. I do not desire to take up the time of the committee in discussing the matter further, and I hope we shall have a vote.

Mr. CLYMER. Can the gentleman state when the estimate was made by the Chief of Engineers for an iron bridge?

Mr. HALE, of New York. It was made within the last six weeks or two months.

Mr. CLYMER. I have been informed that it was made about a year ago.

Mr. HALE, of New York. I do not understand it so. The estimates were sent to us six weeks or two months ago, and we understand they were made then.

Mr. RICE. No; the estimates were made a year ago.

Mr. HALE, of New York. My colleague says the estimates were made a year ago, and he is doubtless correct.

Mr. CLYMER. If that be the case, it is very evident that, if the estimate was $367,000 then, the bridge could be built for $250,000 now. It is a well-known fact that the iron which will enter into the construction of this bridgs is about 33 per cent. cheaper to-day than it was a year ago, and that all the materials that enter into its construction have fallen in cost about in that proportion. If, then, the contract were made now for it, I think $250,000 would be ample, considering the great fall in the price of iron.

Mr. WILLARD, of Vermont. How about the masonry?

Mr. CLYMER. I do not know anything about the masonry, but I presume the piers and abutments are there now.

Mr. RICE. Inasmuch as there are other important matters to come before the House to-day, I do not desire to prolong this debate; but I wish to say a few words about this bridge. This bridge is within the District of Columbia. It belongs to the Government of the United States. It was altered by the Government of the United States to answer their purposes during the war, and it is now so far decayed that it is dangerous to use it. If it belonged to a private corporation, they would not venture to allow persons to pass over it, because they would be responsible for damages in case of accident. The bridge is very much used, and a new bridge is wanted, and wanted now. I believe that the expense for that bridge must be put at the lowest mark, in order to get anything with which to build a bridge at all, and for that reason I shall consent to the limitation to $250,000; not that I believe that that sum will build as good a bridge as $367,000 would, but I believe that it will build a bridge that will answer the purpose now, and for that reason I shall vote for the amendment of the gentleman from Vermont.

Now, sir, when it is provided by this House and the Senate that the bridge shall be built, proposals are advertised for building a bridge of a certain class, which is laid down plainly before those who desire to build it, by a competent Government officer, and then they come in and see it, and say what they will build the bridge for. An accomplished and competent officer designs the bridge, a competent man advertises for proposals to build the bridge, and if a man comes in and offers to do it for so much, and it is agreed upon, he builds it. Can this House better that? Is there any opinion to be got from the members of this House that is going to make that better? Certainly not. And if we do defer to that sort of opinion, it may be next year or the year after before this bridge is built. It is located in this District; the United States should bear the expense of building it. If you believe the United States ought to build that bridge, then I hope you will also believe that it should be built now. If you say that the District of Columbia, as a government, should pay for a part of it, Heaven knows we will never find out where that government would begin nor end. I say to you that the government of the District of Columbia has no money, and it will build no part of this bridge, and therefore you will have no bridge. I believe the United States should build it entirely. I believe that $250,000 will build a bridge that will be useful and valuable for fifty years to come. I hope that amount will be given. Although I should be very sorry to vote against anything the chairman of my committee proposes, yet I believe $250,000 will build a bridge that will answer all desirable purposes. You do not want beauty or grandeur there; what you want is a useful bridge. Pass this appropriation now, get it through the Senate, build the bridge, and the people will be satisfied.

Mr. COBURN. It seems to be generally conceded by the gentlemen who have spoken so far that it is the duty of the Government of the United States to build this bridge. I understand that this is not a national work, not a thing in which anybody is particularly interested outside of the people of the District of Columbia. In my judgment, if anybody should build this bridge it should be the people of

this District. It is a mere local matter. You might as well call upon the people of the United States to build a bridge anywhere else as to build this one. Why should we go outside of the public grounds for the purpose of expending these large sums of money? It strikes me that it would be bad policy to do so.

Gentlemen say that this bridge belongs to the Government of the United States; that the Government bought out the old bridge, and have been repairing it and maintaining it as a free bridge for several years. If so, then that much gratuity has already been given to the people of the District, and they should be thankful for it. But that does not imply any obligation on the part of the Government to build a new bridge. For one, I will vote for a proposition to give this bridge, which is now free, to the people of the District of Columbia, and let them build a new one if they want it. I see no reason why we should make any appropriation for this purpose. Let the people of this District build this bridge if they want it; and if they do not want it, let them cease to travel there. Let them build their own bridges, as the people in other parts of the country do. It is for their own exclusive use, of purely local interest, and a burden that in no sense should be imposed on the nation.

Now, a word or two about the plans for the bridge. It is not safe to trust the Chief of Engineers, the Supervising Architect of the Treasury, or any other officer, with the construction of public works. Not that they would do it dishonestly, but every officer of the Government, when allowed to construct one of these public works, wants to build himself a monument. We have an instance of that in the great building which is now being put up at the other end of Pennsylvania avenue for the State, War, and Navy Departments, full of costly ornaments and expensive work. In New York City we have another building, with all manner of frosted fretwork, in ornate style, fastened upon it—the post-office building. It is beautiful, it is true; but it is not the duty of the people of this country to cultivate the fine arts, particularly in their public buildings. That which is plain, substantial, or even massive, may be built, fit for every use, and designed with all modern improvements, without the extravagant display made on some public structures.

And here, if you allow an Army engineer to build this bridge as he chooses, you will have a costly structure, a perfect model of an iron bridge, something beyond anything to be seen on the Thames or the Seine, or in any of the great capitals of the Old World. I warn gentlemen against this step. I remember some years ago the debate which occurred, and which was brought to my mind the other day by the chairman of the Committee on Ways and Means, [Mr. DAWES,] when he talked about the folly and the extravagance of the United States in the construction of Government buildings. I remember very well when the New York post-office was still below the surface of the ground, when you were laying the foundation and building the basement, a proposition was then made by myself on the floor of this House that, as a general principle, we should not go on and make public structures until plans, working drawings, specifications, and all the estimates were submitted to Congress, so that we could see in advance, as any private citizen would, what money we were about to expend. That is the only true way to do this business; that is the key-note in all this matter of public structures. This system would save millions that now go without a thought, and hang upon the breath of an officer that never looks to the question of expense, and to whom the people have intrusted no responsibility.

If we now had established as a part of the law of the country, and as the practice of Congress, that we should have plans and specifications and drawings, to show exactly what kind of structures we were called upon to make, there would be no complaint on the part of the chairman of the Committee on Ways and Means, or any other person anywhere, that the Architect of the Treasury, or the Secretary of the Treasury, or Congress, or anybody else, had gone into unreasonable extravagance. The true way is, lay your plans as a man of common sense and economy does, and work up to them. What is there, sir, in the plan of a building that will cost millions of dollars that makes it too contemptible a matter for us to consider? We will debate an hour over paying a widow a pension of $100; we draw the line and plummet in little things; we wrangle about the monthly pay of a doorkeeper. We will debate sometimes a whole day over a trivial expenditure that would not lay the corner-stone of one of these great public structures; yet, when we come to consider these buildings, nobody is thought competent to have an opinion about the matter but an Army engineer or the Supervising Architect of the Treasury. Why, sir, if I were the Supervising Architect of the Treasury I would build a monument in everlasting stone wherever the people of the country would appropriate money enough. I would rival the architect of Saint Paul's, Sir Christopher Wren, or the architect of Saint Peter's, at Rome, if I had at my back the people of the United States, with a treasury into which I could put my hand. Architects will do this; engineers will do it; every man of science and art will do it, if he has the treasury of a great nation into which to reach and from which to draw his supplies. My judgment is that we should not go on with this structure, even if the House should determine to go on with it eventually, until we know exactly what we are going to do.

But, in the first place, I hold that this bill should be rejected entirely. Let the people of the District build their own bridges. It is enough that we erect the great public buildings here; it is enough that we make enormous expenditures for their maintenance and adornment; it is enough that we improve the surroundings of the Capitol and our public grounds; it is enough that we pay four-fifths of the expenses of all the streets surrounding these grounds. It is asking entirely too much to call upon us to bridge the Potomac at either end of the city. One of these bridges is away to the westward, six miles out of the city, and this other bridge connects a part of the District outside of that intended for general national use.

Mr. HOLMAN. My colleague [Mr. COBURN] has so clearly established the proposition that this bill should not pass, that it seems to me there can be no serious purpose to fasten upon the General Government the duty of building such structures. Without entering into any argument, I move to strike out the enacting clause of the bill, for the purpose of testing the sense of the committee.

The question being taken; there were—ayes 72, noes 43; no quorum voting.

Tellers were ordered; and Mr. COTTON and Mr. HOLMAN were appointed.

The committee divided; and the tellers reported—ayes 85, noes 33.

So the motion of Mr. HOLMAN, to strike out the enacting clause of the bill, was agreed to.

PAYMENT OF DISTRICT TEACHERS.

The next District bill on the Calendar was the bill (H. R. No. 2550) making an appropriation for the payment of teachers in the public schools in the District of Columbia.

The bill was read. It appropriates $97,740.50, out of any money in the Treasury not otherwise appropriated, for the payment of teachers in the public schools in the District of Columbia, from the 1st day of September, 1873, to the 1st day of March, 1874; and the money which may be paid under the act is to be regarded as an advancement made by the United States to said District, to be deducted from moneys which Congress shall hereafter appropriate for the reimbursement to the District of any expenditures. The money thereby appropriated is to be disbursed under the supervision of the Commissioner of Education.

Mr. COTTON. I ask that the report accompanying the bill be read.

The report was read. It states that the Committee for the District of Columbia were directed by a resolution of the House, adopted March 2, to report forthwith a bill which would compel the payment of the wages due teachers in the schools of said District; that the committee have had the same under consideration; that it appears from a statement made to the committee by the comptroller of the District that the expenses of supporting the schools throughout the entire District are in arrears from the 1st day of September last; that the amount due to teachers to March 1 is $97,740.50 This includes both white and colored schools. The school funds are exhausted; and the committee see no way to effect the payment at this time of this indebtedness except through an appropriation by Congress. Therefore, for the purpose of accomplishing what is contemplated in the resolution, the committee report a bill making an appropriation for the sum above mentioned for the payment of teachers to March 1. It is provided in the bill that the appropriation shall be regarded as an advancement to the District, to be deducted from moneys which Congress may hereafter appropriate for reimbursing to the District any expenditures.

Mr. SPEER. What paper is it the Clerk has just read?

The CHAIRMAN. The report of the committee.

Mr. SPEER. It is a very singular document. [Laughter.]

Mr. COTTON. In reporting this bill the committee has followed the order of the House, and included only an appropriation of the sum requisite to pay the teachers up to the first of the present month. I have here the report of the comptroller of the District, giving us the exact figures of the amount now in arrears. This report shows that up to the 1st of March, the present month, the amount due to the teachers is $97,740.50, being their pay for the last six months. By the same report, it appears that for other expenses during the same time there is due the further sum of $60,594.82; making the aggregate of arrears for school expenses $158,335.32.

In this bill we have included only an appropriation for the pay of the teachers. As the committee was directed to report a bill to compel their payment, we regarded ourselves as bound to execute the order of the House. We have not considered the proportion that should be paid by the General Government for school expenses in this District, but simply the sum necessary to pay the amount due to these teachers. I would say, however, that in the appropriations during past years Congress has never given anything, so far as I am advised, to this District for school purposes—not one dollar.

We have inserted in the bill a provision that the sum appropriated shall be charged against the District in any appropriation that Congress may see fit hereafter to make in the way of reimbursing expenditures; so that, if it should be decided eventually that the Government ought not to appropriate this amount for school purposes, it can be taken into account in respect to other funds when appropriations are made for the District. But in view of the fact this is the first appropriation made by Congress for school purposes, it may be a question whether this sum should be given absolutely; but the bill guards against that, in keeping this as an open account against the general appropriation made for the District.

The only action I find ever taken by Congress in regard to school funds in the way of appropriations was in 1858, when the Senate passed a bill, of which I find a synopsis in the Congressional Globe, which I will ask to have read.

The Clerk read as follows:

A bill (S. No. 191) for the benefit of the public schools in the city of Washington was read the second time and considered as in Committee of the Whole. It provides that so much of the fines and forfeitures hereafter to be collected in the District of Columbia as accrue to the United States shall be surrendered to the city of Washington for school purposes until the whole sum so received shall amount to $50,000. It declares the corporate authorities in the city of Washington may, with the assent of the owners of real estate in the city, levy a special tax of ten cents on each $100 worth of taxable property in the corporate limits of the city for the benefit of the public schools, and that whenever the Secretary of the Treasury shall be officially notified by the mayor that this tax has been levied and collected, it shall be his duty to pay from the Treasury of the United States to the persons legally authorized to receive the school funds for the city of Washington a sum equal to the amount thus raised by taxation, but not more than $20,000 per annum is to be paid by the United States; and these payments are to continue for five years, unless Congress shall otherwise order.

Mr. COTTON. That bill passed the Senate but failed in the House. It proposes to give $20,000 a year for school purposes for five years. That is the only attempt I can find of legislation for aiding the schools in this District. So I think if we could pass this bill, and pass it outright, even without a reservation in it to charge this sum against the District here, we would not be going very far out of the way.

Mr. SPEER. Will the gentleman yield to me?

Mr. COTTON. I was going to yield to the gentleman from Massachusetts, [Mr. G. F. HOAR,] who offered the resolution under which this bill has been reported, as I understand he desires to make some remarks.

Mr. G. F. HOAR. It seems to me, Mr. Chairman, although I hoped the committee would have adopted a different solution of this problem, yet, on the whole, they have reported the only one practicable on the subject. There are three alternatives.

In the capital of this nation, the conducting and management of which of course peculiarly affects the national honor—which is peculiarly an example to mankind of the working of republican institutions—to which the representatives of other countries look with especial interest as affording an example of the working of our public-school system, of which we are all so proud, and the exclusive legislation over which is by the Constitution confided to Congress, it is admitted there is a scandal, which, I undertake to say, would in every city or considerable town in this country, if it existed there, create such a feeling of personal disgrace that every considerable inhabitant would not rest easy until the scandal was removed. Ever since the 1st of September teachers, a large proportion of them women, persons rendering an important public service, but humble and dependent on their daily labor for their support, have been, by a breach of faith on the part of the authorities of this capital, deprived of their wages. Some of them are without shoes. Some of them have been compelled to pawn their clothing and their jewelry for their support. Some of them have been compelled, by the necessities of the boarding-house keepers where they lodged, to change their place of boarding because they could not obtain their wages. I have received letters and a communication signed by a very large number of these ladies, and the facts I state are unquestioned.

Now, we have to do one of three things, either to leave this scandal to continue, having the duty attendant upon our sovereignty in this District, or we have to provide for a system of assessing and collecting taxation upon the inhabitants of the District, or we have to adopt the plan of the committee.

To provide for taxation require time which must elapse to make a proper valuation of the personal and real property of the District. So before such a tax could be properly assessed and collected months would ensue. Another objection to doing that is this: There is a joint committee of the House and Senate engaged in an investigation of all these matters which have been charged as abuses upon the existing District government. And whatever outside information any of us may have, it does not seem to me that it would be becoming or just to adopt a permanent system of policy toward the present authorities of the District, or any of them, based on any opinions as to their responsibility or their previous action until we have got the result of that investigation. Their opponents are heard, and heard by able and skillful counsel, and they are able and experienced men, some of them, themselves. And the authorities of the District are to be heard. And until some result is arrived at it would be unjust for this House now to undertake to determine what policy it shall adopt in dealing with the District authorities, what proportion of the public expenditure for the future the Government shall assume, and what method shall be adopted of compelling the citizens, if they have been in any way delinquent hitherto, to pay their proper share of this municipal and other public funds.

It therefore follows that the only alternative is the one which the committee, it seems to me, have very wisely adopted; and that is that Congress shall say, "We will pay these District school-teachers ourselves this small sum of $97,000, and we will regard the nation virtually as having taken an assignment of their claims; that is, from whatever sum, be it more or less, and to whatever purpose devoted, which Congress shall hereafter provide for the purposes of the District of Columbia, this sum that we now advance shall be deducted." If it is determined that nothing hereafter shall be paid by the nation for the schools of the District, as it has been determined in the past, but that three, five, ten, or any other number of hundreds of thousands of dollars is to be paid for streets, when you come to make that payment into the Treasury it will be considered that you have paid already $97,000 of that sum.

Mr. MELLISH. Will the gentleman allow me to ask him a question for information?

Mr. G. F. HOAR. Certainly.

Mr. MELLISH. I have not heard all the gentleman's remarks; but he said we had a duty to perform, and that was a duty contingent upon ultimate sovereignty. I would ask the gentleman, what is our immediate specific duty and responsibility in the premises?

Mr. G. F. HOAR. I understand, Mr. Chairman, that the Constitution of the United States imposes upon us the duty of exclusive legislation in all cases. The last Congress determined that that was a duty which they could constitutionally perform by delegation. I do not agree with that constitutional opinion. But no doubt that is the opinion upon which Congress acted. And therefore one branch of the District government being elected by the people of this District, the other branch being appointed by the President of the United States, and the governor being appointed by the President of the United States, that composite government exercises, as the delegate of Congress, the duties of legislation over this District. But we are responsible if that machine to which we have delegated our duty fails to work. If the agents who are doing the duty which we are sworn to perform when we swore to support the Constitution fail to do their duty and to maintain the credit of the Government in the discharge of its obligations to this District and its citizens, Congress is bound, in my opinion, to furnish the remedy, to see that the evil is cured, and to restrain the citizens if they are in fault; if it is not the fault of the citizens but of the nation, then to make good the deficiency ourselves. The question which of those two things is to be done, does not arise in connection with this bill. We simply make an advance to be deducted ultimately from whatever sum shall be appropriated to the District.

Here the committee informally rose, and Mr. TOWNSEND took the chair as Speaker *pro tempore*, to receive a

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. SYMPSON, one of its clerks, informed the House that the Senate had rejected the bill (H. R. No. 216) granting a pension to Timothy Page.

The message also informed the House that the Senate had passed, without amendment, the bill (H. R. No. 2422) to approve an act of the Legislative Assembly of the District of Columbia relating to parishes of the Protestant Episcopal Church.

The message further announced that the Senate insisted upon its amendment to the bill (H. R. No. 1923) authorizing the payment of annuities into the treasury of the Seminole tribe of Indians, disagreed to by the House of Representatives, agreed to the conference asked by the House on the disagreeing votes of the two Houses, and had appointed Mr. BUCKINGHAM, Mr. INGALLS, and Mr. STEVENSON to be the managers of the conference on the part of the Senate.

PAYMENT OF TEACHERS IN THE DISTRICT.

The Committee of the Whole resumed its session.

Mr. FRYE. I do not know, Mr. Chairman, that it is of any kind of use to say one word in support of any proposition which favors the District of Columbia. The truth is, the air is entirely replete with charges of corruption, of fraud, of stealing, of wrong of every name and kind in everything that the District of Columbia undertakes to do. And that has a very decided influence upon this House in the consideration of any proposition whatever which comes before it favoring the District of Columbia.

Now, sir, just look at what occurred a few moments ago. The Government owns a bridge across this river, owns it to all intents and purposes, and every hour of the day men and women traveling across that bridge endanger their lives. The Government of the United States owns it, owns each terminus of the bridge, owns the land on which each end of it rests. The Government owns also the National Insane Asylum, costing, perhaps, a million dollars, having six hundred inmates, lying right across the river, the only access to which is over this Government bridge. And yet, notwithstanding all these facts, when a proposition is made to build a bridge, instead of considering the question at all what kind of a bridge shall be built, whether the proposition of the committee is too much or too little, the House, by a large majority, votes at once that we will build no bridge whatever, but will let the thing stand as it is to-day. Now, sir, I cannot account for the action of the House upon any hypothesis other than this——

Mr. RANDALL. I deny the right of the gentleman to reflect on the past action of this House.

Mr. FRYE. I am merely stating the action of the House, and I believe I state it correctly.

Mr. RANDALL. The gentleman is reflecting on the action of the House. I make the point of order that he is not in order in reflecting on the past action of the House, which he has no right to do.

Mr. FRYE. I do not know what I might have arrived at, but I had not got to the reflections.

Mr. RANDALL. I do not mean to allow the gentleman to do so, beyond what is due in courtesy to the House, if I can prevent it.

Mr. FRYE. Very well; then I will say that now there is another proposition before the House.

Mr. RANDALL. That is right.

Mr. FRYE. And that proposition is to raise money for the support of the schools in the District. Now, as to that, I do not know what its fate may be. But I do have an opinion of my own in regard to the propriety of the measure under discussion.

Here are forty thousand black people, a great number of them paupers, a great number of them unable to read or write, who were forced into the District of Columbia after the war. They have children. Ought they to be educated? No man will say for a moment they ought not to be, because the very foundation of this Republic is the intelligence of its citizens. These black men are to be the men one of these days taking part in the Government, as they are doing even now. Their children are to take their places, and they must receive education in order to become good citizens.

Again, there are some twelve or fourteen thousand Government clerks and employés in this city. I venture to say that a large majority of them do not pay one dollar of taxes in the city.

Again, there are members of Congress here who send their children to the public schools. They do not pay one dollar of taxes in support of those schools. Now, sir, shall the District of Columbia be compelled out of their poverty, because they are poor, to pay for the support of all these schools, and the Government of the United States, owning all this property here and bringing all these people here, contribute nothing whatever to their support?

I said members of Congress sent their children to the public schools. I do, sir. I came here, and having that care for my children which all fathers do, I went and examined the public schools of this District; I examined them with care, to see whether or not I should intrust my little girls in the public schools of the District, and I dare say here that there are very few States, and very few cities in the United States of America, which have a school superior to the Franklin school, where my children go. I dare say that there are few cities in the United States having a corps of teachers superior to the corps of teachers in that Franklin school; and I will say here, sir, that I am delighted with the progress my children have made since they have been there.

Now, sir, those teachers in that school have not been paid one dollar for seven or eight months. Three of them came from my own city, were educated at the normal schools of my own State, and they come to me personally with their complaints. How much longer can the existing state of things be permitted to go on? The District has no money with which to pay them. The United States, in my judgment, owes a contribution to the support of the schools of the District; and I trust that the House will now consent to this advance, if they do nothing more for the District of Columbia.

Mr. WILLARD, of Vermont. I have not any doubt that on some adjustment of the relations between the United States and the people of the District of Columbia, a portion of the public burdens of this District ought to be borne by appropriations from the Treasury of the United States; as to that I make no question; but as to some of the reasons which are given for this appropriation, and for many other appropriations for this District, I have a word to say.

In the first place, I desire to notice the remark made by the gentleman from Maine who has just taken his seat, and which I have frequently seen in the newspapers of the District, that a large portion of the people of this District are employés and officers of the Government, who were not taxed here, and who did not contribute toward the expense of this District. Why, Mr. Chairman, what sort of a notion is that of taxation? Taxation in this District is on real estate; and the later, and, as many think, wiser economists, hold that that is the true system of taxation. That it is an equal and just system of taxation, and that when real estate is taxed equally, then all persons in the community, whether they own real estate or not, will bear their fair proportion of taxation.

Why, sir, we collect taxes on tobacco and taxes on whisky; and what would be thought if a gentleman should come in here and say that the manufacturers of tobacco and the manufacturers of whisky pay the whole of those taxes; they do not pay them at all, any more than that they contribute their share on the quantity of the articles which they consume themselves. Every dollar that is charged to them of that tax is charged over by them when they sell the whisky and tobacco to the persons who use that whisky and tobacco, and they are the persons who pay the taxes. It is so with the taxes which we collect from customs, and that is the only theory upon which that tax or any of our internal-revenue taxes can be based. They must be uniform, and as far as possible bear upon all alike; and they do bear upon all alike, as near as we can make any taxation so bear.

How is it here in this District? Every acre of the real estate of this District, except what is owned by the Government, is taxed. And you, Mr. Chairman, and every one else here, pay a part of that tax. You cannot stay in a hotel over night or go into a restaurant for a meal of victuals in this city without paying a portion of that tax.

Mr. G. F. HOAR. Of the whisky tax? [Laughter.]

Mr. WILLARD, of Vermont. I do not mean the whisky tax, because you, Mr. Chairman, and the gentleman from Massachusetts, [Mr. G. F. HOAR,] and every member of this House, cannot be supposed to pay any portion of the whisky tax. [Laughter.] The taxes of this city are charged up in expenses on the part of everybody who pays for anything here. Every member of Congress who hires a house, or a room in a house, or who pays for board, in this city, contributes to paying the taxes imposed in this District. Every clerk in a Department who lives in the District has a portion of this tax charged over to him in one way or another, and he pays his full share of the taxes that are imposed upon the real estate of the District. He cannot have a roof to shelter him without paying a portion of that tax. I say, therefore, that this idea, that because a portion of the people of this District are not borne on the tax lists of the District, therefore the taxes of the District are paid by a small proportion of the people, and the employés of the Government pay nothing, is absurd and ridiculous, and there is nothing to justify it for a moment.

Now, what further? This bill is a confession on the face of it of the bankruptcy of this District government. It is also one of the severest reflections that could be made by a committee of this House upon the original organic act of this District which authorized these two separate and anomalous governments here.

Mr. HALE, of New York. Allow me to interrupt the gentleman for a moment.

Mr. WILLARD, of Vermont. Certainly.

Mr. HALE, of New York. The gentleman speaks of this bill as a reflection by the committee.

Mr. WILLARD, of Vermont. I do not mean that it is intended as a reflection.

Mr. HALE, of New York. The gentleman ought to bear in mind that this bill is not the act of the Committee on the District of Columbia, but the act of the House of Representatives, which instructed the committee to report it. If there is any reflection it is made by the House and not by the Committee on the District of Columbia.

Mr. WILLARD, of Vermont. I have not now in my mind the terms of the resolution of instruction passed by the House. As I understood it, it was to instruct the committee to provide some means by which the District government should pay these teachers.

Mr. G. F. HOAR. To provide the means to compel the payment of the dues of these school-teachers.

Mr. WILLARD, of Vermont. The gentleman from Massachusetts says that the resolution of instruction to the committee was that they should provide means to compel the payment of these school-teachers the amount due them. I agree that these school-teachers should be paid. I am not by any means certain that I am not ready to say that the District government, having had their services, and not paying them, Congress shall pay them out of its liberality, if they do not do so because it is their duty to do so. No class of public servants are entitled to more generous consideration by the Legislature than the teachers of our schools. As I was saying, this bill is a reflection, from whatever source that reflection may have come, upon the form of government in the District.

Mr. G. F. HOAR. Allow me a moment to suggest to the gentleman from Vermont that this bill merely appropriates a sum for the payment of these teachers, to be deducted from any sum that may be hereafter appropriated to the District of Columbia. It compels payment by the District by deducting the amount from what they may receive hereafter.

Mr. WILLARD, of Vermont. As I said, it is a confession of the bankruptcy of the District, which bankruptcy grows out of this anomalous form of government, by which the board of public works do what they please, run in debt to any extent they see fit, for there is no limitation whatever upon them; and then they turn around and come back to Congress, when their creditors are pressing them and asking for their dues, and say that their treasury is empty, that they are bankrupt, and that the United States owe it to the people who have done services under contracts with the board to pay them for those services. Now, sir, that will in my judgment go on just as long as these two forms of government continue here. Just so long as the board of public works in the District of Columbia are authorized to make the expenditures they are making year after year, to incur the debts they are incurring year after year, just so long will we, session after session, have their creditors here asking for relief at the hands of Congress. The contractors for work on the streets, the persons who have bought the District bonds at fifty or sixty cents on the dollar, the persons who have taken the District certificates for indebtedness, will be coming to Congress and saying, "You created this board of public works; its members are your officers, and you must see that their obligations are not dishonored." And I am not by any means certain but that when they present such a consideration to Congress, we shall be obliged to say that the credit of a board of officers whom we have ourselves established, to whom we have given almost irresponsible power, is not to be dishonored; that we will see that their debts are paid. I have no doubt that to-day the credit that this board of public works or the District of Columbia has in the markets of the country proceeds not from any reliance upon taxation in this District for the payment of its debts, not from any reliance on the board of public works for payment, but a reliance that in the end these obligations will be met from the Treasury of the United States. This is something worthy the consideration of this House. Whatever action may be taken upon this bill, it is worthy the consideration of the House whether some means cannot be devised to put an end to a condition of things under which there is apparently irresponsible authority to contract debts for which in the end we shall be held responsible in honor, if not under any strict contract.

Mr. COTTON. I yield to the gentleman from Pennsylvania [Mr. SPEER] for five minutes

Mr. SPEER. Mr. Chairman, when I heard read the report accompanying this bill, it struck me as a most singular document. It was impliedly an argument against the passage of the bill. The bill seemed to be reluctantly reported, in obedience to what was conceived to be the compulsory instruction of the House, and was accompanied by a report which was an indirect argument against its passage.

Now, it is always ungracious to oppose any measure looking to the support of education; and I am not prepared to say that I would oppose this bill, if the proper information were before the House. But upon what principle alone can this House be justified in voting an appropriation for the support of schools in this District? In the first place there should be before the House a statement of the assessed value of the real estate of the District, showing how much is owned by private parties, and how much by the Government.

Mr. ELDREDGE. Such a statement has already been furnished.

Mr. SPEER. Where?

Mr. ELDREDGE. In a report which has been made to the House.

Mr. SPEER. It is not in the report accompanying this bill.

Mr. ELDREDGE. It is in a document of the House, which has been in the hands of every member during the entire Congress.

Mr. SPEER. It may have been in the hands of gentlemen on the Committee for the District of Columbia, but I have never seen it.

Mr. ELDREDGE. It has been furnished to everybody who desired it.

Mr. SPEER. But certainly it has not been examined by the House.

I was saying that we should know what is the actual assessed value of real estate in this District, how much of that is owned by private persons, and how much by the Government, and also what is the rate of taxation. Upon a reliable exhibit of this kind, it might be claimed, perhaps, that the Government would be bound to pay its proportion of the taxation according to the rate of assessment upon the property owned by the Government. That, at most, would be the extent of the duty of Congress.

Mr. ELDREDGE. I can tell the gentleman what the proportion is. The proportion which the property of the Government bears to the property owned by citizens is as ninety to one hundred.

Mr. SPEER. Well, I have not that information; perhaps the gentleman from Wisconsin has. In the absence of such information, to ask Congress to make a lumped appropriation of nearly $100,000 to the schools here, is a most extraordinary proposition. We might with the same propriety be asked to make an appropriation for paying the school-teachers of a Territory. The government of a Territory is under the control of Congress much more emphatically than is the government of this District.

Mr. G. F. HOAR. Will the gentleman allow me to call his attention to a single point?

Mr. SPEER. Certainly.

Mr. G. F. HOAR. I wish to remind the gentleman that this is not an appropriation objectionable on the ground which he is urging. It is simply an advancement of money, putting the United States in a position to say, whenever the first appropriation may be made for this District for any purpose—for highways, aqueduct, or anything else—that this appropriation shall be deducted.

Mr. SPEER. I am unwilling to legislate to-day upon the assumption that we are hereafter to make such appropriations for this District. When that question comes up we will meet it.

Mr. G. F. HOAR. I believe there is an existing law which requires us to make appropriations for highways.

Mr. SPEER. If I am not in error as to the legislation of the last Congress, the appropriation then made for this District was upon the express condition that the District authorities should not on any account exceed in their expenditures the amount of money previously appropriated. Yet in the face and teeth of that law they have in fact, as I understand, exceeded the amount appropriated by the last Congress. I understand that the District authorities have gone on in violation of the express letter of the statute, and have expended $2,000,000 more than the Government of the United States at the last Congress appropriated.

Now, what is the argument in favor of this bill? It is that the school-teachers are unpaid. Well, that is unfortunate. The District authorities should have regulated the terms of their schools according to the amount of their school fund. That is the way this matter is arranged in the States. Having ascertained the amount to be derived from taxes, the school comptrollers or directors get together and say, "We will keep our schools open five months, or six months, or seven months; we will keep them open only so long as the funds at our command will justify." But here in this District, for six months past, these schools have been kept open, although there were no funds to pay the teachers, and I suppose they will be kept open for the next year, or the next two years, without the District providing any funds, if Congress will only have the generosity to step in and appropriate money for the support of these schools.

[Here the hammer fell.]

Mr. COTTON. I yield now to the gentleman from Wisconsin [Mr. ELDREDGE] for three minutes.

Mr. ELDREDGE. The gentleman from Pennsylvania [Mr. SPEER] has taken, in my judgment, a very improper view of the basis upon which appropriations should be made for the benefit of this District by the United States. That is one of the questions which has troubled the District Committee in all of our investigations, in all of our examinations, and on questions in reference to any recommendation in favor of appropriations by Congress; that is, upon what basis it should be done. Here is the Government of the United States, owning about $90,000,000 of the property in this District, while $100,000,000 of the property is owned by citizens of the District. That would require the Government to pay almost one-half of the tax, if it paid in proportion to the valuation of the Government property.

In regard to this school matter, so far as this bill is concerned, I feel no special interest in it. We felt in the committee it was our duty to report the bill. The instructions of the House were absolute; we had no choice in the matter but to report, upon the best judgment we had, what should be done, and we have reported the best bill we could, in compliance with the orders of the House.

But this subject, Mr. Chairman, is entirely too vast to be considered on a question of this sort. I myself feel the United States should pay as much taxation upon its property to support the government of this District as the citizens themselves. The streets and avenues are owned entirely by the United States, and in that respect it is unlike any other place in the United States. The Supreme Court have held that the fee in the streets here is in the United States; instead of the owners of lots abutting upon streets owning to the center, the Supreme Court have held the whole title is in the United States. Look at these avenues, look at the immensely wide streets, and then say whether the people having property along them should be required to pay for all of the improvements made; for the improvements of all these wide avenues—whether they should be required to pay for the improvements of all the public squares. And that question, it seems to me, is not an irrelevant one here. The board of public works has nothing to do, so far as it is concerned, with the general business of the District—with the payment of school-teachers. They have nothing to do with it. They have not spent the moneys appropriated for school-teachers. On the contrary, it appeared before our committee that $173,000 were overdrawn from the general fund to meet school expenses.

The necessity for this appropriation is this: The taxes assessed for the payment of schools are unpaid. They are due. Many of them have been collected; but the taxes are almost altogether assessed upon real estate; the certificates have been issued upon real estate, but they do not become absolute, so as to require payment, until June next. They have been unable, therefore, to collect the taxes they assessed in this District for carrying on the public schools.

There is manifest equity in the United States paying something toward the schools of this District. In all of the public schools here only 27 per cent. of the children who attend are children of property-owners of the District. Only 27 per cent. of the children of this District are the children of tax-payers. Is there any other such community? Do gentlemen know of a city with such a like state of things? Members of Congress send their children to school here. Large numbers of Government employés send their children to school here. These schools have been made free. They are free schools, and all these children are to be educated at the expense of the tax-payers. There is no discretion here whether they shall be free or not; the law says they shall be free. Members of Congress send their children, and those they have appointed to office in this city send their children, to the same free schools. Is it right, is it just, when citizens only own one-half of the property, that property should be assessed to pay the entire tax for the support of these public schools? These schools have been made free without regard to the will of the people who reside here.

Mr. SPEER. Is there no *per capita* tax?

Mr. ELDREDGE. None, I believe. There is a small fund provided out of the fines imposed upon small crimes committed in the District, but that is a mere bagatelle—it amounts to nearly nothing. I submit, instead of appropriating this money as this bill provides, to be repaid to the United States or to be deducted from any money due by the United States to the District of Columbia, it should be absolutely given for the support of these schools. It is not right we should pass an act of Congress making these schools free and fill them with children of Government officers, requiring large buildings to be erected, and then compel the tax-payers of the District of Columbia to support them. It is not right; it is not just.

[Here the hammer fell.]

Mr. GUNCKEL. Before the gentleman from Wisconsin resumes his seat, will he tell us why the children of members of Congress and of Government clerks should be educated free in the schools of the District?

Mr. ELDREDGE. The gentleman is aware that the system of free schools has taken very deep hold of the people in this country; and, for one, I am not prepared to say that the schools should not be free, even to the children of members of Congress, and of the employés of this Government. I am rather inclined to think that it is in consonance with the spirit of our institutions that these schools should be free to all. It is a manifest injustice, however, to require the tax-payers of this District to bear the expense of educating the children of members of Congress or of Government employés.

Mr. GUNCKEL. Are not non-tax-payers in every other city compelled to pay if they send their children to the public schools?

Mr. ELDREDGE. I do not know how that is; but here you have made these schools free by your votes, and then you are unwilling to pay anything for them.

Mr. COTTON. I yield five minutes to the gentleman from Alabama, [Mr. PELHAM.]

Mr. PELHAM. I am aware that any proposition coming from the District looking to an appropriation is likely to meet with opposition in this House. But as this bill was referred by the House to the Committee on the District, as it has been reported by the committee exactly in accordance with the instructions it received from the House, and as it only provides for the payment of these teachers up to the 1st of March, I had not expected that it would have met with the opposition which bills coming from the District usually meet with in this House.

The committee were of opinion that $300,000 should be appropriated by this bill. I urged and insisted that that report should be made. And I wanted to offer an amendment to this bill, so as to appropriate $300,000 instead of $97,000. But it was considered in the committee that we were instructed by the House to do a certain thing, and that, if we exceeded what we were instructed to do, the House might refuse to pass the bill. In accordance with that view the committee has merely reported a bill providing for the payment of the teachers from the 1st of September to the 1st of March. They have given in their report the exact amount that is due, and how it is due, and have reported that the teachers cannot be paid any other way that is known to the committee except by an appropriation by the Congress of the United States. According to the report accompanying this bill there is owing to the teachers $97,000 to the 1st of March. They are still teaching. This bill does not provide for paying the teachers for this month, or the next month, or the month following. And I desire to move to amend the bill so as to make the appropriation $300,000 instead of $97,000, which would be more than sufficent to pay the teachers for the time they are engaged, or will be engaged, during the present session.

Mr. G. F. HOAR. I ask the gentleman from Alabama if he will not consent to withhold his amendment for the present. After the amounts now due to the teachers have been provided for, what he proposes can come in afterward as a separate thing.

Mr. PELHAM. In answer to the suggestion of the gentleman from Massachusetts, [Mr. G. F. HOAR,] I will say that I think there is just as much opposition here to an appropriation of $97,000 as there would be to an appropriation of $300,000. I do not conceive that the change in the amount of the appropriation would make any difference in the opposition that is experienced here. Those who want these schools kept up and the teachers paid will be willing to pay them for the whole session. Those who do not want to pay the District anything will not vote for the $97,000. I do not think, therefore, that I can consent to withdraw my amendment.

Mr. KELLOGG. I desire to ask the gentleman a question. If $97,000 pays the teachers for six months, is an appropriation of $300,000 necessary to pay them for the three months following?

Mr. PELHAM. This bill, appropriating $97,000, only provides for the payment of teachers. But there are the people who sweep the school-houses who have to be paid; there are the rents due for some of the school-houses; there are a number of other necessary expenses for keeping up and carrying on the schools; all of which, according to the best estimates the committee could get, would require an appropriation of $300,000 for the present session.

Mr. KELLOGG. I am willing to vote for all that is necessary, but I want to get the teachers paid first.

Mr. PELHAM. I desire to state that a great deal of money has already been borrowed by the teachers. It has been advanced to them by liberal-minded citizens of the District, and this bill will merely pay back their creditors. It will not give them anything. It merely pays their expenses that have already accrued and relieves parties who have loaned them money. To the teachers the $97,000 is scarcely any relief at all.

Mr. COTTON. I yield to the gentleman from New York [Mr. COX] one minute.

Mr. COX. I had the honor to introdnce a resolution into this House some time ago as to paying the police of the District. The firemen have sent a complaint that they are not paid. And now the gentleman from Massachusetts [Mr. G. F. HOAR] makes the *argumentum ad misericordiam* for the school-teachers. I appreciate all those arguments to the misery they have suffered in this District. I think the policeman is almost as indispensable as the schoolmaster or the schoolmistress.

I do not propose, in the one minute I have, to discuss the relations of the Federal Government to the Federal city, nor the relation which education bears to the Government. But I must say a word for my constituents, who are made up of men of all nations—who are the very intelligence of all nations, I may say, [laughter]—Hebrews, Catholics, Hard-shell Baptists, all men of all religions, and of all nations; and some of them are reluctant to pay any school tax for any State or city system of education. Some of them have peculiar scruples about paying that tax, unless they can direct the use of their own share of it, and there is some reason in it. But when it comes to taxing the people of my district by a forced loan—for that is all this ninety-odd thousand dollars is—by a forced loan on the whole people of the United States, to pay for this school business in advance, then I would not be a square, fair representative of my district if I did not vote "nay" on that proposition.

I do not propose now to discuss the peculiar relations which this District bears to this Congress. I will not follow the gentleman from Wisconsin, [Mr. ELDREDGE,] who has discussed our obligation to sustain this District. Why, sir, I can raise a joint-stock company out on the prairies of the West, and get money enough to buy up all the public buildings here, and remove your capital to somewhere in the West. And even in the East or in the Northeast, perhaps, where money is supposed to be always thrifty and careful in its investment, I could do the same thing, and make a new capital and a better capital, and have none of these taxes coming back year after year, taxes on the people of the whole United States for the benefit of the people of the District of Columbia alone.

[Here the hammer fell.]

[Cries of "Go on;" "Go on."]

Mr. COX. O, no; I think what I have said settles the bill. [Laughter.]

Mr. COTTON. I now yield three minutes to the gentleman from Maryland, [Mr. O'BRIEN.]

Mr. O'BRIEN. Mr. Chairman, I propose to vote for the bill under consideration. The proposition contained in the bill is to appropriate a sufficient amount of money to compensate the teachers of the public schools of the District for their services during the past year, to pay them the salaries due, and unpaid because of the want of funds on the part of the District government. In the face of the investigation now going on before the joint committee of this Congress, I would not vote a single dollar to support this District, nor would I aid it in any way until that investigation decides whether the board of public works is free from guilt of the charges alleged against it. But, sir, there is a higher, and I think a worthier motive, which urges me to pass over my opinions of the District government and its management of its own affairs, and that is justice to the teachers of the District of Columbia, who are educating the children, who in their time will contribute their part in controlling public affairs in this capital. I am unwilling that mismanagement and misappropriation of funds belonging to the schools, if such has taken place, should seriously interfere with their prosperity, or deprive the teachers of their well-earned salaries, especially as a large percentage of the scholars are children of the employés of the General Government, and to a certain extent of members of Congress. Besides, sir, the cause of education should suffer no detriment, and its usefulness should not be impaired for the want of a reasonable appropriation by Congress, as it is doubtless the fact that the General Government is indebted to the District in a sum considerably larger than the amount appropriated by this bill, for improvements made in and about the public buildings of the capital.

But my main reason for the support of this bill is because I believe that the present government of the District was illegally constituted. The power to control the legislation of the District is vested in the General Government, under the Constitution, and I do not believe that a republican Congress, even were it aided by democratic support, had any right to delegate that authority to any legislative body, or to constitute such an authority as the present District government, with its unrestricted and unexampled powers, powers which have been exercised to impose upon the people an immense debt, and reduced them to bankruptcy, and thus led to the practical repudiation of their plighted faith and inviolable contract to pay those who are educating their children. These teachers, male and female, should not be allowed to go home to their children starving for bread. They should be enabled, even if it requires a vote of this Congress taking money out of the Treasury, to contribute to the support of their families. They ought to receive the pay which the District government now fails to give them, a government which was constituted by this Congress without authority and in defiance of the Constitution, which imposes the duty on Congress of exercising exclusive legislation in all cases over the District of Columbia.

I know, Mr. Chairman, that the right of Congress to constitute the present form of government in the District is claimed, but I would refer gentlemen to a comparison between the present and the former government of the District. When was it charged that the old government failed to meet its obligations or support its schools? In any event, I claim that the present government has exceeded its powers, and as it is the agent of Congress and of the General Government in providing legislation for the people of this capital, and as its obligations to the teachers of the schools have been repudiated for an entire year, that it is the duty of this House, in the interest of humanity, in the interests of justice and good faith, to pass this bill, pay these teachers, succor the schools, and by its paramount authority impose the burden of repaymant on the District government.

The constitutional provision vesting in Congress exclusive authority over the District is in article 1, section 8, as follows:

> The Congress shall have power to exercise exclusive legislation in all cases whatsoever over such District.

This, I take it, is mandatory, and therefore the responsibility of legislation for the people of the District is laid at the door of Congress. We are bound on every principle of honor, law, and justice to see that the legitimate creditors of the District are paid; not out of the Federal Treasury, but by the government that we may constitute as our agent, out of proper funds legitimately raised and required from the people of the District, from the property of the District, and the public property of the Government should pay its fair proportion of the expenses of the District government.

From statistics of the public schools of the District I find that nearly one-third of the children attending these schools are the children of parents in Government employment, most of whom pay no taxes, owning no property in the District. The schools are free to all, and the education of so large a number of the children of many who claim no legal residence in the District and pay no taxes should urge the General Government to exercise a liberal policy in giving such aid for the support of the cause of education at the Federal capital as would compare favorably with the assistance given to many of the States of the Union. The General Government is entirely without authority over the system of education in the States, but in the District its authority being exclusive in all cases, it is evidently proper and just that the assistance, temporary in its character, asked in this bill should be accorded. The manifest injustice of a contrary view is apparent when we admit that the form of government which has been illegally constituted in this District by Congress has brought this evil and wrong on the people. I have the authority of the distinguished gentleman from Massachusetts, [Mr. G. F. HOAR,] who is so familiar with constitutional authority over education and other matters, that the District government was illegally constituted by Congress, and in that view, I repeat, Mr. Chairman, that this bill should pass, the schools should be sustained by the payment of the teachers, and all questions of the proper relations of the Federal Government to the District be considered at another and a more appropriate time.

[Here the hammer fell.]

Mr. COTTON. I think the committee is now ready to vote on this bill.

Mr. HOLMAN. I ask the Clerk to read the proviso to the act of January 8, 1873.

Mr. COTTON. I believe I still have the floor.

Mr. HOLMAN. Then I will wait until the gentleman gets through.

Mr. COTTON. I will yield to the gentleman.

Mr. HOLMAN. I ask the Clerk to read the proviso I have indicated.

The Clerk read as follows:

And provided further, That the said board of public works be, and they are hereby prohibited from incurring or contracting further liabilities on behalf of the United States in the improvement of streets, avenues, and reservations, beyond the amount of appropriations previously made by Congress, and from entering into any contract touching such matters on behalf of the United States, except in pursuance of appropriations made by Congress.

Mr. HOLMAN. That is a proviso in an act passed at the last session of Congress.

Mr. KELLOGG. Under which class do teachers come—streets, avenues, or reservations? [Laughter.]

Mr. HOLMAN. The gentleman's technicalities would better come in play in some place other than the House of Representatives.

I ask the Clerk now to read the clause of the pending bill which I have marked.

The Clerk read as follows:

And the money which may be paid under this act shall be regarded as an advancement made by the United States to the said District, to be deducted from moneys which Congress may hereafter appropriate for the reimbursement to the District of any expenditures.

Mr. HOLMAN. I am especially anxious to call the attention of members to this provision of the pending bill, for I regard it as, if possible, one of the most objectionable features of the bill. The only possible liability of this Government to the District of Columbia must grow out of contracts made and expenditures incurred by the board of public works in connection with the improvement of the streets and reservations of this city. I call the attention of the gentleman from Iowa [Mr. COTTON] to the fact that it is proposed by this bill to recognize the obligation of the Government for contracts which this board of public works may have made in defiance of the law of the last session expressly prohibiting the exercise of any such power by that board.

Mr. PELHAM. We are perfectly willing that that portion of this bill should be stricken out.

Mr. G. F. HOAR. I would suggest to the gentleman to amend the sentence, so that it will read "deducted from moneys which Congress may hereafter appropriate." The purpose is that whenever any money is given to the District for streets, or for any other purpose, the bills of those teachers, to be paid by this appropriation, shall be turned in as so much money.

Mr. HOLMAN. The gentleman will observe that the board of public works is authorized to make any expenditure on behalf of the United States; that when appropriations are made they are to be for work hereafter to be done; the appropriation is made for a specific object, and of course the money must be applied to that object alone. It seems to me to be far better to put this appropriation on the ground of a clean and clear gratuity, than even by implication to relieve the board of public works from the restraint we sought to impose upon them.

Mr. PELHAM. I am willing to have that portion of the bill stricken out.

Mr. HOLMAN. The gentleman from Vermont, [Mr. WILLARD,] who discussed this subject very calmly and well, seemed to apprehend, not only from the reading of the bill but from the general drift of the debate, that the intention was to recognize the action of the board of public works, and he suggested to the House the possibility that the United States is to be made responsible for the contracts of this board

Now, the whole country believes, whether it be so or not, that this District is run simply in the interest of a real-estate ring; the design being to enable the members of that ring to amass enormous fortunes. That is the conviction on the part of the people of this country. Now, I hope that the House will see to it that the provision incorporated in the act of the last session, which I have read, shall not be impaired, and that there shall be no pretense that the Government is to be held responsible for every act of this board of public works.

Now one word in regard to the ostensible object of this bill. I do not think that my constituents should be compelled to provide for the education of their own children and at the same time to bear a portion of the burden of supporting the public schools of this District, when the people of this District have heretofore been more highly favored than those of any corresponding section of the country. In this District, where the Government is now spending millions each year, and, indeed, almost supporting the entire population of this city, I think the drain upon the public Treasury is now large enough, and that we should not now begin to inaugurate a system, such as this bill would seem to contemplate, of providing for the relief of the citizens of this District from the ordinary duty of maintaining their own system of education. I move therefore, Mr. Chairman, to strike out that portion of this bill which speaks of refunding this appropriation out of moneys that may be due the board of public works. The clause which I propose to strike out is as follows:

And the money which may be paid under this act shall be regarded as an advancement made by the United States to said District, to be deducted from moneys which Congress may hereafter appropriate for the reimbursement to the District of any expenditures.

Mr. MERRIAM. Will the gentleman allow me to offer an amendment?

The CHAIRMAN. There are two amendments now pending.

Mr. MERRIAM. I ask that my amendment may be read for information.

Mr. COTTON. I would have no objection to striking out this portion of the clause to which the gentleman from Indiana refers—"for the reimbursement to the District of any expenditures." Is that satisfactory to the gentleman from Indiana?

Mr. HOLMAN. I think the whole clause should be struck out. We ought to know what we are really doing, that we are simply making an appropriation for the District of Columbia. That is just what it means—nothing more and nothing less.

The CHAIRMAN. Does the gentleman from Indiana accept the amendment of the gentleman from Iowa, [Mr. COTTON?]

Mr. HOLMAN. No, sir; and I move to strike out the whole clause. We ought to understand the real effect of the bill, which is simply to pay so much money to the District of Columbia.

Mr. SMITH, of New York. I desire to ask the gentleman a question for my information. Is not the money for the support of these schools raised by taxation upon the real estate of the District of Columbia?

Mr. HOLMAN. I hope the gentleman will allow me to answer that question in this way: I understand that real estate is the only property taxed in this District; that the personal wealth of the District is subjected to no taxation whatever.

Mr. SMITH, of New York. Then I ask the gentleman why property in this District should be entirely exempted from any taxation for the payment of this school indebtedness, in order that we may vote a gratuity for this object, with no expectation of being reimbursed?

Mr. HOLMAN. I do not think that the Government of the United States ought to provide for the support of the schools of this District, simply as a District. In any measure of education in which the whole country is interested, an appropriation from the national Treasury might be urged with more propriety; but I do not think Congress should tax the industry of the whole country to support educational institutions for the benefit of this District, which is certainly sufficiently wealthy to bear such expenditures without our assistance.

Mr. G. F. HOAR. I desire to appeal to the House not to mix the question presented in this simple bill with that great question which gentlemen here are disposed to discuss to-day. The House and the Senate have appointed a very able and efficient joint committee, who are laboring to ascertain and report who is to be blamed for the condition into which the District treasury has been brought; and we cannot, with justice to ourselves or anybody concerned, undertake to consider that question now. We have also imposed upon a committee of this House the duty of investigating the historical and constitutional and pecuniary relations of the Government of the United States to the District of Columbia. The report of that committee may enable us to solve, if we can ever solve, the problem discussed by the gentleman from Indiana, the gentleman from New York, and other gentlemen.

This bill simply provides that, as there is not at present money in the District treasury to pay these school-teachers, (we do not undertake to determine now whose fault that may be,) we will make an appropriation now to pay the teachers, which appropriation shall be charged against the District of Columbia whenever it may apply to us for any sum of money to which it may be entitled in any way; that, in such an event, our present payment for this purpose shall be counted as so much cash which we have paid in behalf of the District authorities. That is the whole substance of the bill.

The gentleman from Indiana [Mr. HOLMAN] is quite right in in-

sisting that this bill should contain nothing which by implication or intendment shall allow anybody to argue that the force of the legislation of last winter restricting expenditures by the District authorities to the amount of appropriations previously made has been in any degree impaired. If that provision is to be impaired in any way, it ought not to be done in this bill. That question ought not to be raised here now.

On the other hand, I think the gentleman from Indiana is entirely wrong in saying that this bill should grant a gratuity for this purpose. I do not think we ought to consider now the question whether it is proper to grant a gratuity for educational purposes to the District of Columbia. The District Legislature and the public officers authorized by us and appointed by the President have allowed the school-mistresses to wait several months without receiving wages. We are bound to see this injustice arrested, if we can, postponing entirely the question who is to blame or where the burden shall ultimately fall. Without affecting either of those questions, we can now make this advance for the relief of the school-teachers for the time being. I implore the committee not to be diverted from the simple proposition now before us—an effective and clear remedy which the committee have reported for an existing evil—to any discussion of the great constitutional and public question as to the relation of the Federal Government to the Federal capital.

Mr. MERRIAM. I have an amendment which I think will obviate many objections in the minds of members who now propose to vote against the bill.

The Clerk read as follows:

That the government of the District of Columbia is hereby authorized and directed to levy and collect a tax to an amount equal to the amount appropriated in this bill, upon banks and other corporations in the said District, and pay the same into the Treasury of the United States.

Mr. G. F. HOAR. Is that in order?

The CHAIRMAN. It is not in order just now.

Mr. HOLMAN. I contend the proposition of the gentleman from New York is in order. I move to strike out any part of the bill recognizing the power of the board of public works to bind this Government.

The CHAIRMAN. The question is first on the amendment of the gentleman from Alabama, [Mr. PELHAM,] which the Clerk will read.

The Clerk read as follows:

Strike out "$97,740.50," and insert in lieu thereof "$300,000," so it will read: "The sum of $300,000 is hereby appropriated," &c.

The amendment was rejected.

The CHAIRMAN. The question now recurs on the amendment of the gentleman from Indiana, [Mr. HOLMAN,] which the Clerk will read.

The Clerk read as follows:

Strike out these words: "And the money to be paid under this act shall be regarded as an advancement made by the United States to said District, to be deducted from moneys which Congress may hereafter appropriate for reimbursement to the District of any expenditures."

Mr. HOLMAN. It will be seen by the committee at once that if that be stricken out there can be no pretense that we recognize the power of the board of public works to bind this Government. Then the amendment of the gentleman from New York [Mr. MERRIAM] will leave this measure free from the objection that it is in the nature of a gratutity.

Mr. COTTON. I wish to say, if the House will listen to the reading of my amendment to the amendment, it will be seen it will accomplish the purpose.

Mr. G. F. HOAR. I understand the amendment of the gentleman from Iowa perfects what the amendment of the gentleman from Indiana strikes out, and therefore his amendment is first in order as an original amendment to the bill.

The CHAIRMAN. That is so.

Mr. COTTON. I ask to have my amendment read, and then the section read as it will be after it is amended as I propose.

The Clerk read as follows:

Except from the amendment of the gentleman from Indiana so it will read as follows: "And the money which may be paid under this act shall be regarded as an advancement made by the United States to said District, to be deducted from moneys which Congress may hereafter appropriate."

Mr. G. F. HOAR. I propose to amend the sentence "may hereafter appropriate" by striking out all after the word "appropriate." That is an amendment to perfect the sentence before the motion to strike out is put.

Mr. COTTON's amendment to the amendment was agreed to.

The CHAIRMAN. The question recurs on the amendment of the gentleman from Indiana, [Mr. HOLMAN,] as amended, which the Clerk will read.

The Clerk read as follows:

Strike out these words: "for reimbursement to the District of any expenditures;" so it will read:

And the money which may be paid under this act shall be regarded as an advancement made by the United States to the said District to be deducted from moneys which Congress may hereafter appropriate.

Mr. HOLMAN. If that is stricken out, then the amendment of the gentleman from New York will perfect the bill. There can be no advancement to the District of Columbia except through the board of public works, and therefore I have moved to strike out these words.

Mr. COTTON. That will make the appropriation absolute.

Mr. HOLMAN. Of course it will; but then comes in the amendment of the gentleman from New York, [Mr. MERRIAM,] which proposes to raise this money out of the District of Columbia.

The CHAIRMAN. The question recurs on the amendment of the gentleman from Indiana, [Mr. HOLMAN,] as amended.

The committee divided; and there were—ayes 56, noes 60; no quorum voting.

Mr. HOLMAN demanded tellers.

Tellers were ordered; and Mr. COTTON and Mr. HOLMAN were appointed.

The committee again divided; and the tellers reported—ayes 61, noes 86.

So the amendment, as amended, was disagreed to.

Mr. MERRIAM. I move to strike out these words:

And the money which may be paid under this act shall be regarded as an advancement made by the United States to said District to be deducted from moneys which Congress may hereafter appropriate.

And in lieu thereof to insert these words:

That the government of the District of Columbia is hereby authorized and directed to levy and collect a tax to an amount equal to the amount appropriated in this bill, upon personal property, including banks and other corporations in said District, and pay the same into the Treasury of the United States.

Mr. HOLMAN. That is right.

Mr. G. F. HOAR. I rise to a question of order. After the committee has voted not to strike out certain words, I submit that it is not in order to move to strike out and insert others.

The CHAIRMAN. The Chair rules that the point of order is not well taken.

Mr. G. F. HOAR. If the Chair will permit me, I would say that when an amendment is offered to strike out certain words and that is negatived, the committee has then determined not to strike out those words for any purpose, and it is not then in order to move to strike them out for the purpose of inserting others.

The CHAIRMAN. The Chair overrules the point of order. The Clerk will read the rule.

The Clerk read as follows:

A motion to strike out and insert shall be deemed indivisible; but a motion to strike out being lost, shall preclude neither amendment nor a motion to strike out and insert.

Mr. RANDALL. Will the Chair state what was the date of the adoption of that rule?

The CHAIRMAN. It is Rule 46, and is an old rule. The question recurs on the motion offered by the gentleman from New York, [Mr. MERRIAM.]

Mr. CESSNA. I desire to submit a single remark. Any further consumption of time by offering or discussing amendments must defeat the object of this bill. If it be not passed to-day it can do no practical good. The Committee on the District of Columbia will not have the floor again for one month. I believe the bill ought to pass, and I therefore make a motion looking in that direction. I move to strike out the enacting clause of the bill. Then if that motion is carried I will move that the committee rise, and that will bring the bill as the first question in order before the House.

Mr. DAWES. The rule is perfectly explicit, that if the House does not concur in that motion to strike out the enacting clause, it goes back to the committee.

Mr. CESSNA. And I hope the House will not concur.

Mr. DAWES. Then nothing will have been gained by the committee rising.

Mr. CESSNA. I will withdraw my motion.

The CHAIRMAN. The question is on the motion of the gentleman from New York, [Mr. MERRIAM.]

Mr. MERRIAM. Permit me to say a single word to the committee. It is evident to the entire country that the teachers of this District should be paid. But there is a sentiment in this House that we ought not under any circumstances to advance more money to the District of Columbia, since they have spent the money already advanced in violation of the laws of Congress. But presenting this in the nature of a loan we are enabled to meet the objections which many would have to an absolute appropriation. I hope, therefore, that my amendment will be adopted.

Mr. G. F. HOAR. I hope the gentleman will not insist on mixing up the question of taxing banks with this.

Mr. MERRIAM. The gentleman must remember that in the District of Columbia hitherto, personal property has not been taxed.

Mr. G. F. HOAR. But why should it be mixed up with this matter?

The question being taken on Mr. MERRIAM's motion to strike out and insert, it was agreed to—ayes 100, noes 63.

Mr. COTTON. I move that the bill be laid aside, to be reported to the House with the recommendation that it do pass as amended.

Mr. KELLOGG. I desire to offer an amendment to the amendment just adopted. I move to insert, after the words "personal property," the words "and other taxable property." I do not see why we should insert one species of property in this bill and not another.

Mr. MERRIAM. It is not necessary to insert property which is already taxed.

Mr. KELLOGG. I do not insist on my amendment.

The question being taken on Mr. COTTON's motion that the bill be laid aside to be reported favorably to the House, there were—ayes 86, noes 46; no quorum voting.

Tellers were ordered; and Mr. HOLMAN and Mr. COTTON were appointed.

The House again divided; and the tellers reported—ayes 99, noes 52.

So the motion was agreed to.

Mr. COTTON. I now move that the committee rise and report its action on the bills which have been considered.

The motion was agreed to.

So the committee rose; and the Speaker, having resumed the chair, Mr. DUNNELL reported that the Committee of the Whole had had under consideration the Calendar of bills reported by the Committee on the District of Columbia, and had instructed him to report sundry bills.

ANACOSTIA AND POTOMAC RIVER RAILROAD.

The SPEAKER. The first bill reported from the Committee of the Whole is the bill (H. R. No. 2103) giving the approval and sanction of Congress to the route and termini of the Anacostia and Potomac River Railroad and to regulate its construction and operation. The bill is reported without amendment.

The bill was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

Mr. HALE, of New York, moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

ORDER OF BUSINESS.

Mr. HALE, of New York. If the House shall now adjourn, will the disposition of the remaining bills reported from the Committee of the Whole be unfinished business coming up to-morrow morning?

The SPEAKER. It will.

Mr. HALE, of New York. Then I move that the House do now adjourn.

Mr. RANDALL. O, no; let us finish.

WISCONSIN CENTRAL RAILROAD.

Mr. BRADLEY, by unanimous consent, from the Committee on the Public Lands, presented a report on the bill (S. No. 512) to extend the time for the construction of the Wisconsin Central Railroad in Wisconsin; which was ordered to be printed and recommitted.

REPRINTING OF BILLS.

Mr. WOODFORD. The printed copies have been exhausted of the bill introduced by the gentleman from Ohio, [Mr. SMITH,] being House bill No. 2474, to regulate commerce among the several States and with foreign nations. I ask unanimous consent to have reprinted the usual number of copies.

The SPEAKER. The Chair has been asked to make a similar request in regard to the pending bill on the same subject reported by the Committee on Railways and Canals. If there is no objection the order will be made in respect to both bills.

There was no objection, and it was ordered accordingly.

LEAVE OF ABSENCE.

Mr. BIERY was granted leave of absence for five days.

Mr. ST. JOHN was granted leave of absence for two weeks.

Mr. WILLIAMS, of Massachusetts, was granted leave of absence for ten days from Monday next.

BRIDGE ACROSS THE EASTERN BRANCH.

The SPEAKER. The next bill reported from the Committee of the Whole on the state of the Union was the bill (H. R. No. 2106) to authorize the construction of a substantial iron and masonry bridge across the Eastern Branch of the Potomac, at or near the present Anacostia bridge.

Mr. HALE, of New York. I insist on my motion that the House do now adjourn.

The motion was agreed to; and accordingly (at five o'clock and twenty minutes p. m.) the House adjourned.

PETITIONS, ETC.

The following memorials, petitions, and other papers were presented at the Clerk's desk under the rule, and referred as stated:

By Mr. BECK: The petition of Will R. Hervey, of Louisville, Kentucky, relative to the payment by him of a certain forged check as a United States officer, to the Committee on Claims.

By Mr. BERRY: The petition of 43 workingmen and citizens of Sandusky, Ohio, in opposition to the imposition of a tariff duty on tea and coffee, in opposition to any increase in internal taxes, and in favor of the repeal of the second section of the act of June 6, 1872, which reduced by 10 per cent. the duties on imported goods, to the Committee on Ways and Means.

By Mr. BIERY: The petition of 54 persons of Montgomery County, Pennsylvania, praying for the appointment of a commission of inquiry in reference to the liquor traffic, to the Committee on the Judiciary.

By Mr. BLAINE: The petition of tobacco manufacturers and dealers, praying for the abolition of the import duty on mass or stick licorice, to the Committee on Ways and Means.

Also, the petition of certain citizens in the State of Illinois, in relation to the present system of carrying newspapers without prepayment of postage, to the Committee on the Post-Office and Post-Roads.

Also, the petition of certain citizens of Pennsylvania, of similar import, to the same committee.

By Mr. CLAYTON: Concurrent resolution of the Legislature of the State of California, asking Congress to declare the meaning of the joint resolution of Congress of June 28, 1870, in reference to the reserve for a land grant to the Southern Pacific Railroad Company in California, and to restore certain lands on said reserve to the public domain, to the Committee on the Public Lands.

Also, concurrent resolution of the Legislature of California, relative to increase of service on mail-route No. 46265, to the Committee on the Post-Office and Post-Roads.

Also, concurrent resolution of the Legislature of California, instructing their Senators and requesting their Representatives to use all their influence to defeat the granting of an additional subsidy to the Pacific Mail Steamship Company, to the same committee.

By Mr. COMINGO: Resolutions of the Patrons of Husbandry in the State of Missouri, in regard to the disposition of the public domain, to the Committee on the Public Lands.

By Mr. COX: The memorial of Lucius Hopkins, in reference to one of the Floyd acceptances owned by him, to the Committee on the Judiciary.

By Mr. DANFORD: The petition of Joseph Thomas, late private of Company G, Sixty-second Ohio Volunteers, praying for a pension, to the Committee on Invalid Pensions.

By Mr. DONNAN: The petition of citizens of the city and county of Dubuque, Iowa, relative to settlers upon the lands which form the site of the town of Peru, Iowa, to the Committee on the Public Lands.

By Mr. HOLMAN: The petition of Henry Olive, praying payment for commutation of rations from the 9th day of December, 1843, to the 31st day of July, 1851, inclusive, which remains due and unpaid, to the Committee on War Claims.

By Mr. KELLEY: The petition of 98 citizens of Plymouth, Luzerne County, Pennsylvania, asking for an increase of currency and three-sixty-five convertible bonds, to the Committee on Banking and Currency.

By Mr. LAWRENCE: The petition of John Myers, of Kenton, Ohio, praying for a pension for services in the war of 1812, to the Committee on Revolutionary Pensions and War of 1812.

By Mr. McDILL, of Iowa: Memorial of the members of the bar of Harrison County, Iowa, asking for legislation to lessen the great expense of litigation in the United States courts of Iowa, to the Committee on the Judiciary.

By Mr. ORR: The petition of John S. Corlett, praying for a pension, to the Committee on Invalid Pensions.

By Mr. SAWYER: The memorial of citizens of Appleton, Wisconsin, against the resolution of duties on tea and coffee and any increase of internal taxes, to the Committee on Ways and Means.

By Mr. SCHUMAKER, of New York: Memorial, preamble, and resolutions of the Medical Society of King's County, New York, asking Congress to place the Medical Corps of the Army upon the same footing, as to rank, pay, and promotion, with the Medical Corps of the Navy and with other corps, to the Committee on Military Affairs.

By Mr. SMITH, of Virginia: The petition of Thomas H. Fox, of Hanover County, Virginia, praying compensation for supplies furnished a disabled Union soldier, to the Committee on War Claims.

By Mr. STANDEFORD: The petition of Charles T. Dick, Patrick Hardaman, and Charles F. Dantic, praying for pensions, to the Committee on Invalid Pensions.

By Mr. WARD, of Illinois: The petition of F. W. Nye, first sergeant Company C, Forty-eighth Wisconsin Volunteer Infantry, praying for a pension, to the Committee on Invalid Pensions.

By Mr. ———: The petition of 25 citizens of Carter County, Kentucky, in opposition to the imposition of a tariff duty on tea and coffee, in opposition to any increase in internal taxes, and in favor of the repeal of the second section of the act of June 6, 1872, which reduced by 10 per cent. the duties on foreign imports, to the Committee on Ways and Means.

HOUSE OF REPRESENTATIVES.

SATURDAY, *March* 21, 1874.

The House met at twelve o'clock m. Prayer by the Chaplain, Rev. J. G. BUTLER, D. D.

The Journal of yesterday was read and approved.

QUESTION OF ORDER.

Mr. RANDALL. Mr. Speaker, on last evening, pending your statement of the vote of the House on the motion to adjourn, I raised a controversy as to your right to interject public business from the Speaker's table, when you had knowledge of the disposition of the House as to its adjournment. I would like to ask the Speaker in perfect politeness by what rule he claims the right to interject business under such circumstances?

The SPEAKER. The gentleman from Pennsylvania is slightly in error as to the facts of the case.

Mr. RANDALL. Then correct me.

The SPEAKER. The Chair did not interject public business. He

interjected what has always been deemed to be a matter of privilege, and of every high privilege, for the convenience of members, the asking of leave of absence. That was all he interjected. The motion to adjourn had been carried obviously by the sound, but the rules especially provide that it is not a vote until it is declared by the Chair that the motion is carried; and even upon a yea and nay vote, and when the Chair holds in his hand the record of the tally clerk, showing it to be carried, it has always been the usage of the House, and always will be unless the present occupant of the chair shall be ordered differently by the House, to ask leave of absence for members. If an adjournment had been carried by a yea and nay vote, and the gentleman from Pennsylvania desired leave of absence from the House for any length of time, the Chair would recognize his right to submit that question; but it is, of course, the right of every member to object to the leave of absence.

Mr. RANDALL. There is where my point comes in. I was objecting to the Speaker putting those questions.

The SPEAKER. The gentleman had no right to object to the questions being submitted; but he might object to the leave of absence being granted.

Mr. RANDALL. I had a right to demand a division on the motion to adjourn pending your decision.

The SPEAKER. Of course the gentleman had, and the Chair did not deny him that right. The Chair, after leave of absence had been granted to three gentlemen, said, "The ayes appear to have it," and the gentleman then had a right to ask for a division.

Mr. RANDALL. Then if I understand the position of the Speaker, it is that he does this by sufferance or by unanimous consent.

The SPEAKER. By immemorial usage.

Mr. RANDALL. Well, immemorial usage does not vitiate the rules; I was standing here objecting.

The SPEAKER. To what?

Mr. RANDALL. To the unanimous consent.

The SPEAKER. Did the gentleman object to the leave of absence being granted?

Mr. RANDALL. No, sir; I demanded a division on the motion to adjourn, which the Chair saw fit not to recognize.

The SPEAKER. The gentleman could have called for a division after the leave of absence was granted.

Mr. RANDALL. The Chair proceeded to take business from the Speaker's table which could only be reached under the rules by a motion to go to the Speaker's table.

The SPEAKER. O, no; there never has been an instance when a proposition for leave of absence was entertained under a motion to go to business on the Speaker's table.

Mr. RANDALL. The Chair rests upon the leaves of absence?

The SPEAKER. The Chair did not proceed to any other business.

Mr. RANDALL. You took up bills from the table.

The SPEAKER. The gentleman is mistaken.

Mr. RANDALL. I go upon the record.

The SPEAKER. The Chair asked for leave of absence for three members. That was all that was done.

Mr. RANDALL. This is the point to which I rise: to know whether under the rules the Chair possesses any power as Speaker to interject public business at any time except in accordance with the rules?

The SPEAKER. The Chair never has presumed that he had such a right.

Mr. RANDALL. You did it yesterday.

The SPEAKER. Not at all; leave of absence for three members is not public business.

Mr. RANDALL. I contradict your statement in that particular; you did other business.

The SPEAKER. The gentleman states that?

Mr. RANDALL. Yes, sir.

The SPEAKER. That is a question of fact which the Chair will have settled by the Journal. The gentleman from Pennsylvania maintains that pending the motion to adjourn, and before the announcement of the vote, the Chair interjected public business into the proceedings. The Chair will beg the Journal clerk to ascertain whether any public business was interjected. (After a pause.) The Chair presented nothing whatever but three requests for leave of absence.

Mr. RANDALL. That is the Journal, is it?

The SPEAKER. It is.

Mr. RANDALL. That is not my recollection.

The SPEAKER. What does the gentleman recollect different from that?

Mr. RANDALL. My recollection is that you presented a number of enrolled bills.

The SPEAKER. The Chair did not. At the same time, if the gentleman makes a point on that, the Chair will maintain that he had a right to do so. The Chair, however, did not do it. But, lest hereafter the gentleman should raise a point on that, the Chair maintains his right to do it, though as a matter of fact he did not do it. If enrolled bills were lying before the Chair, and were signed, and a motion to adjourn had been made and agreed to on a yea and nay vote, and the Chair held the record in his hand of that fact, before declaring the result of the vote the Chair would consider himself justified, not only by convenience, but also by immemorial usage of the House, to lay enrolled bills before the House. Although it was not done, the Chair begs to say that he would do it.

ANACOSTIA BRIDGE.

Mr. McCRARY. I call for the regular order of business.

The SPEAKER. The regular order is the consideration of the bills reported from the Committee of the Whole, relating to the District of Columbia. The first is House bill No. 2106 to authorize the construction of a substantial iron and masonry bridge across the Eastern Branch of the Potomac, at or near the present Anacostia bridge. The bill is reported from the Committee of the Whole with a recommendation that the enacting clause be stricken out. The question is upon concurring in the recommendation of the Committee of the Whole.

Mr. HALE, of New York. Mr. Speaker——

Mr. HOLMAN. I believe this motion is not debatable.

Mr. RANDALL. I object to debate.

The SPEAKER. The motion to strike out the enacting clause is debatable.

Mr. HOLMAN. It is not debatable in Committee of the Whole.

The SPEAKER. It is not usually debated in Committee of the Whole. There is no express rule prohibiting its being debated in Committee of the Whole. The impression prevails that it is not debatable from this fact, that the motion is usually made in Committee of the Whole after debate has been closed, or when the five-minute debate is in order. The motion in Committee of the Whole to strike out the enacting clause would never, by any usage of the House, be debated over five minutes on each side, and generally not debated at all. But there is nothing in the rules that prohibits its debate in the House.

Mr. HOLMAN. I suppose, that whatever rules prevailed in Committee of the Whole in regard to a given motion would prevail in the House.

The SPEAKER. The Chair has stated what the usage is in Committee of the Whole. The motion not being amendable, the debate could not be prolonged by submitting amendments, as is the case with ordinary motions in Committee of the Whole.

Mr. HALE, of New York. I beg to ask the patient attention of the House for a very few moments while I state the condition of this bill; and I would be very much gratified if members would kindly give me their attention. I say this, knowing that subjects of this character do not press themselves upon the attention of any considerable portion of the House. This bill is reported from the Committee on the District of Columbia, and accompanied by a printed report without a dissent from that committee, which report shows these facts: There is now across what is known as the Eastern Branch of the Potomac a bridge immediately adjacent to the navy-yard, and commonly called the navy-yard bridge. That bridge is now in a dilapidated condition, so as to be positively dangerous for use by the public. Those facts were fully shown to the committee by the evidence of the officers whose duty it is to have knowledge upon the subject.

The bridge is owned by the United States. It abuts upon land owned by the United States on both sides of the stream. The title of the United States was acquired, not by right of eminent domain, but by purchase under authority of an act of Congress from the private corporation which built and owned the bridge. That purchase, vesting the title of the bridge in the United States, clearly imported, in the judgment of the committee, at least a contract on the part of the United States that that bridge should be maintained, if the convenience of the public required it. Whether it did or not, it is plain that it debarred any and every other person from interfering with the bridge, repairing or rebuilding it. No local or municipal authorities, no private enterprise, no other power than the United States, has authority to intermeddle with the bridge in any way.

Not only that; the bridge is a most important one for the public uses of the United States, being the only means, except by ferriage, of communication between this city and the Government hospital or asylum on the other side of the Eastern Branch. It is in every respect of importance to the public interests, the governmental interests, as well as those of the adjacent dwellers, that the bridge should be kept up.

Now, the committee reported a bill for the rebuilding of this bridge, based upon estimates and information received from the proper governmental authorities. The bill went to the Committee of the Whole, where it was discussed at some length upon questions as to the proper cost of the bridge, and the proper method of providing for its construction. No question was raised as to the obligation of the United States or the duty of the Government to build this bridge until the gentleman from Indiana, [Mr. COBURN,] the chairman of the Committee on Military Affairs, took the floor, and with the vigorous and somewhat soaring eloquence that that gentleman is so gifted in using, made an assault, from the root up, on the proposition to rebuild this bridge. That gentleman discussed the question with his usual vigor and ability, bringing into the case fretting, and frost-work, and frescoes, and Saint Paul's at London, and Saint Peter's at Rome; and his own proposition as to what he would do if he were an architect, and how he would rival Sir Christopher Wren and Michael Angelo. It was evident that his eloquence made an impression on the committee. Immediately following this speech of the chairman of the Com-

mittee on Military Affairs, and before any other person could be heard, before any member of the District Committee could have an opportunity to say one word, the gentleman's colleague on the other side [Mr. HOLMAN] rose, and expressing his entire satisfaction with the speech of his colleague, moved to strike out the enacting clause—a motion which, by practice in Committee of the Whole, as I understand, is not debatable—and brought the committee at once to a vote without hearing one word in support of the proposition from the committee.

The eloquence of the first gentleman from Indiana, [Mr. COBURN,] backed by the indorsement of his colleague, who deals rather in figures of arithmetic than with figures of speech, was apparently conclusive with the committee; and thus, without any opportunity for vindicating the necessity, as well as the propriety of this bill, the Committee of the Whole, by a vote of more than two to one, voted to strike out the enacting clause.

Now, Mr. Speaker, I wish to appeal to this House to say whether this is such treatment as the District of Columbia and the Government interests in connection with the District should receive properly from the House?

Mr. HOLMAN. Let me ask my friend from New York whether there had not been quite a previous discussion on the merits of this proposition before my colleague submitted his remarks, and uniformly up to that time in favor, I think, of the proposition, unless the gentleman from Vermont [Mr. WILLARD] had raised some question against the propriety of the bill? Is not that the fact?

Mr. HALE, of New York. If the gentleman had listened to what I said he would know that I stated something entirely different to have been the fact—that not a question had been raised as to the obligation of the Government to build this bridge; that the only questions discussed were questions of detail, of amount, of method, and not questions of liability.

Mr. HOLMAN. My colleague only discussed the question of the propriety and necessity of the Government appropriating money for such a purpose.

Mr. HALE, of New York. I so understand it; I have so stated. It is unnecessary for the gentleman to interrupt me to restate precisely what I have said. I have said that precisely.

Now, Mr. Speaker, I know how much of feeling there is in this House adverse to any proposition to do anything for the benefit of the District of Columbia or the city of Washington. I know how thankless and ungracious a task it is to attempt to stem the tide of that sentiment, and to advocate before this House measures of the most ordinary justice to the District. I thought I knew something of that, when, sir, you proposed to place me at the head of this committee; and I appeal to you to confirm my statement that I accepted the position most unwillingly, and after long-continued protest against being required to undertake its duties.

The question of this bridge, however, stands on different ground from the general questions about appropriations for the benefit of the District. This question is simply whether the United States shall perform the obligations imposed upon it by its undertaking, and by the public interests which are prejudiced by the present condition of the bridge. This bill does not in the least involve the question of expenditures for improvements in the District, or questions of the relations of the Federal Government to the District, or of the obligation of the Government to contribute to the ordinary expenses of the District. The question here is simply whether the Government shall perform a plain, unmistakable public duty, arising out of its ownership and assumption of the management of this particular bridge, irrespective of all other questions. Now, if the temper of this House is such that a proposition of that kind is to be voted down by a majority of two to one, without opportunity for one word of reply to such an attack as that made upon it by the gentleman from Indiana yesterday, it seems to me it is utterly useless to attempt to present to this House for its action any measure whatever for the expenditure of moneys upon public institutions of any kind in the District of Columbia. It certainly is not giving that fair consideration to the action of a committee of this House, to whom a particular branch of duties is assigned, and who undertake to examine subjects they report here, and then report upon their judgment upon that—it certainly is not giving to that committee reasonable opportunity for presentation, explanation, and answer to attack, and defense against attack, that the courtesy of this House always affords to every other committee.

Mr. LAWRENCE. Is not this bridge in part for the convenience of the citizens of Washington, as well as for those connected with the Government? And if so, should not the property-holders of Washington contribute to make it? The Government has but little interest in the bridge. It is not mainly for the convenience of the Government.

Mr. HALE, of New York. Excuse me, sir; I prefer to make my own speech in my own order, and not in the order of the gentleman from Ohio. I am not to be switched off from the line of discussion I am taking to the line which he suggests.

I do not propose to go into a general discussion of all the obligations of the General Government in regard to this District, as I should not feel justified in taking the time this morning for that purpose. I have not prepared to discuss it fully; but recently it has been most fully discussed in a speech by the Delegate from this District, [Mr. CHIPMAN,] which has been printed in the RECORD, and which I sincerely wish members of this House could be persuaded to read. It contains information as to historical facts, and propositions as to the true relation between the Federal Government and this District, which I think are worthy of the attention of any and every member of this House. Nor do I propose to go at length into the discussion of the merits of this bill to-day.

I now simply desire, Mr. Speaker, to say I trust this House will disagree with the action of the committee in striking out the enacting clause, the effect of which vote will be to send the bill back to the committee, there to be considered giving proper opportunity for debate. I think it is due, fairly due by the ordinary rules of courtesy which prevail and which should prevail in this House, that the Committee on the District of Columbia should have at least some opportunity to answer the assault made upon the bill reported by them. If the House thinks otherwise, it is for them to say. I find no fault, and assume to find no fault, with the vote of any member of the House, in committee or in the House, on any question; but I do submit that such a course of action by the House puts the Committee on the District of Columbia in a position in which no man with proper self-respect can continue to serve. I trust the House will disagree with the action of the Committee of the Whole, the effect of which will be, Mr. Speaker, as I understand the rule, to recommit the bill.

Mr. RANDALL rose.

Mr. HALE, of New York. I did not surrender the floor.

Mr. RANDALL. I thought you were through.

Mr. HALE, of New York. I will yield to the gentleman, if he desires it.

Mr. RANDALL. I wish only to direct the attention of the House to one fact.

Mr. HALE, of New York. I will yield to the gentleman for any given time

Mr. RANDALL. I wish only to direct attention to what is the fact in every other city.

Mr. HALE, of New York. How much time do you want?

Mr. RANDALL. Half a minute.

Mr. HALE, of New York. Very well.

Mr. RANDALL. In every city in this Union where the Federal Government possesses itself of property it has secured from the State Legislature the fee-simple title to that property; and not only that, it has also secured exemption from every sort of taxation, whether under municipal or State authority. Now, why should it not be so here? A different rule, according to the argument of the gentleman from New York, [Mr. HALE,] should prevail in this District of Columbia; and not only that, they claim the right to impose the great burden of taxation in this District, by reason of the necessary ownership of property by the Government, upon the United States, making the gentleman's constituents and my constituents contribute, as I think without justice and without equity, to maintain this District government.

Mr. LAWRENCE. Let me ask the gentleman a question.

Mr. RANDALL. I will.

Mr. HALE, of New York. I do not yield further to the gentleman at present; I have the floor.

Mr. RANDALL. The gentleman yielded to me.

Mr. HALE, of New York. I did for half a minute. I ask the Chair whether his time has not expired?

Mr. RANDALL. The gentleman yielded to me, and I now yield for a question to the gentleman from Ohio.

Mr. HALE, of New York. The gentleman resumed his seat.

Mr. RANDALL. No, sir.

Mr. HALE, of New York. Has the gentleman's half minute expired? Mr. Speaker, am I not entitled to the floor?

The SPEAKER. The Chair has that impression.

Mr. HALE, of New York. I fail to see the slightest pertinency in the remarks of the gentleman from Pennsylvania, [Mr. RANDALL.] What on earth the question how the United States obtains jurisdiction of property ceded to it in the States has to do with this question I cannot imagine. Here is no question about jurisdiction. No action is necessary of any State Legislature or other tribunal. The jurisdiction is unquestionably in the United States under the Constitution, and, as I have stated, the ownership—not the jurisdiction, but the ownership—is perfect by actual purchase. I am at a loss to conceive what possible connection the gentleman from Pennsylvania traces between the question in regard to the jurisdiction of property ceded in the States to the General Government and the question in regard to this bridge.

Then came the other proposition which I have declined to discuss in full. I cannot go into it at length. It is a repetition of the old cry, that this District is constantly calling upon Congress for appropriations; that there is no reason why Congress should provide by taxation of the whole country, of the gentleman's constituents and my constituents, for the expense of the government and improvement of this District any more than it provides for the improvement of districts and cities in States. It does seem to me that that proposition on its face ought to require no answer; but that the very relations which of necessity exist between this District and the Federal Government sufficiently justify the requirement that the United States shall contribute some portion towards the expenses of improving this District and this city, and of running the local government of the city. And I mention a single fact, one out of many which I could readily state

if I had time. It is this: that of the entire real estate of this city the Federal Government is owner in fee and absolutely of almost one-half, which does not pay a dollar of taxes. Does my friend from Pennsylvania know any State, any other district of a State, any city in a State, where such a state of things exists; and will he claim on that ground alone, nothing else considered, that it is just or fair or decent that the owners of the other half of the property of the District should pay the taxes of the District?

I have already said that I did not propose to argue this general question to-day. I cannot go into it without consuming more time than circumstances would permit this morning. I simply ask that the bill may, by the action of the House, be sent back to the Committee of the Whole, where an opportunity may be given for a discussion of the question, which has not yet been had.

Mr. RANDALL rose.

Mr. HALE, of New York. What time does the gentleman from Pennsylvania desire?

Mr. RANDALL. I only want a few moments.

Mr. HALE, of New York. Then I yield a few minutes to the gentleman.

Mr. RANDALL. Mr. Speaker, if my memory serves me right, in every organic act as to a Territory, or as to the admission of a State into this Union, there is in terms embraced an exemption of the Federal Government from the payment of any tax whatever. That is the law. I did not design to rely upon the law solely in that particular; but I wanted to give to this House an exemplification in that connection of the manner in which Federal property is treated within the States and Territories, and within this District. I maintain, sir, that there is just as much of equitable demand on the Federal Government to build a bridge between two States as there is to build a bridge in this District.

Mr. LAWRENCE. More.

Mr. RANDALL. Now, sir, this bridge at both ends is within the District. It is a matter of convenience to the general public of the District; and when the gentleman from New York asserts here that the ownership and the use rest with the Government, I venture, in contradiction to that statement of opinion, to say that there is not one man in a hundred who crosses that bridge, or one wagon in five hundred that crosses that bridge, that does it for any purposes of the Government.

Mr. LAWRENCE. Exactly. That answers my question.

Mr. HALE, of New York. It does not answer my assertion. I have made no such intimation as the gentleman has stated.

Mr. RANDALL. The gentleman is quite loose in his assertions, and I had to go, perhaps, somewhat loose in answering him.

Mr. HALE, of New York. I think the gentleman's statement about the looseness of my assertions is not quite within the usages of the floor.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. SYMPSON, one of its clerks, informed the House that the Senate had passed, with amendments, in which the concurrence of the House was requested, bills of the following titles:

A bill (H. R. No. 1009) making appropriations for the support of the Army for the fiscal year ending June 30, 1875, and for other purposes; and

A bill (H. R. No. 1037) making appropriations for the construction, preservation, and repair of certain fortifications and other works of defense for the fiscal year ending June 30, 1875.

BRIDGE OVER THE EASTERN BRANCH OF THE POTOMAC.

The House resumed the consideration of the bill in reference to the construction of a bridge across the Eastern Branch of the Potomac.

Mr. HOLMAN. The gentleman from New York now proposes to recommit this bill for the purpose of giving the Committee on the District of Columbia an opportunity of fair discussion on its merits. I am surprised at the assertion of the gentleman that there has not been such an opportunity.

Mr. HALE, of New York. The gentleman from Indiana is entirely in error. My proposition is simply to disagree with the report of the Committee of the Whole, which will send it back to the Committee of the Whole.

Mr. HOLMAN. That is substantially what I said. The difference is a matter of words. The gentleman proposes that the bill shall go back to the Committee of the Whole for discussion; that is to say, he wishes to give the Committee on the District of Columbia an opportunity of further arguing the question of the propriety of this appropriation. The gentleman must know that the subject has been very fully discussed in the Committee of the Whole already. His colleagues on the committee had the report of the District Committee read, and that report certainly sets forth all the facts. The report undertakes to show, among other things, the importance of this bridge. It says that the bridge connects the city with the very thriving locality known as Uniontown, at present numbering very nearly three thousand inhabitants; and then it goes on to show the extent to which travel passes over the bridge. And then the gentleman's colleague on the committee, the gentleman from the Chicago district, [Mr. RICE,] presented arguments in favor of it.

The gentleman from New York [Mr. HALE] argues the proposition that Congress, having purchased the bridge from some bridge company, ought to maintain it. He shows very conclusively that the thriving town on the other side of this branch of the Potomac, and the real-estate operations which have spread from this side of that branch of the river to the other, make it exceedingly desirable that the Government should expend a very considerable sum of money to facilitate the business operations of the citizens living on the other side of that stream.

Now I do not propose to discuss the question of the necessity of this bridge, but I do propose to say that to recommit this measure or to non-concur in the action of the Committee of the Whole, for the purpose of further debate, after the committee has presented its case by a proper report, is asking what I believe I have never heard asked for in this House. Did the gentleman think, when he made his report, that the House intended to appropriate this large sum of money unless some substantial reasons were assigned in favor of it? Did not the gentleman attempt to set forth such reasons? Were they not read at the Clerk's desk?

I am aware that there has been, through the social influences of the capital, which are growing stronger and stronger year after year, a strong influence brought to bear on Congress to make appropriations of money for this District, and there is always a plausible case made out. Why, sir, the astonishing fact is brought to our notice in the interest of extravagant appropriations for this District that even the streets that have been used for three-quarters of a century belong to the Government. Every mode of presenting plausible reasons for such expenditures has been resorted to for the purpose of increasing the expenditures of the Government here, as though the money expended necessarily in the capital were not sufficient to satisfy the extraordinary cupidity which prevails here.

The gentleman should also bear in mind another fact, that right here at the political heart of the nation, we are building up influences which are exceedingly unfavorable to our system of Government. We are contributing money for this District which tends to increase the extravagance and luxury which have grown up here far beyond any other city in the Union, and which are certainly the result of the vast sums of money which are, some of them necessarily and others unnecessarily, spent here in this capital. No citizen who has spent any time here can fail to have noticed the steady growth of luxury and extravagance, and there is no citizen who must not deplore the necessity of expending money here, even for necessary objects, and must not certainly regret the appropriations of money simply to enhance the wealth and increase the luxury of this capital.

Mr. HALE, of New York. I desire to ask the gentleman a question; and that is, whether the luxury he sees manifested in this city in public and private life is, in his judgment, a controlling reason why the United States should not build a bridge if they are under obligations to build it?

Mr. HOLMAN. It is a controlling reason why the Government should not unnecessarily appropriate money here that is not intended for some public purpose. No argument can be strong enough to prevent the appropriation of money which the Government is bound to appropriate for the purpose of carrying on the departments of the Government; but here is a proposition to expend money simply to promote the convenience and the business facilities of the citizens of this District. My friend says expressly that the object of this appropriation and of this bridge is to furnish means of connection between Uniontown, with about three thousand inhabitants, which is growing up as a colony out of the vast expenditures in the city of Washington. That shows beyond question that the object of this appropriation of money in the main is simply to promote the local convenience of the citizens here, and add to the wealth that has already been created by our policy of excessive expenditures. I know of no policy that would justify us in appropriating money here for the benefit of the citizens of this District that might not be made with the same force and the same honesty of purpose for an appropriation anywhere else. What appropriations may be necessary for public purposes I am willing to acquiesce in, but to appropriate money for the convenience of the citizens of this District merely is to do that which we have no right to do.

I desire to state another thing in this connection. My friend has referred to the fact that officers of the Government live upon the other side of this branch of the Potomac River, and that this bridge will afford them increased facilities. Sir, the Government fixes the salaries that its officers shall receive, and yet there seems to be no end to the means of adding in some way or other to those salaries by appropriations for the convenience of officers of the Government.

Mr. HALE, of New York. I ask the gentleman if I am to understand from his argument, and the House is to understand, that he thinks a bridge across the Eastern Branch at the navy-yard can be dispensed with?

Mr. HOLMAN. I think there should be a bridge there.

Mr. HALE, of New York. Well, then, I ask the gentleman how he proposes to have a bridge there as long as nobody can build it, or has the right to build it except the owners of the present bridge, the United States?

Mr. HOLMAN. Why cannot others have the right to build it? If the gentleman will bring forward a bill to authorize this thriving city that is building up on the other side of this stream to build a bridge, using the public grounds for that purpose, not a member in this House will object to it. Facts which have been forgotten for

one or two generations are brought forward here and urged in favor of these appropriations. One is, that in laying out this city the Government made no solemn dedication by record of the streets and public grounds for the public use of this city, and that they were reserved for the use of the whole nation. Last night this city was alive everywhere with the argument that as the Government owned the land on the banks of the Potomac, just as it does along the streets, therefore the Government is required to expend this money. I trust that so long as the Committee on the District of Columbia is willing to come before this House upon this pretense of the ownership of the grounds dedicated to the public use for three-quarters of a century as an argument in favor of this expenditure of the money, its report will receive the careful scrutiny of the House.

Mr. ELDREDGE. Allow me to inform the gentleman of a fact, of which he does not seem to take notice, that the Supreme Court, in a case before it, has actually decided that the United States had a right at any time to close up any street or avenue which it had reserved in the city of Washington, and to hold it closed, because the fee of the streets and the avenues was in the Government of the United States; thus reversing the rule which obtains almost universally elsewhere, that the lot-owners abutting upon streets owned to the center of the streets. It is held here that the Government owns the entire streets; that the fee is in the Government, making it an entirely different thing, I presume, from the cities and villages in the gentleman's State, certainly from those in my own State.

Mr. HOLMAN. It is assimilated merely to the right of eminent domain. These beautiful little parks all over this city, in the vicinity of private residences, where the green grass is growing, giving a home-like aspect to various parts of the city; the title to these plats of ground may in the abstract be said to be in the Government of the United States, but does any person believe that the Government in fact has any more interest in those little plats of ground than it has as the representative of the whole nation in the streets, and lanes, and highways all over the country? The idea of bringing forward such an argument as that shows the groundlessness of this whole thing. It is upon such an argument as that we are asked to expend millions of money here, as we have been doing heretofore, until the plain public sentiment of the country is shocked by the exhibition of profligate luxury in the streets of our capital. Millions of money have been expended here, the burden of which falls upon the people of the whole country. I have always been in favor of giving a liberal support to the District of Columbia; but I have never been in favor of that kind of policy which would unnecessarily oppress all other industries in order to promote the wealth of the favored class of people who happen to be here in this capital. The establishment of the form of government now in operation here, under which has been inaugurated this ring which now controls affairs in the District of Columbia, has exerted a powerful influence by which enormous fortunes may be built up at the expense of the general industries of the country by direct appropriations from the Treasury.

We are asked to appropriate $300,000 for a work which anywhere else in the United States would be built by the citizens themselves. Here is a town of three or four thousand people springing up under the influence of the expenditures made here by the Government; it wants connection with Washington City. Here is quite a large expanse of country, wealthy and populous, that wants access to the capital. The Government has an asylum on the other side of the Potomac in which the people of the United States feel a hearty interest. It is said that we ought to contribute something to afford means of communication. We will contribute a reasonable sum in proportion to the interest of the Government in the matter. But the idea seems to be that the Government must do everything, and the people of this District nothing; that the Government should pay the whole expense from the Treasury.

Mr. HALE, of New York. I would inquire how much more time I have?

Mr. HOLMAN. I wish but a moment or two more.

Mr. HALE, of New York. I trust the gentleman will not consume all of my time.

Mr. HOLMAN. The following figures show the average amount of travel over this bridge for one month: Foot-passengers, 21,354; horses and riders, 1,195; horses and carriages, 7,408; teams and wagons, 5,920, &c. That shows the vast public interest in this work. Anywhere else but here the people to be benefited would build the bridge. If the gentleman will ask for twenty-five or thirty thousand dollars to be appropriated out of the Treasury, I presume nobody would object. But I do object that my constituents should be taxed to promote a purely local interest of the favored people of this District and the people on the other side of the Potomac.

Mr. HALE, of New York. How much time have I left, Mr. Speaker?

The SPEAKER. There are ten minutes of the hour remaining.

Mr. HALE, of New York. Will I be entitled to another hour after the previous question is seconded?

The SPEAKER. The Chair will state that the gentleman in charge of the Georgia contested-election case desires to have that case come up as soon as possible.

Mr. HALE, of New York. Well, I will use the ten minutes.

Mr. G. F. HOAR. The Chair rules, of course correctly, that the motion to strike out the enacting clause of the report of the Committee of the Whole is debatable in the House. I desire to ask whether, pending that recommendation to strike out the enacting clause, a motion to lay this bill on the table is in order? That is to say, is there any undebatable motion by which a bill thus reported to the House from the Committee of the Whole can be summarily disposed of?

The SPEAKER. The Chair thinks the spirit of the rule is adverse, under such circumstances, to the motion to lay on the table; nor would such a motion be necessary, because a gentleman who might have the floor to move to lay on the table could call the previous question upon the motion to strike out the enacting clause, which would bring the House to a vote just as quickly as the motion to lay on the table, and would, if a majority so desired, remove the question from the House.

Mr. G. F. HOAR. But the call for the previous question would be within the discretion of a single member.

The SPEAKER. But the motion to lay on the table could only be carried by the same majority which would second the demand for the previous question.

Mr. RANDALL. But, Mr. Speaker, there is another point. The motion for the previous question gives to the member making it the right to an hour's debate, while a motion to lay on the table would bring the House directly to a vote.

Mr. G. F. HOAR. Mr. Speaker, this is the first time during the three Congresses of which I have been a member, that a bill has been reported from the Committee of the Whole with a recommendation to strike out the enacting clause, and has been debated upon that recommendation. Of course the ruling of the Chair permitting debate is entirely correct; but I thought it would be of interest to the House to have the Chair state the parliamentary power of the House over a bill in such circumstances.

The SPEAKER. In the judgment of the Chair, the motion to strike out the enacting clause of a bill in Committee of the Whole entitles the gentleman making that motion to the floor upon the bill.

Mr. RANDALL. That right has not been recognized in this case.

The SPEAKER. It was not claimed, nor was the question raised. But gentlemen will see the propriety of the rule which the Chair now states. When in Committee of the Whole a motion has been carried adverse to the gentleman having charge of the bill, it seems to the Chair that when the bill comes before the House the member whose adverse motion has been sustained by the committee is entitled to the floor in the House. A notable instance of this kind was the tariff bill in the Forty-first Congress.

Mr. TREMAIN. But the question not having been raised——

The SPEAKER. The question not having been raised in this instance, the Chair of course is ruling on an abstract case.

Mr. RANDALL. Then I understand from the decision of the Chair that he has wrongfully, or at least by oversight, assigned the floor to the gentleman from New York, [Mr. HALE.]

Mr. HALE, of New York. I beg the gentleman's pardon——

The SPEAKER. The Chair will state——

Mr. RANDALL. Hear me out. "Strike, but hear."

The SPEAKER. The Chair would state the matter a little differently from the gentleman from Pennsylvania, [Mr. RANDALL.] The gentleman from New York [Mr. HALE] being the only member who addressed the Chair, he was recognized.

Mr. RANDALL. Well, then, I want to know whether the Chair will recognize the right of the gentleman from Indiana, [Mr. HOLMAN,] who in Committee of the Whole made the motion to strike out the enacting clause, to make a motion that the bill do lie on the table? I only raise this question because of the disposition of the gentleman from New York to abridge the remarks of the gentleman from Indiana when they seemed to cut deeper than he liked.

Mr. HALE, of New York. That remark is very ungracious, after I have given so liberally of my time to those two gentlemen.

The SPEAKER. As the motion to strike out the enacting clause of a bill may be frequently used hereafter, the Chair, if the House will give its attention, will state very briefly the history of the rule on the subject. Previous to the revision of the rules in 1860, the motion to strike out the enacting clause was used in one notable instance to bring a bill from the Committee of the Whole, and the bill when reported to the House was regarded as before the House for whatever action it might see fit to adopt. The Nebraska bill was brought out of the Committee of the Whole on the motion to strike out the enacting clause; and when the House refused to concur in that motion, the Speaker ruled that the bill was before the House. The House, however, was dissatisfied with that construction, because it enabled the majority in the Committee of the Whole at any time to terminate debate, thus practically carrying into the Committee of the Whole the full force and effect of the previous question, which it is one object of the Committee of the Whole to get rid of. Hence in the revision of 1860, which was a very notable revision of the rules, there was added to the rule a provision that when a bill should be reported from the Committee of the Whole with the enacting clause struck out, the first question in the House should be upon concurrence in that recommendation; that if the House should non-concur in striking out the enacting clause, the bill was thereby at once recommitted to the Committee of the Whole, and stood upon its original place on the Calendar, while, if the motion was concurred in, the bill of course would be dead. The operation of this rule was found inconvenient in practice, as it really kept the House in a parliamentary strait-jacket. In the summer of 1870 a lengthy tariff bill was under discussion in Com-

mittee of the Whole, under the charge of the then chairman of the Committee on Ways and Means, a very skillful parliamentarian, now minister to England. The House found that it had before it in Committee of the Whole a bill of several hundred pages, which could not be got rid of except by going through every paragraph. It was found that striking out the enacting clause would do no good, because when the bill was returned to the House the House must either concur or non-concur. If it concurred, the bill was dead; and the House did not desire to kill the bill. If it non-concurred, the bill was put right back to its original place in the Committee of the Whole. In view of the difficulty thus arising, the rule was subsequently amended by the addition of this clause:

But before the question of concurrence is submitted, it is in order to entertain a motion to refer the bill to any committee of the House, with or without instructions, and when the same is again reported to the House, it shall be referred to the Committee of the Whole without debate, and resume its original place on the Calendar.

Under this rule, when the Committee of the Whole reports a bill to the House with the enacting clause struck out, the House can send the bill to the standing committee from which it came, with instructions to report it in a new form; and when so reported it goes back to its original place on the Calendar.

Now, the Chair thinks that, when a bill is reported from the Committee of the Whole with the enacting clause struck out, this rule, fairly construed, prohibits any motion whatever, except those specifically defined in the rule: first, will the House concur or non-concur with the recommendation of the Committee of the Whole; or, secondly, will it prefer to refer the bill to some standing committee, with or without instructions? The Chair thinks that it will simplify the practice to hold the House rigidly to the motions provided for in the rule.

Mr. RANDALL. Just here let me ask the Chair a question as to debate upon a motion of this sort. When a bill reaches the House, having been reported from the Committee of the Whole with a recommendation that the enacting clause be struck out, where does the ownership of the floor rest? Who has the control of the floor? Or is the right to debate unlimited?

The SPEAKER. The ownership of the floor belongs of right to the member upon whose motion the enacting clause was struck out in the Committee of the Whole.

Mr. RANDALL. What are the rights of the member upon whose motion the enacting clause was struck out in committee, in connection with debate on that question in the House?

The SPEAKER. He has a right to debate it. The only motion the Chair would recognize would be a motion to call for the previous question on concurrence in the report to strike out the enacting clause or to refer to any committee in the House. It brings the House to a direct and square vote on the recommendation of the Committee of the Whole.

Mr. STARKWEATHER. Suppose the member upon whose motion the enacting clause was struck out does not avail himself of the right to debate in the House.

The SPEAKER. There is no question on that point, as the gentleman did not claim the floor.

Mr. STARKWEATHER. But suppose he does not avail himself of his right to the floor, and then some gentleman on the other side should make a motion to refer, with or without instructions, to some standing committee of the House, does not that motion entitle him to the floor?

The SPEAKER. If the gentleman should get the floor he has a right to submit such a motion, but as the rule was not before fully explained, the Chair would not like any particular advantage should be taken because of the inattention of members.

Mr. RANDALL. The Chair has given the House not only an interesting but a most lucid historical explanation of the reasons for the present status of this rule, and for one I am obliged to him for it.

Mr. HAWLEY, of Illinois. Suppose the House should non-concur in the recommendation of the committee to strike out the enacting clause of this bill, what then?

The SPEAKER. The bill goes back to the Committee of the Whole on the state of the Union. If the motion to strike out the enacting clause is concurred in, then the bill is dead; if non-concurred in, the bill is recommitted.

Mr. HAWLEY, of Illinois. And when recommitted it is in the same position as it was before?

The SPEAKER. Precisely.

Mr. TREMAIN. Mr. Speaker, I hope the House will not agree with the Committee of the Whole in striking out the enacting clause of this bill. I hope it will not do so, as a matter of courtesy to the committee. I hope it will not do so, because it seems to me that justice demands this matter should not be left in the position in which it will be left if the report of the committee is agreed to by the House. It is true, as said by the very indefatigable chairman of the committee, [Mr. HALE, of New York,] when this motion was made, it involves questions which have not been discussed, no opportunity having been given to the members of that committee to show upon principle this Congress ought to provide for the construction of this bridge, the discussion having been confined to collateral matters. Immediately after that speech had been made, the motion having been made by the colleague of the gentleman who made an eloquent speech to the House, the chairman of the committee had no opportunity to meet this question as a matter of principle. I hope, therefore, on an appeal by a gentleman who has accepted this undesirable position of chairman of the Committee for the District of Columbia, intimating if an important bill which has been matured by the committee cannot be considered and discussed, it will be a question even for his consideration whether he should retain his position as chairman of that committee, this House, as a matter of comity and courtesy, will not hesitate to allow this matter to be referred back to the Committee of the Whole.

And again, what is the position in which this bridge is left if the action of the committee should be concurred in by the House? There is no other body on earth that has power to repair or rebuild this bridge except the Congress of the United States. It is admitted on all hands this bridge is so dilapidated it is liable to fall at any time, and is there a lawyer in this House who does not know if any men should lose their lives by the fall of this bridge a claim would exist in equity against this Congress for remuneration? Suppose this bridge were still under the control of the corporation chartered and allowed to charge toll for crossing it, they would be responsible. This Congress has substituted itself in their places. It has purchased the bridge. It has paid $30,000 for it, and ever since 1849 it has been in the habit of making appropriations for the repair of this bridge, until more than $100,000 have been expended from the public Treasury in keeping it in repair. Congress is therefore bound, upon every principle of law, and of honor, and of justice, to maintain that bridge.

There is no power on the part of the District to maintain it. Congress has exclusive control over that bridge; and if this House should now refuse to take any action by which a bridge shall be constructed there, what is the consequence? In the capital of the nation, that capital in which every citizen should feel an equal pride, you find in your public streets a bridge, for the construction and repair of which no one is responsible, in such a condition as to be a stigma and disgrace to the nation.

I have no sympathy with the outcry which I hear from gentlemen who are clamorous for economy when they denounce the extravagance of the people of this District. On the contrary, sir, when I remember the aspect which Washington presented during the war, when every street except Pennsylvania avenue was cut up by ruts, which it was scarcely possible to pass, and when its sewers and its mud-holes and its ponds were disastrous to the public health; and when I now find it beautified as it is, so that there is not a city in this country, or as I believe in Europe, that is better paved, or, as far as the board of public works have been able to accomplish it, more beautiful and adorned than the city of Washington, I think every American citizen, instead of being clamorous against these improvements, should be proud of his capital. We are all interested in it. It is capable of being made one of the most beautiful cities on earth. There is little prospect of the capital being changed. The public buildings are here. It was intended by the fathers who founded our Government that this should be the seat of the national Government. The States which ceded this territory to Congress gave the jurisdiction of it to Congress. It is Congress alone that has power to provide for the construction of these bridges.

If, however, the gentleman from Indiana [Mr. HOLMAN] is correct in his idea that some portion of the expense should be borne by the citizens of the District, then he should consent to have the bill referred back to the Committee of the Whole, that it may be amended so as to give power to the District government to raise by local taxation such an amount as may be necessary to construct this bridge. But for the honor of the United States I trust that this matter will not be left in its present condition. It seems to me that in this clamor for reform, in this wild shriek by which we seek to please our constituents by endeavoring to excite prejudice against this District, we are inflicting dishonor and disgrace on the nation. It is a discredit to the nation that we should refuse to have proper bridges and proper streets in the city which is the capital of the nation.

I heard yesterday my most esteemed and brilliant colleague from New York [Mr. COX] saying that he would not have his constituents taxed for the benefit of this District; that he represented the Hebrews and the Germans and the Irish of his district, and that they were against it. Now, I have no doubt that my friend represents his constituents truly. I have no doubt he has felt their pulse correctly, and nobody doubts his right to vote as he chooses on such questions as this. But, Mr. Speaker, I represent a broader constituency than my colleague; I have in my constituency others beside Hebrews, Germans, and Greeks; I have Americans, native and adopted. And in behalf of the constituency I represent I assert that we have an interest in the District of Columbia, and that we are not, and will not be, parties to the clamor that is made against the people of this District. I feel that we stand in a peculiar relation to this District. I feel that it is in some sense in the attitude of a ward of the nation.

I hope this bill will be referred back to the Committee of the Whole, that we may be able to devise some scheme by which we may be relieved from the stigma and disgrace of having out of repair this bridge which we have in our possession, which no other power on earth can repair, and which we refuse to repair, leaving it in a condition which is a shame and a burning disgrace to the nation.

Mr. HALE, of New York. I now call the previous question.

Mr. RANDALL. In order to make the record right, I move that the bill be laid on the table. I desire the decision of the Chair whether

that motion is in order or not, so that it may govern the action of the House in future.

Mr. HALE, of New York. I raise the point of order that the motion to lay on the table is not in order.

The SPEAKER. The Chair rules that the motion to lay on the table is not in order. The Chair will recognize only the motions specifically laid down in the rule, which are sufficient for full expression of the opinion of the House. If the House should now vote to concur with the Committee of the Whole in striking out the enacting clause, the effect of that is equivalent to a vote to lay the bill on the table.

Mr. RANDALL. As I understand it, if the motion to lay on the table had been allowed there would not then have been permission for debate.

The SPEAKER. No; but the same gentleman who might desire to lay the bill on the table could call the previous question, which is not debatable, on the question of concurrring in the report of the committee striking out the enacting clause.

Mr. RANDALL. I only desired to have the decision of the Chair put on record for the future guidance of the House.

The SPEAKER. The Chair is aiming at the same point as the gentleman. Under the ruling of the Chair debate may be stopped just as promptly by the previous question as by laying the bill on the table.

The previous question was seconded and the main question ordered.

Mr. HALE, of New York. Will the Chair inform the House of the position of the question?

The SPEAKER. The question is, will the House concur in the report of the Committee of the Whole? that is, shall the enacting words of the bill be stricken out, as recommended by the Committee of the Whole?

Mr. SPEER. On that question I call for the yeas and nays.

The SPEAKER. The Chair will first submit the question to a *viva voce* vote.

The House divided; and there were—ayes 82, noes 74.

Mr. HALE, of New York. I call for the yeas and nays.

On the question of ordering the yeas and nays, there were—ayes 42.

So (the affirmative being more than one-fifth of the last vote) the yeas and nays were ordered.

The question was taken; and there were—yeas 121, nays 84, not voting 85; as follows:

YEAS—Messrs. Adams, Arthur, Ashe, Atkins, Barber, Beck, Bell, Bland, Blount, Bowen, Bright, Bromberg, Buckner, Buffinton, Bundy, Burchard, Burleigh, Caldwell, Cannon, John B. Clark, jr., Clements, Clymer, Stephen A. Cobb, Coburn, Conger, Cook, Cox, Crossland, Crutchfield, Danford, Darrall, Davis, Dobbins, Donnan, Durham, Eden, Fort, Freeman, Giddings, Glover, Gunckel, Hagans, Hancock, Henry R. Harris, John T. Harris, Hatcher, Havens, John B. Hawley, Hays, Hereford, Herndon, Holman, Howe, Hubbell, Hunter, Hunton, Hyde, Kasson, Knapp, Lamar, Lawrence, Loughridge, Luttrell, Marshall, Martin, McCrary, James W. McDill, McKee, McLean, Merriam, Milliken, Neal, Niblack, Nunn, O'Brien, Orr, Packer, Hosea W. Parker, Isaac C. Parker, Phillips, Pike, Randall, Rawls, Read, Robbins, James C. Robinson, James W. Robinson, Ross, Henry B. Sayler, Milton Sayler, John G. Schumaker, Scofield, Sener, Shanks, Sheats, Sherwood, Lazarus D. Shoemaker, A. Herr Smith, John Q. Smith, Snyder, Southard, Speer, Standeford, Stone, Storm, Taylor, Tyner, Vance, Waldron, Wells, Whitehead, Whitehouse, Whiteley, Whitthorne, Charles W. Willard, Charles G. Williams, Willie, James Wilson, Wolfe, Woodworth, and John D. Young—121.

NAYS—Messrs. Averill, Barry, Berry, Cason, Cessna, Clayton, Cotton, Crooke, Crounse, Curtis, Duell, Dunnell, Eames, Eldredge, Farwell, Field, Frye, Gooch, Eugene Hale, Robert S. Hale, Harmer, Benjamin W. Harris, Harrison, Hathorn, Joseph R. Hawley, Gerry W. Hazelton, Hendee, E. Rockwood Hoar, George F. Hoar, Hodges, Hooper, Hoskins, Houghton, Hurlbut, Hynes, Kelley, Kellogg, Kendall, Lansing, Lawson, Leach, Lowe, Lynch, Maynard, Alexander S. McDill, MacDougall, Monroe, Negley, O'Neill, Orth, Packard, Page, Pelham, Pendleton, Perry, Phelps, James H. Platt, jr., Thomas C. Platt, Poland, Ramey, Ransier, Rice, Ellis H. Roberts, Sawyer, Sessions, Sheldon, Smart, H. Boardman Smith, Sprague, Starkweather, Strawbridge, Charles R. Thomas, Thornburgh, Todd, Townsend, Tremain, Wallace, Walls, Jasper D. Ward, Marcus L. Ward, Wheeler, White, William Williams, and Woodford—84.

NOT VOTING—Messrs. Albert, Albright, Archer, Banning, Barnum, Barrere, Bass, Begole, Biery, Bradley, Brown, Burrows, Benjamin F. Butler, Roderick R. Butler, Cain, Amos Clark, jr., Freeman Clarke, Clinton L. Cobb, Comingo, Corwin, Creamer, Crittenden, Crocker, Dawes, DeWitt, Elliott, Foster, Garfield, Hamilton, John W. Hazelton, Hersey, Jewett, Killinger, Lamison, Lamport, Lewis, Lofland, Lowndes, Magee, McJunkin, McNulta, Mellish, Mills, Mitchell, Moore, Morey, Morrison, Myers, Nesmith, Niles, Parsons, Pierce, Potter, Pratt, Purman, Rapier, Ray, Richmond, William R. Roberts, Rusk, Henry J. Scudder, Isaac W. Scudder, Sloss, Small, George L. Smith, J. Ambler Smith, William A. Smith, Stanard, Stephens, St. John, Stowell, Strait, Swann, Sypher, Christopher Y. Thomas, Waddell, Wilber, George Willard, John M. S. Williams, William B. Williams, Wilshire, Ephraim K. Wilson, Jeremiah M. Wilson, Wood, and Pierce M. B. Young—85.

So the enacting clause of the bill was stricken out.

Mr. TYNER moved to reconsider the vote by which the enacting clause was stricken out; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

ORDER OF BUSINESS.

Mr. SMITH, of New York. I ask the chairman of the Committee on the District of Columbia if he will not yield now to allow the Committee on Elections to go on with the Georgia contested-election case.

Mr. RANDALL. O, no; let us take up the next bill reported from the Committee of the Whole.

Mr. SMITH, of New York. I ask that that be postponed until we dispose of the Georgia contested-election case.

Mr. HALE, of New York. If there is an understanding that the bill reported from the Committee of the Whole shall remain as unfinished business to come up after the election case is disposed of, I have no objection.

Mr. RANDALL. I object to that.

The SPEAKER. Does the gentleman from New York [Mr. HALE] propose to allow debate on the bill reported from the Committee of the Whole?

Mr. HALE, of New York. It is in charge of my colleague on the committee from Iowa, [Mr. COTTON.]

Mr. COTTON. If the bill will come up as unfinished business I do not object to its postponement.

The SPEAKER. Does the gentleman propose to debate the bill, or to have a vote upon it?

Mr. COTTON. I propose to allow debate for half an hour. Several gentlemen desire to make remarks upon the amendment to the bill. The debate will be very brief; perhaps it will not even take half an hour.

Mr. SMITH, of New York. I understand that both of these matters—the bill of the gentleman and the election case—are pending as unfinished business; and if the Committee on the District of Columbia will yield, I suppose the election case will come up.

Mr. RANDALL. Under the rules the bills reported from the committee must be disposed of now, or else be passed over by unanimous consent.

Mr. HALE, of New York. I beg to ask the Speaker a question. If the Committee on the District of Columbia shall now yield to the Committee on Elections, both matters being pending as unfinished business, would it leave the remaining bill of the Committee on the District of Columbia as unfinished business, to come up after the close of the election case?

The SPEAKER. It would.

Mr. RANDALL. Let me interject that that can only be done by unanimous consent; and I make objection.

The SPEAKER. The Chair has been somewhat in doubt as to which would take precedence this morning, the election case or the business of the District of Columbia. The Committee on the District of Columbia has superior privileges to any Committee of the House. It is called regularly every third Friday of the month, and the Chair thinks that they ought not to let anything go over as unfinished business to the next day, as it is to the detriment of the order of other business in the House.

Mr. RANDALL. I suggest that the unfinished business of the committee go over until the next Friday assigned to that committee.

The SPEAKER. The Chair could not hold that, for it would deprive the Committee on the District of Columbia of an opportunity to bring the House to a vote on its measures. That question has been adjudicated.

Mr. RANDALL. The Chair will certainly entertain my objection to passing over the bill.

The SPEAKER. The Chair desires to have the question on the bill reported by the Committee on the District of Columbia settled as promptly as possible. The bill was elaborately discussed in Committee of the Whole. The gentleman will have to make a formal motion to postpone it if he desires to have it postponed. That can be done by a majority of the House; but the Chair desires to make this statement, that a bill goes to Committee of the Whole for the purpose of being debated, and it will lead to inconvenience of no small dimensions if bills are to be debated again when they are reported from the Committee of the Whole. If the bill is to be debated again at length the Chair suggests that it be recommitted to the Committee of the Whole on the state of the Union. A bill when reported from the Committee of the Whole is supposed to be ready for action by the House, not reported back for debate.

Mr. COTTON. I have no objection to calling for a vote. The gentleman from Massachusetts [Mr. G. F. HOAR] desires to address the House for a few minutes.

The SPEAKER. Even on large appropriation bills it is never asked that extended debate shall take place after the bills have been reported to the House.

Mr. HAWLEY, of Illinois. I do not think that during this whole session any bill reported from the Committee of the Whole, from the General or Private Calendar, has been debated in the House after being so reported.

The SPEAKER. One hour after calling the previous question is all that has ever been asked for debate upon the largest appropriation bills. The Chair desires to keep the House to the regular routine of business.

PAYMENT OF TEACHERS IN THE DISTRICT.

Mr. G. F. HOAR. I desire to occupy the attention of the House certainly not over five minutes.

The SPEAKER. The gentleman from Iowa [Mr. COTTON] can yield to the gentleman from Massachusetts, [Mr. G. F. HOAR,] after the previous question shall have been ordered.

The previous question was seconded and the main question ordered.

Mr. COTTON. I now yield five minutes to the gentleman from Massachusetts.

Mr. G. F. HOAR. I desire to call the attention of the House to the amendment which was put upon this bill in Committee of the Whole upon the motion of the gentleman from New York, [Mr. MERRIAM,] providing that a tax shall be levied on personal property, including

bank stock, in this District. Now, that is a very good thing to do; but the amendment which has been adopted does not provide any possible mechanism by which it can be done. It does not provide for administering any oath; it does not provide what personal property shall be subject to taxation, or how you shall get at the amount of property which a man holds, what amount is due him, or what he owes. Moreover, a fatal defect in the whole proposition is that it does not provide any exemption from taxation. If this amendment should become law, every servant girl's wardrobe and her dollar jewelry must be assessed and taxed; every poor widow's cow and her household furniture must be valued and taxed.

Mr. ELDREDGE. I thought the gentleman said it was a very good thing to do.

Mr. G. F. HOAR. I say that in the abstract the taxation of personal property for public burdens is a very good and proper thing to do.

Mr. ELDREDGE. I understood the gentleman to say——

Mr. G. F. HOAR. I have but five minutes, and I do not want to be interrupted. The amendment which the gentleman from New York [Mr. MERRIAM] proposes, as it stands, is a more tyrannical proposition for taxation than ever was before proposed in any legislative body in this country. I desire to ask members of this House if they are willing to put their votes on record for a measure which is to subject to taxation the cow of the poor widow, the wardrobe of every servant girl, the furniture of every laboring man in this District; and, as a friend near me suggests, all the institutions for education in this District? There is no provision by which any corporation is bound to bring in a list of its property and stockholders. There is no machinery provided for carrying this proposition into effect. The amendment, uncouth, unlicked, unconsidered, is utterly impossible of execution.

Mr. SMITH, of New York. I ask the gentleman from Iowa [Mr. COTTON] to yield to me one minute.

Mr. COTTON. I will do so.

Mr. SMITH, of New York. I am recorded in the RECORD this morning as having spoken of this sum proposed to be appropriated by this bill as a gratuity to the District, for which we could have no expectation of being reimbursed. I said no such thing. And as I was misunderstood by the reporters, I fear I was misunderstood by the members of the House. I asked the gentleman from Indiana [Mr. HOLMAN] what right he had to speak of this sum as a gratuity to the District, when it was no more than the Government ought to pay upon a fair assessment of the valuation of its real estate within the District.

And let me add a single word further. For myself, I believe it is the duty of the Government, that it is the only just and square thing the Government can do, to treat its property within this District as subject to assessment and taxation, and to pay its proportion of the expenses of the government of the District, of the improvement of the District, and of the school expenses of the District. I do not join in any crusade against this District. I bear cheerful witness for myself and my constituents that in assuming the onerous burden of taxation which the residents of this District have assumed in the improvement of this capital city, they have "done the country proud."

Mr. LUTTRELL. Let me ask the gentleman, as he proposes to tax the Government property here, if he is willing to have Government property taxed all over the country from one end of the Union to the other?

Mr. SMITH, of New York. This capital was located in a waste—almost in an unsettled wilderness. Every citizen who has come here and invested in property here, is drawn hither by the fact that this is the capital of the Government. It is the duty of the Government to pay for the gas-lights which burn at night, and which light the gentleman and me home from our dinner-parties. There is no adornment of this city except for the benefit of the country at large, and we ought to do the square thing by this District.

Mr. LUTTRELL. What induces men to come here except to make money?

Mr. RANDALL. The gentleman by his vote provides for the erection of a magnificent building in my district, and we in the district have to guard and protect it. But the Government having erected that building, it said that the city of Philadelphia shall not assess a single dollar of taxation upon that property. Now, what more right has the Government to claim that public property in the States and Territories shall be exempted from taxation than that such property in this District shall be so exempted?

Mr. SMITH, of New York. The gentleman's question is predicated on the theory that might makes right.

Mr. RANDALL. Not at all.

Mr. SMITH, of New York. I say that the Government property in this District should not be exempted from local taxation for such purposes as this. Now, sir, we have passed, within a few days, in Committee of the Whole, an appropriation for police for guarding this building. I wish to know whether it is not the duty of the Government to educate the people of this District so that they may not be here plundering and stealing public property—whether it is not the duty of the Government, owning a large proportion of the real estate within this District, to aid in the education of the people who are about us, and in whose education and moral character we are, more than all others, interested.

Mr. RANDALL. I agree that the interest of the Government is in behalf of education; but it has just as much interest in the education of the people of my city and my State as in the education of the people of this District. In my State we have provided in the fundamental law that the Legislature shall each year make an appropriation of $1,000,000 for the education of the children——

The SPEAKER. The gentleman from Iowa, [Mr. COTTON,] who holds the floor, desires to resume it.

Mr. RANDALL. I supposed I was speaking. [Laughter.]

Mr. COTTON. I yield five minutes to the gentleman from Wisconsin, [Mr. ELDREDGE.]

Mr. ELDREDGE. I understood the gentleman from Massachusetts [Mr. G. F. HOAR] to say that the proposition contained in this amendment was a very proper thing to do. I do not know that that was the way he intended to be understood. I gave him an opportunity to explain; but in his self-occupation he felt it not of importance enough to explain what he did mean. As for myself, I say that I never heard a more absurd proposition presented to a legislative body than the one contained in that amendment.

What are we doing? What is the attitude and position in which we are placed? The Congress of the United States, by an organic act, has required the government of the District of Columbia to provide a system of free schools. That organic act is explicit on this subject; it is mandatory; there is no escape from it; the schools are to be free. Now, this city is the great center where all the paupers of the whole United States come and settle; they are invited here by the legislation and action of Congress. Forty thousand or more people here, without a dollar of property, are encouraged to settle and remain in the District of Columbia. I understand that a hundred members of Congress have brought their children with them to the city of Washington and are sending them to the District schools. Many thousand—I am not aware precisely how many—of the Government employés, holding residences outside of the District of Columbia in various States of the Union, have come here with their children and are sending them to the schools in this District.

As I have said, you have, by the organic act, required the District authorities to provide a system of free schools. In accordance with your mandate they have gone on and assessed a proper sum, as they thought, to support the schools during the current or fiscal year. They have undertaken to collect those taxes—and have succeeded in some degree—upon real estate located in the District of Columbia. Some property-holders have not been able to pay their taxes; some have been unwilling to pay them; and many of the taxes assessed for school purposes remain unpaid. Certificates have been issued against real estate; and those certificates have been offered in the market; but from some circumstance or other the District authorities are not able to realize upon those certificates; so that the school-teachers employed under your mandate requiring that the schools shall be free are unpaid.

What is this position in which we are to-day? By this amendment we propose to require the people of the District of Columbia, for the purpose of educating the children of members of Congress and of employés of the Government, to assess upon themselves and their property another tax to support these schools, because they have not been able to realize the full amount already assessed for the same purpose under your mandate.

Mr. FORT. Will the gentleman allow me to correct him in one respect?

Mr. ELDREDGE. If the gentleman has a question, I will hear it; but otherwise I do not wish to be interrupted in my remarks.

Mr. FORT. The gentleman speaks of this District educating the children of members of Congress. Now, I have one little fellow for whose tuition I pay ten dollars a quarter in this city, and there are other members to my knowledge who do the same thing.

Mr. RANDALL. I am better off than the gentleman; I have to pay for two.

Mr. ELDREDGE. I do not know how much the gentleman from Illinois [Mr. FORT] pays for his "little fellow." [Laughter.] I do not know how much any one pays for such purposes; but your organic act requires that the schools here shall be free. I suppose the District authorities here obeyed your mandate in that regard, and that the schools are free; and that there is no power on the part of the District authorities to reject a scholar who applies in this District for admission to the schools. Your organic act is general; it requires the schools to be free. And the attitude in which you are now placing yourselves is requiring that the citizens of the District shall be assessed twice for the support of the schools—once upon real estate, and again by taxation upon corporations and personal property in the District.

Mr. SHANKS. I wish to ask the gentleman this question: Is it not the fact that Congress also compels the Territories belonging to the Union to establish a common-school system, while at the same time the public lands in the Territories are prohibited from being taxed for any purpose?

Mr. ELDREDGE. Yes, sir; and the Congress of the United States has given to every State and Territory a munificent bounty in lands to support the public schools; but in this District you have never given one dollar in that form. In many of the States every sixteenth section has been given by the Government for the purposes of education; but in this District no such donation has been made. Members of Congress may come here to this District and force their children

into the schools, and refuse to pay a cent for the support of those schools.

Mr. SHANKS. I am sorry to hear it stated—I never heard it before—that any member of Congress has forced a child into any public school here.

Mr. COTTON. I now yield five minutes to the gentleman from Ohio, [Mr. MONROE.]

Mr. MONROE. Mr. Speaker, I do not understand any member of this House to contend that the Congress of the United States will not be called upon some time in the future to make appropriations for the District of Columbia. It has been done repeatedly by Congress in the past, going back through a long period. It will certainly be done again.

My colleague on the Committee on Education and Labor [Mr. G. F. HOAR] reminds me there is a permanent law now for making appropriations for the District of Columbia. Something of this kind must always be done. Without attempting to settle here the question what appropriation should be made, or how much should be made, there is no doubt Congress will have to make some appropriations for the District.

Now, sir, this being admitted, the bill before the House, as I understand it, perfectly protects the Treasury of the United States against any improper drafts upon it. This bill provides that the $97,000 which shall now be advanced for payment of the teachers in the District of Columbia shall be charged against any appropriation to be made hereafter for the benefit of the District. It seems to me that settles the question, and we need not give ourselves any further concern about it.

The question before the House really is not whether Congress should pay this or the District should pay it. The discussion of that question is deferred to a future time. The practical question is this: shall these hard-working and poorly paid teachers receive the compensation which has been promised them, and which by law and by equity is their due? That, it seems to me, is the practical question before us.

Mr. SPEER. Let me interrupt the gentleman.

Mr. MONROE. I have but five minutes, and shall not be able to get through with a single thought. The gentleman can get five minutes, I have no doubt, for himself.

Mr. SPEER. Have not the teachers been paid, and have they not sold their certificates, which are now held by money-shavers in the District?

Mr. MONROE. There may be some such cases, but generally they have not been paid. The only practical question before us is whether these teachers shall be paid or shall wander about this capital as beggars, when the money is honestly due them for faithful service? I say further, even if this bill had not this safeguard, even if this provision had not been introduced into it that this money should be paid from future appropriations, I should still feel it to be my duty to vote for this bill, because it seems to me the question which of two parties shall pay these teachers is a matter of far less moment than the question whether they are to be paid at all. And I say frankly to the House I would rather a mistake should be made, I would rather the wrong party should pay these teachers, than they should not be paid at all. I care much less about the question which of these two parties shall pay them than about the question whether they are to be paid. Even if a blunder should be made and the wrong party should pay them, I will thank God they are to be paid by somebody.

I think it would be better for the ends of justice, better every way that this miserable scandal, which to my personal knowledge has been a most painful thing in the city of Washington—I say I believe it to be better every way this scandal should be removed, by having Congress pay these teachers, even if a mistake should be made as to the party paying it, than to have this thing continue any longer. I have been mortified, I have been distressed, by occurrences here, and I can assure my friend from Ohio, [Mr. LAWRENCE,] who wants to interrupt me and whom I cannot permit to have the floor, and my friend from Pennsylvania, [Mr. SPEER,] who wanted to interrupt me, and all the gentlemen whose faces I see are full of questions they are anxious to interject into my poor five minutes—I wish to say to all these gentlemen if they had these poor teachers call at their doors and come into their rooms, with the marks of distress, evident distress, upon their faces and upon their persons; if you gentlemen had visits from these teachers, as I have had on account of my relation to the Committee on Education and Labor, and been compelled to hear their appeals, my impression is you would be a good deal quieter on this floor and less disposed to ask questions in opposition to the passage of this bill.

Mr. LAWRENCE rose.

Mr. MONROE. I have only a second left, and cannot yield the floor. There are about forty gentlemen trying to interrupt me; and, while I have the greatest esteem and respect for them, I cannot yield.

I wish to say one thing more, and then I will take my seat. Gentlemen talk about their constituents being taxed to pay the teachers of this District, and they say they do not believe the people would approve of it. Mr. Speaker, so far as I am concerned, (and I believe all gentlemen, if they rightly understood their constituents, would have the same feeling)—so far as I am concerned, the only thing about this matter I should be ashamed of or fearful about if I was to go home to my constituents would be my having voted against a bill like this.

Now, I believe that the constituency which I represent, and the constituencies, the intelligent constituencies, which other gentlemen represent, would condemn us if we allowed these poor people to go up and down these streets shoeless and in distress, with the honest wages for their honest day's work unpaid them. I believe the whole people of the United States would condemn us.

Sir, the yeomanry of the United States, the great American people, are not ungenerous; still less are they unjust. They do not wish us to deal in a small and narrow way with these poor teachers. Sir, there is not a man to be found among the honest yeomanry of the United States who would take such a position as that. The whole American people, if they could speak here to-day, would say, "Pay these teachers; pay them the last cent that is due them, and give them a cent over if you cannot make the change exactly right; do not leave this miserable and wretched scandal to disgrace the capital and the whole nation."

[Here the hammer fell.]

Mr. MERRIAM. Before the gentleman resumes his seat, I desire to ask him a question. The committee of which he is a member is the committee not only on education but on labor. And I ask the gentleman if he does not think that the laboring classes of this community, who have not received the wages due them by the board of public works, and who are suffering as much as the teachers, should also have provision made for them?

Mr. MONROE. I am glad to answer the gentleman. I should have the greatest pleasure in seeing that object secured. I supposed that I was advocating the interests of the laboring classes when I was speaking for the teachers. But my friend from New York [Mr. MERRIAM] must not forget that this bill does not propose ultimately to pay anything out of the Treasury. It is proposed to return every cent of this sum out of the next appropriation which we make for the District.

The SPEAKER. The question is on the amendment to the bill reported by the committee. It will be read by the Clerk.

The Clerk read as follows:

Strike out these words:

And the money which may be paid under this act shall be regarded as an advancement made by the United States to said District to be deducted from moneys which Congress may hereafter appropriate.

And in lieu thereof insert these words:

That the government of the District of Columbia is hereby authorized and directed to levy and collect a tax to an amount equal to the amount appropriated in this bill, upon personal property, including banks and other corporations in said District, and pay the same into the Treasury of the United States.

The House divided; and there were—ayes 79, noes 77.

Mr. G. F. HOAR. I call for the yeas and nays.

The yeas and nays were ordered.

Mr. RANDALL. I move to recommit the bill.

The SPEAKER. That cannot be done, as the previous question is operating.

Mr. RANDALL. Then I move that the bill and amendment be laid upon the table.

Mr. PAGE. I ask that the bill and the pending amendment be again reported.

The bill and amendment were again read.

Mr. RANDALL. I should like, by consent, to make a motion to recommit the bill to the Committee of the Whole. It is now in a shape, as I understand it, in which neither the friends nor the opponents of the bill are likely to vote for it.

The SPEAKER. That would require a reconsideration of the vote by which the main question was ordered.

Mr. RANDALL. Then I will make a motion to reconsider, with a view to ultimately reaching a vote upon the motion to recommit the bill to the Committee of the Whole. This is not killing it outright, but allowing it a little breathing time.

Mr. MAYNARD. I hope the gentleman will press his motion to lay the bill on the table, that it may be known whether the House is in favor of passing a bill of this general character or not. If the House is not in favor of passing such a bill we need not waste more time upon it. And if we do not wish to kill the bill, it is important that what we do now shall be done with reasonable promptitude. I think the motion to lay the bill on the table will best test the sense of the House.

Mr. RANDALL. I will withdraw my motion to recommit the bill, and now move to lay the bill on the table.

Mr. G. F. HOAR. Is that motion in order while the House is executing the previous question?

The SPEAKER. It is. It is in order at every fresh stage of the bill.

The question being taken on Mr. RANDALL's motion to lay the bill on the table, there were—ayes 80, noes 83.

Mr. RANDALL called for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 91, nays 115, not voting 84; as follows:

YEAS—Messrs. Adams, Arthur, Ashe, Atkins, Barber, Beck, Bell, Bland, Blount, Bowen, Bradley, Bright, Buckner, Buffinton, Burchard, Caldwell, Cannon, John B. Clark, jr., Clements, Clymer, Cook, Crossland, Crutchfield, Danford, Darrall, Davis, Donnan, Durham, Eden, Fort, Freeman, Giddings, Glover, Gunckel, Hancock, Henry R. Harris, John T. Harris, Hatcher, Havens, John B. Hawley, Hereford, Herndon, Holman, Hunter, Hunton, Hyde, Knapp, Lamar, Lawrence, Loughridge, Lowe, Luttrell, Marshall, McCrary, James W. McDill, McLean, Milliken, Neal, Nunn, Packer, Hosea W. Parker, Pike, Randall, Rawls, Read, Robbins, William R. Roberts, James C. Robinson, James W. Robinson, Henry

B. Sayler, Milton Sayler, John G. Schumaker, Sener, Shanks, Sloss, John Q. Smith, Southard, Speer, Sprague, Storm, Strait, Tyner, Vance, Wells, Whitehead, Whiteley, Whitthorne, Charles G. Williams, Willie, Wolfe, and Wood—91.

NAYS—Messrs. Averill, Banning, Barry, Begole, Berry, Bromberg, Burleigh, Cason, Cessna, Clayton, Stephen A. Cobb, Conger, Cotton, Crooke, Crounse, Curtis, Ducil, Dunnell, Eames, Eldredge, Farwell, Field, Frye, Garfield, Gooch, Hagans, Eugene Hale, Robert S. Hale, Harmer, Benjamin W. Harris, Harrison, Hathorn, Joseph R. Hawley, Hays, Gerry W. Hazelton, Hendee, E. Rockwood Hoar, George F. Hoar, Hodges, Hooper, Houghton, Howe, Hurlbut, Hynes, Kasson, Kelley, Kellogg, Lansing, Lawson, Leach, Lynch, Maynard, Alexander S. McDill, MacDougall, Merriam, Mitchell, Monroe, Negley, Niblack, O'Brien, O'Neill, Orr, Orth, Packard, Isaac C. Parker, Pelham, Pendleton, Perry, Phelps, Pierce, James H. Platt, jr., Thomas C. Platt, Poland, Rainey, Ransier, Rapier, Rice, Ellis H. Roberts, Ross, Sawyer, Sessions, Sheats, Sheldon, Sherwood, Lazarus D. Shoemaker, Smart, A. Herr Smith, H. Boardman Smith, J. Ambler Smith, Snyder, Standeford, Starkweather, Stone, Strawbridge, Taylor, Thornburgh, Todd, Townsend, Tremain, Waddell, Waldron, Wallace, Walls, Jasper D. Ward, Marcus L. Ward, Wheeler, White, Whitehouse, Charles W. Willard, George Willard, William Williams, William B. Williams, James Wilson, Woodford, and Woodworth—115.

NOT VOTING—Messrs. Albert, Albright, Archer, Barnum, Barrere, Bass, Biery, Brown, Bundy, Burrows, Benjamin F. Butler, Roderick R. Butler, Cain, Amos Clark, Freeman Clarke, Clinton L. Cobb, Coburn, Comingo, Corwin, Cox, Creamer, Crittenden, Crocker, Dawes, DeWitt, Dobbins, Elliott, Foster, Hamilton, John W. Hazelton, Hersey, Hoskins, Hubbell, Jewett, Kendall, Killinger, Lamison, Lamport, Lewis, Lofland, Lowndes, Magee, Martin, McJunkin, McKee, McNulta, Mellish, Mills, Moore, Morey, Morrison, Myers, Nesmith, Niles, Page, Parsons, Phillips, Potter, Pratt, Purman, Ray, Richmond, Rusk, Scofield, Henry J. Scudder, Isaac W. Scudder, Small, George L. Smith, William A. Smith, Stanard, Stephens, St. John, Stowell, Swann, Sypher, Charles R. Thomas, Christopher Y. Thomas, Wilber, John M. S. Williams, Wilshire, Ephraim K. Wilson, Jeremiah M. Wilson, John D. Young, and Pierce M. B. Young—84.

So the motion to lay on the table was not agreed to.

During the roll-call,

Mr. O'BRIEN said: My colleague, Mr. ARCHER, is detained at home; if here he would vote "no."

The result of the vote having been announced as above recorded, the question recurred upon agreeing to the amendment reported from the Committee of the Whole on the state of the Union.

Mr. RANDALL. I move to reconsider the vote by which the main question was ordered, with a view of moving to recommit the bill to the Committee of the Whole on the state of the Union.

The question was taken; and the motion was not agreed to.

The question was then taken upon agreeing to the amendment; and there were—yeas 112, nays 84, not voting 94; as follows:

YEAS—Messrs. Adams, Arthur, Ashe, Atkins, Banning, Barber, Beck, Begole, Bell, Bland, Blount, Bowen, Bradley, Bright, Bromberg, Buckner, Buffinton, Bundy, Burchard, Burleigh, Caldwell, Cannon, John B. Clark, jr., Clements, Clymer, Coburn, Conger, Cook, Crossland, Crutchfield, Danford, Davis, Donnan, Durham, Eden, Fort, Giddings, Glover, Gunckel, Hagans, Hancock, Henry R. Harris, John T. Harris, Harrison, Hatcher, Havens, John B. Hawley, Hereford, Holman, Hunton, Hurlbut, Hyde, Knapp, Lamar, Lawrence, Loughridge, Lowe, Luttrell, Lynch, Marshall, James W. McDill, McLean, Merriam, Milliken, Neal, Niblack, Nunn, O'Brien, Orth, Page, Hosea W. Parker, Isaac C. Parker, Pike, Randall, Rawls, Read, Robbins, William R. Roberts, James C. Robinson, Rusk, Henry B. Sayler, Milton Sayler, John G. Schumaker, Sener, Shanks, Sheats, Sherwood, Lazarus D. Shoemaker, Sloss, A. Herr Smith, John Q. Smith, Snyder, Southard, Speer, Sprague, Standeford, Storm, Strait, Tyner, Vance, Waldron, Wells, Whitehead, Whitehouse, Whiteley, Whitthorne, Charles W. Willard, Charles G. Williams, William B. Williams, Willie, Wolfe, and Woodworth—112.

NAYS—Messrs. Averill, Barry, Cason, Cessna, Clayton, Stephen A. Cobb, Cotton, Crooke, Crounse, Curtis, Darrall, Dunnell, Eames, Eldredge, Field, Frye, Garfield, Gooch, Robert S. Hale, Harmer, Benjamin W. Harris, Hathorn, Joseph R. Hawley, Hays, Gerry W. Hazelton, Hendee, Herndon, E. Rockwood Hoar, George F. Hoar, Hooper, Houghton, Howe, Hunter, Hynes, Kasson, Kelley, Kellogg, Lawson, Leach, Alexander S. McDill, MacDougall, Mitchell, Monroe, Negley, O'Neill, Packard, Pelham, Pendleton, Perry, Phelps, Pierce, James H. Platt, jr., Thomas C. Platt, Poland, Rainey, Ransier, Rapier, Rice, Ellis H. Roberts, Sawyer, Scofield, Sessions, Smart, H. Boardman Smith, J. Ambler Smith, Starkweather, Stone, Strawbridge, Taylor, Thornburgh, Todd, Townsend, Tremain, Wallace, Walls, Jasper D. Ward, Marcus L. Ward, Wheeler, White, George Willard, William Williams, James Wilson, Wood, and Woodford—84.

NOT VOTING—Messrs. Albert, Albright, Archer, Barnum, Barrere, Bass, Berry, Biery, Brown, Burrows, Benjamin F. Butler, Roderick R. Butler, Cain, Amos Clark, jr., Freeman Clarke, Clinton L. Cobb, Comingo, Corwin, Cox, Creamer, Crittenden, Crocker, Dawes, DeWitt, Dobbins, Duell, Elliott, Farwell, Foster, Freeman, Eugene Hale, Hamilton, John W. Hazelton, Hersey, Hodges, Hoskins, Hubbell, Jewett, Kendall, Killinger, Lamison, Lamport, Lansing, Lewis, Lofland, Lowndes, Magee, Martin, Maynard, McCrary, McJunkin, McKee, McNulta, Mellish, Mills, Moore Morey, Morrison, Myers, Nesmith, Niles, Orr, Packer, Parsons, Phillips, Potter, Pratt, Purman, Ray, Richmond, James W. Robinson, Ross, Henry J. Scudder, Isaac W. Scudder, Sheldon, Small, George L. Smith, William A. Smith, Stanard, Stephens, St. John, Stowell, Swann, Sypher, Charles R. Thomas, Christopher Y. Thomas, Waddell, Wilber, John M. S. Williams, Wilshire, Ephraim K. Wilson, Jeremiah M. Wilson, John D. Young, and Pierce M. B. Young—94.

So the amendment was agreed to.

The question recurred upon ordering the bill, as amended, to be engrossed and read a third time.

Mr. RANDALL. I move that the bill be laid upon the table.

The question was put; and on a division there were—ayes 67, noes 85.

So the motion was not agreed to.

The question was taken upon ordering the bill to be engrossed and read a third time; and on a division there were—ayes 89, noes 61.

So the bill was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time.

Mr. RANDALL. The title of the bill is not right; the bill does not contain an appropriation.

The SPEAKER. The title will be the last thing to be acted on. The question now is on the passage of the bill.

The question was put; and on a division there were—ayes 86, noes 64.

Mr. ELDREDGE. I call for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 105, nays 86, not voting 99; as follows:

YEAS—Messrs. Averill, Barry, Begole, Berry, Bradley, Bromberg, Bundy, Burleigh, Cason, Cessna, Clayton, Stephen A. Cobb, Coburn, Conger, Cotton, Crooke, Crutchfield, Darrall, Dobbins, Dunnell, Eames, Field, Frye, Gooch, Gunckel, Hagans, Eugene Hale, Harmer, Benjamin W. Harris, Harrison, Hathorn, Joseph R. Hawley, Hays, Hendee, E. Rockwood Hoar, George F. Hoar, Hodges, Houghton, Howe, Hurlbut, Kasson, Kelley, Kellogg, Lawson, Leach, Lynch, Alexander S. McDill, James W. McDill, MacDougall, Merriam, Monroe, Negley, Niblack, Niles, O'Brien, O'Neill, Orth, Packard, Page, Isaac C. Parker, Pelham, Phelps, Pierce, Pike, James H. Platt, jr., Thomas C. Platt, Poland, Rainey, Ransier, Rapier, Ellis H. Roberts, Ross, Sawyer, Sessions, Shanks, Sheats, Sherwood, Lazarus D. Shoemaker, Smart, A. Herr Smith, H. Boardman Smith, J. Ambler Smith, Snyder, Standeford, Starkweather, Stone, Strawbridge, Taylor, Thornburgh, Townsend, Tremain, Waddell, Wallace, Jasper D. Ward, Wheeler, White, Whitehouse, Charles W. Willard, George Willard, Charles G. Williams, William Williams, William B. Williams, James Wilson, Woodford, and Woodworth—105.

NAYS—Messrs. Adams, Arthur, Ashe, Atkins, Banning, Barber, Beck, Bell, Bland, Blount, Bowen, Bright, Buckner, Buffinton, Burchard, Caldwell, Cannon, John B. Clark, jr., Clements, Clymer, Cook, Crossland, Danford, Davis, Donnan, Durham, Eden, Eldredge, Fort, Freeman, Giddings, Glover, Robert S. Hale, Hancock, Henry R. Harris, John T. Harris, Hatcher, Havens, John B. Hawley, Hereford, Herndon, Holman, Hoskins, Hunter, Hunton, Hyde, Knapp, Lamar, Lawrence, Loughridge, Luttrell, Marshall, McLean, Milliken, Mitchell, Neal, Nunn, Packer, Hosea W. Parker, Perry, Rawls, Read, Rice, Robbins, William R. Roberts, James W. Robinson, Henry B. Sayler, Milton Sayler, John G. Schumaker, Scofield, Sener, Sloss, John Q. Smith, Southard, Speer, Sprague, Storm, Strait, Todd, Tyner, Vance, Waldron, Wells, Whitthorne, Willie, and Wolfe—86.

NOT VOTING—Messrs. Albert, Albright, Archer, Barnum, Barrere, Bass, Biery, Brown, Burrows, Benjamin F. Butler, Roderick R. Butler, Cain, Amos Clark, jr., Freeman Clarke, Clinton L. Cobb, Comingo, Corwin, Cox, Creamer, Crittenden, Crocker, Crounse, Curtis, Dawes, DeWitt, Duell, Elliott, Farwell, Foster, Garfield, Hamilton, Gerry W. Hazelton, John W. Hazelton, Hersey, Hooper, Hubbell, Hynes, Jewett, Kendall, Killinger, Lamison, Lamport, Lansing, Lewis, Lofland, Lowe, Lowndes, Magee, Martin, Maynard, McCrary, McJunkin, McKee, McNulta, Mellish, Mills, Moore, Morey, Morrison, Myers, Nesmith, Orr, Parsons, Pendleton, Phillips, Potter, Pratt, Purman, Randall, Ray, Richmond, James C. Robinson, Rusk, Henry J. Scudder, Isaac W. Scudder, Sheldon, Small, George L. Smith, William A. Smith, Stanard, Stephens, St. John, Stowell, Swann, Sypher, Charles R. Thomas, Christopher Y. Thomas, Walls, Marcus L. Ward, Whitehead, Whiteley, Wilber, John M. S. Williams, Wilshire, Ephraim K. Wilson, Jeremiah M. Wilson, Wood, John D. Young, and Pierce M. B. Young—99.

So the bill was passed.

During the roll-call,

Mr. O'BRIEN said: My colleague, Mr. ARCHER, if present, would vote "ay."

Mr. RANDALL. I am paired in this bill with the gentleman from Tennessee, Mr. MAYNARD. He would vote "ay" if present, and I would vote "no."

Mr. COTTON moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

Mr. RANDALL. Upon further examination I find that this bill makes an appropriation, but with a bankrupt indorser.

Mr. COTTON. I move to amend the title by adding "and providing for the levy of a tax to reimburse the same."

The amendment was agreed to, and the title as amended was adopted.

Mr. COTTON moved to reconsider the vote by which the title as amended was adopted; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

ORDER OF BUSINESS.

Mr. SMITH, of New York. I move that the House now proceed to the consideration of the Georgia contested-election case.

The SPEAKER. That motion is not necessary; the case will come up of itself.

CURRENCY.

Mr. WALDRON. I ask consent to present a memorial from the citizens of Detroit, on the subject of the currency, and I take occasion to state that it is signed by nine-tenths of the merchants, manufacturers, produce-dealers, railroad-managers, and vessel-owners of that city; in fact every branch of commercial and business industry is represented in it. The memorial is the expression of nine-tenths of the active business men of the city of Detroit, and I believe I am justified in saying that it expresses, in the same proportion, the business sentiment of the State of Michigan. I ask for the reading of the memorial.

The memorial was read as follows:

To the House of Representatives of the United States:

We, the undersigned, citizens of Detroit, Michigan, respectfully represent to your honorable body that we are opposed to any inflation of the currency, and are in favor of a return to specie payments at the earliest practicable moment.

The memorial was referred to the Committee on Banking and Currency.

Mr. NEGLEY, by unanimous consent, submitted an amendment which he proposed to offer to the bill in regard to the issue of $400,000,000 in legal-tender notes; which was ordered to be printed.

ARMY APPROPRIATION BILL.

Mr. WHEELER. I ask unanimous consent that the amendment of the Senate to the Army appropriation bill be taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

No objection being made, it was so ordered.

FORTIFICATION APPROPRIATION BILL.

Mr. STARKWEATHER. I make a similar request in regard to the Senate amendments to the bill making appropriations for the construction, preservation, and repair of certain fortifications and other works of defense.

No objection being made, it was so ordered.

BILLS ON THE SPEAKER'S TABLE.

Mr. PARKER, of Missouri. I ask unanimous consent that the bill of the Senate providing for the payment of the expenses of the joint select committee investigating the affairs of the District of Columbia be taken up, and referred to the Committee on Appropriations.

The SPEAKER. If no objection is made all the bills on the Speaker's table will be taken up, and referred to their appropriate committees.

No objection was made.

Accordingly bills were taken from the Speaker's table, severally read a first and second time, and referred as follows:

A bill (S. No. 510) donating condemned cannon and cannon-balls to the posts of the Grand Army of the Republic of Philadelphia, and other associations, for monumental purposes—to the Committee on Military Affairs.

A bill (S. No. 494) amendatory of the act entitled "An act to revise, consolidate, and amend the statutes relating to patents and copyrights"—to the Committee on Patents, and ordered to be printed.

A bill (S. No. 42) granting a pension to Caleb A. Lamb, late a musician in Company E, of the Forty-sixth Regiment of Indiana Volunteer Infantry—to the Committee on Invalid Pensions.

A bill (S. No. 217) granting a pension to Julia A. Smith—to the Committee on Invalid Pensions.

A bill (S. No. 387) granting a pension to Captain Benjamin Farley, Company C, Fifth Indiana Cavalry—to the Committee on Invalid Pensions.

A bill (S. No. 395) for the relief of Edward N. Calvert—to the Committee on War Claims.

A bill (S. No. 512) to extend the time for completing the Wisconsin Central Railroad in Wisconsin—to the Committee on the Public Lands.

A bill (S. No. 449) granting a pension to Mrs. Amy A. Hough—to the Committee on Invalid Pensions.

A bill (S. No. 527) for the relief of Anson Harmon—to the Committee on Claims.

A bill (S. No. 477) granting a pension to Jemima Maxwell—to the Committee on Invalid Pensions.

A bill (S. No. 518) granting a pension to Benjamin C. Skinner—to the Committee on Invalid Pensions.

A bill (S. No. 539) granting a pension to Eugene Smith—to the Committee on Invalid Pensions.

A bill (S. No. 540) granting a pension to Fanny Newcomb, mother of Irenus Newcomb, late of Company H, Sixth Regiment Vermont Volunteers—to the Committee on Invalid Pensions.

A bill (S. No. 161) to provide for the appointment of a commission on the subject of the alcoholic and fermented liquor traffic—to the Committee on the Judiciary.

A bill (S. No. 384) for the benefit of the Louisville and Bardstown Turnpike Company—to the Committee on War Claims.

A bill (S. No. 433) for the relief of Mrs. Susan H. Shelby—to the Committee on War Claims.

A bill (S. No. 192) for the relief of Salome Deck—to the Committee on War Claims.

A bill (S. No. 259) to authorize the proper accounting officers of the Treasury to settle with Henry C. Carey—to the Committee on Foreign Affairs.

A bill (S. No. 176) to authorize the establishment of public marine schools—to the Committee on Naval Affairs.

A bill (S. No. 419) for the relief of Sebastian Reichart—to the Committee on the Public Lands.

A bill (S. No. 207) for the relief of C. E. Rogers—to the Committee on Claims.

A bill (S. No. 221) to fund the sum due the Prairie band of Pottawatomie Indians, under the provisions of the treaty of February 27, 1867, and to transfer and fund any sum which may be found due from the Citizens' band of Pottawatomies to the Prairie band, according to an agreement entered into between said bands July 18, 1873, and to use both principal and interest for the civilization of said Indians—to the Committe on Indian Affairs.

A bill (S. No. 318) to provide for the appraisement of merchandise in certain cases—to the Committee on Ways and Means.

A bill (S. No. 465) for the relief of Joseph Council, of Mobile, Alabama—to the Committee on War Claims.

A bill (S. No. 470) for the relief of James R. Young—to the Committee on Claims.

A bill (S. No. 583) making an appropriation to defray the expenses of the joint select committee to inquire into the affairs of the District of Columbia—to the Committee on Appropriations.

Mr. WILLARD, of Vermont. I move to reconsider the various votes by which bills have been referred; and also move that the motion to reconsider be laid on the table.

The latter motion was agreed to.

ENROLLED BILLS SIGNED.

Mr. PENDLETON, from the Committee on Enrolled Bills, reported that the committee had examined and found truly enrolled a bill of the following title; when the Speaker signed the same:

An act (H. R. No. 2423) to approve an act of the Legislative Assembly of the District of Columbia relating to parishes of the Protestant Episcopal Church.

DEPARTMENT OF JUSTICE INVESTIGATION.

Mr. DURHAM. I am instructed by the Committee on the Expenditures in the Department of Justice to ask permission that they may sit during the sessions of the House.

There being no objection, leave was granted.

JOHN W. MASSEY.

Mr. MYERS, by unanimous consent, reported back from the Committee on Foreign Affairs a bill (H. R. No. 2117) for the relief of John W. Massey, late consul at Paso del Norte, Mexico; which was referred to the Committee of the Whole on the Private Calendar.

POST-ROAD BILL.

Mr. PACKER, by unanimous consent, reported from the Committee on the Post-Office and Post-Roads a bill (H. R. No. 2551) to establish certain post-roads; which was read a first and second time, ordered to be printed, and recommitted.

GRAND MARIE HARBOR, LAKE SUPERIOR.

Mr. CONGER, by unanimous consent, presented a letter from the Secretary of War, with an accompanying report on the Grand Marie Harbor of Lake Superior, Minnesota; which was referred to the Committee on Commerce, and ordered to be printed.

GEORGIA ELECTION CONTEST—SLOAN *vs.* RAWLS.

The House resumed the consideration of the following resolutions reported from the Committee on Elections:

Resolved, That Hon. Morgan Rawls is not entitled to a seat in this House as a Representative from the first congressional district of Georgia, in the Forty-third Congress.

Resolved, That Hon. Andrew Sloan is entitled to a seat in this House as a Representative from the first congressional district of Georgia, in the Forty-third Congress.

Mr. SMITH, of New York. I hope there may be an understanding that the previous question shall be called at the expiration of one hour.

Mr. SPEER. I understood, Mr. Speaker, that it was satisfactory to the chairman of the committee that those representing the views of the minority should have an hour, at the expiration of which time the previous question should be called, and that the remainder of the discussion should be left to the majority.

Mr. SMITH, of New York. That is satisfactory.

The SPEAKER. The arrangement, then, is that after one hour the previous question shall be considered as operating. The Chair hears no objection.

Mr. BLOUNT obtained the floor.

Mr. NIBLACK. If the gentleman from Georgia [Mr. BLOUNT] will yield to me for the purpose, I would like to move that the House adjourn.

The SPEAKER. Does the gentleman from Georgia yield?

Mr. BLOUNT. Yes, sir.

Mr. NIBLACK. Then I make the motion.

The question being taken on the motion, there were—ayes 73, noes 70; no quorum voting.

Tellers were ordered; and Mr. NIBLACK and Mr. HYDE were appointed.

The House divided; and the tellers reported—ayes 70, noes 83.

So the motion to adjourn was not agreed to.

Mr. BLOUNT proceeded to address the House, but without concluding yielded for a motion to adjourn. His remarks in full will appear on page 2399.

Mr. LAMAR. I move that the House adjourn.

The motion was agreed to; and accordingly (at four o'clock and twenty minutes p. m.) the House adjourned.

PETITIONS, ETC.

The following memorials, petitions, and other papers were presented at the Clerk's desk, under the rule, and referred as stated:

By Mr. ADAMS: The petition of Joshua Hulse, of Powell County, Kentucky, for a pension, to the Committee on Invalid Pensions.

By Mr. BERRY: The petition of citizens of Wyandot County, Ohio, for the removal of disabilities from soldiers who left their regiment without leave after the close of the late war, to the Committee on Invalid Pensions.

Also, the petition of Peter C. Ulrich, of Upper Sandusky, Ohio, for increase of pension, to the Committee on Invalid Pensions.

By Mr. DONNAN: The petition of E. Cartwright and others, of Decorah, Iowa, for an extension of the signal service, so as to benefit in a more direct manner public health, to the Committee on Military Affairs.

By Mr. HAWLEY, of Illinois: The memorial of 141 citizens of Bureau County, Illinois, in reference to the construction of a canal from Hennepin, on the Illinois River, to Rock Island, on the Mississippi River, to the Committee on Railways and Canals.

Also, the memorial of 112 citizens of Annawan, Henry County, Illinois, of similar import, to the Committee on Railways and Canals.

Also, the memorial of citizens of Rock Island County, Illinois, of similar import, to the Committee on Railways and Canals.

Also, the memorial of citizens of Poweshiek and Jasper Counties, Iowa, of similar import, to the Committee on Railways and Canals.

By Mr. HENDEE: The petition of Z. M. Mansur and others, of Vermont, that soldiers who have lost an arm above the elbow may receive the same pension as soldiers who have lost a leg above the knee, to the Committee on Invalid Pensions.

By Mr. LUTTRELL: Papers relating to the Pulgas Rancho and Coppinger Rancho grants, in the State of California, to the Committee on Private Land Claims.

Also, papers relating to the Visitacion Rancho and the Buri Buri Rancho grants, in the State of California, to the Committee on the Public Lands.

By Mr. ROBINSON, of Ohio: The petition of John Dewitt, of Gambier, Ohio, for correction of his military record, to the Committee on Military Affairs.

By Mr. WALDRON: The petition of citizens of Clayton, Michigan, for the establishment of a general and permanent system of international arbitration, to the Committee on Foreign Affairs.

By Mr. WOODFORD: The memorial of King's County Medical Society, New York, in reference to the status of the medical staff of the United States Army, to the Committee on Military Affairs.

IN SENATE.

MONDAY, *March* 23, 1874.

Prayer by the Chaplain, Rev. BYRON SUNDERLAND, D. D.

On motion of Mr. DAVIS, and by unanimous consent, the reading of the Journal of the proceedings of Friday last was dispensed with.

PETITIONS AND MEMORIALS.

Mr. CHANDLER presented a concurrent resolution of the Legislature of Michigan, asking that the postal laws be so modified as to permit free exchanges between newspapers and the free circulation of newspapers in the county where printed; which was referred to the Committee on Post-Offices and Post-Roads, and ordered to be printed.

Mr. FERRY, of Michigan, presented the petition of Rev. George Ransom and 13 others, members of the Presbytery of Grand Rapids, Michigan, praying Congress to appropriate the unappropriated portion of the Chinese indemnity fund for the education of the Chinese in the Pacific States; which was referred to the Committee on Education and Labor.

He also presented a resolution of the Legislature of Michigan, favoring the repeal of any and all provisions of the existing laws which prohibit free exchanges between newspapers and other periodicals, and the free circulation of weekly papers in the county where they are published; which was referred to the Committee on Post-Offices and Post-Roads.

Mr. CONKLING. I present a petition numerously signed by residents of the twenty-fifth congressional district, in the State of New York, praying for the formation of a high court of nations, or such other pacific measures as may lead to international arbitration as a substitute for war. I move the reference of this petition to the Committee on Foreign Relations.

The motion was agreed to.

Mr. CONKLING. I present also the proceedings of the Medical Society of the County of Kings, New York, recently held in the city of Brooklyn, asking Congress to place the Medical Corps of the Army upon the same footing, in regard to pay, rank, and promotion, with the Medical Corps of the Navy, and with other staff corps. I move the reference of these proceedings to the Committee on Military Affairs.

The motion was agreed to.

Mr. CONKLING. I present like proceedings, being a preamble and resolutions passed at a meeting of the New York State Medical Society, held at Albany recently. I move their reference to the Committee on Military Affairs.

The motion was agreed to.

Mr. CONKLING presented the petition of E. P. Rogers on behalf of his wife, deceased, heir of John Caldwell, late of Hartford, Connecticut, praying to be indemnified for spoliations committed by the French prior to the year 1801; which was ordered to lie on the table.

He also presented the petition of J. W. McClure, praying the payment of a moiety due him out of moneys covered into the Treasury of the United States; which was referred to the Committee on Claims.

Mr. CONKLING. I present a memorial, signed by Peter Cooper, Phelps, Dodge & Co., L. P. Morton, Jackson S. Schultz, and a large number of other citizens of high character of the city of New York, reciting the legislation and the results of the legislation touching a centennial exhibition, and asking Congress to so legislate in respect to appropriations and otherwise as to redeem what is regarded as a public engagement to insure the success of the centennial exposition, and also to make it international in its character. I move that this memorial be referred to the Committee on Appropriations.

The motion was agreed to.

Mr. HAMLIN presented the memorial of A. T. C. Dodge, a resident of the District of Columbia, remonstrating against the sewerage tax, so called, imposed by the District authorities, as unjust and unconstitutional, and asking relief from the same; which was referred to the Committee on the District of Columbia.

Mr. SHERMAN presented a memorial of citizens of Ohio, remonstrating against the extension of the Wells patent for forming hatbodies; which was referred to the Committee on Patents.

Mr. BOREMAN presented a petition of citizens of West Virginia asking an appropriation in aid of the Little Kanawha improvement; which was referred to the Committee on Commerce.

Mr. PRATT. I present fifteen petitions, containing several hundred names, proceeding from citizens of the eighth and eleventh congressional districts of the State of Indiana, in which they pray Congress to take steps, as promptly as possible, in co-operation with other governments, for the settlement of international difficulties by arbitration and the formation of a high court of nations or such other pacific measures as the wisdom of Congress may suggest, for the settlement of international difficulties without a resort to arms. I move the reference of these petitions to the Committee on Foreign Relations.

The motion was agreed to.

Mr. OGLESBY presented the petition of A. Chester, praying payment for services as inspector of hospitals and pensions during the late war for which he has never received compensation; which was referred to the Committee on Claims.

Mr. MORTON. I present a petition on behalf of the colored citizens of the Indian Territory residing in the Choctaw and Chickasaw Nations. It is on behalf of about seven thousand colored citizens of that Territory, representing that they are deprived of all political and of most civil rights under the government of that Territory. I regard the matter presented as very important, and think it properly belongs to the Committee on the Judiciary. I move, therefore, that it be referred to that committee.

Mr. BOREMAN. I wish to make a remark in regard to the memorial just presented by the Senator from Indiana, before it is referred. There is a bill before the Committee on Territories, which has for its object the establishment of a territorial government over these Indians, and it seems to me that it would be well that this subject should be taken into consideration in preparing that bill.

Mr. MORTON. I think the subject should be referred to that committee, and I ask leave to change my motion.

The PRESIDENT *pro tempore*. The motion is to refer the petition to the Committee on Territories.

The motion was agreed to.

Mr. MORTON presented nineteen petitions of citizens of Indiana praying the establishment of a mail-route from Newcastle to Dunreith, Indiana; which were referred to the Committee on Post-Offices and Post-Roads.

Mr. FENTON. I present the petition of Samuel Strong, of this city, who states that he entered into an engagement to execute certain extensive improvements in this District, which work he faithfully performed. He says that the contracts provided for the payment of this work to be made in lawful money of the United States, which has not been done by the agents of the Government, or officers of this District; and he says that he has expended $250,000, and in return has received nothing but certificates of indebtedness, amounting on their face to the sum of $111,000, and which he received under protest. He concludes by asking that the matters and things pertaining to the work and improvements done by him under contract be referred to a committee for investigation. As there is a joint committee authorized, which has in charge matters of a similar character, I move the reference of this petition to that committee.

The petition was referred to the Joint Committee to Inquire into the Affairs of the District of Columbia.

PETITIONS ON THE FINANCIAL QUESTION.

Mr. FERRY, of Michigan. I present a memorial of merchants and business men of New York. To remove from the public mind the representation that has been made, that they are entirely for a contraction of the currency, I present this petition, covering some 700 names; and in this connection I desire to read an extract from a letter accompanying the petition, that will give a little idea of the sentiment that is prevailing in that city and elsewhere:

> Until within a few weeks I have been of the opinion that nearly every one in this city was opposed to any more legal-tenders or bank currency. I inferred this from the fact that many of the bankers and importers had so petitioned Congress, and also because the public press have been steadily opposing any more money and molding public opinion as far as they could in that direction. More recently, however, I have had occasion to mingle with the dry-goods and other leading branches of trade, and I find that the heads of nearly every business concern are decidedly in favor of at least the forty-four millions and free banking. From my recent observations I am of the opinion that if any one would go to the trouble and expense of getting an expression of the people of this city they would find 60 to 90 per cent. of the prominent business men, as well as the populace, in favor of the petition we herewith send. The names of many thousands could be obtained to this petition here; it is only a question of time and work in the way of circulating it.

I had the honor, I think, on Tuesday last, of presenting a petition signed by 400 business men from the same city; and my attention has been called to an implication from one of the metropolitan press that the names of the persons were not genuinely represented. I may state that I have no knowledge of the persons or of their signatures, but from my judgment of them they are sufficiently characteristic to

identify themselves; at least I leave it to the New York merchants and business men to vindicate their names and their identity as well as their integrity against the unwarrantable imputation to which I have referred. I say in that regard that that petition was voluntarily sent to me as well as the present one. Now, I will read some of the names on this, and I do it the more readily that the citizens themselves may take and settle the question of identity and integrity as between them and the press.

I present now the memorial of Francis Skiddy, Von Sacks & Co., Vatable & Son, E. H. Purdy & Co., J. M. & L. de Escorza, A. A. Selover, J. de Reviera & Co., Regnal & Co., Fernandez & Calbo, Badgley & Mead, E. Goodwin & Co., J. P. Croxson & Co., A. J. Aken & Co., and 694 others, business men of New York, praying that the volume of legal-tenders be fixed at $400,000,000, and for the passage of a free-banking law; and the names will appear for themselves and show whether they are genuine. I move that the petition be referred to the Committee on Finance.

The motion was agreed to.

Mr. MORRILL, of Vermont. Who was the letter from?

Mr. FERRY, of Michigan. I am not called upon to give the name.

I also present the petition of T. W. Noble, G. B. Stebbins, William S. Armitage, and others, citizens of Wayne County, Michigan, praying for a full legal-tender currency instead of national-bank notes, to be interconvertible with 3.65 per cent. bonds, the interest and principal of the bonds to be payable in lawful money; and further, the petition of W. H. Hatch, F. A. Bellman, and 78 others, citizens of Saint Joseph County, Michigan, praying Congress for additional issues of greenbacks and a convertible bond bearing 3.65 per cent. interest; and also, the petition of Milo Harrington and 68 others, citizens of Gratiot County, Michigan, praying Congress to provide a full legal-tender currency declared equal with coin and interconvertible with Government bonds bearing interest at 3.65 per cent. I move that these petitions be referred to the Committee on Finance.

The motion was agreed to.

Mr. CONKLING. I present a memorial from merchants of the city of New York, members of the cotton exchange, signed by nearly every member of that association, declaring the belief that an additional issue of paper money would be injurious to the public interests, declaring also the belief that the country is now and has been for years suffering from an excess of paper money; and praying that measures be adopted such as will lead to the resumption of specie payments at the earliest time practicable. The reading just now of a letter from New York by the Senator from Michigan induces me to ask the Senate to hear a word from the letter of Grinnell, Minturn & Co., accompanying the petition in my hand:

> We have pleasure in sending you for presentation to the Senate the inclosed memorial from the New York Cotton Exchange, which has received the signature of almost every firm belonging to the cotton exchange.
>
> We see by the papers that some western Senators have presented memorials in favor of expansion, which memorials were presented as being signed by prominent merchants of this city. We have to assure you that, with ample means of knowledge, we do not believe that "any prominent merchants of this city"—

Quoting apparently from some published statement—

> have signed a memorial in favor of expansion. The sentiment of the business men of this city, except stock operators, is almost without exception earnest in opposition to the various forms of inflation which are now proposed.
>
> Yours, respectfully,
>
> GRINNELL, MINTURN & CO.

Mr. President, in moving the reference of the petition to the Committee on Finance, I ask the Senate to indulge me for a few moments, a liberty I take with less scruple because I have been sparing in my demands on time during the debate which has been waged for weeks upon the subject of finance.

Since the subject was last discussed here—last with the exception of the speech made by my honorable friend from Illinois, [Mr. LOGAN,] which I had not the pleasure to hear, being absent—I have been to the State of New York, not to the city of New York alone, but into the interior, and there I met with many persons, discerning persons, not those representing special interests, but such as one might resort to for a general average of the sense of the community, and I beg the attention of the Senate to a single statement.

There is one financial position, and one need, in which all men agree, the expansionist, the contractionist, the democrat, the republican, the importer, the business man, the workingman, every constituent of society; and that is that the great duty and need of the hour is to see to it that whatever is to be done or omitted on this subject shall be at once. Everywhere the testimony is that the spring business is halting, in a large degree paralyzed, owing to the uncertainty in which the country is kept, owing to the fact that no man knows by what yard-stick he is to measure, by what volume of currency or standard of value he is to calculate; and the whole business community is waiting, until the spring business is threatened, and until it has already been greatly injured.

I need not say, Mr. President, I do not deem all this owing wholly to the inaction of Congress. I do, however, profoundly believe and deplore that a large part of it is due to the agitation without action in Congress, and I know that the general judgment is that in all the discussion that has been carried on, so varied and so protracted as it has been, members of this body must be instructed as largely and as well prepared as they can be by discourses or debate; and I wish to testify for the people in whose name I have the privilege to speak that the sentiment is universal that we owe it to ourselves and owe it to our duty to lose not a day nor an hour in making an end of this subject one way or the other. If we are to have expansion, let us have expansion; and let the business community know it. If we are to have anything looking toward contraction, let it be known at once. If we are to do nothing in respect to the finances, not even to determine the legal footing of the $44,000,000 reserve, let us say once for all that at this session of Congress, as to this body, no action will be taken. Any one of these results when fixed and known will be the signal for an advance; activity will start. Anything certain and done will be better than to keep every business man in the country dangling longer, like Mohammed's coffin, between heaven and earth, not able to foretell or guess what the action of Congress may be month after next, or what the effect of that action may be. I do not know what the understanding of the Senate was on Friday as to an early vote on this subject.

The PRESIDENT *pro tempore*. The finance bill was made the special order for to-day at one o'clock.

Mr. CONKLING. I beg to say, then, to the honorable Senator from Ohio, who has charge of the bill, [Mr. SHERMAN,] that he shall have my vote and effort always to hasten to an end.

The PRESIDENT *pro tempore*. The memorial will be referred to the Committee on Finance.

Mr. SHERMAN. I am requested to present the memorial of the Importers' and Grocers' Board of Trade of the city of New York, in which they recite that the experience of this nation has been such as amply confirms the truth of the theories of the wisest statesmen and the soundest financiers of previous times, namely, that an irredeemable, and therefore unstable, paper currency works grievous injury to the material prosperity of a country, causing mercantile ventures, however wisely conceived and carefully executed, to partake of the nature of games of chance, thus repelling capital, repressing enterprise, and demoralizing labor, and is therefore among the greatest evils which can befall a commercial people; that the only excuse which ever was, or ever could have been, successfully urged for its infliction upon the people of the United States has long ago passed away, by reason of the return of the nation to the arts and avocations of peace; therefore, expressing their distrust of the wisdom of any action by Congress which tends to prolong unnecessarily the existence of such a currency for a single day, and regarding with serious apprehension and alarm any proposition, emanating from whatever source or upon whatever pretext, which contemplates a further issue of legal-tender notes at this juncture as a measure in utter disregard of the plainest principles of sound finance and fraught with great peril to the vast and varied interests involved, they express themselves in favor of a return to specie payments at the earliest practicable period, and say that, "as a step preliminary and indispensable thereto, it is essential that the Government take such steps as will establish a regular redemption of the national-bank currency, as contemplated by law, without further delay." I move the reference of the memorial to the Committee on Finance.

The motion was agreed to.

Mr. LOGAN. I present a petition signed by business men of New York City; and I will read some of the names, and ask my friend on the left [Mr. CONKLING] whether they are recognized as business men or not. This petition was sent to me this morning with a letter from William L. Strong & Co., a business firm of the city of New York, in the following language:

> Your petitioners beg leave respectfully to represent that the commercial and manufacturing interests of the country are paralyzed, owing to the uncertainty of the financial question now under consideration by your honorable body, and urge the necessity of immediate action.
>
> We respectfully recommend that the volume of legal-tenders be fixed at $400,000,000 and the passage of a free-banking law.

This is signed by Anthony & Hall, Wentworth & Co., Devlin & Co., W. Z. Pomeroy, B. W. Pierce, J. Frank & Co., W. L. Strong & Co., S. S. Fisher, Aborn, Moir & Co., Paine, Goodwin & Nowell, H. B. Claflin & Co., Dexter, Abbott & Co., O. E. Tyler, and 150 other signatures, that are certainly genuine, because they are all written in different handwritings, showing that they were certainly signed. I only know that this letter I have received says they are signed and are genuine, representing 150 business firms in the city of New York, such men as Claflin & Co., and others. I move the reference of this petition to the Committee on Finance.

The motion was agreed to.

Mr. LOGAN. I will also ask leave to make a remark in reference to the petitions that were presented before from New York, to which certain gentleman take exception because they were presented by western Senators. I presume those petitions were presented by western Senators because western Senators indorsed their views. I do not suppose that it is an objection that a petition should be presented by any particular Senator. My friend from New York this morning took a few moments to explain the necessity of action and to reprobate a further discussion. I certainly reprobate it as much as he does; but I will say in justification of myself, and I hope of others that agree with me as to the policy that should be adopted by the Senate and by Congress, that the discussion was not brought about by us first in the Senate Chamber. We have continued to reply to speeches here, and to make such arguments as we thought proper on our side of the question. We think we have a right to do it; and I will say further,

however much it may be deprecated, and much as we may desire a vote of the Senate on these questions, and however much interest the people may have, we, as representatives, have just as much interest as any other representatives, and we will on every occasion, if we think we represent the sentiment of our constituents, until Congress adjourns, if these gentlemen wish to debate it, answer and reply to arguments in opposition to our theories.

Mr. CONKLING. I ask my friend to allow me to inquire of him whether he understood me in any way to criticise debate on either side?

Mr. LOGAN. Not at all. I only spoke of the deprecation of debate. I deprecate it, too.

Mr. CONKLING. I did not even do that. If I deprecated anything, it was the fact that so much time had elapsed without the question being settled one way or the other. I am quite sure I was careful not to say anything that could be understood or misunderstood as being a criticism on any Senator.

Mr. LOGAN. I only say in answer, that in the Senate the right of debate belongs to each and every Senator under the rules, and it is not necessary for it to be deprecated, because each side on such a question will take its own course in reference to debate.

I have a letter here, written by a gentleman by the name of Barrett, with whom I am acquainted, an honorable, high-minded gentleman of the city of Mount Vernon, in my State, a considerable little town in the interior, one of the places where the supreme court of Illinois holds its sessions; and in that letter he has sent to me various kinds of money, or representatives of it, that are in circulation in that town now, on account of there not being a supply of what we call real money for the people. Here is one of the notes by a railway company, [exhibiting a printed piece of paper:] "The Saint Louis and Southeastern Railway Company. Certificate of indebtedness, good for five dollars. Payable to H. W. Gardner, paymaster, or bearer," and signed J. B. Harris, cashier. Here is a five-dollar note of a railroad company, which is circulated there because there is no money. Further, I find tickets of this character sold through the country, [exhibiting a series of tickets.] They are tickets of railroads, representing so much money, made good for a trip; another one is "good for five cents." That is the character of circulation there in that part of the State, because of the want of currency.

I also find different merchants' certificates, good for so much in goods. "A. W. Plummer, Mount Vernon, Illinois, will pay five cents to bearer;" this is good for five cents. I also find "the Southeastern Railroad Company, Saint Louis Division," the railroad presided over by Janye Winslow—a good railroad, a through route; one that I know nothing against; but managed by an accommodating set of gentlemen issuing this kind of tickets, signed by Mr. Winslow: "No board will be allowed by this company unless on these tickets. This ticket is good for twenty-five cents. It must be returned at the end of the month to paymaster at Mount Vernon, Illinois." That is the way they are paying off their employés, in tickets of this kind, good for so much.

Further, I find another character of money in circulation there by the butchers. I have one before me, "Good for beef," one to the extent of ten cents, another to twenty-five cents, and so on from five dollars to five cents.

Those are the different kinds of money, if it may be so called, in circulation in that part of the country; and yet we are told that Illinois is not suffering for currency. That is the character of circulation we have in the interior, and you, gentlemen, say that we are misrepresenting the sentiments of the people of the country. Why, sir, it is so all over the interior of the Northwest. In my State this is the character of the circulating medium they have in the different towns for the lack of currency. What we want is the right to have banks.

A SENATOR. Does it not show that you want more fractional currency?

Mr. LOGAN. This is fractional enough, so far as that is concerned. If you think we want more fractional currency, this is fractional enough.

I merely present this in connection with the statement of the Senator from New York to show the difference between the position of the people in New York, where they have the greatest supply, the greatest number of banks, and the people in my country, where they have not a supply and where they have not banking facilities.

The PRESIDENT *pro tempore*. The Chair will remind Senators that this debate is being proceeded with by unanimous consent.

Mr. LOGAN. Certainly. I merely present this as a petition from Mr. Barrett with these facts as going to prove the statement in his letter. I do not care about referring them to the Finance Committee, because they are not in need of this quality of currency just at this time.

The PRESIDENT *pro tempore* presented a memorial of the Legislative Assembly of the Territory of Montana in favor of improved facilities for transportation between the Yellowstone Valley and the town of Bismarck, in Dakota Territory; which was referred to the Select Committee on Transportation Routes to the Sea-board.

REPORTS OF COMMITTEES.

Mr. ANTHONY. I am instructed by the Committee on Printing, to whom was referred a motion to print two hundred copies for the use of the Department, of a letter of the Postmaster-General in answer to a resolution of the Senate asking for information relative to postal service between New York and Washington, and other places, to report it back and recommend its passage; and I ask for its present consideration.

The motion to print was agreed to.

Mr. SHERMAN. I am directed by the Committee on Finance to report a bill, and give notice that to-morrow I will offer it as a substitute for the pending financial bill, which is now the special order. Perhaps the bill I send up had better be read and printed.

The bill (S. No. 617) to provide for the redemption and reissue of United States notes, and for free banking, was read the first time at length.

Mr. DAVIS. That is a very important bill. I should like to have it directed to be printed as early as possible and laid on the desks promptly, as the subject will be under consideration.

The PRESIDENT *pro tempore*. The bill will be printed, of course.

Mr. SHERMAN. It is due to the members of the Committee on Finance that I should say that the bill which I have just reported, as it appears on its face, is in the nature of a compromise measure, which is more or less acceptable all around, but at the same time there are certain features of the bill which members of the Committee on Finance will feel at liberty to express their opposition to, and also to propose amendments to. It is due to them that I should make this statement. The bill itself, as appears on its face, is the result of great labor, long consideration, and the consequence of compromise. In many cases we were not able, however, to reconcile conflicting opinions; and on those points of course members of the committee will feel themselves at liberty to oppose certain features of the bill.

Mr. THURMAN. I should like to inquire of my colleague whether he proposes to-day or to-morrow, when he makes the motion that he indicated, to state what in the opinion of the committee reporting this bill will be its practical effect, so that we may have the views of the committee as to the workings of the bill should it become a law. I am sure I, for one, should like very much to know what the committee who have devoted so much time to this subject think will be the practical working of the measure, at any time that it suits the convenience of the chairman of the committee to make such statement.

Mr. SHERMAN. When the subject is introduced, if it be convenient, to-morrow, I propose to make a very brief statement of the effect of each section, as we understand it; but I do not intend by any long speeches or any remarks to prolong this matter unnecessarily. I have expressed my own individual views, and each member of the committee, I suppose, stands to the opinions expressed by him in the speeches he has made in the Senate—speeches that were carefully considered, and by which the position of each Senator was stated; but undoubtedly I shall feel it my duty when the bill is called up to state what I regard as the actual practical effect of these different propositions; and some of them, I will now say, I assented to with great reluctance.

Mr. CONKLING, from the Committee on the Judiciary, to whom were referred various petitions from citizens of the United States, praying for a repeal of the bankrupt law, asked to be discharged from their further consideration; which was agreed to.

He also, from the same committee, to whom were referred the bill (S. No. 10) to repeal the act entitled "An act to establish a uniform system of bankruptcy throughout the United States;" the bill (S. No. 12) to repeal the sections in the bankrupt law of 1867, and acts amendatory thereof, which provide for involuntary bankruptcy; the bill (S. No. 78) supplementary to the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved March 2, 1867; and the bill (S. No. 86) to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," asked to be discharged from their further consideration; which was agreed to, the Senate having already acted on the subject-matter.

Mr. BOREMAN, from the Committee on Territories, to whom was referred the bill (S. No. 44) to establish the Territory of Pembina, and to provide a temporary government therefor, reported it without amendment, and submitted a report thereon; which was ordered to be printed.

Mr. WRIGHT, from the Committee on Finance, to whom was referred the bill (S. No. 488) authorizing the First National Bank of Indianola, Iowa, to change its location and name, reported adversely thereon, and moved its indefinite postponement; which was agreed to.

He also, from the Committee on Claims, to whom was referred the petition of Benjamin D. Lakin, praying the repayment of $1,000 paid by him for a substitute, submitted an adverse report thereon; which was ordered to be printed, and the committee was discharged from the further consideration of the petition.

Mr. BOGY, from the Committee on Private Land Claims, to whom was referred the bill (S. No. 441) enabling claimants to lands within the limits of the Territory of New Mexico to institute proceedings to try the validity of their claims, reported it with amendments.

He also, from the same committee, to whom was referred the bill (H. R. No. 294) for the relief of Joab Bagley, reported it with an amendment.

Mr. THURMAN. I wish to give notice that as soon as the currency question has been disposed of, I will ask the Senate, or the Senator from Missouri, [Mr. BOGY] will, to take up the bill first reported by him

this morning. It is a bill of the greatest importance to three of the Territories. It is a bill providing for settling their disputed land claims—claims that I undertake to say ought to have been settled, if this Government had done its duty, the most of them twenty years ago; and now the settlement of these Territories and their prosperity are most materially retarded by the unsettled nature of their land titles, to settle which is the object of the bill. I hope the Senate will, after the financial measure is disposed of, consent to take up that bill and act upon it. It is a bill that will not perhaps occupy more than an hour or two hours in its consideration, perhaps not half that long.

Mr. WADLEIGH, from the Committee on Military Affairs, to whom was referred the petition of James V. Boughner, of West Virginia, praying confirmation of title to certain lands, and the issue of a patent therefor, asked to be discharged from its further consideration, and that it be referred to the Committee on Public Lands; which was agreed to.

SCHOONER CARRIE.

Mr. MORRILL, of Maine. I ask the unanimous consent of the Senate to take from the table a bill which will occupy but a moment, and there is a special reason why I desire it acted on at the present moment. It is the bill (H. R. No. 485) to authorize the Secretary of the Treasury to issue an American register to the schooner Carrie, of Eastport, Maine.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which authorizes the Secretary of the Treasury to grant and issue an American register to the schooner Carrie, now owned in Eastport, Maine, under such name as the owners may select.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

REMOVAL OF INDIANS FROM MEXICO.

Mr. BUCKINGHAM. The Committee on Indian Affairs, to whom was referred the bill (S. No. 212) authorizing the Secretary of the Interior to use, for the removal of the Kickapoos and other Indians on the borders of Texas and Mexico to the Indian Territory, and for their support after such removal, the unexpended balance of appropriations made for the above purpose by acts approved July 15, 1870, and March 3, 1871, have instructed me to report it back without amendment, and to ask for its present consideration.

The bill was read, as follows:

Be it enacted, &c., That the Secretary of the Interior be, and he is hereby, authorized to use, for the removal of the Kickapoos, or other Indians, from the borders of Texas and Mexico to the Indian Territory, and for their support and subsistence after such removal, the unexpended balance of appropriations made by the acts approved July 15, 1870, and March 3, 1871, (Statutes, volume 16, pages 359 and 569,) for such removal and subsistence.

Mr. SARGENT. How much is the unexpended balance of appropriation?

Mr. BUCKINGHAM. Fifty thousand and some dollars.

Mr. SARGENT. How much was the total amount appropriated originally?

Mr. BUCKINGHAM. Sixty-five thousand dollars was appropriated originally.

Mr. SARGENT. And the Department have used $15,000?

Mr. BUCKINGHAM. Between $14,000 and $15,000.

Mr. SARGENT. How many Indians have been removed?

Mr. BUCKINGHAM. Three hundred.

Mr. SARGENT. How many are to be removed?

Mr. BUCKINGHAM. About three hundred.

Mr. SARGENT. It cost the lesser amount to remove the first three hundred, and it will cost the larger amount to remove the last three hundred?

Mr. BUCKINGHAM. I cannot say as to that.

The PRESIDENT *pro tempore*. Is there objection to the present consideration of the bill?

Mr. SARGENT. I do not wish to object to this bill; but I wish to remark that I think there is danger that these things slip through without sufficient examination. I have great confidence in the discretion of my friend, the Senator from Connecticut, but I should like to inquire if this bill has been specifically examined by the Indian Committee.

Mr. BUCKINGHAM. It has been by the Committee on Indian Affairs. I will state in one moment the object of it. An appropriation was made, in the first place, of $25,000 for the removal of these Indians, and a year afterward another appropriation was made authorizing the use of $40,000; and a commission was appointed to remove the Indians. A great many things obstructed its execution, and there was great delay in removing them. They were not removed until last summer; but when they were, the officers had expended between fourteen and fifteen thousand dollars. The balance has not been used, simply because the Comptroller of the Treasury determined that, according to the construction of the law, these appropriations were covered into the Treasury on the 30th of June last, whereas the expense of removing these Indians had been contracted for previous to that time and the process of removal was going on. This is to reappropriate the balance for service and work already performed in the removal of these Indians. They are suffering and have been ever since they have been on the reservation, simply because the Government cannot use this fund. I think I have stated the case as it exists.

By unanimous consent, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILLS INTRODUCED.

Mr. RAMSEY asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 618) granting land to the State of Minnesota for the purpose of endowing an astronomical observatory and a school of mines; which was read twice by its title, referred to the Committee on Public Lands, and ordered to be printed.

Mr. WEST asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 619) providing for the removal of certain obstructions in Red River, near Alexandria, Louisiana; which was read twice by its title, and referred to the Committee on Commerce.

Mr. WADLEIGH asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 620) authorizing the extension of the patent granted to John Haseltine for a new and useful water-wheel; which was read twice by its title, and referred to the Committee on Patents.

Mr. MITCHELL (by request) asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 621) to incorporate the Citizens' Mutual Gas-Light Company of Washington City, in the District of Columbia; which was read twice by its title, and referred to the Committee on the District of Columbia.

EXTENSION OF MORNING HOUR.

Mr. STEWART. I submit the following resolution:

Resolved, That the Committee on the Revision of the Rules be instructed to inquire and report as to the expediency of so amending the rules as to extend the morning hour until half-past one o'clock p. m. each day, and that during such morning hour no debate shall be in order on any subject not regularly before the Senate.

Mr. President, the rule that we have adopted for considering unobjected bills, when we come to them, operates very well. It allows the ordinary business to be disposed of without wasting time in useless discussion; and the morning hour is the only time when we can expect to have a full Senate for the disposition of business of that kind. If we could have half an hour more, and devote ourselves to regular morning business, there would be no necessity for wasting time in struggles to get up bills to which nobody has objection. I hope the Committee on Rules will take the matter into consideration.

Mr. BAYARD. Is it proposed to refer that matter to the Committee on Rules?

Mr. STEWART. Yes, sir.

The PRESIDENT *pro tempore*. The resolution instructs the committee to inquire into and report upon the subject.

The resolution was considered by unanimous consent, and agreed to.

ORDER OF BUSINESS.

The PRESIDENT *pro tempore*. The morning hour having expired, the Senate proceeds to the consideration of the special order for this hour, which is the bill (S. No. 432) to amend the act entitled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates and for an increase of national-bank notes," approved July 12, 1870.

Mr. WEST. It being the intention of the Senator from Indiana [Mr. MORTON] to address the Senate on the bill just announced from the Chair, by his permission I will ask the Senate to take up House bill No. 2451, which was reported by the Committee on Commerce on Thursday last.

Mr. SHERMAN. Unless it is a very pressing case, the Senator must see that I am under a pledge to insist on the special order.

Mr. WEST. I think the Senator will see that this is a pressing bill when he hears it read. It is a bill to improve the mouth of the Mississippi River.

Mr. SHERMAN. I am told it will lead to debate, and therefore I must object to taking it up now.

Mr. WEST. This is a bill that I do not think one objection will carry over.

The PRESIDENT *pro tempore*. The Senator from Louisiana can move to postpone the pending order. Does he make that motion?

Mr. WEST. I will not do that without the consent of the Senator from Ohio who has charge of the question before the Senate.

Mr. SHERMAN. I am in favor of the bill myself, but I am told it will give rise to discussion.

Mr. WEST. I doubt if it will lead to debate. The commerce of the Mississippi River is paralyzed at the present moment for lack of the means provided in this bill; and a brief explanation will satisfy almost any Senator here that there is an immediate necessity for its passage. It has passed the House of Representatives, and now lies on our table, having been reported favorably by the Committee on Commerce last Thursday.

Mr. STEVENSON. I ask for the reading of the bill. I do not know what it is.

The Chief Clerk read the bill.

The PRESIDENT *pro tempore*. Is there objection to the present consideration of the bill?

Mr. SHERMAN. I object, after the speeches that have been made here insisting that we should go on with the financial debate. I am sorry that my friend's particular bill stands in the way, but he can

call it up to-morrow. If he had called it up awhile ago he could have had it passed ere now, perhaps.

Mr. WEST. I shall appeal to the Senate in this case. This bill came up in the morning hour on Thursday. It was objected to by one Senator, and it went over. The Senate will bear me witness that it is rarely that I intrude upon their good nature in asking them to take up any bill out of order. I do not do it now, as a Senator particularly from Louisiana; nor do I do it as a representative of the chief commercial city of the South; but I do it in the interest of the great commerce of the West, which is at the present time retarded by the want of this money. You have before you the reports of the Chief of Engineers of the Army and of the engineer in charge of this work; and I have a telegram, dated no later than Saturday, stating that the whole commerce of the West is paralyzed for the immediate want of this money. I move, therefore—we can discuss the merits of the bill subsequently when we take it up—that all pending orders be laid aside informally, and that this bill be now considered.

Mr. DAVIS. I do not object to the present consideration of the bill, but it involves an appropriation in addition to that already made for the present year. It is a deficiency bill, in other words. I wish to have some explanation of it before I can consent to act on it.

Mr. STOCKTON. I trust this bill will not be taken up now. I know it will lead to discussion; I know that any appropriation for the mouth of the Mississippi River, to be expended under the present authorities, will need a good deal of explanation before it can pass Congress. The Senate will recollect that but a very short time ago the same Senator from Louisiana brought up a bill to put the charge of the mouth of the Mississippi River in the hands of the Secretary of War. I knew nothing about the appropriation for the Mississippi River at all. I had never before paid any attention to it, but believing that it was unwise as a precedent, and having no other motive whatever, I opposed it, and urged the Senate to delay the passage of the bill. I begged the Senate not to take up out of order, in a hurry, without consideration, the grave proposition to turn over the control of the mouth of the Mississippi River from the courts and give it to the Secretary of War.

On the passage of that bill the yeas and nays were called, and there were but few Senators voting with me. That bill is in the House, as I understand, now, still unpassed; and since that time, gentlemen of high character—gentlemen known to many Senators around me—have shown me papers from New Orleans and from Louisiana, purporting to be the protest of large numbers of persons there—I think of one of their chambers of commerce, but I will not be sure about that—against the passage of that bill; and it has been alleged and asserted that all the money which has been spent for years past at the mouth of the Mississippi has been thrown away; that the engineers have been mistaken in their views. And now, not on an appropriation bill, not on a deficiency bill, but again out of order, we are to go to work to appropriate $30,000 without examining into the fact whether the money already appropriated has done any good or not, and without that bill going to the Committee on Appropriations, without coming as it should do through the proper channel to us.

Mr. President, it does seem to me that this extraordinary legislation about the mouth of the Mississippi River requires a little examination. I do not believe, from all the information I have—and I have received it all since the passage of that other bill in the Senate—that the money has been wisely expended or done any good. I believe the best thing we can do for the mouth of the Mississippi River at present is to stop these appropriations, and send proper engineers down there to find out what is the best thing to be done, and whether the money is being wisely expended.

As I stated when the other bill was before the Senate, I will assist the Senator from Louisiana or any other Senator with all my heart in any appropriation that I believe will benefit the mouth of that river and its navigation, for it is one of the most important channels of water communication that we have in the whole country. But we run great risks in taking up out of order bills of this character and passing them when they come up by the general consent of the Senate. That that Senator himself believes that this is important, believes that it is wise, of course I do not doubt; but my information is entirely to the contrary, and I am satisfied that we should not pass any appropriation until the report of the engineer on that subject for the last year, and the expenditures for last year have been thoroughly examined.

Mr. WEST. Mr. President, on the Senator's table, or he can get it by resorting to the document-room, he will find Executive Document No. 113. But before I proceed on that topic I will remind him that this bill that he refers to as not having been acted upon by any committee has absolutely been reported unanimously to this body by the committee which is intrusted with bills of this character.

Mr. STOCKTON. I beg the Senator's pardon. I think I did not say it had not been acted upon by any committee, but not acted upon by the committee who have charge of the appropriation bills for rivers and harbors. I presume, of course, it came from a committee.

Mr. WEST. I beg the Senator's pardon in return. It has been acted upon unanimously by that very committee, the Committee on Commerce. Now, sir, here is a deficiency——

Mr. STOCKTON. I should like to ask the Senator why it comes here as a special bill rather than comes in in the ordinary course, in a bill which the regular committee report yearly, the general appropriation bill for rivers and harbors?

Mr. WEST. The Chief of Engineers of the Army, under date of February 17, 1874, reports to the Secretary of War as follows:

> I beg leave to submit the inclosed copy of a letter of the 14th instant, just received at this office from Captain C. W. Howell, Corps of Engineers, in relation to the necessity that will arise for the suspension of work of improvement at the mouth of the Mississippi River in consequence of the exhaustion of the funds appropriated for that purpose.

We last year appropriated $125,000 for the excavation of the Mississippi River. With what result, owing to the operation of the towboat monopoly which is referred to in the following words by the engineer in charge of the work:

> That the appropriation has proved insufficient for this year's work is due to the blockade of last March, making necessary the working of two dredges instead of one for nearly four months.

The Chief of Engineers also reports that from experience——

Mr. SHERMAN. I ask the Chair if this is in order? We are now acting under a special order by direction of the Senate.

The PRESIDENT *pro tempore*. But the Senator from Louisiana has made a motion to postpone the financial bill.

Mr. SHERMAN. But the Senator is now discussing his bill, and reading the report of the Chief of Engineers.

The PRESIDENT *pro tempore*. The Senator from Louisiana is in order. The special order being the finance bill, and that Senator having moved to postpone it, that motion opens up the whole merits; and the Chair must suppose that the Senator from Louisiana is now discussing the finance bill; and therefore he is in order.

Mr. SHERMAN. Very well; then the Senator from Louisiana shall take the responsibility. I simply submit that, when the question of taking up his bill is in order, he shall be confined to that.

The PRESIDENT *pro tempore*. That is not the motion, the Chair will inform the Senator. The motion is to postpone, which opens the merits of the bill to be postponed, and upon which the Chair is bound to suppose the Senator from Louisiana is now speaking.

Mr. SHERMAN. If, after the unanimous consent of the Senate making the financial bill the special order, the Senator from Louisiana can go on in this way, be it so. I only call the attention of the Senate to it.

Mr. WEST. Whence the urgency immediately to resume the discussion of the financial bill? If I have not made a speech on the financial bill, I think this ought to be my opportunity. The truth is that all that is wanted by the Senate is a moment's consideration to this question, and they would act upon it at once. I feel it incumbent upon me, representing that section of country, to press it upon the consideration of the Senate, and I believe we can get a vote upon it at once. I will not discuss the matter any more, but I ask for a vote on my motion; and I assure the Senator that when the special order is postponed, five minutes will enable us to vote on this question, and if you do not act on it to-day you have but fourteen and a half feet at the mouth of the Mississippi River, as I learn by a telegram from the engineer in charge.

The PRESIDENT *pro tempore*. The Senator from Louisiana moves to postpone the present and all prior orders, and proceed to the consideration of the bill indicated by him.

The motion was not agreed to.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. MCPHERSON, its Clerk, announced that the House had passed the following bills; in which the concurrence of the Senate was requested:

A bill (H. R. No. 2103) giving the approval and sanction of Congress to the route and termini of the Anacostia and Potomac River Railroad, and to regulate its construction and operation; and

A bill (H. R. No. 2550) making an appropriation for the payment of teachers in the public schools in the District of Columbia, and providing for the levy of a tax to reimburse the same.

The message also announced that the House had passed the bill (S. No. 583) making an appropriation to defray the expenses of the Joint Select Committee to Inquire into the Affairs of the District of Columbia.

ENROLLED BILLS SIGNED.

The message further announced that the Speaker of the House had signed the following enrolled bill; and it was thereupon signed by the President *pro tempore*:

A bill (H. R. No. 2422) to approve an act of the Legislative Assembly of the District of Columbia relating to parishes of the Protestant Episcopal Church.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. L. P. LUCKEY, his Private Secretary, announced that the President had on the 21st instant approved and signed the act (S. No. 302) for the relief of Dr. Edward Jarvis, and the act (S. No. 360) making an appropriation for a topographical survey of the Capitol grounds and plans for improving the same.

EXECUTIVE COMMUNICATION.

The PRESIDENT *pro tempore* laid before the Senate a message from the President of the United States, transmitting the report of the report of the board of commissioners on the irrigation of the San Joaquin, Tulare, and Sacramento Valleys, in the State of California, with the original accompanying maps; which was referred to the Committee on Public Lands.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. MCPHERSON, its Clerk, announced that the House had passed the following bills; in which it requested the concurrence of the Senate:

A bill (H. R. No. 1398) to fix the amount of legal-tender notes at $400,000,000; and

A bill (H. R. No. 2649) amending an act in relation to enforcing attendance of witnesses before committees of either House of Congress, approved January 24, 1862.

HOUSE BILLS REFERRED.

The following bills from the House of Representatives were severally read twice by their titles, and referred to the Committee on the District of Columbia:

A bill (H. R. No. 2103) giving the approval and sanction of Congress to the route and termini of the Anacostia and Potomac River Railroad, and to regulate its construction and operation; and

A bill (H. R. No. 2550) making an appropriation for the payment of teachers in the public schools in the District of Columbia, and providing for the levy of a tax to reimburse the same.

The bill (H. R. No. 1398) to fix the amount of legal-tender notes at $400,000,000 was read twice by its title, and referred to the Committee on Finance.

The bill (H. R. No. 2649) amending an act in relation to enforcing attendance of witnesses before committees of either House of Congress, approved January 24, 1832, was read twice by its title, and referred to the Committee on the Judiciary.

NATIONAL-BANK CIRCULATION.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. No. 432) to amend the act entitled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates and for an increase of national-bank notes," approved July 12, 1870, the pending question being the motion of Mr. BUCKINGHAM to refer the bill to the Committee on Finance with the instructions adopted on motion of Mr. MERRIMON.

THE CURRENCY.

Mr. MORTON. Mr. President, opinions on finance in the Senate may be divided into three general classes: first, those in favor of taking immediate steps for the resumption of specie payments; secondly, those who are in favor of doing nothing; and, thirdly, those who believe that the country is not now in a condition to return to specie payments; that there should be some increase in the volume of the currency to meet the increase of population and business; that the facilities and benefits of the national banking system should be extended to all the States alike, thus relieving it of its present sectional character; and that the restriction upon the amount of national-bank circulation should be removed to relieve it of its monopoly feature.

These general classes of opinions have numerous subdivisions, and among the last are those who, while opposed to what is called free banking, and yet in favor of such enlargement of the national-bank circulation as to give to the States of the West and South what their local necessities demand.

DREAD OF CONTRACTION.

We are told that business is everywhere waiting for the action of Congress. This is undoubtedly true; but business is not waiting for fear there will be free banking or more currency. Men are not deterred from embarking in new enterprises or carrying on their regular business by apprehensions that money will be plentier. Business is everywhere waiting because of apprehensions that the currency will be contracted, attended with a general decline of prices and hard times; that there will be forced resumption of specie payments, endangering the solvency of every man who is now in debt, or contracts new obligations. Threats of contraction and resumption have been uttered in this Chamber every day for months which hang over the business of the country like suspended swords. The obstructionists are those who denounced from day to day our "swindling, depreciated, inflated currency," a currency that stood the ordeal of the panic and came forth with increased credit; though it remains to be seen whether it can stand the continued assaults that are made upon it in Congress. If the people still retain confidence in it, and their fears do not swell into a panic, it will be because the statements that are daily made upon this floor are discredited, and because the good sense of the country turns back the muddy tide of financial sophistry.

Every proposition in regard to the national finances which leaves out of view the actual condition of the country is delusive and mischievous. Every legislator who prescribes a remedy for our financial ills in accordance with a favorite theory, regardless of the national situation and the relation it bears to other countries is as absurd as the physician who should prescribe without having ascertained the disease or condition of the patient.

WHERE IS THE GOLD TO RESUME WITH?

It is incumbent upon those who insist upon the speedy resumption of specie payments to show how it can be done. Failing to do that, their suggestions are as idle as the aspirations of the man who would fly to the moon, but knows not how. Few will contend that specie payments can be successfully established and maintained with less than four hundred millions of coin in the country. The highest estimate of the amount in the country now does not exceed one hundred and fifty millions, and the question how the other two hundred and fifty millions are to be obtained has not been answered by anybody. When Peter the Great was told what could be accomplished with a powerful navy, he stopped the proposer short, and said, "But how am I to get the navy?"

The first thing for those who are urgently pressing immediate resumption is to show how we can get the gold with which to resume. Vague declamation about the beauties of resumption is like the notes of the mocking-bird, which please only by their delusions.

We have told the people of the South for years that they must accept the situation. Let us try to practice what we preach. We, too, must accept the situation. The existence of our immense debt is a fact as inexorable as the abolition of slavery. That, beside individual indebtedness, we owe in various forms more than thirteen hundred millions abroad, and that the balance of trade runs against us heavily every year, are inexorable facts. A new system of currency, the loss of the greater part of our gold, and new financial and commercial relations with Europe, are a part of the consequences of the war; and the statesman who shuts his eyes to them is no wiser than the blind man who dashes his head against a stone wall.

GENERAL PROSTRATION.

The apparent abundance of money at New York and other financial centers is only evidence that enterprise is arrested, and speculation dead. Instead of the effect of the panic having passed away, it is now in its second stage. Trade goes on in its ordinary channels, because people must be clothed and fed; but nearly all that constitutes growth, development, extension, is stricken by paralysis. The body of enterprise lies prostrate. One school of physicians say, "Let the patient alone and he will get well in two or three years; let nature do the work." Another say, "Bleed him, reduce the circulation; the system must be depleted before he can recover." Another say, "Stimulate the patient, give him tonics, attempt to arouse his energies; infuse into his veins warm, fresh blood, and get him upon his feet again as soon as possible." These physicians have been in consultation now going on four months, and have agreed upon nothing; the principal obstructionists being that school which may be described as the "Sangrados" of finance, who believe in nothing but depletion and salivation, and that the patient must be worse before he can be better. They regard specie payment as the object and end of financial systems, and believe it cannot be established on the present volume of currency, and that there must be contraction. The men who believe there is money enough in the country to meet the demands of business when it is healthy and robust, because there is a plethora in the banks of New York now, are as logical as those who should argue that there is plenty of food in the land, because that which is placed before a sick man remains untasted.

The refusal upon the part of unconditional resumptionists to consider the condition of the country, and those broad differences which distinguish it from the old countries of Europe, and who insist that all times are alike, and that what can be done in one country can be done in another, remind us of the story of the man who resolved to shear the wolf. "Have you considered the danger of the enterprise and its unprofitable character?" he was asked. "No," said he, "I have considered nothing but the right."

FOUR HUNDRED MILLIONS OF GREENBACKS NEEDED.

There is much complaint against the Secretary of the Treasury for the issue of twenty-seven millions of the so-called forty-four million reserve of greenbacks. In a recent memorial, signed by many bankers, brokers, and merchants of New York, it was declared that this issue was in violation of the law, which was assuming the very point disputed by the Secretary. But there is a doubt in the public mind touching the legality of this issue, which ought to be removed; and I am of the opinion that Congress ought to declare the issue legal up to the aggregate amount of four hundred millions. The increase of the circulation to meet the demands of increasing business, wealth, and population, is not inflation in any reasonable sense. You might as well talk about inflating the population of the country.

If the volume of the currency was not too large in 1870, it must be too small now, if from no other cause, from the increase of population and business. In his annual message, in December, the President makes this statement:

> In view of the great actual contraction that has taken place in the currency, and the comparative contraction continuously going on, due to the increase of population, increase of manufactories, and all the industries, I do not believe there is too much of it now for the dullest period of the year. Indeed, if clearing-houses should be established thus forcing redemption, it is a question for your consideration whether banking should not be made free, retaining all the safeguards now required to secure bill holders.
>
> In any modification of the present laws regulating national banks, as a further step toward preparing for resumption of specie payments, I invite your attention to a consideration of the propriety of exacting from them the retention, as a part of their reserve, either the whole or a part of the gold interest accruing upon the bonds pledged as security for their issue.
>
> I have not reflected enough on the bearing this might have in producing a scarcity of coin with which to pay duties on imports to give it my positive recommendation. But your attention is invited to the subject.
>
> During the last four years the currency has been contracted, directly, by the withdrawal of 3 per cent. certificates, compound-interest notes, and seven-thirty bonds, outstanding on the 4th of March, 1869, (all of which took the place of legal-tenders in the bank reserves,) to the exent of $63,000,000.
>
> During the same period there has been a much larger comparative contraction of the currency. The population of the country has largely increased. More than twenty-five thousand miles of railroad have been built, requiring the active

use of capital to operate them. Millions of acres of land have been opened, requiring capital to move the products. Manufactories have multiplied beyond all precedent in the same period of time, requiring capital weekly for the payment of wages and for the purchase of material; and probably the largest of all comparative contraction arises from the organizing of free labor in the South. Now every laborer there receives his wages, and for want of savings-banks the greater part of such wages is carried in the pocket, or hoarded until required for use.

Suppose, if you please, that the population in 1870 was thirty-nine millions, and the volume of currency just adequate to their wants; and that in 1875 the population had increased to forty-four millions, and wealth and business in a still greater ratio, will any man in his senses deny that there should be also an increase of the currency?

CURRENCY SHOULD GROW WITH THE COUNTRY.

When the business of the country has outgrown the volume of currency, the effect is the same as contraction. The volume of the currency not being sufficient to transact the business of the country at the prevailing prices of property and labor, embarrassment and obstruction are the result, and all prices are gradually reduced, so that a given amount of currency will pay for more property and labor. A scarcity of money always produces a reduction of prices. When the business of the country is done with a volume of currency relatively diminishing, to bring it within the capacity of that currency, prices must diminish. Experience shows that such a diminution of prices produces a diminution of business and enterprise, and invariably checks the growth and progress of the country; and such a period is always known as "hard times."

The policy of "masterly inactivity," as advocated by the Senator from Massachusetts, [Mr. BOUTWELL,] is but contraction in the other direction. The process is slow but inevitable, and is illustrated by the legend of the iron shroud in which the living youth was placed, which, by his continued growth, produced pressure, agony, and death. If the dictates of common sense be applicable to the subject of currency, of which the arguments of some Senators here might lead us to doubt, we must conclude that, as currency is the instrument of business, it should increase with business; that the people were not made for the currency, but the currency for the people. A law requiring that the man should have no more food than the child would be considered absurd, tyrannical, and destructive; and yet not more so than that which declares that the volume of currency, once fixed, shall not be enlarged as the nation grows and prospers.

FREE BANKING.

I ask such increase of the currency as free banking will give. That will be governed by the law of supply and demand, and it is the only way in which what is called an elastic currency can be obtained. Not only should banking be free, but increased facilities should be afforded to banks to retire from business when they cease to be profitable, and are in excess of the wants of the country.

The establishment of national banks effected a total change in our financial system. The State-bank system had always been a burden to the country, and in the presence of war failed entirely. The notes of the State banks generally, having only a local circulation and credit, could not be received by the Government for taxes or used in payment of the Army or purchase of supplies. The object in the establishment of national banks was threefold: to furnish a currency of uniform and unquestioned value, to create a market for Government bonds, and to establish fiscal agents in every part of the United States. The State banks were taxed out of existence to make room for them, and when the United States thus took possession of the whole field of banking it was a plain and imperative obligation to adjust the system to the necessities and conditions of every part of the country, and to readjust it from time to time, according to the growth of population and business. The States were no longer at liberty to provide for themselves, and it was the duty of the Government to divide the benefits of the new system among them equitably, and make it coextensive with their wants.

ITS UNEQUAL DISTRIBUTION.

In the original act the whole amount of notes authorized by law was limited to three hundred millions; and it was provided that it should be distributed among the several States upon the following basis: one hundred and fifty millions according to the representative population, and the remainder to be apportioned by the Secretary of the Treasury, having due regard to the existing banking capital, resources, and business of each State. It was intended that the amount apportioned to each State should stand to its credit, to be taken by the citizens thereof when they were able or it suited their convenience to do so. By the table of apportionment prepared by the Secretary of the Treasury, the six New England States were entitled to less than forty millions, but, in violation of law, received one hundred and ten millions, being an excess of nearly seventy-one millions. Other Eastern States received in excess of their apportionment about ten millions. The result was, of course, that the Western and Southern States were left in deficiency.

By the act of 1870 fifty-four millions of additional circulation were authorized to be distributed among the States in deficiency. But, as shown by the report of the Comptroller of the Currency, it still required forty millions to equalize the distribution upon the basis of the act of 1865; and when we consider the rapid growth and development of the States of the Northwest, it is obvious that it would now require at least twenty millions more to effect that object. When the original limit of three hundred millions was fixed to the national-bank circulation the system was an experiment, and there were large amounts of compound-interest notes, and other forms of public indebtedness, which were used as currency, and which have now been retired. The system is now an established success, and it is manifest that no arbitrary apportionment of a fixed amount of circulation can be made to meet the wants and conditions of different parts of the country; and that the number and locality of national banks should be governed by the law of demand, as is every other kind of business.

ITS BLEMISHES.

I am a friend of the national-banking system, believing it the best the country has ever had, and wish to relieve it of a blemish which is fast making it unpopular, and if continued will make it odious. This is its monopoly feature, and those who seek to preserve this feature are the worst enemies of the system. Even if the national-banking facilities had been divided among the States according to the provisions of the law, it would be a monopoly. But when the law was violated, and a few States seized upon the greater part, almost to the exclusion, and to the great detriment of others, there is added to the monopoly an injustice which it is the part of wisdom in the friends of the banks to abolish as soon as possible.

National banking, of itself, is a profitable business, and the people of one section of the country have as much right to enjoy it as those of another. And their exclusion from it cannot be distinguished from a prohibition to embark in manufactures or any other branch of trade.

The volume of currency should not be fixed by law, but determined solely by the demand. As it is the medium and instrument of business, the volume of it should not be fixed unless you can fix the volume of business. Men will not engage in national banking unless it is profitable; and it will not be profitable unless there is a demand for its currency, and for banks as a place of deposit, and for those facilities which banks create.

WHAT IS INFLATION?

The word "inflation" has been confused in this debate with "depreciation." To inflate the currency is to increase the amount in circulation beyond the wants of business, whether it consist of gold and silver or paper money. The effects of "inflation" are the same, whether made by one kind of currency or the other. The currency of Germany has of late been greatly inflated by the acquisition of vast quantities of gold from France, just as that of Spain was, at one time, by silver from Mexico. Where the currency is increased arbitrarily, as in Germany by the accident of war, it enhances prices and produces derangement and disaster; but where it is in obedience to the demands of business, it produces no such results; and its effects are healthy and beneficial. Should the Government suddenly put into circulation one hundred millions of greenbacks, the act would be arbitrary, and the amount might exceed the demands of business and produce evil results. But were banking made free it is certain that new banks would not be established except to meet local wants and demands which could alone make them profitable. To talk about the currency being inflated by free banking is to ignore the laws of business and trade. There would be quite as much propriety in talking about the country being inflated with cotton-mills, grist-mills, and iron-furnaces, because there is no law limiting or restraining the number of such establishments, or the amount of capital they may employ. Banks and cotton-mills differ in their nature; but the motive that inspires the establishment of each is the same, profit; and the cause which will make each profitable is the same, demand.

THE PANIC.

Some time ago I showed from history that the great remedy for panics, as practiced in England and on the Continent for one hundred and fifty years, had been by the increase of paper currency. When the recent panic occurred in New York, there was immediately a universal demand for more paper currency. The President was besought by dispatches, letters, and deputations to put into circulation all the surplus currency in the Treasury, and to issue the forty-four million reserve, by the purchase of bonds. I happened in New York on the Sunday after the panic, and saw the crowds of bankers, brokers, capitalists, merchants, manufacturers, and railroad men who throughout that day thronged the halls, corridors, and parlors of the Fifth Avenue Hotel, beseeching the President to increase the currency by every means in his power, and declaring that unless the Government came to the rescue nothing could save the country from bankruptcy and ruin. Meetings were organized in the parlors, resolutions passed, and committees appointed to urge the President to increase the volume of currency, even by loaning greenbacks from the Treasury to the banks upon the deposit of bonds as security. The next day the banks declined to pay their depositors except in very small sums, issued certified checks to the amount of millions, which passed as currency; and the associated banks issued certificates to the amount of some twenty-six millions, which were used as money at the clearing-house and passed as currency on the streets. The President put into circulation some fifteen millions by the purchase of bonds, and gold declined to 6¼ per cent. premium because there was no demand for it; and the things that everybody wanted and had confidence in were bonds, greenbacks, and national-bank notes.

IMPROVEMENTS IN PAPER MONEY.

Great improvements have been made in paper money since its first

introduction, and our currency is as much superior to that issued by the banks of John Law, by the Congress of the Confederation, the wild-cat banks of Michigan, or the *assignats* of France, as gold coin is to the iron money of Sparta, or the cowries of Central Africa. And yet it is from the history of these old and imperfect forms of paper money that the chief arguments are drawn against our currency. There would be quite as much sense in arguing against the safe and splendid steamship that crosses the Atlantic in eight days, because of the weakness and imperfections of the flat-boats that first floated down the Mississippi River. The invention of the bill of exchange, it has been said, did more to develop trade and commerce than the discovery of steam as a motive-power; and the invention of a system of banking in which the bills were secured by bonds of unquestioned value was another great step in the improvement of paper money, and bringing it to that degree of perfection, and giving to it that safety and uniformity of value, which command the confidence of the country, and enable it to perform all the substantial offices of a medium of exchange. When we compare our paper currency with the old systems of banking, and with the issues by the governments of other countries, we find that it has undergone as much improvement within eighty years as has the steam-engine, and the end is not yet.

The main arguments now urged against paper money are drawn from the abuses of it under former and more imperfect systems; and such progress has it made in the judgment and confidence of mankind that political economists admit that the evils of paper money do not arise from its intrinsic defects but from its liability to abuse; and that, if it can be guarded from abuses, it may be made to constitute the most perfect system of currency in the world. Adam Smith said the substitution of paper money in the room of gold and silver money replaces a very expensive instrument of commerce with one much less costly and sometimes equally convenient. Ricardo said money in its most perfect state is paper money. McCulloch asserts that, if there were perfect security that the power of issuing paper money would not be abused, that is, if there were perfect security for its being issued in such quantities as to preserve its value relatively to the amount of circulating commodities nearly equal, the precious metals might be entirely dispensed with.

EVEN GOLD HAS ITS DRAWBACKS.

When our currency has a gold basis, that is, becomes convertible into gold, it is made subject to all the perturbations in gold in every part of the world. A scarcity of gold in England, Germany, or France, from any cause, a panic or other great disturbance, would make a draft upon our supply and threaten the stability of our banks and finances. A short crop at home or a large crop abroad would diminish our exports and make a transfer of gold necessary to pay off the balance against us. We thus make our currency dependent upon a metal of which other nations have a larger supply, and, owing no debt abroad, can better keep what they have; and owning largely the debts of other nations are annually supplied with gold in payment of interest as well as by their large commerce. In such case we meet other nations upon unequal terms, and place our home industry, business, and prosperity upon a foundation which it is in their power, by will or accident, to withdraw. These considerations should admonish us not to attempt the work of resumption until such time as the condition of the country and the whole financial situation give reasonable assurance that it can be accomplished without great sacrifice and maintained without perpetual danger of revulsion and disaster.

GREENBACKS AS MONEY.

Money is of no use except as a medium of exchange. What we want of money is to buy lands, houses, fabrics, food, and labor. Commodities are the things we need. Credit is a great power in modern society. The paper money issued by one government may be worthless, or nearly so, while that issued by another may be equal in value to gold, owing to the stability of that government and the wealthy and prosperous nation it represents. This Government has issued three hundred and eighty-two millions of greenbacks, which are made a legal tender in payment of all private debts; and this quality gives them the principal function of money, and of itself communicates to them great value. They are also made receivable for all Government taxes except duties on imports, which is another element of value. The volume of greenbacks, as compared with the population of the United States, does not exceed the volume of gold in the country at the beginning of the war as compared with the population at that time, which brings them within the rule laid down by Mill, in which inconvertible paper may be used as a substitute for gold and retain its full value.

Mr. SCHURZ. Will the Senator be kind enough to point out to me where Mill said inconvertible paper money would not depreciate if its *per capita* proportion was equal to that of gold?

Mr. MORTON. I think I have stated the proposition clearly from Mill. I have not got it here. When my speech is over I can send for the volume if the Senator chooses to refer to it.

Mr. SCHURZ. I do not think you will find any such thing there.

Mr. MORTON. I shall be mistaken if I do not.

The issue of greenbacks solved the financial question of the war, and from that time forward there was little trouble or doubt about the means for carrying on the conflict. The greenbacks grew steadily in popular favor, and, notwithstanding the premium on gold, became, and are to-day, the most popular currency the country has ever had. The idea that they were a forced loan never occurred to the people. They took them without force, would part from them with reluctance; and there is little room to doubt that three-fourths of the people to-day would be glad to see the national-bank notes retired and greenbacks put in their place. But the people are represented as chafing because they are compelled to take these greenbacks as money, and because the Government violates its promise in not redeeming them in gold. Is there a man to-day owning a greenback in whose hands it is not worth as much as he gave for it, and who cannot use it for all the purposes of money, unless it be to pay duties on imports? There are men holding large quantities of greenbacks who would be glad to have them appreciate in their hands, by which they would without labor or risk make a profit of 10 per cent. The debtors of the country, the laboring men, the active business of the country, would have to pay the profit.

The people take the greenback with confidence, and hold it without fear, and never dream that they are oppressed by a forced loan until they hear it from some distinguished statesman or capitalist, who would like to know that the greenbacks in his safe while he eats and sleeps are making him 1 or 2 per cent. a month.

WHO PROFIT BY RESUMPTION.

To the man whose wealth consists in money, the resumption of specie payments is a business transaction of a profitable character. If it should be brought about within one year it would be equal to a profit of 10 per cent. free from taxes, and without labor or risk. If the money be already yielding an income of 10 per cent., resumption within a year will make 20 per cent. Of course one man or class cannot make a profit without somebody else pays it. It need, therefore, excite no surprise that there is a strong pressure from many quarters for speedy resumption. It is, however, but killing the goose that lays the golden egg. The general business and prosperity will suffer the penalty, in which the capitalist must participate, and in the long run the inevitable law of retribution will turn the profits of forced resumption, like Dead Sea apples, to ashes upon the lips.

The success and popularity of the greenbacks have far exceeded the most sanguine expectations of their inventors, and their introduction has been a long step forward in the improvement and perfection of paper money.

Nevertheless, the greenback is upon its face a promise to pay dollars, which means gold dollars, and this promise was restated in the act of 1869, and declared to be an obligation to pay in coin when it was practicable to do so.

WHAT DO GREENBACKS PROMISE?

The word "practicable" in the law of 1869 is not synonymous with "possible." It does not mean at every sacrifice, or at all hazards, but when the Government is in a condition to do it, and it can be done without injury to the general prosperity and the business of the country. Upon the greenback circulation there can be no technical default by the Government. It is not a private but a public obligation, part of a general system of finance and administration issued for purposes of general policy and to be paid in the same way. The greenbacks were issued as a substitute for coin, the day of payment left indefinite and dependent upon the future condition and business of the country.

In the case of The Bank *vs.* The Supervisors, (7 Wallace,) the Supreme Court of the United States defined the nature and character of the greenback circulation:

> Under the act of March 3, 1863, another issue of one hundred and fifty millions was authorized, making the whole amount authorized four hundred and fifty millions, and contemplating a permanent circulation, until resumption of payment in coin, of $400,000,000. * * * Under the exigencies of the times it seems to have been inexpedient to attempt any provision for the redemption of the United States notes in coin. The law therefore directed that they should be made payable to bearer at the Treasury of the United States, but did not provide for payment on demand. The period of payment was left to be determined by the public exigencies.

People who take the greenbacks do not expect to get the gold for them; not one in ten thousand thinks of such a thing. They take them as money in which they have perfect confidence, in the way of business, and not with a view to their ultimate redemption, unless it be here and there a capitalist to whom specie payments would be a speculation like a venture in cotton or stocks. All pretenses that the people are disappointed and complain because the greenbacks are not redeemed in gold are gross exaggerations and wild extravagances of speech.

There are inconveniences attending our irredeemable currency and resulting from the fluctuations in the price of gold. No one denies it. But how trifling have they been for the last ten years when compared with the vast benefits, the growth and development, which have sprung from that currency! And how trivial and contemptible will they be for years to come, when compared to the hardships and grinding oppression to result from forced resumption!

We must take the greenback as we find it. Its character cannot now be changed, and the promise to pay it in coin is an unanswerable reason why it cannot be substituted for the national-bank note. Another reason why it cannot be substituted for the bank-note is that in the act of June 30, 1864, it was declared that—

> Nor shall the total amount of United States notes, issued or to be issued, ever exceed $400,000,000, and such additional sum, not exceeding $50,000,000, as may be temporarily required for the redemption of temporary loan.

This, it is claimed, was in the nature of a contract with the purchasers of our bonds, that the amount of four hundred millions cannot be exceeded without a breach of faith. Again, it is held by many that, although the Supreme Court has affirmed the power of Congress to create the greenback, it would be a strain upon the Constitution to make a further issue after the emergencies of the war have passed; and it is not desirable that the Government should permanently furnish the currency of the country.

COURSE OF THE DEBATE.

Let us note the progress of this discussion. The resolution, which was introduced at the beginning of the session, declaring it to be the duty of Congress to take immediate steps for a return to specie payments, after six weeks of debate, was abandoned. This resolution was supported by arguments in favor of the contraction of the currency—arguments to show that a smaller volume of currency would be better for the country; arguments to prove that by mere contraction we can come to specie payments, the great object of all governments and the chief end of man. But of late the argument for contraction has been driven off the field; we hear no more about it. The great champions of contraction have learned a new song, the refrain of which is "inflation." The present volume of currency is the result of accident and circumstance. It has been brought about by various causes, not looking to or growing out of the precise demands of the business of the country; and yet a suggestion that it is too small is denounced as a heresy, and almost as a crime. The ineffable absurdity of this position is beyond comprehension. The question whether we have enough currency is one that ought to be left open to free inquiry, without exciting animosity and vituperation. The great mass of the people, who think there ought to be some increase of the currency, and are opposed to any hot-bed, artificial process for returning to specie payments, are not heard in this Chamber. They do not send deputations here to fill the lobbies, to go before committees, and to waylay Senators on the streets and at hotels.

HOW MUCH GOLD HAVE WE?

The estimate of the Director of the Mint is that we have in this country now about one hundred and forty millions of gold. Of this amount about eighty millions are held in the Treasury belonging to the Government, or deposited by private individuals. Clearly the Government cannot resume specie payments with only one hundred and forty millions of gold in the country. How, then, shall we increase the quantity? First, we are told, by the produce of the mines, which cannot exceed forty millions per annum. Yes; but we owe full thirteen hundred millions abroad in the form of Government, railroad, State, and other corporation bonds, the interest upon which has to be paid in coin. The interest on this debt must exceed the whole annual product of the mines by from ten to fifteen million dollars. So we must look elsewhere for the increase in our stock of gold. If we turn to our foreign trade, we find that we buy much more than we sell, and that difference has to be paid in gold. Taking the last six years together, our imports have exceeded our exports by four hundred and forty-four millions. It is manifest, therefore, that we cannot increase our stock of gold by the foreign trade.

CAN WE GET IT IN EUROPE?

The next plan is to sell our bonds in Europe for gold to be brought here and put into the Treasury. But the late Secretary of the Treasury tells us that our bonds offered in the markets of Europe for such a purpose cannot be sold at all; that one hundred millions of gold withdrawn from Europe in that way would produce a panic, resulting in violent financial and commercial derangements; that our 5 per cents could not be sold in Europe by the syndicate except upon condition that they should be exchanged for our 6 per cent. bonds held there, so that no gold was transferred to this country. Even the fifteen millions, the amount of the Geneva award, the English government was not willing to pay in gold, and negotiated for its conversion into our bonds held in England, so that no gold was brought away.

SPECIE PAYMENTS RESULT FROM THE NATIONAL CONDITION.

England, Germany, and France, with the accumulations of capital through centuries, owning all their public and private bonds at home, and holding the public and private bonds to the amount of thousands of millions of other countries, which are annually drained of gold to pay the interest upon them, with difficulty maintain specie payments, and fight against the withdrawal of a few millions of gold as if it would take their very life-blood. Clearly, the maintenance of specie payments in those countries is the result of their condition, not of their peculiar financial systems. Their financial systems are themselves the outgrowth of their condition, and have not produced them.

OBSTACLES IN OUR CONDITION.

When the United States come to specie payments, one of two things must happen: the greenbacks must be redeemed in coin and retired, or if redeemed in coin and again put into circulation, the Government must be continually prepared to redeem them again when presented. When that time comes the banks will also be required to redeem their notes in coin, and for this purpose must keep on hand large coin reserves. Then, we will suppose that the gold-room has been abolished, for the reason that speculation in gold has ceased. Parties, therefore, who have to send gold abroad in payment of their debts, or of State or corporation bonds, or who need it to pay duties, will no longer go to the gold-room to buy it, but will procure it by presenting at the Treasury of the United States, or at the counters of the banks, greenbacks or national-bank notes for redemption, and will thus make a continual demand upon the Treasury and the banks for coin. When that time comes the assorting of bank-notes, and their return for redemption in coin, will become an established business.

Under the old State-bank system a bank was not held to be safe or well conducted that had not in its vaults one dollar in gold for three dollars of its notes in circulation. The notes of the national banks, being secured by United States bonds, a smaller gold reserve would undoubtedly answer, were it not that the banks would be continually drawn upon for coin for the importers and the payment of debts abroad. The annual drain upon the country for gold to pay foreign balances and interest will come home directly to the banks and the Treasury; and, leaving out of view how they are first to get enough to resume, the question I submit is, how are they to meet this continual drain abroad? The annual average export of specie and bullion from this country, deducting imports, for the ten years ending on the 30th of June last, was $61,935,212.40, and for the last year of the period the export was $73,905,546, this much, besides large amounts of which the Government had no knowledge or means of knowledge.

Notwithstanding the healthy financial condition of England, they have had disastrous panics in that country every ten years, on an average, since 1795, creating sudden demands for gold, disordering and threatening the stability of every financial system in Europe based upon gold. If we were at specie payments to-day, a financial panic in England to-morrow would inevitably lead to the suspension of every bank in the United States. I repeat, that the difficulty is not in our system, but in our situation. Has any country ever maintained specie payments under such circumstances?

OLD VS. NEW COUNTRIES.

The man who believes that because Germany, an old country, densely crowded with population, where every acre of land is cultivated, thickly planted with manufactories, with a superabundance of labor, with a low standard of wages, where from emigration population scarcely increases, where railroads and every form of public improvements are almost completed, and where the country is, in nearly every sense, finished, can maintain specie payments, that the United States can do the same thing, clearly does not understand our country. Here is a country in its youth, but partially settled, with a population of forty millions but capable of five hundred, with no surplus capital to invest in the bonds of other countries, with its public works unfinished, with its towns and cities not half built, rapidly growing in population, wealth, and business, with colonies overrunning mountain, plain, and desert, with new Territories fast ripening into States. And attempt is made to bind up and fetter its expanding energies and prospects with Old World theories and methods. As well attempt to put baby-clothes upon the statue of Hercules. Such men judge our country by the Old World standards. Sitting upon the steps of our national Capitol, they look up the stream of time, study the inscriptions upon the Pyramids, and the financial theories of China, and call it learning.

When paper money was first invented, the solemn philosophers of that age declared it to be an innovation not to be endured; that gold and silver had been the only money of the world, the medium of exchange for more than four thousand years; that as such they had the sanction of time and the universal experience of mankind; that the idea of substituting for them stamped paper was contrary to the established principles of political economy. But public and private convenience, political necessities, and common sense gradually prevailed against prejudices inherited from ages of barbarism, until paper money in some form became the medium of exchange in the most enlightened nations. But some nations still stand out and cling to gold and silver as the only safe and respectable medium of exchange, and are dragging their way down the path of time generally far in the rear of their more enlightened, wealthy, and prosperous neighbors.

DOES DEPRECIATION ARGUE REDUNDANCY?

Upon this floor it has been repeatedly declared by the Senator from Missouri, [Mr. SCHURZ,] by the Senator from Massachusetts, [Mr. BOUTWELL,] and by the Senator from Ohio, [Mr. SHERMAN,] that the measure of the depreciation of our currency is the measure of its redundancy. The substance of this proposition is that, as our currency is depreciated about 10 per cent., a reduction of 10 per cent. in the volume of it would bring the remainder to par without any provision for its redemption. This goes beyond the concession made by Mill. It is a radical departure from the theory of necessary convertibility, dispenses with redemption, and is a complete admission that paper money issued by a government, sustained by its credit and authority, and to which certain uses and capabilities have been given by law, when the amount is adjusted to the wants of the country, may be equal in value to gold. It presents contraction as the remedy for depreciation, and leaves out gold redemption and convertibility into coin.

If the volume of our currency was reduced 10 per cent. there would still be left six hundred and seventy-five millions, an amount twice greater than the gold ever in circulation here at one time. The Senators enunciating this proposition seem not to be aware that it demol-

ishes the theory of necessary convertibility, robs gold of its necessity, and prepares the way for new systems of finance quite unknown to antiquity.

TRUE CAUSE OF DEPRECIATION.

But I dispute the proposition that the measure of the depreciation of the currency is the measure of its redundancy. The depreciation does not depend upon that cause, but chiefly upon the fact that it cannot be used in the payment of the public debt, principal or interest, or in payment of duties. In this respect the greenbacks are depreciated by law, being denied an important function in our financial system. The interest upon the public debt must be paid in coin, and, to procure that, duties upon imports are made payable in coin. If we had no public debt, or if the interest upon it was payable in currency, then the duties might be collected in greenbacks; and there can be no doubt that they would be of the full value of gold. But while importers must procure about one hundred and seventy millions of gold annually with which to pay duties, there will be a strong demand for it in the market, and gold will be at a premium.

To this demand for gold to pay duties may be added that for gold with which to pay the interest upon our State and corporation debts held abroad, and to settle the balance of trade which annually accrues against us. The depreciation of the currency is not the result, therefore, of its redundancy, or of its intrinsic defects, but of the situation by which a large demand is created for coin for a specific purpose, for which the greenback is disqualified by law and by contract. It is not our system, but it is the situation that is in the way.

SHOULD WESTERN PEOPLE HAVE BANKS?

I now come to a proposition urged in this debate with an air of triumph as an answer to the claims of the West and South for an equal participation in the benefits of the national banking system. They are gravely assured that every bank they establish with their own capital is an absolute loss, that it is to their interest to let the Eastern States have all the banks. Lest the country will not believe that any Senator could have made such an argument unless they read it, I quote it literally from the speech of the Senator from Missouri:

> Now see how this operates. For a $1,000 bond they have to buy they pay, as 5 per cent. bonds now stand, about $1,120 in currency. That sum of $1,120 is withdrawn from their home circulation and is added to that of New York. Then they take the $1,000 bond so purchased to Washington, and for that $1,000 bond they get $900 in bank currency, and the $900 they carry home. Then they lock up 15 or 25 per cent. on the $900, as the reserve prescribed by law, in their bank vaults, as they may be country or city banks. For the $1,120 carried to New York the country bank then puts out $865 and the city bank $675 to accommodate their customers with loans and discounts. These loans and discounts may indeed come back to the bank every thirty or sixty or ninety days. But does not the Senator from Indiana see, is there anybody so blind as not to see, that a much greater amount had gone East before the western or southern bank could make any loans and discounts to its customers with its national-bank circulation? Is it not clear as sunlight that for every $865 issued by a country bank, or every $675 issued by a city bank, $1,120 had gone to New York before? Is it not clear that the amount of loanable money, instead of being increased, has been diminished 30 to 40 per cent. by the operation? It is true that by the establishment of national banks here and there some greater banking facilities may be offered. They take deposits, and they make discounts; but the value of all the facilities thus offered will not make up for the diminution which the home circulation, the amount of loanable money has actually suffered in that locality by the process. Where, then, is the increased accommodation of the business public? Nowhere; but the result is just the reverse.

How stupid the people of Indiana, Ohio, and Missouri have been in the establishment of any national banks, and how grateful they must be for information which will save them from further losses in that way!

I will take the case of a bank in a western town, and consider the manner of its organization, with a capital of $112,000. The persons proposing to get it up prepare a subscription paper which they present to responsible parties. A mechanic subscribes $1,000; a merchant $2,000; a farmer $500, and so on until the amount is made up. The amounts subscribed are seldom taken from money already loaned, but generally from the several kinds of business in which the subscribers are engaged. When the bank is organized it buys $100,000 of 5 per cent. United States bonds, for which, according to the supposition, $112,000 in currency is paid. Upon the deposit of these bonds the bank receives $90,000 in currency. From this deduct 15 per cent. reserve, $13,500, and you will have $76,500 left for loanable purposes. If the bank is well conducted it will be likely to attract deposits equal to the amount of its capital stock, of which $75,000 would be subject to loan.

And now we consider the advantages to the community in which the bank is located. They have the use of $76,500 of currency drawn from sources from which few, if any, loans were made before. They have the use also of deposits made in the bank to the amount of $75,000, which, but for the bank, would be retained in the pockets of depositors, and not available for the accommodation of borrowers; thus making an average of $150,000, all told, of loanable funds. They have the use of bank checks and facilities which take the place of currency and contribute to the wants of business to a large extent; and the beneficial influence of the bank will be likely to be seen in the increased enterprise and general improvement of the town and the surrounding country. The currency issued by the bank and the deposits loaned by it are localized, and a like amount of money must return to the bank every thirty, sixty, or ninety days in payment of loans, and be there to be borrowed again by those who need it.

To show the advantage to the country, in the way of loanable funds, produced by the national banking system, I refer to the report of the Comptroller of the Currency, which shows that on the 12th day of September last the capital stock of all the banks in the United States was $491,072,016, while on the same day their loans and discounts were $940,233,304; and to bring the matter a little nearer home to the Senator, the same report shows that on the 13th of October last the twenty-nine national banks in Missouri, outside of Saint Louis, had a capital stock of $2,685,000; and on the same day their loans and discounts were $4,904,931.

But, to make out his case, the Senator assumes that the $112,000 paid out in New York in the purchase of bonds will remain there permanently, notwithstanding he and all those upon his side have argued throughout this debate that money will flow wherever it is most needed, just as water runs down hill; that it makes no difference where it starts or is paid out; that if there be a greater demand for it in New York than elsewhere it will stay there, but if the demand is greater in the neighborhood from which the money was taken, a like amount will flow back there. He further forgets that, according to his own argument, if the demand in New York is greater than elsewhere, so as to keep the money there when paid out for bonds, that same demand would have drawn the $112,000 from the country neighborhood, although it had not been taken to New York to purchase bonds.

And this illustrates the difference between greenbacks paid out by the Government and currency issued through the banks. The greenbacks have no local habitation and go wherever the currents of trade take them; but currency issued through the banks in the way of loans is localized, and a like amount must return to the locality periodically in payment of the loans, and is there to be borrowed again by persons in that locality.

IF UNPROFITABLE WOULD IT PRODUCE INFLATION?

Again, the Senator seems unconscious of the fact that his argument proving that it is unprofitable for the people of the West and South to establish national banks—a thing they did not know before, but which they know now after the Senator has told them—repels the argument, made by him and others, that upon the establishment of free banking there would be such a rush into the business from every direction that the currency would be largely inflated and depreciated. According to his argument, there would certainly be no danger in allowing the people of the Western and Southern States to have as many banks as they wanted, since they have been instructed that they would be largely the losers by their establishment, a thing which one would suppose they would have found out themselves in an experience of eight years; but which, it appears, they did not.

There is another consideration which the Senator ignores entirely; that is, that if there were opportunity offered for the establishment of banks in the West and South, large amounts of eastern capital would be at once invested in that way. The local demand for national banks would make the capital invested in them more profitable than if retained in the East. This has already occurred extensively, large amounts of the capital in the existing banks in the West and South having been sent from the East, and some of it from as far East as England and Germany.

The establishment of national banks is a costly business, and requires the investment of actual capital. The profits of the banks upon the currency they receive from the Government do not exceed, according to the report of the Comptroller of the Currency, 2 per cent.; the profits of national banks depend chiefly upon the local wants of the neighborhoods in which they are established, creating a demand for their currency, and confidence in their character and management securing to them deposits, which are again loaned to the people. In the absence of this local demand, national banks cannot be profitably conducted, and would unquestionably be abandoned. If banks could be established without capital, like those of John Law or the wild-cat banks of Michigan, where no security was required to be given for the redemption of their notes, then, indeed, free banking would be dangerous. But of the difference between the two systems the Senator from Missouri is at this point of his argument oblivious. In one part of his speech banks are too costly to be started in the West and South; in another part of his speech, people would rush into banking as if it cost nothing.

A RULE THAT WORKS BOTH WAYS.

The Senator from Missouri says that any increase of the currency will cause a corresponding depreciation and a rise in the premium on gold, and that the general prices of commodities will be increased in the same way; and after that states the following proposition:

> A considerable portion of some of the most important products of agriculture is exported, and the home price of the whole crop of those specific articles is regulated by the foreign market. That is a universally known and recognized fact. The prices ruling in the foreign market are, first, depressed by the free competition of the whole world; and, secondly, a specie standard prevailing there, they are not driven up by the inflation that has enhanced the prices of all other articles in this country. The farmer or the planter has, therefore, to sell these staple crops at the low prices regulated by the foreign market, while for all the necessaries he has to buy he pays the prices grown up to an exorbitant height, far beyond the premium on gold by our home inflation.

If increasing the currency increases its depreciation and the premium on gold, then the gold price, which the farmer receives abroad for his products will buy an increased amount of this currency at home, to be used in the purchases which he has to make; so that he is no loser in the operation. If, by the greater depreciation of the

currency and increase of the premium on gold, the prices of the commodities which the farmer has to buy are enhanced, the increased premium on gold which he receives in foreign markets for his produce exactly meets this enhancement of the prices at home, so that he comes out even.

In anticipation of this answer the Senator says that the prices of home commodities will be enhanced beyond the increase of the premium on gold. But this is a mere assumption, unsupported by fact or argument, and at war with his own premises.

The whole business of the country is upon a level with the currency, which, as compared with gold, is at a discount of 10 per cent.; and the relative prices of all commodities are adjusted to each other as perfectly as if the currency was coin instead of paper. The conversion of the currency prices of our exports into the gold prices of Europe is as easy as the conversion of the dollar into the English pound sterling. From the export you deduct the discount, and to the import you add it. The adjustment of currency to gold prices is as simple as the rules of addition and subtraction; but around it there has been thrown a fog of mystery in which a good many unhappy people have lost their way.

INCREASE OF REDEEMABLE BANK-NOTES WILL NOT CAUSE DEPRECIATION.

But I dispute the proposition that by a reasonable increase of the currency it will be depreciated. If the increase were greatly in excess, and consisted of greenbacks, it would have that effect. The Senator himself is upon record for the declaration that if the volume of the currency be just equal to the wants of the nation, it will remain at par without provision for its redemption in gold. But should the increase of currency even exceed the actual demands of the country, its value will not be depreciated as compared with gold, if it consists of national-bank notes, and there be no increase in the amount of greenbacks. By increasing the volume of national-bank notes to be redeemed in greenbacks, you increase the demand for greenbacks as reserves, and thereby increase their value. The national-bank notes will be exactly equal in value to the greenbacks into which they are convertible, for any paper currency is always equal in value to that medium of exchange into which it is convertible.

Should the volume of national-bank notes at any time become in excess of the business wants of the country, they would be returned for redemption; and should there spring up any difference between the value of national-bank notes and greenbacks, brokers and bankers would at once speculate upon that difference, and the bills would be returned for redemption until the difference disappeared. I may just here call the attention of the Senate again to the fact that the whole argument to show that any increase of the volume of the currency will depreciate its value and produce an inflation of prices depends upon an obstinate refusal to consider the question whether such increase merely keeps pace with the increase of the population and business of the country.

IS THEIR SAFETY AN OBJECTION?

To prove that any increase of the national-bank circulation will lead to its depreciation, the Senator states the following formidable and solemn objections to the character and office of the national-bank note:

> Now, sir, although they are not literally made a legal tender in the discharge of private debt, yet being received by the Government for what is due it, and being paid out by the Government for what it owes, they are practically made a legal tender for all purposes, like the greenback. They are, moreover, founded on the secure basis of Government bonds, payable, principal and interest, in gold. Their circulation is therefore not local, but national in the widest sense of the term, just like that of greenbacks. They are just as safe, and in one sense they are even more so, for they have behind them the solid foundation of a United States bond, payable in gold, and at the same time the ability to pay of the bank that issues them. It is, indeed, provided that they shall be redeemable on demand in Government legal-tender notes, but there is really, as far as I can see, no inducement for the holder of a national-bank note to convert it into a Government legal-tender, for the bank-note does just the same business, and is just as safe as the other. The breaking of the bank that issued it does not injure its value in the least.

Here the argument to prove that the national-bank notes would be depreciated by increasing the number is deduced from the fact that they have the solid foundation of a United States bond, payable principal and interest in gold, and at the same time the ability to pay of the bank that issues them, and so well secured are they that the breaking of the bank that issued them does not injure their value in the least; in addition to which they are receivable for all Government taxes except duties on imports.

The Senator has here unconsciously answered volumes of sophistry that have been uttered about our "irredeemable, depreciated, swindling, and worthless currency." He has put to shame his own comparisons between our currency and the paper money of China, of France during the revolution, the confederate money, and the continental money issued by the Congress of the Confederation.

The Senator is entitled to the distinguished honor of having made the discovery that the exceeding safety of the national-bank notes is the chief cause of their depreciation, and the best argument to prove that great danger will result to the country from any increase in their quantity.

I come now to the most remarkable part of the Senator's argument, in which he declares that he will vote for free banking, without redemption in gold, upon the following conditions: That that part of the national-bank act which provides that the national-bank notes shall be a legal tender in payment of taxes to the Government be repealed; and that the system of redemption of the bank-notes in greenbacks be made more effectual by establishing assorting-houses at the different business centers of the country.

Here the Senator declares himself in favor of free banking upon condition that the national-bank notes are made less valuable by taking from them certain properties which they now possess in the payment of taxes. He is content to have the number of these notes increased, provided they are first depreciated by law. It had generally been supposed by unlearned persons that the more valuable a currency was and the greater the functions it possessed, the safer it was for the country. According to this logic, if the national-bank notes are emasculated in the way he proposes it will avoid the danger of inflation; which, put in another form, amounts to this: that bank-notes may be safely issued if they are first depreciated by law, made incapable of performing the most valuable offices of currency, and rendered so nearly worthless that people will not take them, or, if they do, will hasten to have them converted into greenbacks.

INTEREST.

Interest is the measure of value for the use of money for a given period. Other things being equal, the rate of interest depends upon the abundance or scarcity of money in a given State or country, to be used in the way of loans. The rate of interest, like the prices of commodities, is determined by the law of supply and demand. Where money is plenty, and there is small demand for it, the rates of interest are always low; where the supply is about equal to the demand, the rates of interest are medium; where the demand is greater than the supply, the rates of interest are correspondingly high. When the currency is contracted, the rates of interest are increased until such time as the business of the country has been so far destroyed as to destroy the demand for money, and then the rates may fall, and money seem to be plenty, from the absence of demand; which is very much the case now. By increasing the currency so as to make it just keep pace with the increase of population and business, the rate of interest will be undisturbed; but if it be so increased as to make money plentier when compared to the business than it was before, the rate of interest must be decreased.

CONCLUSION.

In conclusion, the great attraction which the United States have presented to the people of the Old World for nearly one hundred years has been wherein they differed from it, and not wherein they resembled it. The great business of this generation, and of generations to come, is the development and improvement of our own country, the upbuilding of our industries, and the establishment of our independence commercially, as it was long ago established politically. Our foreign commerce is a mere bagatelle when compared with our domestic trade; and instead of making the interests and prosperity of the latter dependent upon the former, I would much prefer to reverse their relations. Our country, more than any other, ancient or modern, possesses the elements of commercial independence, for it is capable of producing nearly all the natural and artificial commodities that enter into the wealth, the comfort, and the happiness of nations. That system of finance is the best which most promotes our internal growth and development, and under which we have so signally prospered.

Mr. SCHURZ. Mr. President, I feel like apologizing for having made a speech on this subject of finance on the 24th of February, since it seems that what I said then has put the mountain in labor, and that mountain has brought forth, after a somewhat painful process of parturition, three full-grown elephants in measured succession.

I do not rise for the purpose of making another speech on the general subject, nor answering all that has been said by the Senators from Michigan, Illinois, and Indiana. Him that wants a complete answer, I refer to the more elaborate remarks I have already had the honor to submit at different times. Neither do I intend to add much to the arguments I have already made, for I think the subject has been sufficiently discussed. I merely for the present desire to call the attention of the Senate to the fundamental principles upon which those who advocate an expansion of the currency raise the structure of financial policy. Sir, when I want to discuss mathematics or geometry with any one, I shall require him to assent to certain fundamental propositions before we proceed; for instance, the proposition that two and two make four, and that a straight line is the shortest way from one point to another. When a gentleman who wants to discuss mathematics or geometry with me asserts that two and two may make four in another country but not here, and that the proposition that a straight line is the shortest way from one point to another may have been believed in five hundred years ago, but is not suited to the progressive spirit of our times, and that the shortest way from one point to another is a curve, I shall tell him, "You had better go to your horn-book, study your multiplication table, and look at Euclid, who may not have been born here, and who died several hundred years ago, but from whom, after all, you might derive some very valuable information."

Now, sir, when I hear, for instance, the Senator from Michigan say that the increase of the volume of an irredeemable currency does not cause its depreciation, and that the expansion of an irredeemable currency is equivalent to an accumulation of real wealth and real capital in its effects upon the rates of interest and business generally—when I hear him cry down such doctrines, then I am irresistibly driven

to the conclusion that he is somewhat at loggerheads with the fundamental differences between real capital and irredeemable paper currency, and that the very first elementary principles of finance have not sufficiently been mastered by him. To build upon such a basis an argument of financial policy, would be like basing a demonstration in mathematics and geometry upon the proposition that two and two make five, and that a curve is the shortest line from one point to another. I might go through his speech for hours showing what wonderful things such a proposition may lead to, but I think I may safely spare the Senate the infliction.

The case is very similar with the honorable Senator from Illinois, when he tells us that the precious metals cannot remain the standard of value in any country, because the aggregate quantity of precious metals does not equal in value the aggregate of all the commodities to be measured; a proposition which I may say, by the way, seems to have been indorsed by the Senator from Michigan. But the Senator from Illinois caps the climax when he repeats, as he does in his second speech, that all the things that can be accomplished by drawing capital from abroad into this country by loans can also be accomplished by printing more irredeemable paper money here, thus, as he says, keeping the interest at home, just as if the issuing of more promises to pay were the actual creation of real wealth and capital, or as if the printing of irredeemable paper money could keep a nation out of debt. I cannot refrain from saying that I find the Senator bitterly at war with the very A B C of finance, and when he forms of such material the foundation of his financial policy, then we behold arguments and conclusions so utterly wild, so fantastic, so preposterous, nay, so monstrous, that it is difficult to understand how such things could have been uttered in the Senate of the United States. And when the Senator from Indiana says, as he has just now told us, that the effects of the inflation of an irredeemable currency are exactly the same as the effects of an increase of the volume of gold and silver, I might almost despair of arguing with him, and yet such ideas, such glaring aberrations of the human mind from all the grooves in which sound understanding moves, are to control the financial policy of this great Republic.

Mr. President, I have some ambition for this country. It grieves me when I see this Republic appear in an unfavorable light before the world. This financial discussion in the Senate of the United States has already attracted the attention of the foreign press, and I am sorry to say the absurdities uttered here have not escaped observation, and if we go on in this way, if such unheard-of propositions are to become the governing principles of our financial policy, we are in a very fair way of becoming the laughing-stock of civilized mankind.

As to the Senator from Indiana, I shall not go through his argument in order to controvert it from my stand-point, but I shall permit that Senator to answer himself. All he said, if it was to prove anything, was in fact an argument in favor of the perpetuation of an irredeemable paper money in this country; for he has taken great pains to show us how that irredeemable currency is preferable to gold and silver. I shall not follow the course of his remarks in their logical arrangement, but I shall take up one point after another. He has just been trying to convince us that an augmentation of the currency by some forty or fifty or more millions would not be inflation at all and would have none of the consequences of it. Now, let us see how the Senator judged of that subject not very long ago. In a debate upon a proposition contemplating the augmentation of the currency by twenty millions, the Senator from Indiana expressed himself in this wise:

I had hoped that the Senate had got past the time when it was necessary to argue the evils of the inflation of the currency—the general increase of speculation; the general diminution of productive industry and the resort to speculation instead. Does not every man know that the result of an inflation of the currency is to increase the price of everything that is bought and sold, first beginning with the price of personal property, then touching real estate, and then, perhaps, coming to labor?

Mr. FESSENDEN. It begins with labor.

Mr. MORTON. The Senator says it begins with labor. I submit that it is the experience of the world that the price of labor is the last thing that is inflated.

Mr. FESSENDEN. The Senator does not understand me. I mean to say that labor is the first thing to suffer from inflation.

Mr. MORTON. With that understanding I agree. It is the first thing to suffer from inflation, and the last thing to be proved by it. Sir, as soon as inflation takes place speculation begins; and what is the effect of it? Everything acquires two prices, the real price and the speculative price. * * * *

As I was remarking, Mr. President, when inflation begins property acquires two prices—the real, actual, demand price, and the speculative price. Men can put property into warehouses and hold it for a rise of prices, and thus, as we saw during the war and during this great inflation, the price of goods goes up 50, 150, 200, and 300 per cent., because of this speculative price brought about by the great abundance of money.

And, gentlemen, you will remember that just now the Senator asserted that the prices of commodities would never rise above the premium on gold!

But how is it with labor? You cannot put labor into a warehouse and hold it for future demand or speculation. The demand for labor is immediate, as labor is needed; and therefore, when inflation takes place, labor is the last thing to be inflated and the first thing to feel the evils of it. Mr. President, we have already suffered the evils of inflation. We have had one great inflation, and we have got part of the way down. It has cost the American people dearly in coming down.

Meaning the contraction of the currency which was effected by Secretary McCulloch.

The down grade is marked at every step by bankruptcies and ruin in every part of this country. Would the Senator from Ohio——

Whom he was then addressing—

Would the Senator from Ohio have us make the ascent again, that we may have again the ruinous descent? I trust not.—*Congressional Globe*, Fortieth Congress, second session, part 4, page 3157.

And now we see the same Senator from Indiana unblushingly advocating the ascent again so that we may experience all the beauties and blessings of that "ruinous descent" once more! This may serve also as a conclusive answer to the argument which he put forth in reply to mine, that the inflation of the currency, while it raised the price of agricultural products sold abroad only by the amount of the premium on gold, raises the price of general commodities beyond that premium, and obliged the farmer to sell at low and to buy at high prices. Here you have his own answer to his own argument.

The Senator has been entertaining us much upon what is the real cause of our difficulties. He now says that the nature of the currency has nothing to do with those difficulties. Not very long ago he held an opinion just the reverse of the one he expresses now. He then said:

Sir, we have a debased and depreciated currency to-day not worth more than seventy cents on the dollar. This lies at the foundation of all our financial troubles, and I believe the way to begin is to begin at the foundation, to take some step directly in the direction of returning to specie payment. Let us say to-day that we pledge the surplus gold in the Treasury and that which shall accumulate this financial year and the next to the redemption of the legal-tender notes, and the very moment that declaration becomes a law, in my opinion, the premium on gold will go down one-half.—*Congressional Globe*, Fortieth Congress, second session, part 4, page 4029.

So it turns out that his opinion of the nature and cause of our difficulties then has materially changed with the occasion, and what he now says had been refuted by himself before he uttered it.

Now, what does the Senator at this present moment desire to accomplish by expanding our irredeemable paper money? He tells us that he wants to give prosperity to the people; he wants to set the business of the country going again, and he loudly insists that the country must necessarily have more currency because the population has grown, and more currency is necessary *per capita*. Let the Senator from Indiana answer himself once more, and I desire him to listen to me, for this is rich:

A great many people have the idea that you can make money plenty by simply issuing it in large quantities, and a great many think it ought then to be distributed *per capita*, or in some other way, by which everybody should have some.—*Congressional Globe*, part 4, second session Fortieth Congress, page 3160.

How ridiculous such a bare-faced absurdity seemed to him then! How contemptuously he scorned the preposterous idea that whenever the population of a country grows the volume of the currency must necessarily be expanded in the same proportion! How he laughed at the childish conception, that by issuing irredeemable paper promises to pay you can make real money plenty! And yet the identical doctrines thus so justly ridiculed by him are now preached by the same gentleman as the highest financial wisdom.

Now let us see in what way he desires to accomplish his end. He is in favor of free banking, free banking upon the basis of an irredeemable currency without limit. Let us now examine the opinions the Senator from Indiana held on free banking not long since. On the 4th of February, 1873, but one short year ago, the Senator from Indiana delivered his opinion in the Senate of the United States in these words:

That brings me to the question of free banking. I do not know that I shall make objection to free banking when specie payments are absolutely and certainly restored beyond all peradventure; but it never ought to be ventured upon before that time, and I am not sure that it should then. Why? Because when banking is free and everybody can bank that desires to do so, the currency may be inflated scores of millions before the country knows scarcely anything about it. Now banks are formed here and there; they throw out their currency; the volume of it is increased; the country is not advised of it; and the first intelligence they get is from its influence on business. That is one of the very evils I am arguing against.

I know it is popular to talk about free banking and letting everybody go into it. Banking is seductive. A great many people have the idea that it is a very genteel business, and a very easy business, and a very profitable business; and when you make banking free, for the first two or three years there will be a great rush into that business, and after two or three years there will be a great rush out of it. You will first have an inflation and then you will have a contraction. I would a great deal rather that the volume of bank currency should be limited than to make it free, so that it may be increased or diminished by the operation of private individuals, and Congress and the nation have no control over it. But if we have free banking, it ought never to come until specie payments are permanently established, so that those banks shall absolutely redeem their notes in coin and we shall have that security against the inflation of the currency by the increased issue of bank-notes.

Thus spoke the Senator from Indiana on the 4th of February, 1873, in the very same seat from which he delivered his speech half an hour ago.

Now let us see what his opinion was then of the effect of the establishment of national banks in the West and South upon the amount of loanable money in the respective localities. The Senator has been arguing with a great deal of finesse against the argument put forth by myself, that by drawing out of the local circulation of a town in the South or West the money necessary for the purchase of bonds, and then establishing a national bank there, the amount of capital disposable for loans would be rather diminished than increased. He called it, I believe, preposterous. Now let us see what the Senator thought on that question before:

I should like to suggest to the Senators from the South that in my opinion they are chiefly interested in effecting a transfer of banking capital from the East to the South. Let me suppose that it is proposed to establish a bank in the city of Raleigh, North Carolina, by the citizens living there. They will buy their bonds at the great bond-market, the city of New York. They want to get a bank large enough to issue currency to the amount of $500,000. They must therefore deposit bonds to an

amount 10 per cent. greater than the amount of currency they want to get. The bonds command a premium. Therefore, the citizens of Raleigh, North Carolina, to get their bank, must gather up $600,000 of currency and carry that to the city of New York for the purpose of buying their bonds in the first place, and after they get their bank organized they only get $500,000 of currency back. In other words, the operation would take out of the State of North Carolina $100,000 of currency more than it would get back by the establishment of the bank. Of course the bank itself would be profitable; the stockholders would make money; but so far as the currency in that State was concerned, the first operation would be to take out of the State $100,000 more than it would ultimately get back. But if a transfer of banking capital from the East to the West and South could be effected, the State of North Carolina would gain banking capital just to that extent.—*Congressional Globe*, first session Forty-first Congress, page 269.

And just there is the difference. To-day the Senator has been laboriously exerting himself to convince us that the mere establishment of national banks upon the basis of bonds bought with money drawn out of their home circulation would have just the effect that would be accomplished by the transfer of real banking capital from the East to the West or to the South.

Now, sir, let me expose another fallacy in connection with this subject which reappeared in his speech of to-day, for he employed almost the same language he had used in his reply, on the 24th of February, to my speech. He said then:

The argument made by the Senator from Missouri seems to proceed in total ignorance of the way banks are got up. How is a bank got up, if you please, in the city of Indianapolis? The men who want to start it go around with a subscription paper; get a mechanic to put down $1,000, a merchant to put down $2,000, another man $5,000, another man $500. They take it out of their business. That money was not loaned before; it was used in some other way. In that way they organize a bank, and the 90 per cent. comes back there as available funds to be loaned. That is the way banks are organized.

Yes, that is the way banks are organized; and now I would ask the Senator from Indiana, where do these men who subscribe two thousand, three thousand, and five thousand dollars get that money to put into the banks? He says they draw it out of their business. Do they draw out of their business money actively employed there? By no means. It must be a surplus they have laid up, and which they do not need in their business; otherwise they could not draw it out. Is not that obvious? But if it is a surplus, it was already in a loanable shape, ready to be invested in loans, before it was drawn out. No man would curtail the funds needed to keep his business going to put it into bank stock; only surplus funds are thus invested by business men. That is the way bank associations are organized and funds subscribed. The funds must already be free and ready to be loaned out. Suppose one bank is already there, and only a new one to be organized, then the money subscribed for the establishment of the new bank would, in ninety-nine cases of one hundred, have been deposited in the bank already there; it would have to be withdrawn from the existing bank, and to that amount diminish the loanable funds of that bank; and by being taken to New York for the purchase of bonds it would be a reduction of the loanable funds in the locality where the new bank is to be established. Is not this as clear as sunlight?

The great mistake that gentlemen are making in this matter is that they think it is merely a transformation of funded capital into loanable capital. It would indeed be such a transformation in such localities where funded capital already exists that can be transformed. The establishment of national banks in New England or in New York will indeed transform in that locality funded into loanable capital. But where such funded capital does not exist, or exists only in very small quantity, as in the West and South, you cannot speak of any transformation of it. There money must be drawn from the loanable funds already existing there, to be transformed into bonds to be purchased in New York, the bonds then to be transformed into national-bank currency, with a reduction of the loanable funds originally existing in the western or southern locality to the amount of 30 or 40 per cent., the operation yielding only ninety dollars of bank currency to every one hundred and twelve invested in bonds, and 15 or 25 per cent., respectively, of the bank currency being locked up as the legal reserve. My statement was therefore correct, and the Senator has utterly failed to controvert it.

The Senator from Indiana was also very emphatic to-day in speaking about the nonsense of talking of the violation of a pledge concerning the redemption of the Government paper promises to pay. He was of a very different opinion once. Not long ago it seemed to appeal to his moral nature that the United States, in promising to pay one dollar in gold for one dollar in currency, had indeed assumed a sacred obligation not to be violated without dishonor. Let us see what he said then:

Mr. President, this amendment proposes to increase the national banking currency to $400,000,000, and to retire an amount of United States notes equal to the addition proposed to the bank circulation. I do not think we are at liberty now to make this arrangement. We have recently passed an act entitled "An act to strengthen the public credit;" and that bill has given a solemn pledge to the country, which I suppose is as binding as any other pledge given in that act: "And the United States also solemnly pledges its faith to make provision at the earliest practicable period for the redemption of the United States notes in coin." It would not be a compliance with that pledge, either in spirit or in letter, to propose to substitute for the United States notes, either in part or in whole, as suggested by the Senator from Massachusetts, irredeemable bank-paper. That act provides that until we have returned to specie payments none of the interest-bearing obligations shall be redeemed or paid before maturity, and then solemnly pledges the faith of the nation to make provision at the earliest practicable period for the redemption of the United States notes in coin. It would be in direct violation of that pledge if, instead of making provision at the earliest practicable moment to redeem these notes in coin, we propose to retire them and to substitute for them an irredeemable bank-paper, for the redemption of which no provision is made.—*Congressional Globe*, Forty-first Congress, first session, 1869, page 269.

Now, sir, I think I have touched the main points of the Senator's speech. No; there was another thing which struck me as very remarkable in his utterances. It was his approval of the act of the Secretary of the Treasury in drawing upon the $44,000,000 reserve, not being specially authorized to do so by law. I would ask the Senator from Indiana now whether he considered that act legal?

Mr. MORTON. It is a question of doubt. There is some doubt about it. It is a question which has been ably argued on both sides. The preponderance of my opinion is that the Secretary of the Treasury had the right; but as there is a doubt in the public mind, I thought that doubt ought to be removed by legislation, and that the right to issue greenbacks up to $400,000,000 ought to be declared by law. I am very happy to be able to say that the House of Representatives has just so declared by about 100 majority.

Mr. SCHURZ. Now, let us see:

Mr. MORTON——

This was in the discussion on a bill stopping the further contraction of the currency to which the Senator from Vermont [Mr. EDMUNDS] offered an amendment providing that the $44,000,000 already withdrawn should not be reissued again; and to that amendment the Senator from Indiana spoke as follows:

Mr. MORTON. I wish to say that I shall vote against the amendment of the Senator from Vermont [Mr. EDMUNDS] without giving any opinion on its merits, because I am opposed to hampering this bill by attaching any sort of rider to it. The apprehension expressed by the Senator from Vermont, that if this amendment is not adopted the Secretary of the Treasury will have a right to reissue legal-tenders so as to make the whole amount $400,000,000 again, I regard as without foundation. The law gave him authority to issue to the amount of $400,000,000, beside the reserve. When that amount was issued, his power was exhausted; and if it was afterward contracted down to $350,000,000, or to any amount, he has no authority without new legislation to issue to the amount of $400,000,000.—*Congressional Globe*, part 1, second session Fortieth Congress, 1867-'68, page 438.

Again, the Senator from Indiana spoke as follows:

I do not think it can be pretended for a moment by any Senator that the Secretary of the Treasury has power to issue a single note to replace those that have been canceled under the operation of the law we are now about to suspend. That pretense, I think, cannot be made by anybody, and therefore the adoption of the amendment offered by the Senator from New York will simply amount to an expression of opinion on a somewhat important question by this Senate. I think there is no occasion for it now.—*Congressional Globe*, part 1, second session Fortieth Congress, 1867, 1868, page 523.

It seems, then, that what the Senator considers so doubtful, or rather not doubtful at all, for we have heard the Senator express several times his opinion on this floor that the Secretary of the Treasury had a perfect right to issue the $44,000,000, was not considered doubtful by him then, but he looked at it in a very different light.

Mr. SHERMAN. I will say to the Senator also that the present Attorney-General in his remarks—for I have them—on that same occasion stated in the most emphatic language that by no possibility could the Secretary of the Treasury issue any of the $44,000,000; and every member of the Senate at that time on both sides—though the Senator from Vermont expressed his fear that such a question might be raised, and yet being opposed to the exercise of such a power—seemed to act on the idea that it was perfectly idle to legislate a provision against the $44,000,000 being issued, but that the Senator from Vermont desired to guard against the possibility of such a construction being put upon it.

Mr. MORRILL, of Vermont. May I ask the Senator from Ohio if the Attorney-General's opinion has ever been consulted by the Secretary of the Treasury in relation to this point as to the power to issue the $44,000,000?

Mr. SHERMAN. I can only answer that by speaking of a matter that I do not like to refer to here.

Mr. CONKLING. If I be allowed to interpose a moment, I want the Senator from Ohio to except me from the general statement he makes of the conviction of the Senate at that time. I did not act upon the idea which he now ascribes to the Senate, and the record will show that I did not.

Mr. SHERMAN. The Senator misunderstood me. I said no Senator was in favor of the exercise of the power of issuing the forty-four millions, although sixteen or seventeen Senators agreed that there might be a doubt about the construction of the law unless some amendment was adopted to guard against it.

Mr. CONKLING. Speaking for myself, I wish to say that I agreed that not only was there a doubt about this, but I was clear that it was incumbent on the Senate, if the Secretary was to be deprived of the power to issue any of the forty-four millions, to say so, and to say so in language which cannot be found in that bill, and I offered an amendment accordingly. I have not had occasion since to refer to the debate, or certainly not for a year or two; but I think it will turn out that I then filed my *caveat* against the idea that that legislation as it was perfected would prohibit the Secretary of the Treasury from issuing the forty-four millions or prevent his doing precisely what he has done.

Mr. SCHURZ. I think it was the Senator from New York to whom the Senator from Indiana referred in the last paragraph I have just read, as having offered an amendment to that effect.

Mr. SHERMAN. I also intended to say that, but I did not perhaps express myself clearly. I simply say that no Senator at the time was in favor of the granting the power to issue any portion of the forty-four millions.

Mr. MORTON. The Senator from Ohio said that no Senator at the time thought he had the power.

Mr. SHERMAN. I did not say that, or if I did it was not what I intended. What I meant to say was that no one member of the Senate seemed to desire that the Secretary of the Treasury should have the power to issue forty-four millions at his pleasure; but a portion of the Senate, headed by the Senator from Vermont [Mr. EDMUNDS] and the Senator from New York, [Mr. CONKLING,] fearing that the Secretary might claim the power under the old law, moved as an amendment to deny him that power; and that was voted down on the ground, strongly stated by the Senator from Indiana and by the present Attorney-General and by myself, among others, that there was no such power, and that, therefore, the amendment was simply of no account and ought not to encumber the bill. That is now my recollection of the facts, and I think the amendment was voted down by a very large majority, perhaps 16 or 17 to about 30. It was voted down by a decided vote on that ground.

Mr. SCHURZ. Now, sir, we have heard as one of the principal objections to a return to specie payments the argument urged by the Senator from Indiana, that in the first place we had not gold enough in this country now, and in the second place we could not get gold enough. He said, I believe, that we had at the present moment about $140,000,000 of gold coin in the United States, and that would be absolutely insufficient to think of anything like the resumption of specie payments. The Senator must have been born abroad, I think, when he uttered the following sentiment in reply to a question whether we should have gold enough in the country to resume specie payments. The Senator said:

We shall have gold in the future as we have had in the past. There is no question about that. The Government can procure the gold without trouble. Let me suggest, in this connection, how are the banks to resume specie payments unless the Government does it? * * * * * * * *

When we have approached nearly the time of returning to specie payments, and when the premium on gold in this country is no more than 10 per cent. or 5 per cent., we can then, if we should need gold to the extent of thirty or forty millions, raise it upon our five-twenty bonds at par. Instead of converting greenbacks worth seventy cents into gold-bearing bonds, we can then in London raise as much gold as we want on our bonds at par, which are now selling at only seventy cents on the dollar in gold; and if there should be a deficit in gold, any small amount could be readily supplied at that time.—*Congressional Globe*, second session Fortieth Congress, page 3159.

In another paragraph of his remarks he spoke of only $150,000,000 of gold being necessary for the resumption of specie payments. But the principal and the most philosophical argument which the Senator from Indiana employs now against the resumption of specie payments is that it cannot be the result of legislation, but that it must be the growth of circumstances, the upshot of our condition; it is to be the result of the "situation," he thinks, and every legislative act that might turn us in that direction would be mischievous and attended with disaster and ruin. Let us see how the Senator from Indiana delivered himself upon that point:

Now, Mr. President, the most important thing for us to do, and the thing we ought to do, before this Congress adjourns, is to take some steps toward the return to specie payments. Every other financial scheme is a nostrum as compared with that. It cannot be done, nor can it be done indirectly. It will not "turn up," as Micawber might suppose it would. It will not come around incidentally or indirectly by resorting to some other gentle, ineffective, meaningless measure. Sir, the way to return to specie payments is by taking some direct step in that direction. As the Senator from Maine said, the only way to pay a debt is to pay it; and I say the only way to return to specie payments is by taking some step in that direction; some step that will give the country assurance that specie payments will be made.

* * * * * * * *

Mr. President, in my judgment it is the first business of the Government to take some steps toward a return to specie payments; and, as I said before, and I wish to reiterate that statement, it is not to be done by wishing it; it is not to be done simply by some indirect and imperfect remedy, but it is to be done by some legislation looking directly toward it and making provision for it.—*Congressional Globe*, Fortieth Congress, second session, part 4, pages 3157 and 3158.

Now, Mr. President, when we compare the opinions uttered by the Senator from Indiana to-day with the deliberate opinions which he uttered time and again on this floor upon the very same subject, then we may arrive at the conclusion that he was right when, in opening one of his speeches on finance, he very candidly said:

I do not pretend to have much faith in my own judgment on the subject of finance.

[Laughter.]

Nobody will question the correctness of the Senator's feelings in that respect now.

Sir, it seems to me that when we treat of a matter as important as this, involving not only the material prosperity, but even the moral well-being of the people of the United States, we should not have our opinions hanging so loosely about us that we change them from day to day like our coats.

I predict the time will come, and is not very far off, when the Senator from Indiana, recognizing the miscarriage of his inflation vagaries, will complete the circle and land again on the basis of specie payments; and then some belated inflationist on this floor may rise up in the Senate of the United States and quote the speech which he has made to-day, and he will present the sorry spectacle of recanting once more. I do not envy him; but it is his doing.

Sir, when I uttered the very same sentiments which I have now been reading from his speeches, he gave me to understand that I was born abroad, and that I did not know anything about the affairs of this country! I should like to know where the Senator was born two or three years ago!

Mr. President, I said I would not go over the whole argument that was brought forward by the Senators from Michigan and Illinois, but, in conclusion, I desire to touch here a very practical point. The Senator from Indiana is always speaking about the situation. It may be somewhat annoying to him and those on his side if, in a very simple way, I bring them face to face with the situation.

If it can be shown that there is already so much money in the market that the banks are fairly overflowing with it, and that there is a superabundance of loanable funds beyond the capacity of the business community to use it, I ask, what will they have to say of the situation then?

Now let us see. I must trouble the Senate with reading some of those very inconvenient things, the money-market reports; and inasmuch as reference has been made to my own city of Saint Louis, I shall commence with that.

The Saint Louis Democrat of March 14, 1874, says:

We have no change to report in regard to the condition of the local money market. The story told by the banks from day to day does not vary a particle, and it is next to impossible to discover anything new or interesting in regard to money matters. There is a superabundant supply of loanable funds in the hands of all the banks, which keeps steadily augmenting by the steady receipts of currency from the interior and the daily run of deposits. The demand is confined to the very smallest amount possible, even below that of midsummer, which is usually the dullest time of the year. There is one feature in the market that is rather singular, when the plethora of funds is taken into consideration, and that is the banks are disposed to risk but little, and are just as careful in the scrutiny of the paper that is now offering as they were when the market was so stringent, and, while strictly first-class paper is in demand, discount lines have not been extended so as to go outside of this class; hence, if all the paper that offered was accommodated, we should be able to chronicle a more active feeling in the discount market.

Thus it appears that in the city of Saint Louis not only is there a superabundance in the banks, but that superabundance is daily augmented by currency flowing into the city banks from the country, where we are told that the people are starving for currency.

Next, I turn to the Cincinnati Commercial of March 19:

The demand for money continues light and the market is easy, with a further accumulation of means at most of the banks, and depositors in good credit obtain all of the money they desire at 8 to 9 per cent. Call loans are obtainable at 6 to 8 per cent.—the inside rate on strictly first-class collaterals. Outside of bank there is a fair amount of paper offered, and it is readily placed at 8 to 10 per cent.—the inside figure for strictly prime business notes.

The demand for eastern exchange is light and scarcely equal to the current receipts, but the counter rates are firm, and there being no pressure to sell, it is difficult to buy round sums under 1-20 per cent. discount.

The Saint Louis Dispatch, the last I received, of March 20, says:

There was a moderate counter business at the principal financial institutions this morning. The offerings of acceptable paper are light, and loanable funds, under the light demand, are in good supply. Rates from banks are easy at 8 to 10 per cent. per annum.

The Chicago Inter-Ocean of March 11 reports:

Outside of a firmer feeling in exchange, there was no particular change to note in the course of local financial affairs. The demand for money continues light, and borrowers obtain all the accommodations they desire, especially on grain and provisions. Outside paper accepted occasionally at some of the banks, though only for short dates. Eastern exchange firmer at fifty cents premium between banks. Counter rates without quotable change. Gold steady. Government securities quiet. Local stocks without material change.

Again, March 13, the Inter-Ocean:

The demand for money continues moderate, and bankers are well supplied with loanable funds, but prefer to select their customers. Short-date paper has the preference, and most of the offerings come from the grain and provision interest. Wholesale merchants make few applications, and generally succeed in obtaining all favors they desire on the street. Money is quiet and the offerings are moderate. Rates of interest unchanged.

The Senator from Illinois asks me in an undertone whether I read an editorial. We have nothing to do with editorial opinions now, but we have to deal with facts, and all the papers of the country in their market reports agree that the banks are overflowing with loanable funds, and that there is more supply than there is demand. They all agreeing, the Inter-Ocean included, there must be truth in it, whatever the editorials of the papers may say.

The Chicago Tribune of Friday evening, March 20, reports:

Financial affairs continue stagnant, and the supply of money offered for loan on prime security is larger than can be employed. As remarked a day or two ago, the prospect is that the supply of money in this market will increase rather than otherwise, as the holders of the large amount of pork and provisions here realize on what they hold.

There is more from Chicago, which it is not necessary to read.

The Cincinnati Gazette of Monday morning, March 13, says in its money-market report:

The movements in monetary circles as far as the demand for money is concerned are sluggish. The chief reason for this is that merchants are less in debt than usual; they bought lightly of goods for several months succeeding the panic, and their more recent purchases are not yet due. Currency continues to flow in from the country, and the supply is becoming redundant.

The Indianapolis Journal of March 14 says:

The money market is rather dull as compared with the same date in other years. The banks seem to be better prepared with funds than was the case a week or two ago, but the rates of discounts are unchanged. There is no particular pressure for loans. New York exchange is in fair supply, and selling between banks at par and to bank customers at 1-8 to 1-10 per cent.

The Louisville Courier-Journal of March 20 says:

The market for money displayed a fair degree of activity to-day, and lenders—

Mark, "lenders," not borrowers—

are not complaining so generally of the dullness of the times.

I repeat, not the borrowers, but the lenders have been complaining because they could not get employment for the money they had accumulated in the banks.

The inquiry was by no means spirited, though the majority of the banks found satisfactory employment for their disposable funds, while others are carrying a larger surplus than they consider desirable. In the open market there are comparatively few borrowers, and good real-estate paper of all classes is in demand. There is no change to notice in rates.

I do not know whether it is necessary to go through the whole budget which I have before me, some thirty or forty market reports from all the different commercial cities of the Union, to exactly the same effect. Of course it is superfluous that I should read anything from New York or Boston.

I ask you now what does all this mean? It means that the business centers are full of money; that the supply of loanable funds is actually larger than the demand; that the same I have stated of the cities is the fact in the country, too, which is demonstrated by the circumstance that money is continually flowing from the country banks into the city banks. Yes, the supply exceeds the demand, and not the demand the supply. There is far more loanable money in those banks than can find ready investment on good security. All market reports without exception tell the same story.

I ask again, what is the meaning of this? Does it mean that there is an insufficiency of currency in the country? Would not such an assertion be the very height of preposterosity? Quite the reverse; there is more currency than can at present be employed in the business transactions going on, as every financial authority shows. To be sure, there are people who find difficulty in getting their notes discounted, or in obtaining loans at such rates of interest as they desire. That has always been the case, and always will be the case. But, I ask, is that a proof of an insufficiency of the currency? Those people, of course, will tell you that they cannot get all the loans they want because there is not enough currency in the country. But is it true? There is money in abundance seeking safe investment, and much of it not being able to find that safe investment. The difficulty is not, therefore, that there is not currency enough, but the difficulty is that those persons who cannot get loans have not credit enough. And do you think you can give them credit by merely putting out more currency? If there is a lack of anything, it is not a lack of currency, but it is a lack of confidence. Cannot gentlemen tell the difference between a lack of currency and a lack of confidence? And how does that lack of confidence arise? Is there anything very wonderful in it?

We have gone through a great financial crisis. In that crisis a great many business men who had ventured upon more or less hazardous enterprises were caught. Business that was overdone before the crisis has to a great extent come to a stand-still. Production that before the crisis went beyond actual demand has been arrested. Consumption which before the crisis went beyond the limits of a wise economy has to a certain extent been stopped also. Lenders of money have become somewhat cautious in their investments, for a great many lost during the crisis, and now they are looking those carefully in the face who come to them and want money; they desire safe security. And borrowers of money who by reckless operations got themselves into trouble before and during the crisis are carefully calculating their chances before they strain their credit to the same extent again. Business men are cautious in their enterprises and their engagements. The business of the country is slowly feeling its way from the quicksands of a great crisis upon safe ground. That is the occasion of the lack of confidence. It is the natural consequence of the crisis. And now you will remove that lack of confidence by an additional issue of currency, while the banks are literally overflowing with loanable funds already?

No candid man will question the fact, for every money report from every part of the country tells us the same story. And now I would ask what, in the name of common sense, do you, under such circumstances, want to issue more currency for, while you have only to open your eyes to the actual state of the case to know that there is already more loanable money in the market than will find responsible takers? I ask you are we not serious men? Are we mere little boys playing at finance? Or can anybody here on this floor, any Senator of the United States, really mean to inflate the currency merely for the purpose of further depreciating it, and creating more ruinous fluctuations of values? Can that iniquitous mischief—and I call it so knowing what I say—can that iniquitous mischief be the thing anybody here wants to bring about? If that is the case, then I wish the gentlemen would have at least the boldness to say so. Or is there really anybody here so childish as to indulge in the delusion that we can issue currency enough to provide everybody with as large a loan, without sufficient security, and at as low a rate of interest, as he desires? Can so senseless, so idiotic a conception be seriously entertained?

Certainly, gentlemen, as men of sense and experience, you cannot mean that; you cannot indulge in the impossible notion that an additional issue of currency, were it ten thousand millions, can effect that. And yet it would almost seem that something of the kind must be contemplated, for it is difficult to explain the inflation schemes presented here upon any other theory, unless it be that willful and wicked mischief of which I have just been speaking. But if that kind of statesmanship, so utterly ignoring the first elementary principles, the very A B C of finance, that statesmanship looking for objects so wild, so senseless, so mischievous, so sure to lead to disappointment, disgrace, and ruin—if that kind of statesmanship is ready to assume and keep control of the finances of the United States, then I say may the Lord have mercy on the American people.

Mr. MORTON. Mr. President, I am sorry to say another word on this matter, but the Senator from Missouri, it will be remembered, referred, in the Senate a few days ago, to certain expressions of mine, and endeavored to convert them into a reflection upon his foreign birth.

Mr. SCHURZ. Let me tell the Senator from Indiana that I do not want to renew the discussion on this matter. I am willing to believe that he has no prejudice against the foreign-born citizens; and when I referred to it I did so simply because he had reiterated something of the kind in his speech. He spoke of people coming from Germany, knowing the old country, wanted to apply the theories they had learned there to this country, and that they were sitting on the steps of the Capitol and reading the inscriptions on the Pyramids, and all that sort of thing. I am willing to think him innocent of prejudice against foreign-born citizens if he does not show any.

Mr. MORTON. I hope now that will be the end of it. The Senator, in the course of the few remarks he has submitted, again referred to the fact that he was of foreign birth, and referred to a former declaration of mine which he construed as referring to his foreign birth. Now, if the Senator does not want to parade that fact almost constantly before the public, he had better not seek to put any construction upon remarks of mine or other Senators to that effect. I have no prejudice against any man on account of his birth, and I never have had such prejudice. I never sympathized with know-nothingism. For a man who claims superior merit because he was born on our soil, I have little respect; I never had any for German know-nothingism, or Irish know-nothingism either. I have not much respect for those who are foreigners by profession, and parade that fact on all occasions.

Now, Mr. President, a word or two in regard to the argument. The Senator shows that he is quite familiar with my speeches. He has been hunting up the record. He has followed in the path of the Senator from Ohio, [Mr. SHERMAN,] some two or three weeks ago. I think my friend from Ohio spent about two hours on that interesting subject.

Mr. SHERMAN. Not more than five minutes.

Mr. MORTON. Yes; a good deal more than that, as my friend will see if he will look at the RECORD. He could not get it all into five minutes. He read extensively and commented still more extensively; and when I turned to my friend's speech to show that he stood on different ground than he stands on now, he had little more to say. I have no doubt the record of the Senator from Missouri would be in the same predicament on that subject if he had any, but I do not know that he has any; and if he has I shall not take the trouble to hunt it up. I really think it is scarcely worth the labor.

Mr. SCHURZ. I do not think it would pay.

Mr. MORTON. But now the Senator shows that he is quite familiar with my record. I thought so when he made his speech two or three weeks ago; as he went along, I thought he had been reading my speech, made in 1869. Of course I do not believe he would take my speech bodily, but it struck me as remarkable that his mind should run in precisely the same groove mine had run in some four or five years before that time. The resemblance was striking; and I took my old speech and went over it after he got through, and I was forcibly struck to see how the two minds had traveled in the same path; mine happened to have gone over it about four or five years before; the Senator followed afterward. There was much the same order. Of course, there was a different dress. The dress was greatly improved, because fashions in dress have improved since that time. [Laughter.] But really, it was about the same thing. I did not say anything about it at the time. I thought if my friend wanted to make a speech on that side, he could not do better than take my old speech.

Now, Mr. President, there is one thing in the speech made by my friend from Missouri a few weeks ago, which has attracted more attention in the country than anything else he has said, and that is his argument in regard to persons who wanted to establish banks in the West, taking $1,120 out of circulation in the neighborhood, going to New York to buy bonds to establish a national bank, leaving $1,120 there and getting only $900 in currency in return. I recognized that at once, and my friend has shown to-day just where he got that idea from precisely. [Laughter.] I did not say a word about its origin, for I was a little ashamed of it myself. [Laughter.] I thought it was a tolerably good thing when I got it off; then it seemed to me to be plausible; but on reflection I was satisfied there was no sense in it. But the Senator has shown by referring to my speech on the bank bill just where he got it. There was one thing a little curious, that when the Senator put forth that idea some three weeks ago, for which he has got more credit than everything else in that speech—I say this because it has been more quoted and published than anything else—when he put that out, he forgot to give credit for it. But I do not care anything about that. I want to say, however, that it was not original with me. I think I had seen it somewhere else, and fell into the trap.

Mr. CONKLING. Where did you borrow it? [Laughter.]

Mr. MORTON. I have no idea where I got it. [Laughter.] I think it was anonymous when I got it; but the Senator had a responsible indorser for it; and he took it without giving me credit for it. I think I have answered that to-day, as I have been satisfied there was a true answer to it for a long time.

Now, Mr. President, I want to say to my friend from Missouri that I made that argument in 1869 against inflation, and I made it in favor

of specie payments. I had "specie payments on the brain" then about as badly as he has now. The Senator follows along in my path a few years afterward. When I made that speech I was in favor of taking immediate steps to return to specie payments. I had a plan. My friend from Ohio disagreed with it. A large body of the Senate disagreed with it. They thought that specie payments could not be wrought out in the way the Senator has pointed out, or that I pointed out, or that anybody else has pointed out since that time. A considerable portion of the Senate has changed its mind, I infer, on that subject.

But, sir, the circumstances are widely different now from what they were when I spoke against inflation in 1869. There was then certainly $150,000,000 more of currency than there is now, while to-day there are in the country certainly not less than four millions more people and infinitely more wealth and business than at that time. Placed back at that point, I should perhaps take the same view I then did under the circumstances; but I have changed my views on several questions in regard to finance, I am free to admit. I think there is no shame about it; and whenever I shall be satisfied that I am now wrong, I shall be frank to admit it. I think that that pride which induces a man to continue in error is false, and is one of those things from which statesmen and politics suffer more than almost anything else.

One word in regard to the $400,000,000 issued by the Secretary of the Treasury. I had the impression when that matter was first brought into the Senate that after the currency had been contracted to $356,000,000 there was no law for the reissue of the $44,000,000. I thought so, and I think nearly everybody in the Senate thought so, at that time. Perhaps my friend from New York [Mr. CONKLING] was an exception; but that was the general opinion at that time. There had been no argument made on it; but after I saw the argument made by the Secretary of the Treasury, and the argument made by the Senator from Iowa, [Mr. WRIGHT,] on the question, I changed my mind about it; at least I thought there was a *prima facie* case in favor of the power. I believe the Secretary of the Treasury acted in good faith, and if he had not issued the $27,000,000 as he did, what would he have done for money to carry on the Government? There was a strong argument of necessity backing up at that time the legal right to issue that reserve.

Mr. President, I had intended to say nothing more on this subject.

Mr. WRIGHT. I merely wish to add one word touching a question that was referred to by the Senator from Indiana, just as he closed his remarks. I was not a member of the Senate at the time the question arose whether there should be additional legislation to prevent the increase of the legal-tenders up to $400,000,000; and therefore of the opinions that were entertained by Senators at that time of the necessity of that legislation I know nothing except as I have investigated them in the Globe since. But inasmuch as it has been assumed here more than once that no lawyer could possibly entertain the opinion that there was any power in the hands of the Secretary of the Treasury to increase beyond $356,000,000, and that any one entertaining that opinion maintained a position which no one could defend. Without any purpose at this time to enter into the discussion, I merely wish to quote what has been decided by the highest tribunal of this land, and the opinion written, too, by the Chief Justice of that court, who at the time these greenbacks were issued was the Secretary of the Treasury. I doubt not this question will come up again when the bill reported by the chairman of the Committee on Finance this morning shall come before the Senate; but whether it should or not, lest any one may conclude that there is but one side to this question, I merely wish to read one sentence from what was decided by that court.

Something has been said about the opinion of the Attorney-General and about the opinions of Senators on this floor at the time this question was before the Senate. I only wish to read one sentence from what was decided by the court. In the case of The Banks *vs.* The Supervisors, (7 Wallace, 26,) the Chief Justice, who was Secretary of the Treasury at the time of the passage of the acts therein referred to, says:

> The act of February 25, 1862, provided for an issue of these notes to the amount of $150,000 000. The act of July 11, 1862, added another $150,000,000 to the circulation, reserving, however, $50,000,000 for the redemption of temporary loans, to be issued and used only when necessary for that purpose. Under the act of March 3, 1863, another issue of $150,000,000 was authorized, making the whole amount authorized $450,000,000, and contemplating a permanent circulation, until resumption of payments in coin, of $400,000,000.

Not $356,000,000, but contemplating a permanent circulation of $400,000,000. The same view was again expressed by the Chief Justice in the case of Veazie Bank *vs.* Fenno, (8 Wallace, 537.)

I have no wish or purpose of entering into the discussion of this question now; but lest it might be assumed by Senators here that there was no view opposite to what had been alleged, I thought it necessary to refer thus briefly to what had been decided by the highest tribunal in this land. I attempted, in my feeble way and humble way, to discuss this question in a report I made from the minority of the Finance Committee, and I have had no reason to change the views I then expressed. I believe the views there expressed contain the law of this question, and I shall be prepared to so maintain if the question shall hereafter arise.

Mr. BAYARD obtained the floor.

Mr. SCHURZ. If the Senator from Delaware will permit me, I should like to say a word in response to the——

Mr. BAYARD. Certainly.

Mr. SCHURZ. I merely want to state the fact that some Senator came to me quite seriously and asked me whether I was going to rest under the imputation of having taken that argument to which the Senator from Indiana referred, from the Senator's old speech. Well, I should have been willing to let the Senator have his little joke—his only comfort—undisturbed; but now after having been approached so solemnly, I fear I cannot. No, I did not take this or any other of my arguments from anything the Senator from Indiana ever said. I never was under such a necessity. But as the Senator from Indiana has just asserted that it is the true business of statesmanship to change one's opinion, then I will admit that he is one of the model statesmen of the age, for I know scarcely a question of great importance that I have not seen him on both sides of in somewhat rapid succession.

Mr. MORTON. The Senator makes the statement that he does not know an important question on which I have not changed sides. That is true, or it is not true. It is easy to say that as a rhetorical embellishment or as an answer; but it is either true or it is not true. On main questions and important questions, I have not changed. I have changed my opinions upon several questions, and I suppose the Senator has his. I know that he was once in full accord with the republican party. He fell out with it, left it, and did all he could to destroy it. Had he changed his opinion? I think he had. He had changed his spirit. It was his right to do so. I do not blame him. But when he talks about not changing his opinions, and says that I have changed upon all important questions, it is not true.

Mr. SCHURZ. The difficulty with the Senator from Indiana is that he changes his opinions always for the worse. To a change for the better I should have no objection. Now, sir, I address you who are sitting there so solemnly and seriously in the chair of the Senate of the United States, do we not all remember that you, sir, not a great many years ago, took up a Congressional Globe and showed to the Senator from Indiana that on one of the main points of the reconstruction policy he had asserted just the contrary of the proposition which he was advocating just at the time? You remember it as well as I do, and everybody on this floor.

Mr. MORTON. No, sir. No such Globe or speech can be found. The Senator did not, but others did, drag in an old speech I had made in Indiana in 1865. That is about the best argument that has generally been made, in which I said that I was in favor of negro suffrage, but that there ought to be a period of probation of ten or fifteen years. Afterward, when I found we could not reconstruct on the white basis, and when we had to give the negroes the right of suffrage at once, I was in favor of it. But I always believed in negro suffrage on principle; but I did think at one time that they were hardly in a condition to go squarely to the polls at once; and because I said so, that is dragged up in support of a general declaration here that I have changed my mind upon all subjects.

Why I remember on that very question—the Senator was not here at the time—but in 1864 a bill was before the Senate to provide a law for the reconstruction of the rebel States. It was to be ready-made, and to be on hand for use as soon as the rebellion was put down. It passed both Houses; it received every republican vote in the Senate. Mr. Lincoln put it in his pocket, refused to sign it; and that bill confined the right of suffrage absolutely to white men; and if Mr. Lincoln had signed that bill which Charles Sumner and Benjamin F. Wade and HENRY WILSON and all those men voted for, the negroes would not have had the right of suffrage during the nineteenth century, and I do not know that they ever would. But Mr. Lincoln refused to sign that bill, wiser than he knew, perhaps. I never would have voted for that bill, I think. I never went that far since the war began in regard to negro suffrage. But that is the relief the Senator finds in support of his statement.

I think I could turn over an old report the Senator made, when he was sent down by Andrew Johnson, in the service of Andrew Johnson, to the South, to make a report on the condition of the Southern States, in which he took very different ground from what he has done within the last two or three years. I have not got that report at hand, but my recollection of it is that the Senator has changed his views radically on some very important questions. I think he has a right to do so, and that he ought to be governed by the circumstances in which he is placed. But when he makes general statements of that kind he ought to be sure in the first place that he has no record; or, if he has one, that nobody knows what it is.

Mr. SCHURZ. Mr. President, now I am sorry I gave rise to a speech on negro suffrage, because——

Mr. MORTON. The Senator referred to it himself.

Mr. SCHURZ. I did not refer to that matter at all.

Mr. MORTON. You did not?

Mr. SCHURZ. No; I referred to another occasion, and the Senator now reminds me of case No. 3. I referred to a case, if I remember rightly, in connection with the Georgia reconstruction bill; and from your smiles, Mr. President, I see that you remember it but too well. But on the whole I think it is just as well to break off the discussion, as the Senator from Indiana himself must be aware that his assertion that he had never, or but very rarely, changed his opinions on important subjects has afforded considerable amusement to the Senate.

Mr. MORTON. Mr. President, the Senator makes an insinuation about the Georgia reconstruction case. Upon my word, I think he had better not leave it an insinuation, for that is all it is. If I have been inconsistent on that subject, I am not aware of it; but I think I am right thus far in regard to it, that about that time the Senator was changing his opinions. Awhile before that he had been among the most earnest in the land in support of the rights of colored men and securing them the right of suffrage; but he has never uttered a word or given a vote in that direction since.

Mr. SCHURZ. Mr. President, the fundamental propositions of the republican platform are specie payments and civil-service reform. I am sure I have always been in favor of those.

Mr. MORTON. So far as a civil-service reform is concerned, I want to say one word. My friend distinguished himself some years ago, when, I think, the very first speech he made in the Senate was on the subject of civil-service reform. I think he had an idea that parties were to be revolutionized at that time by that matter. I think about that time he was contemplating the destruction and subversion of the republican party in the State of Missouri which had sent the Senator here; but after General Grant took up the subject of civil service reform, and did a good many practical things in that direction, I think the Senator has not had a word to say in favor of it since then. Has anybody heard him? I have no recollection of it for the last two or three years.

Mr. BAYARD. Mr. President, when the Secretary of the Treasury was called to account by the public sentiment of the country to show his warrant for issuing irredeemable paper money from the Treasury, to show by what authority of law he had undertaken to reissue the reserve which, according to the law which created it, consisted of Treasury notes retired and canceled, it was not surprising that he should catch at every straw and seek for every pretense to sustain himself before a justly alarmed condition of public sentiment. And, sir, in 1872, when this most dangerous act had been first essayed by the then Secretary of the Treasury, [Mr. BOUTWELL,] and he was called to account instantly by Congress upon its convention in December, 1872, he did not pretend to find law for it, but he found simply pressure, and in the report that he made to the House of Representatives on the 13th of December, 1872, he stated, in the first place, that he (the Secretary of the Treasury) had not issued this five millions—for that was the amount then issued—but that his assistant had done so in his absence, and he proceeded to give his authority for it, and reasoned in the following words:

> The object of the issue was the relief of the business of the country, then suffering from the large demand for currency employed in moving the crops from the South and West. The condition of affairs then existing in this country seems to me to have warranted the issue upon grounds of public policy.

So said Mr. BOUTWELL in December, 1872. He had not then discovered the authority of the Supreme Court of the United States for this issue; and his successor had not discovered it in the fall of 1873; for when he was applied to by the merchants of New York upon an occasion which the Senator from Indiana very well remembers, for he was present at the time, in the midst of that excitement, and when the President of the United States seemed disposed to yield to the demand, the answer of the Secretary of the Treasury, as published in the papers of the day, was that there was no lawful authority for the issue, and that the Administration must obey the law as Congress had provided it. That was his answer made to the public at that time. But in 1874, the present Senator from Massachusetts in the Senate paraded the same book and the same fragment of the case which I have to-day been astonished that so experienced a lawyer and able a judge as the Senator from Iowa [Mr. WRIGHT] should read to the Senate gravely as an authority for the issue of that paper. Would it not have been in accordance with his well-known caution and experience for him to have had the whole case before him before he undertook to read a mere fragment, tearing it from the context and destroying the meaning of the case by the part which he read? It is true that in 1868, in the case of The Banks *vs.* The Supervisors of Taxes of the city of New York, to be found in 7 Wallace, page 28, the Chief Justice of the United States, in deciding the question whether or not greenback notes could be taxed under the State laws of New York, proceeded to recite the history of the creation of those notes. He gave it in the language which the Senator from Iowa has read as the decision of the court.

Sir, that was not the decision of the court; it was a mere recital of that portion of the history of the emission of this paper which was necessary for a decision of that case. And when the court came to decide the case it was placed upon grounds which did in no way involve the *dictum* which the portion of the decision that he has read apparently contained; for after the Chief Justice had read the language which has been here repeated by the Senator from Iowa, and which was repeated by the Senator from Massachusetts the other day, which is contained in a mere fragment in the book from which he reads, the court go on and in the next sentence say this:

> It is unnecessary here to go further into the history of these notes, or to examine their relation to the national-bank currency. That history belongs to another place, and the quality of these notes as legal-tenders belongs to another discussion. It has been thought proper only to advert to the legislation by which these notes were authorized in order that their true character may be clearly perceived.

That is to say, he referred to the legislation of 1862 and 1863, and there stopped. Was anything said in that decision of the legislation of 1866 by which the contraction of the volume of the United States currency was distinctly ordered by Congress? This legislation was in pursuance of the recommendation of the then Secretary of the Treasury, Mr. McCulloch, followed by a resolution of Congress, passed almost unanimously, that the contraction should take place of the volume of the currency as a necessary step towards specie payments. After that the law of April, 1866, was passed, which declared that the currency should be contracted by retiring and canceling a certain amount of notes, provided only that it should not be in excess of ten millions in the first six months and four millions in any month thereafter; and under the policy of returning to specie payments by a contraction of the volume of the Treasury notes, the Secretary of the Treasury proceeded, under the direct authority of the law of 1866, not mentioned or referred to by Chief Justice Chase in this decision, to contract the volume of the currency until forty-four millions had been retired. Then speculators took alarm; then it was that, coming before Congress, they succeeded in having the legislation of 1868 passed declaring that contraction should cease and that no further notes should be retired and canceled under the law of 1866.

Now, sir, is it possible that you are to take, as a decision that this $44,000,000 was not to be canceled and retired, the legislation that preceded the direction to cancel and retire, and not refer to that under which it was done? Sir, although the Senator from Iowa made an exceedingly respectable argument, and one entitled to weight from his character and ability as one of the minority of the Finance Committee, on this subject, he had not this new light before him then, nor did he refer to it; nor would he have referred to it now, I am sure, if he had taken the trouble to send for the report of the case, and not have taken the mere fragment which the Secretary of the Treasury saw fit to embody in this compendium of Treasury law which he has lately issued.

Mr. President, in 1870, seven years after the last act which Chief Justice Chase was considering in the decision in 7 Wallace, was passed the new funding law in reference to the United States bonds, and the same language precisely was there used in regard to the bonds which were to be taken up by the issue of new ones as is used in regard to the Treasury notes which were to be retired and canceled under the law of 1866. In either case the direction was the same; in regard to the notes, it was to retire and cancel them; in the case of the bonds, it was to retire and cancel them. Those words have a well-ascertained, natural, effective meaning; and it seems to me incredible that gentlemen, after having seen statutes passed by Congress declaring the policy to be a contraction of the volume of the currency and declaring what currency was to be contracted, and after having permitted that to go on for two years, and then declaring that the contraction should cease, should after all say that contraction was not intended to be contraction, and that "retiring" and "cancellation" were words of empty meaning, which in effect contained authority for the Secretary of the Treasury at his will to issue the notes again.

Mr. President, I adverted to this subject in some remarks which I submitted to the Senate on the 28th of January; and I there further showed that when it was the intention of Congress to permit the reissue of notes retired and canceled they said so. I referred to the statute of February 4, 1868, by which it was provided—

> That from and after the passage of this act the authority of the Secretary of the Treasury to make any reduction of the currency by retiring or canceling United States notes shall be, and hereby is, suspended.

That put an end to his power of retiring or canceling further than the forty-four millions; and in the next sentence it was provided—

> But nothing herein contained shall prevent the cancellation and destruction of mutilated United States notes and replacing the same with notes of the same character and amount.

Now, sir, where you have in the same law and in the same section a direction to retire and cancel one class of notes, and then a declaration that that provision shall not relate to a totally different class of notes, to wit, mutilated currency, but that when that shall be retired and canceled, its place shall be refilled by the issue of other notes, can it be that there is a fragment of authority left to say that there was law for the reissue of those notes, which, after the solemn declaration of a policy of contraction by Congress, the Secretary of the Treasury had been ordered to retire and cancel, and which he had reported that he had retired and canceled?

Mr. President, there has been nothing in the present condition of our finance, sad and deplorable as it is, which has filled me with the same degree of alarm and apprehension as has this disregard of public law by the higher officials of the country. This was intended to be a government of laws. No officer was intended to be higher than the law; and the higher the officer, the stricter, the more obligatory upon him the duty to obey the law in the exercise of his high place; and yet we have seen in 1872, and to a still greater extent in 1873, what I do declare to be a most flagrant, monstrous violation of the law, leading to the most dangerous results, namely, the power of a Secretary of the Treasury, at his own will and pleasure, under circumstances of whose potency he alone is the judge, in his own discretion solely, to pass by the plain laws of the land that gave him his authority, and issue irredeemable paper money of the United States Government in a time of profound peace, and to such a volume as he sees fit, and then to recall it again at his pleasure. Why, sir, give any man such an authority as that, and if he went into office an angel of light,

he could not remain there without corruption. It would be impossible but that either men would use him, or he himself would fall into that danger. I have been astonished since this Congress met that those who have control of the affairs of this country, gentlemen in these Chambers who represent the dominant party of this country, have not challenged this exercise of authority and insisted upon his strictly proving his warrant, or directly impeaching him from an office whose trust he had betrayed.

It will not do to attempt by citing here a mere fragment, a mere recital, a mere *obiter dictum* of a case, to call that a decision of the Supreme Court of the United States, that laws passed in 1863 are not to be affected by direct legislation on the same subject in 1866 and 1868. The only justificatory argument is an attempt to take a mere *obiter dictum* contained in a decision, the mere recital of a historical fact under the law of 1863, and to say that it overrides the subsequent legislation of Congress and forms a decision in favor of the violation of a law which I consider, with the majority of the Committee on Finance, is as clear as sunlight.

Mr. WRIGHT. Mr. President, when I made the remark that I did just now, it was with no purpose of entering into this discussion at this time; nor is it my purpose now. I deem it, however, due to myself and the member of the committee who agreed with me not to let pass unchallenged what had been said here on this subject, and not to-day alone but on prior days. Indeed Senators seem to have treated it as a matter that was so clearly and unquestionably settled that it was utterly surprising that any person should entertain a contrary opinion to theirs. Having in my humble way attempted to show that the true construction of the statutes was the other way, I confess that I felt at times that by possibility I could not have a correct opinion upon this or any other subject. Indeed, Senators went on and spoke of the decision that had been made and spoke of the legislation, and, like the Senator from Delaware who has just taken his seat, said that it passed their comprehension that Congress should be allowed to pass on day after day, and that this Secretary of the Treasury should not be impeached; and he has just expressed his utter surprise that the majority on this floor should have allowed so flagrant a violation of law to pass without comment, without any effort to stop this violation of law.

Mr. President, holding, as I have already attempted to show in the report that I made, that the law was otherwise, I confess that at times I have felt as if the opinion of the minority was being treated with the utmost disrespect. Now, the question before the Senate is not one of whether it was wise to intrust the Secretary of the Treasury with this power; it is not whether he did wisely or unwisely exercise the discretion with which he was intrusted; the question is, what was the law at the time he acted? It may have been most unwise to have left the law so. It may have been most unwise on his part to have decided as he did, or to have exercised the discretion with which he was intrusted as he did. With that I have nothing to do at present. Nor had I anything to do with it at the time that I attempted to maintain the views which I expressed in my report. The question was, what was the law as it stood at the time he acted?

It was said here this morning, it has been said in this debate, that no Senator on this floor entertained the opinion that the power existed in the hands of the Secretary of the Treasury to issue this $44,000,000; that no such opinion was entertained at the time the amendment was offered by the Senator from Vermont [Mr. EDMUNDS] to the act of 1868. It has been said also that the present Attorney-General was clearly of the opinion that there was no such power. And thus the argument was left as if no one entertained a contrary opinion. Now, for the purpose of showing that some person did entertain such contrary opinion, and that at least there was something to sustain the view that was taken by the minority, I referred very briefly to what was said by the then Chief Justice on this subject. I did not undertake to read the entire opinion, because I did not have it before me. I undertook to read what he said upon this subject as to the maximum of the greenback circulation.

Mr. BAYARD. At that time?

Mr. WRIGHT. At that time.

Mr. BAYARD. That was in 1863.

Mr. WRIGHT. At that time he said that, under the law of 1862, and the subsequent act of 1863, taking those two laws together, they contemplated a permanent circulation, until the resumption of payments in coin, of $400,000,000.

Mr. BAYARD. I stated the case precisely. The Chief Justice was reciting the laws of 1862 and 1863.

Mr. WRIGHT. I certainly so understand it, and I will come to 1866 hereafter. Of course he did not undertake to decide anything more than I have thus referred to, and for the purposes of my argument it is not necessary that I should go beyond it. I say, however, that he did give a construction to those two statutes, so far as that language can be regarded as a construction; whether it is to be considered as a mere *obiter* or not I shall not stop to discuss, but I quoted his language, and on that there can be no doubt.

Following that is a question upon which I do not propose to enter at this time. Those who differ with the minority of the Finance Committee on this point insist that by subsequent legislation the power to issue up to four hundred millions was taken away. There is no pretense, in my judgment, that it was taken away in express terms, but they say it was taken away by implication. I maintain that the power to issue up to four hundred millions is given in express terms, and they must show that it is either taken away in express terms or by such necessary implication as to amount to the same thing. There is the very point of difference. I say the power was given in express terms to issue up to four hundred millions. I say it has never been taken away by express terms or by such necessary implication as to amount to the same thing, or anything like it. There is where I stand. I say that, according to the language of the Chief Justice, the maximum of circulation was four hundred millions by the acts of 1862 and 1863. By the subsequent act allowing a retirement, and then the still later act suspending such retirement, it is claimed that the power to issue up to four hundred millions was taken away by necessary implication. I say that that is not so; and it being once shown that the power to issue up to four hundred millions was given by express language of the law, those who insist that that power is taken away must not rest it upon implication or presumption, but must show a so-be-it.

Mr. BAYARD. Let us see about this question. None more important in my opinion can be discussed than whether the higher officers of the Republic are to be bound by its laws. I have stated before my sense of the danger of the assumption of power, and I wish to show that it was an assumption, an unwarranted assumption. Let us see what is the contemporaneous history of the resolution directing the retirement of the forty-four millions. On the 4th of December, 1865, the message of the President of the United States, with the report of the Secretary of the Treasury, was sent to Congress, and in that report of the Secretary the following language occurs:

> That the legal-tender acts were war measures, passed in a great emergency; that they should be regarded only as temporary; and that they ought not to remain in force a day longer than would be necessary to enable the people to prepare for a return to the gold standard; and that the work of retiring the notes which have been issued should be commenced without delay, and carefully and persistently continued until all are retired. * * * *
>
> It is the opinion of the Secretary, as has already been stated, that the process of contraction cannot be injuriously rapid, and that it will not be necessary to retire more than one hundred, or at most two hundred, millions of United States notes, in addition to the compound notes, before the desired result will be attained; but neither the amount of reduction nor the time that will be required to bring up the currency to the specie standard can now be estimated with any degree of accuracy. The thing to be done is to establish the policy of contraction.

Such was the recommendation of the Administration at that time. Congress received that message and that report, and in March, 1866, the following resolution was passed by a vote nearly unanimous; I think there were but six in the negative in the House of Representatives:

> That this House cordially concurs in the views of the Secretary of the Treasury in relation to the necessity of a contraction of the currency, with a view to as early a resumption of specie payments as the business interests of the country will permit; and we hereby pledge our co-operative action to this end as speedily as possible.

That resolution was passed March 15, 1866, by a vote of 144 to 6. On the 12th of April, 1866, the act for contraction was passed, providing—

> That of United States notes not more than $10,000,000 may be retired and canceled within six months from the passage of this act, and thereafter not more than $4,000,000 in any one month.

I do not think that it will be gainsaid, that it will be doubted, that the avowed object was to commence the contraction of the currency by retiring and canceling these notes until they all should be retired; that it was the avowed policy of Congress, declared by their resolutions and by their votes, that the Treasury notes of the United States issued as legal-tenders, being a mere war measure, should die in time of peace as soon as the business interests of the country would permit, and they proceeded to put a grade upon the progress of that retirement, which I have stated, in the law of April, 1866.

In 1868, in the month of January, as I said, the speculators of this country came in to stop this process of contraction, and Congress then passed a bill declaring—

> That from and after the passage of this act the authority of the Secretary of the Treasury to make any reduction of the currency by retiring or canceling United States notes shall be, and hereby is, suspended.

In the name of common sense what is meant by a "reduction of the currency?" What is meant by "retiring or canceling notes," with the avowed purpose of putting them out of existence altogether? Talk about necessary intendment! Talk about implied repeals! The act of 1866 was as distinct a repeal of the maximum of $400,000,000, which had been spoken of by Chief Justice Chase as fixed in 1863, as any words in the English language would permit. It is no question of doubt. It is no question of mere inference. You either must take from the words all meaning, all natural meaning, all essential meaning, or you must admit the fact that the later law repeals *pro tanto* the legislation on the same subject that preceded it. As I said before, these were acts *in pari materia;* they are to be construed together; they relate to the same subject, and the later the law of course the stronger the authority. As I said before, it did not enter into the brain of the Secretary of the Treasury when he made his first lawless issue of these retired and canceled notes in 1862 that he had law for it. He merely said he did it, to use his own phrase, "upon grounds of public policy;" and the $5,000,000 were strictly recalled; they did not remain out; they were not suffered to remain out. When Congress met they had been replaced in the Treasury, and the thing was not attempted again until the still greater exigency of the fall of 1873 arrived.

So, Mr. President, I think it will be impossible for any candid man, layman or lawyer, who will read the legislation on this subject, not to feel that in the issue of $5,000,000 of these retired and canceled notes in 1872 by Mr. BOUTWELL, or the issue of $28,000,000 by Mr. Richardson, there was a gross, flagrant violation of the law, of a most dangerous character to the business interests of this country; and, it seems to me gentlemen of either party must be blind to its dangerous results if they do not arrest a principle which will destroy any government, and most of all a government which is intended to be, like ours, a government of laws.

Mr. CONKLING. Mr. President, I have often heard the present Secretary of the Treasury and his predecessor visited with somewhat harsh language touching the issue of what is now called the $44,000,000 reserve. I never before took occasion to interpose a word in behalf of either of those officers. And by as much as I did not, I have felt in some sense guilty on every occasion. I have had that feeling, because when the act alleged to have been violated by the Secretary of the Treasury was under consideration, it seemed to me, and not to me alone, but to better lawyers, that the act would give to the Secretary of the Treasury the power to do precisely what he has done and what the honorable Senator from Delaware now indulges himself in characterizing as the lawless act of issuing the greenbacks called in in 1872.

The Senator from Delaware also said, I think, in substance, that no layman and no lawyer could doubt, if I understood him——

Mr. BAYARD. In my opinion.

Mr. CONKLING. Of course; I assume it all rested in the opinion of the Senator—could, in his opinion, doubt that the Secretary of the Treasury had flatly violated the law in this regard. Now, Mr. President, if I happen to fall within either of the classes mentioned by the Senator, if I am either lawyer or layman, I wish to say that I am an exception to that universality, which, in the opinion of the Senator, would measure the conviction that the Secretary of the Treasury is to be blamed as matter of law, blamed for usurpation, not for bad finance, in the issue of some portion of the $44,000,000 reserve.

It would be strange indeed, Mr. President, if I should claim classification with the lawyers and the laymen to whom the Senator from Delaware refers, because I should be estopped in morals, if not in law, from enjoying a place in such numerous fellowship. Although I have had no opportunity since I succeeded in getting hold of the volume of the Globe before me to look at the whole of the debate, I find upon a single page at which I first opened it enough, I think, to answer the assertion of the Senator, that nobody supposed that this power would exist under the act as it was adopted. I find that I ventured myself to point out the latitude which would be left to the Secretary, the authority that he might well suppose he had to exert this very power. I offered an amendment—insisted upon it—to shut the door against this power, contending, that if we meant that there should be no after increase of the currency, we should say it; that if we chose only to say it should not be reduced, inasmuch as reduction does not mean increase, it might be held that, having specified that, we had not also intended to include the contrary; and so it appears upon the record that the Senator from Ohio [Mr. SHERMAN] moved—

> To amend the amendment in the mode I suggested yesterday, by striking out in lines 13 and 14 the words "until Congress shall otherwise provide," and inserting "and the amount of such notes now existing shall not be further reduced until Congress shall otherwise provide."
>
> Mr. CONKLING. I move to amend the amendment by inserting after the word "reduced," and before the word "until," the words "or increased;" so that it will read, "shall not be further reduced or increased until Congress shall otherwise provide."
>
> The PRESIDENT *pro tempore*. That is not strictly in order at this time.

I omit what followed as to that, for it turned out it was an amendment in the third degree which I had proposed. Again:

> The question is on the amendment of the Senator from Ohio to the amendment made as in Committee of the Whole.
>
> The amendment to the amendment was agreed to.
>
> Mr. CONKLING. Now I move my amendment to the amendment, to insert after the word "reduced," the words, "or increased."
>
> Mr. SUMNER. I would suggest to the Senator from New York another word as equivalent for the two—the word "changed."
>
> Mr. CONKLING. I have no objection.
>
> Mr. SHERMAN. That would subject it to the objection I have already made as to the right to destroy defaced and mutilated notes.
>
> Mr. CONKLING. I think there can be no such criticism on my amendment as it stands. I think the question had better be taken on the amendment as I offered it. The suggestion of the Senator from Ohio is that if I accept the proposition of the honorable Senator from Massachusetts, I involve myself in the criticism that it might interfere with canceling defaced and mutilated notes and substituting other notes for them. Of course my amendment does not mean that.—*Congressional Globe*, Fortieth Congress, second session, part 1, page 523.

Mr. President, although I am not able to lay my hand at this moment upon what I know there is here, namely, a more extended explanation of the object of that amendment, I read enough to show that this did not pass by lawyers and laymen on that day; no man supposing that it left a door open for the doing, and the doing legally, of the very thing which is now characterized as lawless. I might find here that Senators beside myself predicted that exigencies would arise inviting the exercise of this power; and that upon the bill as it was proposed, and as it was left, the power would reside with the Secretary of the Treasury to do all that has since been done.

Mr. SHERMAN. Will the Senator from New York allow me to remind him of the point made by the Senator from Vermont? The Senator from Vermont insisted that there was doubt about the power of the Secretary of the Treasury to issue the $44,000,000 reserve, and maintained, I think, that the Secretary would have the power to issue the $44,000,000 at any time, or cancel it, unless we expressly prohibited his doing it; and that question was the point in the debate—that was the question disputed; the Senator from Oregon, (Mr. Williams,) the Senator from Indiana, [Mr. MORTON,] and myself insisting that without that amendment he could have no such power, and therefore any amendment was totally unnecessary, confirming the compact proposition that I made awhile ago, that not a single member of the Senate, when this question was under discussion, desired that this power should be conferred upon the Secretary. Some seventeen Senators, however, in order to guard against a conclusion, voted for expressly excluding that power. The majority of the Senate, deeming that immaterial and unnecessary, voted against the amendment simply because it was unnecessary, and every Senator who voted that way put his vote upon that ground.

Mr. CONKLING. I do not understand that the Senator from Ohio in his memory differs at all from mine. Let me state as I understand—and I think it will result as his understanding is—what took place in the debate. It was said on the one hand that the measure then pending, with the words that no further reduction should take place, would of itself operate in exclusion or prohibition of the power of the Secretary of the Treasury to emit under any name or by any mode afterward the legal-tenders, so called, which had been called in. On the other hand, as the Senator from Ohio observes, it was contended that to accomplish that exclusion a positive prohibition was necessary, and this record will show, although at this moment I speak from memory, not having traversed it—I say confidently that this record will show that it was not only contended that in the absence of an express prohibition the Secretary would have that power, but the mode in which he would derive it was pointed out, and the prediction was recorded that the very contingency would arise which has since confronted us. I think I might go further in my recollection of the debate. I think it will show an admission by Senators here, and by one not now here whose remarks I think I remember specia ly—that they shrank from a provision which in any contingency, however dire, would prevent the Secretary from using the greenbacks thus to be called in. But I speak of that with less confidence than I do upon the other point. I cannot be mistaken in my memory that it was contended by the Senator from Vermont now absent, [Mr. EDMUNDS,] by myself, and by other Senators, that nothing short of something which the Senate refused to ingraft upon the bill would close the door against the issue of the $44,000,000.

I am not, Mr. President, upon the question whether it was wise or otherwise, financially, to employ a portion of the $44,000,000 with which to buy bonds from those who took the currency and put it in their safes, in savings-banks, and hoarded it otherwise. I am not even upon the question whether the judgment of the Secretary was wise or otherwise as to the true intent and meaning of these statutes. I have an impression about that; but it is beside the present purpose. I am answering the remark made by the Senator from Delaware, and often made here, that the act of the Treasury was an infraction of law so gross, a usurpation so bald by the minister of finance, that neither lawyer nor layman could hesitate to condemn the flagrant outrage which was there committed. I say, Mr. President, that in my judgment such an observation is unjust and unwarranted in itself. It is perhaps most out of place in that body where warning was given that this very interpretation might be put upon the act, and where amendment after amendment was voted down to which no objection under heaven could be assigned, except that it was unnecessary, which amendments were offered for the very purpose of pre venting that interpretation which this act has since received.

I remember that the Senator from Maine no longer here, who was then my next-door neighbor, (Mr. Fessenden,) favored the amendment which I offered, saying that it would at least have the effect to correct the public judgment, that this might be done, and many Senators—the proportion in which the Senate divided I do not remember, but a large number of Senators—held that for some reason an amendment, such as was offered, was necessary as a safeguard and precaution. I think that fact alone, as attested by the record, would go far to show that there could be little ground for the assertion that an infraction of law has occurred so flagrant that nobody can doubt that it was a blamable violation of law. I doubt it, Mr. President, and I am willing to put myself thus far upon the record that as matter of law, pure and simple, the Secretary of the Treasury had a firm foundation under his feet when he considered and construed that statute as he did; and further, that if he looked at contemporaneous history, at the parliamentary proceeding by which it was ushered in, he had firm foundation under his feet, if he believed that a large por tion of this body supposed that an amendment was necessary in order to deprive him of that power; and that, so believing, a majority of the Senate was nevertheless found to refuse more than once to import the amendment into the bill, there being no objection assigned to it, that I remember, by any Senator, save that it was unnecessary. The Senator from Indiana, I remember, did contend that it was unnecessary. The Senator from Ohio contended that it was unnecessary. They were answered, "Very well, then it will do no harm; let us make assurance double sure." Now, I say that, looking to that fact, beyond the reading of the text of the statute itself, my judgment is that no Secretary or administrative officer ought to be denounced for

the construction put upon this, as if he had been guilty of some bold and guilty usurpation.

Mr. BAYARD. Mr. President, I have but a word to say; I will not detain the Senate. I made the remark that, in my opinion, from the contemporaneous legislation on this subject, the reports of the Secretary of the Treasury, the resolutions of Congress, the acts of Congress, the votes of Congress, neither lawyer nor layman could doubt what was the intent and the result of the law of Congress in respect to this contraction of the currency; and that the $44,000,000 retired and canceled by the Secretary of the Treasury between April, 1866, and January, 1868, was intended to be a permanent retirement of that fund; and that the reissue of it without further warrant of Congress was an act of usurpation and not based upon law. That opinion I still retain, although we have heard the Senator from New York, with his usual ability, contend for the contrary. I did not say that there could be no opinion to the contrary, much less would I undertake to measure the force of that Senator in any opinion he might see fit in the premises to maintain. I have heard his opinions given too often not to know to what extent they may go where he desires to force them. In this case he has expressed his opinion, and I am perfectly willing to leave it, his own expressed ably as it was, and mine as feebly as it was, to the Senate and to the country. I do not think he can destroy the plain meaning of plain words, or that he can make the people of this country believe that it not only was not the intent of Congress to do that which by plain words they professed their intent to do, but he has intimated (and I scarcely think that his friends will thank him for the defense) that the gentlemen who refused to vote for the further provision relating to the increase did it with the intent that the increase should take place in the face of the language which had been used.

"Save me from my friends," Mr. President, if such a construction is to be placed upon the action of Senators who said that there was no use in putting in this amendment, because the other language was clear enough, explicit enough; that behind it there lurked the intent to give that law an effect by authorizing an expansion of the currency which those who desired it had not the manhood and the honesty to declare to the American people. Sir, I do not believe it to have been the intent of any gentleman, that under cover of such legislation as that of 1866 and 1868 there should be an increase of the volume of the currency of the country. Until I shall see it, I shall think the Senator must have been mistaken in his recollection, and that no such intent could have existed in the mind of any Senator when he voted for the law of 1866 and of 1868 as by the omission of the word "increase" to destroy the meaning of the words "diminish," and "retire," and "cancel," or, to use the exact phrase of the law, that thereby the meaning of the word "reduction" was destroyed. When you use the word "reduction," do you mean in any way to imply an increase? Is it not far-fetched, is it not unreasonable? Would any court of justice hear it or entertain it with respect for one instant that, when a man is told to reduce his debt, and you do not say he shall not increase his debt, he shall have the implied power to increase his debt? That is the case here; the sum and substance of the argument we have heard from the honorable Senator from New York. I cannot conceive, on the intelligence and honor of the men who voted for that law, that they could have intended, by refusing to adopt the amendment the Senator has spoken of, to allow that law to contain a power obscured by its words, and purposely obscured, which was intended at some time to be sprung upon the people, a power than which none more dangerous can be imagined by me— the power to inflate or diminish the volume of the currency of this country at will reposed in a single man. Yet that would have been the precise result which would be reached if the construction the Senator offers is true. I cannot believe that such was the intent of those Senators who voted against the amendment of the Senator from New York. They did believe it unnecessary, because they believed, as I do to-day, that the language of the laws which they were considering excluded every other conclusion than that the contraction of the volume of the currency, the necessary, the essential step to a return to specie payments, was what was intended at the time the diminution of volume was authorized by the act of 1866 and arrested by the act of 1868. I do not consider that the construction of the honorable Senator from New York is at all justified by the language of the act or the action of Congress. Of course I do not mean to speak of what his private information may be or his own motive on this subject, but I can speak of the record as we have it, the vote as we have it, and the language of the bill we acted upon.

Mr. CONKLING. I think the Senator from Delaware has been successful in answering nothing so well as the point he imputes to me, inventing it wholly himself.

Mr. BAYARD. What is that?

Mr. CONKLING. It is the suggestion that I intimated in some form that somebody voted with some hidden purpose or with a view for accomplishing something by it which was not to appear upon its face.

Mr. BAYARD. Did not the Senator state that members of the Senate shrank——

Mr. CONKLING. If the Senator will pardon me, I am in the act of stating the only thing which fell from me, and to which his remark can possibly apply. I said I thought the debate would show an admission by Senators that they shrank from legislation which would in all circumstances tie the hands of the Secretary of the Treasury in that respect. Now, if the Senator can find in that any intimation that there was anything secret, or private, or hidden, or diabolical, I do not see where it is to be found. My suggestion was that this debate, as it stands coldly recorded in the Globe, would show expressions or admissions, by implication or otherwise, by members of the Senate that they thought it would not be wise to have an enactment so cast-iron as the Senator declares he believes this to be. That is all; and I beg to assure the Senator that I have no private information about it, and there is nothing about it, public or private, in that regard beyond the statement I first made and have now repeated.

Now, Mr. President, unless the Senator wants to make some further observation, in which case I yield to him——

Mr. BAYARD. I merely want to reply to what the Senator was saying, that I suggested a point and answered it myself. It seems now the Senator did say that certain members of the Senate shrank from casting a vote in favor of an amendment lest they might lose the benefit which they believed lurked in the law of an increase of the volume of the currency, which if it existed was given in such obscure terms that nobody could imagine it, and which the large majority of the Senate declared could not be held at all to exist. The point that I made was simply a reply to the Senator's own suggestion, that somebody shrank. Why did they shrink? What do men shrink from? Way should they shrink? It was a plain proposition; they were voting on a plain law in regard to a high public duty. I see no reason why gentlemen should shrink and not give cause for shrinking; and yet I certainly understood the honorable Senator to say that there were motives which withheld the votes of Senators in favor of that amendment, because they did intend that the law should contain the possibility of a further expansion. That is what I understood him to say. In his first statement I may have misunderstood his point, but I think now, after I have heard his words again, that they are entirely as I stated them.

Mr. CONKLING. There is one point on which the Senator from Delaware might have criticised me. He has not done so, and I will do it myself; that is, rising to review a record without having looked at it sufficiently to be able when I rose to refer to matters to which my recollection related. While the Senator has been on his feet I have been looking to see whether the record would fortify me in my recollection or not; and I call attention to a few matters which I find in the debate.

The amendment having been offered, it was suggested that it was unnecessary. Thereupon we find the Senator from Vermont [Mr. EDMUNDS] expressing himself thus:

He—

That is, the Senator from Ohio, [Mr. SHERMAN]—

does not tell us that it is intended, and I take it that he does not intend this bill as containing an implied authority to expand from the $356,000,000 up to the $400,000,000.

His answer, on the contrary, is, that as he understands the law there is no authority in the Secretary of the Treasury to increase the present outstanding amount of $356,000,000 up to the $400,000,000, which was the original limit. Upon that we differ. He supposes the law to be as he states, that there is no such power. I believe the law to confer upon the Secretary of the Treasury the power of going up to the $400,000,000 by reissue, not of the same notes, they, as my friend from Oregon said, being destroyed; but if he had attended the meetings of the committee that we are both members of—which is trying to find out what has become of the money printed at the Treasury Department and at New York—as often as I have, to see the printing going on of United States legal-tenders, he would see that they are coming over by express loads all the time; that the fact that a particular note is destroyed does not prevent the Secretary of the Treasury from having plenty of other notes just like it, and issuing new notes, so that the fact of destruction does not touch the matter at all.

Again:

I said that other persons besides myself understood the law to be what I have stated—that the Secretary of the Treasury has power to reissue up to the limit, just as a bank has up to its chartered limits, the funds which are put into its hands for the purpose of business. There has been put into my hand by my friend——

Then follows a citation which I omit, and proceed to this:

Then, if it is not necessary, Mr. President, inasmuch as it is a question about which we do not agree whether the power exists or not, if we do not want the Secretary to have the power, is it not better to make it certain by putting on this limitation upon his power of expansion? The Senator from Ohio says the law is so now. Very well; I wish it were; I hope he is right; but I fear and believe that the law is not so now. If we both agree that the law ought to be as he says it is, then let us agree to this amendment so far as going up to the $400,000,000 is concerned, and that will put an end to the question.

I am surprised to hear Senators object to the amendment so strenuously and so stoutly, merely because they say, upon a disputed point in the law, that it is unnecessary in order to make the law clear. Did we not know their frankness and candor, it would lead us to believe that there is something in the dark about this—something that is kept back.—*Congressional Globe*, Fortieth Congress, second session, 1867-'68, part 1, page 437.

I pass from that, and turn over to a remark made by the then Senator from Missouri, (Mr. Henderson,) who was no slouch in the apprehension of statutes or in statutory construction, but a very clear-headed man, as I think the Senator from Delaware will agree with me. See what he says; and I have not been able to follow this to select the strong passages; but Mr. EDMUNDS, on a subsequent day, pursuing this same idea, remarks:

Now I will endeavor to convince my friend from Ohio that taking these acts together—

The very acts to which the Senator from Delaware has been referring—

the Secretary has that power—

That is, the power to reissue.

I hope he has not.

Mr. HENDERSON. No doubt he has the power.

Mr. EDMUNDS. I am addressing myself to the Senator from Ohio, who holds that he has not the power. My friend from Missouri says there is no doubt that he has the power. I should be glad to agree with the Senator from Ohio, but I have no doubt that he has the unquestionable power to carry the whole amount of outstanding United States notes up to $400,000,000, and the power to carry it to $450,000,000 under the authority to issue the $50,000,000 reserve to take up temporary loans. As my friend, the chairman of the committee, has invited anybody who believes the law now authorizes the Secretary of the Treasury to carry up these notes to $450,000,000 to show it, I proceed to do so.—*Congressional Globe*, Fortieth Congress, second session, 1867–'68, part 1, page 529.

And then follows a long analysis of these statutes.

Now, Mr. President, I beg to take myself out of this discussion because in the mean time I have found ampler and better authority; and I submit to the Senate, I would submit to the candor of all fair men, that if it stood alone upon the unqualified asseveration of the Senator from Vermont, and the equally unqualified asseveration of the Senator from Missouri, then not only a lawyer but a member of the Committee on Finance—I am not mistaken about that?

Mr. SHERMAN. Mr. Henderson was at one time a member of the Committee on Finance. I do not know whether he was or not at that particular time.

Mr. SCOTT. He states in the debate that he was a member of the Committee on Finance.

Mr. CONKLING. My honorable friend from Pennsylvania says that he states himself, in the debate, that he was a member of that committee. Certainly that is my recollection. I complete my statement by saying that if this enactment in its true intent and meaning stood upon the exposition given it by these two Senators alone, supplemented by the record showing that the Senate refused to close the door against the construction since given it, no man, be he Senator or otherwise, could in justice—and I do not think the Senator from Delaware means to be unjust—no man in justice could denounce a minister of finance or any other administrative or judicial officer who, laying his hand upon all those statutes, said "I hold that the power does remain with the Secretary of the Treasury to carry the total issue up to $400,000,000."

My purpose, I say again, Mr. President, is all the time merely to vindicate from what I conceive to be unjust aspersion officers whom I believe incapable of intentional wrong; and in my judgment they need no vindication past this record, which I think needs only to be held up in order to convince any man unbiased by prejudice that there is no room here for imputing bad intention or even stupidity to these officers, however casuists or jurists might differ upon a question of law.

I see the honorable Senator from Delaware about to rise to disclaim that he has imputed either bad intent or stupidity to these officers. I do not wish to do him injustice, and I will not assume that that was his intention; but when he declared, as I understood him to declare, that his position was so clear that no man of intelligence, either lawyer or layman, could doubt it, it seemed to me that he placed both of these officers within very narrow confines, and I know not how they are to be defended unless it is by acquitting them of being fools, by convicting them of being knaves, or else by acquitting them of being knaves, by convicting them of being fools; for if they have done on their oaths that which so baldly if not so wantonly violates the law that no lawyer or layman of intelligence can contemplate it and doubt that they have fallen into an utter error, it seems to me that they have approached almost the extremity I have supposed.

Now, Mr. President, I had no design for several reasons of joining to-day in this debate. I rose merely to do an act of justice, and without having had as I should have had, and as I have not yet had this record before me, to the end that I might select and assemble those passages of the debate which, much beyond the particular ones to which I have referred, would have answered the purpose that brought me to my feet.

Mr. SHERMAN. Mr. President, I wish, in connection with the statement made by my friend from New York, to again state that I have had occasion recently to look over this whole record, and I find that the entire debate turned on the question whether or not it was necessary, by an express provision of law, to deny the power to the Secretary to reissue the $44,000,000. That was debated here for a day or two by lawyers on both sides. I am not able at this moment to turn to the actual vote, but I know that it was quite large. When the question before the Senate was, has the Secretary of the Treasury the power to issue $44,000,000 over and above the $356,000,000? those who affirmed that power, or who feared that he might have it and were opposed to its exercise, following the lead of the Senator from Vermont, did insist that at least there was a doubt on that subject, and some of them expressed the opinion in the heat of the argument that he would have that power if no express provision of law was made excluding it. On the other hand, a very large majority of the Senate held the contrary opinion, and stated in arguments of considerable force and ability that the power could not be claimed anywhere; and appeals were made all through the debate to Senators to point out the law under which this power could be claimed. Gentlemen were asked to indicate the authority of law under which the power could be claimed by the Secretary of the Treasury to issue the $44,000,000 notes retired and canceled. After the Senator from Vermont was through, and after a number of persons had participated in the argument, I find that I said:

I am not in favor of issuing any more United States notes, but the objection that I have to this amendment is that it introduces another phase of our financial problem into this bill, and involves a sending of it back to the other House again to create debate and contention. Now I think Senators ought to be willing to let the thing stand as it is at present. * * * * *

If I thought there was any doubt on this point, or any probability that the Secretary of the Treasury would, under the authority of the law we are about to pass, issue notes in the place of those canceled, I would agree that it ought to be prevented; but we know that it is an impossible thing; we know it is not contemplated by the Secretary.—*Congressional Globe*, second session Fortieth Congress, part 1, page 530.

The whole purpose of this law was plain and manifest. The policy of contraction had been adopted by a vote of both Houses of Congress. Both Houses of Congress had declared that it was the duty of Congress to reduce the volume of currency. We declared by an act that the Secretary of the Treasury might "retire and cancel" the currency, the very words we used in regard to bonds. When he paid off a bond he retired and canceled it. We limited his authority to retire and cancel the notes of the United States to $4,000,000 a month. He proceeded to retire and cancel them at that rate until the limit was reached of $356,000,000. Thus the purpose of Congress was simply to prevent further contraction; not to reissue what had been canceled and destroyed, but to prevent any further contraction of the currency; and the law of 1868 was introduced and passed declaring that for the present the power to contract the currency should be suspended until further action by Congress.

I say, again, that at the time that bill was under discussion in the Senate, although some Senators claimed that there might be a doubt and some even that he would have the power to go up to the old limit of four hundred millions, yet no Senator contemplated the idea of the exercise of such a power. While some insisted that it might be done, no one looked upon it as a desirable thing to be done, as a thing which it was contemplated would be done. The Secretary was known to be opposed to it. The Secretary of the Treasury was in favor of contraction; and perhaps the very fact that the Secretary of the Treasury, Mr. McCulloch, was known to be utterly opposed to any expansion, might have induced many of us to vote against the amendment which was offered only as a precaution.

Sir, if it had been supposed that the power to issue $44,000,000 had been reserved in the language of the old laws cited by the Senator from Vermont, there can be no question whatever that, by a unanimous vote I may say, the power to issue the $44,000,000 reserve would have been cut off; there can be no doubt about that. But we did not desire to add amendments to the bill which would send it back to the House of Representatives and continue a contest that had been going on for some time, because this debate in the Senate was continued for certainly several days. The friends of that bill who desired to stop the contraction of the currency according to the policy of Mr. McCulloch, did not want to send the bill back to the House, and were therefore opposed to the amendment. In the light of the facts that have since occurred, in the light of the history of our times, I am very sorry indeed, and I express my regret that I did not follow the lead of the Senator from Vermont, and vote for his amendment limiting the power. Then all the controversy in which we are now involved would have been avoided, and the gradual reduction of the currency which occurred up to 1868 would have been maintained, and we should have no controversy about the issue of the $44,000,000. It is over, however. I do not debate it now, because I think the question is not a practical one before us. I merely recall the attention of the Senate to the history of this matter.

To-morrow I propose to explain the general features of the proposition submitted by the Committee on Finance to-day, as briefly as possible; and I do not intend to be drawn or dragged into any discussion of the $44,000,000, because it is past and gone. The Secretary of the Treasury, according to the unanimous opinion of the Committee on Finance, exercised what he believed was a legal power. We all agreed that it was a question of doubt; at any rate the power was exercised under extraordinary circumstances, and we had no doubt that not only the present Secretary but the preceding Secretary believed he was exercising a power that was conferred on him by law. He exercised it under circumstances of great pressure which, if anything in the world could justify the exercise of such a doubtful power, would do so; and the purpose of the committee was not to reprove him, but simply to assert our construction of the law, upon which I have never had any doubt. Twenty-six million dollars of this $44,000,000 is now outstanding, and we must act upon the *statu quo*, the condition of things that exists to-day, and on the assumption that that money is lawfully in circulation among our people, and base our measures upon that. I therefore do not regard this discussion of the $44,000,000 reserve at all material now, except as a matter of legal power which I will not discuss any further.

Mr. President, the question as to the mode in which the business that is before us shall be further conducted is one that I hope the Senate will fix upon to-night. The bill pending before us is a bill to transfer twenty-five millions of bank-note circulation from the East to the West. That bill, reported from the Committee on Finance, as a matter of course, at the proper time will be open to amendment. It is not now open to amendment, because there is a motion to refer

pending. I take it that no member of the Senate will now desire to have the bill referred to the Committee on Finance. There is no occasion for that. The Committee on Finance, after careful consideration, have reported a proposition which they intend to present as a substitute. Now, the question with me is whether it is not better to have the Senator from Connecticut [Mr. BUCKINGHAM] withdraw his motion to refer, and that, as a matter of course, is the end of it, and then the bill will be open to amendment; and I will then offer the bill that lies on your table, which was reported to-day, as a substitute. Perhaps it is better in the consideration of so important a measure that the substitute offered should be considered, not in the light of an amendment, but as the principal text of the bill. It will then be more logical and more parliamentary to offer amendment to it. If I offer it as an amendment to the bill now pending, it will only be open to amendment in the first degree, while if it is taken up by unanimous consent, a very common process here, as the text of the bill, it will then be open to amendment in the second degree.

The PRESIDENT *pro tempore*. The Chair ventures to suggest to the Senator that perhaps the more direct and easy way would be to take up to-night his new bill and let it be placed in a position for consideration to-morrow, and then it will stand as the original bill.

Mr. SHERMAN. I suppose I can move to make it the special order for to-morrow in lieu of the pending bill?

The PRESIDENT *pro tempore*. The motion of the Senator from Connecticut can only be withdrawn by unanimous consent, it having been amended by the addition of instructions.

Mr. SHERMAN. In order to settle the matter, and begin at it in the best way—and I do not want to take this mode if any Senator objects, because I do not want to make a controversy about the order of business now—I move to take up the bill reported to-day by the Committee on Finance, laying the present bill on the table. At the same time, if Senators think it better to go on with the bill as it is, I have no objection.

Mr. FERRY, of Michigan. It seems to me that that would hardly be just to Senators who have advocated the immediate increase of the currency. I have in my mind certain Senators who are in favor of a direct increase, and yet who are not perhaps in favor of a free-banking system. It seems to me, if the new bill should be taken up and the other set aside, it would preclude their right to express themselves unless by an amendment to the new bill. We have occupied so much time in this discussion right in the line of this proposed increase that, having taken the vote on the question of free banking, and that having been voted down at the time, and this inserted in its place by a majority of 3, it strikes me that the mode of action now suggested would be hardly just to those Senators who believe the process should be in the way of a direct increase rather than under the free-banking system.

Mr. SHERMAN. The bill reported to-day presents every question that can come up on the subject.

Mr. SCHURZ. Let me suggest to the Senator from Michigan that he does not gain anything at all. We are now discussing the reference of the bill to the committee with instructions. Suppose he should carry his point, then the bill would simply be referred to the committee with instructions, and the committee would have to report afterward.

Mr. FERRY, of Michigan. But suppose the Senate should not refer it, what then?

Mr. SCHURZ. Then he would have to make amendments to the original bill, and he could make those amendments just as well to the bill now introduced by the Senator from Ohio as to the original bill.

Mr. FERRY, of Michigan. I understand, if the Senate refuses to recommit this bill to the Committee on Finance, it then stands open to amendment.

Mr. SHERMAN. Certainly.

Mr. FERRY, of Michigan. The question then recurs on the amendment proposed by the Senator from Iowa, [Mr. WRIGHT,] and the Senate would vote upon that. If that was rejected or adopted, then the question would come upon the amendment proposed by the Senator from North Carolina [Mr. MERRIMON] as a substitute, and the bill would still be open to amendment. They are separate propositions.

Mr. SHERMAN. What is the use of keeping before the Senate a bill about the $25,000,000 of transferred bank currency? The Senator from Michigan knows very well that we introduced that bill to draw out the views of the Senate, and now we have gone on and matured a bill which stands as a substitute for all, which repeals the very law proposed to be executed in the bill now pending, and presents all these questions. The most logical and best way, it seems to me, for the Senate is to take up the bill that presents practically all the questions that can be settled at once by the action of the Senate.

Mr. FERRY, of Michigan. As I understand the question, if the Senate refuses to recommit this bill, the proposition then is upon the pending amendment. Now the chairman of the Committee on Finance proposes the last bill reported by the committee as a substitute for the pending bill. Therefore the question will first occur upon improving the text.

Mr. SHERMAN. The Senator misunderstands me. At the suggestion of some one I proposed to lay the present bill and pending amendments on the table, and take up directly the bill reported to-day. It presents every question involved. Then that bill will be open to amendment in a double degree, so that the Senator can offer any amendment he desires.

Mr. FERRY, of Michigan. I ask the Senator what he gains by that?

Mr. SHERMAN. We save the consumption of time; that is all.

Mr. FERRY, of Michigan. Perhaps I do not clearly comprehend the parliamentary situation; but it strikes me that there are two propositions before the Senate as presented by the report of the committee. One is the question of an increase of forty-six millions; the other is free banking. The proposition having been so long before the Senate for a direct increase, and having been carried by a majority of 3, it would hardly be just to that majority to now propose to lay aside that idea and to take up a bill which does not involve a direct increase, but an indirect one, under the free-banking system. I know Senators who are in favor of direct increase and are opposed to free banking.

Mr. SHERMAN. This new bill fixes the amount of United States notes at $382,000,000. The very moment the bill is taken up the Senator can move to raise it to four hundred millions.

Mr. FERRY, of Michigan. I understand that; but now on the pending bill we have the question of a direct increase of the bank currency.

Mr. SHERMAN. That is in the same bill.

Mr. FERRY, of Michigan. But it is under free banking in the Senator's new bill.

Mr. SHERMAN. You can move to amend it in any way. You can offer a substitute. In order to test the sense of the Senate, I submit the motion that the present bill be postponed with a view to take up Senate bill No. 617, reported to-day.

Mr. LOGAN. I do not presume that there is any advantage gained by any parliamentary tactics in this case. But where a battle has been fought on a certain line and on a certain proposition, for a majority of the Senate to turn right around and lay that down, and take up a minority proposition, is not a fair mode of warfare. I am opposed to the course now proposed. I am willing that the Finance Committee's bill reported to-day may take its chances the same as any other bill; but I do not propose to give it any advantages. It is not a free-banking bill at all. It does not propose free banking, although it has been so stated. It proposes no such thing. There is no such thing in it. It is free banking to a portion of the country, and an exclusion to the other. It is not free banking at all.

Now we have three propositions before the Senate; and they have been voted on. One of them has been carried in the Senate by a majority. The proposition of the Senator from North Carolina [Mr. MERRIMON] has been voted upon and decided. The question then remaining was whether or not that proposition should be referred back to the committee with instructions, on the motion of the Senator from Connecticut; and that is the pending motion now before the Senate, and has been since the time the vote was taken some weeks ago. Now I suggest that the matter stand before the Senate as it is. If the Senator from Connecticut will withdraw his motion for a reference, then the propositions will all stand as they were before that motion was made. Then the Senator from Ohio can propose his bill as an amendment or substitute, and it will then be a question for the Senate to say whether they will accept the proposition of the chairman of the Committee on Finance as a substitute or amendment to these propositions.

Mr. SHERMAN. Let me stop the Senator a moment. I have no objection to that plan except one; and I state frankly to the Senator that was the course I intended to pursue, but it prevents Senators having the advantage of offering amendments in the second degree. For instance, if I take the advice of the Senator from Illinois as to the course I shall pursue, any one offering an amendment to this proposition of the committee, which would itself be an amendment, would be limited to the first degree; and the Senator has been long enough in parliamentary life to know that that is sometimes extremely inconvenient for the body itself.

Mr. LOGAN. I know it.

Mr. SHERMAN. It is inconvenient in getting at the sense of the Senate. But as I said before, I am willing to do that if it is thought to be best.

Mr. LOGAN. If the Senator proposes his bill as a substitute, and the Senate should adopt it as a substitute, it would then be open to amendment, would it not?

Mr. SHERMAN. No, sir; that is the very trouble.

Mr. LOGAN. Is that the rule of the Senate?

Mr. SHERMAN. If this amendment is offered as a substitute, and is adopted, you cannot then strike out a word of it. That is the parliamentary law.

Mr. LOGAN. Very well. I am willing to agree to that; and if the Senate has a mind to adopt it as a substitute, and thereby declare that it is the sense of the Senate, I have no objection.

Mr. SHERMAN. It is open to amendment in the first degree only.

Mr. LOGAN. I asked if it was not open to amendment?

Mr. SHERMAN. I said in the first degree. But if once adopted as an amendment to the original bill, then it cannot be amended.

Mr. LOGAN. I am willing, as far as I am individually concerned, to take the chances of its being adopted. As one occupying a different position from the Senator who is chairman of the Committee on Finance, having acted with the Senators who have adopted these

propositions before, I am not willing to concede any such thing as is now asked for the purpose of allowing this new bill to take the place of the one before us. In my judgment, after reading this bill, it is just as easy to amend the proposition before the Senate without this bill and make it in accordance with the view of the Senate, as it is to amend this bill in accordance with the views of the Senate.

Mr. CRAGIN. Will the Senator allow me to call his attention to a fact to see if I am right?

Mr. LOGAN. Very well.

Mr. CRAGIN. As I understand, the motion now pending is the motion of the Senator from Connecticut to recommit this bill. That motion has been amended by the motion of the Senator from North Carolina, instructing the committee. Now, if the motion of the Senator from Connecticut prevails, that carries the bill to the committee. If it does not prevail, then does not the motion of the Senator from North Carolina fall with it? It was an amendment to his motion.

Mr. LOGAN. Not if the Senator withdraws his motion.

Mr. CRAGIN. He cannot withdrawit now, because an amendment has been made to it.

Mr. BUCKINGHAM. I have no authority to withdraw it.

The PRESIDENT *pro tempore*. The Senator from Connecticut cannot withdraw the motion without unanimous consent at this stage.

Mr. LOGAN. With the consent of the Senate he can withdraw his motion. It leaves the matter then with its status before the Senate the same as before. The motion of the Senator from North Carolina falls with the withdrawal of the motion to recommit. Then the question stands on the forty-six million increase as an amendment to the bill reported by the Finance Committee originally.

Mr. MERRIMON. The Senator is mistaken about that, if he will allow me. The matter stands before the Senate in this way: The Senator from Connecticut moved to refer, and thereupon I moved to instruct. My motion prevailed. The question now is on the motion to refer with those instructions.

Mr. LOGAN. So I understand.

Mr. MERRIMON. Suppose that is withdrawn by common consent, then the first question is on the amendment offered by the Senator from Iowa, [Mr. WRIGHT,] to strike out "twenty-five" and insert "fifty." If that should be voted down, or even if that should be adopted, then the question is upon my substitute for the bill as it came from the committee; and the substitute that is offered for the bill is the substance of the instructions that were voted to the committee.

Mr. LOGAN. It makes no difference either way, leaving either question before the Senate. I was going to say that it is just as feasible to amend the proposition as it stands before the Senate by the views of the majority of the Senate as it is to amend this bill in accordance with the views of a majority of the Senate. There is no difference whatever. If this bill should be adopted as a substitute, as the chairman of the committee says, as the sense of the Senate, that is one thing. Whether it will be or not is, as a matter of course, a question for the Senate to determine by their vote.

Mr. STEVENSON. I move the Senate do now adjourn.

The motion was agreed to; and (at five o'clock and thirty minutes p. m.) the Senate adjourned.

HOUSE OF REPRESENTATIVES.

MONDAY, *March* 23, 1874.

The House met at twelve o'clock m. Prayer by the Chaplain, Rev. J. G. BUTLER, D. D.

The Journal of Saturday last was read and approved.

ORDER OF BUSINESS.

The SPEAKER. This being Monday, the first business in order during the morning hour is the calling of the States and Territories, for the introduction of bills and joint resolutions for reference to their appropriate committees, not to be brought back into the House by motions to reconsider. Under this call memorials and resolutions of State and territorial Legislatures may be presented for printing and reference. The morning hour begins at ten minutes after twelve o'clock.

JOHN HAZELTINE.

Mr. PARKER, of New Hampshire, introduced a bill (H. R. No. 2553) authorizing the extension of the patent granted to John Hazeltine for a new and useful water-wheel; which was read a first and second time, referred to the Committee on Patents, and ordered to be printed.

MARIE BARTON GREENE.

Mr. DAWES introduced a bill (H. R. No. 2554) for the relief of Marie Barton Greene; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

SHIP-BUILDING MATERIALS.

Mr. STARKWEATHER introduced a bill (H. R. No. 2555) for the importation of ship-building materials free of duty; which was read a first and second time, referred to the Committee on Ways and Means, and ordered to be printed.

ISAAC A. KETCHAM.

Mr. SCHUMAKER, of New York, introduced a bill (H. R. No. 2556) granting compensation to Isaac A. Ketcham, of Brooklyn, New York, for the use of his patent by the United States Government in projecting torpedoes through the sides and other parts of vessels, and below the water-line of said vessels; which was read a first and second time, referred to the Committee on Naval Affairs, and ordered to be printed.

JAMES WYMAN.

Mr. HATHORN introduced a bill (H. R. No. 2557) for the relief of James Wyman; which was read a first and second time, referred to the Committee on Patents, and ordered to be printed.

ALEXANDER GEMMEL AND OTHERS.

Mr. BASS introduced a bill (H. R. No. 2558) for the relief of Alexander Gemmel and others; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

ELIZA WELLS.

Mr. LAWSON introduced a bill (H. R. No. 2559) for the relief of Eliza Wells, administratrix of Henry A. Wells, deceased, for the extension of certain letters-patent; which was read a first and second time, referred to the Committee on Patents, and ordered to be printed.

DR. MOLMES WIKOFF.

Mr. CLARK, of New Jersey, introduced a bill (H. R. No. 2560) to appoint Dr. Molmes Wikoff a surgeon in the Navy; which was read a first and second time, referred to the Committee on Naval Affairs, and ordered to be printed.

CURRENCY.

Mr. SCUDDER, of New Jersey, introduced a bill (H. R. No. 2561) to amend an act entitled "An act to provide a national currency secured by pledge of United States bonds, and to provide for the circulation and redemption thereof," and also all other acts relative to the currency; which was read a first and second time, referred to the Committee on Banking and Currency, and ordered to be printed.

JOHN SOUDERS.

Mr. CESSNA introduced a bill (H. R. No. 2562) to grant a pension to John Souders, a soldier of the war of 1812; which was read a first and second time, referred to the Committee on Revolutionary Pensions and War of 1812, and ordered to be printed.

HOMESTEADS.

Mr. CESSNA also introduced a bill (H. R. No. 2563) supplementary to the act of Congress providing homesteads for soldiers, sailors, and marines; which was read a first and second time, referred to the Committee on the Public Lands, and ordered to be printed.

SUSANNA ARP.

Mr. ROSS introduced a bill (H. R. No. 2564) granting a pension to Susanna Arp; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

WILLIAM GILL.

Mr. ROSS also introduced a bill (H. R. No. 2565) granting a pension to William Gill; which was read a first and second time, referred to the Committee on Revolutionary Pensions and War of 1812, and ordered to be printed.

JAMES ARMOR.

Mr. ROSS also introduced a bill (H. R. No. 2566) granting a pension to James Armor; which was read a first and second time, referred to the Committee on Revolutionary Pensions and War of 1812, and ordered to be printed.

JOHN J. VINTON.

Mr. RICHMOND introduced a bill (H. R. No. 2567) to enable John J. Vinton to procure an extension of letters-patent; which was read a first and second time, referred to the Committee on Patents, and ordered to be printed.

LYDIA CRUGER.

Mr. O'NEILL introduced a bill (H. R. No. 2568) for the relief of Lydia Cruger, executrix of Moses Shepherd, deceased; which was read a first and second time, referred to the Committee on the Judiciary, and ordered to be printed.

WILLIAM CASS.

Mr. O'NEILL also introduced a bill (H. R. No. 2569) for the relief of William Cass; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

MICHAEL QUARRY.

Mr. SPEER introduced a bill (H. R. No. 2570) to restore the name of Michael Quarry to the pension-roll; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

RELIEF OF DRAFTED MEN.

Mr. MAGEE introduced a bill (H. R. No. 2571) to amend an act for the relief of certain drafted men; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

FRENCH PROFESSOR AT NAVAL ACADEMY.

Mr. RANDALL introduced a bill (H. R. No. 2572) to create the office of professor of the French language at the United States Naval Academy; which was read a first and second time, referred to the Committee on Naval Affairs, and ordered to be printed.

WILLIAM BRUNT.

Mr. HARMER introduced a bill (H. R. No. 2573) granting a pension to William Brunt; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

WILHELMINA BOSSERT.

Mr. HARMER also introduced a bill (H. R. No. 2574) granting a pension to Wilhelmina Bossert; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

PAY DIRECTORS AND MEDICAL DIRECTORS.

Mr. ARCHER introduced a bill (H. R. No. 2575) to amend the act of March 3, 1871, so far as the same affects the pay of pay directors and medical directors; which was read a first and second time, referred to the Committee on Naval Affairs, and ordered to be printed.

PERSONS ENGAGED IN THE REBELLION.

Mr. HUNTON introduced a joint resolution (H. R. No. 76) to repeal a joint resolution approved March 2, 1867, entitled "A joint resolution prohibiting the payment by any officer of the Government to any person not known to have been opposed to the rebellion, and in favor of its suppression;" which was read a first and second time, referred to the Committee on the Judiciary, and ordered to be printed.

GREEN W. CALDWELL.

Mr. ASHE introduced a bill (H. R. No. 2576) for the relief of the principal and sureties to the official bond of Green W. Caldwell, late superintendent of the branch mint at Charlotte, North Carolina; which was read a first and second time, referred to the Committee on the Judiciary, and ordered to be printed.

ROBERT SELKIRK.

Mr. WALLACE introduced a bill (H. R. No. 2577) granting a pension to Robert Selkirk, of Washington, District of Columbia; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

COOSAWATTEE RIVER.

Mr. YOUNG, of Georgia, introduced a bill (H. R. No. 2578) to authorize an appropriation for the improvement of the Coosawattee River, in the State of Georgia; which was read a first and second time, referred to the Committee on Commerce, and ordered to be printed.

S. C. GREENE.

Mr. HAYS introduced a bill (H. R. No. 2579) for the relief of S. C. Greene, late commissary of subsistence of volunteers; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

MEDICAL COLLEGE OF ALABAMA.

Mr. BROMBERG introduced a bill (H. R. No. 2580) for the relief of the Medical College of Alabama; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

CHICKASAW, BIRMINGHAM AND TUSCALOOSA RAILROAD COMPANY.

Mr. SLOSS introduced a bill (H. R. No. 2581) granting the right of way to the Chickasaw, Birmingham and Tuscaloosa Railroad Company through the public domain, and for other purposes; which was read a first and second time, referred to the Committee on the Public Lands, and ordered to be printed.

BATON ROUGE PUBLIC PARK.

Mr. DARRALL introduced a bill (H. R. No. 2582) granting to the city of Baton Rouge, Louisiana, certain portions of the United States garrison grounds in that city for the purposes of a public park; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

MARY STERLING.

Mr. DARRALL also introduced a bill (H. R. No. 2583) for the relief of Mary Sterling, of Louisiana; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

MARIE P. EVANS.

Mr. DARRALL also introduced a bill (H. R. No. 2584) for the relief of Marie P. Evans, the only child and sole heir of Dr. J. Perkins, of Louisiana; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

JOHN F. IRVIN.

Mr. DARRALL also introduced a bill (H. R. No. 2585) for the relief of John F. Irvin, of Louisiana; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

WOODSON POWERS.

Mr. BUNDY introduced a bill (H. R. No. 2586) granting a pension to Woodson Powers, late captain Company C, Fifth West Virginia Volunteer Infantry; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

MARY A. SHOWALTER.

Mr. READ introduced a bill (H. R. No. 2587) for the relief of Mary A. Showalter, of Bullitt County, Kentucky, allowing her arrears of pension; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

CATHARINE NALLY.

Mr. READ also introduced a bill (H. R. No. 2588) granting a pension to Catharine Nally, of Grayson County, Kentucky; which was read a first and second time, referred to the Committee on Revolutionary Pensions and War of 1812, and ordered to be printed.

ELIZABETH HALL.

Mr. READ also introduced a bill (H. R. No. 2589) for the relief of Elizabeth Hall, of Bullitt County, Kentucky, allowing her arrears of pensions; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

PIAS BOOTH.

Mr. READ also introduced a bill (H. R. No. 2590) for the relief of Pias Booth, of Marion County, Kentucky; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

MINEVA J. DODD.

Mr. READ also introduced a bill (H. R. No. 2591) for the relief of Mineva J. Dodd, of Bullitt County, Kentucky, allowing her arrears of pension; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

SAMUEL LOUNGER.

Mr. READ also introduced a bill (H. R. No. 2592) for the relief of Samuel Lounger, of Bullitt County, Kentucky, allowing him arrears of pension; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

HENRY S. FRENCH.

Mr. NUNN introduced a bill (H. R. No. 2593) for the relief of Henry S. French, of Tennessee; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

GEORGE W. BIRD.

Mr. THORNBURGH introduced a bill (H. R. No. 2594) for the relief of George W. Bird, of Tennessee; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

TERENCE KIRBY.

Mr. ATKINS introduced a bill (H. R. No. 2595) granting a pension to Terence Kirby; which was read a first and second time, referred to the Committee on Revolutionary Pensions and War of 1812, and ordered to be printed.

NATIONAL CURRENCY.

Mr. MAYNARD introduced a bill (H. R. No. 2596) to provide a national currency secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof; which was read a first and second time, and referred to the Committee on Banking and Currency.

JURISDICTION OVER INDIAN RESERVATIONS.

Mr. SHANKS introduced a bill (H. R. No. 2597) conferring exclusive jurisdiction over Indian reservations upon the United States courts, and for the punishment of crimes committed by and against Indians; which was read a first and second time, referred to the Committee on Indian Affairs, and ordered to be printed.

INDIAN RESERVATION IN WASHINGTON AND IDAHO.

Mr. SHANKS also introduced a bill (H. R. No. 2598) to create a reservation in the Territories of Washington and Idaho for the Cœur d'Alenes and other Indians; which was read a first and second time, referred to the Committee on Indian Affairs, and ordered to be printed.

SUITS AGAINST INDIAN AGENTS.

Mr. SHANKS also introduced a bill (H. R. No. 2599) to authorize the Creek Nation of Indians to bring suit against John B. Luce, for moneys improperly procured by him; which was read a first and second time, referred to the Committee on Indian Affairs, and ordered to be printed.

He also introduced a bill (H. R. No. 2600) directing the President to cause suit to be commenced against Douglass H. Cooper; which was read a first and second time, referred to the Committee on Indian Affairs, and ordered to be printed.

He also introduced a bill (H. R. No. 2601) to authorize the Chickasaw Nation of Indians to commence suit against John H. B. Latrobe, Douglass H. Cooper, and others, to recover moneys improperly procured from them; which was read a first and second time, referred to the Committee on Indian Affairs, and ordered to be printed.

HEIRS OF COLONEL FRANCIS VIGO.

Mr. SHANKS also introduced a bill (H. R. No. 2602) for the relief of the heirs and legal representatives of Colonel Francis Vigo, deceased, late of Terre Haute, Indiana; which was read a first and second time, referred to the Committee on the Judiciary, and ordered to be printed.

SUIT AGAINST INDIAN AGENTS.

Mr. SHANKS also introduced a bill (H. R. No. 2603) authorizing the Choctaw Nation of Indians to commence suit against John H. B. Latrobe, Douglass H. Cooper, and others, to recover moneys improperly procured from them; which was read a first and second time, referred to the Committee on Indian Affairs, and ordered to be printed.

SURVEY OF SNAKE AND YELLOWSTONE RIVERS.

Mr. FORT introduced a bill (H. R. No. 2604) to authorize the survey of the Snake and Yellowstone Rivers; which was read a first and second time, referred to the Committee on Commerce, and ordered to be printed.

INVESTIGATION BY ENGINEER CORPS.

Mr. FORT also introduced a joint resolution (H. R. No. 77) directing the officers of the Engineer Corps to make a certain investigation and report to the Secretary of War; which was read a first and second time, referred to the Committee on the Territories, and ordered to be printed.

BERTHOLD LOEWENTHAL.

Mr. RICE introduced a bill (H. R. No. 2605) for the relief of Berthold Loewenthal; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

HIBBEN & CO.

Mr. RICE also introduced a bill (H. R. No. 2606) for the relief of Hibben & Co.; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

LAFAYETTE M'GOWAN.

Mr. HURLBUT introduced a bill (H. R. No. 2607) to place Lafayette McGowan on the pension-rolls; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

METAL CASTINGS.

Mr. STONE introduced a bill (H. R. No. 2608) for the better security of property in patterns for metal castings; which was read a first and second time, referred to the Committee on Patents, and ordered to be printed.

GASCONADE RIVER.

Mr. BLAND introduced a bill (H. R. No. 2609) for the improvement of the Gasconade River, in the State of Missouri; which was read a first and second time, referred to the Committee on Commerce, and ordered to be printed.

JOHN M'LAUGHLIN AND WILLIAM SOUTH.

Mr. BLAND also introduced a bill (H. R. No. 2610) for the relief of John McLaughlin and William South, late privates in Company H, Twenty-fourth Regiment Infantry, Missouri Volunteers; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

JOSEPH BERGER.

Mr. BLAND also introduced a bill (H. R. No. 2611) for the relief of Joseph Berger; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

BENJAMIN C. STEPHENS.

Mr. BLAND also introduced a bill (H. R. No. 2612) for the relief of Benjamin C. Stephens, of Texas County, Missouri; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

WAR CLAIMS OF MISSOURI.

Mr. CLARK, of Missouri, introduced a bill (H. R. No. 2613) to reimburse the State of Missouri for moneys expended for the United States in enrolling, clothing, supplying, arming, equipping, and paying militia forces to aid in suppressing the rebellion; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

JOHN T. ALLEN.

Mr. GLOVER introduced a bill (H. R. No. 2614) to grant a pension to John T. Allen; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

IMPROVEMENT OF THE MISSISSIPPI RIVER.

Mr. HATCHER introduced a bill (H. R. No. 2615) making an appropriation for the improvement of the Mississippi River, between the cities of Saint Louis, Missouri, and Cairo, Illinois; which was read a first and second time, referred to the Committee on Commerce, and ordered to be printed.

SWAMP AND OVERFLOWED LANDS.

Mr. HATCHER also introduced a bill (H. R. No. 2616) extending the time for the selection of swamp and overflowed lands in Missouri, Arkansas, and other States, under the act of Congress approved March 12, 1860; which was read a first and second time, referred to the Committee on the Public Lands, and ordered to be printed.

PRIVATE LAND CLAIMS IN ARKANSAS.

Mr. HYNES introduced a bill (H. R. No. 2617) to extend to the State of Arkansas the provisions of an act entitled "An act for the final adjustment of private land claims in the States of Florida, Louisiana, and Missouri, and for other purposes," approved June 22, 1860, and an act extending the provisions thereof, approved June 10, 1872, and amendatory of the same; which was read a first and second time, referred to the Committee on Private Land Claims, and ordered to be printed.

WOUNDED OR DISABLED NAVAL OFFICERS.

Mr. HYNES also introduced a bill (H. R. No. 2618) relating to officers wounded or disabled in the naval service; which was read a first and second time, referred to the Committee on Naval Affairs, and ordered to be printed.

ALMIRA H. THOMPSON.

Mr. HYNES also introduced a bill (H. R. No. 2619) for the relief of Almira H. Thompson; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

POSTAGE ON NEWSPAPERS.

Mr. BRADLEY presented concurrent resolutions of the Legislature of the State of Michigan, in favor of the free transmission of weekly newspapers through the mails in counties where printed, with free exchanges; which were referred to the Committee on the Post-Office and Post-Roads, and ordered to be printed.

Mr. HUBBELL presented concurrent resolutions of the Legislature of the State of Michigan, asking Congress to repeal any and all laws which prohibit free exchanges between newspapers and other periodicals, and for the circulation of weekly newspapers in the counties where they are published; which were referred to the Committee on the Post-Office and Post-Roads, and ordered to be printed.

Mr. CONGER presented concurrent resolutions of the Legislature of the State of Michigan, requesting the Senators and Members of Congress from that State to use all honorable means to procure the repeal of all laws that prevent the free exchange of newspapers, and the free distribution of newspapers in the counties where published; which were referred to the Committee on the Post-Office and Post-Roads, and ordered to be printed.

DAVID G. BURNETT.

Mr. WILLIE introduced a bill (H. R. No. 2620) for the relief of the legal representatives of David G. Burnett, deceased, late of the State of Texas; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

ROCK ISLAND AND ILLINOIS RIVER CANAL.

Mr. COTTON presented joint resolutions of the Legislature of the State of Iowa, in favor of the proposed canal from Rock Island to the Illinois River, at Hennepin; which were referred to the Committee on Railways and Canals, and ordered to be printed.

CHICKASAW INDIANS.

Mr. LOUGHRIDGE introduced a bill (H. R. No. 2621) for the relief of the Chickasaw Nation of Indians; which was read a first and second time, referred to the Committee on Appropriations, and ordered to be printed.

ADOLPH VON HAACKE.

Mr. LOUGHRIDGE also introduced a bill (H. R. No. 2622) for the relief of Adolph von Haacke, late major Sixty-eighth Regiment New York Volunteers; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

HARRIETTE A. WOODRUFF.

Mr. DONNAN introduced a bill (H. R. No. 2623) granting a pension to Harriette A. Woodruff, mother of Eugene A. Woodruff, late a first lieutenant of the Corps of Engineers; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

CHIPPEWA RIVER, WISCONSIN.

Mr. RUSK introduced a bill (H. R. No. 2624) to provide for the examination and survey of the Chippewa River, in the State of Wisconsin; which was read a first and second time, referred to the Committee on Commerce, and ordered to be printed.

JOHN HEDDINGER.

Mr. WILLIAMS, of Wisconsin, introduced a bill (H. R. No. 2625) granting a pension to John Heddinger; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

GEORGE F. RIDER.

Mr. WILLIAMS, of Wisconsin, also introduced a bill (H. R. No. 2626) for the relief of George F. Rider; which was read a first and second time, referred to the Committee on the District of Columbia, and ordered to be printed.

BOARD OF HEALTH, DISTRICT OF COLUMBIA.

Mr. ELDREDGE introduced a bill (H. R. No. 2627) to further define and enlarge the powers and duties of the Board of Health of the District of Columbia; which was read a first and second time, referred to the Committee on the District of Columbia, and ordered to be printed.

WISCONSIN CENTRAL RAILWAY.

Mr. ELDREDGE also presented a joint resolution of the Legislative Assembly of the State of Wisconsin, relating to the action of the governor of that State in relation to the Wisconsin Central Railway;

which was read, referred to the Committee on the Public Lands, and ordered to be printed.

SETTLERS ON RAILROAD LANDS.

Mr. AVERILL introduced a bill (H. R. No. 2628) for the relief of settlers on railroad lands; which was read a first and second time, referred to the Committee on the Public Lands, and ordered to be printed.

MINNESOTA ASTRONOMICAL OBSERVATORY.

Mr. AVERILL also introduced a bill (H. R. No. 2629) granting lands to the State of Minnesota for the purpose of endowing an astronomical observatory and a school of mines; which was read a first and second time, referred to the Committee on the Public Lands, and ordered to be printed.

SETTLERS ON RAILROAD LANDS.

Mr. STRAIT introduced a bill (H. R. No. 263) for the relief of settlers on railroad lands; which was read a first and second time, referred to the Committee on the Public Lands, and ordered to be printed.

JOSEPH DUNLAP.

Mr. COBB, of Kansas, introduced a bill (H. R. No. 2631) for the relief of Joseph Dunlap; which was read a first and second time, referred to the Committee on Indian Affairs, and ordered to be printed.

HOMESTEAD CLAIMANTS.

Mr. LOWE introduced a bill (H. R. No. 2632) in aid of homestead claimants within railroad limits; which was read a first and second time, referred to the Committee on the Public Lands, and ordered to be printed.

JAMES S. CADDALL.

Mr. HEREFORD introduced a bill (H. R. No. 2633) for the relief of the estate of James S. Caddall, deceased; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

TOBACCO-GROWERS.

Mr. HEREFORD also introduced a bill (H. R. No. 2634) to exempt tobacco-growers from the operation of the internal-revenue law to a certain extent; which was read a first and second time, referred to the Committee on Ways and Means, and ordered to be printed.

REMOVAL OF CAUSES FROM STATE COURTS.

Mr. HAGANS introduced a bill (H. R. No. 2635) to authorize the removal of certain causes from State courts to the circuit courts of the United States; which was read a first and second time, referred to the Committee on the Judiciary, and ordered to be printed.

JANE CORE.

Mr. DAVIS introduced a bill (H. R. No. 2636) granting a pension to Jane Core; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

TOMAS C. DE BACA.

Mr. ELKINS introduced a bill (H. R. No. 2637) for the relief of Tomas C. De Baca, for Indian depredations in New Mexico; which was read a first and second time, referred to the Committee on Indian Affairs, and ordered to be printed.

ROBERT H. STAPLETON.

Mr. ELKINS also introduced a bill (H. R. No. 2638) for the relief of Robert H. Stapleton, in payment for wood used by United States troops; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

RELIEF FOR INDIAN DEPREDATIONS.

Mr. ELKINS also introduced a bill (H. R. No. 2639) for the relief of certain persons in New Mexico for depredations committed by Indians; which was read a first and second time, referred to the Committee on Indian Affairs, and ordered to be printed.

SETTLERS ON RAILROAD LANDS.

Mr. McFADDEN introduced a bill (H. R. No. 2640) for the relief of settlers and others on railroad lands; which was read a first and second time, referred to the Committee on the Public Lands, and ordered to be printed.

He also presented a memorial of the Legislature of Washington Territory, asking for the passage of a law for the relief of settlers on railroad lands; which was referred to the Committee on the Public Lands, and ordered to be printed.

SURVEY OF DAKOTA RIVER.

Mr. ARMSTRONG introduced a bill (H. R. No. 2641) to authorize the Secretary of War to detail an engineer of the Army to make an examination of the Dakota River, between the Southern Dakota and Northern Pacific Railroads; which was read a first and second time, referred to the Committee on Commerce, and ordered to be printed.

BOZEMAN LAND DISTRICT, MONTANA.

Mr. MAGINNIS introduced a bill (H. R. No. 2642) to create the Bozeman land district, in the Territory of Montana; which was read a first and second time, referred to the Committee on the Public Lands, and ordered to be printed.

PROTECTION OF YELLOWSTONE VALLEY, ETC.

Mr. MAGINNIS also presented a memorial of the Legislature of the Territory of Montana, in relation to the protection of the Yellowstone Valley and the road from Bismarck, in Dakota, to Bozeman, in Montana; which was referred to the Committee on Military Affairs, and ordered to be printed.

POST-ROAD IN CALIFORNIA.

Mr. LUTTRELL presented a concurrent resolution of the Legislature of California for the establishment of a post-road from Healdsburgh to Pine Flat; which was referred to the Committee on the Post-Office and Post-Roads, and ordered to be printed.

ORDER OF BUSINESS.

Mr. DAWES obtained the floor.

Mr. G. F. HOAR. I rise to a question of order. It is now not yet one o'clock; and I submit that no other business can go on during the morning hour until the second call of States has progressed so far as the time may allow.

The SPEAKER. The Chair thinks the gentleman's point is not well taken. The rule on the subject will be read by the Clerk.

The Clerk read as follows:

Except during the *last ten days of the session* the Speaker shall not entertain a motion to suspend the rules of the House at any time, except on *Monday* of every week, at the expiration of one hour after the Journal is read, unless the call of the States and Territories for bills on leave has been earlier concluded, when the Speaker may entertain a motion to suspend the rules.

The SPEAKER. The Chair thinks this rule very specific

Mr. MELLISH. I would like to introduce a bill.

The SPEAKER. The Chair, if there be no objection, will recognize for the introduction of bills gentlemen who were not present when their States were called; but the Chair gives notice that after the States and Territories have been called through, if any gentleman insists on his right to the floor for the presentation of a motion to suspend the rules, the reference of bills is, after that, a matter of sufferance and unanimous consent. The House meets at twelve o'clock, and the presumption is that members are in their seats—which is a violent presumption sometimes. [Laughter.]

POST-OFFICES IN CITIES.

Mr. MELLISH introduced a bill (H. R. No. 2643) in relation to rates of postage between two or more post-offices within the corporate limits of any city; which was read a first and second time, referred to the Committee on the Post-Office and Post-Roads, and ordered to be printed.

THOMAS SHANNON.

Mr. CROOKE introduced a bill (H. R. No. 2644) granting a pension to Thomas Shannon; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

CURRENCY.

Mr. DUELL introduced a bill (H. R. No. 2645) to establish a uniform currency, and provide for the redemption thereof, and for other purposes; which was read a first and second time, referred to the Committee on Banking and Currency, and ordered to be printed.

ALEXANDER M'INTOSH.

Mr. HOWE introduced a bill (H. R. No. 2646) for the relief of Alexander McIntosh; which was read a first and second time, referred to the Committee on Naval Affairs, and ordered to be printed.

CRUELTY TO ANIMALS.

Mr. HAYS. I ask leave to introduce a bill to amend the act entitled "An act to prevent cruelty to animals while in transit by railroad or other means of transportation in the United States," approved March 3, 1873. I move the reference of the bill to the Committee on Agriculture, and that it be ordered to be printed.

Mr. NEGLEY. That bill should not be referred to the Committee on Agriculture but to the Committee on Commerce, where it properly belongs. This refers to a matter of commerce and not of agriculture.

The SPEAKER. The Chair cannot allow any discussion in reference to the reference of a bill in the morning hour, because the gentleman from Massachusetts [Mr. DAWES] is on the floor to move the suspension of the rules.

Mr. NEGLEY. The bill should be referred to the Committee on Commerce.

Mr. HAYS. It was before the Committee on Agriculture when the law now upon the statute-book was passed. It was considered by the Committee on Agriculture and reported from that committee. I move the reference of the bill to the Committee on Agriculture.

Mr. NEGLEY. I must object unless the bill goes to the Committee on Commerce. I raise the question on the reference of the bill.

The SPEAKER. The bill will be withdrawn for the present until after the morning hour.

WASHINGTON, CINCINNATI AND SAINT LOUIS RAILROAD COMPANY.

Mr. SMITH, of Virginia, introduced a bill (H. R. No. 2647) authorizing the Washington, Cincinnati and Saint Louis Railroad Company to extend and construct their railroad into the District of Columbia, and through the States of West Virginia, Ohio, Indiana, and Illinois, to the city of Saint Louis, in the State of Missouri, and a branch from any point they may elect on the main line of their road in the State

of Indiana, to the city of Chicago, in the State of Illinois, and granting aid to said company; which was read a first and second time, referred to the Committee on Railways and Canals, and ordered to be printed.

JOHN W. WATSON.

Mr. VANCE, by request of his colleague, Mr. LEACH, introduced a bill (H. R. No. 2648) for the relief of John W. Watson, of the State of North Carolina; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

ENFORCING THE ATTENDANCE OF WITNESSES.

The SPEAKER. The chairman of the Committee of the House on the Investigation into the Affairs of the District of Columbia, desires to introduce a bill on which he asks action at this time.

Mr. WILSON, of Indiana, introduced a bill (H. R. No. 2649) to amend an act in relation to enforcing the attendance of witnesses before committees of either House of Congress, approved January 24, 1862; which was read a first and second time.

The SPEAKER. The bill will be read for information at this time.

The bill, which was read, provides that all the provisions of the act entitled "An act amending the provisions of the second section of the act of January 24, 1857, enforcing attendance of witnesses before committees of either House of Congress," approved January 24, 1862, shall be applicable to joint committees, both standing and select, of the two Houses of Congress.

Mr. WILSON, of Indiana. Mr. Speaker, the bill simply makes the existing law in relation to the enforcing of attendance of witnesses before committees of either House applicable to the joint committees of the two Houses.

Mr. COX. I wish to ask the gentleman whether the present law does not require every case of contumacious witnesses to be reported to the House. Is it not so?

Mr. WILSON, of Indiana. I am not prepared to answer that question at this time.

Mr. COX. Are we to understand this does not change the law in that regard?

Mr. WILSON, of Indiana. It does not.

The SPEAKER. There being no objection the bill will be considered at this time.

The bill was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time and passed.

Mr. WILSON, of Indiana, moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

EXPENSES OF THE DISTRICT INVESTIGATING COMMITTEE.

Mr. GARFIELD, by unanimous consent, reported back from the Committee on Appropriations, with the recommendation that it do pass, the bill (S. No. 583) making an appropriation to defray the expenses of the Joint Select Committee to Inquire into the Affairs of the District of Columbia.

The question was on ordering the bill to be read a third time.

The bill appropriates the sum of $10,000, or as much thereof as may be necessary, out of any money in the Treasury not otherwise appropriated, to defray the expenses of the Joint Select Committee to Inquire into the Affairs of the District of Columbia; and provides that that sum shall be drawn from the Treasury, upon the order of the Secretary of the Senate, as the same shall be required; and any portion of the amount appropriated that shall be allowed by the said joint committee to witnesses attending before it or persons employed in its service, for per diem, traveling, or other necessary expenses, and paid by the Secretary of the Senate, in pursuance of the orders of said joint committee, shall be accordingly credited and allowed by the accounting officers of the Treasury Department.

The bill was ordered to a third reading; and it was accordingly read the third time and passed.

Mr. GARFIELD moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

GOVERNMENT BONDS AND FREE BANKING.

Mr. W. R. ROBERTS. I desire to move that the rules be suspended, and the preamble and resolution which I send to the desk adopted.

The SPEAKER. The gentleman from Massachusetts [Mr. DAWES] is now on the floor to move a suspension of the rules.

Mr. W. R. ROBERTS. I hope the gentleman will yield to me.

Mr. DAWES. I will yield to anything that can be done by unanimous consent.

Mr. W. R. ROBERTS. I desire to have the resolution adopted under a suspension of the rules, which I have not asked before during this session.

The SPEAKER. The preamble and resolution will be read, after which objections, if any, to its present consideration, will be in order.

The Clerk read as follows:

Whereas the present national banking system was established when Government bonds were sold for 40, 50, and 60 per cent. of their face value in gold, owing to the expenditures and uncertainties of the great civil war in which the nation was engaged at the time; and whereas it was then deemed necessary, in order to induce capitalists to sustain the credit of the Government, to make Government bonds drawing 6 per cent. interest in gold the securities of our national banks, while they were permitted to issue currency to represent 90 per cent. of the bonds deposited with the Government, thus drawing two profits from one capital, and thereby imposing a double burden upon the resources of the whole country; and whereas the exceptional and peculiar circumstances under which the nation then suffered no longer exist, our ability to maintain the Union and pay all of our obligations being no longer a matter of doubt, and our bonds which sold for from 40 to 60 per cent. of their face value in gold being now worth from 6 to 8 per cent. premium in gold and from 16 to 18 per cent. premium in currency, thus netting an enormous profit to the original holders; and whereas the banks which deposited these bonds with the Government have been large gainers by this increase in the value of their paid-up capital, while, besides the profits on their circulation, they have received an aggregate interest of over $20,000,000 a year in gold, or more than $30,000,000 a year in currency, and the privilege of monopolizing the banking business of the nation, a monopoly which each year becomes more injurious to the prosperity of the American people: Therefore,

Be it resolved, That it is the judgment of this House that the privilege of banking should be a source of profit and not of loss to the nation, and that the present national banking system should be so reorganized as to establish "free banks," based upon United States bonds as security for their circulation, and that interest shall be paid by the Government only on 10 per cent. of the face value of the bonds thus deposited, the interest on the remaining 90 per cent. of said bonds to go to the Government as a consideration for the privilege granted to the banks, which 90 per cent. of capital is to be represented by that amount of currency which the banks shall be privileged to issue.

Mr. HUBBELL. I must object.

AMOUNT OF LEGAL-TENDER NOTES.

Mr. DAWES. I move that the rules be suspended, and that the Committee of the Whole House on the state of the Union be discharged from the further consideration of the bill (H. R. No. 1398) to fix the amount of legal-tender notes at $400,000,000, and that it be brought before the House for consideration at the present time.

I desire to state, as I stated to the House the other day, that it is my purpose to get a vote upon this bill, admitting amendments to it, that will reduce the amount below $400,000,000. I propose myself to offer an amendment reducing the amount to $356,000,000.

The SPEAKER. The Clerk will report the bill.

The bill was read. In its preamble it recites that the existing uncertainty as to whether the amount of legal-tender notes now authorized by law to be kept in general circulation is $356,000,000 or $400,000,000 is calculated to derange the business of the country and unsettle values. The bill therefore declares the provisions of law existing prior to the passage of the act approved April 12, 1866, entitled "An act to amend an act to provide ways and means to support the Government, approved March 3, 1865," to be in force, so as to authorize an amount of legal-tender notes of the United States to the amount of $400,000,000 to be kept in general circulation; and provides that the total amount of United States notes issued, or to be issued, shall never exceed $400,000,000.

Mr. COX. I hope the gentleman from Massachusetts [Mr. DAWES] will have his amendment read also.

Mr. MAYNARD. I trust the gentleman from Massachusetts will not press this motion now. This question is involved in the general bill of the committee that has charge of the subject, and they have that bill assigned as a special order after the disposition of the transportation bill. I am assured by the gentleman from Iowa [Mr. MCCRARY] that he will endeavor to get the action of the House on the transportation bill to-morrow, which will bring up this subject for discussion immediately afterward; and my friend from Massachusetts will have an opportunity of discussing it, if not in his present seat, in a position in which his views will not be less acceptable. I trust that the matter may be postponed for the present.

The SPEAKER. The motion of the gentleman from Massachusetts is that the rules be suspended, that the Committee of the Whole be discharged from further consideration of the bill, and that it be brought before the House for action.

Mr. BUTLER, of Massachusetts. I desire to ask my colleague a question. In bringing this bill before the House for action, is he not going to allow any amendments?

Mr. DAWES. I am instructed by the Committee on Ways and Means to bring the bill before the House and admit amendments that may reduce the amount below $400,000,000; but unless a majority of the House should order otherwise, which of course I could not control, not to admit any amendments that would make the amount over $400,000,000.

Mr. BUTLER, of Massachusetts. Pardon me; I do not want to act or to vote in a strait-jacket. Of course no amendment could be sustained which the majority of the House did not concur in.

Mr. DAWES. I am acting under instructions from my committee. My colleague cannot be put into a strait-jacket by the recommendation of the committee, because if a majority of the House are in favor of making the amount more than $400,000,000 they can control the matter by voting down the previous question.

Mr. COX. I would like to hear the amendment of the gentleman from Massachusetts read, and I want to know what he intends to do with the reserve already out.

Mr. DAWES. The amendment which I propose to offer, if the House will permit me to read it, is this: to strike out all after the seventh line, and insert the following:

Be so far amended that hereafter the total amount of United States notes in circulation at any one time shall not exceed $356,000,000; and the Secretary of the Treasury is hereby directed to withdraw from circulation and cancel whatever amount of such notes are now in circulation beyond that sum, as soon as the same can be done consistently with the exigencies of the Treasury.

My colleague on the committee from New York [Mr. E. H. ROBERTS] proposes to offer an amendment, which he will read.

Mr. E. H. ROBERTS. I hold in my hand an amendment which I propose to offer.

Mr. CONGER. I rise to a parliamentary inquiry. I desire to know if the committee propose to introduce a bill which leaves the law exactly as it is claimed to be now and refuse to allow amendments other than those that have been indicated.

The SPEAKER. The Chair will state what he understands to be the purpose of the chairman of the Committee on Ways and Means. If the motion to suspend the rules prevails, an amendment will be offered by him, and an amendment to that amendment will be offered by the gentleman from New York, [Mr. E. H. ROBERTS,] who is a member of the Committee on Ways and Means. The gentleman from Indiana [Mr. COBURN] also indicates his desire to offer an amendment. The Chair will hear the amendment of the gentleman from New York read.

Mr. CONGER. Perhaps now would be a proper time for me to make my inquiry, and it is whether, under the rules, any other amendments than those provided for by this agreement can be offered to the bill?

The SPEAKER. Not if the House should second the demand for the previous question. It would be entirely within the competency of a majority of the House to refuse to second the previous question, in which case the bill will be left open for amendment.

Mr. W. R. ROBERTS. Would any amendment be in order excepting those which have been printed?

The SPEAKER. The Chair knows of no rule which requires amendments to be printed.

Mr. GARFIELD. I object to debate, and call for the regular order.

Mr. HOLMAN. I desire to inquire of the Chair if the special order for this hour, in relation to the Louisville and Portland Canal, is simply postponed until this matter is disposed of?

The SPEAKER. That is all; it will come up when this matter is disposed of.

Mr. COX. I rise to make a parliamentary inquiry.

Mr. BUTLER, of Massachusetts. Is debate in order?

The SPEAKER. All this interlocutory discussion is proceeding by unanimous consent.

Mr. BUTLER, of Massachusetts. Then I object.

Mr. MAYNARD. I wish to know if the motion to suspend the rules includes any provision for debate?

Mr. DAWES. That will be within the control of a majority of the House.

Mr. COX. I rise to a parliamentary inquiry. Is it understood that the amendments already indicated can be offered in spite of the previous question?

The SPEAKER. If the motion to suspend the rules prevails, the gentleman from Massachusetts will have charge of the bill, and he can admit an amendment, and an amendment thereto, and call the previous question. If the House seconds the demand for the previous question, it will bring the House of course to a direct vote on the two amendments, and then on the bill.

Mr. COX. But I understand that all the amendments indicated will be voted on anyhow.

The SPEAKER. That will be for the House to determine.

Mr. MAYNARD. I rise to a parliamentary inquiry. If the motion to suspend the rules shall prevail, will it not put this $400,000,000 bill before the House for discussion and consideration in preference to the other special orders? Is it not simply substituting this bill for the bill which was reported by the Committee on Banking and Currency?

The SPEAKER. O, no; the Chair thinks not. The Chair thinks that whatever action is intended here is limited to the motion to suspend the rules for this day.

Mr. RANDALL. I believe it is within the instructions of the chairman of the Committee on Ways and Means to permit me to offer an amendment to make the amount $382,000,000.

Mr. BECK. That is the amendment of the gentleman from New York, [Mr. E. H. ROBERTS.]

The SPEAKER. The gentleman from Massachusetts [Mr. BUTLER] objects to further debate. The question is upon seconding the motion of the gentleman from Massachusetts, that the rules be suspended and the bill brought before the House.

Mr. TREMAIN. I understood the gentleman from Massachusetts [Mr. DAWES] to announce that his purpose in moving to suspend the rules was to bring this bill before the House and allow two amendments to be offered, one of which, he said, would be presented by the gentleman from New York, [Mr. E. H. ROBERTS.] The point I desire to submit is that, by way of explanation, that amendment should be read so that we may know what we are voting on.

The SPEAKER. It is not within the competency of the Chair to order it to be read except by unanimous consent. The Chair understands that the amendment of the gentleman from Massachusetts [Mr. DAWES] is to fix the amount at $356,000,000; the proposition of the gentleman from New York [Mr. E. H. ROBERTS] is to fix it at $382,000,000, while the original bill fixes it at $400,000,000. If the bill is brought before the House the Chair will state the position of it so that a majority of the House may take such action as they choose.

Mr. BECK. I call for the regular order.

The SPEAKER. The regular order being demanded gentlemen will please not address the Chair. This being an important question the Chair will appoint the gentleman from Massachusetts, Mr. DAWES, and the gentleman from Tennessee, Mr. MAYNARD, to act as tellers upon seconding the motion for a suspension of the rules.

The House divided; and the tellers reported that there were—ayes 146, noes not counted.

So the motion to suspend the rules was seconded.

The question was then taken upon the motion to suspend the rules and bring the bill before the House for consideration; and upon a division there were—ayes 154, noes 34.

So (two-thirds voting in favor thereof) the rules were suspended.

Mr. DAWES. I now yield to the gentleman from New York [Mr. E. H. ROBERTS] to offer an amendment.

Mr. E. H. ROBERTS. First stating that the amount of legal-tenders now outstanding is $382,000,000, I move the amendment I send to the Clerk's desk.

The amendment was read, as follows:

Strike out all after the words "declared to be in force," and insert in lieu thereof the following:

To the extent that the total amount of legal-tender notes of the United States issued or to be issued, shall be, and shall never exceed, $382,000,000.

Mr. DAWES. I move to amend the amendment so as to strike out all of the bill after the seventh line, and insert what I send to the Clerk's desk. I also ask the Clerk to read the bill as it will be if my amendment shall be adopted.

The amendment was read, as follows:

Strike out all after the words "be, and the same are hereby," in line 7, and insert in lieu thereof the following:

So far amended that hereafter the total amount of United States notes in circulation, at any one time, shall not exceed $356,000,000; and the Secretary of the Treasury is hereby directed to withdraw from circulation and to cancel whatever amount of such notes are now in circulation beyond that sum, as soon as the same can be done consistently with the exigencies of the Treasury.

The bill as proposed to be amended was read, as follows:

That the provisions of law existing prior to the passage of the act approved April 12, 1866, entitled "An act to amend an act to provide ways and means to support the Government, approved March 3, 1865," be, and the same are hereby, so far amended that hereafter the total amount of United States notes in circulation at any one time shall not exceed $356,000,000; and the Secretary of the Treasury is hereby directed to withdraw from circulation and to cancel whatever amount of such notes are now in circulation beyond that sum as soon as the same can be done consistently with the exigencies of the Treasury.

Mr. COBURN. I desire to offer an amendment.

Mr. DAWES. Under the instructions of the Committee on Ways and Means I am compelled to call the previous question on the bill and amendments.

Mr. HOLMAN. I hope the amendment of my colleague [Mr. COBURN] may be read.

Mr. BUTLER, of Massachusetts. I object. I am in favor of the amendment of the gentleman from Indiana, [Mr. COBURN,] but as we have got into such a strait-jacket I propose that we shall go on that way.

Mr. ORTH. I desire to make a parliamentary inquiry. If the House should refuse to second the call for the previous question would it then be in order to move other amendments to this bill?

The SPEAKER. The Chair will state the precise attitude of the bill which has been brought before the House from the Committee of the Whole. The bill fixes the amount of legal-tender notes of the United States at $400,000,000. The gentleman from New York, [Mr. E. H. ROBERTS,] of the Committee on Ways and Means, moves an amendment to fix the amount at $382,000,000, the amount now issued. The gentleman from Massachusetts, [Mr. DAWES,] the chairman of the Committee on Ways and Means, moves to amend the amendment so as to fix the amount at $356,000,000, calling in all in excess of that sum now issued. Should the previous question be seconded the first vote will be upon the amendment of the gentleman from Massachusetts. If the previous question should not be seconded on the whole bill, as now asked, it would necessarily have to be seconded upon these amendments before any further amendment could be offered, because those now offered exhaust the power of amendment, there being an amendment and an amendment to an amendment pending.

Mr. ORTH. Should the previous question not be seconded, and the amendments now pending be voted down, then the bill would be subject to further amendments?

The SPEAKER. It would.

Mr. ELDREDGE. Suppose the House should adopt the amendment of the gentleman from Massachusetts, which is the first in order, what will be the effect in regard to the amendment of the gentleman from New York?

The SPEAKER. It would take the place of the amendment of the gentleman from New York, but there would have to be a second vote in order to incorporate the amendment in the bill.

Mr. ELDREDGE. It would be equivalent to rejecting the amendment of the gentleman from New York.

The SPEAKER. The Chair cannot state what it would be equivalent to.

Mr. PLATT, of Virginia. Should the House refuse to second the previous question, would not the bill and amendments then be before the House for debate?

The SPEAKER. The Chair thinks that in that event the gentleman

from Indiana, [Mr. HOLMAN,] who has a special order after the morning hour to-day, would be entitled to the floor.

Mr. BUTLER, of Massachusetts. That matter can be dealt with by a suspension of the rules.

The SPEAKER. The gentleman has the special order under a suspension of the rules.

Mr. RANDALL. In case the House should fix $400,000,000 as the limit, there would then be $18,000,000 of that $400,000,000 not issued. Can I then offer an amendment providing for the disposition of that $18,000,000 in liquidating the public debt?

The SPEAKER. Not if the previous question is seconded.

Mr. RANDALL. Will the chairman of the Committee on Ways and Means permit me, if the sum of $400,000,000 is fixed as the limit, to submit an amendment providing that the $18,000,000 of the reserve fund still in the Treasury shall be used for the liquidation of the public debt, for I can see no other means of getting it out of the Treasury?

Mr. BECK. I object to debate.

The SPEAKER. The question is upon seconding the call for the previous question, and the two gentlemen from Massachusetts, Mr. DAWES and Mr. BUTLER, will act as tellers.

The House divided; and the tellers reported that there were—ayes 122, noes 70.

So the previous question was seconded.

The main question was ordered.

The SPEAKER. The first question is on the amendment of the gentleman from Massachusetts [Mr. DAWES] fixing the amount of legal-tenders at $356,000,000.

Mr. NEGLEY and others called for the yeas and nays.

The SPEAKER. If this amendment should prevail, it will require another vote to place it in the bill. It now stands as an amendment to an amendment.

The yeas and nays were ordered.

The question was taken; and there were—yeas 70, nays 171, not voting 49; as follows:

YEAS—Messrs. Albert, Archer, Barnum, Bass, Bromberg, Buffinton, Burleigh, Clayton, Clymer, Cox, Crooke, Dawes, DeWitt, Eames, Frye, Garfield, Gooch, Eugene Hale, Robert S. Hale, Hamilton, Hancock, Benjamin W. Harris, Joseph R. Hawley, Hendee, Herndon, E. Rockwood Hoar, George F. Hoar, Hooper, Hoskins, Kasson, Kellogg, Kendall, Lawson, Lowndes, Luttrell, Magee, MacDougall, Mellish, Mitchell, Negmith, O'Brien, Page, Hosea W. Parker, Parsons, Pendleton, Perry, Phelps, Pierce, Pike, James H. Platt, jr., Poland, Potter, Randall, Read, Rice, Ellis H. Roberts, Sawyer, John G. Schumaker, Henry J. Scudder, Smart, Starkweather, Stone, Storm, Townsend, Tremain, Waldron, Wheeler, Whitehouse, Charles W. Willard, George Willard, and Woodford—70.

NAYS—Messrs. Adams, Arthur, Ashe, Atkins, Averill, Banning, Barber, Barry, Beck, Begole, Bell, Bland, Blount, Bowen, Bradley, Bright, Buckner, Bundy, Burchard, Benjamin F. Butler, Caldwell, Cannon, Cason, Cessna, Amos Clark, jr., John B. Clark, jr., Clements, Stephen A. Cobb, Coburn, Conger, Cook, Corwin, Cotton, Crossland, Crounse, Crutchfield, Curtis, Danford, Darrall, Davis, Dobbins, Donnan, Duell, Dunnell, Durham, Eden, Eldredge, Farwell, Field, Fort, Foster, Freeman, Giddings, Glover, Gunckel, Hagans, Harmer, Henry R. Harris, John T. Harris, Harrison, Hatcher, Hathorn, Havens, John B. Hawley, Gerry W. Hazelton, Hereford, Hodges, Holman, Houghton, Howe, Hubbell, Hunter, Hunton, Hurlbut, Hyde, Kasson, Kelley, Killinger, Knapp, Lamar, Lamport, Lansing, Lawrence, Leach, Lewis, Loughridge, Lowe, Lynch, Marshall, Martin, Maynard, McCrary, Alexander S. McDill, James W. McDill, McKee, McNulta, Merriam, Milliken, Monroe, Myers, Neal, Negley, Niblack, O'Neill, Orr, Orth, Packard, Packer, Isaac C. Parker, Pelham, Phillips, Thomas C. Platt, Pratt, Purman, Rainey, Ransier, Rapier, Rawls, Ray, Richmond, Robbins, William R. Roberts, James C. Robinson, James W. Robinson, Ross, Rusk, Henry B. Sayler, Milton Sayler, Isaac W. Scudder, Sener, Sessions, Shanks, Sheats, Sheldon, Sherwood, Lazarus D. Shoemaker, Sloss, A. Herr Smith, H. Boardman Smith, J. Ambler Smith, John Q. Smith, Snyder, Southard, Speer, Sprague, Standeford, Strait, Strawbridge, Taylor, Thornburgh, Todd, Tyner, Vance, Wallace, Walls, Jasper D. Ward, Marcus L. Ward, Wells, Whitehead, Whitthorne, Charles G. Williams, William Williams, William B. Williams, James Wilson, Jeremiah M. Wilson, Wolfe, Wood, Woodworth, John D. Young, and Pierce M. B. Young—171.

NOT VOTING—Messrs. Albright, Barrere, Berry, Biery, Brown, Burrows, Roderick R. Butler, Cain, Freeman Clarke, Clinton L. Cobb, Comingo, Creamer, Crittenden, Crocker, Elliott, John W. Hazelton, Hersey, Hynes, Jewett, Lamison, Lofland, McJunkin, McLean, Mills, Moore, Morey, Morrison, Niles, Nunn, Scofield, Small, George L. Smith, William A. Smith, Stanard, Stephens, St. John, Stowell, Swann, Sypher, Charles R. Thomas, Christopher Y. Thomas, Waddell, White, Whiteley, Wilber, John M. S. Williams, Willie, Wilshire, and Ephraim K. Wilson—49.

So the amendment to the amendment was not agreed to.

During the roll-call the following announcements were made:

Mr. PLATT, of New York. My colleague, Mr. FREEMAN CLARKE, is detained at home by sickness. I am authorized to state that if here he would vote "ay."

Mr. BECK. My colleague, Mr. JOHN YOUNG BROWN, is absent on account of sickness in his family. If he were present he would vote "no."

Mr. TODD. My colleague, Mr. MOORE, is detained at home by sickness. If here he would vote "no."

The result of the vote was announced as above stated.

The SPEAKER. The question now recurs on the amendment of the gentleman from New York, [Mr. E. H. ROBERTS,] fixing the amount of legal-tenders at $382,000,000, the amount now outstanding, instead of $400,000,000, as proposed in the bill.

Mr. MERRIAM. I rise to a parliamentary inquiry. The amendment to the amendment having been defeated, have I the right to offer an amendment fixing the amount at $400,000,000, $25,000,000 of which shall be the reserve?

The SPEAKER. The previous question operates clear through to the engrossment and third reading of the bill.

Mr. HOLMAN. It is in order, I believe, to reconsider the vote ordering the previous question?

The SPEAKER. It is not. The previous question being partly executed cannot be reconsidered.

Mr. DAWES. I demand the yeas and nays on the pending amendment.

The yeas and nays were ordered.

The question was taken; and there were—yeas 74, nays 171, not voting 45; as follows:

YEAS—Messrs. Albert, Bass, Bromberg, Buffinton, Burchard, Burleigh, Clymer, Cotton, Cox, Crooke, Darrall, Dawes, Eames, Frye, Garfield, Gooch, Eugene Hale, Robert S. Hale, Hamilton, Hancock, Benjamin W. Harris, Joseph R. Hawley, Hendee, Herndon, E. Rockwood Hoar, George F. Hoar, Hooper, Hoskins, Kasson, Kellogg, Kendall, Lawson, Lowndes, Magee, James W. McDill, MacDougall, Mellish, Mitchell, Negmith, Niles, O'Brien, O'Neill, Hosea W. Parker, Parsons, Pendleton, Perry, Phelps, Pierce, Pike, James H. Platt, jr., Poland, Potter, Randall, Read, Rice, Ellis H. Roberts, Sawyer, Henry J. Scudder, Smart, H. Boardman Smith, John Q. Smith, Starkweather, Stone, Storm, Townsend, Tremain, Waldron, Marcus L. Ward, Wheeler, Charles W. Willard, George Willard, Charles G. Williams, and Woodford—74.

NAYS—Messrs. Adams, Archer, Arthur, Ashe, Atkins, Averill, Banning, Barber, Barnum, Barry, Beck, Begole, Bell, Berry, Bland, Blount, Bowen, Bradley, Bright, Buckner, Bundy, Benjamin F. Butler, Caldwell, Cannon, Cason, Cessna, Amos Clark, jr., John B. Clark, jr., Clayton, Clements, Stephen A. Cobb, Coburn, Comingo, Conger, Cook, Corwin, Crossland, Crounse, Crutchfield, Curtis, Danford, Davis, DeWitt, Dobbins, Donnan, Duell, Dunnell, Durham, Eden, Eldredge, Farwell, Field, Fort, Foster, Freeman, Giddings, Glover, Gunckel, Hagans, Harmer, Henry R. Harris, John T. Harris, Harrison, Hatcher, Hathorn, Havens, John B. Hawley, Hays, Gerry W. Hazelton, Hereford, Hodges, Holman, Houghton, Howe, Hubbell, Hunter, Hunton, Hurlbut, Hyde, Hynes, Kelley, Killinger, Knapp, Lamar, Lamport, Lansing, Lawrence, Leach, Lewis, Loughridge, Lowe, Luttrell, Lynch, Marshall, Martin, Maynard, McCrary, Alexander S. McDill, McKee, McNulta, Merriam, Milliken, Monroe, Myers, Neal, Negley, Niblack, Orr, Orth, Packard, Packer, Page, Isaac C. Parker, Pelham, Phillips, Thomas C. Platt, Pratt, Purman, Rainey, Ransier, Rapier, Rawls, Ray, Richmond, Robbins, William R. Roberts, James C. Robinson, James W. Robinson, Ross, Rusk, Henry B. Sayler, Milton Sayler, John G. Schumaker, Isaac W. Scudder, Sener, Sessions, Shanks, Sheats, Sheldon, Sherwood, Lazarus D. Shoemaker, Sloss, A. Herr Smith, J. Ambler Smith, Snyder, Southard, Speer, Sprague, Standeford, Strait, Strawbridge, Taylor, Thornburgh, Todd, Tyner, Vance, Wallace, Walls, Jasper D. Ward, Wells, Whitehead, Whitehouse, Whiteley, Whitthorne, William Williams, William B. Williams, James Wilson, Jeremiah M. Wilson, Wolfe, Wood, Woodworth, John D. Young, and Pierce M. B. Young—173.

NOT VOTING—Messrs. Albright, Barrere, Biery, Brown, Burrows, Roderick R. Butler, Cain, Freeman Clarke, Clinton L. Cobb, Creamer, Crittenden, Crocker, Elliott, John W. Hazelton, Hersey, Jewett, Lamison, Lofland, McJunkin, McLean, Mills, Moore, Morey, Morrison, Negley, Nunn, Scofield, Small, George L. Smith, William A. Smith, Stanard, Stephens, St. John, Stowell, Swann, Sypher, Charles R. Thomas, Christopher Y. Thomas, Waddell, White, Wilber, John M. S. Williams, Willie, Wilshire, and Ephraim K. Wilson—44.

So the amendment was disagreed to.

During the vote,

Mr. PLATT, of New York, said: In behalf of my colleague, Mr. CLARKE, I am requested to say that if he were present he would vote "no."

The vote was then announced as above recorded.

Mr. COBURN. I rise to a parliamentary inquiry. I desire to know whether or not it would be in order to move to recommit this bill, with instructions to report forthwith a certain amendment which I have. It provides for the striking out of the last two lines on page 2 of this bill.

Mr. BECK. I object to debate, and demand the regular order of business.

The SPEAKER. It would not be in order to move an amendment.

Mr. COX. I move to lay the bill on the table.

Mr. RANDALL. I ask consent to have read an amendment I propose to offer.

The SPEAKER. No amendment to the bill is in order as it stands.

Mr. RANDALL. I ask to have this read by consent.

Mr. BECK. I demand the regular order of business.

The SPEAKER. The question is on the amendment of the gentleman from New York, that the bill be laid upon the table.

Mr. HOOPER. I demand the yeas and nays on that motion.

The House divided; and there were—ayes 24, noes not counted.

The SPEAKER. The Chair does not think there are sufficient for the yeas and nays.

Mr. PHELPS demanded tellers.

Tellers were not ordered.

So the yeas and nays were not ordered.

The House refused to lay the bill on the table.

Mr. RANDALL. I make another appeal to have my amendment read.

[Cries of "Regular order!" "Regular order!"]

The SPEAKER. Objection is made. The question now is, shall the bill as it comes from the Committee of the Whole, without amendment, be now engrossed and read a third time?

Mr. DAWES. Let us have the yeas and nays.

Mr. COX. Has the bill been engrossed?

The SPEAKER. It has not.

Mr. COX. Then I make the point.

The SPEAKER. The House has not yet ordered it to be engrossed. [Laughter.]

Mr. COX. I wanted to be in time, as the Chair is so prompt.

Mr. BUTLER, of Massachusetts. I rise to a parliamentary inquiry. Would it be in order now to move to reconsider the vote by which the previous question was ordered?

The SPEAKER. It would not; as the previous question is partly executed, amendments having been twice voted on under it.

Mr. BECK. I demand the yeas and nays.

Mr. HYNES. I rise to a parliamentary question.

Mr. BECK. I wish to have the bill engrossed while the yeas and nays are being called.

Mr. HYNES. Will it not be in order, after this vote, to reconsider the vote by which the previous question was ordered?

The SPEAKER. After this vote?

Mr. HYNES. Yes, sir.

The SPEAKER. The previous question, which was called by the gentleman from Massachusetts, [Mr. DAWES,] exhausts itself upon the engrossment and third reading of the bill. He will then be entitled to the floor on the passage of the bill.

The yeas and nays were ordered.

The question was taken on ordering the bill to be engrossed and read a third time; and there were—yeas 168, nays 80, not voting 42; as follows:

YEAS—Messrs. Adams, Arthur, Ashe, Atkins, Averill, Banning, Barber, Barry, Beck, Begole, Bell, Berry, Bland, Blount, Bowen, Bradley, Bright, Bundy, Benjamin F. Butler, Caldwell, Cannon, Cason, Cessna, Amos Clark, jr., John B. Clark, jr., Clements, Stephen A. Cobb, Coburn, Comingo, Conger, Cook, Corwin, Crooke, Crossland, Crounse, Crutchfield, Curtis, Danford, Davis, Dobbins, Donnan, Duell, Dunnell, Durham, Eden, Eldredge, Farwell, Field, Fort, Foster, Freeman, Giddings, Glover, Gunckel, Hagans, Harmer, Henry R. Harris, John T. Harris, Harrison, Hatcher, Hathorn, Havens, John B. Hawley, Hays, Gerry W. Hazelton, Hereford, Holman, Houghton, Howe, Hubbell, Hunter, Hunton, Hurlbut, Hyde, Kasson, Killinger, Knapp, Lamar, Lamison, Lamport, Lansing, Lawrence, Leach, Lewis, Loughridge, Lowe, Lynch, Marshall, Martin, Maynard, McCrary, Alexander S. McDill, James W. McDill, McKee, McLean, McNulta, Milliken, Monroe, Myers, Neal, Niblack, O'Neill, Orr, Orth, Packard, Packer, Isaac C. Parker, Pelham, Phillips, James H. Platt, jr., Thomas C. Platt, Pratt, Rainey, Ransier, Rapier, Rawls, Ray, Rice, Richmond, Robbins, William R. Roberts, James C. Robinson, James W. Robinson, Ross, Rusk, Henry B. Sayler, Milton Sayler, John G. Schumaker, Isaac W. Scudder, Sener, Sessions, Shanks, Sheats, Sheldon, Sherwood, Lazarus D. Shoemaker, Sloss, A. Herr Smith, H. Boardman Smith, J. Ambler Smith, Southard, Speer, Sprague, Standeford, Strait, Strawbridge, Taylor, Thornburgh, Todd, Tyner, Vance, Wallace, Jasper D. Ward, Wells, Whitehead, Whiteley, Whitthorne, Charles G. Williams, William Williams, William B. Williams, Willie, James Wilson, Jeremiah M. Wilson, Wolfe, Wood, Woodworth, John D. Young, and Pierce M. B. Young—168.

NAYS—Messrs. Albert, Archer, Barnum, Bass, Bromberg, Buckner, Buffinton, Burchard, Burleigh, Clayton, Clymer, Cotton, Cox, Dawes, DeWitt, Eames, Frye, Garfield, Gooch, Eugene Hale, Robert S. Hale, Hancock, Benjamin W. Harris, Joseph R. Hawley, Hendee, Herndon, E. Rockwood Hoar, George F. Hoar, Hodges, Hooper, Hoskins, Hynes, Kelley, Kellogg, Kendall, Lawson, Lowndes, Luttrell, Magee, MacDougall, Mellish, Merriam, Mitchell, Negley, Nesmith, Niles, O'Brien, Page, Hosea W. Parker, Parsons, Pendleton, Perry, Phelps, Pierce, Pike, Poland, Potter, Randall, Read, Ellis H. Roberts, Sawyer, Scofield, Henry J. Scudder, Smart, John Q. Smith, Snyder, Starkweather, Stone, Storm, Townsend, Tremain, Waldron, Walls, Marcus L. Ward, Wheeler, Whitehouse, Charles W. Willard, George Willard, Ephraim K. Wilson, and Woodford—80.

NOT VOTING—Messrs. Albright, Barrere, Biery, Brown, Burrows, Roderick R. Butler, Cain, Freeman Clarke, Clinton L. Cobb, Creamer, Crittenden, Crocker, Darrall, Elliott, Hamilton, John W. Hazelton, Hersey, Jewett, Lofland, McJunkin, Mills, Moore, Morey, Morrison, Nunn, Purman, Small, George L. Smith, William A. Smith, Stanard, Stephens, St. John, Stowell, Swann, Sypher, Charles R. Thomas, Chrisopher Y. Thomas, Waddell, White, Wilber, John M. S. Williams, and Wilshire—42.

So the bill was ordered to be engrossed and read a third time.

During the vote,

Mr. PELHAM said: My colleague, Mr. WHITE, is confined to his room at the hotel by sickness. He had a chill last night, and at 12 o'clock was suffering from high fever. He could not be in the House to-day.

Mr. CONGER. My colleague, Mr. BURROWS, is absent on pressing business by leave of the House; and if here he ought to vote "ay." [Laughter.]

Mr. FRYE. I wish to say that my colleague, Mr. HERSEY, is detained from the House by illness.

Mr. PLATT, of New York. My colleague, Mr. CLARKE, is detained from the House by illness; if here he would vote "no."

The vote was then announced as above recorded.

Mr. DAWES. I now demand the previous question on the passage of the bill.

Mr. BUTLER, of Massachusetts. I rise to a privileged motion to reconsider.

The SPEAKER. The bill having been ordered to be engrossed and read a third time, it will now be read the third time.

The bill was read the third time.

Mr. DAWES. I move the previous question on the passage of the bill.

Mr. BUTLER, of Massachusetts. I rise to a privileged motion. I move to reconsider the last vote.

Mr. BECK. And I move to lay that motion on the table.

Mr. BUTLER, of Massachusetts. I am on the floor, and I do not yield to the gentleman from Kentucky to make that motion. I desire to say a few words in advocacy of the motion to reconsider. I have refrained up to this time from taking any part in this debate.

Mr. E. R. HOAR. I rise to make a parliamentary inquiry. I wish to know if the gentleman from Massachusetts [Mr. BUTLER] voted in the affirmative on the last vote?

Mr. BUTLER, of Massachusetts. I did.

Mr. DAWES. I rise to a question of order. The question on which the House last voted was not debatable, and I raise the question whether a motion to reconsider a non-debatable motion is itself debatable.

The SPEAKER. The Chair would overrule the point of order raised by the gentleman from Massachusetts, [Mr. DAWES,] but the Chair reaches the same conclusion by another mode of reasoning. The operation of the previous question was exhausted on the vote that the bill be engrossed and read a third time; and the bill being divested of the previous question, a motion to reconsider is debatable. But it is not debatable, pending the demand for the previous question on the passage of the bill, until the House settles that.

Mr. BUTLER, of Massachusetts. Does it become debatable then?

The SPEAKER. It is not debatable pending that. If the House should vote down the demand for the previous question on the passage of the bill, then the gentleman from Massachusetts [Mr. BUTLER] would be entitled to the floor. After a close examination of the rules the Chair states that the gentleman having charge of the bill has the right at this stage to move the previous question upon its passage. And the House will observe that this still leaves it entirely within the power of the majority of the House to decide. If the House decides not to order the previous question on the passage of the bill, of course it is thrown open to debate on a motion to reconsider the vote ordering the engrossment, or to recommit with amendments, or sundry and divers other motions. But the motion which the House has the first right to determine and settle is, whether it will second the demand for the previous question on the motion for the passage of the bill, and that demand the gentleman in charge of the bill makes.

Mr. COBURN. Would it then be in order to move to recommit with instructions?

The SPEAKER. If the House refuses to second the previous question on the passage of the bill, it will then be in order to move to recommit the bill with instructions; and it will then also be in order for the gentleman from Massachusetts [Mr. BUTLER] to debate the bill on the motion to reconsider the vote ordering the engrossment.

Mr. BUTLER, of Massachusetts. Will the Chair hear this question of parliamentary law: Whether or not it would be in order now to move to reconsider the vote for the third reading and engrossment of the bill? If I cannot debate, can I have a vote on the reconsideration?

The SPEAKER. Undoubtedly.

Mr. BUTLER, of Massachusetts. Then why not have debate on what you can have a vote upon?

The SPEAKER. Because you did not have a debate on the direct question, on which there was the vote which you move to reconsider. Why should you have a debate backwards any more than forwards on the question? You have just the same right precisely now as before. The gentleman from Massachusetts [Mr. BUTLER] can move to reconsider, and has the right to have that question determined, but not to debate it pending the demand for the previous question on the passage of the bill.

Mr. BUTLER, of Massachusetts. Then I withdraw the motion to reconsider.

The question being taken on seconding the previous question on the passage of the bill, there were—ayes 156, noes 34.

So the previous question was seconded and the main question ordered, which was on the passage of the bill.

Mr. POTTER. On that question I call for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 168, nays 77, not voting 45; as follows:

YEAS—Messrs. Adams, Arthur, Ashe, Atkins, Averill, Banning, Barber, Barry, Beck, Begole, Bell, Bland, Blount, Bowen, Bradley, Bright, Bundy, Benjamin F. Butler, Caldwell, Cannon, Cason, Cessna, Amos Clark, jr., John B. Clark, jr., Clements, Stephen A. Cobb, Coburn, Comingo, Conger, Cook, Corwin, Crooke, Crossland, Crounse, Crutchfield, Curtis, Danford, Darrall, Davis, Dobbins, Donnan, Duell, Dunnell, Durham, Eden, Eldredge, Farwell, Field, Fort, Foster, Freeman, Giddings, Glover, Gunckel, Hagans, Harmer, Henry R. Harris, John T. Harris, Harrison, Hatcher, Hathorn, Havens, John B. Hawley, Hays, Gerry W. Hazelton, Hereford, Holman, Houghton, Howe, Hubbell, Hunter, Hunton, Hurlbut, Hyde, Kasson, Killinger, Knapp, Lamar, Lamport, Lansing, Lawrence, Leach, Lewis, Loughridge, Lowe, Lynch, Marshall, Martin, Maynard, McCrary, Alexander S. McDill, James W. McDill, McKee, McLean, McNulta, Milliken, Monroe, Myers, Neal, Negley, Niblack, O'Neill, Orr, Orth, Packard, Packer, Isaac C. Parker, Pelham, Phillips, James H. Platt, jr., Thomas C. Platt, Pratt, Purman, Rainey, Ransier, Rapier, Rawls, Ray, Rice, Richmond, Robbins, William R. Roberts, James C. Robinson, James W. Robinson, Ross, Rusk, Henry B. Sayler, Milton Sayler, Isaac W. Scudder, Sener, Sessions, Shanks, Sheats, Sheldon, Sherwood, Lazarus D. Shoemaker, Sloss, A. Herr Smith, H. Boardman Smith, J. Ambler Smith, Southard, Speer, Sprague, Standeford, Strait, Strawbridge, Taylor, Thornburgh, Todd, Tyner, Vance, Wallace, Walls, Jasper D. Ward, Wells, Whitehead, Whiteley, Whitthorne, Charles G. Williams, William Williams, William B. Williams, Willie, James Wilson, Jeremiah M. Wilson, Wolfe, Wood, Woodworth, John D. Young, and Pierce M. B. Young—169.

NAYS—Messrs. Albert, Archer, Barnum, Bass, Bromberg, Buckner, Buffinton, Burchard, Burleigh, Clayton, Clymer, Cotton, Cox, Dawes, DeWitt, Eames, Frye, Garfield, Gooch, Eugene Hale, Robert S. Hale, Hancock, Benjamin W. Harris, Joseph R. Hawley, Hendee, Herndon, E. Rockwood Hoar, George F. Hoar, Hodges, Hooper, Hoskins, Hynes, Kelley, Kellogg, Kendall, Lawson, Lowndes, Luttrell, Magee, MacDougall, Mellish, Merriam, Mitchell, Niles, O'Brien, Page, Hosea W. Parker, Parsons, Pendleton, Perry, Phelps, Pierce, Pike, Poland, Potter, Randall, Read, Ellis H. Roberts, Sawyer, John G. Schumaker, Scofield, Henry J. Scudder, Smart, John Q. Smith, Snyder, Starkweather, Stone, Storm, Townsend, Tremain, Waldron, Marcus L. Ward, Wheeler, Whitehouse, Charles W. Willard, George Willard, and Woodford—77.

NOT VOTING—Messrs. Albright, Barrere, Berry, Biery, Brown, Burrows, Roderick R. Butler, Cain, Freeman Clarke, Clinton L. Cobb, Creamer, Crittenden, Crocker, Elliott, Hamilton, John W. Hazelton, Hersey, Jewett, Lamison, Lofland, McJunkin, Mills, Moore, Morey, Morrison, Nesmith, Nunn, Small, George L. Smith, William A. Smith, Stanard, Stephens, St. John, Stowell, Swann, Sypher, Charles R. Thomas, Christopher Y. Thomas, Waddell, White, Wilber, John M. S. Williams, Wilshire, and Ephraim K. Wilson—44.

So the bill was passed.

Mr. BECK. I move to reconsider the vote by which the bill was passed; and also move that the motion to reconsider be laid on the table.

Mr. BUTLER, of Massachusetts. Will the gentleman from Kentucky withdraw the motion to lay on the table for a moment?

Mr. BECK. I must insist on the regular order.

Mr. BUTLER, of Massachusetts. I ask a single moment.

Mr. BECK. Very well.

Mr. BUTLER, of Massachusetts. I only desire to say that I have voted for this bill in part, because, representing the interests of New England, I did not think it worth while to peril all those interests by flinging her directly in the face of the whole country.

Mr. BECK. I now ask for a vote on my motion.

The question was put on Mr. BECK's motion, and it was agreed to.

So the motion to reconsider was laid upon the table.

The SPEAKER. The Chair could not at the moment place his eye on the rule which he was compelled to enforce a moment ago, but he now directs the Clerk to read it.

The Clerk read as follows:

It is in order, pending the demand for the previous question on the passage of a bill, to move a reconsideration of the vote on its engrossment. But such motion is not debatable under the practice which has prevailed for many years.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. SYMPSON, one of its clerks, informed the House that the Senate had passed, without amendment, the bill (H. R. No. 485) to authorize the Secretary of the Treasury to issue an American register to the schooner Carrie, of Eastport, Maine.

The message further informed the House that the Senate had passed a bill (S. No. 212) authorizing the Secretary of the Interior to use, for the removal of the Kickapoos and other Indians on the borders of Texas and Mexico, to the Indian Territory, and for their support after such removal, the unexpended balances of appropriations made for the above purpose, by acts approved July 15, 1870, and March 3, 1871, in which the concurrence of the House was requested.

PREVENTION OF CRUELTY TO ANIMALS.

Mr. HAYS, by unanimous consent, from the Committee on Agriculture, reported a bill (H. R. No. 2650) to amend the act entitled "An act to prevent cruelty to animals while in transit by railroad or other means of transportation within the United States," approved March 3, 1873; which was read a first and second time, ordered to be printed, and recommitted to the committee.

INDIAN EXPENSES.

Mr. HANCOCK. I move to suspend the rules for the purpose of passing a bill from the Committee on Appropriations, reappropriating certain unexpended balances of appropriations for the removal of Indians.

The bill was read.

The first section reappropriates the unexpended balance of the appropriations made by the acts of July 15, 1870, and March 3, 1871, for the removal of the Kickapoo and other American Indian tribes roving on the borders of Mexico and Texas, to reservations within the Territories of the United States, and for their settlement and subsistence on such reservations, and authorizes the Secretary of the Interior to use said unexpended balances to defray the expenses incurred by the removal of said Kickapoo Indians, and locating and subsisting them in the Indian Territory, provided that the amount shall be in full of all expenses and obligations incurred in the removal of said Indians; and that the Secretary of the Interior, in disbursing the same, shall see that all promises and obligations incurred by the commissioners appointed to remove said Indians shall be fully met and discharged from the said amount.

The second section authorizes the Secretary of the Interior to expend, for the purpose of defraying the expenses incurred and to be incurred for the removal of the Winnebago Indians, in Wisconsin, from their present home in that State to their reservation in Nebraska, and for their subsistence during such removal and in their new home, the unexpended balance of the sum of $36,000, or as much thereof as may be necessary, appropriated by the sixth section of the act of May 29, 1872, for said purpose, the amount to be in full of all expenses and obligations incurred in the removal of the Indians; and the Secretary of the Interior, in disbursing the same, is to see that all promises and obligations incurred to the said Indians shall be fully met and discharged from the amount.

The motion to suspend the rules was seconded; and the question being put, the rules were suspended, (two-thirds voting in favor thereof,) and the bill (H. R. No. 2651) was passed.

LOUISVILLE AND PORTLAND CANAL.

The SPEAKER. The gentleman from Indiana [Mr. HOLMAN] has had a bill before the House as a special order for several Mondays, in relation to the Louisville and Portland Canal. As the day has been taken up by other business, he desires that it be continued as the special order for Monday next, on the same conditions. If there be no objection, it will be so ordered. The Chair hears none. And, indeed, the bill would remain the special order under the rules.

AMENDMENTS TO LEGISLATIVE, ETC., APPROPRIATION BILL.

Mr. G. F. HOAR. I move that the rules be suspended, so that it shall be in order to offer what I send to the Clerk's desk as an amendment to the legislative, &c., appropriation bill in Committee of the Whole on the state of the Union.

The SPEAKER. There are two or three amendments of this character which gentlemen desire to offer, and as the bill is now pending, the Chair thinks it right that the House should have an opportunity to decide upon them to-day, because if they are not decided on to-day it will be too late.

The Clerk read Mr. G. F. HOAR's proposition, as follows:

That no civil officer of the Government shall hereafter receive any compensation or perquisites, directly or indirectly, from the Treasury or property of the United States, or shall make any private use of such property, or of the services or labor of any person in the employment or service of the United States, which service or labor is paid for by the United States: *Provided*, That this shall not be construed to deprive any officer of the United States of such fees as are or may be expressly provided by law in addition to the salary of such officer, or of the use of such property as may be expressly by law appropriated to the use of such officer.

The motion to suspend the rules was then seconded.

The question was taken on the motion to suspend the rules; and (two-thirds voting in favor thereof) the rules were suspended, and the amendment was made in order to the legislative, &c., appropriation bill.

Mr. SMITH, of Pennsylvania. I move that the rules be so suspended that it may be in order for me to move the following amendment to the legislative, executive, and judicial appropriation bill, when its consideration shall again be resumed in Committee of the Whole:

Provided, That Senators, Representatives, and Delegates in Congress shall, from the first Monday in December, 1874, be paid only the actual individual traveling expenses incurred in going to and returning from their residences to the seat of Government by the most direct route of usual travel, once each session of the House to which such Senators, Representatives, or Delegates belong, to be certified under their hands to the disbursing officer of each House, and filed as a voucher.

The question was taken on seconding the motion to suspend the rules; and upon a division there were—ayes 68, noes 86.

So the motion was not seconded.

Mr. HALE, of New York. I move that the rules be suspended so that it shall be in order to offer in Committee of the Whole an amendment to the legislative, executive, and judicial appropriation bill repealing so much of the act entitled "An act to provide for the election of a Government Printer," approved February 22, 1867, as provides for the election of such printer by the Senate, and as declares such printer an officer of the Senate; and providing for the appointment of such officer, when a vacancy shall hereafter occur, by the President, by and with the advice and consent of the Senate, or in any other constitutional manner.

The motion to suspend the rules was seconded, and the motion agreed to, two-thirds voting in favor thereof.

JOHN J. GUTHRIE.

Mr. PLATT, of Virginia, by unanimous consent, introduced a bill (H. R. No. 2652) relieving the legal and political disabilities of John J. Guthrie, of North Carolina; which was read three times and passed, two-thirds voting in favor thereof.

TELEGRAPH IN SOUTH WING OF CAPITOL.

Mr. PIERCE moved to suspend the rules, and adopt the following preamble and resolution:

Whereas there is reason to believe that important telegraphic dispatches recently sent from this city have been surreptitiously obtained by unprincipled persons, and it appears that the insufficient protection of the telegraphic apparatus in the various places in the south wing of the Capitol renders it very easy for unprincipled persons to get copies of private telegrams by listening to the operations of the instrument: Now, therefore, be it

Resolved, That the architect of the Capitol be, and he is hereby, directed to cause the telegraphic instruments located in the corridors and galleries of the south wing of the Capitol to be so isolated that it shall be impossible for any unauthorized person to hear and obtain the messages sent to or from this wing of the Capitol.

The motion to suspend the rules was seconded, and the motion agreed to, two-thirds voting in favor thereof.

INFECTIOUS AND CONTAGIOUS DISEASES.

The SPEAKER. There comes over from Monday last a motion submitted by the gentleman from Alabama [Mr. BROMBERG] to so suspend the rules as to make a special order for Monday next the bill in relation to the importation of infectious and contagious diseases. The Louisville and Portland Canal bill has been made the order for Monday next immediately after the morning hour. The question will now be put upon suspending the rules and making the bill of the gentleman from Alabama [Mr. BROMBERG] the special order for Monday next, after the disposal of the Louisville and Portland Canal bill.

The question was taken on seconding the motion, and upon a division there were—ayes 52, noes 51; no quorum voting.

Tellers were ordered; and Mr. BROMBERG and Mr. COX were appointed.

The House again divided; and the tellers reported that there were—ayes 101, noes 42.

So the motion was seconded.

The question was then taken on suspending the rules, and upon a division there were—ayes 101, noes 45.

Before the result of this vote was announced Mr. COX called for tellers.

Tellers were not ordered, there being but 17 in the affirmative, not one-fifth of a quorum.

The rules were accordingly suspended, and the order made.

LEGISLATIVE, ETC., APPROPRIATION BILL.

Mr. GARFIELD. I move to so suspend the rules as to make in order the clause on page 21 of the printed legislative, executive, and judicial appropriation bill, which reduces the pay of gaugers.

The motion was seconded and agreed to, two-thirds voting in favor thereof.

Mr. GARFIELD. I further move to suspend the rules and make in order the last two sections of the same bill. I ask the Clerk to read those sections.

The Clerk read the sections as follows:

SEC. 3. That hereafter the rooms of each Department shall be kept open for public business, and the clerical and other force therein shall be employed, not less than seven hours in each working-day, from which time an intermission, not exceeding one-half hour each day, may be taken, under rules to be established by the head of each Department.

SEC. 4. That on the 1st day of July of each year the Secretary of the Treasury shall cause all unexpended balances of appropriations, which shall have remained upon the books of the Treasury for two fiscal years, to be carried to the surplus fund.

Mr. KELLOGG. I am opposed to the third section; I do not think it is appropriate to the bill.

The SPEAKER. Debate is not in order.

The motion to suspend the rules was seconded, and agreed to upon a division—ayes 98, noes not counted—two-thirds voting in favor thereof.

BANKRUPT LAW.

Mr. TREMAIN. I am instructed by the Committee on the Judiciary to move to so suspend the rules that the House shall pass the following resolution:

Resolved, That the House does not concur in the amendments of the Senate to the bill repealing the bankrupt law, and requests a committee of conference.

Mr. RANDALL. That will put the whole matter in the power of three members of this House. I would inquire of the gentleman if the Senate amendments have been considered in full by the Committee on the Judiciary?

Mr. TREMAIN. Not all; partly.

The motion to suspend the rules was not seconded upon a division—ayes 35, noes not counted.

ADDITIONAL JUDICIAL DISTRICT IN NEW YORK.

Mr. SMITH, of New York. I move to so suspend the rules as to bring before the House for consideration at this time the bill for the creation of a fourth judicial district in the State of New York. I make this motion on behalf of twenty-nine members of this House, the entire delegation from New York, with the exception of certain gentlemen who are out of the city. If the House will take up the bill the vote shall be taken after fifteen minutes for explanation. As the House is aware, the late judge of the northern district of New York is dead, and there are reasons which make it desirable that the bill should be acted upon at once.

The question was taken on seconding the motion; and upon a division there were—ayes 75, noes 63; no quorum voting.

Tellers were ordered; and Mr. SMITH, of New York, and Mr. RANDALL were appointed.

The House again divided; and the tellers reported that there were—ayes 86, noes 60.

So the motion was seconded.

The question being taken on the motion to suspend the rules and bring the bill before the House, there were—ayes 69, noes 59; no quorum voting.

The SPEAKER. Two-thirds have not voted in the affirmative. Is a further count insisted upon?

Mr. SMITH, of New York. Yes, sir. I hope the House understands that I have simply asked the opportunity of making an explanation of this bill, and then taking a vote, so that the matter can be put at rest. It is a matter of great importance; and the delegation from the State of New York ask it. Are we asking anything unreasonable?

Mr. SPEER. I object to debate.

Mr. HOLMAN. I move that the House now adjourn.

Mr. SMITH, of New York. I call for a further count.

Mr. WOOD. My colleague [Mr. SMITH] is not authorized to state that the whole delegation from the State of New York is in favor of this proposition.

Mr. SMITH, of New York. I simply said (if my colleague will pardon me) that the whole delegation was asking for the consideration of the measure.

Tellers were ordered; and Mr. SMITH, of New York, and Mr. RANDALL were appointed.

The House divided; and the tellers reported—ayes 95, noes 54.

So (two-thirds not voting in favor thereof) the motion to suspend the rules was not agreed to.

PAY OF MAIL AGENTS AND CONTRACTORS.

Mr. YOUNG, of Georgia. I move to suspend the rules and pass a bill to authorize payment of mail agents and mail contractors for services rendered previous to April 4, 1861.

The bill was read. It directs the Secretary of the Treasury to pay to mail contractors and mail agents, for services rendered by them previous to April 4, 1861, such sums of money as may be justly due them under the contracts of the Government of the United States; but no money is to be paid under this act on any account which is not already audited by the proper auditing officer of the Post-Office Department, existing law to the contrary notwithstanding.

Mr. GARFIELD. I desire to say that this subject is before the Committee on Appropriations. A long communication from the Postmaster-General is in the hands of the committee, and they are discussing the question how much ought to be appropriated for this service. I hope we shall not make an appropriation in this summary way, and an indefinite appropriation, too.

Mr. MAYNARD. I fear that, legislating in this way, we shall not cover all cases that ought to be covered. I trust that this matter will be carefully examined by some appropriate committee before the House acts upon it finally.

Mr. GARFIELD. We have before our committee a lengthy communication from the Postmaster-General on the subject, and we expect to report upon the matter.

Mr. YOUNG, of Georgia. This bill only covers those cases which have been audited. These claims have been pending nine years. The majority of the House, having absolute control of legislation here, has been very kind in removing, so far as this House is concerned, the political disabilities of every man in the South; and this is a measure in the same direction. These accounts are just, the services have been performed by these people under legal contracts with the Government, and I hope the House will now pass this bill.

A MEMBER. What amount does it cover?

Mr. YOUNG, of Georgia. About $200,000.

Mr. GARFIELD. It is asking a good deal to expect the House to pass a bill for so large an amount in this hasty manner.

Mr. YOUNG, of Georgia. The House has once passed the bill.

The question being taken on seconding the motion to suspend the rules, there were—yeas 58, noes not counted.

So the motion was not seconded.

MESSAGE FROM THE PRESIDENT.

A message, in writing, from the President of the United States was presented by Mr. LUCKEY, one of his secretaries; who also announced that the President had approved and signed bills of the following titles:

An act (H. R. No. 1015) to authorize the President to accept, for citizens of the United States, the jurisdiction of certain tribunals in the Ottoman dominions and Egypt, established, or to be established, under the authority of the Sublime Porte and of the government of Egypt;

An act (H. R. No. 1577) for the relief of Susan L. Galloway;

An act (H. R. No. 1956) for the relief of Willard Davis; and

An act (H. R. No. 2228) to authorize the Secretary of the Treasury to change the name of the propeller William M. Tweed, of Buffalo.

STAMPS ON MATCHES AND BANK-CHECKS.

Mr. LAWRENCE, by unanimous consent, submitted the following resolution; which was read, considered, and agreed to:

Resolved, That the Committee on Ways and Means be, and are hereby, instructed to inquire into the expediency of dispensing with stamps on matches and bank-checks, and of reviving in lieu thereof the internal-revenue tax on lotteries, theaters, and places of public amusement.

SUSPENSION OF WORK ON PUBLIC BUILDINGS.

Mr. PLATT, of Virginia, by unanimous consent, from the Committee on Public Buildings and Grounds, reported a bill (H. R. No. 2653) to authorize the Secretary of the Treasury to suspend work on the public buildings; which was read a first and second time, ordered to be printed, and recommitted, not to be brought back by a motion to reconsider.

And then, on motion of Mr. HOLMAN, (at four o'clock and twenty minutes p. m.) the House adjourned.

PETITIONS, ETC.

The following memorials, petitions, and other papers were presented at the Clerk's desk under the rule, and referred as stated:

By Mr. ATKINS: The petition of Terence Kirby, a soldier of the war of 1812, for a pension, to the Committee on Revolutionary Pensions and War of 1812.

By Mr. BANNING: The petition of John Harrison, for arrears of pension, to the Committee on Invalid Pensions.

By Mr. BASS: The remonstrance of the mayor and 500 other citizens of Buffalo, New York, against the passage of the bill authorizing the employment of aliens as engineers and pilots on our inland lakes, to the Committee on Commerce.

Also, the remonstrance of E. C. Pattison and others, of Buffalo, of similar import, to the Committee on Commerce.

By Mr. BEGOLE: Resolutions of the Legislature of Michigan, in favor of the repeal of existing provisions of law which prohibit free exchange between newspapers and other periodicals, and the free circulation of weekly papers in the county where published, to the Committe on the Post-Office and Post-Roads.

By Mr. BERRY: The petition of Albert Grant, for the reference to the Court of Claims of his claim for compensation for extra work in the construction of a store-house at the Schuylkill arsenal, to the Committee on Claims.

By Mr. BLAND: The petition of citizens of Salem, Missouri, for a post-route from Salem to Licking, Missouri, to the Committee on the Post-Office and Post-Roads.

By Mr. BROMBERG: The petition of the Medical College of Alabama, located at Mobile, for compensation for the use and occupation for two years of their college building by the Freedmen's Bureau, to the Committee on Claims.

By Mr. BUTLER, of Massachusetts: The petition of Gideon J. Pillow, to be compensated for property taken during the rebellion, while he was in the confederate service, to the Committee on War Claims.

By Mr. CLAYTON: Resolutions of the Legislature of California, in relation to mail service between San Diego and Julian, to the Committee on the Post-Office and Post-Roads.

By Mr. CLEMENTS: The petition of James H. Linn, late acting first assistant engineer in charge of the Mississippi squadron, for relief, to the Committee on Naval Affairs.

By Mr. COBURN: The petition of Jacob Bible, late private Eighth Tennessee Volunteers, for relief, to the Committee on Military Affairs.

By Mr. DARRALL: The petition of the mayor and council of the city of Baton Rouge, Louisiana, for the grant of certain public grounds in that city for the purpose of a public park, to the Committee on Military Affairs.

By Mr. DONNAN: The petition of Harriette A. Woodruff, of Independence, Iowa, for a pension, to the Committee on Invalid Pensions.

By Mr. FARWELL: Several remonstrances of residents of Chicago, against the passage of the bill authorizing the employment of aliens who declare their intention to become citizens to act as engineers, pilots, &c., on our inland lakes, to the Committee on Commerce.

By Mr. FREEMAN: The petition of Martha E. Simms, of Georgia, for relief, to the Committee on War Claims.

By Mr. HAILEY: Several petitions of citizens of Idaho Territory, for the passage of the Portland, Dalles and Salt Lake Railroad bill, to the Committee on Railways and Canals.

By Mr. HARRIS, of Georgia: The petition of Mary A. Buie, to be indemnified for eight hundred bales of cotton in one lot, and four hundred and fifty bales in another lot, taken possession of by officers of the Federal Army upon the fall of the city of Wilmington, in North Carolina, in 1865, with vouchers, evidence, &c., to the Committee on the Judiciary.

By Mr. HATCHER: A paper for the establishment of additional post-routes in the State of Missouri, to the Committee on the Post-Office and Post-Roads.

By Mr. HATHORN: The petition of James Wyman, of Stillwater, Saratoga County, New York, for the extension of letters-patent, to the Committee on Patents.

By Mr. HAYS: The petition of S. C. Greene, late commissary of subsistence of volunteers, for relief, to the Committee on Military Affairs.

By Mr. HENDEE: The petition of T. Roessle & Son, and 125 others, business men and firms of Washington, District of Columbia, for the grant of a charter for the construction of new gas-works in the city of Washington, District of Columbia, to Joseph H. Berret, Robert B. Coleman, W. Herrick, and their associates, to the Committee on the District of Columbia.

By Mr. HURLBUT: The petition of La Fayette McGowan, for a pension, to the Committee on Invalid Pensions.

Also, the petition of 38 discharged soldiers of Wyoming, Iowa, for amendment of the provisions of law relating to the commencement of pensions, to the Committee on Invalid Pensions.

By Mr. HYNES: The petition of Almira H. Thompson, of Westfield, New York, for relief, to the Committee on Claims.

Also, the petition of Marcus L. Bell for leave to amend notice of contest, and for extension of time for taking testimony in contested election of Bell *vs.* Snyder, to the Committee on Elections.

By Mr. LEWIS: The petition of Sarah W. Jones, widow of ex-Governor James C. Jones, of Tennessee, for relief, to the Committee on War Claims.

By Mr. LOUGHRIDGE: The memorial of the delegates of the Chickasaw Nation, in relation to the payment of arrears of interest due said nation, to the Committee on Appropriations.

By Mr. LUTTRELL: Resolutions of the Legislature of California, requesting that all lands heretofore granted to the Atlantic and Pacific Railroad north of the town of Santa Barbara be restored to the public domain and opened to pre-emption, to the Committee on the Public Lands.

By Mr. MARTIN: The petition of Jacob H. Eppler, late of Company B, Eleventh Indiana Volunteers, to be placed on the pension-rolls, to the Committee on Invalid Pensions.

By Mr. NESMITH: The petition of citizens of Oregon, for the passage of the Portland, Dalles and Salt Lake Railroad bill, to the Committee on Railways and Canals.

Also, the petition of citizens of Grand Ronde Valley, Oregon, for a mail-route from Summerville, Oregon, to Walla Walla, Washington Territory, to the Committee on the Post-Office and Post-Roads.

By Mr. O'BRIEN: The memorial of vinegar manufacturers, against reducing the duty on vinegar, to the Committee on Ways and Means.

By Mr. PHELPS: The petition of citizens of Bergen Point, New Jersey, for the appointment of a commission of inquiry concerning the alcoholic liquor traffic, to the Committee on the Judiciary.

By Mr. ROBINSON, of Ohio: The petition of the Congregational church of Marysville, Ohio, by Rev. W. E. Lincoln, pastor, of similar import, to the Committee on the Judiciary.

By Mr. ROSS: The petition of citizens of Emporium, Pennsylvania, for increase of currency circulation and free banking, to the Committee on Banking and Currency.

By Mr. RUSK: The petition of citizens of Eau Claire, Wisconsin, for the improvement of the Chippewa River, to the Committee on Commerce.

By Mr. SCOFIELD: The memorial of Captain A. G. Clary, United States Navy, asking restoration of rank, to the Committee on Naval Affairs.

By Mr. SHERWOOD: The petition of 200 soldiers of Northwestern Ohio, for the equalization of bounties, to the Committee on Military Affairs.

By Mr. SHOEMAKER, of Pennsylvania: The petition of 50 employés of the Lackawanna Iron and Coal Company, of Scranton, Pennsylvania, in opposition to the imposition of a tariff duty on tea and coffee; in opposition to any increase in internal taxes; and in favor of the repeal of the second section of the act of June 6, 1872, which reduced by 10 per cent. the duties on foreign imports, to the Committee on Ways and Means.

By Mr. SMITH, of Ohio: The petition of E. Jacobs, United States consul at Montevideo, asking relief, to the Committee on Foreign Affairs.

My Mr. SPEER: The petition of Michael Quarry, of Huntingdon, Pennsylvania, for a pension from March 4, 1872, to the Committee on Invalid Pensions.

By Mr. STORM: A paper for the establishment of a post-route from Lordsville, Delaware County, New York, to Starrucca Depot, Susquehanna County, Pennsylvania, to the Committee on the Post-Office and Post-Roads.

By Mr. THORNBURGH: The petition of George W. Bird, of Knox County, Tennessee, for relief, to the Committee on Military Affairs.

By Mr. TOWNSEND: The petition of Jesse D. Sharpless and others, of Pennsylvania, for the appointment of a commission of inquiry concerning the alcoholic liquor traffic, to the Committee on the Judiciary.

By Mr. WILLARD, of Michigan: Resolutions of the Legislature of Michigan, in favor of the repeal of the provisions of law which prohibit free exchange between newspapers and other periodicals, and the free circulation of weekly papers in the county where published, to the Committee on the Post-Office and Post-Roads.

By Mr. WILLIAMS, of Indiana: Papers relating to the claim for relief of Henry Leef, owner, and John McKee, supercargo, of the bark Mary Teresa, seized in the port of Bahia, Brazil, by the United States consul, to the Committee on Claims.

By Mr. WOLFE: The petition of James G. Harrison, of New Albany, Indiana, for relief, to the Committee on Claims.

IN SENATE.

TUESDAY, *March* 24, 1874.

Prayer by Rev. JOHN E. TWITCHELL, D. D., of Cleveland, Ohio.

On motion of Mr. KELLY, and by unanimous consent, the reading of the Journal of yesterday's proceedings was dispensed with.

PETITIONS AND MEMORIALS.

Mr. KELLY. I present sundry petitions from a number of citizens of Oregon, asking the Senate to investigate certain charges which they prefer against Hon. JOHN H. MITCHELL, being similar to the petition which I presented a month or so ago. I move the reference of these petitions to the Committee on Privileges and Elections.

The motion was agreed to.

Mr. BOGY presented the petition of Casper Gimber, praying payment for property destroyed by military order; which was referred to the Committee on Claims.

Mr. SCOTT presented a petition of citizens of Blair County, Pennsylvania, deprecating the restoration of the duties on tea and coffee, or a revival or increase of internal taxes, and praying for the repeal of section 2 of the act of June 6, 1872, reducing certain duties 10 per cent.; which was referred to the Committee on Finance.

Mr. DENNIS presented a memorial of citizens of Baltimore, merchants engaged in the wholesale and retail hat business, protesting against any further extension of the patent granted to Henry A. Wells for forming hat-bodies; which was referred to the Committee on Patents.

Mr. WEST. I present the memorial of Orleans Grange No. 53, Order of Patrons of Husbandry, Louisiana, praying for the increase of the duties on sugars. The relief asked for, Mr. President, by these memorialists is probably not within reach during the present session of Congress; but I take occasion to say that my investigation of the subject of this memorial has satisfied me that the present method of imposing duties upon sugars conduces to fraud upon the revenue; that is to say, the duty is imposed by color instead of quality; and on the proper occasion, when the subject comes before the Senate, I will endeavor to demonstrate that to Congress and ask for the necessary relief. I move that the memorial be referred to the Committee on Finance.

The motion was agreed to.

Mr. FRELINGHUYSEN. I present the petition of a number of citizens of New Jersey, stating that, in view of the fact that there is frequently an excess of currency at the money centers and no provision

has been made for the redemption of United States notes, they ask the passage of a law for the redemption of United States notes in bonds bearing 3.65 per cent. interest, the bonds to be payable in United States notes on demand. I move the reference of this petition to the Committee on Finance.

The motion was agreed to.

Mr. WADLEIGH presented the petition of A. Wilbor and others, citizens of Nashua, New Hampshire, praying for the repeal of the second section of the act of June 6, 1872, making a reduction of 10 per cent. in the duties upon manufactured cottons, woolens, iron, steel, paper, leather, glass, metals, and other staple commodities; which was referred to the Committee on Finance.

Mr. RAMSEY presented a petition of citizens of Minnesota, praying the establishment of a post-route from Marshall, in the county of Lyon, Minnesota, to Lake Kampeska, in the Territory of Dakota; which was referred to the Committee on Post-Offices and Post-Roads.

Mr. MORTON. I present a petition, signed by numerous citizens of Evansville, Indiana, and its vicinity, on a very important matter in relation to a bridge across the Ohio River, and I ask to have the petition read; it is very short.

The PRESIDENT *pro tempore*. The petition will be read if there be no objection.

The Chief Clerk read as follows:

To the Senate and House of Representatives of the United States in Congress assembled:

The undersigned, your petitioners, citizens of Indiana and Kentucky, respectfully pray that so much of the second section of the act of Congress, entitled "An act to authorize the construction of bridges across the Ohio River, and to prescribe the dimensions of the same," approved December 17, 1872, as requires that all bridges over the Ohio River below the Covington and Cincinnati suspension bridge shall have, in addition to the high span thereinbefore prescribed "with a pivot draw giving two clear openings of one hundred and sixty feet each," be so amended that all such bridges may be constructed with either one continuous span giving a clear opening of four hundred feet, or with a pivot draw giving two clear openings of one hundred and sixty feet, as the bridge company in each case may determine: *Provided, however*, That such bridges as may be built under this act shall conform in all other respects to the requirements of the act above mentioned.

Mr. MORTON. I move the reference of the petition to the Committee on Commerce, and I desire to call the attention of the committee to it at the earliest period.

The motion was agreed to.

Mr. MORTON presented a petition of citizens of Stony Point, Indiana, praying that the postal code be amended so as to require and facilitate prepayment on all matter, and determine postmasters' salaries by a more equal and less intricate system; which was referred to the Committee on Post-Offices and Post-Roads.

Mr. MORTON. I present a memorial signed by numerous citizens of Texas. It is too long to ask that it be read in full. It refers to a number of matters, but I will only state the substance of the most important things in the memorial.

It sets forth that an act of Congress was passed in 1869 for the reconstruction of Texas, Mississippi, and Virginia; that under that act of Congress an election was ordered by the President to be held in Texas for delegates to a convention to form a State constitution; that election was held; delegates were elected, the convention assembled, and the constitution was formed. The convention passed what they called an election ordinance, providing for holding an election for governor, State officers, members of the Legislature, and county officers, in the month of July, 1869. The military commandant of Texas under the reconstruction acts, General Reynolds, disregarded that ordinance, conceiving that the election was to be held under military authority under the acts of Congress. The election was held in the month of November for all State officers, members of the Legislature, and county officers. Mr. Davis was elected governor of the State. Immediately after his election, General Reynolds, the military commandant, appointed Mr. Davis as provisional governor of the State until such time as the constitution of the State should be accepted by Congress and the new State government should go into operation. Governor Davis acted as provisional governor of the State from that time forward until the new State government was duly installed. On the 30th of March, 1870, Congress passed an act accepting the constitution that had been formed for Texas, and declaring the right of the State to representation in Congress, and after the passage of that act, on the 28th of April, 1870, Governor Davis was installed as governor, and the new constitution went into operation. By the terms of the constitution of Texas, as set forth in this memorial—

The governor shall hold his office for the term of four years from the time of his installment, and until his successor shall be qualified.

Governor Davis, as I before stated, was installed on the 28th of April, 1870, and by the terms of the constitution was to hold his office for four years from that time. The memorial then recites that the person declared to be elected governor at the election held in Texas last November was installed and took possession of the office, against the protest of Governor Davis and others, in the month of January, 1874, more than three months before the expiration of the term of office of Governor Davis.

According to the statements contained in the memorial and the constitutional provision referred to, Governor Davis was deprived of his office more than three months before the expiration of his term, and the new State government elected at that time went into office some three months in advance of the time when they were entitled to assume their offices, taking it for granted that the election at which they were declared to be elected was legally and constitutionally held. The memorial also recites that the election law under which the election was held in November last was in violation of the constitution of the State, and has since been declared to be so by the supreme court of the State.

These, I believe, are the material averments of the memorial. I move that it be referred to the Committee on Privileges and Elections.

The motion was agreed to.

The PRESIDENT *pro tempore* presented a resolution of the Legislature of Wisconsin on the death of Hon. Charles Sumner; which was ordered to lie on the table.

He also presented resolutions of the Chamber of Commerce of the State of New York on the occasion of the death of Hon. Charles Sumner; which were ordered to lie on the table.

He also presented a resolution of the Legislature of Missouri in respect to the memory of Hon. Charles Sumner and Hon. Millard Fillmore; which was ordered to lie on the table.

He also presented concurrent resolutions of the Legislature of Missouri in regard to certain school lands; which were referred to the Committee on Public Lands.

He also presented a memorial of the Legislature of Wisconsin, asking for the erection of a building at Green Bay, Wisconsin, for the accommodation of the custom-house and post-office; which was referred to the Committee on Public Buildings and Grounds.

He also presented concurrent resolutions of the Legislature of Missouri, for the erection of a custom-house and post-office building at Kansas City, Missouri, and the establishment of a United States district court at that place; which were referred to the Committee on the Judiciary.

He also presented a joint resolution of the Legislature of Kansas, memorializing Congress to pass an act to give to all United States courts of districts bordering on the Indian Territory concurrent jurisdiction with the western district of Arkansas; which was referred to the Committee on the Judiciary.

He also presented the memorial of the Importers and Grocers' Board of Trade of New York City, protesting against the issue of any more legal-tender currency, praying for the return to specie payments as soon as practicable, and the redemption of the national-bank currency without delay; which was referred to the Committee on Finance.

Mr. MERRIMON. I present the petition of Robert Coleman and 8 other colored men, late soldiers in the Army of the United States, who represent to Congress that they have been defrauded out of their bounty-money. I have reason to know that a great many of the colored soldiers in my State have been so defrauded.

I move that the petition be referred to the Committee on Military Affairs, and trust they will institute an examination into this matter.

The motion was agreed to.

Mr. JOHNSTON presented the petition of Joseph P. Hall, son and heir, and for the coheirs of William C. Hall, deceased, praying indemnification for spoliations committed by the French prior to the year 1801; which was ordered to lie on the table.

Mr. SPRAGUE presented the petition of Captain George Howland, praying that the action of the Commissioner of Pensions relating to the soldiers of the war of 1812 be made public; which was referred to the Committee on Pensions.

Mr. CONOVER presented the memorial of Captain Egbert Thompson, United States Navy, praying to be restored from the retired list of the Navy to the active list thereof; which was referred to the Committee on Naval Affairs.

CREDENTIALS.

The PRESIDENT *pro tempore* presented the credentials of WILLIAM PINKNEY WHYTE, chosen by the Legislature of Maryland a Senator from that State for the term beginning March 4, 1875; which were read and ordered to be filed.

EXECUTIVE COMMUNICATION.

The PRESIDENT *pro tempore* laid before the Senate a letter of the Secretary of the Treasury, in reply to Senate resolution of the 6th instant, in regard to the preparation of securities of the United States, such as bonds, notes, and fractional currency; which was referred to the Committee on Finance.

PAPERS WITHDRAWN AND REFERRED.

On motion of Mr. FENTON, it was

Ordered, That the petition and papers of George W. Trueheart, praying for an increase of pension, be taken from the files and referred to the Committee on Pensions.

On motion of Mr. RAMSEY, it was

Ordered, That the petition and papers of W. H. Kimball be taken from the files and referred to the Committee on Military Affairs.

On motion of Mr. TIPTON, it was

Ordered, That the petition and papers of W. M. Stafford be taken from the files and referred to the Committee on the Judiciary.

REPORTS OF COMMITTEES.

Mr. WRIGHT, from the Committee on Finance, to whom was referred the bill (H. R. No. 1573) authorizing the Citizens' National Bank of Hagerstown, Maryland, to change its location, reported it adversely, and recommended its indefinite postponement.

Mr. HAMILTON, of Maryland. I ask that that bill may go upon the Calendar.

The PRESIDENT *pro tempore*. It will be placed upon the Calendar, with the adverse report of the committee.

Mr. WRIGHT. I am instructed by the same committee to report back the bill (S. No. 189) authorizing the Citizens' National Bank of Hagerstown, Maryland, to change its location, with the same recommendation.

The PRESIDENT *pro tempore*. The bill will be indefinitely postponed, if there be no objection.

Mr. WRIGHT. I suppose the Senator from Maryland will have no objection to the Senate bill being indefinitely postponed. The House bill covers the same subject, and that has gone upon the Calendar.

Mr. HAMILTON, of Maryland. As the House bill goes upon the Calendar, I have no objection.

The bill was postponed indefinitely.

Mr. MORRILL, of Vermont. I am instructed by the Committee on Finance, to whom was referred the petition of Pliny T. Sexton, praying an amendment to the forty-first section of the national-currency act, to report it back and ask to be discharged therefrom, in consequence of its relating to the revenue, about which we have no power to originate any bill.

The committee was discharged from the further consideration of the petition.

Mr. SPENCER, from the Committee on Military Affairs, to whom was referred the bill (H. R. No. 1404) for the relief of William F. Kerr, reported it without amendment.

He also, from the same committee, to whom was referred the bill (H. R. No. 345) to relieve certain persons therein named, late members of Company K, Fifty-eighth Regiment Illinois Volunteer Infantry, from the charge of mutiny, reported it without amendment.

Mr. SCOTT, from the Committee on Claims, to whom was referred the petition of A. J. Tynes, of Nashville, Tennessee, praying compensation for the value of buildings destroyed by military order during the late war, reported that it ought not to be allowed, and submitted a written report thereon.

The report was adopted, and ordered to be printed.

Mr. WADLEIGH, from the Committee on Military Affairs, to whom was referred the petition of J. C. Denny, late Company K, Ninth Iowa Cavalry Volunteers, praying for extra pay as telegraph operator in the Army, reported adversely thereon, and asked to be discharged from its further consideration; which was agreed to.

He also, from the same committee, to whom was referred the petition of James V. Boughner, of West Virginia, praying that, in the settlement of his accounts as additional paymaster United States Volunteers, his appointment and acceptance of the office may be fixed and treated as of the 20th of June, 1864, reported adversely thereon, and the committee was discharged from the further consideration of the petition.

He also, from the same committee, to whom was referred the petition of Louis Volkhausen, praying for bounty as a veteran volunteer of the Fifty-fourth Regiment New York State Volunteers, reported adversely thereon, and the committee was discharged from the further consideration of the petition.

He also, from the same committee, to whom was referred the petition of Karl Mook, praying the payment of arrears of pension to the heir of August Kessler, reported adversely thereon, and the committee was discharged from the further consideration of the petition.

He also, from the same committee, to whom was referred the bill (S. No. 484) to compensate C. S. Bell for valuable and extraordinary services rendered during the war for the suppression of the rebellion, reported adversely thereon, and the bill was postponed indefinitely.

He also, from the same committee, to whom was referred the petition of Wells C. McCook, late first lieutenant Company I, Twenty-ninth Regiment Iowa Infantry, praying payment of the amount due him from the United States on account of his military service at the time of his dismissal from the service, reported adversely thereon, and the committee was discharged from the further consideration of the petition.

He also, from the same committee, to whom was referred the memorial of Charles E. Farrand, late captain in the Twentieth Regiment United States Infantry, praying for the establishment of a court of inquiry with a view to his reinstatement in the Army with the rank and grade which he held prior to the passage of the act of July 15, 1870, reported adversely thereon, and the committee was discharged from the further consideration of the petition.

He also, from the same committee, to whom was referred the bill (S. No. 305) for the relief of Albert Von Steinhousen, late major Sixty-eighth Regiment New York Infantry Volunteers, reported it without amendment.

Mr. LOGAN, from the Committee on Military Affairs, to whom was referred the bill (S. No. 529) to authorize an appointment in the Inspector-General's Department, reported it with an amendment.

He also, from the same committee, to whom was referred the bill (H. R. No. 2094) for the relief of William A. Snodgrass, late lieutenant Company H, Thirty-ninth Ohio Veteran Volunteer Infantry, reported it without amendment, and submitted a report, which was ordered to be printed.

He also, from the same committee, to whom was referred the bill (H. R. Ro. 1776) for the relief of George Yount, reported it without amendment, and submitted a report, which was ordered to be printed.

He also, from the same committee, to whom was referred the bill (H. R. No. 725) for the relief of James C. Livingston, late a private in Company E, Third Regiment Iowa Volunteer Infantry, reported it without amendment, and submitted a report, which was ordered to be printed.

He also, from the same committee, to whom was referred the bill (H. R. No. 261) for the relief of Alonzo Snyder, of Livingston County, New York, asked to be discharged from its further consideration and that it be referred to the Committee on Claims; which was agreed to.

He also, from the same committee, to whom was referred the bill (H. R. No. 763) for the relief of Oliver P. Mason, asked to be discharged from its further consideration, and that it be referred to the Committee on Claims; which was agreed to.

He also, from the same committee, to whom was referred the bill (H. R. No. 2087) for the relief of Julius Griesenbeck, of Waco, Texas, asked to be discharged from its further consideration, and that it be referred to the Committee on Claims; which was agreed to.

BILLS INTRODUCED.

Mr. SARGENT asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 622) for the relief of John J. Shepheard; which was read twice by its title, and, with the accompanying papers, referred to the Committee on Military Affairs.

Mr. HOWE asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 623) to enable the Secretary of State to pay salaries to certain of the commissioners to the Vienna exposition, appointed under the authority of joint resolution approved February 14, 1873; which was read twice by its title, and referred to the Committee on Foreign Relations.

Mr. KELLY asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 624) to authorize the issuance of patents for lands granted to the State of Oregon in certain cases; which was read twice by its title, referred to the Committee on Public Lands, and ordered to be printed.

WILLIAM ROOD.

Mr. KELLY. I am instructed by the Committee on Military Affairs, to whom was referred the bill (S. No. 245) for the relief of William Rood, late private of the Thirty-sixth Regiment Wisconsin Volunteers, to report it back without amendment and ask for its present consideration. It is a very small matter.

By unanimous consent, the Senate, as in Committee of the Whole, proceeded to consider the bill, which directs the Adjutant-General of the Army to remove the charge of desertion from the name of William Rood, late private Company E, Thirty-sixth Regiment of Wisconsin Volunteers, in view of his death while in service; and to provide that his father shall be allowed and paid the back pay, bounty, and additional bounty due him, in the same manner and to the same extent as if the charge of desertion had never been made, and application therefor had been filed before the 30th of January, 1873.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

PRACTICE IN TERRITORIAL COURTS.

Mr. FRELINGHUYSEN, from the Committee on the Judiciary, to whom were referred the bill (S. No. 399) concerning the practice in territorial courts and appeals therefrom, and the bill (S. No. 447) concerning practice in civil cases in the territorial courts, reported them adversely; and the bills were postponed indefinitely.

Mr. FRELINGHUYSEN. I am also instructed by the Committee on the Judiciary, to whom was referred the bill (H. R. No. 1762) concerning the practice in territorial courts and appeals therefrom, to report the same back without amendment, recommend its passage, and ask for its present consideration.

The Chief Clerk read the bill.

The preamble recites that by the organic acts establishing several of the Territories of the United States it is provided that certain courts thereof shall have common-law and chancery jurisdiction, and doubts have been entertained whether those jurisdictions must be exercised separately, or whether they may be exercised together in the same proceeding, and whether the codes and rules of practice adopted in the Territories which have authorized a mingling of those jurisdictions in the same proceeding, or a uniform course of proceeding in all cases legal and equitable, are repugnant to the organic acts respectively.

The first section of the bill therefore provides that it shall not be necessary in any of the courts of the several Territories of the United States to exercise separately the common-law and chancery jurisdictions vested in the courts; and that the several codes and rules of practice adopted in the Territories respectively, in so far as they authorize a mingling of jurisdictions or a uniform course of proceeding in all cases, whether legal or equitable, be confirmed; and that all proceedings heretofore had or taken in the courts in conformity with those respective codes and rules of practice, so far as relates to the form and mode of proceeding, be validated and confirmed; provided that no party has been, or shall be, deprived of the right of trial by jury in cases cognizable at common law.

The second section provides that the appellate jurisdiction of the

Supreme Court of the United States over the judgments and decrees of the territorial courts in cases of trial by jury shall be exercised by writ of error, and in all other cases by appeal, according to such rules and regulations as to form and modes of proceeding as the Supreme Court have prescribed, or may hereafter prescribe; but on appeals, instead of the evidence at large, a statement of the facts of the case in the nature of a special verdict, and also the rulings of the court on the admission or rejection of evidence when excepted to, shall be made and certified by the court below and transmitted to the Supreme Court, together with the transcript of the proceedings and judgment or decree; but no appellate proceedings in the Supreme Court heretofore taken upon any such judgment or decree are to be invalidated by reason of being instituted by writ of error or by appeal; and the appellate court may make any order in any case heretofore appealed which may be necessary to save the rights of the parties.

The PRESIDENT *pro tempore*. Is there objection to the present consideration of the bill?

Mr. STEVENSON. I do not object to its consideration, but I desire to move an amendment to it.

The PRESIDENT *pro tempore*. The Chair hears no objection to the present consideration of the bill, and it is before the Senate as in Committee of the Whole.

Mr. STEVENSON. I now move to amend the bill by inserting at the end thereof the following:

And that this act shall not apply to cases now pending in the Supreme Court of the United States where the record has already been filed.

Mr. FRELINGHUYSEN. This amendment was considered by the Committee on the Judiciary and not approved. The case is this: The organic acts of the several Territories provide for common-law and equity jurisdiction. In those Territories they have adopted codes, rules of practice, which mingle those two jurisdictions. A case was brought up to the Supreme Court some six months since, and they decided that those codes were in violation of the organic law; and consequently a good deal of disturbance is made in judgments and decrees which have been rendered in the Territories. This is a mere remedial act. Since that decision of the Supreme Court a number of appeals have been taken to reverse even the foreclosure of mortgages and other familiar proceedings because of this hidden defect. This bill, without the amendment, provides that the Supreme Court may make all equitable arrangements in reference to cases which are now pending; and I do not think the amendment ought to prevail which would limit this act and exclude cases which have been brought up.

Mr. STEWART. I am quite confident that the amendment offered by the Senator from Kentucky ought not to prevail. The organic acts of the Territories confer upon the courts common-law and equity jurisdiction, and they provide for that jurisdiction being exercised as shall be provided by law. The Territories have uniformly undertaken by legislation to provide for the exercise of that jurisdiction, and in doing so they have adopted codes. The Supreme Court, I think without much consideration, held that it was not competent for a territorial Legislature to make such provision for the exercise of this common-law and equity jurisdiction; but the idea was—though they have not gone quite to that extent—that the practice should be according to the original principles of exercising separate common-law and separate equity jurisdiction, as in the courts of England and of the United States. The Supreme Court, I think, at the time did not realize the importance of the question. The decision was made by a divided court, and without having the magnitude of the question before them. It has created a good deal of difficulty. Quite a number of cases of the ordinary collections of debt, the foreclosure of mortgages, and ordinary proceedings of that sort, have come up, I understand; and I know from my personal knowledge that there has been a good deal of disturbance and a good deal of uncertainty in consequence of this decision of the Supreme Court. It is not necessary for the point to be taken in the court below at all, but the cases come up here as a matter of jurisdiction.

It seems to me this measure is purely remedial. No vested rights can be affected by it; but it is a question whether the difficulty shall be remedied that has arisen from this decision of the Supreme Court, which, I think, was not fully considered. It does not affect any particular party any more than it does the general administration of the Territories. I do not know now what cases have been brought up, but I know this question has been one of great embarrassment for the last two or three years, and has really disturbed the administration of justice. Nobody can be injured by letting justice be administered without that technical difficulty, for it is merely technical. It is of the flimsiest character of technicality. No substantial rights are involved in it. Under the decision of the Supreme Court it is impossible for the territorial courts to administer justice with the great body of legislation that they have; and that flimsy technical difficulty should be got out of the way so that justice may be administered in the Territories. The bill is very important in that view.

Mr. CARPENTER, (Mr. HOWE in the chair.) The bill itself is undoubtedly right, and should pass; but I think the amendment offered by the Senator from Kentucky should pass also. Whether the adoption of that amendment, if it be adopted, may not render it necessary to amend one of the sections of the bill, I am not certain, the bill not being before me. The Supreme Court of the United States have made a certain decision on this question. The Senator from Nevada says he thinks it was an ill-considered and erroneous decision.

Mr. STEWART. It was by a divided court.

Mr. CARPENTER. Nevertheless it was the decision of the highest court of the Republic. Based upon that decision suitors in the territorial courts have brought cases into the Supreme Court of the United States. It is now proposed to pass this bill and send those cases all out of court pell-mell, which were properly brought when brought.

If I had been here during the rebellion, I might have voted to legislate, as Congress once or twice did, to take away the jurisdiction of the Supreme Court in pending causes; but there is certainly no such state necessity here as will justify it. If a suitor in the Territories brings his case by appeal or writ of error into the Supreme Court, and it is upon the calendar of that court, upon what principle of justice can Congress reverse the rule of law and send him out of the court defeated when he would have succeeded but for that action of Congress? His rights should be determined upon the law as it stood when he brought his suit in this court.

Mr. STEWART. Suppose now there was a mere technical defect in the form of the issuance of the writ of error, some technical error not affecting the merits.

Mr. CARPENTER. That is a good question to argue to that court. If that court have made an absurd decision, let them retract it. I am inclined to think that it would be a good thing for every court now and then to be compelled to take back a hasty decision. I have the profoundest reverence for that court. At its bar I am obedient to any decision it makes, whether I think it right or wrong; but in this place I have a right to criticise them with the same freedom that they criticise us; and I think if that court now and then were compelled to say that a decision which they had made was carelessly made, and erroneously made, it would lead to greater care in making decisions. It would not hurt anybody. The greatest judges on earth have occasionally had to back out; and it would not hurt this court in this case, if they feel that injustice has been done, to say in a manly way that they made a blunder and will correct it; but if it be not a blunder, if the decision was right, then it is wrong to change the law as to existing cases. If it was a blunder, that is the tribunal to correct it, and not this body.

Mr. FRELINGHUYSEN. Mr. President, it seems to me that my friend from Wisconsin gives up his argument when he states to the Senate that he admits that the bill, with this amendment, is right.

Mr. CARPENTER. My friend will allow me an explanation for one moment on that point. It is a perfectly sound rule of law to fix in the future; it has not been the law heretofore; and I do not want to punish men who have not acted under it.

Mr. FRELINGHUYSEN. I think my friend gives up the entire point when he admits that the bill is right, because this bill is retroactive, any way. This bill does validate hundreds and hundreds of decrees and judgments which have been made by this mixed jurisdiction that all of us approve. It is a remedial act.

Mr. CARPENTER. Will my friend pardon me once more? I want to confess that he has me perfectly tight in saying that I have admitted what I ought not to have admitted. If the bill does that, it should not pass. I was not aware that the bill did that.

Mr. FRELINGHUYSEN. Well, Mr. President, let us get it on logical grounds. I think the bill is right. By the organic law of the Territories there is a provision made for a common-law and an equity jurisdiction. By their codes and their rules for years and years those jurisdictions have been commingled. For instance, an execution would be returned *nulla bona;* and there would be proceedings before the court in the nature of a bill of discovery to find out whether the defendant had any property. This was all done under their rules and their codes; and there are hundreds and hundreds of judgments and decrees which are in that situation; and it is perfectly right to remove that technical objection and to validate all these proceedings. I do not think anybody can question that. It is just exactly as proper as it would be if an acknowledgment to a deed had been inaccurately drawn, or had been acknowledged before an officer not having jurisdiction, for the Legislature to come in and by a remedial act validate that deed—a thing that is constantly done and recognized. Retroactive laws which affect rights, we are all opposed to, and there is a great question whether they are constitutional at all; but retroactive laws which only affect the form and only affect the remedy are not unconstitutional, and are proper. Take the case of an acknowledgment. Suppose that my friend had brought an ejectment, and the title of his client would be defeated if an acknowledgment of the deed of his adversary was rendered valid. No one would say that it was improper legislation under certain circumstances to render valid that acknowledgment; and my friend would not dispute that it would be right that it should apply to his case, although he was in court with his action of ejectment. It would not affect his rights; it would only affect the formality of the thing; and therefore it is perfectly right that this remedial act should apply to suits which are now pending. But to guard against any injustice, there is in this bill a provision that the Supreme Court shall have authority to protect the rights of suitors who have cases now pending in court. Therefore I think the bill, without any amendment, ought to commend itself to the judgment of the Senate, as it did to the judgment of the Judiciary Committee.

Mr. STEWART. Nineteen-twentieths of all the litigation that has been had in the Territories for the last twenty years is subject to this identical objection; and if it be the fact that we cannot remedy it at all by legislation, we are certainly in a very peculiar position. Nobody supposed there was any such defect. Nobody supposed that any such question could arise; and I do not believe it would occur to any lawyer in the Senate on reading the organic act. I was never more astonished than when the decision came. The objection is certainly merely technical. We let parties go on without any real remedy in the courts, and deny them the practical administration of justice if this defect cannot be remedied. It is a very important thing.

The decision was rendered by a divided court, and, I think, without argument on the part of those familiar with the subject. Very few cases had come up from the Territories. The question was passed upon in a case where no large amount was involved; and this technical difficulty got in. It does not matter in what stage of the proceedings it is; it does not make any difference whether the party has appealed to the Supreme Court with a view to getting delay, or whether the case is there to be taken up next week. It is a defect in the whole body of the litigation, because the Territories all have codes by which the two jurisdictions are blended. They have all pointed out how the law and equity jurisdiction conferred by the act of Congress should be exercised; and when exercised by the judges in accordance with the legislative acts, the judgments should stand. Those legislative acts of the Territories were fully authorized, as I believe, by the act of Congress. It would so occur to anybody who will read the act. It says that these courts shall have common-law and equity jurisdiction, to be exercised as shall be provided by law; that is, the law of the Territory. They have exercised that power and passed laws, and adjudications have gone on for many years. This is a purely technical objection; and if it is ever proper, under any circumstances, to remedy a merely technical error that affects no substantial right, this is the case; and a case that is now in the Supreme Court is no stronger in opposition to it than a case that has not been brought here. It affects the whole body of adjudication in the Territories.

Mr. STEVENSON. I only desire to say a word in regard to this amendment. I do not agree with the Senator from Nevada and with the Senator from New Jersey that this is an unimportant question. It reaches much farther than this present bill. It is an innovation on judicial proceedings by an interference by Congress with them. The Supreme Court of the United States as early as December, 1863, by a divided court, decided that the common-law and equity jurisdiction of the territorial courts could be blended. That had been the decision a long time before in regard to the United States courts created by the act of 1789; but Mr. Justice Swayne, Mr. Justice Field, and Mr. Justice Nelson supposed that as these courts in the Territories were created by the law which created the Territory they were not governed by the act of 1789, and therefore they held that that decision should not be affirmed; but a majority of the court in the case of Orchard *vs.* Hughes, in 1 Wallace, decided that the territorial courts stood on the same level with the courts of the United States created by the act of 1789, and that therefore the decree appealed from, as the two jurisdictions had been blended, must be reversed, notwithstanding the territorial act which created that court. That decision was followed in a subsequent case in another volume of Wallace. A good many decrees were appealed from. With the light of that decision before them, litigants came to the Supreme Court of the United States, employed counsel, and had their cases argued. These cases have been pending in the Supreme Court for months, ready for a decision, and Congress is asked now to step in and do away with that decision, and mulct these parties in costs for taking appeals which under the rulings of the Supreme Court they had a right to take. I think it is unjust, and I think it is a great vice in legislation whenever we shall undertake, when in the opinion of Congress one of the past rulings of the Supreme Court has been wrong, to step in by a legislative act and retrospectively take away their jurisdiction.

Mr. HAMLIN. Will the Senator allow me to inquire, as he is on the Judiciary Committee, if the parties that took those appeals had any notice of the pendency of this bill, and whether there has been any appearance entered?

Mr. STEVENSON. I do not know. They have made no appearance as far as I know. I do not know the parties; but I have been informed that there have been cases, and I have been informed by the judges themselves of the Supreme Court that that is exactly the status of this question.

Mr. President, whenever Congress shall undertake to embark in that system of assuming, when the courts shall in its opinion be wrong, to take away the jurisdiction, we enter, it seems to me, in a path full of danger and which goes to subvert the great principle that the three departments of the Government ought to be kept entirely distinct.

Were this decision now to come up, it may be that the Supreme Court would never have rendered it. Why? Because we all recognize now that equity and common law are blended in the bill offered by the distinguished Senator from Wisconsin some years ago. They themselves doubt whether their original decision was right. It was decided then by a divided court, as I have already shown. Let the court take back its decision if it will, but do not let this bill pass. If, however, gentlemen are determined to pass it, then let it not apply to cases already argued in the Supreme Court, and mulct parties in costs for following the *dictum* of the Supreme Court; because if you set such a precedent you do not know where the mischief is to end.

Mr. CARPENTER. Mr. President, it is perfectly well settled by the courts themselves that the legislative power cannot grant a new trial in any case, because that is the exercise of judicial power. Upon what principle is this case distinguishable from that? Here a judgment has been rendered in a Territory, which is erroneous, upon which the party is entitled to a new trial. Congress is asked to pass a bill saying that he shall not have a new trial; that the judgment shall be valid, which is conceded to be invalid before the law is passed. It seems to me it is just as much an exercise of judicial power to say that a party shall not have a new trial to which he is entitled by existing law, as it is to say that he shall have a trial in a case in which he is not entitled to it by existing law.

It is not at all like the case of validating some contract executed defectively. It is curing a defect in a judgment of a subordinate court, for which defect the party is entitled to have the judgment reversed; and no man can tell how great may be the injustice to be accomplished by this bill. Take the case, for instance, in a Territory where a man has been sued for slander in a bill in chancery, or where a man has sought to foreclose a mortgage in an action of ejectment, and the party being advised by his counsel that such a suit cannot be maintained at all has for that reason omitted to put in a defense on the merits, knowing that the proceeding was wrong, and it is confessed that it is wrong; the Supreme Court has decided it is wrong; and the party is now entitled to have that erroneous judgment reversed and have a new trial in a proper proceeding. This bill proposes to take away that right of new trial, that right to reverse an erroneous judgment, and validate the judgment. I ask if that be not as completely an exercise of judicial power as it is for the Legislature to declare that a party shall not have a new trial in a case where he is entitled to it by existing law; and in that case the courts have, over and over again, decided that the Legislature have no right so to declare, that it is an exercise of judicial power to say whether the party shall or shall not have a new trial. That is precisely what this bill does.

I was under the belief when I first spoke on the bill that it provided only that these remedies should be merged in the future. I was not aware that it validated judgments in the Territories now confessed to be erroneous. It strikes me as being a monstrous proposition. It is not taking away the jurisdiction of some court, but it is exercising jurisdiction ourselves by determining here that a judgment confessed to be erroneous shall be valid. You might as well pass a bill saying that a judgment confessed to be valid shall be erroneous. One is just as much an exercise of judicial power as the other.

Mr. STEWART. The Senator from Wisconsin misapprehends this question altogether. The question is whether the courts of the Territories ought to exercise their common-law and equity jurisdiction as provided by the territorial Legislatures.

Mr. CARPENTER. No, that is not the question. The point is whether when the territorial courts have not done what the law commanded them to do we can help them out of it.

Mr. STEWART. They have done what the law commanded them to do, what the Legislatures commanded them to do, and we know the Legislatures never have provided for chancery proceedings in case of slander or recovery on a promissory note. We are presumed to know what their public acts are. I do know that none of them have done so, and if the Senator does not know it, he is presumed to know it. The only thing they have done was simply in the course of procedure to provide, as they do in the State of New York, that the common-law and equity powers of the court shall be exercised in the same suit, exercised according to a code. The Supreme Court have fallen into a palpable error. They decided years ago, and everybody understood it, that the territorial courts were peculiar courts created by the acts organizing the Territories, that they did not come under the judiciary act of 1789. I could look up half a dozen decisions to that effect.

Mr. CARPENTER. Will the Senator allow me to ask him a question at that point?

Mr. STEWART. Yes, sir.

Mr. CARPENTER. Upon that theory the title of this bill should be amended and it should be called "An act to correct an error of the Supreme Court of the United States."

Mr. STEWART. That is not a question.

Mr. CARPENTER. That would be a fair statement of the bill, and that would show the injustice of it.

The PRESIDING OFFICER. It would be easier for the reporters if one speaker would speak at a time.

Mr. STEWART. That was the current of decision for a long time, that these were peculiar courts not organized under the act of 1789 at all, and the Senator will see that they could not be organized under the act of 1789. The courts of the United States in the States do not have general jurisdiction of all matters; they only have the jurisdiction provided by the Constitution of the United States. On the question of parties, or of subject-matter, they cannot go into general business; that is left to the States. But these courts have a peculiar jurisdiction conferred by act of Congress on all matters, not only the jurisdiction exercised by United States courts in the States, but also what would be exercised by State courts. The whole matter is before

these courts, and it was under the general power, as was stated by the Supreme Court formerly when the question first came up, of Congress to legislate for the Territories that these courts were organized. A judge can be removed from them; a judge of a United States court cannot be removed. They are not United States courts in any sense. They exist by virtue of the organization of the Territories. That was so understood until this case of Orchard *vs.* Hughes came up to the Supreme Court. The court say:

The decree in the present case was rendered in a territorial court, and it has been contended that this court is not a court under the Constitution, nor organized under the judiciary act of 1789—

I think that is very plain—

but by the "Legislature of the Territory under the organic law," and whose jurisdiction is regulated by that law, and therefore that the decision in the case of Noonan *vs.* Lee does not apply. Of this opinion are Messrs. Justices Swayne, Field, and myself. But a majority of the court are of opinion that the case is governed by the previous one.

That is, that it comes under the principles of the act of 1789.

This part of the decree is therefore reversed, and the residue affirmed.

The court having fallen into an error and confounded territorial courts with United States courts in the States, without due consideration and without argument, and affected the whole jurisprudence of the Territories, the question here is whether that error shall be corrected, and whether the great body of the legislation of the Territories shall stand, whether their proceedings shall stand, or whether we will encourage litigation and the bringing up of cases here on a mere technicality and deprive them of the benefits of justice governed by law. There has been a great deal of harm done by the confusion in this matter. There is no doubt about the law; there is no doubt about their being territorial courts under the existing organic acts; and there is no doubt about the authority of the territorial Legislature to regulate the exercise of their jurisdiction. It is as plain as it can be.

Mr. STEVENSON. Will the Senator allow me to ask him a question?

Mr. STEWART. Yes, sir.

Mr. STEVENSON. Why cannot the Supreme Court take back this erroneous decision—a decision which the Senator himself pronounces erroneous?

Mr. STEWART. They ought to take it back.

Mr. STEVENSON. Let them take it back, and let this bill be laid on the table.

Mr. STEWART. I do not control their action, or I would have had it taken back long ago. It has created trouble. It has brought up here foreclosures of mortgages, and ordinary proceedings, where there was really no dispute at all. It has been a stoppage to the administration of justice. It ought to have been taken back long ago. The distinction between the United States court, under the act of 1789 and the Constitution, which has a special jurisdiction, and a court that has a jurisdiction conferred under the power of Congress to govern the Territories, never should have been confounded. A Territory is not a State. In other words, the fact that a Territory is not a State should not have been lost sight of. A Territory is not a State, but is governed by the laws of Congress, while a State has a constitution and laws of its own.

Mr. STEVENSON. If the Senator will agree to help us to lay this bill on the table the Supreme Court will reverse its decision, and then innocent parties will not be mulcted in costs for having been erroneously led to take appeals.

Mr. STEWART. If the Supreme Court will reverse its decision, that will accomplish all that is accomplished by this bill.

Mr. STEVENSON. They will do so, and that is what I am in favor of.

Mr. STEWART. If we can have any guarantee that they will do that, it will accomplish all that is accomplished by this bill, and the bill might be laid on the table. But if it is a proper thing, and everybody now concedes that it is, for the court to do that, for everybody sees that it is a mere technical matter, if it is proper to give them law in the Territories, why not do it here now and not wait for any reversal of the decision? The parties will be mulcted in some costs, and more if the decision is reversed. If you go on and have the decision reviewed, it will add costs. If the court is going to reverse the decision, it will put these parties just where this bill puts them, and I want to put them there now and settle the question. The court ought to reverse the decision, and if they do so the parties who have brought up these frivolous appeals merely for the sake of delay and for the sake of throwing the Territories in confusion will be mulcted in costs. If this bill is passed, they will be mulcted in costs already accrued, but in no additional costs.

Mr. THURMAN. I do not like this bill very much, and for the reason that I dislike exceedingly to deprive a party of what is in the nature of a vested right. I do not say that, technically, the right to have an erroneous judgment reversed is a vested right, although perhaps according to some definitions, and legal ones too, of a vested right, it would not be a misnomer; but it is certainly in the nature of a vested right—the right which a man has to ask for the reversal of a decision erroneously pronounced against him, and I dislike exceedingly to interfere with that right of men to have such erroneous judgments set aside.

But in regard to the power, there is one view that I have heard nothing said about, and that strikes me as worthy of consideration, and it is that these judgments rendered in the territorial courts are not void; they are not held by the Supreme Court of the United States to be void; they are only voidable, that is, reversible; and if not reversed, they stand as good and valid judgments of a court of competent jurisdiction. It is perfectly competent for the Congress of the United States to say what shall be the appellate jurisdiction of the Supreme Court of the United States. It may limit that appellate jurisdiction in various ways, as it has done. It may limit it by fixing the amount in controversy, and providing that where less than that is the amount in controversy there shall be no appeal. It may limit it in various other modes; and I do not know but that it may limit it in respect to the particular class of errors which are here complained of. I do not like to commit myself too strongly to the proposition that it can; but possibly where great public reasons exist, where the peace, almost, of a Territory and substantial justice in questions in litigation would require a limitation on the right of appeal based on the nature of the error assigned, I am not exactly prepared to deny that we may not limit the right of appeal in that way. Now whether this bill does that thing, whether it is the proper mode of doing it in case we can do it, I am not entirely satisfied. I will confess that I have not paid that attention to this bill which I ought to have done, and I would be glad that it might lie over until we can give it a little more attention.

NATIONAL-BANK CIRCULATION.

The PRESIDENT *pro tempore*. The morning hour having expired, the Senate resumes the consideration of the unfinished business, which is the bill (S. No. 432) to amend the act entitled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates and for an increase in national-bank notes," approved July 12, 1870.

Mr. SHERMAN. In pursuance of the suggestion of the Chair made yesterday, I move that the pending bill be laid aside, either informally or definitely, with a view to take up the bill (S. No. 617) to provide for the redemption and reissue of United States notes and for free banking. I have no doubt that will bring us more directly to the questions at issue, and will save the consumption of time unnecessarily. I stated the effect of it last night, and I hope that will be done by general consent without any formal vote.

The PRESIDENT *pro tempore*. The Senator from Ohio moves that the pending bill be laid on the table, with a view to proceed to the consideration of Senate bill No. 617.

Mr. SHERMAN. No; I do not desire to cut off remarks. I only moved that it be laid aside informally.

Mr. FERRY, of Michigan. I suppose that requires common consent.

The PRESIDENT *pro tempore*. The Chair misunderstood the motion. The motion is that the pending bill be laid aside informally.

Mr. SHERMAN. I do not wish to cut off debate. I expect to move to take up Senate bill No. 617.

The PRESIDENT *pro tempore*. Is there objection? The Chair hears none.

Mr. MORTON. I desire to say a word. I have no objection to this course; but of course nobody is committed to the new bill. There is no understanding as to that.

Mr. SHERMAN. Not at all. I only want to vote.

Mr. MORTON. Very well.

The PRESIDENT *pro tempore*. The Chair hearing no objection to the course proposed, the pending bill will be laid aside.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. MCPHERSON, its Clerk, announced that the House had passed the following bills; in which it requested the concurrence of the Senate:

A bill (H. R. No. 2651) reappropriating certain unexpended balances of appropriations for removal of Indians; and

A bill (H. R. No. 2652) relieving the legal and political disabilities of John J. Guthrie.

HOUSE BILLS REFERRED.

The bill (H. R. No. 2651) reappropriating certain unexpended balances of appropriations for the removal of Indians was read twice by its title, and referred to the Committee on Appropriations.

The bill (H. R. No. 2652) relieving the legal and political disabilities of John J. Guthrie was read twice by its title, and referred to the Committee on the Judiciary.

CURRENCY AND BANKING.

Mr. SHERMAN. I move now that Senate bill No. 617 be taken up.

The PRESIDENT *pro tempore*. The Senator from Ohio moves to proceed to the consideration of the bill indicated by him.

The motion was agreed to; and the bill (S. No. 617) to provide for the redemption and reissue of United States notes, and for free banking, was read a second time, and considered as in Committee of the Whole.

Mr. SHERMAN. Mr. President, some complaint has been made in the Senate and in the country at the delay in the presentation by the Committee on Finance of some bill covering the financial question; but a moment's reflection will, I am sure, convince every Senator that there has been no fault on the part of that committee. From the beginning of the session to this hour that committee, under the direction of the Senate, has been studying and discussing the various

plans and propositions which were referred to the committee; and I may say that over sixty different propositions, either coming in the form of petitions or in the form of bills, have been sent to the committee, all of them suggesting different plans and ideas. It was impossible to consider all these and to agree upon any comprehensive measure until within a day or two.

There was another consideration. The committee found itself divided in opinion, precisely as the country is, and precisely as the Senate is, into as many as three different classes of opinion. There were, first, those who desired to take a definite and positive step toward the resumption of specie payments. There were, second, those who desired an enlargement of the currency, or what we commonly call an inflation of the currency. There were, third, those who, while willing to see the amount of bank-notes increased and the question of the legal-tenders settled in some form, were also desirous that some definite step should be taken toward a specie standard. There were these differences of opinion.

For the purpose of ascertaining the views of the Senate, and not involving ourselves in reporting a bill that would be defeated as the bill of the last session was, we presented early in the session resolutions of a general character which stated these three ideas: First, the resolution of the majority of the committee that some definite step should be taken toward specie payments. Then there was the amendment offered by the gentleman who now occupies the chair, [Mr. FERRY, of Michigan,] that there ought to be an increase of the currency without reference to any plan of redemption. Third, there was the proposition made by the Senator from Delaware, [Mr. BAYARD,] that measures should be taken at once looking to the resumption of specie payments.

These propositions were discussed, and the committee were enlightened by that discussion; at least they obtained the opinions of members of the Senate. Subsequently, in the course of our investigation, a question about the $25,000,000 section (section 6 of the act of July 12, 1870) came up, and the committee deemed it right, by a unanimous vote, to ascertain the sense of the Senate as to whether they wished this section carried into execution. As it stood upon the statute-book it was a law without force. It was a law so expressed that the Comptroller said he could not execute it. Therefore the committee reported a bill which would have provided the necessary details to carry into execution that section of the existing law. But in the present temper of the public mind in the Senate and in the country that bill was discussed, and has been discussed day after day, without approaching the question at all. During all this time the committee have been pursuing their inquiries, and finally they have reported the bill which is now before us.

The measure that is reported is not a satisfactory one to any of us in all its details. Probably it is not such as the mind of any single member of the Senate would propose. It is in the nature of a compromise bill, and therefore while it has the strength of a compromise bill, it has also the weakness of a compromise bill. There are ideas in it which, while meeting the views of a majority, taken separately will be opposed by others. I am quite sure that I say nothing new to the Senate when I say it does not in all respects meet my own views. But there is a necessity for us to yield some of our opinions. We cannot reconcile or pass any measure that will be satisfactory to the country unless we do so. Any positive victory by either extreme of this controversy will be an absolute injury to the business of the country. Therefore, any measure that is adopted ought to be so moderate, pursuing such a middle course, such a middle ground, that it will give satisfaction to the country. It must be taken as a whole; and therefore the effect of amending this proposition will be simply to destroy it. If an amendment in the direction of expansion is inserted, it will drive away some who would be willing to support it as it is. If an amendment in the way of contraction is proposed and carried by a majority of the Senate, it will drive away those who might be willing to take this measure as a compromise. The only question before the Senate now is, whether this is a fair compromise between the ideas that have divided the people of this country and the members of the Senate; whether it will surely improve our currency while giving the relief that is hoped for by a moderate increase of the currency. Now I ask the Secretary to read the first section of the bill.

The Chief Clerk read section 1, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the maximum limit of United States notes is hereby fixed at $382,000,000, at which amount it shall remain until reduced as hereinafter provided.

Mr. SHERMAN. It is manifest to every Senator that the initial step in this controversy is to fix the aggregate limit of United States notes. The United States notes, although they are very popular and justly so in this country, are at this moment inconvertible; they are irredeemable, and they are depreciated. These are facts admitted on all hands. In making that statement I do not intend at all to deny that the United States notes have served a great and useful purpose; and though I was here at the birth of them and advocated them in all stages of their history, yet I am compelled to say at this moment, twelve years after their issue, that they are inconvertible; they are irredeemable; and they are depreciated this day at the rate of 12 per cent. They have been legally inconvertible since July 1, 1863, and practically inconvertible since the close of the war; that is, the Government refuses to receive them either in payment of customs or in payment at par of any bond of the United States offered by it. They are irredeemable on their very face. They have depreciated almost from the date of their issue, at one time being worth only forty cents in gold, and to-day only worth ninety cents. That is the condition of the United States notes.

Now, there is another thing admitted by all Senators. I do not trespass on any disputed ground when I say that every addition to the volume of these notes, while they thus stand depreciated, irredeemable, and inconvertible, is as certain to further depreciate them, as it is that to pour water into an overflowing bucket will cause it still more to overflow; as certain as the law of gravitation; as certain as anything human or divine. It is equally true that any contraction of this currency, any withdrawal of the amount of it, is undoubtedly an appreciation of its value, making it nearer and nearer to the standard of gold.

This is so plain a proposition that it is not necessary to discuss it; and the whole people of the country understand it; the plainest and simplest people understand it as well as the wisest. Those who desire to increase prices, to start and put in operation new enterprises, desire an increase of the currency without any plan of redemption. Those, on the other hand, who want to get back to the specie standard, to appreciate the value of these notes, desire to withdraw them, get them out of the way, or give new uses and new values to them so as to advance them nearer and nearer to the standard of gold. Therefore it is that I say the very first step at the outset of this controversy is to settle what is the legal limit of these notes; how many are there now authorized by law; how many are there outstanding. And here it is a strange thing that on this very point, a purely legal question, the most important one in our financial discussion, there is a great difference of opinion. There ought not to be uncertainty or room for a difference of opinion upon a question of this kind. It ought to be settled. On the one hand it is insisted by Senators who compose the majority of the Committee on Finance that the legal limit of United States notes is $356,000,000, that the amount which has been already issued of what is known as the $44,000,000 reserve was unlawfully issued, although under great press of circumstances and without any intention on the part of the Secretary to do more than he thought he had a lawful right to do. On the other hand it is insisted by other Senators that the legal limit of United States notes is $400,000,000; and here is a margin of $44,000,000 upon which there is a dispute of law as to the power of the Secretary to issue it. That dispute ought to be settled at once. It is a question that ought not to be in doubt a moment, because the power to issue that $44,000,000 places it in the discretion of the Secretary of the Treasury either to advance or to lower the value of all property in the United States, of all debts in the United States, of everything that is measured by United States notes.

Should we undertake to say that the Secretary did wrong in exceeding the limit at $356,000,000? A majority of the committee believe that that is now the legal limit, and believe it conscientiously. But should we undertake to fix that as the legal limit? Twenty-six million dollars of the $44,000,000 are outstanding. They are now issued; they are now a part of the currency of the country. They are just as much the currency as that which was issued before. You cannot distinguish between them. You cannot say which of the $382,000,000 now outstanding is legal and which is illegal. So far as the United States are concerned, they are all debts of the United States which we are bound to pay whether they have been issued legally or illegally. I do not understand even my friend from Delaware to dispute the duty and obligation of the United States to pay these notes, even if they have been illegally issued. There can be no question about it. It is impossible to distinguish between them. The only question is whether our agent exceeded his authority or not. Therefore, without raising the question as to the legality of this issue, reserving to each Senator his own opinion on the subject, we have adopted as the *status quo* $382,000,000, the amount now outstanding; and we recognize that amount as the maximum legal obligation of the United States in the form of notes, and we propose upon that basis to erect our superstructure. We therefore say that we will raise no question as to the mode of retiring the twenty-six millions; we will simply say that the amount now outstanding shall never be exceeded. That is a recognition, at least, that they are outstanding lawfully and properly; at any rate, so far as the obligation of the United States to pay them is concerned.

Mr. President, a limit ought to be fixed. But there is a difference of opinion as to what should be the limit. If I had the power to fix this limit I should say that the limit which was fixed by the old law should remain at $356,000,000; and I would provide a mode and manner of issuing United States bonds to retire the $26,000,000 slowly and gradually, without disturbing the ordinary business of the country. I would thereby seek to recover the ground we have lost by what has occurred since the panic, and go back to the standard prior to that time. But I know that would be very difficult; that would involve an increase of the bonded debt. Our revenues are not sufficient to call in this $26,000,000. We have no surplus revenue now as we had a year or two ago. We could only do it by the issue of bonds, and the process itself would be a very hard one. Besides, it is probable that public opinion and the judgment of Congress would not sustain such a proposition; and therefore it is hardly worth while to recommend

it. We assume, therefore, that the $382,000,000 is the present limit, and we say that shall be the maximum limit.

Here I beg Senators who take a different view to attend to the observations I will make upon this maximum. Those who opposed the issue of the twenty-six millions are willing to stand where we are and upon the fact as it is. Now, I ask Senators what reason can they give for enlarging this limit? At $382,000,000 we now stand. The Secretary of the Treasury does not desire to issue any more; he has said that he will not issue more except by the positive direction of Congress. What argument has been advanced in this whole debate which shows a necessity for more than the amount of notes we have already issued? A proposition has been passed by the House of Representatives, and is now upon our table—I may refer to it as a part of the history of the country—to raise the amount to four hundred millions—eighteen millions above the amount fixed by the bill reported by the Committee on Finance. What reason can be given for it? Is there not money in all the money centers to overflowing? The statements read yesterday by the Senator from Missouri [Mr. SCHURZ] show clearly that in all the money centers there is abundance of money. What we want now is to vitalize that money, put it in circulation, restore confidence, start again the wheels of trade, with a perfect knowledge on the part of all that the amount of money outstanding is ample for every purpose. Why, sir, the great business of the country before the panic was carried on with $340,000,000 of United States legal-tender currency; all the great operations of the country in a time of unbounded prosperity, when the greatest activity prevailed, were carried on with $340,000,000, and now it is $382,000,000; and we propose to make that the basis. What argument can be given for going further? If you increase your aggregate eighteen millions beyond the $382,000,000 what is the immediate effect? It is to derange all values; to lessen, if you choose, the burden of the debtor, to confiscate the property of the creditor. You ought neither to increase the burden of the debtor nor to lessen the value of the property of the creditor. You ought to do neither except by slow general laws in accordance with public policy. But if you now increase the United States currency beyond $382,000,000, you go a step in the opposite direction. I say, therefore, without debating this matter further now, as it will come up at a later stage, that the Committee on Finance have taken as a compromise the arbitrary amount now happening to be outstanding, $382,000,000, not because $382,000,000 is the golden number and the best number and the best amount, but because it is the amount now out for which we are responsible, and no argument from the beginning to the end of this debate has gone to show that there is any necessity whatever for any increase of the United States notes. Why, sir, all our promises, the public faith solemnly pledged, the arguments that have been made by those who favor inflation, all declare and admit that at some time we must return to the specie standard; and yet all admit that if you now issue eighteen millions more of legal-tenders you depart from the specie standard and reverse the course of events for the last four or five years.

Mr. President, that is all I desire to say about the first section.

Mr. CONKLING. Before the Senator leaves that point, will he hear a suggestion?

Mr. SHERMAN. Certainly.

Mr. CONKLING. It is said (and I should like to hear the Senator's view about that point) that an argument for adding $18,000,000 to the amount already out is found in the necessities of the Treasury Department itself, and that the proposition comes to us as a sort of alternative, as I understand it, between voting taxes, a tax on tea and coffee for example, and allowing the discretion of the Secretary to extend to these unissued $18,000,000 of United States notes. I should be glad to hear the Senator say a word on that point.

Mr. SHERMAN. I did not suppose that a member of either House of Congress would propose in this age to pay the ordinary expenses of a great and rich government like ours by printing more irredeemable paper money. This money was all issued, even during the stress of war, not to pay our debts, but as a medium of exchange by which money could be borrowed temporarily from the people by the Government. Therefore, any addition to the volume of our debt, caused by a deficient revenue, ought to be made up promptly either by taxes or by loans, not by a forced loan or by issuing $18,000,000 of paper money, and compelling people to take it to the depreciation of the value of all the property of the people of the United States. I do not deem it necessary to pursue that argument further.

Mr. MORRILL, of Vermont. May I ask the chairman of the Finance Committee a question in relation to our power to increase the legal-tenders under the decision of the Supreme Court of the United States? I understand a decision of the Supreme Court has been reached which would deny the authority of Congress to increase the legal-tenders in time of peace. I should like to hear the chairman on that point.

Mr. SHERMAN. We are all familiar with the legal-tender decisions. My opinion is that any increase of legal-tenders now, in time of peace, would be in violation of the spirit, at least, and I think of the language, of the judge who pronounced the last decision on the legal-tender cases. As a matter of course, it will not do in this general statement for me to pursue all these collateral matters, and I hope Senators will waive questions in regard to them.

Mr. LOGAN. If the Senator will allow me, I would merely, in answer to the suggestion——

Mr. SHERMAN. I hope the Senator will not interrupt me.

Mr. LOGAN. I do not intend to discuss the bill; only to make a suggestion. The Supreme Court, in deciding as to the issue of legal-tenders in time of peace, made no reference whatever to legalizing the $400,000,000 of legal-tenders already issued.

Mr. SHERMAN. I will simply say, in regard to the first section, that this section, without wounding the feelings of anybody as to the question about the $44,000,000 reserve, settles forever the maximum limit of legal-tender notes.

I now ask the Secretary to read the second section of the bill, which relates entirely to a different branch of the subject.

The Chief Clerk read as follows:

SEC. 2. That on the 1st day of January, 1876, the Secretary of the Treasury is authorized and required to pay on demand, at the office of the Treasurer of the United States, and at the office of the assistant treasurer in the city of New York, to any holder of United States notes to the amount of $1,000, or any multiple thereof, in exchange for such notes, an equal amount of the gold coin of the United States; or, in lieu of coin, he may, at his option, issue in exchange for said notes an equal amount of coupon or registered bonds of the United States, in such form as he may prescribe, and of denominations of fifty dollars, or some multiple of that sum, redeemable in coin of the present standard value, at the pleasure of the United States, after ten years from the date of their issue, and bearing interest, payable quarterly in such coin, at the rate of 5 per cent. per annum. And the Secretary of the Treasury may reissue the United States notes so received, or, if they are canceled, may issue United States notes to the same amount, either to purchase or redeem the public debt, or to meet the current payments for the public service. And the said bonds, and the interest thereon, shall be exempt from the payment of all taxes or duties of the United States as well as from taxation in any form by or under State, municipal, or local authority; and the said bonds shall have set forth and expressed upon their face the above-specified conditions, and shall, with their coupons, be made payable at the Treasury of the United States.

Mr. WRIGHT. With the consent of the chairman of the committee I wish to say one word, to remove an impression that possibly may obtain, and which I am sure he did not design should obtain, in reference to the first section. As I understood the chairman, he stated that the amount fixed in the section was the result of a compromise. I fear it may be inferred from that remark that it was the result of a compromise and agreement on the part of all members of the committee. I am sure he did not so intend; and therefore, lest the impression may obtain that it was agreed to by the members of the committee, I simply make this remark.

Mr. SHERMAN. I said it was a compromise by the committee. I speak of a majority of the committee. As a matter of course my friend is at liberty to dissent from any of its propositions. On questions of this kind committees are very rarely unanimous; but I will say that on this point a very decided majority of the committee concurred in the section.

To the second section I wish to invite the careful and earnest attention of the Senate. This section is an honest effort to deal with the great problem of redemption. Every Senator who has spoken contemplates that a time must come when all the United States notes must be redeemed in coin. The public faith of the United States is so pledged. The notes were issued with the understanding that they should be paid in coin. No man could survive politically in this country who would declare that it was his purpose never to pay these notes in coin. My friend who now presides [Mr. FERRY, of Michigan] speaks always of his measure of inflation as a means of bringing about at some time specie payments; and I will say that in the Senate I have not heard any Senator deny that it is the duty of the United States at some time to pay these notes in coin. In all this discussion there is at least that one point agreed upon. If I state this too strongly I hope I will be here corrected.

Now, Mr. President, how shall it be done, and when shall it be done? I say that now, nine years after the close of our civil war, twelve years after these notes have been authorized and issued, five years after the dominant party has declared its purpose to pay them at the earliest day practicable, there should be no longer delay. The United States ought to do something toward the fulfillment of that pledge and the performance of that duty. There must be something very peculiar in the condition of our country that will justify a longer delay, a longer procrastination in the performance of this solemn pledge, this public policy—our own political obligation.

Mr. President, this section is the result of the patient consideration of the Committee on Finance as to how this result is to be brought about; and upon this very section there is most likely to be a contrariety and difference of opinion among Senators, because the mode and manner of redemption is the thing which has excited the public mind and upon which men all over the country differ. I wish therefore to deal with this question. We have got to pay these notes in coin. The time when is not defined by the law. Are we prepared now to fix a day when we will pay these notes in coin? If the condition of our country was such as to justify it, I would greatly prefer fixing the time when these notes should be paid in coin; but I am disposed to agree with what has been stated by the Senator from Indiana and by other Senators, that in the present condition of our coinage, the present condition of our foreign trade, we are not prepared to fix a definite day when we will pay in coin. Why? I find by reference to official documents that we now have in gold and silver coin in this country about $140,000,000. This statement of Dr. Linderman does not include the bullion on hand. How much that is I am not prepared to state. The whole amount of gold and silver coin in the country, however, is about $140,000,000. Some of that is in circulation in the Pacific States, but the bulk of it is in the Treasury of the United States, the property of individuals and the property of

the United States. The total annual production of gold and silver in this country cannot be estimated at over $70,000,000; and heretofore at least fifty millions of this has been exported over and above the amount that has been imported. The balance of trade has been against us; and although I do not regard that as entering much into the calculation, yet it is a fact that until recently perhaps the balance of trade has been against us. The annual coinage of the United States for the last year or two has been largely increasing, and last year the coinage of the United States was $38,689,183, besides a stamping into fine bars, which operates as a kind of coinage, of $27,517,000. So that there has been in fact converted of gold and silver into coin or bars stamped by the United States $66,000,000 during the last year, showing a use and employment of gold in this country that is now rapidly increasing.

But still this state of affairs would not justify us in saying that we are prepared to declare a resumption of specie payments absolutely upon the basis of $300,000,000 of paper money, including our fractional currency. I am, therefore, not prepared to say that the United States can on a fixed day, within a reasonable time—within such a time as would give confidence in our ability to perform it—say that we will absolutely redeem our notes in coin.

I know that Senators here, for whose opinion I have the highest respect, who are probably more sanguine of our ability and capacity to do this than I am—many of those who have agreed with me and co-operated with me—think we are able and strong enough to fix the time for the absolute resumption of specie payments; but I have always doubted it. Indeed I have thought there was a better way to reach the great result. But if we cannot fix the time when we will redeem in coin, can we not give additional value to our United States notes, so as to gradually appreciate them to the coin standard, and thus advance toward specie payments if we cannot reach the goal? Because we cannot accomplish all that we have agreed to do in a given time, does that relieve us from the necessity of progressing in that direction? When we have before us a long journey that will take months to pass, perhaps years, shall we delay starting on that journey because we cannot reach the end of it in a year or two? Not at all. I therefore say that the time has arrived this moment when the United States ought to do something to advance its notes to the specie standard.

Now what is that something? There are two propositions, and only two propositions, that have been made aside from absolute coin redemption, that have had any strength whatever. One is to allow the United States notes to be received in payment of customs duties, the other is to allow United States notes to be converted into bonds. In regard to the first, I agree entirely that if the matter was open now to our choice and selection, one of the best methods we could adopt to advance our notes to par in gold would be by repealing that restriction which prevents the receiving of them for customs duties; but we are met there by the sacred pledge of the United States; we are met there by the fact that customs duties are by the law of 1832 agreed to be collected in coin.

Mr. BAYARD. Does not the law provide that the customs duties shall be paid in coin or in notes of the United States? Is not the alternative given by the law?

Mr. SHERMAN. O, no. If the Senator will look at section 5 of the act of February 25, 1862—my friend from Vermont can turn to it in a moment—he will find that there is an express stipulation that the customs duties shall be collected in coin, and that this coin shall be set aside as a pledge—legal language is used—and shall only be applied, first, to the payment of the interest on the public debt, and secondly to the establishment of a sinking fund of 1 per cent. That was the basis of the obligation of the United States to pay in coin; and but for the fact that we collected our customs duties in coin during the war we could not have paid the interest on our public debt in coin, and therefore our bonds would have sunk out of sight. That pledge we cannot now violate; and I never have yet been able to bring my mind to the consideration of any proposition whatever which would even shock or excite the fear of the public creditors in that respect. The safety of the public creditors consists in having a specific fund for the payment of their interest; the principal will take care of itself; and that fund has always been maintained in the darkest hours of the war. Except the propositions that have been made here and there to impair that fund by allowing a portion of the customs duties to be paid in currency, it has never been either invaded or threatened; but all such propositions have been voted down. I therefore, while I see the policy and the expediency of allowing these notes to be used in payment of customs duties, simply say we are precluded from that remedy because we have mortgaged that fund, and we have no power to take them for any purpose except that which the mortgage stipulates.

Then we come to the next proposition.

Mr. THURMAN. If my colleague will allow me, I wish to inquire of him whether the fact is not that the amount of gold received from customs duties has been, until the panic commenced, much larger than the amount of interest we pay, and whether there is any pledge of the gold received from the customs duties beyond the amount necessary to pay the interest on the public debt and the sinking fund?

Mr. SHERMAN. I can state to my colleague that there is, and has been, an overplus, and therefore we have sold the gold. The amount of the interest of the debt is about $100,000,000 per annum, or a little more. The sinking fund is now $30,000,000 in round numbers; and then, besides that, there are the expenses of foreign intercourse, the expenses of the Navy on foreign coasts, &c., and certain other expenses that have necessarily to be paid in gold, say to the amount of $6,000,000. We have then $136,000,000 of gold expenditure, and our gold revenue cannot now be counted upon surely this year at more than $180,000,000. As a matter of course, we may do what we please with the excess of gold above these stipulated sums, but it only amounts to less than one-fourth of the aggregate revenue; and therefore to propose to allow the notes to the amount of one-fourth to be received for customs duties would only be another mode of selling the gold which would be otherwise received and give no practical relief. It would only be *pro tanto* a reduction of the duties on foreign goods. Therefore, I have never regarded the various propositions on this subject as practicable; certainly not to the extent of more than thirty or forty million dollars.

We then come to the redemption in bonds. There is the moral obligation on the part of the United States, which has issued its notes payable in coin, but for reasons of public policy does not pay in coin, to give to its creditors its notes bearing interest in place of coin. The United States cannot plead inability to pay interest on its notes if it will not or cannot pay the principal. Why should not the United States give its obligation bearing interest just as any individual would have to do? There is a moral obligation which rests upon the United States every day of the year to every holder of these notes, because, although the United States has not said when it will redeem these notes in coin, yet it is bound to do what it can to give them additional value. Although it may not receive these notes for customs duties, why can it not receive these notes in payment of bonds? Why discriminate against these notes in the sale of bonds? The answer is, that during the war we were compelled to do it; and so we were. I very reluctantly yielded to that necessity. We were compelled to do it; but, sir, it was only expected that that would continue to the close of the war; and, practically, during the whole of the war these notes were received at par for bonds at par.

If, therefore, we are to take any step toward specie payments, why not give to the holder of United States notes who demands it a bond of the United States bearing a reasonable rate of interest in exchange for his notes? This should only be done after a reasonable time, so as to prevent any injury to the private contracts between debtor and creditor. When we cannot pay the coin, we are honorably and sacredly bound to pay in a bond of the United States, which in ordinary times would approximate to par in gold. In other words, this is a qualified redemption. The Senator from Indiana calls it a "half-way measure." It is a half-way measure in the right direction, and indeed it is practical specie payment.

Mr. LOGAN. Will the Senator allow me to ask a question right there in reference to these bonds? I do not wish to disturb the Senator in his argument.

Mr. SHERMAN. I will hear the Senator.

Mr. LOGAN. Providing a 5 per cent. gold-bearing bond payable in ten years, as I understand this bill does, would produce $200,000,000 in ten years as interest, which would make the amount of money payable by the people to redeem the $400,000,000, $600,000,000 in gold.

Mr. SHERMAN. I do not understand the question. Will the Senator repeat it?

Mr. LOGAN. The question is, whether or not you believe that the Government will not be able to redeem the greenbacks, if anybody wants them redeemed, within the next ten years? If they are, these bonds which you propose to issue are only redeemable in ten years; but when the people have to redeem the bonds at the expiration of ten years, they will have to redeem $400,000,000 of greenbacks, and in addition will have to pay $200,000,000 of gold for interest, making $600,000,000 for the redemption of $400,000,000 of greenbacks.

Mr. SHERMAN. That is, it costs more to pay a man with interest than without interest.

Mr. LOGAN. It costs the people $200,000,000, taking the chance that in ten years the Government will not be able to pay this sum of $400,000,000. Is not that the result?

Mr. SHERMAN. I think, if a man has my note without interest for ten years, it is a great deal better for me, and a great deal worse for him, than if he has my note bearing 5 per cent., payable every year. If that is the point the Senator makes, undoubtedly that is true. It is better in one sense, that it is less burdensome to the United States to have its note outstanding without interest than it is to pay interest.

Mr. LOGAN. I do not wish to disturb the Senator further; but that is not the point I suggested. My point is this: that redeeming the bonds and making the bonds run ten years is a presumption on our part, if we agree to that, that the Government will be able at the end of ten years to redeem the bonds and pay 5 per cent. interest on them. If the Government at the end of ten years is able to redeem bonds that are drawing 5 per cent. gold interest all the time, will not the Government at the end of ten years be just as able to redeem the greenbacks without the bonds?

Mr. SHERMAN. I will state that the bonds contemplated by this act are the same bonds now authorized by law; that is, the ten-forty bonds, payable at the end of ten years, at the pleasure of the United States within forty years. There is nothing new about it. We simply take the old bonds because they are convenient.

Not only is this founded on strong obligation, but there are precedents for it without number, not only in this country, but in all countries. I will say that until July 1, 1863, the Government of the United States never, in its whole history, refused to take its outstanding notes in payment of its bonds at par, and never, until the close of the war, did it refuse practically to do the like. Why, sir, the basis of the plan of Alexander Hamilton was the conversion of all forms of obligations into certain prescribed bonds of the United States. It was in that way, and with the aid of the United States Bank, that specie payments were brought about. Why, sir, the money of the Revolution, the old continental money, which had depreciated and died out of sight, was funded into the new securities, or converted, to use the modern language, at the rate of one hundred to one. All the various forms of securities of the Colonies, of the thirteen different States, and all the various obligations of the United States, all the forms of currency that prevailed in the times of our revolutionary fathers, were funded, converted into certain forms of bonds, and those rapidly rose to par in gold; so that in three years it was said of Alexander Hamilton, "He smote the rock of the national resources and abundant streams of revenue gushed forth; he touched the dead corpse of the public credit, and it sprang upon its feet." In three years a condition of absolute bankruptcy became a condition of great and growing prosperity.

Mr. HOWE. I wish to ask the Senator if there is not a difference between the funding system suggested in this second section and the funding system of Alexander Hamilton in this: that when heretofore governments have exchanged their interest-paying obligations for their current indebtedness, the current indebtedness has been wiped out, paid; whereas, under the operation of this second section, the current indebtedness is still going to continue, but the bonded debt is going to be added to it?

Mr. SHERMAN. I would have answered that in a later portion of my remarks. That is the argument made in regard to the reissue of these notes. When a man presents a note to the United States for a bond and the Government gives him that bond, the obligation to the holder of that note is then discharged. It is not fully discharged, because a full discharge would demand the payment in coin; but the best practicable mode of discharging that obligation to the holder of the note is to give him a bond bearing interest, practically equivalent to gold. Then the note is the property of the United States; the note is the note of the United States paid off, and it may be reissued, as is done every day. Why not? If you were to authorize the conversion of these notes on demand into bonds without the power to reissue, you would suddenly cramp and cripple the business interests of the country, which you ought not to do. Suppose you redeem the note in coin, could you not pay it out again? What impropriety is there in that? Why not pay it out again? And so when the note is presented for a bond and the United States redeem it with a bond, may not the United States issue that note again at its pleasure under the authority given by the original act? There is no doubt of it at all, unless it is prohibited by subsequent law. As to the policy of doing it, I will come to that in a few moments.

Now a word as to the reason why the 5 per cent. is taken rather than any other. We are here met with a multitude of counter-propositions, some of which are pending in the House of Representatives, that instead of allowing the conversion into a 5 per cent. bond, we allow the conversion into a 3.65 per cent. bond. Why not? Is it not better to give a bond bearing a lower rate of interest than a bond bearing a higher rate of interest? Certainly, if such a conversion will accomplish the same results.

Mr. BOGY. Permit me to ask the Senator a question before he comes to that point, and that is, as to the right to convert the greenbacks into a bond and then the right to reissue the greenbacks. What gain will there be to the Government if this thing is carried on? Suppose you redeem $1,000 in greenbacks by the issue of a 5 per cent. bond. The necessities of the Government will soon require a reissue of those legal-tenders again, according to the Senator's argument. It is so provided in the law.

Mr. SHERMAN. If the Senator will only wait until I come to that point, I will answer him.

The reason why 5 per cent. bonds are taken rather than 3.65 per cent. bonds is that the 5 per cent. bond can be maintained at par in gold. It is at par in gold now, and for seventy years of our history a 5 per cent. bond of the United States has sold in the money markets of the world at par in gold. The price or value of that bond is not fixed here; it is not fixed in New York; but it is fixed in the money markets of the world. Now suppose you substitute for the 5 per cent. bond the 3.65 per cent. bond, what would that bond be worth in the market? That would fix the value of the greenback. The greenback being convertible into this bond, it would fix the value of the greenback; and we know practically that a bond bearing 3.65 per cent. interest in gold would not be worth more than from seventy to seventy-five cents on the dollar. Therefore by such a measure as has been proposed we would at once reduce the value of the greenback rather than increase it. The result would be either that the notes would not be converted into 3.65 per cent. bonds, for the greenbacks would be considerably more valuable as currency; or, on the other hand, they would be depreciated to the standard of the 3.65 per cent. bond. The 5 per cent. bond is taken because that can be and is at ordinary times at par in gold; and therefore it is practically a gold resumption.

Now as to the power to reissue these notes, as a matter of course that is a matter of detail. I should dislike exceedingly to see that power denied to the United States. If Senators desire to test the question as to the power to reissue, if my friend from Missouri thinks no advantage will be gained by the Government in the power to reissue, let him test that question. But now what is the effect of this power to reissue? When a man has the power to convert his note into a bond bearing 5 per cent. and practically at par with gold, it raises the value of that note to that standard undoubtedly. A thing that may be converted into another will always be of the same value. My friend from Massachusetts in an able argument that he made the other day talked about "equivalents." I think that is an equivalent when one thing can be turned into another; they are the equivalents of each other for all practical purposes. He criticised the word "equivalent," as if there was something very strange or singular in it. Equivalents are defined in the dictionary to be things that are exchanged for each other. As a matter of course both parties think they gain an advantage, or they will not make the exchange. But the law, the common sense, calls them equivalents because one is taken for the other. One article may be desired by one man, and something else by another, and they exchange; and that is the basis of barter, the basis of sales, the basis of all contracts.

When a note or a certain quantity of notes can be converted into a bond bearing 5 per cent. interest, then those notes have the market value of that bond; and in practice what would be the effect? What is the effect in specie-paying times? A bank with $10,000 or $50,000 of gold can maintain in circulation from $400,000 to $500,000. Although every holder of these notes knows very well that there would not be money enough in the bank to pay even one-fourth of them, yet they pass ordinarily current for gold, and not more than 1 or 2 per cent. of them are presented in the year. Experience has shown that banks do not redeem in coin even in prosperous times or in any times more than 1, 2, or 3 per cent. in a whole year. When they are called upon to redeem, they generally redeem by exchanges or in some other form.

Now, therefore, when you fix the convertible power of the greenback into a bond, you fix the value of that note, and practically this process of presenting the note for redemption will very rarely occur. What then? How many of these notes will be presented for redemption before the difference between the note and the bond will disappear? Why, sir, I never yet among business men have heard it estimated as higher than ten or twelve or thirteen millions. The right to convert always establishes the value, and the right will not be exercised. Let me tell Senators who fear that the whole of the notes will be converted into bonds what actually occurred in 1863. In January, 1863, Secretary Chase came to Congress and asked us to repeal this right to convert them, provided for by law, on the ground that the very existence of that right which might be exercised at any time actually prevented conversion; and that is usually the effect of such a right. I say, therefore, that, fixing the value of the note at the price of the bond, the process of conversion and reconversion will not often occur.

But my friend from Missouri points to the fact that these notes will be reissued, and he asks, what benefit does the Government derive from this process? Why, sir, it derives the benefit of performing its obligations; the same benefit that every debtor derives when he pays an honest debt according to its stipulations. But the Government may lose interest. Certainly it may lose interest. Why should not a debtor lose interest when he owes a debt and does not pay it? But why reserve the right to reissue these notes? Because we have uses for them. We may pay the ordinary expenses of the Government with them. The Senator describes this as a process which will increase the public debt. It is not possible to increase the public debt under the operation of this section——

Mr. MORTON. Will the Senator permit me to make a suggestion at this point?

Mr. SHERMAN. I would rather not just at this moment. The Senator interrupts me right in the middle of a sentence, and I have almost forgotten what I was saying. I was trying to answer the objections made by the Senator from Missouri. Why should not the Government reserve that right? The purposes for which these notes are issued are defined fully. But he says they may be used to pay current expenses. So they may. It would be difficult to distinguish between funds that come into the Treasury for bonds and those that come in from the ordinary revenues of the Government. But does not the Senator remember that the current revenues of the Government are and ought to be, and always have been, equal to the payment of the ordinary expenses, and always in excess of that amount? Does the Senator wish to guard against the possible contingency of Congress failing to levy taxes enough to pay the current expenses? While this money may be paid out for current expenses, another stream pours in. Here is the Treasury with many streams of revenue from all quarters pouring in and others going out. As a matter of course the current revenues will always supply the vacuum caused by the payment of the current expenses, leaving the notes received for bonds to be paid out for other bonds.

What bonds may be paid with these notes? They may be applied to the payment of the five-twenty bonds. But it may be asked, how? We have outstanding now $1,200,000,000 of bonds that are due to-day which we have the right to pay in coin at par. They bear six per cent. interest. They are worth now a great deal more than gold,

because we have not the coin to pay them and no means of getting the coin.

But what is the theory of this section? The 5 per cent. bonds are practically at or near par in gold to-day. All during the panic they were worth not less than ninety-nine cents on the dollar. In the very darkest hours of the panic these 5 per cent. bonds of ours were worth ninety-nine cents in gold. Then these notes received by us in payment of the bonds are worth ninety-nine cents in gold. If there should be a time of great ease in the money market, when money was lying idle, it would be presented for coin or bonds. In this way ten, twenty, or even thirty millions might accumulate in the Treasury. But how long would this process continue before the demand for currency would put a stop to this redemption or conversion? The withdrawal of a few millions temporarily from the volume of currency outstanding among the people would always bring back the normal state of affairs. The Secretary of the Treasury could then use the notes in his possession in payment of 6 per cent. bonds of the United States. How? Not by compelling the holder of the 6 per cent. bonds to take the notes, but he can buy gold always, and the difference between the value of these notes and the gold would not ordinarily be over 1 per cent., probably not that, and in this way he can pay par for par, or at a discount not exceeding 1 per cent., the 6 per cent. bonds of the United States.

Here is a use that may go on day after day and year after year, which would absorb $1,200,000,000 of these notes; a use in which the Government of the United States would derive the profit from paying off a 6 per cent. bond and issuing a 5 per cent. bond. Why, sir, the process of what is known as the syndicate has been going on at an expense of 2 per cent., and this process, that might go on by the voluntary ordinary ebbs and flows of the Treasury Department, without commissions or agencies or aids, may convert the whole of your 6 per cent. bonds, as these notes come into the Treasury, into 5 per cent. bonds, and thus save the people of the United States $12,000,000 in gold a year. How fast this process will go on will depend entirely on how rapidly the notes may be presented for conversion. If notes are presented rapidly for conversion into 5 per cent. bonds, and can be thus used, every part of this plan would operate to the benefit of the people of the United States.

At one time I thought of reading a number of letters from eminent bankers, men who are well known all over the United States, to show that the practical effect of this would be that these notes having the right to be converted into bonds would at once stand on an equality with bonds. I proposed to refer specially to one, known to most Senators here, but I do not like to drag private names in here, who said that he would guarantee with $10,000,000 a year to redeem every note presented without any hesitation, because a right always existing would rarely be exercised. It would never be exercised except in the case of a very full money market, when money was lying idle, and people might be willing to convert their notes into bonds with the hope that afterward they might sell the bonds in the money market, and get the notes back again for circulation, and in the mean time the Government that issues its 5 per cent. bonds and receives the notes may use these very notes in the payment of the public debt.

Now I will hear the Senator from Indiana.

Mr. MORTON. I was going to call the attention of my friend from Ohio to the effect of this section in connection with the last section of this bill:

> That nothing in this act shall be construed to authorize any increase of the principal of the public debt of the United States.

This second section provides:

> And the Secretary of the Treasury may reissue the United States notes so received, or, if they are canceled, may issue United States notes to the same amount, either to purchase or redeem the public debt, or to meet the current payments for the public service.

I suggest to my friend that that part is nullified by the last section, because if they are reissued to meet current expenses they do increase the public debt precisely to that amount. The notes are a part of the public debt. If fifty millions are brought in and converted into 5 per cent. bonds, fifty millions of bonded debt are created. Then if the notes are reissued in payment of public expenses, there is fifty millions of public debt in the form of notes, and the public debt has been increased fifty millions. Therefore the last section of the bill nullifies that part of the second section which the Senator has been considering.

Mr. SHERMAN. If the Senator had waited until I commented upon the sixth section of the bill he would have seen precisely my answer, and if he will allow me now, rather than interrupt my argument, I will show him that by no possibility under the operation of this bill can the public debt be increased; and to avoid the very criticism now made, the sixth section was put in, which, undoubtedly, will prevent it. Perhaps I had better now state the reason. As a matter of course, when these notes flow into the Treasury and a bond is issued in place of them, there is no increase of the public debt in that operation.

Mr. MORTON. No, sir; not that far.

Mr. SHERMAN. When the United States notes are paid out in liquidation or payment of five-twenty bonds, there is no increase.

Mr. MORTON. No.

Mr. SHERMAN. That is manifest. Then the only possible increase can be in a possible condition of a deficiency in the revenue; that is, where the amount flowing into the Treasury from the ordinary revenues is less than the amount of current expenses. That presumes that Congress will fail to do its duty. It presumes that Congress will fail to levy taxes to pay the ordinary expenses of the Government. It is a contingency scarcely worth while to guard against. But suppose Congress does neglect to provide means to pay the ordinary expenses of the Government, are they not to be paid?

Mr. MORTON. That would increase the public debt, and that is forbidden by the last section.

Mr. SHERMAN. Very well; then suppose that the last section would prevent the operation of that second section at a time which only occurs once in twenty or thirty years, does the Senator object to that? No, sir; this section was put in to guard against just such arguments as may be made. We know that in the ordinary course of affairs Congress will provide by law for enough revenue to pay the current expenses of the Government. It is scarcely necessary for us to provide against a contingency when it will not. Why, sir, lately when there was a slight deficiency for a few months, it alarmed the whole country, and Congress was called upon to levy taxes, and would have levied taxes but for the fact that the improving condition of the revenue led many members of the House of Representatives to think it not necessary. I think they may levy them yet before the close of the present session. It is a question that we have nothing to do with; but it is to be presumed that Congress will do its duty and furnish the means to defray the ordinary expenses of the Government; but if it does not, what next? We must go in debt, and that is all; and to the extent of the deficiency in the revenue we would increase the public debt. We would do it, any way; and the only question would be whether it would be in the form of 5 per cent. bonds or in the form of unpaid requisitions upon the Treasury Department.

Mr. FRELINGHUYSEN. May I ask the Senator a question?

Mr. SHERMAN. Certainly.

Mr. FRELINGHUYSEN. I should like to know what the meaning of this sixth section is:

> That nothing in this act shall be construed to authorize any increase of the principal of the public debt of the United States.

The public debt at what time? Now or at any time?

Mr. SHERMAN. As a matter of course that would not prevent Congress from passing new loan bills; but it means simply that under the operation of this act the public debt shall not be increased; and, as I showed a moment ago, there is no possibility of an increase of the public debt, except to pay a deficiency in the current revenues, and probably this sixth section might prevent the operation of the second section in that particular case.

Mr. FRELINGHUYSEN. The point I want to get at is, what that section meant; whether it was that this act should not operate to increase the amount of the public debt as it was at the passage of this act, or as it might be reduced at any time.

Mr. SHERMAN. My impression is that the fair construction of the section (although, as I did not write it, I would rather some other gentleman would explain the meaning of it) is that the provisions of this act shall not lead to an increase of the public debt, either now or at any time; that if the public debt is to be increased it must be by some other law or authority.

Mr. LOGAN. If that is the construction, if the Senator will allow me right there, I should like to put this question to him——

Mr. SHERMAN. I hope my friend will allow me to go on.

Mr. LOGAN. Of course I will, if the Senator does not yield to allow me to ask a question.

Mr. SHERMAN. I trust Senators will not interrupt me further. I have been very patient. Owing to these interruptions I have consumed more time now than I intended. When I spoke once before on this subject, I was put under the catechism for some hours.

Mr. FRELINGHUYSEN. I suppose that is the true construction given by the Senator.

Mr. SHERMAN. Now, Mr. President, if this section contains any defects, or if on account of the intrinsic difficulties of this problem, this plan of redemption seems faulty or objectionable, I ask Senators this simple question, and I put it to the conscience of every man: If this plan does not meet your view, will you not suggest another? Will you adjourn this Congress with an increase of both national and bank-currency without any plan of redemption, without any promise of redemption, without any hope of redemption, all your promises broken, your pledges dishonored, your country dishonored, as I say it will be when you provide for the issue of more paper money in the face of the pledges you have made without any plan of redemption or reduction of the existing debt? Senators, face your responsibilities. If you do not like this plan, suggest some other, and I will then make the comparison of this one with any which you may suggest. Do you propose to redeem these notes in coin? That is fair and honorable and square, I concede. Will you make no provision whatever for the redemption of these notes? Why not? Are you not rich enough to do it? Is not the United States rich enough to advance $382,000,000 of notes to par in gold? With the overflowing wealth of this country, with $32,000,000,000 of property, with an annual income amounting to about $6,000,000,000, with forty millions of the most prosperous people in the world, and with our boundless resources and great country, are we not able to bring our notes to par in gold? Why, sir, we flaunt the star-spangled banner in the face of the world and point

to ourselves as the model republic, as an evidence of the effect of free institutions upon a hearty, hardy, intelligent, and virtuous people; and yet we express our inability to pay our broken promises, our inability even to suggest a mode by which or a time when those promises shall be fulfilled.

Mr. President, I desire Senators to bring that question home to themselves. Let them not come forward and say, with the Senator from Indiana, this is not the time to redeem any promises, it is not the time to even say when we will do so; that the country is under a fright. When I hear this talk about the recent panic, I always think of the old nursery rhyme of "Henny-penny, Cockie-lockie, Goosie-poosie, and Turkey-lurkey," who were frightened by the falling of pease from the vines they were pecking, and started the alarm, "The sky is falling, the sky is falling; let us go and tell the king." According to my recollection of the story, they all got together in the fox's hole and were devoured before they reached the king.

The recent panic has been made the reason and the cause of a great many extravagant ideas. I speak now in all kindness to others. The panic was simply an abuse of credit; it was simply the engagement of men in great enterprises beyond their reach, and when they failed, it destroyed confidence. It is this want of confidence that ties up money in the cities and makes money scarce in the country; but the wealth of our country is unimpaired; its resources are unimpaired. Everything a man has to sell will sell as it did before. Prices are maintained with the single exception of cotton. What is the price of cotton now compared with what it was last year?

Mr. FLANAGAN. About a cent lower.

Mr. SHERMAN. About a cent lower, I am told. The ordinary prices in the country in which I live are rather higher. The panic is no evidence of want of prosperity; but the men who involved themselves too far in debt want to be saved by depreciating the standard by which labor and property are measured. Therefore, when Senators come to criticise the plan proposed by the committee, that looks to the resumption of specie payments, let them suggest some other, unless they still are under the influence of the panic; unless they believe we are so utterly bankrupt as to be unable to make any provision for the redemption of our notes either in coin or in bonds, or in any other way.

As to the time when this shall occur, upon that point I am very indifferent. I believe the country could do it on the 1st day of January next, because the change that would be made in the relative value of the greenback now and then would not be greater than has occurred in any one year in the last five years of our history. But the Committee on Finance thought it was better to put it off a year and a half. The effect would be somewhat diminished if it was put off two years and a half, until the 1st of January, 1877. But what I insist upon is that we should not increase the currency under any circumstances unless we provide a time when, and a mode by which, we will advance these notes to par in gold or towards the specie standard. Sir, in this country we never took six months to resume specie payments. We had revulsions in 1857, in 1847, and in 1837, and specie payments were resumed by the solvent banks in every case within a year. We do not want the time fixed; but if Senators are afraid that the operation of this bill is too rapid, that the mode of redemption is too prompt, let them suggest an extension of the time; let us maintain the promise and provide for some mode and means by which we will redeem that promise in a reasonable time. All I ask is that the Government shall not turn its back upon the policy it has always stood upon of looking to a specie standard, but that now in connection with measures to provide local currency for the country we may renew that promise and declare when and how we will fulfill it.

Now, Mr. President, I ask for the reading of the third section.

Mr. MORTON. Before the Senator passes from that will he allow me to ask him a question?

Mr. SHERMAN. Yes, sir.

Mr. MORTON. Mr. President, a great deal has been said about the discretion of the Secretary of the Treasury to issue the $44,000,000 reserve. I desire to call the attention of the Senator from Ohio to this provision of the second section:

> And the Secretary of the Treasury may reissue the United States notes so received, or, if they are canceled, may issue United States notes to the same amount, either to purchase or redeem the public debt, or to meet the current payments for the public service.

This provision leaves it discretionary with the Secretary of the Treasury whether he will reissue any of the notes that may be converted into the 5 per cent. bonds. If from any cause he thinks it is improper or unwise to reissue them, or to invest them in bonds, or to pay them out for ordinary expenses, he has a right to withhold them; and that is to contract the currency indefinitely, because under this section all the legal-tender notes may be funded into 5 per cent. bonds, and the Secretary of the Treasury is authorized in his discretion to retain them all in the Treasury. He is not compelled to pay them out for bonds or for any other cause unless he thinks proper.

Mr. SHERMAN. The Secretary of the Treasury undoubtedly has some discretion under this bill, but no discretion compared with that of issuing any amount, even a million dollars of irredeemable paper money. Here this money is presented to the Secretary of the Treasury, and he can only issue the bond when somebody demands it. But the Senator says he may accumulate this money in the Treasury, and that there is a dangerous discretion. Well, sir, he may do it now under the law. He can accumulate every dollar he receives under the law. There is no law which requires the Secretary of the Treasury to pay out all the money that is received into the Treasury, and this bill makes no difference in the law. It must necessarily be so. It is sufficient to say that Secretaries of the Treasury in this country are subject to public opinion, and when the Secretary of the Treasury would bring us up near to par in gold and would not pay out this money, public opinion would at once correct it, and Congress would always be here in a reasonable time to guard, regulate, control, and limit that discretion, if we deemed it necessary. It is sufficient to say now that this gives him no discretion beyond what he has this day in regard to all the revenues of the United States. There is no law now to prevent him from accumulating ten, fifty, or a hundred million dollars in greenbacks. He may, under the law, which the Senator voted for, sell every dollar of gold in the Treasury and put it all in greenbacks and keep it in his vaults. He has full power to do it; but he will not do it because it is to be supposed that a man occupying the high position of Secretary of the Treasury will have some sense; and that is generally to be presumed.

Now, Mr. President, I will ask for the reading of the third section.

Mr. LOGAN. If the Senator will allow me, before he comes to that I wish to make one remark with reference to the second section. I intended to ask the chairman of the committee a few moments ago a question in reference to his construction of the two sections. Construing the sixth section in connection with the other sections, he said he thought the proper construction would be that the Secretary of the Treasury would not have a right to increase the public debt at any time, as I understood him. Now, let me put a case to him. Suppose this bill should become a law, this sixth section providing that the Secretary of the Treasury shall not have the right to increase the public debt at any time, he would then under the provisions of this bill, because he is authorized to do so, purchase Government bonds to the mount of $500,000,000. He thereby reduces the public debt by the amount of $500,000,000, we will say, on the 1st of May next. It is provided here that he may do so.

Mr. SHERMAN. By the purchase of five-twenty bonds.

Mr. LOGAN. Certainly; that is what I said. Suppose on the 1st of May he purchases ten or fifty millions. Then on that day the public debt is reduced ten or fifty millions, as the case may be. Then he attempts the next day to redeem the notes that he has purchased the five-twenty bonds with, by the reissue of 5 per cent. ten-year bonds. Is not that an increase of the public debt?

Mr. SHERMAN. No, sir.

Mr. LOGAN. Then I do not understand this system.

Mr. SHERMAN. That is not increasing the public debt one dollar over what it is now.

Mr. President, I prefer to go on with my remarks, because Senators must see, especially when such questions are interposed, that they prolong the debate very much.

Mr. LOGAN. I do not intend to prolong the debate; but my friend from Wisconsin suggests to me that probably the Senator misunderstood my question from my manner of stating it. I understand the construction of the Senator to be that the Secretary could not increase the public debt at any time, and I ask this question: if he reduces the public debt at any time can he then increase it again?

Mr. SHERMAN. The whole operation of this section is simply the exchange of one form of debt for another.

Mr. LOGAN. I understood that precisely.

Mr. SHERMAN. If he receives in the greenbacks and pays out a 5 per cent. bond, or if he pays out the greenbacks and receives in a 6 per cent. bond, it is only the exchange of one debt for another. I trustthat now my friend will allow me to go on.

Mr. LOGAN. Certainly; but I understand the difference between the bonded debt of the Government, according to the Secretary of the Treasury, and other debts, and it certainly does increase the bonded indebtedness, if I can understand anything about this matter.

Mr. SHERMAN. The word "bonded" is not there.

Mr. LOGAN. It is "public debt."

Mr. SHERMAN. The greenbacks we still regard as a part of the public debt. We have not yet been converted into the idea that they are not a debt.

Now, I ask for the reading of the third section of the bill.

The Chief Clerk read as follows:

> SEC. 3. That national banking associations may be organized in any State or Territory, including the District of Columbia, having a less proportion of national-bank circulation than the State of New York, according to the apportionment made upon the basis of population and wealth by the annual report of the Comptroller of the Currency for 1873, until each State and Territory and said District, respectively, has an amount of such bank circulation equal to such proportion of notes then outstanding in the State of New York; and all banks organized under this section shall be subject to, and be governed by, the rules, restrictions, and limitations, and possess the rights, privileges, and franchises, now, or hereafter to be, prescribed by law as to national banking associations, with the same power to amend, alter, and repeal provided by the "national-currency act," approved June 3, 1864; and section 6 of the act entitled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates, and for an increase of national-bank notes," approved July 12, 1870, be, and is hereby, repealed.

Mr. SHERMAN. Now I give fair notice to Senators that I am getting a little fatigued, and I trust they will not interrupt me in my further statement of the provisions of this bill; and I shall consider myself at liberty now to decline to be further interrupted.

The third section of the bill is intended to provide for free banking; to remove all limitations, except as I shall state them, from the right of any individual under the banking law to organize a bank and issue currency, upon the deposit of United States bonds, in all respects according to the provisions of the general banking law. But in framing this section it was suggested, and the argument was made with great force in the Senate by Senators on both sides, that if you allow free banking the present inequality of distribution of bank circulation, which has been made the cause of so much local complaint, would be increased rather than diminished; that the people of the New England and Eastern States, having a superabundance of capital, might avail themselves of the provisions of the free-banking law and rush into the banking system, increase the amount of currency in this way, and thus really prevent the organization of banks in the West and South, and increase the inequality that is already complained of. There is a great deal of force in this.

While the idea of free banking is a very popular one, and a very right one, and while it is very difficult to define the metes and bounds or the place where a bank should be organized, or give a reason for preventing men from organizing banks wherever they choose, yet it is palpable that to maintain this national-bank system, to make it popular, to make it convenient to all parts of the country, it must be localized and spread fairly all over the country. That was the original design of the act, which was defeated, as I have said, by what I claim to be an erroneous construction of the law. Therefore it was that the suggestion was made that we adopt some standard for bank circulation sufficiently high to give every State South and West all they wanted; and as New York is the great State of the country, having more than $2,000,000 more than her share, it was finally deemed that New York was the best to adopt as a standard. The reason was this: It was admitted on all hands that in New York they had enough of this kind of currency; they were actually winding up some of their banks and changing them into State institutions, and therefore New York was taken as the maximum; and within the limits of the amount now allowed to the State of New York any State, Territory, or the District of Columbia, may organize free banking.

I desire to say for myself, that while these ideas were assented to by me, I am perfectly willing to run the risk of free banking. The only objection to it is that the Eastern States, with their superabundance of capital, with the fact that they have the bonds on hand, may rush into this system and keep up this inequality that has been complained of so much as a local grievance. I do not see any other reason for this provision than this: that it will secure and perhaps induce a flow of capital from New England, New-York, and the Eastern States, where it is abundant, to the southward and westward, where, on account of the war and on account of the sparseness of the population they are comparatively poor, and induce the organization of banks there.

So far as free banking is concerned, I have always been in favor of it. The limitation of $300,000,000 put upon the banking act was supposed to be beyond what would ever be required. The fact that that limit has been exceeded shows the strength and popularity of the system. When we organized the national banks in 1863 the total amount of bank paper then outstanding was less than $200,000,000, including all the Southern States. We supposed when we limited the aggregate of circulation to $300,000,000 that we had provided amply sufficient. There is no reason why any particular limit should be put on the amount of bank circulation except only that it is redeemable, and there can be no proper limit to the amount of any kind of paper money except that it shall be kept and maintained at par in gold. Therefore this proposition to repeal and strike down the present limitation meets my hearty assent; and I am utterly indifferent, so far as this bill is concerned, whether it be absolute free banking, giving to all the States the same right to organize banks, or whether it be limited in this way to States that have now less than their share.

Every State, under the operation of this bill, will receive additional circulation if they want it, except only the New England States, and perhaps some of them will receive some, and New York, and perhaps Pennsylvania, and perhaps New Jersey. I am not sure that they have more than their proportion. All the other States will have some, of course. The increase provided for by this section may amount to from $100,000,000 to $110,000,000.

I now ask the Secretary to read the fourth section of the bill, which presents, in my judgment, the most difficult part of this whole proposition.

The Secretary read section 4, as follows:

SEC. 4. That within thirty days after circulating notes to the amount of $1,000,000 shall be issued to national banking associations under the preceding section, it shall be the duty of the Secretary of the Treasury to retire an amount of United States notes equal to 70 per cent. of the circulating notes so issued, which shall be in further reduction of the volume of $382,000,000 fixed by the preceding section; and such reduction shall continue until the aggregate amount of United States notes outstanding shall be $300,000,000. And for that purpose he is authorized to issue and sell at public sale, after ten days' notice of the time and place of sale, a sufficient amount of the bonds of the United States, of the character and description prescribed in the second section of this act, for United States notes to be then retired and canceled.

Mr. SHERMAN. Mr. President, this section was again another compromise, and, like all compromises, it may not be entirely satisfactory to any one. It was felt that we ought not to increase national-bank notes beyond the limit now allowed by law without retiring some other form of circulation; because while it has been contended on this floor that the issue of bank circulation does not inflate the currency to the same extent that the issue of greenbacks does, yet all have admitted that the issue of bank circulation, while it is irredeemable, inconvertible, and depreciated, in any form, by swelling the volume, does tend to depreciate it. Greenbacks being legal tenders and the basis of the redemption of bank-notes, the issue of them directly depreciates the value of those already issued; while bank-notes, being redeemable in greenbacks, being secured by Government bonds, have the same effect only as long as neither greenbacks nor bank-notes are redeemable.

If the United States notes were redeemable either in coin or bonds, the reduction of United States notes would not be material, because then the standard of redemption being maintained practically at par in gold, it would make no difference whether or not you retired the greenbacks under the provisions of this section. But it is only while these notes are irredeemable, while they are depreciated, while they are inconvertible, that it is necessary to guard against the inflation of the currency and a depreciation of the whole volume by the increase of bank circulation. At present, in our present condition, the issuing of bank circulation has the same effect, or nearly the same effect, as the issue of greenbacks. Why, sir, that is shown by our experience. The issue of the fifty-four millions under the bill of 1870, within the last four years, has prevented the appreciation of our notes any nearer to par in gold than they were the very day that law passed. For four years we have been prevented from marching toward specie payments by the gradual issue of the increased bank circulation authorized by the act of 1870. It only reached the fifty-four million maximum within the last few months; but the increase in bank circulation has prevented the otherwise gradual advance to specie payments which would have occurred but for this increase. Therefore, if we authorize any increase of bank circulation without any provision for retiring the greenbacks, diminishing the value of the whole, it ought to be accompanied by some counter-proposition.

The Secretary of the Treasury, perhaps I would not betray confidence in saying, wishes to retire an equal amount of greenbacks. As the bank-notes are issued, he wishes to have an equal amount of greenbacks retired. There is a good deal of force in the argument that this is a contraction of the currency; for whenever bank-notes are issued a certain amount of greenbacks must be maintained as a reserve, only 6 per cent., however. The average amount of greenbacks now maintained as a reserve is only between 6 and 9 per cent. The great body of the reserves of the country banks are now in deposit banks where they are loaned out. The amount of greenbacks actually maintained as a reserve on the circulation is only about 9 per cent., according to the report of the Comptroller of the Currency, not 15. Although the amount of the reserve is nominally 15 per cent., yet three-fifths of that reserve may be loaned to other banks, and therefore it is not maintained in greenbacks. Hence, strictly speaking, the issue of $1,000,000 in bank-notes is equivalent to the issue of $900,000 of greenbacks. That is about the proportion of the diminution of value caused by these two different currencies. We thought, therefore, that as these new bank-notes issued, a certain proportion of the greenbacks should be retired to prevent the inevitable effect of the depreciation of our paper money. We sought by the operation of this section, while yielding an increase of the currency, while providing for local demands in local communities, providing for a general increase of the currency—because every bank that is organized will lead to an increase of the currency—yet we provide that this increase may not be so disastrous in its effects as if it was a pure inflation of paper money.

Now, as to whether 70 per cent. is the proper proportion, that is a question for the Senate; whether 50 or 70 or 90 per cent. is the proper ratio is a question of detail. The committee thought on the whole that 70 per cent. was about the average, because it would provide for a sure and certain increase of local circulation, and it would cause in a very easy way, after the bank circulation had gone out, a gradual reduction of the volume of the legal-tenders. It would have a double effect. As new banks are organized and the legal-tenders retired, the basis of redemption is improved and bettered, and the United States will only have the burden of the redemption of three hundred millions of notes when the time comes for the absolute resumption of specie payments.

My colleague calls my attention to a provision here as to the $300,000,000, this provision limiting the aggregate amount of United States notes outstanding to $300,000,000. That would be the effect any way, because the amount of bank-notes provided for by this bill is about $110,000,000; 70 per cent. of that would be $77,000,000, and the only possible reduction under the operations of this bill of the volume of greenbacks would be $77,000,000. True, that would not bring the maximum down from $382,000,000 further than to $305,000,000; but my colleague himself and other Senators a year ago insisted that the effect of the measure, especially the effect of free banking, would be to drive out of circulation the whole volume of greenbacks, so that we should have no greenbacks whatever, and the whole volume of circulation would be in bank-notes. Although it would be easy to answer this *ad captandum* argument by showing that under the operations of this bill it is not possible to reduce the greenbacks below $305,000,000, yet to avoid a sentiment that might be created against it, there is an express provision put in that under the operations of this section the amount of greenbacks shall not be reduced

below $300,000,000. The authority to issue bank-notes is confined by a rule that will not allow more than $110,000,000 to be issued, and I would be perfectly willing to take free banking and run the risk if you reduced the volume of greenbacks to $300,000,000. The bill declares that every State and Territory may organize banks up to the standard now outstanding in the State of New York.

Mr. HOWE. Will the Senator be willing to state now what objection he would have to striking out the limitation of $300,000,000 and letting this retirement of greenbacks go on until they were at a par with coin?

Mr. SHERMAN. I may answer that at another time. I ask now for the reading of section 5 of the bill.

The Secretary read section 5, as follows:

SEC. 5. That each national banking association, now organized or hereafter to be organized, shall keep and maintain, as a part of its reserve required by law, one-fourth part of the coin received by it as interest on bonds of the United States deposited as security for circulating notes or Government deposits; and that hereafter only one-fourth of the reserve now prescribed by law for national banking associations shall consist of balances due to an association available for the redemption of its circulating notes from associations in cities of redemption, and upon which balances no interest shall be paid.

Mr. SHERMAN. It was not the design of the Committee on Finance to enter at large into any detailed modifications of the national banking act. There are a great many amendments proposed to the banking law that are pending before the committee, but we did not intend to report in connection with this bill any provisions of detail, but only those salient, strong points which affect the volume and value of the currency.

Now, it is manifest, and it has been manifest to all, that the reserve of the banks being now mainly deposited in the city of New York has been the fruitful cause of nearly all the panics and troubles that we have had upon us. The ordinary course of trade flows to New York. There is the mart to which the surplus produce of the country goes. The currency, therefore, is kept in large masses there, naturally, without any provision of law. But when you encourage all the national banks in the United States to put three-fifths of their entire reserve, both on their circulating notes and on their deposits, in the city of New York, you necessarily carry there from one hundred million to one hundred and forty million dollars. That lies in New York, where, by a vicious system that has sprung up of late years, the banks pay a rate of interest of 3 or 4 per cent. for it.

What is the effect of it? This money, instead of being loaned at home in the locality to the people who would use it for the development of the local industries, is sent to New York to receive this small rate of interest and to be used at very high rates of interest at a later period when money is wanted to move the crops. Money accumulates in New York at certain seasons of the year for speculative purposes; the banks paying interest on it are compelled to loan it, and they do loan it. They loan it to stock-operators; they loan it to aid wild schemes; and the banks do not often stop to realize how much they contribute by their small loans to the great speculations of the times. It is loaned out, and then the time comes when the drafts from the country banks come eastward calling for currency to flow westward to move the crops. That at once creates contraction, panic, fear, and trouble; and the New York banks cannot respond.

Why, sir, I was in the city of Cincinnati last September in the midst of the panic, and I saw men going around the city almost crazy with fright, bankers, wealthy men, because they said they had their money tied up in New York. They were required to keep it in New York; they were required by your banking law to keep it there; or at least it was their privilege to keep it there, and in the ordinary course of trade they kept it there. They could not get it; they were in fear every moment of being compelled to fail, although they were among the strongest institutions of the country. It was only four or five days until they made other arrangements at home, and the banks in Cincinnati went through the panic and only suspended three or four days because of the want of their money in the banks in New York. The banks in New York refused to pay them the very money deposited with them, except in certified checks which they could not use or sell. That was the effect; and the influence of that effect is still existing, creating distress and want of confidence. The provisions of this bill relieve the banks from that trouble. They are now required to keep all their deposits and all their reserve at home except one-fourth of the amount, which may be used by them in the ordinary course of their exchanges, and upon this they are forbidden to receive interest.

The only other provision of this section to which it is necessary for me to call the attention of the Senate is that it was deemed wise, and I believe was almost universally concurred in, not only by every member of the committee, but by everybody, that these banks which now receive from the Government of the United States from 5 to 6 per cent. interest in gold on the bonds held by them as a security for their circulating notes should be required gradually to accumulate gold. After considerable deliberation and hesitation as to the proportion of gold they should maintain in their vaults, it has been finally put at one-fourth, so that of the amount of gold received by the banks, if it should be about $30,000,000 annually, which is very nearly the amount, the banks will be compelled to accumulate in their vaults from six to seven million dollars annually as a part of their reserve. This has a double effect: first, by strengthening the banks, keeping gold in their possession, and next by unlocking and relieving just so much of the greenback circulation and allowing that to flow into the ordinary channels of trade and industry and commerce, the gold lying in the vaults instead of greenbacks. So in one sense it may operate to inflate the currency, but at the same time it operates to strengthen the banks.

Mr. President, these are all the provisions of this bill, except the sixth section, which I think I commented upon as much as I wish to. That sixth section was simply intended to guard against the possibility of an increase of our debt by the operation of this bill. As I have shown you, it could only occur in one way, not to be supposed—a condition of affairs when the Congress of the United States would refuse to provide the ordinary means for carrying on the operations of the Government.

Now, sir, let me tell Senators that this is not a struggle between factions or parties. There are no party divisions here; there are no sectional divisions. Although you may show petitions from the West in favor of inflation, yet you know very well, and every Senator here knows, that among the business men of the country, the men who are carrying on the great operations of the country, the feeling is almost universal in favor of some gradual and steady advance toward a specie standard. In the East the weight of this influence is prevailing. In the West probably the desire for inflation is prevailing. It is not a local question; it is not a sectional question; it is not a party question; it is a question that involves the faith and honor of our country. Nor is it a question between debtor and creditor. We have no right to add to the burden of the debtor. We have no right to confiscate the property of the creditor. We ought to hold the scales even and equal between them. We must pass measures to promote the public interests; we cannot pass laws to advance the interests of one at the sacrifice of the interests of the other. Now, sir, keeping in view always that we must provide a currency, a national currency, well distributed, suitable in amount, advancing in credit, gradually approaching to par in gold, it is also our sacred duty not to depreciate this currency; not to dishonor it; not to reduce its purchasable power While every measure toward inflation tends in one direction, every measure of contraction tends in the other. The Committee on Finance may not have been able to strike a satisfactory line between these two opposing ideas; but they have thought patiently, diligently, and surrendered in some cases their own individual opinions to strike that golden mean which would restore confidence to the business of the country, start again in motion the wheels of enterprise and commerce, start our manufactories, give confidence to our farmers, furnish them a market, start our blacksmiths and the mechanics all over the country, so that the busy hum of industry may revive again and fill our land with joy and gladness.

Mr. THURMAN, Mr. President, if there is any other Senator who desires to speak on this bill this afternoon, I will give way. I desire to offer a very few observations, but I am perfectly willing to defer them until to-morrow; if, however, there is nobody else who wishes to speak now, I will go on at once.

Mr. President, I have never in my congressional life risen to what is called a personal explanation; and I regret that the first observations I have to make this afternoon will be somewhat in the nature of such an explanation; but they have been forced upon me, not by what has been said elsewhere, not by what has been said in newspapers, although I have as much respect for the public journals as any man, but by what has been said in this Senate. The Senator from Michigan who now occupies the chair [Mr. FERRY] saw fit in a deliberately written speech to assail me because I did not speak on the currency question, as if it was not a merit not to speak upon it! At a time when speaking was consuming the time that ought to have been employed in legislation, and prolonging the distress of the country, and preventing business from resuming its usual channels, and when to delay legislation by speaking was almost a crime, a brother Senator saw fit to arraign me because I did not talk. But, sir, that is not the only singular part of this arraignment. The Senator was pleased further to intimate that my reticence had something peculiar about it, and to intimate that I was shirking an expression of my opinions; that I was avoiding committing myself to the expression of any opinion upon this great question. And the Senator was pleased to read from a newspaper to convey the idea that I was misrepresenting my constituents and that I was guilty of inconsistency, and then further to refer to certain measures in the Senate, upon which votes had been taken where my name did not appear, to convict me of what is familiarly called "dodging." Well, sir, let us see.

But, first, I have to say that before a Senator deliberately sits down in his closet to write charges against a fellow-Senator, he ought to be very well assured of the truth whereof he speaks. I saw the speech of the Senator from Michigan this afternoon, for the first time. I did not hear it; I never read it; I never saw it until this afternoon. This may account for the fact that I have not replied to it before. What is it the Senator said? After arraigning me for not speaking, he proceeded as follows:

Let me read a paragraph from a recent number of the Cincinnati Enquirer, wherein, in answer to the remark that it would "be glad to hear of Senator THURMAN redeeming the promise he made during our late canvass," it puts its grievance in these words:

"Last fall when the panic began Senator THURMAN justly characterized it in his speeches as the result of an effort on the part of the creditor East to force the debtor South and West into a violent resumption of specie payment, by which the debt of $100 would really cost the debtor $150. Senator THURMAN went further,

and declared if God would give him strength to reach Washington his voice would be heard resisting this effort on the part of eastern capitalists, which, if successful, would end in wide-spread financial ruin. This contest has now been going on for over two months, and our distinguished friend has made no sign."

That is from the Cincinnati Enquirer, and the Senator from Michigan went on to say:

Verily, "made no sign," except to advocate recommittal of the subject without instructions to a committee already announced by resolution to be in favor of resumption.

Waiving comments upon the honorable Senator's vote not appearing in favor of the Cameron amendment to make the banking monopoly free to all; nor for like object and convertibility of Treasury notes into low-interest bonds under the Gordon amendment; nor in favor of reconsidering the vote that carried the Cooper instructions to the committee to report a bill providing for the convertibility of Treasury notes into gold coin or 5 per cent. bonds of the United States; neither in favor of the Merrimon amendment to increase the currency forty-six millions; searching in vain for his votes on these important questions, the honorable Senator's pent-up views and votes finally break out in a satirical descent upon a substitute "offered by the Senator from Michigan"—

The speaker himself—

because it proposes practical measures to "give stability and elasticity to the circulating medium."

I need read no more. Now, what is all this? First, an extract from the Cincinnati Enquirer is read which abounds in mistakes. In that extract it is said that—

Last fall when the panic began, Senator THURMAN justly characterized it in his speeches as the result of an effort on the part of the creditor East to force the debtor South and West into a violent resumption of specie payment.

Mr. President, I never uttered such an idea in the world. I never thought of such an idea as that the panic was the result of an attempt by the creditor East to force a resumption of specie payments. On the contrary, in every speech I made on this subject from the first one, in the town of Kenton, to the last one, and especially in the elaborate speech I delivered in Cincinnati, I said that the panic was the result of overtrading, excessive indebtedness, and of congressional legislation; that it was overtrading, running too much into debt, embarking in unremunerative enterprises, and notably, that it was the North Pacific Railroad enterprise, that had been stimulated by Congress, which brought about that panic. Never did I say that that panic was the result of an attempt to resume specie payments, for nobody could say that, or think it, who knew anything about the subject; but what I did say upon the subject of the resumption of specie payments is what I have ever said, what I said in this Senate when the bill of the Finance Committee was before us a year or two years ago; what I said again and again to the people of Ohio; and that was that in my judgment the time had not come to resume specie payments. And speaking of what was very often said last September, that owing to the shrinkage of values we had arrived at a period when we could resume specie payments, speaking of the assertion of certain newspapers in the East, that the shrinkage of values had reached nearly 25 per cent. and had removed the great obstacle to the resumption of specie payments, and that we could resume at once—speaking of that opinion, and believing that an attempt would be made to legislate according to that judgment, I did say then, what I say still, that I am opposed to legislation that shall coerce an immediate resumption of specie payments.

That is what I said. That was my position. Never did any man hear me utter one word in favor of inflation—not one word, sir. I have spoken against a contraction of the currency that would bring about too speedily a resumption of specie payments; but never have I spoken in favor of that inflation of the currency which I think I see full well means that there never shall be any resumption at all. That is the difference. It is one thing to contract the currency with a view to a resumption of specie payments; it is another thing neither to contract nor enlarge it, but let resumption come naturally and as soon as the business and production of the country will bring it about. But it is a very different thing indeed to inflate the currency with a view never in all time to redeem it at all. And that is precisely what this inflation means. It means demonetizing gold and silver in perpetuity, and substituting a currency of irredeemable paper, based wholly and entirely upon Government credit, and depending upon the opinion and the interests of members of Congress and their hopes of popularity whether the volume of it shall be large or whether it shall be small. That is what this inflation means. Sir, I have never said anything in favor of that. I am too old-fashioned a democrat for that; I have heard and preached too many hard-money lessons to advocate such a theory as that; and although there are many friends who differ with me in opinion and from whom it pains me to differ, I cannot give up the convictions of a life-time, whether they be popular or unpopular; whether they please or whether they displease.

But, sir, that is not all. The Senator from Michigan was pleased to refer to four amendments upon which my votes were not recorded—the Cameron amendment, the Gordon amendment, the Cooper instruction, and the Merrimon amendment. Now, sir, I have to say that before a Senator sits down deliberately to write a charge against a brother Senator of dodging votes, or to intimate such a thing as that, he might at least have the justice, if not the decency, to inquire why that Senator was absent. Those votes were all taken in two days, the 19th and the 20th of February, and at the very time they were taken, and before that time and for days after that time, I was stretched on a bed of painful sickness, unable for the most part to sit up, much less to come to the Senate. And yet a Senator, without inquiry, without asking me when I afterward came into the Senate how it was that I did not vote on these measures, can sit down deliberately and pen an accusation, and spread it all over the country, to the effect that I have dodged votes!

But, sir, with what propriety was such a charge made when I had said to the Senate, and the Senator knew it, for he quotes it here, that I would vote against every one of those instructions and amendments no matter what might be their intrinsic merits, because I was in favor of sending the subject back to the Committee on Finance to mature a bill that would meet the approval of their judgment, because the open Senate was no place to mature such a bill. Every one knew that had I been here I would have voted against each one of those propositions, for I had so declared, and had acted upon that declaration in voting against other propositions that were made by other Senators.

But, Mr. President, enough of this. The reason of the Senator from Michigan for these accusations is that I spoke in derision, as he thought, of a proposition of his in which he asked the Senate by way of instruction to the committee to do thus and so, and among other things to give stability and elasticity to the circulating medium by a moderate increase of it. I did speak of that, and I did not suppose I spoke offensively. I did say then, and I repeat now, that I did not know what that meant; that it seemed to me to mean stable and not stable, fixed and not fixed. But the Senator from Michigan thinks that a just commentator would have found out that it meant this: "that it meant stable in value and elastic in volume." Well, so help me Heaven, if I am not as much at a loss now as I was before. "Stable in value and elastic in volume!" That is, the purchasing power of a greenback dollar shall be the same whether the volume of greenbacks is five hundred or a thousand million dollars. That would be elastic enough which could expand to a thousand millions, but where would be its stability in value? Now, after the explanation, I confess myself just as much at a loss as before.

Mr. President, before I proceed further, let me say something more about the panic. The panic was not created by the currency, unless there was a redundant currency that stimulated overtrading and also stimulated the embarking in enterprises that would not pay. If the currency was redundant and had the usual effect of redundancy, namely, to stimulate overtrading and to cause men to embark in enterprises that could not be remunerative, then it had something to do with the panic. Otherwise it had not. It is clearly impossible that a currency too limited, and whose volume had been the same for a considerable period, could produce a panic. That is, the mere want of a sufficient amount could not have that effect. Such a deficiency might have a depressing effect upon business, but it would not produce a panic.

But, Mr. President, there is a very great mistake in supposing that the currency of the country is one of the chief reasons or causes of a panic. The reason of this error is that those who think so have not taken into account the great, I might say the radical, change in English and American banking that has taken place within the last forty years. Forty years ago the chief source of profit of a bank was its circulating notes. That is so no longer anywhere in Great Britain or in the United States. The chief source of profit of a bank is now its deposits, and not its circulating medium; and the amount of the deposits held by banks and bankers in the United States is perhaps fourfold the whole amount of the circulating medium in the United States, taking all the banks together—national banks, savings-banks, private banks—in short, all institutions and men who receive money on deposit. It perhaps is not too much to say that the deposits exceed by fourfold the amount of the paper circulation of the country; and this peculiarity is a thing that has grown up within forty years. It commenced in Great Britain. Take the Bank of Dundee, now the Royal Bank of Scotland, as an illustration. It did business from 1763 until 1792 without receiving deposits. Its whole profit was on its circulation and what little dealing it did in exchange. In 1794 its deposits were only £48,809; in 1864 they were £684,898; and I have no doubt that at this time they are far in excess of that amount.

But how is it with the banks of England? I will take, for illustration, the Bank of England and the London joint-stock banks. The deposits of the Bank of England and of the London joint-stock banks amount to £120,000,000, or $600,000,000, while the circulation, being confined to the Bank of England alone, is only £33,288,640, and of those £33,288,640 in circulation, £18,288,640 are based upon an equal amount of bullion in the vaults of the bank. So that the deposits in London are four and one-half times the amount of the circulation.

Well, sir, go to Switzerland. The notes issued by all their banks amount to £761,000, while their deposits are £4,709,000. So the deposits are six times as much as the circulation in the Swiss Republic.

How is it with our own national banks—and now I am not taking the deposits of any other than national banks; no savings-banks, no State banks, no joint-stock banks, no private banks, but simply the deposits of our own national banks—and what proportion do they bear to the circulation of those banks? The deposits of our national banks are $638,613,000; while their circulation outstanding is only $339,000,000. So that their indebtedness to depositors is nearly twice as great as the amount of their circulation; and when we add what they owe to others than depositors and holders of their notes, we find that their circulating notes do not constitute one-third of their indebtedness.

Does not everybody see, then, that panics are not produced, as they

formerly were, by a fear that a bank will not redeem its notes? Did anybody last September make a run on a national bank because he was fearful that the bank would not redeem its notes? No, sir. On the con rary, it has often been said, and I think my friend from Indiana has said it here, that our currency was so good that it helped to produce the panic, because people hoarded it. That is what was said, and that is what was true to some extent. The people did hoard it. Instead of running to a national bank with its notes and demanding redemption, the people went to it and drew the notes out and put them in their own pockets, rather than leave them on deposit in the bank. They were fearful they would not get the notes of that very same institution, and therefore, instead of leaving them on deposit, they went and took them out, and put them in their own pockets. This was so for several weeks, and proved that the fear was not that the notes would not be redeemed, but that the depositors would not be paid.

This, then, was no panic created by a distrust in the currency of the country. It was a panic produced by the belief that certain institutions were unable to pay their debts. That is the truth of it. It was because the people knew that certain institutions were embarked in hazardous enterprises, and were most probably insolvent, if not bankrupt. It was the fear that these men would never pay in anything at all that produced a run upon them, and that distrust becoming general brought about the panic of September last, and caused a run on nearly all the moneyed institutions of the country, the solvent as well as the insolvent.

Now, Mr. President, in view of these facts, I never could have been guilty of the absurdity of saying that at a time when there was no effort being made to resume specie payments; in a vacation of Congress when no legislation could take place, I never could have been guilty of the absurdity of saying that the panic was the result of any such attempt. Nor could I do it in the light of legislation; for what single act of legislation, I crave to know, has taken place since I have held a seat on this floor that looks toward a resumption of specie payments? If there is any, I have failed to see it. You have increased the irredeemable paper currency of this country $54,000,000 since I have sat here; but certainly no one will claim that that was a measure which looked toward a resumption of specie payments. Its tendency was exactly the opposite; and now, at this day, instead of taking any step that looks even ultimately toward the resumption of specie payments, we are asked to embark on an unknown and illimitable sea of irredeemable paper money now and forever.

Mr. President, it has been said that we who do not wish to embark on this voyage of inflation, and who come from the West, are not representing our constituents. Well, sir, I must say that if my colleague and I are misrepresenting the people of Ohio, it is very strange that neither he nor I have ever received a single petition to be presented to Congress asking for an increase of the currency. There is a great State. I do not stand here to boast of her; but I do say that she has a people as intelligent as any that I ever expect to represent or mingle with, and who understand their interests perfectly; and now I say to the Senate that I have not received one single petition from anybody in the State of Ohio asking Congress to increase the volume of currency; and if my colleague has, I would thank him to state it.

Mr. SHERMAN. I do not recall a case where I have received any such request from a constituent; but I have seen in the newspapers that they are divided somewhat, like other people.

Mr. THURMAN. I have no doubt of that.

Mr. SHERMAN. There have been no petitions except from cities where they are divided about paper money.

Mr. THURMAN. If there is this overwhelming public opinion, I should like to know why we have had no evidence of it. Nay, more, sir, I have received one expression of opinion from a highly respectable body of men, the Board of Trade of the city of Cincinnati, adverse to inflation, and I have heard that the boards of trade of some of the other cities of Ohio have passed similar resolutions; but how that is I do not know. But here stands the fact that not one single petition has been presented or sent to us from the State of Ohio asking for inflation.

Nay, sir, that is not all. The Legislature of Ohio is in session, and has been for months. Their constituents are all around them; they doubtless know what is the popular sentiment there, and know it better than I, for they are at home among the people. They know very well that I hold it to be my duty to obey the will of my constituents, where I can do so consistently with the Constitution of my country. They know that I not only consider it my duty to forego my own individual opinion in deference to theirs, but I do it cheerfully and without complaint. And yet, sir, no instructions have come from that body to the Senators on this floor, or any expression of opinion in favor of an inflation of the currency. It is very strange, if there is a great popular demand there that we should do this thing, that there has been no manifestation of it.

But that is not all. I say here in this Senate that in the multitude of letters which I have received from the State of Ohio since the beginning of this session there are but two in which the opinion is expressed that inflation is proper.

Mr. President, I believe that the people of Ohio want this question decided according to its merits; they want it decided intelligently and wisely; and they will vindicate their representatives in doing what is intelligent and wise.

Mr. President, there was an expression of public opinion to which I may very properly allude. On the 6th of August last there assembled in the capital of the State of Ohio one of the largest political conventions that ever was held in that State. I believe there was not a single county in the State that was not fully represented. It was a convention containing as large a proportion of the able men of the State as any body, official or unofficial, legislative or popular, ever contained. Among the resolutions passed by that convention with entire unanimity was this. Speaking of the democratic party, it says:

> It recognizes the evils of an irredeemable currency, but insists that in the return to specie payments care should be taken not to seriously disturb the business of the country or unjustly injure the debtor class.

That was the platform of the democratic party of Ohio last fall, and on that platform it went to battle, and with that platform victory perched upon its standard. I stood on that platform then. I drew those words with my own right hand. I stood by them then, and I stand by them now; and I believe that the people of my State also stand by them.

Now, Mr. President, it is impossible for any man not to see how much of the debate on this subject is mere skirmishing. Does not every Senator know that there is a class of political economists, if they can be called political economists, in this country who insist that the precious metals shall be demonetized, and that the only currency we shall have in this country shall be a paper currency founded upon Government credit? Does not everybody know that? Well, sir, what shall be that paper currency? There they differ. Some say it shall be a national-bank currency. Others say that national-bank notes should be retired, and there should be nothing but a greenback currency. But, then, as to the volume of the currency. Here is a large number of men I know in favor of the theory that you shall increase this volume of currency to $1,200,000,000 or $1,500,000,000, or even $2,000,000,000, and by making it convertible into a bond bearing a low rate of interest, say 2½ or 3 per cent., shall bring down the rate of interest all over the country to that rate. They believe in that theory. They think it sound. They firmly believe that you can by the machinery of a convertible bond at a low rate of interest, and an unlimited amount of paper money, give everybody in the country as much money as he wants at 2 or 2½ per cent. interest. That is what they mean by making money cheap.

Now, Mr. President, are we prepared to do that? Are we prepared to declare that under a government which our fathers meant, if they meant anything, should be a hard-money government, but which has drifted a long way from their intention—do we now, against all the lights of experience the world over, mean to banish gold and silver from circulation in the country for all time to come, and do the business of the country upon nothing but irredeemable paper, depending for its volume upon the will and caprice of the moment, or upon the views of members of Congress seeking re-election or aspiring to higher place? I think not. I do not think that all the lessons of experience have gone for nothing. I do not think that all the teachings of political economy are waste paper. I do not believe that we are yet ready for this entire revolution upon so great a subject. And yet I do say that every step that we propose in the way of inflation is a step toward that end, and the question will sooner or later have to be met. Are we to do the business of this country for all time upon a wholly irredeemable paper currency, or are we to have the standard that exists elsewhere throughout the civilized world? For it is of no use to say "We only propose to increase the currency forty, or fifty, or sixty, or one hundred million dollars now." Sir, you did that three years ago. You authorized its increase fifty-four millions then; and if you increase it one hundred millions now, three years hence there will be another demand for a further increase. The very same arguments will be used; the very same pressure will be brought to bear. Whenever there is overtrading, whenever people become deeply indebted, or whenever people have schemes of speculation which can only be secured by an inflation of the currency that shall turn men mad in the whirl of speculation or in the desire of amassing fortunes; whenever such a state of things comes about, the same agencies will be at work, the same efforts will be made that are being made now, and that are pushing us forward to what I see is likely to be the result—an inflation of the currency that will only aggravate the evils under which we at present labor. At least this is my opinion.

I repeat, that while I am opposed to any harsh measure to resume specie payments, while I am opposed to the contraction of the currency, while I am most anxious that we shall proceed so cautiously that we shall do as little injury as possible to the business interests of the country, and especially to the interests of the debtor class of the country, and not make them pay more than they contracted to pay—while I am anxious for that, I am unwilling to embark this country in overtrading and speculation, which have already brought such difficulties upon us and increased the indebtedness of the country so far as that no man can foretell what will be the end.

But, Mr. President, there is another thing that ought to be observed upon. Your inflation of the currency is not simply meant to enable individuals to increase their indebtedness, to enable railroad companies and the like to get themselves out of difficulties that they have improvidently got into; but at the bottom of it lies another thing that the people of the country ought to understand. It is that you shall so inflate the currency and create such a furor of speculation and busi-

ness extravagance that Congress will be ready to embark in any and all measures of internal improvement that may be suggested by artful or interested men, until the debt of this nation, instead of being what it now is, shall be perhaps two or three fold that amount. All that lies also at the bottom of this business. This is but a stepping-stone. This proposition for a moderate inflation is but the first step toward that abyss to which we are tending; at least such is my opinion. And therefore, Mr. President, although many, very many, of my friends for whose views I am accustomed to entertain the most sincere respect differ with me widely on this subject, I am compelled to go by the lights of my own judgment and to oppose inflation.

Mr. FERRY, of Michigan. Mr. President, if I have succeeded in drawing the fire of the honorable Senator from Ohio by a personal allusion and have thus wrested his expression of views upon the question of finance which has occupied months of debate without a word from him upon its merits, I have done more than he has voluntarily tendered, and I am honored by the achievement, the State of Ohio will be gratified, and the country will be grateful for the disclosure.

I think the record will show that I have not been accustomed to initiate personal reference on this floor; nor should I have trenched upon any possible impropriety, if it may be considered such, upon the occasion to which the honorable Senator has alluded, had he not invited it by a personal and satirical reference to myself, and this, too, not incidentally, but deliberately, and coupled with the only expression the honorable Senator had vouchsafed on this great subject of finance until to-day. The Senator needs no reminder of mine to commend the fact to his attention that he came into the Senate to utter his first words of financial instruction by a querulous descant upon the amendment I had the honor to offer. I know no parliamentary usage, no courtesy of the Senate, no rule whatever in this body which deprives any Senator holding his place on this floor of the privilege and right to offer any amendment to any pending proposition before the Senate. In the exercise of my right, I proposed at an early day of this session what I believed to be a measure that would secure to the country substantial relief. The Senator, however—for he has not combated the fact I stated—failing to speak or vote until he directed remarks, and the only remarks he had made to the amendment I offered, in a tone of derision, it became my duty in self-respect and in deference to the merits of the amendment to defend my proposition. The honorable Senator complains that while he lay sick in his bed I deliberately considered and prepared my allusion to him. He does not forget that he was the initiator of personal reference, and, I may add, with months of silence for preparation. I have this, however, to say in passing, that had I been apprised of what the Senator has now for the first time disclosed, that he was lying on a bed of sickness, the great respect I have for that Senator, and the regret I should have entertained for his illness, and the sympathy that I must have experienced for his condition would have prevented me from making any personal allusion, whatever the provocation. But as I had seen the Senator upon the floor, passing in and out of the Chamber, and, as the records will show, participating in proceedings and debate upon other propositions prior to that time, and when all here know and the country knows that his versatility quickens his indulgence to speak upon all questions before the country, and has never failed to make himself heard upon most questions before the Senate; knowing all this, and finding that he spoke only upon my amendment and simply to ridicule it, as I said, it became my duty to speak and arraign the honorable Senator, as he calls it.

Now, what did I say? First, I quoted the honorable Senator's words; and let me quote them again in the same temper in which I uttered them before, and it may cool the fervor of my friend. I have no personal ill-will to the honorable Senator; for, aside from his extreme partisanship, I hold him in as high esteem as any Senator on this floor. I will quote again his words, which I made a part of my remarks, and I am thankful to know that by no inadvertence was I led into error of statement, for the Senator has not said that I misstated, but that he really did not vote nor did he speak except at the time to which his attention was called. The honorable Senator said at the time he spoke:

> Mr. President, I have not said a word on this great subject, and if the Senate is not impatient to adjourn at this hour I should like to occupy about fifteen minutes.

Further he said:

> I take my full share of the responsibility for talking on other matters. On this, fortunately for me, I have perfectly clean skirts.

These his own words which I have quoted prove what I stated, that he had said nothing on the financial subject.

Now I call attention to his language in reference to my amendment. The honorable Senator, alluding to that amendment, with other derisive words, said:

> If it was made out of India rubber it would not be stable. It is to be stable, that is, to be fixed; and it is to be elastic, that is, it is not to be fixed.

I could do no less than reply to the honorable Senator that if it escaped his attention and knowledge it might not that of others that a currency could be stable in value and elastic in volume. I am obliged to the chairman of the Committee on Finance that he has reported from the majority of that committee—not with my entire approval, but as the representative of the major voice of that committee—a measure which is the one now pending, and upon which the honorable Senator from Ohio, his colleague, has spoken, by which the currency of the country may not only be made stable, but may be elastic—both stable in value and elastic in volume. It attempts by conversion to appreciate the currency and thus fix the stability of its value, and by free banking enlarge its volume, thus giving elasticity to that currency. I sought in a different way the same object. I sought by making the whole currency lawful money to give stable value to that currency, and I sought by free banking to give elasticity to its volume, thus meeting the terms of my amendment.

I saw fit then to say:

> The honorable Senator, it seems, could not forego derision lest some one might readily comprehend that a currency could be stable in *value* and elastic in *volume*. Nor did it occur to me, when I drew up the text of my amendment, but was discovered when the Senator spoke, that I had presumed somewhat upon the fairness of commentators.

Neither that language, nor any language I used, was indecent, as the Senator has characterized it. My reference to the Senator was entirely within the bounds of decency, notwithstanding the Senator implies it was not. I did not use the word "indecent," or anything like it; and I put my language with the Senator's, and leave it to the Senate and the public to judge of the question of decency or courtesy.

When the Senator stepped out of his way to make reference to the amendment I offered, with the criticism he employed, and had not himself suggested anything upon the subject, I thought I was traveling within the political domain of the Senator in referring to his own party press and a leading journal in his own State, who, perceiving that the Senator during three months of the discussion of this subject had failed to utter his voice, when he had so frequently and ably spoken upon other questions, had commented upon his silence.

This was the offense, if such it could be; and I repeat what I then quoted for his benefit again:

> Let me read a paragraph from a recent number of the Cincinnati Enquirer, wherein in answer to the remark that it would "be glad to hear of Senator THURMAN redeeming the promise he made during our late canvass," it puts its grievance in these words:
>
> "Last fall when the panic began, Senator THURMAN justly characterized it in his speeches as the result of an effort on the part of the creditor East to force the debtor South and West into a violent resumption of specie payment, by which the debt of $100 would really cost the debtor $150. Senator THURMAN went further, and declared if God would give him strength to reach Washington his voice would be heard resisting this effort on the part of eastern capitalists, which, if successful, would end in wide-spread financial ruin. This contest has now been going on for over two months, and our distinguished friend has made no sign."

I did not then attempt nor am I now disposed to settle the consistency of the Senator with campaign assurances. I leave that with his own party press. I merely cited the comment of that paper, and left the Senator, as I leave him now, to reconcile his actions now and his expressions during the late campaign; nothing more, nothing less. If I have offended, the journalist has offended the Senator; and if I have done injury or injustice through the editor's comments, I beg the Senator's pardon. If I have not committed wrong, I leave it, as I said, for the Senator himself to adjust with the people before whom he so eloquently spoke, and to whom he gave assurances at the hustings.

Mr. President, I said that I was thankful that I had drawn out an expression of the Senator on the pending question; and yet I am at a loss to know even now where he stands. The Senator is always able enough, he is always fruitful enough; and yet to-day, and until to-day, no proposition has he offered, and no plan, while early in the session I presented a plan of my own. So that upon the score of origin and suggestion I put the Senator from Michigan with the Senator from Ohio.

Mr. President, was I then far out of the way when I said, on that unfortunate occasion to which exception is taken, that "the Senator has voted nothing, and proposes to do nothing," when he had said, "I shall therefore vote to refer back the whole subject, whenever I can get the opportunity to do it, to that committee, and without any instructions whatever?"

Why, sir, the Committee on Finance itself could not agree to come to the Senate for instructions, and when the instructions were being voted on and about to be concluded, the Senator was not even then, after unbroken silence, prepared to interpose by any act or utterance of views, but simply ready to recommit to the committee without any instructions whatever. Therefore I had the right to say, as it was the fact, that he had not spoken nor acted, nor did he propose to speak or act upon the merits of the question, but solely to remand the bill back to the committee whence it came, with not even an intimation from the enlightened judgment of the Senator from Ohio. It was hardly fair to his colleague to roll the responsibility of framing and presenting to the Senate a proposition to meet a grave subject of national welfare, upon which he could not in advance venture some light for the benefit of the chairman of the Committee on Finance.

Now, Mr. President, in what sense have I offended? I spoke in terms at least as moderate as the Senator, in language as courteous as my friend, and, had I known he had been ill, tempered with sympathy as broad and deep as he possibly commands; and yet I am arraigned because I replied to his imputation. Why, sir, I should be unfaithful to myself, and false to the constituency I represent, did I not upon such an implication reply to it here.

I have but to say in closing that, intrusted by the State I in part represent with her honor and her rights, as long as I hold my place

upon this floor I shall endeavor to maintain that honor and those rights as an American Senator.

Holding, as I do, all Senators here in more or less esteem as my acquaintance with them ripens, and none higher than I do the Senator from Ohio, for his ability and experience challenge my respect, and in the amenities of association not to be outdone among peers, I tell the Senator that so long as I hold place here I shall be true to my trust, and whenever he or any other Senator has a thrust to give he must remember that there shall be thrusts to take.

Mr. THURMAN. Mr. President, it is only necessary to turn back to the few remarks that I submitted, and which appear to have moved so deeply the Senator from Michigan, to see that there was not one word personal in them. They could not have been more impersonal if I had been speaking of a sentence found in a newspaper; and his name was simply mentioned because it was necessary in order to designate what I was speaking about. The whole thing is in a few words. I came into the Senate late in the evening, having been performing what the Senate has imposed on me this whole session almost, a very onerous amount of committee duty; and I made a few remarks upon the subject which was then before the Senate, in the course of which I said that in my judgment the whole matter should be referred back to the committee without instructions. In the first place, I rather took the committee to task for not reporting something definite, because the committee was instituted for that purpose, and instead of waiting for others to propose measures it was the duty of the committee, a committee whose *personnel* is nearly the same that it has been for many years, and whose familiarity with this subject is supposed to be, and doubtless is, much greater than mine or that of the generality of Senators—it was their duty to propose some definite measure; and therefore the first thing that I said was rather, but in perfect good temper, to take that committee to task for bringing in a mere "tub to the whale," throwing out a mere vague resolution for the discussion of the Senate instead of bringing in something definite upon which we could act. Then, after alluding to the resolution of the committee, I turned to the substitute of the Senator from Michigan and said:

> Then we had a substitute for this resolution offered by the Senator from Michigan, [Mr. FERRY,] who asks us to strike out all after the word "resolved," and instruct the committee as follows:
> "That the Committee on Finance is directed to report to the Senate at as early a day as practicable such measures as will restore commercial confidence."

Upon which I observed:

> What does that mean, I should like to know? What "commercial confidence" is shaken that requires legislation to restore it? I should like to have some explanation of that; I have heard none yet.

Certainly there was nothing disrespectful to anybody in that comment.

> Then what next?

Then quoting from his substitute:

> "And give stability and elasticity to the circulating medium."

And then I went on to say:

> That is a little funny.

And then the Senator from Maine [Mr. HAMLIN] said "India rubber." It was he that brought in that term.

> Mr. THURMAN. No; if it was made out of India rubber it would not be stable. It is to be stable, that is, to be fixed; and it is to be elastic, that is, it is not to be fixed. [Laughter.] That is that thing. Then as to the *modus* of making it stable and elastic, that is, fixed and not fixed; that is, "through a moderate increase of the currency." I have heard nothing like that since General Jackson's famous letter about "a judicious tariff."

There was not one word of personality. As I said before, if the proposition had appeared in a newspaper and I had been commenting on it, I could not have been more impersonal than I was. But, sir, enough of that. Now one word more upon what has just been said by the Senator, that I have proposed nothing. Why, here is my friend from Indiana who sits before me, [Mr. MORTON], and who has spoken I think about one dozen times, more or less, on this finance question since the 1st of December last; and if he has proposed anything, I have never heard it. He has opposed theories, and he has advanced theories of his own, or rather one theory of his own which finds all the blessings Heaven can visit on this earth, or at least on this country, in a shower of greenbacks or national-bank notes, and a pretty large shower, too; not a summer shower, but a good, hard, soaking fall rain. I have heard no definite proposition from him. Then there is the Senator from Michigan. What is his definite proposition? When he calls upon me to produce my plan, why does he not produce his own?

Mr. FERRY, of Michigan. Does the Senator want a reply?

Mr. THURMAN. I should like to know, if the Senator has produced a plan, what it is.

Mr. FERRY, of Michigan. I am in favor of voting the greenbacks up to four hundred millions, and I am in favor of free banking. Now I ask the Senator whether he is in favor of the bill reported by his colleague, the chairman of the Committee on Finance, which includes the increase of the greenback currency to three hundred and eighty-two millions and free banking? I ask what the Senator's views are on that.

Mr. THURMAN. Now we are talking about plans, and the Senator refers me to the plan of the committee, and yet he does not say whether he will vote for that plan or not. I can tell him at once that although I have not had full time to study that, it having been reported but yesterday, my present impression is that I shall vote against that bill. It is very similar, in many respects, to the bill against which I voted about two years ago, and my impression is that I shall vote against it now. That is my present impression.

Mr. FERRY, of Michigan. I can say to the Senator as frankly that I shall vote to make the volume of greenbacks four hundred millions, and I shall vote for free banking.

Mr. THURMAN. Then the Senator is not for this bill?

Mr. FERRY, of Michigan. I am for those features of this bill.

Mr. THURMAN. The main feature of this bill is to stop short of four hundred millions of greenbacks; and instead of being free banking, it is an increase of banking capital of $110,000,000. That is all it is in the way of increase. Where is your free banking then, pray? Is there any free banking in Rhode Island under this bill, in any one of the New England States; any free banking in New York; any free banking in Ohio?

Mr. SHERMAN. Yes, sir.

Mr. THURMAN. Well, precious little, for we have got pretty nearly our share.

Mr. FERRY, of Michigan. I will reply to the Senator. I labored under the difficulty, as I happened to be occupying the place you hold, sir, at the time the chairman of the Committee on Finance was explaining the bill, that I was precluded from the opportunity of stating that in the whole of the bill I could not agree. I will state now to the honorable Senator that I am in favor, as I said before, of making the greenbacks $400,000,000; and I am in favor of free banking. The majority of the committee have reported free banking to stand on the basis now held by the State of New York. I am for free banking, and as free as the Senator can make it, covering the whole boundaries of the United States.

Mr. THURMAN. And without restriction! That is, you do not restrain it to $110,000,000, but free banking just as much as anybody pleases! What does that mean? That means, if people could be seduced into it, an extension of the banking capital of this country perhaps $1,000,000,000. It is only limited by the amount of Government bonds. If you can get Government bonds enough and people can derive profit enough in free banking such as the Senator from Michigan contemplates, the only limit is the amount of Government bonds that can be procured and put up as security for the currency issued. What does that mean?

In the first place, it means, as I said before, an indefinite extension of irredeemable paper currency, and nobody will pretend that under such a system as that there would be any redemption in gold or silver.

But that is not all that it means. It means a perpetuation for all time to come of the national indebtedness, for if there is to be a perpetuation of the national-bank system, that means the national debt in perpetuity. If one is to be in perpetuity the other is to be in perpetuity, because the national-bank system is founded wholly and entirely upon the existence of a national debt. Pay off the debt and you take away the foundation of the national-bank system. You may provide then for other securities, but it will not be the present national-bank system any more. Therefore, the idea of perpetuating this national-bank system, or making it a system for all time to come, means that the national debt of this country shall endure as long as the country itself, and with the endurance of this national debt there will endure the heavy taxation, and especially the high protective tariff, under which the people of this country suffer. That is what it means. It means that the people of Ohio shall pay to the Senator from Michigan's constituents two or three dollars a thousand more for lumber than we should pay if we could get it free from Canada. That is what it means. It means that we shall pay high taxes upon almost everything we wear and every pound of iron or steel that we use in order to pay the interest upon an ever-enduring national debt. It means death to free trade, or anything like it. That is what the perpetuation of the national debt means. If the Senator, therefore, is in favor of extending forever the system of national banks, he is in favor of extending forever the national debt, and the onerous taxes and duties under which this people groan.

But, sir, the Finance Committee were not quite prepared for that, and therefore their free banking amounts simply to an addition of $110,000,000. But in respect to their free banking the Senator says it provides elasticity. I should like to know where the elasticity in it is. It provides that greenbacks may be funded in 5 per cent. bonds; but it does not provide, on the other hand, the feature of elasticity of the convertible bond, the bond that a man has a right to go to the Secretary of the Treasury with and demand greenbacks for. There is nothing of that in the bill. If the Secretary of the Treasury see fit to buy bonds with greenbacks, he may do it; but you put him under no obligation whatever to give greenbacks for bonds, and therefore there is no elasticity in it; and if the bill pass, the volume of the currency in the country, when every dollar shall have been issued under the bill that can be issued under it, will be fixed, and fixed by just as iron and arbitrary a rule as it is fixed to-day. There is no elasticity in it. This governor that is to run the currency machine with the unfailing certainty of the governor of a steam-engine, the convertible and reconvertible bond, convertible into greenbacks to-day and back into a bond to-morrow—this new Proteus that is to relieve

the subject of finance of all difficulties whatsoever, is not found in this bill at all. It does not show its face in this bill at all. So that my friend from Michigan has not got in this child of the Finance Committee that currency which is to be stable and also to be elastic.

But, Mr. President, I am speaking longer upon this bill than I had any intention of doing. My present impressions are adverse to this bill, but I grant that in many respects it is a much better bill in my judgment than the bill which was presented two years ago, and it is infinitely better than unlimited inflation. There is one thing about it that I ought to have said when I was up before. I meant to call attention to the second section of the bill. The second section provides—

That on the 1st day of January, 1876—

Which is about twenty or twenty-one months from this time—

the Secretary of the Treasury is authorized and required to pay on demand, at the office of the Treasurer of the United States, and at the office of the assistant treasurer in the city of New York, to any holder of United States notes to the amount of $1,000, or any multiple thereof, in exchange for such notes, an equal amount of the gold coin of the United States; or, in lieu of coin, he may, at his option, issue in exchange for said notes an equal amount of coupon or registered bonds of the United States, in such form as he may prescribe, and of denominations of fifty dollars, or some multiple of that sum, redeemable in coin of the present standard value, at the pleasure of the United States, after ten years from the date of their issue, and bearing interest, payable quarterly in such coin, at the rate of 5 per cent. per annum.

The idea of the committee, if I understand it, is that if that become a law its effect will be to bring greenbacks up to par in gold, and they reason in this way: that 5 per cent. bonds are now at par in gold, and that if you make a greenback a good purchasing medium for a 5 per cent. bond, you bring that greenback immediately up to the standard of the thing that is purchased. It does, however, seem to me that it is worthy of consideration whether you do not bring the thing to be purchased down toward the present standard of the greenback; that is, say a 5 per cent. bond can now be purchased with gold at par. Now, if you say to-day that that 5 per cent. bond may be purchased to-morrow with currency that is now 10 per cent. or 12 per cent. below par, the question is whether you do not lower the value of the bond instead of increasing the value of the currency.

I know the answer to this is that the value of the 5 per cent. bond is fixed abroad. But I am not quite sure that it is so fixed abroad; that there is such a demand for the bonds abroad that we can safely say that redeeming greenbacks in 5 per cents would bring them up to the par of gold. But yet it may be. I have no doubt of this fact, that it would enhance the value of greenbacks and that the premium on gold, as it is called, would be much less. But suppose it had the effect of bringing greenbacks to par on the 1st of January, 1876; that would be complete resumption of specie payments then, because if greenbacks shall then be equal to par in gold, if they shall be equal dollar for dollar with gold, then as every national bank is bound to redeem either in gold or in greenbacks, every such bank on the 1st day of January, 1876, will in effect be bound to redeem its notes in gold. In other words, this bill, if it will have the effect of appreciating greenbacks to gold, is a bill requiring complete resumption of specie payments in less than two years from this date. That strikes me as being too harsh.

I may be wrong about this, but I do not see the answer. The national banks may now redeem in greenbacks. That is no hardship on them now. But if you make the greenback equal to gold on the 1st day of January, 1876, then the whole nineteen hundred and seventy-six national banks now in existence, and those that may be created under this bill, every one of them, will be bound on that day and thenceforth to redeem their currency in a medium equal to gold in value—in gold, or in greenbacks equal to gold. It does seem to me, therefore, unless I greatly misapprehend it, that this bill of the committee is a bill to force a complete resumption of specie payments in twenty-one months from this date. Until that objection is removed I cannot vote for the bill; for I think that is too severe and too stringent. To say nothing of its probable effect upon the banks, I fear that it would add too heavy a load to the burdens of debtors.

Mr. President, I am no very great friend of this national banking system. I have not a plan of my own to substitute for it; for I do not assume to be as wise as the Senator from Michigan. At all events, the question will come up further along, when the charters of these banks expire; for nobody thinks now, I am sure, of adding to the troubles of the country by repealing the national-bank charters at once; and it will probably be time enough eight years hence, when these charters begin to expire, for us to determine whether a better system than the national-bank system can be devised or not. I can say in the words of the old adage, "Sufficient unto the day is the evil thereof." But, if this system is to exist, if the country shall determine that this shall be the permanent system by which paper money is to be supplied to the country, then I say too that it ought to be free; that is, I say too that it ought not to be a monopoly in the hands of a particular section of the country, nor ought it to be a monopoly in the hands of particular individuals. When I say "free," I do not say that there should be no limit at all; for, as I said before, I would require some limit upon it that shall prevent it from bankrupting and ruining the country, and becoming merely an instrument for the circulation of a wholly irredeemable currency. But I believe that whenever these banks shall be compelled to resume specie payments, whenever they shall pay their notes in specie, then there will be but little excess of their currency. But I am not in favor of saying that they shall be compelled to resume specie payments on the 1st day of January, 1876.

Mr. MORTON. Mr. President, as the Senator from Ohio referred to me in his remarks, I may be excused for saying a word. The position of the Senator has been looked forward to with some interest, not only here, but I know in his own State and elsewhere. I have listened to his remarks with attention, and I regret that I am unable now to understand what his position is except in two or three particulars. The substance of his remarks, I think, is that he is opposed now to any legislation that looks toward the resumption of specie payments. I think that much is clear. He also talked about inflation, but most of his remarks were directed to "unlimited inflation;" he used that term, I believe, or "extravagant inflation," inflation that throws away the idea of ever returning to specie payments. But I did not understand whether the Senator meant to say that any increase of the currency would be an inflation, to which he was opposed. He left his position upon that subject indefinite, and he left his position upon the question as to whether he was opposed to any extension of the privileges of national banks indefinite also. Now, there are several propositions on this subject which have been discussed here and which will arise upon this bill undoubtedly One is free banking—to take the restriction off the volume of notional-bank currency entirely; another is the proposition of the Finance Committee, to allow it to be increased in all the States to the ratio of New York, which would give about $110,000,000 more; and then there is the proposition of my friend from North Carolina, [Mr. MERRIMON,] that it may be allowed to be increased $46,000,000, with a view of equalizing the national-bank circulation among all the States. Now, does the Senator from Ohio intend us to understand that he is opposed to any extension at this time of national banking privileges to the States that need them? Does he mean to be so understood? His position is left indefinite on that subject. He said it would be time enough some eight years hence, when these charters began to expire, to determine what we will do in regard to making banking free; that if the country then determined that the system should be continued we could then make it free, or at least so extend it as to give its benefits equally to all, although it might not be entirely free. Does the Senator mean us to understand that he wants the national banking system to remain as it is, at its present limit, and to remain a monopoly for eight years to come?

Mr. THURMAN. Does the Senator want an answer right now?

Mr. MORTON. I would as soon have it now as any other time.

Mr. THURMAN. The Senator has a short memory, or he would remember that I, as a very humble lieutenant of his, insisted three years ago upon a redistribution of the currency that would do justice to the West and to the South; and that at this very session, when I spoke on this other bill in the brief remarks that I made, I insisted that that redistribution ought to take place, and that that bill should be passed for that purpose. Now I understand the Senator from Indiana to abandon totally that redistribution, and to go for inflating the currency by making an addition to it instead of a redistribution of it. He would leave all out that is out, with all the inequality of distribution—an inequality that will be monstrous even after he has inflated by $46,000,000. The $46,000,000 do not begin to measure the inequality of distribution. He would leave that inequality of distribution to exist, and inflate I do not know how much—$46,000,000 or $100,000,000, for aught I know.

Mr. MORTON. Mr. President, we are arriving, somewhat slowly and with a little difficulty, at the Senator's position. If I understand the effect of his last remarks, it is this, that he is opposed to any extension or increase of national banking facilities, but is in favor of a redistribution of the bank currency between the States East and West and South. He says the $46,000,000 proposition of my friend from North Carolina will not begin to do it. Therefore, if he is in favor of redistribution and equalizing in that way, he is in favor, I suppose, of taking $70,000,000 or $80,000,000 from New England and redistributing that in the West and South. That is about where the Senator lands upon this question, and I was not complaining of his position at all; I simply wanted to know what it was. If the Senator has any hope of that being accomplished, be it so. I do not complain of his position; I am glad to know what the Senator's position is, that we shall equalize by redistribution. But he says himself that forty-six millions will not come anywhere near it. I believe the calculation has been made to show that it will require some seventy-five millions to equalize simply by redistribution, by taking from six or seven States in the East their excess and dividing it among the States West and South. I am not complaining at all. I simply want to know where my friend stands, because we take an interest in knowing what his position is.

EXECUTIVE SESSION.

Mr. FRELINGHUYSEN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After forty-eight minutes spent in executive session, the doors were reopened, and (at five o'clock and eight minutes p. m.) the Senate adjourned.

HOUSE OF REPRESENTATIVES.

TUESDAY, *March* 24, 1874.

The House met at twelve o'clock m. Prayer by the Chaplain, Rev. J. G. BUTLER, D. D.

The Journal of yesterday was read and approved.

CORRECTION OF THE JOURNAL.

Mr. HYDE. I ask the House to proceed with the unfinished business. I call up the contested-election case from Georgia of Sloan *vs.* Rawls, which is the unfinished business.

Mr. G. F. HOAR. I rise to correct the Journal. The motion I made yesterday for leave to amend the executive, legislative, and judicial appropriation bill is recorded as having passed by unanimous consent, when the motion was distinctly made to suspend the rules.

The SPEAKER. Is it a correction of the Journal or of the RECORD?

Mr. G. F. HOAR. Of the Journal. The RECORD shows that it was a motion to suspend the rules.

The SPEAKER. The motion was for the suspension of the rules, but was agreed to by unanimous consent.

Mr. NEGLEY. I rise to a question of privilege. I am recorded as not voting on one of the amendments to the $400,000,000 bill yesterday.

The SPEAKER. In the RECORD or in the Journal?

Mr. NEGLEY. In the RECORD.

The SPEAKER. That is not a question of privilege.

Mr. CONGER. Yesterday, in announcing the absence of my colleague, Mr. BURROWS, I took occasion to add "If here he would vote in the affirmative." The RECORD says he would vote "no."

The SPEAKER. Does the Journal say anything about it?

Mr. CONGER. The Journal would not record that.

The SPEAKER. Gentlemen must not confound errors of the RECORD with errors of the Journal. A correction of the RECORD is not a correction of the Journal at all.

Mr. CONGER. I take it for granted that the print of the RECORD laid before the House is some authority.

The SPEAKER. But the gentleman rose to a correction of the Journal and then proposes to correct what is in the RECORD.

Mr. CONGER. I took it for granted if the RECORD is wrong we have the right to correct it.

The SPEAKER. The gentleman has alluded to a fact which would not appear upon the Journal at all.

Mr. CONGER. Of course not; and so I stated.

The SPEAKER. There ought not to be an impression created there as an error in the Journal, when the Journal has nothing to do with it.

Mr. CONGER. I said this would not appear on the Journal, and therefore desire to correct the RECORD.

The SPEAKER. The gentleman addresses the Chair as having a correction in the Journal. The Chair feels sensitive about the Journal and about the reputation of the clerks, and points must not be raised on the Journal about matters which do not belong to the Journal. Errors of the RECORD and errors of the Globe have never been held to be a question of privilege, although the Chair has always recognized gentlemen to make such corrections. An error of the Journal is a question of the highest privilege, and is one which affects the reputation for business exactness of the House.

Mr. CONGER. I desired to make the correction because I was sensitive about the reputation of other officers of the House, to wit, the reporters.

The SPEAKER. It is not a question of privilege, but the Chair of course entertains it.

Mr. MAYNARD. What is the regular order of business?

The SPEAKER. It is the election case which the gentleman from Missouri has called up.

Mr. DAWES. I wish to offer a resolution.

Mr. RANDALL. I object, unless I have the same privilege. I make my objection absolute.

Mr. W. R. ROBERTS. I rise to a question of privilege.

The SPEAKER. Does the gentleman rise to a correction of the Journal?

Mr. W. R. ROBERTS. I do. I desire to correct the vote on the final passage of the $400,000,000 bill. I am recorded as not voting; I voted in favor of the bill. I ask that the Journal be corrected.

The SPEAKER. The Journal will be corrected in that regard.

in the Associated Press report of the vote upon the $400,000,000 bill

Mr. O'NEILL. Mr. Speaker, some twenty-six names are omitted passed yesterday.

The SPEAKER. That is extending it a little too far. [Laughter.] Some gentleman will next be bringing up a county newspaper that has not the vote correctly recorded. The Chair cannot entertain these questions about the reports of the Associated Press.

Mr. RANDALL. I call for the regular order.

The SPEAKER. The gentleman from Missouri [Mr. HYDE] is upon the floor to bring up a question of the highest privilege known to the House, the right of a gentleman to his seat.

Mr. O'NEILL and Mr. MYERS rose.

The SPEAKER. The House will come to order.

The House having come to order,

The SPEAKER. For what purpose does the gentleman from Pennsylvania [Mr. MYERS] rise?

Mr. MYERS. I was called to Philadelphia late on Saturday evening, and returned on Sunday night in order to vote for the $400,000,000 bill, which was passed yesterday. To my surprise my name is omitted in the affirmative votes in the morning papers of Washington.

The SPEAKER. What has that to do with the business of the House?

Mr. MYERS. I ask the privilege to make a statement.

The SPEAKER. Is there objection to the gentleman from Pennsylvania making a statement?

Mr. MAYNARD. I object.

Mr. MYERS. The Associated Press reporter, Mr. Speaker——

The SPEAKER. Objection has been made to the gentleman proceeding. When the regular order is called it is the duty of the Chair to enforce it, and any gentleman who seeks to obtrude himself against the call of the regular order does so against the rules of the House.

Mr. MYERS. I ask unanimous consent to make a statement personal to myself.

The SPEAKER. The Chair will again submit the question. Is there objection to the gentleman from Pennsylvania making a statement personal to himself?

Mr. MAYNARD. If the gentleman gets that privilege it would give him an hour.

Mr. HYDE. I object.

Mr. MYERS. I shall ask the privilege at another time.

Mr. MCNULTA. The Committee on Indian Affairs have instructed me to ask the unanimous consent of the House——

The SPEAKER. Does the gentleman from Missouri [Mr. HYDE] yield to the gentleman from Illinois [Mr MCNULTA] for this?

Mr. HYDE. I do not yield for anything.

The SPEAKER. Then the gentleman should resume the floor and hold it.

Mr. MCNULTA. I ask the gentleman to give me time to make a brief statement.

The SPEAKER. The gentleman from Missouri [Mr. HYDE] asked the Chair to recognize him as soon as the Journal was read, for the purpose of resuming the consideration of the Georgia election case. The Chair did so recognize the gentleman, but the gentleman from Missouri does not seem disposed to go on with it.

Mr. HYDE. I do; and call for the regular order.

GEORGIA ELECTION CONTEST—SLOAN *vs.* RAWLS.

The House resumed the consideration of the following resolutions reported from the Committee on Elections:

Resolved, That Hon. Morgan Rawls is not entitled to a seat in this House as a Representative from the first congressional district of Georgia in the Forty-third Congress.

Resolved, That Hon. Andrew Sloan is entitled to a seat in this House as a Representative from the first congressional district of Georgia in the Forty-third Congress.

The SPEAKER. The gentleman from Georgia [Mr. BLOUNT] has twenty minutes of his hour remaining.

Mr. HYDE. I give notice that as soon as the gentleman from Georgia has occupied his twenty minutes I shall call the previous question.

The SPEAKER. The gentleman from Georgia is entitled to the floor for twenty minutes.

Mr. COX. I ask that the House may come to order. The House seems demoralized to-day.

The SPEAKER. The Chair quite agrees with the gentleman. The gentleman from Georgia will proceed when the House is in order. He will please resume his seat until that time, which the Chair will indicate.

The House having been brought to order,

Mr. BLOUNT resumed and concluded his remarks begun last Saturday. The entire speech is as follows:

Mr. Speaker, I deem it proper, before discussing directly the testimony and the law governing this case, to call the attention of the House to the law of Georgia as to the qualifications of voters, and also to the poll-tax which is a part of it; also the disposition of that poll-tax, and what constitutes the educational fund of the State. I do this for the reason that I find an impression prevailing in the press of the country (which has even gone into the room of the Committee on Elections) that the laws of Georgia require each person to pay a poll-tax of ten dollars. I wish to show the liberality of the State of Georgia in this direction toward the education of the colored people, and the equity of the provisions under which our elections have been held.

Section 5021 of our code provides that—

No poll-tax shall be levied except for educational purposes, and such tax shall not exceed one dollar annually on each poll, and shall go to the general school fund.

Then as to the qualifications of electors, which is in section 5027:

Every male person born in the United States, and every male person who has been naturalized, or who has legally declared his intention to become a citizen of the United States, twenty-one years old or upward, who shall have resided in this State six months next preceding the election, and shall have resided thirty days in the county in which he offers to vote, and shall have paid all taxes which may have been required of him, and which he may have had an opportunity of paying agreeably to law, for the year preceding the elections, (except as hereinafter provided,) shall be deemed an elector; and every male citizen of the United States, of the age aforesaid, (except as hereinafter provided,) who may be a resident of the State at the time of the adoption of this constitution, shall be deemed an elector, and shall have all the rights of an elector as aforesaid.

Now, sir, I would here remark that this provision in regard to electors has been inserted in every constitution which has existed in Georgia from the organization of the State down to the present time. I read also the provision in our constitution with reference to the educational fund. Section 5134 of the code provides as follows:

The poll-tax allowed by this constitution, any educational fund now belonging to this State—except the endowment of and debt due to the State University—or that may hereafter be obtained in any way, a special tax on shows and exhibitions, and on the sale of spirituous and malt liquors, which the General Assembly is hereby authorized to assess, and the proceeds from the commutation for militia service, are hereby set apart and devoted to the support of common schools. And if the provision herein made shall at any time prove insufficient, the General Assembly shall have power to levy such general tax upon the property of the State as may be necessary for the support of said school system. And there shall be established, as soon as practicable, one or more common schools in each school district in this State.

Section 1272 of the code provides:

The public-school fund of this State shall be raised as follows:
All the poll-tax which shall be levied and collected in the State, and all tax on liquors, and on shows and exhibitions, dividends upon the stock of the State in the Bank of State of Georgia, Bank of Augusta, and Georgia Railroad and Banking Company, and such other means or moneys as now by law belong to the school fund, one-half of the proceeds of the Western and Atlantic Railroad, and such other sums of money as the Legislature shall from time to time raise, by taxation or otherwise, for that purpose, shall constitute a fund which shall be used for the support of the public schools of this State, and whenever any of the legal bonds of this State shall be purchased by the State or its authority, and shall be returned to the treasury and canceled or destroyed, and whenever any of the bonds of the State shall be paid off—except bonds which are paid out of moneys raised by the sale of new bonds, or bonds exchanged for new bonds—it shall be the duty of the governor to issue the bonds of this State in the same amount as shall be paid off, or purchased, or canceled; which said new bonds shall be payable to the school fund of this State, and shall be added to and constitute a part of said school fund.

Now, sir, it will be observed, in the first place, that the poll-tax is limited to one dollar. It will be observed, further, that a large sum of money is appropriated under the constitution and laws of Georgia for educational purposes. I have read these provisions for the additional purpose merely of showing that the people of our State have been disposed to deal justly with the colored people.

Mr. WALLS. I would like to ask the gentleman a question.

Mr. BLOUNT. I have but a short time. This debate is restricted, and I propose to conduct the discussion in my own way. I decline to be interrupted.

Mr. WALLS. I simply wish to ask a question.

The SPEAKER *pro tempore*, (Mr. HAWLEY, of Illinois, in the chair.) The gentleman from Georgia declines to yield.

Mr. BLOUNT. Now, sir, I shall come directly to the report of the majority in this case. That report declares that, counting all the votes in the office of the secretary of state, Mr. Sloan is elected. How they fell into this error I do not know, but the evidence in this case discloses the contrary to be true.

On page 31 the vote which it appears was not counted by the committee is that of the two hundred and fifty-fourth district, Scriven County. This gives to Mr. Sloan 34, and to Mr. Rawls 6. Counting this vote, Mr. Rawls has a majority in the office of the secretary of state. I do not claim that shall determine this question.

Mr. HYDE. I wish to call the gentleman's attention to the exhibit on page 278 of the record, where, under date of January 9, 1873, it is shown from the secretary of state's office that Mr. Sloan has a majority of the votes in that office.

Mr. BLOUNT. The return from this precinct came in subsequently, and is certified to by a different secretary of state. I reply to the gentleman in that way, as the committee seem to regard it of some importance.

Now, the next precincts to which they direct attention are those outside of Savannah, the Isle of Hope, &c. Let us examine the order of the ordinary on this subject. It is as follows:

Court of ordinary, Chatham County, sitting for county purposes.

OCTOBER 22, 1868.

It being necessary that election precincts should be established in the county in order to facilitate the election to be held on the 3d day of November next, it is therefore ordered that election precincts be, and they are hereby, established at Cherokee Hill, in the eighth militia district, embracing the whole of said district, at Chapman's house in the seventh militia district, embracing the whole of said district, and on the Isle of Hope, embracing the whole of the fifth and sixth militia districts.

HENRY S. WETMORE,
Ordinary Chatham County.

Now, Mr. Speaker, the ordinary in this case has testified as to what his purpose was at that time. Then there is no question about his belonging to the republican party. Subsequent elections occurred when he belonged to the republican party. They have uniformly regarded these election precincts as simply established for temporary purposes. It may be singular to this House that such a thing was done, but it is not so with us. We have been accustomed to things not being done by a general law or by a general order, but done especially for the occasion. Every single witness—Mr. Shetfall on pages 19, 20, 21, and 22, Mr. Elsinger, Mr. Quinan, Mr. Hart, Mr. Russell, Mr. Watts, Mr. Stone, and Mr. Dickson—all these witnesses, have testified to this fact: that elections have never been held except on this one occasion in these precincts, and that they were never regarded as election precincts except for one election.

But, sir, if there were any doubt on this question, whatever may have governed the consolidated managers in determining whether these were valid precincts or not does not govern this House. We are here to investigate the law and facts in this case.

Now, sir, in 1870, you find a singular election law passed. The act goes on to provide, very strangely, for an election of three days; that the managers shall be appointed by the governor, (who, by the way, has run away from our State;) and it further provides, voters shall not be challenged. It makes no difference under these statutes what may be the qualifications of a voter; it makes no difference whether or not he had paid his taxes; It makes no difference what the law is: they are to come in and vote under this act, and the man who challenges their right does it at his peril. It provides for the manner of holding the elections entirely different from what has been done before. It requires their vote shall be polled at the county site. When that law was passed we had other laws allowing elections to take place at these precincts. This law declares all laws militating against that act shall be abolished. Gentlemen say this is a special law. Now, Mr. Speaker, it is a special law in some respects, and in others it is general. It is an act to provide for holding an election, it is true, but it is also an act to amend the law of Georgia in relation to holding elections. If these precincts had not been destroyed by the peculiar character of this order, then this law certainly does it.

Then, again, you find the order of the ordinary in 1870, which has been already recited. That ordinary, by the by, at the time this was done, was not questioned as to his fidelity to the republican party. He published a notice to all the citizens to vote in the city.

But, sir, we are told there was a general law in 1871 which repealed this law and revived these precincts. This makes it necessary for me (and I regret I have not time to recite these things in detail) to give a brief history of the laws of the State of Georgia on the subject of precincts.

The first statute we ever had upon that subject required that parties should vote *viva voce* at the county seat. In the progress of time the Legislature enacted a law here and there, as asked for, establishing country precincts. This became exceedingly obnoxious to the people. They did not like the idea of the Legislature taking charge of such matters as this and legislating upon them. It was abandoned, and the power was conferred upon the ordinaries in the various counties of establishing and abolishing and changing election precincts. So great was the antipathy to it, sir, that a provision was inserted in the constitution of the State of Georgia itself to restrain it. I scarcely know, except from the statute-book, that such has been the history of this legislation, the change has been so long established.

The Legislature under these circumstances passed a law repealing the law of 1870, providing for the manner of holding elections, but did not propose to revive the precincts. I am borne out in this statement by the annotations of the party who prepared the pamphlet. It has been the uniform construction of that law, that while it restored the election regulations as understood before, it did not revive the precincts; for that was a subject which the Legislature did not pretend to control.

Mr. ELDREDGE. Is that fixed in your constitution?

Mr. BLOUNT. It was in the constitution of 1860, not in that of 1866, as I have already stated.

Mr. ELDREDGE. Then they could not be revived?

Mr. BLOUNT. No, sir. This being the case in my own county, as in two other counties within my knowledge, in exact accordance with this construction we have gone on and had the ordinary pass orders upon this subject. Because of his failure to do it a riot occurred in our city, the news of which has even reached this Capitol; and since that time the ordinary has established the old precincts.

I take it, then, as unquestionably proved that these country votes were cast in violation of law. We are not here to inquire whether the ordinary of this county was a republican or a democrat. I was astounded at the way in which the gentleman who had charge of this election case threw this in continually after his beautiful opening about our duty to be guided in this investigation by the law and the facts, and about our being here for a judicial investigation. It is only because it has already been introduced that I have alluded to it at all.

The gentleman who has charge of this case on the part of the majority of the committee declared the supervisors were appointed by the district judge, and this was notice of an election at these precincts. Does any one have any notice of it? It is done quietly with a few custom-house officers and others. The public know nothing about it. It was afterward developed in the investigation of the case.

Mr. HYDE. I will ask the gentleman if it was not a public record of the court?

Mr. BLOUNT. So far as that is concerned, it is not pretended that any power vested in the district judge to create election precincts; and when he appointed them it was simply by request, and he had no force to establish precincts. It is further proved in the testimony of the ordinary in this case that Mr. Bryant, a strong partisan, a man who had figured prominently in our State politics, on the very evening prior to this election, understanding the status of this precinct just as it was understood by every witness who has been called upon to give any opinion on this subject, though these men had got a district judge to appoint these supervisors, went into the office of the ordinary and asked him to pass an order opening those precincts. And I challenge the gentleman to show a particle of proof on the part of any witness in the whole of this investigation, by the slightest intimation, that he thought this precinct already existed.

Election upon election has been held.

Sir, we are not responsible for these laws. They were passed by the gentleman's own party, and if in their attempt to make their way to success they have made some blunders, let them not charge them upon others.

Mr. SMITH, of New York. Will the gentleman allow me to ask him a question?

Mr. BLOUNT. Yes, sir.

Mr. SMITH, of New York. The gentleman has spoken several times over about these numerous elections held from 1868 to 1872. Were not all these elections, except that of 1870, held under military orders?

Mr. BLOUNT. No, sir.

Mr. SMITH, of New York. I am informed they were; and further——

Mr. BLOUNT. I decline to yield further. The gentleman has been informed of a good deal for which there is no foundation, that has been injected by briefs and private partisan statements, that are prejudicial, and designed to be prejudicial, to the sitting member.

So far, then, as these precincts are concerned there was not, until this election, a man, woman, or child in Chatham County who ever dreamed that they existed. But if this House shall see fit to determine otherwise, we can bear it.

A great deal has been thrown in here as to intimidation. I propose to refer to that after awhile, and see what that amounts to.

The next precinct to which the committee direct their attention is the Lawtonville precinct.

Mr. ELDREDGE. Will the gentleman state the effect of leaving out the precinct of which he has just been speaking?

Mr. BLOUNT. That precinct, as appears by the evidence, gives Mr. Sloan between 1,200 and 1,300 votes. And just here, Mr. Speaker, I propose to show in what connection and for what purpose that election was held. I have read the law upon the subject of qualification of voters. It was a habit, and on this very occasion the record discloses it, that various parties went there with tax-receipts in their hands that were not the receipts of the tax-receivers, but were the receipts of custom-house officers not recognized by law. This was done also at the October elections.

Sir, whatever you may think about it, there is a large number of the colored people of Georgia who do not care much about voting. That is the truth, whether it is believed here or not. If a tax of one dollar is required as a preliminary to voting, many will forego the election altogether. Partisan leaders, knowing this, concluded it much cheaper to take buggies and go out to these so-called precincts and poll their votes where they could not be interrupted because the taxes had not been paid, where no one has notice of an election, and where circumstances indicate that the illegal votes will not be challenged. A great many votes are polled in that way.

Now it may be asked why it was that testimony was not produced here as to these facts. If we could have seen before we reached here what we see now, testimony would have been taken; but so firm was the conviction, so undisputed is the truth that these precincts did not exist, that the contestee relied upon proof of that fact, and has come here to this House relying upon it.

The next precinct to which I shall refer is the Lawtonville precinct. There 189 votes were cast for Sloan and 113 for Rawls. The fact there, as detailed by the evidence, was that while the election was pending and after the voting had been conducted for awhile, two of the managers went out, by agreement with the supervisor, and when they returned found one of the supervisors and one of the managers with the votes out of the ballot-box and upon the floor mixed with ballots not cast. And right here arises a question of conflict of testimony. The rule that would be regarded in a court of justice, and that ought to be regarded here, I think, clearly determines against the committee in their action in regard to this precinct. They insist upon counting the vote of that precinct. What are the facts? The supervisor, Dr. Young, who was the only witness who testified upon that side, stated that those managers went out with the purpose of not returning, and that he and the remaining manager were so anxious that what was right in the case should be done that they went forward in counting the votes. He goes on further to say that in the counting of the votes one of these managers was in the habit of calling out "Wheeler and Wilson," &c., and making a farce of it. You find afterward this same man going about hunting up negroes at their meetings and declaring that it was his interest that Sloan should be elected. That is one witness. Now as to these facts the other witnesses are two of the managers, who declare positively and in terms that every word of what Dr. Young testified is untrue. Now, sir, they are unimpeached; they exceed in number; they had no personal interest in the matter. How is this House to determine upon this matter? Here is one witness to two witnesses; the one witness is interested; the other two witnesses are disinterested; the one has been subsequently appointed to office. Now, sir, I ask gentlemen of the majority of the committee upon what principle in judicial investigation, upon these facts, they can accept the testimony of Dr. Young as the truth in determining the result?

I would ask the Chair how much time I have left?

The SPEAKER. The gentleman has thirty minutes.

Mr. BLOUNT. Then I must hurry on very rapidly; and I come next to the Jeffersonton precinct, in Camden County. In reference to that precinct there is no contradiction as to the testimony. It is simply a question as to its existence. It was established under an old law and under an old system. I do not suppose that a single voter in the county recollected the existence of the law; and no one knew of it until it was hunted up for the purposes of the election in this congressional district. Long since, in 1821, the county seat was brought to that place, and under the general law of the State it became a voting precinct by becoming the county seat, and the point to which the returns were all to be brought to be consolidated. The court-house, in 1870, was removed to Saint Mary's; and I contend that that removal carried with it the election precinct. Prior to that time it was, under the old law of 1821, an election precinct. That law, differing from the general law, required four managers of election, and required them to carry their returns to the county site. When Jeffersonton became the county seat, it was under the old law a voting precinct, but under the general law on the subject that statute became obsolete.

But, sir, there was an order, to which it may be proper to refer, in 1868, abolishing that precinct, though the county site was then at that place. That was clearly in violation of the law; that is to say, of the general law. It could not be done. But if that precinct had any character by reason of the law of 1821, the ordinary having just the same power as is claimed under that act, and having passed an order abolishing it, to that extent that order was valid.

Sir, this question has been before the Legislature of Georgia in a contested-election case, and the committee to whom the matter was referred made a report declaring that Jeffersonton was not an election precinct, and calling attention to the fact that in that very same militia district there was another election precinct established by the ordinary and observed by the people, and the law expressly limited the number of precincts to one in each militia district.

Mr. SMITH, of New York. The law established Saint Mary's as well as Jeffersonton as the county seat.

Mr. BLOUNT. Let that be true; if it established this precinct, and if it is in force by virtue of that act, the law which gave the ordinary power to abolish election precincts empowered him, under the order of 1868, to abolish this or any other precinct.

Now, sir, this being true, I take it that if we are engaged in a judicial investigation, if we are sitting here as a court, there will be no difficulty in any legal mind in disposing of the matter so far as this precinct is concerned.

The gentleman from Missouri [Mr. HYDE] saw fit to say in regard to this matter that he did not care about it at all, that the house of representatives of the State of Georgia was largely democratic, and he did not intend to have their action regarded as authority. I think that the old maxim, "that people who live in glass houses should not throw stones," will apply here. The Georgia Legislature has seated a negro contestant, a republican, though that party was in the minority. That is more than has been done by this House, even giving all the meaning in a partisan sense you please to their action.

The gentleman also spoke of the great liberality of the majority of the committee in their report in this case; he said they were so liberal that we could make no complaint. Well, sir, I could have appreciated th at liberality a little more, and I would not say a word further in this discussion, if it were not for what the gentleman proceeded to say right afterward. I quote from his speech, as follows:

> Mr. Speaker, as my time has about expired, I will, in conclusion, only call the attention of the House to the recapitulation of the vote on pages 12 and 13 of the majority report as printed. It will there be seen that, counting the votes actually on file in the office of the secretary of state, and to which he has certified, Mr. Sloan had a majority of 12 votes. But adding the votes of the other precincts, which I think I have clearly shown Mr. Sloan is entitled to, he has a majority of 136 votes. I say that the committee has been liberal to Mr. Rawls; they have not rejected at least 700 or 800 votes which, if you were to give a strict construction to the law, they would be required to reject from his vote; and I say candidly I should vote to reject them if it were necessary to the decision of this case. I believe that this majority of only 136 for Mr. Sloan has been reduced to that number by counting several hundred votes for the sitting member, which, according to the law and according to a fair construction of the rules of evidence, he is not entitled to, and would not receive if this question was to be tried in any court of justice. But as it was not necessary, as it made no difference in the result, as Mr. Sloan is elected even if you count all those votes, in order to avoid the possibility of complaint on the part of the sitting member and of his friends, the committee have counted them all, and yet Mr. Sloan is elected by a majority of 136 votes.

I cannot appreciate such liberality.

Mr. Speaker, I am aware that these election cases excite but little interest generally among members of this House. They are very fatiguing, and whatever attention and consideration are given to them by members, is given simply as a matter of duty.

I come now to the county of Bullock, which has so horrified the gentleman making this majority report. The testimony in this case discloses the fact that while the people have manifested little knowledge of the importance of observing the regulations in the conduct of this election, there is a chain of evidence in this case rebutting every presumption of fraud.

Mr. Speaker, I come to the issues in regard to Bullock County; and in dealing with them, I shall follow the method adopted by the gentleman who submitted the views of the majority. He called attention to the following as a principle of law governing this case:

> When the result in any precinct has been shown to be so tainted with fraud that the truth cannot be deducible therefrom, then it should never be permitted to form a part of the canvass. The precedents as well as the evident requirements of truth not only sanction, but call for the rejection of the entire poll, when stamped with the characteristics here shown.

The majority of the committee cite quite a number of authorities in support of this principle. I desire to refer the House to merely one of these, because the time I have does not permit me to review the whole of them. In regard to the case of Washburn *vs.* Voorhees, I read from the Digest of Election Cases from 1865 to 1871, as follows:

The official return from this township was (page 7) for Mr. Voorhees, 498; for Mr. Washburn, 143. The allegation of the contestant is, that the ballot-box at this precinct had been tampered with, so that the return does not state the true poll, and that the whole proceeding was "so tainted with fraud that the truth cannot be deduced therefrom;" and he accordingly demands, in accordance with the rule already stated, that the return be set aside. The evidence offered in support of this allegation will be found on pages 8–49, inclusive, and is of two kinds: first to show how many voters actually cast their votes at this precinct for the contestant; and secondly, evidence tending to show an actual tampering with the ballot-box after the close of the polls and before the count was completed. The evidence satisfies the committee that 170 men at least voted for the contestant at this precinct. One hundred and sixty-four witnesses testified to their own votes for him, and as to the remaining 6 not present, the testimony of witnesses that they knew the vote of each to be also for the contestant, left the committee entirely satisfied that this number at least had so voted. There was testimony tending to the same result as to several others, but not sufficiently positive to satisfy the committee. Here is thus shown a discrepancy between the official return for the contestant and the proof of the vote actually cast for him, at this precinct alone, of 27 votes. There was no attempt to show the discrepancy between the vote actually cast for the sitting member and the vote returned for him, nor was any attempt on the part of the sitting member made to explain this discrepancy in the vote for the contestant.

The tally-list would have shown whether these men had actually voted or not, and their old political associations and professions, if in conflict with their testimony, were legitimate evidence to contradict them. The tally-list would also have revealed, if true, 498 other names, if so many votes had been also actually cast for the sitting member, and some approximation to that number might have been found to have so testified. But the case was permitted by the sitting member to rest upon the uncontradicted testimony of the witnesses before stated, and the committee left to the conclusion to which that testimony, uncontrolled, must lead them.

In addition to this, the contestant offered testimony tending directly to show an actual tampering with the ballot-box at this precinct. This evidence will be found in Miscellaneous Document No. 11, pages 45-50 inclusive, and the attention of the House is called to it as there recorded in full. From this testimony it appears that at the opening of the polls in the morning a strenuous but ineffectual effort was made by the friends of the contestant to secure the appointment of one of their number as one of the officers of the election. This was resisted by the friends of the sitting member present at the polls. When several names were proposed for this purpose, a Mr. Hansil, leading in the opposition to it, got up on a store-box and spoke in very violent language against the one proposed. Another was then proposed, "or some other friend of the contestant." But Mr. Hansil replied that "he would not trust either of the men proposed, or any other black abolitionist, on the board." And so the board of three judges and two clerks was composed of all strong partisans of the sitting member. In this there was no violation of the letter of the law, but what subsequently happened to the ballot-box was made easy by the transaction, and it deserves notice in that connection alone.

I call attention to what happened subsequently to that as to interfering with the ballot-box:

When the polls were closed at night this board began the count about dusk, and counted some 15 or 20 votes, stringing them upon a string as required by law.

They then adjourned for supper, first putting the string of votes in the box on top of the uncounted votes, and the poll-books and tally-papers on top of them. The box was locked and a key given by the inspector to one of the judges. The box was then left on the table in the voting-room, and the officers were all gone about an hour to their supper, leaving the box they knew not in whose presence or to what treatment. On their return the key handed by the inspector to one of the judges would not unlock the box. Another was tried without success, when the inspector took a key from his pocket which unlocked the box. On opening the box and taking out the poll-books and tally-papers, the string of counted tickets which had been placed on top of the uncounted tickets was not there, and considerable search was made for it. It was at last found at the bottom of the box, under the uncounted tickets. The board of election officers, a few days after the election, published a card respecting this matter, which is here inserted entire:

"*A card.*—We, the undersigned, judges and clerks of the election held at the court-house in Sullivan, on the 11th day of October, 1864, in view of the frauds alleged to have been perpetrated, and in justice to ourselves, avail ourselves of this, the first opportunity offered, to make the following statement:

"Of the frauds charged we know nothing. We saw no act of impropriety by any member of the board while in session; but that we are satisfied in our own minds that such charges are not without foundation, and we have such opinion upon the following circumstance, to which we are willing at any and all times to be qualified: At the adjournment of the board for supper, which was about dusk, we had counted out between fifteen and twenty tickets, which were strung on a string prepared for that purpose. The string of tickets was placed in the ballot-box on top of the uncounted tickets. The poll-books and tally-papers were then placed on top of the tickets, the box locked, and set on a table in one corner of the room.

"When the board met, after supper, the ballot-box was unlocked in our presence by the inspector, the tally-papers and poll-books taken out, but the string of counted tickets could not be seen. The inspector turned to the table in the corner of the room to search for it, and while thus engaged we found the string of tickets in the bottom of the ballot-box, completely covered by uncounted tickets. We are satisfied that the string of tickets could not have got to the bottom of the ballot-box without the same being opened in our absence and the tickets handled.

"Respectfully submitted.

"PORTER BURKS,
"JAMES A. BEARD,
"*Judges.*

"DANIEL LANGDON,
"BENJAMIN HAVENS,
"*Clerks.*"

"I hereby certify that I believe the above statement to be correct. When the box was opened after supper I took out the poll-books and tally-papers, but could not find the string of tickets. Supposing they had been left out, I turned to look for them; meantime they were found in the box. It is evident that they were moved while the board was adjourned for supper.

"W. C. GRIFFITH,
"*Inspector.*

"OCTOBER 19, 1864."

The committee do not deem further comment upon this poll necessary. The discrepancy of 27 votes between the return (143) for the contestant and the number (170) proved to have voted for him; the violent partisan character of all the officers of election adversely to him; the steady purpose of keeping the box in such hands; the leaving it for an hour after dusk at the voting place unguarded and exposed, and finally the evidence that the box had been opened and an indefinite number of votes changed or abstracted, disclosed to the judges themselves—all compelled to the conviction that "the truth cannot be deduced from this return," and it is accordingly rejected.

But the rejection of a return does not necessarily leave the votes actually cast at a precinct uncounted. It only declares that the return having been shown to be false shall not be taken as true, and the parties are thrown back upon such other evidence as is in their power to show how many voted and for whom, so that the entire vote, if sufficient means be taken and the means are at hand, may be shown and not a single one be lost, notwithstanding the falsity of the return.

Now, sir, I will read, in addition to this, section 1362 of the code of Georgia; which is to this effect:

Election not void by reason of formal defects.—No election shall be defeated for non-compliance with the requirements of the law, if held at the proper time and place, by persons qualified to hold them, if it is not shown that by that non-compliance the result is different from what it would have been had there been a proper compliance.

In connection with the county of Bullock, the committee cited sections 1312, 1314, and 1315, relating to the manner of conducting elections. It is necessary, in order to give a proper construction to the election laws of Georgia, to consider in connection with those sections section 1334. By considering them together the conclusions arrived at by the majority of the committee are obviated.

Having called attention to all the law that I deem pertinent in relation to the Bullock County precincts, I desire to call attention to the testimony. It would be impossible for me to read the testimony of all the witnesses, and I shall therefore abstract only such responses as are necessary to this investigation. I read first from the testimony of Mr. C. A. Sorrier, ordinary of the county:

Question. Where do you reside?
Answer. In Bullock County, Georgia.
Q. Do you hold any official position in that county?
A. I do not at this time.
Q. Have you held any official position in that county? If so, state what was that position or office, and how long did you hold the same?
A. I held the office of ordinary from 1868 to 1873.
Q. Did you assist in the holding or the managing of an election, as ordinary, in Bullock County, on the 5th day of November, 1872, at which presidential electors and a member of the Forty-third Congress were voted for?
A. I did.
Q. What duties did you perform connected with said election?
A. I assisted the managers, fixed up the papers, consolidated the returns, and sent them to the executive department at Atlanta.
Q. What did that consolidation consist of?
A. It consisted of the several returns from the county.

The House will mark that in this was included, not only the precincts that have been admitted by the committee, but also the forty-fifth precinct, which they have rejected. I read further from the testimony:

Question. Did you sign any managers' names to that consoli datedreturn? If so, by whose authority did you sign their names?
Answer. I did sign the names of managers, by their authority or request.
Q. Is it customary for the ordinary to assist in the holding and managing of elections, and of making up the consolidated return of elections in Bullock County, and sending it forward to the secretary of state or the executive department?
(Counsel for contestant objects to this question on the ground that such a custom as is inquired about is not legal.)
A. It has always been the custom since I have been in office.
Q. Were the precinct or district returns of said election all brought in for consolidation by, or before, twelve o'clock m. on the day after said election?
A. They were brought to the court-house before twelve o'clock the day after the election.

Here is the evidence of Mr. Sorrier that the return which is here in this evidence certified to by the secretary of state is the same return that he consolidated and made up.

At this point I ask the attention of the House to the following portion of the report of the majority of the committee:

Another most significant fact in this connection is the failure to turn over the ballots, returns, tally-sheets, and lists of voters to the clerk of the superior court, as required by the laws of Georgia, before referred to.

And then they quote this single sentence from the testimony of Mr. Sanders, the clerk of the superior court: "Nothing outside of the ballot-box was deposited in the office." I desire to call the attention of the House to the testimony of Mr. Sanders to show how unfair that statement is. I do not mean that there was any intention on the part of the committee to be unfair; but I desire to show how unfair it is in truth that this statement should be taken from the testimony of Mr. Sanders. I read from it:

Question. Were the ballots cast at your precinct, and at the other voting places in this county at said election, ever deposited in your office or delivered to you; and, if so, when and by whom?
Answer. I know nothing except that the ballot-box at the court-house was deposited in my office. I have not examined its contents; the ballots at my precinct were sealed up and sent to the court-house.
Q. Were the returns, tally-sheet, and list of voters at your precinct, and at the other voting places in the county at said election, ever deposited in your office; and, if so, when and by whom?
A. I have the same answer to make as in the other question; the tally-sheet and list of voters from my precinct were sent up to the court-house with the returns; I suppose that was done from the other precincts, but do not know this from personal knowledge.
Q. Was any consolidated return of said election in this county ever deposited in your office, or delivered to you; and, if so, when and by whom?
A. Nothing outside the ballot-box.

Then upon his cross-examination is the following:

Q. Have you ever examined your office to know if all the returns of said election are deposited therein, or could you, were you to examine, know this fact without breaking open sealed packages?
A. I have not examined my office. I do not suppose I could know unless I broke open the packages.

Q. Was the election at your precinct conducted under the usual mode of conducting elections? Was the crowd quiet and every man entitled to vote permitted to do so?

A. It was conducted in the usual manner; the crowd was quiet, and every man permitted to vote who was entitled to do so; all the votes for Congress were for Mr. Rawls.

I ask attention now to the testimony of Mr. Beasley:

Question. Where you manager at an election in this county for presidential electors and member of the Forty-third Congress, on the 5th of November last; and, if so, at what precinct?

Answer. I was, at the forty-eighth militia district.

Q. Who were your fellow-managers at that election?

A. John R. Miller and Matthew Miller.

Q. Was a return of that election made up?

A. It was.

Q. State what was done with that return?

A. It was brought to the court-house by me; the return lists and ballots were brought together; this was done on the evening of the election; it was delivered to the ordinary, Mr. Sorrier, and by him put into the court-house ballot-box.

Then follows his cross-examination:

Q. Were the managers at the court-house present when you gave your returns to Mr. Sorrier?

A. I walked in with the returns, and found Mr. Sorrier in the court-house near the ballot-box and handed them to him. If my mind serves me right they were counting out and the managers present. I do not recollect who the managers were.

John Green testifies that he was one of the managers at the forty-fifth militia district, and that he brought in the returns. I pass on over the testimony of others in relation to the same district, all to the effect that the election was conducted fairly and that proper returns were made to the county seat. Then I come to the testimony of Mr. Proctor, who tells you that the ballots were deposited after the counting of the votes in the ballot-box by the ordinary, and were then turned over to the clerk of the court.

I think it was exceedingly unfair for the committee to have simply reported that the clerk of the superior court testified that nothing outside of the ballot-box was deposited in his office, when they had before them the testimony of various witnesses connected with the election that the ballots, the tally-sheets, and all the papers properly belonging to an election, were deposited in the ballot-box, and the box carried to the office of the clerk, and there deposited.

[Here the hammer fell.]

Mr. HYDE. I now call the previous question.

Mr. BLOUNT. I ask the gentleman to allow me five minutes more to submit a few remarks in regard to Chatham County.

Mr. SPEER. The sitting member and the contestant both would like to be heard for half an hour each. I ask unanimous consent that time be given them for that purpose.

Mr. HYDE. It was my understanding, when the present arrangement was made for one hour to the side of the sitting member, that he was to occupy that time himself. This election case has been up for several days, and has been crowded off by other business. I know if any extension of time is made before the previous question is called this case will not be decided to-day. I must, therefore, insist upon the previous question now.

Mr. SPEER. Then I hope the House will not second the call.

The question was taken upon seconding the previous question; and upon a division there were—ayes 79, noes 64.

Before the result of the vote was announced,

Mr. YOUNG, of Georgia, and Mr. SPEER called for tellers.

Tellers were ordered; and Mr. HYDE and Mr. SPEER were appointed.

The House again divided; and the tellers reported that there were—ayes 95, noes 65.

So the previous question was seconded; and the main question was then ordered.

Mr. SPEER. I now ask unanimous consent of the House that an hour be given to the parties in this case—half an hour to the sitting member, and half an hour to the contestant—to be heard before the House.

The SPEAKER. Does the gentleman mean in addition to the hour belonging to the Committee on Elections?

Mr. SPEER. In addition to that hour.

Mr. HYDE. I desire to say that there have been two hours spent upon the other side, and only one upon this side.

The SPEAKER. It requires unanimous consent.

Mr. GARFIELD. I object.

Mr. HYDE. I now yield half an hour to the gentleman from New Hampshire, [Mr. PIKE,] a member of the committee.

Mr. PIKE. As a member of the Committee on Elections I desire to say a few words to the House upon this question. I am myself fully convinced that the seat for the first congressional district of Georgia belongs to the contestant. That conviction arises from a considerable examination of this case. I hope that the belief which I have expressed is not the result of my political opinion; I hope that the conviction is the result of a judgment independent of political considerations.

I will come directly to the question. There were 1,241 votes cast in the county of Chatham; 1,239 of those were for the contestant, and 2 for the sitting member. The minority of the committee in their report exclude all the votes from the three precincts at which these 1,241 votes were cast. The question is, should they be counted in favor of the contestant or not? The three precincts of Chatham County at which those votes were cast are known as Cherokee Hill, Chapman's house, and Isle of Hope.

Now, it is well, in the discussion of a question, to know what there is in controversy between the parties. I have heard no objection raised—certainly there was none in the committee and I have heard none on this floor—to these 1,241 votes on the ground that they were not legal votes. It has not been asserted, so far as I know, that any person casting any of these votes had not the legal right to vote. But it is claimed that the counting of these votes rests entirely upon the question whether or not these three precincts were legal precincts. It is urged in behalf of the sitting member that they were not legal precincts, and for what reason? First, that the precincts were established to exist only at a particular election. It is not in controversy here that they were legally established. They were established in 1868 and by legal action. But it is said they were born to live only a day; that they expired at the end of that election.

Now, Mr. Speaker, it seems to me that if there is anything in all the world, pertaining to elections, about which there should be certainty, it is the time and place at which elections are to be held. These precincts were legally established; and unless there are some certain, definite words in the order establishing them, by which they were to cease to exist with the election of November 3, 1868, it must follow that they continue to exist.

Mr. FORT. I desire to ask the gentleman whether the order establishing those election precincts was not a special order, confined to the election of a certain day of a certain year, and whether those precincts were ever used for election purposes after that year until this election, at which the sitting member and contestant were voted for?

Mr. PIKE. The majority of the committee say that they were not established for that particular election only. The order establishing them recites it being necessary that other election precincts should be established to facilitate the election upon the 3d of November, therefore certain precincts are established. Now, if you go through the orders establishing election precincts in Georgia, (and I have examined very many of them—every one that has come to my knowledge,) I venture to say that in every one of those orders will be found a recitation somewhat like the one in this case; yet in not a single instance in that State has such a recital in the order been regarded as limiting the establishment of the precincts to the election immediately following. There is just as much reason to say that one-half the election precincts in Georgia ceased to exist at the election following the time when they were established, as to say that such was the case as to these three precincts.

Mr. HEREFORD. I would like to ask the gentleman—it is only a repetition of the question asked a few moments ago by the gentleman from Illinois [Mr. FORT]—whether there was any election at those three precincts from 1868 up to the time of the election now in controversy?

Mr. PIKE. I understand that there was not.

Mr. HEREFORD. There was no election, then, at all at those precincts from 1868 up to the time of the election?

Mr. SMITH, of New York. But the reason is——

Mr. HEREFORD. I merely wished to call attention to the fact that from 1868 up to the present time——

Mr. PIKE. If the gentleman wants to make a speech, I hope he will wait his turn. I yielded for a question; I do not desire to yield for a speech. If the gentleman wishes an honest answer, I will try to give it; if he does not, that is another thing.

These precincts were established at the presidential and congressional election of 1868. There was no other presidential election until 1872 at which there was a vote; and there was no other election, as I understand, besides one a month before, except in 1870, and that was an election by a special provision and a special statute; and at the very next presidential election, at the very next congressional election, after these precincts were established and at which there was voting for the first time, there was voting again at these precincts. I say that the election for Congress in 1870 was the result of a special statute, which overrode all other statutes; and at this election of 1870 three days were allowed for voting in that county; whereas in the other case only one day was given.

Now, it was first urged that these precincts expired with the election following——

Mr. LAMAR. Will the gentleman allow me to ask a question?

Mr. PIKE. If it does not take too much time I will hear the question.

Mr. LAMAR. I wish to ask the gentleman whether the special statute to which he refers could have had, either directly or indirectly, any such effect as is claimed under the constitution of the State of Georgia, which provides that—

The General Assembly shall have no power to grant corporate powers, &c., nor to make or to change election precincts.

So that, where a precinct had been established under a general law, no special act of the Legislature could operate to repeal or change that precinct.

Mr. PIKE. I claim just that. I claim that the statute of 1870 did not abolish those precincts. That is precisely my position. I claim that it could not have done so, because the statute of 1870 was not intended to affect them, and does not; that, the precincts being legally established in 1868, the law of 1870 did not interfere with them; that, having a legal existence, they were subsisting and continuous, the law of 1870 by its terms in no way touching them.

Now, it has been urged—it is urged in the minority report—that the law of 1870 abolishes these precincts. First, it was said that they expired by their own limitation; that the seeds of speedy mortality were in them, and they only lived to the mature age of twenty-four hours.

Then, again, it was said they were abolished by the law of 1870. Well, now, if they were, then one-half the precincts, or three-quarters of the precincts, in the State of Georgia were also abolished.

Mr. BLOUNT. Was it not in the power of the ordinary, under the law, to establish precincts?

Mr. PIKE. Of course it was in the power of the ordinary to establish precincts. He established these very precincts where this voting took place. We claim it was in his power; he exercised that power, but he did not exercise it by limiting it. He did not say it should only exist for twenty-four hours. It is claimed he might abolish these precincts by subsequent order, but we say he did not until after the election, and then he did.

Mr. BLOUNT. But the gentleman does not answer my question. He assumes they were all abolished by the act.

Mr. PIKE. I am not assuming any such thing. I say they were never abolished until the ordinary abolished them after the election of 1872.

Mr. BLOUNT. But hear my question.

Mr. PIKE. Do not ask too many.

Mr. BLOUNT. You are drawing the conclusion that this act abolishing these precincts leaves the State of Georgia without one-half of her voting precincts.

Mr. PIKE. I do not say that. I say if the position of the minority of the committee in their report, that the law of 1870 abolished these precincts, is correct, then not only these precincts but two-thirds of the precincts in the State of Georgia are abolished. That is what I say.

Mr. BLOUNT. Is it not the province of the ordinary, and was it not his duty, to establish them?

Mr. PIKE. There is no need to re-establish them until they are abolished. We say that they were never abolished. We say the law of Georgia of 1870 did not abolish them; that having been established by the proper tribunal they could not be abolished unless by some definite and positive act, either legislative or judicial. The idea that the voting-precincts in the State of Georgia exist by judicial construction, that the place where and the time when elections shall be held shall depend upon vague judicial construction or upon political construction, which is worse, is an idea I do not want to entertain as a member of this House and of the Committee on Elections. It is an idea which I will not sanction.

Our position is this: that these precincts were legally established, and that the law of 1870 did not abolish them. It does not assume to abolish them. There are no terms of the law which are made to apply to them. If that law applies to any one of them, it applies then to all the precincts in the State of Georgia not held at court-houses or in organized towns or cities, which are three-quarters of the precincts in that State. At this election voting was had at three-quarters of the precincts in the State, standing precisely upon the same ground with those Chatham County precincts, a vote which the minority of this committee now seek to rule out. That is my position, and I hope I am now understood.

Now, Mr. Speaker, I say the order recites there was necessity for the establishment of these precincts. The necessity was abundant, and it not only existed then, but it existed with more power that they should be continuous. If there was some temporary reason, some reason which existed pertaining to that election only, why these precincts should be established, then there would be some color to the construction which is asked, that they came to an end with that election; but, sir, the necessity was continuous.

Mr. FORT. I ask the gentleman if the words of the order will indicate an election precinct was established at all? Does it not appear that a special election should be held there?

Mr. PIKE. No, sir.

Mr. FORT. In fact, has there been any election held there since?

Mr. PIKE. I answered that question once already, and if the gentleman had paid attention he would have heard it. I answered it just as I understood the fact to be. The order is this; "Therefore ordered, election precincts be, and are hereby, established," &c.

Now, here is the county of Chatham, just about as large as the county in which I vote and where I live in New Hampshire, containing just about the same number of inhabitants—about 42,000 in each—a little less in one and a little more in the other. The minority of this committee claim there should be only one voting place in this county of Chatham; where the circumference is from twelve or fifteen miles from the center, that there should be only one voting place.

Now, in 1868 that fact existed, that there was only one polling place for a population of 42,000, and with a voting population of nearly 10,000. These three precincts were established to meet this great exigency, to wit, the aggregation of 10,000, or from 8,000 to 10,000, voters at one place on one election day. Now, my county, with a voting population hardly any greater, has thirty-one voting places; yet the minority of this committee would claim that the necessity did not exist to have this established and continue for only one election. Why, sir, where do we find frauds at elections if not in these large places where the votes are aggregated together? Where do we hear of frauds and of proceedings which are disgraceful to the locality, and disgraceful to our institutions, if not at places like those of all others?

Now, how is it in regard to those three precincts which the minority seek to exclude? What is the population in those precincts? Why, in one there are almost 6,000 inhabitants; in another almost 5,000, and in another almost 3,000; leaving the city of Savannah, with a population of 28,000 or 30,000, as another.

Then, I say, Mr. Speaker, there was every reason why this order should have been made; and there is no reason existing in the circumstances surrounding it from which it could be construed as being limited to that election.

I know that the minority called in Mr. Wetmore, the ordinary, who established these additional precincts, to say that he did not intend it to exist except during that election. He says that, and he was afterward brought in to swear it. My friend, the gentleman from Georgia, [Mr. BLOUNT,] says that Mr. Wetmore was a republican when he did this.

Mr. BLOUNT. It was the gentleman from Missouri [Mr. HYDE] who spoke on the part of the majority who said it.

Mr. PIKE. And the gentleman from Georgia said it too. I do not know but he was. He has always been a changeable man. He has now got on the other side, and I do not know where he may go next; but he may probably join this new school of eclectic politicians.

Now, let us see if he understood that the orders for these precincts were to expire with that election. If he meant that, why did he not say so? Why did he not make it certain? Why did he not put one single word into his order that would indicate that? Why did he make the order almost precisely like all the orders establishing election precincts in Georgia? I think if he had understood it so he would have said so; and when he did not say that, it is an evidence that he did not intend it.

Mr. BROMBERG. Have those precincts ever been used to vote at since 1868?

Mr. PIKE. I have been asked that question before, and have answered it more than once.

Mr. BROMBERG. How did you answer it?

Mr. PIKE. I answered it by saying that there was not any election in Georgia between 1868 and this election, except the one in 1870, and that was a special one.

Mr. LAMAR. The gentleman is mistaken as to that. There were three elections.

Mr. PIKE. There was no congressional election, and no presidential election except the one under this special statute, between those dates. But what has that to do with the case? The question is, had the precincts a legal existence?

Mr. SPEER. Will my friend permit me to remind him that there were two elections for governor between 1868 and 1872, one of which was special, and at neither was there any voting at these precincts?

Mr. PIKE. I have said that there was one about a month before, where there was no voting at these precincts, and the other was a special election. And I hope now, since gentlemen have repeated that over a dozen times, that they will let me go on.

The committee had serious doubts whether the voting at Savannah should not all be set aside. The law of the United States, if it means anything, means that there should be supervisors appointed at every voting place—two supervisors at every polling place. And an election precinct was understood by national law to be one voting place with one box.

Mr. BLOUNT. Will the gentleman allow me to interrupt him once more, and I will not trouble him again?

Mr. PIKE. I yield to the gentleman.

Mr. BLOUNT. I call attention to the enforcement act, where, on page 3, there are allusions to several boxes. And I call attention to section 8, on page 4 of that act, where there is authority for having several assistant marshals to aid in the counting of the votes.

Mr. PIKE. Why call attention to that, when everybody has heard it in the gentleman's speech?

Mr. BLOUNT. I want to see how the gentleman will meet it.

Mr. PIKE. I will do so, if the gentleman will permit me.

I say that it was the intention of the national law that there should be two supervisors appointed at every voting precinct, that is, at every box where votes were cast. Three managers were required by the law of Georgia, and under the United States law two supervisors, one of one party and the other of the other. That was the meaning of the national law; and to circumvent it, to evade the effect of it, what did they do at this same voting place at the court-house of Savannah, in the county of Chatham? Why, they had four boxes so far apart that the supervisors could not see how the voting was going on except at one box, and in that way the national law was rendered entirely nugatory and void.

The chief supervisor of the southern district of Georgia makes a report, which was in evidence before the committee, in which he says that it was impossible for the supervisors at the polls to see but one box, and thus the national law was disregarded and flung in their faces.

But the committee counted those votes, and why? Although the national law was disregarded and although the committee believed that it was intentionally disregarded, and that this device of four boxes was resorted to for the purpose of disregarding it, yet they counted the votes cast, because it was in evidence that every man

who went to vote there went there honestly, and we thought that the expression of the will of the voters should be given; therefore we counted the votes cast there as we did the votes in the precincts about which I have been talking.

I wish to say a word now about the vote in Bullock County. There there was an utter disregard of their duties by the officers who had anything to do with the vote. The law provides that the votes shall be consolidated in the county by the action of one of the managers from each of the voting precincts in the county; that they shall consolidate the votes and make an abstract of them, and send two copies of that abstract, one to the county seat and one to the seat of government. What was done in this county? Why, sir, the votes were all put in the custody of—whom? Of the officers into whose custody the law required them to be put? No, sir; they were put into the hands of a private individual, who had legally nothing more to do with the votes than any one of us, and they were kept by him. The law requires that the ballots, the tally lists, and the voting lists should all be kept and returned to the county court. The record shows that they were inquired for, but no one could get them. The testimony of all the men that were there has been taken, and all that has been known of those votes at that precinct is that they were in the hands of one Sorrier, a lawyer, and friend and counsel of the sitting member, and they have never seen daylight since. No friend of the contestant has been permitted to see them.

Now, I do not want better evidence of fraud or intention to defraud than the fact that the votes are taken from the custody of the officers appointed by law and put where the law does not put them, and are kept there. It furnishes means and opportunities for fraud; and whether fraud was committed in this case or not, we say that all the safeguards which the law has thrown around the polls were stricken down in this instance.

Now, what does this Sorrier do? Why, he consolidated the returns; he sat down and made them up alone, and signed the names of every one of the managers to the abstract. The gentleman from Georgia [Mr. BLOUNT,] says that they consented. I say that they were called upon the stand—and their testimony is before us—and all but one of them deny that they knew anything about it, and say that if their names were attached to the return it was a forgery. That is the testimony in this case. Now, my friends of the minority think that that was all right, and that everything was just as it ought to be, although this man consolidated the returns and forged the names of the election managers. Perhaps the reason is that this was a democratic county.

[Here the hammer fell.]

Mr. HYDE. I yield the balance of my time to the gentleman from New York, [Mr. SMITH.]

Mr. PIKE. I would like a few minutes more.

Mr. SMITH, of New York. How much longer does the gentleman want?

Mr. PIKE. About five minutes.

Mr. SMITH, of New York. I yield five minutes to the gentleman.

Mr. PIKE. The minority claim that the vote of Jeffersonton, in Chatham County precinct, should be disregarded because all or nearly all the votes cast there were for the contestant. Now, how was it in Bullock County? There every single vote was for the sitting member. Now, if you think that fact is evidence of fraud in the one case, why is it not just as much so in the other? Then again it is urged that the votes at these precincts cannot be counted because in one of the precincts the voting was had in the open air. Well, cannot votes be legally cast there? My idea is that if a little more daylight could get into a great many of these precincts than there is it would be all the better, and there would be vastly less fraud. When these votes were cast in the open daylight, there is objection made to it. But down in Bullock County, where the votes were hidden in dark places, kept out of sight, burned up so that you could not tell whether there were more or less, or for whom they were cast, they say that is all right. Now, I cannot understand such logic as that.

I intend to consider but few of these points. Here is the vote at Lawtonville. It is said that vote should be disregarded because the managers did not count the votes and sign the returns. Why did they not? Whose fault was it that they did not? It is stated that two of the managers went away, and when they came back they found the votes on the floor. Now, the evidence of the supervisors, Dr. Young and Judge Carswell, one of the managers and one of the clerks, is that they commenced counting out the votes, and when they had got along so far as to find that a majority was for the contestant, two of the managers withdrew and refused to have anything further to do with the count. Now, are votes to be disregarded, and a man to lose the benefit of votes cast for him, because two of the managers refused to act? Is that the rule? It is said that they were threatened. Well, sir, they ought to have been threatened, and the threats ought to have been put in force; they should have been prosecuted for a palpable violation of the law.

Mr. Speaker, it seems to me, as I have already said, that in no one of these precincts is there any legal objection attaching to the counting of the votes which the majority of the committee have counted, whether you take the Lawtonville precinct or any of the others.

[Here the hammer fell.]

Mr. SMITH, of New York. I yield two minutes to the gentleman from Mississippi, [Mr. LAMAR.]

Mr. LAMAR. It is not my purpose to make a single remark in support of the minority report in this case. My purpose is simply to make an appeal to the gentlemen on the other side of the House to permit the sitting member to present the grounds on which he bases his claim to represent in part the State of Georgia on this floor. I know that these cases are not interesting to this House. Engrossed as the members are with employments of a more general nature, and pressed with cares in matters of public interest, it is with difficulty that they are brought to listen with attention to a case which involves complicated questions of law. But we are made "judges" of these questions, and important precedents are established by our decision. It is not a mere question of what should be the law, it is not a question of expediency, of what is desirable, or of what may promote the interest of a party or of the country. It is a question of what is right and lawful for this House to determine, as judges of the elections, qualifications, and returns of its own members. "The judge" is the brief but significant language of the Constitution. We are here exercising this solemn constitutional power to-day, and it is our duty to hear all the points and weigh all the considerations that should enter into our judgment.

It will be an unprecedented act to deny to the sitting member the right, or the privilege if you choose to call it so, of giving to the House the grounds on which his claim to this seat is founded. I only ask in his behalf that he may be allowed a short time to be heard, at least to have the privilege of giving the reasons why sentence of death should not be pronounced upon him.

Mr. SMITH, of New York. I yield one minute to the gentleman from Connecticut, [Mr. HAWLEY.]

Mr. HAWLEY, of Connecticut. I second the request of the gentleman from Mississippi, [Mr. LAMAR.] When I voted for the previous question, I acknowledge I was not aware of the desire of the sitting member to be heard in this case. It seems to me it would be harsh injustice if we should turn him out of the House and not allow him to be heard for one half-hour in support of his case. If that should be done, I would regret that the House had ordered the previous question.

Mr. HAZELTON, of Wisconsin. Does the gentleman also desire that the other party shall have the same privilege?

Mr. HAWLEY, of Connecticut. Certainly; but I would give the sitting member his half-hour anyhow.

Mr. HAZELTON, of Wisconsin. I have no objection to that, if the contestant can enjoy the same privilege.

Mr. HAWLEY, of Connecticut. Then I suggest that an hour be allowed—one half-hour to be given to each. I understand that the sitting member desires to have the contestant heard in this case. Let them have half an hour each. What can be fairer than that?

Mr. SMITH, of New York. I hope I shall not be understood as objecting to the request made by the gentleman from Mississippi [Mr. LAMAR] and the gentleman from Connecticut, [Mr. HAWLEY.] If the House sees fit to give one half-hour each to the contestant and contestee, not to be taken out of my time, I certainly shall not object.

Mr. WHITELEY. I desire to state that the Georgia delegation hope that this time will be allowed. We desire to be liberal, and we want to hear the contestant. We hope the same liberality will be extended to Mr. Rawls also; that thirty minutes will be allowed to each.

The SPEAKER. Is there objection to the proposed arrangement?

Mr. GARFIELD. Not to be farmed out to others?

The SPEAKER. The time to be exclusively occupied by those gentlemen.

No objection was made, and it was so ordered.

The SPEAKER. It is understood that the hour is in addition to the twenty minutes to which the gentleman from New York [Mr. SMITH] is entitled.

Mr. RAWLS. Mr. Speaker, if there is no objection I would like to go over on the other side of the House, for it is a matter of business with me now, [laughter;] and I want to speak to gentlemen on the other side. [Passing over to the republican side of the House.] I believe that it is the custom in this country, in all trials before any criminal court, to allow the accused at least the right to plead his innocence or his guilt. I fear that the charge in this case is that I am guilty of democracy. I fear that the impression upon that matter has had a good deal to do with the feeling and the findings in this case. To that I must plead guilty, but enter with the plea my protest against the criminality of the fact.

I believe that I have been legally elected a member of this House; I believe that I have been fairly elected. I have been elected by the legal voters of the State of Georgia, a State now in full harmony with the Government, with all its departments in full and ample operation. The vote was made up and sent to the office of the secretary of state, and counted and sworn to by that officer, a republican; whose testimony, in the record of this case, shows me elected by 1,340 votes. This legal majority—a majority made up by the people of Georgia, competent managers of their elections—is attempted to be overcome by the contestant by counting outside precincts that are not included in these returns, and precincts which I deny to have an existence under the laws of Georgia; precincts which, even if they do exist under a strict construction of the law, did not practically exist at that election.

Sir, I no more dreamed of an attempt to hold an election in the Chatham County precincts than I do now of flying. Not one of my

political party in the city of Savannah had any idea of an attempt to hold an election in those country precincts. It was admitted by the friends of the contestant on the day preceding this election that they did not acknowledge the legal existence of these precincts. Mr. J. E. Bryant, a political friend of the contestant, waited upon the ordinary, Mr. Wetmore, on the day preceding my election, and requested him to issue an order to open these identical precincts. Mr. Wetmore swears to this fact. He refused to open them. He stated as the reason for his refusal that at an election undertaken to be held there four years preceding riot and bloodshed had ensued, one of the finest young men of the city of Savannah falling a victim. The ordinary was disgusted at that result, and refused to reopen the precincts.

Those precincts were opened in 1868 under what I hold to be a special election order, for the order refers to a special day, citing the day and the occasion, the presidential election of that day. You can find no other order upon an ordinary's book in the State of Georgia using any such specific language. The orders are broad. It is true the code of Georgia does not prescribe the language in which such orders in relation to precincts shall be framed. Their form is left with the taste or discretion of the ordinary. The ordinary swears that he used such language as conveyed that idea to the people of Chatham County for four years. He says that order was so construed for four years. Three other elections followed—one a general election in 1870, for members of Congress, members of the Legislature, and all the county officers of that county. At that election the people voted, not in those precincts, but at the court-house in the city of Savannah. In 1871 an election was held for governor, to fill the unexpired term occasioned by the resignation of Rufus B. Bullock. At that election the people of that county met at the court-house and voted, no one dreaming of holding an election at those precincts. In October, 1872, only one month preceding my election, when there was an election for governor, members of the Legislature, and all county officers, each candidate operating with all his influence upon every voter in the county, all voters who wished to vote voted inside the city. No man dreamed of voting anywhere else than at the court-house.

Mr. SMITH, of New York. Will the gentleman allow me to ask him one question?

Mr. RAWLS. Yes, sir.

Mr. SMITH, of New York. Out upon the Ogeechee road, where these Cherokee Hill fellows came from, were there not armed and mounted men who on the day of that October election prevented the negroes from coming to Savannah?

Mr. RAWLS. Is that in the testimony?

Mr. SMITH, of New York. It is in the public record, the newspapers.

Mr. RAWLS. I deny that such was the case. It is not in the testimony. I confine myself to the record. I admit that there was a riot at the election in 1868, during which, as I have stated, a young man was murdered. The ordinary swears that there was a riot; I know that such was the fact. It is in the testimony. But no such thing as the gentleman intimates appears in the testimony.

Now, sir, the order of the ordinary in 1868, under his own construction and according to the common consent and acceptance of the people of that county, was a special order. The facts show that the people did not undertake to act under it again during four years.

The majority of the committee, together with the contestant, claim that the election in 1870 was a special election, under a special law of the Legislature providing for that one election. Suppose it was. This was a law abolishing all precincts where there were no incorporated towns; and there is not one of these precincts existing where there is an incorporated town. But outside of that law, there was an order issued by the ordinary of Chatham County, in 1870, making the city of Savannah an election precinct for Chatham County, the ordinary stating in his order that the places of voting in the city would be thereafter designated. Following that up, in two or three weeks Mr. Wetmore, then the ordinary, issued another order to the people of Chatham County, a peculiar order, notifying the people outside the city, the identical people living in the district of country where these precincts are claimed to exist, that the voting would all be done at the court-house in Chatham County, and that the voters outside of the city of Savannah would vote at a certain box at the court-house in that city. That order stands to-day upon the records of the ordinary.

No effort has been made since that to abolish that order until since this election.

That latter order has been referred to by gentlemen of the majority of the committee, but there is no such order in the testimony. I want them to show it. Point that order out to us. The ordinary did not intimate in that order these precincts ever did exist, but on the contrary inserted in that order he does not admit the precincts existed; but, in order that there should not be any more trouble in the future, he makes an additional order. He does not go back on his original order, so far as he is concerned. That order is not in the testimony, but it has been referred to by the majority of the committee.

Now in reference to these Chatham County precincts. I know the people of Chatham County well. I know there is intelligence there. I know there are gentlemen there able to decide all these questions. I know gentlemen there who, although they may have been rebels, have intelligence, and they have honesty when called upon to decide a legal question, to make that decision in accordance with the laws and with the facts.

The managers of the court-house election were all white and intelligent citizens, and the majority of them officers of the county. They refused to receive these returns; but fearing they might be mistaken, although they were satisfied in their own convictions, they called upon some of the ablest lawyers in the city of Savannah and submitted the question to them. There was not a dissenting voice among all these lawyers as to the illegality of these precincts. But, in addition to that, I have consulted an able gentleman, a gentleman of position, to whom I am in hopes this House will give credit for honesty and for ability to judge a question of this kind. I ask that the Clerk will read his letter.

The Clerk read as follows:

UNITED STATES SENATE CHAMBER,
Washington, March 2, 1874.

DEAR SIR: Your letter of the 28th ultimo is received. You request me to state "the number of places for voting and where they are situated in the city of Savannah, and county of Chatham, that had been recognized and used as voting places in the several elections during several years preceding the election held on the 5th day of November, 1872."

From 1852, when I became a resident of Savannah, to 1862, there was but one voting place in Chatham, and that was at the court-house in Savannah. On reflection I have not been able to remember a single election held during those ten years at which a precinct was used, or established, in that county.

The first time that precincts were established (except during the war, when they were opened in certain localities to enable soldiers to vote) was in 1868, at the election for President. These precincts were then established at Ogeechee, Cherokee Hill, and the Isle of Hope.

My recollection is that at no election held after the one for President in 1868, down to the election in November, 1872, was there a vote polled in Chatham County outside of the city of Savannah.

I was present and voted at the court-house in Savannah at the election for Representatives to Congress and other officers in November, 1872, and I did not suppose that votes would be cast in the county of Chatham on that day at any other poll, but late in the day I heard that the colored people were voting in the country. I did not doubt then, as I do not doubt now, that there was no law in Georgia for opening those precincts at that election.

Yours, very truly,

T. M. NORWOOD.

Hon. MORGAN RAWLS.

Mr. RAWLS. Now, Mr. Speaker, the contestant and the majority of the committee seem to put a good deal of stress upon the appointment of supervisors for these precincts. I had no knowledge of the appointment of supervisors, nor had my party any knowledge of the appointment of supervisors. How were they appointed, where, and by whom? The record says they were appointed on the 1st of November, when the election took place on the 5th. They were appointed in the circuit court. Not one man in a thousand in Georgia is in the circuit court, even at the regular sittings; and I do not believe this contestant, or the circuit court judge himself, can name a single democrat who was in the circuit court when these appointments were made. I did not know such offices existed until after the election. I heard of no notoriety given to them. Even if they were appointed, and publicity given to the appointment, that does not constitute the creation of a legal voting place. The law of Georgia requires the ordinary to establish precincts, and the appointment of a circuit judge cannot create a precinct. You might as well claim that the appointment of supervisors for every cross-road in the State of Georgia would make them legal voting places, as to insist that the appointment of these supervisors made these precincts legal.

Suppose we had notice, who are these supervisors? Suppose the precincts existed; who are they? Are they any better men than the majority of the gentlemen of Georgia; are they better than the ordinary class of people there because they hold Federal appointments? I did not know a Federal appointment made a regeneration in mankind. If it does, we had better suspend action on this case and pass a resolution requiring the appointment of all men as supervisors.

Who is the chief supervisor? Amherst W. Stone. Who is he? Where did he come from? He is a man, I understand, who existed in Georgia for a brief period of two or three years preceding the revolution. The war came on, and he had too much loyalty to stay in that rebel State. He left the State. I ask your honorable chairman of the Military Committee to show me his name upon the muster-roll of the United States Army. I will bet his name is not there. As soon as the smoke of battle was over this man reappeared in the State of Georgia. When the distribution of offices took place he came back, and was on hand for his share.

He had recently been appointed, as well as I can recollect, assistant district attorney, the position occupied by the contestant a short time prior to his nomination for Congress in that district. This man Stone so manipulated the election by the appointment of men, all of his own political party throughout the entire district, except that where he was mistaken in a man he may have appointed a few democrats. But in these Chatham precincts the returns show that in two of the districts I did not get a solitary vote.

Where is the democracy, then, in the supervisors? In one precinct they claim that the democratic supervisor did not attend. The other did attend, and his name is signed to the certificate certifying that the election was fairly and honorably held, and not a democratic vote was received for me.

A MEMBER. Not the supervisor's own?

Mr. RAWLS. Not even his own. If that is democracy, that is not the way I look at it.

Now, sir, not being satisfied with these appointments, this super-

visor sends to the Clerk of this House a document that was not brought to me, that was not presented by the contestant in taking his testimony, and that I never saw until I found it printed and marked "Additional papers in the contested case of Sloan *vs.* Rawls," and distributed with the other documents.

He concludes his report as follows:

In submitting this report, I beg leave to say that I have endeavored to make it correct and impartial, and to the best of my knowledge it is so.

Very respectfully, your obedient servant,

AMHERST W. STONE.

Chief Supervisor of Election for the Southern Judicial District of Georgia.

I will prove by a certificate from him, copied from the certificates made to him by the sub-supervisors, that this does not contain the full report from that district.

Mr. COBB, of Kansas. I would like to ask the gentleman a question.

Mr. RAWLS. I yield to the gentleman.

Mr. COBB, of Kansas. I would ask the gentleman whether the voters who cast their votes on this election day at Chatham precinct were or were not legal voters under the laws of the State of Georgia; and whether their votes if cast anywhere else at the proper precinct would have been objected to by the contestee? I ask this question because I find the sitting member an affable and courteous gentleman; and if any charges of this character were made by him they would have weight on the vote I am about to cast.

Mr. RAWLS. I did not have the time to investigate these precincts. The contestant took his testimony for forty days and attacked the best returns I had in my district. I had to repel his attack. And I thought that if there was anything that had to go uninvestigated, it should be the returns not counted by the managers of that election. I gave my time to the attack made upon the legal returns. My time expired before I could reach these precincts. But if the House will permit me to go there, I will show frauds sufficient to throw them out, even if the precincts exist by law.

Mr. SMITH, of New York. The gentleman will find the name of every voter in these outside precincts in the testimony.

Mr. RAWLS. Yes, sir; and I can show that half of them had not paid taxes, and probably are not citizens of that county.

Mr. SMITH, of New York. They are recorded whether they pay taxes or not.

Mr. RAWLS. The testimony shows this, that at the October election one A. N. Wilson, collector of revenue, went to the court-house with a list of names and several hundred dollars, which he tendered to the tax-collector, requesting the tax-collector to furnish him voting receipts for every dollar he tendered him. The tax-collector swears that not over one-half the names given him on that list were on his tax-books. Now, when these gentlemen went with $1,385, which is the amount sworn to as given to the collector, and undertook to obtain the right to cast 1,385 votes for $1,385 for the poor ignorant colored voters, who had no more desire to vote for them than for me, they resorted to these precincts to get in the names which they tried to vote at the October election.

Now, Mr. Speaker, in regard to this garbled extract, which I charge has been made here by the chief supervisor, Amherst W. Stone, I ask the Clerk to read the exhibit marked V.

The Clerk read as follows:

EXHIBIT V.

SYLVANIA, SCRIVEN COUNTY, GEORGIA,
November 8, 1872.

SIR: I herewith inclose a copy of commission. The other supervisor did not serve, because his papers were for the thirty-sixth district and he would not subscribe to the oath.

We had some difficulty in getting managers, the United States deputy marshal having been here the day before (as he said) after the managers of the October election, and from threats of the radical party they were afraid to serve.

Everything went off quiet. I never saw a more quiet election. I was present through the whole day, and saw every vote polled and counted. I was present at the consolidation. There was one district thrown out because the managers did not subscribe to the oath of office. It is nearly all democratic.

Yours, respectfully,

A. H. MATHEWS, M. D.

Mr. A. W. STONE.

I hereby certify that the foregoing is a true copy of the report of A. H. Mathews, one of the supervisors of election at Sylvania, Scriven County, Georgia, at the time stated in said report.

In witness whereof, I hereto set my hand—having no seal of office—this December 30, 1873.

AMHERST W. STONE,
Late Supervisor of Election, Southern District of Georgia.

CAMERON, *November* 8, 1872.

Mr. A. W. STONE:

I send you below the result of our election in this, the two hundred and fifty-ninth district, Scriven County, Georgia, on the 5th instant, for presidential electors for Greeley:

Each elector	36
Morgan Rawls, for Congress	31
Andrew Sloan	4
Charles O'Conor, for President	6

J. W EVANS.

I hereby certify that the foregoing is a true copy of the report of J. W. Evans, one of the supervisors of the election at Cameron, Scriven County, Georgia, at the time stated in said report.

In witness whereof I hereto set my hand—having no seal of office—this December 30, 1873.

AMHERST W. STONE,
Late Supervisor for Southern District of Georgia.

Mr. RAWLS. Now, sir, there is one precinct that gave me 31 votes and the contestant 4. Take this report, made by the supervisor, examine it carefully, and see if you will find that precinct returned. It is not there. That is one of the certificates made to the chief supervisor, whose duty, if he made any returns, was to return everything connected with the election.

Mr. SMITH, of New York. That vote has been allowed by the majority of the committee.

Mr. RAWLS. I know it has been allowed, but I am speaking of the conduct of this impartial gentleman. I charge that the appointment of these supervisors was a fraud upon me, intended to pack these election precincts with men of his own political party. I was not represented at any precinct in Chatham County.

I turn now to the Jeffersonton precinct, in Camden County. I am willing to risk my entire election upon that precinct. The contestant comes here with a vote of 205 for Jeffersonton precinct, while I did not receive one vote there. The gentleman from Missouri, [Mr. HYDE,] who opened this discussion on behalf of the majority of the committee, stated that any court of justice in Georgia would sustain many of their points. Sir, if the Jeffersonton precinct be submitted to the supreme court of my State, or to the Supreme Court of the United States, and they decide that that precinct exists according to law, I will take my hat and walk out of this House without a murmur. I do not pretend to be a lawyer, but a gentleman who undertakes to assert here that that was a legal precinct could not make his living in my State by practicing law. [Laughter.] In 1868 the ordinary of that county, Mr. McWhorter, issued an order abolishing Jeffersonton as a precinct. In 1870 the Legislature of Georgia passed a law allowing the voters of Camden County to vote upon the question of the removal of the court-house. Shepherd, the only manager of the Camden election who was put upon the stand by the contestant, swears that upon the day of the election the court-house of Camden County was at Saint Mary's. This seems to be a double-headed monster with the majority of the committee. They claim that Jeffersonton was a precinct under an old statute of 1821, a statute which has grown obsolete years ago, and which has been wiped out, not only by the code of Georgia, but by the constitution of the State. I ask the Clerk to read one of the subdivisions of the constitution of the State of Georgia.

[Here the hammer fell.]

Mr. RAWLS. I would like to have that read.

The SPEAKER. It will be read if there be no objection.

There was no objection, and the Clerk read as follows:

ARTICLE III.

SECTION 6. The General Assembly shall have no power to grant corporate powers and privileges to private companies, except to banking, insurance, railroad, canal, navigation, mining, express, lumber, manufacturing, and telegraph companies; nor to make or change election precincts; nor to establish bridges or ferries; nor to change names of legitimate children; but it shall prescribe by law the manner in which such power shall be exercised by the courts.

Mr. PELHAM. I ask unanimous consent that the gentleman from Georgia may have five minutes to conclude his remarks.

No objection was made.

Mr. RAWLS. Now, that has been the constitution ever since 1860. According to the position taken by the majority of the committee, that under the statute of 1821 this precinct of Jeffersonton still exists, and that the ordinary of Camden County did not abolish it, because the court-house was there, I would like to know upon what ground they claim the existence of the precinct after the court-house was removed.

Mr. SMITH, of New York. The gentleman has not stated the position of the majority of the committee correctly. They put themselves on the ground that under the constitution the Legislature could not abolish the precinct.

Mr. SPEER. I object to the gentleman from New York interrupting the gentleman from Georgia; he will have twenty minutes after the gentleman from Georgia concludes.

Mr. RAWLS. Then I understand the position of the majority of the committee to be this, that the people of Georgia have no right to legislate or act for themselves in reference to election precincts. If they cannot by an order from the ordinary change or abolish a precinct, will the gentleman tell me by what authority they could change or abolish the precinct? He certainly does not mean to say that they had no right to change or abolish the precinct. I have more regard for his legal ability than to suppose that. I know that in Georgia there is no question about it, and I am willing, as I remarked before, to risk my entire election upon that one precinct. But I am elected if you count every vote, regular or irregular, that was returned to the secretary of state by any manager of the election, as shown by the statement of N. C. Barnett, secretary of state, placed in the testimony.

Yet strange to say, the majority of the committee, with all its pretended magnanimity, seeing that statement there in the same testimony, made no reference to it, but referred to a statement made by Mr. Cotting about the time he went out of office, giving everything that N. C. Barnett gives with the exception of the Scriven County precinct, which he states gave me 31 votes that he did not put in the report. The statement given by Mr. Cotting elects the contestant by 12 votes. Mr. Barnett's statement elects me.

Mr. Speaker, I do not know that what I have said, or that what any of my friends have said, is going to do me any good in this case.

I am afraid that much has been said here that I could not hear, that much influence has been brought to bear upon members that I could not reach. I have no influence with this side of the House; I have sought none outside of as polite and personal conversation as I could make to request some of them to look into my case, and give me what I am entitled to. When it comes to voting on this question, I know it will be a difficult matter to get republicans to vote for a democrat. I think that for my safety my friends had better be content with a rising vote, for upon this question the republicans will be stronger in their knees than in their stomachs. If it comes to pulling a democratic vote out of a republican by the yeas and nays, I think it would take a corkscrew to draw it out.

[Here the hammer fell.]

Mr. SLOAN, (the contestant.) The honorable gentleman from Georgia, [Mr. RAWLS,] in the beginning of his remarks, said that he would come over to this side of the House. He took it for granted, I presume, that his own side of the House was committed to him, and he would address his remarks to this side alone. I shall endeavor to address mine to the entire House, for their consideration and examination.

In the first place, the great element of disturbance in this case, to those who have any doubt upon it, seems to be the three country precincts in the county of Chatham. I will endeavor to explain the history of those precincts, when they were established, for what purpose they were established, how long they existed, when they were abolished, and how they were abolished.

It is said that the election held in those precincts in 1872 was a secret and quiet election; that the sitting member here knew nothing about it, nor did his friends know anything about it. Now I would like to ask members of this House how an election could have been a secret and quiet election when there were 1,241 persons who voted there? In addition to that, the history of these precinct elections was this: Twelve or fifteen days before the election in 1872 I applied to the ordinary of the county of Chatham to ascertain if the three precincts known as Cherokee Hill, Chapman's house, and Isle of Hope, had been abolished by an order from his court. He replied that he had issued an order abolishing them. We examined his record, as he was required by law to put the order upon the minutes of his court, and found that no such order had been passed. We then examined the papers on file in his court; and no such order or paper could be found on his files. I then told him that we would hold elections at those precincts at the coming election; that there were over 10,000 voters in the county of Chatham, and that by no possibility could they all cast their votes at one election precinct in the city of Savannah, with the election lasting but one day.

In addition to that I got certified copies of those orders. The judge of the district court of the United States was then in the city of Savannah for the purpose of appointing supervisors under what is known as the enforcement law of the United States. Before any action was taken in the matter I got certified copies of all papers and carried them to the judge, and asked him if, with these orders before him, he was willing to appoint supervisors for these precincts as legal existing precincts. He said that he had no doubt whatever in the case, and he appointed supervisors on the 1st day of November, four days before the election. Yet with the appointment of these supervisors made public in the public prints, being made matters of record on the records of the United States court, it is charged that the election in these three precincts was a quiet and secret election, gotten up by myself and friends for my own political purpose and object. In point of fact that is entirely untrue.

I say that, so far as the charge made in regard to these election precincts being used at that time in a quiet and stealthy manner, it is not supported by anything in the record. The name of every voter at those precincts was furnished to the sitting member by myself. Everything was made up and submitted to the officers of election in Savannah on the night of the election. There were 1,241 people who voted there. Yet they make the charge of stealth against those precincts.

The question may be asked, why did not the sitting member receive votes at those places? The democratic supervisor at the Isle of Hope precinct did not act, but went to the city of Savannah; the republican supervisor did act, and voted. The democratic supervisor at Chapman's house, where Mr. Rawls received 2 votes, did vote and act, and certified to the correctness of the returns; and the name of that democratic supervisor is upon the list. At Cherokee Hill the democratic supervisor certified to the correctness of the proceedings and the legality of the vote. The republican supervisor voted, but the democratic supervisor did not vote. I say therefore that, so far as the charge of stealth is concerned, it is not true in point of fact and is not sustained by anything in the testimony.

Then the question which has been raised by gentlemen who have argued this case on the opposite side, recurs, why was it that these election precincts were not used in the interim from 1868 to 1872? The answer to that question is simple. The only election for members of Congress that was held from 1868 to 1872 was the election held in 1870, which was held under a special election law of the State of Georgia, passed after the State was authorized to be readmitted into the Union under the reconstruction acts. That act of 1870 provided that elections should be held in incorporated towns and cities. It was a special act for that election. It provided for devoting three days to the election; and we had established in the city of Savannah then a separate and distinct voting place from the court-house. The election lasted for three days at those two voting places in the city of Savannah. That is the reason why those precincts were not used in 1870. There was no necessity for their use. Provision was made by a special statute for the election being held during three days in the city of Savannah.

But the ordinary of Chatham County did in 1872, a month after the election in November, have an order entered on the records of his court abolishing these precincts. What use or necessity was there for the ordinary making such an order in December, 1872, if the precincts had been abolished previous to that time? When he failed to find these orders upon the minutes of the court, when he failed to find them among the records on file, he told me that he had abolished the precincts or had intended to do so. As the court was to meet on Monday preceding the election which was held on Tuesday, I then asked him whether he would abolish those precincts. He promised me that he would take no further steps in the matter, that he would not abolish them at that time, and he did not then abolish them; they existed until December, 1872, one month thereafter. That is the whole history of these precinct returns.

Let me now illustrate the difficulties under which we labored in regard to this election. Those difficulties were all on our side. In January, 1873, we elected, by co-operation of members of the republican party with an independent element of the democratic party, an ordinary for Chatham County pledged to open precincts in each of the eight militia districts of that county. The Legislature of Georgia, meeting immediately thereafter, passed an act excepting that ordinary from the provisions of the general law of the State, and requiring that before he could establish election precincts he should get the consent or recommendation of two concurrent grand juries.

In addition to that, about three days later, the Legislature passed an act establishing for the county of Chatham a board of county commissioners, to be appointed by the governor, thus taking all power from the ordinary of that county. So that by no possibility could we have election precincts unless established by these men, and with the recommendation of two successive grand juries. We made application subsequently for the establishment of election precincts in that county, and we were told we could not have them without the recommendation of two grand juries. And since the order of 1872 we stand in the county of Chatham in this position: with 10,312 voters, we have but one voting precinct, but one place at which to cast our ballots, and that place managed and controlled entirely by the other party.

There is no question in the minds of the people of the first district of Georgia in regard to the action of the House as to these 1,239 votes. There is no charge of illegality in regard to the voters themselves; no fraud is alleged. I furnished a full list of names to the sitting member, and he has not proven that a single one of the votes cast in those precincts was illegal.

But the sitting member must not come before this House with an air of injured innocence and say that frauds were perpetrated on our side, when we had no opportunity to perpetrate them, when nearly every voting place throughout the length and breadth of the entire district was managed and controlled by his own party friends. On the other hand, the record shows on behalf of the sitting member such a state of fraud as would be sufficient, when perpetrated between man and man, to bring the blush of shame to a demon's cheek. If the record of these frauds were read here it would strike the House with horror. In the county of Burke there are, by the census of 1870, 3,900 voters, of whom my opponent's party has about 900. I have evidence of the highest authority showing that no more than half of these 900 voted; the evidence to which I refer is his own speech, made before the Election Committee. But although he had only 900 voters all told, and although not more than half of those voted, the election managers of that county returned for him 1,051 votes, more than he had voters upon a full vote of the county; while they returned for myself something more than 1,000. Under the laws of Georgia the papers of an election are required to be kept for sixty days, and then only the ballots, and no other papers, can be destroyed. I served notice on the clerk of the superior court to preserve the papers, yet he burned and destroyed every vestige of the election in that county, so that when we came to make an investigation no records could be found. Thus, in a county of that kind, with the political majority on our side, most atrocious frauds were perpetrated, and were then sought to be covered up by casting the papers to the flames, so that we could not get at them. In one precinct, where 35 votes were returned for me and 105 for the sitting member, I produced sixty witnesses who swore that they cast their votes for me at that precinct. That, I apprehend, is a sample of the election held in that county.

There is another county, the county of Bullock, which figured conspicuously in this election. The election was held there on the 5th of November. They had two mails from that county, one on each Thursday, before the time the governor declared the result of the election. Although this consolidated return was signed up on the very day the election took place, that is on the 5th of November, 1872, yet the testimony of the witnesses in the case (and every manager of the election there was a friend of the sitting member) shows that some of the returns did not reach the court-house until the day subsequent to the election. Although they did not reach the court-house

until the day subsequent to the election, nevertheless they bear date the same day the election took place, that is, on the 5th of November.

On the 12th of November, 1872, we find by the testimony in the record that all the election papers and returns pertaining to this election held in this county were down in the city of Savannah, in the hands of irresponsible parties, who had no connection with that election, and were then again sent off to the county of Bullock. We find on the morning after these returns were in the city of Savannah the leading democratic paper in that city came out with a statement (giving it as an official statement) of the result of the election held in that county, that 420 majority was given for Mr. Rawls, when previous to that time his majority had only been estimated at about 400. That was published as the official vote the very day after the return first reached Savannah. They were then sent back to the county of Bullock.

On the 19th of November, 1872, these papers were again found in the city of Savannah, and from there mailed to Atlanta. They were then fifty miles farther off from the capital than the place where they started from. When they reached Atlanta, instead of 420 being the majority for Mr. Rawls, as was stated in the democratic paper of Savannah as the official vote, the majority of the sitting member was increased to 568. They were the last returns sent in, held back, I suppose, in order to make up the amount necessary to give the sitting member his certificate. Now, Mr. Speaker, the Committee on Elections, in their liberality to the sitting member, allowed all these votes to be counted to their full extent against me. They gave him the benefit of every one of those 568 votes.

Now, Mr. Speaker, there is nothing in this case but this one fact, and that is that I received a majority of the votes cast. When the result of the election was determined by the governor, and the certificate given to the sitting member, he had in the secretary of state's office a majority of 65 votes. But there was an outstanding precinct in the county of Camden where it is admitted by both sides, both by the minority as well as by the majority of the Committee on Elections, I had a majority of 77 votes. That vote itself, which was sent in a few days afterward, gave me a majority of 12 over the sitting member. But there was a precinct in another county, namely, Burke, where I had a majority of 76 votes, the returns of which came in afterward. That still further increased my majority over the sitting member. From that majority there was only to be deducted one precinct in Scriven County, where he received, according to the returns, 31 votes, and I received 4, giving him a majority of 27 votes.

Now, sir, giving him the benefit of every vote proved, upon every return made; giving him all that he can by any possibility claim, he is still behind, upon these papers, upon all the proof in the case, and upon the record made up here, to the extent of 59 votes.

There is another thing I would like to say, and that is this: In the county of Chatham we could only have two supervisors under the enforcement act. We were entitled under the laws of Georgia to only one precinct in every militia district, the State having been divided into militia districts. In the election of 1872, in the city of Savannah—whether to violate or evade the law in regard to supervisors or not is more than I can say—four precincts were established in the court-house, when under the law they could have but two supervisors. Instead of the three managers allowed under the law of Georgia, they had twelve managers and two supernumeraries. I say that was a violation of the law. They counted out 22 votes more than the poll-lists show were cast. The record is here. When the gentleman refers to fraud let me ask him to go into his own camp and to search the acts and records of his own friends. He will find tenfold more fraud perpetrated by them than is charged by the honorable gentleman against our side. We had no opportunity to perpetrate it even if we had desired to do so. But I will not trouble the House longer with remarks upon this matter. I neither intended nor expected to speak here. One thing is sure: whether you consider this case upon its merits or upon technicalities, the result is the same, and that, too, in my favor. I leave it for your consideration and determination.

Mr. SMITH, of New York. Mr. Speaker, how much time have I left?

The SPEAKER *pro tempore*, (Mr. G. F. HOAR in the chair.) The present occupant of the chair understood the House to grant half an hour to the contestee and half an hour to the contestant, but the Chair is not informed in regard to the length of time remaining to the gentleman from New York, [Mr. SMITH.]

Mr. HAZELTON, of Wisconsin. It has already been stated that there were twenty-five minutes remaining.

The SPEAKER *pro tempore*. Then the gentleman from New York is entitled to twenty-five minutes.

Mr. SMITH, of New York. I yield fifteen minutes of my time to my colleague from New York, [Mr. WOODFORD.]

Mr. WOODFORD. Mr. Speaker, in this contested-election case of Sloan *vs.* Rawls, from the first congressional district of Georgia, the printed testimony and documentary evidence are very voluminous, consisting of about four hundred and fifteen pages. We also have before us the briefs and reports, making about sixty-nine additional pages. And yet the actual points of controversy are but few.

Both the majority and minority reports take for their starting-point the official vote by counties as returned to the secretary of state before the certificate of election was issued. This was given on November 26, 1872, to Mr. Rawls, the sitting member. The vote was as follows:

	Sloan.	Rawls.
Official vote	6,979	8,319
Both reports allowed the vote of Bailey's Mills precinct, in Camden County, as follows	94	17
Both allowed to Mr. Sloan an error in returning the vote of Burke County	38	....
Both admit the vote of the two hundred and fifty-ninth district, Scriven County	4	31
Thus the vote at this point of our inquiry is	7,115	8,367

Here begins the difference of judgment in the committee.

The minority seek to deduct the vote of Scotland precinct, Emanuel County, being 19 for Mr. Sloan and 10 for Mr. Rawls. The managers allowed these votes in their consolidated official returns. There certainly were informalities; but they were of the same general character as those in the two hundred and fifty-ninth district, Scriven County, where 4 votes were cast for Mr. Sloan and 31 for Mr. Rawls. These votes, although not admitted by the managers in the consolidated official returns, are still allowed by the entire committee in the two reports before us.

It is an established rule of law that, in seeking to ascertain the result of a popular election, technicalities shall be disregarded and the actual facts be sought. The point of inquiry is, for whom did the legal voters actually cast their ballots? The object of the inquiry is to give practical and efficient expression to the will of the people as shown by their votes.

The resulting rule of law is logically and necessarily this: seek and accept the substance and reject the technicality. It would be unfair to follow this rule in the district of Scriven County for the benefit of Mr. Rawls, and deny it in Emanuel County to the prejudice of Mr. Sloan. The majority report is equally fair to both, and allows to each all the votes cast for each in the two precincts.

The minority report seeks to throw out the vote of Jefferson precinct, Camden County, being 205 for Mr. Sloan. This vote was allowed by the local managers in their consolidated official return.

There may be reasonable doubt as to whether the precinct had not been abolished. But the votes were cast at a polling place long established by law and well known to all the people. The election was conducted by the regular officials. Federal supervisors, one democrat and one republican, had been duly appointed and attended. There is no question but that all the votes were actually and fairly cast and honestly counted. As our purpose is to get at the facts, we should do what the managers did in making up their consolidated return, and allow the vote.

Mr. RAWLS. Will the gentleman yield to me a moment?

Mr. WOODFORD. Certainly.

Mr. RAWLS. If I understand the gentleman correctly, he speaks of Jefferson as an old and recognized election precinct. Now the testimony shows that at the election held one month before the county board of managers rejected the return from that precinct, and gave notice to the people of the county that it was not a legal precinct.

Mr. WOODFORD. I said there might be doubt as to the legality of that precinct; but there was no moral doubt as to the votes cast thereat.

If the positive letter of the law is to be strictly applied to this precinct, then with equal fairness we must apply the like strict letter and severe judgment to the entire consolidated return from Bullock County.

At Jefferson, Camden County, no democratic votes are returned, but the result is given as 205 for Mr. Sloan.

In all Bullock County, with its half-dozen precincts, no republican votes were returned, but the result is given as 568 for Mr. Rawls.

No candid man, after careful examination, can reasonably deny that votes were actually cast at Jefferson; that the place had long been a voting precinct; that the regular officers, State and Federal, conducted and supervised the election; and that the vote as returned to the county managers, and allowed and consolidated by them, was and is substantially the vote as actually cast.

Nor do I see how candid men, after like careful study, can reasonably deny that votes were actually cast at the several precincts of Bullock County; that the elections at these precincts were carelessly conducted; that the requirements of the statutes of Georgia in respect to the consolidation of precinct returns by the managers of this county were grossly violated; that this violation was either from singular ignorance or willful fraud; that the signatures to the consolidated return are mostly forgeries; and that the principal actor in this proceeding, a proceeding which if not a muddle of ignorance was a scheme of fraud, when put under oath deliberately declined to answer probing questions upon the express ground that his answers might tend to criminate himself. Still the weight of evidence clearly shows that Mr. Rawls did in fact receive all or nearly all the votes cast in this entire county. Let us go to the verge of intelligent faith, even to that of trustful credulity, and allow to Mr. Rawls the entire vote. But while doing this let us not, in the strict letter of the bond, exact the "pound of flesh" when we sit in judgment on the vote of Jefferson for Mr. Sloan. Mr. Rawls receives thereby an allowance of 568 votes, while Mr. Sloan gets but 205. The voters at Jefferson were poor and unlettered freedmen. Their only ignorance was of the abolition of a long-established precinct at the court-house of their county.

The voters of all Bullock County were unanimously conservative, and we gladly concede that they were presumably as cultured as they were honest, and as honest as they were cultured. Their only ignorance was of the clear requirement of the statute law and of the somewhat ugly fact, there unknown although elsewhere well established, that to place upon a public document the counterfeited signatures of absent officials sometimes bears the disagreeable name of possible forgery.

Substantial justice will probably be done if we admit all these returns. Let us fondly hope that when more school-houses shall have been established among the blacks, and more toleration among the whites, the colored people of Camden County will learn where to vote, and the whites of Bullock how to consolidate their precinct returns without the commission of forgery.

Mr. BLOUNT. Is it not true that the precedents all show that where an election is held at an improper place the vote cannot be counted; and is it not further true that where there is any error as to the return or consolidation of the votes you can go behind it and ascertain what the vote was?

Mr. WOODFORD. My friend will bear in mind that I have but fifteen minutes. I have endeavored to examine this matter in the light of election laws. It is useless for me to go into a detailed answer to the question which my friend suggests; but I will frankly say that, after having carefully studied the returns of this election, I find that the precedents all run in this line: "Exclude the poor freedmen from the ballot-box if you can, and count the white conservative in if you can."

The majority report recommends that we allow and count the vote of Lawtonville, in Burke County, which was not consolidated by the local managers, with the official returns from that county. This vote was 189 for Mr. Sloan and 113 for Mr. Rawls. Lawtonville is admitted by both sides to have been a legally established precinct. The managers and election clerk were all democrats.

The United States supervisors of elections were present. The people attended and voted. When the time for counting arrived two of the managers withdrew. One remained, and, with the clerk and one of the supervisors, counted the votes. To admit that two of the three election officers could, by their voluntary withdrawal, vitiate the ballot and throw out the vote, is simply to put in the hands of the majority of every election board the power to frustrate the will of the voters at that local district. The claim is simply monstrous. Its bare statement involves its absolute rejection. The House will beyond question indorse the committee in allowing the vote of this precinct.

Admitting this vote and adding it to the respective results, as already stated, we have—

	Sloan.	Rawls.
Official returns	7,115	8,367
Add vote of Lawtonville	189	113
	7,304	8,486

We now come to the last and the most important matter of difference in these reports. The majority of the committee admit the vote of the three country precincts of Chatham County which were rejected by the local managers of the election. The majority sustain the decision of the local board.

These precincts gave Mr. Sloan 1,239 votes, and Mr. Rawls but 2. If these 1,239 be added to the 6,304 which, as I have already endeavored to show, the majority report justly allows to Mr. Sloan in the rest of this congressional district, his total admitted vote will be 8,543. Adding to the 8,480 votes for Mr. Rawls the 2 cast for him in these country precincts, his total admitted vote will be 8,482. This will give Mr. Sloan an admitted majority of 61.

Let me speak as briefly with regard to the vote of Chatham County as the gravity of the matter will permit. This question reaches far beyond the personal interests of these contestants. Its just solution may involve the right of the colored men of Georgia to the ballot for many years to come.

I understand that before the rebellion the law of Georgia permitted eight voting precincts in the county of Chatham, being one in each of the eight militia districts into which that county was divided. Four of these districts were in the city of Savannah. These were identical with the four city wards. The remaining four comprised the country districts of the county. In fact, however, no voting precincts had been established in the country districts by the inferior court which had authority therefor, and until after the close of the rebellion all the citizens of Chatham County voted in the city of Savannah. This county is about twenty miles in length. Some parts of it are nearly fifteen miles from the county court-house, which is in the city of Savannah. The white population of this county mostly, if not entirely, reside in the city. When the colored people had no vote the failure to establish voting precincts in the several country militia districts inflicted no practical hardship upon any considerable part of the voting population.

At the election held in 1865, to prepare for the reconstruction which President Johnson attempted to secure by his executive orders, the polls for Chatham County were only opened in the city of Savannah. But no colored man voted then, and, for the reason already stated, no serious, practical injustice was done to the whites.

I believe that no general election was held in Georgia in 1866.

In 1868 there was one for the purpose of ratifying the proposed State constitution and choosing a governor, State officers, and members of the Legislature.

This election lasted for four days, and was conducted under the regulations prescribed in a military order by General George G. Meade, then commanding that military department. This election, so far as Chatham County was concerned, was only held in the city of Savannah; but the length of time (four days) during which voting was allowed permitted the citizens, white and black, to come from all parts of the county, and gave them sufficient time to deposit their ballots without hinderance or molestation. Later, and in November of the same year, the presidential election was held. If I am correctly informed, one ballot-box was used for the four city districts, and this was placed at the court-house in the city of Savannah. But by authority of the judicial officer, who is known as the ordinary of Chatham County, election precincts were also established at Cherokee Hill, in the eighth militia district, embracing the whole of that district; at Chapman's house, in the seventh militia district, embracing the whole of that district; and on the Isle of Hope, embracing the whole of the fifth and sixth militia districts. This order was made under the authority given to the justice by section 1312 of Irwin's Revised Code of Georgia.

On October 3, 1870, the Legislature of Georgia passed an act providing for a special election in that State, to continue for three days, beginning on the 20th of December, 1870, and ending on the 22d of that month. Members of Congress to serve during the unexpired term of the Forty-first Congress, and also certain State and local officials, were to be elected.

That special act provided in its third section that said election should be held at the several court-houses at the county seats and at any election precinct, existing or that might be established in any incorporated and organized city or town. It was a special law. It provided for a special "three days' election." It resulted from the action of the Federal Congress, which had restored the colored members to those seats in the State Legislature from which they had been forcibly expelled by their conservative associates. It lasted, as I have said, for three days, and thus, like the election ordered by General Meade, afforded ample facilities for the colored people to come in from the country precincts to the court-houses and the cities and vote in safety. Its provisions were definitely intended and by inevitable inference absolutely confined to the one "special three days'" election of 1870.

Two ballot-boxes were at that time used at the court-house in Savannah. Voters residing within the city limits voted in the box at the President-street entrance, on the north side of the building; and voters residing in Chatham County, outside the city limits, voted at the box on the York-street entrance, on the south side.

I have just been informed that a special election was held in 1871 to fill the vacancy in the governorship caused by the resignation of Governor Bullock. I am not conversant with the special facts of that election.

The next regular general election was held in October of 1872, and was for governor, State officers, and members of the Legislature.

At that election no Federal supervisors were authorized to act. No practical protection was afforded to the colored voters. The country precincts were not opened. The republicans did not participate to any extent. Four boxes were used at the court-house in Savannah. Less than 4,000 ballots were cast in all those four boxes, although the number of legal voters in Chatham County is between 9,000 and 10,000. In a single word, the educated conservatism of the city of Savannah did substantially what the ignorant radicalism of New Orleans is accused of having attempted later in that same autumn. By ingenuity of legal device, by practical injustice on the part of the judical officer who had the authority to establish additional voting precincts, and by a general course of conduct which seems an outrage against the rights of free citizenship, the poor and lowly classes of Chatham County were kept from the polls and practically denied the right of suffrage.

The presidential and congressional election occurred in the following month of November, 1872. The old decree or order of the judge of the court of ordinary, made in 1868, and establishing there country precincts, had never been formally changed or abolished by any like decree of a competent court.

On November 1, 1872, Judge Erskine, of the United States district court for the southern district of Georgia, under the authority of United States law, appointed supervisors of election, consisting of one republican and one democrat for each of the three precincts in the county of Chatham outside of Savannah. All of these supervisors acted except the one democrat appointed for the precinct at the Isle of Hope. He was fittingly absent. For when the decree of a fearless judge had assured the ballot of the lowly, the Isle of Hope was to our conservative obstructionists a land of disappointment. These supervisors certified to the fairness of the election at their respective precincts and to the honesty of the count. The returns were rejected by the managers of the county, but were subsequently sent to the office of the secretary of state of Georgia, and, according to his certificate of January 9, 1873, were duly filed therein.

The question as to allowing and counting these ballots is twofold. First, let me examine the strict construction of the statute, and then address a few words to the conscience of this House as to the equity of the case.

Under the admitted authority given by section 1312, Irwin's Revised Code of Georgia, the justice of the inferior court had an absolute right to establish election precincts, not exceeding one in each militia district. There were and are four militia districts in the country portion of Chatham County.

On October 22, 1868, Judge Wetmore, the ordinary of Chatham County, established the three precincts at Cherokee Hill, Chapman's house, and the Isle of Hope. These precincts had legal inception and creation. The election of 1870 was a special election, under a special law. It lasted for three days, and for the purpose of that election, and for that alone, allowed but one voting precinct at each county court-house and in each incorporated city or town.

If it was a general law, and abolished all right to have and enjoy voting precincts in the several militia districts of the several respective counties at all future elections, it might with as good reason be claimed that it opened the polls for three days at each and every general election thereafter to be held in the State of Georgia. That all subsequent elections have been held but for one day each is in itself conclusive argument that the law of October 7, 1870, providing for the election of December, 1870, was special; that it was for a given purpose, and is to be confined in its construction, as it was confined in its practical enforcement, to the single election of December, 1870.

The law of 1870 did not therefore abolish the precincts established in 1868. These survived for all subsequent elections until they were legally abolished in December, 1872, by a formal order then made by the same judge who had originally created them. Why did he then, after the election in question, abolish them if he did not believe or fear that up to that time they had legal existence?

The highest privilege of a citizen is that of the *free* but *honest* use of the ballot. The highest duty of the citizen in time of peace is to cast that ballot, to vote for such candidates and in aid of such policy as he conscientiously believes for the good of his country.

All laws relating to the exercise of this right and the discharge of this duty should be so construed and so enforced as to secure to each duly authorized citizen the right to vote for the candidate of his choice, without hinderance, molestation, or oppression.

The ballot-box is the ultimate source of all political power under our system. Standing before that ballot-box there is to-day no just and lawful difference between man and man, arising from race, color, or previous condition of servitude. The highest and the lowest, the richest, the poorest, the black and the white, meet there upon one absolute level of equal citizenship. He who by subtlety of legal interpretation, by force, or by deceit, would deny to *any* citizen the free and honest use of his ballot thereby strikes at the very root of our democratic institutions.

Come and let us reason together; not in partisanship, but as citizens seeking the common good of all.

Will any gentleman upon this floor tell me that—with an election lasting but one day in a county twenty miles in length; with ballot-boxes only open at one court-house in all that county; with but four ballot-boxes provided for that one day's voting at that one court-house; with 6,000 legal voters resident within the city limits of Savannah; with more than 3,000 legal voters living upon the plantations and among the rice fields of that large county, outside the city—such an election so held could be more than a farce if it were not an outrage? Will any gentleman tell me that such an election could have been so conducted for any purpose or with any motive other than the single one of disfranchising the colored and poor voters of the country precincts? Will any gentleman tell me that the successful attempt to so construe a series of election laws as to justify this practical disfranchisement would not be to destroy equity, under the mask of sustaining the technicalities of statute law?

Fortunately the statutes admit of a reasonable interpretation, that will answer and fulfill the higher ends of natural and absolute justice. I but follow the honored and life-giving rule of ancient interpretation when I seek that construction of the statute which will secure justice and enforce equity. All other interpretation is of the kind so tersely described in the words of Holy Writ: "*The letter killeth, but the spirit giveth alive.*"

[Here the hammer fell.]

Mr. WOODFORD. I so seldom trespass on the time of the House, will not gentlemen kindly let me go on and finish my remarks? [Cries of "Go ahead."]

The SPEAKER. Is there objection to the gentleman from New York having time to conclude his remarks?

Mr. BLOUNT. I object.

Mr. WOODFORD. Allow me one moment. For thirty days it fell to my lot to hold military command in the city of Savannah. Never during that time did I willfully or knowingly do otherwise than extend the utmost courtesy and generosity to those of my misguided fellow-countrymen who were on the wrong side in the great struggle, and who with the capture of Savannah fell under our military control. I thank the gentleman for the courtesy which is now returned me by the Representative of Georgia on the floor of this House, and yield my request for further time.

Mr. BLOUNT. It is the same courtesy that was extended to me.

Mr. SMITH, of New York. Mr. Speaker, perhaps I misunderstood some of the remarks of my colleague who has just taken his seat. If he intends to concede that any vote was counted in this majority report which was not cast at a legal precinct he does not speak for the committee, and if my colleagues of the minority, or anybody else, can show that a single vote was counted by the majority of that committee not cast at a legal precinct, I will abandon this case. Why, sir, this Congress is flooded with cries, as if a baby in a big house was waked up in the night-time, because, in a congressional district which has a colored population of seventy-five thousand and odd, and a white population of fifty-four thousand and odd, the majority of this committee should propose to count in a man claiming to represent very largely that colored population, by insisting upon counting votes which it is conceded on all sides were actually cast, and the question upon which is only whether they were cast at a legal precinct or not.

Mr. G. F. HOAR. Will the gentleman allow me to ask him a question?

Mr. SMITH, of New York. Certainly.

Mr. G. F. HOAR. The House have repeatedly decided that there may be an election officer *de facto;* that where people have cast their votes in good faith, believing that the officer had a right to proceed to an election, the vote will be counted, although there may be some illegality in his appointment or qualification. Is not the same thing true of an election precinct? If an election be held at a place believed by the people to be a lawful place, and otherwise duly conducted, will the legal vote there not be entitled to be counted, even though the public belief of the legality of the precinct be erroneous?

Mr. SMITH, of New York. As a lawyer I should be compelled to answer that question in the negative. My friend has had much more experience than I have had in the investigation of election cases, and perhaps I am in error. But, at any rate, we are not driven into any such position in this case.

The main question is as to these outside precincts in the county of Chatham, and the first point made is on the effect of this order of the ordinary of Chatham County:

> It being considered necessary, in order to carry out the provisions of an act of the General Assembly of the State of Georgia, entitled "An act to provide for an election, and to alter and amend the laws in relation to the holding of elections," approved the 3d day of October, 1870, to establish an election precinct in Chatham County, it is therefore ordered that the city of Savannah be, and is hereby, made an election precinct, the place of receiving the votes at said election to be hereafter designated.
>
> A. W. STONE,
> *Ordinary Chatham County.*

Now I call the attention of the House to the fact that that introductory clause stands to the enacting clause in precisely the relation of the preamble to a statute of Congress or of a Legislature. It has the same force and effect as a preamble would have, and none other. Sir, the law is well settled that a preamble cannot be resorted to to aid the construction of a statue, unless there be some ambiguity in the statute.

I read from Smith on Construction. Chief Justice Wills says:

> If the words of an act of Parliament be in doubt, it may be proper to have recourse to the preamble to find out the meaning of the Legislature; but where the words of the enacting part are plain and express, I do not think they ought to be restrained by the preamble, for the preamble may only recite some particular mischiefs that will happen; but the enacting clause may not only be calculated to prevent those mischiefs, but also others of a like nature.

Mr. Speaker, the law is well settled, and it will not be controverted by any gentleman upon the minority of this committee, that the effect of that order of the ordinary was to establish permanent precincts at these outside polls in the county of Chatham. Then the question recurs, have they been abolished? Now, sir, the minority of the committee, on page 33 of their report, referring to the act of 1870, say:

> Its repealing clause is broad and general, and it manifestly terminated the legal existence of these precincts, if they had any legal existence after the election of 1868.

The minority have put themselves squarely upon the position that the Legislature repealed those precincts, and yet during this argument the gentleman from Georgia [Mr. RAWLS] called attention to the fact that the constitution of Georgia in explicit terms prohibits the Legislature from changing or abolishing election precincts. It is in section 6, article 1, of the constitution of Georgia, which absolutely takes away all power of the Legislature to interfere with election precincts.

Now, sir, the attention of the House should, perhaps, be called again to the fact that every man who voted at these precincts is recorded in this book of testimony. Whether he had paid his tax could be proved by reference to the assessment-rolls and records of the county; and the allegation is not made against a single one of them that he was a disqualified voter.

Now, was it necessary to hold these elections at these outside precincts? Every election held between 1868 and 1872, except the election of 1870, had been held under military order, and that military order in every case had prescribed the precincts and the election law of 1870, and provided that elections should be held for three days—held at the county seats—and that no challenges should be allowed to voters. It was a special law which did not apply to elections held at any other time.

[Here the hammer fell.]

Mr. SPEER. I ask unanimous consent that the gentleman from New York be permitted to finish his remarks.

Mr. SMITH, of New York. I think the House is tired of the debate. There are other things I would have wished to say, but I must now call for a vote.

The SPEAKER. The Chair does not see the gentleman from New York [Mr. WOODFORD] in his seat.

Mr. SMITH, of New York. I beg pardon; I thought the reference of the gentleman from Pennsylvania [Mr. SPEER] was to myself. I have no objection to my colleague [Mr. WOODFORD] proceeding.

Mr. WOODFORD. More deeply than I can well express, I thank the gentleman on the other side of the House, the gentleman from Pennsylvania [Mr. SPEER,] for his marked courtesy. But as the debate has already proceeded to an extent that must weary the patience of the House, I shall not detain the House any longer.

The SPEAKER. The Clerk will report the resolutions of the committee.

The Clerk read as follows:

Resolved, That Hon. Morgan Rawls is not entitled to a seat in this House as a Representative from the first congressional district of Georgia in the Forty-third Congress.

Resolved, That Hon. Andrew Sloan is entitled to a seat in this House as a Representative from the first congressional district of Georgia in the Forty-third Congress.

The SPEAKER. As an amendment to these resolutions, the gentleman from Pennsylvania [Mr. SPEER] offers on behalf of a minority of the Committee on Elections the resolution which the Clerk will now read.

The Clerk read as follows:

Resolved, That Hon. Morgan Rawls, the sitting member, was duly elected, and is entitled to the seat occupied by him in this House as the Representative from the first district of Georgia in the Forty-third Congress.

The SPEAKER. The first question is on the amendment.

Mr. SPEER. On that question I call for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 77, nays 131, not voting 82; as follows:

YEAS—Messrs. Archer, Arthur, Ashe, Atkins, Banning, Barnum, Beck, Bell, Berry, Bland, Blount, Bowen, Bright, Bromberg, Buckner, Caldwell, John B. Clark, jr., Clymer, Comingo, Cook, Cox, Crossland, DeWitt, Durham, Eldredge, Fort, Giddings, Glover, Hancock, Henry R. Harris, John T. Harris, Hatcher, Hereford, Herndon, Holman, Hunton, Kendall, Knapp, Lamar, Leach, Luttrell, Magee, Marshall, McLean, Milliken, Mills, Mitchell, Neal, Nesmith, Niblack, O'Brien, Hosea W. Parker, Perry, Potter, Randall, Read, Robbins, William R. Roberts, James C. Robinson, Milton Sayler, John G. Schumaker, Lazarus D. Shoemaker, Sloss, Southard, Speer, Standeford, Stone, Storm, Vance, Whitehead, Whitehouse, Whitthorne, Willie, Ephraim K. Wilson, Wolfe, Wood, and Pierce M. B. Young—77.

NAYS—Messrs. Averill, Barber, Barrere, Barry, Begole, Bradley, Buffinton, Bundy, Burchard, Benjamin F. Butler, Cannon, Cason, Cessna, Amos Clark, jr., Clayton, Stephen A. Cobb, Conger, Corwin, Cotton, Crooke, Crounse, Crutchfield, Curtis, Danford, Dobbins, Donnan, Duell, Eames, Farwell, Field, Foster, Freeman, Frye, Garfield, Gunckel, Eugene Hale, Robert S. Hale, Harmer, Benjamin W. Harris, Harrison, John B. Hawley, Joseph R. Hawley, Hays, Gerry W. Hazelton, E. Rockwood Hoar, George F. Hoar, Hodges, Hoskins, Houghton, Howe, Hunter, Hurlbut, Hyde, Kelley, Kellogg, Lamport, Lansing, Lawrence, Lawson, Lowe, Lynch, Martin, Maynard, Alexander S. McDill, McNulta, Mellish, Merriam, Monroe, Myers, Negley, O'Neill, Orr, Orth, Packard, Packer, Page, Isaac C. Parker, Parsons, Pelham, Pendleton, Phelps, Pike, James H. Platt, jr., Poland, Pratt, Rainey, Rapier, Ray, Rice, Richmond, Ellis H. Roberts, James W. Robinson, Ross, Rusk, Sawyer, Henry B. Sayler, Scofield, Henry J. Scudder, Sener, Sessions, Shanks, Sheats, Sheldon, Sherwood, A. Herr Smith, H. Boardman Smith, J. Ambler Smith, John Q. Smith, Snyder, Strait, Strawbridge, Taylor, Thornburgh, Todd, Townsend, Tremain, Tyner, Waldron, Wallace, Walls, Wheeler, Whiteley, Charles W. Willard, George Willard, Charles G. Williams, William Williams, William B. Williams, James Wilson, Woodford, and Woodworth—131.

NOT VOTING—Messrs. Adams, Albert, Albright, Bass, Biery, Brown, Burleigh, Burrows, Roderick R. Butler, Cain, Freeman Clarke, Clements, Clinton L. Cobb, Coburn, Creamer, Crittenden, Crocker, Darrall, Davis, Dawes, Dunnell, Eden, Elliott, Gooch, Hagans, Hamilton, Hathorn, Havens, John W. Hazelton, Hendee, Hersey, Hooper, Hubbell, Hynes, Jewett, Kasson, Killinger, Lamison, Lewis, Lofland, Loughridge, Lowndes, McCrary, James W. McDill, MacDougall, McJunkin, McKee, Moore, Morey, Morrison, Niles, Nunn, Phillips, Pierce, Thomas C. Platt, Purman, Ransier, Rawls, Isaac W. Scudder, Small, Smart, George L. Smith, William A. Smith, Sprague, Stanard, Starkweather, Stephens, St. John, Stowell, Swann, Sypher, Charles R. Thomas, Christopher Y. Thomas, Waddell, Jasper D. Ward, Marcus L. Ward, Wells, White, Wilber, John M. S. Williams, Wilshire, Jeremiah M. Wilson, and John D. Young—82.

So the amendment was not agreed to.

During the roll-call the following announcements were made:

Mr. EDEN. I am paired with the gentleman from Arkansas, Mr. WILSHIRE. If he were here he would vote "no," and I should vote "ay."

Mr. SHEATS. I am paired with my colleague, Mr. SLOSS. If he were here he would vote "ay," and I should vote "no."

Mr. HAVENS. I am paired with my colleague, Mr. CRITTENDEN. If he were here he would vote "ay," and I should vote "no."

Mr. DUNNELL. I am paired with the gentleman from Missouri, Mr. WELLS. If he were present he would vote "ay," and I should vote "no."

Mr. SCHUMAKER, of New York. My colleague, Mr. CREAMER, is confined to the house by sickness. If he were here he would vote "ay."

Mr. SLOSS. I understand that it has been announced that I was paired with one of my colleagues. I was requested by him to pair, but refused. My vote is recorded in the affirmative.

Mr. SHEATS. Then I vote "no."

The SPEAKER. The votes of both gentlemen will be received.

The result of the vote was then announced as above recorded.

The SPEAKER. The question recurs on the resolutions reported by the committee.

Mr. SPEER. By request I call the yeas and nays on the adoption of those resolutions.

The yeas and nays were ordered.

The question was taken; and there were—yeas 135, nays 74, not voting 81; as follows:

YEAS—Messrs. Albert, Averill, Barber, Barrere, Barry, Begole, Bradley, Buffinton, Bundy, Burchard, Cannon, Cason, Cessna, Amos Clark, jr., Clayton, Stephen A. Cobb, Conger, Corwin, Cotton, Crooke, Crounse, Crutchfield, Danford, Dobbins, Donnan, Duell, Eames, Elliott, Farwell, Field, Foster, Freeman, Frye, Garfield, Gooch, Gunckel, Eugene Hale, Robert S. Hale, Harmer, Benjamin W. Harris, Harrison, Hathorn, John B. Hawley, Joseph R. Hawley, Hays, Gerry W. Hazelton, E. Rockwood Hoar, George F. Hoar, Hodges, Hoskins, Houghton, Howe, Hunter, Hyde, Kasson, Kelley, Kellogg, Killinger, Lamport, Lansing, Lawson, Lowe, Lynch, Martin, Maynard, McCrary, Alexander S. McDill, James W. McDill, MacDougall, McKee, McNulta, Mellish, Merriam, Monroe, Myers, Negley, O'Neill, Orr, Orth, Packard, Packer, Page, Isaac C. Parker, Parsons, Pelham, Pendleton, Phelps, Pike, James H. Platt, jr., Pratt, Purman, Rainey, Ransier, Rapier, Ray, Rice, Ellis H. Roberts, James W. Robinson, Ross, Rusk, Sawyer, Henry B. Sayler, Scofield, Henry J. Scudder, Sener, Sessions, Shanks, Sheats, Sheldon, Sherwood, Smart, H. Boardman Smith, J. Ambler Smith, John Q. Smith, Snyder, Sprague, Strait, Strawbridge, Taylor, Thornburgh, Todd, Townsend, Tremain, Waldron, Walls, Jasper D. Ward, Wheeler, Whiteley, Charles W. Willard, George Willard, Charles G. Williams, William Williams, James Wilson, Woodford, and Woodworth—135.

NAYS—Messrs. Adams, Archer, Arthur, Ashe, Atkins, Barnum, Beck, Bell, Berry, Bland, Blount, Bowen, Bright, Bromberg, Buckner, Caldwell, John B. Clark, jr., Clymer, Comingo, Cook, Cox, Crossland, DeWitt, Durham, Eden, Eldredge, Fort, Giddings, Glover, Hancock, Henry R. Harris, John T. Harris, Hatcher, Hereford, Herndon, Holman, Hunton, Kendall, Knapp, Lamar, Leach, Magee, Marshall, McLean, Milliken, Mitchell, Neal, Niblack, O'Brien, Hosea W. Parker, Perry, Potter, Randall, Read, Robbins, William R. Roberts, James C. Robinson, Milton Sayler, John G. Schumaker, Lazarus D. Shoemaker, Sloss, Southard, Speer, Standeford, Stone, Storm, Vance, Whitehead, Whitehouse, Whitthorne, Willie, Wolfe, Wood, and Pierce M. B. Young—74.

NOT VOTING—Messrs. Albright, Banning, Bass, Biery, Brown, Burleigh, Burrows, Benjamin F. Butler, Roderick R. Butler, Cain, Freeman Clarke, Clements, Clinton L. Cobb, Coburn, Creamer, Crittenden, Crocker, Curtis, Darrall, Davis, Dawes, Dunnell, Hagans, Hamilton, Havens, John W. Hazelton, Hendee, Hersey, Hooper, Hubbell, Hurlbut, Hynes, Jewett, Lamison, Lawrence, Lewis, Lofland, Loughridge, Lowndes, Luttrell, McJunkin, Mills, Moore, Morey, Morrison, Nesmith, Niles, Nunn, Phillips, Pierce, Thomas C. Platt, Poland, Rawls, Richmond, Isaac W. Scudder, Small, A. Herr Smith, George L. Smith, William A. Smith, Stanard, Starkweather, Stephens, St. John, Stowell, Swann, Sypher, Charles R. Thomas, Christopher Y. Thomas, Tyner, Waddell, Wallace, Marcus L. Ward, Wells, White, Wilber, John M. S. Williams, William B. Williams, Wilshire, Ephraim K. Wilson, Jeremiah M. Wilson, and John D. Young—81.

So the resolutions reported by the majority of the committee were adopted.

During the roll-call,

Mr. DUNNELL said: I again announce that upon this question I am paired with the gentleman from Missouri, Mr. WELLS. If present he would on this vote be in the negative, and I would be in the affirmative.

Mr. HYDE moved to reconsider the vote just taken; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

Mr. SLOAN then presented himself and took the modified oath required by the act of July 11, 1868.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. SYMPSON, one of their clerks, informed the House that the Senate had passed, and requested the concurrence of the House in, a bill of the following title:

A bill (S. No. 245) for the relief of William Rood, late a private of the Thirty-sixth Regiment Wisconsin Volunteers.

ORDER OF BUSINESS.

Mr. MAYNARD. I call for the regular order of business.

The SPEAKER. The regular order is the consideration of the transportation bill.

Mr. COX. I move that the House now adjourn.

Mr. McCRARY. I ask unanimous consent for an evening session for debate on the transportation bill.

Mr. COX. Then I will modify my motion to take a recess.

Mr. GARFIELD. I desire, if possible, that we may come to some understanding now as to the time when the vote will be taken on the transportation bill. If we can fix an early hour for that purpose, I hope the House will waive all other considerations and work up to it. But if we are going on day after day and evening after evening without limit, I must antagonize that bill with the appropriation bills. I wish the gentleman from Iowa [Mr. MCCRARY] would indicate some time for a vote.

Mr. MAYNARD. Permit me to suggest, if the gentleman will allow me, that the vote on yesterday indicated a very strong desire on the part of the House to take up the currency bill. I have been appealed to by gentlemen on both sides of the House to bring that bill forward. While I do not wish to antagonize the transportation bill, I shall find it incumbent upon me, I shall feel obliged, unless the gentleman can before long bring us to a vote on that subject, to ask that it be postponed in order that the currency bill may be taken up and considered. I do not wish to be discourteous or unkind in any way, but the pressure is very great.

Mr. McCRARY. But three members of the Committee on Railways and Canals have spoken upon the pending bill. I am as anxious as any gentleman can be to reach a vote on the bill. I hope to be able to call the previous question some time to-morrow, if the House will go on now until the usual time for adjournment and give us the evening for debate.

Mr. SCOFIELD. How many speeches in all have been delivered upon the subject?

Mr. McCRARY. I cannot say. But in order to accommodate the House and advance business, we have had the most of our debate on

this important question on Saturdays and at evening sessions; we have occupied but two days which would otherwise have been occupied with other subjects. I will say to the House that I will call the previous question at the earliest possible moment I can do so without discourtesy to my colleagues on the committee who may insist upon being heard. As long as any member of the Committee on Railways and Canals insists upon being heard I do not think it would be courteous for me to call the previous question.

Mr. GARFIELD. Let me make a suggestion. It is always easier to fix a distant hour than an immediate one. If the gentleman will now suggest an hour, I have no doubt that members of the committee can work up to it; but if we let the matter run to be fixed at some future time, we have no certainty as to when the question will be brought to a vote.

Mr. RANDALL. It seems to me that if we go on with the regular order we shall proceed with more rapidity than by wasting time in undertaking to make arrangements.

The SPEAKER. The Chair has twice expressed the hope that some arrangement might be arrived at that would prevent a daily conflict about the order of business. No time is more unprofitably spent in the House than that occupied by disputes over the order of business.

Mr. GARFIELD. I cannot conceive that it is discourteous to decline to give the floor to members of the committee, to be by them farmed out, as has been done in a large share of our debating this session. If a member of the committee desires the floor, to occupy it himself, I am the last man that would object; but where the proposition is (and it has been done in many cases within our experience) that the floor shall be given to the members of the committee and by them farmed out to others, I think the rule of courtesy does not apply.

Mr. RANDALL. I think that others besides members of committees have rights here.

Mr. GARFIELD. I think so too.

Mr. RANDALL. Members of committees, I concede, have, according to custom, the first right.

Mr. GARFIELD. One of the most important measures of this session was settled yesterday without any debate at all; and if we are going to reach any practical legislation this session we must have some reasonable restriction upon discussion.

Mr. McCRARY. I will say to the House that if the interval between this time and four o'clock to-morrow be given to the discussion of this question, I will at that time ask the previous question.

Mr. GARFIELD. Upon that understanding let us agree.

Mr. McCRARY. And that there shall be an evening session this evening.

Mr. GARFIELD. I suggest to the gentleman that he make his request in this form: that the previous question shall be considered pending at four o'clock to-morrow.

Mr. McCRARY. I have no objection to that.

The SPEAKER. The proposition of the gentleman from Iowa [Mr. McCRARY] is that the remainder of to-day's session, and the session of to-morrow up to four o'clock, be devoted to the consideration of the transportation bill, and that at four o'clock to-morrow the previous question shall be considered as operating.

Mr. McCRARY. I shall be quite content with that arrangement.

The SPEAKER. If there be no objection, that arrangement will be made.

Mr. ELDREDGE. I object to any such arrangement. I have no objection to a vote of the House being taken at that time; but we desire an opportunity to vote on amendments.

The SPEAKER. The only point embraced in this proposition to which the gentleman can object is allowing the bill to occupy the first hour to-morrow morning. The design of the gentleman from Iowa, as the Chair understands, is to occupy with this bill the entire session to-morrow. Is there objection to that?

Mr. NEGLEY. I must object.

Mr. McCRARY. Then I simply give notice that I will demand the previous question at four o'clock to-morrow, provided the consideration of the subject be not interrupted between now and then.

The SPEAKER. It will inevitably be interrupted by the morning hour to-morrow.

Mr. McCRARY. Then I hope the objection will be withdrawn; because nothing would be gained by having the morning hour to-morrow, and compelling this subject to go over to the next day, which will be Thursday.

The SPEAKER. If the question should go over to Thursday as unfinished business, it would destroy the morning hour of that day. Gentlemen who are interested in the morning hour must therefore choose between allowing the debate to proceed to-morrow morning, regardless of the morning hour, or having this bill destroy the morning hour of Thursday.

Mr. GARFIELD. I hope gentlemen will let the arrangement be made.

Mr. COX. I wish to put a question to the gentleman from Iowa. Does he propose to allow amendments to his bill to be voted on to-morrow?

Mr. McCRARY. I propose to move the previous question.

Mr. COX. Does the gentleman propose to allow the amendment of the gentleman from Ohio to be voted upon?

Mr. McCRARY. I do not, if the previous question should be sustained.

Mr. COX. I object to any arrangement unless we can get a vote on some amendment.

Mr. ELDREDGE. It was with reference to getting a vote on amendments that I made objection to the arrangement.

The SPEAKER. The request of the gentleman from Iowa [Mr. McCRARY] does not embody anything with reference to that matter. He desires the House now to understand that at four o'clock to-morrow he will call the previous question; and it is for the House to determine at that time whether it will admit amendments or not. The only point at issue now is whether the whole of to-morrow's session, including the time that would otherwise be devoted to the morning hour, shall be occupied with the consideration of this bill.

A MEMBER. Does that require unanimous consent?

The SPEAKER. It does; because, this bill being a special order for half-past one, the gentleman from Iowa desires that the hour and a half to-morrow before that time shall be devoted to the consideration of this bill. If consent to that arrangement be refused, and if the previous question to-morrow afternoon be seconded, the bill may interfere with the morning hour of the next day.

Mr. ELDREDGE. My only reason for objecting——

The SPEAKER. The gentleman from Pennsylvania [Mr. NEGLEY] made the objection.

Mr. MERRIAM. I move that when the House adjourns to-day, it be to meet at ten o'clock to-morrow morning. That will give more time for debate.

The SPEAKER. That would require unanimous consent.

Several MEMBERS objected.

The SPEAKER. The Chair is pressed by many gentlemen who are interested in the order of business to have some arrangement made. Of course it is only for the Chair to submit questions; but he does hope that some definite arrangement (of course the House will decide what it shall be) may be arrived at. The suggestion now is that the House meet at ten o'clock to-morrow morning, and only for debate up to twelve o'clock.

Mr. RANDALL. I object.

Mr. McCRARY. I understand the reason on the part of some gentlemen for objecting is that they desire to have a vote on the amendment of the gentleman from Ohio, [Mr. SMITH.] If that would harmonize all concerned, I would agree there may be a vote on that proposition; that that might be included in the demand for the previous question.

The SPEAKER. The gentleman from Iowa modifies his suggestion, by agreeing that the amendment of the gentleman from Ohio may be considered as pending, and that the previous question shall operate on that amendment as well as on the bill.

Mr. ELDREDGE. I object, unless the House determine the question of amendments. It will not certainly appear to the House what amendments the House may adopt until after the debate is closed. I object to it simply on the ground that the House ought to have the privilege at the end of the debate to determine what amendments it will adopt.

Mr. HOLMAN. I trust the gentleman from Iowa will consent at the close of debate on this bill that it shall be open for amendments. It is an entirely new subject of legislation, and it seems highly proper, as well as reasonable, that amendments should be allowed on the part of the House.

Mr. McCRARY. I perceive, Mr. Speaker, we will be able to reach no other conclusion, and I will simply announce that the committee, having considered this bill with great care, deem it their duty to pass upon it as reported at four o'clock to-morrow. If I can get the floor I will demand the previous question on the bill as reported. If the House desires it to be open to amendment, that can be done by voting down the demand for the previous question.

The SPEAKER. The gentleman from Iowa, chairman of the Committee on Railways and Canals, gives notice that to-morrow, at four o'clock, he will call the previous question on the pending bill. The Chair will recognize him at that hour for that purpose.

Mr. MAYNARD. Is it in order to move we have a session to-night for debate?

The SPEAKER. The Chair heard no objection to that.

Mr. BUTLER, of Massachusetts. Does that take away the morning hour to-morrow?

The SPEAKER. There was no arrangement to that effect.

Mr. MERRIAM. I move that when the House takes a recess to-night it be till ten o'clock to-morrow morning.

The SPEAKER. That would require a recess. It would be a continuation of this day's session. The House has already agreed to take a recess instead of an adjournment—to have a session this evening for debate only.

Mr. MAYNARD. I rise to a parliamentary inquiry. Will it be in the power of the House, at the close of the session this evening, to take a further recess until to-morrow morning at ten o'clock?

The SPEAKER. The Chair thinks not, because the condition on which the recess was asked for this evening was that it should be for debate only, no business whatever to be transacted, and that would be an essential alteration of the rule providing for an hour at which the House shall meet, which would be business of a pretty large nature.

Mr. GARFIELD. It is hardly in order now, I suppose, to move when the House adjourns, which will be for to-night, or rather when we take a

recess, that, at the end of the evening session, instead of adjourning to meet to-morrow at twelve o'clock, the House shall take a further recess until to-morrow morning at ten o'clock, the two hours between ten and twelve to be devoted to debate only, no business whatever to be transacted?

The SPEAKER. That changes the rule of the House. The House meets at twelve o'clock m. by rule. The gentleman's motion proposes a suspension of that rule.

Mr. MERRIAM. I ask unanimous consent that such shall be the agreement.

Mr. GARFIELD. That at the conclusion of the evening session, instead of adjourning until to-morrow, the House will take a further recess until ten o'clock to-morrow morning.

The SPEAKER. The rules do not permit it. You cannot provide for taking a recess at a future time. You can move *eo instanti* that a recess be taken, but you cannot move that a recess be taken an hour and a half hence.

Mr. GARFIELD. But a recess has been ordered for this evening.

The SPEAKER. It has been agreed by unanimous consent that the House shall take a recess, in order to have an evening session for debate only. To the session for this evening the Chair heard no objection, and it is to be for debate only.

Mr. GARFIELD. I did not hear the expression "for debate only."

The SPEAKER. That has been the usual condition upon which evening sessions for debate have been granted. The Chair is probably in the same line of desire with the gentleman from Ohio, but he is here to administer the rules.

Mr. MERRIAM. Can there be unanimous consent for another amendment?

The SPEAKER. Of course, but that has been objected to. The Chair will submit it again. At the termination of this evening's session is there objection to taking a recess until ten o'clock to-morrow morning?

Mr. RANDALL. Yes, I object.

Mr. GARFIELD. It is for debate only until twelve o'clock.

Mr. McCRARY. I hope there will be no objection to devoting from ten o'clock to-morrow morning until twelve o'clock for debate only, no business to be transacted.

The SPEAKER. At the request of the gentleman who has charge of the bill the Chair will again ask whether there is objection to taking a recess until ten o'clock to-morrow morning from ten to twelve, to be devoted to debate only—no business whatever to be transacted. That session to-morrow would be a continuation of this day's session, and would be so journalized. It requires unanimous consent. The Chair puts the question to the House again.

Mr. RANDALL. I again object.

[Subsequently Mr. RANDALL withdrew his objection, and the session for ten o'clock was ordered.]

Mr. POTTER. I rise to a parliamentary question. Unanimous consent having been given to a session this evening for debate, will it not be in order to move at the conclusion of that session to take a recess until to-morrow morning at ten o'clock?

The SPEAKER. It would not.

EVIDENCE BEFORE COMMITTEE ON WAYS AND MEANS.

Mr. DAWES. I am instructed by the Committee on Ways and Means to report the resolution which I send to the desk, and to ask its adoption by the House.

The Clerk read as follows:

Resolved, That the Committee on Ways and Means are hereby authorized and empowered to send for persons and papers and administer oaths in all matters from time to time pending and under examination before said committee.

Mr. SENER. I do not object; but I desire to call the attention of the House to the fact, that when the Committee on Expenditures in the Department of Justice asked for such power, it was objected to on this side of the House, on the ground that it was an unusual power to give.

Mr. GARFIELD. I suggest to the gentleman from Massachusetts [Mr. DAWES] whether this should not be limited to a particular subject. There are no limits to the broad power which this gives to the committee.

Mr. DAWES. The same power was given to the committee in the last Congress, and almost in the same words.

Mr. GARFIELD. I have no idea that it will be abused by the committee; still I think it would be better to have it limited to a particular subject.

The resolution was adopted.

IRRIGATION IN CALIFORNIA.

The SPEAKER laid before the House the following message from the President of the United States:

To the Senate and House of Representatives:

I have the honor to transmit herewith the report of the board of commissioners on the irrigation of the San Joaquin, Tulare, and Sacramento Valleys, of the State of California, and also the original maps accompanying said report.

U. S. GRANT.

EXECUTIVE MANSION,
Washington, D. C., March 23, 1874.

The message was referred to the Committee on the Public Lands, and ordered to be printed.

ENROLLED BILL SIGNED.

Mr. PENDLETON, from the Committee on Enrolled Bills, reported that the committee had examined and found duly enrolled a bill of the following title; when the Speaker signed the same:

An act (S. No. 583) making an appropriation to defray the expenses of the Joint Select Committee to Inquire into the Affairs of the District of Columbia.

ARMY APPROPRIATION ACT AMENDMENT.

Mr. YOUNG, of Georgia, by unanimous consent, introduced a bill (H. R. No. 2654) to amend section 2 of an act making appropriations for the support of the Army for the year ending June 30, 1872, and for other purposes, and the acts amendatory thereof; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

EIGHT-HOUR LAW, ETC.

Mr. W. R. ROBERTS. I am requested by the Workingmen's Union of New York to present a memorial to the House of Representatives in favor of the eight-hour law, and praying for the removal of Mr. Mullett, Supervising Architect of the Treasury. This memorial is signed by 20,000 citizens, representing the Typographical Union and various trade and labor societies of New York; and in presenting it I desire to express my full approval of the objects of the memorial. I request that it be read at the Clerk's desk, and that it be printed in the CONGRESSIONAL RECORD without the names.

Mr. MAYNARD. Is this in order?

The SPEAKER. It is not, except by consent.

Mr. W. R. ROBERTS. I desire to have the memorial referred to the Committee on Reform in the Civil Service; and I also request that it may be printed in the CONGRESSIONAL RECORD.

Mr. MAYNARD. I object to its being printed in the RECORD.

Mr. W. R. ROBERTS. If it were a petition coming from the wealthy bankers of New York, the gentleman would not object. But when it comes from the workingmen he objects.

Mr. MAYNARD. The gentleman had better not attempt to measure other people's grain in his own half-bushel.

Mr. W. R. ROBERTS. I measure you by your act.

Mr. MAYNARD. I shall not bandy words further with the gentleman. I have a right to make the objection, and I insist upon it.

Mr. MYERS rose.

The SPEAKER. For what purpose does the gentleman from Pennsylvania rise?

Mr. MYERS. I rose to object to the gentleman from Tennessee [Mr. MAYNARD] proceeding; but I see he has concluded what he had to say.

The SPEAKER. The Chair does not understand the objection of the gentleman from Tennessee to extend to the printing of the memorial for the use of the House?

Mr. MAYNARD. No, sir; my objection was to reading it and putting it in the RECORD.

The SPEAKER. The memorial will be printed, and referred to the Committee on Reform in the Civil Service.

INTERSTATE COMMERCE.

The SPEAKER. The House resumes the consideration of the bill (H. R. No. 1385) to regulate commerce by railroad among the several States. The gentleman from Vermont [Mr. WILLARD] is entitled to the floor for one hour.

Mr. WILLARD, of Vermont. Mr. Speaker, when this subject of the regulation of rates of transportation of merchandise among the States was last before the House, I obtained the floor by the courtesy of a member of the committee, the gentleman from Missouri, [Mr. STONE;] and I was prepared at that time to speak with more method and directness than I shall now be able to do. If I proceed, therefore, in a somewhat desultory way, and with little attention to the logical order of my remarks, I hope this will be a partial excuse for so doing.

I deem it a favorable circumstance, in connection with this discussion, that it cannot fairly be said to take a party character. Gentlemen who have been always and still are associated with the democratic party have spoken in favor of this bill, and announced their purpose to vote for it. Gentlemen upon this side of the House, who have always acted with the republican party, have criticised sharply many of the features of the bill, and have announced their purpose of voting against it in its present shape. It does not, therefore, seem possible, Mr. Speaker, that party lines can or ought to be drawn in the settlement of so important a question as the proposed measure presents for the consideration of this body.

I know, sir, that in the discussion on the bill something has been said of State rights, as though that were a party tenet, as though one side of this House held exclusively the doctrine that the States had certain rights as against the Federal Government, and the other side of this House held the doctrine that the States had no rights as against the Federal Government. Now, sir, from my observation of political parties, and of the divisions that have taken place upon this question of State rights, I have not discovered that it can fairly be said to be a party question. It is not a principle; it is only a weapon, and the weapon of the party that is in a minority in the country. The party that is out of power in the Federal Government is always the party to assert and insist upon this doctrine of State rights, and the party that is in power, whatever may be its professions, whatever

may be its platform, is more or less the party that always ignores or overrides State rights.

Why, sir, it is in the memory of every member on this floor that at the time of the enactment of the fugitive-slave law the party in power, the democratic party, stretched the doctrine of Federal control over matters of that sort beyond what had been claimed as possible by the whig party before that time. We all know that the State of Massachusetts, then a republican State, and the State of Wisconsin, then a republican State, and almost every republican State throughout the North, by their Legislatures, by their resolutions, and by the directions they gave to their State officials, insisted that the States had rights as against the Federal Government which they would not surrender. The question of what these rights are, or where the dividing line shall be drawn in each particular instance, is not a political question, and ought never to be made a political question. It is a question of good government and wise legislation as much as a question of constitutional power; a question, independent of the limitations of the Constitution, of what is the best jurisdiction and where is the best legislative body to solve the various problems that arise in the administration of public affairs throughout the United States. It is a question how far the local governments are a better jurisdiction to settle these questions than the Federal Government, and how far the Federal Government is a better jurisdiction to settle these questions than the local governments. Some powers, as a matter of course, have been and must be conceded to the Federal Government, because the Federal Government alone can properly exercise such powers; and wherever such powers are granted to the General Government by the Constitution, as a matter of course the legality and constitutionality of their exercise are beyond question. But it does not follow even then, Mr. Speaker, were it settled that the power is a constitutional power, and that Congress had authority within the Constitution to exercise a given power, that therefore it must exercise it whenever anybody asks for its exercise; or that any measure which is not open to a constitutional objection is therefore wise and judicious.

Now, sir, the question has been argued in this case by some who support this bill much as though the only point to be settled here was the power of the Federal Government, or of the Congress of the United States, to regulate interstate commerce; as though, that point once settled, there was no escape from an affirmative vote on this bill. Now, I do not see why there is any occasion to deny, for political reasons or any other, or for the sake of making an argument against this bill, that the Federal Government has the same power and the same authority to regulate interstate commerce that it has to regulate foreign commerce. The terms of the grant in the Constitution are identical, and of course the power must be the same in the one case as in the other. But, sir, when you get beyond that, and proceed to consider what a regulation of commerce is, and what the regulation of commerce is that is proposed by this bill, and whether the propositions in this bill do not antagonize and are not hostile to other provisions of the Constitution, we meet at once, it seems to me, the very gravest and most serious objection to the measure we are now considering.

The bill provides in general terms for the appointment of a commission of nine persons, who shall have power, without any appeal from their decision, except the appeal that is subsequently provided for in the courts, to determine what is a reasonable price for the transportation of freight over any railroad in the country that has a through connection.

These prices, having been once established by this board, are to be held, in all proceedings that may arise under them, as *prima facie* reasonable rates to be charged upon these roads; and the burden of proof is thereafter to be put upon the roads, if they attempt to attack such rates, to prove that they are less than a reasonable charge for transportation of freight over such roads.

We have as a starting point in the Constitution this provision in respect to the regulation of commerce. First, "Congress shall have power to regulate commerce among the several States." Very well. Then there is a provision that by no regulation of commerce shall preference be given to the ports of one State over those of another State. So it will be seen that we have really gained little or nothing in determining what the power of Congress is in respect to the regulation of interstate commerce, when that power is conceded, inasmuch as any exercise of that power must be subject to all the limitations expressed or implied in other parts of the organic law, and is especially subject to the limitation as to the preference of the ports of one State over those of another. And it is noticeable that the provision that one port shall not have preference over another port by any regulation of commerce is more imperative than the provision "that Congress shall have power to regulate commerce;" because one is permissive and not mandatory, the other is prohibitory. Here, then, is one very significant limitation. What further?

I suppose no gentleman here will contend that any regulation of commerce is not open to constitutional objection which is not uniform, and by that I mean uniform in its operations. I understand that the Constitution does not in terms say that the regulations of commerce must be uniform in their operation. Congress may make uniform laws on the subject of bankruptcy; and certain legislation, like naturalization laws and tariff laws, must be uniform by the express terms of the Constitution. But I suppose no one will pretend for a moment, although the word "uniform" is not used in the Constitution in that connection, that regulations of commerce need not necessarily be uniform. In other words, there must be no injustice and no inequality in any respect in any regulations of commerce adopted by the Congress of the United States. All regulations must be alike. It must be one law for all, one regulation for all.

For instance, it would be an unequal and unjust regulation of commerce if the Congress of the United States should declare that one class of passenger-boats might run with greater pressure of steam to the square inch than another class, because they were navigating different waters or carried fewer passengers; or to say that one class of vessels should have one kind of accommodations for passengers, and another, although similar, class of passenger-vessels should have another kind.

Mr. BUTLER, of Massachusetts. Will it disturb the gentleman if I ask him a question at this time?

Mr. WILLARD, of Vermont. No, sir.

Mr. BUTLER, of Massachusetts. I desire to ask the gentleman whether this provision requires a uniform regulation? In regard to quarantine, one regulation of commerce would be that the port of Mobile or New Orleans, for instance, might be put in quarantine; and there might be another regulation that there was no occasion for quarantine at Portland, Maine. That would be a regulation of commerce, but it would not be uniform.

Mr. WILLARD, of Vermont. I agree with the gentleman, and for the reason that in the case he puts the regulation would only be applied to the ports where there was supposed to be need of it; but if the regulation was not applicable to every port in danger of infection it would not be uniform. It is not that if these commissioners should establish freights for one railroad and should not establish them for another, there would necessarily be a violation of what ought to be uniformity in the regulation of commerce; as it might happen that some of these roads now charge such low rates that no one would think of reducing them; although the regulation would certainly lack uniformity if the law did not make it applicable to all the railroads of the country; and it would besides be partial, unequal, and unjust. But in the very nature of the case the proposed regulation cannot be uniform. It is not one law for all, nor one price for all, and cannot be.

Let me illustrate, and I will come to the other point in relation to the ports of entry further on.

I understand that this bill is based substantially on the Illinois legislation upon this subject. As I understand, the commissioners under the Illinois legislation, or the board, or whatever it is, that settles the question there, have classed the various railroads in the State of Illinois in proportion to the net profits of the business of the road. For instance, the Chicago and Alton Railroad is put into the first class as a railroad that has $4,000 net profit per mile, while other railroads doing a less profitable business are put in other classes. There are, I think, four classes in all. They have determined in that State that freights carried over the Chicago and Alton Railroad shall pay a certain price per ton per mile; much less per ton, as I understand, than the charge for freight that is carried over other roads in the State which have not so large or profitable business. This, I agree, is just as between these roads; but it does not seem to me that it can in any sense of the word be said to be a uniform regulation. In other words, it seems to me, the objection is that, in the nature of things, it is impossible to regulate rates without establishing nearly as many different rates as there are different railroads. Can this be a uniform regulation?

Let me illustrate further. I suppose whatever else may have been in the minds of those who framed that provision of the Constitution as to the regulation of commerce, it was unquestionably contemplated that the regulations could only be made by Congress in cases where no other proper regulations could be made or established; in other words, where there was no other power competent to make regulations. Of course interstate commerce, in the ordinary sense in which we speak of it, can no more be regulated by one State than foreign commerce can be regulated by one State; we all understand that. Therefore, if it is regulated at all, it must be regulated by the Federal Government. But when we come to look at the question from the other side and see an attempt made to regulate it in some specific way, may we not say with great force that the fact that you cannot make a uniform regulation, a regulation that will apply to all railroads alike, shows that no such regulation should be attempted? Is it not evident from this aspect of the question that no such regulation was contemplated by those who made the Constitution, since it is so manifest that it must lack every element of uniformity?

Mr. G. F. HOAR. Allow me to ask the gentleman whether a rule of law providing that the charges for carrying freight or passengers should reach only a reasonable sum, and no more, would not be uniform in every constitutional and legal sense, although the reasonable sum might vary in each particular case?

Mr. WILLARD, of Vermont. So far as that question is pertinent to the discussion I will reply to it, although I was intending in another part of my argument to make allusion to common carriers.

Mr. G. F. HOAR. My question relates directly to the point the gentleman is now discussing.

Mr. WILLARD, of Vermont. I do not understand, Mr. Speaker, that the regulation of rates of freight transported by common carriers is based upon the power of governments to regulate commerce; and

I suppose that whenever that regulation is resorted to, the sovereign power resorting to it would have the right to decide arbitrarily in the particular circumstances what should be the nature of the measure adopted.

Mr. G. F. HOAR. The gentleman does not understand my point. He is arguing that different railroads in different circumstances may charge different rates for the same character of freight carried similar distances; and hence he urges that it is impossible for us to adopt a regulation which shall be uniform. Now, my question is whether a rule of law which should require the railroads in each specific case to charge only a reasonable sum, and which should provide a means of ascertaining the sum and enforcing the obligation, would not be uniform within the meaning of the Constitution.

Mr. WILLARD, of Vermont. I think it clear that it would not be uniform in the sense intended by the Constitution. The word "uniform" is not used in the Constitution in respect to the regulation of commerce; and I have suggested this as a serious difficulty, and because it seemed to me to be a strong objection to any congressional interference with this matter, that it is quite impossible for Congress to adopt any rule that will apply to any two railroads alike. A reasonable rate cannot be a uniform rate, unless it is the same rate for equal distances, any more than a reasonable price for a commodity to be sold in the market would be a uniform price when different prices were fixed for the same commodity.

But, sir, let me call attention to the other provision of the Constitution, that no regulation of commerce shall give any preference to the ports of one State over those of another. Now, I hold that it is utterly impossible for the provisions of this bill to be carried out without bringing about precisely such a result; in other words, it is utterly impossible for nine men to attempt to regulate freights, however honestly they may set about the work, without preferring one port of the United States to another.

To illustrate: The city of Boston gets a large amount of freights from the West, that come in part over the Grand Trunk Railway of Canada, and over the Central Vermont Railway in Vermont, or by way of Portland; and in summer partly by water, via Ogdensburgh. I apprehend that if an examination were made it would be found that in fact the Erie Railroad, the New York Central, the Pennsylvania Central perhaps, and the Baltimore and Ohio—those roads which have the shortest lines, taken altogether, from the West to the sea-board—fix the rates for the long lines; and that the long lines are obliged to agree to those rates, whatever they may be, because otherwise they do not get the freight. Gentlemen living in New England, especially those who reside in the vicinity of Boston, understand that the Vermont Central line, which carries much of this freight through my State to Boston, has been the line largely relied upon by Boston merchants and shippers as their line of transportation to and from the West. They have always felt a strong interest in it, though not, perhaps, so strong as their interest in the Boston and Albany road. What is the consequence? They have put their money largely into that road, and they have not expected large, if any, dividends on their money so invested, and certainly have not been disappointed in that respect. They cared much more to get their freight from the West to the sea-board cheaply, and from the sea-board back to the West cheaply, than they did about getting dividends on the $5,000, or $10,000, or $50,000 each that they might have put into that corporation. The capital that they invested in it went out of sight within five years after the building of the road, not by any dishonest management of the road, but because its business would not support it; because these Boston merchants insisted—and they insisted rightly, and the managers of the road looked upon the matter much in the same light—that freight should be brought over that line from the West to Boston as cheaply as it could be brought to New York by the Erie and New York Central roads. That road has carried freight right past my town from Chicago to Boston, month after month, at twenty-five cents per hundred pounds, the distance being more than a thousand miles; while we have been charged for the same classes of freight from Montpelier, Vermont, to Boston, a distance of two hundred miles, from seventy-five cents to ninety cents per hundred pounds. Carrying through freight in that way from the West to the sea-board, that road has helped to build up Chicago and other towns of Illinois, and of States farther west; it has contributed vastly to their development; while we at home have been charged upon our local freights as much for our short distances as has been charged to those who live a thousand miles beyond us toward the Mississippi River for the long distances which separate them from the sea-board.

And yet this railroad in my State was obliged to carry freight at that rate because the New York Central and the New York and Erie were carrying freight at that rate to Boston and New York, and in order to help Boston trade, and Boston merchants who had put their money into that road, they carried these freights for a good deal less than cost from the West to the sea-board, and made up in some degree their loss in that respect by charging to us at home who live alongside that railroad five or six times as much, ay, ten or twenty times as much per mile, as they charged these foreign shippers. Now, sir, this is not right, but it is a matter which cannot be regulated by statute. It will not be regulated by this statute. That road will have to carry freights at whatever price is fixed by the New York Central or the New York and Erie, or it cannot get them to carry. And if this commission should fix the rate of freights at five mills per ton per mile, or less, over the New York Central and the New York and Erie, the road in my State will have to carry them at the same rate or it will not get the freights. What will be the result? It will carry at that rate, and possibly less than that rate, and then it will turn around and grind us at home between the upper and nether millstone. It will put the burden upon our local freights from town to town in the State. It gives these low rates to foreigners, to persons who live a thousand miles away from the line of the road, but as compensation for it it charges higher rates upon us. There is no redress. We could not have any redress if we tried.

A commission in Vermont would be obliged to say that this national regulation is of superior right, if it has any right at all, and would be compelled to allow our railroads to charge a larger rate for short distances and for local freights, that they might earn enough to pay more than running expenses. They would be obliged, if a commission were established in my State on the same basis as the one in Illinois, to let these railroads charge exorbitant local rates in order that they might thus compensate themselves for the loss on through freight from distant points.

Now, Mr. Speaker, I will consider how this regulation of rates of freight will interfere with the constitutional prohibition against preferring the ports of one State over those of another by a regulation of commerce. It seems to me to be apparent that such regulation as is contemplated by the proposed legislation will inevitably bring about such a result. Portland and Boston are farther from the Mississippi than New York or Baltimore, and are the termini, therefore, of the longer and less profitable lines of railroads. Rates, therefore, from the West over these longer lines will be fixed at a larger maximum per ton per mile than over the shorter lines; and as the bill forbids discrimination in favor of one shipper and against another, the longer and poorer lines will be obliged to reduce rates for all if they reduce them for any customers. This they cannot do and leave any margin for interest on their investments; and as the shorter lines are to be compelled to take all freight offered, the termini of these roads will most certainly thus be preferred as points of shipment, or New York, or Philadelphia, or Baltimore will have preference over Portland or Boston. The New York Central, the Pennsylvania Central, the Baltimore and Ohio, while allowed to charge less possibly than now, could still do a profitable business. They could carry freight, doubling their capacity for that purpose if need be, and perhaps would make more money than now, while these longer and less favored lines would be driven from the business of carrying these long freights, and could only transport the merchandise that might be shipped from point to point along their roads. Is it not thus clear that you would give preference to one port over another? And the same would be true if you fixed the rates for freight and passengers from any foreign port to the United States. Suppose, under some law similar to this bill, the fare for passengers from Liverpool to Boston should be a certain amount, while that for passengers from Liverpool to New York would be greater, the price being fixed by the mile; passengers coming from Liverpool to Baltimore, Savannah, or Charleston, the distance being greater, would pay more still. Would not that regulation be a regulation on the face of it which preferred one port to another? It seems to me clear that it would; and yet it is inevitable that it should be so in any attempt to regulate the matter of prices for transportation.

Admitting that the commissioners will be as honest and intelligent gentlemen as can be found in the United States, men who sincerely desire to make a schedule of rates which shall be in all respects just and reasonable, yet it would be impossible for them to do it without making this preference of the ports of one State over those of another.

Mr. FORT. I ask my friend from Vermont whether in arranging a schedule of rates the commissioners are bound to take into consideration that distance regardless of all other considerations?

Mr. WILLARD, of Vermont. It provides for fixing reasonable rates which must be with respect to the distance. A long line which has the least business will be allowed to charge larger rates, but shorter lines like the New York Central and Erie will be required to charge less. Rates will be fixed on such lines so low that the longer lines cannot carry except at rates much less than would be fixed as reasonable for them.

Mr. FORT. They are not bound to do it.

Mr. WILLARD, of Vermont. They are not bound to do it, but they will have to do it or not get the freights. But as to these other roads—indeed as to all roads—the bill contemplates a compulsory process to compel them to carry freights at such rates as may be fixed. It has been said in the course of the debate that the New York Central had largely watered its stock, and its rates were adjusted with reference to paying dividends on the whole of that stock. The desire of those urging this bill is to bring such roads down to hard-pan; to find out what was their actual cost, and to grade the price of freights on that actual cost and the running expenses, which we all understand would bring the rates below what they now are on such roads. Yet the long roads are now carrying their through freight in many instances at less than cost, and if you cut down the rates on competing roads they cannot except at ruinous sacrifices engage in this competition, and the business must thus necessarily be diverted from the long roads, thus bringing about as the result a preference of one road to another, and as a consequence the preference of the ports at the termini of such roads over the ports less favorably situated.

But, Mr. Speaker, I have been led by questions addressed to me a little away from the order in which I proposed to discuss this bill; and inasmuch as I have so begun I may as well go on in this desultory manner and speak of other considerations that have occurred to me during my examination of it. It has been argued that common carriers must carry for a reasonable price, and that Congress may therefore, as a regulation of commerce, compel railroads to carry freight at a reasonable price. Now, I have not been able to see any connection, so far as the constitutional power of regulating commerce is concerned, between that and the law with respect to common carriers. We cannot take charge of these railroads, we cannot regulate freights upon these railroads because they are common carriers. This is not the way we get the power, if we have it at all. We get the power of regulation, so far as we have it at all, because they engage in commerce between the States; and they may be engaged in this commerce, not as common carriers, but quite independently of that, as express companies, or in any other way. Our power comes from the provision of the Constitution to regulate commerce. The question whether they are common carriers has nothing to do with it; nor has the fact that at the time of the adoption of our Constitution the Parliament of England had by statute fixed rates of freight over the highways of the kingdom of Great Britain. The two powers are distinct, and should not be confounded in the consideration of this bill. The only question is, is the measure embodied in this bill a proper exercise of the constitutional power of Congress to regulate commerce; and the analogies that are attempted to be found, therefore, in any government regulation of common carriers, whether ancient or modern, are misleading, untrustworthy, and deceptive.

And so, sir, when the common law has been stated here in respect to common carriers, it seems to me that that is not pertinent to this inquiry. I have been unable to find any case which fully maintains the law that has been quoted here so often in respect to common carriers. I find enough *dicta* of the law writers to the effect that common carriers can only charge a reasonable rate; but I have been unable to find a case where suit has been brought against them for refusing in advance to carry goods at rates they had previously fixed. Suits have been brought in many cases where they took the merchandise and transported it without anything being said as to the price; and in the end the courts held that the price they exacted was too large, and they were only allowed to retain what their services were worth. But I have not been able to find a case, and none has been cited, where that precise question has been before the court and it has been denied that a railroad or other common carrier had a right to make a contract or fix the price which it should receive for transporting freight or passengers. And considering that, as is asserted, this has been the law for a hundred years, it is singular that some such case should never have arisen, and the courts should not have settled long ago that it was already within their province to regulate this matter of freight and the rates for carrying passengers on railroads.

Mr. G. F. HOAR. Does not the gentleman find in the ancient English cases the declarations are very numerous that that is the rule of law?

Mr. WILLARD, of Vermont. I have found such declarations, but I have always found the case to be something else.

Mr. G. F. HOAR. Will the gentleman allow me to ask him one other question?

Mr. WILLARD, of Vermont. Certainly.

Mr. G. F. HOAR. Has not the gentleman in his researches also found that it was the ancient English practice to regulate the charge of the public carrier on merchandise by the court of sessions fixing in advance his rates?

Mr. WILLARD, of Vermont. O yes, Mr. Speaker; the English Parliament passed a law providing that a certain commission, the court of sessions I think it was, should regulate rates over the highways of England. I so understand it.

Mr. G. F. HOAR. So that is it not true that when our Constitution was adopted our fathers found that the habit of fixing by a commission the rates for public carriers for merchandise was an ancient English regulation of commerce?

Mr. WILLARD, of Vermont. My recollection is that this country separated itself from Great Britain in a considerable degree because it did not like English laws, and I have never supposed that they adopted as laws in this country any laws other than those that the courts might hold were just and proper. Now, I do agree that the Parliament of England had regulated freights by statute. I agree that our State Legislatures have power to regulate the price for carrying freights. The Parliament of England regulated many other things; they regulated the price of bread; they granted monopolies; they regulated the price of grain in the earlier history of the country. They considered that they had the prerogative to regulate almost everything that subjects of the realm did. But I do not suppose, because they did such things, that we have the same power; or if we had, could wisely exercise it. I hope that we have got away from the state and government regulations that used to prevail in the earlier history of civilization, and I should like some better precedents for such a bill as this than the old English method of regulating by Parliament or royal decree everything which the subjects of that realm might undertake to do. The law in regard to common carriers, where there is no statutory regulation, is well settled; but we all know that our Legislatures are continually passing laws releasing to some extent common carriers from these ancient liabilities, releasing innkeepers from some of the old common-law liabilities, and allowing them to make special contracts in particular cases, limiting their liabilities by notice to their customers. Our Legislatures have agreed that they ought to be allowed by contract to limit their liabilities; that A and B, as citizens of the country, are better able to settle their own matters between themselves and determine what liabilities shall rest upon each, than the Government is to settle the matter for them. Indeed, sir, modern civilization, as I am glad to believe, is losing faith in the sovereign virtue of legislative enactments to cure all evils in the body-politic, and is, I hope, approaching the conclusion that the best way to develop men or states is to give the individual the greatest freedom consistent with order, and leave him to work out for himself his own destiny.

Mr. Speaker, in calling attention to two or three authorities on this subject, in respect to whether a regulation of commerce can properly be pushed to the extent provided for in this bill, I shall be obliged in part to go over some of the ground which has already been traversed by those who have preceded me in the debate, since the authorities have been thoroughly examined and quoted very fully. I have one or two authorities, however, which I have not seen referred to, and to which I will call the attention of the House.

It has been asserted here that this right to regulate freights grows out of the power to regulate commerce. I have discussed that to some extent already, and have given some of the reasons why I do not think the right exists to the extent claimed in this bill. I do not think the authorities cited here in the argument go to the extent asserted in this measure by any means; in fact, the decisions of the court upon this question, so far as they approach this particular point, are always adverse to the claim of those who advocate this proposed legislation. In the Passaic Bridge case, which I believe has not been referred to, the decision was rendered by Mr. Justice Grier. The case, it will be remembered, was an action brought to remove a bridge that had been built by the State authorities over the Passaic River. The court held that although it was an obstruction to commerce, yet they did not think it was such a bridge as the State had not the power to erect in the absence of congressional legislation on that subject. Mr. Justice Grier, in the course of an opinion printed in 3 Wallace, uses this language:

> Canals, turnpikes, bridges and railroads are as necessary to the commerce between and through the several States as rivers, yet Congress has never pretended to regulate them. When a city is made a port of entry, Congress does not thereby assume to regulate its harbor, or detract from the sovereign rights before exercised by each State over her own public rivers. Congress may establish post-offices and post-roads; but this does not affect or control the absolute power of the State over its highways and bridges. If a State does not desire the accommodation of mails at certain places, and will not make roads and bridges on which to transport them, Congress cannot compel it to do so, or require it to receive favors by compulsion. Constituting a town or city a port of entry is an act for the convenience and benefit of such place and its commerce; but for the sake of this benefit the Constitution does not require the State to surrender her control over the harbor or the highways leading to it, either by land or water, provided all citizens of the United States enjoy the same privileges which are enjoyed by her own.

Here the court say in very plain language that the power of the State over its own canals, railroads, turnpikes, bridges, &c., is exclusive, and that Congress gets no power over them to regulate them in any way by virtue of the power to regulate commerce.

I accidentally came upon another authority, which has not been presented to the House, and is not, I believe, in any printed volume of reports. While looking over the letter of the Secretary of War with a view to making up my mind in respect to what I ought to do as a legislator here in regard to the Louisville and Portland Canal project, now pending before the House, I found an opinion delivered by Mr. Justice Miller, who has been quoted on this floor as much as any member of the Supreme Court of the United States as authority in favor of congressional regulation of freights or tolls on railroads.

Now, if the House will be patient with me long enough to state as briefly as possible what this case is, they will see the point of the authority as I quote it. The Portland and Louisville Canal was originally built by the State of Kentucky, or by a corporation created by the State for the purpose, and tolls were allowed to be levied for the use of the canal. Gradually the United States became the owner of all the stock except five shares. After it had become the owner of such stock, application was made to Congress for leave to mortgage the canal, issue bonds on that security, and go on enlarging and improving it. Bonds were issued on the strength of that permission to the amount of nearly $1,500,000, and the canal was mortgaged for that purpose. Those bonds are still outstanding. After that the United States made an appropriation for work on the canal, I think in 1872, and I read an extract from that appropriation bill:

> For continuing the work on the canal at the Falls of the Ohio River, $300,000. And the Secretary of War is hereby directed to report to Congress at its next session, or sooner, if practicable, the condition of said canal, and the provisions necessary to relieve the same from incumbrance, with a view to such legislation as will render the same free to commerce at the earliest practicable period, subject only to such tolls as may be necessary for the superintendence and repair thereof, which shall not, after the passage of this act, exceed five cents per ton.

I ask gentlemen to mark the phraseology of this provision, "subject to such tolls as may be necessary, &c., which shall not, after the passage of this act, exceed five cents per ton." This is the first instance I have found of legislation by Congress to regulate the rate of freight.

Here was an act of Congress providing that after a certain time tolls on this canal should not exceed five cents per ton.

Now, what followed? The United States proposed to go on and make the improvement under this appropriation. The persons interested in the bonds issued by the canal company filed a petition before Mr. Justice Miller, asking to have the United States enjoined from going on with the work, and setting forth as a reason for the injunction that if they accepted this appropriation under the terms of the act they would be bound by this limitation of the rates of toll per ton to be levied upon the commerce that might pass through that canal. They asked for an injunction on that ground, in order that the security for their bonds might not be impaired. Mr. Justice Miller went over the ground somewhat at length, holding that the rights of the parties would not be imperiled in the least by allowing the work to proceed. He then used this language:

The argument is, therefore, not without force, that Congress meant, when they said such tolls should not exceed five cents per ton after the passage of this act, such act as they contemplated in future to pass to satisfy or remove that incumbrance.

Suggesting that Congress did not mean that the toll should be regulated at five cents per ton after the passage of the act of appropriation, but only after the passage of some subsequent act, he then goes on to say:

It must be confessed that the language is not after this construction, and that in their caution the directors might have well supposed that Congress intended to limit the tolls at once to five cents per ton.

If this construction of the statute be correct, then I have no hesitation in saying that that part of it which so limits the tolls is void, for the plain reason that it is a legislative attempt to destroy vested rights and a taking of private property for public use without due compensation.

I think I have shown that the prosecution of this work is for the benefit and advantage of all concerned; that it does not seriously interfere with the ordinary use of the canal, and that the accomplishment of the work will neither confer on Congress the right to regulate the toll nor validate the attempt already made to do so, if Congress really intended to make such attempt.

Now that is the only authority, to my knowledge, which goes to the very question whether Congress has power to regulate the price for carrying freight when that regulation might impair vested rights.

Mr. HAWLEY, of Illinois. Will the gentleman permit me to ask him one question right here, if it does not interrupt him too much?

Mr. WILLARD, of Vermont. It is only a question of time. If I can have my time extended so that I can go a little beyond the hour, I do not object to interruptions.

Mr. HAWLEY, of Illinois. I wish to ask the gentleman if he does not know that Mr. Justice Miller has decided in regard to railroads that Congress has power to regulate the prices which railroads shall charge for freights?

Mr. WILLARD, of Vermont. I do not understand that he has so decided.

Mr. HAWLEY, of Illinois/ I so understand.

Mr. WILLARD, of Vermont. I do not understand that any such decision has been made or has been quoted in this debate. In the Clinton Bridge case, which has been quoted here, Mr. Justice Miller decided that Congress had the same power to regulate commerce by railroad that it had to regulate any other commerce. But he did not in any other particular touch the question of the regulation by Congress of the rates of freight to be charged by railroads.

Mr. HAWLEY, of Illinois. I understand he did go to that extent.

Mr. WILLARD, of Vermont. Do you understand that it was so in the Clinton Bridge case?

Mr. HAWLEY, of Illinois. I do.

Mr. WILLARD, of Vermont. That is a case familiar to almost every gentleman in the House. I have read the case several times, and I have not seen that point touched upon. I do not understand that it was touched at all. The only question decided in that case was, whether the power to regulate commerce among the States authorized Congress to validate or legalize a bridge over the Mississippi; and the court held that Congress had that power. The point that Mr. Justice Miller did discuss and decide, was, that Congress had the same power to regulate commerce by railroads as to regulate commerce on navigable waters. I suppose the right to be precisely the same in the two cases.

Mr. TREMAIN. As this is a new question to me, I would like to put an inquiry to the gentleman. In his judgment, would there not be a distinction between the case he cites and the cases relied on by the other side, for the reason that in this case there was no interstate commerce involved; for, as I understand, a mere local canal was in question.

Mr. WILLARD, of Vermont. The question could not have arisen in that form, because almost all of this commerce is interstate commerce. It is the commerce passing up and down the Ohio River. There is not a vessel going through that canal that does not go through more than one State. The question did not seem to be pressed on either side as to whether it was a proper regulation of commerce. I only quote the authority of Mr. Justice Miller here upon the point squarely raised, that an attempt to regulate the tolls over that canal could not be enforced because it would be a disturbance of vested rights.

This leads me to speak of one other point that has arisen in this debate. It seems sometimes to be assumed in the discussion of this question, as in the discussion of some other questions on this floor, that the Congress of the United States can impair the obligation of a contract; that, for instance, if I happen to owe the gentleman from Massachusetts, [Mr. BUTLER,] who sits in front of me, $500, which I have by promissory note agreed to pay him in one year, Congress can pass a law declaring me free and exempt from that contract; and that he shall not afterward have the power to enforce the contract in a court of law. Now, Mr. Speaker, I suppose that if this doctrine has any authority whatever, it must rest on the idea that the Congress of the United States is not bound by the same rules of honesty, justice, honor, and uprightness that ought to govern any other legislative body. It is true, Mr. Speaker, that no prohibition on the passage of a law impairing the obligation of contracts or destroying vested rights is put in the Constitution, except in one of the amendments where it stands undoubtedly as a prohibition, providing that private property shall not be taken for public use without just compensation. But I understand the courts have always held, when that question was presented squarely, that the Congress of the United States has no more power to impair the validity of a contract than a State Legislature has. They have held, to be sure, that where Congress, in the proper exercise of some power conferred upon it, has enacted a law that might in some remote degree impair the validity of a contract, such legislation would not for that reason be unconstitutional. But wherever the question has been presented, I have no doubt they have held, and would hold, as Mr. Justice Miller held in this case, that there is no power in Congress any more than in a State to divest the vested rights of individuals, except by giving just compensation therefor.

Mr. Speaker, I am arguing this case with reference to the rights of railroads, not because I like railroad management; for every instinct of my nature, every impulse of my being is on the side of the people in any controversy they may have with railroads. I will go as far as any man in any measure which can be shown to be safe and wise and constitutional, to put limitations upon these railroads. But, sir, supposing this bill is passed, what does it accomplish? It provides that these railroads shall charge only reasonable rates of freight. Now, how do these railroads exist? They come into operation, every one of them, (except the few that have been chartered under congressional authority,) by virtue of some State grant; and they have no rights or powers except those conferred upon them by that legislative enactment. A railroad chartered in Massachusetts cannot do any act except what the law creating it allows it to do. It cannot even engage in interstate commerce, unless its charter allows it to do so. It cannot carry a pound of freight out of the State nor bring a pound of freight into the State if the Legislature has prohibited it from doing so. It is an artificial person in every sense of the word. It has no existence whatever except the existence given to it by the State authority. The measure of its existence, its stature, its dimensions, its powers, are derived wholly from the State Legislature. You cannot by congressional enactment give it any power nor take from it any power. If at the outset, any powers granted to it were in violation of the Constitution or laws of the United States, of course it could not exercise those powers, and the original grant would be void to that extent, but in all other respects its charter is the law and reason of its existence.

Mr. FORT. Will the gentleman indulge me in one more question? I desire to ask him whether, in his opinion, a State can charter a company with the power to do business outside of the State—to run a steamboat, for instance, in carrying commerce from State to State in violation of the laws of Congress?

Mr. WILLARD, of Vermont. I agree with the gentleman entirely that the law of the State has no extraterritorial force. Whatever powers a corporation exercises outside of the limits of the State creating it, it exercises wholly by the consent of the State wherein it may exercise such powers. It does not exercise them by virtue of the original grant, or by virtue of the laws of the State creating it.

The point I make is that the power, the rights, and the duties of such corporations are created and defined by the State law, and cannot, therefore, be afterward defined or bounded or limited by any national legislation, without interfering not only with the right of the State to control and govern them, but with the right of the corporations to enjoy undisturbed the privileges which a State has given to them and has never withdrawn.

There cannot be any concurrent control. The State control excludes the Federal, as the Federal would, if exercised, exclude the State. And this regulation of rates of freight will thus take from these roads a right given to them absolutely by their charters, to contract with shippers upon such terms as may be agreed upon for the transportation of commodities; yet this right, as against the Federal Government, has become by all rules of law a vested right.

Besides, the power to fix a reasonable price involves the power to fix any price and compel compliance. It may be fixed so low as to destroy the value of the property, and yet there can be no redress.

Indeed it is no more beyond the power of Congress to say that railroads shall carry freight for nothing than it is beyond its power to make this bill a law, because the courts have frequently said, as they said in the case of the taxation of United States securities, if we grant the power at all we must grant it to the fullest extent; if we grant the power to regulate these freights at all, then the power resides in the Congress of the United States to regulate them absolutely, and they may fix them as low as they please, and then make it compulsory on the roads to carry freights at the price thus fixed. That is what

this bill does. The bill says if the rates are fixed it shall in effect be a crime for any road to charge more; that if a railroad shall charge any more than these rates, or shall refuse to carry freights at these rates, such road shall be punished by exacting of it a heavy penalty. You have established the power in Congress, if this bill is held to be constitutional, not only to fix these rates arbitrarily at whatever it may see fit, but you provide a penalty for failure to abide by such schedule of rates.

The SPEAKER. The gentleman's time has expired.

Mr. BUTLER, of Massachusetts. I hope the gentleman will be allowed to conclude his speech.

There was no objection, and it was ordered accordingly.

Mr. WILLARD, of Vermont. Now, sir, I wish to call the attention of the House to what Mr. Justice Strong says in the case of the State freight-tax, as that decision has been relied on as authority for the legislation here asked for. It was especially urged as a reason why the tax in that case was not unconstitutional that to hold it to be so would be to hold that a State could not tax the franchise of a corporation created by its legislation, nor even charge tolls upon any railroad or highway of which it might be the owner, as such tax or such tolls would be either immediately or remotely a tax upon interstate commerce.

Mr. Justice Strong held, however, distinctly that there was no power in Congress to regulate freights under the guise of a regulation of commerce. He says:

> That this argument rests upon a misconception of the statute is to our minds very evident. We concede the right and power of the State to tax the franchises of its corporations, and the rights of the owners of artificial highways, whether such owners be the State or grantees of franchises from the State, to exact what they please for the use of their ways.

Now, that is a plain declaration; and, so far as that case goes and is authority for anything, it is a concession that the question of freight charges is entirely beyond the control of Congress and cannot be enacted here as a regulation of commerce. The court say that the right to fix rates of freight is "an attribute of ownership," as it very clearly is.

Now, Mr. Speaker, so far as there are any authorities which touch this point at all, so far as the courts have given utterance to any opinions as to State regulation and congressional regulation on the subject of rates, we find they have invariably decided, as Mr. Justice Miller decided in the Louisville and Portland Canal case, and as was decided in the case to which I have just called the attention of the House, that the right to fix the price of freight is an attribute of ownership and not an attribute of sovereignty, and certainly is not included in the congressional power to regulate commerce.

Some one may say, how then can a State control freight charges? The State gets that right, not by reason of power to regulate commerce in the State at all, but it gets it by reason of its sovereignty and control over the thing in all of its aspects. It created and chartered the corporation, and of course it can regulate the corporation. It can put limits to it. It can appoint what it shall do and what it shall not do. The fact of the power does not rest on the right of the State to regulate commerce, but on its sovereign power over the artificial person existing only by virtue of its creative act, and which must therefore necessarily be subject to every regulation which it may see fit to make.

Mr. HAWLEY, of Connecticut. If the charter has been granted without reservation of right to alter or control it, how does the gentleman get in the State Legislature the right to regulate rates which may result, as he has argued, in practically killing the charter?

Mr. WILLARD, of Vermont. That difficulty has occurred, I suppose, to every gentleman who has considered this matter. It is a difficulty, it will be observed, that may be equally urged against congressional legislation.

Mr. HAWLEY, of Connecticut. I know that.

Mr. WILLARD, of Vermont. And if, as against that objection, a State cannot regulate this, so neither can Congress. I am not ready to go the length to which some gentlemen go in holding that the Dartmouth College decision was broad enough to take from the State the control of rates of freight when it had given a charter without fixing particular rates. It appears to me that the sovereign power of the State, except so far as rights may have vested under a grant and which are technically called vested rights, cannot give away this control so as to put it out of the power of a subsequent Legislature. If the Legislature of Connecticut should grant a charter to a railroad—there having been no railroad in that State before—with a provision in the charter that the Legislature of the State would not at any subsequent time grant a charter to any other railroad in the State, it would follow, by the logic and authority by which some reach the conclusion based on the Dartmouth College case, that such a provision would bind all future Legislatures and prevent the State from granting a charter for another railroad? But I apprehend that no court would hold that any Legislature could bind its successors to that extent. And if a Legislature cannot do that, cannot bind its successors by such a provision, it seems to me very doubtful if they can bind them by simply neglecting to put in the grant a reservation of control over the charter. But I simply suggest this, and I should not feel bound after a further examination of the authorities to stand by it as a correct statement of the law. But this is true, I understand, of all the more recently chartered railroads; they have all, or nearly all of them, that reservation either in the charter itself, or the constitution of the State makes provision for it.

Mr. BUTLER, of Massachusetts. Was not that question decided definitely by the Supreme Court in the Charles River and Warren Bridge case?

Mr. TREMAIN. That you could pass a subsequent act changing the charter?

Mr. BUTLER, of Massachusetts. That another bridge might be placed alongside of the former one.

Mr. WILLARD, of Vermont. That case was for the moment out of my mind, and I am obliged to the gentleman from Massachusetts for calling my attention to it. It is a case where the Legislature considered that they had the power to authorize another bridge to be put alongside the one previously chartered, and the law was held valid.

But I must pass on from this view of the case, and I apologize to the House for occupying so much of its time; although I find that I have necessarily to pass over much that I had intended to say. I wish to get at another view of the question, which seems to me the more practical one. I understand most of the grievances of which complaint is made here do not have reference to through freight. For instance, the gentleman from Iowa [Mr. WILSON] in the speech he made on this question, and in which he arrayed statistics which are really very valuable in its discussion, stated as one grievance that the railroads of Iowa would not carry freights from the interior of that State to the Mississippi River—a transportation wholly within the State, the railroads of course being chartered by the State and being under State control—at the same rates per ton per mile as if shipped from Omaha or Davenport to New York City. And the gentleman insisted that we should regulate the rates here by congressional legislation; that we should provide that the railroads of the State of Iowa—railroads which are wholly within that State, subject to State control—shall carry freight from the interior of that State to the Mississippi River, there to be delivered to the steamers to be taken down the river, at the same rates per ton per mile for which they would carry them to New York City.

Now, such a regulation would be held unreasonable in the judgment of every gentleman present; but whether reasonable or unreasonable, it is a matter in the control of the State. I observe that the gentleman from Massachusetts [Mr. BUTLER] shakes his head. I suppose he is thinking of the decision which was brought into this discussion in the Daniel Ball case, which was quoted by the gentleman from Michigan, [Mr. BURROWS,] whom I do not now see in his seat; where the court held—though I doubt whether they would ever hold so again if the case were fully presented and argued before them—that any package started anywhere in the State and destined to a point out of the State, or brought from outside the State into the State, was interstate commerce, and was to be regulated by congressional legislation, and there could be no State control over it. Of course it cannot be regulated so far as putting any tax upon it by the State is concerned, or any prohibition as to its being brought into the State, or anything of that sort. But it occurs to me as a great stretch of the doctrine on the part of Mr. Justice Field in that case, when he said that a steamer running wholly within the State of Michigan, on the Grand River, and taking on board goods destined for a point outside the State, must have a license under the United States law. He had in a former part of the opinion said that the vessel must have a license, because the river was a navigable water of the United States. This being so, the other point did not need to be decided, as the United States statute, in terms, requires all vessels employed on navigable waters to have a license; and the *dictum* of the judge may therefore fairly be considered as out of the case.

But the point I make is this: the railroads, as I have already said, are the creatures of the States, and the State can fix the rates of freight if any power can fix them on those railroads. It can fix them just as much on freights going out of the State or brought into the State as on freights delivered from point to point in the State. It can, doubtless, prohibit a railroad from bringing freight into the State or taking freight out of the State. It certainly can say that whatever freight is taken up at any point shall be carried for so much per ton per mile over its road. In this respect it makes no difference that the line has been leased to foreign corporations, because the foreign corporations take no greater rights under such lease than are possessed by the company making the lease. I have no doubt the State can regulate rates on railroads in the State, provided such regulations do not conflict with a fair interpretation of the law as expounded in the Dartmouth College case. It can charter a corporation for a specific purpose, and it can limit that corporation in its work to that specific purpose; and having done so, the corporation has no right to violate that law, and if it does so, it forfeits its charter.

But in calling attention to the suggestion made by the gentleman from Iowa [Mr. WILSON] I had in my mind also a suggestion made by the gentleman from Illinois, [Mr. HURLBUT.]

Mr. WILSON, of Iowa. I think the gentleman misunderstood me.

Mr. WILLARD, of Vermont. As I understood the gentleman from Iowa, he made the objection that the railroads of Iowa would not carry freights from the interior to the Mississippi River at the same rate per ton per mile as freights are carried from Omaha to New York City.

Mr. WILSON, of Iowa. That is not quite all. If the gentleman will allow me, I will explain what I did say.

Mr. WILLARD, of Vermont. The gentleman will excuse me now. If I have misapprehended his point, I certainly did not intend to do him injustice.

Mr. WILSON, of Iowa. It will take me but a moment. The point I desired to make was that the discrimination in freight from the interior of the State to the river was so very great that nothing could stop at the river.

Mr. WILLARD, of Vermont. I meant to say that the gentleman complained of the charges from the interior of the State to the river. The gentleman from Illinois [Mr. HURLBUT] said that it cost as much to take up freight at Belvidere, his own home, and carry it to Chicago, seventy-five miles, as to take up similar freight at Omaha, four hundred miles away, and bring it through Belvidere and deliver it in Chicago. I have no doubt that is so; but it is a matter which the State of Illinois can regulate and has undertaken to regulate, although I understand that the regulation does not work to the satisfaction of any one but the railroad corporations.

Mr. FORT. They are not satisfied.

Mr. WILLARD, of Vermont. The people are certainly not satisfied whether the railroads are or are not. But the Chicago and Alton Railroad Company is making more money than ever before, and the people at competing points are complaining because they are charged more for freight now than they were formerly for the same distance, while there is no relief for those doing business at non-competing points.

Let me suggest another difficulty. There are several railroads that connect with railroads outside of the United States. The Vermont Central Railroad connects with the Grand Trunk Railroad. The Grand Trunk Railroad lies partly in Vermont and partly in New Hampshire, and partly in Maine, but it has the larger portion of its line in Canada, and then it connects with the Michigan Central Railroad at the other end. The New York Central Railroad connects with the Great Western Railroad and with other roads in Canada. Now, how are you going to regulate freights brought from Canada over those roads? How are you going to regulate freights carried from Chicago to Port Sarnia, and then over the Grand Trunk Railway to Rouse's Point, and then over the Vermont Central and other lines to Boston? Part of the line is entirely beyond your jurisdiction, and you cannot regulate the rate of freights in any way on that portion of the line. You may say that the Vermont Central Railroad shall not carry through freight and charge more than a certain amount per ton per mile; but that road is forced to make connection with a foreign corporation, over which you have no power, and concerning which you can say nothing. And yet it really derives a large portion of its business from that foreign railroad, or that which comes over the lakes by way of Ogdensburgh to Rouse's Point. Now, here you have a difficulty which is insurmountable. You cannot regulate the freights shipped in that way.

But what more? This bill in terms is applicable to through lines. I confess I do not quite understand the phraseology of the bill, or how far this matter of through lines is expected to reach. There are over four hundred railways in the United States, according to the latest statistics, and if you regulate through freights you have to regulate them upon every road. There may be a small road in Massachusetts, perhaps only five miles long, and yet it may take up freight to be delivered in San Francisco. A short piece of road in Vermont may take up freight to be delivered in New Orleans. How are you going to fix the rates of freight on that? By what measure will you estimate it? How can you fix the rates upon that little road which does not carry freight enough to pay running expenses, and which is built mainly for the purpose of developing the resources of some particular locality, the marble or slate interest of my State, or some manufacturing interest in some other State—how are you going to regulate its charges when it takes up a car of freight to be delivered a thousand miles away, part of which charge may be going to another road which may have a higher or a lower rate? It may have to be shipped over a dozen different roads before it gets to its destination, and the rates of freight to be fixed by this commission over those roads may not be alike on any two of them. Then how are you going to regulate rates on this little road, supposing you have the power? This only shows one of the difficulties which it seems to me must lead one to believe that the power does not exist.

Mr. G. F. HOAR. These rates are now fixed by the roads themselves. The bill provides, in the first place, that where the schedules are satisfactory from one point to another these commissioners need not interfere. They are not bound to establish schedules for every small or every large line in the country. In point of fact the rates of freight are now fixed by conventions of railroad superintendents, and made known to the public in all cases, as the gentleman knows. Why is it, then, more difficult for these nine commissioners, on an appeal, to give their schedule, than it is for the railroad officials to give theirs?

Mr. WILLARD, of Vermont. I do not understand that to be so, as a matter of fact. I do not understand that a little road in my State, which may only operate ten miles, is obliged to conform its rates to the schedule adopted by the New York Central Railroad.

Mr. G. F. HOAR. If the little railroad ten miles long takes freight at one end of its road and leaves it at another, and has no business arrangement with the long road, it does not come within this bill at all.

Mr. WILLARD, of Vermont. I do not know whether it comes in terms within this bill.

Mr. G. F. HOAR. Allow me to finish the sentence, if you please. If it is doing business as part of a line from State to State, if it is in partnership with other roads which with it make up that line, then the line establishes and makes known to the public the rate of freight. This bill provides that any person interested may appeal to these commissioners; that the commissioners may revise the schedule, and then, not that the revised schedule is binding upon the road, but if anybody claims in court that the railroad is charging an unreasonable price, the fact that the price charged exceeds that of the schedule revised by the commissioners is *prima facie* evidence of unreasonableness, and the road must show that the schedule is wrong.

Mr. WILLARD, of Vermont. I understand that is the object of the bill; but I do not understand that the bill is limited to fixing rates of freight on what may be called through lines.

Mr. G. F. HOAR. It is very careful in that particular.

Mr. WILLARD, of Vermont. In point of fact if it does not reach through freights, whether taken up by short and independent lines or by those having through arrangements, it fails to reach the chief source of difficulty. If it does not affect local freights which are to be taken up to be delivered perhaps at the end of the line, then to be shipped to some other State, it does not remedy the evil complained of. For instance, in my State there is a short line of railroad connected with the marble and slate quarries. The complaint is that that short piece of road charges more than it ought to, and that if there was a competing line freight could be shipped cheaper than it can be now. That road does not connect with the New York Central road by a *pro rata* arrangement, nor with the Vermont Central, nor with the water-line; but it takes up freight at a stipulated price and carries it to the end of its line, and it is of its rates that complaint is made.

Mr. G. F. HOAR. To be delivered in Vermont?

Mr. WILLARD, of Vermont. I do not know whether it delivers its freight in Vermont or in some other State at the end of the line over which it has control.

I call attention now to another difficulty in bringing the prices for transportation of freights to any arbitrary standard.

I have here the fifth annual report of the railroad commissioners of Massachusetts, and I call the attention of members to the differences in the earnings and expenses of those roads. Mr. Adams reports that there are nineteen roads in Massachusetts, the average receipts of which are $14,000 per mile; the amount varying from $2,000 on the Duxbury and Cohasset road, to $36,000 on the Boston and Albany road; that the cost of operation amounts to $10,000 a mile on the average, the cost on some roads being much greater than on others; and the rates of freight varied from 1.01 cents per ton for long distances to one dollar per ton for short distances. Is it not apparent to any one who knows anything about railroads, where so many elements are to be taken into account and such widely different rates must be established, that you cannot fix these rates by any regulations that may be in the least uniform. You must take every one of the four hundred and sixteen roads in the United States and fix the freight on each one of them, and they will vary from one cent per ton to one dollar per ton per mile, as is seen in this statement of the Massachusetts roads; and he who supposes that any good to any one can come out of any such attempted regulation must have a much greater faith in the power of legislation than I have.

Most of these roads have been built for the purpose of developing the country; in many cases—as in my own State—by taxation on towns. A road has recently been put in operation in Vermont to which the town in which I reside gave $200,000, and we are now charged more than 1 per cent. as a tax each year to pay the interest on the bonds we issued to raise that money. The road does not now, and will not for years, pay any dividends on the stock for which we subscribed; and if it pays the interest on its mortgage-bonds, it will do better than I dare hope.

We should be glad of any legislation that will enable it to earn a fair interest on its cost; but I do not understand that the framers of this bill propose to make unprofitable roads profitable. Instead of that, they propose to make them less profitable than now, and put farther away the day when such roads as this, helped by my town, can make any returns to the stockholders whose hard-earned money has made it possible to build that public highway.

But that road has increased the value of property all along the line. The subscriptions made to it by many towns are supposed to be no more in amount than the benefit to those particular towns; and I suppose such has been the case. It has been running, and will run for years, not making a cent of dividend on the stock. It will probably never do so. The dividends, if it makes any at all, will be only payments of interest on the bonds; and it is not at all unlikely that in a few years it will fall into the hands of the bondholders. The case is the same, I venture to say, with the great majority of railroads in the country. No money put into investments within the last twenty years in this country has turned out so unprofitably for the investors as the money put into railroads; and no money invested anywhere has been so profitable to the country as the money invested in railroads. It has made the western country rich. It has filled it with population. Illinois is to-day where but for railroads it would not have been perhaps for twenty years to come. Railroads have brought every farm in that State within reach of a market. Thus the western country

has been developed until it is now not only the granary of this country, but almost the granary of the world.

Of course, this is no excuse or justification for extortionate charges by the railroads. It is no excuse or justification for the fraud and corruption that have existed in the management of railroads. But it is a reason why men who have honestly put their money into railroads should at least have the same rights in legislation as men who have put their money into any other enterprise.

Now, Mr. Speaker, while apologizing to the House for detaining it so long, I desire to call attention to one other point with which I will close. It has been said once or twice in the course of this debate that since the war we ought not to hear anything in support of the "heresy of State rights;" that the war has in some way transformed this Government into a different government from what it was before. Sir, I am glad to know that the country is somewhat different from what it was before the war. I am glad to know that through reconstruction some substantial benefits have been produced. I am glad to know that the Federal Government, through that reconstruction, has more power to-day to protect the rights of citizens, to secure equal rights throughout the United States, than it had before the war. Yet I cannot understand how the power to regulate commerce has been in any way affected by this change. I am at a loss to understand how any provision of the Constitution that has not been modified by the thirteenth, fourteenth, and fifteenth amendments, has been changed in the least, has had anything taken out of it or anything put into it, by reason of the war.

But I will tell you, Mr. Speaker, what the war has done and what those amendments have done. They have put more liberty into the Constitution of the United States and more freedom into this Government. What is liberty and what is freedom? Slavery was the power in a man or in a government to say what my work or your work should be worth, or whether we should have anything for it besides our food and clothing. Slavery was the power in a man or a government to make muscle its servant, at whatever price that government or that man might say it should work. Freedom means your right and my right and the right of every man to the free exercise of every power and faculty that has been bestowed upon us by nature; it means the right for me to work for any price which I choose to ask, whenever any one will pay me that price for my work.

Mr. Speaker, if the war has done anything, it has made the right of self-government dearer to the American people than it was before. It has made the right of the individual and of the local community more secure, established by surer guarantees, and hedged about by stronger muniments of title, than in the time when masters or governments could hold men as servants, and communities and races as unrepresented subjects, with no political, and with few, if any, personal rights.

Why, sir, look at the spectacle we have had within the last few weeks in Virginia. The democratic Legislature of that State were of the opinion that the city of Petersburgh was not properly governed by the people of that city; that the Legislature should regulate its government and should declare, not in terms, but by a cunning provision of law, that the colored men of that city should not exercise the right of suffrage in the local government. Governor Kemper, holding fast—and I honor him for so doing—to the traditions of his party in respect to local self-government——

Mr. COX. That is good democratic doctrine.

Mr. WILLARD, of Vermont. That party does not always hold fast to the principle; but in this case Governor Kemper did so, and he vetoed the bill. He said that the city of Petersburgh should have local self-government, and that the colored people of that city should have a voice in the administration of its affairs, although his way in the attempt to secure it for them might be lighted with his burning effigies; and in that brave declaration the rights of the colored people of the South have a surer protection than any exercise of Federal power can give them.

Now, sir, if we have been taught any lesson in these times it is the lesson that local self-government is the best government for any people. We do not want any more measures of legislation brought here than are absolutely required to administer the Government as the Constitution has defined it, and thus to preserve the rights of the whole people as much by what we refrain from doing as by what we do. If the liberties and the equal rights of this country are to be preserved in the future, they are to be preserved by State and local self-government. What does Massachusetts know about the government that ought to exist in California? What does California know about how the school system of Massachusetts should be administered? Neither of them ought to intermeddle with the rights and duties of the other. Each of them should be at liberty to determine what its own method of government should be; how its own people should be ruled in their domestic affairs; how its own sovereignty should be carried on. The gentleman from Connecticut [Mr. HAWLEY] in front of me said, when some discussion was had in the last Congress on the educational bill, that it was wiser to have thirty-seven States to settle these questions than to have one body like this to settle them, and, although he always speaks wisely, he never said a wiser thing than that. If you are going to bring the local affairs of all parts of the country, in all the thirty-seven States which we now have with the vast territory they cover, to be settled here mainly by men who know little of and care less for the effect of legislation upon remote localities, what chance is there that in nine cases out of ten injustice and wrong will not be done? What possible expectation can there be that the people of California can be aided in controlling the railroads of that State by the Congress of the United States? They have the power to do it themselves, and they have just shown that they know how to use that power; and there is no State in the Union less bold, less resolute, less able to solve this railroad problem for itself than California and Illinois and Iowa have shown themselves to be. In every aspect of the proposition, I believe that the control of these railroads should be left where it has always been, with the States.

But, sir, I cannot forbear saying, in passing, that I do not suppose the great railroads—those operated by Vanderbilt, or Jay Gould, or Tom Scott—will object to congressional control; certainly these railroad kings have given no sign of hostility to this measure, and they are not usually quiet when they consider themselves in danger. Controlling, as they do to-day, lines of railroads reaching into every State in the Union, they would be glad to be rid of State control and have but one legislative body to look after. But can any one who has seen what the power of money and the greed of money has accomplished in national legislation look without the most serious concern upon a proposition which makes it for the interest of the managers of the seventy thousand miles of railroad in this country to control the national administration? The railroads of the United States represent a capital of nearly $4,000,000,000, and by the use of money wield a tremendous power. Who wants to turn that power upon the Congress of the United States, and make it for the direct interest of the railroads to nominate Presidents, and name Cabinet officers and judges, and select members of Congress, and accomplish politically whatever the power of money will buy, or the fear of hostility will compel? Let him who would invite such a future for our national politics vote for this bill, and he will have taken a long step toward that result, a result more debauching and demoralizing to our politics than any invited or accomplished by any previous legislation in our history.

One word more, and I have done. If we inaugurate this species of legislation other measures become inevitable. We are attempting to fix prices. We are attempting to make contracts between parties abundantly able to make contracts for themselves. We are attempting to say what A shall receive from B for his services, and what B shall pay. Is it not plain to what this must lead? The railroad whose freight charges are fixed by law may rightfully demand that the price of what it has to buy shall be fixed by law. It will want cheaper iron. It will demand cheaper engines and cheaper cars. It will ask to be protected against strikes of engineers and employés, and for the aid of United States authorities to compel its workmen to receive and work for such wages as a congressional commission may fix. And if you fix the price of the laborer, then you must fix the price of the coat, of the boots, of the shirt which the laborer wears, and of the food with which he supports life. Will this stop anywhere short of the practices of governments which modern political writers of all schools have treated as evidence of a semi-civilized people, incapable of self-government and scarcely fit to be anything better than slaves—the governments which have everywhere given place to those giving freer play to all human faculties, and which have looked for man's highest development in the culture, in the greatest possible freedom of all human powers? A century or more ago this government control was a type of despotism, of absolute power, which could trust nothing to the people and did not believe in human progress. Now it is a type of a subtler and more dangerous political economy, which ends, if pursued, in communism, or the use by the Government of the property of the people for the benefit of what a majority may by vote decide to be for the general welfare. Every measure like this looks in that direction; and in the tendency of such legislation I think I see one of the greatest perils now threatening the future of the Government. Our safety lies in less faith in the machinery of government, and in greater self-reliance on the part of the people.

No man, said Disraeli, ever weakened government as Robert Peel; for he changed so much, people lost confidence in rulers, and were obliged to think for themselves. And hereafter the people of this country will, I trust, so far find their confidence in government machinery weakened by the constant exhibitions of its impotent efforts to save people from the consequences of their own mistakes and misconduct, that they will be willing to leave the Federal power to the exercise of its proper functions, and not attempt through it to hinder the working of economic laws as much beyond its control as are the laws of nature or the movements of the planetary system.

Mr. SMITH, of Virginia. Mr. Speaker, I had intended to make an argument on this question of transportation, which I regard as one of great magnitude and of the greatest importance to my people. The action of the House to-day in requiring a vote to-morrow prevents me from doing so; and as I am forced to go to Richmond to-night for one day on professional business, I ask the House to allow me to print my speech. (See Appendix.)

There was no objection, and it was ordered accordingly.

The SPEAKER. The session this evening will be for debate only on the transportation bill, no business whatever to be transacted. The House will then take a further recess until ten o'clock to-morrow morning. Mr. SPRAGUE will occupy the chair as Speaker *pro tempore*.

And then, on motion of Mr. McCRARY, (at five o'clock and thirty-five minutes p. m.,) the House took a recess until half-past seven.

EVENING SESSION.

The House assembled at half-past seven o'clock p. m., Mr. SPRAGUE in the chair as Speaker *pro tempore*.

INTERSTATE COMMERCE.

The SPEAKER *pro tempore*. The House meets to-night for debate only, and the bill (H. R. No. 1385) to regulate commerce by railroads in the several States is before the House.

[Mr. ATKINS addressed the House. His remarks will appear in the Appendix.]

Mr. COTTON. The pending bill brings us to the important question whether Congress, under the power to regulate commerce among the several States, may regulate the charges of railroad corporations upon commerce of that character; whether a regulation of this kind is a regulation within the meaning of the Constitution.

The Constitution invests Congress with power "to regulate commerce with foreign nations, and among the several States, and with the Indian tribes."

Of the policy of intrusting this power with Congress, and of the importance of the same, Story, in his Commentaries on the Constitution, says:

> The want of this power was one of the leading defects of the Confederation, and probably, as much as any one cause, conduced to the establishment of the Constitution. It is a power vital to the prosperity of the Union, and without it the Government would scarcely deserve the name of a national Government, and would soon sink into discredit and imbecility. It would stand as a mere shadow of sovereignty, to mock our hopes and involve us in a common ruin.
>
> The oppressed and degraded state of commerce previous to the adoption of the Constitution can scarcely be forgotten. It was regulated by foreign nations with a single view to their own interests, and our disunited efforts to counteract their restrictions were rendered impotent by a want of combination. Congress, indeed, possessed the power of making treaties; but the inability of the Federal Government to enforce them had become so apparent as to render that power in a great degree useless. Those who felt the injury arising from this state of things, and those who were capable of estimating the influence of commerce on the prosperity of nations, perceived the necessity of giving the control over this important subject to a single government. It is not, therefore, matter of surprise that the grant should be as extensive as the mischief, and should comprehend all foreign commerce and all commerce among the States.

CONCESSION BY RAILROAD COMPANIES.

Is commerce upon railroads embraced within this power? That it is, railroad companies themselves virtually concede. When one of these corporations desires to construct a bridge across a navigable stream for the use of its road, it comes straightway to Congress, urges that Congress should give due recognition to commerce over its line, and asks that under this power permission be given for the building of the bridge, as was done by the act of July 25, 1866, which authorized the construction of eight bridges across the Mississippi River, and by the act of April 1, 1872, which gave permission for the construction of four bridges over the same stream. Whenever a controversy arises between one of these railroad companies, which has obtained the sanction of Congress to the erection of its bridge, and those interested in the navigation of a river, and it is urged against the maintenance of the bridge that the railroad is thereby obstructing navigation and commerce, the company responds that it, too, is engaged in commerce; that commerce upon a railroad is as important and as much entitled to congressional legislation for its promotion as commerce on a navigable stream, and that navigation must be made to suffer some inconvenience, in order that railroad companies may construct across these rivers their highways for commerce. In this position they have been sustained by the courts.

Railroad corporations have on their own behalf, and for their own benefit, obtained from Congress acknowledgment of the principle, that the operating of railroads is a means of commercial intercourse, as well as navigation, and entitled likewise to the consideration of Congress under its power to regulate commerce among the several States, and have thus conceded that railroads are subject to congressional regulation when they are engaged in interstate commerce.

I understand that those who oppose this bill do generally admit, as was done by the honorable gentleman from Illinois, [Mr. EDEN,] in his able speech on this subject, that the committee that reported this bill are correct in the proposition, that the "commerce among the several States" which may be regulated by Congress includes commerce carried from State to State by railroad; but they claim that within this power to regulate is not comprehended any supervision over tariff rates.

EXTENT OF POWER.

How far does this power to regulate extend? Is it limited simply to the establishment of what are termed police regulations, such as may be designed for the protection of the lives of passengers and to promote their comfort and to secure the proper care and transportation of freight, or does it also comprehend legislation in regard to charges? If it does not, the power is certainly very incomplete. These corporations, were they not amenable to such legislation, could greatly diminish or even destroy the commerce of certain localities by a system of discrimination and tolls which could be devised, and thus deny to a portion of the people those commercial facilities which it was intended under this provision of the Constitution should be fostered by Congress. The motive for engaging in commercial transactions is to make a profit. If those who operate these commercial highways are above all control in the matter of tariffs, they can make commerce over their roads profitable or unprofitable as they may choose, and can thus promote or retard commerce at their pleasure. The most important of all regulations is that affecting the cost of transportation. Grant to railroad corporations entire freedom in this regard, and they will regulate commerce, and all that will remain for Congress to do will be to direct how they shall equip and operate their trains, while by their tariff systems they will build up commerce at favorable points, and destroy it at others.

In the speech of the honorable gentleman from Illinois, [Mr. EDEN,] to which I have already referred, for the purpose of showing that it is absurd to claim for Congress this power, he remarks:

> Mr. Speaker, if the power of Congress to regulate commerce among the States can be so construed as to include the right to fix the prices of freight, will not the same construction enable Congress to fix the prices of every commodity and of all the instruments used in such commerce?

And yet in the same speech we find the following:

> I take the position that it is competent for the States by law to fix reasonable maximum rates for freight and passenger tolls on all railroads within the States and constructed under their authority; and that freight and passengers transported over such roads and passing from one State to another may be required to pay the tolls so fixed by law.

May we not ask him whether he does not here admit what, on his assumption, will give each State Legislature the right to fix the price of every commodity transported over such roads, and of all the instruments used on those roads, and will result in a maze of legislation on all these subjects, with which the legislation he assumes Congress might exercise, under the construction given to the Constitution by the friends of this bill, would have no comparison in its complications and embarrassing effects?

But in the opinion in the case of the Reading Railroad Company *vs.* Pennsylvania (15 Wallace, 232) we find a complete refutation of the assumption that the authority in Congress to regulate charges would include the fixing of the prices of commodities and instruments used in commerce on railroads. In that case the court conceded that had the State tax, the validity of which was then involved, been imposed upon the company's franchise, or upon the property, which would include the instruments used in commerce, or upon its business measured by the number of tons carried, it would not have directly affected commerce over the road, and would have been valid notwithstanding the road formed part of a line for commerce among the States; but the tax being at certain rates on each two thousand pounds of freight carried for any distance on a railroad in the State of Pennsylvania, and being therefore a tax on transportation, it was decided that it was unconstitutional so far as it affected freight having a destination without the State.

SOURCE OF CHARTER IMMATERIAL.

It is claimed by some that the source from which a railroad corporation derives its charter determines the question whether it may be controlled by State legislation or national legislation; and a convention recently held in one of the States placed the following in its platform:

> That all corporations are subject to legislative control; that those created by Congress should be restricted and controlled by Congress; and that those under State laws should be subject to the control of the State creating them.

It might as well be proposed that the steamboats running on the Mississippi River above Saint Louis, and which are owned by corporations formed under State laws, are not subject to the navigation laws enacted by Congress, and that the State granting the charter to any of these corporations should prescribe the rules to govern the boats of such corporation in their passage from Saint Louis to Saint Paul.

An examination of the case in 15 Wallace will convince any one that there is no foundation for such division of authority as is thus asserted. The railroad company, which was a party in that case, is stated to be—

> A corporation created under the laws of Pennsylvania and engaged in the sole business of transporting freight for hire, and carrying no commodities of its own. An important part of its business is carrying coal from the mountains of Pennsylvania to a place called Port Richmond, near Philadelphia, a distance of about one hundred miles, the whole road being in Pennsylvania. A portion of the coal transported to Port Richmond is sold there to consumers, but by far the larger portion is intended for exportation beyond the limits of Pennsylvania, or is transferred at Port Richmond into vessels destined for such points. A considerable quantity of coal is also transferred by the railroad company to a point on the Schuykill Canal, where it is loaded into barges, and transported beyond the State.

The company was charged by the State with the following taxes: For freight transportation to points within the State of Pennsylvania, $38,361; for that exported to points without the State, $46,520. The latter sum the company refused to pay, and contended that the statute—

> To the extent that it imposed a tax on freight, other than that both received and delivered within the State of Pennsylvania, was unconstitutional and void, because, among other reasons, it was in conflict with the Constitution of the United States, which ordains that Congress shall have power to regulate commerce with foreign nations and among the several States.

In this position the company was sustained by the Supreme Court of the United States, and the statute, to that extent, held unconstitutional.

Here was a railroad incorporated by and entirely within the State of Pennsylvania. If the fact that the charter was granted by that State gave the State control over the road, and excluded Congress, it would have been immaterial whether the tax on freight transported over this road and destined for points without the State did affect commerce between that and other States, as Congress could not in-

terfere in the way of regulating commerce on this road. Yet the court adjudged the tax invalid so far as related to commerce between States, and at the same time stated in regard to the tax on commerce within that State that "doubtless a State may regulate its internal commerce as it pleases."

This case completely demolishes all these theories that the question between a State and Congress as to the power to control is to be determined from the nature of the company's charter, but makes it depend on the nature of the commerce to be regulated. If local and limited to the State, then only the State can regulate; but if of a national character, if among States, then national legislation alone can control.

How will the advocates of this doctrine, that the source of the charter is decisive of the right to control, get along with this decision, which recognizes two kinds of commerce on one railroad, and that, too, a railroad having a State charter; and that the State Legislature may control on this road the commerce which is carried on wholly within that State; while at the same time, and on the same road, Congress may regulate that commerce which extends beyond the territory of the State? The tax of $38,361 on freight transported within the State the railroad company paid without objection; and the court, in discussing this question, admitted that as to such freight the State could exact taxes in its discretion; but the tax of $46,520 on freight exported to points without the State was successfully resisted before the court, on the ground that the transportation of such freight was commerce among the States within the meaning of the Constitution, and Congress had the regulating of that, and the State could not lay thereon one penny of tax although this road had been built under a charter from that State.

If it be true that the right to regulate is to be ascertained from the company's charter, then all the commerce passing on the same road would be subject to State control if the charter should be from the State; but if from Congress, then to congressional regulation. But the Supreme Court of the United States think differently, and attach no importance whatever to the character of the road's charter, but place the right to control where the nature of the commerce may show it should be, and declare that Congress may regulate commerce on a road having a State charter, when the commerce is between that State and other States, and that the State shall, on the same road, exercise control of commerce limited to the territory of the State.

This decision permits to the State the making of all regulations bearing upon the commerce of the State, and maintains in Congress alone the right to regulate that commerce which also concerns other States, and settles absolutely the principle that it is the nature of the commerce, and not of the charter, which admits State control in the one case and congressional control in the other.

But few railroads or vessels engaged in commerce among the States, or with foreign nations, would be subject to regulation by Congress if the fact of being owned by a corporation having a State charter excluded control by Congress.

During this debate it has been mentioned that the railroads under State charters have had also in the construction of their roads the benefit of the State's right of eminent domain; and this is assigned as additional cause for claiming for the State supervision over the fares on these roads while carrying interstate commerce.

A State has sovereign jurisdiction over all the navigable waters within its borders; and, moreover, is the owner of the shores on navigable waters below high water; but this has never been thought to confer on the State power to establish rules for the navigation of these waters by vessels engaged in commerce among the States or with foreign nations.

STATE RIGHTS.

It is said we are invading State rights. What encroachment on the rights of a State is there in the regulating of a commerce that does not belong to the State? So far as the commerce on these roads appertains to the State, its power is recognized to the fullest extent. It has no more reason to claim the control of commerce from State to State passing through its territory on a railroad, than of that on a steamboat navigating its waters on a voyage between two neighboring States. The commerce which is to be affected by this bill is not that which belongs to any one State. Why should a State claim the control of that which is not its own, or be intrusted with such control?

The State can have no just ground of complaint that commerce which belongs to the citizens of many States is not placed under its guardianship, but under the care of the law-making power, which represents all concerned. Most of the commerce of this nature which passes through its territory over railroads is that in which not one of its citizens has any interest, unless it may be a resident stockholder in the road, and the stockholders, even, may be all non-residents. And why should the State wish commerce of this kind placed within its protection? Should it be that some of its citizens are interested in a part of this commerce, the citizens of other States are also concerned in the same; and the State should not seek to have control over that which would affect the interests of others in common with its own citizens.

Again, the State has the assurance that its citizens can have equal benefit with those of other States of any regulation Congress may establish. Thus it appears that instead of the principle contended for working injustice to any State or its citizens, it secures justice and equal legislation to all citizens of the United States who may be concerned in this commerce.

Next, can the railroad corporations complain? When they engage in this class of commerce, and with their trains pass the boundaries of States with the same freedom that they do those of a county or township, it is not for them to object to having applied to them that legislative control which is appropriate and alone adequate to regulate the business which they have undertaken.

The correct position, and that which will be affirmed by the courts when the question is made, is, that the National Legislature has cognizance of commerce which is national in its character, and a State Legislature of that within the State.

Congress was invested with authority to regulate commerce among the several States, that general regulations, and those which would apply alike to all the States, might be provided; the partial, limited, and conflicting legislation of the separate States being inadequate. There is the same reason for having uniformity of legislation in the matter of fares that there is upon any other subject touching this commerce. It is impossible to separate a regulation of this nature from those which Congress, under the Constitution, may enact, and assign this to the domain of State power, and exclude it from congressional.

NO MIXED POWER.

Whatever may be done in regulating commerce of this nature must be done by Congress. Neither the Constitution nor the decisions of the Supreme Court recognize any mixed authority. The principle settled in the Pennsylvania freight-tax case will not admit of a partial control by Congress to be supplemented by the States—Congress to take charge of all but tolls, and the States to establish them. Concurrent power is not permitted, but a clear division is made giving all to the State over State commerce, and all to Congress over national commerce.

I cannot understand how any regulation affecting tolls can be said not to be a regulation, or by what name it can be characterized so as to exclude it from the regulations Congress can create.

If railroads engaged in commerce among the States are not subject to regulation by Congress in respect to tariffs, they are exempt from all supervision in that regard, and those gentlemen who contend that Congress cannot legislate so as to require reasonable rates are taking a position which would place these roads above all control in this respect.

On this point I cite the following from Story on the Constitution:

> The next inquiry is, whether this power to regulate commerce is exclusive of the same power in the States, or is concurrent with it. It has been settled, upon the most solemn deliberation, that the power is exclusive in the Government of the United States. The reasoning upon which this doctrine is founded is to the following effect: The power to regulate commerce is general and unlimited in its terms. The full power to regulate a particular subject implies the whole power, and leaves no residuum. A grant of the whole is incompatible with the existence of a right in another to any part of it. A grant of a power to regulate, necessarily excludes the action of all others who would perform the same operation on the same thing. Regulation is designed to indicate the entire result, applying to those parts which remain as they were as well as to those which are altered. It produces a uniform whole, which is as much disturbed and deranged by changing what the regulating power designs to have unbounded as that on which it has operated.

According to this authority, when a railroad constitutes a line of commerce among States so as to be subject to regulation by Congress, State authority is excluded, and regulations concerning tariff rates must be made by Congress, or not at all. If gentlemen, therefore, can succeed in maintaining the position that Congress has no power over tariffs on these railroads, they will have shown that there cannot be any legislative supervision over these tariffs.

POWER COMPLETE.

Under the construction given by Story to this provision of the Constitution, that the power to regulate is general and unlimited in its terms, that the full power to regulate a particular subject implies the whole power, how can it be made to appear that there is an incompleteness in this power; that there are abuses, unjust discriminations, and extortionate rates of toll which Congress is impotent to correct? Who can establish the line, and say that Congress may go just so far and no farther in prescribing regulations; that it may be enacted that passengers shall have suitable cars and ample room while journeying over these roads, but that there is no power to declare that extortion shall not be practiced on them during their journey; that freight shall be forwarded with reasonable dispatch and due care, but that there can be no inhibition to prevent a large portion of the value of that freight from being appropriated by the railroad company while it is in transit. Commerce includes the transportation of passengers. (Smith *vs.* Turner, and Norris *vs.* The City of Boston, 7 Howard, 283.)

In the case in 15 Howard it is said:

> The rule has been asserted with great clearness that whenever the subjects over which a power to regulate commerce is asserted are in their nature national, or admit of one uniform system or plan of regulation, they may justly be said to be of such a nature as to require exclusive legislation by Congress. Surely transportation of passengers or merchandise through a State, or from one State to another, is of this nature. It is of national importance that over that subject there should be but one regulating power, for if one State can directly tax persons or property passing through it, or tax them indirectly, by levying a tax upon their transportation, every other may, and thus commercial intercourse between States remote from each other may be destroyed. The produce of Western States may thus be effectually excluded from eastern markets, for though it might bear the imposition of a single tax it would be crushed under the load of many. It was to guard against

this possibility of such commercial embarrassments, no doubt, that the power of regulating commerce among the States was conferred upon the Federal Government.

The uniform system which is here stated to be so desirable could be defeated if Congress has not the power to prevent railroads, even with the sanction of State Legislatures, from establishing discriminating rates. A State could legalize rates which would be to the advantage of its own towns and citizens, and to the disadvantage of those who would have occasion to make shipments through the States.

All the evils to result from taxation by each State of commerce in transit on its roads would be caused by the several States exercising the power to fix the charges on this commerce.

STATES CANNOT ABRIDGE.

This power cannot be abridged by reason of anything in the State charters to these corporations. Under the authority to regulate commerce an act was passed by Congress legalizing the Wheeling bridge. The validity of this act was drawn in question in the case of The State of Pennsylvania *vs.* Wheeling and Belmont Bridge Company, reported in 18 Howard, 421, from the opinions in which case I extract the following:

It is also urged that this act of Congress is void for the reason that it is inconsistent with the compact between the States of Virginia and Kentucky at the time of the admission of the latter into the Union, by which it was agreed that the use and navigation of the river Ohio, so far as the territory of the proposed State, or the territory that shall remain within the limits of this Commonwea'th (Virginia) lies thereon, shall be free and common to the citizens of the United States, and which compact was assented to by Congress at the time of the admission of the State. This court held, in the case of Green *et al. vs.* Biddle, (2 Wheaton, 1,) that an act of the Legislature of Kentucky in contravention of this compact was null and void within the provision of the Constitution forbidding a State to pass any law impairing the obligation of a contract. But that is not the question here. The question here is whether or not the compact can operate as a restriction upon the power of Congress under the Constitution to regulate commerce among the several States. Clearly not. Otherwise Congress and two States would possess the power to modify and alter the Constitution itself.

The import of this decision is that States cannot by any compact they may make, even when that compact has been assented to by Congress, impair this constitutional right to regulate commerce.

The purpose for which railroad corporations are formed, and the manner in which their affairs are conducted, make it apparent that there should be legislative supervision over their charges. The stockholders in a corporation, who in their individual business transactions are most honorable and fair, cannot impart to the corporation their personal characteristics. Their connection with it consists in owning stock, receiving what dividends may be allotted to them, and participating in the election of officers. The larger the dividends the more highly the stock is valued. They look upon the corporation simply as an organization to make the most money practicable. On the other hand, the officers may be very just and good men personally, but they are employed to devote their energies to securing the highest possible receipts, and the more earnings they can report the more highly they are appreciated and rewarded. As the result of this relation of the stockholders and officers to the corporation, the corporation itself becomes an exceedingly avaricious and selfish institution.

There are some seventy-one thousand miles of railroad constructed in the United States, costing $3,000,000,000—one-tenth of the estimated value of all the real and personal property in this country in the year 1870; and this immense capital is managed by a power which feels no restraint in its rapacity for money-getting other than that which the law can impose.

Most individuals possessing wealth feel a moral accountability in its management which restrains them from oppressing their fellows. Their sympathies may be appealed to; and they are always desirous that by just and fair dealing they may secure public approbation. Should a man of wealth prove to be sordid and oppressive, it is known that he cannot always continue his extortions, and that his possessions must pass into other, and it is hoped better hands. But in the case of these corporations, devoid of conscience or sympathy, and which care for public opinion only so far as it may affect their profits, their power is to continue and increase perpetually.

Railroad corporations are, from their relation to the public, peculiarly subject to legislative control. They profess to be engaged in a public work. They are permitted to take the land of the citizen, on making compensation, on the ground that therewith they are to serve the public. Occupying this position in securing their right of way, they must abide by the same in using the land thus obtained, and as public servants be subject to regulation in the interest of the public; and it is incumbent on them to make their charges as moderate and as impartial to every citizen as they would be on a railroad built and operated by a State or by the United States. So long as they limit their business to commerce within a State, they are entirely subject to State authority, and it is the province of the State, to see that they properly exercise the public trust confided to them; but when their operations are extended to interstate commerce, they bring themselves within congressional supervision.

Congress is now called upon to apply to commerce on railroads the same power it has exercised in respect to commerce on navigable waters. While no law has been passed which directly related to charges for transportation on vessels, yet the laws which have required the expenditure of money in providing for the safety and comfort of passengers have affected the revenues of the owners of these vessels. There being opportunity for competition between vessels from all points and on all lines, it has not appeared necessary to legislate in relation to their charges. But there cannot be competition at most of the points on railroads, they being accessible only to the cars of one company, and this renders legislation of this nature in respect to railroads important. Can it be doubted that the most essential of all regulations, that which affects the very life of commerce—the profit to be derived therefrom—is comprehended in the general power to regulate commerce among the several States, and that as to railroads engaged in such commerce Congress may prescribe regulations prohibiting excessive charges?

COMMITTEE'S BILL.

I propose now to speak for a few minutes of the details of the bill before the House, having already spoken upon the general merits of the proposition brought before us by the Committee on Railways and Canals. I will state the leading features of the bill.

It provides that railroads employed in commerce among the several States shall not charge nor receive more than a fair and reasonable rate of toll or compensation for transportation of freight of any kind or of passengers, or for the transportation of cars on their tracks.

It provides further that there shall be a board of nine commissioners, consisting of one from each judicial circuit of the United States; that the board shall institute a thorough investigation into the rates of toll and compensation charged for transportation of freights, passengers, and cars over each of said lines of railroad, and into the reasonableness thereof, and shall, as soon as practicable after such investigation, prepare for the owners and operators of each of such lines a separate schedule of reasonable maximum rates of charges, the schedule to be duly authenticated by said board of commissioners, printed, and posted in each of the offices and depots of such railroad company. A copy is to be filed in the office of the clerk of the circuit court of the circuit in which may be any part of the railroad affected by the schedule, and a copy of the schedule, certified by the clerk of the court, is to be admissible in evidence in any trial under this law. Where the commissioners find the rates of a company already reasonable, they may dispense with fixing a tariff of charges for that company. Any corporation operating a line of railroad through two or more States, which shall, after such schedule takes effect, (which is to be thirty days after it is thus filed,) be guilty of extortion, by charging or receiving more than a reasonable rate of toll or compensation for the transportation of freight, passengers, or cars over such line, shall pay a certain penalty. It is made the duty of the United States attorneys to prosecute all such offenses. The company is also made liable to the party injured for damages caused by reason of overcharge. Upon any trial for violation of the law the schedule is to be received as *prima facie* evidence that the charges therein fixed are reasonable; yet the company is permitted to prove the fact of their being reasonable, and show that the charges, although exceeding the schedule rates, are nevertheless reasonable.

These commissioners are authorized to gather information and statistics upon the subject of railroads both in this country and in foreign countries, and to make recommendation in reference to further legislation.

These are the leading features of the bill. This is the first step in legislation of this character, the first attempt on the part of Congress to supervise the charges of railroad corporations. The bill gives evidence of being framed with great care, and follows the legislation which those States that have undertaken to supervise railroad tariffs have found to be the most practicable and expedient, and the most beneficial to the public as well as just to the railroads.

I have here the decision of the Illinois supreme court, delivered during the past year, in the case of The Chicago and Alton Railroad Company *vs.* The People *ex relatione* Koerner and others, railroad and warehouse commissioners of Illinois. That was a proceeding to annul the charter of the corporation.

The new constitution adopted not long since in Illinois provides that—

The General Assembly shall pass laws to correct abuses and prevent unjust discrimination and extortion in the rate of freight and passenger tariffs on the different roads in this State, and enforce such laws by adequate penalties, to the extent, if necessary for that purpose, of forfeiture of their property and franchises. (Article 11, section 15.)

The Legislature passed a law, the first section of which declares that—

No railroad company in this State shall charge a larger compensation for the transportation of freight over any distance than it is charging at the same time, for freight of the same class, over a less distance, nor shall it charge the same amount that it charges over a less distance.

Another clause of the same section reads that—

No railroad company in this State shall charge a larger compensation for freight over any portion of its road than is charged for freight of the same class over any other portion of equal length.

The statute, as penalty for disregarding these regulations, declares that the franchise of the offending corporation should be forfeited.

It will be seen that the constitution gave the Legislature the authority to prevent unjust discrimination. But the court held this law to be unconstitutional, because it established an arbitrary rule against any discrimination. The complaint in that case was that the company had repeatedly charged and received for transporting lumber from Chicago to Lexington, a distance of one hundred and ten miles, the sum of $5.65 per one thousand feet, while at the same time it had

only charged for transportation of like lumber from Chicago to Bloomington, a distance of one hundred and twenty-six miles, the sum of five dollars per one thousand feet.

The court say that the inflexible rule established by the statute was not legislation against unjust discrimination, and say:

> That the naked fact that a railway company charges a larger sum for transporting freight of the same class over a given distance than it is charging for the same distance over another part of its road, or in the opposite direction, is not of itself conclusive evidence of an unjust discrimination, will be manifest on a moment's consideration. Take, for instance, the road of the appellant, with one terminus at Chicago and the other at East Saint Louis. At one season of the year more freights are moving from Chicago toward East Saint Louis than in the opposite direction. The consequence, of course, is that the supply of empty cars at the latter point will be in excess of the demand. There is a water-route between these points which also touches several intermediate stations upon the road. Now, unless the railway company is permitted, under such circumstances, to induce shipments over its lines by lowering its freights, it is evident that a portion of its cars will return empty. This would, of course, necessitate a higher charge for freight moving toward Saint Louis than it would be necessary to impose if return freights could be secured by lowering the rates on the return trip. To forbid the company to lower the rates of return freights would thus benefit no one, and would work an injury both to the company and to the people along the line. At other seasons of the year the larger amount of freight is moving in the opposite direction, and the operation must be reversed.
>
> We give this illustration for the purpose of showing that a difference of price, for the same distance of transportation, is not necessarily an unjust discrimination, and that law must be fatally defective which infers guilt as conclusive presumption from the mere fact of difference of rates without permission to explain.

That court thus recognizing the fact that a company may make different charges on the same road and for the same distance under certain circumstances.

They say the shippers on the road are benefited by such discrimination, because it enables the company, by offering inducements to have its cars filled when they would otherwise be running empty, to carry freight for them at a less rate. From this decision it appears that the policy of the present bill, which is to leave a discretion with the commissioners to determine what may be reasonable rates under the different circumstances, is the correct policy; and that a fixed rule that the company must charge the same rate upon every part of its road for the same freight, is not in all cases reasonable.

We have some bills before this House of this inflexible-rate character which it is proposed to move as amendments to this bill. Those bills undertake to limit railroads to a uniform rate for the same distance on every part of their lines, which, as shown by this decision, would be an unreasonable proposition.

The bill of the committee inaugurates congressional legislation on this question by not too arbitrary legislation, applying the remedy at the start with moderation, and providing for nine commissioners to ascertain and prescribe what may seem to be fair schedules of charges. While the efficiency and policy of this law are being tested, they are to gather information and present it to Congress to furnish data for better legislation if possible in the future. I shall vote for this bill as it stands.

Mr. WHITEHEAD obtained the floor, and said: I yield five minutes of my time to the gentleman from Tennessee, [Mr. WHITTHORNE.]

Mr. WHITTHORNE. Mr. Speaker, no graver question has ever agitated the councils of the nation than the one presented in the consideration of the present bill. The laboring masses of the country rightfully have conceived that the fruits of their industry are being controlled and tithed with unjust tribute to classes who have been favored in the grant of special privileges by the legislation of the Government. It is proposed by the authors of the present bill to redress this grievance by the methods suggested in the bill. What are the methods of relief proposed? Stated in brief, they are, that the President of the United States shall appoint a commission of nine persons, whose duty it shall be to adopt and fix rates of transportation to be charged by all railroads engaged in interstate commerce, and may from time to time change and revise any schedule of rates they may adopt. These officers are subject to removal by the President, and the only qualification required of them is that they shall be residents of the different judicial circuits of the United States, and be disinterested. Any charge of rates beyond those fixed by the commission is declared unlawful, and punished by fine, &c., unless the railroad company can affirmatively show that the charge is reasonable. This commission is to be continued as a bureau of railroad statistics, with a secretary. All these are salaried officers.

An examination of the bill shows that it is claimed by its authors that an agency or party distinct from the shipper and the carrier may intervene to regulate the terms of the contract of shipment between them. It is alleged that the right and authority to do so is derived from the power expressly conferred upon Congress by section 8, article 1, of the Constitution, which is granted in these words:

> To regulate commerce with foreign nations, and among the several States, and with the Indian tribes.

I adopt here the words of the report of the majority of the committee, when I say that "in considering the question whether under this provision Congress has power to pass the bill reported, it will be necessary to inquire as to the nature and extent of the power conferred thereby upon Congress." In so doing I do not care to examine the judicial decisions; they have been ably dissected and canvassed by my learned friends from Kentucky [Mr. ARTHUR] and from Illinois, [Mr. EDEN.] It is sufficient to say that the precise question has not been raised before, or decided by the courts. The nature and extent of this power is, then, an open question before the people and the courts.

Looking to the history of the adoption of this grant of power, and to the circumstances that made it necessary, as well as the practice and legislation of the Government since its formation down to the present time, none of which is it pretended shows that such an exercise of it as is claimed by this bill was ever attempted or submitted for action, it would seem that we would be warranted in giving as the true construction and meaning of these words, "to regulate commerce among the States," the accepted one heretofore, that is, that it was intended to secure "free commerce" among the States, and that Congress was invested alone with the power to remove any obstruction or impediment thereto. But it is said that the extension and multiplication of railroads and their uses in the carrying trade, and especially among the States, has made the exercise of this power necessary, and that the grant is express in its terms.

Does the power to regulate mean the power to control, to give life or death? Does the power to regulate mean that you may appropriate the service or property of the citizen to the uses and interest of the public without direct compensation to him? And by arbitrarily determining the value of his time, the use of his property, and his labor, without his consent, do you not appropriate it to the public? Again, is the power "to regulate commerce among the States" any more comprehensive than the power "to regulate commerce with foreign nations?" Are not the same terms used in the same grant of power? Yet who will argue that we may create a commission to establish, and then from time to time revise and alter the schedule of rates to be charged by domestic vessels engaged in foreign commerce, or foreign vessels engaged in the like trade? Such a board would perform the office of a Chinese wall. But, sir, turning for a moment to the arguments made by the supporters of this bill, and adopting the liberal and latitudinarian construction they have used, it would seem that the nature and extent of this power is boundless, and may embrace not only the common carriers by rail, but the common carrier by the road-wagon, by the transfer-wagon, by the omnibus, by the coach, by the dray, by the truck, by the pack-horse, and by the wheelbarrow. It may extend to the vehicle or instrument, and may include the warehouse and the depot, and far beyond that, the barn, the crib, and the field.

One cannot contemplate these assumptions of power in the General Government without serious apprehensions as to the fate of all our local jurisdiction, and the freedom of individual action; and the mere confrontment of the results you must reach upon the exercise of such power must show that such "nature and extent" thereof was never contemplated by the founders of our Government.

And, Mr. Speaker, while it must be admitted that the railroads of this country have been favored by partial legislation, that they enjoy vast privileges, and that in the exercise of them many unjust discriminations, partialities, and combinations, onerous, exacting, and extortionate upon the trade and commerce of the country, are made, that instead or serving the sovereignties that created them, they are lording it over them; and that instead of using the privileges conferred upon them for the public good, they, in the interest of classes and sections, are making war upon it whereby millions of tribute are unjustly taken from the producers, yet heeding the reply of these railroads and putting the matter in a point of view where their defense is justly weighed, and let it be granted that the cost of construction, the cost of maintenance, the cost of service has been and is such that it is not possible, in justice to them, to make any material reduction in the transportation of the products of the country, what is the remedy? Will a commission fix less ratio? Will Congress? Will the President? If the railroad companies are right and rates are fixed less, if the power of self-protection is taken away from them, is not the whole system threatened? Could the country afford to abandon the railroads? Think for a moment of the number of miles of railroads, the vast extent of territory, and the number of people dependent upon their facilities; how they are interlaced and interwoven with all the industries of your cities, towns, villages, and farms, and then suppose them blotted out of existence; or reflect again, and ask whether the labor of forty millions of people represented from the largest manufacturing establishment in your mammoth cities to the smallest workshop in some remote village; from the wheat-field of the North and the corn-field of the West to the rice, sugar, and cotton plantations of the South, should be made dependent not upon the health of vigorous competition, not upon the thrift of energy, not upon the life of activity, not upon the freedom of thought and action of the individuals most interested, nor yet upon the judgment and observations of local Legislatures and courts, but upon the knowledge, judgment, passion, prejudice, and it may be interests, of nine men who are not anointed by God for the work, but selected by one who is human like unto themselves.

Does not the surrender of this control of all that may appertain or be construed to appertain to the commerce between the States mean the abandonment of the great principles upon which republican government is based—"the capacity of the people for self-government?" Our national life, the prosperity of the States, the wealth, comfort, and support of the citizens, are dependent upon commerce. Shall all these high interests be placed in the hands of one man, who, by the selection of the instruments of his will, may have autocratic control, and so may pervert them to their destruction? Great and serious are the evils which now, by vast and powerful railroad combinations, obstruct the freedom of commerce between the States; but, sir, can

any evil be so serious and so great as to demand the surrender of the popular liberties, so serious and so great as to require that you shall depart from the faith upon which your Government was based? Is it not better "to bear those ills we have than fly to others that we know not of?" Shall we escape from one monopoly to become the victims of another? What security have the people that after the adoption of this bill, and the powers asserted under it, those who will exercise the trust thus delegated to them are not or will not be in alliance with the monopolies and the rings against whom they now so vigorously protest? What security have the people that the party which built up those gigantic monopolies by largesses in money and by empires of land, who have robbed the landless of their inheritance to enrich corporations, will not continue in the work of despoliation? Is it not a high abuse of our trusts to relegate the powers placed in our hands by the people to others, and these in no way responsible to them? Can we legally and constitutionally delegate our authority? It is alone given to us, with no right of substitution.

Turning for a moment to the actual condition of the country, we are struck with the growth of corporations in this century. Especially in this country have their number and progress been rapid, and include within their grasp almost every living industry and interest. That they have accomplished much good, I will not gainsay. It is equally true that much of evil, of fraud, of wrong and oppression, has followed in their train, and their tendency is fruitful of more, and in their effort to secure power over the industry, the trade, and the currency of the country threaten it with an Iliad of woes. How can individual labor and enterprise, personal effort and industry, be expected to thrive and prosper when associated capital and labor is protected from the hazards of responsibility by corporate charters? Privileges and exemptions denied to individual capital and labor are granted and secured to corporate capital and labor. The race is unequal.

It was against such monopolies and privileges that the origin and forms of our governments were a protest. By American constitutions the largest liberty to the individual, consistent with the rights of others, was intended to be secured. No privileged class, no monopolies, no perpetuities, but the coequal sovereignty of the citizen, are the underlying principles of American liberty. Monopoly in land was stricken down. Shall it be said that monopoly in personal property and privileges is to be perpetuated under the sanction of our laws? It is a libel upon the spirit and theory of our institutions to so claim.

Sir, I am not prepared to concede that in a representative form of government, whose legislative bodies are but the agents of the people, the granting of franchises and privileges is a contract; but conceding such an act is, I submit that it is a sound principle in law and in morals that an agent cannot exceed his authority, and that he who contracts with a known agent must take notice of the extent of his authority. The agency or trust of the legislator is one to be exercised alone for the interest and welfare of the public. No right or power is granted to any representative under our American constitutions to create monopolies, to confer privileges and immunities over, above, beyond, or inconsistent with the public good and the public welfare; none whatever.

Sir, when we turn yet again to the condition of the country and behold the gigantic strides it has made in increase of population, in the multiplication of manufactures, in the tremendous increase of agricultural productions, and that the annual value of these productions—agricultural, I mean—are estimated at over three billion dollars, and realizing the necessity of cheap transportation, as well in the sale as in the purchase of the conveniences and necessaries of life, involved in the exchange of this immense amount of values and the supply of this large population, and knowing as we do the magnitude of the exactions levied by the carriers upon this work of exchange, especially by those carriers who are shielded in their exactions by corporate charters, we must recognize that the question under consideration is one of the deepest importance and gravest in consequences, not only to parties, but to the very life of the nation itself.

By the political faith of my life, by the humble record I have made as a public servant, as well as by my sense of the justice and truth of the complaints made by the people, I am cordially in sympathy with their earnest protest against the exactions, the extortions, and encroachments of the monster corporations of the country. But the bill under consideration fails to give relief, is fraught with more danger than existing evils, and is liable to the grave suspicion that it may be prostituted by the very agents it professedly seeks to control.

Another remedy has been suggested, and that is that the Government shall build by its money and credit various railroads and canals, the estimated cost of the most prominent being $300,000,000, the real cost of which, judging by the experience of our national and State governments in similar public enterprises, it is entirely safe to estimate will be nearer a billion dollars. Launch the Government into the experiment of building those already suggested, and there will come an irresistible demand from every section of the country to build other roads and other canals, which you are compelled to heed, or else gross injustice will be done; and the end no man can foretell. Build them to any extent, and you place the Government in competition with its citizens, and you confer the appointment of a horde of agents and employés upon the commander of your Army and Navy, and whose army of civil officers now aggregates in numbers by the thousand. Can this state of things exist in harmony with the character of your Government as founded by its fathers? Sir, it seems that the mere statement of the probable cost of such improvements, the cost of sustaining them in repair and in the employment of agents to operate them, with the knowledge by the people of the inevitable and inseparable corruption and extravagance that seem naturally to attach to all associations of Government with public works, together with the too certain increase of taxation, is sufficient to condemn these propositions.

Akin to these is yet another suggested remedy, now but remotely hinted at, but yet the one most to be apprehended; that is, *that the Government shall take, hold, and use the roads already in existence.*

In all this struggle, Mr. Speaker, the real contest is one between capital and labor. Under our institutions feudal rights have been abolished. Estates are not held for centuries. Lords, princes, dukes, and barons are not born to inheritances saved to them without labor. The theory of our institutions is supposed to be in conformity to the injunction of God, that by the sweat of your face you shall earn your bread. Unhappily there is with all of us an effort to avoid this injunction, and no better method of avoiding it has been discovered in this country than by the investment of capital in bonds. The bondholder neither toils nor labors, and it is to the perpetuity of debt that he looks for perpetuity in estate, and whatever may tend to increase the debt or prolong its existence finds in him an advocate.

The railroad debt of the United States, as stated by the Railway Monitor, amounts to $3,728,416,000—over three billion dollars! Now, if this amount could be added to the present indebtedness of the United States the idea of its payment would be hopeless, and the bondholder, and the bondholder's wealth, taxation, would become permanent institutions.

I have feared that the just complaints of the people against the exactions and extortions of the railroads would be added to by these persons, with a view of ultimately directing the attention of the laboring and producing masses to the purchase of the railroad as the only solution of the transportation problem, in the hope that, when maddened by the tyranny and oppression of these corporations, a majority of the people, without due reflection as to all the consequences, would accept the proposition. Is there any ground for this apprehension? I have not seen and examined the report of the railroad commission appointed by the English Parliament, in which this matter is discussed, but learn from those who have, that they report that in England the only solution to this vexed question is either free competition or the purchase by the government of the railroads. The railroad commissioners of Massachusetts have advised substantially the purchase of leading railroads in that State, and recently, in the transportation convention that assembled in this city, this idea was advanced by a leading member and a prominent statesman in the country. Looking to the vast interest represented by the capital and bondholders of these railroads; looking to the motives that control men, and paying due regard to the tendencies of the times, and the difficulties that inhere to the question, may it not be apprehended there is danger that, if we enter upon this commission, its mission may end in the same conclusion, that the Government must own the railroads in order to furnish cheap transportation to the people?

United by every feeling of my nature, and by a political faith derived from the teachings of Mr. Jefferson, to the agricultural interests of the country, and believing that they are the truest and most unselfish guardians of popular liberty and democratic institutions, and recognizing their complaints to be just, I, as a friend, entreat them to watch closely the efforts being made to take control of their wealth and their labor by either of the modes suggested.

Popular liberty is lost when the citizen becomes a creature of the Government. Freedom in the person is not consistent with dependence upon or the guardianship of the ruler.

Since, then, expedients will not do, the question recurs, in face of admitted abuses and evils, are there no constitutional and appropriate remedies? In my opinion there are; and,

First. In this admitted power of Congress to regulate commerce, not by interfering with the right of the citizen to contract as he may please, but in punishing by appropriate fines and penalties all combinations, trade regulations, ordinances, or rates which interfere with or obstruct the freedom of commerce, whether adopted by States, corporations, or individuals.

Secondly. By the improvement of such rivers and lakes as are national in their character.

Thirdly. By the direct interference and control of the States over such charters as are being abused to the prejudice of the public welfare. In other words, the exercise of the local sovereignty from whom their powers are derived.

But beyond and superior to all these is the fourth remedy, and that is that the taxes, which rest upon the labor and productions of the country, shall be diminished. What are these? Nominally they are, for national, State, and municipal purposes, about $700,000,000; really they are about $1,000,000,000.

It is estimated by gentlemen who have given close attention to the principles and working of a protective tariff that the consumers under our existing laws pay nearly as much into the pockets of the protected classes as passes into the public Treasury. This must be nearly the amount the consumer loses, or rather is taxed, since he has to pay the bounty exacted by protection and manufacture, and then on the ex-

penses and profits of the middlemen. Again, I am persuaded that under the monopoly that exists in the currency the laborers and producers of this country are taxed in the support of excessive interest, and in the difference that exists between the currency they sell for and the currency with which they buy, many million dollars.

It is your monopolies in the tariff and in the currency, added to the expenses of your national and local governments, that create the great body of the evils of which the producers of the country complain. Let there be reform in your currency, and control your tariff and tax laws in the interest alone of revenue. Give freedom to commerce, retrench the expenses of Government, and the burdens of which the farmers and laborers of the country complain will become lighter. Transportation will, by such assistance as you may legitimately give it, and left to the wholesome laws of individual energy and competition, adapt itself to the economy of your legislation, and become cheap—responsive to the demands of the people.

Mr. WHITEHEAD. Mr. Speaker, I know full well that no subject has attracted the attention of the agriculturists of this land so much and so often in the last few years as this subject of cheap transportation. I am aware, sir, that the great agricultural interests of this country have been overlooked by the national Legislature and by the national Government; and I think we would do well before we come to a vote, either upon the bill offered by the gentleman from Ohio [Mr. SMITH] or on the bill before the House reported by the gentleman from Iowa, [Mr. MCCRARY,] to look to the real causes that have demanded legislation upon this subject, and have brought to the support of a measure for cheapening transportation such earnest and active advocates as the friends of this bill. I admit, sir, that I have doubts, and other members on this floor have doubts, of the constitutionality of this bill; we also doubt the expediency of this bill; but I, for one, say that all my sympathies and my entire feeling are with the parties who are proposed to be benefited by this bill.

As I have said, I am perfectly satisfied that the agriculturists of this country have not had a fair chance in legislation. I am satisfied that the legislation of Congress for the last fifty years has been for the benefit of everybody on the face of God's earth except the tillers of the soil. Whenever a tariff bill was to be passed it was framed and passed in the interest of the manufacturers and not of the agriculturists. If a steamship line was to be subsidized, paid money to enable it to run, it was to be run at the cost, by taxation, of the agriculturists of the country. As my friend from Indiana [Mr. SAYLER] so well said the other day, if men of genius are to be paid for their inventions, they are to be paid out of the hard earnings of the men who till the soil. And if, sir, a little piece of water on the Atlantic coast is to be scooped out, in the district of my friend before me, [Mr. SENER,] for instance, for the benefit of somebody, it has to be scooped out with the money of the agriculturists for the benefit of commerce.

Sir, I do not pretend to be a financier; I never had enough money for my own purposes, and much less to enable me to manage other people's; but when gentlemen propose to regulate the finances of the country, they have invariably, for the last forty or fifty years, invented a system which was to create a monopoly for the capitalist at the expense of the agriculturist. The national banks of this land are a monopoly in favor of money, and that monopoly, too, is paid for by the men who till the soil.

Now, sir, of all the patient people upon the face of God's earth, the men who have worked this land, who have fought the Indians off of it, who have cleared its forests, tilled its fields, built up its cities and villages—all these men have been less cared for, more neglected, and oftener attacked than any other part of the population of the United States. They have been patient. They are taxed now two or three times, as I happen very well to know, down my way. And it is only lately that they have commenced to complain; until now, as my friend from New Jersey [Mr. PHELPS] has said, they have gotten up a few granges once in awhile, and have taken it into their heads that they can protect themselves. I tell gentlemen here that these millions of voters in the United States have become aroused at last. Whether they are heard in the bill of my friend from Iowa [Mr. MCCRARY] or in some other bill here; whether he has one that will suit them, or whether one of my pet schemes about water transportation will suit them; whether the one or the other is what they want, you may be sure that they will be heard and will be felt. This thing must be settled, and settled now; it will never be quieted again. If the Constitution prevents its settlement now, they will change the Constitution. It is bound to be settled; they will settle it, notwithstanding the opinions of some gentlemen here or elsewhere. These things will be adjusted, and the men who till the soil will have their fair share in the legislation of this Government which they support.

I looked over the appropriation bills the other day, and I found that there were $29,000,000 appropriated to run the Treasury Department up here, to enable it to make paper money. I found, also, that there were a great number of millions appropriated to run the War Department. Thank the Lord, we have peace now, and I am specially thankful for it myself. Then there was another large number of millions for the Navy Department, although, as some gentleman said here who knows more about it than I do, they did not have a ship that could keep the enemy out of New York Harbor. And then there was $123,000 to keep up the Agricultural Department, to furnish us with seeds, and I expect they will cut that down before they are done with it. That Department is used to a great extent to throw dust in the eyes of our constituents, the agriculturists, by taking them through the conservatory down there, and let them smell a few flowers once in awhile. [Laughter.]

This may be all right, so far as I know. It may be that we need a tremendous Army to keep somebody off; I do not know who it is. It may be that we need a powerful Navy to keep from getting into a fight with somebody, as we almost did a little while ago with Spain. It may be that we need all these millions for our Departments, for the Pension Bureau, the Treasury and other Departments, and a little for the Agricultural Department—the few men over there on the Island. This may be all right. But the people out West and down South and in a few other places, begin to think that the thing is not exactly all right.

As I said, this matter is attracting the attention of the people all over the land. These grangers started sometime ago, and there is great excitement in the minds of the people; there is great thinking and talking and feeling on this subject, more than any other since the war, except it may be out in the West, where the ladies have taken hold of the matter of whisky and are raising the very devil out there generally. [Laughter.] It may be *that* may produce some dispersion of the amount of feeling excited by this bill. My friend here in front of me, [Mr. SENER,] says that the women are coming here to look after Congress. Well, if they are, Congress will adjourn and leave; that is all I have to say about it. [Laughter.]

Now this matter of cheap transportation, of what is the cheapest transportation, of what is the best transportation, of what is the sort of transportation that will relieve the people, that is the question for us to determine; whether it is involved in a railroad bill, or a canal bill, or a bill for opening the mouth of the Mississippi River. The question which is pressing upon the country now is whether this vast territory, an empire in itself capable of producing in one year bread enough to feed the whole world for three years of famine, whether that land shall have all its productions cooped up, without the ability to get to a market; whether we on the sea-coast shall pay one dollar or one dollar and twenty-five cents a bushel for corn, while it is being burned in Iowa for fuel and does not yield its producer ten cents a bushel?

And it is a question that strikes at the very root of this matter, whether this Government has not the power to relieve these masses of the country in this state of suffering and trouble; whether there should arise in the town of Paterson, New Jersey, as was the case last winter, the cry for "bread or blood;" whether twenty thousand laboring men out of employment should meet in the city of New York demanding wages, repeating the cry of "bread or blood;" whether such things as these should happen when there was being burned in that great western country that which would support life and make those people comfortable. It is, I say, a serious question whether this Government and this people, by reason of the barriers of a few mountains separating the great water highways, are bound to sit still and see want and starvation fall upon laboring men of the East while at the doors of the farmers of the West the means of sustenance are abundant. It becomes the wise men, and good men, and thinking men of this country to see whether some scheme cannot be devised to remedy this evil so that the cheap bread of the West may be brought to the hungry of the East, and that commodities manufactured by these laboring men in the East may be carried to those in the West who have bread to give in return.

It almost brings tears to my eyes to have to separate from my friend from Iowa [Mr. MCCRARY] on this subject. I wish I could take him by the hand and stand up with him squarely for this bill. It would do me good. I almost wish I could go with everybody in favor of opening up that valley of the West. But I think I can satisfy the gentleman from Iowa that one trouble with him in this case is that, to use the old expression, "he has got the cart before the horse;" that he has started this bill in the wrong place; that he ought to have water communication in advance of the railroad, the railroad being intended to carry the supplies to the water.

Mr. WILSON, of Iowa. The railroads will not let us get to the water.

Mr. WHITEHEAD. I understand that there is some difficulty in that direction; but I will show you how I think it can be stopped. I am not here to defend the railroads. These monopolists, who, when the icy hand of winter was laid on the Erie Canal, raised their freights to extort money from the West, need some regulation. I do not believe it right for them to charge as much for carrying a ton of produce one hundred miles as for carrying it one thousand. But I know that there are some troubles that environ the railroads; that they, like persons in other branches of business, have some difficulties to contend with. As was remarked this evening by the gentleman from Vermont, [Mr. WILLARD,] the railroads are not to be condemned wholly. They have done much to build up this country. Undoubtedly they have in many cases heaped together money, and sometimes in very uncertain ways. This way of "watering stock" is hardly a fair thing. [Laughter.] They have made combinations; they have formed what they call commercial connections; and in all these combinations they have gathered a power that has taken charge of some Legislatures, and has even knocked at the door of Congress and circulated through these lobbies a great deal oftener than was safe for men who had not strong backbone and a good deal of honesty. It is a part of their policy to form their combinations by which to control States,

and if possible control this central Government. I shall, however, return to that point directly.

Now, one word in regard to these gentlemen called the grangers who have alarmed almost everybody in this land. In old Bible times, when a man became sorrowful and distressed on account of his condition, he put ashes on his head and girded his loins with sackcloth; but now when a man, especially a politician and a Congressman, becomes disturbed in any way, he puts hay-seed on his head and girds his loins with a sheep-skin. [Laughter.]

Now, I am not going to raise any row with the grangers. There are some of them, I believe, down my way. I have heard that they recently held a meeting not far from my section of country. I wish to read a resolution adopted by the farmers' convention—I believe they called themselves grangers—held in December, 1873, in Decatur, Illinois:

Resolved, That the existing railway legislation should be sustained and enforced until thoroughly tested by the courts; that we oppose any legislation by Congress under the plea of regulating commerce between the States which shall deprive the people of their present controlling influence through State legislation.

I have also here a resolution of the State Grange, Patrons of Husbandry, adopted at a meeting at Boonville, Missouri, commencing February 18, 1874, and concluded February 24. The committee on transportation of that meeting unanimously adopted the following preamble and resolution:

Whereas we deem the facilities afforded by our present system of railroads inadequate to the transportation of the agricultural products of the West to the sea-board; and whereas for the want of sufficient competition railroad companies are disposed to extort rates of freight which are unjust and oppressive: Therefore,

Resolved, That we appeal to our State legislators and Representatives in Congress to use their influence to secure the improvement of the navigation of the Mississippi River and its principal tributaries by the national Government.

Thus it appears that these Missouri grangers have made up their minds that water transportation is their secure and abiding refuge; and I agree with them on that subject. These Illinois grangers have said that the Legislature of Illinois has a controlling influence over the railroads of that State sufficient for their protection.

My objection to this bill is that even if the system proposed can be perfected and carried out to the fullest extent, it will not give such transportation as is expected by my friend from Iowa, [Mr. MCCRARY,] and those who stand with him on this subject. If I had time I could show—I will take time anyhow, [laughter;] I can show—by statistics that a bushel of wheat can be carried only nineteen hundred and eighty miles before it is eaten up by freight, without counting any of the little charges for shipping, handling, or anything else.

By water it can be carried profitably fifty-four hundred miles, still leaving sixty cents per bushel to the producer. It is not destroyed by carriage by water under nine thousand miles.

A bushel of corn, as a matter of course, can be carried but one-half as far. So as to iron and other heavy freights, products of the field and mine. These heavy freights are destroyed by any carriage except water carriage, to any reasonable distance. These tables were made up by the late Commodore Maury, who knew what he was about. He states that by the old-fashioned wagon a bushel of wheat can be carried three hundred and ten miles, and is then destroyed by the charge for transportation.

If that be so, then, for long distances in the West, these railroads are unable to carry freights and make money. If that is so, just see the position of one of the long through railroads under this bill. Every one knows that a bushel of wheat cannot come from San Francisco to New York and pay anything. It would be eaten up before it got half way.

If this bill undertakes to regulate produce carried on any one of the long lines, and allows that railroad any profit on the actual cost of making and running that road, then it will allow the railroad more than it now gets. For, Mr. Speaker, I undertake to say these long lines of railroad carry through freights, where there is competition, instead of at a profit, really at a loss to themselves. I have here the report of the great Pennsylvania Railroad, wherein it is stated that they carry through freights at much less than heretofore, decreasing every year. Why do they do it? They do it for the purpose of competing with other long lines. As the gentleman from Vermont [Mr. WILLARD] said to-day, they make it up, however, on local freights. It is stated as a fact, in my own State, that the Chesapeake and Ohio Railroad is carrying cotton from Huntingdon to Richmond, Virginia, for twenty-four dollars, when it is known that it costs more than that to do it. Why does it do it? Because the competition up the Ohio to Pittsburgh, and by the Pennsylvania Central Railroad, compels transportation at that price, or that railroad would have to do without it.

This is all the result of competition. Therefore, in reference to railroads in the West, in my own State and all over the country, the complaint is not against exorbitant charges for through freights, but the complaint is general of discrimination against local freights. The complaint is that they charge more for local freights than for through freights. Take the case of the people of my friend from Iowa [Mr. WILSON] who sits near me. Suppose he wishes to ship to the Mississippi River. We all know that they will charge him the same as they would charge him for freight to Chicago. And why? Because there is competition in transportation to Chicago, while there is no competition in carrying freights to the Mississippi River. The railroads discriminate against freights to the Mississippi River and in favor of through freights. The discriminations are in favor of freights to Chicago, to New York, or to any sea-port.

Now, Mr. Speaker, how are you to correct that? The people in the West were so anxious to have railroads that they allowed the railroads to get the advantage of them. You people out West chartered many without regard to fixing what should be the maximum rate for freight. You allowed them to charge whatever they pleased. It is unfortunate that you did so. That is all I have to say on that point.

You, by your Legislature, said to a company of gentlemen that if they would put their money into the enterprise, if they would build a railroad, if they would spend their money to build it, you would allow them to charge three cents a mile for passengers and two cents a ton for freight. They put their money in upon that guarantee and built that railroad. Now you tell them they shall not do that. Why, sir, you would break any railroad on earth if that were to be done. And there is the wrong in this whole thing.

Take the case of the Virginia Midland Railroad, the Alphabet Railroad, as they call it down there. This railroad was built by the stockholders, and the stock is not worth more than fifteen dollars, instead of being worth fifty dollars. Very little stock which was put into any railroad is worth anything. The man who is the mortgagee is the man who makes the money. The original stockholder hardly ever makes anything by holding the stock. It was provided in the charter of the railroad that if the stockholders would go and build the road they should be allowed to charge four cents a mile for passengers and so much for freight. That was the maximum rate which was fixed. This permitted them to charge for through freights as much less as they pleased. It was provided, however, they should charge only so much for passengers and so much for freights. But they were not allowed to charge anything beyond that.

Now, if the money was invested by the people who loaned it to build that railroad, I would like to know whether it is not a violation of their rights to say that Congress should step in and say, "It is true the State of Virginia induced you to invest your money to build that railroad, and you built it, and they guaranteed you so much for freight, but Congress now says you shall not have any such sum, but shall cut down your rates."

Mr. WILSON, of Iowa. Will the gentleman allow me to interrupt him for a moment?

Mr. WHITEHEAD. Certainly.

Mr. WILSON, of Iowa. I want to put this thing on a square basis. When those companies built those railroads in Iowa the State reserved in so many words the right to regulate the rates of transportation for freight and passengers. Now, then, we can do that to the State line. These railroads were built as Iowa railroads; but they have now become connected with the through railroads, and are controlled by men living out of the State. The State can regulate the rates to the State limits; but nine-tenths of all our shipments are from points in the State of Iowa to points outside of the State; consequently it is not State traffic any more, but becomes interstate commerce, and is outside of the jurisdiction of Iowa. And unless Congress gives us relief, what are we to do?

Mr. WHITEHEAD. I thought the gentleman's difficulty was this: that he was not troubled about the price of a ton of wheat, or a ton of bacon, or a ton of any other freight from Iowa to Chicago or New York, because in most instances, it is said, with rarely an exception, the through freight is cheap enough. I supposed his trouble was in regard to the discrimination against the way-stations, which would not let my friend get to the Mississippi River to put his wheat in my canal-boat.

Mr. WILSON, of Iowa. Exactly.

Mr. WHITEHEAD. Now, if in the gentleman's State they wisely reserved—as we did not reserve—the right of regulating the rates of transportation of freight and passengers within the limits of their State on their railroads, they have the right to make the railroads carry the gentleman's freight to the Mississippi River at a fair price and put it on my boat.

Mr. WILSON, of Iowa. Yes, sir.

Mr. WHITEHEAD. Then you are all right; you are not hurt.

Mr. WILSON, of Iowa. The mischief is that during the winter months, when four-fifths of all the surplus products of Iowa are disposed of, the boats cannot run, because of three feet of ice on the river; and we have got to go down through Missouri, and, of course, the State of Iowa cannot control anything in Missouri.

Mr. WHITEHEAD. Did the gentleman not hear what I read as having been said by the grangers of Missouri as to what they were willing to do? I had thought that the great difficulty with the Iowa men was to get at water communication at reasonable rates. Now, the gentleman says they have got that fixed in the best possible manner by the Legislature of Iowa, and I do not think he is at all as badly persecuted as I had thought he was. I take back what I said, for I find they can get to the water.

Mr. WILSON, of Iowa. We can get to the ice.

Mr. WHITEHEAD. True; the ice being there he says they have to go into the State of Missouri. Well, I want to show how this bill does not get you out of that trouble. I find one provision in the bill, which, if I had had the making of it, I would not have inserted in it. It looks like the work of my friend from Iowa, [Mr. MCCRARY,] for whom, however, let me say, I have not only the greatest respect, but a great deal of affection. It would appear that he had some

constitutional scruples at this point; and that, perhaps, would not be surprising if he used to be an old-line democrat. He fixed this up very well as far as going through States was concerned; but when he got down there he wrote these memorable words:

But this act shall not be construed as extending to or affecting such commerce as is actually and in good faith completely internal within any one of the several States.

Now it looks as if the gentleman was a little afraid of interfering with the States. Local self-government is becoming to be a little popular. People have dropped the old expression "State rights," and call it "local self-government." My friend from Vermont [Mr. WILLARD] said that the doctrine had not been wiped out by the war, but that the name had changed.

Mr. SENER. Which has been very well vindicated in Virginia.

Mr. WHITEHEAD. We are sound on almost everything on the face of the earth down our way. [Laughter.]

Well, now, is there a man in this House who does not recollect the working of the old railway system. A man started from home. Let us suppose it was my friend from Iowa? At the first station he reached beyond the State line he would have to run out with his satchel in his hand up to a ticket-office to buy a ticket for the State of Illinois. And then when he got to the end of the State of Illinois, he would come to another railroad, and he would have then to run and buy him another ticket to carry him across Indiana; and by the time he got to Washington he would have bought half a dozen different tickets and have run himself nearly to death in getting them, so as not to be left behind by the trains.

So, too, when he shipped his goods; if he shipped them from Iowa, he shipped them to a commission-merchant, now called by the grangers "a middleman," who charged him for receiving and forwarding them, and for storage for what he never stored at all, and charged him merely because he had to reship the goods at Chicago; or if he was sending them by Cincinnati, there another middleman got hold of them and charged him for receiving, and forwarding, and storage, and by the time the goods reached New York they had passed over numerous railways chartered by the States, with separate schedules, and he had paid a large amount upon his goods and had nearly run himself to death in getting them through.

Now, for whose benefit was it, for whose convenience, that the railroads made what they call commercial connections and said that you might buy in Keokuk, Iowa, a through ticket to New York, and then you could go into a sleeping car and sleep soundly and never wake until you got to Chicago—who is benefited by these connections? Are we not benefited by them?

There are two railroads which run through my State and which cross my district, one from the Tennessee line to Norfolk, and the other through from the North Carolina line down here to Alexandria, and thence to Washington.

Now, as soon as the railroad companies discover that this system is troublesome to them, will it not be perfectly easy for them to say, "We will have no connections outside of the State, but will do business on the old plan?" Who will be inconvenienced by it? Who will the middleman catch? This commission cannot come into the State of Virginia to regulate her railroad, for this bill says you cannot do that. Who will be inconvenienced and troubled by a return to the old arrangement? Why, the people all over the country; baggage will be lost; freight will be lost and destroyed, and nobody will be responsible; every man will have to buy a small piece of pasteboard upon the border of each State, and then heel it for the nearest station. [Laughter.] We hear a good deal about these monopolists. There is one called Tom Scott, whom I have never seen; and another one was named Fisk, I believe. Then there are the Erie Railroad, and the New York Central, and the Pennsylvania Central. Why, my friend from New Jersey [Mr. PHELPS] mentioned some two or three dozen of them the other day that he owned, [laughter,] the Lackawanna and all manner of railroads. And there is John W. Garrett, of Baltimore, the stock in whose railroad they say is worth a hundred and forty cents to the dollar. Now, suppose these gentlemen, with all their money and capital should combine together. I sometimes hear it said that out West the railroad monopolies are disturbing the Legislatures greatly, and are interfering with their religious principles and their duties. I hear, too, that in California the railroads are raising a rumpus out there, and disturbing the Legislature there. And they say that the Pacific Railroad even interfered with Congress, and disturbed the equanimity of Congress most amazingly a year or two ago. [Laughter.]

Now, suppose these men put all their money and all their political influence together, and make a combination including every railroad from the Gulf of Mexico to the Saint Lawrence, and put all their interests together, and bring them to bear on Congress, and the President, and the politicians of the country, and get a commission appointed under the influence of those railroad kings, and where are you then, Mr. MCCRARY, and your constituents? [Laughter.] Sir, it is the old tale of the fox and the swarm of flies. That was a smart old fox. When a swallow offered to drive off the swarm of flies which had been teasing and worrying him all day, he said, "O, no, you had better let them stay. If you drive them off, a hungrier swarm will come on, and there will not be a drop of blood left in my body." [Laughter.] Now, it is probably best to let the swarm that has been sucking our blood here for years, and has hard work to get a drop once in awhile, stay. But if you have nine commissioners at $4,000 a year each, with the Lord knows how many clerks and attachés, and the railroads get hold of them, then where is the country, where are the people, where are the grangers? [Laughter.]

One blast upon their bugle horn,
Were worth a thousand men.

Now, I am not speaking of what is impossible, nor am I supposing, in the present virtuous condition of this country on the subject of money, what is improbable. I say that it is in every newspaper in this land, that it is in almost every speech made, that these railroad monopolists, who are fattening upon the sufferings of the people and the hard earnings of the laborers of this land, are gathering the money power and the political power, and wield it for their own benefit and against the interests of the people; and here is a proposition to start up nine of these railroad kings. They might be very pious men, and then they might not. The President might appoint nine first-rate men. I expect he has done that many a time in the last six or seven years; no doubt he has. But, then, he might not do it again. It seems that sometimes he appoints men that the Senate thinks are not half as good as he thinks they are, and then they have to go under. What sort of canal commissioners have you in New York? Politicians, nominated and elected by the party.

Now when these commissioners come to be appointed, is there a man here that will tell me that there will not be many Congressmen and many politicians pulling and hauling his Excellency the President of the United States, and insisting that this gentleman or that gentleman is a most excellent man for a railroad commissioner? That may not only happen, but it certainly will happen. The railroad managers of this country will be behind the scenes, and a great pressure will be put upon the President, and there must be a better man there as President than we have had since General Washington if he can resist that pressure.

These are not the days when men are not susceptible of the influences of their party; these are not the days when men are not susceptible of political influences. If I knew that to-morrow a man from my party, selected from the conservative party of the State of Virginia, would be made President, I would say that he should not have such power as this bill proposes to give; that he should not be subjected to such a temptation; that he should not have this pressure put upon him. Why, sir, a man hardly dies in office of any kind here before the President, up at the other end of the avenue, is besieged by fifty men who think that they have a particular right to tell him who is a good man to put in that place. And do you believe there would not be applicants for these offices at the rate of $4,000 a year, and that there would not be a particular pressure upon the President, and that that pressure, with the influence of these railroad kings, would not have a powerful effect in those appointments? Sir, if there were no other objections to this bill, that point in it would be sufficient to lead me to vote against it.

I am a lawyer when I am at home, and I do not want any better living than I can make under this bill by settling down by a railroad and practicing law. This bill has litigations and costs in it from one end to the other. Let us see. These commissioners say that on our railroad through the State of Virginia, the Great Southern Railroad, the rate of fare on through freight going to New York by the Baltimore and Ohio road shall be so many cents per ton per mile. As soon as they do that somebody raises the cry—they will certainly do it—that there is extortion by the railroads, that they charge more than the rates fixed by the commissioners, and you have a lawsuit at once.

Mr. G. F. HOAR. Will the gentleman be disturbed if I ask him a question for information?

Mr. WHITEHEAD. Not in the least.

Mr. G. F. HOAR. Suppose that there were nine corrupt commissioners appointed under this bill, who were servants of the railroads, what harm would happen to anybody more than the present condition of things?

Mr. WHITEHEAD. I propose to tell you what would happen. If you had nothing else but railroads, as this bill seems to contemplate, transporting the produce of the West to the East solely by railroad; if you can have no more competition by railroads than you have at the present time, then you will be no worse off one way than the other, except there would be legalized robbery under this bill, indorsed by these commissioners, to plunder the people, with a right to prosecute the railroads if they charge different from the rates fixed by the commissioners, and then you could go into court and be whipped every time. I have had some experience in that myself, and I know what it is to fight a railroad in court.

Mr. G. F. HOAR. Suppose the railroad commissioners should fix for one or for all the railroads of the country double the present rates, what harm would they do? Would it be any more than it is now?

Mr. WHITEHEAD. In that case, without the remedy which I am going to give you—and I am going to show you how to get out of the trouble, the very trouble that you want to be rid of—I say that without competition you are now in the hands of the railroads. If you were in the hands of nine corrupt commissioners you would be in the hands of the devil, [laughter,] and you would have no better and no worse chance than you have now, except that the robbery would be legalized. That is all the difference.

Mr. G. F. HOAR. As I understand it at present the railroads fix their own rates.

Mr. WHITEHEAD. Except where the charters fix the maximum rates.

Mr. G. F. HOAR. If the commissioners fix the rates less than the railroads wish to have them fixed, then the railroad would have the right to go to a jury, and if the jury refused to sustain the decision of the commissioners, then they must come down in those rates.

Mr. WHITEHEAD. Yes.

Mr. G. F. HOAR. But if the commissioners shall fix the same rates which the railroads have fixed, then the public is just where it is now.

Mr. WHITEHEAD. That is what I say.

Mr. G. F. HOAR. They would be in every respect as they are now. There is no change whatever if the commissioners do not reduce the rates.

Mr. WHITEHEAD. There is no difference, as I say, except the fact that by this bill you have legalized this robbery. That is the only difference. But I show you "a more excellent way," in this: that if you put your hand to the plow and open water communications with the West, you then have a mode of transportation which can, by its cheapness, compete with the railroad, so as to make money, and still bring about a reduction of freights. This is the remedy which I suggest.

I concede that in the case supposed by the gentleman from Massachusetts the parties would perhaps be no worse off; but we would have legalized robbery by this bill. The parties would be at the mercy of the railroad just as they had been. This bill offers no remedy. I am going to offer a remedy; I have not yet spoken of my remedy except incidentally. This bill gives no remedy. It leaves you precisely where you were at first.

Mr. G. F. HOAR. The bill does not legalize any improper charge by a railroad company.

Mr. WHITEHEAD. By this bill you undertake to set aside the charters granted to the roads by the States. The railroad charters in certain States provide that the companies shall charge only so much per mile as the maximum. You undertake to say that this commission may fix the price of transportation without regard to that maximum, without regard to charters or State laws or acts of the State Legislature; you provide that this commission shall have absolute power to fix the rate of freight. Now, if the maximum provided by the charter were less than the rate fixed by the commissioners, the people would be damaged. That is one instance in which they might suffer from the bill.

Mr. G. F. HOAR. I am quite sure that the committee do not so understand the operation of the bill.

Mr. WHITEHEAD. Now let me ask the gentleman a question, so that I may put myself right.

Mr. G. F. HOAR. Certainly.

Mr. WHITEHEAD. Does not this bill in so many words provide that these commissioners shall fix the reasonable rate of compensation to be paid on any railroad?

Mr. G. F. HOAR. It does, but it does not give the railroad company any affirmative authority to charge that rate. It simply provides that in a suit between a railroad company and an individual to determine whether the latter has been charged in excess of a reasonable price, the schedule fixed by these commissioners may be given in evidence; and in that case the burden of proof is changed. That is the whole operation of the bill.

Mr. WHITEHEAD. Let us see whether that is so. Let me refer to the bill. It provides that a schedule of rates shall be posted up, so that the public may know precisely what are the rates fixed by these commissioners as those which the railroad may charge. If the bill does not vest in the commissioners the right to authorize the companies to charge more than the charter rates, what does it do? Does the gentleman say that under this bill a railroad company cannot charge more than the charter rates?

Mr. G. F. HOAR. I do, most distinctly.

Mr. WHITEHEAD. The bill does not say so; there is not a word of that kind in it. It provides that the prices to be charged by the railroads and the reasonableness of them shall be ascertained by this commission; and though the railroad may charge more than the charter rate, this commission has the absolute right to say the charge is not unreasonable. Why have they not the right to say, if they choose to do so, either from corrupt motives or otherwise, that a dollar a mile is not an unreasonable charge?

Mr. G. F. HOAR. Suppose a railroad were chartered by the State of Virginia, with a limit on its charges——

Mr. WHITEHEAD. That is exactly how they all are chartered with us.

Mr. G. F. HOAR. And suppose that the railroad commissioners, on a hearing of the railroad companies and of the public—of all parties interested—should fix a higher sum over a certain portion of the route than this Virginia statute had fixed. A man who might complain that the railroad company charged him too much would not, of course, have the special remedy which this bill provides; but he would have every remedy he had previously enjoyed. He would have the right to insist on the limitations of the charter; and the authorities of Virginia could proceed by *quo warranto* against the company.

Mr. WHITEHEAD. Suppose the commissioners should decide that for shipping freight from Norfolk to Memphis a railroad company might charge ten cents per mile per ton; is there any remedy against that? Could not that be done under the bill?

Mr. G. F. HOAR. If the railroad company did not charge more than that——

Mr. WHITEHEAD. Suppose the railroad charged exactly that rate?

Mr. G. F. HOAR. Then the individual would not be entitled——

Mr. WHITEHEAD. To any remedy.

Mr. G. F. HOAR. The individual would not be entitled to any remedy which this bill provides; but he would be entitled to just such remedies as he would have had if the bill had never been enacted. In other words, the commission, in fixing a rate, simply authorizes an individual to give that rate in evidence on a trial in the United States court for extortion under this bill, and the railroad company, unless they could satisfy a jury that the commission had fixed the rate too low, would be held guilty of extortion. The remedies or the rights of a party in such circumstances would not be changed at all.

Mr. WHITEHEAD. I hope the gentleman will permit me to go on with my argument.

[Here the hammer fell.]

Mr. SENER. I hope my colleague [Mr. WHITEHEAD] will be granted an extension of his time. He has been very much interrupted.

The SPEAKER *pro tempore*. The gentleman's time can be extended only by unanimous consent.

Mr. SENER. I ask for unanimous consent.

The SPEAKER *pro tempore*. How much time does the gentleman desire?

Mr. WHITEHEAD. I suppose that fifteen minutes will be sufficient.

Mr. FORT. I do not wish to interpose any objection; but it seems to me that fifteen minutes, added to the time the gentleman has already had, would make it rather late for others who wish to speak.

Mr. WHITEHEAD. I simply want to close up my argument.

Mr. SENER. I hope my friend from Illinois [Mr. FORT] will not object. His time was extended by unanimous consent several Saturdays ago.

Mr. FORT. I certainly do not interpose any objection.

Mr. SENER. Then I hope my colleague will be allowed to proceed.

The SPEAKER *pro tempore*. The Chair hears no objection; and the time of the gentleman from Virginia is extended for fifteen minutes.

Mr. WHITEHEAD. Now, Mr. Speaker, as I have already said, we are brought to two conclusions by this bill. If the railroads do not choose to accept this when it shall become the law, then they will go back to their old system and put us all to the greatest inconvenience. If you fix the charges higher than the charges they are now able to maintain, they will of course accept the bill, and we will be bereft of all redress. You will then take away the right of men to go into the courts to contend for their rights. Then when freight is to be shipped from Norfolk to Memphis it will be shipped under this bill. It will be interstate commerce controlled by this bill, and the party would be bereft of his right to contend that the railroad should be restricted to the terms of its charter. That closes that part of the argument.

I have another objection to this bill, and it is a *real* objection. If it should pass and become a law, it will, in my judgment, be a source of endless litigation. The party under this now has his remedy against a railroad in the United States courts. If the railroad violates the law and the party is damaged he must sue for redress. Now, if you in the West have had the same experience we have had in Virginia in suits against railroads, you will have found out that it is better to lose a small amount than to have any contest with railroads at all. Indeed, in my judgment, if they have shown any omnipotence, it is in the way they carry on their lawsuits. They always manage to get the very best counsel, and in all cases, whether large or small, trivial or otherwise, they manage to defeat the poor man.

Now I propose a remedy. What is the real remedy for this great outcry on the part of the agriculturists of the West? I am satisfied that the West desires this thing. I am satisfied that there is not a more earnest man on this subject than the gentleman from Iowa, [Mr. MCCRARY.] He believes honestly there has been a persecution of his constituents. He desires to relieve them not only in this, but in all other ways. I am also satisfied after repeated conversations with the other gentleman from Iowa, [Mr. WILSON,] that the agriculturists of the West have not a more earnest or an abler worker in their behalf. I believe, however, they are in danger of injuring their constituents by this measure. The first result of the passage of this bill will be to have it hung up in the Supreme Court for three years. You will then strike down the water-lines and leave your people for three years without any means of transportation.

Let me state my own view of this question. I am afraid of the railroad power. I am afraid it is another instance of the old fable of the fox and the flies. I am afraid it is another case of the frogs who prayed for a king, and that they will get such a king down upon them to crush them under his weight. I am afraid that in attempting to escape Scylla they will run into Charybdis. I am afraid that in an effort to escape railroad monopolies the agriculturists will be given over into the hands of the moneyed power, controlled by the railroads themselves, corrupting the country and sapping the vitals of the agriculturists of the land. That is what I am afraid of. When they get

the power they will see that no canals are built or rivers improved. They will put a stop to competition. When railroad political influence is in power there will be an end of water communication and cheap transportation.

I will tell you what I think ought to be done. Let the energies of the people of the East and of the West be concentrated for the purpose of opening up great lines of water communication. Let us open the mouth of the Mississippi. Let us improve our great rivers. Let us build a canal around the Falls of Niagara. Let us complete the James River and Kanawha Canal, and build a canal through Upper Georgia.

Mr. GUNCKEL. How much will all this cost?

Mr. WHITEHEAD. I do not care how much it will cost. When it is done it will be money in the pockets of the people of the United States. I do not believe in the doctrine taught here by the gentleman from Massachusetts, [Mr. DAWES,] chairman of the Committee on Ways and Means, that economy will pay a negotiable note when the days of grace have begun to run. I do not believe in saving the Government by attempting a system of economy which turns the weeping women clerks into the street without employment. I do not believe in any such economy which only cuts down the wages of the pages around the Capitol. I do not believe the Government is saving anything by merely cutting down the wages of our door-keepers. I would rather spend more money on works of improvement to pay for honest labor. I believe that it would be true economy to spend the money of the Government for labor in opening up these great lines of water communication. If we do that we will bring back to the Treasury a thousand dollars for every one expended.

I do not care even if it were to cost $500,000,000. The people of the West are entitled to it, I do not care what it would cost. It is an investment which will be of itself much better than building up a Navy, and much better than giving $1,000,000 for the purpose of patching up these old forts along the sea-coast. I see that it is proposed to rebuild Fort Sumter, which was knocked down during the war. We knocked it down, and now it is proposed to build it up again. I am opposed to spending millions of the people's money for the purpose of patching up these old rotten forts. There is to be no more war; and even if there is, we do not want any more forts down our way. Men take money in this way, and cut down the appropriations, and say you have not got enough money to make these improvements. I say the danger is in men like the chairman of the Committee on Appropriations, who stand up to fight all progress. The danger is not in the ability of this Government to build these lines and improve these rivers. The danger is that men will be controlled by party ideas to vote against necessary appropriations of this kind. I am not one of those men. I will vote for these improvements without caring whose party it hurts; for the people in the West, I say, are entitled to some consideration.

One gentleman debating this bill said that the closing of the mouth of the Mississippi River was what raised the strong arms of the western men in what you call the war of the rebellion. I have a right to speak on this subject, for I felt something of the strength of those strong arms, and know something about it. I tell you they are the men who saved the Union, and, as I have said, they are entitled to some consideration.

Mr. GUNCKEL. You say we call it the war of the rebellion. What do you call that war?

Mr. WHITEHEAD. I do not call it at all now. [Laughter.] But I say these men are entitled to consideration. The agriculturists of the West have had, as I have shown, neglect and taxation. They are entitled to this improvement, because it is about all they ever asked. They have paid the customs duties. They have paid the monopoly in favor of banks. They have paid the tax to the inventor and manufacturer, and have not grumbled. And now—if I may be permitted to speak once in awhile myself for republicans in the West—they are asking to have cheap transportation. And my friend from Iowa [Mr. MCCRARY] is trying to give it them in the wrong way. I wish to give it to them by a sure method, costing two mills a mile from Omaha to Norfolk.

Mr. MCCRARY. Does the gentleman mean to say that I am opposing cheap transportation by water?

Mr. WHITEHEAD. No, sir; I have not said so.

Mr. MCCRARY. I hope the gentleman does not consider this measure antagonistic to what he proposes.

Mr. WHITEHEAD. Not at all; only I think the gentleman is a little mistaken about the value of this bill. I am satisfied that the gentleman is as earnestly and as honestly engaged in trying to get cheap transportation for his constituents as any man on this floor, but I think he is mistaken in his remedy. I believe it will prove a reed that will pierce through his own hand. I believe it will prove, if he gets it, a fruitful source of litigation in the courts of the United States; while if all our energies were put forth on the question of opening the Mississippi and its tributaries, connecting the East and West by water, we would have a competition which I could show you would reduce the rates on these railroads so that they will carry freight, as the Pennsylvania Central is now doing, at as low rates as they can possibly stand.

This committee, in their report, say that canals cannot compete with railroads. I say that the canals were foolishly thrown away some years ago. We were like little boys playing marbles who threw away one set of marbles for other toys of a different fashion. We should have kept up the canals and made the railroads feeders of those channels of water communication. If we had spent some of our money in improving the channels of water communication with the West, we should not now have had this cry about the difficulty of getting bread to the East.

In my State we cannot afford to raise corn at a cost of ninety-four cents the bushel. It will pay us better to raise tobacco and fruit. In the Eastern States they can buy grain brought by railroad from the West cheaper than they can raise it. And I tell the gentleman from Iowa, [Mr. MCCRARY,] the chairman of the Committee on Railways and Canals, that if these internal communications by water are made, and if they do not succeed in giving all the relief required, then I will join him in giving relief in the way he proposes, and will go with him to amend the Constitution and make his bill constitutional.

I say you are entitled to relief and should have it, but I think you are going the wrong way to get it; a way by which you will get into the hands of these monopolists, and be ruined in the end.

If I had time there are other points I should like to remark upon. I will say this: that I understand the board of engineers have reported that the James River and Kanawha Canal is not only practicable but may be constructed at a reasonable cost, with an abundance of water. And if you get that, there will be no cry of "bread or blood" in New York, and no burning of corn, which my friend from Iowa says takes place in his country. Why should the people there burn their corn when we cannot get enough to eat?

Mr. FORT. Mr. Speaker, if gentlemen of the House can be lured back from the delightful railroad excursions upon which the gentleman from Virginia [Mr. WHITEHEAD] has been conducting them in his own fancy for the last hour and a half, it might be well to turn to the consideration of the real questions before the House, and see what we may do to enthrone reason and justice.

The flow of emigration to the broad interior of our country and settlement there have found and developed measureless resources, and have brought forth rich productions in amazing quantity, which with increasing volume now seek the quickest and cheapest route to the sea, where they can embark upon that broad and untolled highway leading to all the markets of the world.

For the first time, Mr. Speaker, as I understand it, the inland commerce of the country, as borne upon wheels, is before Congress in due form for recognition and regulation. With modest yet earnest appeal this subject of vast concern is presented, and attention demanded. All sections of the country, all parties, all classes and callings and avocations of citizens, are interested.

Our inland commerce is already great, is rapidly increasing, and at times threatens to gorge the present natural and artificial avenues open for its transit.

The overland or interstate carrying business has become second to no other enterprise in magnitude and importance. And, Mr. Speaker, it is believed to be now necessary to regulate those engaged therein by law; and indeed this may not seem strange, when we remember that the human family is not perfect, and inasmuch as the members of the family who engage in the transportation business have not heretofore manifested virtues beyond the average of the brothers engaged in other enterprises.

When we look for authority, Mr. Speaker, to regulate this inland commerce, now carried on by rail, we find that in all its essential relations and qualities it is not unlike other commerce as now and heretofore carried on in this country.

We find that our fathers had difficulty with domestic commerce during the existence of their Confederation. Under that form of Government each State regulated commerce for itself. And, for the most part, such regulation operated injuriously, and at times threatened to destroy their amicable relations.

This demonstrated the imperfection of their bond of confederation and taught them by lessons of experience that the power to regulate internal commerce ought not to be exercised by any State, but should be delegated to the General Government. And when they came to frame the Constitution and establish the Union of the States, they in section 8 of the first article affirmatively committed eighteen subjects to Congress. By the third of these in their order they declare that—

> Congress shall have power to regulate commerce with foreign nations, and among the several States, and with the Indian tribes.

In the next two sections of the same article they enumerate the subjects over which they forbid Congress to exercise power. To regulate commerce among the several States, it will be seen, is specially, positively, and affirmatively granted to Congress, while the subject is not alluded to among the matters over which the power of Congress is denied.

It may then be inquired what this power to regulate commerce among the States means. Judge Story, in his Commentaries, defines commerce to be and to comprehend, "every species of intercourse between nations and among the people of the several States, including not only all traffic and merchandise and production, but passengers and travelers also." And the same learned commentator, also defines the word "intercourse," used in the definition of commerce. He says that "foreign and domestic intercourse has been universally understood to be within the reach and power of Congress;" and that "the terms of the Constitution are at all times understood to include power over navigation as well as trade, and over intercourse as well as traffic;" and that "in the practice of other countries, and especially

in our own, there has been no diversity of judgment or opinion." By which it appears that Justice Story understood this power to extend to passengers and travelers as well as to trade and merchandise.

The Supreme Court say in the case of Veazie *vs.* Moore, (14 Howard's Reports)—

That commerce in its broadest acceptance embraces not merely traffic, but the means and vehicles by which it is prosecuted.

Justice McLean says—

That transportation is a part of commerce, is no longer an open question.

Chief Justice Taney says:

It has always been admitted in the discussion upon this clause of the Constitution that the power to regulate commerce includes navigation, and ships, and crews, because they are the ordinary means of commercial intercourse. (Smith *vs.* Turner, 7 Howard.)

Mr. Speaker, if Congress can regulate a ship and its crew, because the ship and crew are engaged in commercial intercourse, does it not follow that Congress can regulate a car and its conductor, when engaged in the very same business?

At the time the Constitution was framed and the first laws passed under it regulating commerce, and the earlier decisions made, it is true there was no commerce by rail, as now, carried on among the States; and some inquire here whether the present condition of things could then have been contemplated. It is indeed probable, sir, that eighty-seven years ago they had never dreamed of this immense inland commerce that now streams and flows everywhere among the States, and on its iron ways shoots from ocean to ocean.

It is said that Franklin expressed a desire to return in a hundred years to see what his loved Philadelphia might be by that time. No doubt he pictured a grand old city, as it already is; but his imagination hardly saw the commerce of to-day rolling overland in every direction, hastened and quickened by means of the electric spark with which he was then wont to play and to sport, unconscious of its utility when fully domesticated and harnessed in wire and cable.

They in those days may not have foreseen the lines and avenues, the instrumentalities, the carriages, and the vehicles now used; yet they adopted broad principles in language that applies to and covers all these things now used.

It cannot now be known or foreseen what different and varied means may yet be used to carry on the future commerce of this people. And it may be asked what difference it will make in principle how much these instrumentalities may vary and change in form and application. They are and will be in the service of commerce, and must be judged and regulated by the same law that governs other means of transportation, which transportation is but the servant of commerce. And we are not without light from the Supreme Court, showing us plainly that this power covers inland transportation upon wheels.

Justice Miller, in the Clinton Bridge case, already referred to, says:

Another means of transportation, equal in importance to the steamboat, has also come into existence since the Constitution was adopted—a means by which merchandise is transported across States and kingdoms in the same vehicles in which it started. The railroad now shares with the steamboat the monopoly of the carrying trade. The one has with great benefit been the subject of salutary congressional legislation, because it is an instrument of commerce. Is there any reason why the other should not? However this question may be answered in regard to that commerce which is conducted wholly within the limits of a State, and is therefore neither foreign commerce nor commerce among the States, it seems to me that where these roads become parts of great highways of our Union, transporting a commerce which embraces many States, and destined, as some of these roads are, to become the channels through which the nations of Europe and Asia shall interchange their commodities, there can be no reason to doubt that to regulate them is to regulate commerce both with foreign nations and among the States; and that to refuse to do this is a refusal to discharge one of the most important duties of the Federal Government. * * * For myself, I must say that I have no doubt of the right of Congress to prescribe all needful and proper regulations for the conduct of this immense traffic over any railroad which has voluntarily become part of one of those lines of interstate communication, or to authorize the creation of such roads when the purposes of interstate transportation of persons and property justify or require it.

Mr. Speaker, some of the points adverted to may not have been raised in the case. And it may be claimed that as to such the above is not authority, but it certainly shows what the learned judge thought about the question.

Trade and traffic and commerce are the same, whether carried on over the ocean upon the floating palace or over the desert upon the jolting dromedary; whether upon the steamer over inland waters or upon the pack-mule over the plains. Whether by craft or by car it is commerce, and as it varies in line or in means so may be varied, if need be, the laws regulating it.

It may become us to inquire whether this power, if admitted, ought to be exercised by Congress, and if so, to what extent.

Many are constrained to concede the authority of Congress, but insist that necessity does not require, and in fact forbids, the exercise of such power. This is the position taken in debate by my genial colleague who sits on the other side of the Hall, [Mr. EDEN.] On most questions we agree, but on this, as on some others, we widely differ. After conceding that the committee's bill was constitutional, he went on and said:

But I deny the second proposition laid down by the committee, as follows:
That to regulate the charges for carrying freight or passengers upon interstate railroads, so as to limit them to what is fair and reasonable and prevent extortion, is a legitimate exercise of the power to regulate such commerce.

And proceeding further, he said:

That, in my judgment, this second proposition is supported neither by reason nor authority.

In taking this position my colleague amazed me. He admits the power, and then says, to prevent extortion and to limit charges to reasonable rates is not a legitimate exercise of that power.

He distinctly admitted in debate, and is so recorded on page 16 of the RECORD of March 15, 1874, that Congress has the power under the Constitution to enact the pending bill into a law, and then declared that Congress had no authority to exercise that power. This is indeed new doctrine to me. He must presume this power to be dormant. By what rule may we know what power is dormant and what has vitality? Only the other day some one on that side of the question was laboring in profound argument to prove that although it must be admitted that the letter of the Constitution declared the existence of this power, yet by the ingenious application of reason it could be ascertained that there was some mysterious and hidden spirit in that instrument that interposed, neutralized, and counteracted that power. The argument was more ingenious than satisfactory to me. But my colleague found out a better and plainer way to dispose of this power. He would march up to it straight, admit it, and then declare it to be dormant.

My colleague drew a sorry prospective picture of these railroad corporations, as seen by himself, if this bill become a law and be enforced. He said:

Upon what rule of construction can it be claimed that Congress, under the power to regulate commerce among the States, can fix the price of the commodity called freight, and cannot fix the price of all other commodities when used as elements of interstate commerce?

And again he said—

Sir, the bill before the House is the initial measure which, if successful, will be followed up by a system of legislation that will in the end overthrow every vestige of both individual and State rights.

I beg him to indulge in no such gloomy feelings of despondency. The railroads will not be utterly destroyed from the face of the land. The rights of no man or corporation to do and exercise their reasonable rights will be abridged. By examination of the bill he will find that it is only wrong and extortion that are to be forbidden. He need not fear; there is no lion in his path.

I am sorry to part company with my friend and colleague [Mr. EDEN] on this question. It was my hope, and would have been my pride, to see the Illinois delegation here march up with solid and unbroken front to the support of this measure, which, in my judgment, is so vital to the best interests of the citizens of that great State.

Mr. Speaker, this occasion would not permit the array of all the wrongs complained of. They are notorious, and need not be pleaded specially. Inland commerce has suffered beyond reason by the extortion and greed of its carriers. Between attempted relief and further endurance we may now choose. If competition was allowed to have its free sweep no legislation would be wanted. But competition is tampered with, bought up, and enchained. Combinations of monstrous corporate companies make and execute their decrees, and scorn a puny single-handed contest. It has been truly said in other years that wherever combination is possible, competition is impossible. To break down these combinations and unfetter inland commerce, this bill is brought in. In its construction the committee have labored faithfully, and are entitled to thanks.

Our opponents ask us, Mr. Speaker, whether commerce has been excessively tolled. This could be answerd generally or in detail. By a statement recently published (and which I presume is by authority, yet I do not know, and so cannot vouch for its authenticity, but if not true I hope some gentleman will correct me,) it is shown that the annual earnings of the Baltimore and Ohio Railroad Company are stupendous.

I will ask the Clerk to read a portion of the remarks of F. B. Thurber, of New York, recently made before a convention.

The Clerk read as follows:

Mr. President and gentlemen of the convention, the gentleman from Saint Louis has just named the Baltimore and Ohio road as one road which has been honestly managed, and I wish to show this convention, from recently published statistics, what honest management has done for that road. It operates 1,101 miles of road, with a capital stock of $16,711,100, and a bonded debt of $10,169,087—a total of $26,980,087.

The Baltimore and Ohio Railroad in the last six months paid out of its own current and accumulated earnings a cash dividend of 10 per cent.; expended $10,000,000 cash in new rolling-stock, bridges, steel tracks, and new roads; reduced its indebtedness, and added $2,800,000 to its surplus fund. Discarding fractions, its gross earnings in the year were $15,500,000; expenses $10,000,000; net earnings $5,500,000. Of the year before the net earnings were $5,000,000. Despite the extraordinary expenditures the company added $2,882,000 to its surplus fund, which on the 1st of October, 1873, amounted to $29,034,404. The company enjoys a credit, at home and abroad, superior to that of any other railroad company in the United States. It does business on the cash principle. It buys and builds with its own money. It has now under construction a road through Ohio and Indiana to Chicago, which was progressing during the whole season of the panic, and will be completed to Chicago during 1874.

This is what a road can do when honestly managed; and all this time it has carried freight cheaper than any other trunk line between the East and the West.

Mr. FORT. Mr. Speaker, if these are the receipts of a railroad honestly managed, what may be the income of a road that does not enjoy such a reputation?

If only such tribute had been levied upon the commerce of the people as would have paid a reasonable, yes even a liberal, dividend on the capital stock actually invested, we would not be considering the pending bill to-day.

Mr. Speaker, I will thank the Clerk to read another statement

relating to another road, which I understand is true, yet I have no personal knowledge of the facts therein stated.

The Clerk read as follows:

In regard to the watering of stocks, the obligations of the New York Central and Hudson River Railroad at this time amount to about $90,000,000, while it is susceptible of proof that the total cost to its stock and bond-holders was less than $25,000,000. Eight per cent. dividends are regularly paid on the former sum, thus imposing an *annual* burden on commerce, on $65,000,000 of fictitious capital, amounting, at 8 per cent., to over $5,000,000. The outstanding obligations of the Lake Shore and Michigan Southern Railroad now amount to about $75,000,000, for which not more than $25,000,000 were ever paid by its stock and bond holders. The watering of stock, in one form or another, has been practiced by nearly all of the principal companies in this country, and it is estimated that about one-third of all the stock of railway companies in the United States has been issued upon a fictitious basis.

After such exhibits as these, can we wonder that the whole country is crying out for reform in the management of our railways!

Mr. FORT. These enormities, if true, are sufficient, in my opinion, to demand relief. Why this watering of stock, as it is called? We are told that it is a private matter, and is not our concern. Sir, it is to hide the enormous per cent. that would otherwise be paid as dividends on the stock. If it is a matter of no public concern, why do they resort to this subterfuge to cover up their profits? Sir, shall commerce be compelled to pay a dividend on thin water?

The gentleman from Virginia, who has just taken his seat, [Mr. WHITEHEAD,] and others in debate before him, have asked how we are going to ascertain what is unreasonable toll, and prevent its collection. It may be difficult, as are many other matters about which we are called to legislate.

Sir, if we are to stop and turn back every time some timid member cries out that he sees a lion in the path, we will do but little. If we should pass no law because somebody or some corporation might peradventure oppose it, or because there might be some difficulty in its execution, we had better adjourn to-day and go home. If we have no more courage than that, our friends ought never to have permitted us to pass the garden gate without a guide. Why, sir, if there was nobody to oppose, or make trouble, we would want no law of any sort. The wicked will not cease from troubling until the millennium comes. If the statements are true as to the roads just mentioned, it would not be difficult to establish the fact judicially, and in justice to commerce the extortion ought to be, and could be, prohibited.

It is believed, Mr. Speaker, that the great corporations controlling the four or five through lines of railroad from East to West form combinations not only to put up and keep up rates beyond reason, but also to prevent the construction of new lines for competition.

No additional through line has recently been constructed. The monsters now in the field are able to swallow any new enterprise that promises competition.

It is true they have encouraged and assisted in building new roads in the East and in the West, because these become their feeders.

The people have been asked in many localities to contribute, and have voluntarily and liberally done so to the extent of millions; and the corporations have swallowed all they donated, and return the favor by tolling to the utmost possible extent; and to the expostulation of the people make answer that they want to be let alone in the enjoyment of their vested rights. "Non-intervention" is the watchword of their corporate faith. It is the old story of the white man and the Indian equitably dividing their game, the turkey and the turkey-buzzard, and it is always buzzard to the people.

They say these are private institutions under State protection. On this point my colleague [Mr. EDEN] used strong language. He said:

Upon what principle, then, of right or justice can the Federal Government, after the State, in the exercise of a constitutional right, has granted a charter for the construction of a railroad, and individuals in pursuance of legal authority have invested their money in the construction and equipment of such a road, step in and take charge of the business of the company and control the same against the will of the State and of the owners of the road?

They are citizens or creatures of sovereign States, and it is non-intervention he cries.

If they would confine their operations to the boundaries of their respective States, Congress would certainly have no power over them. Then the State could and ought to restrain their rapacity. To that doctrine I was on record by my vote in the Legislature of my State years ago. And I hold to that opinion still. We do not propose to contravene the right of any State to regulate the commerce on its own railroads within its own limits, but each State can continue to exercise this power and to the same extent as now.

But, sir, when these State corporations go beyond the borders of the State that gave them being, and engage in carrying the commerce of the several States, then they voluntarily place themselves under the jurisdiction of Federal power for reasonable regulation.

We are reminded every day and every hour of the day, by gentlement, of State rights.

Sir, I am in favor of State rights in the strictest sense. I will go as far as he who goes farthest in respect to and for all reasonable State rights. I would not infringe upon them in the slightest degree. I may differ with my friends over there, as to what State rights are, in a few cases, and so in this instance. I cannot see that any such question as State rights is involved in this measure. It is not contemplated to enter any State and regulate any of its institutions or domestic affairs. For all this bill would interpose, the corporations or the citizens of any State may trade and traffic and carry and extort among themselves to their hearts' content; nor can the stranger that goes within their gates claim any protection under this bill. It is those corporations and individuals of the States who choose to go beyond their borders and engage in carrying the commerce of the country which pertains to no one State that may be regulated under this bill. When corporations or individuals leave their own State and enter the general field of commerce to embark in the carrying trade for gain and profit, then they ought to be governed by some general and uniform law.

State sovereignty, as I have always understood it and respected it, was not a thing to be put on and worn like a cloak, wheresoever the citizen might roam, to shield from the force of the laws of other jurisdictions.

Distinguished gentlemen on the other side of this question have applied with great ingenuity and eloquence the argument of existing contracts, made between these corporations and the States that gave them their charters. Why, sir, this argument would not befog a town meeting in my State. I was surprised to hear it here.

That a State can make a contract with a corporation to which it grants a charter, authorizing such corporation, as a public common carrier, to demand and receive unreasonable and extortionate toll, to all time, even within the State, I deny. Such a contract would be void. The rights of the people of a State and of their posterity to all time, cannot be thus bartered away by any sovereignty whatever. Such rights cannot be ceded by the ancestor. The right to restrain a public common carrier to reasonable rates of toll is inalienable, and always reserved, in my judgment.

But, sir, the doctrine that a State can give a charter to, and contract with, a corporation, permitting unreasonable and unlimited tolls to be demanded and received, to all time, not only within such State but anywhere within the United States, is startling.

I ask the gentleman from Kentucky [Mr. ARTHUR] whether the State of Illinois could charter a transportation company, and agree that it might fix its rates of toll, without limit, for carrying freight or passengers from State to State, and a jury of Kentucky would be bound to award unreasonable and extortionate compensation because of such contract made between Illinois and the corporation?

Sir, this contract doctrine is not sound. The only force such contract could have must exist between the State and the corporation, and be limited to the jurisdiction of that State; and, as I have just said, to the bounds of reason there.

The gentleman from Virginia [Mr. WHITEHEAD] has just declared that the party to which he belongs will never allow the validity of contracts to be infringed by the Federal Government. I certainly wish to interfere with no contract; but I claim he has no more right to plead a contract here than he would have to plead in Illinois that a contract made with his State allows him to claim exemption from the criminal or other laws of that State or of the United States.

Sir, this doctrine of contract is on our side in this contest.

When a State places the sword of sovereignty in the hands of a corporation, with which to cut its way through private property and private rights, and grants to it the right of eminent domain, by which it can seize and appropriate the dearest and most sacred spot of earth the citizen can have, then it is that a contract is entered into between the State and the corporation receiving the charter, that reasonable rates only shall be charged. The corporation, by accepting its charter, agrees to be governed by reason.

Gentlemen constantly say that we are hostile to railroads, and would ruin them. In this again they are mistaken. I know I am not unfriendly, how much soever I may dislike and deplore the management of some of them.

Gentlemen do not mean, I hope, that our degree of friendship should be so strong as to lead us to declare that all their shortcomings were virtues.

Sir, I certainly am a friend to the human race, and yet I believe in passing good and wholesome laws to prevent the stronger and the more rapacious from extorting of and wronging the weaker and the meeker of the race. My friend from Virginia [Mr. WHITEHEAD] and other gentlemen say we have forgotten our obligations to railroads, and with no little ostentation they tell us that the railroads have made us in the West all that we are; that without them our interior would have remained an unsettled and howling wilderness; and in heavy and measured tones they turn and ask us, "What would you have been without them?" and then pause, in an attitude and air that seem to say, "Now we have silenced you."

Sir, let me ask them, with the air and attitude omitted, what would the railroads have been to-day had not the pioneer and the emigrant tamed and domesticated the wilderness, and made it produce and send forth this magnificent commerce from which they reap a rich harvest of gold? What would they have been without us?

I admit, sir, that neither is independent of the other, and that each is interested in the prosperity of the other. We would not injure them if we could. That would ruin ourselves. I will not admit, however, that we are under more obligations to them than they are to us.

The people have shown their good will by the contributions of millions in local aid, more than they ought to have done, but at the time it was thought to be the best to do as they did. The roads have stretched out their iron arms to clasp us in their loving embrace, but in no known instance, to myself, have they ever favored or remem-

bered their friends who made them such costly contributions. They generally fingered their pockets for all the toll and tribute they could find.

I do not claim that these large subsidies were made by the people from the impulse of any special affection for the railroads, but it was in hope of bettering their condition. I do not suppose there was any considerable amount of disinterested benevolence on either side. I shall assist in making no unjust war on railroads. It is the unfair and unjust management of some of them that I would correct. I wish them all prosperity, and desire them to extend and be multiplied. They have, with commendable enterprise and energy, followed the settler and frontiersman and carried their supplies, and returned with their rich produce of mine and soil. They have expended their capital and wrought with hand and brain, and deserve their reasonable reward, which no voice or vote of mine shall deny them.

But, sir, it is not of such roads, or of the men who have constructed them, that complaint is usually made. It is the stock-jobbers and stock-gamblers who get a controlling interest, and then fleece not only the people, but like cannibals eat out the minority of their own stockholders, that most need regulation. These arethe gentlemen for whom our sympathy is implored from the other side.

We must have relief if relief can be had. Mild measures are here proposed. If not effectual, or if defeated in the courts, some other remedy will then be proposed. What remedy, we may not now know. It will, of course, be peaceful, but it must be effectual. I should regret the necessity; yet if nothing else will break the combinations of these monster corporations, and stop their extortion, then the Government ought to construct at least one grand trunk line across the country for experiment, upon which commerce can be trucked at cost, and then let these combinations compete with it till they are satisfied.

This, Mr. Speaker, I would recommend only if other means fail to secure the results desired. The Government may have enough to do without constructing railroads. Yet, sir, it would be well to give these corporations earnest notice that if other remedies did fail, there was one remedy, clearly constitutional, which would not fail.

Mr. Speaker, our opponents condemn the pending bill because of the power to be vested in the commissioners. Here the gentleman from Virginia [Mr. WHITEHEAD] puts in his heaviest licks. He fears these commissioners will be despots, and utterly ruin the people. It may be admittted that this objection has some force; but, sir, it is difficult to have any law of value without some power vested in its executors. Will gentlemen look at the bill and see what power these commissioners have?

In the first place, it is proposed by the bill to apply the principles of the common law to common carriers engaged in interstate commerce, and restrain them only to reasonable rates of toll. Is this either oppressive, dangerous, or objectionable?

I was surprised to hear the able gentleman from New Jersey, [Mr. SCUDDER,] and other gentlemen in debate the other day, claim that legislative power was granted to these commissioners. Of course such power cannot be delegated; everybody knows that. But, sir, there is no such attempt in the bill; and he as well as the gentleman from Kentucky [Mr. ARTHUR] failed to point out where or how it so appeared.

These and other gentlemen have proceeded with their arguments as though the commissioners were empowered to arbitrarily fix the rates of toll, which would unalterably bind all parties to keep and observe them, and denounce it as a secret, *ex parte*, star-chamber adjudication of the rights of the corporations.

Sir, their arguments are unsound and unfair. They do not understand the bill, or I do not. This commission is to be organized and charged with the duty of investigating and ascertaining from evidence what would be reasonable and fair rates of toll on lines of interstate transportation by railroad. And if they find that the rates of any railroad are already fair and reasonable, they may make no schedule of rates of toll for such road; and so that road will not be interfered with.

Mr. WHITEHEAD. Does the gentleman think that any railroad company, unless for the purpose of making a test case, would put its rates higher than those fixed by the commission, if this bill should pass?

Mr. FORT. They could put their toll up or down, just as they saw fit. If they put their rates down, all right; if they put their rates up, we will then prosecute them and test our law. And, for one, I say to the gentleman that I shall hold to this doctrine until driven from it by the decision of the Supreme Court.

It seems to me the law will do no harm. The roads cannot put their rates of toll up, for they are already as high as they can possibly get them, unless they take the entire article shipped for toll.

Now, Mr. Speaker, to return to the bill. We will see that in cases where the commissioners shall find and determine that the rates of toll demanded and received by any railroad are unreasonably high, and extortionate, they shall make and certify a schedule of fair rates for such road, and give notice of the same. Whereupon such railroad can conform its rates thereto, or may, if thought best, disregard the action of the commissioners. During all the time said commissioners are taking testimony, considering and determining what the rates of toll ought to be on any railroad, it can, by its officers, attorneys, and witnesses, be present and be heard. Thus far, certainly, no person or corporation will be harmed.

Now, let us see what force this action of the commission has, and whether it is final or conclusive. In case any railroad company shall fail to respect the action of the commissioners, and shall continue to charge and collect unreasonable rates of toll after notice that said certified schedule has taken effect, then a prosecution may be commenced by any person aggrieved in the proper court. And this bill provides that, should they so desire, the railroad companies may have their trial before a jury, just as mortal beings do. Is there anything so terrible in this, Mr. Speaker, as to make gentlemen shudder, as they seem to do? These corporations seem to tremble at the mere mention of a trial by jury.

The gentleman from Virginia [Mr. WHITEHEAD] threatens us with the displeasure of the farmers and grangers, and with the wrath of the democracy of the entire country, if we should pass and attempt to enforce this bill. He says his party was always against this measure, and that the grangers are opposed to it. He may know all about the matter, as he claims. He read from what he called the granger platform, adopted at Decatur, Illinois, I believe, and says they are with him on this question. I shall enter into no controversy with him here on that point. I did not propose to argue this question from the standpoint of any political platform, and was sorry to hear him lugging his politics into this debate.

Now, let us see what is done with this schedule of rates of toll.

On the trial of such cases this bill would simply permit the certificate, so made by the commission, to be introduced and read as *prima facie* evidence throwing the burden of proof upon the defendant, to show that such railroad was not guilty of extortion. And here ends the full power and influence of the commissioners.

This testimony, taken, digested, collated, and put into the shape and form of a certificate, by these commissioners, goes to the jury as *prima facie* evidence only to prove unfair charges.

The Government thus assists the individual by collecting at public expense his evidence to be used by the citizen in prosecuting his case against these corporations. Otherwise, he, being the plaintiff, might have to call into court a hundred witnesses to prove, *prima facie*, just what may be proven by the certificate of this commission. This time and expense are thus saved, and that is all.

So far, we see the case is only half tried. The defendant or the railroad corporation is in court, and can bring its books and papers, its officers, its counsel, its servants, employés, and witnesses, and give testimony to overthrow the certificate of this commission, and if they can prove their rates of toll are not unfair, unreasonable, or extortionate, they will beat the prosecution, and get judgment for costs. If they cannot do this, or the prosecution can then by credible testimony sustain the commissioners' certificate, or schedule of toll, and the jury be convinced that such railroad corporation had been guilty of acts of extortion, then it must suffer judgment.

What peculiar hardship is there in this? The gates of appeal are open to the corporations all the way up till they get to the Supreme Court, before whose judgments and decrees the citizen bows without complaint. Ought they not to do the same?

Why should the gentleman have so much concern and sympathy for these railroads, when they are to be tried in a lawful court by a jury just as any private individual is tried?

Mr. WHITEHEAD. I want to correct the gentleman. Nothing that I said was in favor of the railroads. I only alluded to that matter, as we are now doing, as that which may produce litigation which the railroads could stand but the farmers could not. Is he not a farmer himself?

Mr. FORT. The gentleman's argument was indeed very artful all the way through his long speech, and professed a sort of love for the farmer; but at the same time he came in on the home stretch with a glorification of the railroads.

Mr. WHITEHEAD. The gentleman need not complain of that, for he is in the same strain himself, tickling the farmers. Is the bill not a farmers' measure, and is he not a farmer himself? He has not answered whether he is a farmer.

Mr. FORT. Yes, I am a farmer, actually and practically, and I represent farmers of all parties, and I believe they are all interested in the passage of this bill, or some similar measure. The gentleman did not think I was a farmer, I suppose, and that I was entitled to speak for that class of men. He will allow me to remind him that neither he nor the gentlemen with whom he acts here in stout opposition of this bill, may have a monopoly to speak for all the farmers of the country. He hints at some mysterious understanding he has with farmers that I do not understand, and shall not trouble myself to know. And since my friend from Virginia manifests so much desire to know what my occupation has been, I will say to him, that while I have never penetrated very far into the profound depths of the law, yet I read and observe just enough to make me believe this bill ought to pass and that it would be a righteous law, and would benefit my constituents and at the same time be just to the railroads.

Mr. WHITEHEAD. Does the gentlemen claim to represent democrats?

Mr. FORT. Yes, certainly I claim to represent democrats. I humbly represent the people to the best of my ability. And as their representative I know no distinction or difference. If I know myself, I desire to assist as best I can in promoting the general welfare and prosperity of all alike; and I will say to my friend from Virginia that I do not believe we have any such democrats in my district as he

talks so much about. But, Mr. Speaker, I did not and do not propose to discuss political parties. Other gentlemen may see some political significance in this measure, I confess I cannot. My friend from Virginia seems to be waiting for such questions in every thing that comes up.

I understood the gentleman from Wisconsin [Mr. ELDREDGE] the other day to doubt whether the burden of proof could be shifted in this manner, but he could hardly have been in earnest. It would be strange if the law-making power could not make or change a rule of evidence. Sir, there is nothing new in providing that the certified schedule of these commissioners, made under oath, should be received as *prima facie* evidence. In a thousand cases the certificate of a single officer, and often not even under seal, is received in evidence *prima facie*, and thus shifts the burden of proof to the other side. Often it happens that an instrument of writing which sometimes turns out to be a forgery is admitted as *prima facie* evidence, and thus shifts the burden of proof.

I can see no hardship in this part of the bill. If this certificate is false or unfair, it will be the easiest thing in the world for these railroad corporations to make it so appear. Their arguments on this portion of the bill are artful and ingenious, but are without foundation. There is no legislative power committed to the commissioners. They have no absolute power. Their action is not final. Their office is to collect information and evidence, to digest, codify, and put it into form, and to certify to it under oath, for the use and convenience of such as may wish to contest the right of a person or railroad corporation to collect unreasonable and extortionate toll.

If there be any question in this whole matter, it is as to the power of Congress to exercise any restraint whatever upon the charges of a common carrier of interstate commerce, or to apply the principles of the common law to those engaged in transportation, and limit charges to reason. I entertain no doubt.

Gentlemen have admitted and precedent has settled the policy that Congress, under the power to regulate commerce among the States, can prohibit the employment of persons as engineers, pilots, or captains who do not possess certain acquirements. It would seem to require no greater exercise of power to provide that a person should not be allowed to demand an unreasonable compensation than it would to provide that a person should not be employed at any price unless he possessed certain attainments.

It is true, the reason for interference is different. In one case it is the safety of commerce and trade that it is desired to protect; and in the other it is the general prosperity and welfare of commerce that it is desired to promote. But the extent of power that would enhance the former would seem to cover the latter.

Had time offered opportunity, I should have attempted to flash the glimmer of my dim lamp upon the broad and deep foundation principles of democratic government that underlie this bill, and which, in my judgment, are yet to protect the many and the meek against the organized and crafty few, and ultimately place each citizen, however humble, upon an equal footing with every other force. But I can make no such attempt now, and I will hasten on.

Many members declare their hostility to this bill because of the additional power and patronage to be placed in the hands of the President, which may be used, as they fear, for partisan purposes. Other members, well disposed to the measure, hesitate to commit such vast interests to the hands of any nine commissioners.

But, sir, should those great interests suffer or languish because some mischief may be feared, or that some commissioner or President might control some little patronage? I admit there is force in such objections, but not of sufficient weight to endanger the bill. On this point my colleague [Mr. EDEN] puts in his weightiest protest, which I will thank the Clerk to read.

The Clerk read as follows:

I come now, Mr. Speaker, to inquire as to the expediency of the measure before the House. If Congress has the power claimed for it by the committee, I ask if it is the part of wisdom to surrender the power into the hands of the Executive. He is Commander-in-Chief of the Army and Navy. He has under his control the Post-Office Department, with all its vast machinery and patronage. He has under his command an army of revenue officers. Over three hundred millions of money is every year disbursed by the executive branch of the Government. Three hundred and fifty millions of dollars of the circulating medium of the country are issued by national banks, under the direction and control of the Treasury Department. An innumerable host of Federal office-holders stand ready to do the bidding of the President. And yet Congress, claiming the power to establish the rates of freight and passenger charges on railroads operated in two or more States, shrinks from the performance of that duty, and devolves it on nine commissioners to be appointed by the President, and removable at his pleasure.

These nine men will have the power to enrich or impoverish every railroad company in the United States. They may, if they choose, drive commerce from every great city by discriminating against them in freight charges, and force commerce to new centers by discriminating in their favor.

The commissioners will have power to establish rates that will keep Illinois and Iowa out of the markets of the world, and to favor Ohio and Indiana by rates that will enrich their people. Seventy thousand miles of railroad will be subject to the control, to a greater or less extent, of these nine commissioners. Each railroad company will rush to the autocrats of interstate commerce to beg or buy favors. The people of every city in the United States will be suppliants at their feet for favors. The great manufacturing establishments will be compelled to bow down before this old idol that is about to be set up for worship. There will be no power higher than the commissioners, except the will of the President to remove them in case they fail to do his bidding.

When this system of legislation shall have been fully inaugurated there will be no further use for a written Constitution; no necessity for State governments. Under a latitudinous construction of Federal power, whatever policy may, for the time being, seem to commend itself to public opinion, can be carried out by congressional legislation.

When a proposition is gravely presented to the consideration of the American Congress to place under the control of the President of the United States the larger portion of the internal commerce of the country, we may well be alarmed as to what may follow.

Mr. FORT. I do not feel so despondent as my colleague. I trust he will cheer up. The objections on this ground, however, are worthy of consideration, and, if possible, I would concede some amendment. The committee that drafted this bill is able, and they have been faithful in their labors. The bill is good, and I shall vote for it whether amended or not.

But with a friendly purpose, and to obviate in part, if possible, the objections raised by my colleague and others, rather than my own, I will propose for the consideration of the committee, and of the House, an amendment. And as I will not be able to get the floor at the proper time, I will submit it now.

I would strike out sections 3 and 4 of the proposed bill, which the Clerk will please read.

The Clerk read as follows:

SEC. 3. There shall be appointed by the President, by and with the advice and consent of the Senate, a board of railroad commissioners, which shall consist of nine members, one of whom shall be selected from, and be a resident of, each of the judicial circuits of the United States. Said board shall be composed of disinterested persons, and no person shall be a member thereof who is in any manner interested in the stock, bonds, or property of any railroad or other transportation company; and the duties of said board shall be as hereinafter provided.

SEC. 4. That the members of said board shall hold their offices for a term of six years, and until their successors are appointed and qualified, unless sooner removed by the President; and they shall receive, as full compensation for their services, the sum of $4,000 per annum each, and their actual and necessary traveling expenses, to be stated under oath, and audited as the Secretary of the Treasury may direct. At the first meeting of the board after their appointment they shall divide themselves, by lot, into three classes. The members of the first class shall continue for two years; of the second class, for four years; of the third class, for six years, so that one-third may be appointed every second year; and whenever vacancies shall occur in said board the President, by and with the advice and consent of the Senate, shall fill such vacancies by appointment for the unexpired portion of said term.

And in lieu of them insert:

There shall be established a board of railroad commissioners, to consist of one member from each State of the United States.

The members of said board shall be appointed by the President, by and with the advice and consent of the Senate, from any number of such disinterested persons as may be found to be qualified therefor, by the respective Legislatures of the several States, to serve for two years and until their respective successors are appointed: *Provided*, That the term of the first commissioners shall commence on their appointment and expire on the 4th day of March, 1875: *Provided further*, That until the Legislature of any State shall take action, the governor of such State may ascertain and certify to the qualifications of persons for commissioners: *And provided further*, That the President may remove any of the members of said board for cause. And whenever any vacancy shall occur in said board the President shall fill the same for the unexpired term as in case of original appointment.

No person shall be appointed a member of said board who is the owner of, or in any manner interested in, the stock, bonds, or property of any railroad or other transportation company, or an officer, attorney, or employé thereof; and the duties of said board, and the members of the same, shall be as hereinafter provided.

Mr. FORT. If this bill becomes a law, nothing will satisfy its friends short of its vigorous application and execution.

Considering the magnitude of the interests involved, the number of commissioners proposed by the amendment may not be considered unreasonable. The number of railroad commissioners of a single State usually consists of from three to five members. A less number than one member from each State might do the business as well in less time and at less expense. But they might be more easily swayed, influenced, or controlled. "In the multitude of counsel there is safety." The action of large commissions and boards has, as a rule, been more satisfactory and freer from suspicion of improper influence. The additional expense of a board thus large, considering the weighty responsibility and interests involved, would not be great.

If any good is to come from the labors of this board it must not only be pure, but it must command general confidence and respect.

But, Mr. Speaker, it is the even distribution of these commissioners among all the States, representing every locality, and thus securing information on every interest so requisite to a fair adjustment of this matter, that most commends the proposed amendment. And the mode of their selection will avoid objections already referred to, and would certainly be more republican. The Constitution provides that the President shall appoint all officers established by law, and of course he could not, if we so desired, be abridged in his prerogative.

The bill as it now stands selects classes of persons from whom the President shall appoint; and the amendment goes only a step further, and provides that the qualifications for commissioners shall be ascertained by the Legislatures of the several States, and thus further limits the President in his choice.

There is a precedent for confining the President in his selection to the nomination of a single individual made by the respective governors of each State, in which case the present Executive followed the provisions of the law, and appointed the nominees of the governors These appointments are to be made from among such persons as the respective Legislatures may find qualified. The number of persons to be recommended is not limited.

Attorney-General Legare once gave an opinion on a question involving a similar principle. He said:

It would be a fair constitutional exercise of the power of Congress to require that the Secretary of the Treasury should make an appointment out of a certain number of nominees proposed by a collector.—4 *Opinions*, 169.

Attorney-General Akerman has discussed this question at considerable length in an opinion given on questions arising under the civil-service laws and rules. He held that the appointing power was in the President, to be used at his discretion, without positive limitation. But he says:

Though the appointing power alone can designate an individual for an office, either Congress, by direct legislation, or the President, by authority derived from Congress, can prescribe qualifications, and require that the designation shall be made out of a class of persons ascertained by proper tests to have those qualifications, and it is not necessary that the judges in the tests should be chosen by the appointing power.

Again he says:

It has been argued that a right in Congress to limit in the least the field of selection implies a right to carry on the contracting process to the designation of a particular individual. But I do not think this a fair conclusion. Congress could require that officers shall be of American citizenship, or of a certain age; that judges should be of the legal profession and of a certain standing in the profession; and still leave room to the appointing power for the exercise of its own judgment and will; and I am not prepared to affirm that, to go further, and require that the selection shall be made from persons found by an examining board to be qualified in such particulars as diligence, scholarship, integrity, good manners, and attachment to the Government, would impose an unconstitutional limitation on the appointing power. It would still have a reasonable scope for its own judgment and will. But it may be asked at what point must the contracting process stop? I confess my inability to answer. But the difficulty of drawing a line between such limitations as are, and such as are not, allowed by the Constitution, is no proof that both classes do not exist. In constitutional and legal inquiries right or wrong is often a question of degree. Yet it is impossible to tell precisely where in the scale right ceases and wrong begins. Questions of excessive bail, cruel punishments, excessive damages, and reasonable doubts, are familiar instances. In the matter now in question it is not supposable that Congress or the President would require of candidates for office qualifications unattainable by a sufficient number to afford ample room for choice.

This question was much discussed during the administration of Mr. Johnson, but as many of the views then advanced partook more or less of party bias, I will not quote any of them here. The republicans seemed to desire to halter that President, while the democrats seemed to desire him to go unbridled. Had the politics of the President been reversed it might have had much to do in reversing the expression of the views of his friends and opponents also.

Many able statesmen and lawyers have contended that, especially in cases where Congress created an office, it could limit the Executive more or less in the appointment of a person to fill the office.

Now, sir, whether the President would or would not select and appoint these commissioners from the persons so found by the respective Legislatures to possess the qualifications, it is certain he would consider the same to be a very safe advisory board. If he made his appointments from those recommended, they would be *de facto* and *de jure* commissioners. If he disregarded the legislative recommendations of any State for good cause, it would be all right; and if he did so without cause, there would be no help till he went out of office, as there would be none as the bill now stands.

By this mode of selection, the board would be composed of members of different political parties, which would neutralize any tendency to partisan influence, and thus be safer and better. The proposed amendment also reduces the official term from six to two years. Six years is a long time. If a bad board should get into office, it would take four years to change the majority of the board under the present bill, during which time much mischief might be done. I would favor the shorter term, even if the number of the board should be, as now fixed, nine members.

Mr. Speaker, I hope this bill, amended or not amended, will become a law, and be fairly and faithfully executed. The best wishes and the great interests of millions are with the measure.

Mr. MELLISH. Mr. Speaker, the columns of the RECORD have been of late laden with voluminous and more or less luminous speeches on the subject of transportation. I do not at all aspire to be classed with the progeny of the set of men who, we are told, thought they should be heard for their much speaking, and I shall content myself with referring to but a single feature or two of the question, and one in particular that it seems to me is worthy of consideration, now that it is about to pass from the region of discussion to that of legislative action.

Members are quite right in supposing that the questions involved in this bill are vast in proportions. Perhaps some one will say that no government in modern times ever undertook such an interference with the private business affairs of the people as is proposed by this bill. But the use of the term "private business affairs" is by no means accurate; and in point of fact no government but that of the United States has ever refrained from establishing such necessary regulations as it deemed proper in regard to internal as well as external commerce.

It is claimed by the friends of this bill that it will bring the green fields of the Mississippi and Missouri five hundred miles nearer New York; and I am not prepared to deny it. Cheap transportation means cheap bread for the artisans, the workingmen, of New York and the Atlantic cities. When hundreds and thousands of them are idle, is it not time the wisdom of the country were providing some remedy for the evils which exist? Nothing will benefit New York so much as a prosperous Northwest. The Northwest sends seventeen million bushels of wheat annually through New York, and might send five times that amount in cheap breadstuffs. The Erie Canal is an everlasting witness of the benefit of cheap transportation to the city of New York. I think it might be shown that inasmuch as the people, and especially our western friends, are under the indispensable necessity of having more railroads, an indiscriminate war on railroads is not the way to get them. Really, the people want the railroads more than the railroads want the people. And if a man wants to correct his prejudices against railroads, let him go to thinking what he would do if he had the power to abolish them. Nevertheless the practices of railroads, like the practices of all selfish men and institutions, are wrong and need mending. But the true cure is not to burden and embarrass them, and render it difficult for them to live without extortion, but to regulate and control them by competition of other railroads and other means of transportation; but chiefly to punish them and correct them by operating upon the volume of their trade. Do everything to keep yourself as independent of railroads as possible, and as little as possible to make them depend upon you.

Therefore create by all the means in your power, by associations, by co-operative enterprises, by home measures, home markets for home products, and reduce as far as possible the unwise, the destructive, waste of valuable productive human labor that is thrown away unnecessarily in paying for transportation of commodities which in no instance ever added any intrinsic value to the commodity transported. The grangers of a county in Iowa, by an association of their small means, by co-operative stores, can establish a woolen factory, if you please, in the county, which will have the effect to consume at home the surplus products that otherwise would be mainly consumed in the charge of carrying them to a distant market. A county grange in Northwest Missouri, a great hemp-growing country, would be able by an aggregation of small means and the aid of reasonable credits to establish the manufacture of the raw product into merchantable commodities of such concentrated value as to render the transportation to a foreign or distant market a small per cent. upon their value. Dairy products will bear transportation many thousands of miles; but the cows from which the products are drawn would not bear transportation many hundred miles. Tobacco in its manufactured and concentrated state will bear transportation for long distances and pay, but in its crude state it will not. Cotton in the form of fine fabrics will bear transportation round the world; in the bale its value may be exhausted by carrying it half that distance. Manufacture your ore into iron; do not be so silly, so weak, as to transport long distances the ore, and the fuel and the flux which are necessary to reduce the ore to metal. And in each of these lines of enterprises when you have established your manufacture, it will consume the surplus agricultural products of a wide territory; and the cheap lands of the West, of the South, of Virginia, and other States, by such methods, will be far more valuable than are the sterile wilds of New England.

Look, for example, as an illustration of the policy hinted at, upon New England With a sterile wild and a hyperborean climate, in the intelligent industry of its population, by diversifying the application of their labor, they have been able to create a home market for home products, and have become the wealthiest population of the world *per capita*. Let other sections take example by it, and defend themselves against the exactions of the monopolists who transport their products by disposing of their products without transportation.

The present grows out of the past and the future will grow out of the present; and it is one of the signs of the times that all over the land the grangers have sprung up spontaneously, as of their own accord; and that great fact proves that they have a mission to perform. Possibly they may grope about, make mistakes, make war upon their friends, and sometimes, very likely, make alliances with their enemies; but in the end they will find their true mission and work out a great improvement of the condition of the agricultural population, which population is at the very foundation of the power and the greatness and the liberty and the civilization of the nation.

Although hailing from the city of New York, if brought to the confessional I do not know but I should have to admit that I was at least two-thirds a granger, and perhaps verging fast toward a full convert. I certainly sympathize with their excelsior aspiration and action, and would fain clasp hands across the continent and co-operate with them in their efforts for reform and progress. If I had a persuasive voice that could enter every lodge of the grangers, I would tell them—and it is what I meant to say in my preceding remarks—that the true remedy for their complaints will be found in a wise policy which shall foster the development of local markets for local productions and save to mankind a portion of the immense volume of productive human labor now wasted in transportation which adds nothing to the intrinsic value of the things transported.

If the grangers wish to strike a hard blow at the railroads they should go in for home markets for home productions, and thus reduce the tonnage of materials transported, and abridge the distance of the transportation, and thus save the charges of railroads. I am not prepared to fully commit myself in regard to the merits of this bill at this time.

The efforts to secure a remedy may fail at first, but its solution will finally be worked out, I have no doubt, satisfactorily to the people. And I will venture to quote, in conclusion, a few lines which seem to me applicable to the position of the grangers and other reform organizations now warring against monopolies in this country:

> The way is long, my brothers, long and rough;
> The woods are dreary, and the moors are dark;
> But he who creeps from cradle on to grave,
> Unskilled save in the velvet course of fortune,
> Hath missed the discipline of noble hearts.

[Mr. COBURN addressed the House. His remarks will appear in the Appendix.]

And then, on motion of Mr. McCRARY, (at half-past ten o'clock p. m.) the House took a recess until to-morrow at ten o'clock a. m.

AFTER THE RECESS.

The recess having expired, the House reassembled at ten o'clock a. m., (Wednesday, March 25,) Mr. SPRAGUE in the chair as Speaker *pro tempore*.

INTERSTATE COMMERCE.

The SPEAKER *pro tempore*. The House resumes the consideration of the bill (H. R. No. 1385) to regulate commerce by railroads among the several States, and the session is for debate only.

[Mr. DUNNELL addressed the House. His remarks will appear in the Appendix.]

Mr. McCRARY. I see that no other gentleman seems desirous to occupy the floor at this time, and I therefore move that the House do now adjourn.

The motion was agreed to; and accordingly (at eleven o'clock a. m.) the House adjourned.

PETITIONS, ETC.

The following memorials, petitions, and other papers were presented at the Clerk's desk, under the rule, and referred as stated:

By Mr. ARCHER: The memorial of the mayor, aldermen, and common council of Frederick City, Maryland, in relation to the damages sustained by that city during the late civil war, and praying relief, to the Committee on War Claims.

Also, the petition of Thomas W. Jones, for compensation for damages done to his schooner by the United States transport Star, to the Committee on Naval Affairs.

By Mr. COX: The petition of importers of sardines, &c., in the city of New York, for a specific duty, with no rebate for damage, on sardines, anchovies, and sprats, instead of the present duty of 50 per cent. *ad valorem*, to the Committee on Ways and Means.

By Mr. GIDDINGS: The petition of William B. Royall, of Brenham, Texas, for additional legislation to protect his rights as inventor and patentee of a compound for the destruction of cotton-worms, to the Committee on Agriculture.

By Mr. GUNCKEL: The petition of Benjamin Best, of Dayton, Ohio, to be refunded excess of postage erroneously paid, to the Committee on the Post-Office and Post-Roads.

By Mr. HARRISON: The petition of citizens of Clay County, Tennessee, and Monroe County, Kentucky, for a post-route from Tompkinsville, Kentucky, to Celina, Tennessee, to the Committee on the Post-Office and Post-Roads.

By Mr. HAWLEY, of Illinois: The petition of the city council of Rock Island, Illinois, in relation to the Rock Island bridge, and opposing the proposed change of location of the military prison, to the Committee on Railways and Canals.

Also, the memorial of citizens of Bureau County, Illinois, in relation to the construction of a canal from Hennepin to Rock Island, Illinois, to the Committee on Railways and Canals.

By Mr. HUNTON: Papers relating to the claim of James G. Field, for extra compensation as paymaster's clerk, to the Committee on Claims.

By Mr. MacDOUGALL: The petition of citizens of the twenty-fifth district of New York, for the establishment of a high court of nations for the settlement of international difficulties by arbitration without resort to war, to the Committee on Foreign Affairs.

By Mr. McCRARY: The petition of Jacob A. Edwards, for a pension, to the Committee on Invalid Pensions.

Also, the petition of James B. Doran, for arrears of pay, bounty, &c., to the Committee on Military Affairs.

By Mr. McFADDEN; The petition of C. H. Hale, assignee of Hale, Windsor, Crosby & Co., for compensation for extra services in carrying the United States mails from 1866 to 1870 inclusive, to the Committee on the Post-Office and Post-Roads.

By Mr. MELLISH: The petition of citizens of Hamilton, New York, asking for a commission of inquiry concerning the alcoholic liquor traffic, to the Committee on the Judiciary.

By Mr. MERRIAM: Papers relating to the claim of Thomas J. Peacock, to the Committee on War Claims.

By Mr. NEGLEY: The petition of 165 employés of Moorhead & Co., Soho Iron Mills, Pittsburgh, Pennsylvania, in opposition to the imposition of a tariff duty on tea and coffee, in opposition to any increase in internal taxes, and in favor of the repeal of the second section of the act of June 6, 1872, which reduced by 10 per cent. the duty on foreign imports, to the Committee on Ways and Means.

Also, the petition of 205 workingmen of Pittsburgh, Pennsylvania, of similar import, to the Committee on Ways and Means.

Also, the petition of 600 citizens of Allegheny County, Pennsylvania, of similar import, to the Committee on Ways and Means.

By Mr. PENDLETON: The petition of John G. Perry, for extension of patent, to the Committee on Patents.

By Mr. W. R. ROBERTS: The memorial of the Workingmen's Union, comprising 20,000 members, in relation to the eight-hour law and Supervising Architect Mullett, to the Committee on Education and Labor.

By Mr. STRAWBRIDGE: The petition of business men of Danville, Pennsylvania, for an increase of currency and in favor of free banking, to the Committee on Ways and Means.

By Mr. VANCE: The petition of Solomon Pool and other citizens of North Carolina, asking for a commission of inquiry concerning the alcoholic liquor traffic, to the Committee on Ways and Means.

IN SENATE.

WEDNESDAY, *March* 25, 1874.

Prayer by the Chaplain, Rev. BYRON SUNDERLAND, D. D.

The Journal of yesterday's proceedings was read and approved.

PETITIONS AND MEMORIALS.

Mr. SCOTT presented the petition of John Colohan, late a private in Company L, Third Pennsylvania Cavalry, praying arrears of pension; which was referred to the Committee on Pensions.

Mr. CHANDLER presented a petition of soldiers and sailors, citizens of Michigan, who served in the late rebellion, asking the passage of a law which will enable each soldier and sailor who served during the late war and was honorably discharged to locate, without occupancy, one hundred and sixty acres of Government land; which was referred to the Committee on Public Lands.

Mr. OGLESBY presented a petition of the city council of the city of Rock Island, Illinois, asking the passage of Mr. COTTON'S bill in relation to the Rock Island bridge; which was referred to the Select Committee on Transportation Routes to the Sea-board.

He also presented a memorial of the city council of the city of Rock Island, Illinois, opposing the proposed change of location of the military prison from Rock Island to Fort Leavenworth; which was referred to the Committee on Military Affairs.

Mr. WRIGHT presented a resolution of the Legislature of Iowa, in favor of the passage of laws to regulate freights and fares on railroads; which was referred to the Select Committee on Transportation Routes to the Sea-board, and ordered to be printed.

Mr. STEVENSON presented a petition of citizens of Trimble County, Kentucky, praying for an amendment to the pension laws; which was referred to the Committee on Pensions.

Mr. MORTON. I present a memorial from citizens of Youngstown, in the Mahoning Valley, Ohio, and as it is short I beg leave to read it:

To the Senate of the United States:

The undersigned, owners of furnaces, rolling-mills, foundries, and coal mines in the Mahoning Valley, Ohio, employing, prior to the recent panic, several thousand hands, represent to your honorable body that the trade and business of this region especially, and as they believe of the West generally, have been stagnated and almost brought to a stand-still for the last six months, mainly for want of sufficient currency and circulating medium to carry on business and pay the operatives as needed for their families. The banks here, limited in their currency, cannot afford the necessary means and facilities for the business; the manufacturers and coalmen, with abundance of paper and property to pledge and obtain credit, cannot be accommodated here, for lack of currency in this region; and the currency East cannot readily be obtained on the paper and securities held here.

The undersigned believe that the increase of currency here in the West, by some means, is absolutely necessary at this time to save the great body of workmen and their families from distress, and the trade and business of this region from ruin and bankruptcy.

The undersigned, therefore, urgently solicit and petition your honorable body to provide some means, by the passage of a free-banking law or otherwise, as may be deemed best, to meet this most urgent necessity and afford the relief demanded.

This memorial is signed, I believe, by 51 firms: the Brier Hill Iron and Coal Company, employing 150 hands; the Girard Iron Company, 50 hands; the Mahoning Iron Company, 100 hands; the McCurdy Coal Company, 120 hands; William Richards & Sons, 225 hands; McDowell, Wick & Co., 80 hands; Wick, Struthers & Co., 80 hands; the Vienna Coal and Iron Company, 350 hands; the Church Hill Coal Company, 275 hands; the Kyle Coal Company, 110 hands; the Kine Coal Company, 125 hands; Wick, Ridgway & Co.'s Rail Mill, 550 hands; the Hinned Furnace Company, 150 hands; the Mahoning Coal Company, 550 hands; McKinnie Bank, 50; Brown, Bonnell & Co., 900; Homer, Hamilton & Co., 70; John Stambaugh, assignee of James Ward & Co., 950; Cartwright, McCurdy & Co., 175; the Eagle Furnace Company, 40; Arms, Bell & Co., 75; Wicks & Wells, 50; P. Jacobs & Son, 200; Ward, Booth & Miller, 50; Andrews Hitchcock, 400; the Burnett Coal Company, 300; the Foster Coal Company, 200; William J. Hitchcock, 50; the Andrews Coal Company, 200; C. H. & W. C. Andrews, 150; Andrews Brothers, 300; the Moore Coal Company, 50; the Pennel Coal Company, 100; the Niles Iron Company, 500; the Brookfield Coal Company, 400; Charles Herbert & Co., 100; the Niles Coal Company, 300; Arms, Wick & Co., 100; the Harroff Coal Company, 150; the Struthers Iron Company, 60; Grist & Co., 50; the Youngstown Rolling Mill Company, 105; Powers, Arms & Co., 125; the Packard Coal and Iron Company, by Henry Manning, 60. This memorial comes from Ohio. The two Senators from Ohio yesterday had not heard from Ohio on this subject. I respectfully call their attention to this memorial. I move its reference to the Committee on Finance.

The motion was agreed to.

Mr. MORTON. I desire further to present, as I am instructed to do, resolutions passed at a very large meeting of citizens of Indian-

apolis, manufacturers, merchants, mechanics, and business men of every description. I will read the resolutions—they are very short:

1. That the recent commercial crisis, while it demonstrated the soundness of our currency and the faith of the public in its value, also demonstrated that its volume was inadequate to the actual and substantial demands of legitimate trade.

2. That in the opinion of this meeting it is the duty of Congress, as speedily as practicable, to provide for an increase of currency commensurate with the demands of the usual business of the country, and to establish such a system as will accommodate itself to the growth of our commercial, manufacturing, and agricultural interests in the future.

3. That by spasmodic and untimely efforts at resumption of specie payments the growth of our resources will be crippled and the date of real resumption will be correspondingly postponed, and we believe that legislation at this time looking to such resumption would be unwise.

4. That we approve the position of our Senators and Representatives in Congress in the objects embraced in the foregoing resolutions, and urge them to persevere until the financial relief demanded by the Northwest is obtained.

I move the reference of these resolutions to the Committee on Finance.

The motion was agreed to.

Mr. LOGAN. I present seven petitions numerously signed by citizens of Illinois—I have not counted the names—praying for an increase of currency and free banking. I move their reference to the Committee on Finance.

The motion was agreed to.

Mr. LOGAN presented two petitions from 164 business men and firms of the city of New York, praying that the volume of legal-tender may be fixed at $400,000,000, and for the passage of a free-banking law; which were referred to the Committee on Finance.

PERSONAL EXPLANATION.

Mr. FERRY, of Michigan. I rise to a personal explanation in connection with these memorials on the finance question.

The PRESIDENT *pro tempore*. The Senator from Michigan asks unanimous consent to make a personal explanation. Is there objection? The Chair hears none.

Mr. FERRY, of Michigan. I had the honor of presenting a memorial a few days since from the city of New York praying for an increase of greenbacks and for free banking. One of the city papers was pleased to question the genuineness of that petition, and perhaps indirectly to reflect upon the fact that I presented it, and impliedly that it was not genuine. I am thankful and under obligations to the New York Evening Express for my vindication, and I ask the indulgence of the Senate while I read from its columns. I read from the New York Evening Express of the 23d instant:

While Congress is preparing for action on the finances the New York merchants have not been idle. On Saturday last we noticed the fact that petitions in favor of $400,000,000 legal-tenders and free banking were being signed by many of our leading merchants. The petition which circulated among the dry-goods people received the signatures of Anthony & Hall, Garner & Co., H. B. Claflin & Co., Eldridge, Dunham & Co., W. L. Strong & Co., E. O. Tufts & Co., E. and J. S. Wright & Co., Devlin & Co., Ammidown, Lane & Co., and about one hundred and forty other leading commission, importing, and jobbing firms. The names attached to this petition represented, at a low calculation, a wealth of over $300,000,000, and probably three-quarters of the dry-goods business transacted in this city. Another petition was signed by Von Sachs & Co., Francis Skiddy, Goodwin & Co., Vatable & Son, J. M. & L. De Escoriaza, Fernandez & Calvo, Badgeley & Mead, and about seven hundred other firms, representing the grocery and hardware trades, sugar and coffee importers, and various manufacturing interests. These petitions have been sent to Washington, with a letter stating that, if necessary, a committee of leading merchants will come on and advocate the cause personally.

The public meeting called for to-morrow attracts less attention than might be expected; first, on account of the great delay in getting up the affair, and secondly, because the names of very few merchants are attached to it. Nearly all the speakers invited are politicians and lawyers, and almost every one connected with the affair is a *prominent contractionist*. A merchants' meeting should be composed exclusively of merchants, in order to have the proper weight with Congress. The idea of a merchants' meeting solely for the purpose of urging Congress to action was first suggested by the Express, but three weeks of valuable time has been lost in getting up the meeting, and the whole thing has been diverted from the original plan.

Mr. SCHURZ. May I ask from what paper that is?

Mr. FERRY, of Michigan. The New York Evening Express of the 23d. Good authority, I will state to the Senator from Missouri.

REPORTS OF COMMITTEES.

Mr. OGLESBY, from the Committee on Indian Affairs, to whom was referred the petition of James Bordeau and Clement Lamoureaux, praying compensation for cattle and horses belonging to them taken and destroyed by the Sioux Indians at Horse Creek, Wyoming Territory, in June, 1865, reported adversely thereon; and the committee was discharged from the further consideration of the petition.

He also, from the same committee, to whom was referred the bill (S. No. 558) authorizing the Secretary of the Interior to use funds from sale of lands for the benefit of the Osage Indians, submitted an adverse report thereon; which was ordered to be printed, and the bill was postponed indefinitely.

Mr. WRIGHT, from the Committee on Claims, to whom was referred the petition of William and John Hannegan, contractors on the improvement of the Des Moines Rapids of the Mississippi River, praying compensation for work done on said improvement and for damages sustained by the action of Lieutenant-Colonel Wilson in suspending them from the prosecution of the work, and the seizure of their tools, submitted an adverse report thereon; which was ordered to be printed, and the committee was discharged from the further consideration of the petition.

Mr. McCREERY, from the Committee on Indian Affairs, to whom was referred the bill (S. No. 557) for the relief of the Flathead Indians, reported adversely thereon; and the bill was postponed indefinitely.

Mr. PRATT, from the Committee on Claims, to whom was referred the petition of L. D. Evans, late collector of internal revenue for the fourth district of Texas, praying to be relieved from certain losses sustained by him, submitted a report accompanied by a bill (S. No. 625) for the relief of Lemuel D. Evans, late collector of internal revenue for the fourth district of Texas.

The bill was read and passed to a second reading, and the report was ordered to be printed.

Mr. FENTON, from the Committee on Finance, to whom was referred the bill (S. No. 552) to refund to E. and J. Koch certain customs duties, reported it without amendment, and submitted a report thereon; which was ordered to be printed.

Mr. BOGY, from the Committee on Indian Affairs, to whom was referred the bill (S. No. 604) to confirm an agreement made with the Shoshone Indians (Eastern band) for the purchase of the south part of their reservation in Wyoming Territory, reported it with amendments, and submitted a report thereon; which was ordered to be printed.

Mr. BOREMAN, from the Committee on Claims, to whom was referred the bill (S. No. 90) for the relief of John W. Hickey, of the State of Louisiana, submitted an adverse report thereon; which was ordered to be printed, and the bill was postponed indefinitely.

BILLS INTRODUCED.

Mr. HAMLIN (by request) asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 626) to amend the act entitled "An act to incorporate the National Union Savings-Bank of the District of Columbia," approved May 24, 1870; which was read twice by its title, and referred to the Committee on the District of Columbia.

Mr. WEST asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 627) for the relief of Gotlieb Neidhardt; which was read twice by its title, and referred to the Committee on Claims.

Mr. FERRY, of Michigan, (by request,) asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 628) for the adjustment of claims under the act entitled "An act to create the office of surveyor-general of the public lands in Oregon, and to provide for the survey and to make donations to settlers of the said public lands," approved September 27, 1850; which was read twice by its title, referred to the Committee on Public Lands, and ordered to be printed.

ORDER OF BUSINESS.

The PRESIDENT *pro tempore*. If there be no further morning business, the Secretary will report the first bill on the Calendar.

Mr. PRATT. I ask the indulgence of the Senate to take up some private pension bills. They have accumulated on the Calendar until they are sixteen in number, and I am extremely anxious to dispose of them. Many of them have to go to the other House. The consideration of them will not occupy more than ten or fifteen minutes. There is a report in each case. They are cases of undoubted merit, and I hope I may have the indulgence of the Senate to consider them now.

Mr. BUCKINGHAM. I ask the Senator to give way in order to allow me to move the consideration of a single bill.

Mr. PRATT. Certainly.

APPROPRIATIONS FOR REMOVAL OF INDIANS.

Mr. BUCKINGHAM. I am directed by the Committee on Indian Affairs, to whom was referred the bill (H. R. No. 2651) reappropriating certain unexpended balances of appropriations for removal of Indians, to report it back without amendment, and to ask for its present consideration.

By unanimous consent, the Senate, as in Committee of the Whole, proceeded to consider the bill.

It proposes to reappropriate the unexpended balance of the appropriations made by the acts of July 15, 1870, and March 3, 1871, "for the removal of the Kickapoo and other American Indian tribes roving on the borders of Mexico and Texas to reservations within the territories of the United States, and for their settlement and subsistence on such reservations," and authorizes the Secretary of the Interior to use the unexpended balance to defray the expenses incurred by the removal of the Kickapoo Indians, locating and subsisting them in the Indian Territory; but this amount is to be in full of all expenses and obligations incurred in the removal of the Indians; and the Secretary of the Interior in disbursing the same is to see that all promises and obligations incurred by the commissioners appointed to remove the Indians shall be fully met and discharged from that amount.

The Secretary of the Interior is also authorized to expend, for the purpose of defraying expenses incurred, and to be incurred, for the removal of the Winnebago Indians in Wisconsin, from their present homes in that State to their reservation in Nebraska, and for their subsistence during such removal, and at their new homes, the unexpended balance of the sum of $36,000, or so much thereof as may be necessary, which was appropriated by the sixth section of the act of May 29, 1872, for that purpose; but this amount is to be in full of all expenses and obligations incurred in the removal of those Indians; and the Secretary of the Interior, in disbursing the same, is to see that all promises and obligations incurred to the Indians shall be fully met and discharged from that amount.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

CHRISTIANA BAILEY.

Mr. PRATT. I now move that the Senate proceed to the consideration of Senate bill No. 548.

The motion was agreed to; and the bill (S. No. 548) granting a pension to Christiana Bailey was read a second time, and considered as in Committee of the Whole. It directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Christiana Bailey, widow of David Bailey, deceased, late a private in Company B, Thirteenth Regiment of West Virginia Volunteer Infantry.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

LUCINDA SCHRUM.

Mr. PRATT. I move that the Senate proceed to the consideration of Senate bill No. 566.

The motion was agreed to; and the bill (S. No. 566) granting a pension to Lucinda Schrum, widow of Jacob R. Schrum, late of Company A, Forty-ninth Regiment Missouri Volunteers, was read a second time, and considered as in Committee of the Whole. It proposes to direct the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Lucinda Schrum, widow of Jacob R. Schrum, late of Company A, Forty-ninth Regiment Missouri Volunteers.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

MARY E. NAYLOR.

Mr. PRATT. I move that the Senate proceed to the consideration of Senate bill No. 567.

Mr. STEVENSON. I suggest to the Senator that we shall reach these bills in their order on the Calendar if we proceed with it in regular order.

Mr. PRATT. We shall not reach these cases in six weeks at the rate we are progressing, and I can get through with all of them now in ten minutes.

The PRESIDENT *pro tempore*. The question is on the motion of the Senator from Indiana.

The motion was agreed to; and the bill (S. No. 567) granting a pension to Mary E. Naylor, widow of Osborn Naylor, late a private in Company C, Second Kansas Volunteers, was read a second time, and considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

HUGH P. LYTLE.

Mr. PRATT. I now move that the Senate proceed to the consideration of Senate bill No. 568.

Mr. STEVENSON. I must object to the Senator picking out particular bills reported from his committee and passing them, when if we proceed with the Calendar they will be reached in their regular order.

The PRESIDENT *pro tempore*. The Senator from Indiana moves that the Senate proceed to the consideration of the bill indicated by him.

Mr. SHERMAN. Under the operation of the rule a single objection prevents a bill from being taken up.

The PRESIDENT *pro tempore*. A single objection carries it over, when taken up on the Calendar in regular order.

Mr. SHERMAN. I have no objection to passing these pension bills, but Senators around me complain, and one Senator has already said that I have crowded him off by objecting to taking up bills except in their order; and it is not fair that I should not make the objection in other cases.

The PRESIDENT *pro tempore*. The Secretary will report the first bill on the Calendar.

Mr. SHERMAN. I do not make the objection myself, but I understand the Senator from Kentucky to object.

Mr. STEVENSON. I do not make any objection; but if all these bills from the Pension Committee are to be taken up out of their order, we shall never get through with the Calendar.

Mr. PRATT. I move that the pending order be laid aside for the purpose of enabling me to call up Senate bill No. 558 for the present consideration of the Senate. I have already stated in brief my reasons. At the rate we are progressing with the Calendar we shall not get to these cases for many weeks. They are cases of undoubted merit. They have been weeded out from ten times their number. There is a report in each case, and it is important that they should be considered now. Many of these bills, most of them indeed, have got to go to the House of Representatives for consideration there. If I am not interrupted I can dispose of the twelve or thirteen that remain in that number of minutes, and we cannot, I think, economize our time any better than by disposing of them now. The Committee on Pensions is a very hard-working committee, and all that is necessary now is ten or fifteen minutes' consideration of the Senate, and then we shall have disposed of the whole of these bills and disburdened this Calendar of one-tenth of its business. I hope, therefore, that my motion to set aside the pending order and proceed to the consideration of this bill will prevail.

Mr. CONKLING. I wish to make a suggestion, which I venture upon because it is a criticism of myself quite as much as of any other Senator. I violated the rule, by the indulgence of the Senate, a day or two ago in the morning hour by occupying a few moments in a discussion that perhaps might better have been omitted. But I venture to observe that if we can preserve the morning hour to the uses of the morning hour the Senator from Indiana and everybody else will be relieved; but if the morning hour, like the rest of the day, is to be devoted to financial discussions and the reading of newspaper articles and various things of that sort, which I repeat I have been guilty of doing myself—and I do not want to be understood as criticising anybody but myself—we shall have no chance of disposing of these bills. But if I shall abstain, and if other Senators will also abstain, so that we can occupy the morning hour for morning business proper, I think that would do more to advance the bills of the Senator from Indiana and the other business of the morning hour than anything else we can arrange.

Mr. BOREMAN. I wish to make an inquiry, whether it has not been the usual practice here to make an exception in favor of the Pension Committee? It has seemed to me the case since I have been here, and I think it is well to do so. Their bills are generally taken as a matter of course when reported by that committee, and they ought, it seems to me, as has been the practice, I think, to be made an exception.

Mr. STEVENSON. I did not object to the Senator from Indiana introducing his bill. I only suggested that we should go on with the Calendar; and now I withdraw even that objection.

Mr. PRATT. Thank you.

The PRESIDENT *pro tempore*. Is there objection to the present consideration of the bill indicated by the Senator from Indiana?

Mr. SARGENT. Is this bill now reported, or on the Calendar?

The PRESIDENT *pro tempore*. It has been heretofore reported, and is on the Calendar.

Mr. SARGENT. It seems to me the only way we can proceed and make any progress with the Calendar is to take up cases and dispose of them in their order.

The PRESIDENT *pro tempore*. Does the Senator object?

Mr. SARGENT. I do object.

Mr. PRATT. Then I move to postpone all prior orders and proceed to the consideration of the bill.

Mr. ANTHONY. I have not objected, and I should not object; but if I have to vote upon this question I shall vote to go on with the Calendar in order. What the Senator from Indiana says is undoubtedly true, but it is equally true that all the bills on the Calendar have gone through the consideration of committees. There are bills there which have been considered by the Naval Committee, which involve a great deal of public interest, and a great deal of private interest, where wrongs have been sustained which the Senate will be prompt to redress as soon as they can reach them. Now, if we take out all the pension bills, my friend from Indiana loses his interest in the Calendar entirely; and if we are to allow him to come in and take out all his bills, then he will be willing that the morning hour shall be devoted to almost anything but the Calendar. I know from long experience that we shall get along better, and that the Senator from Indiana will ultimately fare quite as well, if we take up the Calendar in its order, and go on with the unobjected bills. All his bills are unobjected, and are sure to pass as soon as they are reached. While I have not objected to his request, I shall vote for the Calendar.

Mr. MORRILL, of Maine. I will avail myself of this opportunity to second several suggestions which have been made on one side and the other about the importance of adhering to the rules governing the morning hour, and to admonish the Chair, that I think it is obviously the imperative duty of the Chair to hold the Senate to the rules governing the morning hour. I take this occasion, as there is nothing now before the Senate, to say that I will endeavor to call attention to any breaches of those rules that occur to me during the morning hour.

The PRESIDENT *pro tempore*. The Chair will say on that subject that he has departed from the rule only in favor of discussion upon the financial question, which stands no chance of being debated except in the morning hour, and the Chair has therefore relaxed the rule upon that subject. [Laughter.]

Mr. PRATT. But for the objection raised we should have been through with my little pension bills by this time. They are all of them unobjected cases, and in that fact consists the merit of my motion to proceed to consider them now. In the regular call of the docket we shall not reach the last case reported by the Committee on Pensions for six weeks or two months to come. There are one-third of the Senators on this floor who are interested in those bills. There is a printed report in each case; there is no doubt about their merit; and we can get through with the whole lot in the course of ten minutes if I am not interrupted.

The PRESIDENT *pro tempore*. The question is on the motion of the Senator from Indiana.

The motion was agreed to; and the bill (S. No. 568) granting a pension to Hugh P. Lytle, late a private in Company H, Thirty-second Regiment Ohio Volunteers, was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

HENRY B. RYDER.

Mr. PRATT. I ask that the Senate proceed to the consideration of the bill (H. R. No. 1954) granting a pension to Henry B. Ryder.

Mr. SARGENT. I object.

The PRESIDENT *pro tempore*. The Senator from California objects.

Mr. PRATT. I move, then, that the pending order be postponed and the bill considered.

Mr. SARGENT. If by vote of the Senate some special time could be assigned to the business of this committee, I should have no objection, and would vote for it; and I am willing to extend the same favor to any other committee that has important business before the Senate. That has been, I understand, the course of the Senate heretofore. Certainly this irruption into the morning hour is extremely irregular. Several of us who have heretofore asked that important bills might be taken up which would lead to no discussion have had objection made, and have cheerfully yielded to the objection that we would reach them in the regular course of the Calendar. Unquestionably, to the amiable Senator from Indiana this business is the most important before the Senate. Others of us see reason to differ with that opinion, and to think that other business which is on the Calendar, and which will be reached in the regular order of business first, is of equal if not greater importance than that insisted on by him.

Now, sir, if this example is to be set; if the regular order is to be broken up each morning; if we are to take up things irregularly on the suggestion of a single Senator, it seems to me that the understanding or vote of the Senate by which we were to take up the bills on the Calendar in their order which are not objected to is done away with. It seems to me it would be better for us now, instead of proceeding in this, which is certainly an irregular manner, to proceed with the Calendar; and upon this question I ask for the yeas and nays.

The yeas and nays were ordered; and being taken, resulted—yeas 25, nays 20; as follows:

YEAS—Messrs. Boreman, Chandler, Conover, Cragin, Fenton, Ferry of Michigan, Frelinghuysen, Hamilton of Texas, Ingalls, Johnston, Lewis, Logan, McCreery, Mitchell, Morrill of Vermont, Morton, Oglesby, Pease, Pratt, Schurz, Scott, Wadleigh, West, Windom, and Wright—25.

NAYS—Messrs. Anthony, Bayard, Bogy, Buckingham, Conkling, Cooper, Dennis, Ferry of Connecticut, Flanagan, Goldthwaite, Hager, Hitchcock, Howe, Kelly, Merrimon, Morrill of Maine, Sargent, Sherman, Stevenson, and Stewart—20.

ABSENT—Messrs. Alcorn, Allison, Boutwell, Brownlow, Cameron, Carpenter, Clayton, Davis, Dorsey, Edmunds, Gilbert, Gordon, Hamilton of Maryland, Hamlin, Harvey, Jones, Norwood, Patterson, Ramsey, Ransom, Robertson, Saulsbury, Spencer, Sprague, Stockton, Thurman, and Tipton—27.

So the motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. No. 1954) granting a pension to Henry B. Ryder. The bill directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Henry B. Ryder, late second lieutenant in the Cameron Dragoons, afterward changed to the Fifth Pennsylvania Cavalry, and to pay him a pension as second lieutenant from and after the passage of the act.

Mr. SARGENT. I ask for the reading of the report in that case.

The Chief Clerk read the following report, submitted by Mr. J. D. YOUNG in the House of Representatives on the 13th of February:

The Committee on Invalid Pensions, to whom was referred the bill (H. R. No. 783) granting a pension to Henry B. Ryder, having considered the same, submit the following report:

Henry B. Ryder, the applicant, entered the service of the United States as a second lieutenant in the Cameron Dragoons, afterward changed to the Fifth Pennsylvania Cavalry, in July, 1861. The evidence also shows that he failed to be mustered through no neglect of his own, and that after being in the service several months, or about September, 1861, he was wounded while on the picket line in the night by a part of Colonel Baxter's regiment, who fired upon the picket line thinking they were the enemy. From the effects of the wound in the neck and typhoid fever the soldier had to undergo a most wonderful surgical operation, being the insertion of a silver tube into the trachea, which was inserted after tracheotomy, performed by the surgeons of Saint Luke's Hospital, New York City.

His treatment, as is shown by a copy of the record from the hospital, extended from November 28, 1861, to July 28, 1862; and many times during his treatment at the hospital, he being seized with fits of coughing, the tube had to be removed and the throat cleared by an operation of the surgeon.

The applicant now breathes through this tube, and, as the medical evidence shows, his life is in constant danger, and he requires constant medical treatment.

The facts as stated being sustained by abundant proof, and the service being shown by affidavits of his officers and others, your committee are unanimously of the opinion that the case is a meritorious one, and that the applicant should receive the pension due him; and we therefore recommend the passage of the accompanying bill as a substitute for the one under consideration.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

MARTHA E. NORTHUP.

Mr. PRATT. I move that the Senate proceed to the consideration of the bill (H. R. No. 1122) granting a pension to Mrs. Martha E. Northup, widow of First Lieutenant Edward B. Northup, late of the Seventeenth United States Infantry.

The PRESIDENT *pro tempore*. The bill will be taken up if there be no objection.

Mr. SARGENT. I object.

The PRESIDENT *pro tempore*. Then the question is on the motion of the Senator from Indiana.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the bill, which directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Mrs. Martha E. Northup, widow of First Lieutenant Edward B. Northup, late of the Seventeenth United States Infantry, and to pay her a pension of seventeen dollars per month, commencing March 4, 1873, during her widowhood.

The bill was reported to the Senate without amendment.

Mr. SARGENT. I should like to hear the report in that case.

The Chief Clerk read the following report, submitted by Mr. PRATT on the 19th instant:

The Committee on Pensions, to whom was referred the bill (H. R. No. 1122) granting a pension to Mrs. Martha E. Northup, submit the following report:

She is the widow of First Lieutenant Edward B. Northup, of the Seventeenth United States Infantry, whose military record, as furnished by the Adjutant-General, is as follows:

VOLUNTEER RECORD.

ADJUTANT-GENERAL'S OFFICE,
Washington, January 28, 1874.

Entered the service August 8, 1861, as a private in Company B, Forty-fourth New York Volunteers, with which he served until July, 1862. He was discharged as a corporal on surgeon's certificate of disability October 11, 1862, because of an accidental wound in the finger of the left hand, (received July 3, 1862,) and from a severe attack of erysipelas, which destroyed the use of the hand.

Appointed second lieutenant Veteran Reserve Corps August 8, 1863, and first lieutenant March 26, 1865. Assigned to the Fourteenth Regiment Veteran Reserve Corps, and served therewith and in the Bureau of Refugees, Freedmen, and Abandoned Lands until mustered out, November 8, 1866.

REGULAR ARMY RECORD.

Appointed second lieutenant Forty-fourth United States Infantry 28th July, 1866. Transferred to Seventeenth Infantry 27th May, 1869. First lieutenant Seventeenth Infantry 1st January, 1871. Brevetted first lieutenant March 2, 1867, for gallant and meritorious services at the battle of Malvern Hill, Virginia.

Service.—With regiment from February 11, 1867, to March 9, 1867; on duty with superintendent War Department buildings to June 30, 1868; on leave of absence to August 31, 1868; in garrison at Washington, District of Columbia, to March, 1869; Petersburgh, Virginia, to June, 1869; Lynchburgh, Virginia, to February, 1870; Richmond, Virginia, to April, 1870; on frontier duty, at Grand River agency, Dakota, to May 6, 1871; Fort Stevenson, Dakota, to June 22, 1872; Grand River agency Dakota, to September 16, 1872; on leave of absence to March 4, 1873, on which date he died at Sioux City, Iowa, while *en route* to rejoin his company.

E. D. TOWNSEND,
Adjutant-General.

The occasion of the death of Lieutenant Northup is furnished in a certified copy of the coroner's inquest held over his dead body at Sioux City, Iowa, on the 5th day of March, 1873, which is as follows;

STATE OF IOWA, *Woodbury County, ss:*

At an inquest held upon the body of Lieutenant E. B. Northup, of the Seventeenth United States Infantry, on the 4th and 5th days of March, 1873, before J. J. Saville, coroner in and for said county, whose body is now here lying dead, by the jurors whose names are hereunto subscribed the said jurors on their oaths do say as follows, to wit:

We, the jury, find that Lieutenant E. B. Northup, of the Seventeenth United States Infantry, died at the Depot Hotel, in the city of Sioux City, State of Iowa, on the 4th day of March, A. D. 1873, at or about three o'clock p. m., from the effects of an overdose of chloral hydrate, administered by himself, without criminal intent, during the temporary absence of his nurse, while in a state of great mental and nervous prostration, brought on by the excessive use of intoxicating liquors.

In testimony whereof we have hereto set our hands at the city of Sioux City, in the State of Iowa, this 5th day of March, A. D. 1873.

H. W. CHASE,
J. D. HOSKINS,
L. M. ROGERS,
Jury.

Attest:

J. J. SAVILLE,
Coroner of Woodbury County.

A true copy.

J. J. SAVILLE.

A true copy of a copy on file in this office.

THOMAS M. VINCENT,
Assistant Adjutant-General.

ADJUTANT-GENERAL'S OFFICE, *January 28, 1874.*

There is no proof accompanying the bill except the papers set out above, if we leave out of consideration private letters. The officer fell by his own hand, not with a criminal intent, says the inquest, but in a frame of mind induced by the excessive use of intoxicating liquors. We have no desire to add a word to what this document affirms, but it cannot be said he was in the line of duty in the intemperate use of stimulating drinks. On the contrary, he violated the rules of the service and exposed himself to punishment. His death, under the circumstances, cannot be ascribed to any disability incurred while in the service. His honorable wounds did not contribute to it. To grant relief to his widow under the circumstances tends to relax the rule against drunkenness in the Army, a crime in the private soldier and a greater one in the officer, who should set an example of sobriety to the men under his charge.

Still, the majority of the committee, in view of the excellent record of this young soldier, and of the further fact that he was not a habitual drinker, and because he has left a widow wholly destitute of the means of support, have agreed to recommend the passage of the bill.

Mr. SARGENT. Mr. President, I think this report shows the necessity of some further deliberation in these cases than the system which the Senate at present is pursuing seems to afford. The report which has just been read shows that the person who died and whose widow is to be placed on the pension-roll did not die in the line of duty, did not die on account of any wounds received in the service, but that he died in a fit of *delirium tremens*, which in itself was an offense against the service in which he was engaged; and the committee themselves most inconclusively reason, from premises which exclude such conclusion, that perhaps on the whole, as the widow is destitute, a pension ought to be granted to her. Now I will read, for the sake of emphasizing them a little more, that which the committee themselves report as the facts in this case; and I should like to have the chairman of the committee justify the proposition which he made that this bill should be passed through by a reading of little more than its title, without a statement of the facts in the case and without calling the attention of the Senate to them. The report says:

There is no proof accompanying the bill except the papers set out above, if we

leave out of consideration private letters. The officer fell by his own hand, not with a criminal intent, says the inquest, but in a frame of mind induced by the excessive use of intoxicating liquors. We have no desire to add a word to what this document affirms, but it cannot be said he was in the line of duty in the intemperate use of stimulating drinks. On the contrary, he violated the rules of the service and exposed himself to punishment.

By violating the rules of the service, and thereby exposing himself to punishment, he brought on his death in a fit of *delirium tremens;* and it is proposed because the widow is poor that she shall receive a pension. They say further:

His death, under the circumstances, cannot be ascribed to any disability incurred while in the service. His honorable wounds did not contribute to it. To grant relief to his widow under the circumstances tends to relax the rule against drunkenness in the Army, a crime in the private soldier and a greater one in the officer, who should set an example of sobriety to the men under his charge.

Mr. CONKLING. What was his rank?

Mr. SARGENT. He was a lieutenant.

Now, after so strongly stating that to grant a pension in this case would be to relax the rules of the service and to encourage drunkenness in the Army, the committee come in and propose that a pension shall be granted; and this is to be done, and these bills are to be passed at the rate of one a minute, as stated by the chairman of the committee. In twelve minutes he was to dispose of twelve bills, without reading the reports, without stating the facts, without informing the Senate that we were called upon to vote to do that which would destroy the Army, which would encourage drunkenness in the service, which would relax discipline, without calling the attention of the Senate to the fact that this man did not die from wounds, did not die in the discharge of duty, but died while violating the rules of the service and thereby meriting punishment. Here is what they say:

Still the majority of the committee, in view of the excellent record of this young soldier, and of the further fact that he was not a habitual drinker, and because he has left a widow wholly destitute of the means of support, have agreed to recommend the passage of the bill.

Of course, the destitution of the widow may be a matter appealing to our sympathies; but are there not hundreds of destitute widows in this very city who appeal to our sympathies and to our charities? Is there a Senator who passes a week without being called upon, and without yielding to the call, to furnish money out of his own private means for the cases of distress which are all around us? That in itself is not exceptional, and does not entitle this party to a pension, and certainly the policy of the general law is not that where a person dies, not through wounds received in the service, not by exposure in the service, but simply dies while in the service, his widow or heirs shall receive a pension. It seems to me if this is the character of the cases which we are now passing through so rapidly, this is not the manner in which they should be passed through, and I pause in order that the committee may explain the wide divergence between the premises which they lay down, and the recommendation which they make to the Senate in this case.

Mr. PRATT. I believe this is the only case reported by the committee on which they were not unanimous, or nearly so, and the honorable Senator from California will do the committee the justice to say that they have spread all the unfavorable facts before the Senate for its judgment.

Now, what induced the committee to recommend the passage of this bill was the fact that, for his age, there was no more gallant officer in the service than this Lieutenant Northup. He was covered with wounds incurred in the service of his country. His brother officers who had lost limbs in the service came before the committee and testified generously in his behalf, that this was an exceptional case in this young man's career; that he had been ordered off to distant service in the Territories, and stopping temporarily at Sioux City, he imbibed too much, and under the influence of liquor he was prostrated, and in the absence of his nurse had taken the medicine which produced his death. He was not a habitual drinker; nothing of the kind; but upon this occasion he got upon a spree and he took this medicine in excess, in the absence of his nurse, and thus fell by his own hand. That was the judgment of the jury of inquest that sat upon his case; and there was not a particle of evidence contradicting this. On the other hand, his military record is set forth in this report. The testimony of his brother officers was that, for his age, there was no one who had more distinguished himself in the service, no one who was more entitled to the gratitude of his countrymen, than this young lieutenant; and the majority of the committee, under the influence of these considerations and in behalf of the widow, concluded to report this House bill in her favor.

My friend on my right [Mr. OGLESBY] took a warm interest in this case, and he can explain it perhaps more fully than I have done.

Mr. OGLESBY. Unless the morning hour has expired, I will speak for a few moments upon this bill.

The PRESIDENT *pro tempore*. The Senator has just a minute and a half within the morning hour.

Mr. OGLESBY. The committee when this bill was presented to them took up the case expecting to report against it, and in that sense the report appears here before the Senate. Subsequently, on a rehearing, with the evidence of two living witnesses before us that this lieutenant had risen from the ranks in the volunteer service, that he had served four or five years in the volunteers and then entered the regular Army, and had risen to a lieutenancy there; that he had some four or five wounds received in various battles, and distinguished himself on all occasions, we reconsidered the case. The committee had nothing but the report of that coroner's inquest, and the coroner's inquest had nothing before them except a one-sided case. The lieutenant had no friend at Sioux City, not a living being to speak for him after his death; and the coroner's inquest sat upon the case and took the eviden e they gathered up at the hotel, that he had been intoxicated there, and while intoxicated took an overdose of chloral and died in the absence of his nurse. So the report of the coroner's inquest was presented to us and nothing else, and upon that the committee proceeded to make an adverse report. The witnesses, who were familiar with his record, who had served in the same regiment with him, came before the committee and testified, and gave us the full facts of the case and his character. They testified that he was in the full line of his duty at the time of his death.

The PRESIDENT *pro tempore*. The Senator from Illinois will suspend. The morning hour having expired, the unfinished business of yesterday is before the Senate.

Mr. SCHURZ. Mr. President——

Mr. PRATT. I ask for the postponement of the pending measure until we can take a vote on this bill. I hope the Senator from California, after hearing these explanations, will withdraw his objection.

Mr. SARGENT. I have not any objection to withdraw. The objection was overruled by a vote of the Senate, and of course I cheerfully acquiesced. I was simply calling attention to the character of the bill and the doubtful report made in its favor. I am willing that a vote shall be taken, and have nothing further to say upon it.

The PRESIDENT *pro tempore*. The Senator from Indiana asks that the regular order be laid aside informally with a view of disposing of the bill pending at the expiration of the morning hour.

Mr. ANTHONY. I hope that will be done. I am satisfied we shall transact no business in the Senate until we can get rid of my friend's pension bills; and inasmuch as he has the power to take up his business on the Calendar to the exclusion of others, I am going to ask him, when he gets through, to move to take up three or four bills of mine, which I think quite as important as those which have been passed, and I dare say if I vote with him now he will reciprocate by moving to take up these bills of mine.

The PRESIDENT *pro tempore*. If there is no objection the unfinished business will be laid aside informally and the Senate will proceed with the consideration of the pension bill.

Mr. FERRY, of Connecticut. I wish to say a very few words regarding this case.

Mr. SHERMAN. Then I think we had better let it go over.

Mr. ANTHONY. O, no; we had better go on and finish it.

Mr. FERRY, of Connecticut. I do not think this bill ought to pass. I think I can give good reasons why it should not be passed, in a very brief space of time.

Mr. SHERMAN. Under the circumstances, I trust the Senator from Indiana will let his bill go over until to-morrow.

The PRESIDENT *pro tempore*. Does the Senator from Ohio object?

Mr. SHERMAN. I do.

Mr. ANTHONY. I understood the Senator from Indiana to move to postpone the pending and all prior orders in order to proceed with pension bills. I shall vote with him if he makes that motion.

Mr. PRATT. I do; I think we had better go on and dispose of this little bill.

Mr. ANTHONY. The Senator from Indiana says that he moves to postpone the pending and all prior orders in order to proceed with these pension bills, and I shall vote with him.

The PRESIDENT *pro tempore*. Does the Senator from Indiana make that motion?

Mr. PRATT. Yes, sir.

Mr. STEWART. I will ask——

The PRESIDENT *pro tempore*. The Chair will state the question. The Senator from Indiana moves to postpone the present and all prior orders and proceed with the pension bill which was under consideration at the expiration of the morning hour.

Mr. STEWART. I move that until otherwise ordered the morning hour be extended to half-past one o'clock.

The PRESIDENT *pro tempore*. That motion is out of order.

Mr. SCHURZ. I desire to know whether I have the floor. I think I was awarded the floor.

Mr. STEWART. I give notice that I will make the motion I have just stated to-morrow morning.

The PRESIDENT *pro tempore*. A resolution to that effect has been introduced and referred to the Committee on Rules, but has not yet been reported.

Mr. STEWART. Part of the committee have gone away, and we may not get a report in time to act upon it for some days to come.

The PRESIDENT *pro tempore*. The Senator from Indiana moves to postpone the pending and all prior orders and proceed with the consideration of the bill under discussion at the expiration of the morning hour.

Mr. SHERMAN. I hope that will not be done. It is manifest this little bill will give rise to considerable debate. I trust that by unanimous consent, and without debating any other bill, we shall proceed with the finance question and dispose of it. I trust, therefore, that the Senator from Indiana will withdraw his motion. If he does not, I shall feel it my duty to call for the yeas and nays upon it.

Mr. PRATT. In consideration of the fact that the Senate has been very liberal to me this morning, I withdraw my motion.

The PRESIDENT *pro tempore*. The motion is withdrawn. The unfinished business of yesterday is now before the Senate.

ENROLLED BILL SIGNED.

A message from the House of Representatives, by Mr. MCPHERSON, its Clerk, announced that the Speaker of the House had signed the enrolled bill (S. No. 583) making an appropriation to defray the expenses of the Joint Select Committee to Inquire into the Affairs of the District of Columbia; and it was thereupon signed by the President *pro tempore*.

CURRENCY AND BANKING.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. No. 617) to provide for the redemption and reissue of United States notes, and for free banking.

Mr. SCHURZ. I rise to offer an amendment to the first section of the pending bill. I move to amend by striking out in the fourth line of the first section "382," and inserting "356;" so that the section will read:

That the maximum limit of United States notes is hereby fixed at $356,000,000, at which amount it shall remain until reduced as hereinafter provided.

Mr. BOGY. Before my colleague proceeds, I wish to ask the Chair whether it is in order to move an amendment to the amendment of my colleague?

The PRESIDENT *pro tempore*. It is.

Mr. BOGY. I move, then, to insert $400,000,000 in lieu of $356,000,000.

The PRESIDENT *pro tempore*. The amendment proposed by the Senator from Missouri is, the Chair understands, an amendment to the bill itself, and not to the amendment of his colleague; and therefore it will not be in order until the amendment of his colleague is disposed of.

Mr. BOGY. My object is to bring the Senate to a vote on the limit of $400,000,000 instead of $356,000,000.

Mr. SHERMAN. I suggest to the Senator from Missouri that we take the vote first on the $356,000,000, and then the Senator can offer his amendment for $400,000,000.

The PRESIDENT *pro tempore*. The Chair will state to the Senator from Missouri that he can effect his purpose by moving to amend the amendment of his colleague and not the bill.

Mr. BOGY. That is my motion; to amend the amendment of my colleague by striking out "$356,000,000" and inserting "$400,000,000."

The PRESIDENT *pro tempore*. The amendment will be stated.

The CHIEF CLERK. The first amendment proposed is to strike out $382,000,000 and insert $356,000,000; and it is now proposed to amend the amendment by striking out $356,000,000 and inserting $400,000,000.

Mr. WRIGHT. I suppose that an amendment to the amendment of the Senator from Missouri farthest from me [Mr. BOGY] would not now be in order?

The PRESIDENT *pro tempore*. It would not.

Mr. WRIGHT. But I give notice now that I propose to offer this amendment as a substitute for the first section, and I submit to my friend from Missouri whether he will not accept it in the place of the amendment that he has just offered, and thereby have it become the pending question. My proposition is to strike out all the section and insert:

That the amount of United States notes for circulation is hereby fixed at $400,000,000.

Mr. SCHURZ. I think it will be just as well to offer all these amendments after I am through.

Mr. BOGY. If the Senator from Iowa will explain the effect of his amendment, and wherein it differs from mine, I may accept it.

Mr. SCHURZ. I suggest that I be permitted to get through with my remarks, which will occupy only a few minutes; and then the arrangement between the two Senators may be settled. It is not at all in unkindness to my colleague that I make this suggestion, but I think it will promote progress of business.

Mr. BOGY. I am willing to accept the amendment offered by the Senator from Iowa.

The PRESIDENT *pro tempore*. The Senator from Missouri withdraws his amendment to the amendment, and accepts that offered by the Senator from Iowa, which will now be reported.

Mr. HAMLIN. That is a process which cannot be got through with here without the consent of the Senator from Missouri on my right, [Mr. SCHURZ,] who proposes to perfect, as it is called, the first section of the bill. You cannot move to strike out the section until the motion is first put on the amendment which he has offered to perfect it.

The PRESIDENT *pro tempore*. The point of order is well taken. The motion is not in order at the present time.

Mr. SCHURZ. Mr. President, I desire to make a very few remarks, merely to state the opinion which I entertain.

The first section of the bill as reported from the Committee on Finance can stand, if at all, only upon two grounds:

First, that the issue of United States notes beyond the limit of $356,000,000 was legal; in other words, that the $44,000,000 United States notes retired and canceled under the act of 1866 did form a reserve to be uncanceled and to be reissued again by the Secretary of the Treasury at his own sovereign discretion. It is my deliberate opinion that the Secretary of the Treasury had no such legal discretion, and that the reissue of any of the United States notes retired and canceled under the act of 1866 was not warranted by law. I wish to have it distinctly understood that I do not intend to make this a personal matter at all. I do not mean to wage war upon any public officer. I am willing to admit that the Secretary of the Treasury, in reissuing part of the $44,000,000 reserve, acted in perfect good faith according to his own understanding of the law; and I am also willing to accept any possible excuse which, in that respect, can be made for him. But that does not alter my opinion of the law itself.

The act of 1866 provided—

That of the United States notes not more than $10,000,000 may be retired and canceled within six months from the passage of this act, and thereafter not more than $4,000,000 in any one month.

And, in accordance with that act, the Secretary of the Treasury continued to reduce the amount in circulation until $44,000,000 had been retired and canceled.

Then, in 1868, by the act of the 4th of February, Congress provided that—

From and after the passage of this act the authority of the Secretary of the Treasury to make any reduction of the currency by retiring or canceling United States notes shall be, and is hereby, suspended; but nothing herein contained shall prevent the cancellation and destruction of mutilated United States notes and the replacing of the same with notes of the same character and amount.

It is perfectly clear to my mind that the reduction and cancellation of the $44,000,000 which were retired by Secretary McCulloch was considered final, and that the last clause of the act of 1868, providing for the replacement of mutilated United States notes which had been canceled and destroyed by new notes of the same character and amount, excludes the idea that the forty-four millions retired and canceled might also be so replaced. If it had been intended that the $44,000,000 then retired and canceled might be uncanceled again and reissued, by virtue of the act of 1868, I have not the remotest doubt in the world that the act would have so stated in explicit language. And this conviction which I have arrived at is only strengthened by my reading of the debate which preceded the passage of the act. I know that doubt was expressed by some Senators as to whether the language of the act was sufficiently explicit and clear to leave no room at all for the interpretation that the $44,000,000 might be issued again; but it is also certain, and I think no man can read the debate preceding the passage of that act without coming to the same conclusion, that amendments designed to prevent such a misconstruction, to render such a misinterpretation impossible, were voted down by a considerable majority, expressly upon the ground that such amendments were absolutely unnecessary, the language of the act itself being so clear that there could be no two opinions about it. I quoted the other day from the words employed by the Senator from Indiana, [Mr. MORTON,] who said he was opposed to such amendments because he was firmly convinced that the language of the act itself did not admit of any other interpretation, but that the retirement of the $44,000,000 was conclusive and final, and that a reissue was inadmissible under the law. While there was a difference of opinion as to the safety of the wording of the act, there was a perfectly unanimous understanding as to the intendment and purpose which the act was to subserve, namely, that the $44,000,000 were to be finally destroyed, never to be reissued. Such was the universal understanding at the time, and that understanding was by no means dissented from by those who offered amendments to the act of 1868, in order to "make assurance double sure."

The first section of this bill, therefore, can in my opinion not stand upon the ground that the reissue of any part of the $44,000,000 retired and canceled under the act of 1866 was legal. It is my conviction that it was not.

It might be put upon a second ground, namely, that by subsequent legislation the issue of the $44,000,000, or any part thereof, might be legalized, if it was not warranted by law before. Now, sir, let us see what that would imply. It would be equivalent to a new issue of Government paper money. Such action could be based only on the principle that the Government of the United States in times of profound peace, with no public danger urging upon it extreme necessities and forcing it to resort to exceptional measures, may at any time issue any amount of irredeemable paper money it pleases—a power which would put at the mercy of that Government the private fortunes of all the citizens of the United States.

Mr. President, in my opinion that power does not constitutionally belong to the Government of the United States, and I, for my part, shall never contribute my vote to sanction it. Those who vote for any proposition to put the legal limit to the issue of United States notes up to a figure over and above three hundred and fifty-six millions, the maximum limit at which it stood when the law of 1868 was passed, must therefore either recognize that in spite of the language of the law, and in spite of the general understanding as to the intendment of the law, the forty-four millions legally retired and canceled could be legally uncanceled again and reissued, or they must admit that the Government of the United States in times of profound peace, not acting under any pressure of great public danger and necessity, may issue whatever amount of irredeemable paper money it pleases, and thus virtually dispose of all private fortunes.

Mr. President, my conscientious conviction, my sense of duty, tells me that I can assent to neither of these two propositions; and for this reason I propose my amendment. I repeat, sir, that I do not mean to

make any attack upon the Secretary of the Treasury, and am willing to admit the most favorable construction of his acts; but I would submit to the Senate that here something more is at stake than the mere question of issuing more or less paper money. Here is a question of law, of constitutional power, which involves the best interests and the fortunes of the American people.

Mr. BAYARD. Mr. President, two propositions have been made to the Senate to depart from the text of the bill presented by the chairman of the Committee on Finance: one proposing to keep the volume of Treasury notes at the maximum of $356,000,000, the other to increase it to $400,000,000. The decision of this question at this time I consider scarcely second in importance to any that has ever been brought before the Congress of the United States, and it illustrates to me how, under the influence of the excitement and emergencies of the hour, men's minds and judgments drift away from those sound conclusions which serenity and peace tend so much to produce, and how important it is in the government of a great country that stability in its laws should be considered as one of the conditions under which they are enacted. Surely, Mr. President, there can be no duty more imperatively reposed in a government, no matter what may be its form, than that of providing a stable standard of value for the transactions of its citizens. It is not only a duty intrusted to the Congress of the United States, but it is a duty which they cannot conscientiously neglect the performance of. They are bound to execute it, or they fall short of one of the primary and fundamental duties of those charged with the execution of government. When the States who formed the Federal Constitution met by their delegates in convention and agreed upon the creation of a government, and established its constitution by a written charter, among the necessary powers to be reposed in that government was that of coining money. And I ask the Senate to observe that when in this language they gave power to Congress and imposed upon Congress the duty of creating a standard of value, they did it in the same clause which empowered them to fix the standard of weights and measures. The two subjects are entirely cognate. The two subjects are part and parcel of each other. A community without a standard of weights and measures would have nothing to regulate their bargains, would have nothing to control and insure the honest dealings of men. There must be a measurement by the yard, or foot, or inch. There must be the measurement of capacity. There must be the measurement of weight. There must be a standard for all these things; otherwise there could be no certainty in men's transactions. This is essential.

What would the common sense of the plainest man in this country consider of a proposition that we should abolish our standard of weights and measures; that the cord of wood should not be of its proper measurement; that the yard-stick should not contain its thirty-six inches, or the foot its twelve, or the quart measure its two pints, and so on throughout? The man who proposed it would be thought to be either a public enemy or an idiot. Men would laugh in his face, and he would be ridiculed deservedly. And yet, Mr. President, what is the effect of obliterating your standard of value? The standard of value lies underneath every other standard, as much as the foundation-stones of this Capitol sustain its columns. The standard of value is the first foundation of a nation's polity; there it must exist. The first step cannot be taken in framing a political society unless a standard of value shall be created by the sovereign authority.

Mr. BUCKINGHAM. Will the Senator allow me to ask him a question?

Mr. BAYARD. Certainly.

Mr. BUCKINGHAM. I should like to have him define what he means by a standard of value.

Mr. BAYARD. I will state that presently. The standard of value is a fixed amount of value which shall not change, which shall consist by the consent of the world of that which is not liable to deterioration or change as other commodities are. For this reason, the metals of gold and silver have, by the common consent of mankind, formed the basis of the standard of value; and gold and silver are by the laws of the world, by the consent of all societies, the equivalents for all human debts.

Mr. BUCKINGHAM. Do I understand the Senator to mean that the value of coin does not change?

Mr. BAYARD. There is nothing human that does not change. But the reason why gold and silver have been fixed as the standard for regulating human values is, that they are less susceptible of change than any other commodity known to mankind.

Mr. BUCKINGHAM. But they do change.

Mr. BAYARD. So imperceptibly as not to interfere with that stability which is essential to all human intercourse.

Mr. BUCKINGHAM. I have sometimes known a dollar to buy a bushel of wheat; and at other times I have known two dollars to be required to buy a bushel of wheat.

Mr. BAYARD. Then it seems to me the Senator's wheat has changed and not the dollar.

Mr. BUCKINGHAM. I wanted to inquire whether the stability was in the coin or in the wheat.

Mr. BAYARD. The stability is in the value of the coin, the fineness at which it is established by law. The weight and fineness are established; it is declared that the dollar of the United States, whether of silver or of gold, shall contain a certain fineness and a certain weight of metal. Gold of that fineness and that weight is a common denominator for property all over this world.

Mr. BUCKINGHAM. The law also determines that the bushel of wheat shall contain thirty-one hundred and fifty cubic inches. It makes that the standard of a bushel just as clearly as it makes gold the measure of the value of coin. But, notwithstanding that, the dollar or the wheat changes very materially. I want to know which is the standard, whether it is the wheat or the coin? I want to know which is Daniel and which is the lion, [laughter;] which carries the umbrella—the coin or the wheat? [Laughter.]

Mr. BAYARD. The scriptural figure of my friend can scarcely be carried out in a discussion of this kind. He spoke of a standard of weights and measures; I spoke of a standard of value. The Senator has asked me in regard to a bushel. That is a standard of measure. I tell him that the bushel of wheat cannot be a standard of value. If it had been fit for it, it is probable that by this time the world's experience would have fastened upon that as a proper basis for their exchanges; but it is not a standard of value, but a mere measurement adopted in different countries according to their requirements, I answer him that the standard of value must be that which the world's experience has accepted as the basis, and that is the precious metals.

Mr. BUCKINGHAM. I do not know that I shall dispute that position of the honorable Senator; and yet it is very difficult for me to see which is held as the standard, the wheat or the coin. I will attribute it to my own ignorance, however, and not to the Senator's inability to explain it.

Mr. BAYARD. Well, Mr. President, perhaps there is confusion in my honorable friend's mind—I do not say there is; it may be in mine, and not in his—in attempting to consider standards of value and standards of measure as one and the same thing. I was merely stating the fact that standards are necessary of weight or measurement, and beyond that the standard of value is essential because value lies underneath all others. Without a standard of value there can be no transactions between men of a reliable character, unless a mere exchange *in specie*. The requirements of mankind have made a common denominator for all other property necessary to be established, and the experience of mankind has designated gold and silver as the common denominator, and they have become by the consent of civilized men the standard of value of human transactions.

Mr. BUCKINGHAM. I agree with the honorable Senator that the civilized world has determined that gold and silver shall be the standard of value, but I do not think that the entire civilized world has been able to hold either gold or silver at a particular fixed value. I will not interrupt the Senator further, however.

Mr. BAYARD. I am so desirous to respond respectfully to any suggestions of my friend from Connecticut that I do not wish to quit the point that he has been discussing without answering him, not only to my own satisfaction, but endeavoring to make the answer to his satisfaction. If he will allow me to read from the decision of the Supreme Court to be found in 12 Wallace, perhaps I can find in the language of another a better explanation than I have been able to give in my own.

In considering this question—

A question touching very much this matter of the issue of paper money—

we assume as a fundamental proposition that it is the duty of every government to establish a standard of value. The necessity of standard is indeed universally acknowledged. Without it the transactions of society would become impossible. All measures, whether of extent, or weight, or value, must have certain proportions of that which they are intended to measure. The unit of extent must have certain definite length, the unit of weight certain definite gravity, and the unit of value certain definite value. These units, multiplied or subdivided, supply the standards by which all measures are properly made. The selection, therefore, by the common consent of all nations, of gold and silver as the standard of value was natural, or, more correctly speaking, inevitable. For whatever definitions ofe valu political economists may have given, they all agree that gold and silver have more value in proportion to weight and size, and are less subject to loss by wear or abrasion, than any other material capable of easy subdivision and impression, and that their value changes less and by slower degrees, through considerable periods of time, than that of any other substance which could be used for the same purpose. And these are qualities indispensable to the convenient use of the standard required.

I have here also a definition from an exceedingly intelligent writer upon political economy, Mr. Macdonell, which perhaps I might also read to the Senator to show him what is meant by a standard of value, and why I said that the precious metals were admittedly the only proper standard of value:

Gold, silver, and copper possess certain properties which mark them out to be the cosmopolitan currency; it is not caprice frozen into convention, or the stamp of the mint, that has gained for them their present place; and Turgot says well, "Gold and silver are constituted, by the nature of things, money, and universal money, independently of all convention and law." They contain much value in small bulk, they are similar in quality wherever they are produced; they are indestructible; they are readily divisible, and yet do not suffer in beauty by division; and they are readily united. They are so scattered over the globe that the same expenditure of labor has, in the past at all events, generally produced about the same amount of metal, and being at once the most generally diffused and the rarest of metals, they are marked out by nature for coinage.

Now, sir, I have answered in my own way, lamely at first and subsequently by definitions which I think will be accepted as authority, the question of the honorable Senator as to what I meant by a standard of value; and, to go back now to what I started to say, why I considered the very foundation-stone of a government's duty to be the creation of a stable standard of value; and when our forefathers, to whom was committed the formation of the Government under which we live, and which it is our duty to maintain in the spirit and the purity with which they transmitted it to us, gave to the Congress of the United States the power "to coin money and regulate the value

thereof," they gave it the power, and imposed with the power the duty, of creating a standard of value, and with it they coupled the correlative duty of fixing the standard of weights and measures. It is as false a piece of political economy, it is as unjust and injurious, yea, even more so, for the government of a country from time to time to unfix its standard of weights and measures as it is to unfix its standard of values.

The Government of the United States have fixed a standard of value. In pursuance of their duty, among the earliest statutes of this Government were statutes fixing the fineness of their metallic coins. The variation in those standards has been exceedingly slight in the whole history of our Government, and has generally consisted in the adaptation of the denomination of the coin to the exigencies of trade rather than in the alteration of its standard. It is now about the same that it was in 1789. The British government have shown their appreciation of the necessity of stability by never altering their standard of coin from the third year of the reign of Queen Elizabeth until the present time, although at times, under some such temporary excitement and supposed necessity as that which seems to coerce the minds of gentlemen in both Houses of Congress at present, attempts have been made to shift the value of the sterling coin, but unsuccessfully.

Mr. President, the progress on the downward path is gradual but certain; and men would oftentimes be alarmed to look back and see the progress they had made in the wrong direction, in a direction in which they never could have contemplated progressing had they considered all its effects. Upon no subject has the experience of mankind been more uniform than in respect to the attempt to abolish from money all intrinsic value. There have been periods in the history of the world in which the legitimate uses of credit, combined with the intrinsic values of money, have not been perhaps so well understood as they may be now. There is a high and a grand duty which credit can perform, and a money of credit can perform conjunctively with a money of intrinsic value; but it is not in the power of any man in this Chamber to exhibit to the Senate a case where money, having been divorced from intrinsic value, has been able to sustain itself from depreciation, and in the end has not been the ruin and bankruptcy of the community that embarked upon it.

At times all sorts of methods have been resorted to in order to escape from these laws of nature and to destroy these standards of value. The best illustration of that has been the efforts of alchemists, who for centuries wasted the public purses of empires, and the private purses of kings and of others in authority, in the vain hope of seeking to transmute the baser metals into gold and silver, so as to unlock by human skill one of the great secrets of nature. But all such attempts have been fruitless. They have all ended in mockery, disaster, and unhappiness, until now alchemy is but another name for delusion.

The same principle precisely has been applied in the attempt to make that which has no value intrinsically—I mean paper or like material—pass as money and become the representative of value in communities. Where it has been used conjunctively with money of value and has been made convertible into money of value, there, when used with precaution and care, it has been sustained to the benefit of the community that used it. Where, as I say, it has been attempted to carry on the business of a community by virtue of money without value intrinsically, and based solely upon credit, ruin and disaster have been the invariable result. And this is human experience in all countries, not simply in the densely populated countries of Europe, but just as much in the thinly populated countries of America. The history was just the same in France, it was just the same in Russia and in Austria, as it was in the State of Texas. The illustration of her history of paper money was admirably given the other day by Mr. Wells, of New York, in an article contributed to one of the reviews, taken mainly from a book, unfortunately too much forgotten, which has been suffered to pass out of print, the History of Paper Money, by Mr. William M. Gouge, of Pennsylvania.

There can be no doubt that what I have been stating would have been accepted as mere truisms even ten short years ago. Yes, sir; even eight short years ago there was no one to deny it. All men accepted it. In the middle of the war there was a terrific emergency, before which the convictions and judgments of men wavered, and they fell. An illustration of that can be found in the progress of his unwilling assent to the false proposition that a nation may, even for a moment, abolish its standard of value from the dealings of its citizens, without coming to loss and trouble as a consequence, in the recorded judgments, official papers, and opinions of the late Chief Justice Chase. There are few things more instructive, there are few things more honorable to human nature, than the history of his temporary fall from his acknowledged judgment, until his recantation of that which he admitted to be a heresy and a mistake. In the admission by the Chief Justice of the error that he committed during the war under the pressure of excitement, in the midst of turmoil, there was, in my opinion, an exhibition of self-abnegation and of a lofty sense of rectitude that has not often been surpassed in the annals of our race. He admitted the error, and his duty to rectify that error as soon as possible.

Now, Mr. President, what I mean to say is, that at the close of the war, in 1866, the opinions that I have just been expressing were the common opinions of the people of the United States and of the Congress of the United States. No one expressed them more frequently than the Senator from Indiana, [Mr. MORTON.] Nay, they were maintained even by the Senator from Michigan, [Mr. FERRY,] who has been standing in the front rank of those seeking for further inflation, who are seeking to pronounce a renewed decree of banishment of gold and silver coin from our midst; for that is what this bill means, whether you fix the currency at $382,000,000 or $400,000,000. Anything that increases the issue of irredeemable paper money at this time is nothing but a renewed decree of banishment of the standard of value from the United States.

I have said that it was the admitted policy of the Government to recognize the issue of irredeemable paper money as an evil made necessary simply by the emergencies of a great war. It was a war measure. It was recognized as a war measure by the men who reluctantly voted for it. It has never been spoken of by them as anything else. Its permanence was always denied. The Supreme Court of the United States, on that unhappy day when they hastened to overrule, at the same term at which it had been delivered, the deliberate, well-considered judgment of the same court when differently composed as to members, still declared that it was a war measure; and if I understand the result of the decision that established the legality of the issue of paper money and making it a legal tender by the Government of the United States, if I understand the gist of that decision, if I understand its justification in the minds of that last majority who enforced it, it was because it was an act of necessity. It sprang from necessity. It was a question with them of the existence or non-existence of the Government; and it was upon no less ground than that, and upon no stronger ground than that, that they justified the emission of paper money and making it by law a legal tender. If I am right in that conclusion, then it follows that in time of peace, without this emergency, in the absence of such a stress, the Congress of the United States would not be justified in issuing one dollar of paper money and making it a legal tender for the payment of debts.

If, then, there was no other reason; if it depended only upon the question of constitutional power to issue this money, I should say, believing, as I always have believed, that the power was at no time reposed in Congress, yet that the late decision of the Supreme Court, admitting it to be correct, did not extend, and would not by them be held, if to-day the question could be argued before them, to justify the emission of more paper by act of Congress in a time of profound peace, in the absence of all of those causes which were held to create the necessity for and justify the emission in 1862 and 1863.

But, Mr. President, over and above the constitutional question—one that should have weight with every member of a government existing under a charter which each man swears strictly to support—the gross impolicy, the necessary evil of this measure, this renewal of a decree of banishment of the standard of value from our midst, would form to me so insuperable an objection, that I could not in conscience vote for any measure which contained such a proposition. It is not necessary for me to read the declarations of eminent members of both Houses at the time of the passage of the act authorizing these legal-tender notes to show that they were intended to be but temporary, that the exercise of the power was very doubtful and much to be regretted, or to show that since the war the retraction of the step and the resumption of specie payments was considered essential. I could have no higher authority, in this Chamber at least, than the honorable Senator from Indiana, [Mr. MORTON.] So late as March, 1869, at a time when I first came into this body, I remember that gentleman was one of the most pronounced advocates for an early resumption of specie payments, and that he with his usual force, insisted that the only value that he gave to the act of March, 1869, "to strengthen the public credit," was that it would restore the currency to par and bring us to specie payments. Even the Senator from Michigan [Mr. FERRY] I find upon the record in December, 1865, voting in the affirmative that he "cordially concurred in the views of the Secretary of the Treasury in relation to the necessity of a contraction of the currency with a view to as early a resumption of specie payments as the business interests of the country would permit," and that the House "hereby pledge co-operative action to this end as speedily as practicable." To understand fully the force of that language it will be necessary to see what was intended by the Secretary of the Treasury. His recommendation was contraction as rapidly as possible for the purpose of resumption, and this resolution took shape in the law of April, 1866, which directed the Secretary of the Treasury to retire and cancel $10,000,000 of Treasury notes within six months and $4,000,000 more in every month thereafter, with the avowed policy of continuing that retirement and cancellation until the whole body of the notes should have been retired.

Mr. FERRY, of Michigan. The Senator, I suppose, alluded to me when he referred to the Senator from Michigan.

Mr. BAYARD. I mean Mr. THOMAS W. FERRY, of Michigan, who I presume is the same gentleman who is now the Senator from Michigan. In 1865 he is recorded in the House of Representatives as having voted in the affirmative on the resolution which I have just read.

Mr. FERRY, of Michigan. If the Senator will allow me. He is correct; but I think that was in 1865 or 1866.

Mr. BAYARD. It was December 18, 1865.

Mr. FERRY, of Michigan. I think that was on my entrance into the other branch of Congress. At that time, under the pressure of what was known as the McCulloch policy, and which was brought to

bear upon Congress, urging, as it were, the necessity of contraction, and against my judgment, I did vote with other members of the House in the majority for a contraction of the currency, for the purpose of testing that policy. If the Senator will continue his searches further on to the time when the contraction was arrested, he will see also that, at the time the act to suspend contraction was before the House, the Senator from Michigan voted to arrest contraction. My vote will there be found in the affirmative, and against further contraction. Having my better judgment confirmed by experience, and gold advancing illustrating the folly of contraction, I readily and very cheerfully voted to suspend contraction. I say this in self-justification, because the Senator has referred to my vote, and it would appear as though I had been inconsistent without his attention being called to my later judgment and act.

Mr. BAYARD. Mr. President, the Senator is precisely illustrating the truth of what I said, that his sense of duty, when undisturbed by the pressure of excitement in regard to money around him, was very different from what it has since become. He did start out upon the right track. He started out upon the track which by the common consent of both Houses of Congress and of almost the entire country, when the question was to a greater extent than now an abstract question, entirely in favor of the policy which to-day he repudiates and which to-day he is endeavoring to destroy.

Mr. FERRY, of Michigan. It is simply another proof that I am profiting by practical experience.

Mr. BAYARD. Yes, Mr. President, and if the Senator's experience would go but a little further back; if he would take but some little warning from experience; if he would but let history speak to him with a warning voice; if he would but read the history of finance, and of the very kind of finance into which he now endeavors to lead this country, I think he would be glad to retrace his steps, and find that he can stand only safely upon the true principles which he avowed and voted for in 1865.

Sir, I find a declaration of the late Mr. Fessenden, containing in a few words what was the policy of this Government, not only of the party with which he acted but of the country in 1868. He had not changed. His experience had been confirmed by the progress of events. He did more to oppose the cessation of the policy of contraction on the hard, safe, but perhaps thorny road to specie payments, than any other. Mr. Fessenden, in speaking of the arrest of the principle of contraction, said:

> If they take this one step in the other direction, I want to know if they are to resume and to sustain the policy which was created during the last Congress—a gradual contraction, according to the means of the country, in order to reach specie payments at as early a day as possible.—*Congressional Globe*, Fortieth Congress, second session, part 1, page 411.

What he said then in regard to the financial condition of the country is just as true, and indeed is fortified by additional facts, at the present time. He speaks of the act of 1866 authorizing and directing the cancellation and retirement of the United States notes with the avowed intention of continuing that process until they were all retired. He says that Congress—

> Adopted its policy then, and in my judgment the only safe way is to adhere to it. Sir, I will make one other general remark before I sit down. I have already said a great deal more than I intended when I rose. I believe that all the trouble, all the difficulty, we have arises from something that is unavoidable. The country is in an anomalous condition in regard to the currency. This arose out of a matter that we could not avoid—the enormous expenditures of the war. We have got to a point where our currency is disordered; we want to get back to a safe position, and as soon as we can. But there are people in the country who are everlastingly scheming to get back by legislation, by this scheme and that scheme and another scheme to shorten the time, or else to abolish time and say we will not go back at all.—*Ibid.*, page 409.

Mr. President, could there be a better description of affairs at the present moment? Are not gentlemen, members of both Houses, now by one scheme and another scheme endeavoring to abolish the time and say that they will not come back to specie payments at all?

Mr. Fessenden says further:

> Now my idea is that only time will accomplish it. We cannot do it without suffering; that must come. Such a position as we are in we cannot get out of without suffering to the country in its business affairs, and the more you legislate to postpone that suffering, the more you legislate with schemes of one kind and another to tide over this time and tide over that time and the other, the more difficult, in my judgment, will it be to meet the crisis at last. The only way, in my judgment, that you can possibly get along is to establish your principle that you will return to a safe condition, pass your law which looks to that return, adhere to it firmly, and let the country understand that the consequences must come; we will make them as light as possible, but the time must arrive, or else the credit of this country is to stand for years and years far below anything that any true lover of this country would desire. I do not wish to try to avoid it by saying to the country that we have no opinion on the subject in reality, for that is the amount of this bill.—*Ibid.*, pages 409, 410.

Sir, I have chosen the language of Mr. Fessenden as expressive of the admitted sense of those who were best calculated to understand the necessities of the country. The record of no man throughout the trying period of the war stands higher than that of Mr. Fessenden, or conduces more to give him the confidence of his fellow-countrymen. If he even created, as all public men who do their duty must create, some personal animosities in his life-time, his death has closed them all. I well remember the impressive scene in this Chamber when almost every member, or certainly many members of the small band of the opposition and almost every member of those who acted with him, rose to pay with greater or less force their individual tributes to his character and to his capacity. I have, therefore, chosen his language, the man who had been the Senator, the well-trained legislator, the able lawyer, the skillful financier, the head of the Treasury Department, and who after his experience there came back into the Senate to resume his labors here. I say that his judgment should speak to this body; it should speak to the American people; it should speak to warn men from departing from the very path which his good sense, backed by the opinion almost unanimously of the country, showed to be the proper road in 1866 and 1868. The same thing went on to the day of his death; and all that he said then is not only true to-day, but we have facts superadded from our daily experience to show that never was there greater necessity for standing by the principles and keeping upon the pathway which he pointed out for the restoration of the credit of our Government and of our country.

Mr. President, these ideas of inflation, these heresies in finance, that you can with safety banish from your country that gold and silver which is the accepted standard of civilized values, are of very late growth. There is a Latin saying, *Nemo repente fuit turpissimus*, and it is just so. No man at once will come to conclusions which if declared originally would have startled the community. Intimations have been given in the course of this debate that we are to do without, and do without forever, the presence of a money of value in this country, and rely solely upon a money of credit. The uses of a money of value have been derided. The two have been declared to be equal, and, if any, the preponderance in favor of the credit money alone. The honorable Senator from Indiana, as I understood him the other day, declared that a redundancy in the volume of coin and of paper money in a country led to the same results. Why, Mr. President, is it credible that so intelligent a member of this body could make such a statement? A redundancy in coin is instantly relieved by coin flowing all over the world, as it will flow to the point where it is needed, and the relief comes to the country that has suffered from the redundancy. A redundancy in paper cannot so escape; it is depreciated and discredited; it is received nowhere but in the land that unfortunately is the place of its existence. There it is kept. Discarded abroad, discredited at home, there is no relief from it except the relief of suffering that comes from debt and from the overcoming of debt, which is by labor. And yet such doctrines as these are to-day announced to the American people as being sound views of finance! As I said before, they are in direct opposition to what the Senator from Indiana said four years ago. It is not that I am seeking at all, or care at all, for the matter of establishing inconsistency, for perhaps if that were proven it would prove nothing in regard to the general subject; nor would I care to allow so broad and serious a question as this to degenerate into a small inquiry as to whether gentlemen of the Senate had always held the same opinions upon the same subject. If their former opinions are cited by me, they are simply cited by me to show that in calmness, and when they were in a condition to judge, their views were different and nearer the truth than to-day I believe them to be.

Mr. President, there has been constantly held up to us the fact that there was a suspension of specie payment in Great Britain for a period of some twenty-five years; that in 1797 an act of Parliament was passed authorizing the suspension of the payment of specie by the bank, and that that continued until 1822. Sir, the history of that time has been much misapprehended. The act of Parliament which did authorize the suspension of specie payment left out that which is the sting of our acts of 1862 and 1863. The act of the British Parliament never made the paper of the Bank of England a legal tender for the payment of debts. No man was enabled by the deliberate act of that government to cheat his creditor by paying him in diminished values. The act of 1797 did not make the bank-notes a legal tender. It did not alter in any respect the existing state of the law either as to the weight or the fineness of the gold coin. It merely suspended other provisions of law having in themselves no reference to the circulation or money system, by which in default of payment the goods or person of a debtor were made liable for his debt. This liability it suspended in cases where a tender should be made to the creditor of the amount of his claim in notes of the Bank of England. The only object and result and intent of the act of Parliament authorizing the suspension of specie payment by the bank was to afford a temporary protection from arrest of the body of the debtor. Let me read a few remarks from the review in 1810 by Mr. Huskisson of the history of that act and its operations. He says:

> If it had been proposed at once to make bank-notes a legal tender, and in direct terms to enact that every man should thenceforward be obliged to receive them as equivalent to the gold coin of the realm, without reference to the quantity of gold bullion which might be procured by a bank-note of any given denomination, such a proposition would have excited universal alarm, and would have forcibly drawn the attention of the Legislature and the public to the real nature of our circulation, and to the possible consequences of such an innovation. But, certainly, nothing of the sort was in the contemplation of any man when the first suspension act was passed. That it was then considered and proposed as an expedient which would be but of short duration, the course of the proceeding in Parliament abundantly indicates.

Again:

> It is impossible to conceive that the attention and feelings of Parliament would not have been alive to all the individual injustice and ultimate public calamities incident to such a state of things, and that they would not have provided for the termination of the restriction before it should have wrought so much mischief, and laid the foundation of so much confusion in all the dealings and transactions of the community.

In my opinion, the very sting of our acts of 1862 and 1863 was that they made the paper notes of the United States irredeemable and made them at the same time legal tenders for the payment of all debts, without regard to their possible depreciation. That they did depreciate was a result of their increased volume. The axiom has been stated here that the volume of this paper is the test of its value, that depreciation must follow and does follow its increased volume, and with every depreciation so much the further are you necessarily from the return to specie payment and so much the greater volume is required. It is a downward course which nothing can arrest except the stern resolve that it shall not be continued, but shall be recalled as fast as circumstances will possibly admit. I do not say that it is by contraction alone that specie payments can be reached, but I mean to say that without contraction you never will reach specie payments; and, therefore, when gentlemen continue inflation or cease contraction, they are either given a half vote or a whole vote for the perpetual banishment of gold and silver or a money of value from use by the American people, and for the destruction of all their standards of value.

The paper that I have read from Mr. Huskisson was written by him in 1810, when a scheme was submitted to resume specie payment by the Bank of England. In all of that time the English guinea retained its value, and was the standard of value. No mortgage was paid off in a currency worth forty cents of its value; no man was permitted to be defrauded by being compelled to receive for his debt a less amount; but when the amount that any one had to pay was to be calculated, it was calculated according to the value of the gold coin of the realm.

In 1822, when resumption was about to come, in order to ease it off, there was a proposition made and supported in the British Parliament to degrade their standard of value. It was proposed that there should be an alteration and a diminution of the weight and fineness of the coins of the realm. That was contested, and fortunately for the honor and the welfare of that country successfully resisted, among others resisted by Mr. Huskisson, whose reasons for its resistance are set forth in many speeches delivered by him at that time. In speaking of depreciation and of the power by the Government to decrease or increase by artificial means the denominative value of the money, he asks whether one is more moral than the other:

> A constantly progressive depreciation of money is, according to the doctrines of the honorable member—

He might have said, I think, "from Illinois" or "from Indiana," if he were here with us—

> the great secret of public prosperity. This is no new theory. He only proposes to revive the scheme of the famous Mr. Law in a more mitigated shape. If once adopted by any country, it must end as his scheme ended. You may retard its progress to maturity, but you cannot perpetuate the delusion. You must either retrace your steps, or the bubble must burst at last. This was the fate of Law's scheme, as it must be of any project founded on the principle now recommended to the House. During the existence of that scheme, what country was apparently so prosperous as France, what financier so popular as Mr. Law? exultingly mentioned by a French political writer of that day in the following terms: "A minister far above all the past age has known, that the present can conceive, or that the future will believe." Mr. Law, it is true, outlived his popularity and his scheme. He brought distress and ruin upon thousands, and died himself in misery and want. The more wary theorists of the present day might prolong the duration of artificial excitement, but they could not prevent the final decay and overthrow of the system. There is no escape from this result in any country that has, through inadvertency or a temporary necessity, once lost sight of a fixed standard of value, except by its restoration.

Mr. Law's scheme was that credit could take the place of value, and that by pledging the lands of France he could obtain the credit of France; and so he set afloat his scheme, which for the time brought that unhealthful, baneful prosperity to himself and to the community that was rash enough to accept his counsel, but the end was what all such ends must be; the depreciation commenced, and once commenced, by a law of its own nature it continued to daily intensify. And such, Senators, must and will be the fate of the money issued by the United States of America. If you do inflate your currency, if you do still further abolish intrinsic value from your money, it will necessarily depreciate, and as it depreciates its volume must be increased, because its purchasing power will be diminished; and you will find that you are simply practicing over again the lesson that Law taught France, and that has been taught in every nation that has tried this same sad experiment. Law died in 1720, and is buried at Venice, where, in one of the churches of that city, a monument is still to be seen, the translation of which is: "Here lies a celebrated Scotchman, an unequaled calculator, who by the rules of algebra has placed France in a hospital."

Mr. President, it is not worth while to read and repeat and multiply the history of a depreciated paper money, of a money of credit alone divorced entirely from value. Nothing but the extreme anxiety that I feel to save my fellow-countrymen from these results—not simply from the pecuniary loss, but from the demoralization that I know will flow from the distress that this inflation of paper money will cause—induces me to occupy so much time. If, as I said, you abolish standards of weights and measures, you put a premium on roguery; you will have nothing but the word of a man who sells his wares and merchandise that they are of the weight or of the capacity which he ascribes to them; you will have no standard by which to test him, and for the infraction of which to punish him. It is even more so of the standard of value, which, as I have said, is the very foundation-stone of all other standards. And, sir, it is to the helpless classes of society that the presence of this standard of value is most essential. Sharp-witted, keen-witted men in business may perhaps be able to protect themselves in making their bargains at the moment, and by their superior shrewdness defeat the efforts of their fellows to outwit them; but who shall speak for the poor laborer? Who shall speak for the widow? Who shall speak for the helpless orphans who ask in vain that they shall receive the honest results of their dead father's labor? Who shall protect them? The name of the dollar is all that Congress will give. The reality of the dollar is precisely what Congress will never supply if this system of finance is to be continued.

When I hear gentlemen say that the contraction of the currency, with a view to a resumption of specie payments, with a view to a restoration of a standard of value between man and man in our community, is the work, and the scheme, and the object of the Shylock, of the capitalist, of the man of wealth, I can but smile. The very classes so enumerated are those to whom a period of fluctuation is more apt to be a time of profit than any other classes of the country. If any men can gain by fluctuation and unsettled values, it is those who are engaged in trading skillfully and with capital which will enable them to insure and protect themselves against those very perturbations which necessarily come to every community where the standard of value has been abolished.

Again, Mr. President, I should like to remind the Senate—it cannot be too often reminded—of the wise and calm words of those who have preceded us, who knew this country in its earlier days, who saw its sufferings from this very question of disordered finance, and who fought manfully against the recurrence of those evils which it had inflicted on former generations; and no man has spoken more wisely than Webster on this subject, and I think I may close these rather desultory remarks in opposition to this or any other scheme of inflation by reading what he said in 1837 in the city of New York:

> He who tampers with the currency robs labor of its bread. He panders, indeed, to greedy capital, which is keen-sighted, and may shift for itself; but he beggars labor, which is honest, unsuspecting, and too busy with the present to calculate for the future. The prosperity of the working classes lives, moves, and has its being in established credit and a steady medium of payment. All sudden changes destroy it. Honest industry never comes in for any part of the spoils in that scramble which takes place when the currency of a country is disordered. Did wild schemes and projects ever benefit the industrious? Did irredeemable bank paper ever enrich the laborious? Did violent fluctuations ever do good to him who depends on his daily labor for his daily bread? Certainly never. All these things may gratify greediness for sudden gain, or the rashness of daring speculation; but they can bring nothing but injury and distress to the home of patient industry and honest labor. Who are they that profit by the present state of things? They are not the many but the few. They are speculators, brokers, dealers in money, and lenders of money at exorbitant interest. Small capitalists are crushed, and, their means being dispersed, as usual, in various parts of the country, and this miserable policy having destroyed exchanges, they have no longer either money or credit. And all classes of labor partake, and must partake, in the same calamity.

Sir, no words of mine could add force to this language. It is the nature of all truth that it is eternal: and this truth, so grandly spoken by Daniel Webster, is true at this day and hour; and, recognizing it, I would it could come to the ear and mind of every man who believes that the best hope of the American Republic is in the honor, the honesty, and the industry of the American people.

For this reason I shall feel myself unable to vote for any bill which shall tend in any way toward the expansion of the volume of irredeemable paper money of the United States. Each step in that direction now makes it more difficult to return. And when I hear gentlemen say that we cannot return to specie payments as long as certain things exist, such as the balance of trade against us, such as the need of the country for currency, all this, it seems to me, is equivalent to their saying that they will not attempt to cure a disease until the symptoms of that disease shall disappear. There is just as much logic in saying that we will not return to specie payments until our financial troubles shall have all grown smooth, as it would be to say we will not take necessary remedies for convalescence until the disease shall have passed away from us. The restoration of a standard of value to the American people, the restoration of a currency which contains intrinsic value, is the point to be reached; and whether the road be hard or easy, it must be traveled if we are to escape the evils not only of the present but the still darker ones that threaten us in the future. So convinced am I of the truth of this, so plain does it appear to me, that I cannot consent to give my vote—weak as it may be in determining the result, and yet important to me and to my conscience that it should be cast correctly—in favor of any measure which contains a step in opposition to that contraction of the volume of the paper issues of this country which must precede the resumption of specie payments.

Now, Mr. President, one word in regard to the forty-four millions, a portion of which is embraced in the $382,000,000 fixed by the first section of the bill. I said something in regard to that on the day before yesterday, and I did not think it necessary for me to say, as the honorable Senator from Missouri [Mr. SCHURZ] stated of himself just now, that in what I said there was no question of personal assault upon an individual. Why, Mr. President, not only was there none, but there could have been none from my point of view. I am not here to make personal assaults. I should be ashamed of myself if I stood here under guise of considering a mighty question like this making assaults, especially upon a man or a set of men who are not here to answer. I was discussing broad public questions; I was holding officials to their line of duty; I was declaring whether in my opinion

they had overstepped that line or not. The question of their intent it was impossible for me to discover. The question simply was with me a question of fact, whether or not the law had been violated, and whether willfully or ignorantly or corruptly I neither have knowledge nor means of knowledge; and therefore it is not necessary for me to proclaim the fact that the motives of the parties intrusted with these large governmental powers were never considered by me for one instant. When I shall make, which I trust I shall not soon make upon any man in the Senate or out of the Senate, a personal imputation, it will be in such terms that he shall not be able to be deceived; it shall be too plain and too direct for that. There was nothing in my personal relations but those of entire mutual respect in all that I have kept with members of the Administration to whom I have had reference with regard to their acts. But in respect of this breach of public duty, in respect of what I consider this dangerous assumption of power in the issue of this paper money of the United States without warrant of law, my opinions have undergone no change since the examination which I was able to give to the debate from which the Senator from New York quoted so copiously on the day before yesterday. If I considered that $28,000,000 of this $382,000,000 had been issued by law and was properly part of the legal volume of the currency, then perhaps my objection to the bill would in some degree be removed. But I say I cannot so consider it. I believe, in the light of all that I have read and all that I have heard, the volume of the legal-tender currency of the United States this day is $356,000,000, and not one cent more. The $44,000,000, in my opinion, has been strangely miscalled a reserve. It never was a reserve. There was a reserve of $50,000,000 authorized by the act of 1863, in addition to the $400,000,000 which at that time it was intended should be the maximum of the currency; but that was *eo nomine* a reserve of $50,000,000 for the purpose of paying the temporary obligations and indebtedness of the United States Government, and that $50,000,000 has, in process of liquidation of the temporary loans by the Treasury of the United States, been absorbed, so that there is no portion of that which alone ever did form *eo nomine* a reserve of $50,000,000 now in existence, and incorporated with the volume of our paper money.

The $44,000,000 which under the direction and authority of Congress were in the twenty-one months between April, 1866, and January, 1868, retired and canceled by the Treasury was no reserve. No one has a right to speak of it as a reserve. It was a body of dead paper. It was no more a reserve, according to the terms of the law, than were the bonds which in 1870 the Secretary was authorized to recall and replace by new issues. There has been a misnomer of this fund which has led to misapprehension, and which I think simply serves to obscure the truth of the transaction.

The history of the debate of 1868, which preceded the passage of the law suspending the power of the Secretary of the Treasury further to retire and cancel the Treasury notes of the United States, will betray this to be the truth. A large body of the most intelligent men in Congress were opposed to the suspension of the power of the Treasury further to contract the irredeemable paper issues of the United States; and when the measure came up in this Chamber one gentleman, eminent for his position and equally eminent for his acuteness and ability—I mean the absent Senator from Vermont, [Mr. EDMUNDS]—saw fit, for the purpose of preventing the suspension of this power of contraction, and for the purpose of continuing the power of contraction, to throw out the idea that there was a power to increase to the amount already contracted. It was an acute proposition; but it turned out to be a rather mischievous one, for in the course of this debate it will be found that as nobody had suspected that such a capacity for mischief lay in the law as it then stood, the suggestion was sufficient to cause a rise in the premium on gold in the market at New York of some 6 or 8 per cent., because those who traded in this commodity saw in it the elements for future speculation and a further fluctuation of values. But the object and the force of that debate was to declare, by refusing to adopt such amendment, that the Senate refused to entertain the question that there could be, within the meaning of the statutes then existing on the subject, any authority, under laws plainly passed for the reduction of a debt, to find a lawful power of increasing the debt. So spoke all.

Mr. CONKLING. While the Senator is turning to the book, if he will allow me, I beg to suggest to him that he is mistaken as to the rise of gold in New York coinciding in time with the debate he refers to in this Chamber. The bill upon which the debate occurred, and which became an act, was a House bill, and gold went up during the pendency of the bill and at the time of its passage in the other House, not afterward, according to my recollection; and the rise of gold was said by those who took that view of it to have occurred in consequence of the introduction and probable passage of a bill to arrest the contraction of paper money.

Mr. BAYARD. It is not probably necessary at this time to say whether the charge was justly made or not. As the Senator has stated, it was made in the course of the debate. It might have been by the familiar process of *post hoc propter hoc*, that because the speech had been made in Congress by Mr. EDMUNDS and the suggestion had been thrown out, if after that the rise took place, it was in consequence of the speech.

Mr. CONKLING. My point is that the rise had taken place before the bill came here at all to be considered.

Mr. BAYARD. The fact, however, was stated to the contrary of that; but it is a side issue, and probably not of much importance. I only happened to mention it as a mere incident of the course of the debate. It does not affect the question of law. The proclamation was made by members of the Committee on Finance, by the chairman, by the next elder member upon it, the present Attorney-General, by the Senator from Indiana with peculiar emphasis, and by others, that it was idle to talk of such a power being contained in the law; and I find that the Senator from Ohio, [Mr. SHERMAN,] in opposing the amendment—it was offered, I think, by the Senator from New York—to include the word "increase," in order that the word "reduction" should not stand alone, used the following language:

> I trust the Senate will not adopt this amendment, not that I think it would change the existing law, for I have no doubt upon that point, that the Secretary of the Treasury has no power to issue any more notes. I think the Senator from Maine will agree with me that under the law as it now stands the Secretary has not power to issue a five-dollar bill except from the reserve to meet the contingency contemplated by act of June 30, 1864.

That was the reserve of $50,000,000, and it was the only reserve that was ever contemplated by any act of Congress. It is, as I have said, a gross misnomer to speak of the forty-four millions retired and canceled as a reserve. No act of Congress ever spoke of it so; it is a latter-day thought entirely to speak of it as a reserve. The reserve was the fifty millions spoken of by the act of June 30, 1864, and referred to at this time and in this way by the Senator from Ohio in debating with the Senator from Maine, (Mr. Fessenden.)

Mr. FRELINGHUYSEN rose.

Mr. BAYARD. Allow me to read the rest of the sentence. The Senator from Ohio proceeded:

> Except from the reserve to meet the contingency contemplated by act of June 30, 1864, and also to supply the place of mutilated and defaced notes; and that is the opinion of the Secretary himself.

That was stated by Mr. SHERMAN to Mr. Fessenden, and I find that Mr. Fessenden assented from the silence which he maintained. In reading the share that Mr. Fessenden bore in the debate, I find that he inferentially takes the same view, because he places his opposition to the amendment upon grounds totally distinct from those which were urged by other persons. Now I will yield to the Senator from New Jersey.

Mr. FRELINGHUYSEN. I do not know that it is entirely fair to judge of the public actions of officials by what may appear in debate. I think they ought rather to be judged by the construction of the law itself, and certainly contemporaneous exposition. Now, here are three laws authorizing $450,000,000 of United States notes. Each one of these laws, in plain terms, says that the Secretary of the Treasury may reissue the notes. There is no law saying that he shall not; but, on the contrary, there is a law that says that he shall not diminish them. Now I understand that the Secretary of the Treasury, Mr. McCulloch, did treat this as a reserve, and that all the reduction in the currency from the 12th of April, 1866, to February, 1868, was retired and placed by him in a reserve, and was not destroyed or canceled at all. That was the way Mr. McCulloch kept his accounts, treating it as a reserve, and where he did cancel and destroy he reissued the same amount canceled and destroyed, placing the $44,000,000 from 1866 to 1868 in a reserve, showing that he understood that he was only to place that money in reserve, and that it was not to be canceled. In the absence of any affirmative legislation saying that the Secretary of the Treasury shall not reissue, when the three laws said he might, I hardly think it is the right mode of treating the Secretary to say he has violated the law.

I agree with my friend from Delaware in his view of this subject itself, and I shall vote for the amendment of the Senator from Missouri, [Mr. SCHURZ,] but I think we had better put it upon grounds on which we can stand. I by no means think it so plain that it is an absurdity to suppose that the law is susceptible of the construction which has been given to it.

Mr. BAYARD. Mr. President, if a question has ever yet been discovered in regard to which men's minds do not differ I am not aware of it; and I certainly should not expect, on an occasion like this, when I think the Secretary of the Treasury, the financial head of this Administration, so very sorely needs arguments to assist him, that they would be wanting. I am very sure he has got them in very ready and useful quarters; and it is proper and natural that they should be made; but I am compelled to say, with all due respect to those gentlemen, that they have not in my opinion at all vindicated his right or relieved him from the charge which originally I made against him, and which to-day I am disposed to repeat.

The history of this legislation is not complex or obscure. I have shown by the terms of the law that there was but one fund known as a reserve, and that was a special fund of $50,000,000 for a specific purpose; and that fund is no longer in existence. It has been used for the purpose of discharging the temporary loan which the law authorized it to be made applicable to, and to the payment of which alone it could have been made applicable, and for which it was, to use its own phrase, reserved. As I have said, that was the only reserve. Now, what authority is there under any of the laws passed by Congress, or rather under the law of 1866—for that is really the only one that bears on it—for the honorable Senator from New Jersey to say that notes retired and canceled were to form a reserve? It certainly was in opposition to the language used by the law, which directed notes to be retired and to be canceled, and that in pursuance of a

declared policy, that policy being, to use the language of the Secretary of the Treasury, which was approved by Congress with but six dissenting votes in the House, to contract and reduce the public debt. That was the language, that it should be contracted until the whole of the Federal Treasury notes should be exhausted. Now, according to the construction sought in 1872 and 1873 to be given, the Secretary of the Treasury could have absolutely retired and canceled the whole of the legal-tender issues of the United States, with the exception of $1,000,000; and when he had reached that point, the right instantly to reissue the whole volume would have been given to him under the construction stated by the Senator from New Jersey. If you admit his right to reissue one single million, or one single dollar, of the notes so canceled and retired, you have admitted his right to reissue the whole amount if they had been so canceled and retired, and yet it would have defeated the very precise end proclaimed to be the object of the law. No, Mr. President; there is not in the language of any of these acts of Congress any authority to speak of the $44,000,000 canceled and retired as a reserve. I challenge any Senator to show that the $44,000,000 canceled and retired were ever by Congress termed a reserve to be issued at the will of the Treasury Department.

I find that in the exceedingly acute and able argument of the Senator from Vermont, [Mr. EDMUNDS,] in order to sustain his proposition and in order to defeat the measure arresting the contraction of the currency—for that was his object—he endeavored to show that in this there lurked a measure of inflation, and with his usual dexterity he meant to use that argument to prevent the friends of the measure from voting for it as it stood. I find just this defect in the dexterous presentation of the case by the Senator from Vermont, and the rather fine and attenuated point he made upon it, for so I must consider it, that he entirely omits the cause of the legislation, he entirely omits the fact that the Secretary of the Treasury had laid before Congress his scheme of policy, that he had presented what would be termed in English phrase his budget, and had announced to Congress the policy by which the finances of the country could be brought into better shape, and that after he had announced those principles the House of Representatives hastened to accept them, voted, with the vote of my friend from Michigan, to indorse the scheme and policy of the then Secretary, that contraction, that redemption, that cancellation and destruction were the methods to be used in the road that was to be followed, and in consequence of that Congress passed a law authorizing destruction and cancellation to a certain amount. That is all of the law of 1866 on this subject. There is nothing in the law of 1866 or of 1868 that speaks of these notes as a reserve, and they were not recalled until that time, so that the phrase employed in the laws of 1862, 1863, and 1864 cannot be held to contemplate a contingency or a condition of public notes that did not exist until four years afterward.

Mr. FRELINGHUYSEN. Mr. President, I find that on February 25, 1862, there was a law passed authorizing the issue of $150,000,000 United States notes and providing that those notes might be reissued from time to time as the exigencies of the public interests required. I find an act of July 11, 1862, for $150,000,000 more, and providing that they might be reissued from time to time. In 1863, $150,000,000 more were authorized, with a provision that they might be reissued. I find no law saying they shall not be reissued, but on the contrary I find a law in these words: "That of the United States notes, not more than $10,000,000 may be retired and canceled within six months from the passage of this act, and thereafter not more than $4,000,000 in any one month," which is not a provision against reissuing, which is not a provision against increase, but is a provision against diminution. And I find that the act of 1868 is not a provision against reissuing, but it is a provision against reduction. Therefore the affirmative legislation of those three acts stands, and it is only by an inference that an argument can be made that reissue is prohibited. That argument is this: that saying that the notes should not be reduced more than that, was equivalent to saying that they should be reduced to that amount. Now let us look at that.

What do the words "retired and canceled" mean? When you cancel a note, you do not destroy it by any manner of means. Every week there is a cord and a half of fractional currency canceled, and if that means destroyed, we should be without any fractional currency very soon. It means that you cancel that particular paper; but the affirmative provision of the law which says you may issue so many millions of fractional currency still exists and has power until you repeal that law.

What do you mean when you say that money shall be retired? Do you mean that it is to be destroyed? By no means. You may go to the Secretary of the Treasury, and you will find that when the law says he shall retire notes, it means that they go into a reserve; and that was Mr. McCulloch's interpretation of this act, and from 1866 to 1868 he carried out that law; and I have here the statement as it appears in the Department of the Treasury of notes "withdrawn and reserved," commencing with 1866 and running down to December, 1867, about $43,000,000. It is in the reserve. Then it appears in another column that he withdrew and destroyed $12,535,000; but it appears that the very next month he issued $12,500,000. So, as I understand, if this law had been affirmative it would only have meant that the notes should be retired and should go into the reserve. At all events, that was the construction that Mr. McCulloch gave to this act. But, in the absence of affirmative legislation saying that these notes shall not be reissued, it is hardly fair to the Secretary of the Treasury to say that he has violated the law.

Now, I am not in favor of this issue. I believe it was a mistake. I shall vote for the amendment of the Senator from Missouri, [Mr. SCHURZ;] but I want to do so on fair grounds, without improperly accusing the Secretary of the Treasury of a misconstruction of this law.

Mr. BAYARD. Mr. President——

Mr. SCHURZ. If the Senator from Delaware will permit me——

Mr. BAYARD. I was about to remark to the Senator from New Jersey that his construction would be very unfortunate when he comes to extend it to the act of Congress of July 14, 1870, which directs the refunding of the national debt, and by which the bonds that are taken up by the reissuing of the new bonds are to be, to use the language of the act, "paid at par and canceled in 6 per cent. bonds of the United States, of the kind known as five-twenty bonds, which have become or shall hereafter become redeemable by the terms of their issue."

We find that when the Secretary reports to Congress the condition of the national debt, he does not report the $300,000,000 bonds which he paid and canceled by the issue of new bonds as a part of the public debt; and the Secretary of the Treasury did not report the forty-four millions of notes which had been paid and canceled as part of the public debt, because the country did not owe it; because it was no longer in legal existence; and it will be rather a surprise to the people and financiers of this country to learn that the three hundred millions which have been funded under the authority of the act of July 14, 1870, are, at the pleasure of the Secretary, to be issued again, under the construction of the Senator from New Jersey, for if he can issue the notes under one of these forms of words, he can certainly issue the bonds under the other.

Mr. FRELINGHUYSEN. When the bonds are paid? I think there is a very clear distinction. If the bonds are paid and canceled, of course that is the last of them; but when we have a certain amount of currency which has been authorized, and we choose to put part of it into a reserve for a time, to be used as exigencies require, the case is very different from a paid bond.

Mr. BAYARD. How can he get the bonds but by paying them? And how does he get the currency but by paying for it? They were both the same thing; and both acts were performed by the Secretary of the Treasury under the direction of a law of Congress, with this additional fact in respect of the notes, that the notes were paid under the declared policy of Congress to diminish the volume of their circulation with a view to a certain end, to wit, the resumption of specie payments. The volume of the currency was diminished; to use the language of the act of February 4, 1868, "from and after the passage of this act the authority of the Secretary of the Treasury to make any reduction in the currency by retiring and canceling United States notes, shall be, and hereby is, suspended."

What is the whole force, what is the necessary and absolute result, of such language? This was the language used by the act of Congress arresting the power of the Secretary of the Treasury to contract the volume of the United States currency by retiring and canceling the notes, and reducing the amount of the public debt to that extent. Then, when you come to see what they meant to do in respect of where a reissue was intended, there were apt and plain words to signify it, for immediately afterward it was declared:

But nothing herein contained shall prevent the cancellation and destruction of mutilated United States notes and the replacing the same with notes of the same character and amount.

Mr. SHERMAN. I wish to suggest to the Senator that if Congress was so careful to reserve the right to reissue notes in place of those destroyed and mutilated, and was so careful to put that in express words, is it to be inferred that there was still a power in the previous language to authorize the reissue of $44,000,000? I think not.

Mr. CONKLING. Easily to be inferred, I answer the Senator.

Mr. SHERMAN. I think not.

Mr. CONKLING. I think the argument is the other way.

Mr. FRELINGHUYSEN. The Senator from Delaware started a case as a parallel, that of paid bonds, and he compared them with these United States notes. There is no analogy at all. When a bond is paid it is defunct; it is done; but not so when they receive these Treasury notes, because every act which created the Treasury notes expressly stamps upon them their reissuability and says they may be reissued by the Secretary of the Treasury when they are received.

Mr. BAYARD. And especially when Congress declares that he shall retire and cancel them, that means that they are not to be retired and canceled!

Mr. FRELINGHUYSEN. Congress does not so declare. Congress says that he shall not retire and cancel more than a certain amount, instead of that he shall.

Mr. BAYARD. Congress declared that "of the United States notes not more than $10,000,000 may be retired and canceled within six months after the passage of this act, and thereafter not more than $4,000,000 in any one month." That is language of clear, easy, natural force and meaning; and when gentlemen seek to destroy it, it seems to me, with all due respect for them, that they do split hairs, and that they resort to what I must term sophistries. In a direction to reduce the volume of the currency, to cancel and retire notes, they seek to find in those words an inference from which to base the reissue

of the notes; not the cancellation, but the destruction of the cancellation which has been made, the removal of the canceling marks; not to retire, but again to reissue; not to reduce, but actually to inflate. It seems to me so clear an abuse of words, that I must say I think it is a straw for drowning men to catch at.

Mr. CONKLING. My friend speaks of these words being so easy and so simple that I trust he will have no objection to answering me one question in regard to them.

Mr. BAYARD. I think they are very hard to get over.

Mr. CONKLING. As they are so easy to deal with it will cause the Senator no inconvenience to answer one question that I beg to ask him. Had the legislation stopped there, stopped previously to the act of 1868, so that we should have no difficulty with that, would the Senator hold that the Secretary had, or had not, the power to reissue the canceled currency?

Mr. BAYARD. The $44,000,000?

Mr. CONKLING. Yes, sir.

Mr. BAYARD. My opinion is very clear that, under the light of everything that had been passed by Congress upon the subject, such a power could not be held to exist reasonably.

Mr. CONKLING. Then, if the Senator will pardon me a further moment, it is not the act of 1868 which he relies upon in disproving the power of the Secretary. Shall I be right if I so understand him?

Mr. BAYARD. It is not necessary for me to include the act of 1868; but at the same time it is not necessary to except it when we are considering the action of the Secretary in 1873. The act of 1868 did not give Mr. McCulloch his authority, of course, for that was under the act of 1866; but the question is how in 1873 is the Secretary of the Treasury to gauge his authority? Must he not consider all the laws on the same subject?

Mr. CONKLING. If my friend will pardon me one moment, if in 1868, prior to that act, the Secretary had no such power, certainly the act of 1868 does not affect the question. Nobody pretends that that conferred the power.

Mr. BAYARD. No, I do not regard it as conferring power, but it does explain by the language used what the meaning of the words of the act of 1866 was.

Mr. CONKLING. That may be; but I still understand the Senator to affirm that without the act of 1868 he finds the power wanting.

Mr. BAYARD. I do.

Mr. CONKLING. Then I do not see how the act of 1868 has any possible relation to it, unless he thinks that it in some way persuasively confirms his construction of prior statutes.

Mr. BAYARD. Not persuasively, but I think it does it emphatically.

Mr. CONKLING. Nothing is more emphatic than persuasion, as we know from my honorable friend. I did not mean that persuasion was not emphatic. Now, without having intended to interrupt the Senator—I do not know whether he has concluded his remarks or not——

Mr. BAYARD. I have forgotten the conclusion of them by this time.

Mr. CONKLING. If the Senator wishes the floor I will not pursue this matter one moment. I think my friend from Pennsylvania [Mr. SCOTT] wishes to make some remarks, and therefore, in any event, I will occupy but a single moment; but I wish to say a word. I have just been reading again, with some care, the report of the majority of the Committee on Finance, and the views of the minority accompanying that report; I have listened to the honorable Senator from Delaware, and have learned from him both the emphasis of persuasion and the persuasion of emphasis. I have been listening for the purpose of instruction; but I feel compelled to confess that I do not know at this moment upon what statute the Senator from Delaware relies in denying the power of the Secretary, nor do I understand the argument which deprives him of that power. I have carefully read the debate which has been referred to. At a future time, if I can conquer the impression that it is not useful for me at least to postpone action by attempting to contribute to the debate, I shall be strongly tempted to refer to that discussion; and should I ever set myself up as a prophet, I think I shall take the recorded debate at that time as the basis of my claim; for reading it in full since the discussion the other day, I find myself comprehending very much more fully than I supposed I did at the time, the length and breadth and future of this question; and I find that the Secretary has claimed nothing, and that no argument has been made in his behalf which, without reference to suggestions from other Senators, I did not fully suggest then. I find that I read section 3 of the act of 1863, only one-half, and not the most potent half, of which section has been cited to us by the majority of the Committee on Finance, and so loudly did it speak of the power of the Secretary to issue the $44,000,000, that the Senator from Michigan, now gone but then here, (Mr. Howard,) for whose legal attainments and judgment we all had great respect, cried out, I might almost say, from his seat, "Why, that act is repealed;" and when I said to him that it was not repealed, but that it still stood in full force, by acquiescence at least, he signified his surprise and his conviction, too, to find upon the statute-book a provision which, unless we repealed it, did confer this power.

I say I have traversed the debate, I have read what was said by the present Attorney-General, then a Senator sitting before me. I think I could prove from the declarations of that Senator that he held no such opinion as was attributed to him the other day, by a question put by the Senator from Vermont. It will take but a single moment, without trespassing upon the time of my friend from Pennsylvania, to refer to a remark made by the present Attorney-General. I read what was said by the then Senator from Oregon, which made so much impression upon some Senators:

> Now, sir, this amendment which he has offered——

That was the amendment which I had the honor to submit, which was to make this provision in the act of 1868 read that the Secretary should neither diminish nor increase the volume of United States notes.

> Now, sir, this amendment which he has offered is wholly unnecessary, and cannot, as it seems to me, with propriety be attached to this bill. Nobody will pretend for one moment that this bill authorizes the Secretary of the Treasury to issue any additional quantity of Treasury notes—

Of course not; nobody did pretend that; that was not the argument—

> but it simply prevents the Treasury from any further contraction of the currency, so that there is no use whatever of appending to this bill a declaration that it shall not mean something which it cannot possibly be made to mean by any sort of construction that may be put upon it.—*Congressional Globe*, Fortieth Congress, second session, part 1, page 436.

That is all very plain sailing. Nobody, lawyer or layman, borrowing the phrase of the Senator from Delaware, ever supposed that this act of 1868 was to confer upon the Secretary any such power. The argument was, that if we found the power in preceding acts, we should find the power remaining unless something was put in that act which would take it away. That was the argument; and it was not met at all by this suggestion of the present Attorney-General, nor by another suggestion that he made, to wit, that if we adopted the amendment and said the amount then outstanding should not be increased, it would be inconsistent with some future act that we might pass, and therefore he did not want to say that.

Mr. BAYARD. He said a good deal more than that.

Mr. CONKLING. I have not affirmed that he did not. I say "another suggestion which he made," and if the Senator thinks I am mistaken, I will read his words.

Mr. BAYARD. I only intended to remark that if the Senator meant to limit Mr. Williams's objection to the amendment to the ground he stated, there were additional grounds that he gave.

Mr. CONKLING. I have read what he said on that point. Then he proceeds to say that—

> It is not claimed that there is any law in existence—

That is what the Senator refers to, probably—

> which authorizes the Secretary of the Treasury to issue additional Treasury notes.

I believe nobody did, employing his expression, claim that. I have not found in the debate such an argument. On the contrary, I find that the argument was that when, as the Senator from New Jersey says, three statutes were in existence which provided that he might reissue or replace notes that had been called in, he might do that, not that he might issue additional currency beyond that; that was not argued. These remarks proceed:

> And is it proper at this time to provide by a declaration of Congress—as I understand this amendment to be—that no laws which may be hereafter enacted shall be construed to authorize the Secretary of the Treasury to issue Treasury notes?

Now, Mr. President, if I may say it with respect to both Senators, that point was about as cogent as one that my honorable friend from Ohio made the other day, and I did not understand the fallacy of it then, and of course he did not, when he said the Senate did not adopt this amendment to the bill in 1868 because it did not want to amend the House bill and send it back to the House; and here I discover, looking at the debate, that he himself had amended the bill, so that it was necessary that it should go back to the House in any event; and yet we could not put in just one word in order to guard against these prior acts, if that was really our purpose. When I look upon this debate, when I find that the Senate was warned over and over again that the construction which has since prevailed would be contended for, that that would be the public understanding, the administrative understanding, the judicial understanding, and when it was appealed to by the insertion of one word to negative that construction, and refused to do it, I must say it is the most extraordinary instance of the absence of a cause, of the absence of a motive, of the absence of all explanation in respect of the action of the Senate, that has ever fallen under my notice, if indeed the Senator from Delaware is right now.

Moreover, as the Senator from New Jersey has said, and as a statement the like of which I have before me will show, this legislation occurred in the midst of continual and notorious construction by the Treasury Department exactly opposite that for which the Senator from Delaware now argues. The then Secretary of the Treasury, Mr. McCulloch, by acts which were no secret, by movements of the currency to and fro which were published from week to week and from month, was holding that he had just as much right to reissue legal-tenders as he had to receive them and put the canceling-iron upon them.

Mr. MORTON. And that was when he was notoriously in favor of contraction.

Mr. CONKLING. Certainly; he was notoriously in favor of contraction, and the notoriety that he was in favor of contraction was the beginning and the end of the want of the bill arresting it; and yet that

being his position upon these acts which the Senator from Delaware now admits are those upon which he relies, without the act of 1868, with the whole case before him then as the Senator from Delaware now finds it, he, nobody challenging or criticising, in the very presence of the two Houses of Congress, month after month for two years was maintaining that, under the power to reissue and replace, he could pay out every legal-tender which he received; and here it turns out that in a single day he reissued and emitted twelve and a half million of legal-tenders and nobody complained. With these acts left untouched—for the Senator from Delaware has not intimated, and he will not, that there can be found any provision of the act of 1868 which touched them upon the doctrine of implied repeals—with these three statutes left untouched which had been construed by their predecessor in the Treasury Department without challenge, and without complaint in any quarter, the present and the preceding Secretary of the Treasury have continued to do exactly what had been done before. And, Mr. President, although during the debate upon the bill in 1868 I qualified with some care my statement of the law, I am prepared now to strengthen that statement. So far from all these recent lights which have done so much to illuminate the minds of other Senators and to show them the absence of this power, reversing my view, a re-examination of the question strengthens the belief which I had then, that the statutes are open to it and permit it, and that nobody is to blame for applying it.

The honorable Senator from Delaware, dealing, as I understood him, with the unuttered motives of the Senator from Vermont, not now here, [Mr. EDMUNDS,] explained his purpose in his amendment, which was a sort of parliamentary gymnastics, as I understood him, some sort of game of skill or angling by which he was playing off an amendment with a view to defeating the whole scheme. Mr. President, I understand from a Senator who hears me that, in a recent conversation with the Senator from Vermont, he has learned from him again that his deliberate judgment was then, and is now, that the Secretary has this power. I refer, as I presume he will have no objection to my referring, to the Senator from Iowa, [Mr. WRIGHT,] who gave me that information. It will not do, therefore, to dispose of this debate upon the theory that the Senator from Vermont was a man playing a game of billiards and studying the angles upon the parliamentary table.

Mr. BAYARD. Mr. President, we all know that the Senator from New York is a wonderful master of phrases and has a very large army of adjectives at his command, but I do not think that I used any one of the comments in respect to the absent Senator from Vermont which the Senator from New York has imputed to me. My language in regard to him was very different both in its form and in its intent. I spoke of his ability, I spoke of his acuteness, I spoke of his opposition to the bill of 1868 and the form that it took; but as to his motives, except that he was opposed to the measure, and avowedly opposed to any arrest of the process of contraction, I said nothing; nor did I have any knowledge. I was not in the Senate at the time, and what I gathered was gathered from the debate; that Mr. EDMUNDS was in favor of a continued contraction of the currency and was not in favor of arresting the power of the Secretary to continue that contraction.

Mr. CONKLING. Not aiming, Mr. President, to repeat the language of the Senator, it was my intention to refer fairly to what he said, which was, if I understood him, that the Senator from Vermont having great dexterity in parliamentary proceedings—"great acuteness," I think was his language—and being opposed to arresting contraction at all, made, as he expressed it, "a very thin and attenuated point" (now I do use his language) upon what the act might mean, and offered the amendment as a mode of opposing successfully the passage of the bill. That, I think, is literally what the Senator said, and I did not mean to impute anything more than that to him.

Now, Mr. President, I venture to read a few words from what I had the honor to say to the Senate on that occasion, and I do it chiefly because of a remark which fell from the Senator from Delaware, that the Secretary of the Treasury was not wanting in persons ready to make arguments for him and to excuse him, and so on, from which it might be inferred—I do not know what the intention of the remark was—that Senators are moved now in their views of this question, or moved in their expression of views, by some personal or party or other attachment to the Secretary of the Treasury and his immediate predecessor. In order to show that my ideas on this subject are not discolored by partiality to those officers, I venture to read so much as this of what I said on that occasion:

> Certainly the public can come to no conclusion except that a majority of the Senate is determined now not even to confess, not even to have wrung or extorted from them an admission, that their belief is that in the future there should be no further expansion. Thus it goes out as a measure uncertain on its face, unstable in its effect, the subject of controversy as to its meaning, here and everywhere else. It goes out accepted by a large class of people as a permanent policy of anti-contraction, and by still another large class of people as a measure unmistakably indicating an intention positively to expand and render still more redundant than it has ever been before the currency of the country.—*Congressional Globe*, second session Fortieth Congress, part 1, page 527.

Mr. SCOTT. What does that refer to?

Mr. CONKLING. That is in reference to the act of 1868, and in reference to the amendment for which I was contending, which was that if we meant to say that this currency should not be reissued we ought to so nominate it in the bond, and that the omission to do so in the presence of the already existing statutes would leave in the hands of the Secretary of the Treasury the power to issue this $44,000,000. That was what I was endeavoring to argue. Again I said:

> Then it is an antidote going with the other parts of this bill; it is something which will neutralize that poison of suspicion and apprehension which we set afloat; it is something declaratory of the truth that, by its action to-day, or in its conviction to-day, the Senate does not intend to favor fresh paper expansion.—*Ibid*, page 527.

I find that throughout, speaking of the Senator from Missouri then here, (Mr. Henderson,) speaking of the Senator from Vermont, speaking of several other Senators, of whom I was one, it was insisted that without this amendment the power would remain with the Secretary which the Secretary has since exercised; and although the bill had been amended so that it must return to the House, these amendments were voted down upon such arguments as that from which I have read a part, made by the then Senator from Oregon, that nobody would pretend that that bill would confer any such power. I say again, that now, in the presence of the argument of the Senator from Delaware, having traversed the debate, having read all these statutes, and notably the act of March 3, 1863, if I were called upon as a lawyer to convict the Secretary of a breach of law, or a malconstruction of law, I should not understand the argument by which I was to do it, following Senators who say that he has violated the law; nor should I know the statute upon which to lay my hand that would convict him of any such maladministration or misconstruction. On the contrary, I think the very most that can be said about it is that it was an open question, if not a balanced question, with no preponderance against the view which the Secretary has taken. And I say again that if there be a body of men on earth with whom it lies less than any other body to criticise that action, it is that parliamentary body which refused over and over again to speak the one little word necessary to fix this matter, when there was not even the argument of convenience against it, when it would not have retarded the bill for one moment, and when the only answer that was made to it was, "It is not necessary."

Mr. SHERMAN. I simply wish to say a word, because a paper has been produced here that has taken me by surprise. On an examination of it, upon its face it shows that it is not what the Senator from New Jersey [Mr. FRELINGHUYSEN] supposed it to be. He supposed it to show an account of the $44,000,000 reserve.

Mr. CONKLING. Not at all.

Mr. SHERMAN. "The so-called $44,000,000 reserve" was his language.

Mr. CONKLING. If my honorable friend will pardon me, he will see that the date of the paper forbids that idea. When that paper commences there was no $44,000,000 reserve, so called. I suppose that the paper which the Senator has in his hand, although it is my paper, is the same in its contents as that which the Senator from New Jersey had. Speaking for myself, I referred to it merely to show that before the act of 1868 occurred, before the debate took place, as part of the history of the country, was the fact that the Secretary of the Treasury, acting upon these three preceding acts, which the Senator from Delaware now says gave him no power, reissued continually at his own will and pleasure the legal-tenders which had been called in and canceled.

Mr. SHERMAN. I am not disputing that at all. But Mr. Richardson, before he was Secretary of the Treasury, wrote a book, in which he called the $44,000,000 "the $44,000,000 reserve." When my honorable friend from New Jersey spoke of it in that way I was a little surprised. The Senator from Delaware asked him where he found the name of the $44,000,000 reserve. I knew it was in the book, because he speaks in the book of the "reserve."

Mr. FRELINGHUYSEN. I have not seen that part of the book myself. The use I made of the paper was this. The act of 1866 says:

> That of United States notes not more than $10,000,000 may be retired and canceled within six months from the passage of this act, and thereafter not more than $4,000,000 in any one month.

The Senator from Delaware made those words "retired and canceled" mean destruction. I say that that was not the construction that Mr. McCulloch placed upon those words, because from 1866 to December, 1867, he had not destroyed these United States notes, but had placed them in what he called his accounts, referring to that paper—"a reserve," as that paper shows.

Mr. SHERMAN. The account kept by Mr. McCulloch was not of the $44,000,000 reserve at all. That appears upon the face of the paper. The surprise I expressed at the time was when the Senator spoke of this $44,000,000 reserve.

Mr. FRELINGHUYSEN. Not at all.

Mr. SHERMAN. Perhaps I was mistaken in that. I ought to say that when the present Secretary of the Treasury wrote his book he said:

> Between that amount and the $400,000,000 authorized by law, the issue of the reserve of $44,000,000 is left to the discretion of the Secretary of the Treasury.

There, for the first time that I know of, he speaks of the reserve of $44,000,000 as being a thing that is to be kept as a reserve within the power of the Secretary of the Treasury. Now, sir, the reserve kept by Secretary McCulloch was a reserve simply showing the ebb and flow of the Treasury, because it commenced after the passage of the act referred to, after the passage of the act which authorized a con-

traction of the currency. It commenced with a maximum issue of $421,907,000. That $21,907,000 above the $400,000,000 was a part of the reserve expressly authorized by the act of 1864 for the redemption of temporary-loan certificates. The $400,000,000 was the maximum of ordinary notes for circulation. The $21,907,000 was part of the reserve. Therefore, this had no relation at all to the $44,000,000 reserve, and the amount of outstanding notes continued at over $400,000,000 for some time afterward. I suppose in keeping the accounts of the Treasury Department, in keeping the ebb and flow of the Treasury notes, they simply continued this account, and never treated it particularly as a reserve.

No doubt the Secretary of the Treasury, looking at these laws, thought he had a right to issue these notes. I never have doubted, I never have impugned, the honesty, the integrity, or the sagacity of the Secretary of the Treasury. I have simply said that so far as I was concerned, after a fair examination of the law, I did not believe he had the legal power to reissue these notes. No one has impugned his motives.

If I may be allowed to add a word more, without taking up much time, the discussion of this purely legal question, now that the notes are outstanding and everybody regards them as binding upon the United States, seems to me to be rather a discussion of law without any practical bearing upon the case, except as a question of power; for now good lawyers in the Senate who had not examined the question before, after an examination of the laws, think that the Secretary had the power to issue any portion of the $44,000,000. Other Senators, who have examined the subject, who were also not here in the Senate at the time, notably among them the Senator from Delaware and the Senator from Pennsylvania, both good lawyers, who have examined the question carefully, say he had not the power. Whether he had or not, the $382,000,000 have got to be paid as part of the currency of the country, and therefore I do not look upon the discussion as now of any great importance.

Mr. FRELINGHUYSEN. I do not understand the Senator from Ohio, then, as controverting the conclusion which I draw from that paper, which is, that as a contemporaneous exposition of the act of April 12, 1866, which says that the Secretary of the Treasury shall not retire and cancel more than such an amount, the Secretary of the Treasury did not understand by that act that he was to destroy those United States notes, but by his account did retire them, placing them in what he called a reserve.

Mr. SHERMAN. I regard this simply as a mode of keeping the accounts.

Mr. FRELINGHUYSEN. That is all it is.

Mr. SHERMAN. But there is no such thing as a $44,000,000 reserve or any other reserve.

Mr. FRELINGHUYSEN. It is a mode of keeping the accounts which shows the construction that Mr. McCulloch put upon this act, that it was not to destroy those notes, but to retire them in what he calls a reserve.

Mr. SHERMAN. No; it does not show that.

Mr. PRATT. I wish to ask my friend from New Jersey a single question: Whether it is true, or is not true, that at the time the panic broke upon the country like a tornado, in September last, the present Secretary of the Treasury was in the city of New York, and that he was strongly pressed to draw upon this $44,000,000 reserve, and whether or not at that time he denied or doubted his power to do so?

Mr. FRELINGHUYSEN. I have no knowledge on the subject on which to give information. I saw by the papers that the Secretary of the Treasury was there.

Mr. MORTON. He admitted his power, and was strongly urged by nearly everybody, so far as I know, to exercise it.

Mr. SCOTT. Mr. President, it was my purpose at one time to make what might perhaps claim the dignity of a speech upon this financial question.

Mr. BAYARD. I ask the Senator whether it would not be more agreeable to him to continue this debate to-morrow morning? The time of adjournment has very nearly arrived. If my friend would rather have an unbroken period to make his remarks, I will move that the Senate do now adjourn.

Mr. SCOTT. The Senator appeals to me, and I wish to say that my whole conduct in this finance debate has been governed so much by the desire to reach a speedy solution, and I have so often refrained from speaking for that reason, that I will submit entirely to the pleasure of the Senate. If it is the pleasure of the Senate to remain here and hear the few remarks I have to make, I prefer to go on.

Mr. SHERMAN. I suggest to the Senator from Pennsylvania that I think myself he ought not to be required to go on at this late hour; and perhaps he may retain the floor and let the debate go further this afternoon, as others may desire to express their views briefly.

The PRESIDING OFFICER, (Mr. FERRY, of Michigan, in the chair.) The Chair understands the Senator from Delaware to have withdrawn his motion.

Mr. SCOTT proceeded to address the Senate. Having spoken for half an hour,

Mr. SCHURZ. Mr. President——

The PRESIDENT *pro tempore*. Does the Senator from Pennsylvania yield to the Senator from Missouri?

Mr. SCOTT. I will yield for the present; it seems to be the desire of the Senate to adjourn.

Mr. SCHURZ. I move an adjournment.

[Mr. SCOTT addressed the Senate. His remarks will appear in the Appendix.]

Mr. RAMSEY. Allow me to suggest to the Senator from Missouri to change that to a motion to go into executive session.

Mr. SCHURZ. Certainly. I withdraw my motion to adjourn and move that the Senate proceed to the consideration of executive business.

Mr. SHERMAN. I give notice before we go into executive session that to-morrow I shall hope that the Senate will sit this matter out until we get at least two or three decisive votes; I do not propose to sit the whole bill out, but to have some decisive votes.

Mr. LOGAN. Will the Senator from Ohio allow me to make a suggestion, at least to the Senate? Now, we have been hearing speeches all day on one side. On the side which is in favor of increasing the currency there have been no speeches. I am very glad to hear these gentlemen, but I desire to suggest that we agree on an hour to-morrow to come to a vote. Say at half-past two o'clock, or three o'clock, or any other hour that may be named, we will commence to vote and have some definite action.

Mr. CONKLING. Or even the next day.

Mr. LOGAN. Some time. Let us agree on a time when we shall commence voting, so that Senators may have notice and all be here for that purpose. If we meet and have only one speech a day—and I am not complaining of that, as quite a number of Senators are unwell—they will go to their homes, and a vote might be taken before they could be sent for and get here. The Senator from Pennsylvania will occupy the time in the morning until he is through.

Mr. SCOTT. Not very long.

Mr. LOGAN. Whatever time he occupies, I am very glad to hear him as far as I am concerned; but this we might agree to: that if nobody else wishes to speak (and I can say for quite a number whom I have conversed with, representing the side that I agree with, that they do not desire to speak) we shall to-morrow at half-past two o'clock begin to vote. I propose that to the Senate if there is no objection.

The PRESIDENT *pro tempore*. The Senator from Illinois proposes to have an arrangement, by unanimous consent, by which voting on the measures involved in the bill shall commence at half-past two o'clock to-morrow. Is there objection to that understanding?

Mr. SHERMAN. I am perfectly willing to agree to it, so far as it goes. But I trust the resolution now pending, offered by me the other day, as to a ten-minute discussion, may be agreed to *nem. con.*

Mr. LOGAN. I have no objection to that either, as far as I am individually concerned, and would be glad to see it adopted.

The PRESIDENT *pro tempore*. The resolution referred to will be read.

Mr. CHANDLER. Would not the Senator from Ohio accept five minutes?

Mr. SHERMAN. Ten minutes is as short as we can all agree upon.

Mr. LOGAN, Very well; let it be ten minutes.

The resolution referred to by Mr. SHERMAN was read, as follows:

That after half-past two o'clock p. m. to-morrow the debate shall be confined to speeches not exceeding ten minutes by each Senator on any pending proposition.

The PRESIDENT *pro tempore*. Is there objection?

Mr. BAYARD. Yes, Mr. President. I am very sorry to run counter in any way to the views of the Senator from Ohio, and I certainly do not desire to seem to be impracticable. In the course of this debate I have twice asked the attention of the Senate, and perhaps on neither occasion for longer than was due from me to the Senate; but I am on principle against this limitation of debate upon subjects like this.

If it were a money appropriation bill which involved no principle but a mere question of the payment of money, in regard to objects which we all know are properly scrutinized by committees and Departments before they come here, I should say nothing about it; but I do not think it right to drive gentlemen to what they will come to, an avoidance of this rule by making dilatory motions, such as a postponement or a great number of amendments for the purpose of obtaining proper time to express their views. I hope that this one spot may be left in the country where debate will have its limit in the sense of high discretion of the gentlemen composing the body. For that reason I do object, as I expect always to object, to a limitation of debate except the limitation which is imposed by the sense of responsibility of members of the Senate.

The PRESIDENT *pro tempore*. The Senator from Delaware objects.

Mr. SHERMAN. I give notice that to-morrow morning, in the morning hour, I will move to take up that resolution for action. I believe it will expedite matters and give every Senator a full opportunity to express his opinion. There must be an end to all debate.

Mr. HOWE. Why not go on to-night for a little while?

Mr. SHERMAN. I do not think that would be right to the Senator from Pennsylvania.

The PRESIDENT *pro tempore*. The Senator from Missouri moves that the Senate proceed to the consideration of executive business.

The motion was agreed to.

NEW MEXICAN LAND CLAIMS.

The PRESIDENT *pro tempore* laid before the Senate a letter from the Secretary of the Interior, communicating reports of the surveyor-general of New Mexico on the private land claims under grants to Felipe

Gutierres and Juan José Gallegos; which was ordered to be printed, and referred to the Committee on Private Land Claims.

EXECUTIVE SESSION.

The Senate proceeded to the consideration of executive business. After six minutes spent in executive session the doors were reopened, and (at four o'clock and thirty-eight minutes p. m.) the Senate adjourned.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *March* 25, 1874.

The House met at twelve o'clock m. Prayer by Rev. ALEXANDER MCLEAN, D. D., of New York.

The Journal of yesterday was read and approved.

SAMUEL F. B. MORSE.

Mr. WOOD, by unanimous consent, submitted the following resolution and accompanying memorial; which were referred to the Committee on Printing:

Resolved, That there be printed for the use of the members of this House ——— copies of the memorial services which were held in the House of Representatives April 16, 1872, in commemoration and honor of the late Samuel F. B. Morse.

To the honorable House of Representatives of the United States:

The memorial of the undersigned respectfully represents that, at the time of the death of Samuel F. B. Morse, they were appointed by the Morse Memorial Association a committee to make arrangements for appropriate services in honor of the memory of that eminent man. In pursuance of their appointment they took measures which resulted in the memorial services which were held in the Hall of the House of Representatives April 16, 1872, and which were participated in by persons from every quarter of our country. Meetings were held simultaneously in almost all the principal cities and towns of the United States, and telegraphic messages were received from them, and from various cities in Europe and Asia, expressing the sympathy of the nation and of the world in the honors paid to the memory of Morse.

Of these interesting and important services no permanent record has been published. Nothing but the imperfect reports given in the newspapers of the day has been printed.

Your memorialists spent much time and effort and some money in the arrangements for the memorial services, and they have a complete record of all the proceedings prepared for publication. As the occasion was one of great historic interest, commemorative of a name to which our country will always point with just pride, and as Congress took a direct part in the ceremonies, which were presided over by the Speaker of the House and participated in by members of both Houses of Congress, your memorialists pray your honorable body to authorize an appropriate publication of the proceedings to be made in a form worthy of the nation, and of the great man in whose honor the services were held.

A. S. SOLOMONS.
HORATIO KING.
CHRIS. C. COX.
M. G. EMERY.
R. M. CORWINE.
B. S. HEDRICK.
L. A. GOBRIGHT.
CHARLES F. STANSBURY.

PRINTING UNITED STATES NOTES, ETC.

Mr. DAWES, by unanimous consent, submitted the following resolution; which was read, considered, and adopted:

Resolved, That the Committee on Banking and Currency be instructed to inquire into the necessity and expediency of requiring by law that the United States notes and other securities of the United States be printed in parts and at different places in order to secure greater security and economy in their preparation and issue, and that they report by bill or otherwise.

DEVELOPMENT OF MINING RESOURCES.

Mr. NEGLEY. I call for the regular order of business.

The SPEAKER. The regular order being called for, the morning hour now begins at ten minutes past twelve o'clock, and the House resumes the consideration of the bill (S. No. 16) supplemental to the act entitled "An act to promote the development of the mining resources of the United States," approved May 10, 1872. The Committee on Mines and Mining reported the bill with an amendment in the nature of a substitute for the second section. When the bill was last under consideration amendments were offered by the gentleman from Indiana [Mr. HOLMAN] and the gentleman from Pennsylvania, [Mr. NEGLEY.] The gentleman from Nevada [Mr. KENDALL] submitted an amendment to the amendment offered by the gentleman from Indiana, [Mr. HOLMAN.]

Mr. NEGLEY. I yield three minutes to the gentleman from Nevada, [Mr. KENDALL.]

Mr. KENDALL. I desire in the outset of the consideration of this bill to-day to withdraw my amendment to the amendment offered by the gentleman from Indiana. I do this in order to disencumber and reduce to its purest and simplest relations the discussion of the measure. I do it in order that we may studiously and carefully guard the interests of the gentleman named in the amendment of the gentleman from Indiana, [Mr. HOLMAN.]

It is the unanimous disposition and the earnest wish of the members of the Committee on Mines and Mining, and of every member and Delegate from the Pacific States and Territories, to guard studiously the interests of Mr. Sutro. Therefore I withdraw my amendment to the amendment, and wish that the amendment of the gentleman from Indiana shall be adopted pure and simple, saving all the vested rights, whatever they may be, of that gentleman. While we wish to guard all his vested rights, we equally and unitedly oppose the amendment of the honorable gentleman from Pennsylvania, [Mr. NEGLEY.] For the same and similar reasons we are united in our hostility to that amendment. For the reason that we indorse the amendment of the gentleman from Indiana as saving vested rights we oppose the amendment offered by the gentleman from Pennsylvania. The effect of his amendment is to strip and divest parties of their vested rights. The effect of his amendment is to legislate for a case now pending in the courts—to compel one of the parties litigant to consent, nay, more, to give a bond to allow verdict and judgment to be entered against him, and that he shall walk out of court. That is the reason that we oppose the amendment of the gentleman from Pennsylvania and approve the amendment offered by the gentleman from Indiana.

[Here the hammer fell.]

Mr. NEGLEY. I now yield eight minutes to my colleague, [Mr. STORM.]

Mr. STORM. There has been some strange fatality following Mr. Sutro in his attempts to carry out this great enterprise, an enterprise which has received the indorsement of the best scientific men in this country, which has received the approval and support of the most upright, conscientious, and able men who ever sat in this House. From the very beginning of this enterprise, in 1866, some secret power has pursued him. It followed him in 1866 and 1867; it came here into this House in 1870, and attempted to secure the repeal of the act of 1866. I do not say what this tremendous power is that is able to come here year after year and renew this fight upon Mr. Sutro, but it is none the less true that there is such a power somewhere fighting this enterprise and endeavoring to destroy it. And although the opponents of Mr. Sutro have been defeated time and again in this House in an open and fair fight, they now come here in this indirect manner and concealed way and attempt to strike down the rights of the gentleman who is managing this great enterprise. They have followed him to Europe, they have gone all over the world pursuing him and prejudicing the money market against him so that the enterprise may fail. I say this is true. It has been proved by an investigating committee, and it cannot be denied.

I have papers to show that some twenty of these companies, acting in obedience to the commands of this power, have raised over $200,000, ostensibly for the purpose of bringing a suit against the Sutro Tunnel Company, but really for the very purpose of engineering this bill through Congress. As it is well known there is no suit pending, nor can there be one pending until the Sutro Tunnel Company prefers a claim; and that company can prefer no claim for royalty until the mining companies along the Comstock lode shall have been benefited by the construction of the tunnel.

That power again showed itself here the other day in opposition to the amendment of the gentleman from Indiana, [Mr. HOLMAN;] and now the gentleman from Nevada comes in and abandons that part of his position and continues the fight upon the amendment of my colleague, [Mr. NEGLEY.] I say that one or the other of two things is true: either this is an honest or dishonest bill; either the bill from the Senate seeks to accomplish the purpose expressed upon its face, or it does not. What is the expressed purpose of the bill? It is that these men who have located their claims shall perfect their title by taking out patents and receipting for them. That is or is not the object of the bill. Does the bill accomplish that object? If the construction put upon the bill by the gentleman from Nevada be correct, then I say the bill does not accomplish the object of making these men perfect their titles. On the contrary, I contend that the amendment of my colleague does accomplish that purpose, and in the only way that it can be accomplished, by compelling these men, within six months or a year, to perfect their title by paying and receipting for their patents.

Mr. KENDALL. Will the gentleman yield for a question?

Mr. STORM. I have but eight minutes, and the gentleman has had a great deal of time. I will yield, however.

Mr. KENDALL. I had but three minutes this morning. I wish to ask the gentleman from Pennsylvania [Mr. STORM] how the bill as reported by the Committee on Mines and Mining, with the Holman amendment attached, (excuse personality for the sake of brevity and clearness,) will infringe in the least degree upon the rights of Mr. Sutro.

Mr. STORM. Well, sir, the gentlemen have themselves already said that under the act of May, 1872, it was impossible to compel a party to perfect his patent; that a man may make his application and let it hang there years and years without ever being perfected. I admit that the amendment of the gentleman from Indiana would protect him as to *existing* rights. But the objection which I have to the bill without the amendment of the gentleman from Pennsylvania [Mr. NEGLEY] is that by declaring null and void all proceedings heretofore had, the right of Mr. Sutro, under the act of 1866, would become a mere nullity. In proof of that, I send to the Clerk's desk to be read an opinion of one of the most distinguished lawyers of this country, which shows that this amendment is necessary to protect the rights of the Sutro Tunnel Company.

The Clerk read as follows:

WASHINGTON, D. C., *March* 18, 1874.

DEAR SIR: Agreeably to your request, I have examined the law granting certain rights, privileges, and franchises to the Sutro Tunnel Company, and looked into the history of the legislation upon the subject. I have also examined the pending Senate bill No. 16. It does not appear on the face of the bill that its object is to deprive

you of your rights; but if passed, it might seem to authorize such proceedings in the land office as would diminish the securities by which you hold them. Under this bill, if it passes without amendment, a little ingenuity and a little dishonesty, compounded in proper portions, would probably enable the workers of the Comstock lode, or some of them, to get patents free from the condition now imposed upon them by the Sutro tunnel law.

An amendment declaring that this law shall not affect your rights or authorize the issue of a patent for any part of the Comstock lode in any other form than that directed by the Sutro tunnel law would be perfectly proper, and in a degree at least necessary to save you harmless. But suppose the parties decline for an indefinite time to take out patents? I think they could not defeat your right in that way, but they would leave you without the legal security which the law intended to give you, and expose you to some danger from their machinations. To make you quite safe, the law now pending should contain a proviso requiring them to make their applications within a certain limited period, under the penalty of forfeiting their claims. It is true that they have certain equitable rights without a patent, and of these they ought not to be deprived, except for some default of their own. But there is no injustice in compelling a man to perfect an inchoate title, and so define his legal rights that neither he nor his neighbor can hereafter encroach upon one another.

You must not forget the animus which has prompted their proceedings heretofore. It is manifest that they would, if they could, take your clearest rights away and strip you and your associates of all the privileges which Congress has granted. No doubt they sincerely believe it a good act to deprive you of your property altogether. It is perilous to deal incautiously with an adversary who thinks it right to do wrong.

Yours, truly,

J. S. BLACK.

A. SUTRO, Esq.

Mr. STORM. That is the opinion of a gentleman who is as competent to judge of questions of law relating to mining as any man in this country. It is his opinion that there ought to be some amendment which would compel these parties within a certain time to perfect their patents, by paying and receipting for them, so that their claims may be defined. I say that if the gentleman from Nevada [Mr. KENDALL] is sincerely and truly the friend of the miners of his State, he will support this amendment; because it will go further to protect the smaller miners located along the Comstock lode and doing business in its neighborhood, than anything else we can do; for it will compel these thirty or forty large mining companies, that control the richest tracts of mineral lands in the world, to locate and define their claims, thus protecting largely the smaller miners. Because, when these large mining companies find that they can get around the provisions of the Sutro tunnel act, the acceptance of which is implied by their applications for claims, they will then try again to repeal the act and thus avoid all the conditions thereof. Without my colleague's amendment these large mining companies will permit all their former proceedings to become void, just as the Senate bill permits; then they can relocate their claims, and in doing so will float them, so as to absorb all the small mining claims adjoining, and thus get control of all the valuable mineral lands along this lode. It is this devilish ingenuity, concealed beneath the words of this act, that should secure its defeat. Let this House by its action to-day forever silence the opponents of the Sutro tunnel, so that its projector will have some time left in which to carry on to completion the greatest work of modern times in connection with the subject of mining. For seven long years Mr. Sutro has been compelled to spend most of his time here in circumventing the intrigues and plots of the Bank of California.

I charge here now that if members from the Pacific slope had allowed Mr. Sutro and his friends to devote their time to this tunnel, it would be nearly done to-day. I warn my friends from California to beware of the fate that overtook the members from that State who championed "Goat Island" and the "Pacific mail subsidy" in the Forty-second Congress.

[Here the hammer fell.]

Mr. NEGLEY. I now yield three minutes to the gentleman from California, [Mr. PAGE.]

Mr. PAGE. Make it five.

Mr. NEGLEY. My time is very limited, as I have made so many promises to yield,

Mr. PAGE. Mr. Speaker, I have listened to the remarks of the gentleman from Pennsylvania [Mr. STORM] with a great deal of surprise. He has presented here a letter emanating, I believe, from his legal adviser, wherein it is stated that the passage of the Senate bill now under consideration would have the effect to deprive Mr. Sutro of his rights. Now, Mr. Speaker, I desire to make a proposition. So far as the Mining Committee are concerned I believe they do not care whether this Senate bill becomes a law or not. Now, if gentlemen are sincere, let them vote down the bill with the amendment, and then there is no necessity for the Negley amendment.

Mr. STORM. We will vote it down.

Mr. PAGE. The effort to force this amendment upon this bill is only an attempt to deceive the members of this House who do not understand the amendment or the bill.

Why, sir, the Committee on Mines and Mining have now under consideration a similar bill—I mean the Ward bill—a bill precisely similar in its provisions, except that it is a general provision, while this amendment applies only to the Comstock lode. Why do you attempt to force this amendment without first permitting it to be considered by the Committee on Mines and Mining and obtaining a report upon it? Why take the matter out of the hands of that committee, and propose to ingraft this proposition upon the bill?

Mr. STORM. Why did not the gentleman from California object to the amendment when my colleague offered it? He accepted the amendment himself.

Mr. PAGE. I accepted the amendment, and I stated why.

Mr. STORM. No; you did not.

Mr. PAGE. I said that if the gentleman from Nevada, [Mr. KENDALL,] who was perfectly familiar with this matter, had no objection to the amendment, I had none. I did not at that time understand the full scope of the amendment.

Mr. STORM. That is not so; and the record does not so show.

Mr. PAGE. It is so; and the record will bear me out.

Mr. STORM. The record does not so show, as I can prove.

Mr. PAGE. The record I will submit to, whatever it is. I make my statement boldly, and it is upon the record. I defy contradiction in this respect.

Mr. Speaker, I would be ashamed to stand before this House and advocate or permit an amendment of that kind to be ingrafted upon a bill without raising my voice against it. Why do you single out the miners on the Comstock lode? Answer me that question. In the name of humanity, what have they done that warrants this House in singling them out and saying that they alone, the ten thousand miners upon the Comstock lode, shall be required to obtain their patents within six months or forfeit the claims upon which they have expended hundreds of thousands of dollars? I tell you, Mr. Speaker, that this is a bold and unwarrantable attempt to deprive the miners of the Comstock lode of their rights already acquired.

Mr. NEGLEY. I do not wish to extend the gentleman's time.

The SPEAKER. His time has not expired.

Mr. PAGE. I now desire to read briefly the report of the commissioner who was sent out there by this House to make an examination, and report to Congress.

Mr. NEGLEY. I do not yield to the gentleman to read all that report.

Mr. PAGE. The commissioner says:

In considering the cost of operating the mines by the tunnel, it must be stated that, under the provisions of the act of Congress approved July 25, 1866, the tunnel company is authorized to collect from all the companies mining upon the Comstock lode a royalty of two dollars per ton for each and every ton of ore taken from the mines after the tunnel shall be connected with them, whether the tunnel be used by the mines or not; that a tariff of twenty-five cents per ton per mile (or such lesser sum as may be agreed upon) for the transportation through the tunnel may be established; also a charge of twenty-five cents each way for every man connected with the mines who is carried through the tunnel.

Mr. NEGLEY. I now yield to the gentleman from Illinois, [Mr. WARD.]

Mr. PAGE. I hope the gentleman does not desire to stifle debate. I yielded to him the other day, and I hope he will have magnanimity enough to hear this side of the question. Before taking my seat, I desire to send to the Clerk's desk a letter from the Commissioner of the General Land Office.

Mr. NEGLEY. Just one word. I desire the gentleman from California to understand that the other day the other side had all of the time except ten minutes given to me, while to-day I have yielded most of my time, and I have yielded to gentlemen on the other side. I do not wish the gentleman from California to lecture me on this floor in reference to the matter of magnanimity.

Mr. PAGE. I yielded all of my time, and only kept five minutes for myself.

The SPEAKER. To whom does the gentleman from Pennsylvania yield?

Mr. NEGLEY. I yield to the gentleman from Illinois, [Mr. WARD.]

Mr. PAGE. I ask that the letter be read.

The SPEAKER. Does the gentleman yield for that purpose?

Mr. NEGLEY. I do not.

Mr. PAGE. Of course he does not wish information on this subject.

Mr. WARD, of Illinois. Mr. Speaker, I am satisfied this unanimous delegation from the Pacific coast does not now want this bill. They never wanted it for the purpose which it purports to carry out. It is not introduced——

Mr. PAGE. For whom do you speak?

Mr. WARD, of Illinois. It is not introduced for the purpose of compelling anybody to take patents for mining claims. Read the last few lines of the bill; and I ask the candid attention of the House to that portion of the bill. I am here in the interest of nobody. I do not care for Sutro or the Comstock lode. But I speak now in the interest of those poor men, and poorer men than those, who are now working the great claims of the Comstock lode. The principle embodied in this amendment is one filled with justice.

Mr. CHAFFEE. Will the gentleman yield to me?

Mr. WARD, of Illinois. No, sir.

Mr. CHAFFEE. I desire to ask a question.

Mr. WARD, of Illinois. I am advocating it as a just principle; and of that I will satisfy gentlemen if they will take pains to read the law. I stated that the object of this bill is not to compel anybody to take patents, but in order to forfeit proceedings already commenced for patents; in order that they, the large companies on the Comstock lode, may forfeit them—proceedings already had for patents—and float their claims, and so squeeze out, oppress, and destroy the rights of poor men who are mining to-day on claims east of the Comstock lode, which the owners of the Comstock lode have always insisted belonged to them as part of the Comstock lode. That is the cat in this meal; that is what is the matter with this bill.

I will read this last clause of the bill, and I will show gentlemen—and they will know I am right when I assert it—that it is not for the

purpose of compelling anybody to take out patents; they can take them out now under the law as it now stands; but it is for the purpose, and the last three lines of the bill show it, of allowing proceedings already commenced, where applications for patents have been made but not completed, as in the case of many on the Comstock lode, to expire and become null and void, in order that they may "float their claims," in the language of the mining camps, and still further oppress, drive off, and squeeze out the poor devils now mining on the spurs and veins east of the Comstock lode.

Now read the bill. On its face it is plausible. If this were a good-faith effort to make men take out their patents I would not stand here and resist it. I have introduced a bill for the purpose of compelling men to take out patents for mining lands, but for a wonder the gentleman from California denounced me for that, and taunted me the other day with the fact that I had been burned in effigy, or rather his Senator had been burned in effigy for me, supposing that he had introduced the bill which was introduced by me.

Mr. PAGE. And that is true.

Mr. WARD, of Illinois. And I am willing to continue to suffer by having others vicariously burned in effigy for that bill. While he tells me that tauntingly to-day, he is in favor of this bill, not because it will make anybody take out patents, but because of the last section of the bill, which permits proceedings for patents to be vitiated, and become null and void.

Mr. CHAFFEE. I desire to ask the gentleman a question.

Mr. WARD, of Illinois. I am going to read the bill.

Mr. CHAFFEE. I desire to ask the gentleman one question, whether he thinks this bill is in the interest of the poor miners?

Mr. WARD, of Illinois. I will tell you about that when I come to it. This amendment to the bill under consideration is, I am satisfied, in favor of the poor men, and I could prove it by the Delegate from Colorado if I could put him on oath. And he knows that I know it, and he knew it a great while ago. In 1850 I went out there and became a miner myself, and at that time I learned something about miners.

Mr. PAGE. Where was that?

Mr. WARD, of Illinois. I am digging into this mine just now, [laughter,] and I am going to stop these companies digging all over God's creation, and putting in their claims all the way down to Carson River. I do not care a fig for Sutro's tunnel. I do not ask any protection for it. I believe he is an energetic fellow, and he has got some rights under the legislation of Congress. But it is not in that interest that I am talking.

But I must go back and read that last provision of the bill. I may say that I come from a considerable way out West, and I shall not go back on that region lying away out toward the setting sun. It seems that the farther west people go the smarter they get; and they of the mineral regions have fooled the Government on mining legislation ever since mining legislation was attempted. There has never been a good, square thing done on behalf of the miners throughout the whole mining territory of the Northwest. Every particle of your legislation has been in the interest of monopolies. Look at California, that State which is so rich in all that nature can bestow. To-day it is under the rule of the worst monopolies on this broad continent of ours. And so it is in Nevada. The dominant interest there is the interest of these monopolies. The men who come here and represent that country are honorable. All of them no doubt are honorable gentlemen, whom I respect and like. But it is just as natural that they should represent the dominant interest there as that I should represent the interest of my people. I find no fault with them about that. But I find fault with you, gentlemen, every one of you, if you do not give attention to this subject of mines and mining, to investigate it and see that this great patrimony of the country, of the whole country, is not frittered away in the interest of monopolists, so that the time will come when the poor miner can find no spot on the broad continent, at the foot of the mountains or elsewhere, in which he can dig unless in dread of the infernal claw of some monopoly, ready to take all he can make, or that it will drive him out altogether.

Such has been the history of Nevada. Such is the history of California to-day in many of the richest mining districts. And not a bill must pass that has not been manipulated and shaped and conformed to meet the wishes of those gentlemen who have hitherto shaped the mining legislation for the Pacific coast. I tell you, gentlemen, my people have some rights in this public domain, and, for one, I insist on their being maintained.

Now, if the House will pardon me for getting away from it, I will come back and read this last clause of the bill. [Laughter.] Yes, sir; it would be better to let the matter stand as it was before there was any legislation than to agree to this bill.

Mr. PAGE. Will you vote to repeal all laws regulating mining claims?

Mr. WARD, of Illinois. I would rather do that than vote for anything you have as yet offered me to vote for. But I will read this last clause. [Laughter.] I do not doubt these gentlemen know what they are about. I give them credit for great skill. And I undertake to say, not as a miner—I do not go much on that; I have not mined for twenty years, but I mined long enough to know what is the matter with miners—but as a lawyer, that this is one of the most skillfully drawn provisions ever inserted in a bill brought before any legislative body. It provides for the case where applications for patents have been made. Now, why does it say those that have been made, and why does it not provide for those that are occupied where claims for patents have not been made?

The gentleman from California, [Mr. PAGE,] to secure the passage of this bill—not for improper purposes on his part, I will say—has made a speech in favor of my bill. Why this discrimination and hardship against those who have applied for patents, and not against those who have not? Let me read this provision of the bill. I will read it all; it is short:

That where applications for patents for mining claims have been filed in the proper district land office, and legal notice thereof given without the appearance of an adverse claimant, and in which cases no further proceedings have been had for the purpose of perfecting title, such applicants shall make final proof and payment on said claims within one year from the date of the passage of this act; and in cases of like applications for patents hereafter filed, the applicants shall, in the absence of an adverse claim during the notice, make said final proof and payment within one year from the date of filing such application.

Harmless and beautiful in every respect! I do not object to it at all; but it goes further, and says:

In default of which the proceedings for patent so had by such applicants shall be considered void and without effect.

Now, if you have ever seen a mineral lode and examined it, you know it is a fissure in the rock filled with mineral more or less valuable. A claim is made on the fissure. It runs along the line of the fissure two hundred and fifty feet or five hundred feet, or whatever it may be. Where there are these applications for patents there have been surveys, and claims have been staked out, as in the case of this Comstock lode; and this legislation is in the interest of the Comstock lode. It is owned by nobody but speculators operating chiefly in its stocks on the stock exchanges of the country, solely in their own interest, while at the same time vast wealth is yearly produced from the mines to the interest and advantage of the country.

Under the provisions of this bill, at the expiration of the year, these proceedings having become void and forfeited, these great companies on the Comstock lode can change and float their claims so as to put themselves in a better position for the purpose of squeezing out the poor miners.

On that subject, and in order to show that I am not alone in my views of this matter, I send to the Clerk's desk and ask to have read an extract from the San Francisco Chronicle, a paper claiming to have the largest circulation on the Pacific coast, which, although not exactly on my side of this question, has had fairness and candor enough to say something in reference to this legislation which is just and true, and which I commend to the attention of every gentleman present, as stating the true reasons for and the true results of this proceeding. I ask attention to what it says in commenting upon the bill I introduced, and which requires all parties to take patents.

The Clerk read as follows:

It is alleged that if the mines upon the Comstock are compelled to take out patents, they will be obliged to bind themselves to pay royalty to the Sutro tunnel, and that the Comstock mines cannot obtain patents that will effectually protect their rights. The first objection would seem to be easily disposed of. The Sutro royalty is in the nature of a franchise granted by act of Congress, and should the Supreme Court of the United States decide that Congress had the right to grant such a franchise, the royalty must be paid, patent or no patent, for the land belongs to the United States and not to the mine-owners, who may be ousted at the pleasure of the Government. The other objection probably contains the real reason for the opposition. The Comstock mines cannot obtain patents which will fully protect their rights, and the question at once arises, "What are their rights?" It is well known that all the mines from Ophir to Overman were originally located about a quarter of a mile to the westward of the line upon which they are now working, while the east ground was taken up by other parties. Gradually the work was pushed to the eastward as the western ground ceased to be valuable, and claiming the Comstock lode, the old companies being wealthy, and combining among themselves, called every body of ore they reached Comstock, and if any of the unfortunate owners of an east ledge sought to contest for their rights, the "one-ledge theory" was put in force against them, and by the aid of purjured witnesses, corrupt judges, and purchased jurymen, they were driven out of court, and often reduced to poverty. This may seem strong language, but the experience of any one conversant with Nevada mining litigation will point to its truth. In some cases, however, the east ledge titles were purchased by the Comstock companies after their owners were sufficiently attenuated to part with them for a trifling consideration.

[Here the hammer fell.]

Mr. WARD, of Illinois. Has my time expired?

The SPEAKER. The gentleman's time has expired.

Mr. WARD, of Illinois. I have only a word or two further that I desire to say.

Mr. NEGLEY. I will yield to the gentleman three minutes more.

Mr. WARD, of Illinois. I wish to say in conclusion only, so far as this amendment is concerned, that if the Congress of the United States proposes to legislate upon this subject of patents at all, unless it be by a general bill in the way I propose, it ought to require the patents to be taken out under the law as it now exists. That is all the amendment of the gentleman from Pennsylvania [Mr. NEGLEY] provides. I do not care much about it one way or the other. I believe that so far as the rights of Mr. Sutro are concerned they are safe enough, though I do not much care whether they are or are not; but I insist that a change of the law ought not to be made in the interest of those who desire to float their claims in order to get more advantageous ground and so to squeeze out the poorer miners.

Mr. NEGLEY. I now yield eight minutes to the gentleman from Kansas [Mr. LOWE] who is a member of the Committee on Mines and Mining.

Mr. LOWE. Mr. Speaker, it has seemed to me a little singular that

this bill which came from the Senate, and which has been considered by the Committee on Mines and Mining and reported to this House for the purpose of accomplishing two several, well-defined objects, should have elicited so much feeling, so much animosity, and so much controversy upon this floor.

If for one moment I supposed that the object or the effect of this bill was to impair so deleteriously the rights of anybody in the mining industries of the country, I should at once be in favor of placing a heavy foot upon its passage. But if I can get the attention of this House for two or three minutes, to show what I believe to be the object, purpose, and beneficial effect of this bill, I think it will do away with much of the prejudice which has been sought to be stimulated against it by those who are crying out against monopolists and pretending to be in the interest of the miners.

Sir, we have heard much of the monopoly of the mining interests of California and Nevada. We have heard it stated here that all the legislation which has been had upon this subject has been in the interest of the monopolists and against the interests of the humble miners of the country. I undertake to say, sir, that that is an allegation made in entire mistake of the legislation of the country, and of the laws upon the statute-book of the country. Sir, so far as these monopolies have existed in the mining districts of the country, they have existed and have their hold there now in spite of legislation, and before any legislation was had upon the subject. Go back to the legislation of 1872, which was the first methodical organization of mining laws in this country, and you will find that its very purpose, that its very object, and its very effect was in the interest of the humble miners of the country, and against these monopolists who are so declaimed against by the eloquent and learned gentleman from Illinois, [Mr. WARD.]

Now, I have but a few moments, and I wish to say in those few moments just what the true purposes of this bill are. The bill is not designed to invade the rights of the gentlemen connected with the Sutro tunnel, nor the rights of anybody else, but it is simply to supplement a portion of the legislation of 1872, and make it consistent and harmonious in respect to the issuing of patents, which ought to have been provided for in that act. If I had time I would like to send the various acts passed by Congress to the Clerk's desk and have them read. But I have not time. By the sixth section of the act of 1872 it is provided that applications may be made by miners for their patents; that they are to make publication of those applications for sixty days, and after that the law provides in these words:

> After their publication it shall be assumed that the applicant is entitled to a patent, and upon the payment to the proper officer of five dollars per acre that no adverse claim exists, and thereafter no objection from other parties to the issuance of the patent shall be heard except it shall be shown that they have not complied with the provisions of this act.

There is in that statute no provision as to the time within which payments shall be made and patents taken out. The effect of it is that miners make their applications for a patent and publish those applications and stop their proceedings there; get all the benefits of the act without paying for their mining claims and without taking their patents. This bill supplements that act by providing that they shall take out their patents within a given time, and that is the whole of it. Whether it applies to the Comstock lode or to the Sutro tunnel or to anything else, that is a just and wise provision. The other section of the bill is simply in reference to the mode of proof.

I now yield the remainder of my time to the gentleman from New York, [Mr. MERRIAM.]

Mr. NEGLEY. How much time has the gentleman left?

The SPEAKER. The gentleman has three minutes remaining.

Mr. MERRIAM. Mr. Speaker, I do not propose to discuss the general bill, but simply to call the attention of the House to the amendment offered by the gentleman from Pennsylvania [Mr. NEGLEY,] who, I believe, is not aware of the full scope and purpose of his amendment. Within it is contained a purpose to take away the vested constitutional rights of more than a thousand American citizens. I have no interest whatever in any man or mine in California or Nevada. But during the last Congress, having occasion to investigate this subject when there was a proposition to give Sutro a subsidy of $3,000,000, I looked into the history of these mines and ascertained what you all ought to know before you vote upon this amendment.

It seems that many years ago, when these mines were first discovered, the miners went there with their picks and shovels and went to work. After they had been at work some time, Sutro came along and said to them, "Here you are all on the top of the mountain. I will tunnel this mountain and take your ores down on the plains below, and will make a contract with you that I will complete the tunnel within a certain time, and you shall pay me two dollars per ton royalty for all the ores dug, whether they be taken out through the tunnel or not." The miners made this contract with Sutro, but instead of fulfilling his contract he came to Congress and commenced boring Congress instead of boring the mountain. The miners ascertained that the time named in the contract had passed, that the contract was forfeited, and they went on and built up a city that has to-day more than seven thousand inhabitants. They have completed expensive works for raising the ores and for ventilation; they have invested a large amount of capital, near and above the mines in Virginia City. Had Mr. Sutro fulfilled his part of the contract the miners would have fulfilled theirs, but instead, by a trick of his wits, he attempts to take away the vested rights of all these miners through the little amendment proposed by the gentleman from Pennsylvania, [Mr. NEGLEY,] which says in its last clause, "always subject, however, to the conditions of the Sutro tunnel act, approved July 25, 1866." The amendment attempts to restore an old forfeited contract, a contract forfeited by himself. I maintain that we have no right whatever, in justice or equity, to take away the vested rights of American citizens by legislation.

[Here the hammer fell.]

Mr. NEGLEY. I have but a few moments left, and I desire to occupy some of the time myself.

Mr. HOUGHTON. Will the gentleman yield to me a few minutes?

Mr. NEGLEY. I have already yielded a great deal of my time.

Mr. HOUGHTON. As this question has excited so much debate, I hope the House will extend the time of the gentleman.

Mr. NEGLEY. If the House will do that, I will have no objection to yielding.

Mr. HOUGHTON. I ask the House to extend the time of the gentleman from Pennsylvania [Mr. NEGLEY] for a few minutes, that he may yield to me.

The SPEAKER. No extension of the time by the House can interfere with the right of the Committee on Railways and Canals to the floor at half-past one o'clock, the transportation bill having been made a special order for that hour under a suspension of the rules.

Mr. NEGLEY. Then I decline to yield.

Mr. Speaker, after consultation with the Commissioner of the General Land Office, and upon an examination of the provisions of the bill and pending amendments, I propose to modify my amendment, and in this considerate form I hope the House will readily assent to its provisions. I modify the amendment by striking out in line 7, before the word "months," the word "six," and inserting "twelve;" and striking out in line 13 the words "ninety days" and inserting "twelve months." In this shape the amendment will conform to restrictions in the first section of the bill reported by the Committee on Mines and Mining. I further modify my amendment by adding the following additional proviso:

> *And provided further*, That unproductive mines located on the Comstock lode shall not be required to secure patents until the same shall become productive; but it shall be the duty of the owners or claimants of such mines to make a written report of the progress of development in their mines to the register of the nearest land office at the expiration of each year.

Mr. Speaker, the House has listened to the eloquence of the gentleman from Nevada, [Mr. KENDALL;] but he has not acquainted us with the phenomena of virtue and understanding which have induced him since the last Congress to change his attitude towards this great enterprise, when he so ably employed his energies and influence in its defense. When he was seeking to secure his election to Congress he indorsed the Sutro tunnel, as can be shown in the report before me, and which I include in my remarks:

[Forty-second Congress, second session, House of Representatives.—Report No. 94.]

SUTRO TUNNEL.

Mr. KENDALL, from the Committee on Mines and Mining, made the following report, (to accompany bill H. R. No. 2966:)

The Committee on Mines and Mining, to whom was referred the bill (H. R. No. 1173) entitled "A bill to aid in the construction of the Sutro tunnel from the proceeds of the sale of mineral lands," after careful consideration have prepared the accompanying substitute and recommend its passage.

Your committee have patiently and carefully investigated all the questions having any bearing upon the subject; they have heard the evidence of the commissioners and other experts; they have listened to the arguments for and against the bill; and without commenting at length upon the details of their investigations, they beg leave to submit the following statement of facts and conclusions:

1. Our mineral domain is almost unlimited in extent and of inestimable value.
2. The mines on the Comstock lode are the most valuable in the world.
3. They have yielded already $130,000,000 in bullion.
4. Their present annual yield exceeds $15,000,000.
5. Their future yield by means of a deep tunnel will be largely increased.
6. Deep tunnels are necessary for the full development of our mining interests.
7. The Sutro tunnel is of the highest importance to the future profitable working of the mines on the Comstock lode.
8. The construction of this tunnel was authorized by the Legislature of Nevada.
9. The mining companies on the Comstock lode contracted for its construction.
10. The Legislature of Nevada memorialized Congress to aid in its construction.
11. Congress, by special law, endowed it with certain rights and privileges.
12. Congress reaffirmed those rights by a refusal to interfere with them.
13. Congress again reaffirmed them by provisions in two general mining laws.
14. Congress sent out a commission to report upon the facts concerning it.
15. The commissioners made a report recommending the work to favorable consideration.
16. Some points in the report not being entirely clear, the commissioners were fully examined by your committee.
17. Other witnesses, among whom Professor Raymond, the United States commissioner on mining, were also examined.
18. The testimony (which accompanies this report, embracing eight hundred and ten pages) makes a conclusive case in favor of the tunnel.
19. The construction of the tunnel is entirely feasible.
20. It will cost from four to five million dollars.
21. It will take from two and one-half to three and one-half years to complete it.
22. It will be of immense benefit to the legitimate owners of the mines.
23. It will secure the health of the miners by good ventilations.
24. It will create an outlet for escape in case of fire.
25. It will establish a new basis of operations two thousand feet below the surface.
26. It will drain the water to that depth by its own flood and dispense with the numerous steam-engines now required for pumping.
27. The water contained in the mines may be utilized as a great water-power to pump the water by means thereof from below the tunnel level.

28. Greater depth may thus be reached than has ever been reached before in any mine in the world.

29. It will stimulate explorations on all portions of the Comstock lode, and may increase its yield to $50,000,000 per annum.

30. It will develop several lodes in the course of its construction.

31. Immense quantities of low-grade ores exist in the Comstock lode and other lodes cut by the tunnel.

32. These low-grade ores can only be utilized by means of concentrating works.

33. Extraordinary facilities exist at the mouth of the tunnel for the erection of improved concentrating and reduction works.

34. The tunnel itself will furnish sufficient water for concentrating and amalgamating purposes.

35. Cheap motive-power can be secured with coal from the Rocky Mountains and fire-wood floated down Carson River.

36. As a geological survey penetrating into this argentiferous mountain, it will be of the highest value to science.

37. It will serve as a pattern work for all the other mining districts.

38. Its success will give confidence in mining operations.

39. A practical illustration of the downward continuance of mineral lodes will give a high value to our mineral domain.

40. It will make capital flow in that direction.

41. It will result in the construction of other tunnels by private enterprise.

42. It will tend to populate our vast mining regions, and create millions of dollars of taxable property.

43. It will increase the demand for western produce and eastern manufactures.

44. The total yield of gold and silver will be largely increased.

45. The increase of the stock of precious metals has the tendency of increasing the money value of all property.

46. That increased value relieves the burdens of the people by reducing the rate of taxation.

47. It has a most important bearing on the payment of the national debt.

48. The Sutro tunnel is now in full progress of construction.

49. The company has secured funds to the amount of one and one-half million dollars, and is expending upon the work at the rate of $50,000 per month.

50. The work is of national importance, and the aid provided for in this bill will secure its early completion.

51. The security to the Government seems to be ample, unquestionable, and satisfactory, one-half of the royalty alone yielding at the present rate of production $365,000 per annum.

52. Under the bill reported the aid extended shall not exceed $2,000,000.

53. The company is required to spend an equal amount to that loaned by the Government.

54. One-half of all the net income will be paid over to the Government semi-annually.

55. The sum loaned, together with interest, will probably be repaid to the Government within a few years after its completion.

56. No money will be paid until the commissioners to be appointed shall report the completion of each section as prescribed by law.

57. A non-compliance with the provisions of this bill will forfeit all rights under the same.

58. The aid extended only applies to the first four miles of the tunnel, or until it reaches the Comstock lode.

59. The first section of the tunnel will form, as it were, the main artery or highway, from which many miles of branch tunnels may be constructed.

60. No further aid will be required, for, after the tunnel reaches the mines, the income will be sufficient to make it self sustaining.

61. We would, in conclusion, indorse the language used in the closing paragraph of a report to Congress, made by a former committee, recommending a loan of $5,000,000, in the following words:

"That taking into consideration the magnitude of the undertaking, the great yield of bullion which will be directly secured thereby, the great influence by its successful completion upon all our mining interests, the stimulus it will give to mining generally, the positive proof it will furnish of our immense mineral wealth, and considering the importance of attaining these results in view of our large national debt, ordinary wisdom and foresight should command that the aid asked for the construction of this important work, or a much larger sum if it were necessary, should be granted, even were no security whatever offered for its repayment."

* * * * * * *

C. W. KENDALL.
JAMES S. NEGLEY.
WALTER L. SESSIONS.
WORTHINGTON C. SMITH.
P. M. B. YOUNG.
F. E. SHOBER.
N. P. BANKS.
HENRY WALDRON.

Mr. KENDALL. Will the gentleman allow me to say——

Mr. NEGLEY. I hope the gentleman will not interrupt me. I shall do him no injustice. I shall only read or refer to his speech. In that speech, portions of which I include in my remarks, he refers to the resolution of thanks from his own State and the instruction of his Legislature.

Mr. KENDALL. Yes, sir; and I will take pleasure in showing the gentleman still stronger extracts on that subject.

Mr. NEGLEY. For the information of the gentleman I will quote from his speeches. He cites the following resolutions:

Resolved by the senate and assembly of the State of Nevada conjointly, That our Senators be instructed, and our Representative requested, to use their best endeavors to obtain from Congress such material aid as will secure the speedy construction of the deep-drainage and mining tunnel known as the Sutro tunnel.

Resolved, That the governor be requested to present a copy of the foregoing preamble and resolution, together with the reports of the committees, to each of our Senators and to our Representative in Congress.

Then the gentleman goes on to say:

These, sir, are the instructions under which I ask the aid of Congress in behalf of this important work. These are the solemn and deliberate acts of the Legislature of the State I represent. And claiming some acquaintance with the people of Nevada, and with their wants and desires, I declare here in my place that these memorials and resolutions faithfully represent the great body of that people, irrespective of party or politics.

Sir, I was pained to see in the minority report upon this bill by the honorable gentleman from California [Mr. SARGENT] this paragraph:

It [the Sutro tunnel] is simply a huge job, got up by speculators to tax the miners on the Comstock lode, without conferring any adequate or substantial benefits in return.

Sir, in behalf of the people of my State, thus repeatedly speaking through their Legislature, I repel the unworthy imputation, and assert that this enterprise is in the interest of the people—the working, tax paying people, of the State; and it is an enterprise, too, than which none more deserving was ever asking aid before the American Congress.

"But," says the honorable gentleman from New York, [Mr. MERRIAM,] "Sutro is an adventurer." Adventurer! Go, sir, to those western mountains and see what this "adventurer" has done. My friend from New York [Mr. MERRIAM] says he visited the locality of the Sutro tunnel "a year and a half ago," Had he been there with me last October, he would have been filled with wonder and astonishment at the magnitude of the operations then going on; the main tunnel driven in and completed over twelve hundred feet; four perpendicular shafts sinking along the tunnel line to connect with it depths varying from five hundred to fifteen hundred feet, so that soon nine working faces of the tunnel will be presented to the workmen for simultaneous attack, and most ponderous and substantial machinery and buildings erected over these shafts; nearly six hundred men employed; and a total expenditure for the previous year of nearly $1,000,000.

Sir, call Mr. Sutro an "adventurer," if you please, or an enthusiast. I would that we had more such adventurers and more such enthusiasts to develop the industries of the new and growing West. Granted that he is an enthusiast. What great work in war, or politics, or art, or science, or literature, in public or private life, is accomplished without enthusiasm or without enthusiasts? This adventurer, this enthusiast, is a gentleman of the highest learning, intelligence, and culture; a gentleman of integrity, and thoroughly versed in all the business details of this gigantic work, against whom, in all his intercourse with members of this and previous Congresses, for the last six or seven years, not one word of reproach has been breathed, and who during that intercourse has done more by his publications, which the learned and skillful miner, the honorable gentleman from New York, [Mr. MERRIAM,] affects to despise—by his intelligent discourse and conversation, by his arguments before committees of both House and Senate, and by his enthusiasm, to illustrate the great mining resources of the Pacific west, than has been done by all her representatives together in both branches of Congress, from the admission of Oregon and California as States of the Union down to the present time.

I know I shall be pardoned if I refer to myself in the course which this debate has taken through remarks of gentlemen who oppose this bill. In the last canvass in that State I advocated this, with other local measures, everywhere before the people. *I advocated it openly and frankly as a candidate for re-election to the place I now hold. And with what result? I was the only candidate upon our State democratic ticket who was not defeated.*

While the Grant electoral ticket swept the State by over two thousand majority, my own vote reversed that and gave me nearly one thousand over my competitor—a gentleman of distinguished ability, of the highest personal character and popularity, but who was either opposed to or non-committal in regard to this enterprise. And still further; it has been said that property-owners of Virginia City and Gold Hill, towns adjacent to this Sutro tunnel, will be ruined.

Now, people in this country are supposed to understand their own interests, and to be capable of guarding them at least against damage from their own voluntary acts. The people of both these towns are strongly republican in party politics. I advocated this measure in the popular assemblages. On the eve of the election, before an audience of near two thousand people at Virginia, I used this and similar language:

"Starting near the Carson River, four miles away, an adit level is penetrating the depths of the greatest and richest silver mine on the globe. Deep down under the place where you now sit, nearly suffocated with foul air, are hundreds of miners at work, who understand better than I can explain the advantages to our mining interests of this gigantic enterprise. I care not, I have not stopped to consider, whether this work is under the auspices of Sutro or Brown or Smith, or any one else. I have advocated the encouragement of this enterprise, too, in accordance with the instructions and request of your own Legislature."

Yet here I received a majority over my opponent. Now, sir, I surely will be understood as mentioning these matters not from any feeling of personal vanity, but only as answering the objection about the depreciation and ruin of the property to which reference has been made. This work is in the interest of labor and the laboring men of my State, and, indeed, of every mining State and Territory. I claim, too, that the constitutional authority for the passage of this bill is clear and unquestionable. It rests upon principles of interpretation which were settled soon after the Constitution went into operation, and which has been ever since steadily recognized by the legislative, executive, and judicial departments of the Government. I shall content myself with a mere statement of the constitutional grounds of the proposed legislation.

One effect of this measure will be to increase within our own country the production of gold and silver. Another effect will be to determine, develop, and increase the value of gold and silver mines, which are the public property of the United States.

* * * * * * *

One of the greatest drawbacks in these mining operations thus far is the irregular and unsystematic manner in which the mines have been worked. The question of the extent and continuity at great depth of these metal-bearing lodes has not been yet practically answered. Scientific men believe that these ore deposits extend down indefinitely. The experienced and practical miner, delving daily in the earth, has no doubt about the matter. But capital, always wary and timid, does not enter readily upon unproved ground.

What we now want is—

First. A demonstration that our metal-bearing lodes extend to the greatest depth; and

Secondly. Reduction works, on the best and most approved plan, for reducing and economizing the low-grade ores, in which principally consists the wealth of all mines of the precious metals.

The difficulties, increasing from the first, of working the Comstock lode suggested several years since the construction of an adit level, which would facilitate mining operations by creating an outlet for the water at a depth of two thousand feet, and would also furnish a new starting-point and base of operations for still deeper work and explorations. This adit, known as the Sutro tunnel, has been run for a distance of more than half a mile; but three miles and a half still remain to be completed, besides a branch of three additional miles. This is an undertaking of such magnitude that private capital shrinks from it.

This tunnel, if completed, will beyond question produce two most remarkable and economical results. By means of it the mines along the Comstock lode can be worked at a depth of over four thousand feet, and the immense wealth therein contained brought to the aid of commerce and trade, and to the exchanges of the country and of the world. It would, besides, encourage a rational system of mining, and induce the investment of private capital in similar undertakings throughout all our mining region. Our mining operations would then lose to a great extent their present speculative character and become a regular business, based upon definite and certain results, as much so as the production of coal and iron in Pennsylvania.

The gentleman came to this Congress as the open and avowed advocate of this enterprise, urging not only protection to the vested rights involved, of which he has spoken with his usual force and eloquence, but asking Congress to give Mr. Sutro a subsidy of $2,000,000. Yet to day the gentleman appears here to oppose this simple proposition of protection.

Now, sir, any fair-minded person who will read the last two lines, 14 and 15, in the first section of the bill introduced by the Committee

on Mines and Mining, will now see the hand of the juggler behind the curtain. It is to be remembered, too, that this bill was introduced in the Senate on the first day of the session by the long-avowed enemy of this enterprise, a Senator from California, whom the gentleman from Nevada opposed in his purposes, and who has consistently and constantly been in opposition to Mr. Sutro and his enterprise.

I confess that, like some other members of the Committee on Mines and Mining, I did not at first realize the scope of the provisions of this bill or the sagacity evinced in its letter and spirit. It was a delusion and a trick imposed upon the credulity of members of that committee. It is an attempt to accomplish the design which the gentleman from Illinois [Mr. WARD] has referred to.

Now, Mr. Speaker, with the modification which I have made in my amendment, it conforms to the views of the Commissioner of the General Land Office, whose opinion on the subject I accept as a guide. I have here a circular from that officer pointing out the frauds that have been committed in regard to the location and surveys of mining claims. I quote the most important portions of this circular:

DEPARTMENT OF THE INTERIOR, GENERAL LAND OFFICE,
Washington, D. C., November 20, 1873.

SIR: Information has reached this office that deputies, in surveying mining claims, are in the habit of following the direction of the parties in interest instead of adhering to the lines established in the original location of such claims, and thus in effect making a private instead of an official survey. * * *

A failure to make and record the location in accordance with the law and regulations in force at the date of the location will defeat the claim, and if it is not made with such definiteness as to operate as notice to all persons seeking to acquire rights to mining lands it will be void for uncertainty.

It follows, therefore, that in making surveys of mining claims it becomes essentially necessary to ascertain the boundaries thereof as established by the original location, for the rights of the claimant are limited and defined by such boundaries.

* * * * * * * *

The practice of making surveys according to the dictation of parties in interest, instead of in accordance with the original location, has already caused great confusion and been productive of great injury to *bona fide* claimants.

You will therefore require the applicant for a survey to furnish a copy of the original record of location, properly certified to by the recorder having charge of the records of mining locations in the district where the claim is situate, and cause all official surveys of mining claims to be made in strict conformity to the lines established by the original location as recorded; and if the records of locations made prior to the passage of the mining act of May 10, 1872, is not sufficiently definite and certain to enable the deputy to make a correct survey therefrom, he should, after reasonable notice in writing, to be served personally or through the United States mail on the applicant for survey and adjoining claimants whose residence or post-office address he may know or can ascertain by the exercise of reasonable diligence, take the testimony of neighboring claimants and other persons who are familiar with the boundaries thereof as originally located and asserted by the locators of the claim, and after having ascertained by such testimony the boundaries as originally established he should make a survey in accordance therewith, and transmit full and correct returns of survey, accompanied by the copy of the record of location, the testimony, and a copy of the notice served on the claimant and adjoining proprietors, certifying thereon when, in what manner, and on whom service was made.

The act of Congress of May 10, 1872, expressly provides that "the location must be distinctly marked on the ground, so that its boundaries can be readily traced," and "that all records of mining claims hereafter made shall contain the name or names of the locators, the date of the location, and such a description of the claim or claims, located by reference to some natural object or permanent monument as will identify the claim.

These provisions of the law must be strictly complied with in each case to entitle the claimant to a survey and patent, and therefore should a claimant under a location made *subsequent* to the passage of the mining act of May 10, 1872, who has not complied with said requirements in regard to marking the location upon the ground and recording the same, apply for a survey, you will decline to make it.

The only relief for a party under such circumstances will be to make a new location in conformity to law and regulations, as no case will be approved and patented by this office unless these and all other provisions of law are substantially complied with.

If the law has been complied with in the matter of marking the location on the ground and recording the same, and any question arises in the execution of the survey as to the identity of monuments, marks, or boundaries, which cannot be determined by a reference to the record, the deputy should take testimony in the manner hereinbefore prescribed for surveys of claims located prior to May 10, 1872, and having thus ascertained the true and correct boundaries originally established, marked, and recorded, make the survey accordingly.

You will at once issue instructions to your deputies requiring them to abandon the practice of surveying mining claims under the direction of parties in interest, and conform to the rule as hereinbefore prescribed.

From an examination of the returns of surveys of mining claims I am satisfied that in many instances the deputy surveyors certify to the value of the improvements without ascertaining whether such improvements are made by the claimant or his grantors or not. * * * * * *

You will acknowledge the receipt hereof, and issue the necessary instructions to your deputies to secure a strict compliance with the foregoing instructions.

Very respectfully,

WILLIS DRUMMOND,
Commissioner.

UNITED STATES SURVEYOR-GENERAL.

The gentleman from California [Mr. PAGE] has appealed to the House in behalf of the great corporations on the Comstock lode. Sir, what are these corporations doing? They have authorized the expenditure, in California and elsewhere, of the sum of $200,000 to defeat the vested rights of Mr. Sutro. I hold in my hand statements and affidavits establishing this fact clearly to my mind, and I include them in my remarks:

SAN FRANCISCO, *January* 12, 1874.

Meeting of the board of trustees of the Ophir Gold and Silver Mining Company. Present: Messrs. Grayson, Locan, Hall, Hassey, Lissack, and Peart.

The president presented the following report, namely:

"It is hereby agreed by the undersigned mining companies, owning mines upon the Comstock lode, in Storey County, State of Nevada, that they will, and hereby do, jointly employ R. S. Messick, of Virginia City, and C. J. Hillyer, of Washington, as their attorneys at law, to institute and carry to a final decision, under the direction of the committee hereinafter provided for, such legal proceedings as may be necessary to secure a final judgment denying the validity and estopping the enforcement of the claim wrongfully preferred by the Sutro Tunnel Company to a royalty of two dollars per ton upon the ore raised from the mines of said companies, or any claim upon the part of said tunnel company to charge said mines in any manner other than in accordance with the terms and stipulations of contract made, or to be made, between it and the mining companies respectively.

"J. C. Flood, R. T. Morrow, J. D. Fry, Benjamin Peart, and J. L. Requa are hereby appointed a committee to manage said litigation, and from the fund hereinafter provided for to defray the expenses of the same, including the fees of said attorneys, and of such other attorneys as, upon the approval of said Messick and Hillyer, the committee may deem it advisable to employ.

"The first meeting of said committee shall be held upon a call by a majority of its members, and it shall organize by the election from its members of a president and a treasurer, and by the appointment of a secretary. All subsequent meetings shall be held upon an order by the president or by a majority of the committee. The committee shall have power to fill vacancies occurring in its own membership, and a majority of the committee shall constitute a quorum for the transaction of all business."

For the purpose of defraying the expenses of said litigation the said committee are hereby empowered to levy by resolution assessments from time to time, as may by it be deemed necessary, upon each of the undersigned companies, provided that each assessment shall be levied upon all the companies at the same time, and provided, further, that the total amount of all the assessments levied shall not exceed for each of said companies, respectively, the amount herein set opposite the name of said companies, to wit:

Alpha Consolidated	$1,200
Bacon Mill and Mining Company	80
Best & Belcher	2,188
Belcher Silver Mining Company	43,680
Bullion	2,500
Caledonia	2,000
Central	1,080
Chollar Potosi Mining Company	7,000
Confidence Silver Mining Company	1,000
Consolidated Virginia	39,960
Consolidated Gold Hill Quartz Mill and Mining Company	213
Crown Point	48,000
Empire Mill and Mining Company	250
Exchequer	800
Gould & Curry	4,500
Hale & Norcross	3,600
Imperial Silver Mining Company	2,500
Kentuck	2,250
Ophir Silver Mining Company	8,316
Overman Silver Mining Company	9,600
Savage Mining Company	5,680
Segregated Belcher Mining Company	$2,500
Sierra Nevada Mining Company	2,000
Yellow Jacket Mining Company	7,683
Challenge Consolidated Mining Company	750
Eclipse, Winter, and Plato Consolidated Mining Company	750
Central	1,500
French Gold Hill Mining Company	.....
Total	201,580

And provided further that the assessments shall only be levied at such times and in such amounts as shall be needed to defray the legitimate expenses of such litigation, and that the aggregate amount of each assessment shall be apportioned between the said companies substantially (omitting small fractions) in the proportion of the amounts above placed opposite the names of the companies.

Each of the undersigned companies agrees to pay to the treasurer of said committee the amount of each assessment levied upon it, as above provided, within thirty days from the time of receiving from the secretary of said committee written notice of the levying of said assessment.

Each of the said companies further agrees to permit the use of its name as plaintiff in any suit or legal proceeding which said committee shall deem it advisable to commence for effecting the purpose above stated, and that its name shall not be withdrawn without the consent of said committee, provided that the entire expenses of such suit or proceedings shall be paid by said committee from the fund above provided for, and that the committee shall have the entire direction and management of the same.

On motion of Hassey, seconded by Grayson, it was unanimously

Resolved, That the president and secretary of this company be, and they are hereby, authorized and directed to make and execute in the name of this company a contract or agreement in accordance with the foregoing instrument, binding this company, in connection with other companies on the Comstock lode, to litigate the claim of the Sutro Tunnel Company to collect a royalty upon ores raised from mines of said companies on said Comstock lode.

JOSEPH MARKS,
Secretary.

STATE OF CALIFORNIA,
City and County of San Francisco, ss:

Before me, F. J. Thibault, a notary public of the State of California, in and for the city and county of San Francisco, duly commissioned and sworn, personally appeared Joseph Aron, who, being duly sworn, deposes and says that he is a stockholder in the Ophir Gold and Silver Mining Company, a corporation having its place of business in the city of San Francisco, State of California; that he has examined the record-book of the said Ophir Gold and Silver Mining Company, and that the foregoing is a true copy of the minutes of a meeting of the board of trustees of said company, held at the office of said company, in the city of San Francisco, State of California, on the 12th day of January, 1874, as it appears in and is entered upon said record-book.

JOSEPH ARON.

Subscribed and sworn to before me this 11th day of February, 1874.
[SEAL.]

F. J. THIBAULT,
Notary Public.

I also speak on the authority of a gentleman who told me he had seen the evidence in this matter. One of these companies has never applied for a patent, and yet it is a subscriber to this fund in the sum of $43,680.

Mr. PAGE. Mr. Speaker——

Mr. NEGLEY. I do not wish to be interrupted. There are but a few moments left me.

Mr. PAGE. You have made a statement that cannot be sustained.

The SPEAKER. The fact that one member makes a statement to which another member does not agree does not give the latter the right to interrupt.

Mr. NEGLEY. I do not criticise the impassioned argument of the gentleman from California. I give him the benefit of my silence in

regard to his allusions to me as a member of the committee. I do not desire to disturb his equanimity by accusations against him or any other member. Such is not my habit; but I do state, and I demand a denial on such evidence as would command the respect of this House, that there is $200,000 subscribed and pledged to the purpose of defeating the vested rights of the Sutro tunnel enterprise.

Mr. FORT. I would like to know who has that money for distribution. [Laughter.]

Mr. NEGLEY. If the gentleman will read the circular laid on the desk of every member, the contents will tell him who has that money, how it was raised, who is to pay it out, how it is to be expended, and for what purpose.

I do not accuse any gentleman on this floor of a wrong motive; but I speak of the fact. I would not for a moment create a suspicion that the gentlemen I have referred to were parties to any such scheme; but they are under the shadow of it so far as it regulates the votes in their States, because one gentleman at least has referred to the fact that by espousing one cause he was elected to Congress when General Grant, on the opposite political ticket, swept the State by two thousand majority.

Mr. Speaker, I now ask the previous question on the amendment of the gentleman from Indiana [Mr. HOLMAN] and that which I have offered thereto.

Mr. PAGE. I rise to a parliamentary inquiry. If the previous question be sustained on the amendment will it give me the control of the bill for the next hour?

The SPEAKER. The vote would have to be taken on this amendment. The bill would still be open for amendment, and it would go over; and then some gentleman on the opposite side would of course be recognized.

Mr. ATKINS. Is it in order to move to lay the bill and amendments on the table?

The SPEAKER. It is.

Mr. ATKINS. Then I make that motion.

The House divided; and there were—ayes 47, noes 73; no quorum voting.

Mr. ATKINS. I demand the yeas and nays.

The SPEAKER. The Chair will first order tellers; and he appoints Mr. ATKINS and Mr. NEGLEY.

The House again divided; and the tellers reported—ayes 36, noes 111.

So the House refused to lay the bill upon the table.

Mr. CHAFFEE. Is it in order to recommit the bill?

Mr. RANDALL. I demand the regular order of business.

Mr. HOLMAN. The gentleman from Pennsylvania will see at once by examining the bill——

Mr. NEGLEY. I cannot yield to the gentleman from Indiana.

Mr. CHAFFEE. I rise to a parliamentary inquiry. Is it in order to recommit the bill?

The SPEAKER. It is not; because the pending demand is for the previous question on the bill and amendments.

The previous question was seconded, and the main question ordered.

The question recurred on Mr. NEGLEY'S amendment to Mr. HOLMAN'S amendment.

Mr. PAGE. I demand the yeas and nays on the amendment to the amendment.

Mr. POTTER. Let it be again reported.

The amendment to the amendment was again read.

The House divided on ordering the yeas and nays; and there were—ayes 9, noes 45; not one-fifth of those present voting in the affirmative.

Mr. PAGE. I demand tellers on the yeas and nays.

Tellers were not ordered.

So the yeas and nays were not ordered.

Mr. PAGE. I demand tellers on the amendment to the amendment.

Tellers were not ordered.

Mr. NEGLEY'S amendment to the amendment was agreed to.

The question next recurred on Mr. HOLMAN'S amendment as amended, and it was adopted.

Mr. NEGLEY. I now demand the previous question on the bill as amended.

Mr. PAGE. I believe I have the right to the floor.

Mr. NEGLEY. I move to reconsider the vote by which the amendment to the bill was adopted; and also move to lay the motion to reconsider upon the table.

The latter motion was agreed to.

The SPEAKER. The morning hour has expired, but of course this bill will go on until interrupted by the transportation bill. If the previous question be called it will then interfere with the special order at half-past one o'clock.

Mr. RANDALL. Let us go on with it, and get it out of the way.

The SPEAKER. The Chair only desires the House shall act intelligently, and therefore states the interference of one business with another.

Mr. BUTLER, of Massachusetts. It will not, unless the yeas and nays are called.

The SPEAKER. The gentleman from California himself proposes to occupy an hour in debate, which under the rules he has a right to do.

Mr. MAYNARD. I hope the gentleman will not do that, but will allow this to go over to the morning hour to-morrow.

The SPEAKER. This business will continue until displaced by privileged business. The morning hour does not stop of itself, although sixty minutes have expired; and although the House may second the demand for the previous question on the bill as amended, yet the gentleman from California is entitled to an hour upon it to close; and that, together with the votes which will be taken, will consume the better part of the afternoon.

Mr. NEGLEY. I hope, so much time has already been taken up in the morning hour by the consideration of this question, that we will allow it to get out of the way as soon as possible. I demand the previous question on the bill as amended.

The SPEAKER. That cannot deprive the gentleman from California of his right to the closing hour.

Mr. NEGLEY. I do not wish to do that, but I have no desire to take up time unnecessarily.

The SPEAKER. The Chair only desires the House may act intelligently and know exactly how the various motions affect the pending business.

Mr. HAZELTON, of Wisconsin. What is the regular order?

The SPEAKER. The morning hour is progressing, but it does not stop unless by the coming up of privileged business. The transportation bill does not come up until half-past one. If the House shall second the demand for the previous question on this bill, it entitles the gentleman from California to an hour and will force a vote, which will consume the time of the House until half-past three. If the House shall refuse to second the demand for the previous question, then this matter will go over until to-morrow morning. The Chair makes the statement in order that the House may act intelligently on the subject.

Mr. GARFIELD. If there is half an hour which cannot be employed otherwise, I should like the House to go into Committee of the Whole on the state of the Union on the legislative appropriation bill.

The SPEAKER. There are only fifteen minutes left.

Mr. GARFIELD. It seems to me we had better use that fifteen minutes on the appropriation bill.

The SPEAKER. It is for the House to determine. The gentleman from Pennsylvania demands the previous question.

Mr. MAYNARD. Let me ask the gentleman from California whether he will not be content to go on now until half-past one and then yield to the transportation bill, and he will then have the opportunity to conclude his speech in the morning hour to-morrow?

The SPEAKER. If there be no objection, that can be done.

Mr. MAYNARD. I hope the gentleman from California will agree to that proposition.

The SPEAKER. If there be no objection, that will be understood as agreed to.

Mr. G. F. HOAR. Will the Chair state what is the understanding?

The SPEAKER. That the previous question shall be regarded as seconded and the main question ordered on the bill and the remaining amendment; that the gentleman from California will occupy the time until half-past one o'clock, and that the bill shall then go over till to-morrow morning.

Mr. G. F. HOAR. Perhaps the gentleman from California would prefer not to have his hour divided, and let the transportation bill come up at once.

Mr. PAGE. If that course should be more agreeable to the House, I will yield now for the transportation bill and let this bill go over till to-morrow morning, taking my hour then.

The SPEAKER. Then, if there be no objection, the transportation bill will come up now for consideration.

Mr. NEGLEY. The understanding is that the previous question has been seconded on the bill reported by the Committee on Mines and Mining?

The SPEAKER. The understanding is that the previous question is regarded as seconded and the main question ordered, and that the gentleman from California has an hour to close debate to-morrow morning.

Mr. McCRARY. In view of this arrangement I propose to call the previous question on the transportation bill at a quarter before four o'clock instead of four o'clock, as previously announced.

REVISION OF THE STATUTES.

Mr. POLAND. I desire to make an announcement to the House. The Committee on Revision of the Laws have been making every endeavor to be able to close their labors this evening; but there is a chapter in reference to the laws of the District that we have been preparing which we have not been able to get printed so as to present it to-night. The committee, therefore, will not ask the House to have a session this evening. I am not prepared just now to say whether we will have it ready to-morrow evening. If not, I will so announce to the House to-morrow; but this evening, as I have said, the committee will not ask a session of the House.

LIFE-SAVING STATIONS.

Mr. HOOPER, by unanimous consent, from the Committee on Commerce, reported a bill (H. R. No. 2655) to provide for the establishment of life-saving stations and houses of refuge upon the sea and lake coasts of the United States, and to promote the efficiency of the life-saving service; which was read a first and second time, ordered to be printed, and recommitted to the Committee on Commerce, not to be brought back by a motion to reconsider.

COLORED RESIDENTS OF CHOCTAW AND CHICKASAW NATIONS.

Mr. BUTLER, of Massachusetts, by unanimous consent, introduced a bill (H. R. No. 2656) for the relief of the colored residents of the Choctaw and Chickasaw Nations; which was read a first and second time, referred to the Committee on the Judiciary, and ordered to be printed.

PETER ROSE.

Mr. PARSONS, by unanimous consent, introduced a bill (H. R. No. 2657) for the relief of Peter Rose, collector of internal revenue of the eighteenth district of Ohio, at Cleveland, for tobacco-stamps stolen; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

ELLEN O'HARA HARRELL.

Mr. RICE, by unanimous consent, introduced a bill (H. R. No. 2658) granting a pension to Ellen O'Hara Harrell; which was read a first and second time, referred to the Committee on Naval Affairs, and ordered to be printed.

INTERSTATE COMMERCE.

The SPEAKER. The House resumes the consideration of the bill (H. R. No. 1385) to regulate the commerce by railroads among the several States. The gentleman from Massachusetts [Mr. G. F. HOAR] is entitled to the floor.

Mr. G. F. HOAR. Mr. Speaker, I have been so entirely content with the able and lawyer-like argument of the chairman of the committee, and the eloquent and original presentation of this question made by the gentleman from Illinois, [Mr. HURLBUT,] and the very thorough, instructive, and practical statement made by the distinguished gentleman from Iowa, [Mr. WILSON,] that I had no personal desire to take part in this discussion. But it so happens that I am the only member from New England upon the committee which has reported the bill.

This demand is for cheap transportation, a matter deeply interesting to the people of the Northwest, but essential to the life of the community to which I belong. We have no considerable water-power. Our State, it is sometimes said, produces chiefly granite and ice. We have to bring coal, which is the motive-power for all our industries, through other States from the sea-board. We have to bring from other States and from Canada the lumber and the brick which compose our dwellings. The food which feeds our workingmen comes from the West; while the iron, the wool, the leather, the cotton, are brought half-way across a continent, and by the skill of our workingmen are wrought into machinery, cloth, shoes, and other articles for the comfort of man, and then carried back again to be sold in their new form to the people who produce the material. There is not an hour of the day's life of a Massachusetts workingman in which he does not feel the pressure of the unjust demands of the railroad; there is not an article of his necessity or his luxury into the price of which they do not enter; there is not a product of his skill, there is not an ambition of his life, whether for wealth, for honor, or for usefulness, which is not affected by the railroad, and upon which it does not press as a burden, whenever it is permitted to make an unjust charge.

I do not wish to bring any partisan considerations into this debate; but I consider myself specially instructed by the vote of the last republican convention of my own State to give the best consideration and the most anxious care to the solution of this question. I ask the Clerk to read this resolution.

The Clerk read as follows:

Resolved, That the adoption of a policy which shall so reduce freights on railroads that the raw material, food, and coal of the West and South shall be exchanged at the least possible cost for the manufactures of New England, interesting to the whole country, is vital to the industries of Massachusetts; that the powers vested by the Constitution in Congress to regulate commerce between the States includes jurisdiction over this great subject, and that we call upon Congress and our State Legislatures so to exercise all their powers over the railroads of the country as, without injustice to them, may reduce freights and fares to proper rates, and secure the advantages of these great highways to the whole people, free from all preference or monopoly.

Mr. G. F. HOAR. Mr. Speaker, this bill presents to us a twofold question, two questions which gentlemen who have opposed it seem to me to have constantly confounded. One is, ought the power asserted in this bill to be exercised by the Government at all? The second is, in the distribution of the great governmental forces between the nation and the States, which shall rightfully exercise this power?

In considering the first question, let us leave out for a moment any subtle constitutional distinctions between the national and State authorities; let us lay aside all questions of local self-government and of national power and authority, and let us consider whether it is wise, whether it is safe, whether it is not imperative, that the power which this bill seeks to exercise of restraining to a reasonable charge the price of transmission over the great railroads of the country of passengers and freight should be exercised by Government. Now, we agree that there are many things which we may constitutionally do which it is not wise or expedient or politic to attempt. We agree that in dealing with the question whether we shall pass a sumptuary law, it is entirely unimportant to inquire whether the Constitution in any case gives us authority to pass that law, because we are agreed that it is inexpedient and an invasion of the rights of the citizen to undertake to control his action in that particular. But, in determining whether that principle is applicable to this case, let me ask the attention of the House for a moment to the consideration exactly what it is that this bill undertakes to do. There is no attempt in this bill to fix the price between the consignor and the carrier. The bill provides two things: First, a mild, cautious, simple, experimental remedy for a known common-law right. That is the first thing that it does. The second is, that it enacts that an obligation which attaches to public carriers everywhere else in the civilized world, which attends upon the public carrier in every State so long as he is within the State authority, shall continue to rest upon him when he goes into the domain where the national authority is paramount and exclusive. That is all.

Now, Mr. Speaker, what was the English common law when the Constitution of the United States was adopted? The English common law provided that a person who took upon himself the office of a public carrier was thereby bound to all mankind to carry freight for a reasonable price. He could not charge what he deemed to be proper himself, but must carry the freight for a reasonable price and without unjust discrimination for all comers as they presented themselves.

Now, how was that rate enforced? It was enforced in two ways:

First, by the courts. If a carrier undertook to assert his lien on the goods he carried, and refused to deliver them to the owner, he would be a wrong-doer, it would be a conversion, unless it turned out that he was claiming only a reasonable sum, the burden of proof being on him to show that his charge was reasonable. And, second, if the owner of the goods was compelled to pay to the carrier an unreasonable sum, he could sue the carrier and get back the excess. That was the first remedy which the English law afforded.

The second remedy was this. I ask the Clerk to read the passage I have marked from a statute of 21 George II, chapter 28, section 3, which is a repetition of a prior statute of William and Mary. I ask the House to listen to the law which was in existence when our fathers framed the Constitution, and with which they were familiar, a law which prevailed in regard to the little carriers in England, who transported merchandise from the hamlet to the market town or to the metropolis.

The Clerk read as follows:

And whereas by an act made and passed in the third year of the reign of King William and Queen Mary, entitled "An act for the better repairing and amending the highways, and for settling the rates of carriage of goods," it is enacted, that the justices of the peace of every county and other place within the realm of England, or dominion of Wales, should have power and authority, and they were thereby enjoined and required, at their next respective quarter session after Easter, yearly, to assess and rate the prices of all land carriage of goods whatsoever, to be brought into any place within their respective limits and jurisdictions, by any common wagoner or carrier, to be certified and published in such manner as is therein mentioned; and that no such common wagoner or carrier should take for the carriage of such goods or merchandise above the rates and prices so set, upon pain to forfeit for every such offense the sum of five pounds, to be levied and recovered as is by the said act directed; and whereas no rates for the carriage of goods from distant parts of the kingdom to the city of London, and places adjacent, have been yet settled, and several common wagoners and carriers have from thence taken occasion to enhance the price of carriage of goods to the prejudice and obstruction of trade:

Be it therefore further enacted by the authority aforesaid, That if any common wagoner or carrier shall, after the 10th day of June, 1748, demand and take any greater price for the bringing of goods to the city of London, or to any place within the bills of mortality, than is allowed and settled by the justices of the peace for the county or place from whence such goods are brought, for the carrying of goods from London to the said county or place, every such carrier or wagoner shall, for every such offense, forfeit and pay the sum of five pounds to the use of the party aggrieved, to be recovered and levied in the manner by the last-mentioned act directed, or by distress and sale of his goods, by warrant under the hands and seals of any two justices of the peace for the counties of Middlesex or Surrey, or the city of London, or city and liberty of Westminster.

Mr. G. F. HOAR. You will see, Mr. Speaker, the little English carrier, who carried merchandise from the hamlet to the metropolis from time immemorial, had his rates of charge fixed by the court of sessions. Every considerable town and city in this country to-day does the same thing for the hackmen—fixes an absolute limit of rate of charge for the carriage of passengers to protect the public from extortion.

Mr. WILLARD, of Vermont. Will the gentleman allow me to ask him a question right here?

Mr. G. F. HOAR. Yes, sir.

Mr. WILLARD, of Vermont. Does the gentleman hold that the Congress of the United States has the same power to control the public highways in Massachusetts that the Parliament of England has to control the public highways of the British realm?

Mr. G. F. HOAR. Of course I make no such claim. But the gentleman's question is not pertinent now. I am now dealing with the question whether this thing should be done at all, leaving the question of how far it should be done by the State and how far by the nation to a later stage. I am not at this moment inquiring whether it shall be done by Congress, but whether it shall be done by anybody. This bill does not even go so far as to undertake to do to the railroad what every city and town does to the hackman, and what the English law did to the wagoner. The bill simply provides that a commission shall be appointed which shall fix the limit above which, if the railroad desire to go, it shall not go unless a jury to which it may appeal shall say that the limit of the commissioners was wrong.

It merely changes the burden of proof, and it changes it in only one of the two cases which I have supposed. If the railroad undertakes to hold on to the goods and the owner replevins them, the burden of proof is now everywhere upon the railroad to show that

it charged only a reasonable price. And if the owner of the goods sues the railroad to recover back an excess, in that case the burden of proof is on the owner to show that the sum demanded was excessive. This bill simply says that in such a suit the burden of proof shall be changed, and that the railroad shall in all cases, where it has exceeded the limit fixed by the commissioners, be bound to show that the sum it charged was reasonable. It puts the burden of proof upon the party that knows all the facts, upon the party familiar with the subject, upon the party upon whom it would be just and equitable the burden should rest in all such controversies. That is the whole of this terrible bill in which my friend from Vermont [Mr. WILLARD] finds a danger to local self-government and the liberty of the people. That is the whole of the remedy which it undertakes to offer. Why, sir, it is milk and water compared with the complaint and the evil it undertakes to redress.

My friend from Vermont says all the citizens should be left free; that the question of how much the public carrier should charge should be left to be settled by a contract between the carrier and the owner of the goods; that it is a violation of public policy for the Government to interfere in a contract between citizens. Is the citizen left free now? Is not a contract of a public carrier with a citizen a contract in which the Government has already interfered?

Who is the public carrier with whom we have to deal? What are these railroads? In the first place, the Government has delegated to these railroads its power of eminent domain. They present themselves to the people with the sword of eminent domain in their hands, carving out for themselves great highways across the continent, over the land of the private citizen against his will, of which highways they enjoy a complete monopoly. The Government clothes them with vast corporate powers; it delegates to them powers of *quasi* legislation; it gives them the security and the vast strength of aggregation of wealth without personal liability under contracts.

Now, what are the powers which these railroads exercise? They are not powers which the private citizen can wield. They are not private powers, but powers expressly derived from Government. The power of the American railroad to-day is one of the strongest forces on this earth. The railroad crossing a State, crossing the continent, can put its finger upon this or that spot of the earth's surface, upon this or that populous town and city, and say to it, "You shall grow, or you shall dwindle; poverty, desolation, hardship, or wealth, manufactures, trade, shall grow upon this spot at our will." It can say to the active politician and the able lawyer, and the most influential citizen, "Come into our service, and you shall have power, wealth, fame, prosperity; resist our will, and you shall be stricken down and destroyed in all the ambitions of your life."

This is a power not like that of the State government or the national Government, laid down at the end of a stated period of one year or four years; it is a power not like that which governs State or nation, watched by a jealous and hostile opposition. But it is a power permanent as the undying corporation itself, permanent as wealth, permanent as the State, permanent as civilization itself.

I have mentioned rewards which the railroad has for its servants. But how is it with its masters, with the men whom it does not govern, but who govern it? For them it has in unmeasured degree the two supreme objects of human desire—wealth and power. One of the great railroad kings of the country has accumulated a fortune compared with which the revenues of empires are mean. It was said of another, by an eloquent orator the other day, that "he starts from San Francisco on his journey across the continent, and every sweep of his garment knocks down a Legislature." The tendency of things is, while the number of miles of railroads in the country and the amount of their business is rapidly increasing, to consolidate them and place them practically under the control of a few corporators.

The number of miles of railroad in the United States at the close of 1873 was 71,564. The amount of capital stock was $2,072,251,984; total debt, $1,999,741,597; total cost, $3,728,416,958. Gross traffic for 1873, $478,885,597; net receipts over operating expenses, $174,350,913. The last two items relate to 54,454 miles, all that are reported, on which the net income applicable to interest and dividends equals $3,201 per mile.

Now, Mr. Speaker, the notion entertained by my friend from Vermont of civil liberty and of interference with the right of the citizen is this: that these powers, these functions—so vast, so irresistible, so eternal—shall be delegated by the Government to irresponsible men who wield them; and that it is a violation of the right of the citizen when we come in and say that we will establish a board who shall declare what shall be the maximum charge they shall make on freight, and that the declaration of this board shall simply change the burden of proof in a law-suit.

Mr. WILLARD, of Vermont. I presume the gentleman does not intend to misrepresent me.

Mr. G. F. HOAR. Certainly not.

Mr. WILLARD, of Vermont. I said expressly in my remarks yesterday that the State creating the corporation had entire control of it.

Mr. G. F. HOAR. The gentleman said that too; but he said also that for the Government to enter upon this province was an invasion of, and interference with, the right of the citizen. I shall come presently to the question how far a State and how far the nation can deal with this particular subject.

The gentleman from Vermont either agrees with me or disagrees with me. Does he say that it is fitting that whatever government has jurisdiction over the particular question shall somewhere or somehow regulate the charges of these railroads?

Mr. WILLARD, of Vermont. I confess—I do not know but I ought to say I am sorry to be obliged to confess—that I fear no Government regulation can cure the evil; and I think the gentleman will find the same opinion substantially expressed in the report of the Massachusetts commissioners.

Mr. G. F. HOAR. Then, Mr. Speaker, the sturdy descendant of the heroes of the Green Mountains is not willing to undertake the duty of protecting the American citizens against the encroachment of these railroads because he is afraid he cannot do it. That is the other alternative. Now, when the convention of railroad managers meets in Buffalo, as soon as the canals freeze, and fixes the charges for freight, where do they get the power which enables them to affect the value of every bushel of wheat throughout the entire Northwest? Do they not get it from the Government? Are they not themselves the creatures of law?

If a dozen truckmen meet and agree that for carrying half a mile the trunks of passengers coming by rail to a station they will make a small increase of a shilling in the price, they are held amenable to the law. But the convention of railroad presidents may meet at Buffalo, when the canals freeze, and lay their tax on the products of the Northwest and the industries of New England, subtracting 10, 20, or 50 per cent. from the value of each man's day's work; and it is considered impolitic for the Government, which represents the people of the United States, to undertake to control the creatures it has itself made! Commerce between New York and San Francisco, the products of great regions of the earth's surface, the motive-power, the raw material of great manufacturing States, the food and clothing of millions of Americans, may be enhanced in price by a like combination; and the people which loaned them its sovereignty shall, according to the theories of government of some gentlemen who have addressed the House, be forever powerless to restrain them!

Mr. BUCKNER. Will the gentleman allow me to ask a question?

Mr. G. F. HOAR. Certainly.

Mr. BUCKNER. Does not the gentleman know that in England the effort has been made for forty years, with all the powers of Parliament, to regulate the railroads, and that it has been abandoned as hopeless?

Mr. G. F. HOAR. The working people of England are not yet adequately represented in Parliament. The people of America are represented in Congress.

Mr. KASSON. Parliament does exercise this authority of regulating railroads.

Mr. G. F. HOAR. Yes, sir. Under the law of Parliament every English workman is entitled to find one train by which he can go out of Manchester, or Liverpool, or London, to his little home in the suburbs at a price not exceeding a penny a mile. That is one regulation which Parliament has made. There is scarcely a detail of the contract between the freighter and the railroad, the public carrier, which is not regulated in England by Parliament. I not only do not know the fact which the gentleman's question supposes to exist, but I believe the entire reverse to be the case.

Mr. BUCKNER. My idea on the subject is obtained from a report now before me, made by the board of railroad commissioners of Massachusetts, in which they state that all the efforts in this direction have entirely failed to accomplish anything in England.

Mr. G. F. HOAR. Now, Mr. Speaker, I address myself to the second question. Assuming that it is a duty of Government, and that it is politic for Government to undertake it to the limited extent which this bill proposes, I now ask the House to consider whether, in the distribution of power between the nation and the State, what this bill proposes is the duty and the function of Congress.

Mr. ELDREDGE. I understood the gentleman just now to claim the same powers for this Government that the Parliament of Great Britain exercises with reference to the English people.

Mr. G. F. HOAR. I made no such claim.

Mr. ELDREDGE. Does the gentleman claim that under our Constitution the Federal Government can exercise the same powers as the Parliament of Great Britain exercises?

Mr. G. F. HOAR. No, sir.

Mr. ELDREDGE. I understood the gentleman to argue that because the British Parliament regulates the prices which passengers on railroads shall pay and other matters of detail, therefore in this country the Federal Congress can do the same thing.

Mr. G. F. HOAR. I make no such claim.

Mr. ELDREDGE. I understood that to be the gentleman's position.

Mr. G. F. HOAR. The gentleman did not do me the honor to listen to what I said. What I said was that I was dealing with the question whether, to the extent which this bill proposes, government in some of its functions or modes of exercising power should go. I was saying that the railroads were themselves wielding the powers of government in dealing with citizens, and that therefore the government which had lent the railroads its sovereignty had a right to use its power to restrain them in dealing with the citizen. I was considering the question whether it was fitting that any government should exercise a power of this kind. Then the gentleman on the other side asked me whether I was not aware the Parliament of England had tried to do

it but failed. I said no; that they had very largely, and in many instances, succeeded.

Now, Mr. Speaker, to the extent of the jurisdiction over this question which the Constitution confers upon Congress the States are powerless. Congress has the exclusive power to regulate commerce among the States, and, therefore, so far as this is a regulation of commerce among the States, so far the thing must be left undone or must be done here. The gentleman from Vermont [Mr. WILLARD] has confounded, it seems to me, two things. I concede that a State which creates a corporation has the right to prohibit that corporation from engaging in commerce among the States at all. I concede the State which creates a corporation has the right, if it reserves that right in the original grant or charter, to prescribe the terms and conditions upon which the corporation may engage in commerce among these States. But that does not grow out of any power of the State over the subject-matter, but grows out of the power of the State over the corporation. But the State must necessarily, even exercising the power in that way, exercise it subject to the terms of the charter in a necessarily imperfect and incomplete manner if it is disposed to exercise it at all, which few of the States are. If a State is indifferent to the exactions made by one of its corporations upon the commerce of other States in transit, the citizen is without remedy unless the national authority interfere.

Let me state this point again. The charter of a corporation has been held to be a contract. When a State creates a corporation it may doubtless reserve in the charter the power to control it. If it has made no such reservation, it may still exercise over it such legislative control as it could over individuals in like cases. I concede, further, that a State cannot by contract, either with a corporation or an individual, alienate its legislative powers. But unless it has in some way reserved the right to do so, it cannot impose upon a corporation any duties, obligations, or restraints which are not within its general legislative authority over individuals. The State cannot prescribe the rule to individuals engaged in commerce among the States, because the regulation of that subject is the constitutional function of Congress. When, therefore, it issues a mandate on that subject to a corporation, unless it has reserved the power so to do in the charter, the corporation is not bound to obey. The State cannot rightfully say to the corporation, "We cannot alienate our legislative authority." It never had legislative authority over that subject.

This argument is all in a nutshell. The regulation of commerce is the regulation of the exchange of commodities. The exchange of commodities is commerce. The regulation of commerce with foreign nations is the regulation of the exchange of commodities with foreign nations. The regulation of commerce among the several States is the regulation of the exchange of commodities among the several States. An essential part of such an exchange is the conveyance of the commodity from the seller to the buyer. Regulation is the prescribing of a rule or law, or fixing the condition. To regulate the exchange of commodities is to prescribe the rule, or law, or condition under which such an exchange shall take place. An essential part of the regulation of commerce, therefore, is the prescribing rules, or laws, or conditions of the conveyance of commodities from the seller to the buyer. The fixing or regulating of tolls, or charges, or imposts for conveying commodities from the seller to the buyer is the prescribing a condition of that conveyance. It is therefore a regulation of commerce.

Now, whenever the fixing or regulating of such imposts and tolls properly comes within the domain of the law-making power, or whenever such imposts or tolls should be regulated by law, the power which regulates commerce should properly regulate them. This is the settled and unquestioned understanding with reference to foreign commerce. The Legislature does not ordinarily regulate rates of freights charged by public carriers for merchandise brought from abroad; not because such regulation would not be a regulation of commerce, but because such carriers are engaged in a business open to unrestricted competition, and it is deemed inexpedient to regulate commerce in that respect. But it exercises the power to regulate foreign commerce for the protection of the interests of the public in many respects where competition does not afford such protection.

Now, we have here a case where the public carrier engaged in commerce among the States is not restrained to a very considerable extent by competition—where, as I have said, we lend him the forces and powers of sovereignty for the exercise of his great public functions, and therefore it becomes the duty of a tribunal or Legislature authorized to fix the rule of law governing persons engaged in commerce among the States to fix the rule of law for him.

I confess, Mr. Speaker, I am astonished at the arguments which convince some of our able and intelligent friends on the other side when they wish to deny to the American people the power of protecting themselves against the oppression of the instruments they have themselves created. The most extravagant advocate of unlimited legislative power never resorted to such strained and artificial reasoning as do these gentlemen in their attempts to explain away the simple and comprehensive language in which the American people have asserted their national sovereignty.

Two gentlemen, Mr. Speaker, to whom I have listened with very great respect, the gentleman from Kentucky, [Mr. ARTHUR,] whom I always hear with great respect, and my friend from Pennsylvania [Mr. STORM] argued the purpose of this clause in the Constitution authorizing Congress to regulate commerce among the several States was to prevent the imposing of duties by one State upon merchandise in its transit to another. These gentlemen, however, overlooked the fact, both of them, that this matter of duties was expressly provided for elsewhere in the Constitution. The Constitution enacts, first, that no duties on exports shall be imposed by anybody; and secondly, that no duty on imports shall be imposed by any State without the consent of Congress, and when imposed the duty shall be paid into the national Treasury. So that, in inserting in addition the general authority to regulate commerce, the framers of the Constitution had something else in view than protecting the business of one State from duties or imposts levied on it in its transit through another in the form of a duty or impost.

Now, Mr. Speaker, what was that purpose? Let Mr. Madison, the great State-rights man of the convention which framed that Constitution, answer. Mr. Madison says, in the forty-second number of the Federalist:

> To the proofs and remarks which former papers have brought into view on this subject, it may be added that without this supplemental provision, the great and essential power of regulating foreign commerce would have been incomplete and ineffectual.
>
> A very material object of this power was the relief of the States which import and export through other States, from the improper contributions levied on them by the latter. Were these at liberty to regulate the trade between State and State, it must be foreseen that ways would be found out to load the articles of import and export, during the passage through their jurisdiction, with duties which would fall on the makers of the latter and the consumers of the former. We may be assured, by past experience, that such a practice would be introduced by future contrivances; and both by that and a common knowledge of human affairs that it would nourish unceasing animosities, and not improbably terminate in serious interruptions of the public tranquillity. To those who do not view the question through the medium of passion or of interest, the desire of the commercial States to collect, in any form, an indirect revenue from their uncommercial neighbors, must appear not less impolitic than it is unfair, since it would stimulate the injured party, by resentment as well as interest, to resort to less convenient channels for their foreign trade. But the mild voice of reason, pleading the cause of an enlarged and permanent interest, is but too often drowned before public bodies as well as individuals by the clamors of an impatient avidity for immediate and immoderate gain.
>
> The necessity of a superintending authority over the reciprocal trade of confederated states has been illustrated by other examples as well as our own. In Switzerland, where the union is so very slight, each canton is obliged to allow to merchandises a passage through its jurisdiction into other cantons without an augmentation of the tolls. In Germany it is a law of the empire that the princes and states shall not lay tolls or customs on bridges, rivers, or passages without the consent of the Emperor and Diet; though it appears from a quotation in an antecedent paper that the practice in this, as in many other instances in that confederacy, has not followed the law, and has produced there the mischiefs which have been foreseen here. Among the restraints imposed by the union of the Netherlands, on its members, one is, that they shall not establish imposts disadvantageous to their neighbors without the general permission.

So, Mr. Speaker, the House will see that, according to the declaration of Mr. Madison, this clause was put in the Constitution to prevent new devices which might thereafter be contrived, other than the imposition of duties or imposts, by which one State should burden on its passage to the sea the merchandise or commerce of another and drive that merchandise around by circuitous paths. If Mr. Madison had foreseen the present railroad system of the country he could not have more aptly described the evil which might be contrived in the future, which that general provision of the Constitution was intended to cure by giving this power to Congress, than he has by that language in the Federalist.

The law gives to the carrier a lien on the merchandise which he transports. I am at a loss to understand the logic of those gentlemen who argue that a State should not be permitted to impose a tax or duty on merchandise carried through it to other States, and yet insist that it should be at liberty, when it commits to any of its citizens its power of eminent domain, to authorize them to construct and control public highways over which, from the necessities of trade, merchandise must pass or not be transported at all, and allow them to impose on such merchandise liens unlimited except by the sense of their own interests on the part of those who impose them. Yet the framers of the Constitution meant, in the opinion of my friend from Kentucky, to prevent the imposition of a tax by a State for its own benefit, and yet allow it to delegate to a corporation the power to impose a like tax for the benefit of a part, and not the whole.

These gentlemen, in their endeavor to fritter and explain away the simple, clear, and comprehensive language of the Constitution, and deny its true meaning, find themselves obliged to admit the power they seek to destroy. The gentleman from Kentucky says that the object of this constitutional provision was to secure to commerce "the charity of being let alone." Has it not occurred to that gentleman that our forefathers, usually so exact, adopted the most extraordinary language to accomplish such an end? In order that commerce might not have rules prescribed to it, but might be free, unrestricted, without regulation except by its own will, the Constitution, according to him, creates a tribunal upon which it confers the power to regulate it. The gentleman from Kentucky says that by the Constitution they created a legislative tribunal, and directed and authorized it to prescribe rules. The purpose of putting that clause in the Constitution was to his mind in order that these rules might not be prescribed. Mr. Speaker, the position of gentlemen on the other side, in short, is exactly this: that the Constitution gives Congress the power to regulate commerce among the States, in order that commerce might forever not be regulated so far as it is commerce among the States.

It is objected that the carriage of merchandise across the continent from point to point, in distant States, is, when analyzed, nothing but

a series of successive acts of transport, by which each railroad carries the freight within its own State only, and is paid only for such carriage; that the collecting the freight in one sum, to be divided proportionably among the roads, is for the convenience of the shipper, and does not make the roads a unit, or change the essence of the transaction. This is the precise argument which was urged and overruled in Gibbons vs. Ogden. It was said by Mr. Oakley:

> The right of a State to regulate its internal trade applies as well to its navigable waters as to its other territory. * * * Is the law in question anything more than a regulation of the internal navigation of the waters of the State? It does not deny the right of entry into its waters to any vessels. It only forbids such vessels, when within its waters, to be moved by steam. It is, therefore, strictly a regulation of internal navigation.

And by Mr. Emmet:

> The Federal Government can do no act on the navigable waters within the limits of the United States which, or a corresponding act to which, it cannot do on the land within the same limits.

To this reasoning it was replied by Chief Justice Marshall:

> Commerce, as the word is used in the Constitution, is a unit. * * * Commerce among the States cannot stop at the external boundary line of each State, but may be introduced into the interior. * * * Can a trading expedition between two adjoining States commence and terminate outside of each? And if the trading intercourse be between two States remote from each other, must it not commence in one, terminate in another, and probably pass through a third?

Mr. Speaker, I wish to answer now two or three objections of detail. My friend from Vermont [Mr. WILLARD] says that the policy of law requires that it should be uniform, but that it is impossible that uniform rates should be established by this tribunal. But the uniformity is in the rule which prescribes that the rates should be reasonable. The law that says that every citizen may recover on a *quantum meruit* from his employer the reasonable value of his services is clearly a uniform law, although the value of the services varies in every case which comes before the court. It is the uniformity of the rule, not the application.

But it is said that we are undertaking to delegate legislative powers to this commission. Not at all. We enact that the common-law obligation, which rests upon the public carrier everywhere else to charge no more than a reasonable price and to make no unjust discrimination, shall rest upon him also while he engages in commerce among the States by railroad. We might very properly further provide, that in enforcing this rule by legal proceedings the burden of proof of reasonableness should in all cases be upon the carrier, who is familiar with the subject and who has all the facts in his possession. But we do not go so far as that. We provide that the burden of showing reasonableness shall rest upon him only when he has exceeded the rate fixed in the commissioners' schedule. This confers no legislative power upon the commission. The rule of law by which the parties must abide, and which determines their rights, is enacted by Congress and applied by the court. The commission is merely an aid in determining the fact of reasonableness.

I think the argument against this bill which presses the hardest on the minds of gentlemen otherwise friendly to it is that it gives vast powers to these commissioners, who may be weak, who may be corrupt, who may be the servants of the railroad. But, Mr. Speaker, the felicity of this bill is this: that there is no possibility that these commissioners can do any harm. If they do nothing but make complete compilation of the railroad statistics of the United States they will be worth all their salaries. But what can a railroad corruptly induce this commission to do? Suppose that the commission, acting corruptly, will not put down the rates on any line of railroad; the people are exactly where they are now. If they put down the rates on all other lines, then the freight will go by those other lines, and the railroad corrupting the commissioners will be left without employment. If they put down the rates on one line, no competing line will have gained anything by corrupting the commission. We may have lost the salaries of the commissioners, but that is all. It is impossible for human ingenuity to conceive a case where a railroad could corrupt these commissioners in a manner that could do any possible harm to the public.

Mr. HAWLEY, of Connecticut. Might not the commissioners make the rates too low?

Mr. G. F. HOAR. Yes, sir. But if the commissioners fix them too low the railroad may still go to a jury. This commission simply changes the burden of proof in a suit between the railroad and the shipper of goods, and says that if the railroads go beyond a reasonable rate, the rate fixed by these commissioners, they shall be liable for extortion. The railroad company may always protect itself by going to a jury; but if a railroad or a combination of railroad companies has corrupted the commissioners so that they do not put down the rates low enough, why the citizens do not get the benefit of changing the burden of proof in their suits, and the bill in that particular does no good. But it does no possible harm. Some gentlemen seem to suppose that these commissioners will put up the rates beyond the point to which such competition as exists would bring the rates and charges down. Not at all; the railroad companies can get no possible advantage in making an overcharge by corrupting the commissioners.

My friends, however, who use this argument seem to me to make an argument which, if legislators of America bring themselves to act upon it, involves the surrender of the Republic itself. No statesman, in my judgment, will ever lead the American people, no statesman will ever be useful to the American people, no statesman will ever apprehend the sublime forces or the sublime destiny of this Republic who does not learn, in spite of evils, in spite of mistakes, in spite of corruption, to trust the Republic and the ideas which are its strength and safety. We have planted upon this continent a people who believe that, whatever may be the frailties or vices of men, justice, equality, righteousness, will eventually be wrought out by freedom; who believe that the governing forces of the Republic may be safely wielded by the intelligence of a free people. When that fundamental maxim is forgotten, you have no alternative but to go back to the despotism from which our fathers escaped.

Gentlemen, however, will remember that the powers which this bill creates are powers of the courts and jury. The commissioners but change the burden of proof; that is all. The ultimate power, the ultimate administration, the ultimate strength of this bill rests in the confidence which Congress is willing to put in the jury who are to try the cases and in the courts who are ultimately to declare the law.

Mr. Speaker, I desire to say one word in regard to a proposition which has been made by the gentleman from Ohio [Mr. SMITH] to substitute for the present bill a bill which seems to me not only to be extremely unjust to the railroads, but to be utterly impracticable in application.

His bill provides simply that railroad companies shall in all cases charge the same rate for the same kind of freight carried the same distance. It ought to be entitled "A bill to prevent a railroad from even putting down its prices in any case." For instance, you have the centennial celebration coming off in Philadelphia. Under the gentleman's bill no railroad could bring any merchandise to that city at half price for the celebration. The Pennsylvania Central is a part of the line running from San Francisco to Philadelphia, and it would have to charge, under the iron and inflexible rule of the bill proposed by the gentleman from Ohio, the same rate on freight from San Francisco to Philadelphia that it would for bringing some machinery four miles from the suburbs. It would have to charge the same price for bringing freight from fifty miles eastward from Omaha as for carrying freight fifty miles westward from the city of New York.

Mr. SMITH, of Ohio. The gentleman entirely misunderstands the bill.

Mr. G. F. HOAR. I have it here, and have read it very carefully. Let me see what it provides:

> That no railroad company shall make any discrimination in its rate of charges between persons doing business with such company for the transportation of a like amount of freight, of like class, for a like distance, over the line or connecting lines of railroad owned or operated by it, when such freight is being transported from one State to another, or to or from any foreign nation.

What I said would not apply to freight brought into Philadelphia from any part of Pennsylvania, but it would apply to freight brought to Philadelphia from New Jersey.

Mr. SMITH, of Ohio. Not at all.

Mr. G. F. HOAR. Well, that is the plain meaning of the bill. But there is another point. The gentleman's bill wholly overlooks one great fact in railroad transportation, and it is this: The freight-cars upon a railroad going one way may be full, while in going the other way they may be largely empty, and a railroad company ought to have the right in determining the rates of freight going over their road to consider the fact that there will, of course, be a great dearth of freight going in one direction and a superabundance of it going in the other. This bill utterly prohibits any such consideration from entering into the rates of freight. It prohibits a railroad company from making any terms whatever by which a person sending a very large amount of freight may contract by the year, or for the transportation of an unusually large amount. It is a simple, inflexible, iron rule. A similar law, as I am informed by the gentleman from Illinois, has been declared unconstitutional by the supreme court of the State of Illinois. That court has held to be unconstitutional a bill framed on the principle of this bill of the gentleman from Ohio.

I had designed, Mr. Speaker, to add something on one or two other points, but I think I ought not to detain the House longer at this time.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. SYMPSON, one of its clerks, informed the House that the Senate had passed, without amendment, bills of the House of the following titles:

A bill (H. R. No. 2651) reappropriating certain unexpended balances of appropriations for removal of Indians; and

A bill (H. R. No. 1954) granting a pension to Henry B. Ryder.

The message also announced that the Senate had passed bills of the following titles; in which the concurrence of the House was requested:

A bill (S. No. 548) granting a pension to Christiana Bailey;

A bill (S. No. 566) granting a pension to Lucinda Schrum, widow of Jacob R. Schrum, late of Company A, Forty-ninth Regiment Missouri Volunteers;

A bill (S. No. 567) granting a pension to Mary E. Naylor, widow of Osborn Naylor, late a private in Company C, Second Kansas Volunteers; and

A bill (S. No. 568) granting a pension to Hugh P. Lytle, late a private in Company H, Thirty-second Regiment Ohio Volunteers.

INTERSTATE COMMERCE.

The House resumed the consideration of the bill in relation to commerce by railroad among the several States.

Mr. HAWLEY, of Illinois. Mr. Speaker, in view of the very able debate that has transpired upon this bill, I approach this subject with unusual embarrassment. The debate has now been progressing for weeks, and the subject has been so thoroughly discussed that I would not now occupy any of the time of the House but for the fact that the section of country from which I come is perhaps more interested than any other in the question of cheap transportation. It is the great producing section, and its distance from the sea-board renders it imperative that it shall have large facilities and cheap rates for transportation.

I am one of those who believe that the Constitution of the United States gives to Congress absolute power to regulate commerce not only with foreign nations but among the several States. I shall not to-day take time to go into an elaborate argument on the constitutional power of Congress, and to cite authorities to prove the position which I assume, for that has been thoroughly done by those who have preceded me. It seems to me it has been shown, if anything can be shown, that the Supreme Court of the United States has often held that the power to regulate commerce with foreign nations and among the several States is fully and absolutely vested in Congress. I believe this has been established, if anything can be established. And the question now to be determined by this Congress is this: Will Congress exercise the power with which it is vested by the Constitution of the United States for the purpose of controlling the great railroad system of this country?

It was said by the gentleman from Kentucky [Mr. ARTHUR] in arguing this question, in opposition to the bill, that one of the leading causes, in fact the leading cause, which led to the adoption of the Constitution of the United States was the desire on the part of the American people to vest in Congress the power to control commerce with foreign nations and among the several States. That I may not misrepresent the gentleman I will quote from his remarks as published in the RECORD.

He said:

> Two of the major evils which it was especially designed to remedy were, first commercial restrictions at home; and, secondly, commercial restrictions abroad. Free and untrammeled commerce among the States and with foreign nations formed the paramount object to be promoted. Freedom, fairness, competition, and equality, combine the influences under which it was known to achieve its greatest triumphs.
>
> The States had pursued systems of retaliatory restrictions upon each other, which uniformly resulted in adversity to their own commerce, and in prosperity to that of rival powers.
>
> Before the Constitution existed the States taxed the commerce and intercourse of each other. This was the leading cause of abandoning the Confederation and forming the Constitution; more than all other causes it led to the result. (Mr. Justice Catron in the Passenger cases in 1849.)

The gentleman from Kentucky, speaking in opposition to this bill, in a very carefully prepared speech, informs this House that the leading cause, the cause of causes, which led to the adoption of the Constitution of the United States was the desire on the part of the States to be rid of the old Confederation, and to have the power vested in the Congress of the United States, over and above all other power within the limits of this country, to control commerce with foreign nations and among the several States. Yet, notwithstanding this admission, the gentleman proceeded but a very little way in his speech before he said that this power was modified; that a part of this power was still retained by the several States, and that the States had, from time to time at least, partially exercised this power; and I think he referred to Mr. Madison and others as showing the opinion of the men of that time, showing the views which they held in reference to this power of Congress to control commerce.

I hold in my hand the address of the convention which framed the Constitution of the United States, and which accompanied that Constitution when it was transmitted from the convention which framed it to the old Congress, then in session. That address, as appears upon its face, was adopted by the unanimous vote of the convention which framed the Constitution of the United States, and is signed by George Washington, the president of the convention. From that address I read as follows:

> The friends of our country have long seen and desired that the power of making war, peace, and treaties; that of levying money, and regulating commerce, and the correspondent executive and judicial authorities, should be fully and effectually vested in the General Government of the Union; but the impropriety of delegating such extensive trust to one body of men is evident; hence results the necessity of a different organization.

That is to say, the organization differed from that which had existed under the old Confederation, dividing the powers of the General Government into the executive, legislative, and judicial. I read further:

> In all our deliberations on this subject we kept steadily in our view that which appears to us the greatest interest of every true American—the consolidation of our Union—in which is involved our prosperity, felicity, safety, perhaps our national existence. This important consideration seriously and deeply impressed on our minds, led each State in the convention to be less rigid on points of inferior magnitude than might been otherwise expected; and thus the Constitution which we now present is the result of a spirit of amity, and of that mutual deference and concession which the peculiarity of our political situation rendered indispensable.

Sir, it was to consolidate the Union that the Constitution of the United States was adopted. It was adopted, because under the old Articles of Confederation the central Government had not sufficient power, and it was for the purpose of vesting in the Government of the United States these great powers which should always inhere in an independent government, the power to raise money, to levy taxes, to raise armies, to make war and to make peace—it was to vest all these great powers in the Government of the United States that the Constitution of the United States was adopted.

The convention, it will be observed, declare in the address from which I quote that it was the purpose to *fully and effectually* vest in the General Government the power of regulating commerce. Whatever powers were reserved to the States or the people, this, in the opinion of the convention that framed the Constitution, was not one of them.

In speaking of the power of Congress over the subject of commerce, the Supreme Court of the United States, in the case of Gibbons *vs.* Ogden, use this language:

> It is the power to regulate, that is, to prescribe the rule by which commerce is to be governed. This power, like all others vested in Congress, is complete in itself; may be exercised to its utmost extent, and acknowledges no limitations other than are prescribed in the Constitution. These are expressed in plain terms, and do not affect the questions which arise in this case, and which have been discussed at the bar. If, as has always been understood, the sovereignty of Congress, though limited to specified objects, is plenary as to those objects, the power over commerce with foreign nations and among the several States is vested in Congress as absolutely as in a single government having in its constitution the same restrictions on the exercise of the power as are found in the Constitution of the United States.

Now, I venture to say that there has never been a decision of the Supreme Court of the United States, from the time when this question was first raised until now, which contravened the position I take upon this subject.

The great case of Gibbons *vs.* Ogden has been often referred to in this debate. It has been referred to by the gentleman from Kentucky [Mr. ARTHUR] and the gentleman from New Jersey, [Mr. SCUDDER.] It has been referred to by many gentlemen who have spoken in favor of the pending proposition. In that case the Supreme Court of the United States held that the whole power over the subject of commerce with foreign nations and among the several States was absolutely vested in the Congress of the United States; that it could not be divided; that the words found in the Constitution showed that it was clearly the intention of the framers of the Constitution to vest in Congress the power absolutely to control commerce with foreign nations and among the several States. But it is said by gentlemen who have spoken in opposition to this bill that this is too great a power to be vested in Congress; that Congress might abuse the power. The same may be said of every power conferred upon Congress by the Constitution. Who shall limit the power of Congress to declare war? Suppose when Congress convened in December last it had declared war against Spain in view of the disturbance arising out of the Virginius affair. Of course it would have been a piece of folly to have done so; but certainly Congress had the power. No man will gainsay that Congress has the power to raise money to any extent by taxing the people. It may levy too many taxes and raise too much money. It may not always display the highest wisdom in the exercise of this power. But the power is absolute and unlimited. So the Supreme Court of the United States held in the great case of Gibbons *vs.* Ogden. It said that Congress had the absolute power to declare war and to raise armies; that nobody could deny that power; and though Congress might abuse it, the only restraint placed upon its exercise was the control of the people over those whom they may send here to represent them. If they should send men to Congress who misrepresent them, who have not the virtue or the patriotism to discharge their duty, they may remedy the difficulty in electing another Congress. But that is the only power which, under our Government, can limit or restrain Congress in exercising these powers granted to it by the Constitution of the United States.

Now, Mr. Speaker, I propose to call attention to the legislation of Congress upon this subject. It is a field, I believe, into which no gentleman has entered who has addressed the House upon either side. I shall endeavor to show that Congress in its legislation heretofore has assumed to control the railroads of this country which form lines of travel and intercourse among or between the several States. It was said yesterday by the gentleman from Vermont [Mr. WILLARD] that there was power in the several States to charter railroad companies and to limit the exercise of the powers granted to any extent which they saw fit; and if I understood the gentleman from Massachusetts, [Mr. G. F. HOAR,] in the remarks he has made to-day, he holds to the same doctrine—that a State Legislature may create a railroad corporation, and limit its power, so that the corporation created by the Legislature of the State may never carry over its road a pound of freight or a passenger being transported from one State to another. I submit to this House if it be the law that a Legislature may exercise that power, how shall Congress exercise the power of regulating commerce to any extent among the several States as carried on by railroads chartered by the States? If the State of New Jersey, or Pennsylvania, or any other State of this Union, can say that it will charter but one road to pass over its territory for the transportation of interstate commerce, and that no other road shall have power or authority to carry commerce passing from one State to another over the territory of such State, how can Congress step in and exercise the greater power of repealing or annulling the law which has been made by the State Legislature? I shall endeavor to show (and I think I can do so conclusively) that Congress has passed upon this question on full and deliberate consideration; that it has passed a law declaring it is not in the power of any State to charter a railroad company that shall not have power to carry across the

borders of the State, and over the territory of the State, commerce of the other States seeking transit over its territory. The Legislature cannot create a railroad corporation with power to transport local State commerce and at the same time prohibit it from transporting interstate commerce. It cannot prohibit the railroad company from transporting interstate commerce over its road, for the reason that interstate commerce is beyond the control of State authority.

When the Legislature has created a railroad corporation, and its road is constructed, it becomes a public highway for the transportation of commerce, and the railroad company becomes a common carrier; and when the road has become a public highway and the railroad company a common carrier, it does not matter by what authority Congress will step in and exercise its authority to control the interstate commerce transported by it and leave to the State the control of that which is purely local or within the State.

Now, Mr. Speaker, this subject first came here, so far as I know, in 1864, and I call the especial attention of every gentleman present to this subject, because I regard it as of the utmost importance and as really settling the question now presented by this bill.

In 1864 the Raritan and Delaware Bay Railroad Company, of New Jersey, presented its petition to Congress, asking for legislative relief against the Camden and Amboy Railroad, of New Jersey, which claimed to have the sole right to transport freight and passengers on their way from the city of Philadelphia to the city of New York. The Raritan and Delaware Bay Railroad Company set up in its petition that it was claimed by the Camden and Amboy Railroad Company that the latter company had the only authority and the only right to transport commerce on its way from one State to another across the State of New Jersey; and it asked Congress to relieve it, by the exercise of that power given by the Constitution of the United States, from the oppression of the Camden and Amboy Company and of the Legislature of the State of New Jersey.

The petition was referred to the Committee on Military Affairs of the House; and that committee presented its report on the 9th day of March, 1864. I call the attention of the House to the points made in that report, to show what were the facts and the law upon which the Camden and Amboy Railroad Company claimed the power to prevent the Raritan and Delaware Bay Railroad Company from transporting freight and passengers from Philadelphia to the city of New York.

I will read from the report of the committee to the House:

The Committee on Military Affairs, to whom was referred the petition of the Raritan and Delaware Bay Railroad Company, respectfully report:

The petitioners pray that their roads and the boats connected with them may be declared post and military roads of the United States.

The committee find that the petitioners have completed a road of sixty-five miles in length, from Port Monmouth, near Sandy Hook, to Atsion, nearly east of the city of Philadelphia; and that they also have the control of the Camden and Atlantic Railroad Company; and that the two roads are connected by the Batsto branch of the Camden and Atlantic Railroad Company; and that by means of these roads, and boats on Raritan Bay and the Delaware River, a continuous through line is constituted between the cities of New York and Philadelphia.

The committee find that since the petition was brought before this committee the chancellor of New Jersey, at the suit of the Camden and Amboy Railroad Company, has enjoined the use of the petitioners' roads, except for local purposes, and has ordered that the Raritan and Delaware Bay Railroad Company pay to the Camden and Amboy Railroad Company all sums collected by the former for through business, including the amount received for transportation of troops; and that the chancellor decreed that the petitioners' road had no right to carry, or aid in carrying, passengers and freight between New York and Philadelphia.

The committee find that the act of the State of New Jersey, by authority of which the petitioners have been enjoined from carrying on their roads passengers and freights between New York and Philadelphia, is as follows:

"That it shall not be lawful, at any time during the said railroad charter, (to wit, the Camden and Amboy,) to construct any other railroads in this State without the consent of the said companies, which shall be intended or used for the transportation of passengers or merchandise between the cities of New York and Philadelphia, or to compete in business with the railroad authorized by the act to which this supplement is relative."—*New Jersey Session Laws* for 1854, page 387.

The committee find that from the 1st of September, 1862, to the 1st of June, 1863, there were transported from New York to Philadelphia, over the petitioners' road, 17,428 men, 649 horses, and 806,245 pounds of freight, under the orders of the Government.

After citing the decisions of the Supreme Court of the United States, the committee proceed as follows:

It clearly appears, from the various opinions given in these celebrated cases, that the power to regulate commerce is absolutely exclusive in Congress, so that no State can constitutionally enact laws or any regulation of commerce between the States, whether Congress has exercised the same power in question or left it free.

The inference from the various cases cited is that New Jersey, by the law above quoted, and by virtue of which she is attempting to destroy the franchises of the petitioners, has usurped the jurisdiction of Congress, and that we are authorized to interfere to prevent that usurpation from abridging one of the means of communication between New York and Philadelphia.

The committee proceed further to show the necessity for the exercise of this power by Congress, for the purpose of securing another line of transportation across the State of New Jersey, in opposition to the Camden and Amboy Railroad:

The committee come now to consider the question whether the present application presents a proper case for the exercise of the powers which it has already been shown Congress possesses. In answering this question it should be borne in mind that the exercise of this power is invoked not only by the petitioners, but also by the Government, and by the traveling and trading community, who now earnestly seek new channels of communication between New York and Washington. It appears by a letter addressed by General Meigs to the special committee investigating the propriety of establishing a new railroad between here and New York, that the Government requires not only all the available means, but additional facilities, for the transportation of troops and munitions of war over the line which is partly covered by the roads of the petitioners, and that it has more than once been constrained to relieve the existing lines by water conveyance of troops to the capital. It also appears that during the recent freezing of the Potomac, the insufficiency of our means of transportation for military purposes was painfully apparent, and I have already stated that on one memorable occasion, when great promptness and great exertions were required, the petitioners greatly aided the Government in the conveyance of troops and warlike material to the seat of war, and their reward has been an injunction from through transportation, and an order to account to the Camden and Amboy Company for the money which they received for this service. No matter how urgent the emergency; no matter how imperative the demand of the Army for re-enforcements, the roads of the petitioners are now closed, not only against the Government, but against the citizens of every State; and troops, munitions of war, and travelers, are only permitted to pass from New York to Philadelphia over the roads of the monopoly. The quartermaster's department of the city of New York a few days ago applied to the petitioners to transport a regiment to Philadelphia, and the application was denied, because such transportation had been enjoined by the chancellor of New Jersey.

In this connection it is worthy of remark that since the injunction the rates of traffic upon the Camden and Amboy Railroad have been unexpectedly and suddenly advanced. * * * * * * *

Under the facts already stated, the question presented by the applicants resolves itself into this: Is it expedient for Congress to authorize a road which was legally constructed under proper State authority, and which has a legal right to transport passengers and merchandise from the Delaware River to Raritan Bay, to commence such transportation from the city of Philadelphia, on the opposite side of the Delaware, and continue it to the city of New York, on the opposite shore of the Raritan? The necessities of the Government, the necessities of the public, and the absolute rights of commercial intercourse, all require that this question should be answered in the affirmative.

The Committee on Military Affairs therefore unanimously recommend the passage of the accompanying bill.

Mr. Speaker, the House will see from the report made by the Committee on Military Affairs in 1864 that the Legislature of the State of New Jersey had declared by law that the Camden and Amboy Railroad Company should have the exclusive right to carry passengers and freight across that State, and that no other railroad could exercise that right except by permission of the Camden and Amboy Railroad. The Raritan and Delaware Bay Railroad Company it seems did transport troops and munitions of war by order of the Government of the United States, but afterward the chancellor of that State, as will be seen, compelled that railroad to pay to the Camden and Amboy Railroad all the moneys it had received for that service, and granted an injunction to restrain it in the future.

Accompanying this report was a bill presented from the Military Committee to the House, providing that the Raritan and Delaware Bay Railroad Company should be declared a public highway; that it should have power to transport passengers and property on that road from Philadelphia, through the State of New Jersey, to the city of New York. That was a specific bill for the relief of this particular company against that great monopoly. The House adopted a substitute, however, which is substantially like the law of 1866, which was passed in the Thirty-ninth Congress.

Now, I will read the law of 1866 to show what Congress has done on this subject. The House in the Thirty-eighth Congress passed the bill substantially as it now stands in the act of 1866, without the proviso.

The act of June 15, 1866, is as follows:

That every railroad company in the United States, whose road is operated by steam, its successors and assigns, be, and is hereby, authorized to carry upon and over its roads, boats, bridges, and ferries all passengers, troops, Government supplies, mails, freight, and property on their way from any State to another State, and to receive compensation therefor, and to connect with roads of other States, so as to form continuous lines for the transportation of the same to the place of destination.

This act of June 15, 1866, was introduced into the House in the Thirty-ninth Congress by the distinguished gentleman from Ohio, [Mr. GARFIELD,] now chairman of the Committee on Appropriations, and was referred to the Committee on Commerce. It was reported from the committee unanimously, as appears from the Globe. It passed the House, after a long and able discussion, by a nearly two-thirds vote. It went to the Senate, but afterward, on motion of Mr. Washburne, of Illinois, was recalled from the Senate for the purpose of placing upon it the proviso which is now found in the statute, the proviso being intended simply to secure the rights of the Government in reference to roads to which land grants had been made. It declares that all railroads in the United States shall have power to form connecting lines with roads of other States, and to transport over those roads passengers and freight on their way from one State to another State, and further, to receive compensation therefor. That, Mr. Speaker, was the object sought by the law; to say to the State of New Jersey, and to every other State of the Union, "You have not the power simply to charter one or more roads and say that no more shall exist without your permission, to carry freight and passengers on their way from one State to another."

Now I submit to the House the question, what power is there on the part of these State roads to form these connections and to constitute these through lines without the action of Congress? Congress comes in and by affirmative legislation declares that these roads shall have the power without regard to the action of the States; and what was the result? It gave to this road, which was deprived by the law of the State of New Jersey and the decisions of her courts of the right to carry passengers and freight from one State to another, that right; and that road and every other in the United States may now exercise that right notwithstanding the Legislature of New Jersey and the highest courts of New Jersey declared that the power did not exist.

I submit, then, in all candor, to every gentleman in this House, has

not Congress exercised the power to regulate interstate commerce by railroad? By virtue of what law do these roads receive compensation to-day for transporting through freight and passengers from one State to another? By virtue of this statute which I hold in my hand, and which I have just read in the hearing of this House. They may form connections, and they may form through lines and receive the compensation which they could not do without the act of Congress, and which the State of New Jersey forbade a railroad to receive.

Now, Mr. Speaker, what more do we propose by the bill before the House?

Mr. ELDREDGE. If the gentleman will allow me, I should like to ask him a question.

Mr. HAWLEY, of Illinois. I yield to the gentleman.

Mr. ELDREDGE. Although I do not concede the power to pass that law which the gentleman has referred to, and which I remember being discussed in the Thirty-eighth Congress, yet is there not a manifest distinction between that law and the bill now under consideration? Is not the one in the interest of freeing commerce and of taking away restrictions, while the other is in the direction of the limitation and enslaving of commerce?

Mr. HAWLEY, of Illinois. Does the gentleman mean that the bill now pending is a limitation on commerce?

Mr. ELDREDGE. I say that the bill now pending is, in my judgment, a limitation on commerce. It is in the direction of restricting and enslaving commerce.

Mr. HAWLEY, of Illinois. I did not yield for an argument; I yielded for a question merely. Now the point I make on that statute is this: I say that Congress has acted on this question. It has deliberately, after due consideration, declared, in regard to the State railroads chartered by State authority, exercising their powers by virtue of the power given them by the Legislature—notwithstanding that there may be a restriction in the charters prohibiting them from forming lines of connection with railroads in other States and carrying freight on its way from one State to another; notwithstanding the State, by its highest judicial authority, has declared that the Legislature had the power to make the prohibition—Congress has declared that that prohibition shall not exist, and that they may receive compensation.

The gentleman from Wisconsin [Mr. ELDREDGE] says that the pending bill will lay a restriction upon commerce. I say no; and I will show the gentleman, I think, before I conclude, that I am right in saying so. He will say, with the gentleman from New Jersey, [Mr. SCUDDER,] that commerce, as carried on by railroad, should be free from control by Congress, and should be left to the States. The gentleman from New Jersey the other day, in addressing the House, said that the effect of the decision of the Supreme Court of the United States in the case of Gibbons *vs.* Ogden was to declare that commerce is and should be free. "Hands off," is his expression. We propose, Mr. Speaker, to say by this bill, in continuation of the law we have already passed, "hands shall be off;" neither the State Legislatures nor the State courts can lay a restriction upon commerce; neither the State of New Jersey, nor the State of Pennsylvania, nor the State of New York can by its State Legislature lay a restriction upon the commerce of the people of the Northwest, the people of the State of Illinois, from which State I come, the people of Wisconsin, from which the gentleman who interrupted me a moment ago comes, when the commerce of those States is seeking an outlet to the sea-board.

We propose to say not only to the States that they shall not lay restrictions upon commerce, but we propose to say to these giant corporations, you shall not do it. We propose to make commerce free. That is the very object of the bill, and should be the object of all legislation upon this great subject. Does the gentleman tell me that it is the object of those having this bill in charge to lay a restriction upon commerce so that freights shall be higher and there shall be greater difficulty in getting productions from the interior to the sea-board? I am sure if he does he is not borne out by the facts.

But to return to the point. Congress declared by that law that these railroad companies should have power to form continuous lines, and to receive compensation for transportation over those lines. We go now but one step further. We say that that compensation shall be reasonable. Sir, if we had the power to pass that law and say that they should receive compensation, may we not say that that compensation shall not be extortionate, unjust, and unreasonable? That is all we propose by this bill.

The gentleman from Vermont [Mr. WILLARD] tells us that the State Legislatures may regulate this matter, because they chartered the roads. I concede, Mr. Speaker, that the State Legislature may regulate the transportation of all commerce which is entirely within the limits of the State; it may do that; but whenever it assumes to control commerce between the several States, whether it be transported by a creature of its own creation or not, it must not lay its hand upon that transportation. So Congress declared in the passage of the bill to which I have referred, and so the Supreme Court of the United States has held over and over again. How else can you interpret the decision of the Supreme Court which has been so often referred to here in the case known as the State freight tax, the case of the Philadelphia and Reading Railroad *vs.* The State of Pennsylvania? The State of Pennsylvania had laid a tax upon all freight passing over the railroads of that State. If it be true, as contended by the gentleman from Vermont, that the States themselves can regulate all commerce both internal and among the several States, the State of Pennsylvania had the power to lay that tonnage tax. But what does the Supreme Court of the United States say to the State of Pennsylvania? It says you have no power to lay a tonnage tax upon all the commerce passing through your State, because a great part of that commerce comes from points without your borders and is merely being transported across your State on its way to the sea-board or from the sea-board. That is what the Supreme Court said in that case, and no man will deny that I correctly interpret the decision.

Mr. ELDREDGE. The gentleman will allow me to suggest that that was in the interest and in the direction of freeing commerce; and this bill, as I claim, is a restriction on commerce.

Mr. HAWLEY, of Illinois. Not at all; the gentleman is very much mistaken. How can it be said to be a restriction on commerce when we propose to regulate commerce, as the gentleman must concede, in the interest of the great body of the people? The Supreme Court of the United States say that no power exists in a State to lay its hand upon this commerce.

Mr. ELDREDGE. This bill takes this power away from the Legislatures of thirty-seven States, and puts it in the hands of an autocratic commission of nine men selected by the President of the United States.

Mr. HAWLEY, of Illinois. Mr. Speaker, the gentleman from Wisconsin says that the bill takes this power away from thirty-seven States, and vests it in a commission. Sir, the gentleman loses sight of this fact, that none of the States in this Union, unless it be the State of Illinois and possibly one or two others, in their recent action, have ever attempted to regulate commerce that they have not really laid heavy burdens upon it. Sir, what else was meant by the action of the State of Pennsylvania when it laid its hand on the commerce of Illinois passing over its borders? The Supreme Court says that a State cannot lay its hand upon that commerce, because if it lays its hand on it to tax it, or regulate it at all, it may annihilate it. Tell me that a State may regulate commerce on its way from Illinois to New York and you tell me that it may oppress it, that it may lay on it any tax it may see fit.

Sir, what did the State of New Jersey do? It declared that not one ton of freight and not one passenger or soldier should pass across that State except upon the Camden and Amboy road, in which the State was a large owner and stockholder.

Mr. ARTHUR. Will the gentleman allow me to ask him a single question?

Mr. HAWLEY, of Illinois. I have but an hour, and I cannot yield.

Mr. ARTHUR. I merely desire to call the gentleman's attention to the decision of the Supreme Court in the case of the Reading Railroad Company *vs.* The State of Pennsylvania.

Mr. HAWLEY, of Illinois. The gentleman has referred to that, and quoted the decision in his speech, and I must decline to yield to have it read now; I have not time. I repeat, Mr. Speaker, that whenever the States on the sea-board have sought to regulate commerce they have invariably laid burdens upon it. Did not the gentleman from Kentucky, in the elaborate speech which he made here, declare that one of the main objects for which the framers of the Constitution placed this power in the hands of Congress was to take it away from the States? He says that the Constitution of the United States was framed for that reason, not only more than any other, but more than all others. Now, whenever you concede the right of the States to control this interstate commerce you have yielded everything, because whenever you admit they may control it, they may lay heavy burdens upon it, and the history of the legislation of the country shows that uniformly when they have attempted to regulate commerce between the States they have laid restrictions upon that commerce and have not sought to liberate it.

I repeat that we are simply following in the line which has been before adopted by Congress in reference to this subject. Congress has assumed this power to control commerce among the several States. Will it be contended that the several States can control commerce between the United States and foreign nations? Can they lay their hands upon that power? Can they exercise it? The Supreme Court has said, in every decision it has ever made upon the subject, that the power to regulate commerce among the several States was as absolute and complete in Congress as the power to regulate commerce with foreign nations. Will any one say that the States have the right to control commerce with foreign nations? If they have it in any degree they have it all.

I have shown from the address of the convention which framed the Constitution of the United States, and which was adopted by the unanimous vote of the convention, that one of the great objects for which the Constitution of the United States was framed was to give to Congress control over commerce with foreign nations and among the several States, and to take it away from the States.

I now call attention for a moment to the discussion which occurred upon this subject in Congress in 1864. I will show to the House that the gentlemen who then opposed the bill which became a law in 1866 opposed it with much more earnestness and much more zeal than any gentleman has displayed in opposition to the pending bill in the course of this discussion. They then declared, as the gentleman from New Jersey, [Mr. SCUDDER,] the gentleman from Kentucky, [Mr. ARTHUR,] and the gentleman from Vermont, [Mr. WILLARD,] and many others who have spoken against this bill have declared, that it was interfer-

ing with the rights of States; that it was taking away from the States the exercise of those rights and powers which had been reserved to them; that it was a usurpation on the part of Congress to exercise this power.

It cannot now be said that the law of 1866, although a general law, was not aimed at the very case which I have cited. It was so regarded by the gentlemen from New Jersey then representing that State upon this floor. And they made earnest appeals to this House in 1864 not to pass the bill. They were opposed to its becoming a law because they said it interfered with vested rights. And so these gentlemen who now oppose this bill propose to vote against it because, they say, it interferes with vested rights and with the rights of the States. The gentleman from Vermont [Mr. WILLARD] when addressing us on yesterday said:

Do gentlemen claim that there is power on the part of Congress to do anything that shall interfere with vested rights, with contracts, and with decisions of the courts?

I read from the speech of Mr. Starr, of the State of New Jersey, in the course of debate in 1864, when this subject first came up. In addressing the House he used these words:

Here is a contract that has been affirmed and reaffirmed by the contracting parties, and by the courts whenever its validity has been questioned, and subject to this contract these corporations accepted their charters.

Now, sir, these companies come here asking Congress in defiance of the power creating them, against their own express obligations to the State of New Jersey that gave them existence, to violate the laws, the very laws of that State by virtue of which they exist. Will this House, without some overpowering necessity, take away, by the passage of this bill, the jurisdiction and power of the State itself over the corporations within her limits and of her own creating, and destroy the vested rights of the citizens of New Jersey, who hold their property by virtue of the laws of the State, now attempted to be thrust aside, not, as I believe, from any necessities of the country at this time, but rather to relieve the necessities of the English bondholders, who hold the $600,000 of the bonds of these corporations, now pressing the passage of this law?

I also read a paragraph from the speech of Mr. Rogers, from the same State, on this subject. Upon the same occasion he said:

This proposed legislation before the House is one that has never been proposed to the Congress of the United States before in the history of this country. It is an unusual and unprecedented attempt to transfer the power and jurisdiction of a State over its railroads and canals located solely within the lines of that State to the Halls of Congress, and to override and set at naught the decisions of the courts of New Jersey in reference to one of its own domestic railway systems, established by its own sovereign power within its own jurisdiction, and only on its own soil.

Further on in his remarks he uses this language:

The Legislature afterward, in 1854, chartered another railroad company, the Raritan and Delaware Bay Railroad, (the other line named in this bill,) to construct a road from some suitable point on Raritan Bay, east of the village of Keyport, in the county of Monmouth, by the way of certain designated places, to Cape Island, on the Atlantic Ocean, for the purpose of doing local business between these two particular points. The charters of these roads were subject to the charter of the Camden and Amboy Railroad. These roads, when they accepted their charter, knew that they had no right to compete in business with the joint companies, and they took their charters with full knowledge of the exclusive privileges granted by the State to the joint companies.

After thus taking their charters, they come here to Congress and ask Representatives from Ohio, from New York, and other States, men of the East and men of the West, to trample upon the laws of the State of New Jersey, to trample upon the decisions of her courts, to destroy her domestic railroad communications, and place them under the sole jurisdiction of the United States!

I now call attention to the speech of the gentleman from New Jersey, [Mr. SCUDDER,] made upon this floor a few days ago in opposition to this bill. Speaking then of the decision of the court in the case of Gibbons *vs.* Ogden, and in the other cases decided by the Supreme Court touching this subject, he said:

A great many things were said in that opinion, and a great many things said in other opinions pronounced by the Supreme Court of the United States and other learned tribunals; but when we come to examine every decision made by that high tribunal or any other tribunal on this subject, we may sum it all up in these few words: "You seek to impose restrictions on commerce; you cannot do it. Hands off; commerce is free." That is the upshot of it. That is all that was ever decided by any court. They have held that a passenger coming into the country could not be compelled to pay taxes by State authority. That was, "Hands off; commerce is free." They have held even a bill of lading, which represented interstate commerce or foreign commerce, could not be taxed by State law. Hands off!

Now, Mr. Speaker, this power has never, at any time, been exercised by fixing the rates for which common carriers could transport. Learned gentlemen may read extracts from opinions and learned essays on this subject, but when we come to find the particular subject-matter which has been adjudged, there is no case which declares that the business of transportation can be regulated by Congress by fixing the rates.

Again, he uses this language:

We have steam navigation from State to State, and coastwise from State to State. Has Congress ever attempted to fix the rates of steam navigation? You must consider, so far as the States are concerned, they have reserved the right in their charters to limit the rates, and the companies incorporated have accepted the contracts as granted by the State Legislature. They are contracts, and have been accepted, and accepted with these conditions, that the State can regulate them. According to this bill, though by the contract the State can regulate the rates of fares, it is sought to transfer to another tribunal outside of the State this very power of fixing the rates, and that produces at once conflict between State authority and the authority of the United States.

Now, Mr. Speaker, I have shown that Congress has already interposed, and has entirely overturned, not only the legislation of the State of New Jersey, but the most solemn decisions of her courts, so far as this question is concerned.

The gentleman from Kentucky, [Mr. ARTHUR,] in discussing this question, said:

A cursory survey of the statute laws of the States will demonstrate innumerable instances of very important regulations materially affecting commerce. The details would expand into a mass. Those laws stand, and have stood, through every vicissitude. Instances of a familiar class are apparent. On and over navigable waters they have created and regulated steamboat and other commercial companies, and exclusive ferry franchises, which more or less interrupt or appropriate the freedom of navigation. Over land they have authorized and regulated roads of every description, canals, and stage and transportation lines for passengers and freight, which commonly intersect continuous routes at the boundaries of adjoining States. Over all these, and all other species of highways, their sovereignty has operated unchallenged by any questions of repugnancy to Federal power.

Now, Mr. Speaker, it is objected by gentlemen who have spoken against this bill, and by the gentleman from Wisconsin [Mr. ELDREDGE] in his interruptions to my remarks, that it is proposed to transfer power from the several States and place it in the hands of commissioners. Sir, what security has this country that commerce will be controlled in the interest of the people if the thirty-seven States now in existence, and perhaps a hundred in time to come, are to control this subject? If the commerce of this great and growing country is to be placed in the hands of the several States, they will, as I have already shown, exercise this power not for the benefit of the States and people generally, but each State will exercise the power for its own benefit, as was the case before the Constitution of the United States was adopted, when the evil became so great and alarming that the people fled from the then existing government and put the power to control this subject in the proper branch of the General Government, the Congress of the United States.

Mr. ELDREDGE. May I interrupt the gentleman?

Mr. HAWLEY, of Illinois. I decline to be interrupted; I have not the time.

It has been said, not only by the gentleman from Wisconsin but by many others who have spoken in opposition to this bill, that we propose to place this power in the hands of nine commissioners who may be controlled improperly. Mr. Speaker, we have a Supreme Court consisting of but nine judges. They are nominated by the President and confirmed by the Senate just in the manner proposed by this bill. In the hands of those nine judges are placed all the interests of this great country that can ever come for judgment before the highest court of this nation. Yet, sir, who ever heard any one question the integrity of those nine judges? Can there not be appointed under this bill nine men who can be trusted, who will be competent to regulate the tariff of rates for the transportation of passengers and freight? In any event the subject is always under the control of Congress, and if this mode is found not to work well Congress can easily change it and substitute another and a better.

Many gentlemen say that this question is not susceptible of regulation by legislative authority. Mr. Speaker, the men who control these railroads have no trouble in regulating this matter. Five of them can any day get together in New York and regulate the commerce of this great country in all its parts. Only five of them, I believe, gathered there early in December last, and declared that 33⅓ per cent. should be added to the tariff of rates from all the Northwest; and the people from my State and district, from Iowa and from all the northwestern country, must pay this additional charge. It did not take these railroad managers many days to do that. It does not take a convention of ticket agents or freight agents a great while, when they get together, to agree what the rate shall be for transportation of freight and passengers. Do gentlemen tell us that the nine men who may constitute this commission, under the law, cannot regulate the rates of railroad travel and transportation? Is the matter so intricate that no man is competent to regulate it unless he is personally interested in it? Is it so intricate that it cannot be regulated except by the men who stand at the head of these great railroads? They regulate it at present absolutely. They have laid an iron hand upon the commerce of this country; they have amassed from the labor and the industry of the nation great fortunes. They have imposed upon the commerce of the country burdens which the people now declare they cannot and will not longer bear. I believe, sir, the time has come when it is the duty of Congress to lay its hand upon these great corporations—not to crush them, not to destroy them, not to injure them in any regard; but to control and regulate them by law, as the Constitution of the United States declares we may do, and as is demanded by the great and growing interests upon which these corporations have laid the hand of power so oppressively. If we refuse to do this we neglect a great duty imposed upon us by the Constitution itself.

Sir, we have now nearly eighty thousand miles of railroad stretching throughout the country, east and west, north and south; and in the future these roads will cover an extent of one million miles. How vast the amount of the interests that will then be involved in this traffic. Forty thousand million dollars would not be too high an estimate for the amount which will be thus invested when we shall have as many railroads in proportion to the area of our country as some of the European countries now have. This is not mere guess-work; it is not only possible, but more than probable, that it will be realized. Shall we now say that this railroad power is so great that we cannot control it, that we will not undertake to exercise any power over it, but will leave it to the several States? For one, I say that it is worse than folly to talk about leaving the interstate commerce to be controlled and managed by the several States. As to the commerce wholly internal in a State, neither I nor any other member of this House, so far as I know or believe, would assume to interfere with it. There is no power lodged here to control such commerce; but in reference to that which is interstate and carried on between the several

States of the Union, and that which is carried on between this and foreign countries, we have not only the power to regulate it but it is our duty to regulate it, and that duty we cannot postpone to any future time without neglecting a duty which we owe to the people of this country as their Representatives. The power is ample, the duty to exercise it is plain.

I thank the House for its attention, and if I have any time left I yield it, as I promised, to the gentleman from Indiana, [Mr. WILSON.]

The SPEAKER. The gentleman has four minutes left, but the gentleman from Indiana is not present.

Mr. ELDREDGE. If the gentleman from Indiana is not here, I should like to ask the gentleman from Illinois a question before he sits down.

Mr. HAWLEY, of Illinois. Very well.

Mr. ELDREDGE. I have been very much interested in the speech of the gentleman from Illinois, and especially in his remarks undertaking to answer the question I put to him, or rather the suggestion I made to him that this would be taking away the power from the States and putting it in the hands of nine commissioners. Has the gentleman considered the extent of the proposition, how much this will remove from the influence and power of the people this great question? Has he considered how little influence the people will be able to exert upon the Federal power which undertakes to regulate commerce, in comparison with their ability and power to influence the State Legislatures? He knows how readily they come into contact with the State Legislatures. He knows how little, on the contrary, the people influence the legislation of Congress. They appear at their State capitals and operate upon the men who control matters there. Here he knows we seldom ever see a farmer or agriculturist under any circumstances.

Mr. HAWLEY, of Illinois. If I have any time left, I should like to ask the gentleman from Wisconsin whether the States have any power to regulate interstate commerce, and if he thinks that the agriculturists of whom he speaks in each State could throng the Legislatures of all the other States to look out for their commercial interests to advantage?

Mr. ELDREDGE. I believe the States can regulate much more satisfactorily and with much more benefit to the country this question of transportation by railroads through their limits.

Mr. HAWLEY, of Illinois. The gentleman does not answer my question. Does not the Constitution of the United States prohibit them from exercising any such power as the control over interstate commerce?

Mr. ELDREDGE. The gentleman does not answer my question either. [Laughter.] I wish him to answer that, and then perhaps I will answer him.

Mr. HAWLEY, of Illinois. I ask the gentleman from Wisconsin whether he believes the several States have the power to control interstate commerce?

Mr. ELDREDGE. I feel so much interested in the answer which I expect from the gentleman from Illinois to my question that I will not take up his time, but will yield the floor to him for that purpose.

Mr. HAWLEY, of Illinois. I have already stated in answer to the gentleman, two or three times, that I do not believe that the States have any power to control interstate commerce, but that they had absolute power to control commerce within the limits of the States respectively. Now, does he believe there is any power on the part of the several States to control interstate commerce?

Mr. ELDREDGE. I have been waiting for the gentleman to answer my question.

[Here the hammer fell.]

Mr. MONROE. Mr. Speaker, I desire to express my approval of the purpose and general character of this bill. I will not say that it cannot be improved in some of its details; but that it is as free from defect as any measure of this kind which we are likely to pass, I am fully convinced.

I approve of this bill because it proposes that Congress shall engage in the regulation rather than in the construction of railroads. We might expend $100,000,000 for the construction of a great continental freight railroad connecting the Atlantic and Mississippi, with double track and steel rails, for the purpose of regulating freights by means of competition. It is true that we have not the money in the Treasury, but we could probably raise it if it were thought worth while to do so, by borrowing, or by the imposition of fresh taxes. But we must admit at the outset that such a road would cost us two dollars for every dollar that a well-managed private enterprise would find it necessary to expend. As soon as it should be understood that the Government had $100,000,000 to be expended upon contracts the Treasury would become the prey of a great multitude of adventurers, who would come in throngs from all points of the compass to divide the spoil.

I do not say this because I lack reasonable confidence in high officials here in Washington who should have the general management of such an enterprise. I should hope that, whatever party might be in power, the President, the members of his Cabinet, or other persons of high position here, who might accept so responsible a trust, would endeavor to discharge it honestly and efficiently. But the difficulty would lie deeper than this. It would be found in the very fact of imposing upon Government an amount and kind of work which no Government can properly perform. I do not believe that the Federal Government can successfully engage at the present time in the business of constructing and working roads on its own account. High officers of state would, no doubt, wish that the work should be thoroughly and economically done; but they could not give it their personal supervision nor attend to the expenditure of moneys, and in the end the millions appropriated for the object must be intrusted to an army of subordinates, some of whom would be honest and capable, while others would make it the study of their lives to get the most money for the least service rendered.

But if Congress should succeed in causing such a road as I have described to be built, it would very imperfectly answer the end sought. It would be necessary in the end to build several other roads of like character across the continent, and to construct or buy many branch roads also, in order to distribute competition sufficiently to regulate the freights of the whole country. I dare not vote to assume responsibilities so vast. In the present condition of our finances the inauguration of such a system of expenditure would not be right in itself, nor would it meet with the approval of the people. I deem it, then, a most commendable feature of this bill that it asks us not to build railroads, but to provide that those built, or to be built, by private enterprise shall be managed in a manner useful to all and hurtful to none.

I also approve this bill because it does not lay upon Congress the duty of fixing schedules of rates—a duty which this body is not well fitted to perform—but devolves it upon a commission, specially selected for the purpose. This relieves Congress from a pressure of personal solicitation, which is as annoying as it is unseemly, and which a small body could more readily escape. It is further evident that the regulation of rates must have an elastic character, and, to that end, should be committed to a small number of men who can be engaged in constant supervision of it, and modify it according to the varying conditions of trade.

In the few moments allowed me I shall not discuss further the constitutional power of Congress to regulate the management of railroads which convey our commerce from State to State, for I could not hope to add anything to the able and exhaustive arguments upon that subject to which the House has already listened. Nor can I afford to dwell upon the fact and the magnitude of the evil to be remedied, because this has been abundantly discussed both in and out of Congress, and is generally admitted. But assuming that there is a great evil demanding our attention, and that Congress, under the general grant of power to regulate commerce between the States has power to remove it, the practical question is, does this bill fairly answer the end proposed? Objections have been urged against it, and to some of these I will invite attention.

1. It is said that legislation of this kind is a violation of a well-established principle of political economy which maintains that the management of all branches of ordinary business lies outside of the proper jurisdiction of government; that that government is the best which interferes least with the business of the people; that natural competition and private enterprise are the best regulators of all departments of production and of traffic; that the people are best cared for when they are most let alone; and that the legislative body should be especially careful not to pass laws interfering with the compensation of labor or of any department of business for service rendered.

Now, I readily admit that this principle, with proper limitations, is a sound one. Other things being equal, that government is the best which interferes least with the common business of life. I think that only a great necessity (and such a necessity exists) could justify such an interference as that contemplated by this bill. I am not without sympathy with those who look with solicitude upon the tendency to accumulate powers here at Washington, and to extend the jurisdiction of the Government into new fields. There is danger of loading down the Federal Government with burdens which it was never intended to carry, and under which it might in time be crushed.

But while it is our plain duty to guard against this tendency, we must not be deterred, through fear of centralization, from such legislation as is necessary to protect the interests of the whole people.

Even that simplest theory of Government which limits its duties to the protection of life, liberty, and property, might not only permit but demand such legislation as that which we are now considering.

The proper regulation of railroads has intimate connection with the protection of life and property. There has been no instance in history of any civilized government which would not have interfered—which did not interfere when necessary—with any great business of the country which was conducted in such a manner as to injure the community at large. Numerous examples of this kind might be quoted, but they will readily occur to us all.

Obviously we cannot take the ground, that we will not undertake legislation which interferes with ordinary business. We have done this again and again. Our laws of the past do affect the wages of labor, the prices of all commodities, and the incomes from business. Our system of taxation does this, whether by tariff duties or taxes for internal revenue. The prices of wheat and corn, of silk and broadcloth, are not what they would have been without our interference. The tariff which we impose upon iron and other materials used in railroad construction undoubtedly affects the cost of transportation. We have even enacted that for all laborers in the employment of the Government eight hours of labor shall constitute a day's work. This law not only affects the wages of the class named, but also those

of other classes. It is evidently, then, too late, so far as precedents are concerned, to urge against this bill the objection that it interferes with the rewards of labor or business. If legislation is unwholesome and injurious merely because it changes prices, then half the important legislation of our country has been an outrage upon the welfare of the people.

It is worth observing what a change of opinion some men appear to have experienced within a few years upon this subject of interference with business. It is not long since Congress undertook to change the routes of commerce for this continent and for the world by bestowing princely subsidies upon railroad lines penetrating to the Pacific. It is the most marked instance of legislative interference with business in all history. It was an attempt not only to create new routes of commerce, but to injure or destroy old ones. To accomplish this, Congress gave away, in the language of the chairman of the Committee on Ways and Means of this House, "an empire on the north, a zone through the center of the continent, and principalities all through the Territories." Gentlemen seem to have borne this interference well enough. We then heard something said of the duty of Congress to legislate for the advancement of our commerce. But do our duties cease here? Has Congress no powers in regard to these great corporations, except to give them the property of the people, and when the bounty of the people is abused, and their interests suffer in consequence, are they to be told that they have no means of protecting themselves against injury from the organizations which their beneficence has blessed; that the people exist to bestow and to aid, but not to regulate or control or amend; that there is nothing in our civil polity to prevent a bountiful, an imperial munificence toward the railroads of the country, that they may lawfully accept to any extent and still stretch out their hands for more, and that it is only when we propose to hold them accountable for their magnificent privileges and franchises, and to ask that they shall not use these to the destruction of other interests greater even than their own, that sound principles of government are suddenly discovered to be in the way of further interference?

2. But, again, it is urged that the commission provided for in this bill is objectionable. It is said that the number of the commissioners is not the proper one. I hear the word "nine" pronounced in a tone of criticism, as if no commission could prosper that should consist of that number. But if the number is objectionable, for what reason? Is it too large or too small? It can hardly be considered too large to represent properly the immense and varied interests of different sections. It is perhaps large enough to work together with harmony and efficiency. The commission would not be quite so large as one of the standing committees of this House which I think has generally been found quite large enough to dispatch business promptly and without the delay of protracted debate. The number of the commissioners would at least be as great as the number of men who, as is commonly believed, have exerted a dominating influence over the vast railroad interests of the country. The four men at the head of the New York Central, the Erie, the Pennsylvania Central, and the Baltimore and Ohio roads are understood to have had the railroad interests of the nation very largely under their control. If four men have been found to be enough to manage our railroads in the interest of private ambition, nine would, perhaps, be able to do it in the interest of the people.

But it is further objected that these men will not be such in character, ability, and knowledge of affairs as to be fitted for so responsible a trust. I reply, that they are to be appointed by the President, by and with the advice and consent of the Senate. The high character of these official personages is believed to afford a strong guarantee that the selections made will be suitable. If it be said that this method of filling offices has not always been found a sufficient protection against incapacity or dishonesty, I can only say that all human modes of choosing officers are imperfect and liable to failure, and that this one is at least the highest, the most dignified, and the most carefully guarded of any known to our laws. It has been thought a suitable method for making appointments to the supreme bench of this nation and for choosing envoys extraordinary to the great powers of the world, and we may, perhaps, employ it without offense for selecting a railroad commission, at least until some better way of accomplishing the object shall have been pointed out to us. I may be unfashionable; but I must still contend that I can find no better guarantee for the protection of my interests, as one of the people, in filling offices of this kind than the judgment of the President of the United States as corrected and supplemented by the Senate. It may be added that this subject of the relations of our railroads to other interests has been so generally discussed, and such a deep interest is felt in it by the whole people, that this of itself would furnish sufficient motive, if motive were wanting, to the most careful consideration in the choice of officials toward whom the eyes of the whole nation will be turned.

But an objection of graver character sometimes offered upon this floor, and frequently repeated in the press since this subject has been under discussion, could, I think, have originated only in the want of a careful examination of the bill. It is said that this measure places the vast railroad interests of the country wholly under the control of the nine commissioners. If this were true it would be a fatal objection. I would not vote for such a bill, and certainly this House would not pass it. But the criticism is unfounded. What are the powers of the commissioners under this bill? They are authorized to take testimony and to collect all the information necessary to prepare for the railroads schedules of freights, which shall be reasonable and free from unjust discrimination, and to keep these schedules posted in the offices and depots of the roads for which they are designed. Should the officers of these roads disregard these schedules, the commissioners may then cause suit to be brought against them in any district or circuit court of the United States, for demanding and collecting unreasonable rates. Here the power of the commission ceases. The interests of both the railroad and the citizen are now in the keeping of a United States court, a tribunal which may be expected to be just and impartial, so long as just and impartial tribunals are found in the land. Before this court the schedules constitute only one portion of the evidence to be received and considered. The bill expressly provides that the railroad shall have opportunity to show the superior reasonableness of its rates of toll over those provided by the schedules, and if it can succeed in doing this it is acquitted of all blame. Can any one believe that these roads, with their immense resources, and with the best talent of the nation at their command, would not have an equal chance for a fair hearing in a contest of this kind with the citizens of the country. This commission has been spoken of by some as if it were itself a court for the trial of causes. But there is not a word of this in the bill. The commissioners have no power to impose a fine of one dollar, or penalty of any other kind, upon any railroad for the most flagrant misconduct. Indeed, where railroads have collected unreasonable rates or practiced unjust discriminations, the notice given them beforehand by the commissioners is a positive kindness, as it enables them by timely compliance to escape prosecution. If they have done no wrong, and the schedules furnished them are unreasonable, they may then go into court with quite as much hope of having their cause vindicated as any other innocent party.

So much for the objection that the powers intrusted to this commission are too great; but my esteemed colleague [Mr. WOODWORTH] urges an objection of precisely the opposite kind. He contends that the powers of the commissioners are too small, and regards the bill for that reason as being weak, vague, and ineffective. I might leave the gentlemen who press these conflicting objections to argue the question with each other, but may I not suggest to the House that a measure which is attacked from opposite extremes for such conflicting reasons may itself occupy the happy medium of moderation and of safety? And will it not occur to my colleague, who I know desires as much as I do to pass some law of this kind, that it is not worth while to enlarge the powers of this commission when the limited authority already granted them is made a principal objection to the passage of the bill?

3. It is further said that this bill will be sure to have some unwise provisions in it; that this is a most delicate and difficult subject for legislation; that the field is new, and that any attempt to occupy it is an experiment, and that we shall certainly find that any legislation which we may devise will work badly in ways that we do not now anticipate.

There is, no doubt, some truth in all this. Very likely we shall fall into some error; but, fortunately, when experience has shown what it is, it can soon be amended. All valuable legislation, especially in new directions, is largely experimental. Much of human life, in spite of all that history teaches, is still an experiment. But we are not to be deterred by this from the effort at improvement. We are not to leave the people of the country to suffer under great evils because we may happen to make some mistake in trying to help them. If legislation must be delayed by objections like this, all reform, all progress, must cease. The nation that will risk nothing will have nothing. We are not the men for a great crisis or a great time if we cannot take some responsibility. We learn from history that great reforms by Government have generally begun in honest and well-considered, but imperfect, legislation. This has been gradually improved as time has disclosed its defects, until finally the desired result has been achieved. We must be content to work by like means. Let us pass the best bill that we can agree upon, trusting to a future Congress to make such amendments as experience shall suggest. If we do this, I believe that we shall accomplish a great and permanent good. I am fully of the faith that whatever the welfare of the American people really demands there will ultimately be found a way to accomplish.

I am not without a proper appreciation of the great value of railroads to our country. National prosperity is now impossible without them. To destroy them would be to put us back a hundred years in the march of civilization. To attempt to injure them or to cripple their efficiency is madness. Such an attempt, if successful, would aggravate beyond endurance all the evils of which other interests in the country now complain. But while all this is strictly true, it is equally true that the more valuable the railroad interest is to us the more important it is that it should be wisely managed. Whatever else we may permit to go wrong, we cannot allow this branch of business to be perverted from its legitimate ends. Let us enact some fair, honest, and well-considered law, and time will demonstrate that it was done not less in the real interest of the railroads themselves than in the interest of other portions of the community.

Mr. SMITH, of Ohio. Mr. Speaker, I wish to give notice that if the previous question shall not be seconded on this bill I will, if I have the opportunity, offer the following substitute for the bill:

Be it enacted, &c., That no railroad company shall make any discrimination in its rate of charges between persons doing business with such company for the transportation of a like amount of freight, of like class, for a like distance, over the

line or connecting lines of railroad owned or operated by it, when such freight is being transported from one State to another, or to or from any foreign nation.

SEC. 2. That any railroad company owning or operating a line or connecting lines of railroad crossing a State line, or engaged in the business of transporting freight from one State to another, or to or from any foreign nation, shall establish and fix, and post up in some conspicuous place in each of its depots and stations, and keep constantly so posted, a classification of freights and its rates of charges a mile for the transportation of freight being transported from one State to another, or to or from any foreign nation, of each class, by the hundred-weight, by the ton, by the car-load, or by any specified number of car-loads, for every distance. The rates of freight so fixed and published shall be the lawful rates such railroad company shall charge in every case, except for Government freights and mails, and except for freight transported for purposes of charity, so long as such schedules of rates remain unchanged, and for thirty days thereafter. Every such railroad company shall also prepare and post, and keep constantly posted, in some conspicuous place in each of its depots and stations, a table showing the distance from each of its terminal depots to each of its stations in any other State on its entire line of road.

SEC. 3. That every railroad company violating any provision of this act shall, for every such violation, forfeit to the United States the sum of not less than $5,000, nor more than $50,000, at the discretion of the court, which shall be collected in the district court of the United States for the district where such violation may occur; and it shall be the duty of the district attorney for such district to prosecute the same to final judgment by action in the name of the United States.

SEC. 4. That the words "railroad company," as used in this act, shall be held to mean any corporation, company, combination of companies, person or persons engaged in transporting freight for hire from one State to another, or to or from any foreign nation, or on its way from one State to another, on any line or connecting lines of railroad. Nothing in this act shall be held to impair the right of any person to recover damages from any railroad company for any violation of the provisions of this act, or for any unlawful, unjust, or exorbitant charges for the transportation of any freight.

SEC. 5. This act shall take effect thirty days after its passage.

Mr. Speaker, I do not wish to be understood as being opposed to the bill of the gentleman from Iowa, [Mr. MCCRARY.] I will, if I can, get this House to pass something more in accordance with my own views; but if I cannot secure the adoption of my own bill, I will vote for that of the gentleman from Iowa. There are, however, in my judgment, some very serious objections to that bill.

In the first place, it recognizes and proposes to continue in existence the great fundamental evil of railroad management in this country—the principle of maximum rates. I assert, sir, that no just law can be passed either by a State Legislature or by Congress that recognizes this principle. A railroad is a public highway, and the people of the country have the right to its free and equal use. There can be no such thing as free and equal use of a highway on which one man is taxed more than another for the same service. This bill recognizes that principle of maximum rates. But, sir, we can never have any good law on the subject until we discard entirely the idea that different persons shall be charged different rates for similar service. Under the provisions of the bill I propose there is to be no discrimination between different persons for the same service. This must be the fundamental principle of any just law upon this question. It is impossible to have a good law until this principle is established and planted in the very foundation of the law.

There is another objection to this bill. It establishes what will become at no distant day a great bureau, which, within five years, will be a power in this country almost equal to one of the Executive Departments of the Government. This bill requires—

That said board of railroad commissioners shall institute a thorough investigation and inquiry into the rates of toll and compensation charged for transporting freights and passengers over each of such lines of railroad as are herein described and designated, and into the reasonableness thereof.

Now, to propose that nine men shall undertake to fix the reasonable rates of toll on more that seventy thousand miles of railroad is to propose what is impracticable. Is it not probable that this board of railroad commissioners will become the tools of the railroad companies? Why, sir, it is a great problem, as any railroad man will tell you, to fix the reasonable rates of toll on a single line of railroad; but here it is proposed to require that one man—for I presume that these commissioners will divide into sub-committees—shall undertake to thoroughly investigate and establish the rates of toll on eight thousand miles of railroad, which are rapidly increasing in extent. It is impossible. All that one man can do is to take the *dictum* of the railroad companies as to what is right and reasonable. I think that this will be found to be the effect of that provision of the bill. I greatly fear that this board will become the tool of the railroad companies.

Another objection to this bill is this: It does not in any manner attempt to regulate that part of the commerce of the country with foreign nations which is transported over our railroads. A very large part of the freight over our railroads is destined for foreign countries without passing across a State line. Under the Constitution we have as much power to regulate that business as we have to regulate that which is merely among the States. And I know of no good reason why freight going from Ohio, New York, or Michigan into Canada does not require the protection of the law as much as that which merely passes from one State to another.

The bill which I have proposed to the House provides for the regulation of rates of freight on its way to or from foreign countries over our railroads.

Notwithstanding these very grave objections to the bill under consideration, if I cannot procure the substitution of a better bill, I shall vote for it.

I concur most fully in all that the gentleman from Massachusetts [Mr. G. F. HOAR] has said about the necessity of regulating railroads by law. The power these great corporations have to oppress is fearful. No language can exaggerate it. Whole communities can be taxed without reason or justice by railroad management. Individuals may be sorely oppressed. This bill, bad as some of its provisions are, has in it some desirable things. Besides, it is at least an assertion of the power of Congress over the subject. If it should be found in its operation—as I think it will—to be defective, it can, when time and experience point out those defects, be amended. There is much more I would like to say, but my time has expired.

Mr. MCCRARY. As I have promised to give to other gentlemen the entire hour to which I shall be entitled after the previous question shall be ordered, I would like the indulgence of the House for about five minutes before making the motion for the previous question.

Several MEMBERS. Go on.

Mr. MCCRARY. Every provision of this bill, Mr. Speaker, has been carefully considered; and I wish to utter a word of warning here in regard to any proposition that may be presented which has not been carefully considered by a committee. If there is any subject upon which the House ought not to act hastily, it is this. The Committee on Railways and Canals have not undertaken to lay down in this bill an iron rule, because all experience shows that any such legislation would be worse than futile. The proposition of the bill of the gentleman from Ohio [Mr. SMITH] is not a new one. It has been tried in the State of Illinois and has failed utterly. There are a thousand circumstances that enter into the fixing of rates to be charged by railroad companies, and you cannot in an act of this sort lay down an iron rule which will apply to every road and under all circumstances. Hence it is that all authorities on this subject admit that the only regulation which is possible is in the nature of an executive regulation with power to make rules, and to change them if necessary to meet the changing circumstances which will occur from time to time. The Massachusetts commissioners said in their last report, made but a few days ago, that no law can be framed sufficiently flexible to provide in advance for all the requirements of a system so complex as that of modern transportation by rail. Some play of discretion for individual requirements is absolutely necessary; and this is the principle upon which this bill has been framed. I have no doubt this commission will very soon reach and establish certain general rules, certain great principles upon which they will base their action; but to apply the same rules under all circumstances is utterly impossible.

I repeat that after the previous question is ordered (if it should be ordered) I expect to yield my hour to other gentlemen, and not to say anything further myself.

I observe an error in the printed bill which I wish to correct by an amendment. I move to insert before the word "person," in the twelfth line of the second section, the words "company, corporation;" so that the clause will read as follows:

And for each and every violation of this act, by charging, collecting, demanding, or receiving more than such reasonable rate, the company, corporation, person or persons so offending shall be jointly and severally liable for extortion, as hereinafter provided.

I now withdraw the motion to recommit, and call the previous question on the bill and amendments as reported by the committee.

Mr. HOLMAN. Mr. Speaker, if the House should vote down the previous question the bill will, I believe, be open for amendment.

The SPEAKER. Should the House decline to second the demand for the previous question, the bill would then be open to amendment. It is now at the amendable stage.

Mr. HOLMAN. I hope the House will give a fair chance for amendments.

The SPEAKER. If the House should refuse to second the demand for the previous question, gentlemen who wish to offer amendments will be recognized.

The Chair will direct the vote on the previous question to be taken by tellers; and will appoint the gentleman from Iowa, Mr. MCCRARY, and the gentleman from Indiana, Mr. HOLMAN.

Mr. MCCRARY. I desire the vote on the previous question may test the sense of the House on the bill as reported from the Committee on Railways and Canals.

Mr. HOLMAN. I wish it to be open to amendment, so that it may be made less objectionable than it is.

Mr. PLATT, of Virginia. I do not agree to the proposition of the gentleman from Iowa [Mr. MCCRARY] that this is a test vote.

The House divided; and the tellers reported—ayes 100, noes 49.

So the previous question was seconded.

The question recurred on ordering the main question.

The House divided; and there were—ayes 75, noes 61.

Mr. HOLMAN. I demand tellers.

Tellers were ordered; and Mr. MCCRARY and Mr. HOLMAN were appointed.

The House again divided; and the tellers reported—ayes 104, noes 53.

Mr. SMITH, of Ohio. I demand the yeas and nays on ordering the main question.

Mr. HOLMAN. If the House does not order the main question will not the bill still be open to amendment?

The SPEAKER. Of course the seconding of the previous question goes for nothing if the main question is not ordered.

Mr. HOLMAN. I desire to strike out the clause creating a bureau, and all the features of the bill creating new and unnecessary offices.

Mr. G. F. HOAR. I object to debate.

The yeas and nays were ordered.

The question was taken; and it was decided in the affirmative—yeas 128, nays 96, not voting 66; as follows:

YEAS—Messrs. Albert, Barrere, Barry, Begole, Bell, Bowen, Bradley, Bundy, Burchard, Burrows, Benjamin F. Butler, Cain, Cannon, Cason, Amos Clark, jr., Clayton, Clements, Stephen A. Cobb, Coburn, Conger, Corwin, Cotton, Crooke, Crounse, Crutchfield, Danford, Dawes, Donnan, Dunnell, Elliott, Field, Fort, Foster, Freeman, Frye, Garfield, Gunckel, Hagans, Eugene Hale, Benjamin W. Harris, Havens, John B. Hawley, Hays, Gerry W. Hazelton, John W. Hazelton, George F. Hoar, Hodges, Hoskins, Howe, Hunter, Hurlbut, Hyde, Hynes, Kasson, Kelley, Kendall, Lamport, Lawrence, Leach, Lewis, Loughridge, Lowe, Luttrell, Lynch, Martin, McCrary, Alexander S. McDill, James W. McDill, MacDougall, McKee, McNulta, Mellish, Monroe, Myers, Nunn, Orr, Orth, Packard, Page, Isaac C. Parker, Pelham, Phillips, James H. Platt, jr., Poland, Pratt, Purman, Rainey, Ransier, Ray, Rice, Richmond, Ellis H. Roberts, James W. Robinson, Ross, Rusk, Sawyer, Henry B. Sayler, Isaac W. Scudder, Sener, Sessions, Shanks, Sheats, Sheldon, Sherwood, Lazarus D. Shoemaker, Sloan, Small, Smart, A. Herr Smith, Snyder, Sprague, Starkweather, Strait, Taylor, Thornburgh, Todd, Tremain, Tyner, Wallace, Walls, Whitehead, Whiteley, Charles G. Williams, William Williams, William B. Williams, James Wilson, Jeremiah M. Wilson, and Woodworth—128.

NAYS—Messrs. Adams, Arthur, Ashe, Atkins, Banning, Barber, Barnum, Beck, Berry, Biery, Bland, Blount, Bright, Bromberg, Buffinton, Caldwell, Cessna, John B. Clark, jr., Clymer, Comingo, Cook, Cox, Crossland, Curtis, DeWitt, Durham, Eames, Eldredge, Giddings, Glover, Gooch, Hancock, Henry R. Harris, John T. Harris, Harrison, Hatcher, Joseph R. Hawley, Hereford, Herndon, E. Rockwood Hoar, Holman, Houghton, Hunton, Jewett, Kellogg, Killinger, Knapp, Lamar, Lansing, Lawson, Magee, Marshall, McLean, Milliken, Mills, Moore, Neal, Niblack, O'Neill, Packer, Hosea W. Parker, Parsons, Perry, Phelps, Pierce, Pike, Potter, Randall, Read, Robbins, William R. Roberts, James C. Robinson, Milton Sayler, Scofield, Henry J. Scudder, H. Boardman Smith, John Q. Smith, Southard, Speer, Standeford, Stone, Storm, Strawbridge, Vance, Waldron, Marcus L. Ward, Wells, Wheeler, Whitehouse, Whitthorne, Charles W. Willard, George Willard, Willie, Ephraim K. Wilson, John D. Young, and Pierce M. B. Young—96.

NOT VOTING—Messrs. Albright, Archer, Averill, Bass, Brown, Buckner, Burleigh, Roderick R. Butler, Freeman Clarke, Clinton L. Cobb, Creamer, Crittenden, Crocker, Darrall, Davis, Dobbins, Duell, Eden, Farwell, Robert S. Hale, Hamilton, Harmer, Hathorn, Hendee, Hersey, Hooper, Hubbell, Lamison, Lofland, Lowndes, Maynard, McJunkin, Merriam, Mitchell, Morey, Morrison, Negley, Nesmith, Niles, O'Brien, Pendleton, Thomas C. Platt, Rapier, John G. Schumaker, Sloss, George L. Smith, J. Ambler Smith, William A. Smith, Stanard, Stephens, St. John, Stowell, Swann, Sypher, Charles R. Thomas, Christopher Y. Thomas, Townsend, Waddell, Jasper D. Ward, White, Wilber, John M. S. Williams, Wilshire, Wolfe, Wood, and Woodford—66.

So the main question was ordered to be put.

During the vote

Mr. MAYNARD said: Mr. Speaker, I have received a note from the gentleman from North Carolina, Mr. COBB, saying that in consequence of the illness of a member of his family he is detained from the sitting to-day, and desiring me to say so to the House. I desire further to say that on the bill under consideration I am paired with the gentleman from Rhode Island, Mr. PENDLETON, and I shall consider that pair as extending to all incidental questions.

Mr. EDEN. I wish to say that I am paired with the gentleman from Arkansas, Mr. WILSHIRE, who is in favor of the bill, while I am against it.

Mr. PELHAM. I desire to state, Mr. Speaker, that my colleague, Mr. WHITE, is still detained at his room by illness; if present he would vote in the affirmative.

Mr. POLAND. My colleague, Mr. HENDEE, who is necessarily absent, has given me no distinct authority as to how he would vote; but I judge that he would vote in the affirmative.

The vote was then announced as above recorded.

Mr. McCRARY. I move to reconsider the vote by which the main question was ordered, and also move that the motion to reconsider be laid upon the table.

The latter motion was agreed to.

Mr. NIBLACK. Is it in order to lay the bill upon the table?

The SPEAKER. It is.

Mr. NIBLACK. Then I make that motion.

Mr. RANDALL. I demand the yeas and nays on that motion.

Mr. G. F. HOAR. Does that deprive the chairman of the Committee on Railways and Canals of his right to close the debate?

The SPEAKER. If the gentleman from Iowa takes the floor, the Chair will recognize him.

Mr. McCRARY. I think it unnecessary to take an additional vote on that question.

Mr. SPEER. Will the gentleman from Iowa yield to a motion to adjourn?

Mr. McCRARY. Not now.

The SPEAKER. The Chair will regard the motion of the gentleman from Indiana as pending.

Mr. KASSON. Will my colleague allow me to ask this question, whether as manager of this bill he is not willing to have it brought to a final vote to-night?

Mr. McCRARY. I am quite willing to do so, except for the reason I have agreed to yield to other gentlemen, as I have already stated, and unless there is a strongly expressed desire to have the vote to-night I shall feel bound to carry out that arrangement. [Cries of "Vote!" "Vote!"]

Mr. KASSON. I think we ought to take a final vote to-night, so that we may go to the other public business which is pressing. If the gentleman will yield to me I will make a motion to test the sense of the House on that question.

Mr. McCRARY. If the House desires to vote to-night, I shall not insist on my right to the closing hour.

The SPEAKER. That can be tested on a motion for adjournment. If the House shall negative the motion to adjourn, it will be understood that the House desires to come to an immediate vote. If the House shall vote to adjourn, that will throw it over till to-morrow.

The question being taken on the motion to adjourn, there were—ayes 86, noes 113.

So the House refused to adjourn.

The SPEAKER. The Chair accepts this vote as an indication of the desire of the House to come to a vote on the bill. The first question is on the motion of the gentleman from Indiana, [Mr. NIBLACK,] which is that the bill do lie upon the table.

Mr. SPEER. On that question I call for the yeas and nays.

The yeas and nays were ordered.

Mr. ELDREDGE. I move that the House do now adjourn.

The motion to adjourn was not agreed to.

The question was taken on the motion to lay the bill on the table; and there were—yeas 92, nays 128, not voting 70; as follows:

YEAS—Messrs. Adams, Albert, Arthur, Ashe, Atkins, Banning, Barber, Barnum, Beck, Bell, Berry, Biery, Bland, Blount, Bowen, Bright, Bromberg, Buckner, Caldwell, John B. Clark, jr., Clymer, Comingo, Cook, Cox, Crooke, Crossland, DeWitt, Durham, Eames, Eldredge, Giddings, Glover, Hancock, Henry R. Harris, John T. Harris, Harrison, Hatcher, Joseph R. Hawley, Hereford, Herndon, Houghton, Hunton, Kellogg, Knapp, Lamar, Lansing, Lawson, Magee, Marshall, McLean, Milliken, Mills, Moore, Myers, Neal, Niblack, Niles, O'Neill, Hosea W. Parker, Parsons, Perry, Phelps, Pierce, Pike, Potter, Randall, Read, William R. Roberts, James C. Robinson, Milton Sayler, Henry J. Scudder, Isaac W. Scudder, Southard, Speer, Standeford, Storm, Strawbridge, Townsend, Tremain, Vance, Waldron, Marcus L. Ward, Wells, Wheeler, Whitehouse, Whitthorne, Charles W. Willard, George Willard, Willie, Ephraim K. Wilson, John D. Young, and Pierce M. B. Young—92.

NAYS—Messrs. Averill, Barrere, Barry, Begole, Bradley, Buffinton, Bundy, Burchard, Burrows, Cain, Cannon, Cason, Cessna, Amos Clark, jr., Clayton, Clements, Stephen A. Cobb, Coburn, Conger, Corwin, Cotton, Crounse, Crutchfield, Curtis, Danford, Dawes, Donnan, Duell, Dunnell, Field, Fort, Foster, Freeman, Frye, Garfield, Gooch, Gunckel, Hagans, Eugene Hale, Benjamin W. Harris, Havens, John B. Hawley, Hays, Gerry W. Hazelton, John W. Hazelton, E. Rockwood Hoar, George F. Hoar, Hodges, Holman, Hoskins, Howe, Hunter, Hurlbut, Hyde, Hynes, Kasson, Kelley, Kendall, Killinger, Lamport, Lawrence, Lewis, Loughridge, Lowe, Luttrell, Lynch, Martin, McCrary, Alexander S. McDill, James W. McDill, MacDougall, McNulta, Mellish, Merriam, Monroe, Nunn, Orr, Orth, Packard, Packer, Page, Isaac C. Parker, Pelham, Phillips, Poland, Pratt, Purman, Rainey, Ransier, Ray, Richmond, Robbins, Ellis H. Roberts, James W. Robinson, Rusk, Sawyer, Henry B. Sayler, Scofield, Sessions, Shanks, Sheats, Sheldon, Sherwood, Lazarus D. Shoemaker, Sloan, Small, Smart, A. Herr Smith, H. Boardman Smith, John Q. Smith, Snyder, Sprague, Starkweather, Stone, Strait, Taylor, Thornburgh, Todd, Tyner, Wallace, Walls, Whitehead, Whiteley, Charles G. Williams, William Williams, William B. Williams, James Wilson, and Woodworth—128.

NOT VOTING—Messrs. Albright, Archer, Bass, Brown, Burleigh, Benjamin F. Butler, Roderick R. Butler, Freeman Clarke, Clinton L. Cobb, Creamer, Crittenden, Crocker, Darrall, Davis, Dobbins, Eden, Elliott, Farwell, Robert S. Hale, Hamilton, Harmer, Hathorn, Hendee, Hersey, Hooper, Hubbell, Jewett, Lamison, Leach, Lofland, Lowndes, Maynard, McJunkin, McKee, Mitchell, Morey, Morrison, Negley, Nesmith, O'Brien, Pendleton, James H. Platt, jr., Thomas C. Platt, Rapier, Rice, Ross, John G. Schumaker, Sener, Sloss, George L. Smith, J. Ambler Smith, William A. Smith, Stanard, Stephens, St. John, Stowell, Swann, Sypher, Charles R. Thomas, Christopher Y. Thomas, Waddell, Jasper D. Ward, White, Wilber, John M. S. Williams, Wilshire, Jeremiah M. Wilson, Wolfe, Wood, and Woodford—70.

So the House refused to lay the bill on the table.

During the roll-call, the following announcements were made:

Mr. VANCE. I am requested by my colleague, Mr. LEACH, to state that he is detained from the House by sickness.

Mr. SOUTHARD. My colleague, Mr. JEWETT, is necessarily absent in a committee-room, along with Mr. WILSON, of Indiana. They are paired. If here Mr. JEWETT would vote "ay," and Mr. WILSON "no."

Mr. HOSKINS. My colleague, Mr. BASS, is absent, by order of the House, on the District investigation committee.

Mr. RICE. Mr. STANARD, of Missouri, is absent from the House. I am paired with him. If he were here he would vote "no," and I would vote "ay."

Mr. CONGER. My colleague, Mr. HUBBELL, is absent on the District investigating committee, by leave of the House. If present he would vote "no."

The result of the vote was then announced as above recorded.

The SPEAKER. The question recurs on concurring in the amendments of the committee. The Clerk will report them.

Mr. SENER. I ask permission to have printed in the CONGRESSIONAL RECORD an amendment which I would have offered at the proper time if I could have got the floor. I struggled in vain all day to get the permission from the gentleman who has charge of the bill.

There was no objection. The proposed amendment was as follows:

Add to the bill the following as an additional section:

SEC. 15. That all the provisions of this act shall be applicable to and be deemed to embrace not only each and every line of railroad extending into or through two or more States, and employed in carrying freight or passengers between points or places in different States, but every company, corporation, or person owning any vessel or boat propelled in whole or in part by steam which may now or hereafter be employed in carrying freight or passengers between points or places in different States.

Mr. McCRARY. The amendments of the committee in the body of the bill are merely verbal, and I presume will be concurred in without a formal vote.

The SPEAKER. If there be no objection those amendments will be regarded as concurred in. The Clerk will report the last amendment reported by the committee.

The Clerk read as follows:

Add as an additional section to the bill the following:

SEC. 15. That all unjust discrimination in the matter of charges for carrying freight or passengers over or upon any such line of railroad as is herein described is hereby prohibited; and any corporation, company, or person engaged in operating any such line of railroad who shall be guilty of any such unjust discrimination in making or collecting such charges, in favor of or against any person, firm, or com-

pany, or in favor of or against any particular place on the line or at a terminus of such road, shall be subject to the same penalty as that provided in cases of extortion under this act; and such penalty shall be enforced in the same manner as in such cases of extortion; and the party injured by any such unjust discrimination shall have his action for damages in the same manner as in cases of extortion.

Mr. SPEER. How does that amendment come before the House?

The SPEAKER. It is reported by the committee.

Mr. SPEER. Since the previous question was seconded?

The SPEAKER. When the committee reported back the bill they reported this as an amendment.

Mr. SPEER. It is not printed with the bill.

The SPEAKER. Yes; the Clerk has read the amendment from the printed copy.

Mr. SPEER. It is not printed in the bill which is on the files of members.

The SPEAKER. What is the printer's number of the bill which is on the gentleman's file?

Mr. SPEER. It is printer's number 1316; and the amendment is not in this copy of the bill.

The SPEAKER. The copy of the bill from which the Clerk read is printer's number 2181.

Mr. McCRARY. The bill was printed and referred to the committee; and when the committee reported it back it reported it with this amendment; and as printed with the amendment it has been on the files for a month.

The SPEAKER. The bill in the shape in which the Clerk read it, with the amendment, was ordered to be printed on the 26th day of February.

The question being taken on the amendment of the committee, it was agreed to.

The question was on ordering the bill, as amended, to be engrossed and read a third time.

Mr. HOLMAN. I trust the gentleman from Iowa will now allow a motion to strike out the bureau provided for in the Interior Department in the last section but one of the bill.

Mr. McCRARY. I must decline to admit any amendments now.

The bill, as amended, was ordered to be engrossed and read a third time.

Mr. McCRARY. I call the previous question on the passage of the bill.

Mr. ELDREDGE. I move that the House do now adjourn.

Mr. NIBLACK. I ask for the reading of the engrossed bill.

Mr. McCRARY. If the gentleman from Indiana insists upon the reading of the engrossed bill I shall agree to the motion for adjournment.

The SPEAKER. Pending the reading of the engrossed bill the gentleman from Indiana [Mr. NIBLACK] demands that the engrossed bill shall be read at the Clerk's desk.

Mr. BUTLER, of Massachusetts. Then I move that the House do now adjourn.

The SPEAKER. The gentleman from Wisconsin [Mr. ELDREDGE] has a motion pending to that effect.

Mr. DONNAN. I call for the yeas and nays on the motion to adjourn, so as to give time for the engrossment of the bill.

Several MEMBERS. O, no; the bill cannot be engrossed.

Mr. DONNAN. Satisfied that the bill is too long to be engrossed during the call of the roll, I withdraw the demand for the yeas and nays.

The question was taken on Mr. ELDREDGE's motion, and it was agreed to; and accordingly (at five o'clock p. m.) the House adjourned.

PETITIONS, ETC.

The following memorials, petitions, and other papers were presented at the Clerk's desk, under the rule, and referred as stated:

By Mr. ARCHER: The petition of Nathaniel Pope Causin, administrator of Colonel John H. Stone, praying certain relief, to the Committee on War Claims.

By Mr. BUTLER, of Massachusetts: Protest of dealers in hats, of Boston, against any further extension of the Wells patent for forming hat-bodies, to the Committee on Patents.

Also, the petition of certain citizens of the State of Texas, for a hearing before Congress on the condition of affairs in that State, to the Committee on the Judiciary.

Also, the petition of New York merchants, praying for more currency, to the Committee on Ways and Means.

By Mr. CONGER: The memorial of citizens of Saint Clair County, Michigan, asking for a change in the financial system of the Government, to the Committee on Ways and Means.

By Mr. FRYE: The petition of Fannie E. Records, praying for a pension, to the Committee on Invalid Pensions.

By Mr. PARSONS: The petition of Peter Rose, of Cleveland, Ohio, for a special act to authorize the accounting officers of the Treasury to allow $244 for tobacco-stamps stolen and destroyed, to the Committee on Claims.

By Mr. RICE: The petition of Helen O'Hara Harrell, praying for a pension, to the Committee on Invalid Pensions.

By Mr. E. H. ROBERTS: The petition of citizens of Oneida County, New York, relative to fixing the duty on imported hops at fifteen cents a pound, to the Committee on Ways and Means.

By Mr. SPEER: The petition of R. McDonald, Joseph Newman, and James Kern, soldiers of the Mexican war, praying for pensions, to the Committee on Invalid Pensions.

By Mr. VANCE: Petition praying for a post-route from Franklin, North Carolina, to Aquone, North Carolina, via Burningtown and Briertown, North Carolina, to the Committee on the Post-Office and Post-Roads.

IN SENATE.

THURSDAY, *March* 26, 1874.

Prayer by the Chaplain, Rev. BYRON SUNDERLAND, D. D.

On motion of Mr. MORRILL, of Maine, and by unanimous consent, the reading of the Journal of yesterday's proceedings was dispensed with.

PRESENTATION OF PETITIONS.

The PRESIDENT *pro tempore*. Before calling for petitions and memorials, the Chair will call attention to Rule 24, which provides that—

Every petition or memorial, or other paper, shall be referred, of course, without putting a question for that purpose, unless the reference is objected to by a Senator at the time such petition, memorial, or other paper is presented. And before any petition or memorial, addressed to the Senate, shall be received and read at the table, whether the same shall be introduced by the Presiding Officer, or a Senator, a brief statement of the contents of the petition or memorial shall verbally be made by the introducer.

The habit that has grown up in the Senate of introducing petitions accompanied with remarks and reading the names of the subscribers to the petition, &c., and indulging in more or less debate upon it, is undoubtedly out of order; and the attention of the Chair having been called to it yesterday morning, the Chair will understand that it is the will of the Senate that that debate shall be ruled out of order and excluded, and the Chair will watch it until the further order of the Senate.

PETITIONS AND MEMORIALS.

Mr. FERRY, of Michigan, presented a joint resolution of the Legislature of Michigan, praying Congress to make such appropriation as may be necessary for completing the improvement of the navigation of the Saginaw River; which was referred to the Committee on Commerce.

He also presented the memorial of Henry A. Griffin and 451 others, citizens of Wyandotte, Michigan, praying for an increase of the volume of the currency adequate to the demands of the business community, and stating that the great West is alike suffering from such want, while all commercial communities require a medium of circulation to enable commerce to flourish; which was referred to the Committee on Finance.

Mr. JOHNSTON presented the petition of Fitzhugh Lee, of Richland, Stafford County, Virginia, and the petition of Charles M. Fauntleroy, of Virginia, praying the removal of their political disabilities; which were referred to the Committee on the Judiciary.

Mr. KELLY presented resolutions of a mass meeting held in the city of Portland, Oregon, asking Congress to aid in the construction of the Portland, Dalles and Salt Lake Railroad; which were referred to the Committee on Railroads.

He also presented a petition of citizens of Baker County, Oregon, praying the passage of the bill granting aid to the Portland, Dalles and Salt Lake Railroad; which was referred to the Committee on Railroads.

Mr. LOGAN presented a memorial of hat-dealers of Chicago, protesting against any further extension of the Wells patent for forming hat-bodies; which was referred to the Committee on Patents.

He also presented a petition of one-armed pensioners of Milwaukee, Wisconsin, praying for a change in the pension laws; which was referred to the Committee on Pensions.

Mr. LOGAN. I desire to present also the petition of a number of business men of New York—the letter accompanying the petition says 300, but I have not counted the number of names—praying for an increase of the currency and free banking. I move its reference to the Committee on Finance.

The motion was agreed to.

Mr. LOGAN. I also ask leave to say, if it is not in violation of the rule, inasmuch as some criticism has been made in reference to petitions presented by Senators not representing New York, that I have taken the pains to have a list made——

The PRESIDENT *pro tempore*. The Chair thinks the remarks are out of order.

Mr. LOGAN. Would it be in order to read a letter accompanying the list?

The PRESIDENT *pro tempore*. It would not. The Chair will enforce the rule until the Senate express their opinion to the contrary.

Mr. LOGAN. Would it be in order, then, to ask that this memorandum be referred to the Committee on Finance?

The PRESIDENT *pro tempore*. The Senator can ask that, certainly.

Mr. LOGAN. I will state what the memorandum is.

Mr. MORTON. You can read it after the morning hour is over.

Mr. LOGAN. Very well; I will withhold it until then.

Mr. RAMSEY presented the petition of P. Cudmore and 122 others, praying Congress to give to each volunteer Union soldier a land warrant for one hundred and sixty acres of land, and $300 additional bounty; which was referred to the Committee on Military Affairs.

Mr. CHANDLER presented a joint resolution of the Legislature of Michigan, in favor of an appropriation to aid in the improvement of the navigation of the Saginaw River; which was referred to the Committee on Commerce.

Mr. OGLESBY presented the petition of J. S. Kellogg, of Illinois, praying that an increase of pension be granted to John W. January; which was referred to the Committee on Pensions.

He also presented a petition of citizens of Rock Island, Illinois, praying the passage of Mr. COTTON'S bill in relation to the Rock Island bridge; which was referred to the Committee on Railroads.

He also presented the memorial of citizens of Rock Island, Illinois, opposing the proposed change of location of the military prison from Rock Island to Fort Leavenworth; which was referred to the Committee on Military Affairs.

Mr. MORTON. I present the memorial of the Chamber of Commerce of the city of Evansville, Indiana, setting forth that under the second section of the act of Congress approved December 17, 1872, all bridges over the Ohio River below the Covington and Cincinnati suspension bridge shall have, in addition to the high span, a pivot-draw, giving two clear openings of one hundred and sixty feet each. They represent that this makes a bridge across the Ohio River so expensive that it can hardly be built, and they ask for a change in the law so that it shall be sufficient either to construct a span four hundred feet in width, or a pivot-draw of one hundred and sixty feet on each side in the clear. I move the reference of the memorial to the Committee on Commerce.

The motion was agreed to.

REPORTS OF COMMITTEES.

Mr. RAMSEY. I am instructed by the Committee on Post-Offices and Post-Roads, to whom was referred the petition of Valentine Steiner, postmaster at Knightstown, Indiana, praying to be relieved from liability for postage-stamps destroyed by fire on the night of the 17th of September, 1873, to ask to be discharged from its further consideration, inasmuch as the law already confers upon the Postmaster-General authority to make compensation to postmasters for losses of stamps by fire.

The committee was discharged from the further consideration of the petition.

Mr. RAMSEY. I suggest that the papers be returned to the Post-Office Department, from which they seem to have come.

The PRESIDENT *pro tempore*. That order will be made.

Mr. HAMLIN, from the Committee on Post-Offices and Post-Roads, to whom was referred the bill (H. R. No. 2086) for the relief of R. W. Clarke, postmaster at Brattleborough, Vermont, reported it without amendment.

Mr. HAMILTON, of Maryland. I am directed by the Committee on Patents, to whom was referred the bill (H. R. No. 555) for the relief of McClintock Young, of the State of Maryland, to report it back without amendment and with a written report, and to ask for its present consideration.

The Chief Clerk read the bill.

The PRESIDENT *pro tempore*. Is there objection?

Mr. WRIGHT. I know nothing about the particulars of this bill, but I propose to insist that we shall come to the Calendar, and therefore I object.

The PRESIDENT *pro tempore*. The Senator from Iowa objects, and the bill will be laid over.

Mr. HAMILTON, of Maryland. I ask that the report be printed.

The PRESIDENT *pro tempore*. That order will be made.

Mr. JOHNSTON, from the Committee on Patents, to whom was recommitted the petition of Rudolf Eickemeyer, praying that the Commissioner of Patents be authorized to proceed with his application for an extension of a sewing-machine patent as if filed under section 63 of the patent law of 1870, reported adversely thereon; and the report was adopted.

He also, from the Committee on Revolutionary Claims, to whom was referred the memorial of Osceola C. Green, administrator *de bonis non* and one of the heirs of Lieutenant-Colonel Uriah Forest, deceased, asking such legislation as will authorize payment to the estate of the decedent of the amount of half-pay allowed by law for services rendered by him in the war of the Revolution, submitted a report accompanied by a bill (S. No. 629) for the relief of Osceola C. Green, administrator *de bonis non* and one of the heirs at law of Lieutenant-Colonel Uriah Forest.

The bill was read and passed to a second reading, and the report was ordered to be printed.

Mr. CRAGIN, from the Committee on Naval Affairs, to whom were referred several petitions of members of the class of 1869 of the United States Naval Academy, praying that an act be passed allowing them to take rank and precedence as determined by the date of their graduation, submitted an adverse report thereon; which was ordered to be printed, and the committee was discharged from the further consideration of the petitions.

He also, from the same committee, to whom was referred the bill (H. R. No. 1201) authorizing the payment of prize-money to the officers and crew of the United States steamer Bienville, reported it without amendment.

He also, from the same committee, to whom was referred the bill (H. R. No. 83) to authorize the Secretary of the Navy to remove the powder-magazine from Fort Norfolk, Norfolk, Virginia, reported it without amendment.

Mr. OGLESBY. The Committee on Indian Affairs, to whom were referred the bill (H. R. No. 1758) authorizing the purchase of six hundred and forty acres of land for a Nez Percé Indian reservation in the Territory of Idaho, and the bill (S. No. 107) to purchase six hundred and forty acres of land in the Territory of Idaho for the Nez Percé Indian reservation, have had the subject under consideration, and instructed me to report back both bills, with a new bill in the nature of a substitute for both.

The PRESIDENT *pro tempore*. If there be no objection, the two bills, House bill No. 1758 and Senate bill No. 107, will be postponed indefinitely, and the bill now reported will have its first reading.

The bill (S. No. 630) to authorize the purchase of six hundred and forty acres of land in the Territory of Idaho for the Nez Percé Indian reservation was read, and passed to a second reading.

Mr. WRIGHT, from the Committee on the Judiciary, to whom was referred the bill (H. R. No. 2547) to relieve from political disabilities Thomas Hardeman, Jr., reported it adversely, and moved its indefinite postponement.

The PRESIDENT *pro tempore*. If there be no objection the bill will be postponed indefinitely.

Mr. NORWOOD. I object to its indefinite postponement.

The PRESIDENT *pro tempore*. Then the bill will go on the Calendar.

Mr. WRIGHT. That was my desire.

BILLS INTRODUCED.

Mr. SPENCER asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 631) to facilitate and reduce the expenses of taking testimony in behalf of claimants to be used before the commissioners of claims; which was read twice by its title, referred to the Committee on Claims, and ordered to be printed.

Mr. INGALLS asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 632) to enable the people of New Mexico to form a constitution and State government, and for the admission of the said State into the Union on an equal footing with the original States; which was read twice by its title, referred to the Committee on Territories, and ordered to be printed.

He also asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 633) for the relief of A. H. Von Luettwitz, late lieutenant in Third United States Cavalry; which was read twice by its title, and referred to the Committee on Military Affairs.

Mr. JOHNSTON asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 634) concerning and authorizing the Washington, Cincinnati and Saint Louis Railroad Company to extend and construct their railroad into the District of Columbia, and through the States of West Virginia, Ohio, Indiana, and Illinois to the city of Saint Louis, in the State of Missouri, and a branch road from any point they may elect on the main line of their road, in the State of Indiana, to the city of Chicago, in the State of Illinois, and granting aid to such company; which was read twice by its title, and referred to the Committee on Transportation Routes to the Sea-board.

CORPORATIONS IN THE DISTRICT OF COLUMBIA.

Mr. DENNIS. I desire to submit an amendment which I shall offer to the bill (H. R. No. 2423) explanatory of an act entitled "An act to provide for the creation of corporations in the District of Columbia by general law," now before the Committee on the District of Columbia. The amendment is in the nature of an additional section. I move that it be printed, and referred to the Committee on the District of Columbia.

The motion was agreed to.

PRACTICE IN TERRITORIAL COURTS.

The PRESIDENT *pro tempore*. If there be no further morning business, the Secretary will report the first bill on the Calendar.

Mr. FRELINGHUYSEN. The other morning we had up a bill which the Supreme Court is desirous should pass, and I should like to have it disposed of now. I propose to accept the amendment which was offered to it by the Senator from Kentucky, [Mr. STEVENSON,] and I suppose it will only be necessary then to take the vote upon it. I have conferred with the Senator from Kentucky, and also with the Senator from Ohio who opposed the bill, in regard to it.

The PRESIDENT *pro tempore*. The Senator from New Jersey moves that the Senate proceed to the consideration of the bill indicated by him which was under debate in the morning hour the day before yesterday.

Mr. SHERMAN. I shall not object if it does not lead to debate.

Mr. FRELINGHUYSEN. It will lead to no debate.

Mr. SARGENT. I think I must object. The Senator from Kentucky [Mr. STEVENSON] is not here, and the Senator from Nevada [Mr. STEWART] is not here.

Mr. FRELINGHUYSEN. I have conferred with both of them, and it is agreeable to them.

Mr. SARGENT. Then I withdraw the objection.

The PRESIDENT *pro tempore*. Is there objection to taking up the bill indicated by the Senator from New Jersey? The Chair hears none.

Mr. WEST. I ask the Senate to proceed to the consideration of House bill No. 2451.

The PRESIDENT *pro tempore*. That motion is out of order, there being another bill before the Senate at the present time, unless the Senator makes a motion to postpone.

Mr. WEST. The Calendar is before the Senate, as I understand.

The PRESIDENT *pro tempore*. The Senator from New Jersey has called up a bill.

Mr. FRELINGHUYSEN. It is only to be voted upon.

Mr. WEST. I understood the Senator to withdraw that.

Mr. FRELINGHUYSEN, No, sir.

The PRESIDENT *pro tempore*. That bill is before the Senate.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. No. 1762) concerning the practice in territorial courts and appeals therefrom, the pending question being on the amendment of Mr. STEVENSON to add to the bill the following:

And that this act shall not apply to cases now pending in the Supreme Court of the United States where the record has already been filed.

The amendment was agreed to.

Mr. CONKLING. I do not mean to debate this bill, or to delay its passage for a moment. I wish, however, to make a remark. It belongs to a class of bills for which I have no relish; and I excuse myself for not opposing it upon the ground that it does not relate, as I understand it, to vested rights, in any technical, or exact, or legal sense, but that it does go to the remedy, and stops with that. Even then, I have doubt about it; but with this remark, I shall not feel called upon to make any opposition.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

MOUTH OF THE MISSISSIPPI RIVER.

Mr. WEST. I move now that the Senate proceed to the consideration of the bill (H. R. No. 2451) to improve the mouth of the Mississippi River.

The PRESIDENT *pro tempore*. The Senator from Louisiana moves to postpone the Calendar and proceed to the consideration of the bill indicated by him.

The motion was agreed to; and the Senate, as in Committee of the Whole, resumed the consideration of the bill.

Mr. DAVIS. I do not propose to object to the consideration of this bill; but it is one of that class of bills upon which there ought to be a word said. It proposes to appropriate $30,000 for a deficiency in the fund for improving the mouth of the Mississippi River. There was $125,000 appropriated for this object last year. Captain Howell, who has charge of the work at the mouth of the Mississippi River, it appears, has expended the $125,000, and comes to Congress and asks for $30,000 more to be expended within the present fiscal year. It has occurred to me that it is about time that Captain Howell and the other captains, colonels, and generals in the service, should keep within the appropriations made by Congress. I am told that he asks this on account of a blockade that occurred at the mouth of the Mississippi some time during last summer. That blockade lasted perhaps two or three weeks, and yet in his statement he charges for extra dredge-boats for about four months, making the excuse of two or three weeks' blockade for four months' charge against the General Government.

Last year I think the deficiencies were between nine and ten million dollars. I hope this year they will not be anything like that, and I think it our duty at once to commence looking at that fact and seeing that such bills do not pass unless they have good foundation. I should like to know from the Senator from Louisiana why it is that Captain Howell comes here and asks for $30,000 this year when he knew just what he had, and ought to have kept within the appropriation.

Mr. WEST. I am glad that the Senator has afforded me an opportunity to explain to the Senate the necessity for this appropriation. In the fiscal year ending June 30, 1872, we appropriated $155,000 for this work. Last year in an effort at economy we made it $125,000, being just the amount that would be required without any contingency at all. A contingency has arisen. That contingency was that the bar at the mouth of the Mississippi River was blockaded for a certain time, as the Senator says, some three weeks, and yet there are four months' services of the boats required to be paid for against three weeks' blockade. Let me say to the Senator, and I have no doubt he knows it himself, that one week's blockade of the mouth of the Mississippi River might necessitate four months' work on the part of the dredge-boats. The bar was blockaded there, and the impediments accumulated to that extent that it required four months' operations of the dredge-boats to clear them out. The report of the chief engineer calls attention to the fact and states that the appropriation has proved insufficient for the work, owing to the blockade of last March making necessary the working of two dredges instead of one, for nearly four months.

This is not a deficiency under an estimate. This is a deficiency arising from the fact that an accidental cause has rendered the expenditure necessary, just as there was an occasion quite recently here in the instance of the harbor of Buffalo, where a gale of wind so obstructed that harbor by banking up a sand bank as to make it necessary to spend $20,000. Here is an accidental circumstance—a blockade of the mouth of the Mississippi River—that renders additional expenditures necessary. As the matter stands now, without the passage of this bill, we have the mouth of the Mississippi River closed up. I trust the Senate will see the propriety of acceding to the requirement.

Mr. DAVIS. I have no doubt there is a necessity for the passage of the present bill, having some knowledge of the state of things there; but there is as great a necessity that the persons in charge of Government works should keep within the appropriations. I see no good cause, and the Senator has stated none, why there should be $30,000 additional expenditure on this work this year. There were perhaps two weeks of a blockade there, and that blockade has caused a demand on the Treasury for four months' work of an extra dredge-boat.

It is said here that this money is to come out of the appropriation for next year. I think the Committee on Commerce when they reported it made that statement. It may be true that that is the intention now; but when the regular bill for next year comes up the full amount needed for that year will be appropriated, so that this $30,000 is really added to it. This is practically an addition of $30,000, when the expenditure ought to have been kept within the bounds of the appropriation.

Mr. BOGY. Mr. President, in view of the great importance of this appropriation I beg the indulgence of the Senate for a moment or two.

The work at the mouth of the Mississippi River is of the very greatest importance. It is possible that the system now being carried on may not be the system which will ultimately effect the opening of the mouth of that river, but it has done a great deal of good and is constantly doing good now. Without that work being carried on, the sand and alluvial matter will accumulate so rapidly in the course of a few weeks as to render the ascent of large vessels an impossibility on any of the various outlets of the Mississippi River.

This subject has been investigated by the Committee on Commerce, and I understand the bill has received the unanimous approbation of that committee. It is of such importance, and the amount is so small, that it does seem that we should not lose a moment in making the appropriation. It may be true that the officers of the Government who have charge of this work have exceeded the appropriation of last year, but it is also true that last year the appropriation was $30,000 less than it was the year before. Of course, there are contingencies and accidents and delays, and the repairing of boats, and the building of machinery, and many other such things, that involve an enterprise of this kind in a great many unexpected expenses which cannot be anticipated.

We of the West have heard a great deal about the importance of the navigation of the Mississippi River; and yet here on a small appropriation of $30,000 there appears to be hesitation. The Senator from West Virginia ought to be considered a western man. Although he is high up on the Ohio River, nevertheless the Mississippi is the outlet for his portion of the country; and it seems to me it comes with a strange grace from him to throw any obstacle in the way of this very small appropriation.

Mr. DAVIS. If the Senator from Missouri will allow me, I will remind him that I made no objection to the bill; on the contrary, I said that no doubt there was a necessity for its passage; I merely called the attention of the Senate and of the parties in charge to the fact that they ought not to exceed the appropriations.

Mr. BOGY. That kind of argument does hurt such a measure as this very much. Now I will not detain the Senate in arguing a matter of this kind. It must be very plain to the mind of the Senate. A small appropriation of this character, in view of the great and paramount object which is effected by the appropriation, I cannot think the Senate will hesitate a single instant in granting, especially when the bill comes here sanctioned by the unanimous report of the proper committee.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

REMOVAL OF DISABILITIES.

Mr. WRIGHT. I call the attention of the Senators from Georgia to a report that I am about to make. The Committee on the Judiciary, to whom was referred the bill (S. No. 133) to relieve Thomas Hardeman, jr., of Georgia, and W. L. Cabell, of Texas, of their political disabilities, have had the same under consideration, and a majority of the committee have instructed me to report the same back and recommend its indefinite postponement. I make the report at this time, and the Senator from Georgia can explain the circumstances of the case and what action he may ask of the Senate.

Mr. MORRILL, of Maine. I object to any consideration of it at the present time.

The PRESIDENT *pro tempore*. The bill will go on the Calendar with the adverse report.

Mr. GORDON. I ask the indulgence of the Senate to say one word.

The PRESIDENT *pro tempore*. Is there objection to the Senator from Georgia being heard?

Mr. GORDON. Only a word.

Mr. MORRILL, of Maine. If it takes any time I shall object.

Mr. WRIGHT. I trust the Senator from Maine will allow the explanation to be made. I think it is due to the Senator from Georgia under the circumstances.

Mr. GORDON. I only want to make an explanation.

Mr. MORRILL, of Maine. I promised yesterday that I would pay more attention to the rules. If my honorable friend from Iowa had presented his report at the proper time——

The PRESIDENT *pro tempore*. The Senator from Maine is out of order.

Mr. MORRILL, of Maine. The whole thing is out of order, I conceive.

The PRESIDENT *pro tempore*. Is there objection to the explanation of the Senator from Georgia? The Chair hears no objection.

Mr. GORDON. I simply wanted to say that this bill was introduced by me to remove the disabilities of Mr. Cabell, of Texas, who was educated at West Point. He became a brigadier-general in the southern army. The bill was passed by the Senate; and by an understanding between the chairman of the committee, who is now absent, the Senator from Vermont, and myself, I made the motion to refer it, on the motion to reconsider, to the Committee on the Judiciary, in order that the chairman of that committee might get the facts as to his resignation and the acceptance of that resignation by President Lincoln. I furnished the chairman with that information; and upon the agreement that he would see the bill reported immediately back to the Senate I telegraphed to this gentleman to accept a nomination as candidate for mayor of his town. The election comes off next week. It has placed me, therefore, as Senators will see, in the embarrassing position of having induced this gentleman to accept a nomination upon the promise of the chairman of the committee to report the bill back immediately for action. I therefore think that it is not asking too much for me to appeal to the Senate to act immediately upon this bill. Other gentlemen similarly situated have been relieved of their disabilities. I shall be very glad if it is the pleasure of the Senate to relieve this gentleman. At any rate, I shall be glad if they will relieve me from the embarrassing position which I am now in.

The PRESIDENT *pro tempore*. The Senator from Georgia asks the Senate to proceed to the consideration of the bill reported by the Senator from Iowa. Is there objection?

Mr. MORRILL, of Maine. I object. It can come up in the morning hour to-morrow. I think we ought to go to the Calendar.

The PRESIDENT *pro tempore*. The Senator from Maine objects. The Secretary will report the first bill on the Calendar.

Mr. GORDON. I desire then to give notice that I will ask the attention of the Senate to it at an early moment after the morning hour expires.

MARTHA E. NORTHUP.

The PRESIDENT *pro tempore*. The Secretary will report the bill on the Calendar which was left unfinished yesterday morning.

The CHIEF CLERK. The bill pending yesterday morning was the bill (H. R. No. 1122) granting a pension to Mrs. Martha E. Northup, widow of First Lieutenant Edward B. Northup, late of the Seventeenth United States Infantry.

The PRESIDENT *pro tempore*. The bill is before the Senate as in Committee of the Whole.

Mr. WEST. That was the bill which was up yesterday just at the close of the morning hour, on which the Senator from Illinois [Mr. OGLESBY] was making some explanation to the Senate as to the policy of passing it.

The PRESIDENT *pro tempore*. The Chair has no power to call the Senator back to his feet.

Mr. WEST. Well, I call him back.

Mr. ANTHONY. I have no objection to this bill, and shall vote for it. But I understood the Senator from Connecticut, who is now absent, [Mr. FERRY,] and who is never absent when he is well, said that he desired to make some remarks upon it. That is my impression. I think therefore it should go over until he returns.

Mr. BUCKINGHAM. I hope it will go over.

Mr. FENTON. I want to say that I am well advised that a full explanation in regard to this case has been made to the honorable Senator from Connecticut, and that he has said that it was not his desire to further oppose the passage of the bill.

Mr. ANTHONY. Then I have no objection. I merely spoke in his behalf.

The bill was reported to the Senate without amendment, ordered to a third reading, and was read the third time.

Mr. SARGENT. I think sufficient has been shown in reference to this bill to induce some Senators to desire to have a record on it. Certainly the committee have shown in their report the strongest reasons why this bill ought not to pass. They have not shown any good reason, except the sympathy of a majority of the committee, why it should pass, if that is a good reason, and I deny that that is. In the next place I desire a record, because I think the Senate ought by some means to express its opinion of this endeavor to pass bills through without reading the reports which come from committees, although they may be honored and careful committees, as the one in question is, without calling the attention of the Senate to the fact that this is a departure from the ordinary legislation on such subjects, a departure from the equities of the law recognized by our general statutes.

I do not mean that attention should be called to it merely in a report which is printed and laid on our desks, and which we may see or may not see, but by rising and saying, "The committee think it is an exceptional case. It is true this man died in a fit of *delirium tremens;* it is true that to grant a pension under these circumstances would demoralize the service; it is true, as is stated in the printed report, that there can be no good reason for it; but our sympathies are overcome; we have received private letters; and therefore we ask the Senate to allow this pension." If members of the committee would only get up and say as much as that, which they do say in print, which may not meet our eyes and would not have been observed if I had not called for the reading of the report yesterday, the Senate could determine whether it would administer this rough equity, or whether it would allow it to be determined in the bosom of the Pension Committee and permit that committee secretly to dispense with the general laws on the subject. Now I ask for the yeas and nays on the passage of the bill.

The yeas and nays were ordered.

Mr. HOWE. As the yeas and nays are to be called, I simply wish to say that I shall have to vote "nay," not that I care any more, I suppose, about the amount of money this bill will take out of the Treasury than any other Senator about me who is in favor of the passage of the bill; but the amount of money, I take it, which is involved in the bill is very much larger than any sum that will ever go to this pensioner. One such precedent as this is the opening to a great many claims upon the Treasury that I have never been able to compute, and never have seen a computation of.

Mr. OGLESBY. It is manifest that some explanation ought to be made to the Senate in regard to this bill. The honorable chairman of the Committee on Pensions, if I am correctly informed, has established for himself, most justly, a very commendable reputation for great prudence and care in passing upon pension cases. If the members of that committee were called upon to give their experience before this body in regard to his care, and I might go a little further and say in regard to the prudence and care of all the members of that committee, I venture the prediction that it would be accepted here as highly favorable. A great many cases are referred to that committee from the House of Representatives and from this body, in which members are personally interested—I mean interested so far as kind feeling governs them—and individuals from various portions of the country are more seriously interested, and which they press before the committee for favorable consideration. The Calendar will show, I think, that for one that is favorably recommended from that committee more than ten are rejected by it.

Mr. President, this was a peculiar case. The evidence before the committee, when the report was first written which has been read here, was purely one-sided evidence. There was nothing before the committee except the finding of the coroner's jury. We knew nothing of the facts of the case except as it came to us from the House and that verdict of the coroner's jury, that Lieutenant Northup had died under the influence of intoxicating liquors through an overdose of chloral taken by him in the absence of his nurse, unwittingly, not intentionally, which produced death. Thereupon the impression was left upon the mind of the committee that he was a habitual drinker, that he was an intemperate officer. I confess that was the impression of almost all the members of the committee, and the chairman of the committee was accordingly instructed to report against the bill. The chairn an of the committee thereupon wrote out the report which has been read here, with the purpose of reporting against the bill.

Subsequently, two witnesses, officers in the same regiment with Lieutenant Northup, appeared before the committee and testified as to his habits in regard to intoxicating liquors, and instead of being a habitual drinker, or a drinker at all, it turns out that the man had a reputation for sobriety; that he was almost a total-abstinence man; that about a year previous to this time he had taken liquor once, and in a moment became intoxicated; that he always subsequently abstained from the use of intoxicating liquor, because he could not touch it without being subjected to its influence. On his return, after the expiration of a leave of absence, to his command in Dakota Territory, he stopped in Sioux City, and if there is any evidence on the point at all, it is that he went and took one drink, or drank some liquor, and was instantly thrown in the condition in which he had been a year before, and never before while in the service; but in that condition, overcome by the use of ardent spirits, he took a dose of chloral in the absence of his nurse. There being nobody to make an explanation for the officer, his wife being at home in another State, his regiment some miles from him in Dakota Territory, with no one to explain about his habits, it was reasonable enough that the coroner's inquest should have reported as they did.

We accepted that report; but when two officers in his command, who had known him for six or seven years, who had served with him when he was a private in the ranks, a volunteer, who had served with him in his various promotions in the volunteer service, and had served with him in the regular Army when he was placed there as a lieutenant in consequence of meritorious service as a soldier, who served with him all along until his death, testified as to his habits of sobriety, as to his uniform good conduct as a soldier, that he was an extra good soldier who had received wounds in battle and left a poor family behind him, the committee reconsidered their finding. The chairman of the committee, however, in making this report left it as it was in the first instance, without adding in detail the additional evidence,

and made a favorable report in a few lines at the bottom; but, as he had the candor to state yesterday to the Senate, you have all the facts in the case laid before you. The committee, I believe, were unanimous, or perhaps there may have been one objection to it, in reconsidering their first action and recommending the granting of a pension in this case.

Of course Lieutenant Northup was not with his regiment, but he was absent under a leave of absence granted to him by the War Department and was returning to duty before his leave had expired, and therefore was in the line of his duty. A man is not required to be in the field, a man is not required to be armed and equipped, to be in the line of his duty. No such interpretation has ever been given to the term "line of duty." If a soldier dies at home and has a legitimate and lawful furlough granted to him, he dies in the line of his duty. If a soldier dies in hospital, relieved from duty, he dies in the line of his duty. A man is not required to be under drill and in the field, and the decisions of the Attorney-General do not put any such construction upon the term "line of duty." This man was returning to his post of duty before his leave of absence had expired, was overtaken in this calamitous way, and then fell dead by an overdose of chloral.

I think this pension should be granted in view of the surrounding circumstances, which are not fully stated in this report because the multifarious business pressing upon us all the time drives us to the necessity of making brief reports and putting in only the facts. So the committee thought, and so, speaking for the committee now, I think it is but a matter of justice to grant this pension. Of course it is not within the line recognized by the general pension laws. There would be no necessity for a Committee on Pensions in this body if we were never to go outside of the regularly established laws on the subject of pensions. We have a well-defined pension system, but there are hundreds and thousands of soldiers who cannot obtain the benefit of our pension system under the general laws; and for their benefit, and that justice may be done, a committee is appointed here to hear special cases that vary from the general character of pension applications. We have gone as far, and I think I can with the sanction of the committee say we have in this instance gone farther than in any other. But we thought the circumstances would justify a reasonable departure from the general rule, and therefore we have recommended this pension.

This is all there is in the case. If it shall be the good-will of the Senate to grant this widow a pension, I shall be very glad of it. If not, they can dispose of it otherwise, and I shall have no more trouble with the case.

Mr. FRELINGHUYSEN. I think from the statement made by the committee I should vote for this pension; but I submit to the committee that it would be better to have the bill referred back to them that they may make a report which will state the facts mentioned in the course of the debate, so that it may not be a bad precedent upon the record. Therefore I move that the bill be recommitted to the committee.

The PRESIDENT *pro tempore*. The Senator from New Jersey moves to recommit the bill to the Committee on Pensions.

Mr. THURMAN. I cannot see any object in referring the bill back to the committee except to have a more full report upon this case; but no report will be any more full than the CONGRESSIONAL RECORD, which can always be referred to if the case be brought up as a precedent.

Without knowing anything about the particular merits of this case, I have only to say that if we are to refuse forever to give to the widow of an officer, however gallant he may have been, however well he may have discharged his duty, any pension, because the man unfortunately once or twice in his life got drunk, we shall set up a standard that will not be very favorable, as I think, to the service or to justice. I am not very much in favor of this strict inquiry into a man's stomach. A man who has discharged his duty for years faithfully, and been a gallant officer, I do not think is to be written down as one unworthy of the remembrance of his country because some time or other in his life he happened to get drunk. I shall vote for this bill, and vote for it cheerfully.

Mr. HOWE. If the Senator from Ohio or any one else understood me as opposing the passage of this bill because the husband of this claimant some time got drunk, he misunderstood me, or I misunderstood myself. I do not think that that would be a good reason for denying a pension to the widow of a soldier who had lost his life in the service of his country. I certainly should not plead any individual instance of intemperance, nor any habit of intemperance, as a bar to such a claim as that. I understood when this case was first presented, and I understand to-day upon the more elaborate statement of the honorable Senator from Illinois, that this is not the case of a soldier who lost his life in the service of his country, but it is the case of a soldier who sacrificed his life by the indulgence of a bad appetite.

Mr. MORRILL, of Vermont. How could he have *delirium tremens* unless he got drunk?

Mr. HOWE. I do not care to go into the question suggested by my friend from Vermont, how could he have had the *delirium tremens* if he had never been drunk before? I do not know but that it is entirely within the reach of human achievement to drink one's self into *delirium tremens* the first time tried. I believe there are but few who accomplish that. But that is not the point. If he had been sober all the rest of his life, here is the fact: he did not lay down his life in the service of his country; it was not because of any danger to which he had been exposed in that service that he sacrificed his life. Now, if my honorable friend from Indiana, whose conscientious prudence I know as well as any man in this Chamber, or if the honorable Senator from Illinois can tell how, after we have voted a pension to this widow, we can contrive to turn away from our door any widow of a soldier who has been in the service, and has done his duty in the service and died afterward, then they can find some reason for passing this bill and not putting every widow in the country on the pension-roll; but unless they can discriminate between this case and every other case to which I have referred, I do not see how we can safely vote for this bill.

Mr. SARGENT. I wish merely to call the attention of the Senate to the fact that the pension-roll now is between thirty and forty million dollars. That is the amount we annually appropriate. That amount I think no one will begrudge to those who really deserve it; to those who were crippled during the war, and to the heirs and representatives of those who have died from wounds or disease contracted in the war. But in order that the Government may be enabled to reward cases like these, and to show its gratitude to those who have well served it, it is all the more necessary that we do not improperly enlarge the cases to which this bounty is extended.

I understand that by the pension laws, where a person dies from exposure or wounds in the service of the United States, his heirs—his widow and his orphans—are entitled to a certain pension. Now, does the case which we are considering come within this rule? The Senator from Ohio says that because a person some time in his life was intoxicated, that should not bar him from sympathy. I admit that. I was making no such argument, and the opposition to this bill springs from no such idea; but it is a question whether he died from honorable wounds received in the service. That is rebutted by the fact stated by the committee, that he died from excessive drinking; that he was not at the time in the service; that he was on leave with a furlough; that he stopped at Sioux City, and there became excessively intoxicated. It is strange that he should become so if he was a temperate man; but he became excessively intoxicated, and while so, mercifully say the jury of inquest, without criminal intent, he took his own life; he took a drug which caused his death. That does not come within the rule which allows pensions to be granted to the widows and heirs of persons who have died on account of wounds or disability contracted in the service.

I received last evening a letter from a person who stated that he had lost both of his eyes and both of his arms in the service of the United States; that he was entirely helpless; that he needed an attendant; and that the amount of pension granted to him by the United States was so small that he could scarcely live; that he could make no effective exertions to maintain himself; and he begged me in my humanity to vote for any measure which might increase the amount of pensions of this class of cases. I think that that application is extremely meritorious. I think that such persons should receive a larger pension; and in order to do it of course we have got to run up above the $35,000,000 we now pay. We may, perhaps, for cases of that character find that by and by this pension-roll may be swelled even to $100,000,000; and if every dollar of it is properly applied, if we are satisfied that it goes into the hands of those who really deserve it, that the beneficent intentions of Congress are carried out, and that every dollar is received by a soldier, widow, or orphan, who is entitled to consideration at our hands, then we shall not regret it, and I shall vote for it most cheerfully. But when it comes down to a mere question of whether charity shall be extended to persons who are not entitled to it by any law we have ever put on our statute-book, and all those laws are to be dispensed with simply in the case of a person who is pressed with a little more warmth on our attention by outside influences than the great body of those who are more deserving, then I say that the amount by which it swells our pension-rolls is liable to suspicion, and the people may well complain that we tax them without due regard to the objects of expenditure. Every one of the thirty or forty million dollars which we appropriate goes out to individuals. They are little grains of sand which make the mountain; little drops of water which make this great stream which flows out of the Treasury; and this addition, if it is improperly made, is an encouragement to other improper additions

I have again to say, and I desire to call the attention of the committee to it, that I am afraid of these pension bills and these propositions to increase pensions which come from the committee and are carried through here as a matter of course, when the very first one upon which daylight is let in shows features which lead so many Senators to doubt whether it ought to pass. I say we ought to have some deliberation in this matter; that our pension-rolls are growing too fast; that we have not enough deliberation; and that we find the committee intrusted with this matter as the organ of the Senate is either too much excited by its sympathy or does not consider with sufficient discrimination, for some reason, between cases which are meritorious and cases which are not meritorious.

I trust that the motion will prevail to refer this bill back in order that, if this is a case where a pension ought to be granted, there may be a report establishing that fact. Certainly the report now before the Senate shows exactly the opposite result.

The PRESIDENT *pro tempore*. The question is on the motion of the Senator from New Jersey to recommit the bill to the Committee on Pensions.

The motion was agreed to.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. MCPHERSON, its Clerk, announced that the House had passed a bill (H. R. No. 1385) to regulate commerce by railroad among the several States; in which it requested the concurrence of the Senate.

CURRENCY AND BANKING.

The PRESIDENT *pro tempore*. The morning hour has expired, and the Senate, as in Committee of the Whole, resumes the consideration of the bill (S. No. 617) to provide for the redemption and reissue of United States notes and for free banking.

Mr. WRIGHT. I wish to make one inquiry. I understand the pending amendment is the one offered by the Senator from Missouri, [Mr. SCHURZ.]

The PRESIDENT *pro tempore*. It is.

Mr. WRIGHT. I offer an amendment in the nature of a substitute for the first section, and I wish to make an inquiry. While the Chair held yesterday that it would not be in order to take the vote on my amendment, which was quite right, nevertheless I suppose that that amendment is pending, subject to the right to amend the section before the vote is taken on my amendment.

The PRESIDENT *pro tempore*. Certainly.

Mr. WRIGHT. And when the vote is taken on the amendment of the Senator from Missouri, [Mr. SCHURZ,] if no other amendments are offered to the original text, mine will be the pending amendment.

The PRESIDENT *pro tempore*. If the pending amendment be agreed to, or disagreed to, then the amendment of the Senator from Iowa will be in order.

Mr. SHERMAN. In order to expedite the progress of this bill, I move to take from the table, in pursuance of the notice I gave yesterday, the resolution to fix a limit to debate, and I hope Senators will give us a vote on that question.

The PRESIDENT *pro tempore*. The Senator from Pennsylvania [Mr. SCOTT] is entitled to the floor on the bill. Does he yield to the Senator from Ohio?

Mr. SCOTT. Yes, sir.

The PRESIDENT *pro tempore*. The Senator from Ohio moves to lay aside informally the pending bill and proceed to the consideration of the resolution introduced by him, which will be reported.

Mr. SHERMAN. I have modified it.

The PRESIDENT *pro tempore*. It will be reported as modified.

The CHIEF CLERK. The resolution as modified now reads:

Resolved, That after three o'clock to-day debate on amendments to the pending bill shall be confined to ten minutes by each Senator; and it shall be in order during its pendency to move a recess from five to half-past seven o'clock p. m.

Mr. BAYARD. On each occasion that this suggestion has been made of putting an arbitrary limitation on debate in the Senate I have entered an objection. It is with me not only, as I have stated, a question of principle, but I may add it is also a question of feeling. If limitations on debate in the Senate are ever proper to be applied, it is on what may be termed mere business bills, appropriation bills relating to subjects which have been thoroughly sifted by the estimates of the Departments and the examination of our committees, in regard to which information in ninety-nine cases out of a hundred can be asked for in one moment and answered almost in the next. I do not think that members of the Senate should be driven to what may be called the subterfuge—not using the word in a disrespectful sense—of offering immaterial amendments or of submitting dilatory motions of postponement for the purpose of having opportunity for that debate which in their judgment and conscience is necessary for the information of the Senate and for the proper elucidation of the questions submitted. I hope that the Senate will not, upon a measure like this, than which any question more vital has not in my opinion been before Congress since the time in 1862 when irredeemable paper money was first made legal tender by the act of the Congress of the United States, impose an arbitrary restriction on debate. I trust that the limitation upon this debate may be found in the conscience and sense of self-respect of each individual Senator. So far as this measure is concerned, I do not know that I have any intention to trespass even for ten minutes upon the time of the Senate; but I hope that no such limitation will be adopted, and that the Senate may simply proceed to consider this question with that dignity and sense of self-respect which they owe to themselves and the magnitude and gravity of the matters under consideration.

Mr. HAMLIN. Mr. President, that the Senator from Delaware from a high sense of duty opposes this resolution I know; that he does it from a conscientious sense of duty I know; but that Senator ought to know that men differ in opinion, and that while he expresses his opinions here, there are others of us who are entitled also to ours. Now, sir, I shall vote for the resolution; I shall vote for it cheerfully, because, in the language used by the Senator from Ohio farthest from me yesterday, [Mr. THURMAN,] and in language similar to that which I had used at an earlier day, I think this debate has extended to a point where it is criminal to continue it much further. I want to see free and reasonable debate upon all questions here. I believe that we have the best Government in the world. I think we all concur in that opinion, and yet it is not a Government without its faults, and if I were to name to-day the great fault in our Government, it would be that interminable disposition to talk which exists in the Congress of the United States. I believe that is one of the fundamental evils of our Government, by which no other government on all this globe is afflicted. There are some of us here who are non-talking men, and the non-talking men have some rights as well as the men who speak almost interminably. I claim to be very nearly within that class of non-talking men. I have sat here in patience for four mortal months listening to speech after speech of gentlemen who saw fit to address empty seats. And how much were the members of the body enlightened by that discussion thus long drawn out? Every Senator of course will be controlled by his own obligations and his own sense of duty, but I say that there comes now from the remotest corners of your country a cry that we ought to heed, that it is time to act. I confess I was pained when my friend from Delaware yesterday objected to agreeing unanimously to a mode of concluding this discussion.

I do not want to see limitations placed upon debate here, other than those that Senators shall agree upon; but I do see the time hastening on when an ability to discharge our duties here will demand of us to put limitations by rule upon debate; and when we have discussed a matter for four long mortal months, and then there come objections to a limitation and we do not know that the debate will not be extended four other months, I see that that is a proceeding which will hasten the restrictions of debate because those restrictions will absolutely be demanded. I think, therefore, that it would have been wiser to adopt the course suggested yesterday. I would have preferred it much to this resolution.

Now, there are only three modes of closing this debate. One is by a unanimous consent. To that, from a sense of duty, the Senator from Delaware interposes an objection. The second would be by sitting here and exercising physical endurance without adjournment. The third is the proposition before us. I can conceive of no other way; and as I rather prefer that we should do it in a little more quiet manner, and a manner a little more agreeable to Senators than that of physical endurance, I prefer this to an uninterrupted sitting. We can get to the question in only one of these three ways, and I shall vote cheerfully for this resolution. And I think if we are driven after such protracted debate to this resort, it furnishes a hand-writing that all can read that we must come by rules to some reasonable limitations upon what I call the abuses of debate. Less talk and more prompt action is what the country demands.

Why, sir, we have a large number of subjects upon which we shall be obliged to hear Senators. We shall have, I apprehend, in a few days, a report from the Committee on Transportation. That is a question in which Senators from the West think they are particularly interested. I only want to say to them that they have no more interest in it than we in the East have. We have a mutuality of interest that is precisely equal. You want transportation cheap; we want it. We have questions relating to Louisiana; the distribution of the Geneva award, which long since should have been acted upon; we have a variety of other important questions; and if we are to discuss, without ever coming to a conclusion, this one, what time shall we have within the life of man when we shall discuss these others?

Mr. THURMAN. Will my friend allow me to make a suggestion?

Mr. HAMLIN. Certainly.

Mr. THURMAN. The Senator from Maine is aware of the natural dislike the minority have to a limitation of debate by an order of the Senate; but I think that every one here agrees that this debate has gone far enough, and I think it is extremely probable, though I do not know how the fact is, that by unanimous consent we can agree to stop the debate.

Mr. HAMLIN. We tried that last night, but the Senator from Delaware felt it his duty to interpose an objection.

Mr. THURMAN. I wish it were tried this morning, and let us agree by unanimous consent to the proposition now made.

Mr. HAMLIN. I am on the floor. Outside of the pending resolution, by unanimous consent, I will make a suggestion.

Mr. THURMAN. By unanimous consent let this be the understanding.

Mr. SHERMAN. Yes; without entering it upon the Journal.

Mr. HAMLIN. My friend from New York [Mr. CONKLING] makes a very pertinent suggestion to me, and that is, upon the pending question who is the majority and who is the minority. It is a little doubtful.

Mr. THURMAN. I was not speaking about the pending question, but there are minorities in all legislative bodies who are naturally jealous of such a proposition.

Mr. HAMLIN. This only applies to the pending question. Who the majority is or minority is, I think we know enough now to say that we cannot tell before we get to the vote. But I will make the proposition, and I hope my friend from Delaware will agree to it, that at three o'clock to-day we shall proceed to vote upon the bill and amendments, subject only to ten-minute speeches by each Senator.

Mr. THURMAN. That is it.

Mr. HAMLIN. I said that I preferred to have it done by unanimous consent, and I make that proposition.

The PRESIDING OFFICER, (Mr. ANTHONY in the chair.) The Senator from Maine proposes that, by unanimous consent, at three

o'clock the Senate proceed to vote on the bill and amendments, with speeches of only ten minutes on each amendment by each Senator. Is that objected to?

Mr. MORRILL, of Vermont. This does not embrace the proposition of the Senator from Ohio for evening sessions, I understand.

Mr. HAMLIN. O, no.

The PRESIDING OFFICER. The Chair understands that the Senator from Ohio withdraws his proposition if this is agreed to.

Mr. SHERMAN. I ask the Senate if they will not be willing to extend this consent so that the Senate may, if it choose, hold a session in the evening.

Mr. HAMLIN. That can be done subsequently.

Mr. SHERMAN. Well, I withdraw that proposition. I am willing to stand on the general understanding stated by the Senator from Maine.

The PRESIDING OFFICER. The Chair will state the proposition again. It is that at three o'clock the Senate proceed to vote on the bill and amendments, and that after that time debate be limited to ten minutes by each Senator on any amendment.

Mr. MORRILL, of Vermont. Undoubtedly the question which is now before us is one of greater gravity than we have had for many years, or will be likely to have for many years to come. I had not expected to say another word upon this subject, and I believe I made a sort of promise to my friend from Iowa [Mr. WRIGHT] that I would be as modest as he would be in relation to debate on this bill and the amendments to it; but an amendment has been proposed to increase the amount of United States notes, legal-tenders commonly called, from the sum now actually out, $382,000,000, to $400,000,000. That is a proposition of such a pernicious character that I do desire to talk upon it, although the Senator from Maine is fatigued with the amount of talk that has been had upon this general subject of finance. I have not occupied over half an hour since the fore part of December on this question. I have spoken twice about fifteen minutes since I made a speech early in December, and have not otherwise occupied the attention of the Senate. But upon that question I do desire to occupy fifteen or twenty minutes, and therefore I do not want to be limited to ten minutes. There are other Senators who are here to-day who will require fifteen or twenty minutes, as I have understood. The Senator from Pennsylvania [Mr. SCOTT] I understand has not concluded his remarks. The Senator from New York [Mr. FENTON] desires to occupy a little time to-day upon the general subject, as I have learned. Therefore, while it is not my purpose to prolong the debate, for I am as anxious to reach an early conclusion of it as any Senator here, I do not wish to be debarred of the privilege, when the amendment comes up to increase the amount of legal-tender notes to $400,000,000, of occupying sufficient time to discuss it as I may think fit.

Mr. SHERMAN. I have no doubt that under the circumstances the Senate would agree that the Senator from Vermont should have the privilege, when that amendment is pending, of occupying twenty minutes.

Mr. THURMAN. He can speak upon it now, before it is offered.

Mr. HAMLIN. Allow me to change my proposition to half-past three o'clock, and that will give two hours.

Several SENATORS. Say four o'clock.

Mr. HAMLIN. Very well, say four o'clock; only fix some time when we can stop this talk.

Mr. SHERMAN. I am very willing to take any time. I wish it distinctly understood, though, that in agreeing to this, which I do heartily, I do not doubt the power of the Senate to prescribe rules as to debate; and while I am willing to have the thing done by general consent, yet the Senate of the United States has a right and ought to exercise the power to prescribe limitations of debate in my judgment. But that is another matter.

The PRESIDING OFFICER. The Senator from Maine proposes that at four o'clock to-day the Senate will proceed to vote upon the pending bill and the amendments, and that after that hour debate shall be limited to ten minutes by each Senator upon each proposition.

Mr. THURMAN. But it is understood that no vote is to be taken until four o'clock.

The PRESIDING OFFICER. That is involved in the proposition. Is the proposition agreed to? [A pause.] The Chair hears no objection; and it is so ordered.

[Mr. SCOTT addressed the Senate, concluding the speech begun by him yesterday. His speech in full will appear in the Appendix.]

Mr. FENTON. Mr. President, my views upon the great financial problem which the country has to solve, embracing the questions of debt and taxation, banking and currency, are well known. I need not repeat them, and my only purpose in rising now is to offer a few words upon the particular measure before the Senate. The people expect a decision from us upon this question so vitally connected with the every-day business of the country; they must know what they are to stand upon. I despair of getting just what I think is best, and must content myself with brief reasons for opposing what I think will make the condition worse.

I suppose it is not altogether strange that we so widely disagree. We come here from States and from districts differing in pursuits and in degree of prosperity. Here commerce prevails, there manufactures, and in another quarter we find agriculture the leading industry. On the one hand is seen comparative wealth, the result of older settlement and years of accumulation; and on the other, comparative want, the result of sparse population in newer countries, and the waste which followed in the train of armies through a prolonged war. So, with these various occupations, aims, and needs it is not surprising that we disclose a variety of views. Besides, the law of money and its uses as a medium of exchange and as a representative or standard of value, while perfectly simple, always leads to great conflict of opinion when specific remedies are sought for a disordered and unsound condition. It has been so in our own and other countries in past periods.

But, after all the diversity of opinion, we have a common interest, and I deprecate the sectional aspect which has been given to the question during the debate—the appeal on this or that side on the ground of locality. The interests of the East and the West, the North and the South, are inseparable. Whatever benefits the sea-board also benefits the interior and West, and so in return. The agriculture of the West and South, nor the manufactures and trade of the East, are exempt from the reciprocal advantages of the prosperity of either. So, also, what affects one class or one section adversely must be felt in some degree by all the others. Thus it is that in the exchanges of production, in the facilities for doing business, in the transactions of capital, and in the compensations of labor, we can regard our whole country bound together by common interests. There are no creations of capital in New York and Massachusetts antagonizing the growth and prosperity of Illinois and Georgia.

I confess the Congress is at sea upon this subject of currency. It has seemed to me from the beginning that a great want in the attempt to reach a solution of our difficulties was a clear voice from the Treasury Department and the Executive Mansion; a bugle note, if you please, sounding the policy of a campaign for a restored money condition. The need of some one who, by reason of his position, could speak with greater authority and influence is apparent; some one whose appeal would be likely to bring together a party, not alone of republicans or of democrats, but a majority in support of a policy which had been conceived with care and in thoughtful council. If it was not the very best plan, one that should not be wholly ill, so that all could see and know that we were on the way that does not lead to frequent ambush, to greater uncertainty, or to doubting and despair.

But I turn to this bill. Agreeing with the chairman of the Finance Committee [Mr. SHERMAN] in all he says concerning the importance of a return to specie payments, I would gladly support any measure which promised to promote that object. I do not see, however, that this bill makes any provision to such an end. There is no sound general principle involved in it.

It has generally been assumed that resumption was a proceeding which required some preparatory steps; that the condition of the country now would not justify it, and could not be adapted to it without some intermediate action. It is certain that we now have an inconvertible paper currency at a depreciation of more than 11 per cent. Clearly, resumption of specie payments means that this currency is to be appreciated 11 per cent. and convertible into coin. Can the change from the one condition to the others be accomplished by increasing the former without making adequate provision, if that were possible, for the latter? Every fair-minded person must answer no.

I do not say by this that I am for a contraction of the volume of money. Nor do I discuss the question whether the country needs more or less currency. The present amount, even though well diffused, is none too great, I suppose, for the requirements of business at present prices.

The real question is, what are the conditions upon which specie payments can be restored and maintained, and whether we will adopt measures that will tend gradually to such a result.

If we take the affirmative of this inquiry we must abandon the bill before us; for it not only sanctions a further increase of the currency volume, but it makes no provision for a return to the specie condition, however remote. To be sure it says that coin or 5 per cent. bonds shall be given to any holder of $1,000 in legal-tender notes, or any multiple thereof, from and after January 1, 1876, upon presentation to the assistant treasurer in the city of New York, or at the office of the United States Treasurer in Washington; but it affords no prospect, not even a probability, of coin payments. So far as the theory of the bill is concerned, we might begin the work it proposes to-morrow with equal assurance of being in a situation to give anything but bonds in exchange for legal-tender notes.

I do not maintain that we must necessarily diminish the volume of money—embracing both currency and coin—in the moderate process of a wise policy for specie payments. What I do say is, that we cannot resume and maintain the specie condition upon the present currency volume; that some intermediate preparation must be made before we can do it at all. It is possible that a limited gradual reduction of paper money may be made good by an equivalent increase of specie money, until the true relation between the two was established. In a word, when we adopt correct principles the question of the amount of currency will settle itself, in harmony with the demands of industry and trade. As we look through the bill before us, however, for some sure guide to safe ground, we find none at all. I submit, it is rather a bill to perpetuate the very evils of which we complain, namely, a depreciated and inconvertible currency condition.

The assertion of the principle of free banking in the bill meets my approval. The details, however, as we here find them, are inconsistent

with the principle, and make it alike uncertain and unsafe. I pass over the limitations of banking facilities upon the basis of the currency authorized for New York under the present law as not material to the point I make. If free banking and an arbitrary limitation of it seems like a paradox, it is not my fault. I am very certain, if we had already attained to specie payments, there could be no question about the wisdom of establishing the free system and removing all restraint upon the amount of circulation of the banks, so far as it should be well secured. And I am not very reluctant to adopt the system now, but let it be absolutely free, provided the banks redeem their notes at their own counters and at the redemption centers at par. We should thus take it out of the power of the Government to fix the quantity of circulation, and leave that, as it should be left, to the wants of the people.

The redemptions may begin with legal-tenders, so that there is a gradual reduction, and the banks in the mean time required to hold a part of the interest on their gold bonds deposited to secure their circulation. The process should be slow; and it might even be wise to limit the reduction of legal-tender until the experiment was fairly tested by experience. But it seems very plain if the national-bank notes were divested of their semi-legal-tender character, it would facilitate the working of the system, if it was not indeed a necessary part of its success. To abolish this characteristic of the national-bank note, and that compelling a bank to accept the notes of other banks in payment of debts due to it, would no doubt accomplish all that was necessary in this direction to perfect the system. Add to this the redemption of the fractional currency in coin as fast as the coinage could be made ready, and we should have fairly entered upon a course, without hampering business by severe contraction, which would finally lead us to full and complete resumption of specie payments. I cannot, however, dwell upon the details of a plan not before us; it is enough for my present purpose to add that the provision for free banking in this bill has none of the redemption features so essential to safety and success.

I am further opposed to this bill because of the authority to convert and reconvert legal-tenders and bonds, for almost the same reason that I have always distrusted the wisdom of giving the Secretary of the Treasury power over the currency of the country. It is a prodigious power in the hands of one man, and unless exercised with the utmost integrity, care, and foresight, it may be turned to the detriment of legitimate business, and perform acts of gross partiality on the one hand and gross injustice on the other.

Then, again, if we did not witness under the operations of this convertible feature of the bill a heavy call for bonds, and temporarily, at least, sharp and ruinous contraction, it would be a fortunate escape from what now looks like a serious risk. But it is answered that the Secretary has power to meet the emergency by reissuing legal-tenders. This is true, and such a course, faithfully pursued, might meet one difficulty, but it would involve others. This would be to increase, gradually, the public debt; to replenish the supply of legal-tenders which had been diverted from circulation for redemption; to produce fresh demands upon the Treasury, and to travel over the same circuit again, all the time getting in a worse condition. The operation of this feature of the bill would be bad enough in the hands of an able and upright officer; with any other, it would be an authority alike dangerous and corrupting.

I will not dwell upon the proposition to legalize the $26,000,000 overissue of the so-called reserve, without warrant of law. Nor will I pursue the fact that the whole theory of the bill is to somewhat expand an already debased currency. To such or any expansion I cannot consent; it is not the way to solid ground, but on the contrary tends from it. I shall give my vote to no proposition which leads, as an increase now clearly would, to greater depths of difficulty and danger.

Mr. HAMILTON, of Maryland. Mr. President, I do not rise for the purpose of entering into this debate; but as we are about to vote on many propositions, and some of them not at all in accordance with my views, it is perhaps proper for me to submit a remark or two upon the subject. I have listened with patience, with interest, and I hope too with instruction, to the general debate on what is called the financial question. I am so deeply impressed with the necessity of a return to a metallic basis that I will vote for any measure, almost, calculated to secure it. I am opposed, as much so as the Senator from Illinois [Mr. LOGAN] and the Senator from Michigan, [Mr. FERRY,] to the close monopoly of the present national-banking system, and I will co-operate with them in any wise and effective measure to destroy this monopoly. I opposed the proposition of the Senator from Pennsylvania [Mr. CAMERON] because it was liable to flood the country with an irredeemable paper currency. Such a policy, so unwise, so unsound, and so fatal to the substantial interests of the people, never can receive my sanction—a policy that I hold to be a crime against our civilization, a sin against labor, and a reproach to our people and to their institutions.

Mr. President, I am for a hard-money basis, and for it as soon as I can get it—to-day rather than to-morrow.

I am one of those who have no faith in the doctrine of the day, that seems to prevail with some, that we should make paper a substitute for gold and silver. I want no such substitution. I want no attempted substitution, for it must end in signal failure and in consequent disaster; while I am willing to support any measure, though not in itself satisfactory to me, nor yet so sound in principle, which promises something toward the accomplishment of the great object. In the establishment again of a metallic basis I have my own views of what ought to be done at this time, and which differ entirely from any that have been submitted during the debate.

I would inaugurate another policy, and it is simply this, without any elaboration, for it is not my design to make extended remarks:

First. I would repeal the legal-tender act.

Secondly. Repeal the tax upon State-bank circulation.

Thirdly. Suppress the fractional and other currency under the denomination of five dollars.

Do this, and in my judgment we would do much toward relieving the country from the instability of values; from the troubles, whether real or imaginary, growing out of the present condition of the currency, and at the same time afford ample facilities for local banking.

I despair of seeing any such counsels prevail at this time; or any counsels in fact tending to a separation of the Government from banking and from paper money. Upon the contrary, there is a public sentiment which appears to be wild, if not absolutely reckless, upon the subject of paper money. Have we now, in a state of profound peace, with our immense productive resources, and our large, intelligent, and enterprising population, gone back to the days of 1776, when our ancestors, in the frenzy of distress and disaster undertook to carry their country through to a successful issue upon an irredeemable paper currency? Failing in that and almost wrecking their cause by it, of which history and tradition both teach us, and all knowing the truth of it, yet there are gentlemen who really attribute the merit to this paper money of carrying the country safely through the late civil war. A greater error never rested in the human mind. It was a vice then as it is a vice now. The United States legal-tender currency was both an error and a crime then; and it continues to this day to be an error and a crime both. No, sir; it was not paper money; it was the Mississippi River that would not be divided into parts, combined with the staunch capital of the North that refused to be separated from the land upon which it grew fat and strong, that did it all.

Your irredeemable paper money did nothing but demoralize, lessen the public virtue, and it may be no exaggeration to say that it doubled the cost of the war. But, Mr. President, I must adhere to my purpose, and not trouble the Senate with general reflections. I have submitted a proposition for an amendment to the Constitution, so as to provide against anything being a legal tender in payment of debts but gold and silver; and as soon as a favorable opportunity occurs I shall call it to the attention of the Senate, and shall reserve until then what I might very appropriately say now were it not that all the propositions before us are, I may say, exclusively paper. There is but little gold in any that I see. It is paper upon either side and all round; and in fact I may be in this anomalous condition of being obliged to vote for paper in order to get rid of paper.

I shall most certainly vote for any tangible paper currency that has a promise or holds out a hope of resumption in order to supplant the present irredeemable currency that is afflicting our industries. A vote for any kind of paper currency not at once redeemable in gold and silver is a most disagreeable thing to me. Nothing could be more agreeable to my feelings and views than a vote to-day by which we would advance at once toward the acknowledged standard of values. I do not fear it. We might suffer some, no doubt would; but the country would soon adjust itself to the great result, and deeper and broader would the foundations of its greatness and prosperity be laid. All would soon rejoice in being out of the whirlpool, the maelstrom of irredeemable paper money which has been deluging the land, demoralizing the people, and crippling their productive resources.

Mr. MORRILL, of Vermont. Mr. President, it seems to be the supposition of some Senators here that if an argument or position is not reiterated from day to day, it has been abandoned and the argument or position surrendered. Now, I am not disposed here to repeat arguments that I have made on former occasions upon this subject, nor am I disposed to make any lengthy speech at all. I shall merely present the skeleton of the few points that I deem it necessary to keep in view after this long debate.

Mr. President, it is obvious from the tenor of the amendments that have been presented or indicated, and from the array of Senators here on one side and the other, that we are about to take a new departure; we are to bid farewell, a long farewell, to coin as a circulating medium for an indefinite period of years, and are about to inaugurate a paper system, an exclusively paper system; for no Senators here who are in favor of any return in the near future, or in the distant future, to a metallic basis of money would at this moment flood the country with a larger amount of paper than we now have out. I need not say that I have not any faith in these new gospelers, if I may be pardoned the word, who believe gold and silver have become obsolete. I regard the *furor* that is now raging in relation to that subject as an epidemic. I believe that Senators here now, who are in favor of this depreciated paper system, will in a very short time be quite willing to have their records forgotten. I have no question myself but what the result will prove disastrous to the country, to its business interests, and to its good name.

There is another thing in relation to it that I confess I view with some alarm. Are the great financial interests of the country to be every year adjudicated by Congress? Are we to have the monetary

system—the amount of the currency—brought before Congress every year, to be altered and amended and extended or contracted? That is the system which is about to be inaugurated, and it cannot result in anything else than perpetual disaster.

Mr. President, let us see what injustice we are inflicting now on the mining States and the Territories of the country. By not making any use of the precious metals for the purpose of coinage, we are reducing the value of the productions of every mining State and Territory to a greater amount than their annual taxes. Is that just? If the Government of the country were to use their annual product for the coinage of the country, we should thereby increase its value by not less perhaps than 2 per cent., and to that extent we now deprive every State and Territory which is properly called a mining State or Territory of the former proper value of its product. We also diminish the enterprise and the industry of those States and Territories, for, if a higher value was placed upon their product, their energies would be more powerfully exerted to produce a larger quantity of the precious metals.

There is another question in relation to this matter. It seems to be constantly supposed that our country is too poor to undertake to resume specie payments; and when we speak of a resumption of specie payments, nobody expects it to be done *instanter;* nobody expects it to be done without proper preparation. But if we were not too poor in 1791 to redeem our depreciated paper, and to lift our money and credit on a level with that of the world, we are not too poor in 1874. Senators who have read the report of Mr. Hamilton, and in my judgment it is, perhaps, the most able state paper that is to be found in the archives of the country—Senators who are familiar with that paper will see the difficulties which Hamilton had to encounter; and yet the wealth of the country at that time was not perhaps the one-tenth part of what it is to-day. The only thing essential would be that we should have to part with property for gold or part with securities for gold to an extent sufficient to form a basis that would make our paper equivalent to coin. If we should make this exchange, therefore, and thereby have a currency in all respects sound and useful, we might have so much less of some other property, or so much less of some securities, as would be necessary for this purpose. But there is not the slightest difficulty about it; and it is a sublime absurdity to say that this country is too poor to undertake a resumption of specie payments. Much less favored countries have no difficulty about it. Our national debt might be a hinderance if it was all due on demand, but our bonds run for a term of years, and we shall meet them when they become due.

Then it is said that we never can resume until the balance of trade is in our favor. The facts will show that we never can have the balance in our favor so long as we are on an exclusively paper currency basis. All the facts show that, with every enlargement of the paper currency, our imports have vastly increased above our exports; and that is as sure to follow as the night the day. Gentlemen who will examine that subject and see the amount of paper currency that has been afloat in the country from year to year and the amount of our imports and exports, will see that they follow right along step by step; the difference between the imports and exports nearly always increasing as our paper currency has become enlarged.

Then there is another point. Senators, I have no doubt honestly, tell us that this paper currency is the friend of the poor man. Never was there a greater mistake. I consider it one of the most gigantic frauds ever practiced upon laboring men and the poor to pretend that depreciated paper is to be continued in their interest. Why, sir, what has a poor man but his labor? Will he object to being paid in a better currency than mere paper 12 per cent. below par? Why, sir, all that he consumes he has to pay for in inflated prices. He has nothing to sell except his labor, as a general rule, and he is robbed from day to day of the difference between the inflated basis and what would be a fair exchange of his labor and the products which he and his family consume. True, his wages may be inflated, but not enough to compensate for the increased cost of living. It is the man who has something to sell, something upon which he expects to make a profit, that gains by a paper currency. The laboring man does not get a dollar by this proposed addition to the currency. Who does get it? The people who are well off and have property, which they can turn and shift; men who are alive to chances. They are the parties who can exchange to some speculative advantage whatever they possess for money, not the laboring man.

Mr. President, heretofore we have been proud of the character of American merchants. Mercantile honor has been considered here as of the very highest, loftiest standard. What is it to-day? Is there not some danger that it is becoming a by-word of reproach? Saying nothing of dishonest bankrupts, nothing of defalcations among clerks as well as principal partners, how often do we understand here that the merchant, even the importing merchant, has no other standard of integrity than his own self-interest; that he will pay a customs duty if he is obliged to, but, if he can contrive any mode by which he can avoid it, he will not hesitate to do it. Was that the ancient character of the American merchant? The Government forces a change in the character of his business. Is it not brought about by this calculating of chances on the value of paper money? Not knowing to-day what the value will be to-morrow, it makes every merchant in the country in some respects a gambler.

But, Mr. President, it is sometimes supposed that by adding to the bulk of the currency we are going to add to what is called the money of the country. Never was there a greater mistake than that. We shall only add to its bulk, without adding anything to its value; and if we are to raise the amount, as is proposed by the Senator from Iowa, from $382,000,000 to $400,000,000, in less than ninety days it will take the same amount to transact business then that it takes to-day to transact the business of the country with $18,000,000 less. To illustrate this, let me give you the facts that come to us of the condition of the money market in New York on Monday and on Tuesday of this present week. On Monday the House of Representatives passed a bill, if I may be allowed to refer to it, proposing to raise the amount of legal-tenders which might be issued up to $400,000,000, and the prices of stocks on Tuesday anticipated final and favorable action here, and rose accordingly from 1 to 1½ per cent. all through the list, and some of them more than that. Western Union Telegraph went up from 77¾ to 79⅞; Lake Shore, from 77⅞ to 78⅝; Ohio and Mississippi, from 30⅛ to 30⅝. Just see what the effect of that is. The rise of Ohio and Mississippi is three-fourths of a dollar on thirty dollars, which on $100 is $2.50.

Mr. LOGAN. Will the Senator allow me?

Mr. MORRILL, of Vermont. I beg the Senator's pardon. I do not wish to speak more than ten minutes longer, and do not want to be interrupted.

Mr. LOGAN. Very well; I merely wanted to put a question about stocks.

Mr. MORRILL, of Vermont. That amounts to 2½ per cent. on $100. If we raise the amount of our outstanding paper currency now from $382,000,000 to $400,000,000, it will be an addition of $18,000,000. Now we have out $354,000,000 of national-bank notes, $382,000,000 of legal-tender, and about $50,000,000 of fractional currency, making $786,000,000 in round numbers. Two and one-eighth per cent. on that just about makes the $18,000,000. So the whole operation of increasing our paper circulation by this amount is discounted in advance, and so it will be to the end. There is no doubt about it. The want next year for more will be just as great as it is now.

Economy is a thing that we all greatly praise. Now I want to put it to the consciences of Senators here, and frankly ask, do you not believe that an inflated and depreciated paper currency increases the personal expenditures of every one of you? Do you not believe that it largely increases the annual cost of conducting this Government far more than the entire interest on the amount of legal-tenders now outstanding? And yet why do we hesitate to take the only practicable means of making any large and permanent reduction in the expenditures of the Government?

But, Mr. President, the theories that have been announced here are so monstrous that I do not know where to find a parallel for them except in a case cited in the history of Macaulay. I want to read a passage or two from Macaulay to show what the future historian of the American Senate will be very likely to say of us:

> Before the end of the reign of Charles II several plans were proposed, examined, attacked, and defended. Some pamphleteers maintained that a national bank ought to be under the direction of the king. Others thought that the management ought to be intrusted to the lord mayor, aldermen, and common council of the capital. After the revolution the subject was discussed with an animation before unknown. For, under the influence of liberty, the breed of political projectors multiplied exceedingly. A crowd of plans, some of which resemble the fancies of a child, or the dreams of a man in a fever, were pressed on the government. Pre-eminently conspicuous among the political mountebanks, whose busy faces were seen every day in the lobby of the House of Commons were John Briscoe and Hugh Chamberlayne, two projectors worthy to have been members of that academy which Gulliver found at Lagado. These men affirmed that the one cure for every distemper of the state was a land bank. A land bank would work for England miracles such as had never been wrought for Israel; miracles exceeding the heaps of quails and the daily shower of manna. There would be no taxes, and yet the exchequer would be full to overflowing. There would be no poor-rates, for there would be no poor. The income of every land-holder would be doubled; the profits of every merchant would be increased. In short, the island would, to use Briscoe's words, be the paradise of the world. The only losers would be the moneyed men, those worst men of the nation, who had done more injury to the gentry and yeomanry than an invading army from France would have had the heart to do.
>
> These blessed effects the Land Bank was to produce, simply by issuing enormous quantities of notes on landed security. The doctrine of the projectors was that every person who had real property ought to have, besides that property, paper money to the full value of that property. Thus if his estate was worth £2,000, he ought to have his estate and £2,000 in paper money. Both Briscoe and Chamberlayne treated with the greatest contempt the notion that there could be an over-issue of paper as long as there was, for every ten-pound note, a piece of land in the country worth ten pounds. Nobody, they said, would accuse a goldsmith of over-issuing as long as his vaults contained guineas and crowns to the full value of all the notes which bore his signature. Indeed, no goldsmith had in his vaults guineas and crowns to the full value of all his paper. And was not a square mile of rich land in Taunton Dean at least as well entitled to be called wealth as a bag of gold or silver? The projectors could not deny that many people had a prejudice in favor of the precious metals, and that, therefore, if the Land Bank were bound to cash its notes, it would very soon stop payment. This difficulty they got over by proposing that the notes should be inconvertible, and that everybody should be forced to take them.

He then goes on to say that—

> Distress, however, and animosity had made the landed gentlemen credulous. They insisted on referring Chamberlayne's plan to a committee; and the committee reported that the plan was practicable, and would tend to the benefit of the nation. But by this time the united force of demonstration and derision had begun to produce an effect even on the most ignorant rustics in the house. The report lay unnoticed on the table; and the country was saved from a calamity compared with which the defeat of Landen and the loss of the Smyrna fleet would have been blessings.

Mr. President, I very much fear that the future historian will not speak with much greater respect or in more complimentary terms of us at some future day than these men are spoken of by Macaulay.

A single word, sir, in relation to the present bill. There are some very good features in it, and one is the mode and manner of starting upon free banking. I regard that as conservative and rather an ingenious mode of starting free banking. The only objection I have to it is that I would retire dollar for dollar of the legal-tenders as fast as the national-bank notes were issued.

There is an objection I may mention, as to the provision which limits the amount to which greenbacks shall be retired to $300,000,000. I see no propriety in making any such limit. I do not see why it should stop just at that point.

There are some other features in the bill which are in the right direction. I think it is well to limit the amount at starting at some fixed sum, as is done by making New York the standard; but I notice that the amendment proposed to the first section is very adroitly drawn so as not to allude to any future reduction whatever, and therefore I suppose it is understood that the Senators who make that proposition now mean to have this much now, and mean to come forward next year for a larger sum if they so please. But there is nothing that I desire particularly to consume any further time upon. In the ten minutes' debate I shall have an opportunity to discuss these various matters if it should be necessary.

Mr. LOGAN. Mr. President, I do not wish to make any remarks; but noticing the course of debate on this bill as it has come from the Finance Committee, in its many wanderings for the last two days, the members of the Finance Committee having all spoken, I believe, I have not heard a man express himself in favor of the bill except the chairman, and I think he is doubtful upon it. If a committee report a bill of this kind as a compromise, and it has no friends, I do not see how they can ask the Senate to vote for it.

Mr. HOWE. I believe the pending question is on a motion submitted by the Senator from Missouri [Mr. BOGY] to make $400,000,000 the maximum of United States notes.

Mr. WRIGHT. That amendment was withdrawn by the Senator from Missouri, and he accepted mine in place of it; and therefore the pending amendment is that of the Senator from Missouri, [Mr. SCHURZ,] and mine is in the nature of a substitute for the section.

The PRESIDENT *pro tempore*. That was proposed to be done, but finally ruled out of order. Thereupon the Chair understood the Senator from Missouri on the right [Mr. BOGY] to stand by his amendment to the amendment.

Mr. WRIGHT. I certainly understood that he had withdrawn his amendment.

The PRESIDENT *pro tempore*. The Senator stated that he was willing to do so; but the Chair was then of opinion that the amendment which the Senator from Iowa proposed to offer would not be in order.

Mr. WRIGHT. In order to understand this distinctly, I should like to know from the Senator from Missouri whether he regards his amendment as still pending, to amend the proposition of his colleague so as to make the amount $400,000,000 instead of $356,000,000, or whether he submitted to my amendment?

Mr. BOGY. I signified my willingness to accept the amendment offered by the Senator from Iowa. I am yet willing to accept his amendment.

The PRESIDENT *pro tempore*. The Senator from Missouri on the right [Mr. BOGY] withdraws his amendment. Then the question is on the amendment proposed by the other Senator from Missouri, [Mr. SCHURZ.]

Mr. HOWE. I am ready to vote on that amendment. I had desired to say a few words on the proposition which I supposed was the pending proposition, to make the limit $400,000,000 instead of $356,000,000 or $382,000,000; but if we are required to vote first upon the proposition to reduce from $382,000,000 to $356,000,000, I will yield.

Mr. MORTON. I ask for the yeas and nays on this amendment of the Senator from Missouri, [Mr. SCHURZ.]

The PRESIDENT *pro tempore*. On this question the Senator from Indiana asks for the yeas and nays.

The yeas and nays were ordered.

Mr. FERRY, of Michigan. I should like the attention of the chairman of the Committee on Finance. My understanding was that no voting should commence until four o'clock.

Mr. SHERMAN. I shall be happy to have a vote before that time. I certainly did not understand it so. If any Senator wants to speak, he can speak until four o'clock.

Mr. FERRY, of Michigan. I am not disposed to take up time in discussion. I am prepared to vote; but there are several Senators who were here this morning who have left the Senate with the understanding that no voting should take place until four o'clock, and I would not do injustice to any Senator who has left with that impression.

Mr. SHERMAN. I have no doubt there are as many absent on one side as on the other.

Mr. ANTHONY. I certainly want to vote as much as anybody, and as much as the chairman of the committee possibly can; but I do think that it was the understanding that we should not vote until four o'clock. I so understood it.

Mr. SHERMAN. Then I move that the Senator from Rhode Island make a speech until four o'clock. [Laughter.]

Mr. ANTHONY. I will do so. I move that from now to four o'clock we take up the Calendar, laying aside this bill informally.

The PRESIDENT *pro tempore*. If there be no objection——

Mr. SHERMAN. Before that is done, we ought really to understand that the general debate is ended on the finance bill. ["Yes!" Yes!"] If that is the understanding, I do not care what is done in the mean time.

Mr. ANTHONY. My impression is that some Senator rose and asked if it was understood that there would be no vote until four o'clock, and it was so stated and understood.

Mr. CONKLING. I must differ with the Senator there. The Senator from Ohio, not in his seat, [Mr. THURMAN,] in reply to a question put by somebody, said he might rely on it that no vote would be taken before four o'clock; but the Senator from Ohio now here [Mr. SHERMAN] said at once that the understanding was, not that the vote should be postponed until four o'clock, but that at four o'clock general debate should cease.

Mr. SHERMAN. I certainly did not say the vote should not be taken until four o'clock.

Mr. MORTON. I have no doubt about the understanding. It was that the vote should not be taken until four o'clock.

Mr. HOWE. Inasmuch as I shall want to occupy ten minutes before I am brought to vote upon the proposition to make the maximum $400,000,000, perhaps the Senate would rather hear me use those ten minutes now than at a later period in the day.

Mr. HAMLIN. We shall be delighted to hear you.

Mr. HOWE. I see by the excitement which pervades the Chamber that the Senate is extremely anxious to hear a short speech. I therefore avail myself of this lull to say a few words.

I shall vote against the motion submitted by the Senator from Missouri on my right, [Mr. SCHURZ;] not because I am persuaded that $356,000,000 of greenbacks is not enough to do the business of this country. I now quote an expression which is very common here. I have no doubt that it is enough. I have no very positive evidence, however, as to the exact number of dollars which is required for that purpose. But I vote against the proposition to reduce the sum contained in the bill, simply because $382,000,000 happens to be the number of dollars now in circulation, and I do not care to vote for any measure arbitrarily to reduce and contract that sum. I think, as I said at an earlier day in the session, that a law which shall contract the circulation positively is unjust to one class of our business men, the class which owe debts. Because $382,000,000 happens to be the sum now in circulation, I propose to acquiesce in that, without saying one word as to how that amount happened to get into circulation. And on the other hand I shall be compelled to vote against a proposition, let it come when it will or from whom it may, to increase the issue of legal-tender notes either to $400,000,000 or to any sum above that sum which is now outstanding.

Mr. President, if anybody had told me five years ago that I would live to hear in the Senate of the United States a proposition deliberately made and earnestly urged to increase the amount of legal-tender notes in time of profound peace, I should have said that whoever made that prediction was mistaken, that that time never would come. It is here, and I am told every day that a large portion of the people in that section of the country from which I come, it has even been said that a large portion of the people in the State which I have the honor to represent, are in favor of just that measure. If they are so, they never have told me so. They have left me to vote according to the dictates of my own judgment, and my own judgment is that they do not want any such measure as this adopted. If I am sure of anything in finance or in political economy, it is that their best interests do not require any such measure. And I wish to ask the Senate, first, suppose we agree to authorize the Secretary of the Treasury to issue $18,000,000 more of these notes, what is he going to do with them? If you would instruct him to strike off that quantity of notes and allow us to distribute them as we distribute other public documents, the measure might have some attraction for even me, although I do not like myself the labor of distributing public documents. I am not sure, however, that I would not consent to take upon myself the distribution of my quota of that particular document, and not insist upon restoring the franking privilege to aid me in doing it. [Laughter.] But you probably do not mean that the Secretary shall distribute them in that way.

What will he do with the $18,000,000? It will not do you, nor myself, nor any constituent of mine any good to have those notes printed if they are to remain locked up in the Treasury. How will you get them out of the Treasury? What shall he buy with them? There are two ways, I suppose, in which he can get them out of the Treasury beside that of flinging them out of the window. You can if you please, and if you are very ingenious, contrive to reduce your revenue somewhat below the existing point, or you may, if you will sit up nights, increase your appropriations beyond what you now contemplate, and so create a market for your $18,000,000. He can have as good an excuse, as good an opportunity, to fling them in circulation as he found for the $26,000,000 which he has already thrown into circulation.

Mr. LOGAN. How was that?

Mr. HOWE. By precisely that process. You let your appropriations exceed your revenues. You left the Treasury with nothing else but dishonored due-bills with which to meet your appropriations, and he paid them out. Gentlemen, those most familiar with your financial legislation, have said here day after day that they did not suppose he was left with even that resource. But he found it; he found $44,000,000 of these notes in his vaults; the commercial metropolis came down on him and said "Pay them out;" he had nothing else

with which to meet the liabilities of the Government, and so he paid them out. That is the way you got out $26,000,000, and you can by resorting to the same expedient get out the other $18,000,000.

Mr. SCHURZ. Will the Senator allow me to make a suggestion?

Mr. HOWE. Yes, sir. I am always glad to hear a suggestion from the Senator from Missouri.

Mr. SCHURZ. The suggestion I was about to make to the Senator from Wisconsin was this: first increase the currency, and then subsidies will be in order.

Mr. HOWE. O, Mr. President, then you will have means with which to subsidise all your steamships. Then you can build a great many public buildings, and you can do a great many handsome things if you have enough legal-tender notes in your Treasury that the people say they must have and that the Secretary can find no other way to get out of the Treasury.

Mr. LOGAN. I should like to say a word in reply to the suggestion of the Senator from Missouri. He says subsidies will be in order. Now, I am in favor of $400,000,000 of legal-tenders and for an increase of the currency; but I would stay here as long as the Senator from Missouri before I would vote for a subsidy. There is nothing in that suggestion of his.

Mr. HOWE. I believe that is the case with my friend from Illinois, and I believe it is the case with every Senator here. You do not mean to subject this great country to the ineffable disgrace of allowing its appropriations to exceed its revenues merely for the purpose of inflating your circulation. You do not, any of you, mean to do that. So you will suggest some other expedient for getting these notes into circulation. What other expedients are there? Why, he must buy something with them, of course. What? You will not allow him to buy but one commodity, and that is your own interest-paying securities, bonds. That is a legitimate way of getting these notes out. You do not expect he is going to buy those bonds at the current rates to-day with $18,000,000 added to your circulation. No one expects that. You expect you are going to enhance the market value of all your interest-paying securities, by this very step of adding $18,000,000 to the circulation, so that every one of your bonds that the Secretary procures, he will procure at an enhanced price, just because of this inflation. No matter; you have contrived to get them out, and you think then you have relieved a public want. What public want? Whose want?

My friend from Michigan [Mr. FERRY] smiles rather incredulously. Who wants any more money? I guess my friend thinks I want it. Yes, upon one condition I want more money. If you will allow me to keep all the property I have got, what little I have got, and will not require me to do any more work, and upon those conditions will give me more money, I should think it a comfortable thing to have. But you may pack the vaults of your Treasury full to repletion, or you may make notes and exchange them for every interest-paying bond outstanding, and unless you and I have got the bonds to exchange for the notes, we have got to get them in some other way. The men will get the notes who now hold the bonds. I will not get any of them; I have got no bonds, and I cannot get any of them unless I will do another day's work in a month more than I now do, or unless I will sell something that I have got.

My friend from Michigan understands that very well. He would advise me to sell something. I want the money. Yes; but why sell anything I have got? When I have got the money what am I going to do with it? I cannot wear it, I cannot eat it, I cannot drink it. I can get better music than there is in your greenbacks out of a hand-organ on the streets. What can I do with it? What is it possible to do with it except to buy something else? Adding $18,000,000 to the circulation, you say I am enabled to sell some commodity that I have, and sell it at an advanced price. I dare say that is so; there is not a doubt about it. But when I come to expend my share of the notes that I get to buy any other commodity, do not I find that commodity enhanced just as much as the commodity I sold? I have the choice of property now. Anything I have got in the world I can sell at some price, and if I should think that with the money I could buy something else that I would rather have, I have only got to turn something that I have into that money, and with that money buy that other thing that I would rather have. That is the whole process. If the commodity that I want to put into the market is going to be enhanced by the addition of this $18,000,000, every commodity that I find in the market, and which I want to buy, is going to be enhanced just as much; is it not?

Mr. FERRY, of Michigan. Your property is enhanced too.

Mr. HOWE. I say my property is going to be enhanced, but everything else is going to be enhanced in the same way. How, then, is it going to be of any advantage to me?

Mr. FERRY, of Michigan. It adds life to business.

Mr. HOWE. Yes, that is it; it does, just in this respect: it makes me count more money in payment for the property I sell, and then count the same amount more in the property I buy; it adds just so much life to business, and no more.

Mr. FERRY, of Michigan. It increases the pleasure of business.

Mr. HOWE. Yes; but I am so constituted that to work never was any pleasure to me in the world. [Laughter.] The less I do, the more satisfaction I get; and so I would rather count a little less when I buy and a little less when I sell, provided they have the same relations all the time, than to count a great deal on both occasions.

Sir, another class of men will feel this. There are a great many men in this country who have nothing to sell but service—labor. That is the only commodity they have to put in the market. They will get more for a day's work if you add this $18,000,000 to the circulation, will they not?

Mr. FERRY, of Michigan. Yes.

Mr. HOWE. Yes, I think they will get more; but what do they want with that more? Suppose they get a dollar a day now, and adding this $18,000,000 they get a dollar and a quarter a day; commodities are going to advance just as labor advances.

Mr. SCHURZ. Ahead of labor.

Mr. HOWE. My friend says ahead of labor. I cannot prove that, and therefore I will not assert that; but they will advance as much. I do not know whether he earns more than he expends or not, but I know that everything he earns he expends, and he will get no more for his dollar and a quarter than he gets for the dollar, because every other commodity advances just as much as his labor. I do not say more, but I say as much.

Mr. FERRY, of Michigan. Where is the harm?

Mr. HOWE. I will tell you where I think the harm is. Every time you start your printing machines, you start them at some risk of an issue a little beyond that which your statute authorizes. As long as you print money you never will be dead sure of the quantity you are printing.

Mr. FERRY, of Michigan. They cannot be issued without the bonds.

Mr. HOWE. I have no idea that the Secretary will issue more millions of notes than he gets bonds. But what the printers may do—I know they are honest—but what they may do of course I do not know. Honesty makes mistakes; and if they should fling into the market a few dollars, or a few scores of dollars, or a few hundreds, or a few thousands, it would not be perceived by my friend from Michigan nor myself. That is one difficulty.

There is another little harm done I think. I am not a creditor, and I am not particularly anxious about creditors. I think in the long run they will take care of themselves. But the Senator must be aware of this, that there may be a class of men in the United States who want to sell property for the mere purpose of paying debts, who are more distressed about what they owe than about the value of the property they possess. The debts are already contracted. Now you add $18,000,000 to the circulation, and all those gentlemen are enabled to sell their property at an advanced price, and they have a specific thing to do with the money, to wit, to pay the debts they have already contracted. That is an advantage to the debtor, is it not? That will not be disputed. Is it not an injury to the creditor just as great? If it benefits one, does it not injure the other? And is it honest legislation? If I could see that it was, I might be induced to favor this measure; and not only favor an increase to $400,000,000, but why not to $800,000,000? Why stop at $400,000,000.

I do not want to dwell upon this point. It seems to me so plain, that after all I have heard during this long debate I cannot frame to myself an excuse for agreeing to this measure.

Sir, I have heard over and over again since this debate commenced that we have not had money enough in the country to do the business of the country. From the time this debate commenced down to now I have not heard adduced one single fact which tends to establish that proposition. We never should have had this long debate if it had not been for a very peculiar, a very extraordinary, and I think an unprecedented financial crisis through which we passed in September and October last; and I think gentlemen who have insisted upon an increase of the currency have very generally cited that crisis as conclusive evidence that we had not currency enough nor money enough, as they term it, to do the business of the country.

My deliberate judgment is that that crisis, if it proved anything, proved that we had and have an excess of circulation instead of a deficiency. Through the summer months, through the lax times of business and of activity, we know that money in its own markets was held very cheaply. The banks of Wisconsin, who redeem generally in Chicago, almost universally had a surplus, had unused currency. They sent it to Chicago, where they received a very low rate of interest for it. Chicago had no use for the money any more than the banks of Wisconsin had, and Chicago sent her surplus currency to New York, and it piled up in New York. We heard nothing about commercial or financial difficulties. On the night of the 17th of September the commercial and financial markets in New York City were undisturbed. Money was freely loaned at 7 per cent. On the 18th of September a great banking house failed. A house which had already spouted everything in the shape of an available security it had in trying to master a great, great enterprise; an enterprise which I am afraid was entered upon a good many years in advance of the business wants of the country—I say I am afraid so—closed its doors on the 18th of September. It alarmed New York. Three days after that I find in the New York Herald a brief statement of some of the many results of that failure, the effect it had upon the stock market; for I should have said that the legitimate business of New York had no more use for this piled-up circulation than there was for it in Chicago, in Illinois, in Michigan, or in Wisconsin. They agreed to pay a low rate of interest for it, and they wanted to make some use of it. There was but one use they could make of it, and that was to carry stocks, to loan it to the stock-brokers, and they did so. In the

city of New York, on the 13th of October, the date when the first special report was made of the condition of the banks, there were no less than $56,000,000 outstanding in the shape of demand loans. Business men do not borrow money habitually payable on demand. Stock-brokers, stock-gamblers habitually do borrow it payable on demand.

Mr. SCHURZ. The Senator from Wisconsin has been kind enough to yield to me for a moment. I desire to illustrate what he has just said by reading an extract from a speech delivered by Mr. S. B. Chittenden at the recent meeting of the merchants of New York. He was speaking about the influence of an irredeemable currency in inciting speculation, and he told the following story:

A pet firm of brokers who went down in the crash were found to be in debt nearly $15,000,000. That firm had reorganized for business only a month or two before with a capital of one or two hundred thousand dollars; but it was able to borrow of banks and others, on stock held only for speculation, say $14,000,000. About the same time a commercial firm of more than ten years' standing, and having more than half a million of capital, applied to one of the largest national banks for the discount of $24,000 of business paper having less than thirty days to run, and were politely put off with one-half the amount asked for. The broker, for gamblers, got $14,000,000; the merchant, for honest business, got $12,000, or less than a thousand for a million. That is a true paper-money picture for you, true to life.

Mr. FERRY, of Michigan. If the Senator from Wisconsin will allow me a word at this point, the Senator from Missouri has indirectly and unconsciously verified the fact that has been presented here by the expansionists, that the accumulation of money in New York is more for speculation than for legitimate business, and therefore when reference is made to large accumulations there, we have stoutly contended that the money could not be drawn out of New York upon ordinary strictly business paper; in other words, gilt-edged paper. The Senator from Missouri, therefore, through the speech of the gentleman who addressed the meeting in New York, has confirmed what has been stated here, that the money accumulating there is for speculative purposes. We desire to distribute and diffuse this money throughout the West that it may be localized for business purposes.

Mr. HOWE. What makes money go from Michigan to New York on 4 per cent. when Michigan wants to pay 10? What makes money go from Wisconsin to New York and get into the hands of brokers there at 4 and 5 per cent. when Wisconsin wants it for 10? It goes there because Wisconsin does not want it, because Wisconsin does not propose to borrow it on anything satisfactory to her own banks.

Mr. FERRY, of Michigan. Will the Senator allow me a word at that point?

Mr. HOWE. Certainly.

Mr. FERRY, of Michigan. If there is anything in the Senator's argument it is that poverty prevails in Wisconsin. I live near Wisconsin, the State which the honorable Senator so ably represents, and I am hardly willing to reflect so much upon the financial standing of the citizens of Wisconsin. My key to the money flowing to New York would be that the Wisconsin bankers accumulating money deposited by depositors send it to New York to realize 4 per cent. interest upon it. One of the difficulties of the system is the payment of interest upon deposits. In order to realize that interest, they send the money there, when they should dicsount to their own people at home. In order to have it where they can draw upon it in case their depositors call for their money, they send it where they can get 4 per cent. interest upon it.

Mr. HOWE. I return heart-felt thanks to my honorable friend from Michigan for the honorable testimony which he has borne to the financial character of the citizens of Wisconsin. He has done them no more than justice. If I led him to suspect for a moment that I meant to represent them as poor, I did my constituents a great wrong, if not myself. No, Mr. President; I do not mean to introduce my constituents to the Senate as an illustration of a poverty-stricken people. They are rich. That money went to New York because Wisconsin was rich—understand the difference—because the people of Wisconsin were too intelligent to prefer money to property. They would rather have wheat; they had no use for money; they would rather have lumber; they would rather have land; they would rather have any one of these commodities which earns something every day than to have this money which they could not put into anything that would earn something. Why should they feel hungry or thirsty or naked simply because they had not a lot of handbills stuffed in their pockets?

Mr. FERRY, of Michigan. Why did they not put their money in lumber this winter?

Mr HOWE. I take it, if they have not put their money into lumber this winter, it is because the men who make the lumber charge a little more for it than the men who use the lumber are willing to pay.

Mr. FERRY, of Michigan. If the Senator will allow me, on the question of lumber I am pretty well posted, and I doubt not the Senator is equally as well posted in his own State. I think the production of lumber from the stump to the saw in the State of Wisconsin during the past winter has been from one-third to one-half less than was produced a year ago. I know I have that to say for the State of Michigan, and I judge that the two States are acting alike; that the difficulties affect both States alike. If the Senator will state what is patent to him, because he understands pretty thoroughly all the interests of his State, he knows very well that from one-third to one-half less the amount of logs has been gotten out this last winter than the winter before.

Mr. HOWE. I do not know how that is; but I will concede, for the sake of this argument, that it is not one-fourth nor one-tenth. What does that prove? Simply that the lumber markets are not as hungry for lumber this year as they have been heretofore. What does that prove?

Mr. FERRY, of Michigan. But the Senator stated that they were so rich that they would rather put their money in lumber, and now the facts show that they do not put it in lumber.

Mr. HOWE. Well, I was not talking about this winter. I was simply saying they would rather have the property they had than to part with it and take your paper, or what you call money, for it. That is better than money; and any property is better than money.

Mr. FERRY, of Michigan. Do they want to sell their wheat?

Mr. HOWE. Those who have a surplus of wheat usually want to sell it.

Mr. FERRY, of Michigan. What for?

Mr. HOWE. Because they want to get something else that they want more than wheat.

Mr. FERRY, of Michigan. Will they not take money?

Mr. HOWE. They will when they can get money, which they would rather have than the wheat.

Mr. FERRY, of Michigan. Do they have any trouble in disposing of it?

Mr. HOWE. I do not have any trouble in disposing of mine; and I did not when I had an increase of pay. I got rid of it all without the slightest difficulty. Increase my pay now, and I will undertake to do it again.

The great financial fact which is impressed upon my mind, but which does not seem to be impressed so clearly upon the mind of my honorable friend from Michigan, is this: I do not see any way of getting money without rendering something for it. If I am willing to give up something, and have got anything to give up, I can get it in that way. But if I am not willing to give something that I have got now, I never can get any more money, although you multiply it by the hundreds of millions.

I had forgotten where I was in this New York exposition. I think I had got along to the discovery that on the 13th of October the banks of New York had $56,000,000 outstanding payable on demand. Now, I do not think there were $10,000,000 so loaned by all the banks in the United States outside of New York. Does any one dispute me? Outside of the city of New York I do not think there were $10,000,000 so loaned. That is the way they stood on the 13th of October. This panic commenced, as I say, on the 18th of September. Three days afterward the Herald published this statement of the results of the crash upon the stock market, upon that property which was piled up as security for these $56,000,000. It is a little long, but let me read it; it is instructive:

The most emphatic commentary on the prevailing condition of affairs is the wonderful shrinkage of values, representing as it does fully $100,000,000—a sum which describes the terrible depletion that has been suffered by stock-brokers and their customers on the "long" side until reaction sets in and gives them a chance to make up their losses on an advance. The following table shows the extreme fluctuations for the week, in the leading shares:

Railroads.	Highest.	Lowest.
New York Central and Hudson stock	100⅜	89
Harlem	129½	90
Erie	58¼	52½
Erie preferred	73¼	66
Lake Shore	91⅛	79½
Wabash	61½	38⅝
Northwestern	59⅜	40
Northwestern preferred	78	70
Rock Island	106	87
American Express	62	59
United States Express	67	51
Atlantic and Pacific preferred	23½	19
Consolidated Coal	52	40
Wells, Fargo & Co. Express	72	58
Milwaukee and Saint Paul	46⅜	30
Milwaukee and Saint Paul preferred	68⅞	57¾
Ohio and Mississippi	37½	26½
Canton	85½	70
New Jersey Central	102¼	98
Union Pacific	24⅜	16
Cleveland, Columbus and Indiana Central	28¼	19
Hannibal and Saint Joseph	33¼	19
Hannibal and Saint Joseph preferred	47½	33
Pittsburgh	85½	80
Michigan Central	87	83
Panama	115⅜	84
Delaware, Lackawanna and Western	90⅜	86
Western Union	90⅜	55¼
Pacific Mail	43⅜	31·
Quicksilver	30½	24½
Quicksilver preferred	39	30
Adams Express	91½	85½

In those three days $100,000,000 in values were wiped right out. But that was the very property which was spouted as security for this $56,000,000. Those loans were made upon a margin, as it is called. When these stocks fell off 10 per cent., the owners of the stock wanted 10 per cent. more. The banks could not very well afford to sell out these stocks, because they were going down, down, down.

Each succeeding day sent them down below the day before, so that many of the very bears who brought the crash upon them, and then turned around thinking they could lift them again by playing bulls, were crushed in the attempt. That was not a good time for the banks to undertake to call in their demand loans, and they dared not call them in. Of this $56,000,000 payable on demand on the 13th of October, on the 21st of November $51,000,000 were still outstanding. They dared not call them in. Of course such a state of things as that fell heavily upon the banks and they could not respond. At that very time the cotton from the South and the crops from the West wanted to get to market; the banks of Chicago, Cincinnati, and Saint Louis wanted their deposits in New York, and they began to check against them, to draw against them.

The PRESIDENT *pro tempore*. It becomes the duty of the Chair to remind the Senate that the hour of four o'clock has arrived. The Senator is entitled to ten minutes under the understanding.

Mr. HOWE. Well, Mr. President, I did not mean to speak more than ten minutes when I rose, and if it had not been for the contributions of my friends around me, I would not have occupied more than ten minutes. I will try to close this branch of the subject, however.

They began to draw for their funds. At once New York said, "We cannot respond in currency; you must not ask the currency." Why? Because the currency was wanted to uphold these gambling operations in the city. As soon as the banks of New York informed the banks of Chicago and Cincinnati that they could not repay their deposits, the banks of Cincinnati and Chicago informed their country customers that they could not do it; they must not be drawn on for their deposits; and in eight-and-forty hours the circulation was congealed from the Atlantic to the Rocky Mountains—frozen up; and if the volume had been three times as great as it was, it would have been frozen to the bottom. So it seems to me that this little phenomenon last fall proves that there was a surplus, that there had been a surplus of circulation, that it was forced into illegitimate transactions, and so business had in a sense to stop or suffer because of it, at a later period, when there was legitimate use for it.

Mr. President, I have said that this was an unprecedented crisis. I do not mean that it was unprecedented in its severity merely, but in its character also. I have lived, young as I am, to see several of these financial crises. My friend from Rhode Island [Mr. ANTHONY] looks around startled; but it is a fact. I remember 1837, and that was a severe time. Then it happened, as it happened in 1857, and as it happened in 1861, the banks did not respond to their engagements. What were their engagements? To redeem their circulating notes in coin. They could not do that thing. They were not asked to do it last fall; but all through those seasons the banks were open and received deposits and paid them out. What they took from their customers they paid to their customers. Last September, for the first time in my recollection, the banks from one end of the country to the other said, "We cannot let our creditors have what they gave to us; we cannot repay our depositors." In that respect I think this crisis was peculiar, and was unprecedented.

But, Mr. President, I have occupied three times as much time as I intended. I have as well as I could stated the reasons which will prohibit my voting for an increase of the legal-tenders as is contemplated here. As I said in the outset, I shall vote against reducing it. The first section of the bill reported by the Committee on Finance is quite satisfactory to me. I may have something to say hereafter about some other sections of the bill which do not suit me as well.

The PRESIDENT *pro tempore*. The question is on the amendment proposed by the Senator from Missouri on the left of the Chair, [Mr. SCHURZ.]

Mr. SHERMAN. The yeas and nays have been ordered on that amendment.

Mr. STEVENSON. Let the amendment be reported.

The CHIEF CLERK. The amendment is in section 1, line 4, to strike out "382," and insert "356;" so that the section will read:

That the maximum limit of United States notes is hereby fixed at $356,000,000, at which amount it shall remain until reduced as hereinafter provided.

Mr. BUCKINGHAM. I shall vote for this provision of the bill with some reluctance. I shall vote for it because $382,000,000 is the amount of circulation now out. I have no desire to determine by law whether it shall be more or whether it shall be less, to fix the greater or less amount. I do not understand how the Senate or any other body of men can determine whether $382,000,000 is a sufficient circulation, or whether it is too much; and it is on account of the limit, and I should have the same objection in regard to it whether the limit was greater or less. I do think the limiting of the currency in any manner which has been proposed is very objectionable.

Mr. MORRILL, of Maine. The question, I believe, is on the amendment of the Senator from Missouri, [Mr. SCHURZ.]

The PRESIDENT *pro tempore*. It is.

Mr. MORRILL, of Maine. On that I desire to make a single observation as to the consideration which will control my vote. I shall vote for that proposition; and upon this understanding, that the legal-tenders were reduced after the action of Congress in 1865 from $433,000,000 to $356,000,000. I am not going into the various considerations which have induced Senators on the one side and the other to view it otherwise. We are directed for an interpretation of the act in some sense to the book-keeping of the Treasury. I hardly think that the Congress of the United States can rely upon the book-keeping of the Treasury Department for an authoritative exposition of a law, and therefore I do not feel concluded by that fact. I shall vote for the amendment on this general understanding, that in 1865 beyond all question the Congress of the United States, adopting the policy suggested by the Secretary of the Treasury, did intend to reduce the volume of the legal-tenders. Nobody denies that fact. That is a fact historically true. That was a fact recognized as a necessity by the Secretary of the Treasury, adopted by the House of Representatives, and again adopted by the Senate and the Congress, that it was worth while for the nation to begin to return to specie payments by a reduction of the volume of the greenbacks, which stood then at $433,000,000.

Now let us see how the Treasury Department regarded that. Let us see how it published that fact to the country. Let us see how we have since always understood it; how the legal-tenders stand in the account which the Secretary of the Treasury has kept with the country. The Secretary, in reporting the indebtedness of the country in 1865, puts down as an indebtedness, "United States notes, legal-tenders, $433,163,000." That was a debt, so much to be paid, and the United States was indebted to the holders of those notes.

Now, sir, come down to 1868, the period when Congress by its action said that the volume of legal-tenders should no longer be reduced, and how do you find it? What did the Secretary tell us then was the indebtedness of the United States for legal-tenders? In 1868 the Secretary of the Treasury tells us that the United States is indebted "for United States notes, $356,000,000." What had become of the difference between the $433,000,000 due in 1865 and the $356,000,000 only which were due in 1868? It is said they had been retired, not paid, not extinguished; that they lay in the reserve fund of the Treasury Department liable to be issued at any time, and that the liability of the Government of the United States was just as great as it was before they had been retired. What was the sense, then, of saying that the debt of the United States had been reduced $77,000,000? Was there any sense in such a report as that? Did the Secretary of the Treasury undertake to tell the country that he had absolutely paid off the debt of the United States by $77,000,000 between 1865 and 1868, when as matter of fact he had only carried it upon the cash-book of the Treasury Department, and might reissue it any day he saw fit? Of course not. And nothing is more conclusive than the fact which has recently transpired, that the present Secretary of the Treasury following very properly the precedents of his predecessors, feeling himself constrained by the exigencies of the occasion to resort to what has been denominated the reserve fund, has issued some $26,000,000, and what? Added so much to the public debt thereby.

Now, Mr. President, I say according to my understanding of the policy of the Secretary of the Treasury, commencing in 1865, adopted by Congress, we did begin to reduce the public debt by paying it, and I do not understand that by that the volume of the legal-tenders which lies this side of $400,000,000 was not paid. Being paid, it was extinguished. I shall vote, therefore, as an expression of my own convictions upon the subject, for the amendment of the Senator from Missouri, which I suppose will not carry. If it should not, I shall then vote for confirming the action of the Secretary of the Treasury, who has followed the precedent of his predecessors, by legalizing the issues which have been made under the exigencies to which I have referred. If this amendment shall not carry, then I shall vote for the first section of this bill, which in itself would be legalizing the action of the Secretary of the Treasury.

Mr. President, I am not going over the ground which has been occupied. I content myself with this statement.

Mr. THURMAN. Mr. President, notwithstanding the pressure, I have stood here in obedience to the dictates of my own mature judgment to resist what I considered a dangerous and disastrous inflation of the currency; but I begin to believe that those who are opposed to inflation are falling off one by one, and I cannot but remember some words in the book of Job where he reproaches his friends, which it seems to me may be pertinently read:

My brethren have dealt deceitfully as a brook, and as the stream of brooks they pass away;
Which are blackish by reason of the ice, and wherein the snow is hid:
What time they wax warm, they vanish: when it is hot, they are consumed out of their place.

And so, sir, when it has waxed hot under the eloquence of my friends from Indiana and Illinois and Michigan, first the Committee on Finance vanishes out of its place, and abandons the theory that there should be no inflation; and now my friend from Wisconsin who has spoken this afternoon [Mr. HOWE] has vanished out of his place, too, and after him our venerable and ever-respected friend from Connecticut, [Mr. BUCKINGHAM.] One by one "they are consumed out of their place," and agree to go for a moderate increase of the currency. Well, Mr. President, I do not know but that this might justify me, a mere sergeant or private soldier, if I should say that as all the leaders have abandoned the flag, I too might not stand up in its defense. But there are other reasons that are somewhat stronger than this.

In the first place, no one supposes that the amendment offered by the Senator from Missouri [Mr. SCHURZ] can carry, or that if it could carry in the Senate it would pass the other House; and I suppose without impropriety I may say that, since the other House has spoken its mind.

Then again, Mr. President, the fact alluded to by the Senator from Wisconsin and the Senator from Connecticut is not without its weight. The question is not, shall we, the currency being but $356,000,000, increase to $382,000,000; but it is, shall we, the outstanding currency being $382,000,000 in point of fact, reduce it to $356,000,000? That is, shall we contract? No man believes more firmly than I do that the Secretary of the Treasury misunderstood the law when he issued this $27,000,000. I never have seen a legal question upon which my mind was clearer than that. I do not question his motives; I do not question the necessity under which he acted; but, as a mere legal question, I never have seen one that seemed to me clearer; but he had this to be said in his defense: that when that thing was done one or two years ago Congress suffered it to pass without any rebuke. Then was the time for Congress to have interposed, when five millions were issued of that $44,000,000 miscalled a reserve, nicknamed a reserve, that never was a reserve, that the law never contemplated or dealt with as a reserve. When those five millions were paid out in violation of the law, then was the time for Congress to have interposed and have said, "This thing is in violation of law and shall be done no further;" but with the knowledge that it was done, and with the declaration of the then Secretary of the Treasury that in case of necessity he would do it again, Congress held its peace; and under these circumstances I am not much disposed to condemn the Secretary of the Treasury who followed the example set by his predecessor. At all events, with that example before him and with the silence of Congress before him, he has paid out twenty-six millions of those forty-four millions and they have gone into the business of the country and have affected it more or less. That being the case, and it being perfectly apparent that we cannot get back to the three hundred and fifty-six millions, I see no advantage to be obtained in the amendment offered by the Senator from Missouri, no chance of its being carried; and I think that the opponents of inflation had better rally all together in support of the sum reported by the Committee on Finance in the first section of the bill.

Mr. FERRY, of Connecticut. Mr. President, I have but a single word to say. I think upon this question, as upon all other questions, it is best to vote in accordance with what one believes to be the correct principle. I can under no circumstances vote for an expansion of the currency, and by that I mean an expansion of the legally authorized currency; and the amount of the legally authorized currency of the United States Government at the present day of irredeemable paper is $356,000,000. I vote therefore for the amendment of the Senator from Missouri, [Mr. SCHURZ,] because I would change the bill so as to have the amount outstanding in accordance with what is the legally authorized currency until such time as we can get rid of an irredeemable currency altogether.

In my judgment, the great mistake was made in the beginning, in 1862, when, under the pressure of what seemed then a great necessity, an irredeemable paper currency was issued at all. I think it never should have been issued; and experience now proves that to be true; and that now, when there is no pretense of necessity, for the Government of the United States deliberately to authorize an increase of irredeemable paper currency is to dishonor the nation at home and abroad, to open the flood-gates which no man can shut; and which will inevitably be followed, eve from the little beginnings set in the first section of this bill, by further issues, until this nation shall have gone the round of the older nations of the world through issues unbounded of irredeemable paper, landing in universal bankruptcy, and compelling the nation to begin again on the sound rock of a currency based on gold and silver.

Mr. BUCKINGHAM. I do not suppose I differ very materially from my colleague. The question is what is the amount of currency now legally authorized; what is the amount now legally in circulation? My judgment is that there are outstanding against the Government of the United States $382,000,000; and if I vote against the amendment proposed by the Senator from Missouri, by which I substantially vote to let that section of the bill remain as it is, I vote neither to expand nor diminish the amount of currency in circulation; and therefore I cannot be chargeable, it appears to me, with any change of principle or action as suggested by my honorable friend from Ohio, [Mr. THURMAN.] But whether it be so or not, it is a fact that we have a certain amount of money in circulation. Suppose we refuse to-day to recognize the fact, does it change the obligation of the Government? Not at all.

It may or it may not be remembered that early in the session I introduced a resolution which was sent to the Finance Committee, instructing that committee to inquire whether it was not expedient to make temporary loans in order to cancel an amount of currency equal to that which had been issued by the Secretary of the Treasury since September 25, if that was the date. I was sure these temporary loans could be made by the Government at a low rate of interest for the purpose of canceling an amount of currency equal to that which had been issued. I believe a report which would have made that suggestion would have been a right and proper one; and if that committee shall bring it forward to-day, I will sustain it by my voice and by every vote.

Mr. FRELINGHUYSEN. Will my friend permit me to ask him if there is any difficulty, if we vote that the currency shall be only $356,000,000, in our afterwards funding the $26,000,000 over that now out?

Mr. BUCKINGHAM. I do not understand the question.

Mr. FRELINGHUYSEN. If we say that the United States currency shall not be more than $356,000,000, according to the amendment of the Senator from Missouri, is there any difficulty in our afterward funding the $26,000,000?

Mr. BUCKINGHAM. None at all; but if you say that the currency shall be but $356,000,000 you say that which is not true, as it is $382,000,000 as a matter of fact. Now, I submit to the Senator from New Jersey, if you say by this act that the currency shall not exceed $382,000,000, is there any difficulty in passing an act to reduce it to $356,000,000?

Mr. FRELINGHUYSEN. But I submit to my friend that that would be a very strange way of legislating. Now it is contended that $356,000,000 is the legitimate sum. If so, it would be strange legislation for us to increase it $26,000,000, because we have the power afterward to reduce it. I think the logical way would be to keep it $356,000,000, and then by an act make provision to fund the $26,000,000 excess.

Mr. BUCKINGHAM. I differ entirely as to the process by which I would come to the same result. I think, as a matter of fact, we have a certain quantity of currency out, and it is not right or proper for Congress to repudiate and say that any part of that currency is an obligation not binding upon the Government.

The PRESIDING OFFICER, (Mr. BOREMAN in the chair.) The question is on the amendment of the Senator from Missouri, [Mr. SCHURZ,] to strike out $382,000,000 and insert $356,000,000 in the first section of the bill, upon which the yeas and nays have been ordered.

The Secretary proceeded to call the roll.

Mr. DENNIS, (when his name was called.) On this question I am paired with the Senator from New Jersey, Mr. STOCKTON, who has been called home on account of sickness in his family. If he were here he would vote "yea," and I should vote "nay."

Mr. FLANAGAN, (when his name was called.) I agreed to pair with the Senator from Tennessee, Mr. BROWNLOW. If he were here he would vote "nay," and I should vote "yea."

Mr. JONES, (when his name was called.) On this question I am paired with the Senator from Arkansas, Mr. DORSEY. Were he present he would vote "nay," and I should vote "yea."

Mr. KELLY, (when his name was called.) A few weeks ago I agreed with the Senator from Arkansas, Mr. CLAYTON, that I would pair with him for two weeks. That time expires to-day, and therefore I shall not vote. If he were present he would vote "nay," and I should vote "yea," on this question.

Mr. WRIGHT, (when his name was called.) I have just this moment had brought to my mind the fact that I agreed to pair with the Senator from Vermont, Mr. EDMUNDS, on this question. If he were present he would vote "yea," and I should vote "nay."

The result was announced—yeas 18, nays 40; as follows:

YEAS—Messrs. Anthony, Bayard, Chandler, Conkling, Cragin, Fenton, Ferry of Connecticut, Frelinghuysen, Hager, Hamilton of Maryland, Hamilton of Texas, Hamlin, Morrill of Maine, Morrill of Vermont, Sargent, Saulsbury, Schurz, and Stewart—18.

NAYS—Messrs. Allison, Bogy, Boreman, Boutwell, Buckingham, Carpenter, Conover, Cooper, Davis, Ferry of Michigan, Goldthwaite, Gordon, Harvey, Hitchcock, Howe, Ingalls, Johnston, Lewis, Logan, McCreery, Merrimon, Mitchell, Morton, Norwood, Oglesby, Patterson, Pease, Pratt, Ramsey, Ransom, Robertson, Scott, Sherman, Spencer, Sprague, Stevenson, Thurman, Tipton, West, and Windom—40.

ABSENT—Messrs. Alcorn, Brownlow, Cameron, Clayton, Dennis, Dorsey, Edmunds, Flanagan, Gilbert, Jones, Kelly, Stockton, Wadleigh, and Wright—14.

So the amendment was rejected.

The PRESIDENT *pro tempore*. The question recurs on the amendment of the Senator from Iowa, [Mr. WRIGHT.]

Mr. WRIGHT. Let that amendment be read.

The CHIEF CLERK. The amendment is to strike out all after the enacting clause of the first section of the bill, and to insert in lieu thereof:

That the amount of United States notes for circulation is hereby fixed at $400,000,000.

Mr. WRIGHT. I suppose the rule adopted by the Senate does not require that each Senator shall speak ten minutes. I have no disposition to take up time. I trust we shall have a vote at once on this amendment.

Mr. MORRILL, of Vermont. I move to amend the amendment by inserting at the end thereof—

At which amount it shall remain until reduced as hereinafter provided.

Of course, it will be understood that if the amendment in its naked form as proposed by the Senator from Iowa shall be adopted, it destroys the symmetry of the bill, and it contemplates not only $400,000,000 of United States notes, but it contemplates that that amount shall not be reduced and may be increased.

Mr. WRIGHT. I can conceive no reason why the Senator from Vermont should offer his amendment at this time. Of course if my amendment shall be carried it will be taken unquestionably as the sense of the Senate upon the general question that we want to arrive at this afternoon; and if it shall occur hereafter that the fourth section shall be retained in the bill, then no one probably would object to the amendment he proposes; but I prefer that the Senate shall come to a direct vote on the simple question that I present in this amendment and without reference to any other part of the bill. It is a question that we have discussed here for the last four months, and

I think that in view of what has been the unquestioned legislation of Congress, in view of what has been its failure to legislate, in view of the fact that it has failed to legislate when it was called upon to act on this question, and in view of the fact also that the Secretary of the Treasury has announced to us more than once that he was acting upon the hypothesis that he had a right to issue the $400,000,000, and that we failed to take any step to stop him, that point is squarely and fairly before us, I trust that the amendment of the Senator from Vermont will not be adopted at this time; but if the Senate shall adopt this amendment of mine and shall then retain the fourth section of the bill, the amendment offered by the Senator from Vermont will then be in order. But at present I prefer that the only question should be before the Senate as to the $400,000,000.

Mr. BUCKINGHAM. Is the amendment proposed a substitute for the entire bill? I so understand it.

The PRESIDENT *pro tempore*. For the first section only.

Mr. MORRILL, of Maine. I presume the intention of the honorable Senator from Iowa is to fix a limit to circulation of this description. I suggest to him that in order to accomplish that he strike out the word "amount," and say instead "the maximum limit." If that is the wish of the Senator, I suggest to him that that language is more definite.

Mr. WRIGHT. I prefer to leave the language of my amendment as it is at present.

The PRESIDENT *pro tempore*. The question is on the amendment proposed by the Senator from Vermont to the amendment of the Senator from Iowa.

Mr. MORRILL, of Vermont. I desire to amend my amendment by inserting after the word "which" the word "maximum;" so as to read, "at which maximum amount it shall remain until reduced as hereinafter provided."

Mr. CONKLING. The purpose of the Senator from Vermont evidently is to improve an opportunity, which I am inclined to think may be the only one he will have, to guard against the danger which he has indicated. The pending motion is to strike out this section, and in lieu of it to insert another; and if we vote in favor of the motion as presented, and the Senator from Vermont then offers, as he is now invited by my friend from Iowa to offer, his amendment, I rather think he will encounter, among other things, a point of order insisting that when we have stricken out and inserted, it will not be competent to put back a part of that which we have stricken out. For this reason alone, I think the Senator from Vermont is quite opportune, and by no means hasty in presenting his point. At some time, certainly, it should be presented, because, I take it, nobody is so simple as to misunderstand what we have now heard.

First, an objection is made to accepting the word "limit" as it stands in the bill, and Senators are heard to exclaim that they prefer the word "amount." Next, a refusal is heard to adopting the words "at which amount it shall remain until reduced, as hereinafter provided." Who can mistake the meaning of these refusals? Nobody, it seems to me. It is plain to my mind that Senators favoring the amendment offered by the Senator from Iowa, and resisting that proposed by the Senator from Vermont, mean in substance this: that we shall declare $400,000,000 to be the amount of legal-tenders, not the limit, not the maximum, not the boundary, but the amount with a loose swinging result. Then the subsequent sections of this bill, section by section, are to run the gauntlet of the Senate; and the same majority which refuses to accept "limit" in lieu of "amount," the same majority which refuses to accept the words "at which amount it shall remain until reduced, as hereinafter provided," would be only logical if they struck out the subsequent provision of the bill which provides for a retirement down to $300,000,000. So that the meaning of all this, as I interpret it, plainly written out, is that the purpose exists now not only to sanction, to recognize and maintain a volume of legal-tender currency up to four hundred million, but to resist any provisions which shall look even ultimately to the curtailment of that volume. Therefore, if we are to resist this at all, we are to resist it upon the threshold; the time is now; and the Senator from Vermont is right in the occasion, and the mode he selects to ascertain whether it be the purpose of a majority here not merely to say that four hundred million is out, not merely to say that four hundred million shall be kept out, but to say also that any measure shall be voted down, be it in this bill or another, which looks at any time, within the discernible future at least, to the curtailment of that currency.

I am not going at present, Mr. President, to make any extended remarks. I shall succeed sufficiently if I am able to apprise the Senate that, for one, I do not mistake or fail at all to discern, in this single point which we now confront, the purpose lying behind it.

Mr. FERRY, of Michigan. As I understood the Senator from New York, he thinks it would not be competent for the Senate, if the amendment proposed by the Senator from Iowa were adopted, to strike out a portion of those words and insert others that change the sense entirely. The adoption of the amendment proposed by the Senator from Iowa, in the opinion of the Senator from New York, will preclude the possibility of striking out the word "amount" and inserting "maximum limit," or other words, such as are proposed by the Senator from Vermont.

Mr. CONKLING. No. My friend misapprehended me twice over. First, I made no allegation touching the point which he now states. Second, I affirmed nothing with regard to the point of which I did speak. I merely said that after a motion shall prevail, like that now pending, to strike out and insert, a point of order would be made; a parliamentary question would be raised probably. I did not undertake to predict the fate of that question, but simply to call the attention of the Senator from Vermont and of the Senate to the fact that we might be met by a parliamentary question; not that I say the parliamentary law would be that there is no mode of getting at it. My purpose was sufficiently answered by adverting to the fact that we should encounter the question. How the Chair might rule that question I did not undertake to say.

Mr. FERRY, of Michigan. I shall have accomplished my object by calling the attention of the Senate to the incorrectness of an inference that might be drawn from the statement made by the Senator from New York that it would be impossible after the adoption of the amendment of the Senator from Iowa to adopt the amendment proposed by the Senator from Vermont. In my judgment as a Senator, I believe that it would be competent. Inasmuch as the case cannot be made before the occasion arises for the Chair to rule, I merely call attention to it.

Mr. CONKLING. Allow me to ask my friend, what, then, is the objection to voting upon the amendment now?

Mr. FERRY, of Michigan. Simply because a motion is made by the Senator from Iowa, and he prefers that form of the motion, and as far as I am concerned I am disposed to vote under the present form. I shall then be prepared, after its adoption or rejection, to adopt any other amendment if it shall appear to me just and proper.

Mr. CONKLING. Then we are to understand the Senator from Michigan that he puts it upon the ground of the mere personal taste and preference of the Senator from Iowa; that he sees no reason in substance, but merely that the mover of the original amendment expresses a preference that it shall be voted upon first; and, therefore, he thinks this amendment ought not to be made to it.

Mr. FERRY, of Michigan. I did not rise for that purpose. I rose to dispel the impression left upon the Senate when the Senator from New York referred to the Senator from Vermont, and stated that now was his last opportunity, that if the amendment was adopted as offered by the Senator from Iowa there would be no possibility of offering or accepting the amendment proposed by the Senator from Vermont. All I wished was to dispel that impression which had been left on the Senate.

Mr. CONKLING. The Senator has not succeeded in dispelling the impression on me that we shall be stranded perhaps upon a point of order if we do not consider the amendment of the Senator from Vermont now; and the Senator from Michigan has confirmed an impression which I forbore to declare a moment ago, but which I will now frankly state. He has confirmed a suspicion in my mind that the purpose is, when the proper point in this bill is reached, to move to strike out everything touching banking except that which will inaugurate banking absolutely free without any retirement of greenbacks and without any redemption. Unless that be the purpose, unless the design be to change or to attempt to change the bill in that respect, I undertake to say there is no reason of substance or even of preference for not voting first upon the amendment of the Senator from Vermont.

Mr. MORTON. The amendment offered by the Senator from Iowa is intended as a substitute for the first section. Now I will ask to have the amendment to that substitute, offered by the Senator from Vermont, read.

The PRESIDENT *pro tempore*. It will be reported.

The CHIEF CLERK. The words proposed to be added are as follows:

At which maximum amount it shall remain until reduced as hereinafter provided.

Mr. MORTON. The adoption of that amendment offered by the Senator from Vermont commits us by implication to the adoption of the rest of the bill. That amendment is that the currency of United States notes shall stand at $400,000,000 until reduced as hereinafter provided in this bill. If that be the purpose of the amendment, I am sure nobody wants to vote for it unless he is prepared to vote for what follows in the bill.

Mr. MORRILL, of Vermont. May I ask a question of the Senator from Indiana? He is a frank man. He does not desire to do anything indirectly, or anything that he is not willing to avow. Now, I ask him if it is not his purpose in sustaining the substitute proposed by the Senator from Iowa, then to sustain entirely free banking at the end of the bill?

Mr. MORTON. I will come to that when the amendment is offered. But to vote for the amendment offered by the Senator from Vermont is by implication to indorse what stands in the bill now.

Mr. THURMAN. Will the Senator from Indiana allow me to interrupt him there?

Mr. MORTON. Yes, sir.

Mr. THURMAN. Suppose that the amendment of the Senator from Vermont shall be adopted, it is then that the greenbacks shall stand at $400,000,000 until reduced as hereinafter provided in this bill; but what shall be hereinafter provided in the bill will depend upon our action on the remaining parts of the bill. It is no committal to anything.

Mr. MORTON. It is a committal, and a direct committal. But now I come to the other point. Suppose we vote down the amendment of the Senator from Vermont, and then in a subsequent provision of the

bill we do provide in some form, either in the mode provided now, or some new one, for reducing the $400,000,000 to $300,000,000, or $200,000,000, is not that competent; and would that subsequent provision be any less effective because these words proposed by the Senator from Vermont are not put in? It still leaves it entirely competent for the Senate to put in a provision disposing of the $400,000,000 in part or in whole, although these words are not put in there; but the adoption of these words is in substance an adoption of what follows in the bill on that subject.

Mr. HAMLIN. Mr. President, I do not propose to enter into the discussion at all. I rise only to make an appeal to my friend from Vermont, to ask him to modify his motion. If I have understood his motion, he has proposed to add these words, "at which maximum amount it shall remain until reduced as hereinafter provided." I ask him to withdraw the word "maximum," and I will state very frankly why I do it. Although I think I agree with the Senator from Michigan that if the Senate do strike out those words with other words we might, by a separate motion, vote back a part of the words stricken out; but that is doubtful. If, however, the Senator from Vermont will modify his amendment, and leave out the word "maximum," and then it shall be necessary to move it subsequently with that word "maximum" in, it will be a different thing from the words stricken out; and thus we shall remove all questions upon a point of order.

Mr. MORRILL, of Vermont. I accept the suggestion of the Senator from Maine, and withdraw the word "maximum."

The PRESIDENT *pro tempore*. The amendment to the amendment will be so modified.

Mr. SHERMAN. I wish to call the attention of the Senate to the important consequences that may flow from the adoption of the amendment. My friend from Iowa has not selected the particular language used by him without a purpose. He is too good a lawyer for that. If he wanted to raise the simple question of whether the maximum limit of our United States notes shall be as formerly $400,000,000, all he had to do was to move to strike out $382,000,000 and insert $400,000,000; but let me tell him the consequences now of this motion. He strikes out the words "maximum limit," so that hereafter the law of 1866, which fixes the maximum at $400,000,000, is practically repealed. I have carefully studied the language, and I assure the Senator that if that language is adopted it revives the reserve provided for by the act of 1864. The amount of United States notes "for circulation" is fixed at $400,000,000, restoring again the reserve of $50,000,000 to be used at the discretion of the Secretary of the Treasury, and repealing the limitation provided by the act of 1864 and renewed by the act of 1865, which says that never shall the amount of United States notes exceed $400,000,000. It is perfectly manifest, and Senators ought to confess that that was their intention, that this amendment goes far beyond the purpose announced. If the Senator (as I hope he does, for the present, at least) simply desires to ascertain the sense of the Senate as to whether the maximum limit of United States notes shall be $400,000,000 instead of $382,000,000, let him make that motion; and then if hereafter the fourth section of the bill is stricken out, he can easily move to strike out the words which now form the burden of dispute between him and the Senator from Vermont.

But, sir, if it is proclaimed in this Senate to-night that it is the purpose of the Senate of the United States to break down the barrier that has been made which has for long years fixed the maximum limit of United States circulation at $400,000,000, you will create alarm. I trust, therefore, that if we are to meet this matter, as I hope we shall, frankly and fairly, the Senator will take the sense of the Senate now on the mere question of $400,000,000, leaving the language of the section as it now stands, which is but a copy of the language of the former law; but the change of language, especially so peculiar a change, being the substitution of language which removes all maximum limits and opens at once a reserve of $50,000,000 and practically repeals all the restraints upon an increase of United States notes, would create alarm.

I have called attention to the fact that the words "for circulation" are put in. Why? Those very words, in connection with the other words, show clearly that the $400,000,000 without any maximum is for circulation, and the $50,000,000 is for reserve, and as many more millions as can be voted for in any other way to meet exigencies of the Government.

Mr. MORTON. The suggestion of the Senator from Ohio is clearly a *non sequitur*. Between this language proposed by the Senator from Iowa and the old $50,000,000 reserve there can be no possible connection. I hope nobody will be frightened by it. When it is proposed that the amount of these notes for circulation shall be $400,000,000, the Senator says that means $450,000,000. No such thing. It means just what it says.

Mr. SHERMAN. Then I ask the Senator, why not simply take the proposition as reported and move to change the amount?

Mr. MORTON. I think the Senator from Iowa has a right to propose his amendment in his own form and his own way, without having it dictated to him by anybody else.

Mr. WRIGHT. Unquestionably so; and if any member of the Senate sees proper to offer an amendment he can raise the question. I offer this amendment, and I am sure that it is not subject to the objection that is suggested by the chairman of the Committee on Finance. It is in effect precisely what he says. Now he asks why did I not move to strike out $382,000,000 in the bill and insert $400,000,000? For the reason that I wanted to get rid of the remaining portion of the section, of the language that is now sought to be put upon my amendment by the Senator from Vermont. I proposed a substitute for this section for the purpose of getting the question fairly before the Senate, and I think that question is fairly presented here. If the Senator from Ohio thinks that the word "maximum" ought to be inserted before the word "amount," he can move such an amendment; but I have selected the language that I have moved as a substitute for this section. Now I appeal to those who think that we ought to have a circulation of $400,000,000, or who think that the maximum ought to be $400,000,000, (and that is what it means and nothing more,) to stand by the amendment as it is. If the Senator from Ohio sees proper to offer an amendment to it, inserting the word "maximum," and the Senate so determine, that is the sense of the Senate.

Mr. SCHURZ. I would ask the Senator from Iowa whether it is his intention that $400,000,000 should be the maximum amount of United States notes?

Mr. WRIGHT. Unquestionably so.

Mr. SCHURZ. Is it his intention that there should be a reserve in the Treasury besides that?

Mr. WRIGHT. Certainly not.

Mr. SCHURZ. Then why not say so?

Mr. WRIGHT. If the Senator from Missouri and the Senator from Ohio think that my language does not accomplish the object, let them offer any amendment. I say it does accomplish the purpose as it is now. If they think it does not, let them take the sense of the Senate by offering amendments.

Mr. SHERMAN. I cannot offer any now, because it is not in order.

Mr. WRIGHT. There will be a proper time when the Senator can offer it.

Mr. CONKLING. Is any part of my ten minutes still at my disposal?

The PRESIDENT *pro tempore*. Five minutes.

Mr. CONKLING. Then, I have to say that nothing since I have been in the Senate has ever occurred equal to this, in my opinion, except once, and that was when, upon very much such arguments, we could not put in the act of 1868 the words "or increased," because the clause would mean the same thing without them and they were not necessary; and the Senator from Indiana has duplicated very well one of the speeches that he made on that occasion. He says this amendment means the same thing as the proposed modification would declare, and the Senator from Iowa has a right to offer his amendment in any language he pleases. Undoubtedly he has a right to consult the most fastidious taste in all the dots of the *i*'s and the crosses of the *t*'s; but I hope this Senate will not be so far hoodwinked as not to see the difference and the designed difference between a "maximum limit" and an "amount for circulation," words which had entirely escaped me until I went down to the desk and looked upon them. After hearing the Senator from Iowa admit that he wants to discard the residue of this section, after knowing that he has carefully picked and chosen words to distinguish and discriminate between those words and the definition given to the language already standing in the statutes, does any man now suppose that it is a mere matter of style, a mere matter of rhetoric, a mere piece of phrase-mongering which leads the Senator from Iowa to import into this amendment the words "for circulation?" I apprehend not. As the Senator from Ohio says, if they mean anything, they mean to go beyond, to jump over, to pass by all legal-tenders known as reserve, and to begin to count when circulation counts as such, irrespective of reserve. If they do not mean that, for what is the Senator from Iowa contending? A phrase? O no, Mr. President. The Senator from Iowa has no time to waste in that way. He goes for things, and not for words; and this language, if it be preferable for any reason to the language already inscribed on the statute-book, known and construed, is valuable because it means something more than that; and if it means more than that, it means more of circulation.

Now, Mr. President, I hope that no Senator will allow the amendment of the Senator from Vermont to pass him by without giving to it that attention due to the fact that it may be the only opportunity to guard against that of which I am speaking. Some Senator on my right said in his seat, the Senator from Iowa, perhaps, that the Senator from Vermont could offer it afterward. No, sir; he cannot offer it afterward, under the rules of the Senate; at least not in Committee of the Whole, nor even in the Senate as he proposes it. It is now or never. If we mean to cut loose from all settled ideas and rise upon the wings of unbridled inflation, so be it; but let us have courage enough to stand up to it, to say what we mean, and hew to the line no matter where the chips fly. If we do not mean that, do not let us put in a juggling phrase by which another fifty or twenty-six millions shall go out, and when we turn back to the record find no reason for it except that some Senator said, "It is not necessary to guard against that; there is no doubt as to the meaning; it is not worth while to amend; the Senator from Iowa is entitled to choose his own language; he has chosen it; let it be like the laws of the Medes and Persians, without alteration."

Mr. MORTON. Have I any time left, Mr. President?

The PRESIDENT *pro tempore*. Two minutes and a half.

Mr. MORTON. Mr. President, we have the ghost of the reserve conjured up here to-night. Nobody has argued in the Senate, it has

not been contended by the Secretary of the Treasury, that the fifty million reserve, making four hundred and fifty millions of United States notes, may be issued under the law as it now stands. That was for temporary loans which have been paid off. That it now exists, I believe has been contended for by nobody; but now that is suddenly sprung here to affright the souls of Senators and make them depart from an amendment. The intimation is made that this has some deep and hidden meaning. I ask, on the other hand, what is the deep and hidden meaning couched under the language that is insisted upon? So far as I am concerned I will not undertake to suggest to the Senator from Iowa; but if the word "maximum" was inserted before the word "amount" in his substitute, I should have no objection; but this idea of reviving the fifty million reserve, a thing that nobody has contended for here in debate and that no Secretary has contended for in the last few years that I have heard of, seems to me to be preposterous.

Mr. THURMAN. Mr. President, I wish to call the attention of my friend from Vermont, and of all other Senators who have been watching this thing closely, to the fact that his amendment alone will not answer the purpose. The dangerous words in the amendment of the Senator from Iowa are the words "for circulation;" and now if the amendment of the Senator from Vermont were adopted, it would not cure that vice one particle.

Mr. MORRILL, of Vermont. If this amendment of mine shall be adopted, I propose then to move to strike out those words.

Mr. THURMAN. What I was going to suggest to the Senator, was to withdraw his amendment for the present, and move to strike out those words. Nor can it be of the slightest advantage to insert the word "maximum" before the word "amount," in the amendment of the Senator from Iowa, if you leave the words "for circulation" in. The only way to get at this matter, and to prevent a circulation of $400,000,000 in addition to the reserve, is to strike out these words "for circulation." I therefore hope the Senator from Vermont will move to strike out those words. He can do it after his amendment has been voted on, or before; but I think it would be better, and he would have more strength, if he would withdraw his present amendment, and move, instead of it, to strike out the words "for circulation." Then he can afterward renew the amendment which is now pending.

Mr. MORRILL, of Vermont. I prefer to have the present motion voted on first.

The PRESIDENT *pro tempore*. The question is on the amendment of the Senator from Vermont to the amendment of the Senator from Iowa.

Mr. MORTON called for the yeas and nays; and they were ordered.

Several SENATORS. Let the amendment be read.

The PRESIDENT *pro tempore*. The amendment to the amendment will be read.

The CHIEF CLERK. It is proposed to add to the amendment of Mr. WRIGHT the words:

At which amount it shall remain until reduced as hereinafter provided.

Mr. LOGAN. I did not expect to say one word during this whole voting; but those who have been in favor of $400,000,000 have kept perfectly silent now for two days. An unexpected raid, however, has been made here within the last few minutes, for a purpose. I say that inasmuch as the words "for a purpose" have been used in reference to the amendment of my friend from Iowa, as if to insinuate that gentlemen had something covered up in the amendment, I desire to make a remark in reference to that proposition.

What does the proposition offered by the Senator from Vermont mean? As said by the Senator from Indiana, it means to indorse something that is to follow, and the Senator from New York stated if the amendment of the Senator from Iowa were once adopted no amendment could then be offered to it. Now, does the Senator from New York mean to say to the Senate that if the language of the amendment presented by the Senator from Iowa should be adopted no clause could be inserted in the following sections of the bill, either to contract or redeem the currency?

Mr. CONKLING. Certainly not. I said no such thing.

Mr. LOGAN. I know you said no such thing, but I ask, did you mean that? For that was the clear inference, and that was the charge which was made here in the Senate for the purpose of alarming somebody, as though Senators were to be scared out of their wits and out of their votes in reference to these things. This was a suggestion such as is occasionally made by certain gentlemen when they expect to scare somebody.

Now, what does this amendment of my friend from Iowa mean? It means nothing more nor less than that $400,000,000 shall be the amount of United States circulating medium. Now, I ask you, if you make the maximum $400,000,000 without a proposition that a portion of it shall be kept in reserve, does not that mean that it is to be in circulation? This word "circulation" means nothing more than your language when you say the maximum amount shall be $400,000,000, unless you provide for a reserve of a portion of it. The Senator from Ohio [Mr. SHERMAN] says that this revives the law fixing a reserve of $50,000,000. I will not say that he knows better, but I will say that that is such a proposition as it strikes me no intelligent man would believe for a moment. It means no such thing, and by no possible thing could it have any such effect. This means nothing more nor less than to say that the amount of United States notes hereafter shall be $400,000,000. Why? Because there has been a controversy for some years as to the amount of United States notes authorized. Some say $356,000,000, some say $382,000,000, others say $400,000,000. Four hundred millions was the amount fixed by law until the $44,000,000 was contracted by Secretary McCulloch, and this means nothing more than to allow that $44,000,000 to go into circulation at the option of the Secretary of the Treasury. It means nothing more, and it cannot mean anything else.

There is no use in our trying to alarm one another in this Senate, because the presumption is that every Senator has sense enough to judge for himself as to how he shall vote. Whether this be a violent one or not, is not for me to say; but I should infer from the language of my friend from New York that there was a portion of us here who did not understand ourselves; and he proposes to alarm us as to that which we cannot understand, to scare us for fear there was something in this that we do not see. I think I understand this question about as well as the Senator does; and I am not frightened when he makes his attack in such a manner as though he was charging at the head of some column and bearing down some enemy and trampling him under foot; and no doubt his long silence on this question has left him sufficient strength to lead a charging column here in the Senate for the purpose of striking down some of the rest that perhaps are a little weakened by the amount of talking they have been doing.

Now, I say if the proposition of the Senator from Iowa is not in accordance with the views of these gentlemen, if they have a majority in the Senate, let them shape it according to their views; but if the majority is against them when the vote is taken, at least permit that majority to choose their own language. I do not know how the majority stands; I cannot tell. I do not know whether this amendment will be voted up or down; but if voted up, if adopted, and the language which is suggested by the Senator from Ohio, or by the Senator from New York, is more desirable, either one of them can move it and have it put in, and well you know that.

Mr. CONKLING. I do not.

Mr. LOGAN. You do not! Then you have a weakness that I did not discover before. [Laughter.]

The PRESIDENT *pro tempore*. Senators should address the Chair.

Mr. LOGAN. I do not think there is any man in the Senate who does not know the fact to be that if the amendment be adopted it can be amended afterward.

Mr. HAMLIN. O, no!

Mr. LOGAN. I have read the rules. What I mean is that the language following can operate to restrict it, to contract it, or in any other form you choose you can get at it. Is not that true?

Mr. SHERMAN. You may add new words, but you cannot strike out.

Mr. LOGAN. I am not speaking of striking out; but can you not insert the word "maximum" in front of "amount?"

Mr. SHERMAN. But after the words "for circulation" are adopted you cannot strike them out.

Mr. LOGAN. I will ask, then, if you adopt the proposition just as the Senator from Ohio reported it, leaving it at $382,000,000, does that not mean that notes to that amount shall be in circulation?

Mr. SHERMAN. Certainly.

Mr. MORTON. What are they for, if not for that?

Mr. LOGAN. If you adopt the words "four hundred million dollars," I ask the Senator to tell me what they mean. By providing for $400,000,000, do you mean that that amount shall not be in circulation? Do you mean to humbug the country by providing for $382,000,000, and then have it covered up so that that much shall not be in circulation? Is that the meaning? Why, sir, if you mean that the amount authorized shall be in circulation, say so; and that is what we mean. We mean that $400,000,000 of currency shall be the United States currency, and the amount that may be in circulation in this country. Now, if you do not mean that the $382,000,000 shall be in circulation, I would like to know what you try to impose on the Senate for; because that is our understanding of it. We say "circulation," we mean "circulation," because we want it for that purpose and not for a reserve. This wipes out the reserve, and makes the amount named the amount of the circulating medium of the United States. That is all it means; and if we do not mean to have it for circulation, what do we mean to put it in for? If we do not want it for circulation, what do we want any amount for? We might as well vote for the proposition of the Senator from Missouri to fix the maximum amount at $356,000,000, if we do not intend it shall be in circulation. We voted that down. Why? Because we wanted $400,000,000 of circulation; or, at least, some of us did so on that ground. I can conceive of no other meaning this proposition has except that, and for that reason I propose to vote for $400,000,000 of circulation. That is what I mean by my vote when I vote to fix the maximum amount at $400,000,000. If I mean it, why not say it?

Mr. WRIGHT. Mr. President, the pending question is on the amendment offered by the Senator from Vermont, to add to my amendment certain words. That is the question upon which we are now to vote. After the vote shall be taken upon that question and it shall be defeated, as I trust it will be, then the amendment offered by me will be in the possession of the Senate. If the amendment of the Senator from Vermont shall be defeated, I shall not then resist

any proposition to insert the word "maximum," if it is deemed by the friends of the measure all around better to do so; but at present I call on the friends of this proposition to remember that we are now voting on the simple proposition of the Senator from Vermont to add these words. I trust they will be voted down, and then we shall have the amendment in our own hands.

Mr. MORRILL of Vermont. I do not propose to act as "the whip" of the Senate. I think the Senate are quite competent to express their own judgment without any whip. We have never had what is called a whip in the American Senate, and so far as I am concerned I do not offer any amendment to this bill for the purpose of mangling it. I am disposed to improve the bill. I do not expect that I shall be able to vote for it; but at the same time I desire to have it express fairly and properly the meaning on its face, and not have it conceal something that we do not understand. Now, if it is not the purpose of the Senator from Iowa to embark here in an increase of the circulation to the amount of $400,000,000, for the purpose of leaving open the question of unlimited free banking, then he can have no possible objection to the amendment which I propose.

The PRESIDENT *pro tempore*. The question is on the amendment of the Senator from Vermont to the amendment of the Senator from Iowa, on which the yeas and nays have been ordered.

The Secretary proceeded to call the roll.

Mr. DENNIS, (when his name was called.) I am paired with the Senator from New Jersey, Mr. STOCKTON. If present he would vote "yea," and I should vote "nay."

Mr. JONES, (when his name was called.) I was induced a few days ago to pair with the Senator from Arkansas, Mr. DORSEY. It is impossible for me to say how he would vote on this proposition.

Mr. LOGAN. He would vote with us.

Mr. JONES. I cannot tell how he would vote, because this proposition is new, and has not been up before; but for fear that I may do some injustice to Mr. DORSEY, I will not vote upon it. I should vote "yea" if I felt at liberty to do so.

Mr. KELLY, (when his name was called.) As I stated before, I am paired with the Senator from Arkansas, Mr. CLAYTON. If present he would vote "nay," and I should vote "yea."

Mr. SCOTT, (when his name was called.) I consider myself paired on this question with my colleague, [Mr. CAMERON.] I would vote for this amendment, and I suppose he would vote, if present, against it.

Mr. WRIGHT, (when his name was called.) Upon this question, and upon all other questions connected with this bill, I may as well state, once for all, that I am paired with the Senator from Vermont, Mr. EDMUNDS. Exactly how he would vote on this special question I cannot say; but he told me to notice how his colleague voted, and his colleague would vote just as he would all the time. Therefore I shall not vote. I suppose he would vote for this proposition, and I should vote against it if at liberty to do so.

The result was announced—yeas 26, nays 31; as follows:

YEAS—Messrs. Anthony, Bayard, Buckingham, Chandler, Conkling, Cooper, Cragin, Davis, Fenton, Ferry of Connecticut, Frelinghuysen, Hager, Hamilton of Maryland, Hamilton of Texas, Hamlin, Howe, Morrill of Maine, Morrill of Vermont, Sargent, Saulsbury, Schurz, Sherman, Stevenson, Stewart, Thurman, and Wadleigh—26.

NAYS—Messrs. Allison, Bogy, Boreman, Carpenter, Conover, Ferry of Michigan, Goldthwaite, Gordon, Harvey, Hitchcock, Ingalls, Johnston, Lewis, Logan, McCreery, Merrimon, Mitchell, Morton, Norwood, Oglesby, Patterson, Pease, Pratt, Ramsey, Ransom, Robertson, Spencer, Sprague, Tipton, West, and Windom—31.

ABSENT—Messrs. Alcorn, Boutwell, Brownlow, Cameron, Clayton, Dennis, Dorsey, Edmunds, Flanagan, Gilbert, Jones, Kelly, Scott, Stockton, and Wright—15.

So the amendment to the amendment was rejected.

The PRESIDENT *pro tempore*. The question recurs on the amendment of the Senator from Iowa, [Mr. WRIGHT.]

Mr. SHERMAN. I now move to amend the amendment by striking out the words "for circulation" and inserting in lieu of the word "amount" the words "maximum limit," and I appeal to the Senator from Iowa that as these are words that have been carefully studied, and the precise meaning and effect of which are distinctly known, have been considered in committee, and are copied from laws of long standing, he ought to concur in them. The words "for circulation" might create a very serious doubt under the second section of the act of June 30, 1864, entitled "An act to provide ways and means for the support of the Government," when the maximum limit, the total amount of United States notes for circulation was fixed at $400,000,000, and in addition to that there was a reserve provided for by the same section. I very much fear that the use of this language, so similar to that in the old law, would revive that reserve. I know he does not intend that. There is more argument in favor of that construction of the law than there ever was in favor of making the $44,000,000 a reserve. There is no law of the land which in terms even declared that the $44,000,000 should be a reserve; but there is now upon the statute-book a law which provides for a reserve of $50,000,000 for temporary liabilities.

It seems to me, unless the Senator really designs to open up the question of another increase of $50,000,000 more, he ought to remove all doubt on that subject by accepting my amendment which fixes the maximum limit of United States notes.

In reply to the observation of my friend from Illinois, I will say that as a matter of course these notes are intended to circulate under existing laws, but the words "for circulation" may renew the old distinction made between the $400,000,000 for circulation and the $50,000,000 which was for reserve.

Mr. LOGAN. Why not say "maximum amount" instead of "limit?"

Mr. SHERMAN. The word "limit" is better, I think.

Mr. LOGAN. No; I think "amount" is better.

Mr. SHERMAN. In the law of 1865 the language is "maximum limit." In others it is "total amount," which are words of equivalent meaning. "Maximum limit," I think, is the proper term here.

Mr. WRIGHT. I want now, once for all, to dispel any impression that I had any purpose whatever by the amendment as I proposed it to do anything except what has been suggested by the Senator from Ohio and other Senators on this floor. The language I selected was my own. I had no conception that any person could think for one moment that it could change existing laws, or could, by possibility, revive anything in connection with the fifty million reserve. I have no wish of that kind, and I am sure there is no Senator who has voted with me who has any wish of that kind. Now, for the purpose of getting the Senate to a direct vote on the question, I suggest to the Senator from Ohio, if he will allow me, that I am willing to modify my amendment so as to substitute for the pending section this language:

That the maximum amount of United States notes is hereby fixed at $400,000,000.

Mr. MORTON. That leaves out the words "for circulation." I have no objection to that.

Mr. SHERMAN. The only objection I have to the use of the word "amount" is that it does not still retain the word "limit," which is by two laws already declared. The law of 1865 and the law of 1864 speak of the "limit" beyond which United States notes shall not go.

Mr. WRIGHT. Can the Senator from Ohio by possibility point out any difference in meaning between the words "limit" and "amount?"

Mr. SHERMAN. I do not see any reason why the Senator should not adopt "limit."

Mr. WRIGHT. I have yielded so far as the words "for circulation" are concerned, and I propose now to stand by this amendment unless some person shall move to change it. I put it: "The maximum amount of United States notes is hereby fixed at $400,000,000."

Mr. SHERMAN. It seems to me the word "limit" is a word of limitation, while the word "amount" is not a word of limitation, but a word of description; and I think in language so important as this, in a law which is intended to prescribe a limit, the word "limit" ought to be used.

Mr. LOGAN. The words "maximum amount" are a limitation.

Mr. SCHURZ. What is the question before the Senate?

The PRESIDENT *pro tempore*. The Secretary will report the pending amendment as modified.

The CHIEF CLERK. The amendment is to strike out the first section of the bill, and in lieu thereof to insert:

That the maximum amount of United States notes is hereby fixed at $400,000,000.

Mr. SCHURZ. I move to amend it, if it is subject to amendment, by striking out the word "amount," and inserting "limit."

Mr. CONKLING. May I ask the Senator from Iowa, if he deems the word "amount" and the word "limit," as he has said, precisely synonymous when used here, why he does not take the word "limit," as that happens to be in the existing law?

Mr. WRIGHT. I do not think it makes any difference in the world, one way or the other, whether you insert "limit" or "amount;" but "amount" is the language I have elected.

Mr. CONKLING. Then why does not my friend insert the word "limit," if it is preferred by some Senators?

Mr. WRIGHT. For the reason that I understand this proposition comes from those who will not vote for the amendment under any circumstances.

Mr. CONKLING. Admitting that to be so, if it is the same in effect why does the Senator choose the other word?

Mr. WRIGHT. Does not the Senator know that very often a proposition is made by those who are opposed to your amendment, and that under any circumstances, you do not feel at liberty to accept the proposition?

Mr. CONKLING. If it is the very same thing?

Mr. WRIGHT. Does the Senator think it amounts to the same thing?

Mr. CONKLING. The Senator from Iowa says he thinks it does; and my question is, why he, so thinking, objects to the employment of the other word?

Mr. WRIGHT. I have already stated the reason.

Mr. CONKLING. My friend from Illinois is kind enough to say that he does not wish to do it so as to satisfy me.

Mr. LOGAN. I do not mean you.

Mr. CONKLING. If my friend will pardon me a moment——

Mr. LOGAN. I will restate what I said in my seat, so that the Senator may not be mistaken. I merely said in a side-bar remark that the Senator from Iowa did not desire to fix it for the Senator from New York, but for himself. That was what I said.

Mr. CONKLING. Now, Mr. President, I will say what I rose to say. In one view the choice between the word "limit" and the word "amount" is a very critical choice, although the word "limit" is in the statutes, and has been construed and defined. In another sense, and in the sense in which I understand those words here, there is a very substantial choice, and in two respects which I will state.

In the first place, if you say that the maximum limit shall be $400,000,000, it means at once that the amount of those notes shall not

be more than that, and it means that it may be less. If you fix it as a boundary by the word "limit," it means that the sum shall never pass that amount. It does not imply that the sum shall not fall below that limit. There is one distinction, and I think a very manifest distinction.

If you say that the maximum amount of notes is to be so much, one construction of it would be that that amount was to be kept out. But this distinction becomes much more obvious in this bill in connection with the subsequent sections. Section 4 provides that the amount shall be reduced until you reach $300,000,000. Now, does not everybody see that the symmetrical word in reference to that is "limit," so as to leave room for a diminution, and does not everybody see that when you employ the word "amount" you are speaking of a positive quantity, which is inconsistent with the idea that it is to be afterward reduced? That is very plain to me. If the subsequent section of the bill were to stand, it would amount merely to a criticism upon the choice of language. But if it should so happen when that amendment arises (which the Senator from Indiana has frankly told us he will express his position about when it comes up) that an amendment is offered to strike out section 4, I think it will be tolerably plain to all of us that there has been all the time a distinction between the word "limit" and the word "amount." Now, if we mean that $400,000,000 is to be kept out, "amount" is a very good word. If we mean that an uncertain sum is to be kept out which shall never exceed $400,000,000, then "limit" is the appropriate word; it is the term of art to express it; and it so happens in addition to that, that it is in the statutes now, has been defined, and is thoroughly understood.

In view of these two distinctions, I can hardly accept the idea, although the Senator from Iowa has announced that as to himself, and therefore I accept it as to him, that a majority of the Senate will refuse to take the defined, familiar word in the statutes, upon the idea that the meaning is precisely identical, neither more nor less, with the word "amount," but yet they will have the word "amount" because it stands in the amendment. I think that will be rather an insufficient argument to satisfy anybody.

Mr. MORTON. If there be any substantial difference between the words "maximum amount" and "maximum limit," I hope the Senator from Iowa will stand by his language. I say "if there be." The word "maximum" there, which means something beyond which you cannot go farther, has the same signification when standing before the word "amount" that it would have before the word "limit." I think it is Hudibras that talks about the difference between tweedledum and tweedledee. As far as the words are concerned, they are both found in numerous statutes. The word "amount" occurs very frequently in statutes and the word "limit" occurs; and they are both good words, good sound English words. The Senator from New York and other Senators will not vote for the amendment when they get that word "limit" put in, whatever object they may have. I suppose they would like to shape the amendment so as to defeat it.

The PRESIDENT *pro tempore*. The question is on the amendment of the Senator from Missouri [Mr. SCHURZ] to the amendment of the Senator from Iowa, [Mr. WRIGHT.]

The amendment to the amendment was rejected.

The PRESIDENT *pro tempore*. The question recurs on the amendment of the Senator from Iowa.

Mr. FRELINGHUYSEN. I would suggest to the Senator from Iowa that he substitute the word "limited" for the word "fixed" in the fourth line, and that will please everybody. He holds on to the word "amount," and then says that "the maximum amount of United States notes is hereby limited to $400,000,000."

Mr. LOGAN. I do not think it is necessary to do that.

Mr. WRIGHT. My friend from New Jersey proposes to amend this by saying practically that the maximum amount of United States notes shall be fixed at such maximum amount.

Mr. LOGAN. We want decent language.

Mr. FRELINGHUYSEN. I do not know much about language; but I should like my friend to show me the indecency or impropriety of the language I have suggested.

Mr. LOGAN. The word "decent," perhaps, was not a good word; I should have said "proper."

The PRESIDENT *pro tempore*. The question is on the amendment of the Senator from Iowa.

Mr. CONKLING called for the yeas and nays; and they were ordered.

Several SENATORS. What is the amendment?

The PRESIDENT *pro tempore*. The amendment will be reported.

The CHIEF CLERK. It is proposed to strike out the first section of the bill, and in lieu of the words stricken out to insert:

That the maximum amount of United States notes is hereby fixed at $400,000,000.

Mr. THURMAN. I should like to ask one question of those who are more familiar than I am with these laws. This is not an act authorizing the issue of legal-tender notes; they must be authorized by some other act; and the object of the first section of this bill is to restrict the issue, if it has any object at all. Certainly it is not intended to be an affirmative grant of power to the Secretary of the Treasury to issue notes. Now what I wish to inquire, and I will inquire of my colleague, as he is familiar with the laws, what is the present existing provision of law as to the power of the Secretary of the Treasury to issue legal-tender notes. To what extent is he authorized to issue?

Mr. SHERMAN. I think he has issued $25,000,000 more than he is authorized by law to do; but he claims the power to issue up to $400,000,000.

Mr. THURMAN. Then the proposition of the Senator from Iowa is by implication to give him the power to issue $44,000,000 more than the law now authorizes him to issue as it stands. It is not a direct authority to issue it; but by saying that the amount is fixed at $400,000,000, I suppose by implication the Secretary of the Treasury is to be authorized to do that thing. It strikes me that it is an odd way of granting power to create currency in the country by tens and forties of millions. If the Senator intends to give him a power that is not already conferred by statute, let him give it in direct language and not in indirect language. We have had quite enough indirect language in this business. If the statutes now do not authorize him to issue $400,000,000, and the Senator thinks he ought to have that power, let him say so directly. If the statutes do authorize him to issue $400,000,000, if he has the right to reissue this $44,000,000 reserve, so called, then the sole office of this section must be to restrict it, and it ought to be plainly restricted in its language.

Mr. GORDON. I simply wish to ask, before the vote is taken, whether it will be in order to move to add the words which the Senator from Iowa agreed to strike out. I find that the House bill uses the words "in general circulation." Will it be in order to move that as an amendment after this vote shall be taken, if the amendment should be adopted?

The PRESIDENT *pro tempore*. That motion is in order now, if the Senator chooses to make it.

Mr. GORDON. I do not want to embarrass the vote now.

Mr. MORTON. I think it would be in order afterward, would it not?

The PRESIDENT *pro tempore*. The Chair thinks not.

Mr. MORTON. To add to?

Mr. GORDON. I regret that the Senator from Iowa has withdrawn those words, as the amendment as he had it originally was in exact conformity with the House bill on this subject.

The PRESIDENT *pro tempore*. It can be done when the bill reaches the Senate of course, but not while it is in Committee of the Whole.

Mr. GORDON. Very well; I give notice that I shall make the motion in the Senate.

The PRESIDENT *pro tempore*. The question is on the amendment of the Senator from Iowa, [Mr. WRIGHT,] on which the yeas and nays have been ordered.

Mr. DENNIS. I am paired with the Senator from New Jersey, Mr. STOCKTON. He would vote against this amendment, and I would vote for it.

Mr. FLANAGAN. I am paired with the Senator from Tennessee, Mr. BROWNLOW. He would vote "yea" and I should vote "nay."

Mr. JONES. I am paired with the Senator from Arkansas, Mr. DORSEY. He would vote for this amendment, and I should vote against it.

Mr. KELLY. I am paired on this question with the Senator from Arkansas, Mr. CLAYTON. He would vote "yea," and I should vote "nay."

The question being taken by yeas and nays, resulted—yeas 31, nays 26; as follows:

YEAS—Messrs. Allison, Bogy, Boreman, Carpenter, Conover, Ferry of Michigan, Goldthwaite, Gordon, Harvey, Hitchcock, Ingalls, Johnston, Lewis, Logan, McCreery, Merrimon, Mitchell, Morton, Norwood, Oglesby, Patterson, Pease, Pratt, Ramsey, Ransom, Robertson, Spencer, Sprague, Tipton, West, and Windom—31.

NAYS—Messrs. Anthony, Bayard, Buckingham, Chandler, Conkling, Cooper, Cragin, Davis, Fenton, Ferry of Connecticut, Frelinghuysen, Hager, Hamilton of Maryland, Hamilton of Texas, Hamlin, Howe, Morrill of Maine, Morrill of Vermont, Sargent, Saulsbury, Schurz, Sherman, Stevenson, Stewart, Thurman, and Wadleigh—26.

ABSENT—Messrs. Alcorn, Boutwell, Brownlow, Cameron, Clayton, Dennis, Dorsey, Edmunds, Flanagan, Gilbert, Jones, Kelly, Scott, Stockton, and Wright 15.

So the amendment was agreed to.

Mr. MERRIMON. I now move to strike out all after the enacting clause and insert what I send to the table as a substitute for the whole bill.

The words proposed to be inserted were read, as follows:

That the maximum limit of United States notes for circulation is hereby fixed at $400,000,000, at which sum it shall remain. That $46,000,000 in notes for circulation, in addition to such circulation now allowed by law, shall be issued to national banking associations now organized and which may be organized hereafter; and such increased circulation shall be distributed among the several States as provided in section 1 of the act entitled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates, and for an increase of national-bank notes," approved July 12, 1870.

Mr. LOGAN. I move to insert at the end of the substitute offered by the Senator from North Carolina the following:

And that so much of the twenty-seventh section of the act entitled "An act to provide a national currency secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof," approved June 3, 1864, and of the several acts supplementary thereto and amendatory thereof; and such of the provisions of the act entitled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates, and for an increase of national-bank notes," approved July 12, 1870; and so much or such parts of any other act or acts of Congress as limit, or as may be construed to limit or restrict, the entire amount of notes for circulation to be issued under the said act of June 3, 1864, and the several supplements thereto, be, and the same are hereby, repealed; and that hereafter all associations organized, or that may be organized, for carrying on the business of banking, under

the provisions of said act, shall be free to establish and organize national banks with circulation, at any place within the several States and Territories of the United States, upon the terms and conditions, and subject to all the limitations and restrictions, now provided by law, except the limitation upon the entire amount of circulation, which is hereby repealed.

SEC. —. That each national banking association, now organized or hereafter to be organized, shall keep and maintain, as a part of its reserve required by law, one-half part of the coin received by it as interest on bonds of the United States deposited as security for circulating notes or Government deposits; and that hereafter only one-half of the reserve now prescribed by law for national banking associations shall consist of balances due to an association available for the redemption of its circulating notes from associations in cities of redemption, and upon which balances no interest shall be paid.

I ask that this amendment be printed, if the Senate should now adjourn.

Mr. SCHURZ. I move that the Senate do now adjourn.

Mr. LOGAN. I want to have my amendment ordered to be printed before we adjourn.

Mr. SCHURZ. Certainly; I withdraw the motion for that purpose.

The PRESIDENT *pro tempore*. The order to print will be made if there be no objection.

Mr. MORRILL, of Vermont. Before the motion to adjourn is made, I desire to ask of the Chair whether all the amendments that have been proposed are to the substitute for the entire bill proposed by the Senator from North Carolina?

The PRESIDENT *pro tempore*. They are to be added to the amendment proposed by the Senator from North Carolina, which is a substitute for the bill.

Mr. MORRILL, of Vermont. Then I propose to amend the section that we have already adopted on the motion of the Senator from Iowa. Manifestly Senators do not intend that this $18,000,000 that is now authorized as a fresh issue of legal-tenders shall be paid out for bonds of the United States at a large premium of 15 or 20 per cent., nor would they in time of peace advocate the doctrine of our issuing paper money to pay our ordinary current expenses. I therefore propose the following amendment, to come in at the end of the amendment offered by the Senator from Iowa which has just been adopted by a vote of the Senate:

But no part of the same shall be used in the purchase of bonds of the United States at above par, nor for the current expenses of the Government.

Mr. SHERMAN. Now, if it is in order, I move that the Senate adjourn.

Mr. BUCKINGHAM. I ask the Senator to withdraw that motion for a moment. I have an amendment to offer.

Mr. SHERMAN. Well, let it be printed.

The PRESIDENT *pro tempore*. Does the Senator from Ohio withdraw his motion?

Mr. SHERMAN. I will withdraw it simply to enable the Senator from Connecticut to have an amendment printed. It is not in order now to offer amendments.

The PRESIDENT *pro tempore*. The Senator from Connecticut gives notice of an amendment which he will offer to the bill; and it will be printed, if there be no objection.

Mr. BUCKINGHAM. It is a substitute for the entire bill.

Mr. SHERMAN. I renew my motion.

The PRESIDENT *pro tempore*. Before putting the question on the motion to adjourn, the Chair will lay before the Senate a House bill for reference.

HOUSE BILL REFERRED.

The bill (H. R. No. 1385) to regulate commerce by railroad among the several States, was read twice by its title, and referred to the Select Committee on Transportation Routes to the Sea-board.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. MCPHERSON, its Clerk, announced that the House had agreed to the amendments of the Senate to the bill (H. R. No. 1037) making appropriations for the construction, preservation, and repair of certain fortifications and other works of defense.

The message also announced that the House had passed a joint resolution (H. R. No. 60) instructing the Light-house Board to examine into and report to Congress as early as practicable upon the feasibility and importance of the erection and establishment of a light-house and necessary buoys at Sapelo Sound, on the coast of Georgia, in which it requested the concurrence of the Senate.

HOUSE RESOLUTION REFERRED.

The joint resolution (H. R. No. 60) instructing the Light-house Board to examine into and report to Congress as early as practicable upon the feasibility and importance of the erection and establishment of a light-house and necessary buoys at Sapelo Sound, on the coast of Georgia, was read twice by its title, and referred to the Committee on Commerce.

ADJOURNMENT.

The PRESIDENT *pro tempore*. The Senator from Ohio moves that the Senate do now adjourn.

The motion was agreed to; and (at six o'clock p. m.) the Senate adjourned.

HOUSE OF REPRESENTATIVES.

THURSDAY, *March* 26, 1874.

The House met at twelve o'clock m. Prayer by the Chaplain, Rev. J. G. BUTLER, D. D.

The Journal of yesterday was read and approved.

REMOVAL OF THE WASHINGTON NAVY-YARD.

Mr. HUNTON, by unanimous consent, submitted the following preamble and resolution; which were read, and referred to the Committee on Naval Affairs:

Whereas it is believed that the efficiency and economy of the Naval Department of the Government would be promoted by the removal of the navy-yard from the city of Washington to the neighboring city of Alexandria: Therefore,

Resolved, That the Committee on Naval Affairs be instructed to inquire into and report upon the propriety and necessity for such removal.

COMMISSIONERS OF CLAIMS.

Mr. LAWRENCE, by unanimous consent, from the Committee on War Claims, reported a bill (H. R. No. 2659) relating to commissioners of claims, and for other purposes; which was read a first and second time, recommitted to the committee, and, with the accompanying report, ordered to be printed.

WRITS OF MANDAMUS.

Mr. COX, by unanimous consent, introduced a bill (H. R. No. 2660) to authorize the circuit courts of the United States to issue writs of *mandamus;* which was read a first and second time, referred to the Committee on the Judiciary, and ordered to be printed.

PENSION OFFICE.

Mr. RUSK, by unanimous consent, from the Committee on Invalid Pensions, presented a letter from Hon. J. H. Baker, Commissioner of Pensions, giving statistics of the workings of the special service division of the Pension Office; which was ordered to be printed, and recommitted to the committee.

REDUCTION OF THE ARMY.

Mr. THORNBURGH, by unanimous consent, introduced a bill (H. R. No. 2661) to reduce the Army of the United States; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

HOT SPRINGS RESERVATION, ARKANSAS.

Mr. PACKARD, by unanimous consent, from the Committee on Private Land Claims, reported back a bill (H. R. No. 608) to extend the time for filing suits in the Court of Claims to establish title to the Hot Springs reservation in the State of Arkansas; which was read a first and second time, ordered to be printed, and recommitted to the committee.

AMENDMENT OF BANKRUPT LAW.

Mr. SENER, by unanimous consent, introduced a bill (H. R. No. 2662) to amend section 9 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," so as to provide for appeals to the Supreme Court of the United States when the amount in controversy exceeds the sum of $2,000; which was read a first and second time, referred to the Committee on the Judiciary, and ordered to be printed.

CHARGES AGAINST CLERKS OF THE UNITED STATES COURTS.

Mr. SPEER, by unanimous consent, from the Committee on Expenditures in the Department of Justice, reported the following preamble and resolution; which were read, considered, and agreed to:

Whereas the Attorney-General having called the attention of Congress to the continued violation by "E. V. C. Blake, clerk of the district court for the middle district of Alabama, * * * and George P. Bowen, clerk of the district court for the southern district of Illinois," of section 3 of the act of 1853, requiring the "district attorneys, clerks of the district and circuit courts, and marshals, to make returns in writing embracing all the fees and emoluments of their respective offices of every name and character:" Therefore,

Resolved, That the Committee on Expenditures in the Department of Justice be instructed to inquire specially into such charges and into the expenditures of the public funds in said districts, and to send for persons and papers and to administer oaths.

Mr. SPEER moved to reconsider the vote by which the preamble and resolution were adopted; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

JOHN T. K. HAYWARD AND OTHERS.

Mr. GLOVER, by unanimous consent, introduced a bill (H. R. No. 2663) for the relief of John T. K. Hayward, Amos Stillwell, and Goodwin O. Bishop, of Hannibal, Missouri, for transporting United States mails; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

JAMES A. HILES.

Mr. GLOVER also, by unanimous consent, introduced a bill (H. R. No. 2664) to relieve James A. Hiles, of Lewis County, Missouri, late a soldier in Company F, Twenty-first Regiment Missouri Volunteer Infantry, from the charge of desertion; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

LAND DISTRICT IN DAKOTA.

Mr. PHILLIPS, by unanimous consent, from the Committee on the

Public Lands, reported back without amendment the bill (H. R. No. 994) to establish the Bismarck land district in the Territory of Idaho; which was referred to the Committee of the Whole on the state of the Union.

LAND DISTRICTS IN KANSAS.

Mr. PHILLIPS, by unanimous consent, from the Committee on the Public Lands, also reported back without amendment the bill (H. R. No. 203) to create two additional land districts in the State of Kansas; which was referred to the Committee of the Whole on the state of the Union.

LAND DISTRICT IN IDAHO.

Mr. PHILLIPS, by unanimous consent, from the Committee on the Public Lands, also reported back the bill (H. R. No. 1167) to create an additional land district in the Territory of Idaho; and moved that the same be laid on the table.

The motion was agreed to.

SALE OF KANSAS INDIAN LANDS.

Mr. PHILLIPS, by unanimous consent, from the Committee on the Public Lands, reported a bill (H. R. No. 2665) providing for the sale of Kansas Indian lands in Kansas to actual settlers, and for the disposition of the proceeds of the sale; which was read a first and second time, recommitted to the Committee on the Public Lands, and ordered to be printed.

CURRENCY.

Mr. BURCHARD. I ask leave to have printed in the RECORD, and also to have referred to the Committee on Banking and Currency, a memorial signed by about 500 members of the Board of Trade of Chicago, requesting no further issue of legal-tenders, and asking the retirement of so much of the $44,000,000 reserve as has been issued.

No objection was made, and it was ordered accordingly.

The memorial was as follows:

To the honorable the Senate and House of Representatives in Congress assembled:

The undersigned citizens of Chicago, in the State of Illinois, beg leave respectfully but earnestly to memorialize your honorable bodies as touching the circulating medium of the United States, as follows:

First. That Congress shall not authorize or permit any further issues of irredeemable paper money of any character or description.

Secondly. That in the opinion of the undersigned it is the duty of the Government to provide for the retirement and cancellation of so much legal-tender issues as has been put in circulation from the so-called $44,000,000 reserve.

SOLDIERS AND SAILORS OF THE WAR OF 1812.

Mr. BUNDY, by unanimous consent, introduced a bill (H. R. No. 2666) to amend the act entitled "An act to grant pensions to certain soldiers and sailors of the war of 1812, and the widows of soldiers," approved February 14, 1871; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

RIGHTS OF CITIZENS.

Mr. E. R. HOAR, by unanimous consent, from the Committee on Foreign Affairs, reported amendments to the bill (H. R. No. 2199) to carry into execution the provisions of the fourteenth amendment to the Constitution concerning citizenship, and to define certain rights of citizens of the United States in foreign countries, and certain duties of diplomatic and consular officers, and for other purposes; which were ordered to be printed, and recommitted to the Committee on Foreign Affairs.

UTE INDIANS IN COLORADO.

Mr. McNULTA. I ask unanimous consent of the House to discharge the Committee of the Whole from the further consideration of House bill No. 2193, to ratify an agreement with certain Ute Indians in Colorado, and to make an appropriation for carrying out the same, in order that the bill may now be considered by the House. It is believed by the Committee on Indian Affairs, by whose instruction I make this request, that if Congress will pass this bill now the difficulties that are apprehended with these Indians may be avoided. I ask to have read a communication from the Commissioner of Indian Affairs upon this subject.

The Clerk read as follows:

DEPARTMENT OF THE INTERIOR, OFFICE OF INDIAN AFFAIRS,
Washington, D. C., March 23, 1874.

SIR: In reply to your verbal inquiry relative to the removal of trespassers from the Ute Indian reservation, in Colorado, I will state that owing to apprehended difficulties between such trespassers and the Indians the War Department was called upon about one year ago to remove the trespassers, and keep them off the reservation. Troops were moving for this purpose, but action was suspended, and further negotiations were had with the Indians, which resulted in their cession to the United States of a portion of their reserve, upon which numerous miners had taken up claims. It was solemnly agreed on the part of the United States, in consideration of such cession, that the Indians should be protected from trespassers on the portion of the reservation retained for their exclusive use and occupation. It appears, however, from information received from their agent, that white persons have entered upon their diminished reserve, where they have taken up ranches and located town sites, and that a party is concentrating near the line of the reservation to enter thereon in the early spring, for the purpose of passing over the same, if not for locating there. In view of these facts the honorable Secretary of War has recently been called upon to protect the Utes from these trespassers, and to afford them the protection guaranteed to them in the agreement now before Congress. Early action by that body upon the agreement in question is rendered necessary, in order that the boundaries of the Ute reserve may be definitely settled by law, and that trouble between the white settlers and the Indians may be avoided.

Very respectfully, your obedient servant,

EDWARD P. SMITH,
Commissioner.

Hon. JOHN MCNULTA,
House of Representatives.

The SPEAKER. Is there objection to discharging the Committee of the Whole from the further consideration of this bill, and considering the same in the House at this time?

Mr. LOUGHRIDGE. I object.

ORDER OF BUSINESS.

Mr. CONGER. I ask to have a report printed and recommitted.

Mr. McNULTA. I object, and call for the regular order.

Mr. DAWES. If the House will indulge me a moment——

Mr. McNULTA. I call for the regular order.

The SPEAKER. A privileged report from the Committee on Ways and Means would be the regular order.

Mr. DAWES. I have not a privileged report, but I have a report from the Committee on Ways and Means which I think will not occupy two minutes of the time of the House, if I am allowed to state what it is.

Mr. McNULTA. I object to anything being done out of the regular order.

The SPEAKER. The whole House would gain immensely in its business if the gentleman will only hold to that.

Mr. McNULTA. I shall do so.

INTERSTATE COMMERCE.

The SPEAKER. The regular order being called for, it is the third reading of an engrossed bill, the bill (H. R. No. 1385) to regulate commerce by railroad among the several States.

The bill was then read the third time.

The question was on the passage of the bill.

Mr. McCRARY. I call the previous question upon the passage of hte bill. Pending that call I desire to say that several gentlemen were debarred from the privilege of speaking upon this bill yesterday.

Mr. NIBLACK. When the demand for the reading of the engrossed bill was made on yesterday, did not this bill go upon the table?

The SPEAKER. The Chair thinks not. The gentleman from Indiana [Mr. NIBLACK] demanded the reading of the engrossed bill. Pending that demand, and before there was time to ascertain whether the bill was engrossed or not, the motion to adjourn was made and agreed to. Had the House refused to adjourn, the bill would then have gone upon the Speaker's table.

The previous question was seconded and the main question ordered.

Mr. COX. I call for the yeas and nays on the passage of this bill.

Mr. McCRARY. I ask that permission be given to the several gentlemen who desired to speak upon this bill to have their remarks printed in the RECORD.

No objection was made, and it was so ordered.

Mr. COX. Does that allow everybody to print their remarks?

The SPEAKER. On this bill.

Mr. COX. Everybody?

The SPEAKER. Every gentleman who desires to.

Mr. COX. I wanted to discuss the tariff on this bill.

The SPEAKER. That would not have been in order.

Mr. GUNCKEL. I ask permission to have printed in the RECORD, in connection with some remarks I have prepared on this bill, an amendment which I would have offered had I had an opportunity.

There being no objection, leave was granted. (See Appendix.)

Mr. HOLMAN. I ask the privilege of having printed in the RECORD a substitute which I desired to offer to the bill.

There being no objection, leave was granted.

The substitute is as follows:

Be it enacted, &c., That each and every line of railroad extending into or through two or more States, and employed in carrying freight or passengers between points or places in different States, and whether owned and operated by one company, corporation, or person, and known by one name, or owned and operated by several companies, corporations, or persons, and known by several different names, shall be regarded as employed in commerce among the several States; and the company or companies, corporation or corporations, person or persons, owning or operating such line of railroad shall be, both jointly and severally, liable for any violation of the provisions of this act.

SEC. 2. That no such company, corporation, or person, so engaged in operating a line of railroad into or through two or more States as aforesaid shall charge, collect, demand, or receive more than a fair and reasonable rate of toll or compensation for the transportation of freight of any kind, or of passengers, or for the use or transportation of any railroad-car upon its track, loaded or unloaded, between places in different States. Such reasonable rate of toll or compensation shall be ascertained and fixed in the manner hereinafter provided. And for each and every violation of this act, by charging, collecting, demanding, or receiving more than such reasonable rate, the person or persons so offending shall be jointly and severally liable for extortion, as hereinafter provided.

SEC. 3. There shall be detailed by the President of the United States five officers of the Corps of Engineers, each of whom shall have been engaged on duty in connection with the public works of the United States not less than five years, who shall constitute a board of railroad commissioners.

SEC. 4. That said board of railroad commissioners shall institute a thorough investigation and inquiry into the rates of toll and compensation charged for transporting freights and passengers over each of such lines of railroad as are herein described and designated, and into the reasonableness thereof; and shall, as soon as practicable after such investigation and inquiry, prepare for the owners and operators of each of such lines (except such as may be omitted as hereinafter provided) a separate schedule of reasonable maximum rates of charges for the transportation of passengers and freight, and cars, loaded or unloaded, on or over said lines respectively. Said schedule shall be duly authenticated by said board of commissioners, shall be printed, and kept posted up in each of the offices and depots of such railroad company, corporation, or person. Said commissioners shall certify under their hands a printed or written copy of every schedule, and of every amendment to or revision of any schedule affecting any line of railroad, and cause the same to be filed in the office of the clerk of each of the circuit courts of the United States as soon as possible after the completion of such schedule, or of such amendment or revision; and such official copy, when so filed, shall be received and held in all courts as conclusive evidence of said schedules, whether original, amended, or revised, and of all things therein contained. Copies of the same duly certified,

from said circuit clerk's office, shall be received and read as evidence on any trial, in any court, to the same extent as the original on file. And from and after the filing of such original, amended, or revised schedules in the clerk's office, the railroad companies, and all others interested therein, shall be deemed affected by notice thereof, and of the contents of the same. For the purpose of prosecuting any investigation under this act, and for the purpose of ascertaining and fixing such reasonable maximum rates of charges, the said board shall have the power to administer oaths, to take the testimony of witnesses, to send for persons and papers, and to require the production before them of books, records, and papers, and for this purpose they may issue process, which shall be served by any marshal or deputy marshal of the United States. And in case any person summoned to appear as a witness before said board shall fail or refuse to appear, or if any person required by said board to produce before them any books, records, or papers in his possession, shall fail or refuse to produce the same, it shall be the duty of the board forthwith to report the facts to the nearest judge of the district or circuit court of the United States, who shall hear the matter summarily, whether in term-time or vacation, and shall make such order in the premises as may be deemed proper to compel such person to appear before said board and answer all proper questions, and produce all papers, books, or records in his possession required by said board to be by him produced, and which, in the judgment of the court, are proper evidence to be considered by said board; and such judge may enforce his orders and punish disobedience thereto as in cases of contempt. Said commissioners may, from time to time, and so often as circumstances may require, change and revise said schedules, and shall give notice of such changes or revisions in the same manner as hereinbefore provided. The schedules aforesaid shall not be deemed invalid on account of any failure of the commissioners preparing the same to include therein all and every article or class of freight, but shall be held to be good and valid as to all articles or classes which are included or embraced therein; but it shall be the duty of such commissioners, whenever it comes to their knowledge that any article or class of freight has been omitted from any such schedule, to amend the same as soon as practicable by adding any such omitted articles or class: *Provided*, That if said board of railroad commissioners shall, after inquiry and investigation, be of the opinion that the charges of any one of the lines of railway described herein are already fair and reasonable, they may, in their discretion, omit to prepare a schedule for such line; but such omission shall only continue so long as the charges on such line shall continue to be fair and reasonable.

SEC. 5. That said board of railroad commissioners may sit at such place or places as they may see fit, and a majority of the members thereof shall constitute a quorum. A sub-committee of said board, of not less than three members, may sit for the purpose of taking testimony and making investigations under this act, and when so sitting such sub-committee shall have all the powers of said board in relation to taking testimony, administering oaths, issuing process, and compelling obedience thereto. Said board may also, at any time, depute any one of their number to take depositions, to be read in evidence at any hearing before the board, who shall have the same power to summon and examine witnesses and administer oaths as are herein given to the whole board. Persons duly summoned, who shall fail to appear or testify, or to produce any books, papers, or records in their possession when required, before such member, shall be liable to be proceeded against in the same way, and to the same penalties as are herein provided for failure or refusal to appear or testify, or to produce papers, records, or books before the whole board.

SEC. 6. That said board of railroad commissioners shall be authorized to employ a secretary, who shall be paid an annual salary of $3,000 to be paid as other salaries; and they shall also choose their president, and may adopt such rules and regulations for the government of their proceedings, not inconsistent with this act, as they may see fit. Witnesses summoned to appear and testify before said board, who are not officers or agents of any railroad company concerned in the investigation, shall be allowed and paid the same fees as witnesses when summoned to appear and testify before the courts of the United States; said fees to be certified by the president and secretary of the board, and audited and paid as the Secretary of the Interior may direct: *Provided*, That no witness shall be summoned from a place outside of the district in which the board or sub-committee may be sitting, unless the distance be less than one hundred miles.

SEC. 7. That any corporation, company, or person being engaged in the operation of any line of railroad into or through two or more States as aforesaid, who shall, after such schedule shall have taken effect in relation thereto, be guilty of extortion by charging, collecting, demanding, or receiving more than a reasonable rate of toll or compensation for the transportation of freight, passengers, or cars over or upon any such line, shall forfeit and pay for each offense a sum of not less than $500 nor more than $5,000, to be recovered by action to be brought in the name of the United States in any district or circuit court of the United States, or, if in a Territory, in any district court of the United States therein, in the form of an action of debt, or by such other form of action as may be provided by the law of the State in which such action is brought in like cases; and it shall be the duty of the district attorney for the proper district to institute and prosecute all suits for the recovery of the penalty aforesaid; and the corporation, company, or person being guilty of such extortion shall also be liable to the party injured thereby for the damages caused by such extortion, including a reasonable sum for attorneys' fees, to be fixed by the court trying the case, which such injured party may recover by action in his own name in either of the courts aforesaid; and the form of the action may be the same as in case of a suit to recover the penalty as hereinbefore provided. Either party to any action brought under the provisions of this act shall have the right to a trial by jury, and in any action instituted under the provisions of this act, whether it be a suit to recover the penalty aforesaid or a suit by the party injured to recover damages as aforesaid, any number of separate and distinct violations of the provisions of this act may be stated separately in separate counts, and a recovery may be had upon each. If, upon the trial of any such suit, brought either to recover said penalty or to recover damages as aforesaid, it shall be made to appear that the defendant has charged, collected, demanded, or received, for the transportation of freight or passengers or cars, a rate of toll or compensation greater than that fixed by the schedule aforesaid, then, and in that case, such defendant shall be deemed and held guilty of extortion, and liable therefor, unless such defendant shall show affirmatively that the rate charged, collected, demanded, or received for such transportation was nevertheless fair and reasonable: *Provided*, That nothing in this act contained shall be deemed and taken to diminish or take away any common-law right of action on the part of individuals aggrieved against such railroad corporation or common carriers, or any action taken in the matter by any State so far as regards commerce within the control of such State.

SEC. 8. That the provisions of this act shall apply to all persons, firms, companies, or associations, whether incorporated or not, who are or may be engaged as carriers of freight and passengers, or in carrying fricight only, or in carrying passengers only, upon any lines of railway extending into or through two or more States; but this act shall not be construed as extending to or affecting such commerce as is actually, and in good faith, completely internal within any one of the several States. Each of the schedules of charges herein provided shall take effect from and after thirty days from the date of its being filed in the clerk's office as aforesaid.

SEC. 9. That in all cases where two or more persons, companies, or corporations unite together for the purpose of transporting freight or passengers over several lines of railroad from a place in one State to a place in another State, the several lines thus operated together shall be treated, for all the purposes of this act, as one line; and each and every of such persons, companies, and corporations shall be bound by the provisions of this act, and liable for any violation thereof. And in all cases where several lines of railway are united, or connected together, and engaged in carrying freight or passengers into or through two or more States, by a continuous route, whether under one management or not, it shall not be lawful for them, or any of them, to evade the operation of this act by any form of contract designed for that purpose; and it shall be competent in all suits brought under this act to show that the defendant was in fact, when the alleged extortion occurred, engaged in operating a part of a continuous line of interstate commerce; and upon such fact being made to appear, such defendant shall be held subject to the provisions of this act, whatever the character or form of the contract between such defendant and the shipper may have been.

SEC. 10. That it shall be the duty of said railroad commissioners to personally investigate and ascertain whether the provisions of this act are violated by any corporations, companies, or persons engaged in the business of transportation as aforesaid; and for the purpose of making such investigations they shall have all the powers conferred upon them by section 5 of this act; and whenever the facts in any manner ascertained shall, in their judgment, warrant a prosecution, it shall be the duty of said commissioners to cause suit to be commenced and prosecuted against the offending party or parties, to recover the penalties provided by this act in such cases. And the several district attorneys shall, whenever informed in any way that this act has been violated, institute the necessary proceedings for enforcing the penalties herein provided. Suits brought under this act may be commenced in any district through or into which the line of the corporation, company, or person sued may extend; and service of process may be made upon any agent or officer of such corporation, company, or person within such district.

SEC. 11. That each and every provision of this act shall apply to lines of railroad within the Territories of the United States, and to all lines extending from a place in one of the States to a place within any one of such Territories, and to any and all corporations, companies, or persons engaged in the operation of any such lines, to the same extent and in the same manner, as to such lines, as may extend from a place in one State to a place in another State.

SEC. 12. That the railroad commissioners aforesaid shall, before entering upon the discharge of their duties, severally take and subscribe an oath or affirmation that they will honestly, faithfully, and impartially discharge the duties of said office; which oath shall be filed in the office of the Secretary of the Interior. In case of voluntary collusion on the part of said commissioners, or either of them, with any railroad company or other party, to delay, defeat, or hinder the proper enforcement of this act, or willful negligence to perform any duties required thereby, proceedings shall be at once commenced by indictment, at the instance of the United States attorney for the proper district, in any circuit court of the United States where the offense may have been committed, for malfeasance in office, and on conviction of the same such person or persons so found guilty shall be fined not less than $10,000 nor more than $50,000, and shall in addition be sentenced to imprisonment for not less than three nor more than ten years, and be disqualified from holding any office of honor, trust, or profit under the United States; and the court, in its discretion, may direct such person or persons so convicted to be imprisoned until such fine and costs be paid; and a lien is hereby declared in favor of the United States on all the real property of any commissioner so convicted from the day of the date of the return of the indictment into court.

SEC. 13. That in addition to the other duties of said board of railroad commissioners, they shall gather, collate, and annually report to Congress statistics and facts relating to commerce among the several States by railroad; to the construction and operation of railroads; and to the actual cost of such construction and operation, as well as to the actual cost of transportation of freight and passengers by railroad, and the profits realized by carriers. And they shall also inquire, and from time to time report to Congress, what, if any, further legislation by Congress is necessary for the just and reasonable regulation of such commerce, or for defining the rights and duties of persons engaged as common carriers on lines extending from State to State, for securing the safety and convenience of persons traveling thereby, or for the protection of immigrants traveling upon such lines. And for these purposes they shall have power to require returns to be made to them by all railroad companies, and by all persons and companies engaged in transportation by railroad. And in prosecuting their investigations under this section they shall have all the powers in relation to obtaining evidence and examining witnesses which are conferred by section 5 of this act. And if any railroad company or person, being required and notified by said board to make return to them of any facts, or to answer any interrogatories, concerning any of the matters about which said board is authorized to inquire, shall fail or refuse so to do for ninety days after the time fixed by said board for making such return, they shall forfeit and pay to the United States a penalty of not less than $5,000 for each offense, to be sued for and recovered as is hereinbefore provided in relation to other penalties.

SEC. 14. That all unjust discrimination in the matter of charges for carrying freight or passengers over or upon any such line of railroad as is herein described is hereby prohibited; and any corporation, company, or person engaged in operating any such line of railroad who shall be guilty of any such unjust discrimination in making or collecting such charges, in favor of or against any person, firm, or company, or in favor of or against any particular place on the line or at a terminus of such road, shall be subject to the same penalty as that provided in cases of extortion under this act; and such penalty shall be enforced in the same manner as in such cases of extortion; and the party injured by any such unjust discrimination shall have his action for damages in the same manner as in cases of extortion.

Mr. BUTLER, of Massachusetts. I desired to make some remarks on this bill yesterday, in favor of the power of Congress to pass it. I have not reduced them to writing, and therefore I cannot print them.

Mr. COX. I ask permission to have printed in the RECORD an amendment providing for reducing the tariff on railroad iron. I think this is kindred to the subject of transportation. I ask also to print in connection with this amendment some remarks on the subject.

There being no objection, leave was granted.

Mr. HOUGHTON. I ask to have printed in the RECORD a substitute for this bill, which I would have offered had I had an opportunity.

There being no objection, leave was granted.

The substitute is as follows:

Be it enacted, &c., That each and every corporation, company, association, individual, or individuals engaged partially or wholly in the business of transporting, for hire, persons or property between, into, or through any of the States or Territories of the United States shall be, as to such business, considered as engaged in commerce between the States, and held to be common carriers; and shall be subject to all the duties, obligations, and liabilities imposed by the common law upon common carriers; and, for the transportation of persons, property, or cars between, into, or through such States or Territories, shall not ask or demand more than a reasonable compensation, and shall not make unjust discriminations in rates of fare, freight, or toll.

SEC. 2. That any corporation, company, association, individual, or individuals engaged in commerce between the States, as defined in the first section of this act, which shall demand, receive, or collect more than a reasonable rate of fare, freight, or toll for the transportation of persons, property, or cars, shall be deemed guilty of extortion, and shall forfeit and pay for each offense not less than $500, nor more than $5,000; and it shall be the duty of the district attorney of the United States

for the proper district, upon application by any person or persons, firm or company aggrieved, to institute, and prosecute, in the name of the United States, in the district court of the United States for his district, a suit for the recovery of the penalty aforesaid; and the corporation, company, association, individual, or individuals adjudged guilty of such extortion shall also be liable to the party or parties injured thereby for the damages sustained by such party or parties, by reason of such extortion, including a reasonable sum for attorneys' fees to be fixed by the court, which such injured party or parties may recover by action prosecuted in his own name in such court; and the judgment in the case, instituted and prosecuted in the name of the United States as herein provided, on the complaint of the party seeking to recover damages for extortion, shall be conclusive between the party seeking to recover damages and the party or parties against whom damages are claimed: *Provided*, That before any act hereby authorized shall be instituted, the party complaining shall give an undertaking, with at least two sureties to be approved by the court or judge in such sum as the court or judge may fix, conditioned that if the fact of extortion be not established by the judgment of the court in the action instituted at his instance, he will pay all costs incurred in the action, and the district attorney shall, in all cases of liability upon any such undertaking, in case the costs be not paid, institute and prosecute in the name of the United States an action against the sureties thereon for the recovery thereof.

SEC. 3. The district courts of the United States shall have original jurisdiction in all cases of complaint arising within their respective districts against the corporations, companies, associations, or individuals herein mentioned for any violation of the provisions of this act. Either party to any such action shall have the right to a trial by jury; but unless a jury be demanded by one of the parties the action may be tried by the court, and either party may appeal from the judgment of the district court to the circuit court of the United States, the judgment of which last-mentioned court shall be final. Upon the trial of any suit brought to recover the penalty for a violation of this act, the act complained of shall be held *prima facie* extortion. And if the defendant fails to prove that the charge complained of was not unreasonable, judgment shall be rendered in favor of the plaintiff for such sum as may be fixed by the court or jury; but if the defendant shall make it appear to the satisfaction of the court or jury, that the amount charged, collected, or received was not an unreasonable charge for the service rendered, judgment shall be entered for the defendant for costs.

The SPEAKER. The question is on the passage of the bill, on which the yeas and nays have been called for by the gentleman from New York, [Mr. COX.]

The yeas and nays were ordered.

The question was taken; and there were—yeas 121, nays 116, not voting 53; as follows:

YEAS—Messrs. Averill, Barrere, Barry, Begole, Bundy, Burchard, Burrows, Benjamin F. Butler, Cain, Cannon, Cason, Amos Clark, jr., Clayton, Clements, Stephen A. Cobb, Coburn, Conger, Corwin, Cotton, Crounse, Crutchfield, Curtis, Danford, Darrall, Dawes, Donnan, Dunnell, Elliott, Field, Fort, Foster, Freeman, Frye, Garfield, Gunckel, Hagans, Eugene Hale, Havens, John B. Hawley, Hays, Gerry W. Hazelton, John W. Hazelton, George F. Hoar, Hodges, Holman, Hoskins, Howe, Hubbell, Hunter, Hurlbut, Hyde, Hynes, Kasson, Kendall, Lamport, Lawrence, Lewis, Loughridge, Lowe, Luttrell, Lynch, Martin, McCrary, Alexander S. McDill, James W. McDill, MacDougall, McKee, McNulta, Monroe, Nunn, Orr, Orth, Packard, Page, Isaac C. Parker, Pelham, Phillips, Poland, Pratt, Purman, Rainey, Ransier, Rapier, Ray, Richmond, Robbins, Ellis H. Roberts, James W. Robinson, Ross, Rusk, Sawyer, Henry B. Sayler, Scofield, Sessions, Shanks, Sheats, Sheldon, Sherwood, Lazarus D. Shoemaker, Smart, H. Boardman Smith, John Q. Smith, William A. Smith, Snyder, Sprague, Starkweather, Strait, Taylor, Thornburgh, Todd, Tyner, Wallace, Walls, Whiteley, Charles G. Williams, William Williams, William B. Williams, James Wilson, Jeremiah M. Wilson, Wolfe, and Woodworth—121.

NAYS—Messrs. Adams, Albert, Archer, Arthur, Ashe, Atkins, Banning, Barber, Barnum, Bass, Beck, Bell, Berry, Biery, Bland, Blount, Bowen, Bradley, Bright, Bromberg, Buckner, Buffinton, Caldwell, Cessna, John B. Clark, jr., Clymer, Comingo, Cook, Cox, Creamer, Crooke, Crossland, DeWitt, Durham, Eames, Eldredge, Giddings, Glover, Gooch, Hamilton, Hancock, Harmer, Benjamin W. Harris, Henry R. Harris, John T. Harris, Harrison, Hatcher, Joseph R. Hawley, Hereford, Herndon, E. Rockwood Hoar, Hooper, Houghton, Hunton, Jewett, Kelley, Kellogg, Knapp, Lamar, Lansing, Lawson, Lowndes, Magee, Marshall, Merriam, Milliken, Mills, Mitchell, Moore, Myers, Neal, Negley, Nesmith, Niblack, Niles, O'Brien, O'Neill, Hosea W. Parker, Parsons, Pendleton, Perry, Phelps, Pike, Potter, Randall, Read, William R. Roberts, James C. Robinson, Milton Sayler, Henry J. Scudder, Isaac W. Scudder, Sener, Sloss, A. Herr Smith, Southard, Speer, Standeford, Stone, Storm, Townsend, Tremain, Vance, Waldron, Jasper D. Ward, Marcus L. Ward, Wheeler, Whitehead, Whitehouse, Whitthorne, Charles W. Willard, George Willard Willie, Ephraim K. Wilson, Wood, John D. Young, and Pierce M. B. Young—116.

NOT VOTING—Messrs. Albright, Brown, Burleigh, Roderick R. Butler, Freeman Clarke, Clinton L. Cobb, Crittenden, Crocker, Davis, Dobbins, Duell, Eden, Farwell, Robert S. Hale, Hathorn, Hendee, Hersey, Killinger, Lamison, Leach, Lofland, Maynard, McJunkin, McLean, Mellish, Morey, Morrison, Packer, Pierce, James H. Platt, jr., Thomas C. Platt, Rice, John G. Schumaker, Sloan, Small, George L. Smith, J. Ambler Smith, Stanard, Stephens, St. John, Stowell, Strawbridge, Swann, Sypher, Charles R. Thomas, Christopher Y. Thomas, Waddell, Wells, White, Wilber, John M. S. Williams, Wilshire, and Woodford—53.

So the bill was passed.

During the roll-call, the following announcements were made:

Mr. BOWEN. I am requested by my colleague from Virginia, Mr. SMITH, to state that he is absent on professional business; that he is paired with the gentleman from Missouri, Mr. CRITTENDEN. My colleague, if he were present, would vote "ay," while Mr. CRITTENDEN would vote "no."

Mr. ARCHER. My colleague, Mr. SWANN, has been compelled to return to his home by reason of sickness.

Mr. O'BRIEN. I desire to say that I was absent from the House yesterday on account of sickness. I now vote "no."

Mr. RICE. The agreement entered into between myself and the gentleman from Missouri, Mr. STANARD, still obtains. If he were here he would vote "ay," and I should vote "no."

Mr. ROBBINS. My colleague, Mr. LEACH, is detained from the House by sickness.

Mr. BECK. My colleague, Mr. JOHN YOUNG BROWN, is detained from the House by sickness in his family. If here, he would vote "no."

Mr KELLEY. I am desired to say that the gentleman from North Carolina, Mr. WADDELL, and the gentleman from New York, Mr. WOODFORD, who are temporarily absent from the House, are paired. I cannot state how either of them would vote.

When the roll-call was concluded,

Mr. PIERCE said: I was detained from the House during the roll-call, and was not able to return before it was completed. Had I been present, I should have voted against the bill.

The result of the vote was announced as above stated.

Mr. McCRARY moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

ASIATIC COMMERCIAL COMPANY.

Mr. CONGER, by unanimous consent, presented from the Committee on Commerce a report on the bill to incorporate the Asiatic Commercial Company; which was ordered to be printed, and recommitted.

RECONSIDERATION OF REFERENCES.

Mr. WILLARD, of Vermont, moved to reconsider the votes by which bills, reports, &c., were referred or recommitted this morning; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

FORTIFICATION BILL.

Mr. STARKWEATHER. I am directed by the Committee on Appropriations to report back the amendments of the Senate to a bill (H. R. No. 1037) making appropriations for the construction, preservation, and repair of certain fortifications and other works of defense, with the recommendation that they be concurred in.

The amendments of the Senate were read, as follows:

On page 1, line 4, after the word "defense," insert "for the fiscal year ending June 30, 1875."

Amend the title to read as follows:

An act making appropriations for the construction, preservation, and repair of certain fortifications and other works of defense for the fiscal year ending June 30, 1875.

Mr. STARKWEATHER. The amendments of the Senate do not increase the appropriations included in the bill as it went from the House, but simply limit the appropriations. For some years these fortification bills have been reported without any limitation upon the appropriations, but the amendments of the Senate, in which the Committee on Appropriations recommend concurrence, limit the appropriations to the fiscal year ending June 30, 1875.

The amendments of the Senate were concurred in.

Mr. STARKWEATHER moved to reconsider the vote by which the amendments of the Senate were concurred in; and also moved to lay the motion to reconsider on the table.

The latter motion was agreed to.

FUR-SEALS OF ALASKA.

Mr. DAWES. Mr. Speaker, I ask unanimous consent to make a report from the Committee on Ways and Means, to which I think there will be no objection if the House will only listen long enough to let me tell exactly what it is I wish to report.

The fur-seal trade of Alaska, under the act of Congress which conferred it all upon one company, proceeds upon the ground that all the fur-seals resort to two particular islands which were purchased by us from Russia under the Alaska treaty. They yield an annual income to the Government of between two hundred and fifty and three hundred thousand dollars. It is necessary, however, that we should ascertain whether we get entirely all that is our due; and therefore, to ascertain the fact whether fur-seals do resort to any of the Russian islands, the Treasury Department sent an agent last year up there to report upon the habits of the fur-seals. He has made a most interesting report to the Government containing surveys of these islands. His relations to the Russian settlements up there have become such that he has peculiar ability at this time to circulate around among the Russian possessions, and especially among these islands, so as to be able fully to report to the United States upon the fact whether fur-seals do resort to any other island. When we get that information we will then be able to know whether in the markets of the world we do get the tax which is our due upon all the fur-seals.

A ship leaves San Francisco once a year to go to these islands, and it leaves about the 1st of May. The Treasury Department wants authority to send this agent upon a mission of exploration around and among these islands for the purpose I have indicated. This bill is solely for that purpose—for the purpose of ascertaining accurate information which it is necessary for the Government to have—and the bill only provides for giving him eight dollars a day for the time he is employed.

Mr. HOLMAN. I trust the gentleman will permit this bill to be referred to the Committee on Commerce, which has exclusive control over this legislation. I do not think this bill is at all necessary, but it ought to be considered by the Committee on Commerce; and I hope the gentleman will allow it to go to that committee which of all others has the immediate charge of this subject.

Mr. DAWES. I have not the slightest objection to this bill going there. If it had occurred in the beginning, I would have had it sent there. If the gentleman will hear the bill read I do not think he will object to it, for if it is passed at all it ought to be passed now.

Mr. McNULTA. Does this bill come up in regular order?

The SPEAKER. It does not; the gentleman from Massachusetts asks unanimous consent.

Mr. McNULTA. Then I object.

Mr. DAWES. I stated the only object is to get this bill passed before the ship which leaves once a year starts from San Francisco for these islands. If the House will give me leave to report it at any time, I will take that.

Mr. HOLMAN. I ask that it be referred to the Committee on Commerce, with leave to report at any time.

Mr. DAWES. That will satisfy me.

Mr. ELDREDGE. Let me ask the gentleman from Massachusetts whether the only object of the bill is not to provide an office for somebody at eight dollars a day? That seems to me about all there is in it.

Mr. DAWES. The bill provides for exactly what I have stated to the House. If it is not proper the House should not pass it, but if the Committee on Commerce have leave to report at any time I do not object.

Mr. McNULTA. I call for the regular order of business.

Mr. DAWES. I ask that it be referred to the Committee on Commerce, with leave to report at any time.

Mr. RANDALL. If the bill creates an office, I object to leave being given to report it at any time.

Mr. BURCHARD. It creates no permanent office.

Mr. DAWES. I would not like to have the bill referred to the committee without the privilege of reporting it back at any time.

The SPEAKER. That requires unanimous consent.

Mr. DAWES. Will the Speaker ask unanimous consent?

The SPEAKER. The gentleman from Massachusetts again asks that the bill be referred to the Committee on Commerce with leave to report it back at any time. Is there objection? The Chair hears none.

The bill (H. R. No. 2668) was read a first and second time, and referred to the Committee on Commerce, with leave to report it back at any time.

ORDER OF BUSINESS.

The SPEAKER. The gentleman from Illinois, [Mr. McNULTA,] on behalf of the Committee on Indian Affairs, repeats his request, made some time ago, in regard to the bill to ratify an agreement with certain Ute Indians in Colorado. He asks unanimous consent that the bill may be brought before the House for consideration at this time.

Mr. MAYNARD. I am strongly urged by members on both sides of the House to ask that the currency bill be now taken up.

The SPEAKER. That is the special order at half-past one, and will be reached in a few minutes. The Chair thought that some requests might be disposed of in the meanwhile, as there is too little time for the morning hour to intervene. The Clerk will report the bill in charge of the gentleman from Illinois, [Mr. McNULTA,] and the Chair will then ask for objections, if there be any, to its present consideration.

Mr. MAYNARD. Do I understand the Chair correctly as saying that the currency bill will be in order at half-past one?

The SPEAKER. Undoubtedly.

Mr. MAYNARD. I was under the impression that it came up directly after the transportation bill was disposed of.

The SPEAKER. The currency bill has the precise place which the transportation bill has for some time occupied, of being the special order at half-past one o'clock every day.

Mr. GARFIELD. Appropriation bills are excepted.

The SPEAKER. Certainly. But this is a special order, if the House does not go into committee on the appropriation bill, which is a matter for the House to decide.

Mr. RANDALL. Will there be a morning hour to-day?

The SPEAKER. There is not sufficient time intervening before half-past one o'clock for a morning hour to-day.

UTE INDIANS IN COLORADO.

Mr. McNULTA. I now ask unanimous consent that the Committee of the Whole be discharged from the further consideration of the bill (H. R. No. 2193) to ratify an agreement with certain Ute Indians in Colorado, and to make an appropriation for carrying out the same, and that it be brought before the House for present consideration.

The SPEAKER. The bill will be read, after which objections, if any, will be in order.

The bill was read.

It ratifies and confirms a certain agreement made by Felix R. Brunot, commissioner on the part of the United States, with certain Ute Indians in Colorado. Said agreement is in words and figures following, namely:

Articles of convention, made and entered into at the Los Pinos agency for the Ute Indians, on the 13th day of September, 1873, by and between Felix R. Brunot, commissioner in behalf of the United States, and the chiefs, head-men, and men of the Tabequache, Muache, Capote, Weeminuche, Yampa, Grand River, and Uintah bands of Ute Indians, witnesseth:

That whereas a treaty was made with the confederated bands of the Ute Nation on the 2d day of March, A. D. 1868, and proclaimed by the President of the United States on the 6th day of November, 1868, the second article of which defines by certain lines the limits of a reservation to be owned and occupied by the Ute Indians; and whereas by an act of Congress approved April 23, 1872, the Secretary of the Interior was authorized and empowered to enter into negotiations with the Ute Indians in Colorado for the extinguishment of their rights to a certain portion of said reservation, and a commission was appointed on the 1st day of July, 1872, to conduct said negotiation; and whereas, said negotiation having failed owing to the refusal of said Indians to relinquish their right to any portion of said reservation, a new commission was appointed by the Secretary of the Interior by letter of June 2, 1873, to conduct said negotiation:

Now, therefore, Felix R. Brunot, commissioner in behalf of the United States, and the chiefs and people of the Tabequache, Muache, Capote, Weeminuche, Yampa, Grand River, and Uintah, the confederated bands of the Ute Nation, do enter into the following agreement:

ARTICLE 1. The confederated band of the Ute Nation hereby relinquish to the United States all right, title, and claim and interest in and to the following-described portion of the reservation heretofore conveyed to them by the United States, namely: Beginning at a point on the eastern boundary of said reservation fifteen miles due north of the southern boundary of the Territory of Colorado, and running thence west on a line parallel to the said southern boundary to a point on said line twenty miles due east of the western boundary of Colorado Territory; thence north by a line parallel with the western boundary to a point ten miles north of the point where said line intersects the thirty-eighth parallel of north latitude; thence east to the eastern boundary of the Ute reservation; and thence south along said boundary to the place of beginning: *Provided*, That if any part of the Uncompagre Park shall be found to extend south of the north line of said described country, the same is not intended to be included therein, and is hereby reserved and retained as a portion of the Ute reservation.

ART. 2. The United States shall permit the Ute Indians to hunt upon said lands so long as the game lasts and the Indians are at peace with the white people.

ART. 3. The United States agree to set apart and hold, as a perpetual trust for the Ute Indians, a sum of money, or its equivalent in bonds, which shall be sufficient to produce the sum of $25,000 per annum; which sum of $25,000 per annum shall be disbursed or invested at the discretion of the President, or as he may direct, for the use and benefit of the Ute Indians annually forever.

ART. 4. The United States agrees, so soon as the President may deem it necessary and expedient, to erect proper buildings and establish an agency for the Weeminuche, Muache, and Capote bands of Ute Indians at some suitable point, to be hereafter selected, on the southern part of the Ute reservation.

ART. 5. All the provisions of the treaty of 1868, not altered by this agreement, shall continue in force, and the following words from article 2 of said treaty, namely, "The United States now solemnly agrees that no persons except those herein authorized so to do, and except such officers, agents, and employés of the Government as may be authorized to enter upon Indian reservations in discharge of duties enjoined by law, shall ever be permitted to pass over, settle upon, or reside in the territory described in this article, except as herein otherwise provided," are hereby expressly reaffirmed, except so far as they apply to the country herein relinquished.

ART. 6. In consideration of the services of Ouray, head chief of the Ute Nation, he shall receive a salary of $1,000 per annum for the term of ten years, or so long as he shall remain head chief of the Utes and at peace with the people of the United States.

ART. 7. This agreement is subject to ratification or rejection by the Congress of the United States and of the President.

[SEAL.] FELIX R. BRUNOT,
Commissioner.

Attest:
THOMAS K. CREE, *Secretary.*
JAMES PHILLIPS, M. D.,
JOHN LAWRENCE,
Interpreters.

[Signed by the Indian chiefs by their marks.]

The second section of the bill provides that the Secretary of the Treasury shall issue, set apart, and hold, as a perpetual fund, in trust for the Ute Indians, a sufficient amount of 5 per cent. bonds of the United States, the interest on which shall be $25,000 per annum; which interest shall be paid annually, as the President of the United States may direct, for the benefit of said Indians.

The third section provides that the Secretary of the Treasury shall cause to be paid to Ouray $1,000, as the first installment due him annually, so long as he shall be chief of said Ute Indians; and appropriates, out of any money in the Treasury not otherwise appropriated, $1,000 for that purpose.

Mr. PARKER, of Missouri. I desire to ask the gentleman from Illinois a question, as I did not hear the whole of the bill read. Does it propose to make an appropriation?

Mr. McNULTA. It provides for the payment of $25,000 annually.

Mr. PARKER, of Missouri. The payment of the $25,000 is provided by a clause of the treaty. Is it proposed to appropriate that money?

Mr. McNULTA. The bill proposes that the Secretary of the Treasury shall set aside 5 per cent. bonds, the interest on which shall be $25,000 per annum, and shall be paid annually. When the first year's interest is due, an appropriation will be made by Congress. There is in the bill an appropriation of $1,000 to be paid to Ouray, the chief of the Utes of Colorado.

Mr. PARKER, of Missouri. The agreement provides, as I understand, that the annuity shall be a permanent annuity of $25,000.

Mr. McNULTA. A perpetual annuity of $25,000 as a compensation for the land conveyed.

Mr. PARKER, of Missouri. How much land does the Government get by this treaty?

Mr. McNULTA. About four million acres of the most valuable mining lands in America.

Mr. LOUGHRIDGE. I must object to the present consideration of the bill.

Mr. McNULTA. This is only a question of time, and we urge the consideration of the bill now only on the ground that it is necessary to get it through, to prevent, it may be, an Indian war. On April 23, 1873, Congress passed an act for the appointment of commissioners to negotiate with the Ute Indians in Colorado for the cession to the Government of the southern portion of their reservation. The commissioners treated with the Indians, but unsuccessfully.

The SPEAKER. Does the gentleman from Iowa [Mr. LOUGHRIDGE] insist upon his objection?

Mr. LOUGHRIDGE. I do.

Mr. McNULTA. O, there is an objection. I was not aware of it, and beg the Speaker's pardon. I thought that consent had been given.

The SPEAKER. The Chair thought that the gentleman from Iowa was disposed to waive his objection. But he insists on it, and it is his right to do so.

Mr. AVERILL. I hope the gentleman will withdraw his objection. This bill has had very careful consideration, and is approved by the commissioners and by the Committee on Indian Affairs; and it is a bill, in my judgment, of the greatest public necessity. The gentleman who has it in charge is in a position to show that, unless the bill passes immediately, results of a serious nature will ensue; that war will be inevitable with those Indians. The question has been fully investigated, and I hope the gentleman will withdraw his objection.

Mr. McNULTA. I desire to have it understood that the urgency of the committee for the passage of this bill is only for the purpose of preventing an Indian war. The Government is in the wrong. The Government is violating its treaties to-day with the Indians, and if there is an outbreak, it will be caused by the failure of Congress to carry out this agreement. If the gentleman objects, of course I will yield the floor and let the scalping go on, political and otherwise. [Laughter.]

Mr. LOUGHRIDGE. My objection to the bill is that it confirms a treaty lasting forever; but as the Committee on Indian Affairs seem very anxious that it shall be taken up, I will withdraw my objection.

Mr. GARFIELD. I hope the gentleman from Illinois [Mr. McNULTA] will consent to an amendment so as to limit the time during which this annuity shall be paid. Let him limit it to one thousand years, or one hundred years; but let there be a limit somewhere. I suggest that he say fifty years.

Mr. McNULTA. Wait until I get unanimous consent to have the bill considered.

The SPEAKER. Objection is withdrawn, and the bill is before the House. If the gentleman desires to put the bill upon its passage, he has ten minutes in which to do it.

Mr. McNULTA. Mr. Speaker, I would be willing to accept the amendment of the gentleman from Ohio, [Mr. GARFIELD,] but it will be apparent that if it were adopted the agreement must be sent back by the Commissioner to the Indians for their ratification thereof. Months of time would be consumed, and the very purpose for which the committee ask the passage of this bill defeated. We want to give the Indians the rights they are entitled to under the treaty. If they do not get them soon I apprehend they will make a fight for them. They have been waiting for the action of this Congress or of the Government since April, 1872. I move the previous question on the passage of the bill.

The previous question was seconded and the main question ordered, and under the operation thereof the bill was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

Mr. McNULTA moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

LIGHT-HOUSE AT SAPELLO SOUND.

Mr. HOOPER, by unanimous consent, from the Committee on Commerce, reported back, with the recommendation that it do pass, the joint resolution (H. R. No. 60) instructing the Light-house Board to examine into and report to Congress as early as practicable upon the feasibility and importance of the erection and establishment of a light-house and necessary buoys at Sapello Sound, on the coast of Georgia.

The joint resolution was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

Mr. HOOPER moved to reconsider the vote by which the joint resolution was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

OOSTENAULA AND COOSAWATTEE RIVERS.

Mr. YOUNG, of Georgia, by unanimous consent, submitted the following resolution; which was read, considered, and agreed to:

Resolved, That the Secretary of War be requested to furnish to this House any additional information he may have concerning the surveys of the Oostenaula and Coosawattee Rivers, in the State of Georgia.

Mr. YOUNG, of Georgia, moved to reconsider the vote by which the resolution was adopted; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

REPRESENTATIVE AT LARGE FROM LOUISIANA.

Mr. BUTLER, of Massachusetts. I desire to present the credentials of a member elect to this House from the State of Louisiana. I ask that they be read; and then I shall move that they be referred to the Committee on Elections, with instructions to consider them in relation to the case.

The Clerk read as follows:

STATE OF LOUISIANA, EXECUTIVE DEPARTMENT,
March 11, 1874.

Whereas I have been given to understand that doubts have arisen as to the validity of the credentials of Hon. P. B. S. Pinchback, to a seat in the House of Representatives as Representative at large from the State of Louisiana, because said credentials were signed by himself while acting governor of the State of Louisiana, do certify that it appears from the records and returns of the votes given at the election on November 4, 1872, for member of Congress at large for Louisiana, now on record in the office of the secretary of state of the State of Louisiana, that Hon. P. B. S. Pinchback was duly elected by a majority of the votes cast at said election as Representative at large for the State of Louisiana in the House of Representatives of the Congress of the United States, and is duly and legally entitled to his seat as such Representative.

In testimony whereof I have caused the seal of the State of Louisiana to be affixed to this certificate under my own hand, and countersigned by the secretary of state, this 11th day of March, A. D. 1874, and of the Independence of the United States the ninety-eighth.

WM. P. KELLOGG,
Governor of Louisiana.

P. G. DESLONDE,
Secretary of State.

Mr. BUTLER, of Massachusetts. I move that the credentials be referred to the Committee on Elections, with instructions that the committee consider them in their determination of the case.

Mr. SPEER. I suppose the House will not make the order that the committee shall consider them.

The SPEAKER. The reference implies consideration.

The motion of Mr. BUTLER, of Massachusetts, was agreed to.

AMERICAN BIBLE SOCIETY.

The SPEAKER laid before the House the following communication:

AMERICAN BIBLE SOCIETY, BIBLE HOUSE,
Astor Place, New York, March 24, 1874.

SIR: I have the honor to state to you that the American Bible Society proposes holding its fifty-eighth anniversary in the city of Washington, Sunday evening, May 17, 1874.

As this society is neither sectional nor denominational but pre-eminently national, the board of managers have deemed it very fitting that its coming anniversary should be held in the Hall of the House of Representatives of the United States.

The object of this communication is to request through you from the honorable members of the House the use of the Hall on that evening for this purpose.

Permit me to direct your attention to the fact that the American Bible Society held its meeting in the Hall in the year 1844. Hon. John Quincy Adams, senior vice-president of the society, presided, assisted by Hon. Judge McLean and Hon. Robert Dunlap.

The following gentlemen, now resident at Washington, are vice-presidents of the society: Hon. HORACE MAYNARD, Hon. F. T. FRELINGHUYSEN, Hon. WILLIAM A. BUCKINGHAM, Hon. GEORGE G. WRIGHT, and Hon. Judge Strong.

Hoping that this application will meet your cordial approval and support, I have the honor to remain,

Very respectfully, yours, in behalf of the American Bible Society,
ALEX. McLEAN,
Corresponding Secretary of the American Bible Society.

Hon. JAMES G. BLAINE,
Speaker of the House of Representatives.

The SPEAKER. The original application was for Thursday evening, May 21, to which the Chair replied that under the rules there was no possible chance of granting the use of the Hall for a secular evening, the rule being so absolute that the Chair was not permitted even to entertain a motion for that purpose. At the suggestion of the Chair the change was made to Sunday, the rule absolutely placing the direction of the Hall for purposes of divine service on Sunday within the discretion of the Chair. The Chair gives notice that he has responded to the application and informed the society that on Sunday evening, May 17, they will be entitled to the use of this Hall for the purpose indicated.

ORDER OF BUSINESS.

Mr. MAYNARD. I call for the regular order of business.

The SPEAKER. By order of the House the bill reported from the Committee on Banking and Currency comes up at half-past one to-day, as the special order for that hour, and from day to day until disposed of, subject to the right of the House to go into Committee of the Whole on appropriation bills.

Mr. GARFIELD. I rise to suggest to the House, and to the gentleman who has charge of the currency bill, [Mr. MAYNARD,] whether an agreement cannot now be made as to the length of time to be taken in the discussion of that bill. If such an agreement could be made I would regard it as very important, as the House has now entered upon the sea of discussion concerning paper money, that the House should determine what it will do. But if we propose to enter upon a limitless debate, I shall feel it necessary to ask the House to at least finish the legislative appropriation bill before proceeding with this currency bill. While on the floor I wish to say that the Senate has now passed every appropriation bill which the House has sent to them, and the Committee on Appropriations in the Senate are without work.

Mr. MERRIAM. Let the Senate take up the subject of banking and currency.

Mr. GARFIELD. They have been upon that subject for three months without coming to any conclusion. I should hope that in two days we would be able to finish the legislative appropriation bill and send it to the Senate, and with that large bill they would have something to do, and the work upon the subject of appropriations could be going on. If the gentleman in charge of this bill can now say to the House that we can agree upon a time reasonably short, at the end of which a vote can be had upon this bill, I for one will do what I can to help to carry out such an arrangement. I am authorized to say for the Committee on Appropriations that they would consent to waive the legislative bill on these conditions. If such an agreement cannot be made, we shall feel compelled to try the sense of the House on the question of going on with the consideration of the legislative appropriation bill.

Mr. BUTLER, of Massachusetts. If my friend from Tennessee [Mr.

MAYNARD] will allow me, I would suggest that we take the vote upon this bill next Tuesday, and in the mean time go on with its discussion.

Mr. MAYNARD. When I asked the House to make this bill a special order, I gave a pledge that I would allow a fair time for a discussion of the question. That pledge is still upon me, and I do not feel at liberty to violate the spirit of it. On the other hand, there is a manifest desire on the part of gentlemen in the House, corresponding to a sentiment very widely entertained throughout the country, that this subject of the currency shall be brought to a conclusion at the earliest practicable moment, that it may be seen what the House will do finally upon this great question. I submit, however, that before we enter upon the discussion of the question at all, before a single gentleman of the committee reporting this bill has been heard, before we have any indication of the range which the debate is likely to take in the House, it would be going further than the chairman of the committee in charge of this bill would be warranted in going to fix the limit of debate at this moment. As soon, however, as it is apparent that the House is satisfied with the extent of the discussion, I shall endeavor to bring it to a close by testing the sense of the House upon a call of the previous question.

Mr. GARFIELD. Why not test the sense of the House now? If the House decides the question, that will of course exempt the gentleman from Tennessee from any imputation of bad faith.

Mr. BUTLER, of Massachusetts. Let the debate be extended until next Wednesday.

Mr. MAYNARD. I desire to say a word further. Several gentlemen of the committee desire to be heard. I speak what is known to the House when I say that scarcely a gentleman upon the committee has occupied the attention of the House in a speech during this session. Gentlemen have prepared themselves to discuss this subject, and it seems to me but right and fair to them that they should at least have an opportunity to make known the reasons on which they either support or oppose this measure.

Mr. COX. I desire to say to the gentleman from Ohio [Mr. GARFIELD] that if he wants business to progress he had better insist on going through with the appropriation bill. We have substantially disposed of the currency question. It has been debated all through the country, through the press, and in this House. And if gentlemen have speeches prepared, let them do what was done on the transportation bill, deliver them at night sessions or morning sessions. The people understand this business just as well now as they will when the Banking and Currency Committee shall have been heard; and I think I may say that members are almost ready to vote upon it. If gentlemen want to close up this session soon, let them insist on going through with this long appropriation bill so as to give the Senate some work. As one of the working men of this House, I hope the gentleman from Ohio will insist on making this a test question now by a motion to go into the Committee of the Whole on the appropriation bill.

Mr. HAWLEY, of Connecticut. As one of the members of the Committee on Banking and Currency I wish to say a word. Mr. Speaker, no question coming before us at the present session approaches in importance this currency question, including the legal-tender bill, upon which we have been forced to vote without one word of debate. This is the most important subject before this Congress, involving, as some of us think, the honor of the nation, and possibly at some future day the repudiation in part, if not wholly, of the national debt. We have not had a single hour of legitimate discussion upon this subject. It is true many gentlemen have taken advantage of Saturday afternoons and of evening sessions to interject speeches on this question; but we have had no fair debate upon it. Now, I do not know but that a large majority of this House is prepared to plunge into indiscriminate inflation; but before that is done I, for one, want a fair opportunity to enter my indignant protest against it by a denunciation of the whole business. If you have anything more important than this question, I would like to know what it is. I would much prefer that the appropriation bill should be taken up and gone through with, and that then we should dispose deliberately of this currency question. I object to any attempt to cut down the discussion of it to one, two, or three days.

Mr. POLAND. It may make some difference in the arrangements that may be made about this bill to know whether the Committee on Revision of the Laws will occupy this evening. We have not been able to bring our work to a close; and therefore I shall not ask any session this evening upon the revision of the laws.

Mr. MAYNARD. I give notice that I shall endeavor to press this discussion so far as may be decorous, so that no time shall be lost, and that a conclusion may be attained at the earliest proper moment.

Mr. COBURN. It is entirely possible that the House may be compelled on next Monday, under a suspension of the rules, to act upon this very question of the currency as we were compelled last Monday to act upon another branch of it. If the discussion of this subject is postponed until after next Monday, it is possible that all we may do this session upon the question will be done by a vote given next Monday without possibility of explanation.

Several MEMBERS. That is so.

Mr. COBURN. I hope the debate will commence now and will continue until the question is settled. If we wait until after next Monday, we may be forced to vote for something that none of us absolutely desire to go for, or against something that we do not wish to oppose. We are bound to be thrown into an awkward position unless we go on with the debate at once.

Mr. NIBLACK. This is the seventh long session at which I have had the honor to be in this House; and during much of that time I have been connected with the Committee on Appropriations. I have never known the current business of the House—that is to say, the appropriation bills—to be so much behind as they are at this time. If we intend to adjourn before August I think our first duty is to go into Committee of the Whole upon the appropriation bills during the business hours of every day not occupied imperatively by some other business. Morning and evening sessions can be devoted to purposes of debate. But in this large House, if we consume the business hours of the day with much general debate upon any subject, it will be impossible for us to get away from here before midsummer. Hence, without any discourtesy toward the Committee on Banking and Currency, I think they ought to take their chances, as the Committee on Ways and Means have done on their branch of this business, and endeavor to get in their speeches without occupying time during business hours, which, I repeat, must be given to the appropriation bills, if we expect to adjourn before midsummer.

Mr. RANDALL. For one, I should like to have the House hear this question of banking and currency discussed. I consider it the most important subject with which Congress is called upon now to deal. I am getting somewhat impatient under the lash of the gentleman from Ohio, [Mr. GARFIELD,] who is constantly pressing us in regard to the appropriation bills. I have no doubt that the appropriation bills will be passed, and passed in entirely too large an amount, under the auspices of the gentleman from Ohio.

This effort to have the Committee on Banking and Currency tied down to a day, it seems to me, is all wrong. It has not been done as to reports from any other committee on any other subject of equal or like moment. I am glad the chairman of the Committee on Banking and Currency stands firm, and I hope the House will grant to him this privilege to take up this bill at this time and proceed to a fair and deliberate discussion of the whole subject. When the House seems weary of it, or when we have approached an intelligent solution—if we ever do so—then it will be in the power of the House at any moment to cut off debate. I hope this bill will be allowed to be discussed at present.

Notwithstanding it interferes with this appropriation bill, we know that that appropriation bill will not ultimately be endangered. Mark you, Mr. Speaker, the appropriations asked for in this bill do not take effect until the next fiscal year. There is therefore no occasion for all this haste and hurry.

Mr. WILSON, of Indiana. It seems to me, Mr. Speaker, it is a matter of no sort of consequence whether the appropriation bill is passed this week or next week or the week after. If we pass the appropriation bill prior to the close of this present fiscal year, it will be in ample time to meet all the wants of the Government. But here, sir, is a question which gentlemen have well said is of infinite moment to the country and to all business men of the country. We have among us here gentlemen who are in favor of inflating the currency; we have those who are in favor of contracting the currency; and we have those who are in favor of doing nothing on this subject. We have among us members who are in favor of free banking; we have those who are in favor of issuing an additional but limited amount of national-bank paper; and then, again, we have men who are in favor of issuing additional "greenbacks," among whom, I believe, is my distinguished friend from Massachusetts, [Mr. BUTLER.] Here is a great diversity of opinion on this subject; and this whole country is standing still for the purpose of ascertaining what Congress is going to do.

What can business men do when the question is standing in this attitude? If we inflate the currency it affects the business of the country in one way. If we contract the currency, every sagacious business man knows it affects it in another and entirely opposite direction. What can the business man do but stand still until this Congress acts?

Now, sir, I say it is the highest duty we owe to the people of this country, and especially to the business men of this country, that whatever we are to do we shall do quickly. While we are halting here between these diverse opinions, while we are standing here squabbling as to whether we shall take up this measure or that measure, the business of the country is suffering. And I do not wonder, sir, that complaints are coming up from every part of the country and from men entertaining all classes of opinions to the Congress of the United States upon this question. I insist to-day it is our duty, our bounden duty, to ourselves and to the country to lay all other measures aside and take up this measure and settle it, so the people may go on intelligently about their business.

Mr. GARFIELD. Mr. Speaker, I only desire to say a few words. All gentlemen admit the great importance of the bill proposed by the gentleman from Tennessee, [Mr. MAYNARD.] I think they will all admit the bill acted on the other day was a bill of equally great importance.

Now, did any hurt come from our not having any debate on that bill? Is there a man in this House who would likely have changed his vote if we had debated it for weeks?

The question is not now whether we shall go on with the currency bill—and I am in favor of it—but the question is whether we shall enter

upon a limitless sea of talk. I am told there are fifty names down of men who are willing to talk on this subject of finance. If we can go on and have a vote on this subject let us say so, and so say all the members who want action.

But the people of the country want something done in order that it may not be perpetually afraid of this Congress. Every great business interest in the land is to-day afraid of the Senate and House of Representatives. Our sitting here from day to day is a constant menace to them because of the uncertainty of what we will do. They care little about our talk; it is only what we will do in reference to which they are concerned. If we can do something this morning I shall be exceedingly glad of it. Yet it is proposed now after we have waited for two weeks, after having made only two pages of progress in the legislative appropriation bill, we shall enter upon a sea of talk, not that we shall do any work; and I must at least ask the House to go forward with its business.

Gentlemen say that the appropriation bills will pass at all hazards. Yes, sir; but gentlemen should remember that every day you put off an appropriation bill you crowd the great appropriations of the year into the last heated days and nights of the session; and gentlemen have certainly no right to expect good legislation out of work done in that way. It is the calm, quiet, deliberate consideration of our appropriation bills, line by line, that will alone give us economical work that we can stand on before the country. And if this bill can be pushed over because it does not go into operation before July—that is the argument I have heard over and over again this session—then you can put them all over till the last week, and pass them in one lump vote. I move that the House resolve itself into Committee of the Whole, to resume the consideration of the legislative, &c., appropriation bill.

Mr. WILSON, of Indiana. I hope the House will vote that motion down.

Mr. MAYNARD. Before the question is put, I desire to say a single word. Not all of us in the House have the same high and lofty intuitions that distinguish the chairman of the Committee on Appropriations. What seems so plain to him, and what he reaches by a single bound, many of us are obliged to reach by long, slow, and painful processes.

Now, as to appropriation bills, if this were the first time in the history of the Government that appropriations were to be made, there might be some force in what the gentleman says; but we have passed appropriation bills year after year, from the beginning of the Government, and we know something about them. But the question of the currency is the question, permit me to say, that is now most exercising and interesting the American people, and one upon which they expect and desire to hear from their Representatives. And I trust that the House, having the issue directly presented to them by the gentleman from Ohio, [Mr. GARFIELD,] will now decide, in view of that desire on the part of the people, whether they will take up the currency bill and go on with it at this time or not. If such is the wish of the House, they will vote down the motion to go into Committee of the Whole, and will take up the consideration of the currency bill.

The SPEAKER. The Chair desires to make one suggestion to the House. And that is, if these two motions are to be daily in conflict they should be settled without debate. The gentleman from Tennessee [Mr. MAYNARD] has charge of a bill which is absolutely entitled to consideration each day at half-past one o'clock, subject only to a motion to go into Committee of the Whole on the appropriation bills. Let that be decided by the House promptly. Does the gentleman from Ohio insist on his motion?

Mr. GARFIELD. I do.

The question being taken on the motion to go into Committee of the Whole to resume the consideration of the legislative appropriation bill, there were—ayes 61, noes 93.

So the motion was not agreed to.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. SYMPSON, one of its clerks, informed the House that the Senate had passed, without amendment, the bill (H. R. No. 2451) to improve the mouth of the Mississippi River.

The message further informed the House that the Senate had passed with an amendment, in which the concurrence of the House was requested, the bill (H. R. No. 1762) concerning the practice in territorial courts and appeals therefrom.

CURRENCY AND FREE BANKING.

The SPEAKER. The House proceeds to consider the bill (H. R. No. 1572) to amend the several acts providing a national currency and to establish free banking, and for other purposes. The gentleman from Tennessee [Mr. MAYNARD] is entitled to the floor.

Mr. MAYNARD. Mr. Speaker, I approach this discussion with diffidence and self-distrust. The subject is vast, complex, difficult—perplexing alike to the student of finance and the practical financier. While it presents much that is obvious and palpable, it conceals its governing laws, so subtile as hitherto to have eluded the keenest scrutiny. Hence the manifold theories, plans, schemes, methods, and systems, each perfect to the mind of its author, and of all who will listen to him, and to no one else. Blackwood remarks that "in currency there is no violation of common sense so gross but that hundreds of clever men are ready to swallow it." This is spoken of the Chancellor of the Exchequer. And it is a fair illustration of the estimate in which the supporters of one financial theory are generally held by the advocates of another theory. It is well if the imputations do not reach beyond the understanding of the opponent and call in question his motives.

Conscious that many will differ from me, both in reasons and conclusions, I shall, in what I am about to say, accord to them the same singleness of purpose as my own, with the possibility of wiser opinions.

The currency or circulating medium consists of money and credits based upon money and promising to pay it.

Money hardly admits of a definition which does not require to be still further defined. It belongs to the list of elemental things which all attempts to simplify serve only to obscure. By turns it has been called "the representative of value;" "the measure of value;" "the standard of value;" "the medium of exchanges." Bagehot says, "money is economical power." McCulloch, after enumerating various monetary functions, says, "now this commodity, whatever it may be, is money." All these are definitions of the theory, the abstract idea of money. Money in the concrete, as it exists in trade, and as we find it in the pocket, is described by Fullarton in these terms:

> Gold and silver coin pass current in exchange for all sorts of commodities, because gold and silver are themselves commodities of value, and furnish the buyer and seller with a convenient equivalent that is universally in demand. Inconvertible government notes, though valueless in themselves, acquire a value in exchange, as has been shown, from the conditions annexed to their emission, and by reason of that value are received in exchange for commodities precisely on the same principle as coin. These two descriptions of circulation, therefore, fall naturally under a common head; and the phrase "money" may by a fair analogy be applied equally to the one as to the other.—*Fullarton on the Regulation of Currencies*, London, 1844, page 36.

The truth is, money is the creation of law. That is money which the law declares to be money. To ordain it and regulate its value is one of the highest prerogatives of sovereign power. Under the Constitution this power is vested in Congress alone.

By the act of April 2, 1792, Congress established the money of account, the dollar and its decimals; and provided for the coinage of gold, silver, and copper. For nearly seventy years this continued to be the only money of the country. On the 25th of February, 1862, another act was passed authorizing the issue of United States notes, better known by the popular sobriquet of "greenbacks," and declaring them to be "lawful money, and a legal tender in payment of all debts, public and private, within the United States, except duties on imports and interest" on the bonded debt. The constitutional validity of this act was seriously questioned both prior to its passage and subsequently; but it has been affirmed by the Supreme Court of the United States, after deliberation as grave as ever question received in that august tribunal. (12 Wallace, 457.)

This money, resting upon the credit of the Government and the authority of her laws, has performed a most important part in our public affairs. It carried us in safety through the rebellion, and has protected our unexampled prosperity since; and when panic had stricken down private credit and suspended confidence between man and man, it was eagerly sought and cherished alike by the wealthiest banker and the humblest laborer. It is the same money in kind which gave England success in the peninsular campaigns and the crowning victory at Waterloo. The decision of the Supreme Court declaring its legality added to our military resources more than would a standing army of half a million men.

I fail to comprehend, much less to sympathize with, the criticism which censures the United States notes as so many tokens of a violated public faith. This criticism is made to hinge upon the "promise to pay" engraved upon their face, as though it were an undertaking to respond with gold or silver coin. The "promise" is to "pay dollars," money of account. It is not the form given them by the Secretary of the Treasury which determines their character, but the law of their issue, also stamped upon their face. The law, as we have seen, declares they "shall be receivable in payment of all taxes, internal duties, excises, debts, and demands of every kind due to the United States, except duties on imports, and of all claims and demands against the United States of any kind whatsoever, except for interest on bonds and notes, which shall be paid in coin; and shall also be lawful money and a legal tender in payment of all debts, public and private, within the United States, except duties on imports and interest, as aforesaid."

This they profess to be, nothing more, nothing less. This they are, and at all times have been; nothing more, nothing less. And they who argue repudiation, breach of faith, public dishonor, because they are not exchanged for coined metal at the demand of the holder, seem to me sorely straitened for reasons to support a favorite theory.

It is worthy of remark that a late English writer indulges in the same criticism precisely upon the notes of the Bank of England. He suggests instead a national currency, irredeemable, like the consols, and analogous in character to our own, which he pronounces "perfectly effective." He adds:

> Such a national currency, whatever defects may be imputed to it, would at least be an honest one. Its notes would not bear, on their face, like those of the Bank of England, the illusory promise and preposterous pretense of being payable in gold on demand.—*The Bank-charter Act and the Rate of Interest*, second edition, London, 1873, page 115.

I do not overlook the declaration by Congress in the act of March 18, 1869, to the effect that the faith of the Government is pledged to

redeem the United States notes in coin "at the earliest practicable period." I shall recur to it. This, however, in nowise changes or affects their intrinsic original character.

Mr. POTTER. Will the gentleman allow me to ask him a question at this point?

Mr. MAYNARD. Certainly.

Mr. POTTER. Do I understand the gentleman correctly as saying that notes of the Bank of England are not redeemable with coin on demand?

Mr. MAYNARD. I neither said the one thing nor the other. What I said was that an English writer, in treating of the currency of England, makes that criticism upon the Bank of England notes, and his process of reasoning is certainly plausible. I have not expressed any opinion of my own, either one way or the other. What I said was that the criticism we every day hear made upon our legal-tender notes is precisely the same criticism as is made by this English publicist on the notes of the Bank of England.

Mr. POTTER. But without any foundation. I want to say here, because it is a common error that notes of the Bank of England are a legal tender because redeemed in gold, that the moment the bank ceases to redeem in gold that moment they cease to be a legal tender.

Mr. MAYNARD. The writer referred to is not speaking of their legal-tender character, but of their actual, practical convertibility into gold and silver.

Mr. POTTER. They have been so redeemable ever since the suspension following the great Napoleonic war.

Mr. MAYNARD. That is a question I leave with my distinguished friend from New York and the English writer to settle between themselves, remarking that the criticism could not well be less sound than that to which I was referring, so often urged against our greenbacks.

So much for the money portion of our currency. The credit portion of it consists of the circulating notes of national banks, guaranteed to the holder by the United States and secured by a deposit in the Treasury of Government bonds. Except within narrow limits these notes are not a legal tender in the payment of private debts, or the satisfaction of judgments at law. Though the banks are authorized to issue and circulate them "as money," they are not money; they are simply "obligatory promissory notes, payable on demand" in money. And in addition to the guarantee of ultimate payment, the Government gives them further assurance by receiving and paying them for everything except duties on imports, interest on the public debt, and in redemption of the national currency. They are issued to the community only for value or on valid security; no one receiving them in private transactions but at his option, and because he is willing to give in exchange either value or valid security. Therefore just so many circulate as the business of the community finds it advantageous to use upon these terms, and no more. Any excess will be returned to the banks. Upon this financial hypothesis rests the present bill.

I mention the fractional currency only to indicate that it has not been pretermitted, but that in all estimates made this medium—amounting, with the nickels and coppers, to about fifty millions—will not be included. In like manner I mention the notes of the gold banks, the gold certificates, and the clearing-house certificates.

This, then, is our currency: United States notes, limited by the act of June 30, 1864, to $400,000,000, and national-bank notes limited by the acts of June 3, 1864, and July 12, 1870, to $354,000,000.

After the late hostilities the Treasury Department inaugurated a policy of retiring the United States notes. Congress interposed a limitation to the contraction by the act of February 12, 1866, and by the act of February 4, 1868, after forty-four millions had been retired, suspended it altogether. The legal status of these forty-four millions of retired notes we are not called upon to determine judicially. As a legislative question, my opinion of it is embodied in a proviso to the third section of the present bill, and I distrust it only because it has been controverted by so many whose opinions I have been accustomed to respect.

The amount of United States notes issued, and now outstanding, is, or was at the beginning of this month, $381,715,437. The national-bank notes may be stated at $349,000,000, making together $730,715,437. Some arguments assume this last amount to be in actual circulation, and deduce the conclusion that the currency is redundant, inflated. Such, however, is not the fact.

It will be recollected that the national banks in certain designated cities are required to keep on hand at all times, in lawful money, as a reserve, "at least 25 per cent. of the aggregate amount of circulating notes and deposits," and the banks at all other places a like reserve of 15 per cent. According to the report of the Comptroller of the Currency, the banks held on the 12th of September last, in national-bank notes, United States notes, and deposit certificates representing United States notes in the Treasury, an aggregate, in round numbers, of $130,000,000. To this sum should be added the notes of the several banks remaining in their respective vaults, not enumerated in the foregoing sum, $10,000,000; making $140,000,000 withheld from circulation by the national banks alone at the exigency of the law. The amount of reserves held by private banks, savings-banks, insurance and trust companies, not included in the national-bank reserves, cannot be, certainly ought not to be, less than $100,000,000. In the Treasury, and with officials *in transitu* to the Treasury—in the custody of the Treasury—the constant balance may be stated at $10,000,000; and in the several State, county, city, and town treasuries, including moneys deposited in court to abide judicial investigation, as much more; making $20,000,000 of currency withheld from circulation by the different agencies of the Government.

Then we must not forget that the circulation is debited at the Treasury with all the notes issued and not returned, taking no account of destruction and loss. There have been issued of United States notes alone, first and last, $915,420,031. Twelve years have elapsed since the issue was authorized; three of them years of dreadful war, and the notes, very many of them, in the hands of the soldiers. The liability of notes to destruction and loss increases with the distance of their circulation from the point of issue, and especially when there is no redemption to call them home. The notes of local banks, never many miles from the counter, and always redeemable on demand, nevertheless disappear and do not return, as every banker knows. These considerations induce the belief that an annual loss of 1 per cent. on the amount actually outstanding and in circulation is not an overestimate. Taking the United States notes and the national-bank notes together, the loss has been computed at five millions a year for ten years, or $50,000,000 total, is considerable. The loss, whatever it is, inures to the benefit of the Government.

We have not taken into account the private hoards, known to be considerable, especially in localities remote from banks. An intelligent and well-informed gentleman testified before your Committee on Banking and Currency, from what he regarded reliable data, that the private hoards in the cotton-growing States alone, held both by the white and colored, would exceed $200,000,000. That a considerable amount is so held secretly and in small sums, wholly unavailable for business and commerce, I am fully persuaded.

The amount of currency actually in circulation and accessible to those wishing to obtain it for value or upon valid security is stated quite generally at $500,000,000. My own belief, founded on reasons just given, is that $300,000,000 is near the truth.

Much or little, we must determine whether there is enough. On this point, no doubt, we can derive much valuable aid from the deductions of economic science; the *a priori* reasonings of the publicists and eminent thinkers. Your Committee on Banking and Currency were not slow to avail themselves of this assistance, and hope at an early day to present a body of information thus derived for the use of the House.

Meantime I invite attention to certain facts not above the level certainly of the unscientific mind. The business of the country requiring currency more or less to transact, so far as I know, has not been tabulated in figures; I doubt if it could be. We can approximate it by conjecture. The clearing-house exchanges in six cities, for the year ending the 1st of October last, were forty-one billions, nearly twenty times the national debt, as follows:

New York	$33,972,773,962
Boston	2,674,493,555
Philadelphia	1,700,000,000
Saint Louis	997,584,620
Chicago	963,060,503
Cincinnati	746,587,322
Total	41,054,699,962

This list does not include the large cities of Baltimore, New Orleans, and Louisville, nor numerous smaller ones, whose annual business is very great; and the figures cover only those transactions which are conducted on bank deposits, and do not include those which are cash in hand. Statistical people give the annual production of the country at eight billions, three-fourths of which, or six billions, pass from the producer to the consumer, by I know not how many intermediate operations. How much actual currency—ready money—is required for this enormous traffic I have not considered. Doubtless bank and individual credit is the chief instrumentality. Once more: It is not an extravagant estimate, I would fain believe, that there are constantly employed in the United States one million of persons, at an average daily wage of $2.50. Their weekly pay-roll foots up fifteen millions, or sixty millions for the month, to be paid cash in hand. These persons are scattered all over the country, and the money must be carried to them, and seldom appears in clearing-house exchanges.

This is enough surely to awaken a suspicion that more currency of some kind is wanted. Of course I shall not be understood as meaning the wants of the impecunious, the improvident, or the insolvent; but the wants of business men to carry forward their business on strictly business principles, who never ask a dollar which they cannot profitably use in their business, and for which they do not stand ready to give value or valid security.

In the autumn of 1871 an adventurous young broker of New York threw that city well-nigh into convulsions by collecting and withdrawing from circulation a few millions of currency. Congress ordered an investigation, which resulted in no measure to prevent the repetition of the same thing with similar consequences. Can it be justly said that the currency is redundant or sufficient, even when it is in the power of any one man to create an artificial stringency considerable enough to affect the community?

Again, in 1872, a scarcity of money was felt, which was relieved by using a few millions of the so-called reserve, about which so much was said in Congress and out of it.

The panic of September and October, 1873, is too recent to be dwelt upon. The Secretary of the Treasury tells us that during the sum-

mer, in anticipation of a stringency in the autumn, he had accumulated in the Treasury a surplus of about fourteen millions in currency; that with this he purchased bonds to the amount of about thirteen millions between the 20th and 24th of September. The New York clearing-house issued some twenty-six millions of certificates, to be used by the banks in settling balances. The clearing-house reserve deposits in the Treasury were reduced from $32,240,000, on the 1st of September, to $8,875,000 on the last of October. The three items alone amount to sixty-two millions added to the volume of the currency to meet the demands of that exigent period.

The unvarying testimony from all parts of the country is to a deficiency of available cash. It was not to be had. No securities could command it. The rate of interest sounded like the last shriek of despair. Whatever opinions prevail as to the cause and origin of the panic, or as to the true method of preventing another, all agree that money was lacking; and there is a pretty general agreement that had the possible supply of money been without limit, the Secretary's paltry fourteen millions would have more than sufficed to meet every demand. It was because of the known limit that men in their terror clutched every dollar they could reach, and held it.

I infer, therefore, that there are times when more currency is required; how much, to be determined by the general activity of business, the state of trade, the schemes of the money-dealers, the confidence of the people, and perhaps other circumstances equally beyond calculation. To determine by legislative enactment the exact figure, thus far and no farther, is sheer empiricism. Yet this is the present state of things, and as a consequence the currency lacks self-adjustment to the varied and ever-varying wants of the country. Elasticity is the accepted term.

It is worthy of remark that the quality of the currency is eminently satisfactory to the general public. On every hand we hear it said that we now have the best currency ever known in the land, and we know it to be the truth. The oldest man alive can remember nothing comparable to it. During the panic men hoarded it as they hoard gold; and they still hoard it. The dissatisfied may be reduced to three classes: foreign traders; those whose affairs are improved by the relative increase in the value of money; and the sentimental advocates of specie payments, who can assign no reason beyond a theory. All others are more than contented—they are pleased. And were the present system seriously disturbed, they would be apt to demand the reason why. Gold and silver can be dispensed with, not greenbacks.

In providing for a possible increase of the currency, shall it be in United States notes or in national-bank notes? I have already touched upon the difference in the character of these two forms of circulation. I will enlarge. In the hands of a private citizen a ten-dollar United States note and a ten-dollar national-bank note are so nearly alike that he would take no trouble to exchange the one for the other. Trace them back to the source of issue, and we find the one issued in the payment of a debt, the other as a loan. For the one there is no existing commercial equivalent, for the other there remains some form of substantial value. It is as if one should hold two promissory notes of the same amount, one given for a hotel bill, the other for a bale of merchandise. Again, one is technically money, the other only a promise to pay money; in short, one is but a promise to pay the other. The United States notes are, in fact, a popular loan to the Government; not a forced loan as is sometimes offensively said, but a voluntary loan made by the people, through their chosen representatives; the national-bank notes are a loan by the banks to the people. And the question whether the increase of the currency should be in United States notes or national-bank notes is the question; whether the people shall be called on for a further loan, or shall be enabled to borrow.

I cannot conceal from myself the conviction that the United States notes are a perilous issue, and to be resorted to only in grave emergencies. The temptation will always be very great to remit taxes and to pay the expenses of the Government in money costing nothing but the printing. I need not say how fatal such a policy would be to the public credit, nor how essential, even from the lowest point of unenlightened selfishness, to maintain the public credit above suspicion. Considerations of this kind induced Congress, by the act of June 30, 1864, to pledge the faith of the nation that the total amount of United States notes "issued or to be issued" should never exceed four hundred millions, and by that of March 18, 1869, "to make provision at the earliest practicable period for the redemption of the United States notes in coin." These pledges were deemed wise and proper when made; but, whether wise or unwise, it is too late now to inquire. They have been made, and they must be kept in their true spirit. Let them stand as the words of him that sweareth to his own hurt, and changeth not.

The first pledge is negative, and there can be no excuse to break it. It must not be broken. The other is declaratory of a policy rather than a specific undertaking. It was then the policy, it is now the policy, to redeem the United States notes in coin, and to do it "at the earliest practicable period." Nobody understood, nobody now understands, that they were to be exchanged for coin as soon as four hundred millions of coin could be collected. This might have been done, no doubt, in a very few months. An active political canvass had occurred the preceding season. The public debt had been an important issue. The people had been appealed to whether the bonds should be paid, principal as well as interest, in coin, and the greenbacks should be redeemed; or the bonds paid in greenbacks and the greenbacks left to take care of themselves, to use one of the modes of statement. The decision was unequivocally in favor of the coin standard, and the new Congress embodied the result in one of its first acts, the act of March 18, 1869. The difference at that time between United States notes and coin was 31 per cent. It is now less than 12 per cent. As soon as the ravages of the war have been repaired and the surplus of production over consumption begins to accumulate, so as to produce a favorable balance in the general trade, including the payment of interest, gold will flow into the country, or, what is the same thing, remain in the country, and without disturbance or inconvenience will form the basis of domestic as well as of foreign exchanges. We shall undoubtedly reach specie payments; but as a commercial result, and not a legislative enactment.

Arguments have been drawn from the experience of Great Britain. She resumed without effort or embarrassment in May, 1821, after a suspension of more than twenty-four years. The trade balance all this time was in her favor. The efflux of gold had gone to maintain her wars and to support her allies. When peace returned, this outflow ceased, gold accumulated by her commerce, and specie payments were not only natural but necessary.

Meantime why should we be impatient? Let causes operate. For the overwhelming mass of our traffic, the internal traffic, the currency we have is just as valuable as gold, or as it would be if convertible into gold. I will venture to quote once more from an English author already cited:

> That as far as concerns our domestic exchanges, all the monetary functions which are usually performed by gold and silver coins may be performed as effectually by a circulation of inconvertible notes, having no value but that factitious and conventional value which they derive from the law, is a fact which admits, I conceive, of no denial. Values of this description may be made to answer all the purposes of intrinsic value, and supersede even the necessity for a standard, provided only the quantity of the issues be kept under due limitation.
>
> A plate of brass, a piece of leather, a scrap of water-marked paper, are things without any worth in themselves which can qualify them to perform the office of equivalents in the transactions of commerce; but stamp any of these articles with an inimitable mark, issue them in defined numbers for a valuable consideration, call them money, let them be received in payment of all public taxes and dues, and make it imperative by law on every man to provide himself with enough of this money for the discharge of all obligations incident to the common dealing of society, and you invest it at once with a value in exchange, wholly independent of its intrinsic properties, and bearing an exact ratio to the demand which you create for it. Of this description are the Government paper currencies of the continent, which in almost no instance derive any portion of their credit from the expectation that they will be ultimately discharged in coin. Of this description were the issues of the Bank of England during the continuance of the bank restriction act, for that measure was equivalent to an absolute discarding of the standard.—*Fullarton*, page 21.

We can afford to wait, and wait patiently, for our currency to ripen into specie, as it certainly will in the fullness of time, and not before. And until that time we shall have to depend upon the banks to complete our currency supply. Banks have always been unpopular, and probably always will be, for the simple reason that more is always expected of them than they can safely perform. The owner of a valuable tract of land half paid for cannot understand why the bank upon the whole, for security, will not loan him enough to pay the other half. And when the same bank loans a small trader twice the sum to purchase his crop in a depressed state of the prices, he at once sees collusion and a "ring" to profit by his necessities. You cannot satisfy him that his note for land is not a great deal better than his neighbor's for grain on the way to market.

Much of this popular odium arises, I am persuaded, from a misconception of the true functions of banks, and an inattention to the parts performed, relatively, by cash and by credit. Ricardo was the first, I believe, to take the distinction between capital and deposits, and to explain that so long as the banker uses his own money he is a capitalist, and that his proper function as a banker begins as soon as he begins to use the money of others. But capital and deposits combined are very inconsiderable, compared with bank credits as they have developed since Ricardo's time.

I have already referred to the enormous exchanges in the New York clearing-house. An intelligent banker of that city expressed to the Committee on Banking and Currency that the business they represent did not require exceeding 5 per cent. of the whole amount in cash; all the rest is credit. His language was:

> Mr. BUELL. What you assume may be correct, but no man can tell how much currency we do want. The proportion of currency to checks, bills of exchange, &c., used in commerce, is so small that few people conceive of it. We use in New York about 5 per cent. currency. In smaller towns they use 10 per cent., in still smaller places, from 15 to 25, and when you get back to the agricultural districts it requires 50 per cent. or more. The other 95 per cent. of the commercial transactions of New York City are moved by checks, bills of exchange, &c.
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> The CHAIRMAN. Does the 5 per cent. cover the shopping and money transactions, hotel bills, &c.?
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> Mr. BUELL. Yes; it all comes to a point in the banks through the clearing-house exchanges. Take your own experience, or that of a merchant who pays $50,000 by checks in a day, and not more than $100 for cash disbursements, personal expenses, &c. The volume of currency being so variable, used as it is in conjunction with checks, bills of exchange, &c., it is impossible to tell how much is required. The only way to measure it is by having practical redemption. When it is not wanted let it go back to the issuer; and when it is wanted it will come out and do its work, and again retire.

Some years ago Sir John Lubbock, an English banker, analyzed nineteen millions sterling received by the banking house of Messrs. Robartes & Co., and found that ¼ of 1 per cent. consisted of coin, 2½ per cent. of bank-notes, and the other 97 per cent. of checks and bills of credit.

To illustrate: A, a New York cotton-dealer, has his note at thirty days, for $10,000, discounted and placed to his credit, subject to his draft, as a deposit. The books of the bank show discounts, $10,000; deposits, $10,000. So far, not a dollar in money has been used. A slip of paper and a few figures in the ledger are all. A next telegraphs to his correspondent in Memphis to ship him overland two hundred bales of cotton and to draw on him at sight. In a few days the draft comes, through a mercantile house, where it has paid for a bill of goods, and is met by A's check upon his bank deposit. There have been some four transactions, each for $10,000. At length the cotton arrives and A sells it to a Lowell manufacturer, who pays in another check, with which A pays his original note, and so, as far as he is concerned, the operation ends.

All the exchanges, first and last, added together would probably foot up $100,000, and no cash whatever has intervened. The freight, insurance, and discount, not estimated, may have been paid in cash or by still other drafts. The substantial business done consists of two hundred bales of cotton transported from Memphis to Lowell, and an invoice of merchandise from New York to Memphis, and all by means of the impalpable agent, bank credit.

Another illustration for which I am indebted to my associate on the committee, the honorable gentleman from Illinois, [Mr. FARWELL:] B, a grain-dealer of New York, goes to Chicago for a cargo of wheat, without money, but well accredited for business skill and integrity. He arranges with a banker there to honor his checks until he can collect the cargo; purchases, and ships to New York. He returns to the banker, with the bill of lading, substitutes for his checks a draft upon his consignee, and goes his way. He has not handled a dollar of currency; a cargo of grain has moved one thousand miles by the force of bank credit alone.

I have said enough, more than enough, perhaps, to convey my impression of the part assigned to banks in the traffic of the country. Their importance cannot well be overstated. They are coeval with modern commerce, and the farther we recede from the days of barter, strong boxes, and fortified cities and castles, the more artificial and complex, as well as efficient, does the system become. We might as well attempt to dispense with the printing-press, the power-loom, the spinning-jenny, the railroad, the telegraph, petroleum, and fossil coal, as business agents, as to dispense with banks. It is waste of time to talk about it.

Be our effort, then, to organize them upon a sound basis and on correct principles. If any people ever suffered more than ours in former times from a bad system of banking, it has escaped my reading. The old State-bank system, which flourished with uncontrolled vigor for a period of twenty-five years before the war, was about as vicious as can well be conceived. Some of the banks were certainly much better than others; but none of them had credit enough to carry their notes two degrees of latitude from their isothermal lines. Created by thirty different State Legislatures, without responsibility, subjected to no supervision, their notes dignified with the name of money, and limited in amount only by their power to keep them in circulation, interested in their depreciation, the sport of the counterfeiter, without mutuality with each other, and despotic to a degree, they exhibited the most remarkable financial spectacle of modern times. The Bank-note Reporter and Counterfeit Detector was a *vade mecum* with every business man; and the varied and ever-varying volume of the hundreds of different issues was a perpetual study. That a great commercial people, active and practical like the American people, should have gone on from year to year, without an effort for something better, is only another proof how much will be borne by the long-suffering public rather than incur the trouble of making a change.

The system known as the Suffolk bank system answered well enough, perhaps, for New England; the free-banking system of New York, Ohio, and several other States furnished the model on which was built the present national-bank system. The ineradicable defect in them all was, they lacked what Mr. Webster felicitously called the odor of nationality. They were local, and their issues, therefore, wholly unfit for the commerce of the country.

The Scotch banking system has been much admired. For the work it had to do, having regard to the limited extent of the country, the character of the population and their pursuits, I incline to believe it was nearer perfect than any other ever devised. The circulation was exclusively paper. If I am not mistaken—if I am there are gentlemen in the House who can correct me—there had never been a financial panic in that country prior to Mr. Peel's celebrated bank charter act of 1844, which considerably modified their financial system. Since that time panics have occurred in Scotland. Fullarton has left a sketch of the Scotch banks, as they were prior to 1844, the time when he writes, to which I venture to invite the attention of the House and the country:

> The Scotch banks, among whom this practice of allowing interest to depositors has been coeval with their existence, are in themselves a standing refutation of the notion that bank-notes can be overissued at the pleasure of the issuers. In Scotland the amount of capital employed in banking was nearly doubled between 1826 and 1840; and such has been the multiplication of branches, that it is computed there is now in that division of the kingdom either a bank or the branch of a bank for every six thousand souls. Almost every person in Scotland above the lowest grade in society employs a banker, and the deposits bearing interest in the hands of the bankers were estimated by Mr. Blair in 1841 at the astonishing sum of between twenty-six and twenty-seven millions sterling, or about ten times the amount of the circulation. *Scotland uses no gold.* All her exchanges of purchase and sale to the value of one pound or upward are performed by book-transfers or bank-notes, two-thirds of the whole bank-note issue being taken up in performing the offices of gold. But what has been the effect of all this keen competition of bankers and multiplication of banking transactions on the amount of the circulation of Scotland? Why, the result has been that the gross bank-note currency of Scotland, as compared with the population, gives a ratio of only one pound sterling per man, instead of two pounds, which is the proportion in England; and that, if you deduct the Scotch one-pound notes, which correspond with the English metallic currency, the ratio will be nearly as one to six. It is held for an undisputed dogma by many, that an unrestricted currency of paper, from which the use of the precious metals is practically excluded, must, of all currencies, have the most decided tendency to keep up prices; and it is also a maxim at least equally orthodox, that the smaller the amount of a currency in proportion to the stock of commodities to be distributed, the lower must the scale of prices inevitably be. Grant only these two postulates, and it will be equally easy to prove, as you may have a mind, that Scotland must be the *dearest* or the *cheapest* country in the world; for there certainly exists no country whose exchanges are performed so exclusively through the instrumentality of paper, nor any in which the same extent of business, or anything like it, is transacted with so exceedingly small a proportion of circulating medium, though that medium is composed exclusively of bank-notes.
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> I have never heard, however, that the range of prices in Scotland is, on the whole, materially higher or lower than in other parts of the United Kingdom. Indeed, the dearest country, perhaps, in Europe is Holland, where the circulation is entirely metallic.—*Fullarton*, page 92.

There are several points in this statement worthy of consideration:

1. That interest is paid on deposits.
2. That coin is practically excluded from the circulation.
3. That bank-notes cannot be issued in excess of the business wants of the community.
4. That an indefinite multiplication of banks and branches works convenience, and not mischief.
5. That the increase of banks diminishes the *per capita* ratio of circulation; the people using the banks instead of carrying money in their pockets.
6. A paper currency has no effect *per se* to inflate prices.

I come now to speak of our national banking system. The history of it is familiar to several gentlemen now in the House and in the other wing of the Capitol. It came into existence in 1862, as parcel of the financial measures of the war, usually attributed to Mr. Chase, and not without much reason. As a member of the Committee on Ways and Means at that time, I had opportunity for observation. That eminent statesman, as I have the best assurances, regarded the national banking system as a permanent feature; the United States notes as a temporary resource. I have always esteemed it a misfortune to the country, as well as to his own fame, that he retired from the Treasury before he had given completion to his scheme of finance. He believed that the national banks would be one of the compensations of the war. It certainly requires no very great sagacity to discern several points in which they are incomparably superior to any pre-existing banks in the country.

While they are national in the credit of their circulation and in their amenability to Federal control, they nevertheless are so distributed over the country as to furnish local facilities, which a single institution like the Bank of England or the Bank of France could not do.

Their circulation is perfectly secure to the holder. Loss by the ordinary casualties, or by anything short of revolution or breach of public faith, is impossible. He may be said literally to have taken a bond of fate. The value and importance of this feature in a currency can be understood only by those who, in former times, saw infuriated mobs gather at the doors of a broken or breaking bank.

Closely allied to this feeling of security is the assurance derived from the official examinations and reports required to be made of the condition and the dealings of each bank. Like the ringing of the car-wheels under the stroke of the test-hammer, at the stopping of the train, they denote a man on the watch. Admit that in some instances the examinations have been partial, and the reports unwarranted, that failures have occurred with loss to depositors, it only proves an imperfect administration of the law, and not a defect in the law itself. That the public interest requires all banking to be rigidly watched, and that no bank is safe which is not subjected to such oversight, are propositions I do not propose to discuss.

A very important part of the system is that which requires the capital to be invested in Government bonds, thus retaining in the country many millions of the semi-annual interest. I know it is the commonly received doctrine that it matters not whether we pay the interest on our public debt at home or abroad. If paid abroad, we have in exchange the use of so much foreign capital. Some, indeed, hold it true economy to negotiate foreign loans when practicable. Such, for some years past, seems to have been the policy of the Treasury. I cannot think so. To my mind it were better to pay 6 per cent. at home than 4, or even 3, abroad. Paid at home, it is as it were changed from the right hand to the left; abroad it is subtracted from the sum total of our wealth.

Suppose two billions of our public debt funded in 3 per cent. fifty-year bonds, held in Europe. The productive industry of the country would in effect be mortgaged to Europe for the next half-century to meet a burden of sixty millions a year—three billions to meet what goes by the name of interest. A different policy prevailed during the war. Congress steadily refused to authorize a foreign loan. Consequently we were saved the humiliation of seeing our bonds hawked in an unwilling market, and at the close of the war nearly all, except a few in Germany, were held by own citizens. Unfortunately, as it seems to me, the interest had been made payable in gold, and that hurried

them over the water. Had the act of February 25, 1862, gone into the statute-book as it passed the House, making both customs dues and interest on the public debt payable in United States notes, we should have built fewer railroads and palaces perhaps, but I am persuaded our financial condition would have been much stronger, and we should now have been much nearer the El Dorado of specie payments.

Kellogg, who wrote more than a quarter of a century ago, illustrates the effect of paying interest abroad in a passage which I crave permission to quote:

> Suppose an uncultivated island, ten miles square, and a few miles distant from the coast of the United States. Ten thousand wealthy citizens of the States intend to build a city upon it. These citizens are worth $150,000 each; in the aggregate $1,500,000,000. The legal interest on money is fixed at 6 per cent. per annum. For two years previous to their removal to the island the people prepare upon it houses for themselves and suitable accommodations for merchants and mechanics. Each of these families expends $3,000 yearly for its support. Each family being worth $150,000, the interest on which at 6 per cent. would be $9,000, each has an income of $6,000 a year over and above expenses. They expend their surplus income for two years, *i. e.*, $12,000 for each family, in the aggregate $120,000,000, in making improvements upon the island. They dispose of their property on the mainland on credit, securing it by bonds and mortgages, State stocks, or otherwise, so that they insure an interest of 6 per cent. per annum on the whole amount of their property, payable half-yearly. These obligations merely represent the value of the property they leave upon the mainland, and must yield an income from the products of the land and of the labor of the purchasers. The annual interest on $1,500,000,000 amounts to $90,000,000. The paper obligations held by the creditors legally empower them to demand an interest of $90,000,000 in specie. The mere giving of obligations is all that is required in the transfer of property. The conversion of their property into bonds and mortgages and other securities may not have required the use of a million dollars of money. But the payment of both principal and interest must be made in money.
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> The ten thousand families contain, on an average, five persons each, making in the aggregate a population of fifty thousand. They employ, on an average, three domestics in each family, increasing the population to eighty thousand. The yearly expenses of each family amount to $3,000; or for the whole, to $30,000,000. Hatters, tailors, shoemakers, cabinet-makers, mechanics of every sort, collect about them to supply their wants, and receive the sums which they expend in living. More than fifty thousand laborers and artisans are needed to supply their wants. In a few years the concentration of capital collects a city of three or four hundred thousand inhabitants. They expend $30,000,000 yearly, and draw besides from the people of the mainland a clear income of $60,000,000 a year, which they can reloan. The debtors cannot send the $60,000,000 in money, and are therefore obliged to send the products of the soil, manufactured articles, &c., to this city for sale, to procure money to meet their payments of interest. The city soon becomes the market-place of the nation, and engrosses the principal business. The people are astonished at its wealth and prosperity, and congratulate themselves on having so fine a market for their products.—*Labor and Other Capital*, section 2.

Remove the island three thousand miles away and call it England; the hypothesis of the last generation becomes the history of this. Any policy, therefore, which promises to keep our bonds at home, or to bring them home—I say bring, not send—ought in my judgment to be encouraged.

I have said that our national-bank system is substantially the same in principle which prevailed prior to the war, in New York and several other States. The principle antedates this period in our banking system. It underlies the Bank of England, since its reorganization under the charter of 1844. The act of 1844, rechartering the bank, although chiefly promoted by Sir Robert Peel, is understood to have been framed also under the counsels of Mr. Lloyd, afterward created Lord Overstone. Certainly, the leading features of the act, and especially the separation of the bank into two departments, the issue department and the banking department, are sketched in a publication of his as early as 1837. He notices the diverse functions of a bank of issue and of a bank of discount and deposit; and gives us the reasons why the difference between them is not observed by "those who take only a superficial view" of financial questions, that both functions were performed by the same hands, in the same establishment, designated by the common term "bank."

He then proceeds:

> Can it be necessary, however, to point out to those who have really reflected upon these subjects the essential difference which exists between these two functions? A difference which not only renders them perfectly distinct from each other, but in many respects of so conflicting a nature that it seems hardly possible that the administration of the two can be safely confided to the same hands.
>
> A bank of issue is intrusted with the *creation* of the circulating medium.
>
> A bank of deposit and discount is concerned only with the *use*, *distribution*, or *application* of that circulating medium.
>
> The sole duty of the former is to take efficient means for issuing its paper money upon good security, and regulating the amount of it by one fixed rule.
>
> The principal object and business of the latter is to obtain the command of as large a proportion as possible of the existing circulating medium, and to distribute it in such manner as shall combine security for payment with the highest rate of profit.
>
> That these two functions are perfectly separate and distinct, and that there is no connection between them which renders it necessary that they should be administered by the same parties, is clear.—*Reflections on Mr. J. Horsley Palmer's Pamphlet*, 1837, page 42.

The bank-charter act of 1844 created two departments at the Bank of England: one, the bank itself, a bank in every respect identical with any other bank; the second, an office of the state—the state as an issuer of notes—with which the bank and its directors have no more to do than any other person in England.

In the first place, on the basis of a debt of fourteen millions sterling, due by the government to the bank, notes were issued to that amount; then notes were issued in exchange for gold deposited for their redemption, and upon these notes the business of the bank was and is conducted.

The identity of principle in the Bank of England and our national-bank system is obvious. At the head of our issue department is the Comptroller of the Currency, who issues circulating notes having the public debt for their basis. Our banking department, instead of being restricted to a single establishment at the chief money center, like the institution in Threadneedle street, is distributed over the country among two thousand separate establishments, each under its own direction; in other respects the same.

The limitation upon the amount of the currency is a feature common to both systems. In Mr. Lloyd's plan it is as distinct as in our national banking act. And upon his theory all monetary disturbances causing an unusual demand for coin and an outflow of the precious metals were to be met by contracting the circulation and raising the rate of interest; in other words, by depressing the price of labor and of all the productions of labor. Of course he was making no provision against panics and financial crises. These he seems to have regarded as the necessary incidents of commerce, to be foreseen but not averted. No fatalist ever looked upon doom with more composure. His words read like an utterance from the Book of Fate:

> The history of what we are in the habit of calling the "state of trade" is an instructive lesson. We find it subject to various conditions which are periodically returning; it revolves apparently in an established cycle. First, we find it in a state of quiescence—next improvement—growing confidence—prosperity—excitement—overtrading—convulsion—pressure—stagnation—distress—ending again in quiescence.—*Reflections*, &c., page 44.

If this be true, it is very discouraging. And yet this is the theory on which rest all limitations of the circulating medium, and on which is based the financial policy that at this moment cries aloud in our streets for "contraction."

A common objection to the national banking system is that it creates monopolies. Our conceptions of monopoly may be enlarged, perhaps, by learning that there are two thousand in the land in active competition with each other. We have in our day had banks which were monopolies in the true sense of the word, wielding chartered privileges denied to everybody else. This objection, however, whether well taken or not, is entirely removed by this bill. At present no bank can receive more than $500,000 of circulating notes, and the total issue of notes, as we have seen, cannot exceed $354,000,000. Within these limits banking is at the option of all alike who will comply with the requirements of the law. By this bill those limitations are repealed and the privileges of the law, such as they are, left subject to no restriction.

But in the practical working of the system as we find it there is, in my opinion, cause of complaint much more serious. Whether from superior diligence, a keener foresight, a better luck, or all combined, the Eastern and Middle States have absorbed by far the larger portion of the circulating notes allowed by the law to be issued. The six Eastern States have $110,489,966. The five Middle States, including the District of Columbia, have $126,138,230. The nine Western States have $78,785,148. The fourteen Southern and Southwestern States have barely $36,630,217, less than either Pennsylvania, New York, or Massachusetts. The Eastern and Middle States combined have $236,628,196, while all the rest of the entire country has less than $118,000,000; and of this latter sum the vast South has considerably less than one-third.

This inequality has attracted the attention of Congress, and there have been several enactments to correct it. The last was the act of July 12, 1870, authorizing the emission of fifty-four millions additional, to be distributed in the States having less than their proportion, and requiring the Comptroller of the Currency to withdraw twenty-five millions from the States holding an excess and to make of this sum a similar distribution. That officer holds that the fifty-four millions have not yet "been taken up," and therefore he has made no requisition on existing banks to return the twenty-five millions. Though compelled to think him highly technical in his construction of the law, I am not prepared to urge a want of good faith. This, then, is the state of things: a large excess in the Middle and East, especially in the East, and a deficiency throughout the whole South and West. The apportionment of the Eastern States is less than forty millions; she holds an excess of more than seventy millions. On the other hand, the South holds of circulating notes but $36,630,217; her deficiency is $51,271,034.

To descend to particulars: the apportionment of Maine is less than five millions, her circulation over eight millions; of Massachusetts nineteen and a quarter millions, her circulation fifty-nine and a half millions; of Rhode Island two and three-quarter millions, her circulation thirteen and a quarter millions; of Connecticut seven millions, her circulation eighteen millions.

Now turn southward. Virginia, entitled to over eight millions of circulation, has less than four millions; North Carolina, entitled to six and one-half millions, has less than two millions; Georgia, entitled to over seven millions, has less than two and one-half millions, and so on through the entire South, until we come to Missouri entitled to fifteen and one-half millions, yet put off with less than six and one-half millions.

The circulation of New York is over two and one-half millions in excess of her proportion; in Pennsylvania the excess is nearly three and one-half millions. These two sums united are little more than the deficiency in my own State. But—and here is the discouraging feature in our case—when I seek to bring into this Hall a measure, looking not to the taking from Pennsylvania aught that she now enjoys, but to giving my constituents an equal chance to meet the demands of their trade, I am met at the outer door by my associate,

the gentleman from Pennsylvania, [Mr. RANDALL,] lance in hand, shouting at the top of his voice, "A bill of abominations!" Doubtless he thinks so; perhaps his constituents think so. My constituents as well as myself are of a different opinion.

[Here the hammer fell.]

The SPEAKER *pro tempore*, (Mr. DANFORD in the chair.) The gentleman's hour has expired.

Mr. FORT. I move that the time of the gentleman be extended.

The SPEAKER *pro tempore*. It is moved that the time of the gentleman from Tennessee be extended. Is there objection? The Chair hears none.

Mr. MAYNARD. I thank the House for its courtesy. I shall endeavor not to trespass on it too far.

As matters now stand we are absolutely helpless. Not a solitary bank-note can be added to our scanty supply, how great soever our business necessities or the amount of our capital. Even if we could inveigle the twenty-five millions refund, that would not supply one-half the deficiency in the South alone, with no competitive demand from the West. The Eastern and Middle States—reckoning Ohio with the Middle States, where she properly belongs—with almost three-fourths of the entire bank circulation of the country in their vaults, are naturally quite contented. And when the rest of the country puts in a modest claim for its embarrassed industries; its fields of unpicked cotton; its droves awaiting transportation to market; its grain yet in the garner; the labor of its springing manufactories unpaid, and therefore unfed, gentlemen here cry "inflation," "expansion," "specie payments;" and the cry is re-echoed by the newspaper press of Philadelphia, of New York, the plethoric East, with a small screech from Cincinnati. Bad as our condition is, they aggravate it by offering to receive our securities, and to loan us any surplus they may chance to have at the moderate rate of 10 per cent., and 12½ per cent. added for commissions. But when we attempt to bring forward a measure that will put us in a way to supply our own deficiency, they confront us, as they did a few weeks since, with a solid adverse vote.

The science people tell us much about the ratio of currency to population. Figuring the entire amount of United States notes and bank-notes ever issued from the Treasury and not returned to it, and assuming that they are all still in existence and in actual circulation, they make out nearly seventeen dollars for each man, woman, and child in the United States, which they demonstrate to their own satisfaction is many dollars in excess of sound finance. And they, these scientists from New York and beyond, put forward the statement not only as if it were perfectly true, but perfectly fair. Now let us see "how the old thing works." Leaving out of account the United States notes, and restricting the inquiry to bank-notes alone, we find that Connecticut has $33.48 per head for her population; Massachusetts has $40.84 per head, and Rhode Island $61.59 per head. Need we wonder that the Representatives from these States vote solid against anything portending a change! I must except one Representative from Massachusetts, [Mr. BUTLER,] and he the most abused man in it, if not in the country. These sagacious gentlemen understand when their constituents have a good thing, and very naturally wish them to keep it. I do not reproach them. Verily they shall have their reward. Turning now to the South, and taking all the fourteen Southern States, from Virginia to Missouri, and counting their population, they have of bank-notes $2.59 per head. Kentucky, at the top of the list, has $5.78 per head; Missouri has $3.76 per head; Virginia $3.18 per head; and my own State $2.66! And this, be it never forgotten, is all, as the law now stands and is administered, we can possibly have. The West has fared a little better; but she is by no means full-handed. Her bank-note circulation, omitting Ohio, is but $6.13 per head of her population.

Now, be it understood, once for all, that I do not propose, this bill does not propose, to take one dollar from the bank circulation of either the Middle or the Eastern States. I am not aware that they have too much. The gentleman from Connecticut [Mr. KELLOGG] assured us the other day that the eighteen millions held in that enterprising State was not excessive. Indeed, he rather left the contrary impression that it was hardly enough, at times, certainly; and such is my belief. And from Rhode Island comes a memorial, signed by the officers of thirty-two national banks, presented to the House on successive days by the entire delegation from that busy State, praying the repeal of the law withdrawing a portion of their circulation, and protesting against further legislation to carry that law into effect.

They declare:

> The very large and varied manufacturing and mechanical industries in this State require for their successful promotion all the banking facilities which the State now has. To contract any part of the circulation would directly diminish the value of money resources, enhance the value of currency necessarily required for the weekly payment of thousands of operatives, and create financial disturbance, all resulting in the end in an increase of burden upon the consumer.

These gentlemen are in a position to know whereof they affirm; and they are undoubtedly correct. But what becomes of the argument that it matters not whether the currency be in Rhode Island or in Tennessee, if the aggregate reaches a certain prescribed average?

When the national banking system was inaugurated, these States had peculiar advantages, well understood at the time and eagerly seized. They caught the ball, so to speak, at the first hop. The bank circulation in those States has increased to a marvel, as the following table will abundantly show:

States.	1862.	1863.
Pennsylvania	$27, 689, 504	$42, 055, 781
New York	39, 182, 819	60, 976, 006
Connecticut	13, 842, 758	17, 994, 648
Rhode Island	6, 413, 404	13, 385, 840
Massachusetts	28, 957, 630	59, 523, 671
Total of five States	116, 086, 115	193, 935, 946

These figures have an eloquence peculiar to themselves, and I commend their careful and patient study to those of my southern associates who deemed it their duty to vote against me the other day. Believe me, they are full of instruction for us. You and I at least can talk understandingly together. And wrong-headed though you may think me, you will give me credit for honesty of purpose. For many years southern statesmanship had concentrated strongly upon a single important interest; until it resulted in a terrible, desolating war, which swept away this interest and the statesmanship also. The South has now many interests of importance, practically unknown to our predecessors, and requiring in us a statesmanship which looks beyond State rights and rights in the Territories. Amnesty and the payment of loyal claims have received much attention. But vastly more important than both of them together, is a flexible, self-adjusting currency, adequate to the varied business wants of our people.

Let us profit by the example of other communities and study the methods which have made them prosperous and wealthy. If an abundant currency is good for them, we may be sure it will not be bad for us. If they are eager to secure and retain every possible dollar of national-bank circulation, we may be sure it is because they find it profitable. If profitable for them, then not unprofitable for us. It is too late in the day to assume that we are a peculiar people, not amenable to the laws of trade which govern the rest of the world. We are touching matters beyond the domain of politics. We may lay aside for awhile the weapons of our partisan warfare. In the development of our material interests we have a common enterprise; no matter on which side we stood in the late conflict, or what may be our opinions of the constitutional amendments or the reconstruction acts, or even the civil-rights bill. And in this work no instrument is so all-important as money, money always to be had in exchange for value or upon valid security. For this purpose, money must have its home with us; it must belong there. It will not do to say that money will go where it is most wanted—that, like water, it will seek its level. Money is timid, stays close at home, or goes abroad only on the temptation of enormous interest. Take off the restrictions, then, and let our men of capital have the benefits of our great monetary systems, if they so incline. No harm can possibly follow.

I am pleased to know that I am not alone in these views. Thoughtful men, business men, familiar with our trade from boyhood, differing widely from me in many things, agree with me in this. From the mass of my correspondence I select a few passages. The names of the writers, the letters themselves not intended for publication, are at the disposition of gentlemen for private information.

One, writing from the capital of my own State, says:

> *January* 26.—You ask what is the sentiment of our people in regard to the currency question. Now, I believe with the community at large, (so far as the West and South make up the community,) that there should be an increase in the circulating medium, *and that at once*.
>
> *January* 27.—Since writing to you yesterday, I have had visits from several friends whom I have consulted in regard to their views, and that of the community generally, in respect to the necessity there exists for an increase in the volume of currency at present in circulation. They *all* agree with me that, with the exception of bankers and other money-lenders, there is a universal desire for a moderate inflation.

Speaking of the present bill, he adds:

> *February* 9.—At all events the bill seems to me as decidedly better than any other scheme that has come under my observation.
>
> I said in a previous letter that all bankers, brokers, and shavers would seek a contraction of the currency rather than an expansion of it. From what I read in the papers, and what I gather from Senator SHERMAN's bill, lately reported to the Senate, I find I was not mistaken as to the efforts this class of men would make; nor was I mistaken as to the powerful influence such men as the great capitalists of New York, Boston, and other money centers can bring to bear on Congress.

Another, writing from the capital of Georgia, says:

> *December* 20.—I am sure your good business sense will cause you to keep clear of the fatal error of too much expansion, and the equal fallacy and fatal consequences of an attempt to force specie payments.

A few words as to the principles of this bill, and I have done.

The bill has been brought in upon the assumption—

First. That our present currency system of United States notes and national-bank notes is acceptable to the people, and will not be discontinued—to be amended, not radically changed.

Secondly. That the volume of United States notes will not be increased beyond the limit fixed ten years ago by the act of June 30, 1864.

Thirdly. That bank-notes, loanable only upon valid security and redeemable at the pleasure of the holder, cannot be issued in excess of the business necessities of the country.

Fourthly. That banks of circulation, deposit, and discount should be located in the same communities with their customers.

Fifthly. That the country is gradually readjusting her commerce to the specie standard, and the Government should, if possible, keep even pace with it.

Consequently, the bill makes no change in the system or plan of the currency, but provides that the volume of United States notes shall remain as fixed by the act of June 30, 1864; that the issue of national-bank notes shall be unlimited; that, with the exception of 5 per cent. of this circulation to be kept in the Treasury for redemption, each bank shall keep its reserves in its own vaults and redeem at its own counter; that the United States notes shall be supplanted by a gradual—very gradual—issue of similar notes, payable in coin. The other features of the bill are administrative.

Such is the measure we propose. There are gentlemen whose approval, if one may judge from their votes, it does not command. Let them bring forward something better, and I pledge myself in advance to its support. But, gentlemen, let me admonish you that obstruction and inaction will not do. The times demand some measure of financial relief. If we are adequate to it, well; if not, others will soon occupy our places believed to be more capable and stimulated to greater zeal by the unequivocal voice of the people. Beware the Ides of September!

Mr. DURHAM. Mr. Speaker, as a member of the Committee on Banking and Currency, I deem it proper to state, while I consented that the bill presented by the chairman on the 27th day of January, and now under consideration, should be thus reported, yet I am not in favor of all of its provisions. The whole country seemed to be looking to us for some legislation upon these questions, and I desired that this House should be brought to a discussion regularly upon the propositions embraced in this bill, as well as the various financial measures now pending before us. To me this is the most difficult question I have ever tried to investigate; and when I have reached a conclusion which to my mind would seem to be satisfactory as to one portion of the country, yet when I came to apply the same principle to another portion it seemed not to work so well.

Indeed I do not regard it improper to say that, out of some twenty-five or twenty-six financial and business men who have been before the committee to give their views on these questions, no two of them agreed fully as to the causes of our financial troubles, nor did they agree as to the remedies to be applied. When these men, whose every-day business connects them with the great financial and commercial interests of the country, differ as to the defects in our present system of finances, and fail to agree upon the proper remedies, it is but natural to suppose that we upon this floor will differ more widely than they. But this, like all other great questions of governmental policy upon which there is a wide difference of opinion, must be settled by a fair and honorable compromise.

From the earliest history of our Government to the present time this question has been the theme of much discussion among our ablest statesmen, and at times has entered into the platforms of the great political parties of the country, and has been the pivot upon which some of those contests have turned. It will be conceded by all that nothing is more important in the administration of the affairs of a nation than a sound, reliable, and cheap currency; one that will answer and subserve the wants and purposes of all the people, as well as the Government itself. Many years ago Congress undertook to provide a currency for the whole country, and finally established the United States Bank, which was regarded by many good men at that time as almost a perfect system; yet this in a few years passed out of existence, and the principles upon which it was established were condemned by a majority of the people of the United States. After this the State banks sprang up in all the States, and furnished the general currency of the country, until they were taxed out of existence by our present national-currency laws.

I do not gainsay the right of the Government to regulate the currency; but in doing so it should be so regulated that it would not be liable to great fluctuations, to sudden or violent contractions or expansions, but should be made as stable and secure as possible. An unstable, unreliable, fluctuating currency is very injurious to all classes of the people, and especially to the laborer.

Mr. Webster, in one of his great speeches, in discussing the financial problem of that day, thus describes what a currency should be; its kind, its objects, and general functions. He says:

> First, as to the currency of the country. This is at all times a most important political object. A sound currency is an essential and indispensable security for the fruits of industry and honest enterprise. Every man of property or industry, every man who desires to preserve what he honestly possesses, or to obtain what he can honestly earn, has a direct interest in maintaining a safe circulating medium, such a medium as shall be a real and substantial representative of property—not liable to vibrate with opinions, not subject to be blown up or blown down by the breath of speculation, but made stable and secure by its immediate relation to that which the whole world regards as of a permanent value. A disordered currency is one of the greatest of political evils. It undermines the virtues necessary for the support of the social system, and encourages propensities destructive of its happiness. It wars against industry, frugality, and economy; and it fosters the evil spirits of extravagance and speculation. Of all the contrivances for cheating the laboring classes of mankind none has been more effectual than that which deludes them with paper money. This is the most effectual of inventions to fertilize the rich man's field by the sweat of the poor man's brow. Ordinary tyranny, oppression, excessive taxation, these bear lightly on the happiness of the mass of the community compared with a fraudulent currency and the robberies committed by a depreciated paper. Our own history has recorded for our instruction enough, and more than enough, of the demoralizing tendency, the injustice, and the intolerable oppression on the virtuous and well disposed of a degraded paper currency authorized by law or in any way countenanced by government.

As to what effect a good sound currency would have, no language given would better describe than the above paragraph. Of what that currency should be made I add another high authority. Mr. Macdonell, in his Political Economy, says:

> Gold, silver, and copper possess certain properties which mark them out to be the cosmopolitan currency; it is not caprice frozen into convention, or the stamp of the mint, that has gained for them their present place; and Turgot says well, "Gold and silver are constituted, by the nature of things, money, and universal money, independently of all convention and law." They contain much value in small bulk; they are similar in quality wherever they are produced; they are indestructible; they are readily divisible, and yet do not suffer in beauty by division; and they are readily united. They are so scattered over the globe that the same expenditure of labor has, in the past at all events, generally produced about the same amount of metal, and being at once the most generally diffused and the rarest of metals, they are marked out by nature for coinage.

Some gentlemen say that gold and silver are not the standard of values; that the American coin will not pass in Europe or on the Continent. Now, while our coin will not pass there as it does here, at the same fixed value, yet their gold is the standard of value, and the products of those countries are regulated and fixed by it as the standard of their values.

In 12 Wallace, page 583, the Chief Justice in delivering the dissenting opinion on the legal-tender question, discussing the kind of money we should have, or rather of what it should consist, said:

> In considering this question we assume as a fundamental proposition that it is the duty of every government to establish a standard of value. The necessity of standard is indeed universally acknowledged. Without it the transactions of society would become impossible. All measures, whether of extent, or weight, or value, must have certain proportions of that which they are intended to measure. The unit of extent must have certain definite length, the unit of weight certain definite gravity, and the unit of value certain definite value. These units, multiplied or subdivided, supply the standards by which all measures are properly made. The selection, therefore, by the common consent of all nations, of gold and silver as the standard of value was natural, or, more correctly speaking, inevitable. For whatever definitions of value political economists may have given, they all agree that gold and silver have more value in proportion to weight and size, and are less subject to loss by wear or abrasion, than any other material capable of easy subdivision and impression, and that their value changes less and by slower degrees, through considerable periods of time, than that of any other substance which could be used for the same purpose. And these are qualities indispensable to the convenient use of the standard required. In the construction of the constitutional grant of power to establish a standard of value every presumption is, therefore, against that which would authorize the adoption of any other materials than those sanctioned by universal consent.

A nation should not establish a currency which is insecure, and which has no solid or substantial basis. The currency should be of uniform value all over this country, and taken in our intercourse with the world; one that will buy the cotton, sugar, and rice of the South, the farm products of the West, the iron and coal of the Middle States, the manufactures of the East, and be of equal value everywhere without discount. It should be stable and firm, one which cannot be "blown up or blown down," one which cannot be raised or depressed by outside and undue influences, one in which rich gamblers cannot make corners, one in which the hard-working laboring man has confidence, and feels and knows that it is the representative of true, and not fictitious values. It should be of universal exchangeability, so that with it he could pay any debt or dues, to the government or individuals, and purchase anything he should need or desire at any point in the world. It should be cheap so that what the holder has to pay for its use shall not exceed the value of the service it has to perform, for if the currency from any cause be so constituted that he who holds it should have to pay higher for its use than the value of the service it performs, then he becomes poorer every day, and it fails to perform its proper functions in this regard.

There are other qualities entering into a currency, such as elasticity, convertibility, &c., but the above constitute the groundwork of the general usefulness of a currency. I hold, sir, that no currency is safe, or will supply the wants of the country, keep down wild and reckless speculation, which is not based on coin; which is not on or nearly on a par with coin.

I do not mean that I would have all the transactions of the country carried on in specie. This would be impossible, as there is not coin enough in the country to answer our demands. I would have the paper which might be issued founded upon specie, every dollar of which, in the pocket of any man, would buy as many of the necessaries of life as the gold dollar. I would have that currency of such a value that the stock-gamblers could make no corners by buying up the coin and thus keeping the whole system of circulation in constant agitation. Should there be no difference in the value of coin and paper as a circulating medium, there would be no inducement to speculate in gold, because without discount its place could and would be supplied by a currency of equal value.

My opinion, then, is that we should so shape our legislation, so regulate the currency, that at some future day resumption shall take place. I would not have it done suddenly, so as to create any considerable shrinkage of value, but to come to the same so gradually that no one would feel the supposed or imaginary evil influences resulting therefrom. I believe if we were to declare that on the 1st day of January, 1876, we would resume specie payment, and would prepare a feasible plan for said resumption, and were to commence at

that time to contract the paper currency of the country at the rate of $5,000,000 per month for one year, that the currency of the country would not be one dollar less at the end of the year, but would rather increase, because coin, which is now simply an article of merchandise, is hoarded up in vaults all over the country, (except in Texas and the Pacific States,) forming as it does the basis of Wall street speculation, would then become a part of our circulation everywhere; and while you would contract your paper $60,000,000, you would, in my opinion, put in circulation more than $100,000,000 in coin. Not only this, but when our circulation became equal to coin, it would be in harmony with the currency of the world; thus coin would flow in from other countries. Our paper money will not pass in England, or on the Continent, or outside of our own limits; consequently it is of no value outside of this country. After the panic last year a gentleman, writing over the name of Knickerbocker, said this in relation to a mixed currency:

> Severe as the lesson has been to all—sudden as the awakening from a blind trust in the perpetual postponement of the day of settlement under the much-vaunted merits of paper money—it is a question whether even yet that warning has aroused the public mind to a true sense of the danger, or brought fairly home to the national conscience the changeless, incontrovertible truth, that so long as we make one of the family of commercial nations we must use that money which is the common money of the world, or find no relief from the common fund of that money in the time of need.
>
> Had our circulating medium been of this character, or approached to this standard—that is to say, did it now consist of equal parts of coin and paper—the contraction caused by the recent sudden lapse of confidence, the withdrawal of currency, and the impaired power to perform its usual functions of that which remained, would have inevitably and immediately attracted an addition to its store of coin from foreign nations. This not being possible, the business of the country was compelled to contract itself to the amount of currency still left free. There was no hope of aid from foreign sources. Gold and silver, the only money with which foreign nations could have aided us in our need, are no longer money with us—they would only have served as an additional sum of commodities to be dealt in, bought and sold with the very currency which proved insufficient for already existing transactions, or rather such part of it as a timorous public still left free for such purposes.

Coin, like any other article of merchandise or commodity, will go where it is most needed, and where it can be most profitably employed. When coin shall be thrown into circulation and shall be in demand in its highest and best sense, namely, for circulation as currency, then in obedience to the law of demand it will flow into the country, instead of flowing out as it now does. Sir, there is far less coin in the country to-day than there was in 1861. Within that period the domestic product of the mines has been about $30,000,000 per year, and the imports have been about $20,000,000; but the exports have exceeded both of these sums. I give a summary for the period of thirteen years from 1861 to 1873, inclusive:

Gold product in the United States	$369, 337, 853
Silver product in the United States	21, 120, 136
Imports	242, 945, 092
Total	633, 403, 081
Exports for same time	821, 893, 235

Deducting the former from the latter makes a loss of $188,470,154 in that period.

How is this to be accounted for, except upon the idea that coin has in a very great degree ceased to form a part of the circulating medium, has since 1861 ceased to perform the functions it was intended to perform; and being in demand there, it has gone to Europe and other countries, because it enters into and forms a part of their circulation? Some may say that the war was the cause of all this great excess of exports of the precious metals, but an examination will show that the exports were less during the war than since.

From July 30, 1860, to July 30, 1865, a period of five years, the loss was $28,000,000; while from July 30, 1865, to July 30, 1873, a period of eight years, the loss was $160,000,000. If we would retain our coin at home, throw it into circulation for five years, at the end of that time we would have enough circulation of that kind to answer all the demands of the country, if such a circulation alone were desirable. If it be true, as I have said, that a currency based on specie is less liable to fluctuation, is more stable and secure than an irredeemable paper currency, then it is the one the laboring man especially needs. If he gets a fair remuneration for his labor, and should be paid in paper money, he knows it is based on coin, and that its purchasing power is the same as gold. Suppose he could even get far more per day for his labor, if he is paid in depreciated paper money, its purchasing power would be far less than when he worked for coin.

Sir, one of my friends who was in the confederate army has given me a good illustration of this principle. He says in the last days of that contest he gave sixty-five dollars in confederate money for one dozen eggs, and he knew an officer to give as high as $500 for one good square meal. The money-sharper can take advantage of a fluctuating currency, making his thousands by both the rise and the fall, while the unsuspecting man of toil finds, when it is too late, that he has taken for his hard labor that which will not purchase 75 per cent. of its nominal value.

The following extract, which I took from a paper a few days since, fitly describes the effect of an unstable currency upon the laboring classes:

> Labor is first to feel a decline in money value (purchasing capacity) and last to experience its rise. Labor works at the same price per day long after a dollar will buy but seventy-five cents' worth. Labor first begins to decline when a dollar approaches its true worth, though provisions still keep up, because the demand must be about the same. Anything tending to lower the value of money then, must be oppressive on labor, which is the basis of business and society. No one denies that inflation decreases the purchasing capacity of money. The conclusion is evident.

We have three kinds of currency now in the country. First, coin, which pays all debts, dues, and demands, public and private, and passes throughout the world. Secondly, legal-tenders, which are taken in payment of all debts and dues, private and public, except for duties and imposts and the interest on the public debt. Thirdly, national-bank notes, which are taken for all public dues and demands except for duties and imposts and the interest on the public debt, and are redeemable in legal-tenders.

Now, the Government, by making this distinction as it now exists, depreciates her own money. We say it will do to pay all private debts, but not good enough to pay the duties or imposts; good enough to pay most of the public dues, but not good enough to pay the interest on the public debt; good enough for the people generally, but not good enough for the Government herself or the bondholder.

Sir, it is the duty of this law-making power to bring these currencies in harmony with each other. The one must be taken where the other is taken, and this will be the inevitable result when specie payment is resumed. I insist that under the specie standard the commercial system is better regulated, the internal trade and business of the whole people is in a healthier condition, and the wages of the laboring man secures for him more of the comforts and necessaries of life than they will under a different system. The general increase in the price of labor since 1860, is said by those who know, to be about 56 per cent., while the general increase in the prices of the necessaries and comforts of life is about 75 per cent.

We are told that the country was never more prosperous and happy than it is now under this system. This in part I deny. The Eastern, Middle, and Northwestern States may be more prosperous, because since 1860 they have had thirteen years in which to grow, expand, and increase, but the South to-day is not half so rich as then. Two billions of active productive capital has been taken from them and turned into a great political machine. They cannot command the labor, and the result is their lands have greatly depreciated, and they have not the resources to build up rapidly. But suppose the late war had never occurred, and we had continued under the specie system we had at the commencement of the war, we as a nation would have been far more prosperous than now, while our products would have been worth billions more that at this time.

I do not intend to be understood as desiring the immediate resumption of specie payments, but at some future time, and at such timely notice that the whole country can prepare to meet it.

Now, Mr. Speaker, have we currency enough in circulation, and which can be put in circulation by cutting loose the reserves in circulation, to answer the legitimate demands of the country? I answer, when properly distributed and regulated, there is. Now, although I believe there is ample currency to supply our wants, yet to meet what seems to me a pressing demand now from the South and West for more money I voted for the bill to authorize the Secretary of the Treasury to issue and put in circulation the remainder of the reserve of $44,000,000 not heretofore issued, making the limit of the legal-tenders now in circulation and to be issued $400,000,000.

There is another reason why I am in favor of issuing the remainder of that sum, because I do not think the Secretary had any authority to issue what has already been put in circulation; and as to recall the amount now already issued would produce some financial trouble, I think it better to ratify his action and have the whole issued. There should be money enough of some kind in circulation to carry on the commerce of the country; to regulate trade and business between man and man; to pay the laborer a fair price for his hire; to move the products of the country to market; to insure for them a fair and reasonable price; to keep in operation the great mining and mechanical interests of the country; and any beyond that is injurious alike to all classes of society. It begets speculation, high, wasteful, and extravagant living, ending in panics, commercial revulsions, and general bankruptcy.

In 1860, all will admit we were prosperous and rapidly increasing in wealth, and the resources of the country were being rapidly developed. Then we had a population of about thirty-one millions; the whole wealth of the nation was estimated at $16,000,000,000; the business of the country was then carried on by a circulation of about $425,000,000. Of this there were in bank paper about $207,000,000. The remainder was in gold. Much of this was in banks and did not enter into the circulation. If you take the paper circulation at that time, it only constituted about 1¼ per cent. of the values of the United States. If you take the whole paper and coin together it was about 2.60 per cent. of said values. Let us compare that state of things with the present. We have now a population say of forty-two million. The wealth of the nation is about $30,000,000,000. The circulation of the country now is:

Legal-tenders	$354, 000, 000
National-bank notes	356, 000, 000
Fractional currency	50, 000, 000
Coin	140, 000, 000
Total	900, 000, 000

This makes 2.80 per cent. of the values of the nation in paper currency, and 3 per cent. on said values in gold and paper; and should the balance of the $44,000,000 be issued, then it would be about 3¼ per

cent. on the values of the nation. The above figures show an immense increase in the circulation since 1860 — an increase of more than $500,000,000—in paper money.

The financial system of Great Britain is said to be one of the best in the world, and yet an intelligent writer says that the paper circulation of that country has only increased about $5,000,000 since 1824, while in that time her population has doubled, and her commerce and business have increased threefold. The circulation of any country bears but a small proportion to its wealth or business; most is done on a credit, and bills of exchange and notes settle the balances. It is estimated that $3,000,000 will do $100,000,000 worth of business; credit settles the balance. If this be true, then we have in circulation enough to carry on at any one time $26,000,000,000 of business.

Some have attributed the panic of last year to a scarcity of money. This I do not believe. It resulted from a variety of causes, and among them were the following: A large amount of money had been accumulating from time to time in New York; speculators and adventurers had borrowed largely and had commenced to build railroads before they were needed. Jay Cooke & Co., who had gone largely into these things, and who were supposed to be immensely wealthy, failing suddenly, the whole country became alarmed. Banks and individuals held on to their money; the South and West failed to get money from the East to move their crops; business was suspended, and a general crash ensued because of a want of confidence. But as soon as confidence was restored the money began to flow out and business revived. But panics will occasionally occur, and all the legislation we can do will not prevent them. They result from other causes rather than from a scarcity of money. It is a remarkable fact that there was more money in circulation and specie in the banks in 1857, the year of the panic, than there was the year preceding or the year after. The circulation of these three years and the specie in the banks were:

Class of currency.	1856.	1857.	1858.
Specie in banks	$59,314,063	$58,349,838	$74,412,832
Paper circulation	195,747,950	214,778,822	155,208,344
Total	254,062,013	272,127,660	229,621,176

There were nearly $20,000,000 more in circulation in 1857 than the preceding year, and nearly $60,000,000 more than there was in 1858; at which time everything went on smoothly and prosperously. It will also be observed that there was an increase in coin of about $16,000,000 in 1858. This increase gave confidence to the country.

It will be seen that this panic was not caused by a scarcity of money. I know of but one way to avoid panics, or if they cannot be avoided, to lessen their direful effect; that is, to have a specie currency, or a currency based upon specie, so that it cannot be "blown up or blown down" by speculators and stock-gamblers. They have in California a specie circulation, but they had no panic there last year. Senator SARGENT lately said in the Senate—

Mr. President, I had not supposed that, under any circumstances, I should be induced to make any remarks upon these financial propositions, and I do not now propose to offer more than a very few suggestions. Fortunately for my own State, during the past ten years, or since these financial problems became of interest, it has had a stable currency; it has had a currency peculiarly its own; and during all that time we have not had, by reason of the abundance or superabundance of money, inflation of values; nor when the business of the country or other causes effected a proportionate decrease in the volume of the currency have we had prices falling, breaking down our business, and reducing the value of our property. We have had during all that time no panics of any description, and scarcely a notable failure.

There should be a necessary proportion between the circulation of the country and the business, so that there should be no excess of the former; for as too much food deranges the human system, so too much circulation disorganizes the whole body-politic. In 1860 the paper circulation per head was $6.65; in gold and paper combined it was about $13.85. Now the circulation per head for paper is $18.20; in gold and paper combined is $21.50. Should the balance of the $44,000,000 be issued and the reserves cut down, then there will be about $22.75 *per capita* for our whole population, far exceeding that of any previous period in our history.

Mr. Speaker, that there are defects in our present system of banking, and the distribution of the circulation and the banking capital, is very evident. That the South and West are suffering for more currency is certainly true; they are entitled to it and should have it. What are the remedies for these defects; how is the more equal distribution of the capital and currency to be accomplished? These are grave and serious questions. It is easy to see that the patient is sick, that he is suffering terribly; but what remedies shall be applied to effect his cure? inquires the skillful, intelligent physician.

I have before remarked, in my judgment when the balance of the $44,000,000 is issued there will be the amplest amount of currency to supply the wants of every part of the country and to subserve all the legitimate demands of the whole people. I shall also advocate the cutting loose the reserves in circulation now held by the banks, except a small per cent., as in this bill, which may be held for redeeming purposes. I am also in favor of requiring the banks to hold in their own vaults their reserves on their deposits. Prudent and honest bankers will always keep on hand a sufficient reserve to meet their liabilities, and yet these provisions would put it within their power to accommodate the people in cases of emergency. When the reserves on deposits are to be held in each bank, then there is no hoarding up in the cities as under the present law, thereby inducing reckless speculation.

You may say the banks should keep the present reserves to insure the payments of the deposits. I answer, the Government cannot undertake to become the surety for all the bank directors and officials, but it secures the note-holder because it retains 10 per cent. on the bonds to secure him against loss; but every depositor must look to the honesty, integrity, and responsibility of the bank officers before he makes his deposits. The honest banker will observe the law, while the dishonest disregards it. You may say that the banks sometimes keep their reserves in the cities and make interest on the same, and to require them to keep the reserves on deposit at home is hard on them. I answer, the banks have large and extraordinary powers and privileges conferred upon them, and, as a general thing, make handsome profits on their capital, and if these restrictions will be the means of accommodating the people the banks should not complain.

I am in favor of the bill introduced into the Senate by Mr. SHERMAN, of Ohio, to have executed the sixth section of the act of July 12, 1870, which is to withdraw $25,000,000 from the Eastern and Middle States of the banking capital they have drawn over and above their proportion, and to give the Southern and Western States the same, or so much thereof as they can take.

Applications are being made almost every day by persons from the South and West for more banking facilities. I do not desire or intend to make war on these sections, to deprive them of any of their rights, but I desire this as an act of justice to the South and West, and the same should be immediately executed. I know it is said money and currency is like water—it will find its level; that it will go where it can find profitable investment, where there are great products to be had, where business is flourishing. Yet it is also true if you will establish banks in the South and West with this $25,000,000, you localize the capital and put it within the power of the people living there to secure loans when they could not do so from the banks which are far from home. After this $25,000,000 shall have been taken from these sections they will still have far more than their portion of the bank capital, either according to wealth or population.

According to the statement of the Comptroller of the Currency, the amount of the bank circulation in the different sections *per capita* is as follows: Eastern States, $31.68; Middle States, $12.82; Southern and Southwestern States, $2.91; Western States, $7.09; Pacific States and Territories, $1.82—when the average should be $9.18 *per capita*.

The following table exhibits the apportionment of the whole amount of circulation authorized by law ($354,000,000) to the different States and Territories, upon the basis of population and wealth as given in the census returns of 1870, together with the amount outstanding and authorized, and the excess and deficiency:

States and Territories.	Apportionment on population.	Apportionment on wealth.	Aggregate apportionment.	Outstanding and authorized circulation.	Excess.	Deficiency.
EASTERN STATES.						
Maine	$2,877,818	$2,053,200	$4,931,018	$8,029,252	$3,098,234	.....
N. Hampshire	1,461,138	1,486,800	2,947,938	4,624,525	1,676,587	.....
Vermont	1,517,376	1,380,600	2,897,976	6,932,030	4,034,054	.....
Massachusetts	6,689,889	12,549,300	19,239,189	59,523,671	40,284,482	.....
Rhode Island	997,747	1,752,300	2,750,047	13,385,840	10,635,793	.....
Connecticut	2,467,152	4,566,600	7,033,752	17,994,648	10,960,896	.....
Total	16,011,120	23,788,800	39,799,920	110,489,966	70,690,046	.....
MIDDLE STATES.						
New York	$20,118,813	$38,267,400	$58,386,213	$60,970,000	$2,589,793	.....
New Jersey	4,159,382	5,540,100	9,699,482	11,026,880	1,327,408	.....
Pennsylvania	16,167,317	22,425,900	38,593,217	42,055,781	3,462,564	.....
Delaware	573,873	566,400	1,140,273	1,296,615	156,342	.....
Maryland	3,584,651	3,787,800	7,372,451	9,252,847	1,880,396	.....
Total	44,604,036	70,587,600	115,191,636	124,608,139	9,416,503	.....
SOUTHERN AND SOUTHWESTERN STATES.						
Dist. Columbia	$604,560	$743,400	$1,347,960	$1,530,091	$182,131	.....
Virginia	5,624,042	2,407,200	8,031,242	3,902,342	.....	$4,128,900
West Virginia	2,029,041	1,115,100	3,144,141	2,360,307	.....	783,834
North Carolina	4,918,022	1,539,900	6,457,922	1,819,300	.....	4,638,622
South Carolina	3,239,045	1,221,300	4,460,345	2,319,500	.....	2,140,845
Georgia	5,435,587	1,575,300	7,010,887	2,365,605	.....	4,645,282
Florida	861,846	265,500	1,127,346	90,000	.....	1,037,346
Alabama	4,576,646	1,185,900	5,762,546	1,541,133	.....	4,221,413
Mississippi	3,800,529	1,239,000	5,039,529	5,876	.....	5,033,653
Louisiana	3,336,863	1,893,900	5,230,763	3,646,870	.....	1,583,893
Texas	2,757,640	838,100	4,695,740	930,960	.....	3,764,780
Arkansas	2,223,936	920,400	3,114,336	192,495	.....	2,951,841
Kentucky	6,064,027	3,557,700	9,621,727	7,637,900	.....	1,983,827
Tennessee	5,777,118	2,938,200	8,715,318	3,341,736	.....	5,373,582
Missouri	7,901,509	7,557,900	15,459,409	6,476,193	.....	8,983,216
Total	60,150,411	29,098,800	89,249,211	38,160,308	182,131	51,271,834

WESTERN STATES.

States and Territories.	Apportionment on population.	Apportionment on wealth.	Aggregate apportionment.	Outstanding and authorized circulation.	Excess.	Deficiency.
Ohio	$12,234,726	$13,151,100	$25,385,826	$23,876,370		$1,509,456
Indiana	7,714,871	7,469,400	15,184,271	14,706,415		477,856
Illinois	11,659,230	12,496,200	24,155,430	17,824,209		6,331,221
Michigan	5,435,357	4,230,300	9,665,657	7,485,043		2,180,614
Wisconsin	4,841,403	4,141,800	8,983,203	3,253,316		5,729,887
Iowa	5,481,081	4,230,300	9,711,381	5,674,385		4,036,996
Minnesota	2,018,445	1,345,200	3,363,645	3,330,414		33,231
Kansas	1,672,754	1,115,100	2,787,854	1,825,496		962,358
Nebraska	564,592	407,100	971,692	809,500		162,192
Total	51,022,459	48,586,500	100,208,959	78,785,148		21,423,811

PACIFIC STATES AND TERRITORIES.

Nevada	$195,052	$177,000	$372,052	$11,860		$360,188
Oregon	417,377	300,900	718,277	225,000		493,277
California	2,571,783	3,752,400	6,324,183			6,324,183
Colorado	182,993	123,900	306,893	548,990	$232,102	
Utah	398,386	88,500	486,886	419,829		67,057
Idaho	68,852	35,400	104,252	90,000		14,252
Montana	94,540	88,500	183,040	252,000	68,960	
Wyoming	41,855	35,400	77,255	72,000		5,255
New Mexico	421,742	194,700	616,442	270,000		346,442
Arizona	44,334	77,700	62,034			62,034
Dakota	65,096	35,400	100,496	45,000		55,496
Washington	109,964	88,500	198,464			198,464
Total	4,611,974	4,938,300	9,550,274	1,924,688	301,062	7,926,648
Grand total	177,000,000	177,000,000	354,000,000	353,968,249	80,589,742	80,621,493

By this table it will be seen that the Eastern States have $70,670,046 more than their fair proportion in population and wealth, the Middle States have $9,416,503 more, while the Southern and Southwestern States lack of having their proportion $51,271,034, and the Western States $21,423,811. The Eastern and Middle States having $80,000,000 more than their proportion, it is but reasonable and fair that they should pay back the $25,000,000.

You may ask why it was that the Southern and Western States did not take more of the bank capital than they did. The answer is a very plain one, so far as the South is concerned. The original banking act was passed in 1864, before the war closed, and the subsequent acts increasing the amount were passed soon after the close of the war. Those States, at the time these laws were passed, had been impoverished by the war; two billions of their active, productive capital had been taken from them and turned into a great political machine; they had no labor to cultivate their cotton, rice, and sugar fields, or any money to employ labor; their former slaves, and, what was far worse if possible, the carpet-baggers, took control of their various Legislatures, under military governors, and were robbing them of what little they had left. They had not money enough to pay the taxes heaped upon them by these carpet-baggers, much less to establish banks. Before they could recuperate from this terrible condition of things this large amount of capital had been taken up by the Eastern and Middle States, which had made immense profits out of the war. Many of the laboring men of the West had been in the war; they had been changed from producers to consumers; and this section was also so much crippled during that time that it was not in a condition to establish many banks.

Mr. Speaker, the South and West are struggling under utter disadvantages and hardships. Besides the want of currency, they pay an undue proportion of the taxes imposed on the people. Of the $188,000,000 raised by customs last year, I suppose no one can tell who or what sections paid most; but of the $106,000,000 raised by the internal revenue, we do know how much and where it was paid.

The following, by States and sections, will show the facts in this regard, namely:

Maine	$214,676 26
New Hampshire	325,455 36
Vermont	75,860 40
Connecticut	873,984 97
Massachusetts	3,761,004 95
Rhode Island	394,552 17
Total Eastern States	5,575,554 13
New York	19,219,504 52
New Jersey	2,567,442 37
Pennsylvania	7,826,275 67
Delaware	479,392 84
Maryland	2,653,801 83
Total Middle States	32,697,417 25
District of Columbia	133,424 58
Virginia	7,343,799 29
West Virginia	449,661 50
North Carolina	1,408,391 72
South Carolina	$167,213 58
Georgia	477,959 90
Florida	158,142 21
Alabama	152,493 35
Mississippi	128,079 31
Louisiana	1,339,607 30
Texas	272,325 77
Arkansas	88,861 02
Kentucky	5,456,628 47
Tennessee	644,480 76
Missouri	4,250,320 00
Total Southern and Southwestern States	22,480,318 85
Ohio	14,851,309 45
Indiana	5,678,052 51
Illinois	16,493,169 34
Michigan	2,205,720 72
Wisconsin	1,881,820 91
Iowa	1,012,997 29
Minnesota	231,404 94
Kansas	101,469 76
Nebraska	242,962 38
Total Western States	42,758,907 30
Nevada	72,305 32
Oregon	73,544 48
California	2,267,911 07
Colorado	75,749 64
Utah	40,786 23
Idaho	19,275 80
Montana	24,018 11
Wyoming	10,652 94
New Mexico	23,237 51
Arizona	13,562 73
Dakota	7,597 36
Washington	15,608 64
Total Pacific States and Territories	2,744,339 83

Now, here are the Eastern States, with a population of 2,487,924, with a bank circulation of $110,489,966, and pay only $5,575,554; the Middle States, with a population of 9,721,519, with a circulation of $124,608,139, pay $32,676,417; while the Southern and Southwestern States, with a population of 12,916,078, with a circulation of $38,160,308, pay $22,480,318, and the Western States, with a population of 11,288,000, with a circulation of $78,785,148, pay $42,758,907. On this sum, raised by internal revenue, the Eastern States pay about 5 per cent. on their bank circulation, the Middle States about 8 per cent. on theirs, while the Southern and Southwestern States pay about 60 per cent. on theirs, and the Western States about 55 per cent. on theirs. The State of Kentucky, with a circulation of seven and a half millions, pays nearly as much of this tax as all the Eastern States, with a circulation of one hundred and ten and a half millions. Virginia, with only a circulation of four millions, pays about seven and a half millions of this tax, or more than all the Eastern States. Illinois pays about sixteen millions, or three times as much as the Eastern States. Ohio pays about fifteen millions, or nearly three times as much as the Eastern States. The amount paid by Virginia last year of this tax was nearly twice the amount of her entire bank circulation. The amounts paid by Illinois, Missouri, and North Carolina last year were nearly as great as their bank circulation.

Sir, it seems to me that the demand of the West and South for more circulation is not unfounded, but should be complied with. They should have the benefit of the $25,000,000 to be drawn from the Eastern and Middle States, and the balance of the $44,000,000 reserve not yet issued, as far as the Secretary of the Treasury can control it in that regard.

We owe an immense debt, namely, $2,237,334,214. Of this sum we are paying interest in coin on $1,752,275,644; on two-thirds of this latter sum we pay 6 per cent. interest, making about $100,000,000 of interest we pay annually in coin, and most of this is paid to foreign capitalists; and though our mines yield largely every year, yet the whole of it and more goes to pay this large amount of interest due to foreigners. Besides this the balance of trade is against us, and these balances must be settled in gold. These things cannot long exist and leave us prosperous; and he who will devise a practical plan or system by which the whole bonded debt of the nation can be taken upand a new debt created, bearing a low rate of interest, payable in currency, will confer a lasting benefit on us and our posterity.

I have no hostility to the national banks; I own no stock in any of them; I do not desire to do them any injustice; but for the good of the whole country, I hope to see the day when they will not have United States bonds as the basis of their capital, but will have coin. Ceasing to be banks of issue, they will have a common currency; and when this shall occur under wise legislation, we may expect prosperity to abound throughout the entire land.

Mr. Speaker, these measures of which I have spoken, and which I shall approve, namely, the cutting loose the reserves in circulation, except a small percentage for resumption purposes as is provided for in the bill—the issuing the balance of the $44,000,000—will make an increase in the available circulation of the country of at least $75,000,000. The benefit which the South and West will receive from these sources, together with the full benefit of the $25,000,000 which should be drawn from the Eastern and Middle States, I hope and believe will relieve them, and will enable those sections to develop their untold resources. If these remedies when tried prove insufficient,

or ineffectual, I will adopt any scheme or plan to accomplish that result which in my judgment will not prove detrimental to the interests of our common country.

One other suggestion, and I shall have concluded. It was very properly remarked a few days since by my colleague, [Mr. BECK,] that there is something behind all this currency question which must be regulated before we of the South and West can hope to have permanent prosperity.

So long as we are compelled by reason of the present high tariff to pay tribute to the large manufacturing monopolies and rings of the Eastern States, and to the ironmongers of the Middle States, we shall remain poor, while they grow rich every day. Under the operations of this tariff and the internal-revenue system, the products of the South and West (I mean spirits and tobacco) are taxed heavily, and you pay the Eastern and Middle States a premium on their products.

Can any man tell me why I, as a western man, am taxed at the rate of 130 per cent. on the salt I use, and the eastern man is exempted from that tax? Why should we be taxed from 43 to 104 per cent. on iron, from 31 to 53 per cent. on steel, and 35 per cent. on leather, and from 20 to 60 per cent. on cotton and woolen goods, for the benefit of those monopolies, when so little of it goes into the Treasury?

I was struck, a few days since, in looking over a table in a speech made by my colleague [Mr. CROSSLAND] in this House during the last Congress. It shows how costly the tariff is. He takes five items; the first column shows the amount of the revenue, the second what we pay to produce that revenue:

Salt	$1,176,587	$3,260,000
Iron and steel	29,530,000	87,404,000
Leather	5,200,000	36,000,000
Cotton goods	10,773,832	69,700,000
Woolen goods	33,539,475	119,680,000
Total	71,219,894	316,044,000

We thus pay the enormous sum of $316,044,000 to put into the Treasury $71,219,894.

There are other articles upon which the tariff is as high as on these. Under such a system you cannot equalize the currency. You may equalize it to-day, and in less than one year it will have been gathered up by the collectors of direct and indirect taxes, and will find its way into the pockets of these eastern millionaires.

Regulate the tariff, not with a view of protection but to put it on a basis that will produce more revenue; then our exports will go abroad, and the balance of trade will soon be in our favor. Reduce the expenses of every Department of the Government as far as it can be done with due regard to the public good; reduce the Army at least one-third, turn that third into producers rather than consumers, withdraw all the troops from the interior States and put them on the frontier, and in this way save $5,000,000 per year; regulate the tariff as indicated, then we may hope that our circulation, if based on coin, would flow from one section of the country to the other in obedience to the law of supply and demand, and the whole country would take a new start on the road to permanent prosperity.

Mr. FARWELL. Mr. Speaker, the question of the currency is the most important question now agitating the public mind. It has been discussed by the press of the country throughout the land, and yet there seems to be no uniform opinion upon the subject. I do not propose to take up but a small portion of the time of the House in what I shall have to say upon this subject.

When Congress passed the national-currency act, two things were attempted to be done: first, to abolish all the banks of issue in the several States; secondly, to supply the country with the currency in place of that retired by the act. The former was successfully accomplished; the latter only in part—in part because the amount was limited under the act. Congress assumed the right to fix the limit to the currency of the country, and said to the people, "Thus far you shall go and no farther." The act created a monopoly of bankers, which is against the spirit of our institutions, and afforded privileges to the few and denied the same privileges to the many. If the act had provided that all should have the same privileges that are accorded to the few, the second proposition would have been accomplished, namely, the people would have had the privilege of supplying themselves with all the currency which business and commerce required.

The bill now under discussion aims to remedy some of the defects of the currency act. It proposes to remove the restriction upon the volume and amount of national-bank notes. I do not favor this proposition because it will increase the circulation of national-bank notes, but because it gives the people the option to decrease or increase the volume as their wants may from time to time require. I do not propose to consider the question of inflation or contraction in connection with this bill, but to favor such legislation as will enable the people to supply their wants. If the issuing of currency under the national-currency act is made free, the people will avail themselves of just the amount they want and no more. The great law of supply and demand will regulate the volume; legislation will not and cannot.

It is averred by many that the proposition to make banking free will have a tendency to inflate prices. This cannot be done under this bill, because under the third section an easy method of redemption is provided for, and any redundancy of national-bank notes will be checked by this section. Inflation begins and ends with the legal-tender notes. The legal-tender notes are the basis of our banking operations. They perform the same functions that gold does under a specie basis; and, as there is no law providing for their redemption or retirement at the option of the holders, as is provided for national-bank notes, an increase of their volume would tend to inflate prices. The amount now fixed by this House should not be increased for this reason. It is not necessary that the volume should be increased; in my judgment it would be wise to reduce the volume of legal-tender notes, provided the national banking system is to be continued and made free. At all events, the country should be made to understand that the volume of legal-tender notes is not to be increased at the will of the Secretary of the Treasury. I do not object to the sum of $400,000,000 fixed as the maximum; I would prefer that it be fixed at $358,000,000 with free banking, and I am not quite sure but that it would be wiser to fix the volume at $300,000,000. That amount, in my judgment, would be sufficient as a redeeming agent for any volume of national-bank notes that might be taken out under the national-currency act when we have removed the restriction.

The time will come when the legal-tender notes will be retired. They should never be retired by an act *compelling* the Secretary of the Treasury to pay them; but an act should be passed by Congress that would give the option to the national banks to fund them at a small specified rate of interest. When the time comes, when our exports shall exceed our imports, and gold shall thereby flow into the country, then the national banks would avail themselves of the option under an act of this kind. Until that time arrives, the legal-tender notes must continue to perform the functions that they now do, or else, if funded, the national banks must be permitted to suspend specie payment.

Specie payment cannot be maintained in this country with the balance of trade against us. This is not only my own opinion upon this subject, but was the opinion of all the distinguished gentlemen, except one, who have recently given testimony before the Committee on Banking and Currency upon this subject.

It seems to me that if this question was rightly understood, no one could object to what is called free banking. If there is too much currency in the country, under this bill all national-bank notes can be retired, and very speedily.

If this provision of the bill, which makes banking free, shall be adopted by Congress, it will do much to perfect our currency system. In fact, little else is necessary to be done.

I would *suggest* other amendments, but I do not expect them to be adopted at this time.

I would relieve the banks from the operations of the State usury laws and authorize them to lend money for what it is worth. Competition regulates the price of money as it does everything else. These laws are rarely obeyed, and while it is not within our jurisdiction to repeal them, we can exempt the banks from their operation.

I would go still further. I would repeal all those provisions of the national-currency act which interfere with the banks in any manner whatever. It is an assumption on the part of the Government to interfere in or in any way regulate the business of banking, unless it is what may relate to the *currency* which it issues to them. Permitting them to issue notes is only a very small portion of the business of banking, and if the Government desires to exercise a paternal care over these issues, I have no objection.

We have legislated the State banks out of existence. Having done so, it is our duty to permit the people to supply themselves with something in their stead. This we do by requiring them to secure their notes; but I would like to ask any man where we get the right to interfere in *all* the business of the banks? Does the issuing of these notes to these banks at ninety cents on the dollar upon our bonds confer any right to manage their *other* business? The aggregate circulation which we permit them to have, added to the whole volume of legal-tender notes, performs less than *one-tenth* of the business of the country. Why, then, I say again, should we interfere in the other *nine-tenths* of the business which these banks perform? The great bulk of business is done upon bank credits, and it is well known to you, Mr. Speaker, that in the transactions of the banks in New York City, amounting upon the average to $100,000,000 daily, only 3 per cent. of currency is employed. Now, when it supplies so small a part of the machinery of business, why should we interfere in the business of banking? If the United States were a stockholder in these institutions, even to a small extent, I could then see the reason why we should supervise their business; but as their capital is all their own, and the Government of the United States has no interest whatever in these institutions, why should they not be left perfectly free to manage their own affairs in their own way, precisely the same as all other business is managed?

It is well known that when a national bank fails, it is always found that it has violated the national-currency act. The security which our supervision is supposed to give depositors—and it is for them alone that this supervision is provided—is found to be absolutely valueless; the reserves are gone.

This supervision ought to be abolished for another reason. We often give credit and respectability to banks which their owners do not possess, leading people to do business with them which they would not do if this supervision was abolished. We should not give real or imaginary credit to banks or individuals which has the least tendency to mislead; but banking and bankers should have credit based only

upon capital, credit, honesty, integrity, and capacity. I need only refer to the notable instance of the First National Bank of this city, located in the very shadow of the office of the Comptroller of the Currency, to prove the absolute worthlessness of this governmental care and supervision over our banking institutions. We should not supervise banking, unless it is proposed to supervise all kinds of business.

When Congress has passed such currency laws as will secure the bill-holder, its duty is done. When the restrictions are removed, as provided for by the bill now under discussion, we shall have given to all the people the privilege now only accorded to the few. We can all of us obtain as much currency as is needed, provided always that we have something with which to buy it.

As I have before remarked, it is believed by some persons that to make banking free will be to flood the country with a vast amount of currency. This, in my judgment, is a fallacy. There can be no inflation of national-bank notes under this bill. I know of but two ways to get money: one is to exchange something for it; the other, to borrow it.

The West and South, it is claimed, want more money. That want, I fancy, is not confined to those localities alone. We all want more money. We at the West and South will have banks and money when we are rich enough to exchange something for them, and not before. Banks will be organized where there is capital, and where it can be profitably employed; and the demands of the West and the South for more money and New England for less money will be complied with by making banking free.

Now, much has been said about the character of our currency; it has been called irredeemable, dishonest, broken promises, and so forth. All the ills that afflict the body-politic have been charged to it. It was said before the Committee on Banking and Currency, by a distinguished writer upon political economy, that the price of labor in New England had advanced, since 1860, 54 per cent.; that the cost of living to their operatives had been increased from 60 to 75 per cent., all on account of this much-abused currency; that prices were inflated thereby greatly in excess of the difference between gold and currency; and that the only road to prosperity was by contraction. Further, that while it would reduce the wages of their operatives, the prices of their living would be decreased in a greater ratio; that the increased cost of their manufactures had lost them their China trade, which could only be regained by the contraction of the currency, so that the articles exported to that country could be produced at a less cost. He also stated that the farmers of this country lost in the year 1873 $75,000,000 on account of this bad currency; that they were obliged to sell in Europe for gold; that the cost of production was paid for in currency, and that, he said, was the reason of their loss. And furthermore he informed the committee that pork, beef, and wheat, before the war, were as high, if not higher, in gold than they are at this time in currency. He was asked to explain how it was that the New England operatives were compelled to pay from 60 to 75 per cent. more for living now than before the war, when these articles of consumption were as low in currency as they were in gold before that time. He replied that he would answer at some future time, if the committee would give him an opportunity.

Now, I affirm that there is no difference in the price of cotton and woolen manufactures in this country beyond the gold premium. In making a comparison, in a list of sixteen articles of cotton manufacture, showing the prices on the 3d of March, 1860, in gold, with cotton at eleven cents a pound, and the prices of the same articles in currency with cotton at sixteen and one-fourth cents a pound, I find that the difference is about the difference between gold and currency. On two of these articles the prices were the same.

It seems to me that this comparison shows the fallacy of the position assumed by the distinguished political economist.

A return to specie payments is not necessary to the successful prosecution of business. The past decade was one of the most prosperous in our history, and I for one am content to let well enough alone.

Specie resumption will not be brought about by legislating about the currency. When we want to pay specie we must have the specie with which to pay. We could obtain it by exchanging our exports for it; and when our exports are not exceeded by our imports we shall have the wherewithal to do it, and we may resume. We may resolve as much as we please, and legislate as much as we please, but this will not create coin. If our industries can be kept profitably and constantly employed our needs for foreign articles will be lessened, and in a few years we shall grow up to that favorable condition of trade which will bring gold into the country and make it easy to resume. We may contract the currency to meet the wishes of those who desire resumption to be brought about in that way, and the result will be that our revenues will fall off and we shall be compelled to impose additional taxation to meet the expenses of the Government. Liquidation of this kind is wanted by those who desire to make the dollars they own worth more. Now, I suppose it is not our duty to legislate for this class to the exclusion of all others. They talk about dishonest promises, but who else complains? The active business men of the country do not desire to reduce their business, nor do the manufacturers desire to turn out their operatives to beg or starve. Forced contraction will produce both these results. When the labor of the country is employed all classes are prosperous and we have no bread riots.

It is not denied by the advocates of speedy and forced resumption but that the road is through privation and suffering. How often did we hear it said during the late panic, "We have suffered this much; let us suffer a little more, and we shall have specie resumption."

Specie resumption is no doubt desirable; but we cannot pay specie until we have it. We cannot pay gold unless we have gold. If we could transmute clay into gold, we could adopt Mr. Greeley's formula, "the way to resume is to resume."

In conclusion I desire to say, a settled policy must sooner or later be adopted, so that Congress can dismiss forever the subject of the currency. Until this is done our finances will be disturbed and our business will be paralyzed to a greater or less extent.

The country is waiting now in feverish anxiety to see what Congress will do upon this subject, and it is all-important that what we do shall be done quickly. When we shall have passed a free-banking law, we shall have taken the first great step, in my opinion, toward this settled policy.

When that favorable condition of trade shall come so that we shall accumulate gold, gold will take the place of legal-tender notes. Then we can give the option to holders of greenbacks to fund them, by an act for that purpose, and our legislation will have been completed.

Mr. Speaker, the bill reported by the committee provides as follows:

Section 1 relieves the banks from keeping a reserve upon their circulation, and ought to pass. The bill-holder is secured from all possibility of loss, and there is no good reason why this requirement should be continued, as there never was any reason for its enactment in the first place.

Section 2 removes the restriction upon the amount of national-bank notes, and permits banks to increase their capital and circulation to any amount; in fact, it makes banking free. It is the main feature in the bill, and I need not say that in my opinion this section, if all the others fail, should pass.

Section 3 provides an easy and rapid mode for retiring any redundancy of national-bank notes, and is a complete check to any inflation beyond the wants of commerce.

Section 4 permits banks to retire their circulation, and to withdraw the bonds pledged for their security.

Section 5 requires the banks to keep their reserves in their own vaults.

Section 6 requires the Secretary of the Treasury to print the charter number upon the bills of the respective banks. This is simply a regulation to facilitate the assorting of the notes when sent to the Treasury for redemption.

Section 7 authorizes the organization of banks without circulation, and in my judgment ought not to pass. It is not the business of Congress to confer either real or imaginary credit upon banks or individuals, as this section will do if passed.

Section 8 provides that the Secretary of the Treasury shall issue a new kind of notes, commencing on the 1st day of July next, at the rate of $2,000,000 per month, payable in gold two years after date, and to retire and destroy an equal amount of the legal-tender notes.

This is one of the many modes before Congress to return to specie payment.

While I am not in favor of this proposition, I am prepared to vote for it, and also for section 7, rather than have the bill fail. I believe that our legislation upon this subject will only be perfected by amendments made from time to time, and with this view I consent to these two sections, but I would much prefer that they be stricken from the bill.

Mr. MITCHELL obtained the floor.

Mr. MAYNARD. With the permission of the gentleman from Wisconsin, I will enter, *pro forma*, a motion to recommit the bill, at the same time saying that I do not propose thereby to cut off amendments. I will wait until the discussion has been closed, and then let amendments be offered. I will not ask for a session for discussion this evening, as the gentleman from Wisconsin [Mr. MITCHELL] prefers to speak to-morrow.

Mr. ELDREDGE. My colleague yields to me to move that the House do now adjourn.

Mr. COX. Is it in order for me to offer an amendment, so as to have it read and printed?

The SPEAKER. The amendment cannot be considered as pending, because the gentleman from Tennessee has made a motion to recommit the bill; but it may be read as an amendment which the gentleman will offer when in order.

The Clerk read the proposed amendment, as follows:

That each one-dollar greenback note now in circulation shall be a legal tender for three dollars, and each two, five, and ten dollar greenback note shall be, and is hereby, declared a legal tender for three times its present value.

[Laughter.]

ENROLLED BILLS SIGNED.

Mr. DARRALL, from the Committee on Enrolled Bills, reported that the committee had examined and found truly enrolled bills of the following titles; when the Speaker signed the same:

A bill (H. R. No. 485) to authorize the Secretary of the Treasury to issue an American register to the schooner Carrie, of Eastport, Maine;

A bill (H. R. No. 1954) granting a pension to Henry B. Ryder; and

A bill (H. R. No. 2651) reappropriating certain unexpended balances of appropriation for removal of Indians.

LEAVES OF ABSENCE.

Mr. LAMPORT was granted leave of absence for ten days.

Mr. STRAWBRIDGE was granted leave of absence for one week.

Mr. WILSON, of Maryland, was granted leave of absence for ten days from to-day.

LOUISVILLE AND PORTLAND CANAL.

Mr. WHEELER, by unanimous consent, from the Committee on Commerce, reported back with amendments the bill (S. No. 350) providing for the payment of the bonds of the Louisville and Portland Canal; and moved that it be recommitted, and the bill and amendments printed.

The motion was agreed to.

MANUFACTURE OF GOVERNMENT ISSUES.

Mr. SCUDDER, of New York, by unanimous consent, presented the petition of merchants, bankers, and others, that the manufacture of Government issues hereafter be made to conform to the plan recommended by the Joint Select Committee on Retrenchment, under date of March 3, 1869; which was referred to the Committee on Banking and Currency, and ordered to be printed, and to be printed in the RECORD.

The petition was as follows:

To the House of Representatives of the United States:

Your petitioners respectfully represent that, in their opinion, it is of great importance that all of the issues of the Government should be so treated during the various processes of their manufacture as to secure them against possible danger of fraud, such as counterfeiting, altering, duplicating, or overissuing; that whereas the Joint Select Committee on Retrenchment, under date of March 3, 1869, reported and recommended as follows, namely: "The highest safety is to be attained by so conducting the work that no one, or even two, departments should have it in their power to finish any note, bond, or coupon, but that one part of the engraving on the securities should be printed by one establishment, and a succeeding part by another department entirely distinct and separate from the first, and that the final process of sealing and signing should be done by still another distinct and separate department, and in the Treasury; by such methods, each under separate and distinct control, the nearest approach possible to security will be reached;" and whereas this plan was approved and adopted in the report of the Secretary of the Treasury on the state of the finances for the year 1869; and whereas this plan has been dangerously departed from:

Now therefore, to prevent the possibility of fraud in the preparation of Government issues, and that the confidence of the public, both here and abroad, in their integrity may be strengthened and never impaired, your petitioners respectfully request that a law may be passed authorizing and requiring the Secretary of the Treasury, in the manufacture of all Government issues hereafter to be made, to conform to the plan recommended by the Joint Select Committee on Retrenchment aforesaid.

IMPROVEMENT OF BIG SODUS HARBOR, NEW YORK.

Mr. MACDOUGALL, by unanimous consent, presented the memorial of 539 citizens of Wayne County, New York, asking an appropriation of $30,000 for the improvement of Big Sodus Harbor, Lake Ontario; which was referred to the Committee on Commerce, and ordered to be printed in the RECORD without the signatures.

The memorial was as follows:

To the Senate and House of Representatives in Congress assembled:

We, the undersigned, citizens of Wayne County, State of New York, in public meeting assembled, do respectfully represent to your honorable body the interests of the harbor of Big Sodus, and its claims upon your attention in the following memorial:

Big Sodus, situated on the south shore of Lake Ontario, in the county of Wayne, and State of New York, is one of the largest and most commodious harbors on this lake, and when in good condition is a harbor of refuge for all the shipping traversing this great commercial highway, and has been used as such from an early period.

To make this almost perfect natural harbor still nearer perfect, the Government, in 1830, constructed a light-house and piers at this place. In the course of time these piers became dilapidated, and while in such condition the sand from accretions drifted over them into the channel, thereby virtually closing the harbor to middling and large sized vessels. Within a few years the Government has rebuilt these piers and the light-house, and has recently cleared nearly one-half of the channel of sand to a proper depth. We deem it to be an absolute necessity that the remaining portion of the channel be likewise cleared of sand; and it is to this fact we desire to ask your particular attention. If this bank of sand, thus formed and left, be not removed soon, it will gradually be distributed by the action of the water over the whole bottom of the channel; thus a portion of the work already done will be actually lost, and the harbor again practically closed against vessels of heavy burden.

While these statements are true and important in regard to this harbor in the past, we believe them to be very much more important in view of its future. For heretofore it has had no interior outlet, and besides having been a port of shelter and safety, which is a very considerable item of itself, it has only exported the products and imported the demands of this immediate locality, and these, even, are credited to another port; but now, by the completion of the Sodus Point and Southern Railroad, (and the prospective completion of two other railroads to this bay,) it has such an outlet. The harbor is now connected with the commercial net-work of the country, and its business must rapidly increase very many fold, and we are confident the direction of the trade in coal, iron, and iron ore to this port will be immediate, and that of grain, lumber, &c., will soon follow; for it is a fact, which you may not have noticed, that the distance of Big Sodus Harbor from the coal-fields and furnaces of Pennsylvania and Southern New York, via the Lehigh Valley and Northern Central Railroads, is less by twenty miles than by any other avenue.

While we are aware that the policy of the Government at present is retrenchment, we feel excusable in asking an appropriation, first, because of the particular facts above named; and, secondly, while other places in this vicinity at your last session received liberal supplies, Big Sodus received none. Therefore we join the petition of the Government engineer in charge, Colonel J. M. Wilson, and support him in recommending an appropriation of $30,000 for this harbor, believing it to be an urgent commercial necessity.

FREE EXCHANGE OF NEWSPAPERS.

Mr. FIELD. I ask unanimous consent to present concurrent resolutions of the Legislature of the State of Michigan, in favor of the free transmission of newspaper exchanges and of newspapers within the county where published, for reference to the Committee on the Post-Office and Post-Roads.

Mr. SPEER. I object; those resolutions have already been presented a number of times and referred.

The SPEAKER. The rule is for one member of a State to present the resolutions of its Legislature.

IMPROVEMENT OF THE SAGINAW RIVER.

Mr. WILLIAMS, of Michigan, by unanimous consent, presented concurrent resolutions of the Legislature of the State of Michigan, asking Congress for an appropriation to aid in the improvement of the navigation of the Saginaw River; which were referred to the Committee on Commerce, and ordered to be printed.

Mr. ELDREDGE. I now insist on my motion to adjourn.

The motion was agreed to; and accordingly (at four o'clock and thirty-five minutes p. m.) the House adjourned.

PETITIONS, ETC.

The following memorials, petitions, and other papers were presented at the Clerk's desk, under the rule, and referred as stated:

By Mr. ARCHER: The petition of Mrs. Catharine H. Gallagher, praying for additional pension and payment of arrears of pension, to the Committee on Invalid Pensions.

Also, the petition of Mrs. Laura C. Nicholson, praying for additional pension and payment of arrears of pension, to the same committee.

By Mr. BERRY: The petition of Louisa J. Cover, praying for a pension, to the Committee on Invalid Pensions.

By Mr. CLYMER: The petition of citizens of Pennsylvania, praying that the duty on tea and coffee may not be restored, to the Committee on Ways and Means.

By Mr. COBURN: The remonstrance of wholesale and retail hat dealers of Indianapolis, Indiana, against the extension of the Wells patent for forming hat-bodies, to the Committee on Patents.

By Mr. FARWELL: The remonstrance of Chicago merchants against the extension of Wells's patent for forming hat-bodies, to the Committee on Patents.

By Mr. HAGANS: The petition of Daniel S. Winger, praying a repeal of so much of the internal-revenue laws as requires manufacturers of cigars to file a bond before commencing business, to the Committee on Ways and Means.

By Mr. HALE, of New York: The memorial of the New York Academy of Medicine, of the Medical Library and Journal Association of New York, and of the Medical Society of the County of New York, in relation to the Medical Department of the United States Army, to the Committee on Military Affairs.

By Mr. HUNTON: The petition of Mary W. Jones, widow of Commodore Thomas Ap C. Jones, praying for an increase of her pension to fifty dollars per month, to the Committee on Revolutionary Pensions and War of 1812.

By Mr. HYDE: The petition of citizens of Harrison County, Missouri, praying for a pension for William H. H. Gillespie, to the Committee on Invalid Pensions.

By Mr. McCRARY: The petition of Davenport Downs, praying for a pension, to the Committee on Invalid Pensions.

Also, the petition of Ira W. Donthart, praying for a pension, to the same committee.

By Mr. POTTER: The petition of John Beeson and others, asking for the use of the Hall of the House of Representatives for a meeting in behalf of the Indians, to the Committee on Indian Affairs.

By Mr. RAPIER: The petition of citizens of Alabama, asking the erection of public buildings at Montgomery, in the State of Alabama, to the Committee on Public Buildings and Grounds.

By Mr. SCUDDER: The petition of William D. Stryker, for reimbursement for losses sustained during the late war in paying United States troops, to the Committee on War Claims.

By Mr. STANDEFORD: The memorial of John Gault, jr., asking pay for services as major of volunteers, to the Committee on Military Affairs.

By Mr. STORM: The petition of citizens of Pennsylvania, praying for an appropriation to improve the navigation of the Delaware River, to the Committee on Commerce.

Also, petition of citizens of Pennsylvania, of similar import, to the same committee.

By Mr. THORNBURGH: The petition of George Kenney, praying compensation for certain property used by the Army, to the Committee on War Claims.

Also, the petition of Frances H. Murphy, praying for a pension, to the Committee on Invalid Pensions.

By Mr. WELLS: The protest of wholesale and retail hat-dealers in Saint Louis, Missouri, against any further extension of the Wells patent for forming hat-bodies, to the Committee on Patents.

Also, resolutions of the Importers' and Grocers' Board of Trade of New York, urging upon Congress the necessity of a change in the present moiety system, to the Committee on Ways and Means.

By Mr. WILLIAMS, of Michigan: The petition of William White, praying for a pension, to the Committee on Invalid Pensions.

By Mr. WILSON, of Iowa: The petition of Mary A. Holmead, praying compensation for supplies taken for the use of the Union Army, to the Committee on War Claims.

Also, the petition of citizens of Johnson County, Iowa, in favor of land warrants to soldiers, to the Committee on the Public Lands.

IN SENATE.

FRIDAY, *March* 27, 1874.

Prayer by the Chaplain, Rev. BYRON SUNDERLAND, D. D.
The Journal of yesterday's proceedings was read and approved.

EXECUTIVE COMMUNICATION.

The PRESIDENT *pro tempore* laid before the Senate a letter of the Commissioner of Agriculture, asking that Congress may authorize the printing of twenty-five thousand copies of the Annual Report of the Department of Agriculture for that Department; which was referred to the Committee on Printing.

PETITIONS AND MEMORIALS.

The PRESIDENT *pro tempore* presented a petition of citizens of West Virginia, soldiers in the late war, praying the enactment of a law granting $100 bounty to all soldiers, sailors, and marines who entered the service prior to September 23, 1863; which was referred to the Committee on Military Affairs.

He also presented a letter of the Secretary of War, transmitting a petition of officers of the Sixth Infantry, asking that troops serving on the frontier be placed on a better footing with regard to leaves of absence; which was referred to the Committee on Military Affairs.

He also presented resolutions adopted at a mass meeting of the citizens of Portland, Oregon, in favor of aid by Congress to the Portland, Dalles and Salt Lake Railroad, for which a bill is now pending before Congress; which were referred to the Committee on Railroads.

He also presented a joint resolution of the Legislature of Wisconsin, requesting Congress at its present session to adopt such measures as shall secure the speedy construction of a ship-canal around Niagara Falls; which was referred to the Committee on Commerce.

Mr. CHANDLER presented a petition of citizens of Michigan, late members of the Fifth Regiment of Michigan Cavalry Volunteers in the late rebellion, praying payment of balances claimed to be due them for services rendered as second lieutenants; which was referred to the Committee on Military Affairs.

Mr. SARGENT. I present to the Senate a petition of citizens of Round Valley, California, which states at considerable length the circumstances under which settlements were made by them in that valley, and also recites the legislation of the 3d of March, 1873, by which Congress provided for the sale at $1.25 an acre, to the actual occupants or settlers, of the surplus lands not needed for the purposes of an Indian reservation. They state, what I believe to be the fact, that a bill is now pending in Congress to change the price which they were required to pay, and which they have paid, and for which payment they have received duplicate certificates, from $1.25 an acre to $5 an acre, as they say for insufficient reasons. They allege that it would be a measure of oppression, that it would depopulate the valley, that the land would pass into the hands of speculators and capitalists, to the injury of actual occupants who have rights which have been recognized by the Government. This petition, which is forcible in its character, both in its facts and in the manner of their presentation, is signed by about 125 settlers; and in addition to them by other prominent citizens of the county to the extent of some 12 or 14, indorsing the statements in the petition and joining with the petitioners in urging that Congress rest upon the legislation so far had. I move that this petition be referred to the Committee on Indian Affairs, which I believe has the other bill before it.

The motion was agreed to.

Mr. CONKLING. I present the memorial of James F. Baldwin, who recites that the people of the United States in 1872 adopted a resolution proposed by the republican national convention, which resolution related to the matter of bounty to soldiers and sailors, and which he thinks requires the legislation pointed out in his memorial. I move that it be referred to the Committee on Military Affairs.

The motion was agreed to.

REPORTS OF COMMITTEES.

Mr. JOHNSTON, from the Committee on the District of Columbia, to whom was referred the bill (S. No. 616) relating to sales under deed of trust in the District of Columbia, asked to be discharged from its further consideration, and that it be referred to the Committee on the Judiciary; which was agreed to.

Mr. SPRAGUE, from the Committee on Public Lands, to whom was referred the bill (S. No. 313) to confirm the purchase by the executive department of three acres of land, more or less, in the vicinity of Nashville, Tennessee, known as the site of Fort Houston, and to donate and convey the same to the Fisk University for educational purposes, reported it with an amendment.

Mr. PATTERSON, from the Committee on Pensions, to whom was referred the petition of Harriet and Frances M. Peabody, praying for a pension to commence March 1, 1865, for services rendered as hospital nurses in Missouri during the late war, reported adversely thereon; and the committee was discharged from the further consideration of the petition.

He also, from the same committee, to whom was referred the petition of Esther M. Shubrick, widow of the late Captain Edward R. Shubrick, United States Navy, praying that the pension allowed her by the act of 1849 be restored to the amount therein allowed, submitted an adverse report thereon; which was ordered to be printed, and the committee was discharged from the further consideration of the petition.

He also, from the same committee, to whom was referred the petition of John Carter, late private Company H, Fifth United States Infantry, praying for an increase of pension, of 20 per cent., submitted an adverse report thereon; which was ordered to be printed, and the committee was discharged from the further consideration of the petition.

Mr. BOGY, from the Committee on Indian Affairs, to whom was referred the bill (S. No. 205) to authorize the Secretary of the Interior to discharge certain obligations of the United States to the creditors of the Upper and Lower bands of Sioux Indians, reported it without amendment.

He also, from the Committee on Private Land Claims, to whom was referred the bill (S. No. 372) to provide for ascertaining and settling private land claims in certain States and Territories, reported adversely thereon, and the bill was postponed indefinitely.

Mr. PRATT, from the Committee on Pensions, to whom was referred the petition of Nancy Flesher, of West Virginia, praying to be allowed a pension on account of the services of her son, James Flesher, as a carrier of dispatches, and as a scout during the late war, submitted an adverse report thereon; which was ordered to be printed, and the committee was discharged from the further consideration of the petition.

He also, from the same committee, to whom was referred the petition of Henry Cook, of Wisconsin, praying to be allowed a pension, submitted an adverse report thereon; which was ordered to be printed, and the committee was discharged from the further consideration of the petition.

He also, from the same committee, to whom was referred the bill (H. R. No. 2094½) granting an increase of pension to Mary C. Bell, submitted an adverse report thereon; which was ordered to be printed, and the bill was postponed indefinitely.

Mr. OGLESBY, from the Committee on Public Lands, to whom was referred the bill (S. No. 581) amendatory of and supplementary to the act entitled "An act to set apart a certain tract of land lying near the head-waters of the Yellowstone River as a public park," approved March 1, 1872, reported it with amendments.

He also, from the Committee on Pensions, to whom was referred the petition of Mrs. Susan McGoulrick, praying for a pension, reported adversely thereon; and the committee was discharged from the further consideration of the petition.

He also, from the same committee, to whom was referred the petition of Jules L. Williams, late a second lieutenant in the Forty-second Regiment United States Colored Troops, praying for an invalid pension, submitted an adverse report thereon; which was ordered to be printed, and the committee was discharged from the further consideration of the petition.

He also, from the same committee, to whom was referred the bill (S. No. 578) granting a pension to Elizabeth Loebrick, submitted an adverse report thereon; which was ordered to be printed, and the bill was postponed indefinitely.

He also, from the same committee, to whom was referred the bill (H. R. No. 2356) granting a pension to Edward Jardine, late colonel and brevet brigadier-general United States Volunteers, reported it with an amendment.

He also, from the same committee, to whom was referred the petition of George Richards, praying for an increase of pension, submitted an adverse report thereon; which was ordered to be printed, and the committee was discharged from the further consideration of the petition.

He also, from the same committee, to whom was referred the bill (H. R. No. 1948) granting a pension to Mary J. Blood, reported it with an amendment, and submitted a report thereon; which was ordered to be printed.

He also, from the same committee, to whom was referred the bill (H. R. No. 1945) granting a pension to Juliet E. Hall, daughter of William Hall, late colonel of the Eleventh Regiment of Iowa Infantry, reported it without amendment, and submitted a report thereon; which was ordered to be printed.

Mr. WINDOM, from the Committee on Public Lands, to whom was referred the bill (S. No. 299) to establish the Bismarck land district, in the Territory of Dakota, reported it without amendment.

Mr. HITCHCOCK, from the Committee on the District of Columbia, to whom was referred the bill (H. R. No. 2423) explanatory of an act entitled "An act to provide for the creation of corporations in the District of Columbia by general law," reported it with an amendment.

NEW LAND DISTRICT IN OREGON.

Mr. KELLY. The Committee on Public Lands, to whom was referred the bill (S. No. 381) to create an additional land district in the State of Oregon, to be called the Dalles land district, have had the same under consideration, and have instructed me to report it back without amendment, and to recommend its passage. I should like the Senate to indulge me by action on this bill at the present time.

By unanimous consent, the bill was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILLS INTRODUCED.

Mr. WRIGHT asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 635) authorizing M. P. Turner and his associates and assigns to prospect for and mine coal and other mineral in and under the beds of the Des Moines and Coon Rivers, in Polk County, Iowa; which was read twice by its title, referred to the Committee on Mines and Mining, and ordered to be printed.

Mr. GORDON asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 636) to authorize the settlement between the Western and Atlantic Railroad, of Georgia, and the United States, upon the same basis that a settlement was made between certain railroads in the State of Tennessee and the United States; which was read twice by its title, referred to the Committee on Military Affairs, and ordered to be printed.

SAINT LOUIS BRIDGE.

Mr. ALLISON submitted the following resolution; which was considered by unanimous consent, and agreed to:

Resolved, That the Secretary of War is hereby directed to furnish the Senate with a copy of the report of the board of United States engineers who made examination of the bridge over the Mississippi River at Saint Louis, Missouri.

DELINQUENCIES OF GOVERNMENT OFFICERS.

Mr. DAVIS. I offer the following resolution, which I ask to have printed and laid on the table:

Resolved, That the Secretary of the Treasury be, and he is hereby, requested to furnish the Senate a statement in detail showing the amounts due and yet unpaid to the Government from January, 1865, to the present time from paymasters, quartermasters, commissaries, collectors of internal revenue, collectors of customs, officers of the Freedmen's Bureau, or any other officer or set of officers whose accounts are under his supervision; that he further inform the Senate how such of the delinquencies as have been arranged have been settled, whether by compromise, dismissal, or otherwise; and that he further inform the Senate the names of all of said delinquents, and from what States they were appointed, and whether there are any suits now pending for the recovery of such moneys, and, if so, against whom, and for what amount.

Mr. CONKLING. Does the Senator from West Virginia ask action now upon that resolution?

The PRESIDENT *pro tempore*. He asks that it be laid on the table and printed.

Mr. CONKLING. I make no objection to that.

The PRESIDENT *pro tempore*. The resolution lies over. The Senator from West Virginia moves the resolution be printed.

The motion was agreed to.

THE MORNING HOUR.

Mr. FERRY, of Michigan. I am directed by the Committee on the Revision of the Rules to report the following additional rule:

During the present session of Congress, one hour and one-half, commencing at each daily session of the Senate, shall be designated as the morning hour.

Mr. SHERMAN. I object to the consideration of that for the present.

The PRESIDENT *pro tempore*. The proposed rule will lie over.

ADJOURNMENT TO MONDAY.

On motion of Mr. LEWIS, it was

Ordered, That when the Senate adjourns to-day, it be to meet on Monday next.

COWAN AND DICKINSON.

The PRESIDENT *pro tempore*. If there be no further morning business, the Secretary will report the bills on the Calendar in their order.

The first bill on the Calendar was the bill (S. No. 63) for the relief of Perez Dickinson, the surviving partner of James Cowan, deceased, heretofore trading and doing business under the firm name and style of Cowan & Dickinson, of Knoxville, East Tennessee.

Mr. PRATT. That bill belongs to a class of cases that will undoubtedly give rise to a great deal of discussion.

The PRESIDENT *pro tempore*. If the Senator objects, the bill will be laid aside.

Mr. PRATT. I do not object to its present consideration, and I do not wish it to lose its place on the Calendar. It is a case where under the directions of General Burnside, when he was commanding at Knoxville in 1863, a large amount of cotton belonging to the firm of Cowan & Dickinson was seized and placed on the fortifications.

The PRESIDENT *pro tempore*. The Chair will state to the Senator that debate is out of order. If the Senator objects, the bill will be laid aside; if not, it is the first bill on the Calendar, and it will be before the Senate.

Mr. GORDON. I move to take up the two bills that were objected to yesterday. The objection to their consideration will not be renewed this morning. I refer to Senate bill No. 334, and House bill No. 2547, removing the disabilities of Thomas Hardeman, jr., of Georgia, and William L. Cabell, of Texas.

The PRESIDENT *pro tempore*. There is at present a bill before the Senate. After that the Senator can make his motion.

Mr. PRATT. I do not ask for the postponement of the bill.

The PRESIDENT *pro tempore*. Then the bill will be read at length.

Mr. CHANDLER. I object.

The PRESIDENT *pro tempore*. The Senator from Michigan objects, and the bill will be laid aside.

REMOVAL OF DISABILITIES.

Mr. GORDON. I now move to take up the two bills which were laid aside yesterday. The objection will not be renewed. I will first move to take up House bill No. 2547.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. No. 2547) to remove from political disabilities Thomas Hardeman, jr., of Georgia.

The bill was reported to the Senate without amendment, ordered to a third reading, and read the third time.

Mr. FRELINGHUYSEN. That bill and another like it were reported adversely by the Committee on the Judiciary. I know of no special reason why the disability of these individuals should not be removed; but I am not aware since the general-amnesty bill was passed that Congress has removed disabilities from any of that class who were excepted from that general-amnesty bill, to wit, officers of the United States Army who went over to the adverse party, members of Congress, &c.; and unless Congress is prepared to adopt the policy of granting amnesty to that class, these bills ought not to pass. But it is a fair question for the Senate to consider. The reasons that moved the Senate when that general-amnesty bill was passed in excepting this class still exist.

I think it is right to make this statement to the Senate, that they may see the importance of this measure as a precedent. I do not think that there is anything peculiar in the case of these individuals which does not apply to all of the class who were excepted from the general-amnesty bill.

Mr. STEVENSON. Mr. President, I hope this bill will pass. Admitting all that the Senator from New Jersey has said, Congress has, since the passage of the general-amnesty bill, granted relief by special bills to a number of officers of the Army and Navy who resigned and went into the confederate army. That was right and proper. Why, then, object to the pending bill? My opinion is that the cardinal rule of all free government ought to be justice. That should be one of the great objects and ends of all free government. When we find that major-generals in the confederate army have been relieved by special acts from disabilities, many of whom are now holding office of trust and profit at this time under this Administration, why should the Senate undertake to refuse to grant the same measure of relief to others equally meritorious, and who have been quiet and loyal since the close of the war; gallant men, who did nothing in originating the rebellion, and who were not half so prominent in its prosecution as others who have been relieved and who are now holding distinguished positions of profit under this Administration? Is this just? Is it generous? I cannot think so.

Mr. President, I repeat that my humble belief is that if we desire to attach the entire people to the unity of this Government we should be just as well as generous. Do not, I beseech you, make fish of one and flesh of another. Let our legislation operate equally upon all in the same class of disabilities. There have been quite a number of ex-members of the Thirty-fifth and Thirty-sixth Congresses relieved since the general-amnesty bill was passed. Why, then, exclude Colonel Hardeman? I agree with the President of the United States in his message that we should welcome back every confederate by a removal of all disabilities. Every day's delay in the passage of such an act is one of injustice to many brave and gallant men. Let us extend amnesty to all who are willing and ask this Government to remove their disabilities. Do not discriminate, but promptly relieve all, and make them feel by your legislation that they are citizens again of the American Republic, possessing every privilege that any other citizen is entitled to. I sincerely trust that the Senate will pass this bill and extend to these petitioners the same grace which has already at this very session been extended to others occupying their position.

Mr. SARGENT. Mr. President, the arguments in favor of universal amnesty are familiar to every one, and certainly have great force. The only objection to be urged to it, as it seems to me, at this day, so many years after the war, is that it may be extended to some who would afterward say, "We did not desire it; we asked no favors from your Government; we did not petition you to relieve us; we look upon your Government as we always did; we were rebels, and we claim still to be rebels in sentiment." There is an objection to a sweeping law that shall remove the disabilities, those few that remain, upon persons who might assume that attitude. But, sir, where a person, no matter what offense he may have committed heretofore in the line of what he thought, though wrongfully, was his duty as a citizen of a Southern State, comes and asks the Congress of the United States to relieve him from his disabilities, then this objection is removed, and I can conceive of no other why the disabilities should not be removed and these bills passed.

I understand in this case there is a petition from the individual who asks to be relieved. I further understand that there is a voluntary petition on the part of a great many republicans who know this person, and know him to be a good citizen; that since the war he has evinced a purpose to conform to the laws; that he is in many senses of the word, and the best senses of the word, reconstructed. These facts certainly make an exception in his favor from the principle I have stated; and I trust in all such cases the Senate of the United States will show that it is able to rise above the feelings which were created by the war and grant amnesty and complete amnesty to every one who will place himself within these conditions.

Mr. FLANAGAN. Inasmuch as this name comes from Texas, I feel——

Mr. GORDON. No; this is the Georgia case; this is not the Cabell matter.

Mr. FLANAGAN. Well, it is in the same line, and though I was

under a slight mistake, I am still in favor of the bill, and I am for the Texan particularly. I wish his disabilities removed, as those of all other Texans have been, placing him on the same footing; and I think he will be a better man. That is the idea; that he will be more liberal if he is not kept under this restraint. That is the difficulty with us. I hope he will become a good citizen, regretting what he has done in the past. I am for relieving him and all others.

Mr. WRIGHT. Having reported this bill from the Judiciary Committee adversely, I think it is due to myself to say one word. I have not in my mind at this time any case since the general amnesty bill was passed where disabilities have been removed in the classes of cases referred to by the Senator from Kentucky. I do not say that there have not been such bills passed. If so, however, I say that they have been passed either because of the peculiar circumstances of the case, or because the attention of the Senate was not directed to the question before it.

Now, we have reported this bill back from the Judiciary Committee and have called the attention of the Senate to the question that is involved. Whether they propose to remove disabilities in each and every case as it may arise, without reference to the peculiar circumstances, or whether it be better to pass a general amnesty bill so as to include all, is the question that is now presented to the Senate; and a majority of the Judiciary Committee, as I stated yesterday morning, were of opinion that it was not advisable to recommend the passage of this bill. They submit the question to the Senate. The Senate understand the circumstances. If they shall be overruled, the committee will take it as the sense of the Senate to report such bills back favorably again, unless there should be some reason why they should not be so reported. I believe that is the exact position of the question.

Mr. THURMAN. As this bill comes from the Judiciary Committee, I wish to say that I was not in the committee at the time the agreement to report upon it adversely was arrived at. I am in favor of the bill and have been all the time. But I must say that I infinitely prefer the passage of a general amnesty bill. I have said again and again that I for one am sick, I might almost say disgusted, with this peddling out of amnesty by piecemeal. I think it unworthy of the Government, and I saw with pleasure the recommendation which has been referred to, of the Executive, in favor of a general amnesty bill. But as Congress does not seem disposed to pass it, or to pass it speedily, I shall continue to vote as heretofore for amnesty in all cases that are presented, unless there is some extraordinary reason why I should not so vote; and no such case has yet come to my knowledge.

The question being put, the President *pro tempore* declared that the bill was passed.

Mr. GORDON. I move——

Mr. CONKLING. I beg to remind the Chair that the passage must be by a two-thirds vote. I do not say there was not a two-thirds vote, but I suggest to the Chair that the record should show that fact by the announcement of the vote.

The PRESIDENT *pro tempore*. The Chair will put the question again. [Putting the question.] It is the opinion of the Chair that more than two-thirds have voted for the bill. The bill has passed.

Mr. GORDON. I move now to take up the Senate bill for the relief of William L. Cabell.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the bill (S. No. 334) to remove the disabilities of William L. Cabell, of Texas.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed by a two-thirds vote.

CITIZENS OF LOUDOUN COUNTY.

Mr. BOGY. I should like to appeal to the Senate to take up a bill of great importance, Senate bill No. 32, obviating the necessity of issuing patents for certain private land claims in the State of Missouri, and for other purposes.

Mr. BUCKINGHAM. I hope that will not be done.

The PRESIDENT *pro tempore*. The Senator from Connecticut objects.

Mr. BOGY. I will state, for the information of the Senator from Connecticut——

The PRESIDENT *pro tempore*. Debate is out of order. The next bill on the Calendar will be reported.

The next bill on the Calendar was the bill (S. No. 48) for the relief of loyal citizens of Loudoun County, Virginia, therein named.

Mr. BOREMAN. As the purpose is to expedite business, I will state that this is one of that class of cases in regard to property in the insurrectionary States about which there will probably be controversy. I am satisfied it will be objected to before we get through with it.

The PRESIDENT *pro tempore*. Does the Senator object?

Mr. BOREMAN. I think it had better go over.

The PRESIDENT *pro tempore*. Does the Senator object?

Mr. BOREMAN. I think it would be better to pass it over. I reported the bill and am in favor of it; but I am satisfied——

Mr. MORRILL, of Maine. I object.

The PRESIDENT *pro tempore*. The bill will be laid aside.

LANDS IN CALIFORNIA.

The next bill on the Calendar was the bill (S. No. 423) relating to the equitable and legal rights of parties in possession of certain lands and improvements thereon in California, and to provide jurisdiction to determine those rights.

Mr. SHERMAN. I ask if that is about the San José reservation? If so, I know it will lead to debate, and therefore I object to its present consideration.

The PRESIDENT *pro tempore*. The bill will be laid aside.

NATHAN COLE.

The next bill on the Calendar was the bill (S. No. 379) for the relief of Nathan Cole, late captain Twenty-third Regiment Veteran Reserve Corps; which was considered as in Committee of the Whole. It is a direction to the proper accounting officers of the Treasury to credit Nathan Cole, late captain and brevet major Twenty-third Regiment Veteran Reserve Corps, in the settlement of his accounts with the United States, with the sum of $120.80, collected by him while acting as agent of the Bureau of Refugees, Freedmen, and Abandoned Lands, at Lewisville, Arkansas, in 1867, and lost in transmission to the proper receiving and disbursing officer at Little Rock.

Mr. SCOTT. I do not desire to say anything upon this bill, but as I suppose that anything is in order when a bill is under consideration before it shall have passed from the Senate, I wish to say that the bill reported by the Senator from West Virginia [Mr. DAVIS] and the bill reported by the Senator from Indiana [Mr. PRATT] have both gone off the Calendar this morning, and as there are a number of other bills of a similar character involving questions that will give rise to debate reported from the Committee on Claims, I shall, soon after we reach the termination of the present financial question, ask the Senate to fix a day when the bills reported from that committee shall be considered.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

OFFICERS AND CREW OF WYOMING AND TA KIANG.

The next bill on the Calendar was the bill (S. No. 342) for the relief of the officers and crew of the United States ship Wyoming and Ta Kiang.

Mr. MORRILL, of Vermont. I think that bill had better go over.

The PRESIDENT *pro tempore*. Objection being made, the bill will be laid aside.

WILLIAM H. DENNISTON.

The next bill on the Calendar was the bill (H. R. No. 1224) for the relief of William H. Denniston, late an acting second lieutenant Seventieth New York Volunteers, which was considered as in Committee of the Whole. It directs the Paymaster of the Army to allow and pay to W. H. Denniston, late an acting second lieutenant of Company D, Seventieth New York Volunteers, out of the appropriations for the pay of the Army, the pay and allowance allowed by law to a second lieutenant of infantry, from the 24th of December, 1861, to the 15th of July, 1862, he having actually served in that capacity and having received no pay therefor.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

PRIVATE LAND CLAIMS IN MISSOURI.

Mr. BOGY. I ask the Senate now to take up the bill (S. No. 32) obviating the necessity of issuing patents for certain private land claims in the State of Missouri, and for other purposes. It is a local bill, and it will take but a few moments to dispose of it.

The PRESIDENT *pro tempore*. The Senator from Missouri moves to postpone the Calendar and proceed to the consideration of the bill indicated by him.

Several SENATORS. Let us go on with the Calendar.

The PRESIDENT *pro tempore*. The Chair will submit the question to the Senate. The question is on the motion of the Senator from Missouri.

The motion was not agreed to.

PRESIDIO RESERVATION.

The next bill on the Calendar was the bill (S. No. 108) to relinquish the interest of the United States in certain lands to the city and county of San Francisco, in the State of California.

Mr. ALLISON. I object to the consideration of that bill.

The PRESIDENT *pro tempore*. Objection is made, and the bill will be laid aside.

Mr. SARGENT. I ask the Senator to withdraw his objection until an explanation of the bill can be made, which I can make in two minutes, I think.

Mr. ALLISON. I withdraw the objection for that purpose.

Mr. BOGY. I object. Objection was made to my bill, and let us proceed in regular order.

Mr. SARGENT. I trust the Senator will not object because somebody else, not myself, objected to some bill of his. This bill comes up now in regular order. I have not made any factious opposition to any Senator's bill. The Senator has a right to object, of course.

The PRESIDENT *pro tempore*. The Senate is proceeding under an understanding that bills objected to shall be laid aside. Is there objection to the present consideration of the bill?

Mr. WRIGHT. I object. I am satisfied that the bill will give rise to debate.

Mr. SARGENT. I thought I had leave to explain it for two minutes. If not, I still ask for that privilege.

The PRESIDENT *pro tempore*. Another Senator objects.

Mr. SARGENT. I ask the Senator to withdraw his objection in order that I may explain the bill.

The PRESIDENT *pro tempore*. Does the Senator from Iowa withdraw his objection?

Mr. WRIGHT. I shall not withdraw the objection to the consideration of the bill. If the Senate think proper to hear an explanation, I will not object to that.

The PRESIDENT *pro tempore*. The consideration of the bill being objected to, the next bill on the Calendar will be reported.

Mr. SARGENT. Will it be in order to move to take up this bill in order that I may explain it?

The PRESIDENT *pro tempore*. It is in order for the Senator to move to postpone the Calendar and proceed to the consideration of the bill.

Mr. SARGENT. Then I will do that.

The PRESIDENT *pro tempore*. The Senator from California moves to postpone the Calendar, and proceed to the consideration of the bill just passed over.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the bill (S. No. 108) to relinquish the interest of the United States in certain lands to the city and county of San Francisco, in the State of California.

The bill proposes to relinquish and grant all the right and title of the United States to the following-described portion of the military reservation, known as the Presidio, or Fort Point reservation, situated in the city and county of San Francisco, State of California, to that city and county, and its successors, for the benefit of persons who, if the lands had not been reserved for public use, would have been entitled thereto under the ordinance numbered 800, of the city of San Francisco, ratified by the act of the Legislature of the State, approved on the 27th of March, 1868, entitled "An act to confirm a certain order passed by the board of supervisors of the city of San Francisco," relating to these promises, and being more particularly described as follows: Commencing at the southeasterly corner of the said Presidio, or Fort Point reservation, and thence running in a direct line due north to the shore-line of the bay of San Francisco; thence westerly along the said shore-line to a point eighty feet, more or less, west of the easterly line of the said Presidio, or Fort Point military reservation, as heretofore established by the United States authorities, said eighty feet, more or less, being granted for a roadway, or street, called Lyon street; thence southerly to a point on the southerly line of said reservation, eighty feet, more or less, and westerly from the point of commencement, said eighty feet, more or less, being for a street, named Lyon street, to conform to the plan of the city map of streets of San Francisco outside of the reservation, said plan being now on file in the office of the War Department, in the city of Washington; but all laws and parts of laws in conflict with the provisions of this are declared to be inapplicable to the lands by it relinquished and granted.

Mr. THURMAN. Mr. President——

Mr. SARGENT. I will explain the bill in a moment if the Senator will allow me to do so. Some twenty-odd years ago the United States in marking one boundary of the Presidio ran what it supposed to be a due north line. The city, the citizens, and everybody else acquiesced in that, and the Government marked its line by a fence, a substantial fence, which separated its possessions from the outside world. Nobody was dissatisfied. Subsequently, some dozen years thereafter, an engineer went to run this line of boundary and discovered that there was a slight error in fixing the true meridian, being the difference between the magnetic meridian and the true meridian, a difference which made a small triangular piece. This piece was taken off people's houses and gardens and lots which they had occupied for a dozen years under undisputed title. The whole Presidio is from fifteen to seventeen hundred acres; and this triangle is some fifty or sixty acres, which the Government by moving its fences on to these people's possessions takes possession of. It plainly does not need this land, because it has nearly seventeen hundred acres there; and for military purposes it cannot possibly want more than four or five hundred acres at the very outside.

This hardship, this resuming possession of the land under such circumstances, has operated injuriously. I have no doubt the last line was the correct one. I frankly confess that. But the matter was called to the attention of the War Department and of Congress as possessing peculiar equities. The proposition was submitted to the Engineer Corps and to the War Department, and I have here before me their letters, wherein they warmly recommend that this relief be granted to those persons who suddenly were thus put to this disadvantage.

That is all there is of the bill. It simply covers a little triangular piece, nothing at one point and going up gradually increasing at the upper side, the difference being made, as I say, by a simple change of the meridian.

Mr. SHERMAN. What are the degrees of variation?

Mr. SARGENT. Very slight. It was simply a variation of the compass. This map, from the Engineer Corps, shows the lines. The fact is that the bill does not work any hardship to the Government, while it gives relief to the occupants. General Humphreys, the Engineer-in-Chief, having referred this matter to the local engineer of the United States, Colonel Alexander, and receiving his favorable report, recommends it, and so does the War Department. I have here the letter written by Mr. Alexander, lieutenant-colonel of engineers, to General Humphreys, which states the facts fully, and I will read it.

Mr. STEWART. I believe there is not a man in the world who will look at the map before the Senator who will not vote for the bill.

The PRESIDENT *pro tempore*. The Senator from California is entitled to the floor.

Mr. SARGENT. Unquestionably the bill is right. It is reported favorably and unanimously, I believe, by the Committee on Military Affairs, who make a written report in its favor. I will read the documents.

Mr. MORRILL, of Maine. There is no objection. We do not need to hear more about it.

Mr. SARGENT. It is suggested there is no further necessity for explanation. I do not wish to take up the time of the Senate.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

Mr. THURMAN. Now that the Senate has passed the Calendar to take up this fifty-acre bill——

Mr. SARGENT. No; it came up in order on the Calendar. It was simply objected to, and I asked that it might be considered nevertheless.

Mr. THURMAN. Then I have nothing to say.

ASBURY DICKINS.

The next bill on the Calendar was the bill (S. No. 171) for the benefit of the legatees of Asbury Dickins, deceased.

Mr. MORRILL, of Vermont. Let the report be read in that case.

Mr. SCOTT. That bill is reported adversely.

Mr. MORRILL, of Maine. Let it go over.

The PRESIDENT *pro tempore*. The bill will be laid aside.

Mr. ANTHONY. I hope the Senator will allow that bill to be acted on.

Mr. MORRILL, of Maine. I withdraw the objection to its consideration; but let the report be read.

The Chief Clerk proceeded to read the report, submitted by Mr. SCOTT from the Committee on Claims on the 17th of February, but before concluding,

The PRESIDENT *pro tempore*. The morning hour has expired, and the Senate resumes the unfinished business of yesterday.

CURRENCY AND BANKING.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. No. 617) to provide for the redemption and reissue of United States notes, and for free banking, the question being on the amendment of Mr. MORRILL, of Vermont, to the first section of the bill as amended.

Mr. MORRILL, of Vermont. Mr. President, it is not the purpose of this amendment to embarrass the bill; but it is clearly a proper amendment, as I suppose, for I do not understand that it is the purpose of the gentlemen who sustain the first section as it has been adopted to leave power in the hands of the Secretary of the Treasury to go and buy bonds at 115, 117, or 120 per cent. and pay for them in United States legal-tender notes. I think that ought to be prohibited. Nor can I suppose that it is intended that this shall be a resource of the Treasury in lieu of taxation, in lieu of the ordinary revenues of the country. I suppose that it is intended that we shall keep our expenditures within the receipts of the Treasury, and that by no possible contingency are we to make paper money to pay the ordinary expenses of the Government. I therefore propose the amendment in entire good faith, and I cannot perceive any valid objection to it.

Mr. LOGAN. Let the amendment be read.

The PRESIDENT *pro tempore*. The amendment will be reported.

The CHIEF CLERK. It is proposed to add to the first section of the bill, as amended, the following words:

> But no part of the same shall be used in the purchase of bonds of the United States at above par, nor for the current expenses of the Government.

Mr. LOGAN. I did not exactly understand the Senator's suggestion in reference to taxes. I should like to know what he meant by that.

Mr. MORRILL, of Vermont. I do not know that I can explain it any more explicitly than I did. I merely say that I suppose it is intended to put the Treasury in a position, by way of taxation, to meet the ordinary expenses of the Government, and that we are not at this day, in a time of profound peace, to set the Treasury presses in motion and authorize them to make paper money to pay the ordinary expenses of the Government.

Mr. LOGAN. If I understand this amendment—I may not understand it as the Senator from Vermont intends it to mean—it is directly the opposite of what the majority of the Senate decided yesterday. The Senate decided yesterday that $400,000,000 should be the maximum amount of United States notes; of course the maximum amount in circulation. That is the meaning of it clearly. Now, this proposition is to restrict that so that the $18,000,000 now in the Treasury Department shall neither be paid out in the purchase of bonds nor for the current expenses of the Government. We might just as well have adopted the provision of the committee yesterday, declaring that $382,000,000 should be the maximum amount, because that is what this amendment means; nothing more, nothing less. I do not insin-

nate or intimate that any Senator in this Chamber would try to impose upon any other Senator; that would be a presumption that Senators might be imposed upon; but it does seem to me that there ought to be such a thing as fairness at least in this Chamber. If the majority of the Senate vote that $400,000,000 shall be the maximum amount, we ought to rest at that and be satisfied with it, without undertaking to hamper it in such a manner as to produce just such a result as the committee attempted to produce by fixing $382,000,000. That is the meaning of this; and it means that although the Senate adopted $400,000,000 as the maximum amount, yet it shall not be that, but $382,000,000. That is, in my judgment, tampering with the majority of the Senate in this Chamber in such a manner as ought not to be done. I think good faith ought to be kept with all of us.

Mr. BUCKINGHAM. I think the Senator misunderstands the effect of this bill with this amendment. He seems to think that under the bill with this amendment no more than $382,000,000 can be circulated; but the amendment provides that it can be, provided the Secretary can buy the public debt at par.

Mr. LOGAN. I ask the Senator, has he ever known or does he expect the time to come, while gold-bearing bonds are worth what they are, when you can buy them at par with greenbacks? Does he expect any such thing?

Mr. BUCKINGHAM. We hope to get the greenbacks at par before we get through with this bill. [Laughter.]

Mr. LOGAN. That is something you will not accomplish, however.

Mr. BUCKINGHAM. I think there is no difficulty in adding the provision which is made here, that the Treasury shall not issue legal-tender notes for the purchase of United States bonds unless it can buy them at par. I see no objection to that amendment; and if the Secretary can do that, I am sure $400,000,000 can be issued.

Mr. MORRILL, of Vermont. Let us take one thing at a time. I will therefore modify my amendment by striking out all after the words "United States;" so as to read: "But no part of the same shall be used in the purchase of bonds of the United States."

The PRESIDENT *pro tempore*. The amendment will be so modified.

Mr. ALLISON. I wish to ask a question of the Senator from Vermont. It seems to me the effect of the amendment would be to prohibit the purchase of United States bonds hereafter unless they are purchased with gold.

Mr. LOGAN. That is precisely what it means.

Mr. ALLISON. If it is the intention of the committee to prohibit the further purchase of United States bonds, that is one thing.

Mr. BAYARD. I merely rise to say a word. I confess I do not understand the precise result—I say nothing of the intent—of the amendment of my friend from Vermont. I am opposed to expansion, and have signified it by my votes; but there is one thing that I consider worse than expansion, and that is, expansion and contraction at the will of any one man. If this $400,000,000 is to be authorized by the vote of Congress, I want it all to go out. I do not want $18,000,000 of it to be played fast and loose with at the discretion of the Secretary of the Treasury; and I had prepared an amendment, which is now lying on my table, for the purpose of securing the emission of this $18,000,000 and its use in some way. I would use it either to purchase the bonds of the Government or to meet the current expenses of the Government; but I do not desire to see this $18,000,000 take the shape of what is called a reserve. I think the great merit of government is its certainty. Laws without certainty lack their greatest essential. I am unwilling to see the finances of the country, the abundance or scarcity of money, left subject to the thumb and finger of a single individual in the Treasury Department. If the object is in any way, directly or indirectly, to constitute this $18,000,000 a fund that is to ebb and flow at the will of the Secretary of the Treasury, I shall feel obliged, with my present views, to oppose it.

Mr. SCHURZ. Did I hear the Senator from Delaware say that he had drawn an amendment to meet his view? In that case I would respectfully ask him to give us that amendment for information.

Mr. BAYARD. For the purpose of information, I will read as part of my remarks the amendment I had drafted:

> That the amount of Treasury notes now in the Treasury, over and above the $382,000,000 outstanding, shall not be held as a reserve, but shall be forthwith used either to redeem the public debt or to meet the current payments for the public service.

That was my idea.

Mr. SHERMAN. As the Senator from Delaware and the Senator from Vermont are both gentlemen occupying the same position on the main question, contraction or expansion, the counter-propositions from them on this subject will probably show the Senate that on the whole it is better not to say anything about it. The amendment of the Senator from Vermont, literally construed, would prevent the Secretary of the Treasury from using these notes to pay current expenses. That was not his design, clearly; but his intention was simply that this excess above the present amount outstanding should not be used for the purpose of increasing the public debt in the shape of bonds and United States notes.

But, sir, it is impossible, in the nature of things, for you to fix the amount that the Secretary of the Treasury must have on hand to meet the ordinary current expenses. Sometimes he must have $10,000,000; ordinarily $14,000,000; sometimes, as now, it is reduced to $3,000,000. From the nature of things it is not possible to fix the amount. For instance, at the end of every quarter, when the pensions have to be paid, and when many items of the expenses of the Government have to be paid, the Secretary of the Treasury, as a prudent man, must have a pretty large amount, not in reserve exactly, but on hand, just as a good business man would have when his debts are about to become due; it may be $2,000,000, or $10,000,000, or $20,000,000. Therefore to require, according to the plan of the Senator from Delaware, to have this whole amount paid out now in the purchase of a fixed debt, so that we shall have no balance on hand to meet current expenditures, it seems to me, would not be wise.

As to the other point, the proposition of the Senator from Vermont, it does not seem to be material. The Secretary has got to buy bonds, because there is a sinking fund of $30,000,000, and he is bound by law to purchase every year $30,000,000, if for no other purpose, simply to maintain the sinking fund. That he is bound to do. Whether he pays for it in gold, or pays for it according to the Secretary's plan, in currency, is not very material. It is only a mode of keeping the accounts. I think I would prefer to buy the bonds in gold; but instead of that he sells the gold and gets currency, and buys the bonds with currency. The only difference would be, that if the proposition of the Senator from Vermont should prevail, he would pay the gold out directly in the purchase of bonds, instead of selling the gold for currency, and then with the currency buying the bonds. I do not think there is much difference in these two modes of conducting the operations of the Treasury Department. The present Secretary and the last one have always bought bonds with currency. The former Secretary, Mr. McCulloch, and Governor Chase, always bought them with gold. That is just the difference. I do not think it makes any practical difference in the result. But Secretary BOUTWELL seemed to think that it was better for the interests of the Government to sell the gold and buy the bonds with currency. The operation is the same. The gold, of which we have a surplus revenue, is applied to the purchase of bonds; and whether it be done through a double operation or not is a matter of indifference.

I think, therefore, it would be better to let the section stand as it is. We have fixed the maximum amount of United States legal-tender notes, and it is utterly impossible now to direct the application of the amount between $382,000,000 and $400,000,000. My inclination, therefore, is to vote against both amendments.

Mr. FERRY, of Michigan. I concur in the views expressed by the chairman of the Committee on Finance; and were it necessary to express the idea further, I should also concur in the proposed amendment read by the Senator from Delaware. But as I understand the first section of the bill as it now stands, under the vote of yesterday, it expresses all that would be covered by the amendment suggested by the Senator from Delaware.

Now, sir, from what has been said by the chairman of the Committee on Finance, it seems that different Secretaries act differently under the same statute. In providing for the sinking fund one buys bonds in gold, and the other in currency. I should prefer to leave the Secretary untrammeled on this subject. The object in selling gold is to obtain the premium on it; and as the premium changes, the Secretary ought to exercise his discretion. In this case, by prohibiting him from purchasing in currency, you confine him to coin. If you leave the bill to stand as it was amended yesterday, you leave it to his own discretion.

Now, sir, I prefer to let the thing stand precisely where we placed it yesterday, and let the Secretary of the Treasury, whose duty it is to do so, assume and exercise the responsibility and be so held before the country. I do not wish by any vote of mine to imply any instruction or restriction to the Secretary. I propose by our action of yesterday to have it stated frankly to him that we have decided that not $356,000,000, not $382,000,000, but $400,000,000 shall be the maximum amount of United States notes for circulation. I am sorry that the words "for circulation" were stricken out. If they were retained it would be clear, and there would no longer be any question upon its face as to construction. We have had enough doubt upon the question of maximum, and we have heard Senators here divided on the question of the authority to issue the $44,000,000. Now we propose to declare the maximum, and we are asked to restrict and raise the doubt again. I think the simple statement, as we placed it yesterday, that it should be four hundred millions, covers the whole ground, and then if the Secretary should see fit to hold in the Treasury a large amount of currency from general circulation, he will be held responsible to and meet the just criticism of the country.

Mr. SCHURZ. In one respect I agree with the Senator from Michigan, and that is, that one of the two amendments suggested here ought not to be added to the first section of this bill. I think Senators who voted for the increase of the currency to $400,000,000 had an object in view. The object, as they stated to us in their speeches, was to give greater financial facilities to the people of the West and South. If that object is to be attained by the first section of the bill as it now stands, then of course some means ought to be provided by which the money now to be issued shall be prevented from staying in the East, but shall go to the West and the South, to be there distributed among those people who need money. There are two ways, it seems to me, in which the eighteen millions can be put into circulation: first, by buying bonds; and, secondly, in defraying the current expenses of the Government.

Yesterday I read an extract from the speech of Mr. Chittenden,

delivered at the financial meeting in New York, showing that while a speculator, a broker, running his business on a capital of $100,000, could get a loan of $14,000,000 from national banks, a firm having been engaged in legitimate business for ten years, with a capital of half a million, could not at the same time get a loan of $24,000; whereupon the Senator from Michigan [Mr. FERRY] said that this fact proved the necessity of not keeping the currency in New York, but diffusing it. Well, gentlemen, what are you proposing here? If you issue the eighteen millions of currency by buying bonds, what will be the effect? You will send it right into Wall street, and there pour it into the very hot-bed of speculation. As I showed you in one of my former speeches, of the whole $25,000,000 issued by the Secretary of the Treasury after the panic, only $2,000,000 went beyond Philadelphia, Boston, and New York, and those $2,000,000, in all probability, remained in Providence and in the cities of Connecticut; so that if you send out this $18,000,000 by the purchase of bonds, certainly the people of the West and South will derive no benefit from it at all.

In the second place, if the money is paid out in defraying the current expenses of the Government, what will be the consequence? We all know that most of the money which the Government spends is spent in the East and not in the West and South, and the result will be the same. I would therefore suggest that the majority of the Senate, who have voted to fix the maximum amount of the currency at $400,000,000, instruct the Secretary of the Treasury themselves how to issue that money, so that it may accomplish the purpose which they contended for in their speeches, namely, increase the volume of currency at the disposal of the people of the West and South.

Mr. FERRY, of Michigan. When the Senator from Missouri read that extract from a speech made at the New York meeting I could not forego the opportunity of calling the attention of the Senate and the country to the fact which he disclosed through that speech, that he corroborated the position those in favor of expansion have taken throughout this discussion. When it was stated that there was a large surplus of money in New York we met it by saying that gilt-edged paper in legitimate business channels could not reach that surplus, but that speculators on call loans could, and therefore the accumulation of $25,000,000 there was no benefit to the country. I alluded to it for that purpose, and it was a rare opportunity. It is not often that the astute Senator from Missouri leaves the laches as he did at that time, and I at once called the attention of the Senate to the fact, fastening the argument on the side of the expansionists. It was simply for that purpose that I called attention to it.

I am very well aware that the purchase of bonds is made in New York. Why? Because more bonds are held there, and parties holding bonds and desiring to sell them, send them to the metropolitan market. There is the place where bonds are more advantageously sold, and money accumulates there. That is the strongest argument why we want another method of supplying currency, and that may be effected through the national system by diffusing the currency westward and southward. Money in New York will not be held when it does not pay, and sooner or later it will diffuse itself elsewhere.

I would not limit the Secretary of the Treasury. When the Senator throws the responsibility of this section upon the majority here, we are willing to shoulder it; and more than that, I will say to the Senator that when the Secretary of the Treasury finds himself in doubt and invites the majority here to instruct him we shall be pleased to do so. We understand the section adopted, and know just what is wanted with it. But my apprehension of the judgment and intelligence of the Secretary is that, left to that section, he will understand that he has no right to hold a large accumulation of currency in his vaults, but will keep no more than to meet the demands upon the Treasury. When it exceeds that necessary amount he will pay it out, and if necessary buy bonds with currency, in keeping up the sinking fund. The expenditures of the Government are made all over the country, and the money will be diffused in their payment by the Government. I prefer, therefore, to localize responsibility just where it belongs. We as a branch of the legislative department have instructed him through the adopted section. He, on the other part, as the executive officer must carry out that section, and if he assumes a responsibility that is not covered by the section, he is responsible for his acts. There is where we wish to lodge the responsibility, not let it rest on the shadow of a doubt expressed in this Chamber or in Congress.

Mr. SCHURZ. Mr. President, the logic of the Senator from Michigan is perfectly admirable. He said that the issue of $25,000,000 of currency which staid in the banks of the East only served to increase the accumulation of currency there, which benefits and encourages speculation and injures legitimate business, so that a speculator can get money for his operations and a legitimate business man cannot. That is true. But, now, what does the Senator propose in order to obviate that difficulty? To increase the currency to $400,000,000; to issue eighteen millions, in addition to the volume now out, by the purchase of bonds in Wall street, which will only swell the accumulation already existing there and aggravate the evil consequences of it.

He desires to leave the responsibility for that operation with the Secretary of the Treasury—a responsibility which I should think would be a very hard one for that officer to bear—of so distributing the currency (and here the question is not upon national banks, but upon the issue of $18,000,000 additional to what we have now) that the object which the Senator from Michigan has in view, namely, that the people of the West and South may be best benefited, shall be attained. If he has no instructions to offer to the Secretary of the Treasury about that subject, I may perhaps, before we are through with this bill, offer some suggestions in this respect myself.

Mr. BAYARD. Mr. President, I am afraid that our friends in this Chamber who are represented by the Senator from Michigan will realize again the illustration of the fable of Tantalus. The draught that they seek will ever be escaping their lips. The Senator says now the object is to reach a plethora of money in the West and South by means of banking currency; and how are they to get that? They must go to New York, which they admit to be the great money center, where these bonds find their best market and where everybody must purchase; in other words, where capital has accumulated in the shape of bonds of the Government. They will go to New York, and for $115 of currency they will obtain bonds to the amount of $100, upon which they will have 90 per cent. of banking currency issued to them under one of the provisions of this bill; so that in order to obtain their ninety dollars they will have to give up $115 of the very thing which they say is so much to be desired by them; and when they have gotten their ninety dollars of notes they will take the same course and flow by the same current and under the same forces to the same money center, to the place where he now goes as his source of supply. That I believe will be the result, and I think experience will simply repeat itself on that question.

But, sir, I wish to ask the Senator from Missouri one question. Admitting the fact, unfortunately, that it would be so, that there is here $18,000,000 of currency additionally authorized by this act of Congress, there is an increase of the volume of the currency over and above all that is admitted legally to be out now by anybody of $18,000,000. What is the Senator's design in the treatment of that fund? Does he design it be held, or how does he design it to be used? I can understand now better than when first offered the operation of the amendment of the Senator from Vermont forbidding the use of any portion of this $18,000,000 for the purchase of the bonds of the United States in the creation of a sinking fund to enforce the purchase of those bonds in gold; and that, I think, would be a very wholesome operation. The sale of gold *pro tanto* would result in gain to the United States, and we should do what we can do to purchase our bonds at par in gold, instead of purchasing them at something far over the premium on gold and silver in paper.

But I desire to ask the Senator from Missouri, what is to be the result under his theory? What use will he make of this additional $18,000,000? Does he not agree with me that expansion and contraction at a single man's will is worse than expansion by itself? How does he propose that this $18,000,000 shall be utilized? It has been authorized, and that means, of course, for issue in some shape or form. Why not, therefore, insist that it shall be issued, and after that allow the natural ebb and flow of Treasury receipts and expenditures to produce that necessary balance which the Senator from Ohio says ought to be in the Treasury to meet the emergencies of demand upon the Treasury, and which, I think, would be accomplished just as it was before? When we had a volume of $356,000,000, the ebb and flow of receipt and expenditure continued. The result was to leave in the Treasury sums varying from three to fourteen million dollars, and the Secretary of the Treasury necessarily in the very nature of things was compelled to control that, and he was controlled in that by the periodic demands of money from the Government, as well as its current and constant receipt. That demand will continue, that ebb and flow will continue, and it will regulate itself with $400,000,000 just as it did with $356,000,000; but until this extraordinary volume of $18,000,000 additional shall be issued, I ask what use does the Senator from Missouri propose shall be made of it? I assume it to be an unhappy fact that it is authorized, but, being authorized, how will he conduct it?

Mr. SCHURZ. In answer to the question put to me by the Senator from Delaware, I would say that I did not want to issue the $18,000,000 at all; but if they are to be issued, then I must say that I wish they would be issued in such a way as to produce, if possible, the effects desired by the expansionists, as far as their desire has been expressed. I do not want them to be thrown right into the caldron of speculation in Wall street, as they will be, if United States bonds are purchased with them. Neither do I desire that by any act of the national Legislature the Government should be so crippled in its resources as not to have current revenue enough to defray the running expenses of the Government. I therefore think that, as a certain object was to be accomplished by the issue of these $18,000,000, the gentlemen who desire that increase are bound to give us a method of issue by which the objects which they contemplate shall be effected. I am free to say to the Senator from Delaware, that rather than that the eighteen millions shall go where they will only do mischief, I desire that they be retained in the Treasury, and not go out at all.

Mr. MORTON. The amendment offered by the Senator from Vermont is obviously intended to defeat the action of the Senate yesterday. We have heard of the case of the man who was in favor of the Maine liquor law but opposed to its execution; and this is precisely in that line. The Senator would like to fix it so that the action of the Senate yesterday shall be defeated. Now, we are told that if the greenbacks are put out they will all go to Wall street and they will stay there; and then when we want a currency issued in the West

from national banks, we are told that currency will go wherever it is demanded, and it does not make any difference where it is put out. The argument is one way at one time and another way at another time. If it is paid out in Wall street, it will certainly stay there; but if it is paid out in the West, it will not stay there because it will go where it is wanted! Then we are told that if new banks are started, that will engorge Wall street; more money must be sent to Wall street than will be reissued; and so, whatever way you take it, Wall street gets it all!

Not one of these propositions is true. It is simply the way "how not to do it." There must be no increase of the legal-tenders; there must be no increase of national-bank currency; and to defeat all these propositions gentlemen are content to argue in a circle: at one time to argue that money paid out in Wall street will stay there, at another time that money when paid out will not stay where it is paid out, but will go where it is demanded. I hope both these propositions will be voted down.

Mr. MORRILL, of Vermont. Mr. President, is it not a little singular here when we place $18,000,000 of money in the Treasury in addition to what is there now, or has been, that Senators are unwilling to say what is to be done with it? The only purpose of the amendment brought in here, and it was a purpose stated in entire good faith, was to ascertain and fix a limit as to what the Secretary should do with it. Does the Senator from Indiana propose that the Secretary of the Treasury shall go out and increase the public debt by paying a premium on bonds in the purchase of them at 20 per cent. advance with the eighteen millions that it is proposed here shall be the maximum limit of legal-tenders? That was the object that the amendment proposed by me was intended to defeat; and there was another purpose in it. It was to make it indispensable on the part of the Secretary of the Treasury that whatever bonds were purchased should be purchased with gold. There is another use to which the Secretary of the Treasury, of course, can devote these $18,000,000. I desire that the Senator from Indiana and those who co-operate with him in this great measure of relief, as they call it, to the country, shall be made to distinctly avow their purpose. If it is their purpose that this money is to be expended for the ordinary expenses of the Government, that we are to print greenbacks to pay the ordinary expenses of the Government, let them say so.

But, Mr. President, it seems to be distasteful to the majority here that any Senator who happened to vote against the first proposition that has been adopted by the majority shall be allowed to propose any amendment; and for the sake of seeing what kind of a bill the majority here can perfect of themselves, at least for the present, I will withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. HAMILTON, of Maryland. That is an important amendment, and I think it should be adopted. I hope the Senator from Vermont will not withdraw it unless he intends to renew it.

Mr. SHERMAN. It will be renewed hereafter.

Mr. LOGAN. I wanted to say before the Senator withdrew it, and I have a right to say now, that his insinuation about the majority of this Senate is not necessary at all in a body like this. He withdraws this amendment to see what kind of a bill the majority will perfect. Does the Senator from Vermont think there is no intelligence here except what is contained in his own brain; that nobody can perfect a bill but himself? What do these Senators mean by these insinuations against the majority of the Senate as though they were a parcel of children? If you do not think they can perfect a bill, let them try it and see. Yesterday the Senators were very sensitive because the Senator from Iowa had the words "for circulation" in his amendment. He was appealed to to strike them out. He did strike them out to accommodate certain Senators; and now this morning they come forward and say they want to know what his amendment means. It only shows a determination on the part of certain gentlemen here to thwart the opinions of the majority, if they have it in their power. The tenacity with which they are acting in this matter shows a determination to disobey the will of the people of the land as well as to disregard the majority of the Senate.

Now, sir, I do not claim any extraordinary powers or any very great degree of intelligence for myself; but I do say that when Senators insinuate that no one can arrange a bill, or draft a bill, or perfect a bill or a section except themselves, it is arrogating to themselves an amount of intelligence and an amount of knowledge that they themselves alone arrogate to themselves, and that nobody attributes to them but themselves.

The PRESIDING OFFICER. The question now is on the amendment offered by the Senator from Illinois [Mr. LOGAN] to the amendment offered by the Senator from North Carolina, [Mr. MERRIMON.]

Mr. SCHURZ. I do not know whether I have exceeded my limit; but I rise to say something in reply to the remarks which have just fallen from the Senator from Illinois.

The PRESIDING OFFICER. The amendment of the Senator from Vermont being withdrawn, the debate is now on the amendment of the Senator from Illinois to the amendment of the Senator from North Carolina.

Mr. SCHURZ. Then I am entitled to speak.

The PRESIDING OFFICER. For ten minutes.

Mr. SCHURZ. I desire to give the Senator from Illinois to understand that the language which he has just been using toward what he calls the minority of this body, is very far from being polite.

Mr. LOGAN. Will the Senator allow me a word?

Mr. SCHURZ. Permit me. I am speaking now.

Mr. LOGAN. Go ahead.

Mr. SCHURZ. It seems to me that any member of this body, whether he belong to the minority or the majority, has an unquestionable right, in the exercise of his duty as a Senator of the United States and under his sense of responsibility, to offer any amendment to this bill that he pleases.

Mr. LOGAN. Undoubtedly.

Mr. SCHURZ. It seems to me, also, that there is not the least reason in the world, when a proposition is put forward as fairly and innocently as that offered by the Senator from Vermont, for subjecting that Senator to any suspicion of foul play. I am not speaking here for myself, but I believe there is no Senator on this floor who enjoys such a high reputation for fairness, for character, for intelligence, and for uniform courtesy, as the Senator from Vermont, and I do not think it can be considered appropriate in the least when that gentleman uses his privilege as a Senator of the United States in offering an amendment, that he should be reproached with language which, in the first place, puts his motives in question, and, secondly, is addressed to him in a manner which I do not know whether I should quietly submit to if it were addressed to me.

Sir, we who are in the minority on this question have the right to offer amendments, and we shall exercise that right. I do not think there is the least occasion for being told that when we exercise that right we are factiously disobeying the will of the people, or the will of the majority of the Senate. The Senate express their will by voting upon the propositions submitted, and when they are voted down the minority quietly accept the result; but until that is done I think we are entitled to be treated with just as much respect, whether belonging to the minority, however small that minority may be, as any Senator belonging to the majority, however large that majority may be. Sir, I shall insist upon fair play; shall insist upon courteous debate. I may assure the Senator that the minority of this body will not permit itself to be bullied from any course which it may conscientiously take.

Mr. LOGAN. Mr. President, sometimes, when we do not exactly understand what a Senator is replying to, we get ourselves into a *furor* without any occasion. If the Senator from Missouri had understood what I was replying to he would not have become so excited and so ferocious as to tell us that he does not know that he would submit to any such remarks. If the Senator will repeat the remarks of the Senator from Vermont, we shall see whether he will submit to the reply I made or not. I was replying to the remark of the Senator from Vermont, that he withdrew his amendment to see what kind of a bill this majority would get up, insinuating that they had not ability to get up one. That was what I was replying to; and I had a right to say what I did against such an insinuation. I was not bullying anybody. I have not attempted to bully anybody. I do not come into this Chamber to bully anybody, nor do I allow any man to bully me.

I said nothing discourteous to any Senator here. I was replying to the Senator from Vermont in reference to his insinuation with regard to the majority on this section; I did not say the majority on the whole bill, for I do not know anything about that; but I was speaking of this section that was amended yesterday by the amendment adopted by the Senate. I said in reference to that, that the majority would take the responsibility of perfecting that amendment themselves and standing by what they did, and that they have intelligence enough to do it, and I do not like any such insinuation. I said that, and I repeat it.

I am perfectly willing to be lectured, when it is necessary, about courtesy in this Chamber. The Senator from Vermont is a gentleman for whom I have as high an appreciation, perhaps, as the Senator from Missouri has, and as high regard for his ability; and I presume when the Senator from Vermont is offended at anything I say or that any other Senator says of him he is perfectly able to defend himself without the Senator from Missouri so promptly coming to the rescue, on account of the other Senator perhaps not being able to defend himself. Why does the Senator from Missouri think that he is the champion of every man in this Senate; that he must protect every man in this Senate; that he must arraign other men in this Senate for their language? If I use disrespectful and discourteous language, no man is more ready to take it back than I am when my attention is called to it; but, sir, I am not to have a censorship exercised over me by any Senator when I do not use any language toward him that is discourteous. The Senator from Missouri was not in my mind at all when I was speaking about this thing; I did not even think of him. I was thinking of the Senator from Vermont. I was not reflecting upon the Senator from Missouri. He never entered my mind until he walked forward here, and then I saw him. Then he was in my mind, not before.

Mr. MORRILL, of Vermont. Mr. President, we all understand the manner of the Senator from Illinois, [Mr. LOGAN.] He can no more help his manner than I can mine. The Senator from Illinois did, in the first opening remarks he made this morning, say some things that I thought were rather pinching, but at the same time I did not see fit to take any notice of them. And so far as his inference is that I made

any insinuation as to the majority, he is entirely mistaken. I only proposed to withdraw my amendment in order to give the majority an opportunity to perfect their bill. I might have chosen some other word and said, "see what sort of a bill," or "what bill." But there was no insinuation in my remarks. The Senator from Illinois is altogether too "sudden and quick in quarrel." I have no difficulty with him, nor with the majority.

Mr. LOGAN. Mr. President, I certainly have not quarreled with the Senator, nor have I had any disposition to quarrel with him. I said what I had a right to say when he insinuated that he withdrew the amendment for the purpose of seeing what kind of a bill the majority would make. I responded to that in just such language as was natural for any Senator to respond in.

As to his insinuation about the Senators knowing my manner, my manner is my own, and it is not the subject of criticism, either; or at least it ought not to be. My manner is my own. It may be gentle or it may not be. It may sometimes be belligerent or it may sometimes not be. It may sometimes be mild and it may sometimes be otherwise. We all have our own peculiarities. It is not a crime, that I know of. My manner is earnest; I mean what I say; and if every other Senator meant always what he said, perhaps we should understand one another better.

Mr. THURMAN. Mr. President——

Mr. SCHURZ. If the Senator will allow me——

Mr. THURMAN. I will give way in a minute. I only want to make an inquiry for my own information. I think it would conduce to the harmonious proceedings of the Senate if we were to come to an understanding at once as to what is meant by the words "majority" and "minority" in the consideration of this bill. It seems to be assumed by some Senators that because they were in a majority upon a single question, the question whether the volume of greenbacks should be $382,000,000 or $400,000,000, therefore they are in a majority upon every question that can arise in the consideration of this subject.

Mr. LOGAN. Will the Senator allow me right there? If this is in reply to what I said, I have only to remark that I stated that I did not know who was in the majority in reference to any other part of the bill, but that a majority had voted for the $400,000,000, and that was what the controversy was about, not in reference to any other provision of the bill. No one assumed any such thing; I certainly did not.

Mr. THURMAN. I am very glad to understand, then, that we are not told to keep our peace upon everything else.

Mr. MORTON. The Senator from Vermont spoke about "the majority."

Mr. THURMAN. I do not care who spoke about it, for I was not referring to any particular Senator. I want to know for my own information what is meant by "majorities" and "minorities" here.

Mr. MORRILL, of Vermont. It was first referred to by the Senator from Illinois, in his first speech.

Mr. THURMAN. Suppose there has been a majority on one single question, what does it decide? What has that majority decided? That there shall be $400,000,000 of greenbacks. Has it decided anything else than that? It has decided that the volume of greenbacks shall be $400,000,000. I repeat, has it decided anything else? Has it decided what shall be done with them? Has it decided whether or not the use of them for any particular purpose shall be prohibited or shall not be prohibited? In other words, has it attempted to define in any way, by simply fixing their volume at $400,000,000, what shall be the entire function of those greenbacks? I have yet to learn that; I do not understand it to be so, and therefore it seems to me that it will be quite sufficient to talk about "majorities" and "minorities" when each question has been decided. In other words, here are propositions as various as nature itself, and almost as multitudinous as the productions of nature. I imagine that each one of them will have to be decided upon its own intrinsic merits, according to the opinions of Senators; and that until each is decided, no one can predicate of it that there is a particular majority on this floor.

Mr. SCHURZ. I want to say only one word in reply to the Senator from Illinois, and that is that I entirely agree with my friend from Vermont, who again entirely agrees with the Senator from Illinois himself, that the manner of that Senator is his own, and I hope it will remain so.

To this I have only to add that I think it somewhat superfluous that when we on our side offer amendments to this bill, or when we say we are curious to see what kind of a bill the majority will make—and I confess to some curiosity myself—we therefore cast a reflection upon the intelligence of the majority, for I can assure the Senator from Illinois that for the intelligence of the majority I entertain the profoundest respect.

Mr. FERRY, of Michigan. Let the question before the Senate be stated.

The PRESIDING OFFICER. The amendment will be read.

The CHIEF CLERK. The amendment proposed by Mr. MERRIMON is to strike out all after the enacting clause of the bill, and to insert in lieu of the matter stricken out:

That the maximum limit of United States notes for circulation is hereby fixed at $400,000,000, at which sum it shall remain.

SEC. 2. That forty-six millions in notes for circulation, in addition to such circulation now allowed by law, shall be issued to national banking associations now organized and which may be organized hereafter; and such increased circulation shall be distributed among the several States as provided in section 1 of the act entitled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates, and for an increase of national-bank notes," approved July 12, 1870.

It is proposed by the Senator from Illinois [Mr. LOGAN] to amend that amendment by adding thereto the following:

SEC. 3. That so much of the twenty-seventh section of the act entitled "An act to provide a national currency secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof," approved June 3, 1864, and of the several acts supplementary thereto and amendatory thereof; and such of the provisions of the act entitled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates, and for an increase of national-bank notes," approved July 12, 1870; and so much or such parts of any other act or acts of Congress as limit, or as may be construed to limit or restrict, the entire amount of notes for circulation to be issued under the said act of June 3, 1864, and the several supplements thereto, be, and the same are hereby, repealed; and that hereafter all associations organized, or that may be organized, for carrying on the business of banking, under the provisions of said act, shall be free to establish and organize national banks with circulation, at any place within the several States and Territories of the United States, upon the terms and conditions and subject to all the limitations and restrictions now provided by law, except the limitation upon the entire amount of circulation, which is hereby repealed.

SEC. 4. That each national banking association now organized or hereafter to be organized shall keep and maintain, as a part of its reserve required by law, one-half part of the coin received by it as interest on bonds of the United States deposited as security for circulating notes or Government deposits; and that hereafter only one-half of the reserve now prescribed by law for national banking associations shall consist of balances due to an association available for the redemption of its circulating notes from associations in cities of redemption, and upon which balances no interest shall be paid.

Mr. SHERMAN. The only point to which I wish to call the attention of the Senate in this matter, for I do not intend to trouble the Senate with debate about this question or to defeat the will of the body, is that the amendment of the Senatof from Illinois presents the simple question, in my judgment, whether the Senate prefer free banking without limitation or restriction or any plan of redemption, to the free banking proposed by the Committee on Finance in the third section of the original bill. The pending amendment brings up for consideration the simple choice between an enlargement in the way proposed by the Committee on Finance of the amount of circulating notes to be issued by the national banks, and free banking without any limit or restraint; and here I can state in a few words the reasons which influenced the Committee on Finance, I think unanimously, to prefer the mode reported.

In the first place, if free banking is allowed, the tendency will be to concentrate not only the new banks but the old banks in the Eastern States, where, on account of the facilities for redemption, it is easier and more profitable to conduct a bank. If capitalists are left to choose the place of locating a national bank, they surely will go, first, to a State where the taxation is least; and second, where the mode of redemption is easiest; and third, where the deposits are the most, where the natural tendency of the current of deposits leads; and that has led to the concentration of the great body of the banking capital of the country within a few hundred miles of New York city.

In my judgment, if you adopt free banking without any provision for its distribution, banks will go from the West to the East, even those that are now in existence. The remarkable phenomenon was presented at this session of a bank organized in Iowa, where they have but little capital, making an application to Congress to be allowed to transfer itself bodily to Ohio, where we have nearly our proportion. We are opposed to this system of concentrating the banking circulation of this country in the great commercial cities, because it would tend to continue and perpetuate the local discontent and dissatisfaction caused by the present distribution of bank circulation. Therefore it was that we preferred, while increasing the bank circulation, to make some other rule, which would secure a fair distribution of that circulation as well as an increase of its amount. The only point we had any hesitation about was, what should be the standard of that increase. On the whole, the committee thought the State of New York was the best standard. Why? Because New York has now 5 per cent. more than the share allotted to her by the Comptroller of the Currency, and this plan of ours would give to every State an opportunity to come up to the standard of New York, which would give them all 5 per cent. more than they would be entitled to under existing laws, even if they were authorized to organize up to the limit.

The only complaint I have heard against that is, first, that it does not adopt the theory of free banking; but I have given you the objection to the theory of free banking; and another objection made by the Senator from Indiana [Mr. MORTON] is that this would not give to Indiana enough to satisfy their local demand. It will give to Indiana a million and a quarter, to Ohio about three millions, and to all the States West and South more than they can possibly organize within many years to come. But if the Senate are dissatisfied with the standard that we have proposed, let them take the State of Pennsylvania, which would increase still more the amount allotted to the Western and Southern States, so as to give them 10 per cent. more than the amount allowed by the apportionment fixed by law at present.

Mr. LOGAN. Why not take Massachusetts?

Mr. SHERMAN. Because Massachusetts is far beyond the limit. To give to those States the standard of Massachusetts would allow an increase largely to the State of New York, and would practically lead to the very objection of concentrating the great body of the banking circulation in the Eastern States. The reasoning may not be good,

but it led us to the conclusion that it was wiser to enlarge the limit in this way, to make practically free banking, without leading to further controversy about the distribution of bank circulation; and I now record the prediction that if Congress shall adopt the system of free banking without redemption, without something that will restrain the issue of bank-notes, the tendency will be to concentrate within one hundred miles of New York the great body of the bank circulation, and then you will have wide-spread discontent throughout the South and West, where the political power of this country lies, and it will endanger and may lead to the overthrow of your whole system. It is necessary in any measure you adopt to see that there is a distribution of these local banks; otherwise banks will go first where the taxes are lowest, next where the deposits are greatest, and third where redemption is easiest.

Mr. CONKLING. Mr. President, this proceeding is all so clear and so plain, and we are assured so often that those who conduct it understand it so well, that I feel that no one deserves an explanation who fails to discover the meaning of what is going on. Nevertheless, I am compelled to admit that I am puzzled a little at this moment to find out the understanding of those by whom these two amendments are presented. One Senator offers an amendment consisting of two sections, that being in the nature of a substitute for the committee's bill. Another Senator, without waiting for a vote upon that, and moving to strike out nothing, moves to add two additional sections. One effect of this is to cut off all amendments, to preclude every other Senator from offering any amendment whatever, because an amendment, if offered, would be in the third degree, and therefore would be out of order. Of course, if I were at liberty to suppose that that was the motive of this, I could understand the object; but as I am not at liberty to suppose that that was the purpose of any of the Senators who are acting separately or together, I must look for an explanation in the matter offered, which it is proposed we shall adopt, that it may stand all together. Well, let us see what we should then have.

The first section is:

That the maximum limit of United States notes for circulation is hereby fixed at $400,000,000, at which sum it shall remain.

Whether that means that $400,000,000 is to be kept out, hit or miss, whether that is the thing that is thus to remain, or something else, is not the question which I rose to put to the Senate.

The next section provides that $46,000,000 in notes for circulation shall be added to the national-bank note circulation of the country, assuming that I am able to read what appears here.

Mr. MORRILL, of Vermont. If the Senator from New York will permit me, I desire to correct him in relation to the question of order. This amendment to which he has referred was offered in the nature of a substitute. It leaves the original bill to be perfected in any manner that may be proposed.

Mr. CONKLING. But if my honorable friend had attended to my remark he would not have supposed that that was a correction of it. I am quite as well aware as he can be—that is one of the few things I do know—that it is in order to perfect the text before you strike it out. I am speaking of these two amendments; and when my honorable friend from Vermont finds a way now to offer an amendment to either of them, he will show himself the greatest parliamentarian that ever was fettered by Jefferson's Manual. I undertake to say that there is no mode of doing it; and I say again that if I could suppose the Senators intended to prevent my friend from Vermont from offering an amendment, I could see the object of that to which I am now endeavoring to call attention. It is this: Section 2 of the proposed substitute provides that $46,000,000 in bank-notes shall be added to the bank-note circulation, and then provides the means and the where it shall be distributed.

Now I come to the amendment to the amendment, which, striking out nothing, provides that the addition of bank-note circulation shall be absolutely without limit, except so far as the law of supply and demand shall establish limits; and this is all to stand in one statute together. What is it to mean when it is all adopted? If it were a will, I should appeal to the honorable Senator from Ohio [Mr. THURMAN] to recite to me the canons of construction which assign to after-coming clauses their influence upon those which precede. It is a statute, a part of an enactment to be struck with the same die and imprint of legislation on the same day; and it provides in one section that $46,000,000 shall be added to the national-bank circulation, and provides in the next-coming section that there shall be all the addition that anybody asks for. Whoever has strength or inclination to rise and move for judgment is to have it as if on a forthcoming bond, to the amount of all the circulation for which he is able to deposit bonds. And that result is effected, as I understand, by repealing so much of a great number of sections recited, and the several supplements thereto, "as limit, or as may be construed to limit or restrict, the entire amount of notes for circulation to be issued under the said act of June 3, 1864, and the several supplements thereto, be, and the same are hereby, repealed."

If those two sections consist with each other, and if that is the meaning of the Senators who have been called or miscalled the majority, and who seem to have a common understanding on this, at least an intelligent understanding, I shall be glad to know it. If, on the contrary, there is any mistake about this, and we are not asked to vote for these two sections apparently irreconcilable with each other, I should be very glad if some Senator would have the benevolence to explain it to those who, like me, do not understand it.

Mr. GORDON. Mr. President, I rise to ask whether the Senator from Illinois will not accept in lieu of the first section of his amendment, the third section of the bill offered by the Committee on Finance? For one who has acted with the majority hitherto, I am fully agreed with the Senator from Ohio, [Mr. SHERMAN,] if I understood his remarks, that this section will better subserve the purpose of the South and West than the one offered by the Senator from Illinois. If I am mistaken in that, I hope I shall be put right.

My purpose has been, as his has, and the purpose of all those who have acted together in this matter, to see that the currency shall be distributed to those States which really need it. I apprehend if we pass an absolutely free banking law, banks will be organized in those States where money is now most abundant. If it is limited to those States where the currency is needed, as the section reported by the Finance Committee limits it, it will force the money-lenders in the States where it is now abundant, if banks are organized at all, to organize them in those States where money is needed.

I propound this question more to get information for my own mind by which to be guided, than to raise any issue on this point. I agree with the Senator from New York that if we are to have free banking, the amendment of the Senator from North Carolina is utterly useless and meaningless. Why provide for forty-six millions and then provide any number of millions? I suggest to both these gentlemen that, for the third section of the bill as reported by the committee accomplishes the entire purpose for which we have been contending. I trust that these gentlemen will accept that amendment. I am satisfied that the third section of the committee's bill can be carried by a very considerable majority in the Senate. I apprehend that the other amendments will not accomplish our purpose if we adopt them. If I am wrong I desire to be corrected and enlightened on that subject.

Mr. MORTON. Mr. President, I have no doubt that the Senator from Illinois intended that his amendment should take the place of that portion of the substitute offered by the Senator from North Carolina.

Mr. LOGAN. I will answer that.

Mr. MORTON. I so understood at the time. It may be said that he offered it in addition, but it was intended to take the place of it.

Mr. LOGAN. I will state right now, if the Senator will allow me, that just at the adjournment yesterday I offered the amendment. I said nothing about it, but my purpose is to offer this amendment, when the proper time comes, to the first section of the bill of the Senator from North Carolina; after the clause as to four hundred million greenbacks, then to add this amendment so as to provide for four hundred millions of United States currency and also for free banking, striking out the other sections of the proposition of the Senator from North Carolina.

Mr. GORDON. That relieves one objection, if the Senator from Indiana will allow me, but not the one to which I called the attention of the Senator from Illinois.

Mr. LOGAN. I will look at that.

Mr. MORTON. The argument of the Senator from Ohio [Mr. SHERMAN] that free banking will result in the concentration of national banks within one hundred miles of New York I regard as erroneous, as contrary to the argument arising from the whole situation. In the first place, national banks are not profitable without deposits. The profit on the currency, as shown by the Comptroller, is less than 2 per cent. Therefore no national bank can be maintained profitably West or East, unless it shall be so managed and so located as to attract deposits. They have enough banks now in Boston and New York and every other place in the East to absorb all the deposits that are offered. They do not require a new bank for that purpose. But there are hundreds and hundreds of towns in the West where there is no bank at all, and where a bank once established will attract a line of deposits that will make that bank profitable; and this is the argument I have been trying to present during this whole discussion. I want to meet these local demands, for I say that no national bank can be maintained unless it can be maintained profitably, and it cannot be unless it can attract a liberal line of deposits; and to establish a bank in a town where there are already banks enough to absorb all the deposits, is without object. Therefore this danger of the East absorbing all the national banks is wholly without reason. If there are not enough banks in Boston for the deposits there, then give them more, I say; but if there are enough, then nobody in Boston can afford to start and maintain another national bank. I want the West and the South, and even Pennsylvania and New York, for I believe they, too, want more. I have no doubt that New York this day, in the western and middle parts, is in need of additional national-bank facilities. I have no doubt in regard to Pennsylvania. I know how it is in regard to my State. Now, put in the limitation of New York, as it is in the third section of the bill reported by the Senator from Ohio, and he says it gives Indiana a million and a quarter additional. Why, sir, that does not meet the demands of Indiana to-day.

There is no danger, in my judgment, in the establishment of free banking, because national banks are costly; they require actual capital. It is not the old system of wild-cat banking, where men could bank without capital, and where there was danger in free banking, and where there had to be safeguards. National banking is costly; it requires actual cash to begin it; and no man of sense can afford to

establish a national bank in a town where there is not a demand for it, and he will not do it. There must be a demand for it in the way of local business. He cannot afford to put two banks in a town where one bank will do the business properly of that town and that neighborhood.

Therefore, Mr. President, so far as I am concerned, while I am prepared to take the very best that I can get in this whole business, I believe, on a full and fair consideration of everything, that free banking, as it is called, is the safest and the best for the whole country. If the wants of New England are such that she actually needs more banks, I say give them to her, although she has now got far more than her share of the existing national banking capital.

The whole argument on the other side has ignored the actual condition of the country from first to last. That is the trouble with our friends. They insist on considering things just as they were in 1865. They refuse to recognize what has taken place since; they refuse to recognize the actual condition of this country. All that I have asked from first to last is that the present condition of this country in wealth, in population, in growth and development, shall be considered.

Why, sir, the present plethora of currency in New York, which is thrown in our faces at every moment, only proves the existence of disease, not that there is enough money; and when we were told in a speech the other night at the Cooper Institute that $14,000,000 could be borrowed for stock speculation, and that a respectable, responsible house could not get $25,000 for mercantile purposes for sixty days, what does that prove? It proves that there is a want of confidence; that while men will lend money upon call, upon the deposit of bonds and collateral security that may be called in to-morrow, they do not feel safe in lending it for sixty days; and yet we are told that proves that everything is lovely, there is plenty of currency, and business is in a first-rate condition! It proves just the reverse; it proves just what we have been saying. There is a want of legitimate demand for money, owing to the general prostration of business. A thousand legitimate demands that existed six months ago do not exist now, and will not, until Congress by its action shall restore confidence among the people of the United States.

The people generally demand an increase of currency in some form, a moderate increase; but we are told they cannot be trusted; if you give them any at all they gorge themselves, that they have no sense; if you trust them in the least they will go to extremities, they will become extravagant and run wild. What is money for? It is the instrument of business; and if business increases more money is required; if business diminishes, less money is required. There is no more sense in saying that there shall be a fixed volume of currency than there is in saying that a person shall have the same amount of food from childhood to manhood. The volume of currency ought to be regulated to suit the growth, increase, and demands of the country.

Mr. HOWE. I understand the Senator to say that money is demanded for business purposes; that the more money we have the more business we shall have?

Mr. MORTON. I think that is the case now; but I mean to say this: that money is the instrument of business, and as business increases money should increase to meet that business.

Mr. HOWE. Well, does the reverse hold true, that as money increases business increases?

Mr. MORTON. No, sir; not always; but as a general thing that is the case. That has been the case. Plenty of money, an abundance of money, does stimulate business; it does stimulate enterprises and growth; and that is the history of the world.

Mr. HOWE. Very well; then why not carry the Senator's reasoning out to its logical conclusion? Why stop at $18,000,000 increase?

Mr. MORTON. There is a reasonable limit to everything. While plenty of food is required to give a man strength, he may become a glutton and kill himself, and because plenty of food gives him strength and energy, would you argue in favor of starvation on the other hand?

Mr. HOWE. Not a bit of it. I have some little ways of determining when I have eaten enough. What is the Senator's plan of determining when the country has got money enough? I think a financier who has considered this subject as long as the Senator from Indiana could lay down some standard by which statesmen can determine when you have got enough. The statesmen we have here are divided on that question. What is the rule?

Mr. SCHURZ. Will the Senator from Indiana permit me to make a suggestion to the Senator from Wisconsin?

Mr. MORTON. Yes, sir.

Mr. SCHURZ. The Senator asks what is the criterion by which we are to measure whether there is money enough. Now, I am in the habit of looking at the market reports——

The PRESIDENT *pro tempore*. The Senator from Indiana has occupied ten minutes.

Mr. SCHURZ. Then I will take the floor for myself.

I am in the habit of looking at the market reports. The Senator from Indiana said that, of course, New York was full of money, but that was not a sign of a general abundance of money, but rather of scarcity. I hold a Saint Louis paper of the 25th of March in my hand, which I have received just this moment, which speaks as follows:

> During the week ending with this evening, the local money market maintained that ease which has been noted concerning it during the past three months. There have been days when the discount market was active, but as a general thing it can again be reported that the supply of loanable funds under the light demand continues to accumulate.

It quotes from Cincinnati:

> Business in our local money market has been unusually dull nearly all the week, and the banks have gained so largely in means that the market is very easy at 8 to 9 per cent., and in some instances even lower figures are accepted.

Quoting from a Chicago market report:

> It is useless for any one to deny the fact that there is an unusual amount of loanable funds in the market which the owners are willing to lend at 8 per cent. if they can get satisfactory security.

So it seems that the abundance of money in the New York market is not a sign of the scarcity of money elsewhere.

Mr. MORTON. We have heard that two or three times in this debate.

Mr. SCOTT. Mr. President, the amendment offered by the Senator from North Carolina proposes to strike out all of the bill reported by the committee, and that would strike out any provision whatever for redemption of the United States notes, and that would strike out the only thing which could induce me to vote for a system of free banking. I shall vote for a system of free banking whenever there is incorporated with it anything which looks like a reasonable system of redemption, and I not only will vote for it, but I desire to see that kind of a system of free banking.

Mr. THURMAN. Will the Senator from Pennsylvania allow me to make a suggestion?

Mr. SCOTT. Yes, sir.

Mr. THURMAN. We have on the statute-book now the amplest provision for free banking that any man can imagine, if they will only pay specie.

Mr. SCOTT. On a gold basis?

Mr. THURMAN. Yes.

Mr. SCOTT. I am aware of that.

But, Mr. President, I do not wish to take up time on that part of the case, for I have already adverted to it in other remarks that I have made. I desire it because I wish to see the bonds upon which these national banks would be based brought within the control of our own citizens, and I would be very glad to see the whole volume of the national indebtedness which is now held abroad brought back here for that purpose, if it can be brought with a provision for the redemption of our United States notes.

But, sir, I rose more for another purpose. I followed the Senator from New York in his criticism upon the second section of the proposed amendment as coupled with the amendment to that amendment offered by the Senator from Illinois, and I do not see how the two are to stand together; but my attention having been called to the consistency of these two amendments with each other, I was prompted by curiosity to scan the amendment to the amendment, knowing full well that it has been the subject of great care, and not distrusting for one moment that which the Senator from Illinois seems disposed to think some members do distrust, his ability to prepare a section of this character, or to perfect a bill. I find that he first repeals the twenty-seventh section of the national banking law, and then he proceeds, so that there shall be no difficulty about there being a repeal, and he repeals—

> So much or such parts of any other act or acts of Congress as limit, or as may be construed to limit or restrict, the entire amount of notes for circulation to be issued under the said act of June 3, 1864, and the several supplements thereto.

Turning to the section which is repealed, by reference I find it reads as follows:

> SEC. 27. *And be it further enacted*, That it shall be unlawful for any officer acting under the provisions of this act to countersign or deliver to any association, or to any other company or person, any circulating notes contemplated by this act, except as hereinbefore provided, and in accordance with the true intent and meaning of this act. And any officer who shall violate the provisions of this section shall be deemed guilty of a high misdemeanor, and on conviction thereof shall be punished by a fine not exceeding double the amount so countersigned and delivered, and imprisonment not less than one year and not exceeding fifteen years, at the discretion of the court in which he shall be tried.

So that the effect of the amendment is to release the officers of national banks or the officers of the Treasury from the penalty imposed upon them for issuing these notes in violation of the law, and then to repeal all restrictions upon the issue of the notes.

Mr. CONKLING. And that is the first section named in the amendment.

Mr. SCOTT. That is the section named, the twenty-seventh section, which imposes a penalty upon any officer acting under the provisions of the act, countersigning and delivering these notes. First, the broad language repeals all restrictions upon issuing the notes, and then you repeal the section which imposes a penalty upon the officer of the Treasury who shall issue notes in violation of existing law.

Mr. MORTON. The Senator from Illinois only intends to repeal the restriction upon the amount.

Mr. SCOTT. That is in another section altogether; that is in the twenty-second section. I do not understand that this is the intention of the amendment, but that is what it accomplishes. It makes free banking. You may issue all the notes that anybody can come for, and then if any officer of the Treasury issues $2,000,000,000, although there are only $1,500,000,000 of bonds to base them upon, he is to be released from the penalty for issuing them. He cannot issue them unless the bonds are brought, but if they are issued in violation of the section, this amendment is intended to repeal the provision

which imposes a penalty upon him. That is certainly free banking. That would certainly permit the issue of bank-notes in the manner suggested by the Senator from Wisconsin [Mr. HOWE] yesterday, to be distributed as public documents for the amusement of the children.

Now, sir, I do not wish to take up time in arguing the other features of the measure, but I do wish to call attention to what I think will show that the provision reported by the committee would certainly give opportunity for testing the operation of this free banking. Suppose you take the limit that Pennsylvania now has, which would give 10 per cent., or even if you take the limit which Massachusetts or Connecticut or any one of the New England States has; how long would it take before the additional circulation would be taken up? We passed an act in 1870 increasing this national-bank circulation $54,000,000, and it is only within the last few months that the limit has been reached. It has taken four years. During four years of prosperity $54,000,000 were applied for in the Southern and Western States. Now, with the limit of New York, the committee's bill will give about $110,000,000; and at that rate it would be at least four years more, even if the demands of the country for circulation are 50 per cent. more than they were during the past four years, before this limit would be taken up. If you adopt the limit of Pennsylvania, it would give eight years for the purpose of determining whether this free banking would operate and would in that time, as the Senator from Ohio has shown, be taking capital from the older States and perforce putting it in the Western States, instead of building up and thrusting upon public attention the monopoly in this business which would be obtained and enjoyed in the Eastern States.

Mr. MORTON. There is not so much danger of a rush, after all, is there?

Mr. SCOTT. I say there is not so much danger, after all, and therefore the section reported by the committee gives ample opportunity and verge enough for the experiment of this question of free banking; and so long as it is unaccompanied with redemption I wish to see some limit to it. Put the feature of redemption in it, and I will vote for free banking. I want it. I want to drop all the features of monopoly about the system, when accompanied by such provisions as will give it safety.

Now, sir, I have made this criticism on the amendment offered by the Senator from Illinois; and taking it for granted that it has been carefully prepared and carefully scanned, and reading that section as it stands, has it not that effect? Does it not permit an unlimited issue of bank-notes and release the officer of the Treasury who would issue them in violation of the provisions of existing laws from the penalties of that misconduct?

Mr. LOGAN. Mr. President, I have been somewhat surprised at the criticism of the Senator from Pennsylvania. It seems to me he is very late finding out this defect, if it be true. I offered this amendment, as I said awhile ago, just as the Senate adjourned last evening, as the amendment offered by the Senator from Pennsylvania [Mr. CAMERON] some weeks ago, word for word, which we had up in the Senate and discussed and voted upon. I intended to say this morning when the question came up that this amendment was offered by me inasmuch as the Senator from Pennsylvania was absent on account of a death in his family, and that it was offered as the amendment of the Senator from Pennsylvania, [Mr. CAMERON.] It is true that I added to this amendment a section that the Senator from Pennsylvania [Mr. SCOTT] himself helped to prepare, or at least I presume he did, because it is a section cut out of the bill of the Finance Committee, with not a solitary word in it altered except "one-fourth" changed to "one-half."

Mr. SCOTT. That is not the section on which I commented.

Mr. LOGAN. I know that, but that is the second section of my amendment. The other is a section which has been discussed before the Senate. I have examined it, and I do not understand the criticism made by the Senator from Pennsylvania to be a good one. Of course, he thinks it is. Now let us read it and see:

That so much of the twenty-seventh section of the act entitled "An act to provide a national currency secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof," approved June 3, 1864, and of the several acts supplementary thereto and amendatory thereof; and such of the provisions of the act entitled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates, and for an increase of national-bank notes," approved July 12, 1870; and so much or such parts of any other act or acts of Congress as limit, or as may be construed to limit or restrict, the entire amount of notes for circulation to be issued under the said act of June 3, 1864, and the several supplements thereto, be, and the same are hereby, repealed.

What is repealed? That portion which limits the circulation, and nothing else.

Mr. MORTON. It does not repeal the whole section at all.

Mr. LOGAN. Not at all; and I do not see how the Senator from Pennsylvania can fall into that kind of error. All of these acts are taken together, and then the conclusion is that so much of each of these acts and the acts supplementary thereto as limits the circulation is repealed, and nothing else.

Mr. SCOTT. Will the Senator permit me a question at that point?

Mr. LOGAN. Yes, sir.

Mr. SCOTT. Let me read the twenty-seventh section, and ask him what else there is in it limiting the circulation except the penalty upon the officer of the Treasury for unlawfully issuing it. I will read the whole section:

SEC. 27. *And be it further enacted*, That it shall be unlawful for any officer acting under the provisions of this act to countersign or deliver to any association, or to any other company or person, any circulating notes contemplated by this act except as hereinbefore provided, and in accordance with the true intent and meaning of this act. And any officer who shall violate the provisions of this section shall be deemed guilty of a high misdemeanor, and on conviction thereof, shall be punished by fine not exceeding double the amount so countersigned and delivered, and imprisonment not less than one year and not exceeding fifteen years, at the discretion of the court in which he shall be tried.

Mr. MORTON. This amendment does not repeal anything in that section.

Mr. SCOTT. Then why is it repealed? Why refer to it by name? It is the very first section referred to as repealed.

Mr. LOGAN. I beg the Senator's pardon; all of the sections in reference to banking and currency are referred to, and all the supplementary acts are referred to, and then this repealing clause applies only to the limit on the circulation, and nothing else.

Mr. MORTON. It does not repeal anything in that section.

Mr. LOGAN. It does not repeal a thing in any section, except the limit on the circulation. It names all the acts so as to encompass them in one bill and then repeals the parts that may be in any of those acts that affect the circulation, and that is all there is in it. But if the criticism of the Senator from Pennsylvania was even correct, and he desired to perfect this proposition, it would be very easy for him to move to strike out that clause.

Mr. SCOTT. I call the attention of the Senator to it.

Mr. LOGAN. Very well; we will examine it and see what it means.

Mr. FRELINGHUYSEN. It seems to me that the Senator from Illinois did not mean to repeal that act. It is too plain for us to argue about it.

Mr. LOGAN. It does not repeal that act.

Mr. FRELINGHUYSEN. The Senator from Illinois certainly did not put in his amendment the repeal of an act which was not to be affected one way or the other by this law. That is clear. What the Senator from Illinois meant, I presume, and it may have been a mere clerical mistake, is the twenty-second section.

Mr. SCOTT. If the Senator will permit me, I wished to call the attention of the Senator from Illinois to it that he might inform us as to that fact. I called attention to it in good faith. If it is the twenty-second section that is meant, then I can understand it; but if it is the twenty-seventh section then I wish to enter my solemn protest against repealing that section.

Mr. THURMAN. Will my friend from Illinois allow me to make an observation?

Mr. LOGAN. Certainly.

Mr. THURMAN. I am no friend of this amendment of the Senator from Illinois, but I must say that it is not, in my judgment, justly subject to the criticism of the Senator from Pennsylvania; and that if this amendment be a proper one, it will be proper to retain it in these words which are supposed to be objectionable. The twenty-seventh section of the banking act makes it "unlawful for any officer acting under the provisions of this act to countersign or deliver"—leaving out a part of it—"any circulating notes contemplated by this act, except as hereinbefore provided, and in accordance with the true intent and meaning of this act;" and "hereinbefore," that is, in the twenty-second section, it is provided that "the entire amount of notes for circulation to be issued under this act shall not exceed $300,000,000." Then the twenty-seventh section makes it unlawful for any officer to countersign or deliver more than $300,000,000. The object of the Senator from Illinois is to remove that unlawfulness, so that it shall be lawful to countersign more than $300,000,000, and we already did it when we authorized the increase of $54,000,000.

Mr. CONKLING. May I be permitted to ask one question? If the twenty-second section is meant, I submit to the Senator by his own showing, would not the appropriate way be to amend the twenty-second section so that when this officer acts in accordance with that, he shall be able to do what this bill contemplates?

Mr. THURMAN. That would be the better way. If you should amend the twenty-second section, so as to say, "it shall read as follows," then perhaps the twenty-seventh section would refer to it in its new form.

Mr. MORTON. The reading of the section is all the argument that is necessary.

Mr. LOGAN. The twenty-seventh section, and all preceding sections and acts, and all supplementary acts being referred to, nothing can be plainer in my judgment than that this amendment is just exactly as it should be if the Senate intends to adopt a free banking bill. I am as ready to submit when I am mistaken as anybody else, but I am not mistaken about this thing. I know the amendment is exactly right. I am satisfied of it. It repeals nothing in the world but the limit on the circulation and all things that tend to that limit in this law, and that is all it does. It is no matter whether it refers to the twenty-second or the twenty-seventh section. It names the twenty-seventh section, and refers to all preceding sections and laws, and all supplementary laws, and repeals that limit in them, and nothing else. That is the construction of the section, and it can have no other construction.

I do not suppose there is a Senator here who can frame a proposition that disagrees with the views of certain other Senators that will be acceptable. That is pretty certain. All sorts of objections

will be found to it. But the Senator from Pennsylvania is mistaken, in my judgment, as to his construction of this proposition. I admit that he is a good lawyer, but I am satisfied from examination that his construction is incorrect. The construction of this section of my amendment is to repeal the limitation on that particular thing, and nothing else. That is all it applies to except that whatever may be in connection with it in any way whatever, either of officers or anything else that refers to that limitation, is repealed to that extent and no further. That is the meaning of it, and I do not propose to change it, because it is exactly right the way it is. It repeals everything that restricts the circulation, and repeals nothing else. That is all the effect that the section has.

While I am up, I will say a word in answer to some of the objections that have been made by Senators here. As a matter of course, every kind of objection will be made to free banking. We are told that if we establish free banking the country is going to be flooded, the world is going to be deluged with paper money, and all the objections possible to be made will be made, in order to do what? In order to carry out a certain theory, and that is, the contraction of the currency. Now let us see what the volume will be. I think there is no man here who will stand up before the Senate and the country and say that the monopoly feature in the national banking law is correct. I do not believe there is a Senator here who will do that.

The PRESIDING OFFICER, (Mr. MORRILL, of Vermont, in the chair.) The ten minutes of the Senator from Illinois have expired.

Mr. MORTON. I move to strike out the second section of the original bill. The Senator from Illinois can continue his remarks on that motion.

Mr. LOGAN. On that amendment I ask leave to continue my explanation.

I was saying that I did not believe there was a Senator in the Chamber who would stand up before the country and say that he was in favor of the restrictive monopoly feature of the national banking law. If we are not in favor of that feature, if we are not in favor of restricting the right to bank in any State or Territory in this Union, what then is the converse of the proposition? It is the repeal of that restriction. What effect does the repeal of that restriction produce? It is to give any banking association that will put up the bonds in the Treasury of the United States the right to such circulation as the law authorizes, after those bonds have been placed there as the basis for circulation. That is all that this proposition does, nd it is all it proposes to do, to give the same right to one set of andividuals in one community that another set of individuals in anjother community enjoy under the present law as it exists.

Then, in reference to the amount, it is not possible that the country will be flooded with paper money. It is restricted by the volume of United States notes; it is restricted by the business of the country; it is restricted the same as anything can be by the business operations of the country, and that is restriction enough, in my judgment, so far as the circulating medium is concerned.

But the Committee on Finance say they are in favor of free banking. What sort of free banking? Free banking in one State and not free banking in two; free banking in three States, but not in five. That is not free banking. That is not taking off the restrictive feature in this banking law at all, but it is merely doling out driblets in certain States to quiet them for awhile, and that is all there is in it, and that is the meaning of it. Inasmuch as the West and South demand that they shall be placed on an equality with New England and other States, the Committee on Finance now propose to give them a crumb, so that they may be satisfied for awhile. That is all it means.

But the Senator from Pennsylvania [Mr. SCOTT] says he is for free banking with some mode of redemption. Let us see whether he is in earnest or not. I added a section to this amendment providing for a reserve of gold for the redemption of the national-bank notes to the amount of one-half of the interest accruing on the bonds on deposit in the Treasury of the United States. Why do I do that? In order that when the Treasury of the United States is accumulating gold for the redemption of United States notes the national banks may be accumulating gold at the same time, so that when the Treasury of the United States is ready to say "We will redeem our notes" the national banks will be ready to say the same thing. That is the nature of this proposition. You want the Government of the United States to redeem its notes, but do you not know that the very moment the Government of the United States proposes to redeem all the United States notes, every national bank in the United States must be prepared to redeem its notes at the same time or go into liquidation? This amendment, then, as presented, will place the Government of the United States and the national banks on an equal footing so far as the preparation for a redemption of their outstanding notes is concerned. Hence it starts out with an equality—an equality of rights in the business transaction of banking to all States and all associations, and an equality so far as preparation for the redemption of notes is concerned with the Government of the United States. In that I believe it is just.

Now, if these Senators are in favor, as they say they are, of a preparation for specie payments, here it is just as they provided in their bill, except that instead of saying, as the Committee on Finance did, that one-fourth of the gold received for interest from bonds should be held as a reserve, this amendment increases it to one-half—makes it a larger amount. That is all the difference. If these Senators are really in favor of free banking, if they desire it, this amendment provides for it, and in my judgment provides for it in the best mode we can provide for a system of that kind.

I have but one more remark to make, as the time is very short, in answer to a suggestion made by several Senators. The Senator from Ohio now absent from his seat, [Mr. THURMAN,] the Senator from Missouri, [Mr. SCHURZ,] the Senator from Vermont, [Mr. MORRILL,] and several others, have said "You talk about majorities." There has not been a word said about a majority on any proposition here except the one that was voted upon yesterday evening. I know nothing as to how the Senate stands on this proposition, except the position of a few gentlemen with whom I have conversed. I do not present this amendment because I think there is a majority for it. I fear there is not. I present it because I think it is fair, just, right and equitable, and the very thing we ought to do to relieve the country as it stands to-day.

I notice that some Senators have very suddenly become greatly alarmed at the idea of free banking. Why? Do they suppose that banking will go on in the country to such an extent that the country will be ruined, while the Government stands behind the bank-notes with its gold-bearing bonds for their redemption in the hands of the people? I should like to inquire what ruin can fall upon the people when redemption is secured? There is not a Senator in this Chamber to-day but says he is for free banking, provided you will give gold redemption. What is the difference between a gold redemption and a secured redemption? If it is secured by gold-bearing bonds that will produce the gold, I should like to know the difference. These Senators are for free banking when we have the gold, but they know we have not the gold, and they know we are not going to have it very soon. Hence they are for free banking. How? Merely to satisfy the people that they are for it provided it can be done, but they are against it because they think it cannot be done. Sir, free banking can be carried on just as well as our present limited banking, because it is upon the same basis, with the very same redemption, and with the same privileges and none other that are now possessed by banks under the national banking act. If redemption is secured with the amount of banks we have in the United States at the present time, would not that redemption be equally secure if we had twice the number of banks? If the bond of the Government is good security to the bill-holder for one bank, is it not good for two banks? This idea that you will give free banking if we have gold to bank on is, in my judgment, without any foundation whatever, as long as we have good securities.

Let us see. Suppose you have gold banking; does every Senator here not know that we never had gold banking in this country except on the basis of about one dollar in gold to three in paper? But here, under this act, we have not only a dollar of gold-bearing bonds for a dollar of bank-notes, but we have one hundred cents of a gold-bearing bond for the redemption of ninety cents of your circulation, when your gold banks that you have spoken of had but one dollar of gold to three of paper for their redemption. It makes it a more secure and better plan, a better system, than any we have ever had in this country, and gives more security to the bill-holder throughout the whole country.

I offered this, as I said, because the Senator from Pennsylvania [Mr. CAMERON] was absent yesterday evening. It was his amendment. I claim no credit for it whatever, whether it is passed or defeated. He was absent, and he telegraphed me that he could not be here. He said nothing about this amendment, however, and I offered it because he was absent, inasmuch as he had offered it before, and I knew he would desire to do it if he was here. I offered it in good faith for him, and I shall stand by it and vote for it, because I think it is right.

Mr. BUCKINGHAM. I want to make a single suggestion in regard to section 4. It provides that the banks shall retain one-half of the coin which they receive for interest due on their bonds. The question with me is, what will be the effect of holding or hoarding the coin? If it has the same effect on gold which the hoarding or withdrawing from the market of other productions has, it will be to diminish the quantity and increase the price of the balance. So, if you lock up by this bill any considerable quantity of coin in the banks, I submit whether it will not increase the price of the balance, which as a matter of course will become, as it has already become, an article of merchandise, and whether he who buys coin, whether to pay duties on imports or interest on the public debt, will not pay more for it in consequence of carrying out the provision of this section.

Mr. SCHURZ. There is one thing to be said in addition to what the Senator from Connecticut has just remarked. I think it is a very important question whether we should by law permit anything to be part of the reserve of a bank, to be used in the redemption of the notes of that bank, but that kind of money in which the redemption is made. So in this case I think it very doubtful whether we should permit gold to form part of the reserve of a national bank while the redemption of the notes of that bank is made in greenbacks. When banks are paying gold for their notes, I ask, would a good banking law permit real estate or wheat to form part of the reserve of the bank? I think not.

Mr. LOGAN. I have but this to say in answer to that: It is very strange how changeable arguments are. For months we have heard the argument here that gentlemen were in favor of gold redemption

on all hands. I have heard the argument on this floor in favor of the Treasury of the United States getting gold and hoarding it there in order to prepare for redemption now. Now we hear the argument that if the banks hold part of their reserve in gold, it will be hoarding gold and putting it out of the market. It only looks to me as though there is nothing that is satisfactory. One argument is good one day in one line, and it is just as good the next in another line. If it is good to hoard gold in the Treasury of the United States for the purpose of preparing for redemption, I want you to tell me why it is not good to hoard gold in a bank for the purpose of preparing for its redemption?

Mr. SCHURZ. The Senator from Illinois set out with the remark that it was remarkable how changeable arguments are, and then he went on to—I would not say insinuate——

Mr. LOGAN. I did not say anything about your argument.

Mr. SCHURZ. Then I suppose it referred to somebody else.

Mr. LOGAN. I referred to the Senator from New Jersey, who made a suggestion in reference to getting gold in the Treasury preparatory to the redemption of the United States notes.

Mr. FRELINGHUYSEN. Yes, Mr. President.

Mr. LOGAN. And I said that arguments were made one way on one side and another way on another line.

Mr. FRELINGHUYSEN. Yes, Mr. President, I did make that suggestion, and what I thought was as near as I could come to an argument in support of it; and I shall, before this bill is perfected, renew that same suggestion, and, with such time as I have, advocate it; for I believe the only possible way that we can ever come to a resumption of specie is to have specie, and I believe it is perfectly feasible for us to have it. As to that portion of the amendment of the Senator from Illinois, it meets my hearty approbation; and the way that I would remedy the difficulty suggested by the Senator from Connecticut is that I would make an amendment to his amendment making it lawful for the banks on good security to loan out that gold.

Mr. LOGAN. As a gold loan?

Mr. FRELINGHUYSEN. Yes.

Mr. SCHURZ. When the Senator from New Jersey interrupted me I merely desired to state that if the Senator from Illinois referred to the changing of arguments, he certainly did not refer to any of mine, for I had not made any such change.

Mr. LOGAN. The Senator from Missouri must not think I am referring to him every time I make an argument on the floor, for he did not enter my mind at all. I was not thinking of him or his argument.

Mr. SCHURZ. I do not aspire to such honor.

Mr. BOGY. Every Senator on this floor, I think, has spoken but myself, and it is time I should say something. I will detain the Senate but a moment. I rise to say a word because I wish to present to the mind of the Senate again a little plan of my own that I suggested at the beginning of the discussion of this subject as early as the month of January. It is to take this entire subject out of Congress and give it back to the States, where this subject properly belongs; and this very discussion shows that it does not belong here. As I am limited to ten minutes I will not detain the Senate in making much of a speech, but will read from the report of Mr. Ellis, the superintendent of the banking department of the State of New York, advancing very ably the same ideas:

Banking should be free—

Says this report.

What is to be the future banking system, and the paper currency of the country? The reasons why the Government should not control and manage the issues of the currency capriciously and arbitrarily, are impregnably strong. The power is so great, and its abuse is so easy, as to furnish temptations which it would be more than human always to resist successfully. The perversion of such power is so ruinous and wide-spread in its ultimate effects, and the remedy for them is so difficult to apply, that a free people should always refuse to permit their rulers to exercise such plenary powers. History is full of warning upon this point; fresh examples may be found in our own.

Under the prohibitory tax of Congress, State circulation can no longer be issued, and so long as the tax remains we must be content with the national currency unequally distributed, and adapted to the varying wants of trade, only by the limitations of restrictive law, without the inherent powers of expansion and contraction by the demands and necessities of business. While it is generally conceded that we must have a paper currency, it is at least debatable whether the present one is the best for the country.

The national banking system is radically defective in some essential features. Proof of this is seen in the numerous propositions for amendment and in the substitutes presented to Congress; and in the frequent solicitation for important changes by the large commercial associations of the country, which represent the trained capacity and the practical knowledge of the men who are foremost in our grand domestic business enterprises and industries, and who direct our commerce and traffic with other nations. The material modification of the national banking law is demanded, with the repeal of those restrictions which prevent the formation of new banks, and limit the powers of State banks by onerous discriminations against them. Banking should be free. Such a system only is consonant with the spirit of our institutions and the temper of our people.

The people evidently desire the management of their own affairs in trade and finance, with as little intervention by the Federal Government as possible, leaving to Congress the exercise of its constitutional prerogatives, and giving to the several States the reserved powers inherent in them. The regulation of the currency is a proper function of the national Government. Banking belongs to the people. In the words of an eminent writer on banking and political economy, "Banking is a trade, and only a trade, and nothing can be more surely established by a larger experience than that a government which interferes with any trade injures that trade. The best thing undeniably that a government can do with the money market is to let it take care of itself."

We may safely conclude that the public do not desire a State currency, which must in the nature of things be of a multiform and complex character, but instead a circulation that shall be uniform in every State, and so secured and redeemable that its quality will never be questioned or its holders entertain misgivings as to its absolute safety. Conceding this to be so, can that result be obtained under the State system or under the present national plan?

I believe it is entirely practicable to frame a system of banking which shall at once preserve all the excellent qualities of the national plan and still be free from the defects which are conspicuous in that, while it will be wholly removed from the tendencies to abuse and mismanagement which it is gravely apprehended inhere in that.

A PLAN FOR FREE BANKING, WITH STATE BANKS AND A NATIONAL CURRENCY.

How, then, can we secure a uniform and stable circulation with a system of free banking applicable to all the States and under State supervision?

First. Let the Federal Government issue the circulation of the country.

Secondly. Circulation shall be issued only to banks duly organized under the laws of the State wherein located.

Thirdly. Any bank so organized, may, on the requisition of the State department which exercises supervisory power over it, receive as much circulation as it shall deposit United States bonds with the General Government to secure the redemption of its bills.

Fourthly. The bills issued to one bank shall present the same appearance as those of like denomination issued to any other bank, except the imprint on the bill of the name and location of the bank, which shall indicate to what bank issued and by what bank redeemable.

Fifthly. All circulation so issued shall be redeemed by the bank to which it is issued, in specie, at one or more of the great money centers of the country.

Sixthly. All bills to be sent in the first instance to the banking department, or other State department authorized by law in the several States, for registration before delivery to the banks.

Seventhly. The organization, direction, and supervision of all banks, the rate of interest paid, and all the practical details of banking, to be left to the legislation of the several States.

This plan would conform substantially to the free-banking law of 1838, adopted in our own State, except that the paper money, instead of being local and diversified, would be uniform and national in its character. Congress would exercise the constitutional powers delegated to it in regulating the currency of the country, and the States the exclusive control of its adaptation to the wants of the people, the requirements of trade, the growth and expansion of commerce, and the manufacturing industries of the nation. The volume of circulation would always be graduated by the inexorable law of supply and demand; would expand and contract in obedience to the general laws of trade, and not at the clamor of financial pretenders, or the selfish demands of adventurers and speculators. Money is only an arbitrary standard by which values are measured, intrinsically of little worth, and valuable only so far as it represents a purchasing power of material values. Why, then, should the representative of values be restricted in its volume more than the actual values themselves, except so far as the lessons of intelligent experience teach the amount required to meet the varying conditions of commerce? Gold and silver being the recognized standard in all countries by which values are measured and determined, including paper money, it becomes necessary to redeem on demand a paper currency in coin, in order to give it stability and a uniform value approximating in the highest degree to gold value.

The serious objection to State bills issued under our free-banking law and the banking laws of other States was the want of uniformity of value. While a bill might pass current in the State where it was issued, it became less current the farther removed from that State because it was local in its character, and depended on local securities for its ultimate redemption; hence the bills of one State were not as acceptable nor as widely diffused throughout the country, even in our own internal commerce, as the bills of another—the legitimate result of the superiority of the system of banking, and the stability and quality of the securities pledged for their redemption of one State over another.

The free banking system of New York was regarded as the most perfect which was ever devised, prior to the establishment of the national plan. The national system is one of the products of war. It is equal proof of the soundness and excellence of our free-banking laws that the national law is a transcript in the most of its essential features and fundamental principles from the New York laws. It is in the novel and distinctive characteristics of the national plan, that the gravest defects and the most serious jars are found in the practical operations of the national banks. Hence the national scheme furnishes both positive and negative testimony of the superiority of the New York plan. The merits of the national system are borrowed; its defects are original. Its sole conspicuous advantage is uniform currency. The plan I have submitted, it is believed, will embrace the practically proven merits of both, without the known defects of either.

There is no emergency, either political or financial, at present, which requires the maintenance of the harsh and prohibitory provisions and needless discriminations against State banks, which exist in the national system. I respectfully submit that your honorable body should request the Representatives of the State in Congress to endeavor to procure such legislation as will relieve the State banks from their present condition, and will insure for them the exercise of the powers and the enjoyment of the rights now possessed by the national banks in respect to circulation. The plan which I have proposed would secure these without any violent disturbance of existing institutions, while it would greatly contribute to the agencies which serve the business interests and commerce of the people of this and of other States.

On the 5th of January and on the 19th of February I made remarks on this subject to the Senate. I take this gentleman, from whose report I have just read, to be a good financier; and as he agrees with me, it is natural that I should think so. He made his report to the Legislature of New York on the 6th of January, and I made my first speech on the 5th of January; but I do not think he stole anything from me, and I do not think I could have got anything from him. It only shows that men will agree sometimes about the same thing, though they are a great distance apart and have not communicated with each other.

Now, sir, I am opposed to free banking under the Federal Government, although I am in favor of an expansion of the currency. Believing that the country, particularly the West—the section whence I come—needs it, I shall vote for an expansion of the currency. But at the same time I wish it to be distinctly understood that I have never been a friend of this system, and am not now. I am opposed to the whole system, and believe it to be radically wrong. I am in favor of specie payments at some future time, and hope that day will come around soon; but in the mean time I am willing that my section of the country shall have some means of trading and doing business. I said in my speech of the 5th of January:

While I hope to see the day when this entire system will be changed, yet for the time being, and because our wants are pressing, I urge an issue of fifty millions—not for the West, but for the entire country—knowing now that the most of it will go to New York and other eastern cities

Let all this system, however, Mr. President, be of short duration. It is not competent for this Government, or any government, to make money beyond coining metal, gold and silver; and if the Government were competent, in a country like ours—composed of different States, spreading over a continent, and extending across different latitudes, with different productions, different wants—it is impossible for the national Government to exercise wisely this power. Both as a political and a commercial question, such a power should not be in the Federal Government. The States are the proper agents to discharge this duty. Each State, knowing its wants and its needs, can do this with more wisdom and without any danger of overissue. But owing to the fact that we have different States, extending over a continent, with varied and different productions, the necessity of uniformity in value becomes of paramount importance. While my idea is that the States should have the power to charter as many banks as they might think proper, they being the judge of the amount of money they require, I would have a law for the entire nation, requiring all the States to deposit United States bonds, as is now required by the law authorizing national banks, and as the nation is responsible for these bonds, and would have possession of them, to assume, as is now the law, the payment of the circulation. This would give uniform value to the circulation. To this general law each State would be required to conform. This would take from the Federal Government the power to control now exercised by Congress and the Secretary of the Treasury. This system of banking I would call *State independence with national security.*

On the 19th of February I said:

Mr. President, I hope to see the day when this whole system will be wiped out; when such a thing as the Federal Government making paper and calling it money will be a thing of the past. The whole subject should be as speedily as possible removed from the Halls of Congress and remitted to the States. The resolution I introduced some time ago, and now before the Committee on Finance, fully explains my views on the subject. Let each State be the judge of the amount of banking capital its business wants require, as also the number of banks. Let each one provide what security it may deem proper for its depositors. Yet, as the notes issued perform a function which is national, because they circulate in every part of the country, the security for their redemption should also be national. This would be effected by the deposit of Government bonds as now required by the national banking law—*State independence with national security.*

The PRESIDENT *pro tempore.* The Senator's ten minutes have expired.

Mr. HAMLIN obtained the floor.

Mr. CAMERON. Will the Senator from Maine allow me to make a correction in the amendment?

Mr. HAMLIN. Yes, sir.

Mr. CAMERON. My object in presenting the amendment the other day was to repeal all acts which limited the circulation of the national-bank notes. I had written the twenty-second section and sent it to the Clerk so; but in order to remove all doubt on that subject, I move now that the word "twenty-seven," in the first line of section 3, be made "twenty-two."

The PRESIDENT *pro tempore.* That amendment is not in order at the present time, unless the Senator from Illinois chooses to accept it.

Mr. CAMERON. I think the Senator will.

Mr. LOGAN. Certainly; I offered the amendment in lieu of the Senator from Pennsylvania.

Mr. HAMLIN. I understand that the Senator from Missouri, [Mr. BOGY,] both from his reading from a report of some gentleman in New York and from speeches which he has made in this body, is opposed to the present banking system, and in favor of what he calls the independent State banking system. Am I correct?

Mr. BOGY. Yes, sir.

Mr. HAMLIN. Then I wish to ask the Senator one other question. Does he not believe that the passage of the bill now before us will aid in producing that result?

Mr. BOGY. Will aid in producing a State system?

Mr. HAMLIN. Yes. If you pass into a bill the amendments now pending before us, I ask if the Senator does not believe it will hasten the very result which he desires to accomplish; in other words, break down the present system and create some other?

Mr. BOGY. It might in that way break down the present system; but otherwise I do not see that it would bring about a State system. The abuses of the present system may possibly break it down; but that would not in a legitimate way lead to a State system. I am in favor of a State system, with national security. I am in favor of each State providing the means of security for the depositors, the administration of the bank, the examination of the bank, the reserves, and all those things. All I would retain in the Federal Government would be that feature which in itself is national, the circulation, so that a note issued from a bank in Kansas might permeate this whole Republic, the nation being interested. I want a banking system with a redemption in gold as soon as possible.

Mr. HAMLIN. I understand the Senator. I only wish to say that I do not agree with the Senator in his first proposition. I am not opposed to our present banking system; but I do agree with him, if such be his opinion, that the passage into a law of these propositions now before the Senate would hasten the very result he desires to accomplish.

Mr. MORTON. Mr. President, the best method of breaking down the present system, and making it so odious that no party can carry it, is to maintain its monopoly feature. I move to strike out the second section of the original bill, and call for its reading.

The PRESIDENT *pro tempore.* There is an amendment now pending proposing to perfect the substitute. That will take precedence of any other motion; but the Senator can have the section read if he desires.

Mr. THURMAN. I should like to understand the ruling of the Chair. I suppose it has been the practice of the Senate to allow a bill to be perfected before a vote was taken on the adoption of a substitute for the bill. If there is any objection to that in the present stage of this bill, it must be because the Senator from Illinois has offered an amendment to the substitute of the Senator from North Carolina; but I hardly see how that makes any difference in the rule. You may perfect the original measure before a vote is taken on striking it out and substituting some other. I should like to know what the ruling is.

Mr. MORTON. Does the Chair rule my motion out of order?

The PRESIDENT *pro tempore.* The Chair does rule it out of order at the present time. The question is on the amendment of the Senator from Illinois [Mr. LOGAN] to the amendment of the Senator from North Carolina, [Mr. MERRIMON.]

Mr. HOWE. I wish the Senator from Illinois would modify his amendment for the present, or at least I wish he would move the first section of it separately. I have once voted for that proposition. Although the situation is somewhat changed since I gave that vote, it is not so much changed but that I shall feel compelled to vote for it again. If the Senate should agree to that or disagree to that, there would be no embarrassment in moving then the second section. I cannot vote for the second section of the amendment, and I cannot vote for the first section of it with the second. I can see no necessity for crippling the banks as it is proposed to cripple them by that section.

I noticed that the Senator from Ohio, [Mr. SHERMAN,] in explaining the measure that he reported, called this a "strengthening of the banks." I do not understand how it strengthens the banks to require them to pile up coin, which they cannot use, in their vaults. If you are to require them to invest the same amount of capital it would take to get this coin in real estate or in neat cattle or in something that might earn something, that might strengthen the banks. But, as the Senator from Connecticut has remarked, you command the banks to snatch from the community that which is of use to them, put it beyond the reach of the community and where it subserves no purpose whatever. Besides, is it treating the bank sin good faith? You have required them to purchase certain bonds, which bonds are issued by the Government of the United States and promise to pay the holder a certain amount of interest every year. The holders of those bonds hold the promise of the Government that they shall receive so much coin every year. Now, you do not repudiate in terms that promise. You say to them, "We will still pay the coin but you shall not use the coin." How much better, practically, that is than repudiation, I will not undertake to say. It is something better, I admit. It is not the identical thing; nor does it seem to me to be the performance of the promise which you have made to the purchasers of bonds. Therefore I cannot vote for that second section. I will vote for the first section.

I want to say to the other Senator from Ohio who sits farthest from me [Mr. THURMAN] that when he says that we have already under the statute an authority for the freest banking that anybody could desire, I think he either misinterprets our statutes or I do. I believe that arson or burglary is just as free as banking. I know that any corporation may issue notes under your laws upon the condition that they are to be redeemed in coin. But you have two laws. One says, to a certain number of favored corporations, "You may issue notes convertible into other paper;" paper just as abundant and more abundant in the community than the notes they are permitted to issue. Now, when you find another statute on the book which says to all other men, "You may issue notes also, if you will redeem them on demand in something worth 15 or 20 per cent. more than the first class of notes are redeemable in," it does not seem to me that that answers any part of the definition of free banking. I say the law authorizes the Senator to commit arson to-day if he pays the penalty; at all events he can commit it if he stands the penalty. That is the only condition upon which any one, except the favored corporations, can issue notes. They must pay the penalty. It is not quite so severe as that imposed upon arson, but it is heavy enough to stop effectually the issue of notes here.

I wish the Senator from Illinois would be content to take the vote of the Senate first on the first section of his amendment, and then if he insists upon the second section, try the sense of the Senate on that.

Mr. LOGAN. When the vote comes on that, we can arrange that proposition.

Mr. WRIGHT. I wish to understand whether the pending question is upon the amendment proposed by the Senator from Indiana to strike out the second section, or the amendment of the Senator from Illinois.

The PRESIDENT *pro tempore.* The pending question is on the amendment of the Senator from Illinois, [Mr. LOGAN.] The Chair will state that the motion of the Senator from North Carolina [Mr. MERRIMON] was to strike out the bill and insert the amendment which he offered. The motion of the Senator from Illinois is to amend the amendment which it is proposed to substitute for the bill. The Chair rules that this amendment to the amendment must be first disposed of. After that is done, the amendment being complete and perfect, then the question will be, shall that be substituted for the bill? Then the friends of the bill can perfect the bill, of course, by striking out or adding to it or amending it otherwise. If this were not so, there would be two amendments pending before the Senate at the same time.

Mr. LOGAN. No doubt the decision of the Chair is right; but in order to relieve this matter and test the sense of the Senate on the

second section of the bill reported by the committee, that the Senator from Indiana wishes to strike out, which seems to me to be a very obnoxious section, and which I am in favor of striking out, I will withdraw temporarily the amendment I offered to the amendment of the Senator from North Carolina, so that the question then will recur on the motion of the Senator from Indiana.

The PRESIDENT *pro tempore*. The Senator from Illinois withdraws his amendment to the amendment of the Senator from North Carolina. Now the motion of the Senator from Indiana is in order, which is to strike out the second section of the original bill. Is that the motion?

Mr. MORTON. Yes, sir.

Mr. WRIGHT. I rose for the purpose of addressing myself to the proposition of the Senator from Illinois to amend the amendment of the Senator from North Carolina.

The PRESIDENT *pro tempore*. That is no longer pending.

Mr. WRIGHT. I have nothing to say on the pending amendment, but I have on the other amendment when it shall be offered. But I wish to say this, inasmuch as it seems to be taken by consent here that there is no power to amend the bill in the attitude that it was at the time the decision was made, that I have very great doubts of the correctness of that ruling, and I trust the Senate will not accept it as the conclusive ruling of the Chair or the Senate on that question.

Mr. MORTON. I desire to take the sense of the Senate on the proposition involved in the second section of the original bill to authorize any person having $1,000 in greenbacks, or any multiple thereof, to convert them on demand into bonds drawing 5 per cent. interest in gold, payable in gold at the Treasury of the United States at any time after ten years. The object of that section, as I understand, on the part of the chairman of the committee, is to bring greenbacks to gold value on the 1st of January, 1876, by authorizing them to be converted into a bond which of itself is at par in gold. His argument is that as the 5 per cent. bond is at par in gold, when you authorize the conversion of the greenbacks into that bond, you make them of the same value, thereby bringing the greenbacks up to par in gold; in other words, you resume specie payments.

In the first place, if it is to have that effect, I am opposed to it. To make a change of 10 per cent. or 12 per cent. in the value of the greenback in twenty-two months, by the 1st of January, 1876, is too sudden. It will be disastrous to the business of the country; it makes too great a change in values. It adds 10 per cent. to the burden of every debt so far as the debtor is concerned, and it adds 10 per cent. to the value of it so far as the creditor is concerned, while there are very few debts in the country that have not been contracted upon the present value of the greenbacks, or even when they were of less value than they are to-day. If it is to have that effect, I am opposed to it because it would be a great hardship and result in extensive bankruptcy, great derangement, and even panic, to make a change of 10 or 12 per cent. in the value of our currency in twenty-two months. It ought to be much more gradual than that. That is my first argument.

My second is that if it will not have that effect, to bring the greenback up to par, then there is no object in it; the public debt is increased for no purpose. There can be no object in converting a non-interest-bearing debt into an interest-bearing debt if it is not to have the effect spoken of by the chairman of the committee; and if it does have that effect, it will be disastrous, as I before remarked.

In the next place, I am opposed to this section because it reposes in the Secretary of the Treasury the discretion to contract the whole greenback currency. He is authorized to convert all the greenbacks into 5 per cent. bonds, and then to pay out the notes for the public debt in the redemption of 6 per cent. bonds, or current expenses, at his pleasure. If the Secretary is of opinion that bonds ought not to be bought with greenbacks when they come into the Treasury, or that the current expenses of the Government ought not to be paid with them, he is authorized to hold them and thus to contract the currency to the amount of the whole volume of greenbacks. It reads:

> And the Secretary of the Treasury may reissue the United States notes so received, or, if they are canceled, may issue United States notes to the same amount, either to purchase or redeem the public debt, or to meet the current payments for the public service.

It gives to the Secretary of the Treasury the discretion to contract the entire volume of the greenback currency. He may pay it out or he may not, in his own discretion. The Senator from Ohio yesterday said that he had the same discretion now. I say not. The Secretary at present has discretion so far as the surplus revenue is concerned, which is now nothing. But if there happens to be surplus revenue, he may invest that in bonds or not, at his discretion, and he therefore has the discretion now as to the surplus revenue. We have had surplus in times past, we have none now, and if this policy is to be adopted we shall not have any, in my opinion, for many years to come.

But this section of the bill authorizes the conversion of all the greenbacks into 5 per cent. bonds, and the holding in the Treasury all the greenbacks thus received, so as to convert the entire volume, if you please, which will have the effect to destroy all the national banks, and destroy the business of the country; because when you contract the greenbacks you take them into the vaults, the banks can no longer redeem with them, they cannot get their reserves, and they are compelled to wind up.

Mr. President, this is all I have to say now.

Mr. BUCKINGHAM. I think the Senator from Indiana is mistaken in regard to his idea of the effect of preserving this section of the bill. His idea seems to be that it will bring ruin on the country if legal-tender notes are converted into interest-bearing bonds. Now, I submit whether there can be any injury to the business of the country unless there is somewhere a depression; unless there is a reduction somewhere in values. But this section proposes to depress nothing, unless it is possible you may say it depresses the value of gold. On the contrary, the effect of this section will be to increase the value of legal-tender notes, and I submit that there is not a man from one end of this nation to the other who can be in the least injured by raising the value of the legal-tender notes toward the gold standard. This, in my judgment, would be the effect of retaining a measure of this kind.

Further, I should hope, if that privilege is permitted the American people, it would be followed by another privilege; and that would be of exchanging bonds for legal-tender notes. If that should be adopted and become a law, there would be an interchangeability between notes and bonds, and they would hang upon the pivot of a 5 per cent. interest; and upon that pivot they would sway forward and back, up and down, according to the demands of the business of the country.

Mr. MORTON. Will my friend allow me to ask a question?

Mr. BUCKINGHAM. Certainly.

Mr. MORTON. I ask my friend from Connecticut this question: If by the adoption of this provision you change the value of the greenback note 10 or 12 per cent. in twenty-two months, give it that much additional value, what is the effect of that upon the debtor class of the country? I ask him if it does not increase the difficulty of paying debts just the extent of the appreciation?

Mr. BUCKINGHAM. Well, if I owed $1,000, and had the greenbacks to pay it with, and you should enact a law making these greenbacks worth 12 per cent. more, I think I could pay my debt just as easily as I could before.

But I was going to remark that this interchangeability cannot work any such evil, in my judgment, as some members of this body anticipate. The Senator from Indiana thinks there would be an absorption of the greenbacks into bonds. Who will put his greenbacks into bonds? He only who holds the money and cannot use it so as to make a profit of more than 5 per cent. If he can use it in his business so that it shall be worth more than that, he will retain it in his business as a wise man; but when money concentrates, as it does at some seasons of the year, as every Senator knows, so that it becomes a drug, there is a surplus that is not wanted for legitimate business at this rate of interest, and then the holder of these notes could go to the Treasury and take his bond. Again, suppose business to revive, and he should see a way in which he could use his money to a greater advantage than by holding his 5 per cent. bonds; then he would be pressed by his interest to go to the Treasury and take his bonds and get the greenbacks.

Mr. MORTON. The section does not provide for that.

Mr. BUCKINGHAM. I say the section should be followed by that provision, and I do not hesitate to say that, according to the best judgment I am able to mature on this subject, there is no other suggestion which has been made to the Senate that would so adapt itself to the business interests of the public as that which would allow men to fund their notes into bonds and then to reconvert the bonds into currency according as their interests should demand. I do hope, notwithstanding the fears of some men on this subject, that plan may be tried; for I am sure if it is not, if you adopt a policy of free banking, and with it make no provision for a redemption in anything better than an exchange of notes which are of equal value, then the business interests of this country are on the road to inflation and the result will be positively evil. Free banking without redemption is no help to the business of this nation.

Mr. THURMAN. Mr. President, in the observations that I submitted to the Senate a few days ago I stated my opposition to this section in the form in which it now stands, and gave very briefly the reasons why I thought it was too stringent and harsh a measure. I said then that if it would have the effect which the committee supposed it would have of appreciating greenbacks to gold by the 1st of January, 1876, although it would be very desirable to get back to specie payments, that would be too severe upon the debtor class, and would result in the bankruptcy, perhaps, or their failure to perform their promises, of the national banks. These reasons the Senator from Indiana has repeated. But he has suggested another objection to this section that in my judgment has no force or validity whatsoever. He says if it becomes a law, it will be in the power of the Secretary of the Treasury to contract the volume of the currency by drawing in greenbacks and keeping them in the Treasury. Why, Mr. President, the Secretary of the Treasury can only pay out money in pursuance of appropriations made by law. He can pay it in no other mode, for the Constitution itself forbids it, and he can pay out no more than is appropriated; and whether he make payments in the national-bank notes that are received into the Treasury or whether he make payments in the greenbacks that shall be received into the Treasury, the effect upon the volume of circulation will be precisely the same.

Mr. MORTON. Will my friend allow me to ask him a question?

Mr. THURMAN. Certainly, provided it is not taken out of my ten minutes.

The PRESIDENT *pro tempore*. It does come out of the Senator's time.

Mr. THURMAN. Then I must beg that the Senator will move another amendment at some other time and put his question then. But can anything be clearer than that? How can the Secretary of the Treasury hoard these greenbacks in the Treasury if there are appropriations that require him to pay them out? If there are appropriations that require him to make payments of money out of the Treasury, what difference does it make whether he pay out national-bank notes which have been received or whether he pay out greenbacks? So far as the volume of the currency is concerned, it makes no single particle of difference. There is therefore no contraction by the Secretary of the Treasury caused by hoarding greenbacks in the Treasury involved in this section.

Mr. MORTON. The Senator certainly does not mean that. Will he allow me to ask him a question?

Mr. THURMAN. I will.

Mr. MORTON. If $100,000,000 of greenbacks are brought to the Treasury under this section of the bill, the Secretary of the Treasury is bound to give 5 per cent. bonds for them. He has then got $100,000,000 of greenbacks in addition to his revenues. We will suppose that he has revenues enough to meet the current expenses of the Government. Then this bill gives him the discretion either to put this additional $100,000,000 of greenbacks into 6 per cent. bonds, or to hold them in the Treasury. If he holds them in the Treasury, as he has power to do, it is contraction to that amount. Will the Senator deny that?

Mr. THURMAN. Suppose that to be so, that is not hoarding by the Secretary of the Treasury.

Mr. MORTON. I say he keeps them there; he contracts to that amount.

Mr. BUCKINGHAM. Allow me to say a single word. The Senator from Indiana thinks it would be a contraction while the money would be in the hands of the Secretary of the Treasury.

Mr. MORTON. It would not be in circulation then.

Mr. BUCKINGHAM. It would not be in circulation. That he calls taking money out of circulation. Where would it have been before? If it was not wanted in business, it would have been locked up in the vaults of the banks. Would it have been in circulation then?

Mr. MORTON. It might not come from banks at all; it might come from private persons who wanted to invest in that way.

Mr. THURMAN. The Senate will see in a moment that the Senator from Indiana has now shifted his objection to another portion of the section. The contraction would not result from any action of the Secretary of the Treasury, as he supposed, but would result from the fact that greenbacks might be funded in 5 per cent. bonds. If that provision is not right strike it out; but so far as the action of the Secretary of the Treasury is concerned, so far as any volition on his part is concerned, which would result in a contraction of the currency, there is nothing of it in the section.

Now, what is the practical common sense of this business? It is simply this: Suppose the effect of this section, if it become a law, should be to appreciate greenbacks to the par of gold; suppose that should be its effect because the Government would give 5 per cent. bonds equal to gold at par for its greenback; would that cause all the greenbacks to be converted into bonds? No, sir; no more than a specie-paying bank is required to pay all its notes in specie. When a bank pays specie, and everybody understands that it pays specie, those who hold its notes make no run upon it. It is only when they become doubtful whether it will pay specie or not that they make a run upon it. So, too, when it was known that the Government would give a 5 per cent. bond equal to gold at par for the greenback, and that that bond could be obtained at any time, it would not produce a run of greenbacks on the Treasury for 5 per cent. bonds. If they become by that measure equal to gold, and they may be used to more advantage than the 5 per cent. bonds, if, in the language of the Senator from Connecticut, they produce a greater profit in business, nobody in his senses would think of demanding 5 per cent. bonds for them.

My own opinion is that, inasmuch as the average rate of interest in this country almost everywhere is greater than 5 per cent., if you were to-day to say that these greenbacks should be converted into 5 per cent. bonds, the conversion at the Treasury would be very limited indeed, extremely limited. There are very few men who are willing to give up their currency for a 5 per cent. bond; and the proof of it is that our 5 per cent. bonds are being hawked about in the European markets because there is no sale for them at home. No, sir; that is not the danger; but the danger, and the only danger of this section as it now stands, is, that you appreciate the price of greenbacks too rapidly. I said before that if it would have the effect that the chairman of the Committee on Finance supposed it would have, it would be too harsh upon the debtor, and would endanger the national banks; and how endanger them? It would bring them up to specie payments on the 1st of January, 1876. Would they be able to pay specie on the 1st of January, 1876, and thenceforth? I fear they would not; and I fear, therefore, that the only result of it would be that Congress would be appealed to then to change this very law for the alleviation of the national banks, and the prevention of the forfeiture of all their charters.

These are the substantial objections to this section, and not any idea whatsoever that greenbacks will be too rapidly converted into 5 per cent. bonds.

But, Mr. President, I should like if the Senator from Indiana would designate when, if ever, these greenbacks are to be paid in gold. He says, and I think with him, that the 1st of January, 1876, is too soon. Does he mean that there shall never be a redemption? If he does not, what day instead of the 1st of January, 1876, would he name as the day on which the Government of the United States shall begin to redeem its promises? I should like to know that. Perhaps he will retort by saying, "What is your plan?" Why, Mr. President, we are told that the Senator is in a majority on this question, and that it is something almost like impertinence for us in the minority even to suggest an amendment——

The PRESIDENT *pro tempore*. The Senator's ten minutes have expired.

Mr. THURMAN. I believe I shall have to move an amendment, some way or other, to get to finish my sentence, when it is in order.

The PRESIDENT *pro tempore*. It is not in order now.

Mr. THURMAN. Then I shall have to wait for another time.

Mr. FRELINGHUYSEN. Mr. President, I shall be obliged to vote for the motion to strike out this second section unless it can be amended. The section contains a provision to the effect that on the 1st of January, 1876, the Secretary of the Treasury shall be required to pay the United States notes in gold coin, and yet in the whole bill there is no provision giving the Secretary a dollar of gold coin wherewith to pay. Such a provision does not amount to the dignity of legislation. It is calling upon the Secretary to make brick without straw; it is keeping the "promise to the ear," but "breaking it to the hope."

The next provision is that if he cannot pay in coin he is to redeem the United States notes in 5 per cent. bonds. Suppose one hundred millions of United States notes are presented and funded. That certainly produces a serious contraction.

And how are these notes to be again put in circulation? There are two methods for their circulation mentioned in the bill, but only one is available. One provision is that the notes may be used in paying the expenses of the public service; but the provision of the sixth section says that nothing in the bill shall be construed to increase the principal of the public debt of the United States; and using these notes which shall have once been funded would be increasing that principal indebtedness. Hence the only possible mode of placing these notes again in circulation is by the Secretary of the Treasury buying bonds; and he may buy them as fast or as tardily as he sees proper; and the question of contraction or expansion in the money market is left to the discretion of one man.

Mr. MORTON. He may not buy them at all.

Mr. FRELINGHUYSEN. He may expend all he has in bonds, or he may not buy them at all. Now, Mr. President, to hurry on, for I wish not to lose my time, there should be a provision to take the place of the second section. That provision should look to the resumption of specie payments. There is no Senator or member of Congress who does not profess to believe resumption most desirable; because the faith of the nation is pledged, because all would keep the credit of the nation good abroad as well as at home, because all would increase our circulating medium by introducing the gold currents of the world, because we would have a fixed and stable standard of values so that business may cease to be a mere game of chance, because we do not wish to encourage wild speculation. For these reasons, thus briefly referred to, all members of Congress profess to favor the resumption of specie payments.

How are we to attain that end? Not by possessing the Treasury of an amount of gold sufficient to meet dollar for dollar all our promises. That is impossible and is also unnecessary, and would not effect the result; because as soon as we had redeemed all our promises, we being debtors, must make new promises for constantly accruing indebtedness, and those promises we would be under obligations again to redeem. How are we to resume specie payments? In one way only, and that is by establishing the faith, the confidence, of the people of the country in the belief, not that we can pay specie dollar for dollar in a time of panic, but that we can in the regular course of business meet our promises in gold. How shall we establish that faith and confidence?

In 1838 and 1839, in 1858 and 1859, when our banks resumed, they had less than 33 per cent. of gold for their circulation, and yet with that they resumed. The credit of the United States is vastly better than ever was the credit of the banks; and, besides, large amounts of the United States notes being required as a reserve for the banks would never reach the Treasury. Thirty-three per cent. on $400,000,000 is $133,000,000. The receipts in gold by our Government are $180,000,000 a year. The expenditures of the Government, in gold, counting everything, are $136,000,000 a year, leaving a surplus balance of gold per year of $44,000,000. In three years $44,000,000 amounts to $132,000,000, or about as much as is necessary to give 33 per cent. on the $400,000,000 of our notes. The income from our mines is $73,000,000 a year, as I am satisfied, and admitting that $50,000,000 of that amount goes abroad, we have $23,000,000 a year remaining here. This we could purchase with bonds. Three times twenty-three is sixty-nine, making from this source $69,000,000, while the $132,000,000 from surplus makes $201,000,000 in three years. Thus the policy of accumulating gold by means of our surplus, and by giving the Secretary of the Treasury the right to purchase gold from our own mines, without even going abroad, would give us an accumulation which would render it safe to commence specie payments. In four or five years it

certainly would amount to a sufficient sum. And besides there is not less than one hundred and fifty millions of gold that is hoarded in the country, and this would be brought into circulation.

In order to continue specie payments I would authorize the Secretary of the Treasury, as he receives the United States notes which would be brought to par by their convertibility, to exchange them from time to time for coin at par, and thus constantly replenish the Treasury in gold and prevent its exhaustion; and to do this we should give him the power to issue bonds for the purchase of gold as the market would render it wise and prudent for him to do so.

There should be one other provision, that in case of a failure of ability to redeem in coin the Secretary should be at liberty to redeem in bonds. That, while it renders redemption certain, is a feature of the plan I suggest which involves the possible contingency of contraction. Everything else in the method of resumption looks to a healthful expansion of our circulating medium. And if any one objects to the possibility of contraction from the absorption of United States notes in bonds, you may omit that feature of the plan. We would have gold enough for all notes that would ever be presented.

Mr. President, the Senator from Ohio asked what day should be fixed for the commencement of the resumption of specie payments. Sir, in my opinion it is fatal to resumption to fix any day. Fix a day and gold will be hoarded and the price enhanced so that you cannot get it, while at the same time——

The PRESIDENT *pro tempore*. The Senator's time has expired.

Mr. SHERMAN. Mr. President——

Mr. FRELINGHUYSEN. I should like to speak about five minutes longer.

Mr. SHERMAN. I do not wish to interrupt the Senator.

Mr. CAMERON. I hope the Senator from New Jersey will be allowed to go on.

The PRESIDENT *pro tempore*. The Chair has no right to stop the Senator. He only admonishes him that he has spoken ten minutes.

Mr. CAMERON. Then I move that the Senator be allowed to speak five minutes longer.

Mr. FRELINGHUYSEN. I do not want over two minutes.

Mr. HAMLIN. I would not violate the rule a minute.

Mr. FERRY, of Michigan. Mr. President——

The PRESIDENT *pro tempore*. The Senator from Michigan.

Mr. FERRY, of Michigan. I yield to the Senator from New Jersey.

The PRESIDENT *pro tempore*. The Chair thinks that cannot be done.

Mr. SHERMAN. I should like to hear the Senator from New Jersey go on.

Mr. ANTHONY. The rule has been practically violated; that is to say, a Senator has spoken ten minutes on a motion which he does not intend to press.

Mr. MORTON. The Senator has no right to make that statement. I am pressing that very motion now.

Mr. ANTHONY. I am mistaken, then; but I so understood.

Mr. SHERMAN. Mr. President, I will give way to the Senator from New Jersey if he desires to go on.

Mr. FRELINGHUYSEN. I should like to talk two or three minutes, and I shall not trouble the Senate on this motion again.

I was just saying that there are fatal objections to fixing any day; that if we did gold would be hoarded so that it could not be reached; that there would be a hoarding of greenbacks so as to rush them on the Treasury. On the day fixed the condition of the money market might be most unpropitious for resumption; while, if no time be fixed, the public would see the accumulation going on, business would adjust itself to it, and resumption would come upon this country as noiselessly and as benignantly as the spring and summer come upon the earth. What is essential to successful resumption is to render it by your preparation certain and inevitable that at some not too remote day resumption must come. Then obstacles will disappear. And now while we are expanding our currency, while we are increasing the circulation, let me ask those who are in favor of these measures whether they will not, out of respect to the large minority who differ from them in policy, consent to incorporate into their plan some measure, some step, be it ever so short, tending toward the ultimate resumption of specie payments.

Mr. President, there are but two possible ways in which we can resume. One measure is that suggested by the Senator from Wisconsin, [Mr. HOWE,] which has not received from the Senate the attention it deserved, which is to withdraw the United States notes from circulation, and permit the national banks to furnish the currency, and let them fight the gold-brokers, and by combination and concert of policy effect resumption; and thus the Government would become free of all responsibility in the matter. The other plan is to continue our present plan of permitting the national banks to redeem in United States notes, and for the Government to make the United States notes convertible into coin. Perhaps either one of these two measures would be successful; but to hold that the national banks shall redeem only in United States notes, and that these notes need not be convertible, is to dispense with the precious metals, and to cast the country upon a wild sea of inflation and speculation. And the result is not uncertain. Speculation will follow this inflating measure; depression will eventually follow speculation; and then the cry for "Paper; more paper," will come, and we will go staggering on from bog to bog, until we are cast in the slough of national dishonor, bankruptcy, and disgrace. I beg those who are in favor of this measure of increasing our currency to consider whether they will not incorporate into their policy some measure, be it ever so inconsiderable, which must ultimately, be it ever so remote, result in preserving the honor and credit of this great nation.

Mr. SHERMAN. Mr. President, it is very natural for those who have thought on a subject like this to have a pretty decided opinion and not to desire to yield it, especially upon a vital point. Now I say that the Committee on Finance have recommended to the Senate for two successive years the very plan suggested by the Senator from New Jersey. We have in this bill provided, as one means looking toward specie payments, a gradual retirement of the greenbacks. We have provided another means which, as sure as fate, will bring us to the specie standard at the time fixed. The Senator says we must accumulate gold. So be it. We must provide means and ways by which specie payments may some time be attained. So be it. Ample time is before us to do this. He has wedded himself, however, to a particular plan of doing it. He wants us to accumulate gold in the Treasury, which will lie idle in the Treasury until some remote period shall demand its use. He also wants to place in the Secretary of the Treasury the power to sell our 6 per cent. bonds at par in gold to maintain specie payments at all times. I say that that plan is impracticable; it has been voted down and opposed, and scarcely therefore ought to be now brought forward again.

Here is a proposition that, without cost to the Government, without danger, will surely and infallibly, as he admits himself, bring us to the specie standard. Now if the time is too soon, that can be easily altered. All we say to the holder of the note is "If we cannot now or next year pay you your note in coin, we will give you that which in the money market of the world for seventy years of our history has been at par in coin."

I do not wish to extend this argument or take a single moment of time. There never has been but one point of difficulty with me about this matter, and that was as to the time that should be fixed. Every nation in the world, when under a suspension of specie payments has fixed a time in order to resume; the United States have done it; other countries have done it; and we ought to do it now. I have no objection to taking the sense of the Senate as to the time when this shall occur, and let each Senator express his opinion on that point. But this proposition to me is a vital point in this bill, for it is the only measure that looks to or contemplates the specie standard; the only one that will bring up our notes nearer and nearer to par with gold; which will as inevitably as the march of time bring us nearer and nearer to the gold standard, and which when the time arrives will enable us to maintain specie payments without any more contraction. Why, sir, the fear that the greenbacks will float in any large numbers for the bonds is idle. The greenbacks are held by the banks as part of their reserve. They are held in circulation all over the country. The right to convert them at any time is a right which, being enjoyed at any time, will always maintain them at the par of the bonds. The only danger is the possible depreciation of the bonds below the par of gold. As a matter of course that can be but very small, not more than 1 or 2 per cent. There is no real danger in it at all. The whole amount that will probably be required to maintain these notes at par with the bonds or with gold would not be more than ten to twenty million dollars.

As to the time, I am perfectly willing to take the sense of the Senate. But for us to start now upon an increase of paper money, irredeemable, with free banking, either on the plan proposed by the Committee on Finance or the plan proposed by the Senator from Illinois, is sure and certain depreciation, distress, panic, and bankruptcy. There can be no doubt of it. No nation ever passed through this history but what has taken these successive stages.

Sir, in 1862 when I advocated the legal-tender act, and in 1863 when I introduced and advocated the national banking act, we all pointed out—I remember that I did earnestly—the danger of the system, that the issuing of greenbacks, if carried beyond a certain point, would make them no better than the French *assignats;* also that the organization of national banks that did not look some time to specie payments would undoubtedly bring us to bankruptcy. Sir, I have a pride that our nation will do what other nations have not done; that it will redeem in due time, and as rapidly as possible, the promise of the nation, whether in the form of United States notes or banknotes. Section 2 of this bill contains the easiest, simplest, and plainest plan. I appeal to Senators who desire the more equal distribution of bank circulation, and who desire more paper money, not to embark in this scheme without some counteracting policy. If we must have more money, so be it. I do not fear more money. What I want is good money, better money, growing better day by day, until, in the language of the act of 1869, at the earliest day practicable it shall be at par with coin, and I do upon my responsibility believe that this section has in it the germ that will bring us to that position.

As to the proposition of my honorable friend from Connecticut, I see no objection to it, although I see no occasion for it. I have no objection at all to saying that at all times we will give to the holder of the 6 per cent. five-twenty bonds of the United States our greenbacks for them; but I do not think it is necessary, because the power is vested in the Secretary of the Treasury to pay out the notes for those bonds, and it is amply sufficient to accomplish the purpose. Therefore there is no occasion for that proposition, although I would

not object to its being inserted. It would give, perhaps, a little more confidence to the measure. I would be willing to give any holder of a note the right to apply for a 5 per cent. bond, and give to the holder of a 6 per cent. bond, if you choose, the right to demand a greenback within the limits provided by the law. But I do not think that clause is necessary, and I hope my friend from Connecticut will not press it, because the power, being in the Secretary of the Treasury, will always be anxiously used for the purpose of redeeming and gathering in the 6 per cent. bonds of the United States.

As to the fear and the danger that the Secretary will abuse this power, it is utterly idle. The Secretary of the Treasury now has the power to sell $50,000,000 of gold which is in the Treasury of the United States and convert it into greenbacks and retire them wholly in his vaults. Would he dare do it? Whenever there is a talk about the abuse of these great powers in the hands of one of the high officers of the Government it is always a scarecrow. There is no danger of the exercise of such a power. Why, sir, during the war and since the war these powers have been with the Secretary of the Treasury at all times, and necessarily must be, and they never have been abused yet. It is true there have been differences of opinion. The Secretary of the Treasury has sometimes exercised a power which other persons thought he had not; but it was always under circumstances or on occasions which entirely excused the Secretary from all imputation of doing anything that was wrong. The discretionary power to pay out these notes in the payment of bonds is one that cannot be abused.

Sir, the action of this section is automatic, it will regulate itself. If notes commenced flowing into the Treasury for bonds, a very small amount would be thus presented until the notes would rise to par in gold; and then, when the notes were at par in gold, they could be used in the redemption or purchase of 6 per cent. bonds, and as a matter of course it would be always the pride and anxious desire of the Secretary of the Treasury to use them for that purpose. I suppose my time is out.

The PRESIDENT *pro tempore*. The Senator has spoken nine minutes.

Mr. BUCKINGHAM. Mr. President, I do not quite like the phraseology of the section of the bill to which the Senator from Ohio has reference. He thinks the Secretary of the Treasury has the discretion, and I doubt not he has under the provisions of the act; but I want it so clearly defined, that whether he shall give me a bond or note if I go to him shall not be determined by his will, but by my own. As I demand, I would like bonds or greenbacks; and I would prefer the "shall" to the "will," so far as it relates to the discretion of the honorable Secretary.

I differ a little, perhaps not very much, from the opinions which have been expressed by some gentlemen in regard to the fixing of a time for the resumption of specie payments. I do not know that I have any very serious objection to it, but I do not hesitate to say that I have no more confidence in it than the honorable Senator from New Jersey. I cannot see how any legislation can bring about specie payments at a specified time. I cannot see how legal statutes will make it possible for the Government or the banks to meet all demands which might be made for specie at the specific time.

The PRESIDENT *pro tempore*. The Senator has spoken ten minutes on this question.

Mr. HAMLIN. While I have not so much faith in the force and effect of the provisions contained in the second section of this bill as the Senator from Ohio has, yet I can see in it that it has a look in the right direction. Having a look in the right direction, I can give to it my support, and I can vote with all cheerfulness against striking out that section precisely as it stands. But on conferring with various Senators and hearing the opinions of various Senators expressed, and listening to the words which fell from the Senator from Ohio himself, that he did not regard the time, 1876, as very material as some fixed time, I have risen for the purpose of moving to perfect this section by striking out "six" and inserting "seven" in the second line. I should not have made the motion if the suggestion had not fallen from the Senator himself. I shall not press it, I shall not ask even a vote of the Senate upon it, unless it shall meet the assent of the chairman of the committee, because I do not wish to interfere with the provisions of the bill. It is better that we have 1877 fixed than no time. I do not apprehend that the time now named in the bill is objectionable; but there are others who think that a longer period of time is more desirable. It is for that reason that I make the motion. I make it, however, upon the ground that it will not be opposed by the committee; if it shall be I shall withdraw it.

The PRESIDENT *pro tempore*. The Senator from Maine moves to amend the second section.

Mr. SHERMAN. All I can say is that the time was fixed very carefully by the Committee on Finance, and I am not therefore at liberty to consent to this amendment; but I am willing to take the vote of the Senate upon it. I do not want to debate it; it is a mere question of time. I ask for the yeas and nays on the question.

Mr. SCHURZ. It is not necessary to have the yeas and nays.

Mr. SHERMAN. Very well; let us take a vote.

Mr. SAULSBURY. Mr. President——

RAILING IN THE REAR OF SENATORS' DESKS.

The PRESIDENT *pro tempore*. Before the Senator from Delaware proceeds, the Chair asks the attention of the Senate. Senators have complained of the existence of the rail around the Senate Chamber and have requested the Chair to order it to be removed. As it was put there by the direction of the Vice-President, the Chair does not like to make that order unless it meets with the view of the Senate. If the Senate desire it removed, it can be done to-morrow; and if not, of course the Chair does not wish to order it to be done.

Mr. THURMAN. I hope it will be ordered. It was put here without any order of the Senate, and I hope the Senate will order it to be taken away. If there were no other reason, its unsightly character, in violation of everything like what is artistic, ought to compel it to be taken away. But that is not the least part of it. It makes the seats along where I am almost unendurable. We have a crowd leaning on this railing, sometimes twenty, who converse all the time and make it impossible for us to pay any attention to the business of the Senate, or to hear what is said.

Mr. CONKLING. May I ask the Senator where they would go if the railing were removed?

Mr. THURMAN. They would sit back as they used to do, and they would not crowd on us. Let us take away this resting-place which they now have. I do not blame them for doing it. I would do the same thing if I were in their position. If the Senate puts a roost here for people to roost upon, if I were one of the people, I would roost too. [Laughter.]

The PRESIDENT *pro tempore*. If no objection is made, the Chair will order the rail to be removed.

Mr. WRIGHT. I wish to say one word. Some two months since I offered a resolution on this subject which was referred to the Committee on Public Buildings and Grounds, and I suppose it is still in their hands. I certainly am in favor of the removal of this railing. In conversation with the chairman of the committee, he said they were awaiting the return of the Vice-President and they would then determine the question. I have no objection to the Senate determining it now, except that I wished to mention that fact that the resolution was before the committee.

Mr. THURMAN. If the Committee on Public Buildings and Grounds have sat on it two months, certainly the probability is that they will not decide it for two months longer; and we who are afflicted in this business I hope may have a vote of the Senate whether this thing shall remain or not.

Mr. CONKLING. As I have not the honor of occupying a seat on the back row, I do not feel at liberty to make any suggestion about this matter. Seeing that it is so objectionable, I venture, however, to warn the Senator from Ohio that the democratic portion of this crowd which he says leans on that rail, I am afraid, when it is taken away, will largely lean on him. [Laughter.] But that is a question for him.

Mr. THURMAN. I have been accustomed to bear a pressure all my life, and I have grown stout under it, increasing in weight every year. [Laughter.]

The PRESIDENT *pro tempore*. The Chair hears no objection, and he will order the rail to be removed to-morrow.

Mr. WINDOM. I have no objection; but I certainly hope the order will include the restoration of the seats to their former position.

Mr. SARGENT. I was about to make that suggestion. The most inconvenient part of the whole thing is this huddling up of the desks, and the passages which now traverse the Chamber at intervals.

The PRESIDENT *pro tempore*. The Chair is informed that the change can all be made to-morrow, if the Senate desire it.

Mr. CONKLING. What is the change of seats?

The PRESIDENT *pro tempore*. To put them as they were, abolishing the aisles which now exist.

Mr. CONKLING. My impression is that they were moved together on account of the increased number of Senators.

The PRESIDENT *pro tempore*. No; to make the aisles. If there is no objection the Chair will order the rail to be removed and the desks to be restored to their former places.

Mr. DAVIS. As far as the rails are concerned, that is all right; but as to the seats, some of us prefer them as they are.

Mr. MORRILL, of Maine. That is very nice for my honorable friend, who has got in a broad way, while some of the rest of us are hedged in.

Mr. CAMERON. I rise to object to any change of the aisles. They are very pleasant and comfortable now. Any alteration would be for the worse. I am in favor of accommodating my honorable friend from Ohio by removing that bar behind him.

The PRESIDENT *pro tempore*. The Chair will take the sense of the Senate on the subject. Understanding that there is no objection to the removal of the rail, the Chair will order it to be removed. Now shall the seats be placed back so as to abolish the aisles? Senators in favor of that will say "ay;" those opposed will say "no." [Putting the question.] The ayes have it. The Sergeant-at-Arms will see that the arrangement is carried out to-morrow.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. McPHERSON, its Clerk, announced that the House had passed a bill (H. R. No. 2193) to ratify an agreement with certain Ute Indians in Colorado, and to make an appropriation for carrying out the same; in which the concurrence of the Senate was requested.

The message also announced that the House had passed the bill (S.

No. 334) to remove the political disabilities of William L. Cabell, of Texas.

The message further announced that the House had concurred in the amendment of the Senate to the bill (H. R. No. 1762) concerning the practice in territorial courts and appeals therefrom.

ENROLLED BILLS SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills; and they were thereupon signed by the President *pro tempore:*

A bill (H. R. No. 485) to authorize the Secretary of the Treasury to issue an American register to the schooner Carrie, of Eastport, Maine;

A bill (H. R. No. 1954) granting a pension to Henry B. Ryder; and

A bill (H. R. No. 2651) reappropriating certain unexpended balances of appropriations for removal of Indians.

CURRENCY AND BANKING.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. No. 617) to provide for the redemption and reissue of United States notes and for free banking.

The PRESIDENT *pro tempore.* The question is on the amendment offered by the Senator from Maine [Mr. HAMLIN] to the second section.

Mr. FERRY, of Michigan. I rise to a point of order on that. I do it under the ruling of to-day and in order to preserve consistency.

The PRESIDENT *pro tempore.* The Chair is reminded that the Senator from Delaware [Mr. SAULSBURY] was awarded the floor and was requested to suspend for the purpose of submitting the question in regard to the removal of the railing.

Mr. CAMERON. I ask the Senator from Delaware to give way until I make a motion to go into executive session.

Mr. SAULSBURY. I yield.

Mr. CAMERON. I move that the Senate proceed to the consideration of executive business.

Mr. MORTON. I ask the Senator to withdraw that motion for a moment.

The PRESIDENT *pro tempore.* Does the Senator from Pennsylvania withdraw his motion?

Mr. CAMERON. For a moment.

The PRESIDENT *pro tempore.* Then the Senator from Delaware is entitled to the floor.

Mr. MORTON. Will the Senator from Delaware yield to me?

Mr. SAULSBURY. Yes, sir.

Mr. MORTON. I move to reconsider the vote by which the Senate resolved to adjourn over until Monday.

The PRESIDENT *pro tempore.* That motion is not in order at present.

Mr. SAULSBURY. I shall only occupy the attention of the Senate for two or three moments in reference to this amendment, and as it is likely that we shall be here for some time, perhaps I had better go on now.

Mr. President, if I could have any assurance that the second section of this bill would bring about specie payments, I should certainly vote for it; but I cannot agree with the views expressed by the Senator from Ohio, the chairman of the Finance Committee, that it would have that result. While I think it would increase the interest-bearing portion of the public debt, I do not believe it would bring us any nearer to the day of the redemption of our currency.

There is one other clause in this section to which I wish to direct attention. It provides for paying to the holders of greenbacks who may bring them to the Treasury in sums of $1,000, or any multiple of that sum, "an equal amount of the gold coin of the United States." The greenbacks to-day are not worth exceeding eighty-eight cents on the dollar, and if I have $1,000 in greenbacks, under the provisions of this bill I can take them to the Secretary of the Treasury and demand, according to my interpretation of that language, $1,000 in gold.

Mr. SHERMAN. Or a bond.

Mr. SAULSBURY. Then the provision is to give to the holder of $1,000 in greenbacks, which are worth not exceeding $888, $1,000 in coin.

Mr. SHERMAN. That is, on the 1st of January, 1876.

Mr. SAULSBURY. What assurance have we that they will be worth that sum on the 1st day of January, 1876? In my opinion your greenbacks to-day are worth as much as will be their average in the next ten years. We have embarked on the sea of inflation and where are we to stop? You may legislate all you please in reference to this subject, but while you continue to increase the volume of greenbacks their depreciation will be marked and will also increase.

I therefore am opposed to that provision of this bill. If a modification were made allowing the Secretary of the Treasury to pay to the holder of these greenbacks when he carried them to the Treasury their marketable value, it would take away that objection; but as it now stands, under the provisions of this bill, if $1,000 of greenbacks are not worth $700 in the markets of the country the holder of those greenbacks can take them to the Treasury and demand $1,000 in coin, if the Treasury is in receipt of coin, or he can demand it in interest-bearing bonds if the Secretary is not able to pay the coin. That, in my opinion, is an objection to the provisions of this section as it stands.

But now will it bring about specie payments provided there should be a modification of that language? The Senator from Ohio assures us that he believes it will, and other gentlemen have expressed the opinion that the period fixed as the time when we are to arrive at specie payments in this section, the 1st day of January, 1876, is too soon. I think they may dispel all their fears on that point. We shall not reach specie payments by that time by any legislation that may be had. There is not enough coin in the country relatively to the amount of currency in the country to make it possible—I use that language and emphasize it—to make it possible to reach specie payments on the 1st day of January, 1876.

I concur in the views of the Senator from Ohio that this Government is bound by every consideration that ought to bind any Government on earth to redeem its plighted pledge. It ought to have been redeemed long ago. But when we see the tendency of things, as we have seen it in the Senate yesterday and to-day, a disposition to increase the volume of the currency, when and where are we to arrive at specie payments?

I heard the language of one Senator, I believe the Senator from Vermont, [Mr. MORRILL,] yesterday, that we were about to bid farewell to specie payments. Yes, sir; we shall bid a final farewell to specie payments so far as the present generation is concerned if we continue to increase the volume of irredeemable paper currency. The next generation may possibly arrive at specie payments, but so far as the present generation is concerned, I see no hope that we shall arrive at specie payments if this system of continual expansion is pursued.

But the Senator from Ohio supposes that the provision of this bill which authorizes the Secretary of the Treasury to use the greenbacks which come into the Treasury in the purchase of bonds is to bring about specie payments. Why, sir, that has been the policy pursued by the Secretary of the Treasury for the last four or five years. He has used the currency or the coin which has come into the Treasury in purchasing the bonds of the country. He has attempted to strengthen, and perhaps has strengthened, the credit of the country abroad; he has enhanced the value of the bonds in foreign markets; but he has not brought us one step nearer to the specie payment of the greenbacks. That will continue to be the effect of it. If the greenbacks were converted into bonds or paid out for the purchase of other bonds of the Government, it would have no effect whatever to bring about specie payments. It might have the effect to increase and continue the price of bonds in the foreign market and even in this country, but it would have no tendency whatever to bring about specie payments for our currency. For that reason I do not see that there is much objection to striking out that provision. At any rate I do not feel that I can vote for it, and I therefore wished before voting to make this explanation of the reasons which will induce me to vote against it.

Mr. ANTHONY. As the order which the Senate has passed I suppose will require the Sergeant-at-Arms and his assistants to work not only to-morrow but to do something to-night, I move that the Senate adjourn.

Mr. SARGENT. Let us have an executive session.

Mr. ANTHONY. Very well.

Mr. MORTON. I believe there is a motion pending to reconsider the vote to adjourn over until Monday.

Mr. CONKLING. Not at all; that motion is not in order.

Mr. ANTHONY. And even if it were pending, my motion is first in order.

The PRESIDENT *pro tempore.* The motion of the Senator from Rhode Island is in order; but before putting the question the Chair will lay before the Senate a House bill for reference.

HOUSE BILL REFERRED.

The bill (H. R. No. 2193) to ratify an agreement with certain Ute Indians in Colorado, and to make an appropriation for carrying out the same, was read twice by its title, and referred to the Committee on Indian Affairs.

EXECUTIVE SESSION.

Mr. ANTHONY. I now renew my motion for an executive session.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After seventeen minutes spent in executive session the doors were reopened, and (at four o'clock and fifty-three minutes p. m.) the Senate adjourned.

HOUSE OF REPRESENTATIVES.

FRIDAY, *March* 27, 1874.

The House met at twelve o'clock m. Prayer by the Chaplain, Rev. J. G. BUTLER, D. D.

The Journal of yesterday was read and approved.

CONTRACTORS FOR WAR VESSELS.

Mr. HAZELTON, of Wisconsin, by unanimous consent, from the Committee on War Claims, submitted a report to accompany House bill No. 217 for the relief of certain contractors for the construction of vessels of war and steam machinery; which was ordered to be printed and recommitted to the Committee on War Claims.

MERCY ANN HALL.

Mr. SAYLER, of Ohio, by unanimous consent, presented the petition of Mercy Ann Hall, widow of Captain Charles F. Hall, late commander of the Polaris expedition, praying for relief; which was referred to the Committee on Education and Labor.

WELLS'S PATENT FOR HAT-BODIES.

Mr. SAYLER, of Ohio, also by unanimous consent, presented the memorial of hat-dealers in Cincinnati, protesting against a further extension of Wells's patent for the manufacture of hat-bodies; which was referred to the Committee on Patents.

ORDER OF BUSINESS.

Mr. HAWLEY, of Illinois. I now call for the regular order.

The SPEAKER. The regular order being called for, the morning hour begins at eighteen minutes past twelve o'clock. This being Friday, the first business in order in the morning hour is the call of committees for reports of a private nature, commencing with the Committee on Invalid Pensions.

REPORTS FROM COMMITTEE ON INVALID PENSIONS.

Mr. RUSK, from the Committee on Invalid Pensions, reported adversely on House bill No. 25, restoring Edward O. Driscoll to the pension-rolls; which was laid on the table.

He also, from the same committee, reported adversely upon the petition of James Quigly, father and guardian of Patrick J. Quigly, an insane soldier, asking for a pension; which was laid on the table.

He also, from the same committee, reported back the following bills; which were referred to the Committee of the Whole on the Private Calendar, and the reports accompanying the same ordered to be printed:

A bill (H. R. No. 1145) granting a pension to Martin Lafflin;

A bill (H. R. No. 1673) granting a pension to Isaac Stevens; and

A bill (H. R. No. 1439) granting a pension to John Folger.

Mr. RUSK also, from the same committee, reported a bill (H. R. No. 2668) granting a pension to William J. Uhlen, minor child of Nelson M. Uhlen, late a private of Company B, Twenty-first Regiment Ohio Volunteers; which was read a first and second time, referred to the Committee of the Whole on the Private Calendar, and, with the accompanying report, ordered to be printed.

Mr. MARTIN, from the same committee, reported back the following bills; which were referred to the Committee of the Whole on the Private Calendar, and the reports accompanying the same ordered to be printed:

A bill (H. R. No. 1843) granting a pension to Lucinda Jones, widow of Thompson M. Jones, late a private of Company G, Twenty-second Regiment Illinois Volunteers; and

A bill (H. R. No. 2181) granting a pension to Jennet H. Nesbit.

Mr. MARTIN also, from the same committee, reported the following bills; which were read a first and second time, referred to the Committee of the Whole on the Private Calendar, and, with the accompanying reports, ordered to be printed:

A bill (H. R. No. 2669) granting a pension to Deborah Swan, widow of Levi Swan, late private Company D, Fifty-eighth Regiment Illinois Volunteers;

A bill (H. R. No. 2670) granting a pension to Mary S. Howe, widow of David Howe, late special agent of the provost-marshal's office of the district of Massachusetts;

A bill (H. R. No. 2671) granting a pension to General H. C. Voris, late colonel of the Sixty-seventh Regiment Ohio Volunteers; and

A bill (H. R. No. 2672) granting a pension to Mary A. S. Loomis, widow of Colonel Gustavus Loomis, late of the United States Army.

Mr. BARRY, from the same committee, reported the following bills; which were read a first and second time, referred to the Committee of the Whole on the Private Calendar, and, with the accompanying reports, ordered to be printed:

A bill (H. R. No. 2673) to restore the name of Hannah B. Eaton, of Kingsville, Ohio, to the pension-rolls; and

A bill (H. R. No. 2674) granting a pension to John W. Wright, now at the National Military Asylum, Dayton, Ohio.

Mr. BARRY also, from the same committee, reported adversely on the petition of Louis Markgraf, captain of the Eighth Ohio Regiment Independent Battery, for a pension; which was laid upon the table.

Mr. WALLACE, from the same committee, reported back the following bills; which were referred to the Committee of the Whole on the Private Calendar, and the reports accompanying the same ordered to be printed:

A bill (H. R. No. 1866) granting a pension to Dennis McCarthy, a soldier of the Mexican war; and

A bill (H. R. No. 580) granting a pension to Rosalie C. P. Lisle.

Mr. YOUNG, of Kentucky, from the same committee, reported the following bills; which were read a first and second time, referred to the Committee of the Whole on the Private Calendar, and, with the accompanying reports, ordered to be printed:

A bill (H. R. No. 2675) granting a pension to Mrs. Elizabeth J. King; and

A bill (H. R. No. 2676) granting a pension to Thomas McKinster.

Mr. YOUNG, of Kentucky, from the same committee, reported adversely upon a bill (H. R. No. 331) granting a pension to Mrs. Nancy Brooks, of Tennessee, widow of Stephen P. Brooks, late a private of Company F, Fourth Tennessee Infantry Volunteers; which was laid upon the table, and the report accompanying the same ordered to be printed.

Mr. O'BRIEN, from the same committee, reported back adversely the petition of Nathaniel S. Green for a pension; which was laid on the table, and the report ordered to be printed.

He also, from the same committee, reported back, with a favorable recommendation, bills of the following titles; which were referred to the Committee of the Whole on the Private Calendar, and, with the accompanying reports, ordered to be printed:

A bill (H. R. No. 1335) granting a pension to Guadaloupe Torres;

A bill (H. R. No. 1799) granting a pension to Angelica Hammond; and

A bill (H. R. No. 2119) for the relief of Elizabeth McCluney.

Mr. O'BRIEN also, from the same committee, reported bills of the following titles; which were severally read a first and second time, referred to the Committee of the Whole on the Private Calendar, and, with the accompanying reports, ordered to be printed:

A bill (H. R. No. 2677) granting a pension to Mrs. Mary G. Harris, widow of John Harris, late commandant of the United States Marine Corps;

A bill (H. R. No. 2678) granting a pension to Charles Herbert;

A bill (H. R. No. 2679) granting a pension to George Dayspring; and

A bill (H. R. No. 2680) granting a pension to Mrs. Jane Dulaney.

Mr. SMART, from the same committee, reported back, with a favorable recommendation, the bill (H. R. No. 870) to place the name of Mr. Mary E. Murphy on the pension-roll; which was referred to the Committee of the Whole on the Private Calendar, and the accompanying report ordered to be printed.

JOSIAH KIRBY.

Mr. SMITH, of Ohio, from the Committee on Patents, reported back adversely the memorial of Josiah Kirby, of Cincinnati, for an extension of his patent; which was laid on the table, and the report ordered to be printed.

FIRST NATIONAL BANK, WASHINGTON, DISTRICT OF COLUMBIA, ETC.

Mr. FARWELL. The Committee on Banking and Currency, to whom was referred a resolution of the House, adopted February 10, 1874, directing the committee "to inquire into the condition of the First National Bank, of the city of Washington, at the time of its failure, and into its prior transactions and general management," have directed me to present the report of a sub-committee, together with a bill to amend the act entitled "An act to provide a national currency secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof," approved June 3, 1864.

The bill (H. R. No. 2681) was read a first and second time.

Mr. FARWELL. I move that the report and bill be ordered to be printed and recommitted.

The motion was agreed to.

REPORTS FROM THE COMMITTEE ON CLAIMS.

Mr. HAWLEY, of Illinois, from the Committee on Claims, reported back adversely the memorial of Eliza T. Moorhead for compensation for slaves under the act of April 16, 1862; which was laid on the table, and the report ordered to be printed.

He also, from the same committee, reported a bill (H. R. No. 2682) for the relief of Martha A. Ashburn, widow of George W. Ashburn; which was read a first and second time, referred to the Committee of the Whole on the Private Calendar, and, with the accompanying report, ordered to be printed.

He also, from the same committee, reported back, with a favorable recommendation, the bill (S. No. 439) to provide for the payment of D. B. Allen & Co. for services in carrying the United States mails; which was referred to the Committee of the Whole on the Private Calendar, and the accompanying report ordered to be printed.

He also, from the same committee, reported back the following petitions, bills, and joint resolution; which were referred to the Committee on War Claims:

Petition of Issachar Zacharie, praying payment for services as chiropodist, rendered to soldiers of the United States Army during the war of the rebellion;

Petition of J. Bloomstein, of Nashville, Tennessee, praying compensation for imprisonment and for seizing of goods by the military authorities at Nashville, Tennessee, in 1863;

Petition of Charles Shimmons, praying compensation for imprisonment by rebels while in employ of the Government;

A bill (H. R. No. 2378) for the relief of Alexander Cooper, Jesse Williams, John McMerrill, Nancy Patton, and Littleton Lytle, of Buncombe County, North Carolina;

A bill (H. R. No. 2486) for the relief of Colonel Napoleon B. Giddings, of Savannah, Missouri;

A bill (H. R. No. 2498) for the relief of J. A. Warren, of Tyler County, Texas, for property taken for the use of the United States during the late war;

A bill (H. R. No. 2506) for the relief of John R. Hamilton;

A bill (H. R. No. 2523) for the relief of John Kelly;

A bill (H. R. No. 2619) for the relief of Almira H. Thompson; and

A joint resolution (H. R. No. 74) for the relief of Thomas Worthington.

Mr. LANSING, from the same committee, reported a bill (H. R. No. 2682) for the relief of Joseph S. Read; which was read a first and second time, referred to the Committee of the Whole on the Private Calendar, and, with the accompanying report, ordered to be printed.

Mr. DUNNELL, from the same committee, reported back, with a favorable recommendation, the bill (H. R. No. 565) for the relief of Peters and Reed, naval contractors at the Norfolk navy-yard in the year 1860; which was referred to the Committee of the Whole on the Private Calendar, and, with the accompanying report, ordered to be printed.

Mr. SMITH, of Ohio, from the same committee, reported back, with a favorable recommendation, a bill (H. R. No. 955) for the relief of J. L. Tedrow, of Clarke County, Iowa; which was referred to the Committee of the Whole on the Private Calendar, and, with the accompanying report, ordered to be printed.

Mr. SMITH, of Ohio, also, from the same committee, reported back adversely the memorial of Joseph Nock; which was laid on the table, and the report ordered to be printed.

DUNCAN MARR.

Mr. BURROWS, from the Committee on Claims, reported a bill (H. R. No. 2683) for the relief of Duncan Marr, a loyal citizen of Montgomery County, Tennessee; which was read a first and second time, referred to the Committee of the Whole House on the Private Calendar, and, with the accompanying report, ordered to be printed.

ADVERSE REPORTS.

Mr. HAMILTON, from the Committee on Claims, reported adversely on the following cases; which were laid upon the table, and the accompanying reports ordered to be printed:

The claim of William Saunders;

A bill (H. R. No. 1972) for the relief of R. W. Clark; and

The case of Henry K. Sanger.

S. D. HICKS.

Mr. HOWE, from the Committee on Claims, reported back a bill (H. R. No. 2332) for the relief of S. D. Hicks, administrator of R. M. Harvey, with the recommendation that it do pass; which was referred to the Committee of the Whole House on the Private Calendar, and, with the accompanying report, ordered to be printed.

DANFORD MOTT.

Mr. HOWE also, from the same committee, reported a bill (H. R. No. 2684) for the relief of Danford Mott; which was read a first and second time, referred to the Committee of the Whole House on the Private Calendar, and, with the accompanying report, ordered to be printed.

JOHN ALDREDGE.

Mr. LAWRENCE, from the Committee on War Claims, reported a bill (H. R. No. 2685) for the relief of John Aldredge; which was read a first and second time, referred to the Committee of the Whole House on the Private Calendar, and, with the accompanying report, ordered to be printed.

MONEYS BELONGING TO LOYAL CREDITORS.

Mr. LAWRENCE also, from the same committee, reported a bill (H. R. No. 2686) to provide for the relief of certain loyal creditors whose moneys were confiscated by the confederate congress in the State of Louisiana; which was read a first and second time, referred to the Committee of the Whole House on the Private Calendar, and, with the accompanying report, ordered to be printed.

THE MORGAN RAID.

Mr. LAWRENCE also, from the same committee, reported a bill (H. R. No. 2687) making compensation for supplies taken by the Union forces during the "Morgan raid;" which was read a first and second time, referred to the Committee of the Whole House on the Private Calendar, and, with the accompanying report, ordered to be printed.

EVIDENCE IN WAR CLAIMS.

Mr. LAWRENCE. I am instructed by the Committee on War Claims to report the following resolution.

The SPEAKER. It is not in order during this call, but the Chair will entertain it if there is no objection.

The Clerk read as follows:

Resolved, That the Committee on War Claims be, and they are hereby, authorized to send for persons and papers whenever in the judgment of said committee it shall be necessary to obtain additional evidence in regard to any claim before it.

The SPEAKER. Is there objection?

Mr. HALE, of Maine. I object.

Mr. HAWLEY, of Illinois. Is that resolution objected to?

Mr. HALE, of Maine. I object to it, because it gives too much power to the committee.

ALFRED F. YERBY.

Mr. SCUDDER, of New Jersey, from the Committee on War Claims, reported a bill (H. R. No. 2688) for the relief of Alfred F. Yerby, administrator of Addison O. Yerby, deceased, or whom it may concern; which was read a first and second time, referred to the Committee of the Whole House on the Private Calendar, and, with the accompanying report, ordered to be printed.

EMILLE LAPAGE.

Mr. SCUDDER, of New Jersey, also, from the same committee, reported a bill (H. R. No. 2689) for the relief of Emille Lapage, the surviving partner of Lapage Brothers; which was read a first and second time, referred to the Committee of the Whole House on the Private Calendar, and, with the accompanying report, ordered to be printed.

WILLIAM J. M'INTYRE.

Mr. KELLOGG, from the same committee, reported back a bill (H. R. No. 311) for the relief of William J. McIntyre, with the recommendation that it do pass; which was referred to the Committee of the Whole on the Private Calendar, and, with the accompanying report, ordered to be printed.

MARK DAVIS.

Mr. KELLOGG also, from the same committee, reported a bill (H. R. No. 2690) for the relief of Mark Davis; which was read a first and second time, referred to the Committee of the Whole House on the Private Calendar, and ordered to be printed.

MESSENGER FOR THE COMMITTEE ON WAR CLAIMS.

Mr. KELLOGG. I am instructed by the Committee on War Claims to report the following resolution for reference only:

Resolved, That the Committee on War Claims be, and are hereby, authorized to employ a messenger for the present session, to be paid out of the contingent fund of the House, at such rate of compensation as may be fixed by the chairman, provided the same shall be approved by the Committee on Accounts.

The resolution was referred to the Committee on Accounts.

RANDALL BROWN.

Mr. WILSON, of Iowa, from the Committee on War Claims, reported back a bill (H. R. No. 633) for the relief of Randall Brown, of Nashville, Tennessee, with the recommendation that it do pass; which was referred to the Committee of the Whole on the Private Calendar, and, with the accompanying report, ordered to be printed.

MRS. FLORA A. DARLING.

Mr. WILSON, of Iowa, also, from the same committee, reported a bill (H. R. No. 2691) for the relief of Mrs. Flora A. Darling, of New Hampshire; which was read a first and second time, and, with the accompanying report, referred to the Committee of the Whole on the Private Calendar, and ordered to be printed.

THOMAS DAY.

Mr. WILSON, of Iowa, also, from the same committee, reported back, with the recommendation that it do pass, the bill (H. R. No. 1283) for the relief of Thomas Day, of Indiana; which was referred to the Committee of the Whole on the Private Calendar, and the accompanying report ordered to be printed.

DAVID KLEIM.

Mr. WILSON, of Iowa, also, from the same committee, made an adverse report on the petition of David Kleim; and the same was laid on the table, and the accompanying report ordered to be printed.

FRANCIS PRIEST.

Mr. HOLMAN, from the Committee on War Claims, made an adverse report on the petition of Francis Priest; and the same was laid on the table, and the accompanying report ordered to be printed.

LIEUTENANT SIDNEY TINKER.

Mr. HOLMAN also, from the same committee, reported back, with the recommendation that it do pass, the bill (H. R. No. 840) for the relief of Lieutenant Sidney Tinker; which was referred to the Committee of the Whole on the Private Calendar, and the accompanying report ordered to be printed.

ADVERSE REPORTS.

Mr. HARRIS, of Virginia, from the same committee, reported adversely on the following petitions and bill; and the same were severally laid on the table, and the accompanying reports ordered to be printed:

The petition of James L. McPhail;

The petition of George Calvert; and

The bill (H. R. No. 981) for the relief of John M. Lamb, of Saint Paul, Minnesota.

INLAND AND SEA-BOARD COASTING COMPANY OF THE DISTRICT.

Mr. WHEELER, from the Committee on Commerce, reported back, with the recommendation that it do pass, the bill (H. R. No. 2179) to incorporate the Inland and Sea-board Coasting Company of the District of Columbia.

The bill was read.

Mr. WILLARD, of Vermont. I desire to ask the Chair if this is a private bill?

The SPEAKER. Does the gentleman from Vermont raise that point?

Mr. WILLARD, of Vermont. I do.

The SPEAKER. The Clerk will read the portion of the rule in regard to the line of distinction between public and private bills which is applicable to this case.

The Clerk read as follows:

Bills for the incorporation of companies, and whose operations are confined within the District of Columbia, have been treated as private; but where such companies are authorized to have agencies and transact business outside of the limits of the District, they are treated as public.

The SPEAKER. The Clerk will now read the second section of the bill.

The Clerk read as follows:

SEC. 2. That the capital stock of the said company shall not be less than $100,000 nor more than $1,000,000, to be divided into shares of $100 each; and the said company is authorized and empowered to run vessels propelled by steam or other power between the cities of Washington, Georgetown, Alexandria, and New York, including the ports on the Potomac River and Chesapeake Bay, and the tributaries thereof, and to prosecute a general coasting trade in the transportation of passengers and freight of every description, subject to the rules and regulations and laws of the United States; and the said company is also authorized to purchase, hold, and convey such real and personal estate as may be necessary to carry into effect the purposes of this act, and to purchase and construct such docks, wharves, and buildings as may be necessary for its own use. It shall not issue any note, token, device, scrip, or other evidence of debt to be used as a currency.

The SPEAKER. This section enlarges the operations of the company beyond the District of Columbia, and makes the bill amenable to the point of order. Does the gentleman from Vermont insist on it?

Mr. WILLARD, of Vermont. I do.

The SPEAKER. The gentleman from Vermont insists upon the point of order, and objects to the consideration of the bill under the private call. The Chair sustains the point of order, and the bill will be returned to the chairman of the Committee on Commerce.

CHANGE OF NAME OF SCHOONER-YACHT QUARANTINE.

Mr. CONGER, from the Committee on Commerce, reported a bill (H. R. No. 2692) to change the name of the schooner-yacht Quarantine to Welcome; which was read a first and second time.

The bill authorizes the Secretary of the Treasury to change the name of the schooner-yacht Quarantine, owned by Michael J. Driscoll, of Boston, and to issue a register under the name of Welcome.

Mr. CONGER. I ask the Clerk to read the petition.

The Clerk read as follows:

To the honorable the Senate and House of Representatives in Congress of the United States assembled:

The petition of Michael J. Driscoll, of Boston, Massachusetts, shows that in June, 1871, he became the owner of the schooner Quarantine, of the city of Boston, measuring 23.5 tons, and having two masts; that he uses her solely for pleasure purposes and in the local waters of Boston harbor; that her name is associated with disease, and is a serious hinderance to his business and an injury to his property. Wherefore he asks that her name may be changed to Welcome.

MICHAEL J. DRISCOLL.

BOSTON, *February* 11, 1874.
Sworn before me,

JOHN RUSSELL,
Justice of the Peace.

The bill was ordered to be engrossed for a third reading; and being engrossed, it was accordingly read the third time, and passed.

Mr. CONGER moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

BRIG HATTIE EATON.

Mr. CONGER also, from the Committee on Commerce, reported back, with the recommendation that it do pass, the bill (H. R. No. 1600) directing the Secretary of the Treasury to issue an American register to the English-built brig Hattie Eaton.

The bill directs the Secretary of the Treasury to issue an American register and enrollment to the English-built brig Hattie Eaton, which brig was repaired in an American port, and became the property of an American citizen in payment of the expense of said repairs.

Mr. CONGER. In the case of the vessel named in the bill a bottomry bond was given to citizens of the United States who advanced money for repairs of the vessel after its shipwreck at a point outside the United States to the amount of $7,000. After the return of the vessel to the United States she was repaired to the amount of between eight and nine thousand dollars in Boston and New York. The case comes within that class of cases in which the committee have recommended favorable action in the granting of a registry under our laws on account of the ownership of the vessel by American citizens and the extent of repairs. I have here a letter from the Secretary of the Treasury, which is as follows:

TREASURY DEPARTMENT,
Washington, D. C., February 27, 1874.

SIR: I have the honor to return herewith a statement made by Messrs. Addison, Gage & Co., of Boston, in regard to the sums expended by them in repairs and labor upon the brig Hattie Eaton. It appears that this brig was built at Saint John, New Brunswick, and was purchased in 1865 by Francisco Rodrigues, a Portuguese subject residing at Demerara, British Guiana, the register standing, however, in the name of Charles Hollingsworth, a British subject in the service of Rodrigues, who employed the vessel in business between Boston and Demerara. In a voyage from the latter port to Boston, in 1871, she was seriously damaged by heavy weather and put into Saint George's, Bermuda, where she was repaired at an expense of $12,938.96, gold, which was advanced by the applicants. Upon a settlement on general average papers by all parties interested in 1872, the vessel was found indebted to the applicants in the sum of $9,028.26, currency, which sum by authority of Rodrigues was secured to them on a bottomry bond. In 1872 the vessel returned, after further repairs by applicants, to Demerara, and Rodrigues being unable to meet the bond, she was sold at public auction and bought in by agents of the applicants under instructions not to exceed $7,000 in gold in the purchase. She returned to New York in February, in 1873, the register standing in the name of a member of the firm that acted as agents of the applicants, but a British subject. During the ownership of Rodrigues, and since the purchase at auction in Demerara, the applicants allege that they have expended upon her in the aggregate the sum of $8,238.11, all in the employment of American labor.

If the statement submitted be intended to be presented as a basis for the issue of an American register or enrollment, I must say that it affords no ground for the authorizing of such papers by this Department. But in view of the large sum expended upon her by the applicants, which seems to have exceeded her market value, the case appears to be one similar to many others in which relief has been very properly granted by Congress, and in which that body has authorized the issue of American papers.

Very respectfully,

WM. A. RICHARDSON,
Secretary.

Hon. SAMUEL HOOPER,
House of Representatives.

The committee are of the opinion that this is an exceptional case in which it would be proper to grant relief. I move the previous question.

The previous question was seconded and the main question ordered; and under the operation thereof the bill was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

Mr. CONGER moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

MEMPHIS AND KANSAS CITY RAILROAD.

Mr. BUNDY. I am instructed by the Committee on the Public Lands to report back, with a recommendation that it do pass, the bill (H. R. No. 2200) to declare the Memphis and Kansas City and the Kansas City and Memphis Railroad military and post roads, and for other purposes.

The bill was read.

Mr. WILLARD, of Vermont. I make the point of order that that bill makes an appropriation of public property.

The SPEAKER. The bill is liable to two points of order: one is that it is a public bill, and the other that it proposes to appropriate public property.

Mr. WILLARD, of Vermont. Well, I make both points.

The SPEAKER. On the first point the bill is not before the House. Public bills cannot be reported on this call.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. SYMPSON, one of their clerks, announced that the Senate had passed a bill (S. No. 334) to remove the disabilities of William L. Cabell, of Texas; in which he was directed to ask the concurrence of the House.

The message further announced that the Senate had passed, without amendment, the bill (H. R. No. 2547) for the removal of the political disabilities of Thomas Hardeman, jr., of Georgia.

BENJAMIN W. REYNOLDS.

Mr. DUNNELL, from the Committee on the Public Lands, reported a bill (H. R. No. 2694) for the relief of Benjamin W. Reynolds; which was read a first and second time, referred to the Committee of the Whole on the Private Calendar, and, with the accompanying report, ordered to be printed.

THOMAS RIDGWAY.

Mr. CLYMER, from the same committee, reported back, with the recommendation that it do pass, the bill (H. R. No. 1691) for the relief of Thomas Ridgway.

The bill was read. It confirms the title of Thomas Ridgway, late of Linn County, Missouri, to the northeast quarter of section 29, in township 58, in range 19 north, in Linn County, Missouri, and directs the Secretary of the Interior to issue and deliver to the legal representatives of said Thomas Ridgway, deceased, a patent for said land.

Mr. CLYMER. I ask for the reading of the letter which I send to the Clerk's desk from the Acting Commissioner of the General Land Office.

The Clerk read as follows:

DEPARTMENT OF THE INTERIOR, GENERAL LAND OFFICE,
Washington, D. C., March 16, 1874.

SIR: Referring to bill H. R. No. 1691, referred to this office for report, I have to state that the tract described in the bill, namely, northeast quarter, section 29, township 58, range 19 north, Missouri, was located by Thomas Ridgway with warrant in 1849, and the warrant was in transmission by mail lost, and has not been heard from since.

There is no other disposition of the tract shown by the records of this office; and I recommend the passage of the bill in its present form.

I have the honor to be, very respectfully, &c.,

W. W. CURTIS,
Acting Commissioner.

Hon. H. CLYMER,
House of Representatives.

Mr. CLYMER. It appears by the letter of the Commissioner that this land was located in 1849 by a warrant, which warrant was transmitted to the person to whom it belonged, and was lost during its transmission. The Commissioner says that the bill is right, and the committee have therefore recommended its passage. I move the previous question.

The previous question was seconded and the main question ordered, and under the operation thereof the bill was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

Mr. CLYMER moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

The SPEAKER. The Chair begs to remark, lest this should be drawn into a precedent in a similar case, that the bill was liable to a point of order, as it appropriates public property.

REPORTS FROM THE COMMITTEE ON MILITARY AFFAIRS.

Mr. YOUNG, of Georgia, from the Committee on Military Affairs, reported back, with the recommendation that it do pass, the bill (H. R. No. 2245) to appropriate $1,000 for the purchase of a piece of land in the State of Florida; which was referred to the Committee of the Whole on the state of the Union, and ordered to be printed.

He also, from the same committee, reported a bill (H. R. No. 2695) for the relief of Ely Cameron; which was read a first and second time.

The bill, which was read, directs the Secretary of War to correct the record in his Department, so as to remove the charge of desertion from Ely Cameron, a private in Company D, Thirty-fourth Regiment New York State Volunteer Infantry.

The bill was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

Mr. YOUNG, of Georgia, moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

Mr. HUNTON, from the same committee, reported back with amendments the bill (H. R. No. 1253) for the relief of the heirs of George Fisher; which was referred to the Committee of the Whole on the Private Calendar, and, with the accompanying report, ordered to be printed.

He also, from the same committee, reported adversely upon the following petitions; which were laid upon the table, and the accompanying reports ordered to be printed:

The petition of John S. Evans, for the removal of the charge of desertion, &c.; and

The petition of Allamirah Bronson, asking pay and allowances for her deceased husband as a soldier of Company D, First Tennessee Light Artillery.

Mr. GUNCKEL, from the same committee, reported back the bill (H. R. No. 1193) for the relief of the estate of the late Major C. S. Underwood, paymaster United States Army; which was referred to the Committee of the Whole on the Private Calendar, and the report accompanying the same ordered to be printed.

Mr. NESMITH, from the same committee, reported back the bill (H. R. No. 1219) for the relief of Charles W. Barry, late private Thirty-sixth Regiment Wisconsin Volunteers; which was referred to the Committee of the Whole on the Private Calendar, and the report accompanying the same ordered to be printed.

He also, from the same committee, reported the following bills; which were read a first and second time, referred to the Committee of the Whole on the Private Calendar, and, with the accompanying reports, ordered to be printed:

A bill (H. R. No. 2696) for the relief of John F. Wheeler; and

A bill (H. R. No. 2697) to create an additional major of artillery, and to promote Captain James M. Robertson.

OREGON AND CALIFORNIA INDIAN-WAR CLAIMS.

Mr. NESMITH, from the Committee on Military Affairs, reported a bill (H. R. No. 2698) to authorize the Secretary of War to ascertain the amount of expenses incurred by the States of Oregon and California in the suppression of Indian hostilities in the years 1872 and 1873; which was read a first and second time.

The bill requires the Secretary of War to ascertain, or cause to be ascertained, the amount of expenses claimed to be necessarily incurred by the States of Oregon and California, or the citizens thereof, for arms, ammunition, supplies and transportation, and services of the volunteer forces in the suppression of Indian hostilities in said States in the years 1872 and 1873, and to report the same to Congress at the next session, with the names of the persons who claim to be entitled to relief, together with a statement of the facts and sums upon which said report may be based.

Mr. HOLMAN. The reference to the Court of Claims of a claim against the Government has been held to come within the rule. I think this bill comes within the rule as involving an appropriation.

Mr. NESMITH. There is no appropriation in this bill. It merely directs the Secretary of War to ascertain certain facts.

The SPEAKER. The Chair does not think the point is a good one.

The bill was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

Mr. NESMITH moved to reconsider the vote by which bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

Mr. RANDALL. Mr. Speaker, has not the morning hour expired?

The SPEAKER. It has not.

Mr. RANDALL. It has been running more than an hour, I believe.

The SPEAKER. That may be; but the morning hour never closes till it is terminated by the coming up of some business more highly privileged.

REPORTS FROM THE COMMITTEE ON MILITARY AFFAIRS.

Mr. THORNBURGH, from the Committee on Military Affairs, reported back, with a favorable recommendation, the bill (S. No. 100) for the relief of Lieutenant Alonzo B. Richards; which was referred to the Committee of the Whole on the Private Calendar.

He also, from the same committee, reported a bill (H. R. No. 2698) for the relief of Joseph C. Breckinridge, for services in the United States Army; which was read a first and second time, referred to the Committee of the Whole on the Private Calendar, and, with the accompanying report, ordered to be printed.

He also, from the same committee, reported back adversely the petition of Joseph R. Waggoner; which was laid on the table, and the report ordered to be printed.

He also, from the same committee, reported back adversely a bill (H. R. No. 1022) for the relief of Lewis J. Boyer; which was laid on the table, and the report ordered to be printed.

Mr. MACDOUGALL, from the same committee, reported back a petition and bill for the relief of Dr. Mary E. Walker, moved that the committee be discharged from the further consideration of the same, and that they be referred to the Committee on War Claims.

The motion was agreed to.

Mr. MACDOUGALL also, from the same committee, reported back adversely bills of the following titles; which were laid on the table, and the reports ordered to be printed:

A bill (H. R. No. 1086) for the relief of William O. Cory; and

A bill (H. R. No. 1651) for the relief of Lieutenant John S. Manning.

Mr. MACDOUGALL also, from the same committee, reported back, with a favorable recommendation, the bill (H. R. No. 1844) for the relief of John Heberer; which was referred to the Committee of the Whole on the Private Calendar, and the accompanying report ordered to be printed.

ORDER OF BUSINESS.

The SPEAKER. The hour of half-past one having arrived, the morning hour expires, and the bill from the Committee on Banking and Currency, which is the special order at this hour, comes up for consideration.

Mr. KASSON. I suggest that bills on the Speaker's table may be taken up and referred, so that the committees may be able to act on them.

The SPEAKER. If there be no objection, bills on the Speaker's table will be taken up for reference.

There was no objection.

WILLIAM L. CABELL.

The first bill on the Speaker's table was the bill (S. No. 334) to remove the disabilities of William L. Cabell, of Texas.

Mr. ELDREDGE. I ask unanimous consent that this bill be taken up and passed.

There being no objection, the bill was read three times, and passed; two-thirds voting in favor thereof.

PENSION BILLS REFERRED.

The following Senate bills were severally taken from the Speaker's table, read a first and second time, and referred to the Committee on Invalid Pensions:

A bill (S. No. 245) for the relief of William Rood, late a private of the Thirty-sixth Regiment of Wisconsin Volunteers;

A bill (S. No. 548) granting a pension to Christiana Bailey;

A bill (S. No. 566) granting a pension to Lucinda Schrum, a widow of Jacob R. Schrum, late of Company A, Forty-ninth Regiment Missouri Volunteers;

A bill (S. No. 567) granting a pension to Mary E. Naylor, widow of Osborn Naylor, late a private in Company C, Second Kansas Volunteers; and

A bill (S. No. 568) granting a pension to Hugh P. Lytle, late a private in Company H, Thirty-second Regiment Ohio Volunteers.

REMOVAL OF INDIANS.

The next business on the Speaker's table was the bill (S. No. 212) authorizing the Secretary of the Interior to use, for the removal of the Kickapoos and other Indians, on the borders of Texas and Mexico, to the Indian Territory, and for their support after such removal, the unexpended balance of appropriations made for the above purpose by acts approved July 15, 1870, and March 3, 1871; which was read a first and second time.

Mr. GARFIELD. I thought that bill had passed both Houses.

The SPEAKER. The Chair knows nothing about it. It will be referred to the Committee on Appropriations.

TERRITORIAL COURTS.

The next business on the Speaker's table was the Senate amendment to the bill (H. R. No. 1762) concerning the practice in territorial courts and appeals therefrom.

The amendment was read, as follows:

At the end of the bill add the following:

And that this act shall not apply to cases now pending in the Supreme Court of the United States where the record has already been filed.

Mr. POLAND. The Committee on the Judiciary have considered this amendment, and desire that it may be concurred in.

Mr. COX. What bill is this?

Mr. POLAND. It is a bill concerning the practice in territorial courts and appeals therefrom. It has been drawn by a member of the Supreme Court.

Mr. G. F. HOAR. I should like to hear some explanation of this matter from the gentleman from Vermont, [Mr. POLAND.]

Mr. POLAND. I am willing to make an explanation of the matter if there be no objection.

The SPEAKER. If it takes time the Chair will have to return the bill to the Speaker's table.

Mr. G. F. HOAR. We ought not to act on this subject without some explanation.

The SPEAKER. The bill and amendment of the Senate will be returned to the Speaker's table.

Subsequently,

Mr. G. F. HOAR said: Mr. Speaker, allow me to say, in regard to the bill sent to the Speaker's table on my objection, that I have since then read the bill, and am willing to withdraw my objection.

The SPEAKER. Is there any other objection to taking the bill concerning the practice in territorial courts and appeals therefrom from the Speaker's table and concurring in the amendment of the Senate?

There was no objection, and the amendment of the Senate was concurred in.

RECONSIDERATION.

Mr. RANDALL. I move to reconsider all the votes taken this morning; and also to lay the motion to reconsider upon the table.

The latter motion was agreed to.

FOREIGN IMMIGRATION.

Mr. MILLS. I ask unanimous consent to introduce a preamble and resolution for reference to the Committee on Commerce.

Mr. MAYNARD. If it takes time I will be obliged to object.

The Clerk read as follows:

Whereas the dimensions of foreign immigration to the United States have made it a matter of national importance and concern, and the bulk of such immigration passes through the port of New York where, by the operation of local laws, it is made subject to a capitation tax ostensibly levied for the protection of the people of the State from the influx of foreign population and to the more effectual guarding of the immigrants themselves; and whereas such capitation taxes, coming as they do from the pocket of the immigrant, are regarded with suspicion and dislike by a large part of the country, and by all commercial and business interests, as oppressive to the immigrant and tending directly to check immigration, and should, if imposed at all, be imposed by Congress for the benefit of the whole country and not of a single State; and whereas the present board of commissioners of immigration of the State of New York is seeking an increase of the capitation tax from $1.50 to $2, although such increase is opposed by leading interests in that city, and the said board accused of culpable mismanagement and gross extravagance in the matter of salaries: Therefore, be it

Resolved, That the Committee on Commerce be directed to investigate the manner in which the State of New York provides for the immigrant and disburses the amount collected in capitation taxes in rendering assistance restricted by State laws to the limits of the State; and that such committee be empowered to send for persons and papers, and be required to report without delay.

Mr. CREAMER. I object.

EVENING SESSION.

Mr. MAYNARD. I desire to say to the House that it has been intimated to me by one or two persons they would like to speak on this bill to-night, and therefore, if during the morning a sufficient number can be found who are willing to speak to-night, I give notice that I will move to have an evening session for debate only.

Mr. GARFIELD. Do I understand the gentleman from Tennessee to move that there be an evening session?

The SPEAKER. He did not make that motion, but he gave notice that if he found a sufficient number of members willing to speak to-night, he will, at a later period of the day, move for an evening session for debate.

Mr. GARFIELD. I hope there will be an evening session for debate.

CURRENCY AND FREE BANKING.

The SPEAKER. The House proceeds to consider the bill (H. R. No. 1572) to amend the several acts providing a national currency and to establish free banking, and for other purposes. The gentleman from Wisconsin [Mr. MITCHELL] is entitled to the floor.

Mr. FARWELL. I desire to say that I yield the remaining portion of my hour to the gentleman from Illinois, [Mr. BURCHARD,] after the members of the Committee on Banking and Currency have been heard.

Mr. WHITEHOUSE. I desire to offer an amendment to the bill.

The SPEAKER. The bill is not open to amendment, but the gentleman can have read what it is that he desires to offer.

Mr. WHITEHOUSE. If I get an opportunity I propose to offer the following amendment.

The Clerk read as follows:

Section 3, line 31, strike out "four hundred," and insert in lieu thereof "three hundred and fifty-six."

Mr. WHITEHOUSE. I have prepared some remarks, Mr. Speaker, on that amendment; but inasmuch as I cannot get the floor I ask permission of the House to print them in the RECORD.

There was no objection, and it was ordered accordingly. (See Appendix.)

Mr. POLAND. I also desire to offer an amendment in the nature of a substitute for section 2, which I ask the Clerk to read.

The SPEAKER. Does the gentleman from Wisconsin yield for that purpose?

Mr. MITCHELL. I do.

The Clerk read as follows:

SEC. 2. That it shall be the duty of the Secretary of the Treasury, as fast as practicable, to retire and cancel United States notes in any mode warranted by law, until the amount outstanding shall be reduced to $300,000,000; that as fast as United States notes shall be retired, circulating notes to an equal amount shall be issued to banking associations which may be duly organized under and in accordance with existing laws; and in authorizing such new banking associations, and issuing such circulating notes, preference shall be given to banking associations in such States as have not now their proper proportion of bank circulation; and when the amount of United States notes outstanding shall be reduced to $300,000,000, all banking associations formed under and in accordance with existing laws shall be entitled to receive circulating notes in the manner now provided by law; and all acts limiting the amount of such circulation are hereby repealed.

Mr. DEWITT. I ask the gentleman from Wisconsin to yield to me for the purpose of offering an amendment.

Mr. MITCHELL. I cannot yield any further.

Mr. Speaker, notwithstanding the recent action of the House in legalizing the issue of United States legal-tender notes to the extent of $400,000,000, it is none the less necessary that in considering the bill now before the House the monetary question should be discussed in all its bearings, both in reference to what the currency now is and what it ought to be.

While the few observations I am about to make will be to some extent general in their character, yet I trust they will be found to have a direct bearing on the bill under consideration.

The difficulty with which the subject of the finances and the currency is surrounded is only equaled by its importance.

It is true that of late extraordinary progress has been made in the study of political economy and in the elucidation of the principles underlying the production and distribution of a nation's wealth. Yet it is equally true that so subtile, and oftentimes remote, are the different influences to be considered, arising not only from the laws of trade but also from the still more uncertain movements of men, as they may be dictated by reason, interest, or feeling, that there is probably no science where there are so many differences of opinion, and consequently so many erroneous opinions, as in the science of political economy. Especially is this the case with that branch of it which refers to the currency, and which, on account of the events of the last few months, it is expected by the people that this Congress will most carefully consider.

NO LEGISLATION CAN PREVENT PANICS.

The opinion which is more or less prevalent in the minds of the people, that it is in the power of Congress to so regulate the circulating medium of the country as forever in the future to prevent a commercial crisis similar to that through which we have passed, may well be set down as a popular delusion. It matters not with what wisdom and care the laws regulating the currency are framed, and the innumerable contingencies which may arise, be foreseen and provided for, we can never by any enactments of ours so overrule the irrevocable, inevitable laws of political economy as to enable those who live beyond their incomes "to make both ends meet," or to insure profitable returns to those who invest their means in undertakings which can never pay interest. Such financial disasters have occurred in all commercial nations, and under very different circumstances, and they probably will continue to occur while human nature remains as it is. It is also likely that the more commercial a nation is, the more sharp and general will these revulsions be.

The producer of raw material sells it to the manufacturer, the manufacturer to the wholesale dealer, who in turn sells it to the retail dealer, and he to the farmer. There are hundreds and thousands of such chains in the business transactions of this country, and each link of the chain depends on the others. The inability of any one of the links in the chain to meet its liability creates distrust, and when distrust becomes general a panic ensues. Every man wants to get what is due him, being afraid that his debtors may fail; the deposits in the banks being payable on demand are most attainable, and a rush is made for them, to the great injury of the mercantile and manufacturing interests which have received assistance from the banks. Such panics have occurred from the failure of crops, whereby the farmer has been prevented from paying the retail merchant, who in turn could not pay the jobber, and so on.

Again, overproduction, or the falling off in demand, has rendered the manufacturer unable to dispose of his products, and thereby he has not only failed to pay what he owed to the producer of raw material, but has been under the necessity of reducing the number of his workmen, causing ruin and destitution to thousands. After a number of prosperous years the surplus of capital seeking investment becomes larger, and in consequence it is with more difficulty that it can be invested so as to bring in the large returns which it produced when there was less capital seeking investment. People then go out of the ordinary channels and seek for increased profits from all kinds of speculative and doubtful schemes. Much capital is thereby soon lost or sunk in enterprises which are not only non-productive, but from which it is impossible to get back the principal which has been put in; much movable, active capital becomes fixed and immovable, and of no use whatever in carrying on the business of the country.

We can each judge for himself which, if any, of these causes produced the collapse of last fall. Some have attributed it to the sinking of capital in building unproductive railroads through unsettled portions of the country; others see the cause in the large amount of funds lying idle during summer in our commercial centers, which idle money sought investment in speculations from which it could not be withdrawn without producing a crash.

However different our views may be as to the cause of the recent revulsion, we cannot but be unanimous that it is our duty to do all

that is legitimately in our power to place the finances of the nation in such a shape as to discourage the return of such a disaster, and in case of their occurrence to render their duration as short as possible.

WHAT DID NOT CAUSE THE CRISIS.

As having an important bearing on the action to be taken by Congress, I cannot refrain from giving it as my opinion that our recent financial troubles were *not* caused by an insufficiency of currency. After the panic was fairly under way, and people were withdrawing currency and hoarding it, then the panic was no doubt aggravated by the scarcity of currency brought about by such action, and the desideratum of the hour was some means by which the gap made by the hoarded currency could be filled, some resource whence what had been withdrawn from circulation could be made good.

Had our currency been on a specie basis, and on a par with that of the specie-paying countries of Europe, we could soon have drawn from the clearing-house of the world enough to supply the vacuum caused by those who had withdrawn money for the purpose of hoarding it. But the gold which did actually come to us, notwithstanding the fact that our currency was not on a specie basis, was of no use; it could not pass into circulation. It may be questioned if its importation was not, as matters stood, an actual damage to us by causing a flurry in the London money market and leading the Bank of England to raise its rate of interest, and thereby reacting unfavorably on the money market here, and on the values of our exportable commodities.

WE HAVE TOO MUCH CURRENCY.

But the very fact that our currency is not at par with gold, shows that it is not only not too small in volume, but that it is actually excessive. Our dollar notes are promises to pay a dollar. Our laws define a dollar to be a coin of a certain weight and fineness. Our paper promises, if not excessive and depreciated, should be good for the coin whose name they bear. But that it may be still more apparent that a lack of currency was not the cause of our recent financial troubles, let us compare the amount of our present circulation with that of our own country before the war and with what it is in England at the present time.

The following table will show at a glance the population, wealth, and circulation in the United States in 1850, 1860, and 1870, and will completely set at rest any doubt as to whether our currency is excessive in quantity or not:

Year.	Population.	Assessed wealth.	Circulation.	Per head.
1850	23, 764, 706	$7, 135, 780, 228	{ $150, 000, 000 notes. 100, 000, 000 coin. }	{ $10 50
1860	31, 127, 000	12, 084, 560, 000	{ 200, 000, 000 notes. 150, 000, 000 coin. }	{ 11 30
1870	38, 115, 641	14, 178, 986, 732	700, 000, 000 notes.	18 42

From the circulation of 1870, exclusively irredeemable paper, I make no deduction for so-called bank reserves, because those reserves, held against deposits, form a necessary part of the circulation of the nation, and are doing, in the coffers of the banks, duty as such equally with currency in the pocket of the citizen.

From this it appears that our circulation has been increased out of all due proportion to both our population and wealth.

By extending our research still further we would find that the note circulation of England to-day is actually less than it was in 1819 by $50,000,000, and amounts to only $6.50 per head of the population; the total increase of circulation being an increase of specie.

It is to be remembered, in comparing the circulation *per capita* of England with that of the United States, that the wealth of England is much greater than that of this country, and that a far greater proportion of it is in personal property, and so entering more largely into commercial transactions. Moreover, England is both the money and mercantile broker of all nations. A large proportion of the foreign trade of the United States is carried on through her.

CIRCULATION SHOULD NOT INCREASE IN THE SAME RATIO WITH WEALTH OR POPULATION.

If $11.30 per head of circulation were sufficient for this country in 1860, the same ratio ought to be sufficient now, for the reason that population and wealth increase faster than should circulation. Every year witnesses new modes of economizing circulation. Bills of exchange, checks, deposits, clearing-houses, telegraphs, railroads, and many other economizing devices and substitutes continually tend to lessen the work which circulation has to perform. The statistics of England are a most remarkable proof of this.

In 1819 the exports and imports were not twice the amount of note circulation; in 1844 they were about four times as much. In 1872 they were fourteen times as much. In 1844 the note circulation of England was £1.15s.8*d.* per head, while in 1872 it was £1.6s. per head, showing that the circulation keeps pace neither with the amount of business nor the increase of population or of wealth.

We no longer look to the volume of circulation to ascertain the increase or decrease of business, but to the transactions of the clearing-house. In 1844, the sums passed through the London clearing-house were only about forty times the amount of note circulation, while in 1872 they were one hundred and thirty-five times as large. The same is seen in our own country.

In 1837 the circulation of the banks of the United States was $149,000,000; in 1861 it was $202,000,000, being an increase of 35 per cent. By comparing this with the increase of wealth and population from 1840 to 1860, it will be seen that the increase of our population was 82 per cent., and of our wealth 330 per cent.; the one being more than twice as great as the increase of circulation, and the other nearly ten times as great; showing by the experience of our own country, as well as that of England, that circulation does not need to keep pace with population or wealth.

We often hear it remarked that before the war the country was flooded with State-bank notes of all kinds; yet the highest amount ever reached was in 1857, when it was $215,000,000, and even that amount caused an excessive expansion of credits which found relief in a financial crash.

I think, in view of all these and many other facts which might be brought forward, that there is no ground for the assertion made by some, that the recent monetary revulsion was caused by a lack of circulation.

Any increase that might be made to the currency, to gratify the present clamor of some, would in the long run make it no more efficient for the carrying on of business. If you add to its quantity you lessen its value. There would be an apparent increase of prices; it would take more paper promises to buy a given quantity of gold, wheat, lumber, or iron; these commodities would be worth no more, but the currency would be worth less, and it would take more currency to represent an equal quantity of them.

If a bushel of wheat be to-day worth one dollar, and to-morrow you double the volume of paper notes in circulation, the bushel of wheat will bring two dollars in such currency; but your doubled depreciated circulation does no more business than half its quantity did before.

A recent writer on political economy put this in the following lucid form:

> Ten persons were at play. For greater ease they had adopted a plan of each taking ten counters, and against these they had placed a hundred francs under a candlestick, so that each counter corresponded to ten francs. After a game the winnings were adjusted, and the players drew from the candlestick as many ten francs as would represent the number of counters. Seeing this, one of them, a great arithmetician, perhaps, but an indifferent reasoner, said, "Gentlemen, experience invariably teaches me that at the end of the game I find myself a gainer in proportion to the number of my counters; have you not observed the same with regard to yourselves? Thus, what is true of me must be true of each of you, and what is true of each must be true of all. We should, therefore, all of us gain more at the end of the game if we had all more counters. Now nothing can be easier; we have only to distribute twice the number."

This was done; but when the game was finished and they came to adjust the winnings it was found that the thousand francs under the candlestick had not been miraculously multiplied according to the general expectation. They had to be divided accordingly, and the only result obtained was this: every one had doubled the number of counters, but every counter, instead of representing ten francs, only represented five.

Now those who clamor for an increase of note circulation want more counters; but each counter will, if its circulation be doubled, have but half its previous purchasing power.

It would be an easy matter to enlarge the volume of currency so that it would take ten paper dollars to buy a bushel of wheat or one gold dollar, but no sane man will contend that the farmer would be getting any more value for his wheat than he gets to-day.

The reckless issue of vast quantities of paper currency which is irredeemable will soon cause the subversion of all values, and inflict serious injury on every business interest of the country. Every new issue diminishes the value, and the demand for still further issues will continue. Of course the prices of commodities may not be affected uniformly or immediately; but it is only a matter of time.

Believing as I do that our present paper circulation is abnormal and redundant, (facts sufficiently attested by its depreciation,) and while I beg to be understood as not advocating any rapid or sudden contraction, I would not be true to my own convictions if I did not emphatically record my opinion that instead of increasing the issue of legal-tender inconvertible notes, (a measure, in my judgment, fraught with the greatest danger to the business of the country,) the true remedy for the existing state of affairs is to be found in the adoption by Congress of a fixed policy for the gradual withdrawal, at stated periods, of these notes by funding them into bonds or otherwise paying and canceling them. The extent of the reduction that may be necessary in order to make them equivalent to coin is a matter of opinion and estimate; but it is safe to say that if we were to begin at once with small monthly withdrawals during the periods of the year when currency can best be spared, we shall reach the specie point sooner and easier than most people now imagine.

It is in my judgment not so important that a long step, as that *some* step, however small, should be taken in the direction of restoring the currency to the coin standard; and that the country should understand that the policy thus adopted will be inflexibly followed out until the desired result is attained.

It is claimed by some that the increase of population and business will of itself soon bring us into a condition of specie payments; but this I regard as a delusion. A geological period will be insufficient to achieve this result so long as we pursue, as now, a system that effectually banishes the precious metals from among us.

So long as the Government furnishes a forced irredeemable currency there can be no stability or certainty as to its volume or its

value, and the pressure now being brought to bear on Congress for further issues of depreciated paper compels me to avow myself a recent and somewhat reluctant convert to the doctrine that the sooner the Government can be wholly divorced from the business of issuing a forced paper circulation the better it will be for our country. The United States notes have effectually blocked the way to the coin standard, and still do so.

THE EVILS OF INFLATED CURRENCY.

The history of commerce shows that false theories regarding currency, whereby extraordinary issues of paper money have been imposed on confiding peoples, have produced financial convulsions which have shaken the nations to their foundations, and produced ruin and misery more wide-spread than have ever been inflicted by famine or war.

The power to issue an irredeemable paper currency has probably never been granted or assumed without sooner or later being abused. It is an old adage that a man thinks all men mortal but himself; so we are apt to think our nation will be an exception in regard to the abuses arising from an exorbitant issue of paper currency. From recent events I am led to think that our danger is greater than it should be.

I am aware that examples and illustrations drawn from the financial experiences of other countries are deemed by some to be inapplicable to us, and therefore undeserving of consideration. For myself I think it is well to utilize the dearly bought experience of others, and to those who think it does not become us to look to other countries I have to say that the laws of trade, of supply and demand, of money and of currency, are as fixed and immutable and of as universal application as are the laws of gravitation.

It may not be unprofitable to briefly notice some of the instances in the past where great evils have resulted from false ideas of the nature and work of currency.

The French government gave power to issue an inconvertible paper currency to Law's Bank in February, 1720; by the beginning of May they had issued notes of the nominal value of about $6,000,000,000, and one hundred livres in paper were worth about one in silver.

In 1790 the French government itself assumed such power, and authorized the issue of $80,000,000 of *assignats* based on the security of the public domains, estimated to be worth $1,500,000,000. In September of the same year further issues to the amount of $160,000,000 were authorized. France was then a perfect paradise for inflationists; the country was on the high road to prosperity; everybody was to have all the money he wanted.

Talleyrand and a few other leaders opposed those issues as certain to cause depreciation; but Mirabeau and others ridiculed the idea of their becoming depreciated; for were they not based on land, and what more secure and solid as a foundation for currency could there be than land. And besides it was not possible to set afloat more than the business wants of the nation would absorb.

Said Mirabeau:

It is vain to assimilate *assignats* secured on the solid basis of these domains to an ordinary paper currency possessing a forced circulation. They represent real property, the most secure of all possessions, the land on which we tread. Why is a metallic circulation solid? Because it is based on subjects of real and durable value as is the land which is directly or indirectly the source of all wealth. Paper money we are told will become superabundant; it will drive the metallic out of circulation. Of what paper do you speak? If of paper without a solid basis, undoubtedly; if of one based on the firm foundation of landed property, never. There cannot be a greater error than the terrors so generally prevalent as to the overissue of *assignats*. It is thus alone you will pay your debts, pay your troops, advance the revolution. Reabsorbed progressively in the purchase of the national domains, this paper money can never become redundant any more than the humidity of the atmosphere can become excessive which descends in rills, finds the river, and is at length lost in the mighty ocean.

We hear at the present time many speeches similar to Mirabeau's, and they appear very plausible, yet we all know how the stern events of the future demolished the fine rhetoric of Mirabeau. Although these *assignats* bore 4 per cent. interest, they had in a twelvemonth lost one-third their value. On the 11th of April, 1793, the severest penalties were decreed against any one who bought or sold *assignats* for any sum in specie different from their nominal value, or made any difference between a specie price and a paper price in the purchase or sale of goods. But it is folly to attempt by legislative enactments to overrule the great laws of trade. In four months the *assignats* had fallen to one-sixth of their nominal value; and in 1796 they had fallen to one-thousandth part of their nominal value, notwithstanding the fact that they were secured by the public lands. The ruin and misery caused by the issue of these *assignats* you all know. At length in July, 1796, the great paper fabric was wiped out with one stroke. Immense hoards of specie came forth from their hiding-places; the exchanges turned in favor of France, and during all the Napoleonic wars the specie standard was maintained at its full value.

The history of similar experiments in other countries, if such were needed, shows that irredeemable paper money incapable of issue in foreign countries, and redundant at home from overissue, becomes depreciated.

The paper money of the Danish government exchanged in 1813, at the rate of one dollar in silver for sixteen hundred in paper; in Austria, in 1810, a silver florin was worth thirteen in government paper.

At the beginning of the present century the Bank of England was led, to a limited extent, into the same mistake.

In 1797 there was a hue-and-cry, similar to what we hear at the present time in this country, that the circulation was not sufficient for the business wants of the community, and should be increased.

On March 16th, in the year 1797, the merchants of London held a meeting and resolved—

That it is the opinion of this meeting that the accommodation afforded to the trade of the kingdom by the Bank of England, in discount of bills and notes, has been found very inadequate to the present extended commerce of the country; that it is the opinion of this meeting that without an extension of the circulating medium of the kingdom by the discount of mercantile bills and notes, the general commerce of the country will be exposed to the most serious, immediate, and alarming evils.

Lord King and others of the ablest financiers of England showed the fallacy of this assumption of the merchants, that the amount of currency should be increased with the increased demand for discounts; the bank, however, enlarged its issues, and its paper became depreciated. The depreciation was greatest from 1809 to 1815. In 1814 and 1815 there was a great diminution of bank paper. In that period many country banks became bankrupt, or at least stopped payment, and it is estimated by the best authorities that in 1814, 1815, and 1816 the currency was contracted at least $100,000,000. This decrease of the paper currency rendered the resumption of specie payments in 1819 possible.

An expanded depreciated currency cannot be made interchangeable with the currency of other nations, and so attain that elasticity which is so much demanded.

A currency which is not larger in volume than the minimum wants of trade demand would be on a par with specie, even if it were not convertible into specie; but in that case it would not have that elasticity so necessary in the functions of a circulating medium.

INTEREST NOT REGULATED BY QUANTITY OF CURRENCY.

There is an impression in the minds of many, and I have seen it expressed in the reports of more than one public meeting, that the rate of interest depends on the quantity of currency in circulation. Nothing can be more erroneous. The rate of interest chiefly depends on the profits which can be made from the use of money. Of course there are other elements which affect the rate of interest, such as the character of the security offered; but the great controlling element which regulates the rate of interest on money is the profits which can be made from its employment.

If a man sees where he can, by the use of money, make 20 per cent., he can afford to pay 10 per cent. for its use. When many men see where they can use money to advantage, borrowers become many, and the rate of interest rises; but the quantity of currency in circulation has nothing whatever to do with the profits which result from the use of money. The increase of the quantity of circulation may raise the price of commodities, but can never increase the percentage of the profits of its employment.

Of course if the currency be so increased in quantity as to become almost worthless, men may lend it cheaper to get rid of it, especially if the borrower is likely to have to repay it in a more valuable currency at some future time; but in any normal condition of the circulation its quantity has nothing whatever to do with the rate of interest—at any rate in the direction to which I have alluded.

The financial history both of England and of this country would seem to show that the rate of interest is apt to be highest when the circulation is the largest. An increase of circulation tends to raise prices, and a rise in prices encourages speculation and stimulates borrowing, which tend to raise the rate of interest rather than to lower it.

Those, then, who think that an increase of currency would enable them to borrow money at lower rates are, I believe, greatly mistaken.

NO LIMIT TO THE CURRENCY THAT MAY BE SET AFLOAT

There is another opinion held in some quarters, which I believe to be erroneous, namely, that it is impossible to have an overissue of our present irredeemable currency, so long as the business of the country is ready to take it up and use it in the channels of trade; which is as much as to say that it is impossible for our banks to issue too much money so long as they find parties willing to borrow from them. The falsity of this is, I think, plain on the face of it.

Every mercantile transaction is capable of becoming the foundation of a bill of exchange; if, therefore, the issue of bank-notes is to continue as long as there is a bill offered for discount, there is not a bale of cloth, a bushel of wheat, or a chest of tea which may not, during its progress through the hands of successive dealers, be represented at every step to its full value by an issue of currency, and it would soon take a wheelbarrow-load of notes to buy a barrel of flour.

THE BALANCE OF TRADE BUGBEAR.

We are sometimes told that we cannot get our currency back to an equality with coin till the balance of trade be in our favor, and by that is meant that the custom-house reports must show an excess of exports over imports.

One would suppose that this ghost called the balance of trade, which was such a terror to our fathers a century ago, had in these latter days of light been forever put down; but it seems to trouble many timid minds yet. If there be a nation in the world which may safely be said to have made money out of its foreign trade and had a balance in its favor, that nation is England. Yet, taking the published statistics of her trade, and the balance of trade doctrine would show that she had been losing money at a fearful rate by her com-

merce; and the wonder is that the nation was not bankrupt long ago, or at least that her foreign trade was not long since abandoned as a losing business.

In a paper of Palgrave, communicated to the Statistical Society of London, I find the exports and imports of Britain for the last five years to have been—

Year.	Imports.	Exports.
1868	£294,000,000	£179,000,000
1869	295,000,000	189,000,000
1870	303,000,000	199,000,000
1871	329,000,000	222,000,000
1872	353,000,000	255,000,000
Total	1,574,000,000	1,044,000,000

From these figures it would appear that during the last five years the imports of Great Britain have exceeded her exports in the enormous sum of £500,000,000, or nearly $2,500,000,000, being more than the amount of our entire national debt.

I think this alone would show the absurdity of the balance of trade theory as it is usually applied, and be a sufficient answer to those who assert that we cannot maintain currency at par with specie till our exports exceed our imports.

The fact that the imports of Great Britain have largely exceeded her exports shows that she has been carrying on a profitable foreign trade, and that she brings more value to her shores than she sends away. When foreign commerce is profitable, the result must always be such.

If a New York merchant sends a cargo to China worth $100,000, and the ship, after the absence of a year, returns with another cargo, it must net him more than $100,000, or the merchant will make nothing. Suppose it nets him $200,000, and that he has a clear gain of $50,000, then he is so much richer and the country is so much better off; yet on the books of the custom-house that transaction is put down as making a balance of trade of $100,000 against this country. If the vessel had gone down in mid-ocean, and he had lost all his investment, the custom-house books would show an export of $100,000, with no corresponding import; and the transaction would be heralded abroad as $100,000 balance in favor of this country. Could anything be more absurd? Yet we find sensible men seriously opposing a return to a specie standard, because we are not sending more out of the country than we are drawing into it.

Of the same character with the balance of trade bugbear is that sometimes urged, to the effect that we can never return to a specie standard so long as we have so much interest to pay abroad. That objection is based on the exploded idea that we cannot pay our interest abroad in anything but specie, as if our wheat and corn, our cotton and petroleum, our pork and lumber, will not give us a credit balance in London just as readily as the gold of California. We may rest assured that gold is exported only when the nation can spare it better than anything else. We are a gold-producing country, and it is proper that we should export the productions of our gold mines, as well as the productions of our iron mines or petroleum wells. Moreover, gold is more likely to be drawn from us now than when it is used as currency, or the basis of our currency.

I might go into this branch of the subject at much greater length; but I have said all which at present it seems necessary to say.

THE BILL REPORTED FROM THE COMMITTEE ON BANKING AND CURRENCY.

This bill embraces several proposed amendments to the national-banking law, but its most important provision is that contained in section 2, by which certain existing restrictions on bank-note circulation are to be removed and what has been termed "free banking" authorized.

Now, "free banking" and "anti-monopoly" sound well, and as a general proposition are of themselves good things; yet measures of themselves good it may not always be wise to put in operation irrespective of time and circumstances.

Free banking might, no doubt, be safely and properly adopted if the circulating medium of the country were on a specie basis and equivalent to coin; but, in the present abnormal and exceptional situation of the finances, with a currency depreciated and irredeemable, I am compelled to regard such a measure as a dangerous experiment.

It will not surely be the part of wisdom thus to surrender all control over the volume of the currency, and to open the door for new issues of depreciated paper to an indefinite and unknown extent. It is to be hoped that no such rash experiment will be tried. Let us rather shut the door against any addition to the currency until we shall have dealt with, and brought to the true standard value, the circulation we already have.

The provisions of section 3, making it obligatory on the banks to provide for the redemption of their notes, are, I am aware, considered by the friends of free banking to be sufficient to prevent excessive issues; but from this view, entertained by a majority of my honorable colleagues on the Committee on Banking and Currency, I regret to be obliged to dissent.

We have now, or I fear are likely soon to have, say four hundred millions of United States notes, or legal-tenders, with which may be redeemed the present circulation of three hundred and fifty-four millions of bank-notes; and I hazard nothing in saying that the issues of the banks may be doubled and still the so-called system of redemdtion be, without difficulty, maintained.

It is a moderate estimate to say that on a basis of four hundred millions of United States notes nearly double that amount of bank-note circulation may be sustained and redemption be at the same time kept up.

The obligation to redeem, with such a basis, will count for little in the estimation of bankers, and if they do not largely increase their issues, should section 2 become a law, it will be for the reasons that Government bonds cannot be obtained at satisfactory prices, or that circulation has ceased to be profitable irrespective of redemption, and not on account of the requirement to redeem.

I will here call attention to the fact that there will be greater profit than heretofore in the issue of bank-notes if, hereafter, as provided in section 1 of the bill, no reserve is to be kept on circulation. It is true that I was myself in favor of dispensing with the reserve or circulation as an offset to and compensation for another and no doubt a wise provision of the bill requiring banks to keep the reserve or their other liabilities in their own vaults; but if free banking is to be authorized, I deem it to be my duty to point out that the effect of this provision will be to make circulation more of an object with bankers than it has yet been, and that they will be apt to avail themselves of the opportunity thus presented to increase their note circulation.

The present capital stock of the national banks is about five hundred millions; and their circulation, as before stated, three hundred and fifty-four millions. If section 2 becomes a law, there is no reason why the existing banks on their present capital may not issue one hundred millions additional circulation; and they will be very likely to do so if they see, as I think they will, profit in it.

If as a basis of the calculation we put Government bonds and coin at the present market price, and the use of money at 7 per cent., the net profit on circulation under this bill will be 2⅛ per cent.; being about 1 per cent. more than it has hitherto been. In this calculation I make no charge for management, because the expenses properly chargeal le to circulation of a bank doing, like all national banks, a general business, would be quite infinitesimal. I take into account, however, the 5 per cent. in circulation which it is proposed the banks shall lodge with the Secretary of the Treasury.

But in truth there has not been, and cannot be, any effective redemption of bank-notes in the present condition of the currency, because there is neither object nor motive to prompt it. What does this so-called redemption of bank-notes mean, and what does it amount to? It means the swapping of one kind of irredeemable paper for another kind, of no higher value; for the United States note, as a representative of value, is inferior to the bank-note, and is superior in one respect only, by the force of arbitrary law, and it amounts to nothing; for the holder of a bank-note, after he has taken the trouble to exchange it for a United States note, is no nearer coin value than he was before. It is a misnomer to call this redemption, and the operation is a farce, the performance of which the business community and the public will, as now, regard with utter indifference.

I am aware that as to the New York City banks there are certain brief periods every year when they would prefer to have bank-notes replaced by United States notes; but this is to a limited extent, and is felt nowhere out of that city, and the banks there have the remedy in their own hands if they choose to use it.

It is my confident opinion that, if section 2 becomes a law, a large addition to the bank-note circulation will take place, and that any system of redemption will be powerless to prevent it; that with whatever gravity the law may provide for going "through the motions" of so-called redemption by exchanging one piece of depreciated paper for another of no higher representative value, nothing effective or controlling on the condition of the currency will result from it. Further inflation and depreciation of the currency must necessarily ensue.

If the friends of this measure are willing to put it beyond question that no further inflation can occur if it is passed, this can easily be done by an amendment to the effect that, as fast as additional bank-notes are issued beyond the present authorized limit, the Secretary of the Treasury shall, *pari passu*, retire and cancel legal-tender notes until the coin standard is reached. With such an amendment the chief objections to the measure would be obviated; and I now give notice that at the proper time I shall offer an amendment to section 2 of this purport.

Congress is absolutely powerless to fix the amount of circulating medium the country requires and ought to have. It is simply the right and duty of Congress to carry us back to the coin standard; and, this done, the laws of trade, to which I have before referred, will then govern with unerring accuracy the volume of the circulation both of paper and coin.

The mode of redemption proposed in section 3 is such as I feel sure cannot be sanctioned by Congress. It is neither more nor less than to make the Government the redeeming agent of the banks—a position manifestly improper for it to occupy. It was not instituted for any such purpose, and the idea of involving it in daily business transactions with nearly two thousand banks is a curious proof of the tendency of legislation in these days. I really wonder what the Government will be asked to undertake next.

Although no system of redemption would, in my opinion, prevent, in the existing situation, an increase of the bank-note circulation if free banking is authorized, yet I admit it is, or will, I hope, soon be, an important matter that all banks should be required, in a way they cannot disregard, to redeem their notes in New York; and if the law is not now sufficient for this purpose, it can easily be made so. Besides, the New York City banks have always had it in their power to enforce, as they at one time contemplated doing, bank-note redemption there, if they deem it necessary to do so.

I am aware that some delay has occurred in executing the law of 12th of January, 1870, for the more equitable distribution of the currency, by which law twenty-five millions of circulation were to be withdrawn from certain eastern banks and distributed to Western and Southern States entitled to it, and that in consequence honorable members from such States may feel under some degree of constraint to vote for this so-called free banking in order to obtain relief. To such I would say that the present Congress will no doubt remove any technical difficulty that has hitherto stood in the way of the prompt execution of the law in question, and thus place twenty-five millions of circulation within the reach of the States West and South now deficient in their apportionment. Besides, it appears by the last annual report of the Comptroller of the Currency, dated 28th of November last, that he expected that all obstacles to the due execution of the law here referred to would be removed in three months from that time. Section 2 of this bill, therefore, is not needed as a measure of present relief to the West and South.

If the West and South have the means to establish more banks, and desire to do so, the opportunity cannot, under the existing unequal distribution of bank capital and circulation, be fairly denied them. A bank properly conducted is a convenient and useful institution; it cannot, however, make wealth prevail where poverty does now, any more than it can put money in the pockets of those who have nothing wherewith to buy it; neither can a bank localize the use of its circulation.

If all the national banks were located in a single State, it does not necessarily follow that the average circulation *per capita* actually in use by the people of that State would be greater, or even as great, as that in use in other States unblessed by the existence of a single bank of issue.

The proper business of a bank is to facilitate the marketing of the products of the soil; to lend aid to the manufacturer in transforming raw into manufactured material, and to the merchant in distributing the goods so manufactured. If a bank uses its loanable means for purposes other than these, its business is illegitimate, unsafe for itself, and useless to the public.

For these reasons I cannot vote for sections 2 and 3 of the bill as they stand. The remaining sections I can willingly support, particularly section 8, wherein the first step is taken toward the retirement of the notes of the Government. It is, indeed, a small step, but it is a step in the right direction; and the retirement of the United States notes therein contemplated is so gradual that I cannot see how it can work to the prejudice of any meritorious industry. By this process we shall reach a specie basis long before half of the United States notes are redeemed; and although it is too slow to prevent the inflation of which I have spoken in case section 2 becomes a law, it will, no doubt, tend to check it.

Some such action ought to have been taken long ago; for the gradual withdrawal of United States notes means a gradual return to the coin standard. No people were ever better situated for a return to the currency of the world than we have been.

Gold and silver are as much productions of our soil as are wheat and cotton. Since the war closed over six hundred millions of specie have been drawn from our mines, yet we have miserably failed to utilize this vast product. We must fail to do so no longer.

I regard the return to a specie basis as of the most vital importance to the stability and permanent prosperity of the industrial and commercial interests of our country, and any prosperity that may result from an opposite policy cannot but be of the most ephemeral kind.

In conclusion let me reassert the position which I hold on this great and important issue, which is that we should set our faces steadily and persistently toward such a reduction of our currency as will bring it to par with gold; at the same time let us not go into any hasty and rapid contraction. Let the reduction of the volume of our circulating medium be gradual, and it matters not how gradual we make it we must be prepared to find that it is far from agreeable to go through the ordeal.

The man who has been living on stimulants finds that it requires much moral courage and self-denial to return to solid food; so we must be prepared to hear a great outcry to the effect that the business of the country is being ruined; for the decline in prices, which must ensue to some extent, is likely to call out vigorous protests from many quarters.

When once our currency becomes convertible into coin, that elasticity which is now so much sought after will also be attained. Whenever our currency becomes superabundant, then will it be cheaper to export gold than anything else, and the surplus coin leaving this country will compel the reduction of the currency to its normal proportions. On the other hand when our currency is too small in quantity, we will draw coin from abroad.

During the panic through which we have just passed coin was drawn from abroad even when it could not be used as currency. If it could have been so used, relief would have been more speedily obtained.

Our currency, in its present depreciated state, proves a great drawback to the farmer and all others the price of whose productions is governed by what is exported to foreign markets. The farmer's expenses are regulated under an inflated depreciated currency, while he sells his products in the markets of the Old World where prices are regulated by a currency at par with specie.

Our present inflated currency encourages speculation and extravagance; increases the amount of credits; unduly stimulates importations, causing an adverse state of the exchanges and the exportation of coin; and has a tendency to feed a panic as well as to render it very serious when it occurs.

The currency of the United States was largest in 1837 and 1857, and the result was an over-extension of credits, the extension of credits and the inflation of the currency acting and reacting on each other till a very wide-spread and serious financial crisis brought us back to a sound basis.

As I said, it will require some self-denial and real courage for our people to face a reduction of the currency; but it is much better to meet some small discomfort at present, rather than to rush on headlong to certain and very great loss at no remote future.

It would be very agreeable to expand the currency, raise prices, and sail along in our balloon through an exhilarating atmosphere for a few years; but we would sooner or later be brought down to solid ground by a fearful collapse. Such a result is just as sure as it is that the laws of trade and the principles of political science are not to be trifled with and cannot be overborne.

Let us be guided in the solution of this question solely by what we consider will be for the ultimate, permanent, and lasting good of this nation; and not merely seek to do what will please for the time with no regard to the future consequences.

It is not more essential that the atmosphere which we breathe should be pure than it is that the life-blood of commerce should be wholesome.

I will only add further, that the views I have now presented, while they are my own earnest convictions, are also, I believe, in substance the views of a large majority of the people I have the honor to represent on this floor. And I must take leave to deny that the industrious, intelligent people of the Northwest, whether engaged in agricultural, manufacturing, or mercantile pursuits, are generally, or to any great extent, in favor of additional issues of depreciated paper.

Mr. MERRIAM. Mr. Speaker, when Congress assembled, nearly four months ago, our country was agitated with a new experience. Never before had a panic fallen upon a people banking upon and making all its exchanges with paper money. Our industries had been in the fullness of prosperity; the earth had yielded prodigally of its bounties; our granaries were full to overflowing, and from short crops in other countries prosperous nations stood ready purchasers at high prices. The farmer, the merchant, the banker, the manufacturer, the laborer, were busy in their respective occupations. In a moment, without warning to the common observer, the crash of distrust fell upon us, suspending or crippling all our illimitable industries. A nation used to and *willing* to labor, stood without employment, *paralyzed* with that vague and indescribable dread that fills men's minds when overtaken with fright.

When Congress assembled the people everywhere looked to us for immediate relief.

The problem to be solved was one of no ordinary responsibility.

You, Mr. Speaker, placed upon the committee, specially assigned to this duty Representatives from different sections of our country, and of diverse financial views.

It is but just to the committee to say that with one accord they devoted themselves laboriously to the subject with a full appreciation of their responsibility; but without *pressing* unduly their own pet schemes. That we might the better apply the spirit of a representative government, we invited to our counsels eminent financial thinkers, eminent bankers and business men, from various sections of our country. With great patience and impartiality we have endeavored to weigh their diverse views and interests, seeking only a result for the common good of our country.

With these aims, and with these gathered experiences, added to the years of practical experience the committee themselves have had, we have been able to present a bill for the consideration of this House, the main features of which, I trust, will commend themselves to the approval of this body. It will be no surprise to this House nor to the country to be told that the committee were not unanimous upon all its sections. As God has made no two human faces alike, neither has He created two minds alike. In those great fields of religion, politics, and finance, the views of men seldom harmonize, but rather seem to delight in asserting a self-individuality of opinionated stubbornness.

PERSONAL ALLUSIONS.

I may be pardoned for alluding to a subject somewhat personal, in consideration of a statement having been made on this floor, that "the b..ak interests of members of this House would prevent impartial legislation," and the still more remarkable statement of the gen-

tleman from Kentucky, [Mr. BECK,] found in the RECORD of March 8, which reads:

I have no doubt a majority of the Senate, and a large minority in the House, are *personally* interested in the passage of laws inimical to the interests of the masses.

And the further insinuation of a New York financial paper, (when attempting to account for our delay in legislation when the accumulating capital of the country stands idle and unwanted by enterprise, until some financial *policy* is determined upon by Congress)—

That Congressmen dabble in stocks, creating an influence one day for expansion, and another day for contraction, for their own advantage in speculation.

As a general belief in the truth of these insinuations would lower the dignity of legislation and tend to demoralize and weaken the confidence of our people, I feel it due to the Committee on Banking and Currency to state that nine of its eleven members have no *personal* interest whatever in national banks, and so far as I know, *no member* has bought or sold a share of stock within ten years, and in answer to inquiries from all sections of the country as to what the probable action of Congress would be on the subject of finances, my invariable reply has been that "it was one of those things no person could find out" *in advance of our final action.* While all men will agree that no dishonor attaches to legitimate accumulations, to the extent men are willing to assume its burdens and cares, yet if any representative of a free people, honored to guard and make his country's laws, should use this sacred position of trust to make money, he commits a hated crime, and should be characterized by honorable men as a *national pickpocket,* and be doomed to ignominy and perpetual exile in the penitentiary; but I am inclined to believe, in the absence of evidence of guilt, that all such insinuations are baseless as slander.

Mr. Speaker, all civilized men are, from the very nature of existence, students by experience in the economics of self-support. They are hourly *practicing* the laws of economical philosophy without instruction from theoretic teachers of the science.

Men everywhere are stimulated to labor and the accumulation of property and money for the independence they know it will purchase. They hold it as a symbol of their past industry, knowing that with it man carries about with him an evidence that he has been a participant in those activities of civilization, busy and breathless as the moments. The farther behind we leave the primitive ages, when men used the rude materials of wampum-beads and shells as money, the more universal is the desire to find the most convenient and reliable money to act as their *servant* for exchanges. It is no strange instinct in the breast of mankind; it is the instinct of self-protection; for money, like the air we breathe, is man's companion from the cradle to the grave.

UNIVERSAL INTEREST IN THE SUBJECT.

The universal interest in the action of this Congress, when dealing with the subject of banking and currency, is evidence that the people realize that every vote we cast will touch *directly* the personal interest of every one of our forty millions of people. It is *to* the magnitude and *importance* of the subject we trace the innumerable volunteer essays on finance thrust upon us from early morn to dewy eve by those financial tinkers *more* fortunate than all the rest in solving the mysteries of this branch of political economy. It is also *to* the magnitude and importance of the subject we trace the taxed ingenuity of legislators in framing measures of relief to lift the nation from its financial perplexity. We find, printed, and in embryo, bills for the gradual, and bills for the immediate, resumption of specie payments, bills for the immediate and bills for gradual funding of legal-tender notes, bills for the recall of national-bank notes and their substitution by legal-tender notes, bills for the conversion of *both* to par by their acceptance for customs dues, bills for the abolition of bank-notes and the interchangeability of legal-tenders into three sixty-five United States bonds, bills authorizing the Treasury to sell two hundred millions Government bonds in foreign markets for gold to supplant our paper currency. Now, Mr. Speaker, it must be evident to the ordinary human intellect that no financial alchemist can transmute this medley of contradictions to a garden of financial roses.

THE PEOPLE AVERSE TO FINANCIAL EXPERIMENTS.

The American people are eminently practical; they are averse to new and untried experiments. Their interests are too vast and too *sacred* to be launched into unknown and uncertain seas. We are working out on this continent the highest problem of civilization. God has furnished in generous prodigality all the material elements. From this, the final earth-rest in the march of empire westward, we are to gather up for our own happiness a new and broader civilization, and by example throw it back to revivify the exhausted elements of life to the furthermost nations of the East. Comprehending our mission, our people are *jealous* of experiments that may prove a delusion and a snare.

WAR IMPOVERISHES A NATION.

That stupendous war of Slavery against Freedom, that greatest battle of ideas of all the ages, settling *forever* man's right to his own labor in the triumph of democracy over aristocracy, buried in blood four years of toil and a million stalwart producers, temporarily impoverishing the nation, as all great wars have hitherto impoverished other nations; and, turning the balance of trade against us, it took away our gold. The financial results of great wars are much the same as when idleness and luxury of an entire nation mortgage it to those whose labors supply the luxuries idleness consumes. All modern wars produce this result. Some Americans profess humiliation at our long specie suspension, forgetting that the proudest and richest of nations from 1797 to 1824, a period of thirty years, stood as we stand to-day.

WAR NECESSITATES A NEW SYSTEM OF BANKING AND CURRENCY.

Absence of gold necessitated the creation of a more extended paper currency. Fortunately for the welfare of our country the inventive genius of those able financiers who managed the nation's Treasury through the war invented a system of banking, and adapted to it a currency which may truly be called one of the richest legacies of the war; for by it the people obtained a medium of exchanges so guarded for safety, that it grew at once into the entire confidence of *all* our people—a currency so in harmony with American character, that the long-sought desire for a nationalized paper currency was attained. Through it, under a restored Union, energy, industry, and genius, stimulated as if by inspiration, has doubled our wealth and activity in a single decade.

THE SYSTEM A SUCCESS.

It is something more than a sentiment when the humblest citizen of the Republic carries in his pocket a currency bearing the impress of nationality that is at par everywhere within our borders, and whose purchasing power is unaffected by mismanagement of bank officers whose issue it is. A bank may fail, but the currency is good all the same; it may *well* be called the "people's money;" but, with all the advantages of our national banking system, the time has arrived when the country demands that it can be perfected and enlarged to the necessities of our growth. It was created ten years ago, and ten years in our lives is more than the life of any one generation gone before. The experiences of last fall have taught us its defects. *These* our bill has sought to remedy.

EVIDENCES THAT WE NEED MORE CURRENCY.

The near approach to a panic two years ago gave evidence that the increase of our population and business required more currency. We saw it in the fact that the locking up of ten millions of our seven hundred millions of currency by unprincipled speculators created a stringency in money centers that distressed the entire commercial community. It was for this reason that I introduced into Congress, two years ago, a bill to suspend the cancellation of the 3 per cent. certificates, which served in our system of reserves the purpose of currency; but Congress was not *then* educated as *now,* by the panic, to the dangers of contraction. Apprehending the danger of too little currency to perform the legitimate exchanges of a rapidly enlarged necessity, I last year pressed free banking, but Congress was not educated then, as now, to its necessity. The panic came and brought losses untold to our people. In this bill we remove all restrictions of limit to circulation, and call it free banking; *i. e.,* freedom for all to enter the banking business who pledge United States bonds as security for circulation and comply with all the requirements of the national banking law. Through this we overcome the objection to our present system, that "we have outgrown our currency." It has been the almost unanimous expression of those who have appeared before our committee that at certain periods of the year our currency was inadequate to perform our necessary exchanges. The associated banks of New York, and at the other financial centers, expressed it in the necessity of pooling their assets and issuing certificates, in New York alone to the amount of $23,200,000 during the panic, which, though bearing interest and within authority of law, was, in reality, as so much additional currency. I do not allude to it complainingly, because it was a necessity of the hour; and the able managers of the New York clearing-house, who first inaugurated this measure successfully in 1857, and adopted it again in September last, by it checked and destroyed the panic, and hence are deserving of public gratitude. When war drove away our silver currency, cities, towns, individuals and corporations issued fractional promises to pay "shin-plasters;" they were an indispensable necessity of trade. When Government issued its fractional currency then local issues disappeared, but under contraction from increase of population and wealth, we find that in sections of our country where banks are few, "shin-plasters" again predominate. General Spinner who has just visited the South, says, "The South is plastered all over with shin-plasters." It is proposed to introduce a bill to make these issues a penal offense, but without free banking and capital accumulation through it, I fear an attempt to deprive the people of the means of small exchanges would create a revolution. Our present experience in these local issues reflects the baneful influences of any policy depriving our entire people of ample currency. I hope the day is not far distant when silver will be used everywhere for our small exchange.

Those earnest appeals of the leading bankers and merchants of New York to the President and Secretary of the Treasury during the panic for more currency were also significant. That eminent and practical merchant, Mr. A. A. Low, of Brooklyn, New York, engaged in the China trade for more than thirty years, and whose personal interests would naturally lead him to advocate specie resumption, said, in his most interesting remarks before our committee:

Our currency meets all the requirements of the merchant and manufacturer, and I do not know what more is wanted. During all our panic no man had apprehension of the safety of national-bank notes or legal-tender. I would be in favor of free banking under certain restrictions. *I think it is manifest that there has been too little rather than too much currency.* Everybody carries more or less in his pocket,

and in some portions of the country it is hoarded. With the growth of the country more currency will be needed. I am in favor of more currency, but it should be redeemable, if not in gold, *certainly* in legal-tenders. Why there should be any restrictions in this country, under proper safeguards, I do not understand. The national-bank notes are based on gold bonds, and the liabilities of stockholders added thereto *give them absolute security.*

And he might have added that, although the national-bank notes are not based directly upon gold, their basis (United States bonds) commands gold *at par* (10 per cent. above the pledge for circulation) in the markets of the world.

We have evidence from other eminent merchants in New York, men pursuing large and legitimate business, who also tell us "that it is manifest that there has been too little rather than too much currency."

ARGUMENTS AND APPEALS FOR MORE CURRENCY.

I append a letter from a careful thinker and writer on finance, whose views are in accord with my own observations. He says:

I pray you, glance at the table below. Once a year, generally in the dog-days, the reserve of the city banks is swelled to its maximum by the flow of idle country money to its center; and once a year, sometimes in October, when the western crops are being "moved," sometimes in December, when the cotton crop requires money, and sometimes in April, when the spring settlements and the opening of navigation call for currency, that reserve falls to its minimum. The following table gives in round millions the maximum and minimum of the reserve for each of the past eight years, the period during which our currency system has been fairly on trial:

Statement showing the maximum and minimum of the reserve from 1866 *to* 1873.

Date.	Maximum.	Date.	Minimum.
1866, September 1	$92,000,000	March 3	$58,000,000
1867, August 10	76,000,000	November 23	57,000,000
1868, August 8	74,000,000	December 26	48,000,000
1869, May 29	58,000,000	December 24	44,000,000
1870, June 4	61,000,000	December 31	45,000,000
1871, August 9	73,000,000	December 30	40,000,000
1872, June 15	55,000,000	April 13	36,000,000
1873, August 2	50,000,000	October —	5,000,000

You perceive that in these eight years the maximum reserve had fallen from ninety-two to fifty millions, and the minimum from fifty-eight to five millions. The minimum of 1866 was eight millions in excess of the maximum of 1873. In other words, the amount of money drawn from bank and hoarded by individuals had increased steadily year by year until, in 1873, the reserve was exhausted.

The effect of the gradual withdrawal of money from the banks to individual hoards was faithfully reflected by the money market. In December, 1871, when the reserve first fell to fifty millions, money became worth from 90 to 100 per cent. per annum—a rate which no legitimate business could pay and live. In the following autumn the reserves fell to forty-one millions in October, and to thirty-six millions in the subsequent April; and in consequence there never was a day during these seven months when money was not worth over 7 per cent., and there were weeks together when it commanded from 25 to 50 per cent., rates which no merchant can pay without ruin. This winter the rate of interest would have been even higher, but that, on the 20th of September, 1873, the reserve fell to the unprecedented figure of $31,000,000; and this, occurring at a period when conspicuous failures had created a general distrust, led naturally to a general run on the banks. On the 20th of September the banks lost twelve millions out of their slender reserve, and though they nominally suspended payments on the next business day, they lost during the three weeks following fourteen millions more—reducing their greenback reserve, about the middle of October, to the pitiful sum of about $5,000,000. At this period there was no money market. It was simply impossible to sell paper or borrow on call. The crash was the result.

If, as I believe, these are the facts of the case, it follows—

First. That the panic and the bank suspension were due to the steadily increasing amount of money withdrawn from bank—where it was used in facilitating commercial exchanges—to individual hoards, where it lay dead.

Secondly. That the amount of money liable to be so withdrawn increases in the ratio of the development of the country, and the acquisition of wealth by persons residing far from the great cities, and indisposed—from want of financial knowledge—to trust their money out of their own possession.

And from these two the corollary would seem to follow that a general panic and bank suspension must occur hereafter at least once a year, unless—

1. The individuals who have been for the past eight years withdrawing money from the banks and hoarding it can be so educated as to abandon the practice hereafter; or,

2. They be deprived of the means of withdrawing money from the bank by a general crop failure; or,

3. The volume of the currency be periodically increased so as to fill the vacuum created by rural hoarding.

How long it would take to so far educate the thousands of Germans, Norwegians, &c., who grow wheat and corn in the Northwest, and the thousands of negroes, mulattoes, and ignorant whites, who raise cotton in the South, in the laws of political economy, that they should understand the grave injury they inflict on the community at large when they hoard the money they receive for their produce, you can judge better than I. If it cannot be done, and at once, and the crops do not fail, perhaps you will point out how an annual panic can be averted without an increase of the currency in some shape or other.

The following memorial was read in the Senate March 17 by Senator LOGAN, "signed," he says, "by two hundred business men in New York"—I presume all borrowers and not lenders of money, as the memorial came unheralded by that high-sounding authority of "$460,000,000 representation:"

To the honorable the Senate and House of Representatives in Congress assembled:

Your petitioners beg leave respectfully to represent that they are greatly alarmed at the efforts being made by money-lenders to induce your honorable body to put a stop to the further issue of legal-tenders by the Secretary of the Treasury, and to compel him to increase the bonded indebtedness of the Government, in order to cancel and destroy the too limited and only currency on which the whole people draw interest; thus increasing taxation for the benefit of the foreign bondholder, while reducing the means and ability to pay.

The rapid and immense increase of the industry, resources, and wealth of the country, under the beneficent influence of this safe currency, in which all have confidence and interest, demands its increase rather than destruction. The experience of the last few years, especially in the fall, when the agricultural products of the year must be marketed, has demonstrated that there is insufficient currency to do the legitimate business of the country. Hence there has been increasing stringency in the market, causing great distress and alarm, by which money-lenders have been able to profit for weeks and months, to the extent of ½ to ¾ of one per cent. per day, and in extreme cases even as high as 2 per cent. per day, or from 45 to 700 per cent. per annum, and this in the money center of the continent. This has enabled a few men at such times, by locking up money, to aggravate the difficulty, and thus command their own terms, not a few of whom are now asking your honorable body to contract the currency that they may more effectually ply their infamous traffic.

These causes produced the late disastrous and ruinous panic, which will undoubtedly be reproduced with still more prostrating effects unless relief be afforded.

Your petitioners therefore respectfully ask that the volume of the currency be increased, especially the legal-tenders, and that provision of elasticity be made, so that business may again be safely resumed.

Mr. Ward, of Michigan, who for years has done so much to develop the great West, and who for many years has given employment to thousands in lumbering, mining, and manufacturing, said to our committee that the rates of money, and the difficulty of procuring it, upon the very best of security, had constantly increased since our policy of contraction began, until within the last two years the business of the West was crippled and almost paralyzed. He adds:

It is not probable that many members of Congress can fully appreciate the sad and desolate condition of most of our manufacturing communities, and no one can, unless he is placed in a position to realize from his own experience the difficulties that surround the managers of these great and beneficent establishments, many of them with thousands of able-bodied men, with their dependent families, and the managers utterly unable to procure the means for their monthly pay; and if they could possibly run their mills or factories for a time, the country is so depressed that there is no safe market for their products. Put yourselves in their place, and remember these are the men who are to protect and perpetuate this Government, and that their children are to be the future voters as well as workers of this nation. Treat them as human beings; give them work and pay; and they will bear with patience all the other ills of life, and bless the land that gives them liberty and plenty. Starve and degrade them, and the curses of broken faith and base ingratitude will haunt the authors of their wrongs to their everlasting homes.

The urgency with which I make this appeal is prompted by the fact that nearly four thousand idle men, and ten thousand of their dependents, to a great extent rely upon my simple efforts to supply the necessary means to pay for the maintenance and labor necessary for their support.

The testimony of all men from the South and West was of like import, except those representatives of trade unions, who confessed that they were "middle-men," brokers between the producer and the foreign consumer, making all their settlements in gold, they occasionally lose and occasionally make money in the fluctuations of the gold market. Hence they and the importers have argued for resumption. Selfishness dictates the argument. In the height of the panic I was in New York, and the metallic-currency bankers thought *then* was the opportune moment for resumption. They seemed to have forgotten that they had been banking upon a basis of $356,000,000, *equal* in all its relations to business and finance *to* gold, because they could with it pay their debts; and yet at a moment when they were nominally broken, as if to show that bullionists are always wiser and more *solid* in argument than other men, they proposed to accept as a panacea for all their woes a basis of $135,000,000,* in place of $356,000,000, for all their banking operations, because it *was* gold. This was reversing the rule of three, and could work successfully in no other place in this world outside of Wall street; and to add to the impressiveness of the metallic argument, we were told that our "depreciated," "irredeemable," "dishonored" paper currency was the cause of overtrading and the wild speculations resulting disastrously in a financial crisis. They forgot that they themselves, by paying interest on deposits and by the natural laws of trade, held centralized within their own vaults, (and as positively within the control of the bank officers of New York as if they owned it,) all those vast millions, *which if they did not loan* there *could* be no "wild speculation" resulting in financial crises.

Calm men outside that sea of speculation willn aturally ask, what guarantee has the country that when we reach specie resumption they will not, all the same, lend this centralized money, and with it will all the same bring about those "wild speculations" resulting in financial crises, as in 1857, when it came upon a gold basis?

But there is a class of American citizens who did not come before the Banking and Currency Committee, that vast army of hard-fisted, large-hearted laborers of our country, who are the real sufferers from contraction—I will further along consult that tell-tale of a nation's realities, the census report, and let it speak for them—every one of whom finds use for and handles more currency in a year than any one of those memorialists "representing $460,000,000," whose petition for resumption my colleague from New York [Mr. POTTER] presented with so much modesty a few days since. Merchants, importers, and bankers, in large cities, settle every transaction with bank-checks, even the payment of market-bills, pew-rent, carriage-hire, and clothing. I have myself transacted many millions of business in a single year, and never saw in twelve months as much actual currency as a farmer in my country finds it necessary to use in the same time. Men whose business is with foreign countries will memorialize for resumption because the law of selfishness governs mankind.

FORCED RESUMPTION.

But resumption with the balance of trade so much against us as it is now is an impossibility, *unless all experience and history are false.* We might resume for a day or a week, but we should fail in every attempt, as England failed, in repeated disaster, when forcing resumption over the unchangeable laws of trade.

*$135,000,000 estimated gold now in the United States.

We find in the North British Daily Mail opinions of our currency system expressed by Hon. George Anderson, a member of Parliament. It reads:

If America attempt to resume specie payments we may rely upon seeing within a few years as complete a break-down as followed our own adoption of that policy after 1819 up to 1825. If America is rich enough to adopt such a policy now without most serious difficulty, one thing is quite clear, there can have been no good ground for a financial crisis. To take a severe financial crisis as the fittest opportunity for resuming specie payments looks like insanity. It may, however, have another interpretation. The crisis may be solely the artificial result of an international scarcening of the currency in order to bring it equal with gold with a view to resume. Currency reformers on this side would view such retrogression with regret. America in her currency had made such a forward stride that it might have been expected she would have found out the real error in her system, and perfected it, instead of going back. That one error is its being rigidly inelastic.

We might legislate immediate resumption, but the result—*inevitable*—of another panic would make the experiment too expensive a luxury even for the metallic-currency mind.

Pennsylvania banks suspended September 10, 1839. The Pennsylvania Legislature, by law of April 3, 1840, required the Pennsylvania banks to resume on the 1st day of December, 1840, under penalty of forfeiture of charter. The banks resumed, but suspended again February 6, 1841. Commercial requirements overrode legislative commands. From 1817 to 1824 three attempts were made at resumption by the Bank of England, and three failures ensued with wide-spread bankruptcy attending each.

It is my solemn judgment, determined after years of study of the attempts of legislation by nations and States to override the unchangeable laws of trade, that we might as reasonably look for the millennium of man's honesty through congressional enactment "that all men *should* be honest," as to, by statutory enactment, resume specie payment successfully and permanently before the conditions of trade should prepare the way. We can legislate in that *direction*, and this we propose to do, because without it we stand in unnatural relations to the trade of the world, which recognizes gold as the representative of values between nations.

IMPORTS AND EXPORTS OF GOLD.

I append a table, prepared by Mr. Young, of the Bureau of Statistics, full of interest to the student of our economies. It shows our imports and exports from 1821 to the present time, including coin and bullion. This, however, gives no exhibit of the Government, State, and municipal bonds sent abroad during the past ten years, representing $1,500,000,000, upon which we pay gold interest amounting to $100,000,000 per annum. It will be evident to reflecting minds analyzing this table that our loss of gold arises from our too prodigal importations. This table tells of our excess of importations over exports, from 1831 to 1840, of $210,334,149; from 1841 to 1850, $7,223,504; from 1850 to 1860, $37,731,773; from 1860 to 1870, $317,409,390—an excess of imports in forty years amounting to $572,698,816; and that our exports of gold and merchandise for 1871, 1872, and 1873 exceeded our imports $172,740,883. Our imports of gold, from 1850 to 1873 amounted to $316,132,996, and our export of *foreign* coin and bullion for the same time amounted to $160,543,847. We exported of domestic coin and bullion, from 1850 to 1873, $1,247,360,067. We have taken from our mines of gold and silver, since 1850, $60,000,000 per annum, but it is estimated that our people resident in Europe and traveling in foreign lands spend there about the same amount annually that we take from our mines. (See table on page 3541.)

The genius and energy of our countrymen in inventions and manufactures are now competing successfully in many of the markets of the world; but we cannot reasonably expect to overcome the balance of trade if we cripple these industries through contraction. If we import more than we export, we must pay the balance in something; if not in our products, then it must be in gold, or in our Government, State, and municipal bonds. Let us not by a mistaken financial policy prolong the desired result of resumption, but rather by a liberal and safe policy restore it.

FREE BANKING.

The spirit of our institutions is antagonistic to monopolies; the spirit of liberality is antagonistic to special corporate advantages; hence the almost universal demand for free banking. This, too, is the spirit of trade throughout the world.

When the joint-stock banks of England discovered a clause in the law whereby they could issue currency, the managers of the Bank of England, who had so long enjoyed the monopoly of circulation, applied to Parliament for more restrictive legislation to prevent the issues from joint-stock banks but a majority of Parliament, more than thirty years ago, said to the Bank of England, "The day of monopolies is past." If there are men in this House who from their interest in national banks would hesitate to aid us in removing the monopoly, I say to them in all kindness, *beware*, for the spirit of freedom abroad in our land will not long tolerate any system whereby a portion of our people are deprived of its advantages; and their persistence in sustaining the monopoly will at no distant day cause the people to sweep this best of all banking systems from off our statute-books.

ELASTICITY.

One of the chief merits of gold as a medium of exchanges between nations is its quality of elasticity. If we were banking upon a gold basis, and needed more currency to move the crops, it would flow in from other countries, because we could afford to pay for it by the gain its immediate use would afford, just as it now flows, when needed, from one European country to another.

Our present *fixed* amount of currency does not possess this elastic quality, and never can, without the amendment we propose in this bill for *practical redemptions*. Fortunately in our two paper currencies there exists a power to create this elastic quality, and we have applied it. Accepting the necessity of elasticity of currency from the fact that the great earth products of our land ripen and must be forwarded to market in a short period of time, and that through free banking we can obtain currency enough for its greatest necessity, and that in periods of rest, after the crops are moved, the surplus of currency afloat on the country would tend to stimulate unhealthy speculation, we, by the machinery of *redemptions* where it accumulates in our large centers, take it up and send it back to the vaults of the banks, there to remain until the legitimate commerce of the country again warrants its issue. We here obtain the desired elasticity in our currency.

REDEMPTION.

We propose to remove the reserve on circulation—which is amply secured without it—and to create a *fund* in the United States Treasury by a deposit equal to 5 per cent. of circulation, to be always kept full and specially held by the Treasury to redeem bank-notes when presented for redemption.

The defects in our banking system made more apparent by the experiences of last fall's panic have suggested a necessity for some radical change to withdraw from the great moneyed centers of our country those vast periodical accumulations which by use in speculation hazard general prosperity.

It has been said that if the accumulations of currency in New York were burdensome, the banks themselves would create a clearing-house for redemptions; but we know from sad experience that three such attempts have failed, notwithstanding a periodical plethora which causes national-bank notes to sell at a discount of from ¼ to ½ per cent. below legal-tender notes. It has been urged that our proposed measure would prove a burden upon our banks; but as an offset to all such objections we propose to relieve the banks of the still heavier burden attending present redemptions of mutilated notes.

Many of our banks have hitherto employed an agent in Washington to count and destroy their mutilated notes. We find a practice has grown up of each bank depositing a few thousand dollars, *without interest*, with an agent here and elsewhere, as a *compensation* for the labor attending the destruction of their mutilated notes and replacement with new.

The failure of the First National Bank of Washington reveals such deposits from five hundred and forty-five banks, amounting to $872,440.61, "wholly on account of mutilated currency;" and from sixty-three other banks, "for mutilated currency and other business," $143,973.27. A calculation of interest upon average deposits with this bank, say $900,000, at the rate money commands in the District, (10 per cent.,) and we find that one-third of the national banks of this country have been in this way subjected to an annual tax equal to $90,000, and a *possible* loss from the *failure* of the bank performing these redemptions of $250,000 more. This unnecessary burden upon our banking system we entirely overcome by redemption through the Treasury, where all mutilated notes go now, and *must* always finally go.

The assorting and replacement of new notes in place of the worn and mutilated, which will so much add to the safety and respectability of our currency, can be done in our Treasury with more rapidity and at less cost than elsewhere, for we have the machinery now in operation and competent female experts employed at moderate salaries, ready and competent from long experience. About $35,000,000 of mutilated national-bank notes are now annually replaced with new, and yet much of our currency is in a condition not altogether creditable to our civilization. This proposed method will place in the hands of the people new notes and prevent large accumulations in New York.

RESERVES TO BE KEPT AT HOME.

We propose, as another measure to prevent an undue accumulation of money in New York and consequent speculations inducing panics, that the reserves of our banks required upon deposits shall be kept in the vaults of the banks where the deposits are made. This measure needs no comment, as it is universally approved.

TREASURY DEPOSITS OF RESERVES.

The law we passed in the last Congress, allowing banks to deposit in the United States Treasury their reserves, to be held as a special deposit, and for which the Treasury issued certificates of deposit payable on demand, proved to be a measure of great advantage and safety to the country banks, many of whose vaults were insecure against modern burglars. The amount so deposited before the panic exceeded $30,000,000. When the panic came the banks in our large centers found that the people had drawn away all their legal-tenders and bank-notes. Hence they could not respond to the calls of country-bank depositors, and much distress was brought upon country banks whose deposits were in the New York banks; but all those country banks holding Treasury certificates drew their legal-tenders from the Treasury, and were able, without embarrassment, to accommodate their home customers. In many places in New York State where the banks were so fortified business went on as usual, and the people knew nothing of the panic beyond what they saw in the newspapers. So apparent was this advantage that these deposits in the

Statistics of the value of the foreign trade of the United States (gold values) from 1821 to 1872.

Period of time.	IMPORTS.			EXPORTS.									Estimated population of the United States.*	Annual consumption per capita.		Imports per cent. of total exports.
				Domestic.			Foreign.			Total.						
	Merchandise.	Coin, bullion.	Total.	Merchandise.	Coin, bullion.	Total.	Merchandise.	Coin, bullion.	Total.	Merchandise.	Coin, bullion.	Total.		Imports.	Total exp'ts	
Dec. 31, 1821, to Dec. 31, 1830	$729, 489, 650	$69, 143, 780	$798, 633, 430	$532, 212, 385	$3, 892, 533	$536, 104, 918	$161, 997, 911	$67, 645, 923	$229, 643, 834	$694, 210, 296	$71, 538, 456	$765, 748, 752	11, 249, 921	.....	.....	104. 29
Annual average	72, 948, 965	6, 914, 378	79, 863, 343	53, 221, 239	389, 253	53, 610, 492	16, 199, 791	6, 764, 592	22, 964, 383	69, 421, 030	7, 153, 845	76, 574, 875	.....	$7 10	$6 81	
Dec. 31, 1831, to Sept. 30, 1840	1, 195, 206, 786	107, 469, 296	1, 302, 676, 082	881, 677, 922	11, 211, 987	892, 889, 909	153, 824, 088	45, 627, 906	199, 451, 994	1, 035, 502, 010	56, 839, 893	1, 092, 341, 903	14, 967, 736	.....	.....	119. 25
Annual average	122, 585, 311	11, 022, 492	133, 607, 803	90, 428, 505	1, 149, 945	91, 578, 452	15, 776, 830	4, 679, 785	20, 456, 615	106, 205, 535	5, 829, 732	112, 035, 067	.....	8 93	7 49	
Sept. 30, 1841, to June 30, 1850	1, 180, 947, 790	86, 835, 992	1, 267, 783, 782	1, 120, 215, 845	11, 242, 956	1, 131, 458, 801	75, 333, 512	53, 767, 965	129, 101, 477	1, 195, 549, 357	65, 010, 921	1, 260, 560, 278	20, 130, 664	.....	.....	100. 57
Annual average	121, 112, 849	8, 906, 256	130, 019, 105	114, 893, 933	1, 153, 123	116, 047, 056	7, 726, 514	5, 514, 663	13, 241, 177	122, 620, 447	6, 667, 787	129, 288, 234	.....	6 46	6 42	
June 30, 1851, to June 30, 1860	2, 848, 001, 318	71, 187, 934	2, 919, 189, 252	2, 321, 487, 128	432, 158, 973	2, 753, 646, 101	164, 858, 538	62, 952, 840	227, 811, 378	2, 486, 345, 666	495, 111, 813	2, 981, 457, 479	27, 317, 598	.....	.....	97. 91
Annual average	284, 800, 132	7, 118, 793	291, 918, 925	232, 148, 713	43, 215, 897	275, 364, 610	16, 485, 854	6, 295, 284	22, 781, 138	248, 634, 567	49, 511, 181	298, 145, 748	.....	10 69	10 91	
June 30, 1860, to June 30, 1870	3, 318, 672, 294	188, 450, 442	3, 507, 122, 736	2, 376, 053, 356	584, 095, 082	2, 960, 148, 438	153, 794, 297	75, 770, 601	229, 564, 898	2, 529, 847, 653	659, 865, 683	3, 189, 713, 336	35, 000, 896	.....	.....	109. 95
Annual average	331, 867, 229	18, 845, 044	350, 712, 273	237, 605, 336	58, 409, 508	296, 014, 844	15, 379, 430	7, 577, 060	22, 956, 490	252, 984, 766	65, 986, 568	318, 971, 334	.....	10 02	9 11	
1860–'61	289, 310, 542	46, 339, 611	335, 650, 153	204, 809, 616	23, 799, 870	228, 609, 486	14, 654, 217	5, 991, 210	20, 645, 427	219, 533, 833	29, 791, 080	249, 344, 913	32, 154, 826	10 44	7 75	134. 61
1861–'62	189, 356, 681	16, 415, 052	205, 771, 733	169, 923, 415	31, 044, 651	200, 968, 066	11, 026, 477	5, 842, 989	16, 869, 466	180, 949, 892	36, 887, 640	217, 837, 532	24, 649, 749	8 35	8 84	94. 46
1862–'63	243, 335, 815	9, 584, 105	252, 919, 920	184, 097, 194	55, 993, 562	240, 090, 756	17, 960, 535	8, 163, 049	26, 123, 584	202, 057, 729	64, 156, 611	266, 214, 340	25, 183, 377	10 04	10 57	95. 01
1863–'64	316, 447, 283	13, 115, 612	329, 562, 895	143, 758, 253	100, 473, 562	243, 931, 815	15, 333, 961	4, 922, 979	20, 256, 940	158, 792, 214	105, 396, 541	264, 188, 755	25, 717, 005	12 81	10 27	124. 74
1864–'65	238, 745, 580	9, 810, 072	248, 555, 652	135, 892, 699	64, 618, 124	200, 510, 823	29, 089, 055	3, 025, 102	32, 114, 157	164, 981, 754	67, 643, 226	232, 624, 980	26, 250, 635	9 47	8 86	106. 84
1865–'66	434, 812, 066	10, 700, 092	445, 512, 158	334, 729, 149	82, 643, 374	417, 372, 523	11. 341. 420	3, 400, 697	14, 442, 117	346, 070, 569	86, 044, 071	432, 114, 640	35, 712, 351	12 47	12 10	103. 10
1866–'67	395, 763, 100	22, 070, 475	417, 833, 575	282, 143, 193	54, 976, 196	337, 119, 389	14, 719, 332	5, 892, 176	20, 611, 508	296, 862, 525	60, 868, 372	357, 730, 897	36, 423, 852	11 47	9 82	116. 80
1867–'68	357, 436, 440	14, 188, 368	371, 624, 808	269, 135, 723	83, 745, 975	352, 881, 698	12, 563, 005	10, 038, 121	22, 601, 126	281, 698, 728	93, 784, 096	375, 482, 824	37, 135, 361	10 01	10 11	98. 97
1868–'69	417, 506, 379	19, 807, 876	437, 314, 255	275, 122, 658	42, 915, 966	318, 038, 624	10, 951, 000	14, 222, 414	25, 173, 414	286, 073, 658	57, 138, 380	343, 212, 038	37, 846, 866	11 55	9 07	127. 42
1869–'70	435, 958, 408	26, 419, 179	462, 377, 587	376, 651, 456	43, 883, 802	420, 535, 258	16, 155, 295	14, 271, 864	30, 427, 159	392, 806, 751	58, 155, 666	450, 962, 417	38, 558, 371	11 99	11 69	102 53
1860 to 1870	3, 318, 672, 294	188, 450, 442	3, 507, 122, 736	2, 376, 053, 356	584, 095, 082	2, 960, 148, 438	153, 794, 297	75, 770, 601	229, 564, 898	2, 529, 847, 653	659, 865, 683	3, 189, 713, 336	35, 000, 896	10 02	9 11	109. 95
1870–'71	520, 223, 684	21, 270, 024	541, 493, 708	728, 359, 011	84, 405, 256	512, 864, 267	14, 421, 270	14, 038, 629	28, 459, 899	442, 480, 281	98, 543, 885	541, 324, 166	39, 400, 000	13 74	13 73	100. 03
1871–'72	626, 595, 077	13, 743, 689	640, 338, 766	428, 623, 447	72, 798, 240	501, 421, 687	15, 690, 455	7, 079, 749	22, 769, 749	444, 313, 902	79, 877, 534	524, 191, 436	40, 200, 000	15 93	13 04	122. 16
1872–'73	642, 030, 539	21, 480, 937	663, 511, 476	505, 033, 439	73, 905, 546	578, 938, 985	17, 445, 453	10, 703, 028	28, 148, 481	522, 478, 892	84, 608, 574	607, 087, 466	.....	.....	.....	.....

**Estimated population of the United States.*

Years.	Population.	Years.	Population.	Years.	Population.	Years.	Population.	Years.	Population.
1820	9, 633, 822	1830	12, 866, 020	1840	17, 069, 453	1850	23, 191, 876	1860	31, 443, 321
1830	12, 866, 020	1840	17, 069, 453	1850	23, 191, 876	1860	31, 443, 321	1870	38, 558, 371
Total	22, 499, 842	Total	29, 935, 473	Total	40. 261, 329	Total	54, 635, 197	Total	70, 001, 692
Average, 1820–'30	11, 249, 921	Average 1830–'40	14, 967, 736	Average 1840–'50	20, 130, 664	Average 1850–'60	27, 317, 598	Average 1860–'70	35, 000, 896

In estimating the population for the decade from 1860 to 1870, an equal distribution of increase has been assumed, while for the war years (1862 to 1865 inclusive) about three-fourths of the population are supposed to share in the consumption. This gives 1861, 32,154,826; 1862, 32,866,331, (24,649,749;) 1863, 33,577,836, (25.183.377;) 1864, 34,289,341, (25.717,005;) 1865, 35,000,846, (26,250,635;) 1866, 35,712,351; 1867, 36,423,856; 1868, 37,135,361; 1869, 37,846,866.

Treasury have increased since the panic to over $50,000,000. Statutory requirements (without doing away with these certificates) for banks to keep their reserves at home will work in this direction a much-needed reform. The section of our bill for stamping on each note the charter number of the bank is simply to facilitate their assorting.

GOLD NOTES AND CANCELLATION OF UNITED STATES NOTES.

The last section of our bill, providing for the retiring of two million legal-tender notes each month for Treasury notes, payable in gold two years after date, and the hoarding of gold to pay them at maturity, is open to such objections that I cannot approve of it. First, no nation ought to have more than two currencies. The hoarding of forty-eight millions of gold by the Treasury, with the present small amount of gold in the country, would of itself place the gold market entirely in the hands of merciless speculators, and the premium would pass beyond the control of the natural laws of trade, and would inevitably reach a price beyond what would be for the interests of the country.

As national banks increase under free banking, the legal-tender basis will be reduced by the requirements of reserves as rapidly as the trade of the country will bear. Under our laws, banks can only redeem their issues with legal-tenders or gold. Every new bank established reduces the outstanding legal-tenders in the legal necessity existing for reserves, and this process must inevitably bring us to specie payments in time.

Experience through many years proves that banks require no statutory laws to force them to keep on hand ready for any emergency reserves equal to about 20 per cent. in the country and 30 per cent. in the cities. *There is a higher law*, the law of self-preservation, which instinctively forces adequate reserves; and, if all arbitrary laws requiring reserves were abolished, I doubt if the amount held by banks would be decreased. From the reports of the Comptroller of the Currency we find that country banks, required by law to keep 15 per cent. reserve, held in 1868 an average of 22½ per cent.; for the years 1869 to 1872 an average of 21 per cent.; and in the redemption cities for the three years, 1868 to 1870, the average reserves exceeded 30 per cent.; for the year 1871, 29 per cent.; and for the year 1872 over 27 per cent.

We are told that free banking will put upon the country a circulation of 90 per cent. of our entire bond indebtedness, or about sixteen hundred millions of currency. Such men forget that under our national banking laws our banks must redeem their issues in legal-tender notes *or* gold, and that, when the outstanding legal-tenders are locked up as reserves, the banks can only redeem in gold. The national-bank deposits exceed the amount of circulation. Upon our present $356,000,000 circulation and deposits our banks lock up $150,000,000 legal-tenders as reserves. It will, therefore, become evident to every mind that we cannot reach a circulation of $800,000,000 without having reached specie payments. We shall, through free banking, approach resumption steadily and gradually, without shock to the natural business of the country, but as rapidly as our present condition will justify. This is the true road; any other is dangerous and impracticable.

BANK PROFITS.

An almost universal misapprehension exists in the public mind in regard to the profits of banking under the national banking act. Members of this House have repeatedly asserted that it is the most profitable business transacted in this country. This false impression sways their minds to-day in prejudice against our almost perfected *national* banking system. I regard it of vital importance to remove this misapprehension, because it is an instinct of all men to war against any business that gathers to itself an undue proportion of profits from the industries of our country. At the close of the war the nation found itself in debt more than $2,700,000,000, as a compensation for a change of the then existing State banks to the present system; and that the Government might place *at rest*, in the form of bonds, a portion of its indebtedness, many inducements and opportunities for profit were offered to banks *that do not exist to-day*, and from which large profits were accumulated during many years.

I trust that the desire of legislators to treat this subject with entire candor will induce them to examine the following returns of the *net earnings* and *dividends* of all our national banks, returned under oath of the bank officers to the Comptroller of the Currency, as required by the act of March 3, 1869, and then to contrast it with the appended table, showing the profits of banks in England, where capital is more abundant and the ways of its employment less than in our own comparatively new country. A careful study of these tables will dispel the erroneous impression so universal in the public mind.

The Comptroller says:

The national banks were required by the act of March 3, 1869, to make returns to this office of their dividends and earnings semi-annually. From these returns the following table has been compiled, exhibiting the aggregate capital and surplus, total dividends and total earnings of the national banks, with the ratio of dividends to capital, dividends to capital and surplus, and earnings to capital and surplus for each half-year, commencing March 1, 1869, and ending September 1, 1873:

Period of six months ending—	No. of banks.	Capital.	Average surplus.	Total dividends.	Total net earnings.	RATIOS. Dividends to capital.	Dividends to capital and surplus.	Earnings to capital and surplus.
						Per cent.	*Per cent.*	*Per cent.*
September 1, 1869	1,481	$401,650,802	$82,105,848	$21,767,831	$29,221,184	5.42	4.50	6.04
March 1, 1870	1,571	416,366,991	86,118,210	21,479,095	28,996,934	5.16	4.27	5.77
September 1, 1870	1,601	425,317,104	91,630,620	21,080,343	26,813,885	4.96	4.08	5.19
March 1, 1871	1,605	428,699,165	94,672,401	22,205,150	27,243,162	5.18	4.24	5.21
September 1, 1871	1,693	445,999,264	98,286,591	22,125,279	27,315,311	4.96	4.07	5.02
March 1, 1872	1,750	450,693,706	99,431,243	22,859,826	27,502,539	5.07	4.16	5.00
September 1, 1872	1,852	465,676,023	105,181,942	23,827,289	30,572,891	5.12	4.17	5.36
March 1, 1873	1,912	475,918,683	114,257,288	24,896,061	31,926,478	5.22	4.21	5.41
September 1, 1873	1,955	488,100,951	118,113,848	24,823,029	33,122,000	5.09	4.09	4.46

The following statements of the ten principal joint-stock banks of London, including their branches, exhibiting the capital, reserve, deposits, net profits, and dividends of each for the half-year previous to July 1, 1873, have been compiled from balance-sheets of the banks published in the London Economist of October 18, 1873:

Banks.	Capital and surplus.	Total deposits and acceptances.	Net profits.	Proportion of net profits to capital, per cent. per annum.	Amount of dividends for half-year.	Proportion of dividend to capital, per cent. per annum. June 30, 1873.	December 31, 1872.	June 30, 1872.	December 31, 1871.
London and Westminster	£3,000,000	£29,548,770	£241,098	24.10	£200,000	20	*20	*20	*18
London Joint Stock	1,673,849	17,404,319	139,867	23.31	120,000	20	25	20	25⅝
London and County	1,800,000	20,936,233	169,384	28.23	100,000	20	20	20	19
Union	1,500,000	18,028,531	137,910	22.98	127,500	20	20	20	20
City	750,000	6,154,383	49,509	16.50	30,000	10	10	10	9
Imperial	740,000	2,919,237	46,634	13.82	27,000	8	8	8	6
London and Southwestern	172,680	758,314	7,101	8.54	4,985	6	6	5	5
Consolidated	876,125	3,258,035	69,895	16.47	36,000	9	9	8	7¼
Central	109,000	669,018	8,004	16.00	4,000	8	8	8	6
Alliance	940,000	2,336,440	34,520	8.63	28,000	7	7	6	5
Total	11,561,654	102,013,280	903,922	20.68	677,485	15½	.....	.....	.....
Bank of England, August 31, 1873	17,580,000	†2,080,534	785,221	10.80	764,032	10	10	.....	.....

* From the London Economist of March 15, 1873, page 84.

† Public and other deposits September 11, 1873.

The statistics of the Bank of England and its dividends were obtained from the report of the Bank of England published in the Economist for September 13, 1873. The usual dividends of this bank are 10 per cent. per annum, but the amount has varied for some years past from 8 to 13 per cent.

From these tables we glean the fact that the national banks of our country have earned for their stockholders, from 1869 to 1873, an average of *less than* 10 *per cent.* upon capital invested, and this through

years of comparative prosperity, while the banks of England were able to earn and pay their stockholders an average of more than 15 per cent. Nor should we lose sight of the perilous nature of the banking business, because experience has shown that a single panic has swept away in a single day the profits of years, and sometimes annihilating capital and profits together.

Mr. ARCHER. I will ask the gentleman if the agricultural interest has yielded one-half that percentage to the owners of the soil?

Mr. MERRIAM. I think it would have yielded more had we not restricted the currency limit so low that agriculturists could not have all the advantages they ought to have had.

Mr. ARCHER. As the gentleman challenged the democrats on this side of the House to listen to him, I would say that the gentlemen on that side, having had control of the currency, have depressed the agricultural interest and built up bankers with these large percentages.

Mr. MERRIAM. We have done some things in regard to the currency that we should not have done. We have restricted the amount too long. We are going to correct it, and make you all happy.

I am aware that it is impossible for men easily to understand how national-bank profits can be so small, when they only see the one fact, that Government pays 5 per cent. interest upon bonds held by banks for a basis of circulation, and when it at the same time supplies the banks with currency which can be loaned at a higher rate of interest, which is so generally believed and expressed as "getting double interest upon capital." Let us examine the peculiar machinery of our banking law, adjusted with so much wisdom to perfect security to the public, and we ascertain *why* the profits are no larger than capital can earn and *does* earn in other branches of business.

First, we will consider the establishment of a bank in Illinois, where capital commands 10 per cent. interest. To establish a bank with $100,000 capital we buy of Government bonds, at 110, $100,000 5 per cent. gold interest-bearing bonds; when these are deposited with the Comptroller of the Currency he furnishes $90,000 circulation. The law requires an average reserve held idle in the banks of $18,000, say 20 per cent., which deducted from the $90,000 leaves $72,000 to loan at 10 per cent.

Therefore the result from the establishment of a national bank in Illinois will be—

Ten per cent. on $72,000 circulation	$7,200
Five per cent. gold interest on bonds	5,000
Premium on gold interest, say	500
	12,700
Deduct 1 per cent. national tax on circulation	900
Leaving a balance of	11,800

or $800 more than the same amount of cash ($110,000) would command any day if invested in that most perfect of all securities, a bond and mortgage upon real estate.

The higher the rate of interest in any locality the less the profits upon bank-note circulation, because of the loss of the difference of interest upon the amount taken from the capital by the necessity of an idle reserve; but this same necessity applies to any mode of banking, from the fact that with or without arbitrary laws self-preservation dictates to modern bankers the holding of a reserve fully equal to the amount required under the national banking act.

Permit me to bring the same test to New York, where the legal rate of interest is 7 per cent.

With the same cash, $110,000, we buy $100,000 of bonds. Upon this $100,000 we receive $90,000 circulation; deducting from which 20 per cent., ($18,000,) the average amount of idle money held as reserve, we have $72,000. Loaning this at 7 per cent. leaves a result of $5,040; 5 per cent. interest (gold) on Government bonds, $5,000; 10 per cent. premium on gold interest, $500; making a total of $10,540. Deduct national tax on circulation, $900, and the income from the $110,000 will be $9,640. We could receive at 7 per cent. on the $110,000, if loaned on bond and mortgage, $7,700; the difference between which and the $9,640 shows an excess of profit from banking in New York of $1,940, in Illinois of $800 more than the income would be from a bond and mortgage investment. Three per cent. difference as loss by reason of high rate of interest in the West between $110,000 and $72,000, or 3 per cent. on $38,000, gives $1,140 as the excess of New York banking profits over Illinois.

This exhibit would not of itself attract capital to free banking so rapidly as to "flood the land with irredeemable paper money." The great bugbear of inflation from free banking, *under* the restrictions of our national banking system, can become a reality only in the imaginations of men who have not carefully made this analysis.

The advantages and profit from banking under our national system come from the confidence its security inspires in the minds of the people, and which induces them to deposit with national banks everywhere their floating capital, and from which, mainly, banks derive their profits.

THE WEST AND SOUTH FEEL THE NECESSITY FOR ADDITIONAL BANK FACILITIES.

The West and South see the necessity *and advantage of more local bank facilities.* Hitherto the great West and South have been content to invest their surplus accumulations in enterprises promising greater returns than is possible from banking, and have been forced, in the absence of adequate local banking facilities, to borrow at high rates and great disadvantage in the East.

The advantages of banks in any busy community are seldom fully appreciated. They gather together, increasingly, more and more, year by year, the loose earnings of the people, and distribute them to the development of home enterprise, from which the people themselves find increased employment and happiness. Banking is the *only* mode of bringing cheap capital to labor; it always has proved a gentle fertilizing power in the great *social workshop*, and when conducted with safety to the bill-holder and depositor, it becomes one of the greatest of economic blessings to mankind. Free banking will be the great opportunity for the South and the West. In 1860, the South and Southwestern States had a bank circulation, issued under State laws, of $71,098,408. Under the national banking system the same States have now less than $40,000,000. New England had before the war a circulation of $65,576,155, now it has $110,489,960; and her representatives assert that she has none too much. New England has a circulation *per capita* of $31.68; the Middle States, $12.82; the West, $7.09; the South and Southwest, $2.91.

THE WEST AND SOUTH LONG AGO APPLIED FOR THEIR PROPORTION OF CIRCULATION.

These great undertakings required for the successful prosecution of the war turned western capital into other channels than banking. The stimulus to enterprise then aroused has intensified ever since, only in other undertakings, *all* promising greater rewards than banking; but as the accumulations from labor increased the West applied for the privilege of establishing more banks, only to find themselves shut out by the absorption to the legal limit of $356,000,000 by older and richer States.

Free banking will be her opportunity; the panic of last fall has unloosed millions of capital hitherto employed in those vast enterprises which have pushed the West to greater progress than any other people hitherto have reached in the same period of time. Her enterprises were carried forward under the disadvantages of dear money borrowed from the East. Give her free banking as she demands, and the thralldom of the West will be severed from the Shylocks of the East. The marvel is how, with money at 1 to 1½ per cent. per month, she ever grew to such proportions. It shows the power of strong hands and vigorous minds working in generous soils.

NECESSITY OF HOME BANKS TO RETAIN CIRCULATION.

It has been argued that it was economy for the West to borrow of the East at exorbitant rates of interest rather than to take her capital from paying enterprises to establish banks; but borrowing from the East implies a continued inadequacy of currency in the West from the necessity of redeeming note obligations in currency, at the place where it was borrowed, at maturity of every discounted note, *except* in the season of moving the crops, when the crops themselves will pay the notes.

Loans from banks located in the West, paid every sixty or ninety days, enforce the continuance at home of what the West most needs, an adequate amount of currency issues.

A realizing sense of the heavy tax upon labor from dear money, added to the vexatious difficulties and delays in obtaining loans in a market ever distrustful of distant undertakings, has, beyond question, aroused the great workers of the South and West to appeal to Congress for relief through free banking.

OUR CURRENCY.

Advocates of a metallic currency assert that no dollar of currency can have value that has not cost a dollar to produce—hence, that our paper currency is "depreciated, worthless, and dangerous." Some men claiming to be American citizens characterize it as "dishonored trash." The "promises to pay" of a people having no habitation, honor, or virtue—mere wanderers in deserts or on mountains, without intelligence or the accumulations of industry—might with some degree of propriety be characterized as "dishonored trash;" but to say of a great, free, and vigorous nation like ours that its promises to pay are "worthless trash," is neither evidence of patriotism, financial acumen, or common sense. Chief Justice Chase, who was Secretary of the Treasury when the acts of February and July, 1862, and March 3, 1863, were passed authorizing the legal-tender issue, said in the case of the Banks *vs.* The Supervisors, (7 Wallace, 26,) that these acts contemplated a *permanent* circulation until resumption of payment in coin of $400,000,000, and, in 7 Wallace, 29, that the period of payment was left to be determined by public exigencies. In the act of 1869 Congress declared that the United States also "pledges its faith to make provision at the earliest practicable period for the redemption of United States notes in coin."

With the balance of trade against us, as I have shown, and the fifteen hundred million indebtedness abroad requiring an annual payment of $100,000,000 interest in gold, it is evident that the "practicable period" has not yet arrived, and hence that our "promises to pay" are not, never have been, and I say unhesitatingly never will be, "*dishonored.*" We pay our interest at home and abroad in gold. Our own currency we owe to ourselves. The American people require it for *permanent* circulation, and it will be so used long after gold mingles in and dollar equals dollar.

Mr. Speaker, there are men on this floor whose promise to pay will command gold in the note-markets of our country, *because back* of it stand long years of integrity, industry, and accumulation. So of the promises to pay of a nation, standing proud, free, and honored before the world. But we are told it is worthless because it costs nothing to

make; that it is the mere creature of the printing-press. The same sophistry might be applied to the individual promise to pay; *the paper costs nothing;* but it binds houses and household goods, farms and cattle, all accumulations, past and future.

The labor of a few thousand men brings forth gold from our mines, but our promises to pay bear the impress of the *labor* of forty million people. It is this labor, that only producer of wealth, that stamps its credit and gives it the power of money within our own borders. Men who are afraid of our paper money forget our great past and have no conception of America's future.

There is not gold enough in the world to transact the business of modern commerce; hence, each nation invents its own paper currency. Nations not deprived of gold by exhaustion from war, pestilence, or famine, base such paper currency upon gold that it may float at par with the prices of the commodities of the world. In the absence of gold, our paper is based upon our nation's faith, and we shall bring it to par with gold when by stimulated industry we lift the mortgage upon our industries now held by other nations. I have no words adequate to express my admiration of the ingenuity of our paper system, which, when perfected by this bill, will measure and supply at all times all and no more currency than will be required by our vast commerce to compass the aims of our people to a grander civilization and progress than ever before.

Mr. George S. Coe, president of the New York Clearing-House, a banker of life-long experience—and I only express what is universally conceded when saying that he is one of the most able financial thinkers of our age—said to our committee that—

> If you adopt Mr. MERRIAM'S plan of redemptions, and allow the two systems of free banking and redemptions to go out together, *the volume of currency will regulate itself;* and while the crops are being moved it will expand, and afterward it will return again to the banks which issued it; for as you make redemptions practical you make bank-notes a more perfect representation of property. Free banking and practical redemption will result in supplying the amount required for the trade and commerce of the country when wanted.

It cannot be charged as an unjust interference with private rights, for, as Mr. Coe wisely remarks—

> When Government gives to banks this *living power*, it should enforce such provisions as the public require for safety.

The Commercial and Financial Chronicle and Hunt's Merchants' Magazine, of December 13, says, when commenting upon this bill:

> "All legislation should be based on a popular want," says a modern jurist, and the first question about a new law is, what is the real want it aims to meet? Applying this test to the new bill which is proposed to secure elasticity of the currency, we find, on the whole, a satisfactory response.
>
> This new measure will be presented in the House by Mr. CLINTON L. MERRIAM, who is a member of the Committee on Banking and Currency. The bill provides—
>
> First. That the present legal limit restricting the aggregate of the bank currency shall cease.
>
> Secondly. It enacts that a prompt redemption of the bank-note shall be secured by establishing an assorting-house at Washington, with a branch in New York. By this new mechanism the bank-notes are to be daily sent home for redemption to the banks issuing them, and at the expense of these banks.
>
> Thirdly. The Government is to redeem all bank-notes through this assorting-house; and to provide funds for this redemption, each bank must place in the Treasury a reserve of greenbacks equal to 5 per cent. of the aggregate of its outstanding notes. This 5 per cent. of its reserve must be kept good by the banks at all times.
>
> Fourthly. The banks on these conditions are to be relieved from the obligation to keep 15 or 25 per cent. of reserve on their circulation, but the reserve on their deposits must be maintained as at present.
>
> Such, in substance, is the proposed bill, which is, as will be seen, of a very novel character. The want it aims to meet is the notorious and urgent want of elasticity in the circulating medium. To confer this quality the banks are to be compelled to redeem their notes. This it is supposed will contract the outstanding aggregate of notes in the summer by the amount of fifty or sixty millions at least. These notes will go home for redemption. It will be impossible to keep them out. During the whole of the dull season, if the assorting machinery is efficient, the bank currency will be kept down to the normal amount wanted for the business of the country. At other seasons, when business is more brisk, the assorting-house will not get the notes for redemption. These notes will consequently stay out and will keep up the current of the circulation to its normal level. This new machinery of the assorting-house is so simple, and its purpose is so well understood, that we need spend no further time in describing either its functions or its necessity. Its operation is like that of the great dikes in certain parts of Holland. When the flood rises above the safe level and threatens trouble, it is seized and disposed of by powerful machinery. When it sinks below the point of danger, the mechanism is mute; and room is left for the natural streams which supply it to raise the current to the proper level of safety.

The New York Bulletin and the New York Financier, whose views are respected in financial circles, also editorially approve of the main features of this bill.

I hope it is not unparliamentary to quote the following from a speech delivered in another branch of Congress by an eminent Senator, February 27 last. I may be pardoned, because it has been quoted everywhere by the press as an embodiment of the metallic-currency sentiment of the country, and has been scattered broadly for reading by us all. In it are many mild though cleverly applied sophistries, deduced from experience when wandering hand in hand with that Venetian traveler, Marco Polo, to the home of an ancient tyrant who chose the novel mode of taxing the people through a compulsory acceptance of worthless paper promises, but he forgot to take from the great store-house of history those other innumerable methods of oppression resorted to through the ages to rob the people—"*forgot,*" perhaps, because he could make no *practical* comparison between the power of a tyrant over ignorant masses, and the paper promises of a great, free nation themselves creating a paper promise, redeemable through taxation upon wealth and industry immeasurable, and whose application to our necessities has been tried through years—tried, though not "tried and exploded again."

We can forgive the logic of men so learned in Chinese experiences, but who, neglectful of modern history, overlook the experiences of the present which other men read in the statistics of the rewards of labor in our own country as compared with the rewards of the pauperized laborers of England, though he exclaims:

> Let us in this light compare England with the United States. In England, as well as in all European countries, the number of persons receiving salaries and wages is far greater in proportion than in the United States, and every one who is acquainted with those countries knows it. There are large armies there, large navies, which we have not. The number of private servants is much larger than here. The number of operatives and daily laborers is still greater. Now, although the population of the United Kingdom is only thirty-two millions, while ours is forty millions, yet the number of persons receiving salaries and wages is not only in proportion, but absolutely greater, much greater in England than here; and although wages rule higher here than they do there, yet I think I do not venture much when I say that the aggregate amount paid in wages and salaries in England is much larger than it is in the United States.

It is fearful to contemplate the exodus of American freemen from happy homes all over our land, especially from Missouri, after this advertisement that English servants and idle soldiers receive greater rewards than they. Still we can forgive many sophistries in those who arrive at one practical utterance like the following, where the graceful debater says:

> Now, sir, I do not wish to be understood as being absolutely opposed to free banking under any circumstances. I should be inclined to vote for it if it be coupled with an effectual system of redemption.

And when speaking of our currency, he admits that—

> A restraining influence, however, might be imparted to it even while we are under suspension of specie payments, by establishing between the Government legal-tender and the national-bank note the same relation which in suspension times existed in England between the Bank of England note and the country-bank note there; that is to say, if we give the Government legal-tender note a sphere of action superior to that of the national-bank note. This might be done by repealing that part of the national-bank act which provides that the national-bank currency shall be a legal tender in payment of taxes and other dues to the Government; and the system of redemption might be made effectual by establishing assorting-houses at the different business centers of the country. That, I think, would increase the demand for greenbacks in contradistinction to national-bank notes. It would make the conversion of national-bank notes into greenbacks an object of desire in the ordinary run of business, and it would oblige the issue of national-bank notes, if they are to remain at par with greenbacks, to stay within the limits prescribed by the possibility of actual redemption, made effectual by the establishment of assorting-houses. I throw this out as a suggestion to be considered by Senators.

LABOR, NOT GOLD, PRODUCES WEALTH AND HAPPINESS.

Never before in the history of the world has there been such an opportunity to test by experience the ability of a people to advance to happiness and wealth with no other medium of exchanges beyond paper "promises to pay." Fortunately, in our intelligence and *necessity*, we have escaped all those terrible catastrophes prostrating Spanish grandeur, so eloquently described by Macleod in his Principles of Economical Philosophy. He says:

> Spaniards were dazzled with the brilliant prospect of securing the greatest part of the wealth of the world without labor, imagining that the well-being of the country consisted in amassing enormous heaps of gold and silver, *mistaking the means to the end,* and not discerning that the precious metals are only precious so long as they are used for setting industry in motion—the tilling of land, the mother of increase, or the building of ships to promote the commerce of nations, or plying the loom to produce clothing for mankind.
>
> While the precious metals poured into the country in boundless quantities, which the statesmen of Spain thought would make them the rulers of the world, it began immediately to decline; its industry was paralyzed, and the most sanguinary penalties were unable to prevent their much-coveted treasures flying from the country, till at last it was reduced to the lowest depth of poverty, weakness dishonesty, and contempt. Next to Poland, Spain became the weakest and poorest nation of Europe. Scarcely ever has the world seen a country blessed with so many resources by nature so suddenly descend from so lofty an eminence to such a pitch of degradation.

We find that other than Spanish sovereigns believed that their chief *power* consisted in the accumulation of the precious metals. It became a cardinal point of their policy to import gold and prevent its export. From about the beginning of the fourteenth century the laws of nearly every country in Europe endeavored—but always in vain—to prevent its export. Statesmen and merchants alike were infected with this delusion; and this same delusion lives to-day and crops out all about us in the fallacious proposition to sell two hundred millions of our bonds to foreign nations for gold, which we could not retain six months against the inexorable laws of trade.

The experience of England, during her long suspension of specie payments, does not so well illustrate the results from the use of paper money as ours, though her progress in wealth through many years of her suspension was marvelous, because of her repeated drawbacks from premature attempts at resumption. Neither can the progress of Russia and other European powers, under a suspension of specie payments, illustrate as ours the capabilities for advancement during specie suspension, because political liberality, especially the freeing of serfs, became a powerful element in stimulating labor and the consequent increase of wealth.

It is only when an entire people marshal a paper servant to perform its internal exchanges, as ours has done for ten years past, that we can measure practical accomplishments attainable through its use, and then only by an inventory of the results. This inventory can be read of all men. He who ten years ago traversed this vast continent from ocean to ocean, from the great lakes of the North to the Gulf, and traverses it to-day, marvels at the almost magic upbuilding of cities, towns, villages, and happy homes, rich in all those modern aids

to civilization and human happiness the inventive genius and activity of our people have created in places where ten years ago there were no cultivated farms, no schools, no churches, no railroads, no busy industries, no happy homes; but a waste as solemn and silent as a thousand years ago.

Here we are to-day with our old cities doubled; our new ones glowing with life; our millions of then unbroken acres teeming with life and yielding immeasurable bounties and blessings. The young life of our race, buoyant with hope, elastic with promise, is wrestling with the arts, the sciences, and with every promise of splendid rewards.

Bury in the ocean all the gold of the world, and these triumphs of labor and genius remain all the same. Theorists may in vain deride our "depreciated, irredeemable trash," but the great fact of *increase* stands before us to-day, and asserts that labor, and not the servant of exchanges, is wealth.

OUR PROGRESS WITH ONLY PAPER MEDIUM OF EXCHANGES.

No man can gainsay that, in no period of human history in one decade, has the willing laborer compassed so many blessings for himself and his family. In no other ten years has there been given such constant and well-paid employment, through which the humblest mechanics, who practiced ordinary economy, have so educated their children, been so well dressed and well fed, and bought and paid for so many homes, as through the period when we have had none other than "depreciated, irredeemable trash," and in the use of which I have never yet heard an honest toiler complain that it was so "worthless" that he was not willing to give his labor to obtain it. Witness the savings of the laborers of our country. We find that the savings-banks of New York and New England hold to-day more capital, representing their accumulated industries, than all the capital of all the two thousand national banks in our land.* It represents more wealth that could be converted into money than all the tyrants of old ever saw.

Turn a moment to the results of accumulations of the new-born freemen of the South, as illustrated through the beneficent influences of the Freedmen's Savings-Bank. They were taught by its managers the blessings of saving the rewards of their labor, and we find that $50,000,000 have come in, little by little, until each depositor had saved enough to buy a little home of his own, and forty-seven millions have gone out into fixed capital into land and cabins at present owned by the late slave, until all along the rivers and on the uplands of the South men and women, under God's blue sky and our country's stars and stripes, (stripes more redolent of joy than those of old,) are progressing to a better manhood, and in the new-born love of the soil, now their own, becoming useful citizens of our Republic. All this was accomplished from the sweat of honest brows even while using our "irredeemable, depreciated trash." Surely great blessings have followed, considering the disadvantages of the presence of so bad a currency.

Bury all the gold in the world, and these homes remain a living monument of patient industry. I am told that men have lived extravagantly and beyond their income, and that some have built beyond their means, because of the influence of paper money; but men in all ages have done this, and for all time will enter into profitless enterprises and reap disaster; and therefore that is no argument for others being kept idle. Railroads, those great civilizers and now indispensable instruments of material progress, have been pushed, it is true, too far into the next century for the happiness of some men, and yet that great accomplishment of modern times, the Pacific road, binds together the continent, making two republics an impossibility. It is a marvelous monument of the imbecility of men who use paper money.

In a recent *legislative* discussion on this floor, when in the heated wrestle for mastery through that high-school art of classical debate, my keen-witted friend from New Jersey, [Mr. PHELPS,] disclaiming forever his vast possessions, assumed the attitude of injured innocence, exiled from his hard-earned many millions, he stood before us a confessed and sorrowing pauper, and he said "paper money had done it." I confess for a moment I forgot the indiscretions of youth, and sorrowed with him over the betrayal of youthful confidence. The prairies of his opponent had wooed his last dime, still he said "paper money had done it." The great army of workers all over our land had grown rich and happy under the stimulus of our paper money, while he alone stood wretched and comfortless before us, and said "paper money had done it." I could but picture "what might have been" in his hard-earned money prudently saved in the Freedmen's Bank, uprearing for himself and little ones a cabin on the Suwanee River, and his soft voice exclaiming to us in the joy of a new-gained happiness, "and paper money did it."

CREDIT.

We now use for carrying the products of industry from the producer to the consumer United States notes, national-bank notes, and bank-checks. In our large centers 96½ per cent. of all exchanges are made with checks, and the farther removed from large cities, where banks are numerous, the greater the necessity for the use of United States and bank-notes. Checks and bills of exchange are instruments of personal credit, and from their very nature are less secure than currency fortified by the seal of Government. Just in proportion as bank-notes and legal-tenders are inadequate to perform the vast exchanges of the country is the necessity for the use of the less valuable promises to pay; but the magnitude as well as the convenience of commerce demands the use of checks and bills of exchange. Of gold there is not enough in the world to make the exchanges of modern commerce; hence credit becomes the most gigantic species of property in all commercial countries.

Says Daniel Webster:

Credit is the vital air of the system of modern commerce. It has done more, a thousand times, to enrich nations than all the mines of all the world. It has excited labor, stimulated manufactures, pushed commerce over every sea, and brought every nation, every kingdom, and every small tribe among the races of men to be known to all the rest; it has raised armies, equipped navies, and triumphing over the gross power of mere numbers, it has established national superiority on the foundation of intelligence, wealth, and well-directed industry.

So also an able French writer, M. Gustave du Puynode, says:

However fruitful have been the mines of Mexico and Peru, in which, for a long time after Columbus, seemed buried the fortune of the world, there is yet a discovery more precious for humanity, and which has already produced more wealth than that of America: that is the discovery of credit; a world altogether imaginary, but vast as space, as inexhaustible as the resources of the mind.

But, Mr. Speaker, credit unbridled has all along the ages wrought disaster and misery. Fortunately for the people of this day, private capital is sensitive, and experience has devised a system of banking which only needs the appliances we propose in this bill to give stability and safety to all our internal commerce; but credit in some form, either in bank-notes, checks, or bills of exchange equal to our necessities, is indispensable to progress. Had the bankers last fall, in our large centers, when pooling their assets as a buttress against disaster from a raging panic, instead of only attempting self-protection through credit contraction, but followed the example of the Bank of England in similar crises, extended credit to perfectly solvent customers, they would have checked disaster and panic together. Twenty-five millions thus loaned would have served the same purpose as the twenty-five millions of currency they besought the President to loan them, which he wisely declined, because, as he said, "the President cannot violate law."

If bankers only extend credits to merchants in times of abundant money, they become commercial traps to lure the merchant to extend his business under a fair sky, only to be wrecked in cloudy weather; for panics come so suddenly that commercial communities are wholly unprepared for them. The crises of 1857 and 1873 were more disastrous because not generally expected. We are aware that in England, in 1857, the ruin that followed was, as here, a stupendous loss to the country; that while the amount required to meet mercantile liabilities was vast, as it always is in England and America, yet the amount required for temporary relief was comparatively small; that what was most required was the credit which prudent loans would have readily supplied. Says that English author of the Blue Book and the History of the Bank of England, when describing the crisis of 1857 in London:

The great American firm of Peabody & Co. was known to be on the point of suspending, though perfectly solvent; but, like so many other firms kept out of their money, were unable to meet their engagements. The help required was £800,000 sterling, and the act prevented the Bank of England from advancing this sum. No sooner was the act suspended, and the bank unfettered, than it advanced the $4,000,000, and Peabody & Co. were saved.

Saved for those great charities that so honor our humanity. He adds:

The beneficial effects produced by the suspension of the act, and the resolution to extend its issues, were instantaneous. In four days after the suspension of the act, the panic had ceased throughout the kingdom. Many firms suspending for want of speedy relief resumed and paid in full, and they would have been saved enormous losses if monetary relief had been extended to them by an earlier suspension of the act. There is something whimsical in the fact that the question of bankruptcy to solvent firms should be dependent upon a change in the law of the land between half-past two and half-past three o'clock of one day, but that was the simple fact which saved Peabody & Co. between those afternoon hours on the 13th of November, 1857.

The senior partner of Peabody & Co. was held by the Bank of England to be so wealthy as to furnish of his own name sufficient security for the enormous amount of four millions of money, but other firms equally solvent "failed before the act was suspended."

LIBERAL FINANCIAL LEGISLATION LAST CONGRESS WOULD HAVE PREVENTED THE PANIC.

To thoughtful minds will come the suggestion that all the financial disasters of our country to-day could have been obviated had Congress a year ago, when it was so obvious that contraction threatened our industries, passed the bill now matured for its consideration. It is through credit alone that the young energy of American youth, born in poverty, but alive to work, finds entrance to those profitable fields of enterprise that make us rich by developing the hidden resources of our country. Whenever a country is overtaken by a financial crisis disasters fall not upon the rich lenders of money, but upon the workers, whose energies and accumulations are pledged to capital. Hence it is the highest duty of legislators to study the influences that work upon the minds of men to produce financial crises, and to so legislate as to obviate them. Panics furnish a harvest for the rich in the low forced sales of property. Large capitalists at such times only are able to buy. All legislation in the direction of financial stability is in the direction of protection to the many; the few who are rich can always protect themselves.

*National-bank deposits average $625,000,000; national-bank discounts average $950,000,000; national-bank capital $491,000,000.

Legislators and students in the science of political economics can read in our own experiences the baneful results of inadequate currency to perform all the business of the country. In 1857, when the country was banking upon a specie basis, the balance of trade against us drew away our gold, and our banks suspended. It happened just at the season when the great cotton crop of the South was going forward to the markets of Europe at an average price of fifteen cents a pound. The bankers unwisely refused loans to customers, and those merchants who held cotton for advances made to the producers, unable to borrow, failed, and England, who stood ready to take our cotton at fifteen cents a pound, bought it under forced sales at from seven to nine cents a pound, and our nation, from want of a stable financial system, lost at least $50,000,000; and the people of our country were thereby made fifty millions poorer.

CONTRACTION THE CAUSE OF THE PANIC.

In 1873 we had a currency panic, from the contraction of our currency. From the 31st of August, 1865, when it was at its maximum, and stood on the books of the Treasury at $1,152,914,892.67, including legal-tender bank-notes, 3 per cent. certificates, and compound-interest notes, and when mercantile business was most healthy from its thirty-day credits, and when the ordinary small transactions between man and man, including paying of labor promptly, were made with cash, down to the fall of 1873, when our currency, including legal-tenders, three hundred and fifty-six millions; bank-notes, three hundred and forty-nine millions; and fractional currency, forty-eight millions, had been contracted to seven hundred and fifty-three millions, less one hundred and twenty-five millions held idle in the banks as reserves, and the estimated loss of fractional and other currency through the war as burned, destroyed, or lost on sea and land, of twenty-five millions, added to the estimated amount always *in transitu* over our great country in express and by other carriage, ten millions, and the money held by the collectors of the State, county, and municipal tax, amounting annually to nine hundred millions, at ten millions, and we have—

Available as actual circulation		$753,000,000
Less reserve	$125,000,000	
Loss by land and sea	25,000,000	
Hoarded	100,000,000	
In transitu	10,000,000	
Held for collected taxes	10,000,000	
		270,000,000
An actual contraction to		483,000,000

In 1860 we had—

Bank notes	249,000,000
Coined gold and silver	250,000,000
Total	499,000,000

Mint estimate, $300,000,000; Treasury estimate, $275,000,000.

To this actual contraction from funding compound-interest notes must be added the comparative contraction from the increase of population and wealth. In 1860 our population was thirty-one millions; in 1873, forty millions. In 1860 our wealth was $16,000,000,000; in 1873, $31,000,000,000. In 1860 our circulation was $499,000,000; in 1873, $483,000,000—$16,000,000 less than in 1860—with *four millions* of colored people now for the first time finding use for money. Add these four millions to our *nine millions* of actual increase of population, and we have *thirteen millions* more human beings to-day using money than we had in 1860. Can it be enough for all our diversified industries? It seems to me that any school-boy can tell the ablest teacher of political economy that *forty millions* of people, of like habits and industry, require more money to make the trade exchanges of the country than *thirty-one millions* of the same people.

AMOUNT OF OUR CURRENCY CONTRASTED WITH THAT OF OTHER NATIONS.

Let us contrast with our own available currency that used by other civilized nations; for something can be learned by contrast. The total amount of gold coin used as a circulating medium in the Kingdom of Great Britain and Ireland January 1, 1873, was £84,551,000; bronze, £1,148,000; silver, £15,000,000; and the excess of bank-notes over coin reserves £40,540,000 sterling—a total circulation of £141,239,000; being equivalent in United States gold coin to $686,421,540. And let us not forget that this old and financially conservative nation has but thirty-two million souls; that hers is an old and comparatively completed country, with no new enterprises, and with so small a territory, that her financial necessities can be compassed by railroads and the telegraph in twenty-four hours; while the United States, with her forty million people, all on fire with enterprise, extends over a territory three thousand miles wide, and over twenty parallels of latitude.

Then take France, with a population and wealth perhaps equaling but not exceeding ours, and she, too, an old completed country. France had, December 26, 1873, of currency, 4,000,000,000 francs, and paper notes of the Bank of France in circulation 2,807,689,625 francs—a total of 6,807,689,625 francs; from which deduct the metallic reserve in bank, 759,962,419 francs, and the currency circulation is 6,047,727,206, equivalent, in United States gold coin, at twenty cents to the franc, to $1,209,554,441.

Let every thoughtful, patriotic mind carefully analyze these statistics, for these rich old conservative nations have had experience.

HOARDING.

I may be asked upon what I base the $100,000,000 in my estimate as hoarded, and I answer that last spring, after Congress adjourned, I went through the South with a view of ascertaining how much currency was hoarded by the colored people; I went into cabins and byways. I talked with intelligent colored teachers and preachers, with the rich and the lowly, and I am convinced that fifty millions, hid away in cabins in safe places and buried in the ground, is a low estimate; for we must remember that the South has produced every year since the war from three to four million bales of cotton, netting over $200,000,000 per annum, which has brought cash, *and the colored man did all the work*. We must remember that these people had seldom seen gold; that the greenback was the first thing they ever earned they could call their own, the first thing, save our flag, that stood before them a symbol of their freedom. With it they soon learned a power to gather together long-broken families into a common happy home. To the colored men the greenback rose above the dignity of a language; to them it almost bore the dignity of religion. This precious-earned companion of the new freemen they gather and cherish as better than gold, the possession and power of which they never knew.

To my mind there is no mystery in their *hoarding* fifty millions of "greenbacks." It is no large estimate to say that fifty millions are hoarded by the whites of our country. It is an instinct of humanity to "lay away something for a rainy day." Away from thickly settled communities and savings-banks men hide it in safe places. It is the same instinct that led the millionaire and the humble to take all the currency from our banks last fall and hoard it as an anchor of safety until the storm of panic was past.

The history of all time teaches us that just in proportion as men have confidence in money they hoard it. During the reign of wild-cat money in the West the honest farmers were so often victimized forty to sixty cents on a dollar on all the bank-bills they held that they naturally became distrustful of all paper currency, and for years never brought their produce to market until ready to exchange for commodities required for family use. To-day these same farmers take advantage of the highest market prices, accepting our currency with a confidence that assures us they know it is the debt of a nation too proud and too great ever to repudiate; that it is the first mortgage upon all the property of a nation that will not always be in debt, and which has reduced the national mortgage from its maximum, August 31, 1865, $2,757,689,571.43, to $2,157,470,114.41 on the 1st of February, 1874, an average yearly payment for more than eight years of seventy-seven millions.

MISCHIEVOUS AND UNFAIR COMPARISON.

It is sad to contemplate how many able and ordinarily fair-minded men seek to unfairly and dishonestly deride our currency, telling us to *beware*. They compare it to the *assignats* of France based upon the confiscated unproductive lands of the clergy, which being unproductive possessed none of those economic attributes of life and warmth which justify confidence in the holder that they will ever be paid. They point to the *assignats* and tell us to beware. They compare it to the paper money of our Revolution, which, owing to our then imperfect arts, was so counterfeited by enemies and rogues as to render it impossible to distinguish the genuine from the counterfeit; they point to *it* and tell us to *beware*.

They compare it to the late confederate currency, based upon a triumph of aristocratic ideas over the generosity of a civilization reaching ever forward to greater liberty of thought and action, and which, with God's blessing, will never turn backward to blight the pathway of humanity. They point to confederate paper and tell us to *beware*.

They compare it with the paper promises to pay of that beggarly remnant of Spanish power on the shores of the western continent, and say, "Behold the Cuban currency," and cry "*Beware!*"

[Here the hammer fell.]

The SPEAKER *pro tempore*, (Mr. LAWSON in the chair.) The gentleman's hour has expired.

Mr. FORT. I move that the gentleman's time be extended.

The SPEAKER *pro tempore*. The Chair hears no objection.

Mr. MERRIAM. They tell us of the "South Sea bubble," where the cupidity of our usually stable cousins was excited by systematic fraud in which government and the people went mad and lost their senses and virtue in the vain hope of acquiring unearned riches from beyond the seas without toil, and tell us our paper currency will inflate and burst like the old bubble. But was it paper money that seated this dishonor upon the brow of English statesmen and English character, or was it that gambling propensity which poisons alike all mankind who are deluded by the fiction that riches can be obtained without honest toil? Is it in sincerity and honesty that intelligent men point us to the "South Sea bubble" and tell us to beware, when the great *power* of our currency is based upon a necessity for its use and in the mutual confidence of honorable men, without which there is no possibility of extended commerce, which is one of the master glories of civilization?

ASSERTED LOSSES TO THE PRODUCER FROM PAPER CURRENCY.

There is another fallacy and a cheat attempted to be practiced upon the *farmers* of our country, and which was effectually exploded in a speech by the late Secretary of the Treasury. They charge in one sweeping assertion that farmers can never grow rich while they sell

their products of cotton, pork, cheese, and corn in foreign countries for gold, and pay for what they buy in gold and currency.

It is so obvious a deceit that it is scarcely deserving of contradiction. The farmers of our country possess more intelligence than many theorists. They can read, write, and cipher, and always use common sense. A farmer in my district produces cheese worth $10,000. He sells it for a price it commands in foreign markets in gold, less commissions and transportation. Suppose he dispensed with all middlemen and took it himself to England, receiving his pay in gold; suppose he consumes of foreign goods $1,000; he sells for gold and buys with gold. He suffers no loss. The $9,000 he brings home, and in turning it into currency gets the premium on his gold. The farmer sees no loss, for there is none. So we could extend the illustration to all the great products of cotton, grain, &c., that are paid for in gold.

PAPER CURRENCY DOES NOT INFLATE UNLESS BURDENSOME.

In connection with this fallacy bullionists tell us that paper money inflates. So it would if it were so abundant as to become depreciated or burdensome to the people. In the days of the *assignats* property rose to fabulous prices, because people preferred it to other property having real value, and that could be exchanged for something else they might want, and which they could not get with worthless *assignats;* but has it ever been so with our currency? Its trying day was in the panic of last September. Did men throw it away then for anything else they could get, or was it the only one thing they clutched and held?

Prices, it is true, are higher for many things (all those things not cheapened in production by the inventive arts) than they were in 1848, when all the civilized nations in the world held only $3,000,000,000 of gold. Since that day from the mines of California and Australia we have dug and thrown upon the world $2,000,000,000, lessening the purchasing power of gold two-fifths, and increasing the price of land and labor to the same ratio. All men have seen from 1848 to the present hour a gradual but certain increase in prices, not only in this country, but throughout the world.

GOLD THE GREAT INFLATOR.

Gold has been the great inflationist, and unless we can shut up our mines, pouring a hundred millions annually into the lap of mankind, it will continue the great inflator; and as hateful as has been the word "expansion," it will continue the great expansionist; but even then our intelligence will enable us to use it as the measure of values throughout the world, unless some other Michel Chevalier, alarmed at its increase, writes a book telling mankind that its abundance will demonetize gold, and it falls, as it did after his last book, to a discount of 3 per cent. below silver; for we all remember that this theorist's ideas so put up the price of silver that the bankers and merchants of Europe sold their gold at ninety-seven cents on the dollar to obtain silver with which to pay the Asiatic races for the luxuries Europe had imported.

We have almost ceased to import railroad iron, and under the natural laws of trade the balance is beginning to turn in our favor; gold ought not now command a premium of over 5 per cent., and would not but for the gold-room in New York and the incessant cries of the Chevaliers of our day constantly decrying our currency.

Mr. Speaker, your committee do not propose inflation; we have carefully guarded against it by presenting to the country a self-adjusting machine to regulate a supply at all times commensurate with the growing demands of our commerce, and men who read statistics will not be frightened if we have more banks and more paper money.

Let us glance at the tide of human increase among the nations and draw a lesson of what our necessities must soon be.

In 1854 and 1872 the population of the leading nations stood as follows:

Countries.	1854.	1872.
Great Britain	27, 620, 000	32, 000, 000
France	35, 750, 000	36, 100, 000
Germany	33, 500, 000	39, 400, 000
Austria	36, 500, 000	35, 900, 000
Russia (in Europe)	65, 000, 000	71, 000, 000
United States	27, 000, 000	40, 000, 000

Contraction will not prepare the way. The tide of empire flows in upon us! Intelligence of the masses keeps pace with our material progress. The post-office is a tell-tale. The postal revenues returned in 1860 were $9,218,067; in 1873, $22,996,747. The number of post-offices in 1860 were 28,498; in 1873, 32,244. Steamboats, railroads, and horses now carry our mails 256,210 miles, and reach all our people; and the nation's most enduring wealth keeps pace with our intelligence.

THE FARMING INTEREST.

The value of farms, farming implements, and machinery in the United States, as reported in the census returns, were as follows:

Year.	Farms.	Implements and machinery.
1850	$3, 271, 575, 426	$151, 587, 638
1860	6, 645, 045, 007	246, 118, 141
1870	9, 262, 803, 861	336, 878, 429

The total product of farms in 1870 was $2,447,538,658. No man can blind the farmer by whatever plausible sophistries he may conjure up, for he has as good eyes to see, and he sees every day with as clear a vision, as theoretic writers on finance. He has intellect, and he uses it. He has common sense, and he knows that to handle all the increased productions of an increasing population, all the tools and machinery required by modern husbandry in economizing labor, requires a proportionate increase of money. His very children know that it requires more money to handle much property than to handle a little.

I have many letters daily, from all over our country, asking us to legislate at once and set our industries in motion again, and in every instance urging free banking. I will give you but one letter; I received it but yesterday. It speaks for a mighty class of intelligent workers in our land; and although the writer is a stranger to me, I am proud that his home is in the district I have the honor to represent. There is more philosophy in his few words than was ever dreamed of in the schools. I proudly place this letter side by side with the utterances of many men in high places, those professed teachers of the science of economical philosophy. The farmer is the master teacher:

EAST RODMAN, JEFFERSON COUNTY, NEW YORK,
March 14, 1874.

DEAR SIR: Permit me to thank you for your article on the currency in the Watertown Reformer of March 12. *We Farmers* are glad to find *our Representative* on *our side* of this question. Although we have but *little to say* in this matter, we *think much*. We *know* that the indebtedness, both public and private, of this country was contracted when gold was *high*. The contractionists now wish to make us pay in gold, thereby paying more than we received. The *money-lenders* and those having a fixed income are the only classes *benefited* by contraction. As a *large manufactory* requires a *large stream* of water to set in motion all its spindles and looms, so this country requires *no contracted stream* of currency to set business in motion. We of the producing (and debtor) class *want* to *pay every* debt we owe. But we *must have currency* to pay *with*, or our business stops and we are bankrupt.

Please excuse this trespass on your time and patience, as it is not meant to be an effort to instruct you, but to inform you that the "common people" will "back you" in your efforts to assist them.

Very truly, yours,

O. D. HILL.

Hon. C. L. MERRIAM.

The farmer, in an intelligent liberality, applies the same rule of relative necessity to all the activities of all our people that he applies to his own experience. He sees that a great and industrious people have been crippled in their progress by statutory limit to our currency, when no legislation can limit the growth of his crops or the increase of the human family. He wants cheap money; and knowing that the price of money, like other property, is governed by demand and supply, he looks with suspicion upon those $460,000,000 memorialists of Wall street petitioning Congress for further contraction, thereby raising the price of money by decreasing its quantity. There are good men's names on that petition; unselfish, generous men. And as many are practical business men, I marvel all the more. Yet, absorbed in their own business of vast magnitude, having no time to study our census returns, the country has outgrown their knowledge.

THE RESPONSIBILITY UPON THE REPUBLICAN PARTY.

But the mission of the republican party is not to serve the interests of the few, *but the many*. The millionaires of the country, from their cushioned parlors and glowing fires, can, through the press and a million pamphlets, thick upon our desks as the leaves of the forest, read to us their version of political economy and advertise their varied panaceas for the ills we bear; while, silent and suffering, that great army of labor, with fires extinguished and hunger not afar off, plead to the party in power to set in motion again the now silent wheels of industry. The *people* hold in their hearts a precious memory for the great work it has done in the past; they will hold aloft the flag of the republican party so long as their representatives are pure and true to the interests of the masses. We must sweep away the Sanborns and burn the barnacles of selfishness that steal a festering presence to blister our fair fame. The republican party must rise to an appreciation of the financial necessities of to day, and heeding the calls of our toiling millions, fearlessly lift the nation again to activity and prosperity. Now is our opportunity, and the nation holds us to the responsibility.

Perhaps I weary the House with statistics, but in no other way can a single eye pierce the activities of our land.

The total number of manufacturing establishments in the United States and Territories, in 1860, producing the value of $500 and upward, was	140, 433
For the year 1870	252, 148
Hands employed in 1860	1, 311, 246
Hands employed in 1870	2, 053, 996
Amount of wages paid in 1860	$378, 878, 966
Amount of wages paid in 1870	775, 584, 343
Value of materials used in 1860	1, 031, 665, 092
Value of materials used in 1870	2, 488, 427, 242

The value of products for the year 1860 was $1,885,861,676; and in 1870 it was $4,232,325,442.

The value of live stock in the country, in 1860, was $1,089 329,915; and in 1870, $1,525,560,457, an increase of 50 per cent. The amount of wheat produced in 1860, was 173,104,924 bushels; in 1870, 287,745,626 bushels. The amount of Indian corn in 1860, 838,792,742 bushels; in 1870 it was less—but that was an exceptional year, and should not be taken as a fair showing—it was 760,945,559 bushels; in 1872 it was 1,100,000,000 bushels.

The exports of Indian corn, rye, wheat, &c., in bushels, in 1860, was 8,800,000; in 1870, 39,000,000; and in 1871, 45,000,000. Flour not included.

HAS THE WEST CAPITAL TO ESTABLISH BANKS?

We are told that the great West—that future empire of the world—

pleads for more currency, but cannot take it if permitted through free banking; that currency cannot be given away by the nation; that they must first by industry earn wealth, and then they can establish banks and get currency. Let us turn to seven States of the West, and contrast their past and present wealth with seven Eastern States, and then judge of their ability to establish banks.

Comparative statement of the past and present wealth of seven Western States and seven Eastern States.

States.	Population.		Farm valuation.		National-bank circulation.
	1870.	1860.	1870.	1860.	
Illinois	2,539,891	1,711,951	$920,506,346	$408,944,033	$17,824,209
Indiana	1,680,637	1,350,428	654,804,189	356,712,175	14,706,415
Iowa	1,194,020	674,913	392,662,441	119,890,541	5,674,385
Michigan	1,184,059	749,113	398,240,578	160,836,435	7,485,043
Missouri	1,721,295	1,182,012	392,908,047	230,633,126	6,476,193
Wisconsin	1,054,670	775,881	300,014,064	131,117,164	3,253,316
Ohio	2,665,260	2,339,511	1,054,465,226	678,132,991	23,876,370
Total	12,039,832	8,783,809	4,113,600,891	2,016,265,525	79,295,931

Increase population, 3,256,023. Increase farm valuation, $2,027,335,360.

States.	Population.		Farm valuation.		National-bank circulation.
	1870.	1860.	1870.	1860.	
Connecticut	537,454	460,147	$124,241,382	$99,830,005	$17,994,648
Maine	626,915	628,279	102,961,954	78,688,525	8,029,252
Massachusetts	1,457,351	1,231,066	116,432,874	123,255,948	50,523,671
New Hampshire	318,300	325,073	80,589,313	69,680,761	4,624,525
Vermont	330,558	315,098	139,367,075	94,289,045	6,932,030
Rhode Island	217,353	174,620	21,574,968	19,550,553	13,385,840
New York	4,382,759	3,880,735	1,272,857,766	833,343,593	60,976,006
Total	7,870,687	7,016,018	1,858,025,332	1,318,638,430	171,465,972

Increase population, 854,669. Increase farm valuation, $539,386,902.

To this exhibit I beg to call the special attention of my colleague on the committee from Connecticut, [Mr. HAWLEY,] who rises into sublime and eloquent disgust at the very mention of a greenback except when generously forgeting his antipathies over the asking of us to oil the wheels of his pet centennial with a few millions of them. His State has no such antipathies. She holds tight her $18,000,000. Illinois in one decade has added to her population 290,486 more than all the population of Connecticut; she has increased in ten years 827,940, and Connecticut has only 537,454. Missouri, too, has gained in ten years more population than Connecticut has to-day. I hope Connecticut's loyal sons will hold fast her anchorage; drifting toward the prairies she could be lost in a single corn-field; and yet she holds on to this detestable paper currency and will not yield a dollar to the West.

WE MUST ACCEPT THE SITUATION.

Intelligent, fair minds of our country will pause before this marvelous exhibit of the tide of empire, and discover at a glance the justice of the demands of our energetic countrymen of the West for the removal of these bank restrictions that shut them out from banking and currency facilities commensurate with their progress. Here we have seven Western States with 4,169,145 more population than seven Eastern States, and having $92,170,041 less bank circulation. Surely, if we regard the rights of all our citizens our duty is plain.

We also compare the valuation of real and personal estate of six Western States with six New England States.

States.	1860.	1870.
WESTERN STATES.		
Illinois	$871,860,282	$2,121,680,579
Indiana	528,835,371	1,268,180,543
Iowa	247,338,265	717,644,750
Michigan	257,163,963	719,208,118
Missouri	501,214,398	1,284,922,897
Wisconsin	273,671,668	702,307,329
Total	2,680,083,967	6,813,944,216
		2,680,083,967
Increase of 6 Western States from 1860 to 1870		4,133,860,249
NEW ENGLAND STATES.		
Connecticut	$444,274,114	$774,631,524
Maine	190,211,600	348,155,671
Massachusetts	815,237,433	2,132,148,741
New Hampshire	156,310,860	252,624,112
Vermont	122,477,170	235,349,553
Rhode Island	135,337,588	296,965,646
Total	1,863,848,765	4,039,875,247
		1,863,848,765
Increase in 6 New England States in last decade		2,176,026,485

We also find that six Eastern States have an excess of circulation upon apportionment on population and wealth of $70,690,046; five Middle States $9,416,503, while fourteen Southern and Southwestern States have a *deficiency* of circulation on like apportionment of $51,271,034, and nine Western States a deficiency of $21,423,811.

Figures like these are more eloquent than words.

The secret of the rapid accumulation of wealth, the progress in civilization, the triumphs of genius, the marvelous advances in human happiness of the men of our day and country, is to be found in the one fact that no other race has so grappled with the common, every-day realities of life, and measured the necessities of all the people by the experiences of individual life.

OUR PANIC AROSE FROM INADEQUATE PAPER MONEY AND NOT FROM WANT OF GOLD.

The panic of last fall—not unlooked for by many—came to blight our progress like a pestilence. Men in their fright rushed, *not for gold*, but for our paper promise to pay. Does any student of the schools of economics venture to tell us that if our vast growth had not absorbed our medium for exchange that willing labor would to-day stand idle on the streets? We can recover from the disasters of a mistaken financial policy through the operations of this bill, the main provisions of which are free banking, practical redemption, and the retention of reserves at home.

STAGNATION IN BUSINESS WHEN MONEY IS UNUSED.

Men point us to the fact that in all our large money centers money is accumulating in large quantities, and do so as an evidence that there is in the country currency enough, and much to spare.

This is true of to-day, and always is true after a panic, when the business of the country is in comparative liquidation, caused by a suspension of business. Every man knows that when the industries stand still, there is no use for money; but the nation would become impoverished and its revenues would shrink us to bankruptcy were they so to remain. We cannot safely longer delay putting them in motion, and when in motion again, "as they were before the panic," to use the language of my friend from Illinois, [Mr. WARD,] "there will not be money enough in the country to transact its business any more than there has been at times the last few years; hence the necessity of free banking to avoid another panic."

INTERCONVERTIBLE BONDS.

I find there is in the minds of some members of this House a deep-seated impression that it would be wise to destroy our present national banking system, and make the United States Treasury in reality a bank through which the whole country could get interest upon idle capital, and receive when wanted United States notes, *United States notes only;* for this policy proposes the destruction of bank-notes.

I have said that the American people are averse to any radical changes in our financial system, which they have tried, and to launch out into unknown and dangerous seas. We owe a large debt; and it is a maxim of history, the danger of changing front in the heat of battle.

The American people pride themselves upon the maintenance of their *pledged faith.* The people of this country were solicited in times of their country's peril to put $400,000,000 of their money into national banks. Charters for twenty years were granted by a solemn act of Congress. Banks, those beneficent institutions of society, carrying idle capital to industry, are organized and at work. It is proposed to break the nation's faith and take away their charters.

Mr. BUTLER, of Massachusetts. Will the gentleman yield to me for a moment?

Mr. MERRIAM. Yes, sir.

Mr. BUTLER, of Massachusetts. I believe that in 1869 I was the first to propose in an elaborate speech in this House the three sixty-five bonds. I did not propose, and do not now propose, that they shall break down or disturb the banks, except as their convenience and use as a better medium of circulation shall disturb any other business. I do not propose, and I do not know that anybody who believes with me proposes, to disturb the banking system.

Mr. MERRIAM. I will say to the gentleman from Massachusetts that he is not recognized on this floor by many of us who have been in the habit of talking over this matter, as the leader of the three sixty-five policy, though he was the originator of it. The gentleman from Pennsylvania, [Mr. KELLEY,] who is the recognized leader, proposes to break up the banks.

Mr. BUTLER, of Massachusetts. O, if it applies to him I do not care. [Laughter.]

Mr. MERRIAM. *More,* it proposes a machinery whereby the Government shall become custodians of the idle money of the land; *more,* to pay in the form of interest, for the privilege of keeping it; *more,* it creates the best machinery possible for man to invent for speculators to lock up the currency of the country, and any day bring panic and financial disaster. Congress has made it a crime to use a bank for this purpose; and yet only last winter we tried in vain to punish offenders. It was demonstrated that men will use their own

money and lock it up when and where they please. A Wall street sharper, with ten million United States notes, (under this proposed machinery,) would get from the United States Treasury ten million three sixty-five bonds. Returning to New York, any national or State bank or private banker would loan at a high rate of interest ten million upon his ten million three sixty-five bonds, convertible on demand into United States notes. With this process repeated over and over again for ten days, a panic would be inevitable from the locking up of fifty or a hundred millions.

We are told that it would enable commerce to expand and contract the currency as needed. I confess that through it there would be expansion and there would at times be contraction, but *never* at the beck of commerce. Men want stability in finance before capital will leave its places of rest and enter the fields of industry. Take for illustration a city of twenty-five thousand population; the average amount of deposits gathered from the floating capital of the people is $1,000,000. It is the earnings of the farmer, the mechanic, the laborer. Its use through loans by the banks to citizens at home stimulates enterprise, from which all the people derive employment and wealth. This opportunity of interest in a safe investment, convertible into currency on demand, would take away one-half of the million owned and used at home to be locked up idle in Washington. To assert that this money would flow back when wanted by commerce is to assert an ignorance of the laws of individual necessities. A few patriotic citizens might respond to the wants of other people; but men owning money keep it to use for their own necessities, which may require it to-day, to-morrow, or next year.

The scheme is not new; it has been mooted for years. It is, at first impression, *fascinating* in the extreme, and has many votaries; but weigh it in probable experience, and it is dangerous and wicked. It would create financial anarchy in any country that should adopt it.

Its advocates tell us that the Government pays 5 per cent. on $400,000,000 of its bonds to banks which it could get in this way at 3.65. Let us see what interest the Government pays our banks. They hold $400,000,000 bonds, upon which the Government pays, at 5 per cent., $20,000,000. The banks hold also $150,000,000 in United States notes as reserves, upon which the Government pays no interest. The bonds are placed with them *at rest*, which is a great advantage for any government, for the market can never be disturbed by their presence, as it can be by bonds held in private hands, or in foreign lands, at the will of the holder. On this $550,000,000 Government indebtedness, held in repose by the banks, we pay 5 per cent. on the $400,000,000, which is equal to 3.63 per cent. interest upon the $550,000,000. Hence the old, tried, safe method underbids the new experiment by .02 per cent. Then, too, the national banks have paid $100,000,000 taxes to the Government since their charters were granted. Take this from the interest, and the rate is very low. I do not understand that the three sixty-five gentlemen propose to collect any taxes through their process. The banks themselves do their present business and pay their own expenses. The three sixty-five advocates propose that the Government pay its own expenses of cost of notes, counting, recounting, and do their business for nothing! I trust that the calm judgment of this House will not venture upon this new experiment. I feel kindly toward the advocates of this measure, for their *aims* are patriotic, though their policy would prove disastrous.

I entreat them to compass their aims through free banking and practical redemption. Let us as one man come to the rescue of our prostrate industries and idle willing labor, remembering that if we do not, others will take our places who will; for no power under heaven can chain down the determined energies and activities of the men whose homes are on the soil of this Republic, energies as irrepressible as the air we breathe. Nature, generous and free, toils no more unceasingly than they.

Willing material elements respond to willing hands. Elements of usefulness to mankind, buried through the ages in death-like slumber, leap to life and are harnessed for toil forevermore, through the quick flash of the genius of the workers of our day. Millionaire bullionists may cry "Stop!" "Stop!" but only in vain. Money is not the god of this age; it is only the obedient servant of progress.

Mr. HUNTER obtained the floor.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. SYMPSON, one of its clerks, informed the House that the Senate had passed without amendment the bill (H. R. No. 1224) for the relief of William H. Denniston, late an acting second lieutenant Seventieth New York Volunteers.

The message also informed the House that the Senate had passed bills of the following titles; in which the concurrence of the House was requested:

A bill (S. No. 108) to relinquish the interest of the United States in certain lands to the city and county of San Francisco, in the State of California;

A bill (S. No. 379) for the relief of Nathan Cole, late captain Twenty-third Regiment Veteran Reserve Corps; and

A bill (S. No. 381) to create an additional land district in the State of Oregon, to be called the Dalles land district.

SESSION FOR DEBATE.

Mr. MAYNARD. Before the gentleman from Indiana [Mr. HUNTER] proceeds, I desire to say that several gentlemen have expressed a desire to discuss this bill at an evening session. If my colleague will allow me, I will ask that after he shall have concluded his remarks, the House shall take a recess until half-past seven; the session to-night to be devoted to debate only upon this bill.

The SPEAKER. If there be no objection, that arrangement will be made. The Chair hears none.

Mr. RANDALL. I would suggest that the session of to-morrow be also for debate on this bill. I make that motion.

Mr. HAWLEY, of Illinois. I had understood that it was arranged that the Committee on Banking and Currency should have to-day, and that to-morrow would be given for the consideration of private bills. There has been nothing done with the Private Calendar for two weeks.

Mr. MAYNARD. I did not make the motion suggested by my colleague on the committee, the gentleman from Pennsylvania, [Mr. RANDALL;] not because I did not desire that the action of the House might take that direction, but because, to speak candidly, I was afraid of the gentleman from Illinois [Mr. HAWLEY] and his host of friends who were pressing the consideration of private bills.

Mr. HAWLEY, of Illinois. There was no disposition, so far as I know, to prevent the Committee on Banking and Currency from having this day; but I understood that the committee—and I conversed with a number of them—were entirely willing that to-morrow should be given to the Private Calendar. And I had supposed that that was the understanding which would be adhered to.

Mr. RANDALL. I make the motion which I have indicated.

The SPEAKER. The motion of the gentleman from Pennsylvania would require unanimous consent.

Mr. RANDALL. I wish to say that there are a great number of names down of gentlemen who desire to speak. The members of the committee may speak generally as they please, but if to-morrow should be devoted to debate only on this bill, it would give an opportunity to a great many gentlemen who desire to address the House upon it which they otherwise would not have.

Mr. HOLMAN. I trust that the gentleman from Illinois [Mr. HAWLEY] will consent to this arrangement, that the session of to-morrow shall be for debate only on this bill.

Mr. HAWLEY, of Illinois. I do not wish to be understood as myself opposing that arrangement. For myself I am quite willing that it should be made, if such is the general wish of the House. I feel the great importance of this subject, and I do not desire in any way to antagonize the progress of the bill. At the same time it is well known to the House that Friday and Saturday are the only days on which private business can be considered. We have given no attention at all to private bills for two weeks, and I need not suggest to the House that it is important that private business shall be proceeded with. As I have said, however, I have no desire to antagonize the pending bill.

Mr. HOLMAN. I would suggest that it would accomplish the object desired by the gentleman from Illinois [Mr. HAWLEY] if, along with the arrangement that to-morrow shall be devoted to debate on the banking and currency bill, there shall also be an understanding that Friday and Saturday of next week shall be devoted exclusively to private bills.

Mr. MYERS. That is right.

Mr. HAWLEY, of Illinois. I have no objection to the session of to-morrow being for debate only on the currency bill, on the understanding suggested by the gentleman from Indiana.

The SPEAKER. If there be no objection that arrangement will be made, and to-morrow will be devoted to debate only on the banking and currency bill, it being understood that Friday and Saturday of next week, which are objection days, shall be devoted to private bills. The Chair hears no objection to that arrangement, and it is made.

CURRENCY AND FREE BANKING.

The House resumed the consideration of the bill (H. R. No. 1572) to amend the several acts providing a national currency and to establish free banking, and for other purposes.

[Mr. HUNTER addressed the House. His remarks will appear in the Appendix.]

RELIEF OF CONTRACTORS.

Mr. HAZELTON, of Wisconsin, by unanimous consent, reported back from the Committee on War Claims, with the recommendation that it do pass, the bill (H. R. No. 217) for the relief of certain contractors for the construction of vessels of war and steam-machinery; which was referred to the Committee of the Whole on the Private Calendar, and the accompanying report ordered to be printed.

ROBERT TILLSON & CO.

Mr. HAZELTON, of Wisconsin, also, by unanimous consent, from the Committee on War Claims, reported a bill (H. R. No. 2699) for the relief of Robert Tillson & Co., of Quincy, Illinois; which was read a first and second time, and, with the accompanying report, referred to the Committee of the Whole on the Private Calendar, and ordered to be printed.

REPORT ON FORESTS OF THURINGIA.

Mr. CROUNSE, by unanimous consent, submitted the following resolution; which was read and referred to the Committee on Printing:

Resolved, That there be printed for the use of the House of Representatives one

thousand copies of the Report on Forests and Forest Culture of Thuringia, by Henry J. Winser, United States consul at Sonneberg.

ALLOWANCE TO ARMY OFFICERS IN WASHINGTON.

Mr. RANDALL. I ask unanimous consent to offer the following resolution:

Resolved, That the Secretary of War be directed to furnish to this House a statement of all allowances of every kind made to officers of the Army stationed in the city of Washington, giving in detail the names and rank of the officers, the duties performed, the length of time each has been stationed in said city, the amount allowed to each, and the authority of law under which such allowance has been made.

Mr. COBURN. I object to the adoption of the resolution. That information has already been furnished.

Mr. RANDALL. No, sir.

The SPEAKER. Objection being made to the adoption of the resolution, it will be referred to the Committee on Military Affairs.

The resolution was referred accordingly.

HEIRS OF JAMES B. ARMSTRONG.

Mr. BUCKNER, by unanimous consent, introduced a bill (H. R. No. 2700) amendatory to an act entitled "An act for the relief of the heirs and next of kin of James B. Armstrong, deceased," approved March 3, 1873; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

REMOVAL OF POLITICAL DISABILITIES.

Mr. BROMBERG, by unanimous consent, introduced bills of the following titles:

A bill (H. R. No. 2702) to relieve William G. Jones, of Alabama, of political disabilities; and

A bill (H. R. No. 2703) to relieve John Forsyth, of Alabama, of political disabilities.

Mr. MAYNARD. Why did not the gentleman put the two names in one bill?

Mr. BROMBERG. I put them in separate bills because the Senate is so critical in its action upon bills of this character.

Mr. MAYNARD. If the Senate object to one of the names they can strike it out.

Mr. BROMBERG. Well, that is the reason why I put the names in separate bills.

The bills received their several readings, and (two-thirds voting in favor thereof) were passed.

ENROLLED BILLS SIGNED.

Mr. DARRALL, from the Committee on Enrolled Bills, reported that the committee had examined and found truly enrolled bills of the following titles; when the Speaker signed the same:

A bill (H. R. No. 1037) making appropriations for the construction, preservation, and repair of certain fortifications and other works of defense, for the fiscal year ending June 30, 1875; and

A bill (H. R. No. 2451) to improve the mouth of the Mississippi River.

LEAVES OF ABSENCE.

Mr. TOWNSEND was granted leave of absence from to-morrow morning until April 4.

Mr. GLOVER was granted leave of absence for two weeks on account of sickness in his family.

PRINTING OF AN AMENDMENT.

Mr. HOLMAN. I ask unanimous consent that an amendment, in the nature of a substitute, which I propose to offer to the pending currency bill, be printed.

There was no objection, and it was so ordered.

SENATE BILLS REFERRED.

On motion of Mr. COTTON, by unanimous consent, bills from the Senate of the following titles were taken from the Speaker's table, read a first and second time, and referred as indicated below:

A bill (S. No. 108) to relinquish the interest of the United States in certain lands to the city and county of San Francisco, in the State of California, to the Committee on Military Affairs;

A bill (S. No. 379) for the relief of Nathan Cole, late captain Twenty-third Regiment Veteran Reserve Corps, to the Committee on Military Affairs; and

A bill (S. No. 381) to create an additional land district in the State of Oregon, to be called the Dalles land district, to the Committee on the Public Lands.

Mr. RANDALL moved to reconsider the vote by which the bills were severally referred; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

ORDER OF BUSINESS.

The SPEAKER. The House has ordered that there shall be a session this evening at half-past seven o'clock for debate only on the currency bill. The gentleman from Missouri, Mr. BUCKNER, will occupy the chair as Speaker *pro tempore*. The House has also ordered that the session of to-morrow shall be for the same purpose only, and the gentleman from New York, Mr. MACDOUGALL, will occupy the chair as Speaker *pro tempore*.

CHARGES AGAINST UNITED STATES MARSHALS IN GEORGIA.

Mr. YOUNG, of Georgia. I ask unanimous consent to offer the preamble and resolution which I send to the Clerk's desk, and which I desire to have acted on at once, as the matter is one of great importance.

The Clerk read the preamble and resolution, as follows:

Whereas complaints are made alleging improper, illegal, and oppressive conduct in the marshal's office for the northern district of Georgia, it being alleged that the deputy marshals harass and oppress the people by illegal arrests and the extortion of money from them unjustly for which they do not account and to which they are not entitled, and that they compromise cases with parties illegally, receiving money and charging exorbitant fees therefor, of which they make no returns: Therefore,

Resolved, That the Committee on Expenditures in the Department of Justice be, and it is hereby, instructed to inquire into the alleged abuses and report thereon to this House, and that, for the purpose of ascertaining the facts, said committee is hereby authorized to send for persons and papers.

Mr. DAWES. Is that before the House?

The SPEAKER. The gentleman from Georgia asks consent to offer it.

Mr. DAWES. I object, unless it be referred to the Committee on the Judiciary.

Mr. RANDALL. The Committee on Expenditures in the Department of Justice is the proper committee.

Mr. YOUNG, of Georgia. If the gentleman will allow it to come before the House I will strike out the preamble.

Mr. WHITELEY. I object to its reference to any committee, for this reason: the Department of Justice can have the truth or falsity of these charges investigated by a special agent much cheaper than it can be done by this process.

Mr. YOUNG, of Georgia. Well, I have a reason for offering it——

Mr. MAYNARD. It is not before the House, and I must object to debate.

Mr. YOUNG, of Georgia. I ask, then, that it be referred.

The SPEAKER. The gentleman's colleague [Mr. WHITELEY] objects to that.

EDWARD O'MAGHER CONDON.

Mr. BANNING, by unanimous consent, from the Committee on Foreign Affairs, submitted a report upon the petition of Edward O'Magher Condon, a citizen of the United States, now in prison in England; which was ordered to be printed, and recommitted to the Committee on Foreign Affairs.

Mr. MAYNARD. I move that the House now take a recess.

Mr. BANNING. I desire to enter a motion to reconsider the vote by which the report just submitted by me was recommitted.

The SPEAKER. It had better be understood that the motion to reconsider has been entered, because that makes the subject of the report a privileged question.

Mr. DAWES. I must object, because it will give it a preference over other business of the House.

The SPEAKER. It had better be settled now, because it may cause trouble in the House hereafter when the question is called up. Where a committee is regularly called and reports a matter for printing and recommitment, they have a privileged right to enter a motion to reconsider. But where unanimous consent is asked to make a motion for printing and recommitment, and that is immediately followed by entering a motion to reconsider, the Chair would consider that an objection would pertain to the whole matter.

Mr. DAWES. I will withdraw my objection, upon the statement of the gentleman that it refers to the personal liberty of an American citizen.

The SPEAKER. The Chair only wanted the matter fully understood.

Mr. DAWES. I only objected because I thought it would give this subject a preference over other matters, and to hear an explanation, if it should be given, why it should have that preference. Having heard that explanation I withdraw my objection.

Mr. G. F. HOAR. I renew the objection.

Mr. COX. This report will not be brought back into the House again except when the Committee on Foreign Affairs is called.

Mr. G. F. HOAR. Then why enter a motion to reconsider? I certainly must object, because the gentleman can accomplish all he wants in the regular order.

The SPEAKER. The Chair called the attention of the House to it so that there should not be any surprise in the matter.

Mr. COX. All we ask to do in this matter is what has been done so many times in the case of other committees, to have a report printed and recommitted.

The SPEAKER. The gentleman from New York [Mr. COX] does not comprehend the point. The motion to print and recommit the report was made and agreed to without objection. Then the gentleman from Ohio [Mr. BANNING] asked leave to enter a motion to reconsider the vote by which the report was recommitted, which would make this subject privileged to the exclusion of everything else.

Mr. BANNING. As there seems to be objection, I will withdraw the motion to reconsider.

Mr. MAYNARD. I must insist upon my motion for a recess.

The motion was agreed to; and accordingly (at four o'clock and forty minutes p. m.) the House took a recess until half-past seven o'clock p. m.

EVENING SESSION.

The recess having expired, the House reassembled at half-past seven o'clock p. m., Mr. BUCKNER in the chair as Speaker *pro tempore*.

CURRENCY—FREE BANKING.

The SPEAKER *pro tempore*. By order of the House, the session of to-night will be for debate only on the bill (H. R. No. 1572) to amend the several acts providing a national currency and to establish free banking, and for other purposes. The gentleman from Michigan [Mr. FIELD] is entitled to the floor for one hour.

THE NATIONAL REVENUE—TAXATION ON FOREIGN PRODUCTIONS.

Mr. FIELD. Mr. Speaker, in considering revenue questions it should be borne in mind that since 1865 the public debt has been reduced over $300,000,000, and that fully one-third of this amount has been raised by internal-revenue taxation. And now, just emerging from a financial crisis, it appears to me plainly the duty of the House to consider whether taxation under the internal-revenue system shall not be reduced.

Internal taxation is paid wholly by the American people, and, having drawn during the past eight years this large amount, it is time I think for rest and recuperation.

THE SUICIDAL POLICY—THE SINKING FUND.

The rapid reduction of the public debt has been a favorite scheme of the Treasury Department, and to carry out the design Congress established a sinking fund to which the surplus revenues of the Treasury could be applied, and it was deemed advisable to make ample provision for this fund by taxation in order to secure "the extinguishment of the whole debt by the generation that created it." The wisdom of enforcing this policy so soon after the dreadful loss of life and productive labor, and the vast destruction of property North and South during the war, has been questioned by many thoughtful persons. The policy of drawing now upon an overburdened and exhausted people the means to liquidate a great debt, created to benefit and bless not only the present generation but succeeding generations of the Republic for all time to come, is at variance with the well-settled principles of political economy; besides, the proposition is unjust and wrong.

THE PUBLIC DEBT SHOULD NOT BE PAID BY THIS GENERATION.

In 1867, the Secretary of the Treasury in his annual report estimated that the population of the country in 1884 would be 60,978,838. Now, on that basis our population in 1890 will exceed eighty millions, and thus, by the increase of population alone, the debt becomes reduced one-half without the payment of a dollar. I think the present generation has done well enough, and, in my judgment, not another dollar should be raised to apply on the principal of the public debt until we are able to wipe out the whole internal-revenue system which now irritates the people with vexatious and inquisitorial taxation—a taxation wholly unjustifiable and unnecessary, except it be tolerated to gratify the vanity of some of our Treasury chiefs in the flourishing of trumpets over magnificent reductions of the public debt. They all take great glory in extracting means from the people by burdensome and crushing taxation in order to pay a debt not due for many years to come. I do not believe in the policy of bleeding the people for this purpose and at this time. Sir, if a man owes you his labor, would you by merciless blood-letting reduce him to a condition of weakness and helplessness, and thus make it impossible for him to perform the task? The public debt must be worked out, and therefore I favor the policy of lightening the burden of the people, and keeping the labor of the country in full exercise. Let the people gather strength, leave the capital and the earnings of labor in their hands for the present, and thus by aiding them in the production of individual and national wealth, the payment of the debt in the future is doubly assured.

I think, therefore, the large payments now required for the sinking fund might be postponed, and I have introduced a bill for that purpose. This would relieve the Treasury of about $25,000,000 per annum. If this be done, and a wise adjustment of the tariff be made, I think the entire internal-revenue system can be abolished within two years.

THE STAMP-TAX ON MATCHES.

Early in the session I submitted a bill for the repeal of the stamp-tax on friction matches and bank checks, and the Committee on Ways and Means having reported adversely upon the bill, it is now before the House for consideration. The tax on matches is almost wholly borne by the industrial classes. The poor laboring man consumes more matches than the millionaire, and eighty cents on every dollar's worth of matches is in the form of stamps; therefore on every ten boxes of matches the poor man pays the Government for eight boxes of internal-revenue stamps. The tax is exorbitant, unequally and unjustly levied, and should, in my judgment, be immediately repealed. And it should be borne in mind that honest manufacturers find a great deal of embarrassment in carrying on this industry on account of the dishonesty practiced by unscrupulous manufacturers, who cheat in putting up packages and in stamping their goods. This is an additional and powerful reason why this stamp-tax should be removed.

THE STAMP-TAX ON BANK-CHECKS.

The stamp-tax on bank checks, while it yields but an insignificant amount of revenue, is a very annoying and troublesome form of taxation. Each check or order for money requires a two-cent stamp on all sums over ten dollars. Now the stamp costs two cents, and the labor of attaching the stamp is worth at least two cents more. So the people are taxed $3,000,000, and the Treasury receives only about a million and a half dollars. Beside, in many cases in remote places, it is inconvenient, if not impossible, to obtain stamps, and in this way it is a chafing, vexatious, and annoying tax. And although the internal-revenue act provides for heavy penalties for violations of the law, yet it is often neglected either by necessity or design.

I see before me the report of the Commissioner of Internal Revenue, wherein it is stated that over five thousand suits or prosecutions are now pending for violations of the internal-revenue laws, and I am informed that a very large number of these cases are prosecutions for evading the stamp-tax on matches, druggists' goods, and bank checks.

THE STAMP-TAX ON PRESCRIPTIONS AND MEDICINES.

The stamp-tax required on druggists' goods is equally obnoxious. It is almost impossible, even for the most intelligent, to understand what goods require the stamp. And thousands of druggists, in their anxiety to obey the law, affix stamps to goods, which by others are sold without stamps, and it appears that internal-revenue officers, even, do not understand the law, and certain articles recently have been declared liable to a stamp-tax which for seven long years have been regarded as exempt. I see before me a great book to expound the law issued by the Commissioner of Internal Revenue, the object of which is to designate and define the goods required by existing laws to be stamped. If any law providing for taxation is so difficult to be understood as to require the Commissioner to issue a work of this description to explain its provisions it should be repealed, and inasmuch as these stamps yield but about $2,500,000, I am in favor of wiping out this tax on druggists' goods.

REDUCE TAXATION ON DOMESTIC PRODUCTS AND RAISE THE REQUIRED REVENUE BY TAXATION ON FOREIGN PRODUCTS.

We have thus far heard six members of the Committee on Ways and Means. They suggest no revenue measures, and they differ widely with reference to the receipts and expenditures for the current fiscal year, and in their estimate of the surplus or balance in the Treasury on the 1st of July. The chairman contends that we shall have not to exceed $20,000,000 surplus, not including the reserve of $44,000,000. Another member maintains with great clearness that we shall have at least $35,000,000. And still another member of the committee makes a showing so plain that no one can dispute it, that by the 1st of July we will have a surplus of at least $42,000,000. But, Mr. Speaker, should we have a surplus of not more than $10,000,000, I insist that this tax on matches, bank checks, and druggists' goods, and also the taxation on spirits distilled from apples, grapes, and peaches; the tax on leaf-tobacco produced and sold by our farmers, and the duties imposed on licorice imported—which is used so extensively by our manufacturers of plug tobacco—should be immediately repealed. The tax on spirits distilled from apples, peaches, and grapes, has a depressing effect on this young industry now growing into importance in thirty-one of the States and Territories of the Union. I favor the policy of reducing taxation on domestic products, having in view the repeal of the internal-revenue laws, and the raising of all the revenue required by taxation on foreign products.

THE LARGE REDUCTION EFFECTED BY ACT JUNE 6, 1872.

On the 6th of June, 1872, the duties on imports were reduced, which resulted in a dead loss to the Treasury for eleven months, ending the 30th of June, 1873, of $19,356,257, as shown by the report of the Bureau of Statistics. I have submitted a bill (H. R. No. 2399) "to increase the revenue from imports and to reduce internal-revenue taxation," which I hope may be adopted as a substitute to the pending bill. Now, estimating the reduction of internal revenue on the basis of the receipts for the last fiscal year, the aggregate reduction will not exceed $10,000,000; and for the information of the House I send to the Clerk to be read a statement of the Commissioner of Internal Revenue, which sustains the estimates I have made.

The Clerk read as follows:

TREASURY DEPARTMENT,
OFFICE OF COMMISSIONER OF INTERNAL REVENUE,
Washington, January 28, 1874.

SIR: In reply to your telegram of yesterday, I have to inform you that the receipts for the last fiscal year from the two-cent tax on bank checks, drafts, or orders, from friction matches, and from medicines, cosmetics, &c., were, in round numbers, as follows:

Bank checks, &c	$1,600,000
Friction matches	2,450,000
Articles taxed under Schedule C, exclusive of matches	2,510,000
Spirits distilled from apples, peaches, and grapes	2,014,645

Very respectfully,

J. W. DOUGLASS,
Commissioner.

Hon. MOSES W. FIELD,
House of Representatives, Washington, D. C.

A REDUCTION OF $10,000,000 INTERNAL TAXATION AND AN INCREASE OF REVENUE BY RESTORATION OF "THE TEN PER CENT. REDUCTION," ETC., YIELDING $13,000,000 TO THE TREASURY.

Mr. FIELD. In urging the repeal of this amount of taxation on the one hand, I propose on the other an increase of the revenue from imports which will more than cover the proposed reduction; and I submit a statement, showing the large increase in the revenue which may be derived from an alteration of the tariff.

The report of the Bureau of Statistics, now on our tables, shows that the "10 per cent. reduction" in the act of the 6th of June,

1872, resulted in a loss to the Treasury, for eleven months, of over $9,000,000; and the duties on articles specified in section 1 of the same act were also reduced, resulting in a loss of revenue amounting to over $900,000; and on other commodities specified in the same act the loss to the Treasury by a reduction of duties was over $3,000,000; making the total loss of revenue under said act over $19,000,000. I propose a repeal of these reductions in part. I propose a repeal of sections 1 and 2 of the act referred to, which will increase the revenue for the coming fiscal year at least $9,889,419. The other alterations in the rates of duty, as proposed by the bill, are set forth in the statement which I shall submit, together with an estimate of the revenue which will be derived therefrom, making an aggregate increase of over $13,000,000 in the revenue for the next fiscal year. This estimate is made on the basis of the receipts on the articles mentioned during the last fiscal year; a statement of which in detail, together with the estimates of the amount of revenue each commodity is calculated to produce, I now submit, and ask to have printed in the RECORD.

Comparative statement of the reduction of revenue derived from duties on imports, computed on the basis of the returns of merchandise entered into consumption in the United States during the fiscal years ending June 30, 1871, 1872, and 11 months of 1873, under the act of June 6, 1872, and the estimated reduction of customs receipts, together with estimates of the increase of revenue by restoration of former rates of duty.

[Act of June 6 took effect August 1, 1872.]

Articles.	Rate of duty.		Quantity, value, or duty of merchandise entered into consumption during the—			Customs receipts.		
	Under—		Fiscal years ending June 30—		11 months of 1873, act of June 6, 1872.	Actual loss of revenue, and estimated increase by restoration of former rates of duty.		
	Acts prior to June 6, 1872.	Act of June 6, 1872.	1871.	1872.		1871.	1872.	11 months of 1873, act of June 6, 1872.
Bituminous coal and shale, (80 pounds to the bushel).....tons..	$1.25 per ton.....	75 cents per ton.....	$430,508	485,063.3	411,039½	$215,254 00	$242,531 47	$205,519
Salt, in bulk.....pounds..	18 cents per 100 pounds.	8 cents per 100 pounds.	274,730,573	257,637,230	369,908,917	274,730 00	257,637 25	369,908
Salt, in bags, sacks, barrels, or other packages.....pounds..	24 cents per 100 pounds.	12 cents per 100 pounds.	283,993,799	258,232,807	334,465,685	340,792 00	309,879 38	401,358
Oatmeal.....	.....	¼ cent per pound.....	cwt. 46,650	lbs. 7,060,390	lbs. 3,458,098	.....	.....	.....
Do.....value..	10 per cent. ad valorem.	.....	$138,213.12	$189,519	$113,848	.....	.....	.....
Potatoes.....bush..	25 cents per bushel.....	15 cents per bushel.....	431,940	80,222	323,595½	43,194 00	8,0229 20	32,35
Bend or belting leather, and on Spanish or other sole-leather.....value..	35 per cent. ad valorem.	15 per cent. ad valorem.	$1,405 11	$3,497.67	$8,619.92	281 05	69 53	17,239
Calf-skins, tanned, or tanned and dressed.....value..	30 per cent. ad valorem	25 per cent. ad valorem.	$4,396,841.45	$4,373,730.26	$4,595,659.60	219,842 07	218,686 52	229,782
Upper-leather of all other kinds, and on skins dressed and finished of all kinds, not otherwise provided for.....value..	25 per cent. ad valorem.	20 per cent. ad valorem.	$1,700,497.36	$2,161,743.93	$2,103,834.44	89,524 87	108,087 20	105,191
Skins for morocco, tanned, but unfinished.....value..	25 per cent. ad valorem.	10 per cent. ad valorem.	.....	.....	$496,001.20	.....	.....	.....
Chiccory-root:								
Unground.....pounds..	4 cents per pound.....	1 cent per pound.....	8,243	54,062	.....	247 29	1,621 86	.....
Ground.....do....	5 cents per pound.....	.....	2,315,822	3,003,241	3,832,773	92,632 88	120,129 64	153,310
Timber, squared or sided, not otherwise provided for.....cubic feet..	.....	1 cent per cubic foot..	.....	.....	895,971	.....	.....	.....
Sawed boards, plank, deals, and other lumber of hemlock, white-wood, sycamore, and bass-wood.....M feet..	.....	$1 per M feet.....	751,063	681,757	39,789	550,975 41	693,962 97	30,328
Do.....value..	20 per cent. ad valorem.	.....	$6,555,192.03	$6,878,509.86	$350,586.55			
Other varieties of sawed lumber.M ft..	.....	$2 per M feet.....	.....	.....	562,912,015	.....	.....	207,541
Do.....value..	20 per cent. ad valorem.	.....	.....	.....	$6,666,827.90			
Sawed lumber, planed or finished, an addition, for each side, of 50 cents per M feet.....M feet..	.....	$1.50 per M feet.....	.....	.....	681½	.....	.....	442
Do.....value..	35 per cent. ad volorem.	.....	.....	.....	$4,184			
Do.....M feet..	.....	$2 per M feet.....	.....	.....	47,470	.....	.....	117,237
Do.....value..	35 per cent. ad valorem.	.....	.....	.....	$606,222.11			
Do.....M feet..	.....	$2.50 per M feet.....	.....	.....	436½	.....	.....	314
Do.....value..	35 per cent. ad valorem.	.....	Not specified.	Not specified.	$4,014			
Sawed lumber, planed on one side, and tongued and grooved, $1 per M feet.....M feet..	.....	$3 per M feet.....	.....	.....	461½	.....	.....	750
Do.....value..	35 per cent. ad valorem.	.....	Not specified.	Not specified.	$6,100			
Sawed lumber, planed on two sides, and tongued and grooved, $1.50 per M feet.....M feet..	.....	$3.50 per M feet.....	.....	.....	4.3	.....	.....	*1 40
Do.....value..	35 per cent. ad valorem.	.....	Not specified.	Not specified.	$39			
Hubs for wheels, posts, last-blocks, wagon-blocks, oar-blocks, gun-blocks, heaking-blocks, and all like blocks or sticks, rough-hewn, or sawed only.....value..	35 per cent. ad valorem.	20 per cent. ad valorem.	Not specified.	Not specified.	$43,715.14	.....	.....	6,557
Pickets and palings.....value..	20 per cent. ad valorem.	.....	.....	.....	$58,033.61	.....	.....	.....
Laths.....M..	.....	15 cents per M pieces..	144,778	135,597	168,936.3	12,780 20	9,492 39	12,412
Do.....value..	20 per cent. ad valorem.	.....	$172,484.57	$149,150.75	188,764.98			
Shingles.....M..	.....	35 cents per M.....	.....	.....	99,002.9	.....	.....	43,121
Do.....M..	35 per cent. ad valorem.	.....	Not specified.	Not specified.	$222,207.89			
Pine clapboards.....M..	.....	$2 per M.....	.....	.....	3,126	.....	.....	2,861
Do.....value..	20 per cent. ad valorem.	.....	Not specified.	Not specified.	$45,567.07			
Spruce clapboards.....M..	.....	$1.50 per M.....	.....	.....	820 4-5	.....	.....	1,077
Do.....value..	20 per cent. ad valorem.	.....	Not specified.	Not specified.	$11,545.50			
House or cabinet furniture, in pieces or rough and not finished....value..	35 per cent. ad valorem.	30 per cent. ad valorem.	Not specified.	Not specified.	$2,518.20	.....	.....	125
Cabinet-wares and house furniture, finished.....	35 per cent. ad valorem.	35 per cent. ad valorem.	.....	.....	.....	.....	.....	.....
Casks and barrels, empty, sugar-box shooks, and packing-boxes of wood, not otherwise provided for...value..	35 per cent. ad valorem.	30 per cent. ad valorem.	.....	.....	$2,518.20	.....	.....	125
Fruit, shade, lawn, and ornamental trees, shrubs, plants, and flower-seeds, not otherwise provided for...value..	30 per cent. ad valorem.	20 per cent. ad valorem.	$37,585.67	$113,224.38	$61,296.01	3,758 56	11,322 44	6,129
Garden-seeds, and all other seeds for agricultural and horticultural purposes not otherwise provided for.....value..	30 per cent. ad valorem.	20 per cent. ad valorem.	$525,655.71	$295,492.40	$270,229.29	52,565 57	29,549 25	27,022
Ginger:								
Ground.....pounds..	5 cents per pound.....	3 cents per pound.....	5,162	12,112	377½	103 20	242 24	7
Preserved or pickled.....value..	50 per cent. ad valorem.	35 per cent. ad valorem.	$12,916.11	$23,862.87	$4,118	1,937 42	3,579 43	617
Essence of.....do...	50 per cent. ad valorem.	35 per cent. ad valorem.	.....	.....	$117	.....	.....	17
Chocolate.....pounds..	7 cents per pound.....	5 cents per pound.....	29,450½	28,384	40,993	589 20	567 70	819
Cocoa, ground or prepared.....do...	5 cents per pound.....	2 cents per pound.....	.....	19,987	56,838½	575 02	599 61	1,705

Comparative statement of the reduction of revenue derived from duties on imports, &c.—Continued.

Articles.	Rate of duty. Under— Acts prior to June 6, 1872.	Rate of duty. Under— Act of June 6, 1872.	Quantity, value, or duty of merchandise entered into consumption during the— Fiscal years ending June 30— 1871.	1872.	11 months of 1873, act of June 6, 1872.	Customs receipts. Actual loss of revenue, and estimated increase by restoration of former rates of duty. 1871.	1872.	11 months of 1873, act of June 6, 1872.
Cotton, manufactures of, of which cotton is a componet part of chief value ..... duty..	.....	10 per cent. off of the former rates of duty.	$10, 773, 832. 48	$12, 306, 215. 47	$11, 124, 428. 71	$1,077,383 25	$1,230,621 54	$1, 286, 047
Wool, hair of the alpaca, goat, and other animals, and all manufactures wholly or in part of wool or hair of the alpaca and other like animals, not otherwise provided for....duty..	.....		$33, 582, 740. 30	$42, 031, 077. 19	$37, 688, 482. 70	3, 358, 274 03	4, 203, 107 71	4, 187, 609
Iron and steel, and manufactures of iron and steel, of which such metals, or either of them, shall be the component part of chief value, except cotton machinery. Iron, and manufactures of iron ...duty..	.....		$13, 766, 121. 32	$15, 025, 144. 17	$9, 569, 700. 31	1, 376, 612 13	1, 502, 514 40	1, 063, 300
Steel, and manufactures of steel ..duty..	.....		$4, 892, 562. 63	$6, 896, 983. 24	$6, 767, 233. 86	489, 256 26	689, 698 32	751, 914
Metals, not otherwise provided for, and manufactures of metals, of which either of them is the component part of chief value, excepting percussion-caps, watches, jewelry, and other articles of ornament... duty..	.....		$3, 219, 753. 60	$3, 241, 765. 15	$3, 136, 083. 27	321 75 36	324, 176 51	348, 453
(Wire roap and wire strand or chain, made of iron wire, to pay the same rate of duty now levied on the iron wire of which it is made; wire rope and wire strand or chain, made of steel wire, to pay the same rate of duty now levied on the steel wire of which it is made.)								
Paper, and manufactures of paper, excepting unsized printing-paper, books, and other printed matter, not otherwise provided for .....duty..	.....		$544, 288	$1, 333, 077. 86	$957, 109. 03	54, 422 80	133, 307 79	106, 945
India-rubber, manufactures of ...do...	.....		$532, 976. 11	$350, 111. 21	$179, 576. 25	53, 207 61	35, 011 12	19, 953
Gutta-percha, manufactures of...do...	.....		$, 109. 90	$10, 585. 20	$6, 157. 57	510 99	1, 058 52	684
Straw, manufactures of.....do...	.....		$653, 475. 70	$637, 251. 95	$495, 108. 31	65, 347 57	63, 725 19	55, 012
Oil-cloths, of all descriptions ....do...	.....		$27, 866. 11	$36, 277. 64	$43, 949. 12	2, 786 61	3, 627 76	4, 883
Glass and glass-ware.....do...	.....		$2, 472, 412. 50	$3, 075, 507. 15	$2, 758, 639. 15	247, 241 25	307, 550 71	306, 515
Unwrought pipe-clay, fire.....do...	.....		$54, 047. 40	$65, 405. 87	$57, 648. 30	5, 404 74	6, 540 59	6, 405
Fullers' earth .....do...	.....		$870. 64	$821. 88	$676. 35	87 06	82 18	75
Leather, not otherwise provided..do...	.....		$18, 149. 16	$12, 768. 82	$11, 168. 50	1, 814 92	1, 276 88	1, 240
Manufactures of—								
Skins	.....							
Bone .....duty..	.....		$53, 980. 30	$88, 338. 68	$76, 728. 84	5, 398 03	8, 833 86	8, 525
Ivory, horn.....do...	.....		$20, 439. 70	$5, 640. 60	$2, 827. 81	2, 043 97	564 06	314
And leather, (except gloves and mittens,) and of which either of said articles is the component part of chief value .....duty..	.....		$235, 603	$257, 365. 46	$260, 212. 86	23, 560 30	25, 736 54	28, 912
Licorice paste or licorice juice....do...	.....		$266, 553. 60	$269, 055. 80	$179, 728. 83	26, 655 36	26, 905 58	19, 969
Do .....do...	.....				$418. 82			46
Actual loss of revenue for eleven months ending June 30, 1873								9, 128, 694
Add estimates for one month								760, 725
Total actual and estimated loss for one year								9, 889, 445

Estimated increase of revenue for the next fiscal year on the following commodities.

Articles.	Existing duty.	Quantity imported.	Proposed duty.	Increase.
Hops	5 cents per lb..	5, 608, 902 lb.	10 cents per lb..	$280, 445
Tin, in sheets or plate	15 per cent....	$15, 686, 738	20 per cent....	784, 337
Sal soda	½ cent per lb...	26, 913, 319 lb.	½ cent per lb...	67, 283
Soda ash	½ cent per lb...	185, 355, 308 lb.	½ cent per lb...	463, 388
Stone	$1. 50 per ton..	.....	10 per cent....	25, 000
Fire-wood	Free	$232, 861	20 per cent....	46, 572
Railroad ties	Free	$511, 368	20 per cent....	62, 273
Bologna sausage	Free	$20, 831	20 per cent....	4, 166
Eggs	Free	$683, 689	10 per cent....	68, 368
Macaroni and vermicelli	Free	$217, 260	30 per cent....	65, 178
Fresh fish	Free	8, 386, 624 lb.	½ cent per lb...	41, 933
Hides	Free	$15, 109, 569	5 per cent.	755, 458
Hemp, Russia, Manila, and India	$25 per ton....	21, 518 tons.	$40 per ton....	322, 775
Jute and sunn	$15 per ton....	11, 050 tons.	$25 per ton....	110, 500
Jute butts	Free	488 tons.	$6 per ton.....	29, 280
Codilla, or tow of hemp	Free	109 tons.	$10 per ton....	1, 090
Coir yarn	Free	3, 270, 267 lb.	1½ cents per lb.	49, 054
Tin, in blocks, bars, or pigs	Free	$3, 033, 873	10 per cent....	30, 338
Total increase				3, 207, 435
Sections 1 and 2 act June 6, 1872, repealing "the 10 per cent. reduction"				9, 889, 445
Total increase of revenue				13, 196, 883

THE 10 PER CENT. REDUCTION PUT OVER $9,000,000 INTO THE POCKETS OF FOREIGNERS.

I ask gentlemen to examine these statements with care, and I think it will appear plain that "the 10 per cent. reduction" should be restored. That reduction time has proven to have been a foolish cutting down of revenue, resulting in the loss to the Treasury of the large amount I have stated, and all the benefits falling into the hands of foreign producers just as plainly as an appropriation by Congress could transfer the money. The prices of the commodities in this country were not altered by the reduction of duties, and consequently all the benefits of this generous act fell into the hands of foreign producers. It is unnecessary for me to refer to the large number of petitions presented here from the farmers of Ohio, Wisconsin, Michigan, and New York in favor of higher duties on foreign hops, and I propose to increase the duties from five cents per pound to ten cents per pound. This modification will increase the revenue from hops, say, $280,445.

I propose, also, a slight increase in the duties on tin, hemp, soda ash, and sal soda.

The present duty on building stone is prohibitory, being $1.50 per ton. This rate appears in the statute, but undoubtedly it was a typographical error, as the "toi," a technical word used by masons, was intended instead of ton. I propose to fix the duty at 10 per cent. *ad valorem.*

PROPOSED REDUCTION OF TAXATION.

The reduction of internal-revenue taxation and the repeal of the existing duties on licorice are estimated as follows:

On licorice, juice, paste, and root, (customs)	$194, 080
Spirits, distilled from apples, peaches, and grapes	2, 014, 645
Bank checks	1, 600, 000

Friction matches	$2,450,000
Prescriptions, proprietary and other articles, Schedule C	2,510,000
Farmers' sales of leaf-tobacco	230,857
Total	10,000,000

TAXATION ON FOREIGN PRODUCTIONS THE TRUE POLICY.

As I have stated, the revenue derived from imports is paid almost wholly by foreign labor. I have heard gentlemen here speak of the burdens imposed upon the American people by tariff taxation, but this is a great mistake. The revenue derived from imports is wrung from the hands of foreign producers. When they approach our markets with the products of their labor, they are required to call at the captain's office and settle the duties which our tariff requires. It is like the toll which is sometimes paid in crossing a bridge that leads to a market. That toll comes from the person who seeks that market, the producer, not the consumer. And so with the products of foreign labor. Before they can be laid down or sold to consumers in our markets, the producer is required to call at the custom-house and settle the duties, and the receipts into the Treasury from this source during the last fiscal year have been $184,929,041.

COMMENTS ON MR. BECK'S FREE-TRADE SPEECH.

The gentleman from Kentucky, [Mr. BECK,] in a recent speech on the finances, made some reference to the tariff; and in the course of his remarks he characterized the collection of revenue on importations of foreign manufactures as "the outrageous system of tariff taxation that is bringing about all our financial and commercial troubles." I confess my surprise on hearing this remark, for the gentleman, being a member of the Committee on Ways and Means, must be familiar with the tariff, and the gentleman knows that the free list embraces all commodities not conveniently produced in the United States, and that duties under the existing tariff are imposed only on such manufactures and productions of foreign countries as compete with like productions in our own. I fail, therefore, to see how custom-house taxation on foreign products can disturb our finances, as such taxation, while yielding a large revenue to the Treasury, can only have the effect to stimulate labor and augment productions in this country.

SILK GOODS.

Now, if all the silk goods required to supply our markets could be produced in this country, more laborers would be employed here, creating greater demands for labor, and the money required to pay for the labor would be expended here instead of being shipped to foreign countries to reward and support labor there, while thousands remain idle in the United States for want of employment.

TAKING WORK OUT OF THE COUNTRY ROBBING AMERICAN LABORERS.

If I understand the gentleman, he is anxious to stop all the works now in operation in this country, and he favors a policy which would discharge the workmen now employed in our workshops and factories, and employ people in Europe and Asia to do the work to supply our markets; and the gentleman proposes to ship gold and silver to pay for their labor. If I understand the gentleman, the "remodeling of the tariff" so as to secure this result will, in his opinion, improve our finances and make us wealthy and prosperous. Considering that labor is wealth, I fail to perceive any advantage in the proposed transfer of our diversified employments to foreign countries; on the contrary, I affirm that if the policy of the gentleman be carried into execution it would lead us swiftly and with certainty to ruin and wide-spread disaster. It would, moreover, rob the Treasury of the required revenue and rob our industrious people of a large share of their labor.

I desire to comment further on another part of the gentleman's speech, and that I may do him no injustice, I will ask to have the paragraphs which I have marked read, and I send them to the Clerk's desk for that purpose.

The Clerk read as follows:

I rose principally for the purpose of calling attention to one portion of the tariff question. There is a highly respectable set of gentlemen here, or were lately, known as the representatives of the Silk Association of America, whose books are no doubt on all your tables, who are seeking in every way to increase the tariff on silk manufactures, which is now 60 per cent. in gold, equal on an average to 75 per cent. in the currency of the country. They are making complaint as though they were about to be ruined, because a few mixed ribbons that have some cotton or some wool in them have been allowed to come into the country at a tax on the consumer of 50 per cent. gold. They are here clamoring for Congress to increase the duties on them also to the 60 per cent. rule, in order, as they claim, to make the tax uniform, and protect them in their industries.

Several of these gentlemen, I will not say where, have been discussing this question in my presence. And when I was insisting upon putting the tariff upon all these articles down to 50 per cent. instead of allowing mixed ribbons to be advanced to 60, as being a sufficient protection and bonus to them, the cry was at once raised by them, "You will drive us out of business if you do that; we cannot live at that figure." The question was then asked, "What is the amount of your production of silk?" The answer was, "About $30,000,000 a year." What is the amount of silk imported? The books show that it is about $30,000,000; therefore the consumption of silk is about $60,000,000, $30,000,000 of it imported. Counting all the imports at 60 per cent., we get a revenue of about $18,000,000 out of a consumption of $60,000,000. Reduce the tariff to 50 per cent. and drive all these gentlemen out of the business if you please; the consumption of silk in this country will not be less, but by the natural operation of the increase of the people, and in consequence of the reduction of duty, the consumption would doubtless reach $70,000,000. Fifty per cent. upon $70,000,000 would produce $35,000,000 of revenue if all these manufacturers should quit the business.

They state that all their machinery, all their material, all their property, at the highest estimate they put upon it, will reach only $15,000,000. They employ, say twelve thousand men, beside women and children. It is obvious from their own statements, and will be apparent to every gentleman who looks at it, that if you reduce the duties on silk from 60 per cent. to 50 per cent., and, if you please, drive all these men out of the manufacture entirely, you would instantly get $35,000,000 of revenue instead of $18,000,000. In that way, in one year, you could get an excess of revenue which would enable you to pay them their $15,000,000, every dollar that they have invested in the business, and you would have $2,000,000, or enough to furnish $1,000 apiece to each man they employ, with which he could buy a farm in the West, and stock it. We would get $35,000,000 a year from the silk consumption alone, from which we are now getting only $18,000,000. And yet these men are clamoring for a still further increase of protection to their productions, which would result in diminishing our revenues. That is only one case; there are hundreds of others of the same sort, illustrating equally well the working of the present high protective, anti-revenue tariff taxation.

A DREARY SUGGESTION—A PLAN FOR IMPROVING THE FINANCES BY PAUPERIZING THE PEOPLE.

Mr. FIELD. Now, Mr. Speaker, the gentleman from Kentucky says it requires $60,000,000 worth of silk to supply the American markets, and at the present time our factories produce about one-half that quantity, the residue of the supply, say $30,000,000, coming from abroad, and yielding $18,000,000 revenue to the Treasury. Now, if the $30,000,000 worth of silk which we imported last year had been manufactured in the United States at least twelve thousand more laborers would have found employment here in the production of the work, and the shipment of $30,000,000 to pay the foreign laborers would not have drained the country of that amount of treasure. But the gentleman, not satisfied with robbing our people, with one-half of this labor, now proposes that all this work shall be done in foreign countries; and with that view he favors a reduction of the duties on silk goods as "a revenue measure," and to "help the finances." He says, "Put the duty at a point low enough to drive American manufacturers out of the business; in that event all the silk goods to supply our markets will be produced abroad, and although our people will send off gold across the Atlantic to pay for the labor employed there in making the silks for the American people, yet the duties on the importations of the goods would swell the revenues of the Treasury." He thinks it would help our financial situation to ship $60,000,000 in gold instead of the $30,000,000 now required to pay for such manufactures in Europe.

SNATCHING LABOR OUT OF THE HANDS OF THE AMERICAN PEOPLE.

This is the grand financial and economic scheme of the gentleman from Kentucky. He says, we now pay foreign labor $30,000,000 to make our silks in part; and in order to offer them more of our work, he proposes to say to the men and women at work in our great factories, "Get out; this is your country, but you have no rights here that your Representatives are bound to respect." The gentleman proposes to "drive out" by hostile legislation the manufacturers in our workshops producing $30,000,000 annually of silks in the United States, and consequently creating that much of wealth in our own country—this young industry, now maintaining here over two hundred firms in the business, employing over twelve thousand persons in the work, and paying over $6,000,000 in wages per annum to our people. Now, if the gentleman's theory be correct with regard to silks, it will apply to all other industries; and, if carried out, we should exhibit the spectacle of a great nation of intelligent laborers—laborers doing the voting and governing the country for their own welfare and independence—adopting a policy which would transfer all their useful industries to foreign lands, strip them completely of their work, leaving at home a vast multitude of idle people, without work, without morals, and without civilization.

MAY GOD SAVE US.

May God save us, Mr. Speaker, from such a deplorable condition of dependence and slavery. Sir, we want no ornamental figure-heads in this country. We want active, useful people, and the diversified pursuits to give employment for all, that from our many industries we may witness one prosperity. If our work be done at home it is wealth and gain, if done abroad it is poverty and loss; and the $30,000,000 sent abroad last year to pay for silk work drains our country of that much treasure and robs our countrymen of that amount of labor.

Which policy, sir, I ask, is the best for a nation of laborers—the policy which would strip them of their occupations and support labor in other countries, or that other policy which would secure to them the labor required to supply home demands and their home markets?

PRICES CHANGEABLE AS THE WEATHERCOCK.

The gentleman makes no calculation, too, for changes in the prices of silk goods should the plan he suggests be carried out. Let him buy up the silk-works in this country and destroy them as proposed, turn out of employment the twelve thousand people now supported by this industry, and what would be the result? Why, high prices for silk goods would be inevitable. The destruction of our silk manufactories would cause an advance in prices for silks in Europe; and instead of getting the silks for $60,000,000, undoubtedly 50 per cent. more money would be required, making the cost, say $90,000,000. Meanwhile, our people deprived of a large amount of work, and consequently suffering serious loss and inconvenience, the revenues of the Treasury, instead of increasing, would drop to the poverty line of repudiation and disgrace.

"KILLING THE GOOSE."

If the policy be worth anything, I say, it should be applied to all manufacturing industries; and in carrying out the death-dealing scheme we should plunder the people of their mechanical work, re-

duce them to rude and barbarous employments, and thus kill the goose that lays the golden egg, not only for the Treasury, but for the prosperity and happiness of the American people.

THE DUTY ON BUTTER PAID BY CANADIANS; PRICES FIXED BY "SUPPLY AND DEMAND."

I find by the statement of the Bureau of Statistics that for the last fiscal year the importations of butter were 4,178,224 pounds, which, with the duty at 4 cents per pound, yielded $167,128 revenue. Now the price of butter in our markets was not affected by this importation; but the Canadians or others who shipped this butter took the American price, the same price our farmers got for a like quality, paying a duty, however, of 4 cents per pound before the butter could be sold in our markets. If we remit the duty on butter, the foreign producer would realize just that much more. It cannot be claimed that by repealing the duty the price of butter in our markets would be 4 cents per pound less. Prices are not fixed by law; they are not regulated by treaties; they are controlled and fixed by the natural law of supply and demand. And as our domestic producers furnish the overwhelming supply, you will see that prices in American markets are fixed here, uninfluenced by the insignificant quantity which from year to year may be imported. The annual production of butter by the United States is estimated by the Department of Agriculture at 600,000,000 pounds, and with this supply in our own country, it is impossible for prices to be affected by the small quantity imported.

CHEESE, POULTRY, BACON, AND TALLOW.

Cheese was imported amounting to 3,440,436 pounds, paying a duty of 4 cents per pound, and yielding in the aggregate $137,618. This amount was paid into the Treasury by the foreign producer of cheese.

Poultry was imported amounting to $93,767. The duty being 10 per cent., the Canadians were obliged to pay $9,376 into the Treasury before they could sell their poultry in our markets.

The duty on hams is 2 cents per pound, and 118,852 pounds having been imported, the Treasury received $2,377 in gold on foreign bacon and hams.

The duty on tallow is 1 cent per pound, and the duty on lard is 2 cents per pound, yielding a handsome revenue to the Treasury.

FIRE-WOOD—THE REPEAL OF THE DUTY PUT FORTY THOUSAND DOLLARS INTO THE POCKETS OF CANADIANS.

Fire-wood was imported in 1872 to the amount of $201,960, paying a duty of 20 per cent., and yielding to the Treasury $40,392; but on the 1st of August, 1872, this duty was repealed, and since that time no revenue has been collected or received from this source. It was a great mistake, in my judgment, to repeal this duty, and I propose to reinstate it as it was prior to 1872. Living, as I do, upon the border, and seeing the Canadian and the American selling wood in the same market, I will speak of fire-wood as an illustration of the ground I have taken that customs duties are paid by foreigners. Prior to August 1, 1872, the duty was 20 per cent., and before the Canadian could dispose of his wood in our market he was obliged to call at the custom-house and pay the duties. It is hardly worth while for me to state, for it is a notorious fact, that in every case the foreign producer accepts the American market price for his wood. To illustrate, I will suppose the price to have been five dollars per cord, and the duty amounting to one dollar per cord; then the Canadian realizes four dollars per cord for his wood, while the American in the same market, for the same quality of wood, gets the full market price of five dollars, for he has no duty to pay. But after the 1st of August the Canadian disposed of his wood in our market, and, there being no longer a duty upon it, he went home with the entire avails, receiving the same price as the American for the same quality of wood. The market price was not altered by the reduction of duty. The price in the market continued, with slight variations, for a short time, and then the price went up. The Forty-second Congress, therefore, in repealing the duty on fire-wood, generously put into the pockets of the Canadians at least $40,000 in gold per annum.

HAY.

The duty on hay is 20 per cent., yielding to the Treasury last year $81,235, and in 1872 the revenue derived from this source was $140,432. Some gentlemen may think that the price is made by reason of this duty 20 per cent. higher all over the country. I wish it could be so. I should be very glad if by imposing high duties we could raise the price of the hay and the wheat and the potatoes produced in the West and all over this great country. But such is not the case. The quantity imported as compared with the domestic production is too insignificant to affect the price in any case or at any point. The total value of the hay imported last year was less than $500,000; whereas the value of the crop of the United States is estimated at $400,000,000. Therefore to assert that the quantity imported has any effect upon the prices in the American markets would be as absurd as to contend that a glass of lager-beer thrown into the river at the Point of Rocks would produce such a flood in the Potomac as to sweep the Washington Monument into the Chesapeake Bay.

HOPS—THE DUTY SHOULD BE TEN CENTS PER POUND.

The duty on hops is five cents per pound, and my desire is that it should be raised to ten cents per pound. Why should we allow the Canadians to come into our markets and glut them with their hops, paying only five cents per pound for the right and privilege of selling them here, when by imposing ten cents per pound we would double the revenue? And I propose that we shall, after the first of July next, charge the Canadians at least ten cents per pound for the privilege of selling their hops in our markets. These markets belong to the American people. The country is theirs, and the markets of the country belong to them; and they have a right to demand that foreigners, when they seek our markets, shall be required to call and pay duties before they can compete with the farmers here on their own ground. The farmers of Wisconsin, of Michigan, of New York, and Ohio, can supply our markets with hops. The production of these States during the past year has exceeded 30,000,000 pounds, but if we are to allow foreigners to crowd our producers out of our own markets by reducing the duties or making the duties ineffectual and non-productive, then our own farmers will be compelled to throw up their hands, and we shall, in this way, stimulate and augment foreign labor to the detriment of our own. The quantity of this staple imported is very small as compared with our domestic production, yet it is an injury to have so large a quantity thrown upon our markets, thereby delaying the sale possibly of the products of our own farmers. Hops must be sold when the crop is fresh, and if the market is to be glutted by Canadians, it may result in great injury to our own producers. But as the Government requires revenue, although we have the right as American producers to claim the whole market, yet, on the payment of ten cents per pound duty, the farmers of the West will be satisfied; and with this alteration we can calculate that for the next fiscal year the revenue from this source, instead of being $280,445, shall be at least $500,000.

HONEY.

The duty on honey is twenty cents a gallon, and the quantity imported last year was 102,736 gallons, yielding $20,547 revenue.

VEGETABLES.

The duty on vegetables is 10 per cent., and the quantity imported having been $495,952, the revenue derived from this source was $63,158. Now I am aware that some persons contend that the vegetables produced in the gardens and on the farms of the Dominion of Canada should be admitted free of duty; but I fail to see on what ground this claim is made. These markets certainly are ours, and if they are to be supplied by Canadians or any other foreign farmers, our own gardeners and farmers will be injured thereby. I believe the duty should be at least 20 per cent. on vegetables; and if by so doing we can check the importation, it will be as well for our own producers, and probably the Treasury will receive as much, if not more, money, by imposing 20 per cent. than it now receives while the duty is only 10 per cent. The question is, have not our own gardeners and farmers better rights here in our own markets than foreigners? Do foreigners pay our taxes to maintain our schools and libraries? Do they pay for carrying on this Government? Have they upon their shoulders the great debt incurred to save the Republic they have attempted twice to break down? Have we not the farmers and the gardeners in our own country who can supply our markets with vegetables? I think you, sir, will agree with me in concluding that we have. I insist then, that if foreigners are to be permitted to sell their truck and stuff in our markets, they shall be required, before doing so, to call at the custom-house and pay the duties required by our tariff.

POTATOES.

On the 1st of August, 1872, the duty on potatoes was reduced 10 cents per bushel, thereby putting into the pockets of the Canadians and the people of Bermuda 10 cents in cash on every bushel of potatoes which they have sold in our markets since that time. The revenue derived from this source in 1871, when the duty was 25 cents per bushel, was $107,985. I have no doubt there are some gentlemen here who would be willing to have this duty removed wholly; but I have to say to such gentlemen that in so doing we will put this money into the hands of those who come from abroad to sell their potatoes in our markets. Let the duty be raised to the former rate, which was 25 cents per bushel. It cannot be claimed that the price of potatoes is reduced in our markets by repealing the duty. Those who live on or near the frontier know that this is not so. The farmer from Canada, when he sells potatoes in our markets, accepts the market price, and when we exact a duty that duty must be deducted from the price in estimating the net avails of his crop. The quantity imported, you will perceive, has never exceeded 500,000 bushels, while the product of the United States is over 130,000,000 bushels per annum. I know that free-traders sometimes contend that the duties imposed by the tariff are paid by the American people; and they sometimes go even beyond that and claim that the amount of the duty is not only added to the price simply of the quantity of the commodity imported, but that the duty has the effect to advance the price of the entire product of the United States to the full extent of the duty. And the Free-Trade League have hired men to travel all over the United States to deliver lectures upon this question, paying their expenses and advertising them liberally. These men have contended, even in the city where I reside, that this is so. And while a doctor of divinity whom they had hired for such work was dilating on the enormous wrong done the American people by the tariff advancing the prices of commodities all over the United States to the extent of the duties imposed on the quantity imported, he happened to speak of potatoes, saying, "Look at this outrageous duty the monopolists have laid, of 25 cents per bushel on potatoes imported. It has the effect," he said, "to advance the price of potatoes 25 cents per bushel all over the United States." But, Mr. Speaker, it so happened

that at that very time the price of potatoes in our market was only 22 cents per bushel; therefore, according to the theory advanced by this free-trade lecturer, the farmers were required to pay 3 cents per bushel to have their potatoes taken off their hands.

DRESSED HOGS.

The duty on dressed hogs is 1 cent per pound, and the amount imported was 90,214 pounds, yielding $9,902 revenue. You will see that when the Canadian brings his hogs to our market he gets the market price for them. If the price be $6 a hundred, he obtains that price; but before he can sell them he is required to pay 1 cent per pound at the custom-house. So in returning home he carries only $5 a hundred, while the American in the same market takes the same price, $6 per hundred; but he, having no duty to settle, carries home the $6 per hundred for his hogs. Do our farmers in Illinois, Wisconsin, and Iowa, or any other State, object to that? Are our farmers anxious that Canadians shall come over here and supply our markets, and sell their productions without paying any tax for the right to do so? Mr. Speaker, did you ever hear farmers in Missouri complain about this matter; and do you think the farmers out there would like to have the duty on dressed hogs repealed?

BEEF—BARLEY.

On beef the duty is 1 cent a pound, yielding last year $4,575 in gold.

The duty on barley is 15 cents a bushel, yielding last year the handsome sum of $647,661.

LIVE HOGS, HORSES, AND SHEEP.

The duty on live hogs, horses, and sheep is 20 per cent., yielding last year $648,296.

If we remit this duty the foreign producer will go home with just that much more money. It cannot be claimed that the number of these animals imported has any effect upon prices here, for the annual product of our own country is over $1,500,000,000.

COLD BISCUIT.

The duty on cold biscuit is 20 per cent., yielding $20,508. Does the gentleman from Kentucky [Mr. BECK] object to that? Would he have our own country women robbed of that amount of labor? Would he prefer cold biscuit from London to the nice hot biscuit made by the gentlewomen of Kentucky? I know some gentlemen on this floor who wear clothing made in London. And it may give them as much satisfaction to rob American tailors of that amount of labor as it may to eat the cold biscuit produced by the London bakers instead of the better home-made. Nevertheless, on the $102,542 worth of biscuit imported during the last year, the Treasury received the handsome amount I have mentioned.

CORN.

The duty on corn is 10 cents per bushel, and the quantity imported was 61,539 bushels, yielding $6,153 in gold to the Treasury. Will any one say that corn is made 10 cents per bushel dearer thereby all over the United States, as the free-traders claim? I wish it could be so; for if it would secure that result I should favor a duty of 50 cents on every bushel of imported corn. But I think it can hardly be possible for any sane man to be humbugged by such shallow talk. In some of the Western States, for lack of a market, corn upon the farm does not bring even 10 cents per bushel to the hand of the farmer. As with other commodities, so with corn; the quantity imported, being only a drop in the bucket of our supply, does not affect our prices. The crop of the United States of over 900,000,000 bushels determines the price of this staple in our own markets; and any man must be either a knave or a fool to claim that the duty on the quantity imported affects prices in the American markets. When the Canadian brings his corn here he takes our market price, and goes home with that price after deducting the duties paid.

MACARONI AND VERMICELLI—SAINT LOUIS FLOUR TO LONDON AND BACK.

In 1871 the duty on macaroni and vermicelli was 35 per cent., yielding $29,061 revenue. By the act of June 6, 1872, the duty was repealed, and from that time the foreign producers have been benefited about $30,000 in gold per annum. And in this way we have not only robbed the Treasury, but we have robbed our own producers of macaroni and vermicelli to that extent. I know it suits some people very well to talk of having our work done in Europe. They gladly witness Saint Louis flour shipped all the way to England; and after being handled by London bakers the same flour, in neat boxes, with bright labels, is brought back to us in the shape of London crackers, vermicelli, and Italian macaroni. Is this good for the American workingman? Is it economy? Is it wise and profitable to ship Saint Louis flour to Europe, and bring back the same flour and a large amount of labor added to it in the value of the goods I have mentioned?

OATS.

The duty on oats is 10 cents per bushel, and the quantity imported last year having been 226,297 bushels, the revenue realized was $22,629 in gold. I think no one can dispute me when I assert that this amount of money was paid into the Treasury by foreign producers. This quantity certainly had no effect upon our prices, being less than a quarter of a million bushels, while the great product of the United States is 230,000,000 bushels. I repeat that the foreign producer, in selling commodities in our markets, accepts the market prices of our country; and when we require from him the payment of duties, they are paid out of his own pocket. And in this way we replenish the Treasury of our Government; restrain foreigners from monopolizing and glutting our markets with the products of their labor; shield and protect the American people, and reserve to them the national markets for their benefit.

OATMEAL.

Oatmeal was imported during the last fiscal year amounting to 3,468,000 pounds, paying a duty of ½ cent per pound, and yielding $19,657. Now, Mr. Speaker, we have factories in this country producing the finest oatmeal in the world. We do not want our markets to be crammed with Scotch groats; we want American oatmeal, the best food known for man. If the people of other countries wish to manufacture oatmeal for our markets, we only desire that they shall either come here to do the work or call and pay 1 cent per pound for the privilege of selling foreign make in our markets.

PEASE AND BEANS.

I come now to pease and beans, which pay a duty of 10 per cent., yielding to the Treasury last year $23,617. I find also that split pease pay a duty of 20 per cent., yielding a handsome revenue to the Treasury. We can split our own pease, as well as do any other kind of work that need be done; and if foreigners want to split pease for the American market, let us split 20 per cent. out of their pockets.

FURNITURE.

I find the importation of furniture to have been $448,543, which, at 35 per cent., yielded to the Treasury in gold $156,990. This amount was not paid by the American people, and I think it would be wise to charge 50 per cent. duty; but as it has been fixed at 35 per cent. I will not urge a change at the present time. We have in our country the wood, we have the material of every description, and we have the artisans and the workmen who can produce furniture suitable for any mansion in America. If foreign workers in furniture wish to sell their sofas and their tables and their chairs here, let them call at the captain's office and pay the duty of 35 per cent.

MILK.

The duty on milk is 20 per cent., and the importation having been to the value of $28,648, the receipts into the Treasury from this source were $5,609.

EGGS.

The duty on eggs in 1871 was 10 per cent., and the receipts into the Treasury from this source for the fiscal year ending June 30 were $27,867. This duty was removed by the act of June 6, 1872, and the Treasury has lost that much money during the past year from this source.

WHEAT.

The duty on wheat is 20 cents per bushel, and the quantity imported during the last fiscal year having been 1,056,345 bushels, the Treasury received $211,269 from this source. Now that amount of money was extracted from the foreign producer of wheat. It helps our Treasury, does no harm to our country, and, although our own farmers can raise wheat sufficient to supply our own market, yet we are willing, on account of the revenue which it is desirable to raise, that the Canadian shall sell wheat in our markets, provided he pays 20 cents on each bushel for the privilege of doing so. You will see that the quantity imported was a trifle over 1,000,000 bushels. The production of our country exceeds 275,000,000 bushels per annum.

When we ship wheat to England we meet there the producers of England, as well as the surplus from Germany and Russia, and we get the current price in Mark Lane, after paying all the transportation and other expenses, including the duty whenever the British Parliament levies a duty on importations of corn and wheat.

FLOUR, BRICK, AND BRUSHES.

The duty on flour is 20 per cent., yielding last fiscal year $63,522.

The duty on bricks is 20 per cent., yielding $13,484.

The duty on brushes is 40 per cent., yielding last year $157,279. If all these brushes had been made in America, over ten thousand persons would have been supported by the labor.

CARRIAGES.

The duty on carriages is 35 per cent. While we have carriage-makers competent to produce carriages of every description and of a quality superior to that of any foreign maker, yet during the past year the value of $71,572 was imported, yielding $25,050 revenue.

HYDRAULIC CEMENT.

The duty on hydraulic cement is 20 per cent., and the quantity imported last year was $209,076, yielding $41,819 revenue. We have cement in this country of every description and of superior quality. The cement produced in Kentucky, I do not hesitate to say, is superior to any imported cement; and while we have the ability to produce this article in our own country, having abundant labor here for the purpose, I think it is desirable to charge foreigners 20 per cent. on the amount imported.

GLUE, CIDER, AND WATCHES.

The duty on glue is 20 per cent., yielding $36,514 revenue.

The duty on cider is 20 per cent., and the duty on watches is 20 per cent., yielding during the last fiscal year, $787,671 revenue. If the duty on foreign watches was fixed at 50 per cent. it would cause the

great factories of Europe to be transferred to our Western States, and in less than ten years the smoke of this industry would rise from many towns and villages in the West.

CLOTHING.

The value of imported clothing last year was $1,618,945, yielding $706,802 revenue to the Treasury. If this large amount of work had been reserved for our people many thousands would have obtained employment here, augmenting our labor, swelling the national wealth, and promoting the prosperity of the country. Give to the people the nation's work and we should have no poor-houses; for when the people find work they can support themselves without charity and without public work-houses.

CLOVER-SEED.

The duty on clover-seed is 20 per cent., yielding during the last year $55,844 revenue. This amount of revenue was contributed toward the support of our Government by the Canadian producers. They sell their clover-seed in our market and realize the market rate, after deducting the amount of duty paid, while the American sells clover-seed in the same market, and drives home to his farm with the whole market price in his pocket.

COAL—A PLOT TO ROB THE TREASURY, AND THROW OUR MINERS OUT OF WORK.

By the act of June 6, 1872, the duty on coal was reduced to 75 cents per ton; and during the past fiscal year 411,039 tons having been imported, the amount of revenue realized was only $308,279; while under the former duty of $1.25 per ton, in 1871, the revenue realized on 430,508 tons, was $538,135. In 1872, 485,063 tons were imported, paying a duty of $1.25 per ton, and yielding $606,329 in revenue. Therefore it will be seen that in reducing the duty 50 cents per ton we have reduced the revenue about one-half; and in so doing have put about $300,000 into the pockets of the people of Pictou and Cape Breton during the past year. This is the reason of so much cheerfulness in that country at this time, and accounts for the great rejoicing which occurred in Canada when the duty on coal was reduced 50 cents per ton. They sell no more coal in our markets than they did prior to the time the reduction took effect; but now they realize the full amount of that reduction when they ship coal to our ports. As I have said before, in legislating the tariff down we have legislated money into the hands of foreign producers. We have robbed our Treasury of a large amount of revenue, and we have encouraged labor in foreign lands, instead of supporting workingmen here at home. The price of coal was not reduced by the reduction of the duty. The price in the Boston market before and after the time the reduction took effect remained the same; but as soon as the reduction went into operation the Bluenoses of Nova Scotia went home with 50 cents a ton more money.

CONGRESS SHOULD PROTECT THE PEOPLE OF THE COUNTRY AGAINST THE LABOR OF ALL OTHERS—COAL ABUNDANT IN THE UNITED STATES.

We are here, Mr. Speaker, as I understand, to legislate for the benefit of the American people, and I fail to perceive how we are faithfully discharging our duty when we reduce the tariff, and in so doing snatch labor out of the hands of our workingmen, take money out of the Treasury of our Government, and lodge it in the pockets of foreigners. According to the statement of the Bureau of Education, we tax ourselves voluntarily in this country to the amount of $95,402,726 per annum for public libraries and for the public education of the young. Is it right to ask a people who are willing to submit to this large tax for the benefit of the rising generation, and for the future safety of the Republic, to allow foreigners to come in here and take possession of our markets, and sell the products of their labor without paying the tariff tax at the Treasury of our Government? Should foreign wars break upon us as they have in the past, can we require the coal-heavers of Cape Breton and Pictou to come here and fight our battles? Can we draft them to fill up the ranks of our depleted armies? Are we so interested in our foreign cousins that we can submit to this wrong which the American people would be compelled to suffer if we reduced the duties on imports? People who are acquainted with the business know that the price of coal in our markets is never affected by the duties imposed on foreign coal. It is only the ignorant, or the middle-men, and the Shylocks of trade, interested in foreign products and interested in the handling of such products in our markets, that attempt to poison the minds of the western people with the foolish notion that the American people pay these duties. They know that this is not so; they know that it is mischievous and shameful lying, and that they themselves are the only interested ones in a reduction of these duties. Here in our great importing cities the unfriendly Modocs may be found. They would willingly scalp American labor, and paralyze our industries, that they might take free and unrestricted possession of our markets. Now, the quantity of coal imported in any year would not supply a single industry in my State. The supply of coal in the United States is inexhaustible. Missouri alone has over 20,000 square miles of coal, and Kentucky, Ohio, Indiana, Illinois, Michigan, and scores of other States possess inexhaustible deposits. The miners working in our coal mines in the West, as well as at the East, can supply our markets with coal without the aid of foreign production, and they know, too, that if the demand for coal in any of our markets is supplied even in part by foreign labor, our miners will get that much less work here.

COPPER.

Copper pays a duty of 5 cents per pound, yielding the past year $436,363. Our mines are inexhaustible, and the revenue from duty on copper is so much clear gain to the Treasury. From 1857 to 1861 copper was admitted free of duty. The Treasury got no revenue from it, and the prices of copper in our markets were higher than they are to-day.

FISH—CANADIAN FISHERMEN WANT OUR MARKETS.

Before the 1st of July, 1873, foreign fish were subject to duty. I find that the importation of herring for the year ending June 30, 1873, was 63,497 barrels, duty $1 a barrel, yielding $63,497. Mackerel paid a duty of $2 per barrel, and yielded $141,302 revenue. The duty on salmon was $3 per barrel, and the duty on other fish was $1.50 per barrel. The total duty realized on fish imported was $251,008. This amount of money swelled the coffers of the Treasury, and prior to the 1st of July last was paid by foreign fishermen for the privilege of selling their fish in our markets. Unfortunately by the treaty of Washington this duty on all fish the product of the sea was removed on the 1st of July last; and from that time the Canadian fisherman sells his fish in our ports, and sails home with that price in his pocket. Prior to that time he was required to pay duties at the custom-house before he could get a permit to sell; therefore by the treaty of Washington the Treasury will lose at least $250,000 per annum, and the American fisherman on the sea-coast will suffer the annoyance and the inconvenience of an excessive supply of Canadian fish in his market, to his serious injury and loss. With reference to the price of fish I will here refer, in order to make the case plain, to the New York Mercantile Journal of June 26, 1873, which quotes the various descriptions of fish in that market; and the same journal, on the 3d of July, which was after the treaty took effect, quotes mackerel and other kinds of fish at the same prices. By this it will be seen that the removal of the duties from fish, which took effect on the 1st of July, 1873, had no effect on the prices, and that by the repeal of the duties on foreign fish we reduced the revenues of our Treasury, and gave more money to the foreigners who bring fish to sell in our markets; and on this account last July the fires of joy lit up the evening skies on the Bay of Chaleur and all along the Canadian coasts. Happily the fish of our lakes and rivers were not embraced in the article in relation to fish in the treaty of Washington; but by a recent act of Congress the duties on fresh white-fish and fish for bait were repealed. You will find, sir, by referring to my bill, that I have not omitted to include fish of all kinds, making the duty ½ cent per pound after the 1st of July next. I think our people prefer to fish as well as cut bait for supplying our markets with fresh fish.

IRON AND IRON WORKERS.

The duty on pig-iron is $7 per ton, less 10 per cent., and the quantity imported last year was 207,000 tons, yielding $1,264,349 revenue. Now the production of pig-iron in the United States is near 3,000,000 tons. The quantity imported, therefore, cannot affect our prices to consumers; but the importation lodges a vast amount of revenue in our Treasury. The iron-ore product of the mines of Michigan last year was over 1,250,000 tons. You will perceive by this that the importation of only 207,000 tons of pig is an insignificant quantity compared with the vast production of our own mines and furnaces. And when the duty on pig-iron was reduced from $9 to $7, which took effect on the 1st of January, 1871, the price of pig-iron in our market continued the same; but the price on the other side of the Atlantic went up $2 per ton. So, in reducing the duty on pig-iron, we took that much money out of the Treasury, amounting in a single year to over $400,000; and that large amount inured to the benefit and profit of foreigners. It stuck to the fingers of the bloated capitalists and monopolists of England.

LUMBER.

The foreign lumber imported during the last fiscal year yielded $1,483,799 revenue. The quantity imported altogether is not equal to the sales in one of our western cities in a single year. Nevertheless, a large revenue is realized from this source; and it might be increased, by advancing the duty, to the benefit of the Treasury and American producers. The value of the annual product of lumber in the United States is estimated to be $1,500,000,000.

THE CHICAGO FIRE AND THE CHICAGO RELIEF ACT.

In 1872 petitions were presented here for the repeal of duties on building material, and at that time many ignorant persons had a notion that our supply of building material was largely drawn from foreign countries; and soon after the Chicago fire Congress provided that in rebuilding that city a drawback should be granted to the extent of the duty on all imported building material.

And, sir, what was the result of that generous act? Now, deducting the plate-glass, the total amount of drawback realized by the people of Chicago on all imported material was only $46,869—not so much as the expense of the two Houses of Congress for the time consumed in the consideration of the measure. It was called the "Chicago relief bill," and no doubt many persons supposed this act of Congress would aid that fire-stricken city to the extent of many millions of dollars. And, sir, I only refer to this for the purpose of calling the attention of the House to the fact that American producers furnish more than nineteen-twentieths of the commodities required to supply all domestic demands in the United States.

DOMESTIC PRODUCTIONS IN GENERAL USE.

You might travel, sir, for months through our factories and upon our farms without seeing a single tool or implement of foreign make, and you will rarely if ever find any of the imported fabrics or fineries in the homes of our industrious people; you will find the productions of American looms and American factories in common use all over the United States.

AMERICAN FREE-TRADERS—BRITISH BODKINS.

But, sir, we have a few British bodkins in America, and you have heard our free-trade orators dilate on the advantage to workingmen of a residence in Europe; and although they admit that the wages of labor are less than one-half the compensation realized in this country, yet they say the laborer with the wages in Europe can buy more tools and blankets than he can obtain here for the same money.

The point might be good if the laborer had no food to buy, if he could live on *air* or *free-trade* sentiment; but inasmuch as a chest of tools or a pair of blankets will last half a century, the laborer is not required very often to buy such things. His daily necessities for food require the largest part of his earnings, and therefore this central idea in the free-trade argument disappears like the fiction of a dream. Aside from the daily cost of food, the expenditures for other necessaries of life are only occasional and comparatively insignificant.

Why, sir, I have blankets that cover my own children that were woven by my grandmother, and they are better to-day than the blankets produced in the shoddy factories of England.

THE COST OF FOOD THE CHIEF EXPENSE OF LIVING—THE SUPERIOR CONDITION OF AMERICAN WORKINGMEN—IMMIGRATION.

Now, Mr. Speaker, in point of fact, over seven-eighths of the total expenditures for living of a large majority of the American people are required for subsistence alone, and as food is cheaper here than in any country of Europe, even admitting, for illustration, that the price of some manufactured articles is higher in this country at the present time, yet the workingman, realizing double compensation for his labor, can afford to pay higher prices for the remaining one-eighth part of his disbursements, and make money by emigrating to the United States. And, sir, I think the intelligent and practical laboring people of Europe understand this matter far better than our theoretical political economists of the free-trade school; for during the past year about four hundred thousand emigrants have arrived here from Great Britain and the continent of Europe—those countries where the workingman has limited opportunities for improving his condition, and few chances for lifting himself out of the bondage of poverty; a condition of dependence which differs only in name from chattel slavery.

SALT—FREE LABOR VS. SLAVES AND PAUPERS.

The revenue derived from imported salt in 1872 was $1,083,505. But on the 1st of August, 1872, a reduction of about 33 per cent. was made in the duty, resulting in a large reduction in the revenue from this source during the fiscal year ending June 30, 1873, being only $742,395. This reduction gave great satisfaction, and occasioned great rejoicing in foreign countries. It should be borne in mind that salt may be found in nearly every State in the Union. The material from which it is produced is not considered of any value, and a barrel of salt as seen in our markets is nothing more nor less than a barrel of labor. I can take you to the State of Michigan, where salt is found in great abundance, and the people there will give you acres of land if you will only establish salt works. In Louisiana I saw pure, solid rock-salt in inexhaustible quantity. Nearly all the States of the West produce salt, and the supply for the American market should be obtained from our own country. We now produce more than three-fourths of all the salt we consume, and as the price of salt is fixed by the law of supply and demand, the foreigner gets the American price after deducting the duties required to be paid.

WE HAVE NO STATUTES OR TREATIES FIXING PRICES—THEY ARE FIXED BY THE NATURAL LAW OF SUPPLY AND DEMAND.

As I said before, there are no laws fixing prices. The prices of commodities are as changeable as the sands of the sea. If we remit the duty, the foreigner would get that much more for his salt. Although a large reduction occurred on the 1st of August, 1872, yet, as will be seen by the report of the Bureau of Statistics, the prices of salt in our markets were not affected thereby. It is interesting to notice the changes that have occurred in the production of American salt since the great tariff act of 1862. The importation of salt for 1860 was 14,000,000 bushels, yielding only $214,000 revenue. This was under a free-trade or "revenue-reform" tariff. In 1871, under the highest rates of duty, the importation was only about 9,000,000, but yielding $1,176,587 revenue. The quantity was 5,000,000 less than the importation under the free-trade tariff above mentioned; yet under the protective tariff we obtained over $900,000 more revenue. It is interesting also to note that since 1860 we have more than doubled the production of salt in this country, and in this single industry employment is given to over 50,000 men. Before the tariff act of 1861 our manufactures were unable to supply the markets of the sea-board with a single bushel; but in 1871 over 2,000,000 bushels of domestic salt was sold in the city of New York. The $1,176,587 in gold which foreigners, in 1871, were required to pay into the Treasury for the privilege of selling their salt in our markets causes the shoes of foreign producers to pinch, and the Spaniard driving his slaves and the Englishmen working paupers in Liverpool are anxious that the tariff should be repealed. I am not surprised that they hire people to come over here to give us good advice, and try to produce a change in our tariff laws to suit themselves, under the name of "revenue reform."

[Here the hammer fell.]

The SPEAKER *pro tempore*. The hour of the gentleman has expired.

Mr. MAYNARD. I hope the gentleman will be allowed to proceed and conclude his remarks, for he is certainly instructing us very handsomely.

No objection was made, and leave was accordingly granted.

Mr. FIELD. Now I take the ground that salt is not affected in price by the quantity imported. Ohio alone produces over 8,000,000 bushels of salt, and Michigan produces not less; and prices to-day in our markets are less than they were in 1860, when we imported nearly all we consumed in the United States, and when we were entirely dependent on foreigners for our supply.

WOOL AND THE RIGHTS OF OUR WOOL-GROWERS.

The duty on raw wool and manufactures of wool for the last fiscal year was $38,496,628. The duty on wool is about ten cents per pound. The quantity of wool imported does not materially affect prices in our markets, as our farmers produce over 177,000,000 pounds. And if the half-naked herdsmen of South America wish to compete with our farmers in selling wool in our markets we only require them to walk up and settle the regular duty at the custom-house. The duty comes out of the foreign producer, the people of La Plata and Buenos Ayres, and other places, who wish to sell their wool in the American markets.

Should the duty be repealed the effect would be to crush our own wool-growers, for the influx of foreign wool would glut and spoil our home markets, and the home market is the chief if not the only support to the wool-grower as well as labor in any other department of industry.

OTHER MANUFACTURES IMPORTED YIELDING A LARGE REVENUE.

The value of wools and woolen goods imported during the past fiscal year was $72,692,742, yielding $38,490,628 revenue; the value of iron and steel goods was $57,333,157, yielding $18,237,388 revenue; and the value of cotton manufactures was $31,810,680, yielding $11,557,173 revenue; the value of leather was $11,812,147, yielding $3,734,828 revenue; the value of flax goods was $21,724,807, yielding $7,212,791 revenue; the value of hemp goods was $7,862,444, yielding $1,648,089 revenue; the value of lead goods was $3,413,393, yielding $1,365,848 revenue. The aggregate revenue derived from the above eight classes of commodities was $82,246,752. As I have already shown with reference to other staples, so, in like manner, the foreign producer of these goods pays the duty required by the tariff into the Treasury of the United States. If we remit these duties, or any part of the duty, we shall lodge the amount in the hands of the foreign producer, making a heavy loss to our Treasury, and doing our workingmen an irreparable injury. We possess the raw material, the machinery, and the artisans capable of producing all these commodities, and when we allow foreigners to bring their goods into our markets it is right and proper that we should levy protective duties upon them for the encouragement of our home manufactures, and for the purpose of enlarging and diversifying our industries.

THE SHOEMAKERS OF NEW ENGLAND.

Some short-sighted shoemakers in New England want the duties on leather repealed. They are so blind that they do not see that the price of leather would not be reduced by a reduction of the duties, and they forget that for fifty years a duty of $1.50 was levied on every pair of boots imported into the United States. Under protection, and by the aid of skill and machinery, their industries have reached a point of perfection to defy foreign competition. Prices have been so reduced by domestic competition that even without a tariff foreigners could not sell much of their work in our markets; but notwithstanding this historical tariff fact before them, we now hear these shoemakers raising their voices against our tanners. They want to kill off our tanners for the temporary benefit which they imagine would accrue to them. They forget that by striking down even *one* home industry so great as that of the leather manufacturers would cripple all others, and paralyze and destroy the prosperity of the country, and consequently the shoemakers would suffer as well as all others by the general calamity.

THE DESTRUCTION OF INDUSTRY THE DESTRUCTION OF WEALTH.

You remember, sir, the destruction of the city of Chicago by fire. It was a national calamity, on account of the vast destruction of wealth, and the injurious effects of the great loss were felt far and near; but sir, this calamity, affecting as it did so many thousands of our people, was a mere bagatelle compared to the destruction of a great home industry, producing in a single year more than twenty times the wealth that was destroyed when Chicago burned. The shoemakers should understand that the industries are dependent; their interests are mutual, and an injury to one is quickly felt by another. If you saw off a man's leg the whole body is injured and its successful working impaired; and so it is with the whole body or association of industries, the co-operation of each is essential to the well-being of all. They should remember that the permanent success of one industry is only assured by the prosperity of all. All efforts, therefore, on the part of one trade or industry to assail and injure another are supremely mean and selfish.

A SELFISH DISPOSITION.

I have, Mr. Speaker, some fine Essex pigs on my farm; they are undoubtedly as well-bred as pigs can be, but I have often seen one pig try to root another out of the trough. So it is with the consumers of leather, and the consumers of steel, in fighting the leather and steel manufactures of the United States. They display a disposition of hoggish meanness, only deserving the contempt and disgust of all fair-minded men. The New England shoemakers have enjoyed the blessing of protection for more than half a century. If all manufacturing industries shall continue to be protected in this country for half that time, we shall see a greater number of industries established on the fertile prairies of the West than we now find in operation on the sterile rocks of New England; for "westward the course of empire takes its way;" and the industries, the graceful companions of our civilization, are now taking their congenial and profitable places in all the villages and cities of the West.

INDEPENDENCE FOR THE MASSES—RESERVE THE NATIONAL MARKETS TO THE NATIONAL LABOR.

This Government was organized in behalf of independent labor. It is a workingmen's country, and they control and regulate its affairs by the ballot; and the question returns, shall we legislate here to benefit and bless the American people, or for the benefit and for the advantage of foreign nations? The country is ours, the markets of the country belong to us, and the people have a right to demand of their representatives here that the markets of the country shall be reserved for the benefit of the American people. I do not fail, however, to consider that the Treasury of the Government requires revenue, and, notwithstanding it is great injury to our labor to tolerate the importation of manufactures which we have the ability to produce here, we are willing to submit to this injury and to this damage in order to secure to the Treasury the means of carrying on the Government. If the Treasury required no revenue from such sources I should insist upon it as a representative of the American people that not a dollar's worth of imported manufactures which we have the ability to produce here should be admitted into the country. On all products which we cannot successfully and conveniently produce we are willing they should be admitted free; but on all other products the rights and the interests of the American people require that if we allow them to enter at all we should require protective duties, and by so doing encourage home industry, secure to our people a diversity of pursuits and abundance of employments, which will enable them to secure better rewards for toil, and lift them out of a condition of helplessness to that of independence and wealth. The workingman has labor to sell; it is his capital and dependence for support, and whoever proposes to destroy his employment, reduce his work, or cut down his wages must be looked upon as an enemy to his vital interests.

LABOR IS WEALTH; WHEN IN EXERCISE GAIN; WHEN UNEMPLOYED A DREADFUL LOSS.

Labor, too, is the only source of wealth. And when the labor of our country is in full exercise the accumulations are very great. But on the other hand every day's work lost is a dead loss to the workingman. Every idle day is a loss which he can never recover, and a loss of fifty-three days' work by the workers of America would be a loss equal to the national debt. The debt, too, must be worked out; it cannot be settled by any device or trick, nor by legerdemain; it is a matter of work, and it seems to be a matter of the highest importance to foster, encourage, and stimulate the labor of the nation.

THE FOLLY AND INJUSTICE OF HIRING LABOR IN EUROPE TO DO OUR MECHANICAL WORK WHILE AMERICANS NEED EMPLOYMENT.

The commodities imported during the past fiscal year consisted almost wholly of manufactures which can be successfully produced in the United States. The total amount of imports, as may be seen by the report of the Bureau of Statistics, was $684,633,735. Deducting from this amount the tea, coffee, and some other articles not produced in this country, we find the value of the other products imported to be $484,746,861. These manufactures and productions compete directly with our home labor, as we are producing like commodities in the United States, and to produce that amount furnished employment to at least 1,200,000 hands, embracing the work of over 500 distinct trades and occupations. You will perceive, therefore, that notwithstanding the impediments and restraints of the existing tariff the capitalists and manufacturers of other countries sent over during the past year this vast amount of their mechanical work, consisting mainly of leather, furniture, cigars, machinery, saws, edge-tools, iron and steel manufactures of every description, clothing, cotton and woolen goods, and other goods, all of which ought to be manufactured here at home, as we possess the raw material as well as the skill and machinery to perform the work.

THE FARMER'S QUESTION—THE GREAT OUTLET FOR FOOD.

If all these commodities consumed by our market had been manufactured in the United States, over 1,200,000 hands would have been employed here, to the manifest advantage of our workingmen, increasing the demands for labor, and securing a better, near-by market to the farmer.

But I desire now to call the attention of the House and of the country to the fact that this large number of laborers consumed more food than our total exports of breadstuffs and provisions to foreign countries during the same time. And if this large number were engaged in factories and workshops in this country, turning out the same mechanical work which we import, they would consume this food in our own country. About 30 per cent. of the value of manufactured commodities may be estimated as the food consumed by the laborers while at work in their production, and I desire the members from the West, and the South, and the Southwest, to consider the importance of seeking this, the greatest of all outlets for their surplus food. We need the factory and the farm to be placed side by side, and thus we shall secure strength and wealth for both. We have had conventions at the West and at the South seeking to provide outlets for food; and I have heard gentlemen make long speeches on the importance of providing foreign outlets for our food. I would have them consider the importance of seeking that greatest of all outlets—the consumers of the food, the men who do our mechanical work in Europe, brought out and lodged near by these farms, and in this way secure to our country a greater degree of happiness, a larger amount of wealth, and thus make the desert and the waste places blossom and bloom as the rose.

Herein may be found a solution in a philosophical and practical mode for the difficult "transportation question"—the bringing of the producer and consumer near together, and thus removing the necessity for the expensive and needless movement to and fro of bulky and heavy commodities.

THE GREAT NEED OF THE WEST AND SOUTH.

The great need of the country to-day in the West and South is a diversity of employments. They require more factories, more mechanical works, and the farmers are beginning to see this. You will find in any county of any of the Western States that the farmers are quite willing to contribute by subscription and by subsidies in establishing factories in their midst. The watch factory at Elgin, Illinois, is a greater benefit to that State than all her trade with a country like France. I have a farm in Iowa; it is good land, as rich in soil as any in that State, and well situated; yet I will give two-thirds of it to any man who will establish a factory near by.

THE FARM AND THE FACTORY CLOSE TOGETHER.

The farmer wants a market not only for wheat and corn, but for all the other products of the soil, the dairy, and the farm; and to secure that condition he must secure a near-by market, and to sustain such a market mechanical manufactures are required. The importance of this question cannot be overestimated, and in its discussion we must bear in mind that over nineteen-twentieths of the people of this country depend on labor for maintenance and happiness. The national Legislature, therefore, should so frame the laws of the country that the dignity and the independence of workingmen may be maintained, and the greatest good to the greatest number assured; for it is for the happiness and prosperity of a majority of the people that this popular Government was organized.

THE IMPORTATION OF FOOD IN MANUFACTURES—THE PEOPLE OF THE UNITED STATES THE LARGEST IMPORTERS OF FOOD IN THE WORLD.

I wish to place before our farmers and gardeners the fact that when we import manufactures we import food, as food is one of the largest items in the cost of producing manufactures, and during the past year we have imported more food in that shape than we have ever exported in a single year, and thus the people of the United States, notwithstanding all our boasting, are the largest importers of food in the world. You cannot make goods without men eat bread, and about 30 per cent. of the cost of manufactures is expended for food. In every ton of pig-iron there is at least $11.60 worth of food. The English free-traders want to tickle our vanity, and they say, "The United States is the granary of the world." They wish to make our farmers believe that it would be profitable and well for them to raise grain for shipment to England, losing six bushels in every seven in the cost of transportation, and bring back the same food in the shape of manufactures, together with a much larger amount produced on the farms of Russia, Germany, and England.

OUR FARMERS AND GARDENERS.

Our farmers and gardeners are faithful toilers from early dawn till late at dewy eve. I know their difficulties and vexations at times are great. They often suffer from the injury and devastations of the insect, the drought, the floods, and the frosts; yet they can overcome all these impediments and losses; but should they be compelled also to face the blighting and destroying effects of free trade, they would be forced to abandon the field and throw up their hands in despair. Without customers and without any demand for his products, the farmer would fill up his corn-crib only to see his crop rot; and his cabbages, turnips, and potatoes would waste ungathered for want of a market. He could shovel his grain into the fire, and bake his meat over the burning corn, as we have seen on the western prairies in free-trade times. His old customers, forced out of employment in the workshops, now cultivate the soil too, and both farmer and mechanic languish and fall together.

THE FREE-TRADE SWINDLE AND THE GRANGERS OF THE WEST.

The farmers and gardeners will puncture this bubble, for they must, I think, see through this swindling free-trade scheme at a glance. The mechanics of a single manufacturing city I can name consume more of our farm productions than our foreign customers ever take. Double the number of mechanics in this country to-morrow, and you

would double the value of the lands of our farmers and gardeners, and the prices of farm products would bring to them a better reward for their toil. On the other hand, strike down home manufactures, throw the operatives out of employment, let all the mechanical work they are now doing be done in England or elsewhere, and let population fall off, as it would, one-half, what would the gardener's land be worth, and what prices would farm products fetch in a community stricken with paralysis and pauperism?

Why, I ask, is it that the business of farming in the State of New Jersey, or Pennsylvania, or Michigan, is more profitable than in the far-off States of the West? The reason is, that the farm and the factory lie side by side, and the one furnishes a profitable and desirable customer for the other. Let the mechanical work which we are now employing England and other countries to do be performed in the States of the West and of the South, and we shall not have the large surplus of food to be shipped to the other end of the world in search of a market.

MONOPOLIES IN GENERAL AND PARTICULAR.

I have heard some gentlemen remark that by imposing taxation on the products of foreign labor we encourage monopolies in this country; but I fail to see how monopolies are built up in this way, as there are no restrictions to labor, and I know of no industrial monopoly in our country. The channels of labor and trade are open and free to all; a fair field and no favor is the practice everywhere. The success of one man stimulates others to embark in the same industry, and every additional factory and workshop increases the demand for labor, and the pleasant sounds of industry will soon be heard in every village and hamlet of the country. It might be said with as much reason that one man monopolizes the air because he may be able to breathe more of the air than another. So it is with music or anything else; one man may appreciate and enjoy more than another, but there is no monopoly. All have the right to embark in industrial enterprises in this country, and the tariff taxation on foreign products only prevents our industries being swept away; it prevents raids upon our markets, and has a tendency to secure to our own industries stability and the support of the home markets of our country.

THE PEOPLE'S MONOPOLY OF AMERICAN WORK.

Mr. Speaker, I have always been opposed, and I am to-day opposed, to all monopolies save one. I am opposed to the national banking monopoly, because it is a benefit to a few; and I am opposed to other monopolies which have been created by legislation, and which are injurious to the best interests of the country. But, sir, there is one monopoly which I favor, and which I stand here to defend and sustain, and that is the people's monopoly of American work. I hope to see the day when the American people may be able to monopolize the whole labor of our great country. This monopoly will benefit the toiling millions, for over nineteen-twentieths of our population are laboring people. And, sir, as we are here to legislate for the greatest good to the greatest number, I think no one will assert that we fail to do our duty if we, by tariff legislation, encourage the industries of our own country, and secure to the workingmen and the workingwomen of the land, so far as possible, the complete monopoly of the nation's labor. English statesmen are statesmen for England; they watch and guard well the interests of British subjects. May God raise up in our own country statesmen who shall be statesmen for America. Let us guard well the interests of our own people; other nations may guard and care for their own.

THE HOME MARKET A BOON TO PRODUCERS—IMPORTING MECHANICAL WORK GLUTS OUR MARKET AND ROBS OUR PEOPLE OF THEIR LABOR.

It is the markets of the country that sustain labor, they are the priceless boon of our producers; and when these markets become glutted and overstocked the wheels of our machinery begin to move more slowly; and when the market utterly fails the work stops, and the employer and employé go out of the factory together. Destroy our home markets and you knock the bottom out of domestic employments.

> You take my house, when you do take the prop
> That doth sustain my house: you take my life,
> When you do take the means whereby I live.

The markets of our country require a certain supply of products to meet all demands, and if we allow foreigners to supply those markets one-half, then our own people can only do the other half of the work. Every day's work of imported manufactures practically robs our people of that amount of labor. Therefore the more we protect them and shield our markets from foreign invasion, the more we sustain labor here and secure prosperity for our beloved country.

CIGARS.

Now, a few years ago we had free trade in cigars, and at that time the Spaniards, driving slaves in Cuba, made our cigars, and the cigar factory was almost unknown in this country: but under the protective tariff of 1862 this industry has been shielded as against the work of slaves, and cigar factories may be found to-day in every village and every city of the country. In my district the cigar-makers consume the food produced on the farms of many townships around Detroit. Here is the solution of the statement that a gardener near a great market can lay up more money off five acres than the farmer in Iowa, situated hundreds of miles from market, can accumulate on five hundred acres.

OUR UNEQUALED FACILITIES FOR MANUFACTURERS—RAW MATERIAL AND OTHER ADVANTAGES.

We have heard it said that some countries have natural advantages, and that they have extraordinary facilities for the production of manufactures. But with reference to the United States, we have a variety of soils, varied climate, and raw materials—all those conditions required to sustain the life and independence of a great nation. We possess unequaled facilities for the production of all those commodities which civilized life requires; and the only question which remains is, shall the American people do their own work? Is it wise for us to hire foreigners to do our mechanical work, and grab this labor out of the hands of our own people; or is it not wiser and more statesmanlike for us to stand by our countrymen, and give to them the labor required to supply the needs of our countrymen for every description of work?

BUY WHERE YOU CAN BUY THE CHEAPEST.

Mr. Speaker, I have heard gentlemen say that it is desirable for people to buy where they can buy cheapest. I would have our people buy where they can buy cheapest in our own country. And with reference to foreign countries, my notion is that in buying our mechanical work abroad, no matter what the price may be, it is dear. If we are to hire people in foreign countries to do our work, I say it is not cheap; on the contrary, it is dear. We pay dearly for what we buy abroad, because we rob our own countrymen of that amount of labor and we send away the treasure to pay the mechanics doing the work there. Domestic competition is the best leveler of prices, and if they are to be reduced let the reduction come, not by excessive importations of the products of foreign labor, nor by cutting down wages in the United States, but rather let it come by improved mechanism, new methods, new inventions, and new processes in manufacture by the aid of science and the employment of machinery. This is a "Government of the people, by the people, and for the people;" and Congress is like the head of a family with 40,000,000 children; and it is our duty and our interest to give the work of our country to the children of the country. No other country possesses superior facilities to ours; and our artisans and mechanics can do as much work, if not more, in a day than foreigners.

NOT CHEAP TO HIRE PEOPLE IN EUROPE TO DO OUR MECHANICAL WORK—A PLOT TO ROB US OF OUR MECHANICAL WORK.

If we are to go to Europe; if we are to be dependent, and beg to have our work done there, sir, you may think it is cheap, but it is a dear and exhaustive operation, and will cost more in the long run than you have calculated. England has been able for many years to pit her skill and machinery against our raw materials and rude labor. She wishes us to get out red cedar logs for shipment to England, and buy back lead-pencils. She will buy our corn and give us back poplins; she will take our rags and give us back embossed paper; she will take our square timber and give us back silk stockings and spool thread; she will take our raw cotton and give us back thimbles and hair-pins; she will take our bones and send back superphosphates; she will take our tar and turpentine and give us gravy and plum pudding; she will take our "whole skins for a sixpence and sell us back the tails for a shilling." Such trade is exhaustive and weakening. It secures to them the "workshops of the world," and to us that other rude work fit only for barbarians and slaves, the raising of raw products for distant and unfavorable markets. England is the great blood-sucker of the world; she has sucked the very life out of Ireland, Turkey, India, Spain, and Canada, and now she proposes to draw upon the United States. But the plot to rob us of our mechanical work will be exposed, and a brave, intelligent, and free people will spring to their feet in defense of their industries, as they would in defense of the flag should foreign foes invade our soil. We shall resist at all hazards every effort of British hirelings to befog and beguile the people of this country with their free-trade heresies.

RUDE WORK VS. MECHANICAL WORK—BARBARISM VS. CIVILIZATION.

If we are to do rude work, which is labor begging at forty or sixty cents per day, England will do the mechanical work, and thus employ her artisans and mechanics. If our work is to be done in England, what are we to do here? Are we to be ornamental figure-heads and wall-flowers, raise our crops, and build large poor-houses? God forbid.

EXPORTING RAW PRODUCTS—IMPORTING MECHANICAL AND MACHINERY WORK.

Mr. Speaker, if you examine the tables reported by the Bureau of Statistics, you will find that while 76 per cent. of our imports consist of mechanical work our exports consist almost wholly of raw products, and 80 per cent. of the value of the products exported last year you will find to consist of raw cotton, food, and gold. The value of raw cotton exported was $225,000,000. Now I would change this trade, and instead of exporting so much raw cotton I would reduce it to yarn, thereby doubling its value, and I would sell cotton yarn to foreigners at double the price of raw cotton, the difference being the value of the labor employed for the purpose. Instead of shipping one bale of raw cotton and bringing back three bales in the shape of cotton stockings and spool thread, I would work up the raw cotton on the spot and sell the manufactures of cotton, and thus augment home productions. In this way I would rehabilitate the South and furnish employment to its surplus labor, to the manifest advantage and profit of the great cotton States.

THE EIGHT-HOUR SYSTEM.

I have wished for many years to see labor elevated in my country, by securing greater demands for labor, and thus bestow upon laboring men the power to fix better terms, better rewards for toil, greater independence, greater wealth, greater freedom, and less hours for toil. And I hope to see the day when, by a diversification of our pursuits and an increased demand for labor in our country, our intelligent mechanics may be able to secure such compensation for their toil as will enable them to support themselves and their families on eight hours' work. But that day cannot be hastened by giving the nation's work to the people of other countries, for labor is subject to the law of supply and demand. You cannot make the Detroit River flow up stream, nor can you put up the price of wages by a vote of the union if there be no demand for labor to justify and sustain it. The more work we have to do in this country the more demand will be raised for labor here, and the greater ability on the part of the workingman to make better terms and better prices for his toil.

CONCLUSION—PROTECTION BENEFICENT, ASSURING WEALTH AND FREEDOM TO MAN.

I take the ground that the American people are entitled to a prefcrential chance in their own markets; and is it not just that the people who own the country and work to build it up should enjoy the benefits of the markets which their industry and enterprise alone have created? If foreigners want access to our ports for the sale of their manufactures, let us require toll of them in the shape of protective duties, or let them come here with their capital and machinery, build factories, furnish employment to our people, and pay American wages. A protective tariff restrains and checks importation, prevents certain raids upon our markets, and when the European manufacturers find that they cannot dispose of their goods without the payment of duties they will come to the United States with their capital, and pay taxes to support our schools, as we have always done. And this tendency has been exhibited in the fact that during the past twelve years thousands have arrived and put up great workshops and factories in the United States. There is, therefore, no hidden mystery about the tariff question; it is a question of dollars and cents; it is a question of labor, a just reward for labor, and independence for the masses. It favors domestic competition as against foreign monopoly; it is opposed to a reduction of labor at home, which always leads to idleness, pauperism, and crime. Protection, in short, secures to the people of this country universal prosperity, a prosperity which falls like the dews of heaven, a good to all and an injury to none. I therefore favor, Mr. Speaker, that system of national exchanges which will put more revenue into the Treasury of our Government and more labor into the hands of the American people.

Mr. MELLISH. Mr. Speaker, sincerely believing that the country is threatened with the enactment of financial measures that will endanger its prosperity, that will bring about far worse evils than those from which we are attempting to escape, I deem it my duty to attempt to present some suggestions upon the subject of currency and finance. It seems to me that at this time there is no subject of graver import than the currency. It involves the entire progress of civilization, of national and individual prosperity, the profitable employment of labor, the value of property, and the advancement of agriculture, of manufactures, and of commerce; and especially does it involve the question of taxation. In the opinion of Burke:

"The revenue of the state is the state; in effect all depends upon it, whether for support or for information." "The revenue, which is the spring of all, becomes, in its administration, the sphere of every active virtue." "Through the revenue alone the body-politic can act in its true genius and character; and therefore it will display just as much of its collective virtue as it is possessed of a just revenue."

I need not say that the subject before us is one demanding our most careful attention. Indeed, it is scarcely possible to overstate its importance. As stated in the report of the Senate Committee on Finance in December, 1867:

Next to the existence of the Government itself and the security of personal rights come the protection of property, the preservation of the public credit, the adjustment of taxes, and the regulation of the currency. Nearly all the legislation of peace is the legislation of finance. The action of Congress on these subjects affects the value of all property in the United States, the reward of all labor, the income of the rich, the wages of the poor, the pension of the widow, the enterprise and industry of all our people, and thus touches the home and heart of every person in the United States. And it should be the effort of Congress to adopt a comprehensive policy that will preserve the public faith, restore confidence to the people, stability to our business interests, and yet will appeal to the sense of justice of our constituents if it is unhappily drawn into the arena of party politics.

I have read and heard numerous attacks on the plan proposed for a national currency, but they have been confined to declamation and denunciation. In no case have objections risen to the dignity of arguments, or entitled themselves to the rank of appeals to reason. Not a single attack has been made in which a formidable objection has been raised. As so much can be urged in favor of a uniform and exclusively national currency, and so little worthy of serious consideration can be said against it, I feel the more emboldened to continue my advocacy of the principles underlying the bill to provide the money of the United States, and regulate the value thereof, convinced as I am that discussion cannot fail to produce new converts to the cause of truth. No attack yet made on this system has appeared to me in the least formidable; and its adversaries by their course would seem to allow it to be unassailable by reason and argument. It is easy to assert that the principles which the bill is intended to carry out are the wild dreams of speculative theorists; indeed much easier than to point out their probable variance in practice with the best interests of the country.

I may be permitted to say at the outset that I should have felt it almost as impossible to avoid coming to the conclusions to which I have been led on this subject as to refuse my assent to the demonstration of any problem in mathematics. And it may not be altogether out of place, perhaps, for me to here confess that more than a year ago I set about obtaining material for an argument to sustain the theory I had never questioned, that a specie basis was absolutely essential to a sound currency. I found that the only practical effect of the check of a so-called specie basis would be to place the national credit at the mercy of panic, and that, so far as the old State banks were concerned, we never could rely upon the specie-promise basis as a perfect, steady, uniform, and adequate check against any excess in the issues of their notes. My investigations showed me that I had before been in error. And though it is sometimes regarded as humiliating to confess to a change of one's opinions on a subject, there is still left the satisfaction that it is but an acknowledgment that one is wiser to-day than he was yesterday. Discovering my error was like discovering an error in an axiom, which, says Bolingbroke, is "like breaking a charm. The enchanted castle, the mirage, disappears, and where artifice or mist deceived, the path is opened and the inquirer finds his way." And may we not hope that the time will soon arrive when we shall no longer have reason to exclaim, "How impotent the endeavor to persuade men that wealth and property are all fictitious unless moved upon a golden medium?"

This is a contest where the representatives of the moneyed aristocracy on the one hand are arrayed against the representatives of the general public, the masses of the people, on the other. This bill proposes a financial system established on simple, just, constitutional principles. It involves questions which affect in their practical consequences the interests and the comforts of every citizen of the Republic.

This Congress has the option of employing its brains and intelligence in the creation of a currency which shall be cheap and good, and its benefits inure equally to every citizen of the Republic, or it may continue a costly and comparatively poor currency which benefits the few at the expense of the many, and thereby violates the principle of equality—the basilar idea on which true republican institutions and legislation are founded.

Why not adopt the simple and symmetrical, and eminently safe and prudent system proposed by the bill I have advocated, so that all the profits of the creation of money shall go to the lessening of taxation; that shall be exclusively the money of the people, for the people, and by the people? I repeat, let the profits of the issue of currency be enjoyed by the people, the only parties who can show a title to them.

Most of the currency bills to which my attention has been called, proposed to the House, are directly, as it seems to me, in the interest of the bank monopoly. They are calculated to aggravate the evils of the present system, and to transfer money from the pockets of the people to the purses of the managers of bank monopolies. To put our currency in the managment of the banks is to establish a system of legalized oppression.

Says Jefferson—

The bank mania is raising up a moneyed aristocracy in our country which has already set the Government at defiance; and although forced to yield a little on the first essay of their strength, their principles are unyielded and unyielding. They have taken deep root in the hearts of that class from which our legislators are drawn, and the sop to Cerberus from fable has become history. Their principles take hold of the good, their pelf of the bad, and thus those that the Constitution has placed as guards at its portals are sophisticated or suborned from their duties.

It may be remarked that the bullionists are our most recent oracles; indeed they are dogmatic and oracular, or nothing; and generally in their mode of enforcing their notions remind one of the alchemist Albertus Magnus, who "taught an art without art, whose principles were errors, and whose eloquence was delusion." And while I have been as much surprised as gratified at the cordial reception and acceptance this, to some extent, new departure in finance has had accorded to it in influential quarters, in others I have been forcibly reminded of Huskisson's observation on the slowness and reluctance of individuals, otherwise of observing minds and excellent understanding, in calling in question and examining the truth of early impressions, adopted upon authority and followed from usage. This tardiness is naturally increased when interest is manifestly on the side of the existing system.

It has been well said that "it was not a matter of choice, but of necessity, that men fell into the use of a substitute for coin. The capabilities of trade increased, and a medium for that trade must have been discovered, or civilization itself must have stood still. This adoption of credit commenced by supplying that to which the existing medium was inadequate, and ended by showing that the necessity for any other existed but in the imagination of the theorist, or the ignorance of the learned. Thus it is not by speculation on the abuse, but by observation on the use of credit that we learn its real value. Originating in necessity, there was no alternative. The first cause has ceased to operate, but it has left a state of things which no earthly power can control; and to attempt to bring back trade to a state restricted by the physical presence of a given supply of gold is as foolish as to attempt to stop the very course of nature." "Experience has

demonstrated that paper currency, the material of which possesses no intrinsic value, executes the intention of money more completely than even metal currency itself. There is therefore no necessary connection between money and an intrinsic value of material. It is sufficient that it be of *admitted* value, whether that be intrinsic or imposed."

And I beg here to make a brief citation from the great author on political economy, McCulloch:

A currency would be in its most perfect state if it consisted wholly of paper money of the same value of gold and silver. It is impossible, however, to attain to this degree of perfection so long as paper is made convertible into coin, as such convertibility renders paper of the same value as metallic money, but it is defective inasmuch as it does not banish the latter from circulation, and does not save, therefore, the whole expense of a metallic currency.

The great financial writer, Thomas Atwood, says with great force and clearness of illustration:

Contrast all the dangers, the changes, the fluctuations, the unjust ruin, the unjust aggrandizement attendant upon a metallic standard, with the security, the certainty, the equality of prices and of values, the exemption from unjust losses and from unjust gains, and the general stability of all profits and of all prosperity which a non-convertible paper currency presents—self-existent, self-dependent, liable to no foreign actions, entirely under our own control; contracting, expanding, or remaining fixed according as the wants and exigencies of the community may require—a non-convertible paper currency presents every element of national security and happiness without the possibility of injuring any one class of the community. * * * By it we may forever insure a wholesome range of prices, neither too high nor too low, but securing at all times the due reward of industry to the productive classes and the due distribution of mutual rights and interests among all other classes of the community. I have reflected upon the subject for twenty years; I have continually turned it in my mind in a thousand shapes and ways, and I still most firmly retain the opinion above expressed; and one important fact I ought to mention in confirmation of this opinion: I have never met one single individual who has had leisure and disposition to turn his thoughts to the subject who has not fully adopted the same opinion in the end. * * * If these arguments are wrong, is it not strange that no one has ever been found to point out their error? All the experience that we have had in Great Britain confirms their truth. Every shock that our circulating system has sustained from the year 1791 to this day can be directly traced to the pressure of the metallic standard. In 1816 and 1819 the very foundations of society were giving way. In 1825 the whole circulating system was suddenly falling upon our heads. In every instance the paper saved us; and nothing but the paper.

Sir John Sinclair wrote in 1825:

Scotland, with a barren soil and a wretched climate, is at the present moment the most prosperous country in Europe, and its prosperity is entirely founded on a paper currency; for there is not a single sovereign or guinea to be found in its common circulation.

A paper currency issued by a government in full credit is preferable to specie, (and for this compendious statement I am mainly indebted to Thomas Law, esq.:)

1. Because the former can be regulated so as to always bear a proper proportion to the industry and property of a nation, whereas the latter, being an article of commerce, fluctuates in quantity.

2. Because the precious metals disappear, being hoarded or exported in times of difficulty when most required, whereas the paper money always remains.

3. Because, as the value of fixed capital and the interest of money depends upon the quantity of money, it is requisite to have a sufficient quantity without excess.

4. Because paper money is more cheaply and rapidly transmitted from one quarter of the country to another than specie.

5. Because by this facility of remittance it lowers the rate of internal exchange.

6. Because paper money permits the exportation of bullion and specie for advantageous mercantile transactions, without any derangement of home trade and interchange of labor for money.

7. Because paper money increases manufactures and improvements, and exports bring back specie.

We find ourselves placed in the focus of civilization, with a territory having numerous and fine sea-ports, with great inland seas, and intersected by magnificent rivers, with every variety of climate and a productive soil, and enriched by varied and abundant minerals adapted to the wants of mankind. And there seems no definite term to the course of prosperity open before us. And we are also fortunate in a system of government and laws which is calculated to afford protection to property, admits of no degrading distinctions, encourages industry, fosters genius, and excites emulation, and is supported by the moral, manly, enterprising, and national character of our people.

While other generations have employed romance in their argument, and the wildest imagining in their inference, we have been able to see that with the position and resources of this country at this instant, and with its now-established political power and recognized military and financial ability, nothing is necessary but united spirit, wise direction, and continued energy, to develop all latent strength, increase all instant profit, and move the whole nation forward as one body straight to the highest and most glorious and useful position.

In this great commercial nation we must have a system of circulation which maintains the value of money, and by its permanency secures the substantial justice and faith of moneyed contracts and obligations between man and man. May we be permitted to hope that a plan which is designed to accomplish this result—by providing a currency of which the standard is invariable, and in the use of which the utmost economy is practiced—may be approved by the wisdom of Congress? And the country is to be congratulated that this is not a party question, and that the House on this subject occupies a position—

Where none is for a party,
Where all are for the state.

And now, turning more immediately to our subject, I may say, in passing, it seems to me that two of the principal causes of the difficulty in obtaining cash last fall, which resulted in the panic, were, first, an excess in the creation of credits, by which dealers lost confidence in each other, and thereby became disinclined to deal on credit; and, secondly, a great harvest at the West, to pay for which an unusually large amount of currency was required.

No one has written, so far as I know, an essay on the thesis of "spontaneous popular ideas." I do not intend to do so. I have often been struck and puzzled by noticing the springing up all over the country, apparently without propagation and certainly with no concert of thought, novel and striking ideas, quite at variance with former notions on the same subject, some of which ideas have soon grown, apparently on the strength of their own merit and soundness, into gradual acceptation, and become adopted into the affairs of men. They seem to have been discoveries, not inventions, and are, if sound, always fundamental in their character. These ideas probably grow by natural sequence out of existing ideas and as a result of them, as all young branches of a tree grow from the next elder growth of branches.

Just now there seems to have cropped out all over the country one of these ideas, to wit, "*that a specie basis for circulating notes is not desirable.*" In other words, convertibility into gold on demand at the option of the holder is not a necessary attribute of a perfect circulating currency medium.

Wendell Phillips, (see New York Times of December 15, 1873,) in his usual very pungent manner, scouts and contemns the absurd, antique notion of a specie basis. And the Hon. BENJAMIN F. BUTLER takes substantially the same ground.

I think, with many others, that our present home currency is much the best we ever had, and I am not at all sure that it is not better than the currency of any other country. I have a notion, not very clearly defined in my own mind, that our financial situation has had and is having a very marked effect upon the prices of labor and all the commodities of commerce in Europe, and that this effect has been and continues to be exceedingly beneficent to us.

Certainly since the war our prosperity has been unexampled in all history or in any country. It is more logical to attribute that prosperity to the system under which it has occurred than to claim that it has occurred in spite of it.

The panic is long over and confidence restored, and with the currency question judiciously settled trade will be lively, and industrial enterprises will be generally resumed, excepting those which were based on mere credit, like the North Pacific, the Midland, the Texas Pacific, and other railroad projects of that ilk.

When the war cloud passed away we entered upon the arts and enterprises of peace, with gold the conventional, if not the indispensable, basis of circulating medium, at say 200 for 100. Prices were inflated. Since that time shrinkage of values has been going on at a constant and pretty uniform rate, until now 112 in gold will purchase as much as 200 would in the beginning.

That the country has borne this and been prosperous proves that we can meet 12 per cent. more shrinkage without feeling it, if it comes in the natural course of trade, and is not interfered with by legislation.

And, perhaps it might be added, labor being the main element in all commodities, its cost fixes the limit of production and of employment. The great point to be attained is that our money shall have a fixed and permanent purchasing power.

The pernicious system of paying, by banks, interest on deposits, denominated in Wall street "call loans," is the chief means of drawing the currency away from the country to the cities, where it is loaned out by the banks to brokers and speculators for speculative operations in stocks and securities, the whole thing being, as everybody knows, real sugar-coated gambling.

We hold that the Federal Government should have the whole and sole control of the currency. The currency proposed rests upon the authority of the state and the confidence of the public. By issuing the currency the nation gains the interest on the amount thrown into circulation. The United States have given an example of a constitution of government made for the many; let us give a financial system also on the same principle, and not sanction an artful plan for a few to prey upon the community. Humanity, justice, patriotism, and economy cry aloud for a currency system which will abolish an unnatural union of government and banks; for this, it is charged, is now the most prolific source of corruption under our Government. Talk about *crédit mobilier!* What are a few railroad shares compared with the manipulations it is asserted are expected by our statute-makers from their friends or masters, the plethoric money bank managers? Let us hope that we shall not have votes or action obviously dictated by nothing more than a corporation spirit. The banking monopoly ought to be extinguished. Government should keep the power of issuing money in its own hands, and not allow private individuals to interfere with such a power. A national currency will have the good effect of making all its citizens, on account of their interest, zealous for maintaining the Government. Any fear that the credit of our Government is to be destroyed is simply a bugbear with which to frighten children and imbecile old women "of both sexes."

The nation can be supplied with a medium of circulation without expense, instead of being obliged to purchase gold for a basis. Let

not the Government make the ruinous and unjust attempt to force upon the country an undue and impracticable metallic standard. Our circumstances prohibit our reliance on an article of commerce liable to be melted, hoarded, and exported, and in a constant state of fluctuation. And it is found that specie basis, like a summer friend, in time of need disappears. Low interest is the life and soul of trade, and interest can only be regulated by a uniform currency. The danger to business interests from the operations of banks being conducted in secret have been vividly portrayed by Calhoun; but I cannot stop to dwell upon them.

The national banks now perform two operations of banking, which are quite distinct and have no necessary connection with each other: they issue a paper currency, and receive deposits and make advances of money in the way of loan to merchants and others. It is obvious that these transactions might be carried on by two separate bodies, without the slightest loss to the country or to the persons who receive accommodation from such loans. Suppose the privilege of issuing paper money were taken away from the banks, and were in future to be exercised by the sovereignty only, in what way would the national wealth be in the least impaired?

Are not the services of the banks in distributing currency most prodigally paid? Are not those wealthy corporations thereby accumulating a treasure with an ease and to an amount without parallel? And all at the expense of the public, and owing to the neglect and forbearance if not the connivance of Congress? Cannot a better and more economical arrangement be made? Can it be doubted that the services which the banks perform in the matter of distributing the circulating medium could be performed, under the system proposed by this bill, by public servants and in public offices, at a reduction or saving (including interest) of say $30,000,000 per annum, or over $500,000 per week? I can see no advantage whatever accruing to the Government for this vast expense. Is it too much to ask of Congress that this drain shall be stopped, and taxation reduced *pro rata*, or the national debt paid off to that extent? Shall the banks be permitted to longer enjoy all the fruits of so improvident and unequal an arrangement? Is it not lamentable to view the bank monopolists exhibiting a wish to augment their hoards by undue gains wrested from the hands of an overburdened people? Is it not enough that they have already, during a long period, received a subsidy of twenty or thirty millions a year? Is it not high time they relinquished to the state this subsidy for which they make no return whatever? Dry-goods dealers, hardware men, pork-packers, and so on, are just as much entitled to a subsidy from the Government as bankers. What right have the banks to enjoy the profit and use of the public money without allowing the least remuneration therefor? Let them have every facility for carrying on their legitimate business as banks of discount and deposit, and not obtrusively and selfishly demand to issue the people's money, which should be directly and exclusively within the control of the people through the Government. "Paper money," as remarked by Ricardo, "may be considered as affording a seigniorage equal to its whole exchangeable value, and seigniorage in all countries belongs to the state." By becoming the sole fountain of issue of its paper money this nation might secure a net annual revenue in the neighborhood of $30,000,000. The present system involves a taxation so onerous, oppressive, and revolting, that when it comes to be discussed and understood by the people, it will arouse a feeling of disgust and indignation.

Thomas Jefferson, in his letters to Eppes, to be found in volume 6 (page 140) of his works, says:

> In the revolutionary war the old Congress and the States issued bills without interest and without taxes. * * * But, though we have so improvidently suffered the field of circulating medium to be filched from us by private individuals, yet I think we may regain it.

And again he says:

> Bank paper must be suppressed, and the circulation restored to the nation, to whom it belongs.

Are not the words to a considerable extent as applicable as when uttered by Calhoun in Congress, when he said "The evil he desired to remedy was a deep one, almost incurable; because connected with public opinion, over which the banks have great control? They have in great measure a control over the press;" for the proof of which he referred to the fact that the present state of the circulating medium had scarcely been denounced by a single paper in the United States. And in the present year of grace, how many newspapers have the courage of opinion to print the statistics showing the amount of subsidy wrung from the people yearly by the bank monopolists? I think it will be found that the banks substantially own a great many of the so-called organs of public opinion, and that the editors of them wear a bank collar; else why not raise their voice, like sentinels on the watch-tower of freedom, in a cause so manifestly that of the people, and demand a reform which it is as plain as the noonday sun will largely reduce taxation?

We have done away with personal tyranny by the emancipation of a race. But there is now fast-rooted and growing into tremendous proportions the tyranny of monopoly. And the emphatic words of a former president of the Colonization Society in reference to the great evil at that time overshadowing our country in the form of the slavery of a race are to-day applicable to the slavery of the people to corporation monopolies:

> Loudly, then, as by an angel's voice, are we called upon to awake, and before age has fixed our habits, and the poison becomes mingled in the fount of life, make those exertions which may secure perpetual strength, purchase immortal glory, and save us from terrors darkening as we advance, which invest the future with clouds of mysterious and tremendous calamity.

I read in utter amazement the speeches delivered at the Cooper Institute, New York, at the meeting on the 24th instant; and witnessing so much folly, ignorance, and fatuity *there*, I said to myself, where, then, shall we look for wisdom? But on scanning the list of speakers put forward it was evident that the affair was engineered mainly by free-traders, who we all know are working with might and main to promote British doctrines and British interests on this continent; they constitute, indeed, a class of men who, consciously or unconsciously, are the enemies of the country, in that they are the enemies of the American policy advocated by Clay, Webster, Greeley, Carey, Webb, and a long line of earnest patriots. Their aim is to reduce the labor of this country to the European standard. They are men who seem to forget that whoever is in favor of reducing the volume of productive labor in this country wishes to do that which is calculated to enlarge the volume of poverty, hunger, and starvation, of which there is already too much in the world. Mr. Field introduced Mr. Bryant (both leading free-traders) to preside; and Mr. Atkinson, the most venomous of his tribe, made a prominent speech, (and his of all the speeches was the most absurd and monstrous,) which is headed in the Tribune "A lie as a standard of value;" while lesser lights of the same school shed their radiance upon the platform. But this coterie of free-traders were not acute enough to exclude all sensible utterances, and as a sample of sound grains of sense picked from a hurricane of chaff, the remarks of Hon. George Opdyke are worthy of consideration.

He said:

> Business men demand of Congress definite knowledge in regard to the volume of our paper currency in the immediate future; for every intelligent business man knows that its contraction will reduce prices and engender panics, and that its expansion will increase prices and stimulate speculation. It is an axiom in political economy that the enlargement of our irredeemable paper currency robs the creditor class, and that its contraction robs the debtor class. This fact has often been demonstrated, but by no one more clearly and forcibly than by our esteemed and venerable friend Peter Cooper, now on this platform. * * * All patriotic citizens who desire to see our country prosperous must condemn both expansion and contraction, for the additional reason that the one would tend to produce panic and wide-spread insolvency, and the other to stimulate wild speculation. It is obvious that there is only one way to avoid the evils incident to both expansion and contraction, namely, to maintain steadfastly the volume of the paper currency at the limits now established by law, and to permit our rapidly increasing internal commerce to grow up to it. This will require but very few years, and then the resumption of specie payments will come naturally and without financial disasters.
>
> This indirect and imperceptible contraction has been in operation ever since the close of the war, at the rate of some $30,000,000 per annum. It has already effaced more than nine-tenths of the gold premium that obtained at the close of the war; and all this has been accomplished during a period of prosperity unexampled in our history.
>
> The policy of firmly maintaining the existing status of our currency my friend, Mr. Low, stigmatizes as the "drifting policy," but surely without any show of reason. To expand or contract the currency may properly be called drifting with the changing tides of popular sentiment; but to remain firmly anchored until the rising tide of commerce will enable your currency to enter safely the harbor of specie payments, is the opposite to drifting at the mercy of the winds and waves. This steadfast policy is, in my judgment, the shortest and quickest way to specie payments. Any attempt to reach that goal sooner, by means of contraction, is sure to destroy confidence, engender financial crisis, paralyze industry, and thus to produce wide-spread insolvency, from which the business of the country will not recover for years. Such was the experience of Great Britain after the premature attempt at resumption in the year 1817, and such the experience of our own country after the crisis of 1837. We need have no fears that Congress will adopt the policy of contraction. * * * There seems to be a strong probability that Congress will in some form authorize a further issue of national-bank notes. This is expansion, unless the notes be made redeemable in gold, as our resolutions propose. This is known to be impracticable in the present condition of our country. * * * In point of stability and all the other attributes of a good currency, I regard greenbacks as the superior of national-bank notes.

And Mr. William Wood, although somewhat confined by the shackles of specie-basis notions, was impelled by the inherent honesty of his own mind—a trait so characteristic of his nationality—to the admission of an important historical fact. He said:

> It would ill become me, a native Scotsman, and the son and grandson of Scottish bankers, to say anything against a well-regulated system of paper currency, because in the interval from 1750 to 1874, or in one hundred and twenty-four years, it has mainly contributed to raise Scotland from the depths of extremest poverty to be one of the wealthiest countries of Europe in proportion to its population, and has made its naturally sterile soil to "rejoice and blossom as the rose"—to be literally the best cultivated of all countries.

So much for the great New York meeting.

I have not changed my view that the *statu quo* is much to be preferred to any plan but that embodied in the bill I had the honor to introduce, with perhaps the exception of the three sixty-five plan davocated by the gentleman from Pennsylvania, [Mr. KELLEY.] If the fiscal difficulties lately and now experienced have grown out of causes that are now past and buried, the mischiefs now felt will be soonest cured by no legislation at all, unless the plans just referred to are adopted. Contraction will intensify them; expansion will mitigate, but continue them. It will be a mistake to pass any bill which requires resumption of specie payments in any manner at any time certain; and I am certain that I will vote wrong if I vote for any manner of resumption of specie payment, as the term is generally understood. We may by issuing an exclusively national currency of judicious volume, and which shall be received for customs dues, in no long period appreciate our paper currency to a par with gold; and I am in favor of such resumption. But under compulsion

of law there can be no resumption of specie payments. The Government can attempt it, and will fail. The resumption of the Government, if successful, would retire the greenbacks, and leave us with bank bills, gold and silver, for currency, and would be a contraction of the volume of currency, say one-fourth, one-third, or one-half; and bank-bills would at once become uncurrent, as it is called, or would be at a discount; demands would be made on the banks amounting to a general run upon them. They could not redeem, as a matter of course, and would be forced into bankruptcy and wound up; and we should witness such a deluge of financial disaster and ruin as has never occurred in any land.

What I have intended to say is, that Congress should do as little meddling as possible with the currency, (if they will not pass the bills referred to,) and at once be done with the subject.

If we may believe the newspapers—and it is safe in thus referring to some of them to use the subjunctive mood—Congress may be assured that the very worst feature of the financial situation now consists in the fact that Congress is still considering it and discussing it. Perhaps it ill becomes me to say it, but I will venture the remark that it is a subject upon which "a few brilliant flashes of silence" would be true eloquence, excepting only the utterance of an emphatic and sonorous "no," upon all bills and proposals (save the two I have indicated) to meddle with the currency. But, seriously, I am glad this important question is being so fully discussed. And Congress and the country are to be congratulated that the conduct of the bill is in the hands of a gentleman who exhibits so eminently liberal and fair a spirit in the matter. Hasty, ill-considered legislation on so important a subject would be inexcusable.

We are tending toward appreciation of paper with gold by the operation of the laws of trade as fast as we can afford. Let well enough alone. Do not change for the sake of change. If we adopt the rule not to vote for legislative changes of our financial laws until we are sure that the proposed change is an improvement, we will not vote for the change proposed by the committee. Should we not oppose alike schemes of inflation and schemes of contraction?

In respect to our monetary system and legislation affecting it, there exists a pregnant evil in the public mind which is likely to mislead the Representatives of the people into mischievous and perhaps disastrous legislation. I refer to the notion that we now have a bad or poor currency. This is a gross mistake. It is true the Government loses a vast sum of money every year by not issuing its money directly to the people instead of indirectly through the banks; but as a circulating medium ours is, and has been since the close of the war, much the best currency ever possessed by the American people, or, as I believe, any other people. Under it we have prospered, grown rich, and been free from panics and revulsions to a degree unprecedented in any other age or country. By the operation of the immutable laws of trade and industry adapting themselves to the laws of Congress creating our circulating medium, we have approached pretty closely to an appreciation of paper with gold. If the law is changed to receive customs dues in greenbacks, and the amount in circulation not increased, they will be at par with gold in a brief period of time.

During the war we coined the credit of the nation into more than four thousand millions of credit capital, or credit money: United States bonds, United States bills, State bonds, county bonds, city bonds, town bonds, and bank bills. The expansion was tremendous. We were or became a vast credit balloon; and rose, and rose accordingly. We are now descending rapidly enough without the aid of Congress; and we must take care not to come down with a rush, lest when we do strike *terra firma* we may burst up the whole concern.

There has been great shrinkage of values, so that now there is not 12 per cent. between gold, the standard of the world, and greenbacks, the standard of the United States. The laws of production and trade will soon dispose of the 12 per cent. difference, and slide into a state of redemption as soon as the business of the country will stand it, if Congress will but let alone a matter which Congress cannot mend, except, as I believe, by establishing a national currency receivable for public and private dues, excluding only interest on bonds payable by their terms in gold.

Resumption will come silently, quietly, and gloriously, like the dawn of day, when most of the animated world is sound asleep, if we do not disturb the natural and universal laws of currency, production, accumulation, and distribution of wealth, which are, in fact, the laws of God implanted in the nature and impulses of the human family.

Banks are creatures of the Government, and so far as they are authorized to issue currency, the Government is responsible for the consequences of their actions. And if measures could be adopted by which their currency could be retired and greenbacks substituted in its place of equal amount, there would then be no objection to the continuation of the banks and the addition to their number to any extent. Make banking free and place banks on their own resources, and leave the public to deal with them or not, as they do with the manufacturer, and there will be possibly vicissitudes in banking business then, but they will no more concern the public than vicissitudes and disasters of manufacturing enterprises. But the Government is charged with the great constitutional duty of providing money for the people and regulating its value, and can make no excuse to the people if disaster grows out of their permitting that function to be exercised by corporations or individuals. If it is not a great moral wrong for the Government to do it, it is nevertheless a fearful and fatal mistake in policy.

On this point I wish to say that if I understand the bill submitted by the Committee on Banking and Currency (H. R. 1572) it proposes to so amend the banking law that there shall be no limit whatever to the right of banks to coin a paper currency for the use of the people, by filing with the Treasurer of the United States the bonds of the Government to secure the ultimate redemption of the currency, that redemption not to be made in gold and silver, but in lawful money of the United States, which now means in greenbacks—irredeemable Federal notes, or rather in Federal promises to pay without any statement of the time when they are to be paid; it is called universally by bullionists irredeemable paper money; but which in point of fact is every day redeemed by the Government by taking it in payment of all dues and taxes except customs, for which it ought also to be taken. It is very plain that under the provisions of this bill it would be possible to increase the bank paper fourfold; so there would be four times as much bank paper as there are greenbacks with which to redeem it.

And be it observed that the same bill provides in section 3 for the redemption of its circulation through the Treasury of the United States only to the extent of 5 per cent. Note the first twelve lines of section 3; if they do not mean that, what do they mean? They read as follows:

> That every association organized, or to be organized, under the provisions of the said act and of the several acts in amendment thereof, shall at all times keep and have on deposit in the Treasury of the United States, in lawful money of the United States, a sum equal to 5 per cent. of its circulation, to be held and used only for the redemption of such circulation; and when the circulating notes of any such association or associations shall be presented, assorted or unassorted, for redemption, in sums of $1,000 or any multiple thereof, to the Secretary of the Treasury or to the assistant treasurer in the city of New York, the same shall be redeemed in United States notes.

That is a redemption, at the option of the holder of the bills, to be made by the Secretary of the Treasury out of the fund provided, being 5 per cent. of the total; that is, it makes them convertible to that extent, at the option of the holder, into Treasury notes on presentation to the Secretary of the Treasury.

Mr. MAYNARD. The redemption does not extend only to 5 per cent. It is to be absolute as to the whole amount that may be presented by anybody. But 5 per cent. must be kept on hand.

Mr. MELLISH. I said that this was the effect of the bill, as I understood it. I understand it as I am explaining it. I may be mistaken, of course.

Mr. HUBBELL. I understand the redemption is to be made outside of and beyond the 5 per cent.

Mr. MELLISH. I have given the language of the bill, and it explains itself. I have read the bill in connection with the bills to which it refers.

Then the Secretary of the Treasury, after the notes are redeemed, is to charge them "to the respective associations issuing the same, and notify them severally on the 1st day of each month, or oftener at his discretion, of the amount of such redemptions; whereupon each association so notified shall forthwith deposit with the Treasurer of the United States a sum, in United States notes, equal to the amount of its circulating notes so redeemed." Thus to the extent of 5 per cent. of the total circulation provision is made for the redemption, at the option of the holder, by the Secretary of the Treasury in greenbacks. To this extent it provides a place where the holder may convert his bank-notes into greenbacks on demand. They have come into a condition where the holder wants to get rid of them, and he exchanges them for greenbacks, and then the Secretary of the Treasury immediately sends them back to the bank. It changes the Government into a broker, to redeem the circulating notes of the banks and return them to the several banks. Take the whole system, and supposing the 5 per cent. were 20 or 25 per cent., it would simply be a plan for redeeming the bank circulation in greenbacks, and it would not be taking any single step toward redeeming in gold and silver.

Under this bill would it not be competent for any number of banks to be established, and take out currency to the amount of 90 per cent. of the bonds deposited? The new and old banks may run their circulation up as high as they please by filing bonds with the Secretary. The redemption of the bills is provided by the law to be in and by Treasury notes or other lawful money of the United States. Practically it does not provide for redemption in gold and silver, and practically it does not secure redemption in greenbacks. In an extreme case and a great exigency it does not provide a redemption except to the extent of 5 per cent., and that in the greenbacks, which are denounced by these same people as being irredeemable, dishonored promises to pay, and a fraud. These are the only basis of the redemption of their bills.

After having proposed this bill, with what propriety can they object, so far as the people are concerned, to retiring all the bank currency and issuing greenbacks as a substitute? To speak the plain truth, it is a bill entirely in the interest of the banks.

The eighth section contains the plan of giving to the banks the entire circulation of the United States. It is as follows:

> That the Secretary of the Treasury is hereby authorized and directed to issue, at the beginning of each and every month from and including July, 1874, two millions of United States notes not bearing interest, payable in gold two years after date, of such denominations as he shall deem expedient, not less than ten dollars

each, in exchange and as a substitute for the same amount of the United States notes now in circulation, which shall be canceled and destroyed, and not reissued. And any excess of gold in, or hereafter coming into, the Treasury of the United States, after payment of interest on the public debt, and supplying any deficiency in the revenues provided to meet the current expenses of the Government, shall hereafter be retained as a reserve for the redemption of such notes.

It will be observed that gold is to be hoarded in the Treasury. They are turning the Government into a gold bull in the market and keeping up the price of gold. It is a plan to retire the whole greenback circulation, and give the whole $800,000,000 circulation to the banks. And when the substitution should have been complete of the bank paper for the total volume of greenbacks, the bank-bills would be redeemable by the Secretary of the Treasury in gold to the extent of the provision made by this bill for furnishing the means. The Government would become the great broker for the banks, with all the expense and trouble of it, and none to the banks. Meanwhile the Government would be paying interest to the banks on the capital on which their circulation was based; that is, would be paying interest on the total volume of the bank currency, and paying it in gold; for when greenbacks are retired gold and silver will be the only lawful money extant.

Under such a system it would be possible for the banks to run up the volume of their currency to a thousand millions for instance. There would be inflation of the most extraordinary character. Speculation, wild enterprises, and unprofitable investments of money, out of which would grow overproduction, stagnation of business, apprehension growing into panic, hoarding of gold, depreciation of bank-bills, a run upon the banks, which would all necessarily fail, and a run upon the Government. The 5 per cent. fund would be promptly exhausted, and the whole banking system would tumble into bankruptcy unless the universal remedy of the bullionist should be supplied in time, of legalized suspension of specie payments and all other payments, a new bankrupt law, no end of stay laws, laws which prohibit the execution of laws in the payment of debts, and the general misery that attends and is the fruit of the system of pretending to make the circulation of the country redeemable in the precious metals.

And I say right here, to quote the language of S. B. Chittenden, esq., in the National Board of Trade in Baltimore, January 16, 1874: "I do not know how many bank presidents or directors there are here, but I say, what I said five years ago, that there never will be any return to specie payments in this country under this bank system. This bank system must be reformed, and in a large measure reformed out of sight, before there can be any specie payments." Some one will say that Mr. Chittenden introduced a resolution that the simplest method for securing an elastic circulation would be found "in the removal of all restrictions upon the circulation of national-bank notes secured as now by the deposit of United States bonds for the redemption thereof." Very well; and he followed it by the language: "That is my free banking. That is my proposition of bringing this bank system to its metal." It would drive it out of existence. He says this is a method of bringing a test to the soundness of our bank system. This is the method of instructing the banks and the people that they are on a fool's basis, and they ought to disappear as a means of issuing currency. They have an investment in their bonds on which they draw interest, and then they can make ten or twelve at least on their circulation. The supposition is that banks that have become feeble have become so on mismanagement; they have not become so on their issue of currency.

I am quite sure that the bill reported by the committee is a bill of abominations, and ought to be defeated. Perhaps I should not be quite ready to indorse the criticism of a friend of mine, who upon looking at its provisions said, "If a member of Congress, after reading the eighth section, can support it, he must be either a fool or—a banker!"

I will only remark that that section proposes to change, at the rate of $24,000,000 per year, our greenbacks into notes of the United States, payable two years after date in gold, and to set the Government to hoarding gold to redeem the notes.

The great trouble is that the banks dictate legislation. I have no doubt, but I do not intend by the remark to cast any imputation on the committee or any member of Congress, that the bill reported by the Banking and Currency Committee is framed entirely in the interest of the national banks.

Mr. MAYNARD. I do not know that the gentleman intends what some persons, hearing or reading his remarks, might suppose he did—a reflection upon gentlemen of the committee as to the manner in which this bill is framed. I am not aware that gentlemen of the committee are themselves interested in banks, national or otherwise, and, so far as I know, those who represented or were supposed to represent the views of existing banks were certainly not particularly partial to this bill.

Mr. MELLISH. I was careful to say that I did not intend to cast any reflection on the committee or any member of the House. I desire to have it distinctly understood that I disclaim any intention of casting any imputation on any person whatever.

Is this Congress to sit here and merely record the decrees of bloated corporations? As S. B. Chittenden, esq., of New York, said the other day (16th January, 1874) in the National Board of Trade in Baltimore, "We may never, by argument, convince the people as to what really is the matter; but, by and by, there will come a law which, like the gun of Fort Sumter, rising above all the arguments and all the discussions of seventy years, broke down the system which we all rejoice in as broken down to-day. So it will be with this bank system; and that, too, at no distant day."

I have time to devote but a very few words to Senator SHERMAN'S plan.

If it be admitted that convertibility at the option of the holder into coin is an essential quality of a sound circulating medium, such currency cannot be based upon gold bonds of the Government; for the bonds are not themselves convertible into gold at the option of the holder. The price of the bonds will fluctuate, and not under certain conditions bring par in the market.

It is a solecism in finance to assume that a circulating note payable on demand can be redeemed by another evidence of debt payable in the remote future, and have the transaction deemed equal to redemption in demand in coin.

And now let us briefly consider the bill (H. R. No. ——) to provide the money of the United States, and to regulate the value thereof.

The first section provides that every banking association may determine for itself the amount of lawful money it will keep on hand, and of course abolishes all the law requiring a reserve to be kept for any purpose, leaving all parties to deal with the bank or not, as they have confidence in it or not. But every national bank or banking association shall on demand redeem its circulating notes at par, at its own banking-house, in lawful money of the United States.

The second section requires the Secretary of the Treasury to prepare the money of the United States, which will express on its face the denominations of each bill, and express on its face that by the Constitution and laws of the United States the same is a standard measure of value to the amount expressed in all transactions within the United States involving the payment of money, and that it shall be receivable in payment of debts, public and private, and be a legal tender in payment of all debts except the United States bonds which are by their terms payable in gold, and that they shall be received in deposit at par by all national banks and banking associations, and that they shall be put in circulation in pursuance of the provisions of the act.

The third section provides that all customs duties due and payable to the United States shall be paid and collected in gold coin and paper currency from and after July, 1874, until July, 1875, one-fourth of the amount in Treasury notes, or other notes of the United States, or national-bank notes, and three-fourths in gold coin of the United States; and for the next period of one year the payment to be made one-half in gold; and for the third year three-fourths in Treasury notes and bank-notes and one-fourth in gold coin; and from and after the end of the third year, that is, July, 1877, the whole amount of customs duties to be paid and collected in Treasury notes, or other currency issued by the United States, or national-bank notes. The effect of this during that whole period will be to put greenbacks, and bank-notes, and gold, and the newly provided national currency on a par.

Section 4 provides, after July, 1874, the method of returning to the Secretary of the Treasury all the proceeds of customs duties and taxes of the United States, with a view to the retirement of the greenbacks and the bank-notes, and the substitution in place thereof of the money of the United States, issued under the provisions of this bill.

Section 5 provides that the Secretary of the Treasury on receiving United States Treasury notes and circulating bank-notes shall make an account thereof, and as often as the sum received shall amount to $1,000,000 shall cause the same to be destroyed in pursuance of the provisions of the act establishing the national banks, passed June, 1864. It provides the method and confers the authority to destroy the greenbacks and the notes so received; and provides for keeping the banks advised of the amounts of circulating notes of each which shall have been destroyed; and as often as $50,000 of the circulating notes are destroyed the Secretary of the Treasury is to adjust the interest account of each bank and deliver up the amount of the United States bonds pledged to the redemption of a like amount.

Section 6 provides that immediately upon the destruction of any sum of Treasury notes and circulating bank-notes in pursuance of the preceding section, the Secretary of the Treasury shall pay into the Treasury of the United States, of the money of the United States, provided under section 2, an amount equal to the total sum of the notes destroyed; and that such money so paid into the Treasury shall thereafter become and be the money of the United States, and as such shall be paid out of the Treasury of the United States for the purpose and in the manner provided by law.

The seventh, and a very important section, provides that the Secretary of the Treasury shall issue the said certificates provided in pursuance of this act, so that the aggregate amount of the issues thereof, in circulation and in the Treasury of the United States together, shall not at any time exceed the sum of $800,000,000; it being intended by this section to restrict the total volume of such certificates in actual use to within the maximum limit of the sum last mentioned.

And here it is proper to say that the most important feature of a system of currency and of a scheme of finance is to have one of the factors that affect prices absolutely fixed and unchangeable as to volume and value; so that the man of business may be able to adjust enterprises upon the assurance that in the establishment of his

prices he shall be in no doubt whatever of the standard by which his prices are to be measured, leaving the problem to be determined between the vendor and purchaser of the price of the commodity at which it should be transferred; which being established with a currency the volume of which and the value of which cannot be acted upon by any power or circumstance outside of the nation, it will be relieved from the disastrous fluctuations which have always throughout the history of commerce and of banking subjected to a destructive degree the currencies which have been composed of, or based upon, the precious metals, the values of which never have been, never can be, stable in any country or for any length of time. For instance, a war, or a famine, or an insurrection, or a pestilence, or a vermilion edict promulgated in China, may make such a draft upon the volume and purchasing power of the precious metals in the world as to affect unfavorably their purchasing value.

The great war in which England was engaged for a long series of years against Napoleon made such demands upon the precious metals in the world as compelled the suspension and the continued suspension of the Bank of England for a number of years. Our own late rebellion compelled an entire suspension of specie payments in the United States. And the famine in India and war in Africa during the last half year, and the coinage of the precious metals in Germany, commenced I believe last September, and the existing famine in the British provinces in Asia have disturbed during all the period of their existence the volume and the purchasing value of the precious metals in this and every other country. In every treatise upon finance and banking, in every work upon political economy, in every public speech on either subject, made by a well-informed speaker, it has been shown us that relief from the mischiefs that attend and belong to the specie-basis system has been the main object sought for. By accident, and perhaps by the interposition of Providence, by our great war of the rebellion this nation was forced by circumstances into the necessity of trying the experiment of carrying on a great and exhausting war and following it by enterprises of peace unexampled in their extent and their beneficent results, with an irredeemable paper currency with scarcely the pretense and without the expectation that any single dollar of it could be turned into the precious metals at the will of the holder. And the success of that enforced experiment has been such as to confuse and astonish all financial speculations. And a system that could secure to this nation in perpetuity a currency as useful and as little subject to the usual mischiefs that attend currency as our currency has exhibited would be a boon to the nation worth making great sacrifices to attain.

Section 8 provides that after 80 per cent. of the aggregate of all notes of banking associations shall have been retired and destroyed, the remaining outstanding bank-notes shall not be received by the United States in payment of any public dues whatever; and thereafter the interest accruing on the bonds remaining in the hands of the Government as security for the redemption of circulating bank-notes shall not be paid to the banks until the whole amount of the circulating notes of such banks shall have been retired. This provision seems to be necessary in order to induce the final retirement and closing up of the bank circulation.

Section 9 and last provides that when under the provisions of the last section circulating notes of national banks and banking associations shall be no longer receivable by the United States in payment of public dues, the Secretary of the Treasury shall redeem such circulating bank-notes at par, at points and places designated by him, by issuing and delivering in exchange therefor equal amounts of the United States certificates of standard value provided in pursuance of this act to the parties presenting such circulating notes for redemption, and shall destroy the circulating notes thus redeemed in the manner hereinbefore provided.

The adoption of this plan will give the greenback more value than it ever had before. The more debts that are paid in money the more value will the money possess. The law disallowing customs duties to be paid in gold restricts the legitimate uses of our paper money. By it the Government depreciates its own credit. To pay customs dues in greenbacks will add to the absolute wealth of every person in the United States who has a dollar in his pocket. If anything can be predicted with entire certainty, it is that greenbacks will approach much nearer and probably reach par with gold by making them receivable for customs dues.

As bearing on this question I take a paragraph from a letter I received to-day from M. de Embil, esq., New York, a gentleman who has published a number of financial pamphlets:

> France had $602,000,000 bank-notes, and had to pay $1,000,000,000 gold to Prussia. France had only $145,000,000 coin. By declaring bank-notes good for customs duties France kept her paper at par with coin. With the product of the mines the United States should have $140,000,000 in coin, and we ought to be as able as France to keep our paper currency at par with gold.
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> Prussian taxes were paid exclusively in silver coin; coin went up 50 per cent.; the government declared that half the taxes would be received in paper; and coin and paper were at par one week thereafter.

We have said something about the effect of section 3 to put the three kinds of currency on a par each with the other. The effect of this measure would be that from July, 1874, until the final retirement of the greenbacks and the bank-notes, the currency would consist of the greenbacks, the bank-notes, and the money of the United States under and in pursuance of this act—three varieties of paper money, all of which would be at par value by reason of the fact that they were receivable for all public dues; and beyond question, in my judgment, they would all be on a par with gold. They would be equally sought for and equally available in payment of all public dues, including customs; and there would be in operation no interest to discriminate in the value of them. They would be taken indifferently and without discrimination, and paid out in the same manner in every portion of the United States.

The end would be that we should have a uniform currency of equal value in all parts of the United States, subject to no fluctuations of volume, subject to no risks growing out of any question about redemption, or any question about convertibility or inconvertibility; a currency that could not be disturbed or affected in its value or its volume by any exigencies occurring outside of the United States; a currency founded on the laws and the Constitution and the faith and the power of the Government; a currency that would address itself to the patriotic regard of the people of the United States, and be esteemed as unchangeable and safe, not subject to depreciation by the attrition that reduces the value of coin, nor by any means as subject as coin to be counterfeited and debased; a currency which would be equally available to banks as the present bank bills, and for which they would never be under any embarrassment for redemption; and, above all, a currency the volume of which and the quality of which could not be unfavorably operated upon or affected by anything except by the act of the Government itself; a currency more than one-third of the volume of which would each year pass into and out of the public Treasury in public dues to the Treasury and in liquidation of the debts of the country. And any volume of currency one-third or more of which is redeemed steadily every year by the party issuing it will have a better redemption than any currency ever yet known in this country.

This is a system which is plain and symmetrical and easily comprehended. It is a system that is absolutely honest—it is neither a sham nor a pretense; a system which does not demand any subsidy from the Government nor levy any tax upon the people; a system that is independent of all the tricks and all the debauchery of banking. Its circulation will be governed by the general laws of trade; and the currency will go to the point where it hears the loudest call. And that is the kind of flexibility that addresses itself to the judgment and approval of the unprejudiced and disinterested observer.

The great volume of financial history has been drawn from periods when the specie basis of currency was in conceded operation; and during such periods it presents a succession of chapters of financial fluctuation, panic, depression, bankruptcy, and disaster. There have been a few instances of extended terms when the currencies of countries were not on specie bases. In England, during long years (for fuller reference to which see speech of the gentleman from Massachusetts, General B. F. BUTLER, February, 1869) its people probably never enjoyed any period of financial, commercial, and industrial prosperity at all comparable with that in which they were not on a specie basis. Commercial and financial vicissitudes disappeared with the suspension and reappeared with the resumption of specie payments.

More noteworthy even than that is the history of this country since suspension of specie payments. Contrary to all expectation and all prophecy, since the Government gave the people a paper currency and authorized a universal suspension of specie payments we have prospered beyond all example in this or any other country. It thus appears that a currency not convertible into specie on demand has in two instances, very striking in their characteristics, produced far better results than were ever exhibited by a specie basis currency. These facts go far toward establishing the claim that a currency fixed in volume, circulating by authority of the sovereign people, will be accepted and used by the people with honorable faith and produce and secure steadiness in prices such as has not been hitherto realized by any commercial people.

Inasmuch as our currency under the proposed plan would represent the dollar and its multiples, the critic or hypercritic will ask, What is a dollar? Answer: It is the name conventionally adopted as a unit of value. But what is it worth, and what do you measure a dollar by? Answer: By the same method as with the silver and gold dollar under the specie system—by another dollar of the same kind. But what is it worth? says the critic. It is worth as much wheat, or cloth, or leather, or salt, or rum, or tobacco, as you can buy with it. And that is all that can be said of a gold or silver dollar.

In trade, when prices differ or vary, no man can tell whether the commodity or the dollar changes in value. In the hands of a man who was starving, with pockets full of gold, and there was but one loaf of bread in the market, his gold would fall to a very low figure. Perhaps it is true in many cases that it is the value of money instead of property that fluctuates.

The Quarterly Review (London) for January, 1874, in an article on Bagehot's Lombard Street, remarks that "its author entirely discards the ancient notions about the quantity of the bank-note circulation regulating trade and prices. Facts and experience have indeed utterly destroyed it; and the doctrine that variations of the rate of interest are the real controlling power or instrument (as propounded by Mr. Tooke forty years ago) has become one of the most positive scientific truths in economical reasoning."

Now let us put this to the test of fact.

The Bankers' Magazine (London) for February, 1874, says of the

fluctuations of the rate of discount of the Bank of England for the past year that "the year began with 5 per cent., descended through the various stages to 3½ per cent. by the end of January, and there remained for eight weeks; moved to 4, and remained six weeks; rose to 7 per cent. by the beginning of June, was down to 3 per cent. in August, up to 9 in November, and left off at 4½. The changes were twenty-four in number, and were fluctuating enough to keep the finance world wide awake with attention throughout the year."

Now, is it sound to say that those fluctuations to any great extent affected the prices of commodities? For it cannot be asserted that the law of trade made these changes of rates, but it was done by the manipulations of financial authority breaking into the law of trade.

The fact that the rate of interest went up and down twenty-four times in one year was no evidence that it was the result of the laws of trade; it is known, on the contrary, that it was official discretional interference with the laws of trade by the government of the Bank of England, and to protect the Bank of England and British interests against the natural operations of the laws of trade; and it is quite illogical to say that the result named is produced by the laws of trade.

This is all a delusion, to be classed with most arguments of free-traders, from the fact that they look through the eyes of British interests, and not through the vision of unprejudiced, disinterested, intellectual operations. This will explain a large proportion of the views and the financial philosophy of the British school of financiers. In point of fact, all the rates of interest by the Bank of England were intended to produce the effect to prevent an amount of contraction of the currency that would be destructive to the interests of trade.

Suppose that the bank had not the power of changing arbitrarily the rates of discount, then the unembarrassed laws of trade would have depleted all England of its specie to an extent that would have operated upon prices with most damaging effect. And hence the Bank of England, looking to British interests, was quite justified in giving a revolution to its omnipotent bullion screw, and setting the current of specie toward England instead of from it.

Bear witness that in the United States there are no such processes. And I beg to state no such processes are desirable. This is a free country, and we want to have business free in the United States; and we desire that there shall be nowhere and at no time a corporate power, or any other power, that shall be able to interfere arbitrarily with the prices of commodities in this country. Following out the principles upon which our Government is founded, we wish to have the utmost freedom in finance and trade compatible with the public interest and the public safety. Therefore we hold that it is of the first consequence to have the volume of currency fixed, its quality uniform in every part of the land, its legal character established by the power of the Government, its volume graduated with reference to the scale of existing prices in the United States, and leave the laws of trade the largest liberty to operate upon the basis of such a currency. It is clear that the laws of trade in a country which boasts of its commercial freedom are at the mercy of the conclusions of a few men sitting in the bank-parlor of the Bank of England on some morning of their meeting. It is fair to conclude, after such an exhibition, that there is no authority whatever in the opinions of the leading financiers of England.

The value of the currency of a country does not depend solely on its volume, but is affected very essentially by what we may describe as its rate of activity. An American dollar will pay one hundred debts where a French five-franc piece will pay one in the small transactions among the mass of the people; therefore France needs for the business she does a much larger quantity than the United States require, because hoarding and hiding currency here is confined to a small class of the ignorant and inexperienced; and in this country more and more the class of people who hoard is being diminished in number, especially at the North, as witness the savings-banks of New England, where civilization has advanced beyond the point where the people esteem money for any purpose except the uses for which money is intended. At the South it is probable that a portion of the colored population is just now entering upon that era in the movement of civilization which is consistent with hoarding on the part of the population generally. And it would not be surprising if it were proved at this hour that there was more currency in the late Confederate States than there ever was at any time before.

That Congress has the power to make Treasury notes a legal tender has been decided affirmatively by the Supreme Court, and that the Government should use no other currency I quote the opinion of Mr. Calhoun in his speech authorizing the issue of Treasury notes September 19, 1837:

> I am of the impression, to make this great measure successful and secure it against reaction, some stable and safe medium of circulation, to take the place of bank-notes in the fiscal operations of the Government, ought to be issued. It is my impression that, in the present condition of the world, a paper currency in some form is almost indispensable in financial and commercial operations of civilized and extensive communities. I do not hear of any scheme which does not include a large volume of paper currency. In many respects it has a vast superiority over a metallic currency, especially in great and extended transactions, by its greater cheapness, lightness, and the facility of determining the amount. The great desideratum is to ascertain what description of paper has the requisite qualities of being free from fluctuation in value and liability to abuse in the greatest perfection. I have shown, I trust, that bank-bills do not possess those requisites in a degree sufficiently high for this purpose. I go further. It appears to me, after bestowing the best attention I can give the subject, that no convertible paper, that is, no paper whose credit rests on a promise to pay, is suitable for currency. It is the form of credit proper in private transactions between man and man, but not for a standard of value to perform exchanges generally which constitute the appropriate functions of money.

And again:

> I believe the Government credit, in the form I suggested, combines all the requisite qualities of a credit circulation in the highest degree, and also that Government ought not to use any other credit but its own in its financial operations. The good of society imperiously demands that there be a total and final separation of the credit of the Government from that of individuals, with which it has been so long blended, and the growing intelligence of the age will enforce it.

I would gladly quote more at large from Calhoun's speeches, but time will not allow, and I must content myself with the following summary statement of his opinions on this subject. Mr. Calhoun believed—

First. That "in the present condition of the world, a paper currency, in some form, if not necessary, is almost indispensable in financial and commercial operations of civilized and extensive communities."

Second. That "the great desideratum is to ascertain what description of paper has the requisite qualities of being free from fluctuation in value and liability to abuse."

Third. That "bank-notes do not possess those requisites in a degree sufficiently high for a currency."

Fourth. That "no paper whose credit rests on a promise to pay is suitable for a currency."

Fifth. That "Government credit (in the form he had suggested) combines all the requisite qualities of a credit circulation in the highest degree, and that Government ought not to use any other credit but its own in its financial operations."

Sixth. That "whatever the Government receives and treats as money, is money; and if it be money, then they have the right, under the Constitution, to regulate it. Nay, they are bound by a high obligation to adopt the most efficient means, according to the nature of that which they have recognized as money, to give to it the utmost stability and value."

Seventh. That "the form in which the public credit should be used should be a paper issued by the Government, with the simple promise to receive it in all its dues."

His proposition was to convert the public credit into money; and he argued that the currency thus created would not only be equal in value to gold, but better than specie for financial and commercial operations, "by its greater cheapness, lightness, and facility of determining the amount." Having used Treasury notes as money, it is the duty of Congress to regulate their value.

As already hinted, the adoption of a plan to secure a uniform national currency may to the advantage of the country be supplemented by a measure which shall provide that the notes be convertible into three sixty-five bonds, and at all times reconvertible into notes, with accrued interest at the pleasure of the holder. It is claimed this will prove a trustworthy governor or regulator of the volume of the currency. With the proceeds received for these three sixty-five bonds the Government will buy and retire bonds bearing a higher rate of interest, and thus reduce the burden of the public debt.

By the adoption of this plan the actual volume of the currency (assuming that bonds of the denomination of fifty dollars and its multiples are not common currency, or properly so called) will be neither increased nor diminished except by the creation of the fifty millions of greenback reserve, to be applied solely to the redemption of the three sixty-five bonds, and any amount withdrawn from this redemption fund is to be placed again in reserve out of any United States notes not otherwise appropriated, received by the Treasury Department thereafter.

It needs no argument or illustration to show that the principal effect of this operation will be to retire United States bonds bearing a high rate of interest payable in gold, for United States bonds bearing a low rate of interest payable in paper. It would not be difficult also to show that the general rates of interest throughout the country must come down to much lower rates than now rule, and that they would be nearer a uniform rate than has ever before been known. Now, low interest is the life and soul of productive industry; and it would follow, as surely as the night follows the day, that a stimulus would be given to manufactures and commerce, and our country would exhibit a prosperity such as the sun never shone upon, and possibly other nations might conclude that they might as well follow the example of our power, industry, and system of finance.

It was with prophetic instinct that Cobden long ago said:

> It is to the industry, the economy, and peaceful policy of America, and not to the growth of Russia, that our statesmen and politicians, of whatever creed, ought to direct their most anxious study; for it is by these, and not by the efforts of barbarian force, that the power and greatness of England are in danger of being superseded. Yes, by the successful rivalry of America shall we in all probability be placed second in the rank of nations. We cannot, while viewing the relative position of England and the United States at this moment, refrain from recurring to the somewhat parallel cases of Holland and Great Britain before the latter became a manufacturing state. The latter, England, now sees in America a competitor in every respect calculated to contend with advantage for the scepter of naval and commercial supremacy.

And would not the amount of debt thus funded be, to all intents and purposes, capital, and probably as much available as capital in all the uses to which capital may be applied as gold would be, and possibly as much more valuable than gold as the rate of interest payable on the bonds may be? And with the wheels of industry set in

motion, as would be likely, all over the land, would it be too much to expect that our exports would before long be so much greater than our imports that, instead of sending our specie abroad to pay for European goods, (which serve little better purpose than to pamper pride and luxury,) the consumers of our grain, cotton, tobacco, naval stores, and other exports, would be compelled to send their specie here to settle the balance of trade?

It is believed that the notes or money issued are made convertible into bonds at such a rate of interest as will induce the holder to prefer bonds to notes. Does it require argument to satisfy an intelligent mind that the bonds being convertible into notes at the will of the holder, they may be converted into bonds at a less rate of interest than if they are made payable many years after date? For the bonds being convertible into notes at pleasure, the holders will convert notes into bonds; because while the bonds will always command the notes should the holder wish to use them as money, the bonds will also command *ad interim* the interest which the notes would not do. Would not the bonds, therefore, issued in this form, be more valuable than notes to all except to those who have an immediate use for them as money, and hence would there not be a constant tendency to convert the notes into bonds, and a consequent preference for bonds? Will not the effect of funding be to give greater value to the notes and also to the bonds? Most certainly? For will not the value of the bonds depend upon the value of the notes, and the value of the notes depend on the value of the bonds? We shall thus use the public credit (always guarding against excess in the volume of the currency) in a shape in which it is scarcely liable to depreciation, but, with customs dues paid in Government money, will rapidly appreciate to gold value.

And I find in a pamphlet issued some years since by General Duff Green, (who, it will be remembered, was quite a potential factor in General Jackson's administration,) the following paragraph bearing on this subject, which, perhaps, may be worthy of thoughtful consideration:

> It is apparent that it is not the cheap labor of England, but her cheap machinery, which enables England to sell us cheap goods. It is also apparent that she buys her cheap machinery with her cheap money; and it is equally apparent that she is indebted for her cheap money to the fact that her funded debt is readily converted into notes, so that he who can command the funded debt of England can command cheap machinery with which to make cheap goods. The debt of England having been converted into capital, is as available for all the uses of capital as if, instead of being a debt funded and paying an interest, it had been converted into gold. In that case, as the gold would be dead, unproductive capital, and the sum greatly more than would be used as currency, the whole excess not so used would be loaned out to persons who would pay an interest for it, and, as in that case the interest paid would be as great or greater than the interest paid upon the public debt, and would be paid by the same people, the debt thus created would be as much a debt upon the people; and, therefore, as the present debt represents the credits given by the Government in compensation for services rendered and supplies furnished by the people, the fact that it has been funded at a rate of interest which renders it of equal value with gold and convertible into gold proves that for all the uses of capital it is of equal value as if, instead of an issue of so much credit, the Government had paid out so much gold. Will not the effect of converting our credit into currency and funding the surplus into bonds which may again be converted into currency be to give equal value to our bonds?

Does any one believe that it would not as readily be made available for the uses of capital if, instead of being invested in the uncertain and fluctuating credit of individuals, it were invested in the public credit? If the sum thus invested is capital, would it not be capital if it were invested in our convertible bonds?

It is manifest that our currency should be exclusively national and a legal tender, and convertible into bonds, the interest upon which will render them of greater value than the notes to all persons, those only excepted who may prefer the notes without interest as a medium of payment and purchase; and the bonds should be at all times reconvertible into notes at the pleasure of the holder. Thus he who prefers bonds will give his notes for bonds, and he who prefers notes will give his bonds for notes. Such a currency will not be subject to the fluctuations consequent upon the contingencies which may affect the money market of London, and will compel the Bank of England to look elsewhere for specie. She may refuse to discount a single bill. She may withdraw all her own notes from circulation by the sale of exchequer bills. She may ruin her merchants, bankers, and manufacturers. She may spread bankruptcy and despair over the whole of England in her efforts to force back specie to her vaults; but as she cannot use our Treasury notes to pay her debts she cannot ruin us. We will have a currency of our own, which answers all our uses as money, will be stable and uniform in value, and leave the outside world, and especially the Bank of England, to look to our exports as the means of payment for all that we purchase of foreign nations.

Commerce is a reciprocal exchange of the products of the industry of commercial nations, and with such a currency we could place our exports in the foreign market and command specie if we desired to do so, and at the same time pay with our exports the balance due upon our imports, should there at any time be any such balance to pay.

The precious metals, gold and silver, have, by the consent of commercial nations, been recognized as a medium for the payment of commercial balances, and hence as they may be said to be of universal use for this purpose, they have become commodities, which, like other articles of merchandise, are more or less valuable as they may be required to pay these balances. This fact alone proves that foreign demand will depend upon circumstances over which our Congress can exercise no control. It follows conclusively that Congress cannot regulate the value of gold and silver.

But as there will be no such foreign demand for Treasury notes, if Congress issued them in payment of the current expenditures of Government and makes them a complete tender and convertible into bonds bearing a proper rate of interest, and provides that these bonds may again at the will of the holder be converted into notes, such a domestic currency will regulate the value of circulating commodities. It will be the medium of purchase and of payment, and the prices of commodities will be made to conform to the value of the medium of payment.

The panic and pressure on New York in 1857 was the result of the demand for coin to pay the expenses of the war in India—that the currency of France being silver, the Bank of England gave a premium for silver, which compelled the Bank of France to purchase gold to supply the place of the silver sent to India, and thus produced a pressure through the exchanges. Had New York then had a paper currency resting on the public credit, which, being a legal tender, would have prevented the export of gold, the pressure of the bank in London would not have caused the monetary crisis of 1857.

The bonds, reconvertible into notes which are money, will to a very great extent be used in preference to bills of exchange drawn by individuals.

It will be found that under this system of finance protection will be afforded to the value of property, and a stimulus given to industry such as was never before known in this or any other country.

Prehaps it may be objected that the plan proposed is a novelty, a new departure in finance. But the principles involved were long since approved by able thinkers.

On page 37 of Historical Sketches of American Paper Currency, (second series,) by Henry Phillips, jr., A. M., we find the fact recorded:

> The project of a new emission of paper money also began to attract the attention of the Congress, and although the measure was strenuously opposed by Dr. Franklin, who thought it would be preferable for them *to borrow back their own notes at interest* rather than add to the mass of paper in circulation, it was resolved on the 29th of November (1776) to issue an additional sum of $3,000,000.

And for the benefit of my friend from a Philadelphia district, [Mr. KELLEY,] though it has nothing to do with the matter in hand, I may mention, par parenthesis, that the inhabitants of that city refused the continental bills; their pretext being that, as the notes were issued for war purposes, the members of the Society of Friends could not conscientiously receive them.

Allusion will be found to this occurrence in Franklin's letter of April 22, 1779, to Samuel Cooper, (the Works of Benjamin Franklin, volume 3, page 328, by Jared Sparks,) in which he says:

> The depreciation of our money must, as you observe, greatly affect salary men, widows, and orphans. * * * I took all the pains I could in Congress to prevent the depreciation, by proposing, first, that the bills should bear interest; this was rejected, and they were struck as you see them. Secondly, after the first emission, I proposed that we should stop, strike no more, but *borrow on interest those we had issued.* This was not then approved of, and more bills were issued.

Is it too much to say that, had Franklin's advice been taken, a few millions only would have been required, as the paper would have returned to Government for the bonds on interest, and been paid out *ad libitum*, and peace would have found the country in a high state of prosperity, instead of the abject poverty which pervaded the land.

The friends of this bill, therefore, find they are supporting the financial principles that Franklin attempted to establish in the Congress of 1776. And there are few safer guides to follow in statesmanship than Benjamin Franklin. What is called a new departure in finance to-day, was advocated on the floor of Congress by Franklin one hundred years ago.

And Ricardo seems to have had in mind the advantages of a flexible currency when he says:

> Whenever individuals, then, have a want of confidence in each other, which disinclines them to deal on credit, or to accept in payment each other's checks, notes, or bills, more money, whether it be paper or metallic money, is in demand; and the advantage of a paper circulation, when established on correct principles, is, that this additional quantity can be presently supplied without occasioning any variation in the value of the whole currency, either as compared with bullion or with any other commodity; whereas with a system of metallic currency, this additional quantity cannot be so readily supplied, and when it is finally supplied, the whole of the currency, as well as bullion, has acquired an increased value.

Thomas Law, esq., many years ago in this city proposed that the Government issue a 4 per cent. stock, which every individual noteholder could obtain in exchange for every $100 of national currency.

I will not detain the House by further citations from, and names of, advocates of this advance and reform in national financial affairs.

Perhaps it may be asked, what is the *test* of a judicious amount of currency for a country, provided it does not pretend to have a promise of specie payment and is solely national? This is a question difficult of answer. We may talk of an amount *per capita* of the population, but that would be only the mode of expressing a sum, and would be no guide to a rational definition.

In the case supposed my first idea was that the *prices* of commodities, including a wide schedule of them, and the wages of labor, and rent of property, which is fixed capital, &c., should be considered and compared with prices of like commodities in countries with which we have commercial intercourse, before any sound conclusion could be reached. This view would be likely to suggest that *the relation of prices in our country to the prices of other countries* is the true test by which the volume of national currency should be graduated. General prosperity of the country would indicate that the volume of cur-

rency was not far from proper, whereas the absence of prosperity would indicate that it was amiss, being either too large or too small.

But considerable reflection has brought me to the conclusion that the simplest, safest, and best test is, that a paper dollar shall be at par value with a dollar in gold. And to produce that result is the aim and object of this bill.

How to keep the purchasing power of money the steadiest possible, is a difficult and important problem. That, and just taxation, are now the most vital questions of our great experiment of popular government.

If money were governed by the same rules as commodities, interest would be a test; but money, especially paper money, is not a commodity in precisely the same sense as applied to general articles of merchandise, and perhaps is not to be judged by the same rules. Of any material article there may be more than is wanted or can be used, in which case that article will have a very low price, or none; instance water, one of the prime necessities of existence, is so far in excess of human wants that it bears no price. But money never did and never can exist in such volume as to approach an equilibrium with the demand for it. Money, like alcoholic drink, creates a thirst and demand for more. Cheap money sets on foot numerous enterprises which cause an increased demand for more. If the enterprises are unwise or unproductive they, of all others, create the greatest call upon the money market, and offer the highest rates of interest. I am under the impression that the highest rates of interest generally prevail when a country seems to be full of money and to be on the flood-tide of business prosperity.

I think that we do not take a sufficiently broad view of the interest question, because we are in the mental habit of supposing that currency money only draws interest, and do not consider that the world is full of money that is not currency.

In fact, there are so many meanings to the word "money" that the mind and the speech fall into confusion. We must be more careful in our nomenclature, and our conclusions will be clearer. Money—currency money—may be loaned and draw interest; capital may be loaned and draw interest; and credit may be loaned and draw interest. We shall see by this that it is not logical to claim that the rate of interest will be regulated by the relation of the supply and demand for currency money alone; inasmuch as currency and capital and credit are all matters that may be and are constantly loaned. To determine whether the law of supply and demand applies to loans and affects the rate of interest, we must take into consideration everything and all transactions which may produce the state of debtor and creditor with the interest agio between them.

To illustrate: I wish to borrow $100,000 to purchase railroad stock. I apply to Vanderbilt and put up my securities, and he draws me a check for $100,000 on the Chemical Bank; I deposit it, and it is passed to my credit. No money has passed; I have borrowed of his capital, and pay him interest. I buy stock and pay for it by checks on the Chemical Bank. The whole transaction is complete, and no money has been used. I sell my farm for $20,000, and take in pay a house in town for $5,000 and a mortgage for $15,000 drawing interest. The transaction is complete and no money has passed. The United States loaned its credit for $2,000,000,000 or more, and gave bonds on interest, and took pay in importations, and very little money passed. The whole debt of all the people of the United States draws interest, and the chief portion of it is owed for commodities and labor. Of this vast mass of interest-bearing debt probably not 5 per cent. represents transactions where currency money was concerned in the transactions.

Does it not appear now that the volume of the currency money can have but slight effect in determining the rate of interest? Of course it is sound to say that the volume of currency money has an effect upon rates of interest. But the degree of the effect will be so slight as to be generally quite overbalanced by the other factors in the complicated problem; and therefore the rate of interest is not a test by which to determine whether the volume of currency money is excessive or deficient.

In further elucidation of this important subject I subjoin the views of Henry Carey Baird, esq. He presents interesting facts, but I am not prepared to agree with him entirely in all his conclusions:

PHILADELPHIA, *March* 22, 1874.

DEAR SIR: Your favor of 18th instant received, and as you desire I proceed to answer your two questions, which are as follows:

First. Is it true that an increase in the paper currency will only occasion a rise in the paper currency price of commodities, but will not cause an increase in the bullion price?

Secondly. Does increasing the volume of the currency tend to lower the rates of interest?

The second question I shall take up first, because in so doing I hope to be able to expose a fundamental error of the bullionists, and one which has an important bearing upon the answer to be made to the first question.

As might naturally be supposed, increasing the volume of the currency *does* tend to lower the rate of interest. That this should ever have been questioned seems most remarkable, but it has been done for the reason that to do so flowed logically and inevitably from the bullionist doctrine of David Hume, "that the prices of everything depend on the proportion between commodities and money," and that the only effect of an increase in the quantity of money is "to oblige every one to tell out a greater number of those shining bits of metal for clothes, furniture, and equipages, without increasing any one of the conveniences of life." And he went the further and necessary step and said, "It is in vain, therefore, to look for the cause of the fall or rise of interest in the greater or less quantity of gold and silver which is fixed in any nation."

To hold or admit the first proposition was to admit the last, for if prices increased in exact ratio with every increase of money, it must require a volume of money increasing in exact proportion to perform any given exchange. Thus, should the money double in volume with such results, it would require ten dollars where one had answered before, and the demand of the borower upon the lender for loans would keep even pace with the increase of money.

But are these things so? Let us see. Money flows from San Francisco, Saint Louis, Chicago, and Cincinnati, where the ordinary rate of interest is 10 or 12 per cent., to New York, Philadelphia, and Boston, where it is 6 or 7, and from these last-named cities it goes to England, France, Belgium, Germany, and Holland, where the rates are 3 and 4 per cent., and these movements have in some cases so run for a century or more.

Now, why is it that the rates are so low in England, France, Belgium, Germany, and Holland? Because of the large accumulation of money in these countries in proportion to the functions it has to perform therein. But it may be argued that the low charge for the use of money in these countries arises from their being old. Turkey and Portugal are equally so, and were possessed of magnificent industries and great wealth, until in evil hours in their histories they entered into commercial treaties with Great Britain and these industries and that wealth were destroyed. These countries are no longer importers of the treasure of the world. The last 6 per cent. loan of Turkey was sold in London in 1873 at 54, while that of Portugal of 3 per cent. was sold at home, in that same year, at 43.

But we need not go outside the borders of our own country to prove that "increasing the volume of the currency tends to lower the rates of interest," when we bear in mind that New England and New York, having the lion's share of the national-bank circulation, and wielding in addition, through their national banks, an immense mass of credit money, have money at 6 or 7 per cent., while the West, which has few banks, few national-bank notes, and few greenbacks, with but a trifling volume of credit money, has to pay about 10 per cent. as a minimum, and from that point all the way up to 60 per cent. per annum. Are not these facts worth more as a means of arriving at a knowledge of the truth in regard to this important question than any amount of the pure speculation of the philosophers? It would seem that they should be. But does the rate of interest fall in exact proportion to the increase in the volume of gold, silver, and paper money and their credit substitutes? No! and for the reason that the effect of an increase in the quantity is something more than "to oblige every one to tell out a greater number of those shining bits of metal," or of those pieces of printed paper, but that it is more in accordance with the following facts, also presented by Hume: "Accordingly," says he, "we find that in every kingdom into which money begins to flow in greater abundance than formerly, everything takes a new face; labor and industry gain life; the merchant becomes more enterprising, the manufacturer more diligent and skillful, and even the farmer follows his plow with greater alacrity and attention."

"The new face" which "things have taken upon themselves" in Great Britain, with the steady increase of the precious metals for a century past, has been so remarkable that she not only finds use for a currency now estimated at $938,000,000, but has called to her aid credit money and other forms of the credit system, which amount is not less than $5,000,000,000. This vast volume of money and its substitutes has the effect of stimulating production, trade, and speculation to an extent hardly elsewhere known in the world. But while it furnishes to the people of England cheap money, the charge for its use has by no means fallen in proportion to the increase in its volume, because the uses for it have increased immensely with a great and growing business. This must be the case in any enterprising country, and has been so in our own, until, with a growing business stimulated by an adequate currency, afterward made an inadequate one, we have wound up with a crisis and paralysis. And just here we are brought to a realization of the danger which impends over any country, the law-makers of which assume to themselves the work of placing an arbitrary limit to the circulating medium, the "current money of the realm." Doing this they force the people to adopt a substitute, credit, which for a time stimulates business almost as much as would money, finally to wind up with a crash, when this credit has been "inflated" up to the point of explosion, to which it must be in time.

We may now turn to the consideration of your first question, which shall be done very briefly. It is *not* true that an increase of paper or of any other currency gives rise to any corresponding general increase of prices, and this is conclusively proven by the tables of prices and currency, 1782–1840, in the appendix to the second volume of *Tooke's History of Prices*, as well as by those in the chapter on the currency and prices, in *Gibbon's Public Debt of the United States*.

The real facts are that in all advancing countries the tendency is for all raw materials, including labor, to rise in price, and for finished commodities to fall, the introduction of improved machinery, including money, facilitating the conversion of these raw materials into finished forms.

The recent industrial histories of France, Belgium, and Germany, with their increasing volume of the precious metals and circulating notes, the increased price of all raw materials, including labor, and the cheapening of manufactured goods, and the growing demand of the rest of the world on them for their goods, with a corresponding demand from them upon the world for the precious metals, all go to prove this.

The fallacy that while any cause may "occasion a rise in the paper-currency price of commodities," it will not necessarily "cause an increase in the bullion price," is to be found in the famous Bullion Report to the House of Commons, June 8, 1810, and is the pivot upon which the entire report swings, and the cause of error throughout it.

Although thirteen years previously the Bank of England had suspended, and gold and silver had ceased to be the circulating medium, the real "current money of the realm," but in their stead Bank of England notes performed their office, the bullion committee enunciated the remarkable doctrine that "in this country, gold is itself the measure of all exchangeable value—the scale to which all money prices are referred."

They forgot that growing out of the imperfection of man's perceptions and capacities, all his standards were more or less arbitrary, indeed that the fact of needing them at all was an evidence of an imperfect nature. The value of coined gold, as a mode of comparing and of expressing prices and making exchanges, was no exception to the rule governing man and his appliances, and thus by the adoption and hourly use of a new species of machinery of exchange, gold itself became demonetized, and was but mere merchandise.

In this country to-day gold is mere merchandise, and while it is true the price of it exerts a certain influence over the prices of certain articles of foreign merchandise, and of American dependent upon the prices of foreign merchandise, it exerts no influence whatsoever over the great bulk of American property, both real and personal. Indeed it may be said that gold is the cheapest thing in the country, considering its scarcity and the amount we are under contract annually to deliver abroad. Is there one commodity in one thousand which is just 12 per cent. higher in greenbacks to-day than it was before the war in gold? For myself I know of none, gold alone excepted. Some are higher and many are lower, some even lower in currency than they were then in gold. Such being the facts, it will be hard, just impossible, to fit them into the theory of a rise in currency prices and not in gold prices. With many apologies for so far trespassing on your time and attention,

I am, very respectfully yours,

HENRY CAREY BAIRD.

DAVID B. MELLISH, M. C.,
Washington, D. C.

In a state of panic there is no supply or demand, because the man who has currency will not loan because he dare not loan; and the man who wants it dare not borrow because he dare not use it in enter-

prises. With the same volume of currency before the panic we were in a great state of prosperity; and money was very high, because those who had money were willing to lend; and those who wanted it were ready and prepared to pay high interest for it, and those who wanted it were greatly in excess of those who had it to lend. So that it is apparent that the volume of currency has but an incidental and casual but no regular effect upon the rate of interest. Abundant money begets the want and supposed necessity for more. It sets on foot numerous enterprises—some sound and some unsound. It sets on foot an abnormal demand for money when business seems most prosperous; and those who are engaged in unsound and unwise enterprises will necessarily become pressed for means, and become the very parties to bull the market of interest by making heavy demands upon it. And periodically or occasionally such things will occur under any state of currency; and cause only an absolute defeat or refusal of those who want to borrow. The time comes when the rate of interest cannot be carried high enough to induce those who have capital to part with it on account of the risk.

The main reason assigned why the rate of interest does not decrease with the increase of currency is, that an excess of currency stimulates speculation and extraordinary enterprises, which soon exhaust it; that there immediately arises a sharp demand for money for continuance of speculation in these costly investments, and in that competition for the currency the price naturally rises. Whether we have had enough currency is a question on which people differ. We have certainly had so much that there has been much briskness in gigantic stock speculations, like the Northern Pacific road and such enterprises.

And I may mention the somewhat curious fact that if you have a farm in the State of New York you cannot make a loan of money on it by a mortgage to an individual, the reason being that the mortgage is subject to taxation in the hands of the mortgagee; and that rate of taxation is destructive to it as an investment. The consequence is that money runs into the possession of the savings-banks and other institutions which can hold mortgages free from taxation.

I can scarcely see that the rate of exchange would be the exact measure of the balance of trade, for example, between us and England, unless the balance of trade included all our financial transactions as well as our trade in commodities. Instance: While we were going in debt on United States bonds to the tune of a thousand millions or more, those bonds affected the apparent balance of trade, as indicated by the rate on bills of exchange, as completely as the exportation of a thousand millions of agricultural or manufactured products would have done.

It would seem that the supply of paper money should be proportioned to the trade of the country, and from the nature of things the amount of Treasury notes in circulation must find its level in the public wants. Still the plea which is made that the wants of commerce, business transactions, require more currency may be no safe guide; for how can the sum required for such purpose be defined? Is not commerce likely to be insatiable in its demands? The question is not so much what amount of currency the wants of commerce can employ as the quantity that can remain in the channels of circulation without depreciation. Is there any safer rule than that the value of the paper dollar should not be less than the value of a dollar in gold? In other words, can any better rule be adopted than the one compendiously stated by Ricardo to the effect that "if the commerce of a country increases, that is to say, if by its savings it is enabled to add to its capital, such country will require an additional amount of circulating medium; but, under all circumstances, the currency ought to retain its bullion value; that is the only sure test by which we may know that it is not excessive."

If gold be not the test by which to estimate depression of greenbacks, what is?

Now, what is an excess of currency? Dr. Adam Smith used this word in a sense "as denoting a quantity greater than the circulation of the country can easily absorb or employ." But the commerce of the country can employ and absorb any amount within reasonable limits which may be sent into circulation. But we must have some rule or criterion by which stability can be given to the value of money, as that is the great test of the goodness of a currency as money. Indeed, this is the sole argument of any force I have ever heard from the bullionists—the danger of excess of issue. Let us "make assurance double sure" that their prophecies are not fulfilled.

Can we find a safer guide, one more satisfactory to the public in general, than that an excessive circulation is indicated by its depreciation below the par value of gold coin, dollar for dollar?

If so, then it follows that paper currency, when below par as compared with gold, should not be increased in volume and thereby further depreciated. It certainly must be regarded as an excess of paper in fact when we find an increased price of commodities solely arising out of and occasioned by an increased amount of the circulating medium. Is there not an excess of paper in circulation while it does not pass at gold value, dollar for dollar?

It was in accordance with these views that on Monday last I voted in favor of the proposition of the chairman of the Committee on Ways and Means, [Mr. DAWES,] "that hereafter the total amount of United States notes in circulation at any one time shall not exceed $356,000,000, and the Secretary of the Treasury is hereby directed to withdraw from circulation and to cancel whatever amount of such notes as are now in circulation beyond that sum, as soon as the same can be done consistently with the exigencies of the Treasury." And what I have said will also explain why I voted against fixing the amount of legal-tender notes at $400,000,000, which was passed by the vote of 168 to 77. And I may say in passing that it is manifestly absurd for any Congress to attempt to legislate as in perpetuity in regard to the volume of greenbacks. I think it would be quite justifiable in any future Congress to regard such legislation as null and void. It is not fair to assume that all wisdom will die with this Congress, or that we know better how many greenbacks will be necessary in 1880 than will the then Representatives of the people. Of course this principle will apply to the farce of "a solemn pledge" in regard to limiting the volume of greenbacks passed some years ago, and about which has been let off so much of touching, not to say maudlin, eloquence. Even the Constitution fixes nothing in perpetuity. How absurd, then, to claim a greater scope for an enactment of Congress, which may be passed suddenly and under excitement, than can be claimed for a solemn provision of the Constitution itself!

And I beg to subjoin the bill referred to, and ask for it the consideration of the House:

A bill to provide the money of the United States, and to regulate the value thereof.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That from and after the 1st day of July, 1874, each and every national banking association may determine for itself the amount of lawful money of the United States that it will keep on hand; but every national bank and banking association shall, on demand, redeem its circulating notes at par at its own banking house, either in coin of the United States or in United States legal-tender notes.

SEC. 2. That the Secretary of the Treasury of the United States is hereby authorized and directed to prepare for circulation, as standard value United States money, certificates of the denomination of one, two, five, ten, twenty, fifty, one hundred, two hundred, five hundred, one thousand, two thousand, five thousand, and ten thousand dollars, to express on their face, in words and conspicuous figures, the several above-named denominations, with vignettes, letters, numbers, signatures, and such engraved decorations as shall tend to prevent forgeries and imitations, and also express on their face that they are respectively, by the Constitution and laws of the United States, the standard and measure of values to the amount expressed on their face, in all transactions within the United States involving the payment of money, and receivable in payment of all debts, public and private, and shall be a legal tender at their face value therefor, except the funded debt of the United States, which is by its terms payable in gold, and except as hereinafter provided, and shall be received in deposit at par by all national banks and banking associations. Such certificates shall be put in circulation and applied by the Secretary of the Treasury under, in pursuance of, and in the manner in this act provided.

SEC. 3. That all customs duties due and payable to the United States shall be paid and collected in gold coin and paper currency as follows: From and after the 1st day of July, 1874, to and until the 30th day of June, 1875, both inclusive, said customs duties shall be paid and collected, one-fourth in Treasury notes, or other currency of the United States, or circulating notes of national banks, and three-fourths in gold coin of the United States; from and after the 1st day of July, 1875, to and until the 30th day of June, 1876, both inclusive, said duties shall be paid and collected, one-half in Treasury notes, or other currency issued by the United States, or circulating notes of national banks, and one-half in gold coin of the United States; from and after the 1st day of July, 1876, to and until the 30th day of June, 1877, both inclusive, said customs duties shall be paid and collected, three-fourths in Treasury notes, or other currency issued by the United States, or circulating notes of national banks, and one-fourth in gold coin of the United States; from and after the 1st day of July, 1877, the whole amount of customs duties shall be paid and collected in Treasury notes, or other currency issued by the United States, or circulating notes of national banks.

SEC. 4. That on and after the 1st day of July, 1874, all customs duties, proceeds of taxes, and sales of public lands, interest, and dues from all sources received for account of the United States in Treasury notes and circulating bank-notes, by each and every officer of the United States, shall be transmitted in the identical currency received to the Secretary of the Treasury. The Secretary of the Treasury shall issue and promulgate, to all Federal officers authorized to receive such moneys for account of the United States, rules, regulations, and instructions prescribing, directing, and regulating the time, manner, and means of transmitting such sums of money from the places where they are received to the Secretary of the Treasury at Washington, and such rules, regulations, and instructions shall have like obligation and effect as if the same were embodied in this act.

SEC. 5. That the Secretary of the Treasury on receiving for account of the United States Treasury notes and circulating bank-notes, as provided in the last section, shall cause a memorandum of all such notes to be made and kept in books appropriate for the purpose; and as often as the sum of notes so received shall amount to $1,000,000, he shall cause the same to be destroyed by burning them to ashes, as directed by section 24 of the act to provide a national currency, approved the 3d day of June, 1864. He shall cause a certificate and record of such destruction and burning to be made and entered in the books above mentioned, and a duplicate of so much of said certificate as relates to such portion of the destroyed paper currency as consisted of circulating notes of national banks (or associations) shall be transmitted to the several banks (or associations) the circulating notes of which shall have been destroyed, and then the amount of circulating notes permitted by law to be issued by such banks, respectively, shall be reduced to the extent of the circulating notes so destroyed; and when and as often as the circulating notes of any such bank or association shall have been destroyed, under the provisions of this act, to the amount of $50,000, the Secretary of the Treasury shall adjust the interest account with such bank or association, and release and deliver up an amount of the United States bonds pledged for the redemption of a like amount of the circulating notes of said bank or association.

SEC. 6. That immediately upon the destruction of any sum of Treasury notes and circulating bank-notes, in pursuance of the provisions of this act, the Secretary of the Treasury shall pay into the Treasury of the United States, of and from the United States certificates of standard value authorized and provided under the provisions of this act, an amount equal to the total sum of Treasury notes and circulating national-bank notes so destroyed as aforesaid, and such certificates so paid into the Treasury shall thereupon and hereafter become and be the lawful money of the United States, and as such shall be paid out of the Treasury of the United States for the purpose and in the manner provided by law.

SEC. 7. That the Secretary of the Treasury shall issue the said certificates provided in pursuance of this act so that the aggregate amount of the issues thereof, in circulation and in the Treasury of the United States together shall not at any time exceed the sum of $300,000,000; it being intended by this section to restrict the total volume of such certificates in actual use to within the maximum limit of the sum last above mentioned.

SEC. 8. That when, in pursuance of the provisions of this act, 80 per cent. of the aggregate amount of the circulating notes of the national banks and banking asso-

ciations shall have been received by the Secretary of the Treasury and destroyed, and an equivalent amount of the bonds of the United States shall have been returned to said banks and banking associations, notice shall be given thereof by the Secretary of the Treasury to each of such national banks and banking associations. And thereafter circulating notes of national banks and banking associations shall not be received by the United States in payment of any public dues whatever, and thereafter the interest accruing on the bonds remaining in the possession of the Government as security for the redemption of circulating bank-notes shall not be paid to the banks until the whole amount of the circulating notes of such banks shall have been received and destroyed by the Secretary of the Treasury.

SEC. 9. That when under the provisions of the last section circulating notes of national banks and banking associations shall be no longer receivable by the United States in payment of public dues, the Secretary of the Treasury shall redeem such circulating bank-notes at par, at points and places designated by him, by issuing and delivering in exchange therefor equal amounts of the United States certificates of standard value, provided in pursuance of this act, to the parties presenting such circulating notes for redemption, and shall destroy the circulating notes thus redeemed in the manner hereinbefore provided.

SEC. 10. That this act shall take effect immediately.

Mr. BRIGHT obtained the floor.

Mr. MAYNARD. The hour is late; we have had a pretty long session to-day; and if my colleague [Mr. BRIGHT] will yield, I will make a motion to adjourn.

Mr. BRIGHT. I will yield on the understanding that I retain my right to the floor, and shall have an opportunity to be heard in the morning.

Mr. MAYNARD. The gentleman will, of course, have the floor when the bill again comes up for consideration. I move that the House adjourn.

The motion was agreed to; and accordingly (at ten o'clock and five minutes p. m.) the House adjourned.

PETITIONS, ETC.

The following petitions, memorials, and other papers were presented at the Clerk's desk, under the rule, and referred, as follows:

By Mr. BELL: Petition for a post-route from Norcross, via Alpharetta, to Canton, in the State of Georgia, to the Committee on the Post-Office and Post-Roads.

By Mr. BLAINE: The petition of Hannah G. Demsen, praying compensation for damages to fishing grounds; to the Committee on Claims.

By Mr. BLAND: Petition for mail-route from Salem, Dent County, Missouri, to the post-office at Relfe, in Phelps County, to the Committee on the Post-Office and Post-Roads.

By Mr. BUNDY: The petition of Amelia A. Smith, praying for a pension, to the Committee on Invalid Pensions.

By Mr. CHIPMAN: The petitions of Theresa Casevant, John Pennington, Hannah McCormick, Charles Arnois, Jefferson Miller, Charles Kerns, and Jared Kern, praying for relief, severally to the Committee on Military Affairs.

Also, the petitions of Rhoda Proctor, Elisha M. Luckett, John Weiman, Robert Scott, Theresa K. Burnett, Anna Humphreys, Henry Stock, Ballanger Smith, and Evelyn S. Jones, praying for pensions, severally to the Committee on Invalid Pensions.

Also, the petitions of Vincent St. Vrain, James G. Anderson, Henry A. Lincoln, and Austin A. Rowell, praying for relief, severally to the Committee on War Claims.

Also, the petitions of Russell G. Sherman and John M. Wallace, praying for relief, severally to the Committee on Claims.

Also, the petitions of Sallie F. Burton and Ephraim Hunt, praying for pensions, severally to the Committee on Revolutionary Pensions and War of 1812.

By Mr. FARWELL: The petition of citizens of Chicago, Illinois, praying for such changes in the manufacture of issues of the Government as will secure them against possible danger of fraud, to the Committee on Banking and Currency.

By Mr. FIELD: Concurrent resolution of the Legislature of the State of Michigan, in favor of the free transmission of newspaper exchanges within the county where published, to the Committee on the Post-Office and Post-Roads.

Also, concurrent resolution of the Legislature of Michigan, requesting Congress to improve the navigation of the Saginaw River, to the Committee on Commerce.

By Mr. GARFIELD: Petition of citizens of Nelson, Portage County, Ohio, praying for the payment of the French spoliation claims, to the Committee on Foreign Affairs.

By Mr. GIDDINGS: The petition of Mrs. Harriet R. Alsbury, praying compensation for the destruction of her property by soldiers of the United States in August, 1865, to the Committee on War Claims.

By Mr. E. R. HOAR: The petition of Moses Marshall, of Lowell, Massachusetts, praying for extension of patent on knitting-machines, to the Committee on Patents.

By Mr. KELLEY: The petition of George Gardner, praying for a pension, to the Committee on Invalid Pensions.

By Mr. NESMITH: Resolutions of a public meeting of the citizens of Portland, Oregon, praying for the passage of the Portland, Dalles and Salt Lake Railroad bill, to the Committee on the Public Lands.

By Mr. O'NEILL: Petition of dealers in country produce, asking that a landing may be granted the Red Bank Ferry Company at the foot of Broad street, Philadelphia, to the Committee on Naval Affairs.

By Mr. PLATT, of Virginia: The petition of Mrs. Mary F. Parker, of Portsmouth, Virginia, for pension to Georgiana Parker, daughter of George Parker, late a sail-maker in the United States Navy, to the Committee on Invalid Pensions.

Also, the memorial of citizens of Virginia, praying that the French spoliation claims may be paid, to the Committee on Foreign Affairs.

By Mr. SMITH, of Virginia: The petition of the Mount Vernon Manufacturing Company, of Alexandria, Virginia, praying compensation for injury to the company's property by United States troops in 1862, 1863, and 1864, to the Committee on War Claims.

By Mr. WILLARD, of Michigan: The memorial of clergymen of Michigan, for the appropriation of the Chinese indemnity fund for the education of the Chinese in the Pacific States, to the Committee on Education and Labor.

By Mr. WILLIAMS, of Michigan: The petition of Livanna Ingraham, praying for a pension, to the Committee on Invalid Pensions.

By Mr. WOOD: The petition of James Tramor, late private Company D, Ninth New York Volunteers, praying for a pension, to the Committee on Invalid Pensions.

By Mr. ——: Evidence relative to the claim of Mrs. Ella P. Murphy, to the Committee on Indian Affairs.

By Mr. ——: Petition of citizens of Northern Idaho, praying for the passage of the Portland, Dalles and Salt Lake Railroad bill, to the Committee on the Public Lands.

HOUSE OF REPRESENTATIVES.

SATURDAY, *March* 28, 1874.

The House met at twelve o'clock m., Mr. MACDOUGALL in the chair, as Speaker *pro tempore*. Prayer by the Chaplain, Rev. J. G. BUTLER, D. D.

On motion of Mr. COTTON, by unanimous consent, the reading of the Journal of yesterday was dispensed with.

CURRENCY—FREE BANKING.

The SPEAKER *pro tempore*. By order of the House, the session of to-day is for debate only on the bill (H. R. No. 1572) to amend the several acts providing a national currency and to establish free banking, and for other purposes. The gentleman from Tennessee [Mr. BRIGHT] is entitled to the floor for one hour.

Mr. BRIGHT. Mr. Speaker, much has been said upon the subject of the currency, but owing to the various interests of the country which are involved I do not deem it inappropriate to trespass further upon the patience of this House. The views which I have heard expressed have been various, as various as the standing points from which the question has been viewed.

Without further preface, Mr. Speaker, I propose to address myself to four propositions: first, that the currency of the United States is unequally and unjustly distributed according to the population and wealth; secondly, that it is insufficient in volume; thirdly, the probable quantity needed; fourthly, the way in which it may be supplied.

Upon the first proposition, as to the unequal and unjust apportionment of the currency, I would remark that the figures to substantiate that proposition are not new to this body; but the country is not as familiar with these figures as these Representatives, who have heard them repeated from day to day, and have read them for themselves.

In support of that first proposition, I beg leave to call the attention of this body to the report of the Comptroller of the Currency, December 1, 1873, which shows that the six Eastern States have an excess of $70,690,046; the five Middle States have an excess of $9,416,503; the District of Columbia has an excess of $182,131; the fourteen Southern and Southwestern States have a deficiency of $51,271,034; the nine Western States have a deficiency of $21,423,811; the Pacific States and the Territories have a deficiency of $7,926,648. The Eastern and Middle States together have an excess of $80,589,742. The deficiency of Tennessee, my own State, is $5,373,382.

Mr. MAYNARD. I call my colleague's attention to the fact that in the Comptroller's tables the District of Columbia is classed with the Southern States, very improperly, I think; and in the enumeration I made I placed it with the Middle States, to which I thought it geographically belonged.

Mr. BRIGHT. I am obliged to the gentleman for the suggestion.

Mr. MAYNARD. I will say further, if my colleague will allow me, that I placed Ohio also with the Middle States, with which in point of fact she is connected by her commercial relations more than with the Western States.

Mr. BRIGHT. I observe to the House that I have followed the classification of the Comptroller of the Currency.

But to proceed. These figures are conclusive of the proposition as I have stated it. But in further support of the proposition permit me to call the attention of the House to another tabular statement of the Comptroller of the Currency, showing the *per capita* circulation. The six Eastern States have a *per capita* of 31.68; the five Middle States $12.82; the fourteen Southern and Southwestern States, including the District of Columbia, $2.91; the eight Western States $7.07; the *per capita* of Tennessee, my own State, being $2.66. Accompanying these I have the tabular statements which I shall not trouble this House with repeating. Suffice it to say, then, that the first proposition is arithmetically established.

Now, as to the second branch of the first proposition, that this distribution of the currency is unjustly made. Let us examine for a moment and see the effect of this ill-adjustment of the currency.

Take it in the New England States where it is abundant, where they assert it is sufficient, and what is the law of money or of finance? It is that the prices of commodities are appreciated in proportion to the quantity. What is the consequence following that? Where the manufacturing industries have the currency to pay high prices for labor, there are high prices for production. But what is the result of the appreciated value of these productions in the immediate vicinity? They are added to the cost of manufacture, and with this accumulated cost, in addition to transportation and insurance, they are sent broadcast over the land and sold to the consumers who have not the advantage of those who live in the immediate vicinity of the manufacture. Hence labor is high, productions are high, where the currency is abundant; and productions are cheap and labor is cheap where the currency is scarce. That is one of the evils under which the section of country from which I come is at present laboring.

But I have not time, Mr. Speaker, to elaborate, but only to suggest the principle of the operation of the thing.

But you say these parties must indemnify themselves by increasing the price of their own production. This is impossible, because the manufacturing interests have a protective tariff as a shield to them and are not affected by foreign competition; and in fact, by operation of law, the people are coerced to pay the high prices which may be fixed upon them with a diminished currency. So, Mr. Speaker, you can see the grinding and oppressive character of the adjustment of the currency, superinduced in the first place by operation of law, and augmented, in the second place, by the commercial contrivances of those who seek, not only to consolidate the currency, but to consolidate the trade of the country.

In the southern section of the country, to a very great extent, the productions are bought through the instrumentality of factors. The crops themselves are pledged. They pass into the hands of the factors, and from the factors to the commercial monopolists in New York and other great eastern cities, where the price of the productions is applied to the payment of the merchant's account, and where the currency is not distributed, but kept flowing in the immediate circle, except small balances which find their way South. There is the injustice of it, and there is no remedy without Congress shall interpose to relieve, as it has interposed to disturb, the financial harmony. I propose to show how that may be done hereafter. So they are left powerless, left without the indemnity of law; and while this is so, you find one section of the country wearing the mantling glow and smile of health and prosperity; and looking upon the other picture, you see the grim, gorgon features of bankruptcy.

I do not propose, Mr. Speaker, to break down any industry of the country. I propose simply they should all march abreast in the great advance of improvement. Without dwelling further on that proposition I proceed to the second, that the outstanding currency, if equally distributed, is not equal to the national wants, present and prospective. This is a matter of figures. The inquiry confronts us, Mr. Speaker, how much currency is needed in the country? I say candidly no gentleman can undertake to answer the question with arithmetical correctness. We cannot tell how much currency exactly is in the country, nor can we tell exactly how much currency the country needs; but we can approximate to the necessities of the country, and by that approximation the statesman must regulate his conduct. I would state, Mr. Speaker, we cannot tell it from any law of territory of the country. We cannot tell it from any law of population. We cannot tell it from the quantity of the productions of the country. We cannot tell it from the commerce of the country. We cannot tell it from the nature and character of the indebtedness of the Government. We cannot tell it by either one of these taken by itself, but we must determine it by combination and consolidation of the whole of these interests, and that statesman who attempts to examine this question without combining and consolidating the whole, as stated by Mr. Caldwell in his Credit System, proves that he knows nothing at all about it. I will state further, Mr. Speaker, we cannot tell the quantity of currency needed by comparison with foreign countries. Why, we hear arguments based on European finances here every day. There is nothing, sir, more fallacious in their application to American finances and American statesmanship. Why so? Take, for example, Great Britain. An allusion has been made to the Bank of England, and the amount of currency *per capita* that is used for the necessities of the people of that nation. You find what? That four-fifths of the population of Great Britain live within cities and towns. In France from two-fifths to three-fifths live in cities and towns. The smaller the territory and the more dense the population, the more rapid is the circulation of the currency, and less in proportion to territory and population is needed there than in the United States.

But in addition to that those people live cheaper and fight cheaper and labor cheaper, besides their confined territory and their dense population, than they can in the United States. Hence, they are a different people, differently situated. And besides all this they are subject to the monopolies and prescriptive rights and privileged orders and grinding despotisms of that country, of which we see the incipient outgrowth and outcropping in the United States. So that I maintain that it has no application to this country. We find that the rights of property are all established there. The doctrine of primogeniture locks up estates and prevents their alienable character. The doctrine of dower, the doctrine of entail, have also restricted the alienation of estates. The rights of property there are so settled that they need but little currency to answer the purpose of sale in that country.

But, Mr. Speaker, when we come to our own country let us examine something of its character. We find an extent of territory here stretching from the Saint John, on the one hand, to the Rio Grande upon the other, and then from ocean to ocean in breadth, and with a population not only now reaching forty-odd millions, but rapidly increasing by the normal law, and by immigration, the artificial mode. So far, then, as the question of territory and population is concerned, we have a different state of things here from what exists in the Old World. So far as the wants of our people are concerned, they are different from those of the Old World. As I have said, they live cheaper over there, they labor cheaper, they fight cheaper than we do in the United States.

Now, in verification of that, Mr. Speaker, I call the attention of the House to a statistical table to be found in the report of the Special Commissioner of the Revenue of the United States for the year 1869, (see appendix,) being a comparative table showing the weekly expenses of families of workingmen in the United States and in Belgium, with this result: The expenses for two adults and three children in the United States per week, are $15.02 and in Belgium $4.55. Without amplifying any further upon that, I call attention also to a statistical table taken from the American Encyclopedia for 1863, showing that the whole of the European armies, amounting to 3,815,217 men, expended $644,283,888; while according to the report of the Secretary of the Treasury of the United States for 1863 we find that the United States expended for the Army $747,359,822, and for the Navy $82,177,510, making a total expenditure for the Army and Navy, of $829,532,338; being 38 per cent. more than all the war expenditures of Europe for that year. (See appendix.) So that the statistics show that they live three times as cheap and fight three times as cheap as they can or do in the United States. Hence, the comparison as to the quantity of currency in the two countries, the old and the new, must fail. We are a different people, with different ideas and under different circumstances.

And let me here make another suggestion which will help to free this question from the embarrassment of the comparison. While we should avoid European finances, we should avoid those European practices which keep the population in the condition I have indicated. There would be very little European fighting if the wealth of those countries had to pay the taxes. There perhaps would be little fighting in this country if the wealth of the country had to pay the taxes. But by their financial contrivances they throw the burden of the taxes and the national debt upon the consumption of the country. By the consumption of the country they pay three-fourths of the revenues of Great Britain at this day; and perhaps it is the same in France. The burden falls upon those who have no property. It falls upon the bone and the sinew and the sweat of the toiling millions of those countries; and to escape it, while their property is locked up at extraordinary prices and bound in the fetters of primogeniture and dower and entail, these thousands and millions are seeking relief in this western land of ours, and arriving here from the old country they are as unreturning as if they had gone out into eternity. We do not propose to imitate those examples, dangerous in the extreme; and I hope we will have no more of it by American statesmen in their comparison of finances and character of governments between the two.

But to return to our own country. I have described the territory, I have alluded to the population. Now, as to the character of the property, we have no law of primogeniture here; everything is free and alienable, and exchange of property is stimulated almost to a passion in America. This exchange cannot be effected without currency to a certain extent. We are not a people that are confined to barter and to that alone. That would be impossible in the nature of things. But then, in addition to that, Mr. Speaker, we have diversified industries. And not only does the currency flow more sluggishly in a vast territory and in a more sparse population, but in proportion to the increase of its industries and the diversification of these industries, it takes longer to hunt up the channels and flow through them, than if there was only one grand sweeping commercial tide to draw everything into, as into a vast maelstrom of financial power. The case is entirely different.

Then, Mr. Speaker, permit me to call the attention of the House not only to our diversified interests, but to our national wealth. The assessed valuation, according to official returns, in 1870, was as follows: personal property, $4,264,205,000; real estate, $9,914,000,000; total assessed valuation, $14,178,205,000. The total valuation in 1870, according to official returns of the wealth of the country, was $30,608,518,570. That was the valuation of 1869. And taking the increase since, according to the ratio adopted by the Special Commissioner—13.4 per cent. per annum—we have the present aggregate wealth of the country, $42,000,000,000, all alienable, all perhaps in the market in one form or other; and it requires some currency, I suppose, to effect an exchange in the property of the United States.

But then what are the annual productions? I have here a table showing approximately the resources and wealth of the country, and I find that the agricultural products, including stock, &c., amounted in value, according to official returns of 1870, to $2,447,000,000; manufacturing industries, $4,232,000,000; mining industries, $152,000,000;

fisheries, as far as returned, $11,096,000. Add the increase up to this day at the usual rate of 10 per cent. per annum and you have an increase of $3,421,000,000, making a grand total of the annual productions of the United States of $10,255,000,000; and according to the Commissioner of Agriculture six billions or upward of this vast annual production is marketable. Where is the currency now to float these six billions of annual productions in this country?

Erect a monument just there, and permit me to call your attention to other points. The increase of population and the annual productions are great monsters; but there are others looming up in succession like the poet's vision:

> Increasing prospects tire our wondering eyes,
> Hills peep o'er hills, and Alps on Alps arise.

I turn now to the national debt and the State and county debts. The national debt, as per the last report, amounted to $2,291,000,000. Dr. McPherson, in his Hand-Book for 1873, page 183, estimates the State, county, and town debts in 1870 at $864,785,067; of the Territories for the same time $3,891,691; making the indebtedness $3,116,469,000. Add to these the debts of individuals and corporations, supposed to be $5,000,000,000, and we have the total indebtedness of the United States of $8,160,469,000, and of this sum the national banks show a liability of $1,830,637,000. Most of this national debt is bearing an interest of 6 per cent. Now, how much money do you suppose is needed to pay the interest on the national debt alone? Try your arithmetic a little. It takes about $500,000,000 to pay the national interest alone! Is there any avoiding this? This does not touch the body of the debt. Where is the money to come from to pay that interest? But we do not stop there. The last report of the Treasurer shows the annual taxation of the United States to be about $330,000,000. According to Dr. McPherson, the State, county, town, and city taxation for 1870 was $278,391,286; of the Territories, $2,789,026; making an aggregate of taxation of $611,180,320, being about $14 *per capita* of our entire population. Now let me inquire where the money must come from to meet the taxation of the people. Sir, this taxation is scattered all over the country, in all the States, towns, and cities. It is not confined to New York, Philadelphia, and Boston. The fingers of the Government are to be found on every hill and in every hollow, hunting for the nests of the people's wealth to tax it, and it must have its share of that wealth, even though it have to put the property of the citizen up under the hammer. The taxation of the country now nearly equals the amount of currency in circulation. Where is it to come from? But, sir, we do not stop there. Let us turn our eyes to the railroads of the United States, and see if they require any currency.

The length of railroads in the United States on the 1st of January, 1873, was 70,178 miles. The cost of these lines, estimating the cost at $50,000 per mile, makes an investment in railroads of $3,508,000,000. According to the Comptroller of the Currency for 1873, page 28, there were in the last five years expended annually in the construction of railroads $340,000,000, making within the last five years $1,700,000,000. The report of H. V. Poor for the year 1871, on page 26, says that "the total earnings of the 50,000 miles of railroad in the United States for 1870, at $9,000 per mile, were equal to $450,000,000." The increase since that time will give $631,602,000 for the year 1873. This, added to the construction account, would make $1,000,000,000 per annum. Now, where do the railroads draw the currency from with which they can operate? Are they to have no money? From whence do they obtain the money needed for the construction of their roads, and the furnishing of them with rolling-stock, and the payment of labor, and the subsistence of laborers? Money must be had in order to level our mountains and fill our valleys. Where does that money come from? And still the cry is "More roads, more canals; clean out the lakes and rivers, fill your valleys, and remove your mountains!" Will that require no money? I tell you it will require an enormous amount. And I will tell you another thing, that unless there is more currency the construction of railroads will stop. You will never construct a canal without more money; you will never build another railroad of any magnitude without more money; and we have seen evidence even in this House, during this session, so far as the improvement of our lakes, rivers, and harbors is concerned, where the pruning-knife has been laid to them as the first evidence of retrenchment in the public improvements of the country.

But we do not stop there. Here we have a merchandise account. In 1873 we had $642,030,539 of imports thrown into the volume of commerce and merchandise of the country. That must be distributed all over the land in connection with the other textiles and fabrics that are thrown out for the consumption of our people. Does all this require the expenditure of no money? Are our foreign imports to be kept up without money? Why, sir, you may put it down, but what is the inevitable result? People cease to import because they cannot find consumption. And the reverse of that follows; they cease to buy your productions unless you keep up your international exchange.

Besides all this, we have the rural mechanic, the schools and colleges and book establishments, the newspapers and the professions, the charities and religions to support, houses to build, the towns and cities to construct, new States to found, and your whole country to improve and adorn. Where is the money to come from? The whole country is demanding money, money, money, except in the New England and Middle States. And money they must have, and money they will have, sooner or later, mark my word for it.

We have a live, pushing people, every day developing, every day building up, every day expanding. And while there may be more extravagance than I can commend, still the fact is we are an expanding people; we must have money to keep alive the prosperity of the country as we understand its prosperity.

Why, sir, from the increase, natural and artificial, in our country, from the push and enterprise of our labors and our industries, your Comptroller of the Currency can scarcely sit down and make out his calculations of the actual value and wealth of the country and its demands for currency before the rate of speed of our improvements has outstripped and left the calculations as the fly does the chrysalis. Now, to tell us that we are to go according to the old Scotch slow gait, jogging on to mill with an old Sober John of a horse, with the staple stone in one end of the bag and the grist in the other, simply because Scotland, Great Britain, or France did the same thing, is a very poor argument to illustrate American statesmanship and American affairs.

But I cannot stop to dwell upon this further. I have said that the currency was insufficient. How much do we need to float and keep afloat all these enormous interests? Where is the arithmetic that will tell you? Where is the backbone of your financial system that will bear it up? I will endeavor to show that you have not, with the consolidated power of your banks and with the financial power of your Government to back them up, been able to bear the first strain of demand upon your currency, but it gave way; and the terror of a panic shook this country worse than old Bald Mountain is now shaking the inhabitants of North Carolina. [Laughter.]

We are all the time increasing and developing. Does it not require more to support the United States than a single State; more to support a State than a county; more to support a county than a village? Now let us look a little at the history of this thing. Your attention, gentlemen, if you please. In 1782 we had one bank in the United States; in 1790 we had four banks; in 1800 we had twenty-eight banks; in 1810 we had eighty-nine banks; in 1820, three hundred and eight; in 1830, three hundred and thirty; in 1840, nine hundred and seven; in 1850, eight hundred and twenty-four; in 1857, fourteen hundred; and now we have two thousand banks. Why this increase? Simply because your country has increased in its resources and in its demands for currency.

The following table, prepared by Mr. Walker in his Science of Wealth, (page 161,) gives the increase and fluctuations of mixed currency circulation and deposit, from 1834 to 1859, showing the currency in 1834 to have been $170,000,000, and in 1859, $452,000,000:

Year.	Currency.	Year.	Currency.
1834	$170,000,000	1847	$197,000,000
1835	186,000,000	1848	331,000,000
1836	238,000,000	1849	305,000,000
1837	276,000,000	1850	240,000,000
1838	200,000,000	1851	284,000,000
1839	225,000,000	1852	328,000,000
1840	182,000,000	1853	348,000,000
1841	172,000,000	1854	392,000,000
1842	146,000,000	1855	377,000,000
1843	114,000,000	1856	408,000,000
1844	159,000,000	1857	445,000,000
1845	177,000,000	1858	341,000,000
1846	202,000,000	1859	452,000,000

Now I ask Representatives to give their special attention to a tabular statement which I have here, from a report of a Secretary of the Treasury, August 31, 1865, and the Finance Report of 1867, pages 3 and 4, when the currency reached its maximum. I will give the round numbers only. There were of 5 per cent. legal-tender notes, $33,000,000; compound-interest notes, $217,000,000; seven-thirties, $830,000,000; United States legal-tender notes, $433,000,000; fractional currency, $26,000,000; cash in the Treasury, $88,000,000; temporary loans used as currency, $107,000,000; certificates of indebtedness representing currency, $85,000,000; making in all $1,820,943,469 of Government currency in circulation at that time. Add to that national-bank notes in circulation at that time, $131,452,000; State-bank notes, say, $240,000,000, and you have in all, on the 31st of August, 1865, a total circulation of $2,192,395,627.

Mr. TOWNSEND. Will the gentleman allow me a question?

Mr. BRIGHT. Certainly.

Mr. TOWNSEND. Having called my attention to this large amount of currency, I would like to inquire of the gentleman whether or not he means there was that much currency in circulation; the larger part of it being a kind of currency that was drawing interest, and consequently more in the nature of an investment than of currency in the hands of the people. I merely want to know if the gentleman understands it as a currency circulating among the people.

Mr. BRIGHT. It was used for the purposes of a currency.

Mr. TOWNSEND. I allude to that portion of it bearing interest.

Mr. BRIGHT. Some of these issues bore interest, but still at the same time they were used as a currency in the country. They were scattered all over the country, not only in New York, Pennsylvania, and other Eastern States, but some few stragglers in their vagrancy found their way even to my own State.

Mr. MAYNARD. If my colleague will allow me, I will suggest to

the gentleman from Pennsylvania [Mr. TOWNSEND] that those issues of which he speaks were engraved and prepared in a form to circulate as money; and as a matter of fact they did so circulate until the interest accumulated so as to make them superior to the ordinary class of currency, and they formed part of the reserve of the national banks.

Mr. TOWNSEND. I must remind the distinguished chairman of the Committee on Banking and Currency [Mr. MAYNARD] that Mr. McCulloch in his report of 1865, speaking of a large portion of this currency drawing interest, stated that only $30,000,000 of it were performing the functions of currency, although several hundred millions of it were afloat.

Mr. MAYNARD. Well, that was his opinion.

Mr. BRIGHT. Mr. Speaker, I state the amount of that currency as reported in the table which is before me—money which was used as currency and treated as currency. The Secretary tells us that he contracted in 1866 and 1867, by funding it in bonds, $686,584,800; in round numbers, $340,000,000 per annum. Such a contraction, I venture to say, was never before witnessed upon the face of the globe by the ordinary operations of government. In two years $686,000,000 were taken out of the circulation of the country!

But I do not stop there. I shall not follow the reduction of the currency for the different years, but I will look to the reduction as it appears from the report of the Comptroller of the Currency, December 1, 1873, wherein he shows of national-bank currency, $350,000,000; of legal-tender notes, $356,000,000; of fractional currency, $47,000,000; making altogether $759,000,000; from which deduct the reserve, $128,000,000, leaving $631,020,512 as the only available circulating medium in the United States; I mean Government circulation.

On page 88 of the same report the same officer shows the amount of outstanding State-bank notes, $174,714. Page 59 of the report of the Treasurer of the United States shows, outstanding of seven-thirty notes on the 1st of July, 1873, $293,450.

Now I beg attention to the summary:

National-bank notes, legal-tender notes, and fractional currency, as per report of the Comptroller of the Currency	$631,020,512
State-bank notes	174,714
Seven-thirty notes	293,450
Total available currency in the United States, (gold excepted, which was a commodity)	631,488,676

The reserves, being held by the Treasury and by the banks, are not added, because they were held as security and not as circulation.

Now, let us see the summary of the reduction. On the 31st of August, 1865, we had $2,193,395,627 of currency. On the 1st of November, 1873, we had $631,488,677, making a reduction of $1,560,906,851, or an annual reduction, during eight years, of $195,113,356. Where did it go? It was swallowed up in the bonded debt of the United States.

Where is the proof? Look to the destruction account of the Treasurer, which is before me. It shows an actual destruction of upward of $1,900,000,000 of this circulation. I do not mean the statistical destruction, but the destruction of the currency. In addition to that, you have driven out of circulation the notes of the State banks, leaving only $631,488,000 of currency in the United States—to answer what purpose? To spread over illimitable territory; to distribute among forty-five millions of people; to furnish money for sales of capital or wealth, amounting now to about $40,000,000,000; to pay national, State, county, city, corporation, and individual indebtedness, amounting to $9,000,000,000; to pay for the marketable proportion of annual productions of all sorts, $10,000,000,000; to pay taxation, United States, State, county, and town, $611,000,000; to pay interest on the public debt and private debt, $500,000,000; to pay for the annual construction and operation of railroads in the United States, $1,000,000,000; to pay for annual imports into the United States, $642,000,000; to pay for the support of schools, colleges, churches, book concerns, newspapers, for building houses and towns, founding new States, and to pay for the personal expenses of the millions that move every day upon the railroads and public thoroughfares, $500,000,000 more.

Ah! where is your money to float, and keep afloat, these vast interests? The outstanding amount is altogether insufficient, as is proven by the vast body of demands against it which I have recited. It is proven by the Eastern States objecting to a reduction, though some of them have as high as sixty-one dollars *per capita;* by the deficiency of the fourteen Southern and Southwestern States, they having only $2.91 *per capita;* by the deficiency of the Western States, they having only $7.09 *per capita;* by the comparison of currency, by which it appears that the Southern and Southwestern States in 1862 had of paper currency $71,000,000; while in 1873 they had only $38,000,000; by a comparison of productions, the gross productions of the Southern and Southwestern States being, in 1873, according to a tabular statement which I have here, $2,038,000,000, more than half of which is thrown upon the market; while in 1860, so far as can be ascertained from the census report, the amount was less than half; by comparison of prices of merchandise and mechanical implements, which, it appears, were, in 1870, 50 per cent. higher than in 1860, though the fourteen Southern and Southwestern States had twice the amount of currency in 1860, while they have twice the annual productions now; by the great increase in national wealth and resources; by the twenty-fold increase in debt and taxation; by the reduction in prices of land, amounting to from 50 to 500 per cent. all through the southern section of country; by the dead-lock of trade; by the wrecks of fortunes, great and small; by the bankruptcy which stares the country in the face; by the cry of two-thirds of the population of the United States, demanding "money, money, money," in order to relieve their wants in a financial point of view, and to save them from bankruptcy.

Statement of the gross productions of Southern and Southwestern States in 1873.

States.	Annual value of farm productions, wages, &c.	Annual value of manufactures, &c.	Annual products of mining, &c.	Total.
Alabama	$67,522,335	$13,040,644	$52,500	$81,115,479
Arkansas	40,701,998	4,629,234	.....	45,331,232
District of Columbia	319,517	9,292,173	.....	9,611,690
Florida	8,909,746	4,685,403	.....	13,595,146
Georgia	80,390,228	31,196,115	49,280	111,625,623
Kentucky	87,477,374	54,625,809	509,245	142,612,428
Louisiana	52,006,622	24,161,905	1,200	76,169,727
Mississippi	73,137,958	8,154,758	.....	81,292,711
Missouri	103,035,759	206,213,429	3,472,513	312,721,701
North Carolina	57,845,940	19,021,327	638,302	77,505,569
South Carolina	41,909,402	9,858,981	19,888	51,788,271
Tennessee	86,472,847	34,362,636	776,292	121,601,330
Texas	49,185,170	11,517,302	900	60,703,372
Virginia	51,774,801	38,364,322	409,914	90,549,037
West Virginia	23,379,692	24,102,201	2,538,531	50,020,424
Total				1,326,243,740
Add other productions not enumerated, from forests, fields, and fisheries				15,000,000
				1,341,243,740
Add increase of four years of tenth decade, at 13 per cent. per annum, being the rate of increase according to the Special Commissioner of the Revenue, December 17, 1869, in his report to Congress				697,686,744
Total present annual productions				2,038,930,484

But some gentlemen may say, "You down South there perhaps do not deserve this currency." Do not make that fatal argument against yourselves. You may abuse us; you may entertain a heartless and vindictive spirit toward that section of the country; you may destroy her industries if you choose; you may butcher her, but like the dead Siamese twin (and permit me to follow out the figure) she will spread mortification to every interest you have. Whenever she ceases to buy your manufactured articles the fires of your mills will be put out; when she ceases to buy your cotton goods the hum of your factories will be hushed; when she ceases to exchange her cotton with you, then your factories and workshops will all sink and perish. Mr. Speaker, whenever she ceases to give her influence and help to the mighty productions of this country, you will find you will sink in a corresponding scale. Mark it, and do not forget it, that it is to your interest as well as to hers to see that all the industries of this country of every section march abreast, and not that the grinding heel of the Government shall be upon one alone. It will recoil upon you; ay, it has recoiled upon you, for the prosperity of one section is the prosperity of every other section and the decay of one section is the decay of every other section to a greater or a less extent.

Then, sir, how much currency is needed? I cannot answer the question, but I venture to say one thing. Distribute $500,000,000 broadcast this day in the land and it will be swallowed up like the water upon a parched desert. Add it, if you choose, to the currency already in the United States at this time, and it still will not make half the amount you had in 1865. Add it to what we have at this time, and it will not make an amount more than equal to the loan account of the national banks against the people of the country. As a plan, however, I would suggest that it might be issued in five equal annual installments. By this process it would be rapidly absorbed in the liquidation of debts and profitable investments; would be combined with labor and intermingled with our diversified industries; made active in production and tributary to national wealth, instead of being locked up in a bonded debt, whose only active property is that of the eating cancer, consuming the body on which it is fastened.

But how shall we get it? I have a plan of my own. How did we lose it? What became of it? In the first place it was retired in five-twenty and other bonds. The principle is easy—redeem or pay off the five-twenty bonds in legal-tender notes and restore the equilibrium which was lost when these notes were retired. You will then improve the finances of the country instead of following the process which has been so oppressive in its character. Restore the lost equilibrium and your vessel will sail upon the bounding waves of prosperity. Redeem your five-twenty bonds, pay them off and give the country legal-tenders. It needs them. When you retire the five-twenty bonds and give the country legal-tenders it will send the blood from the heart to the extremities. It will make the first mantling glow of health upon the cheek of the nation. The country will show again signs of vitality and blood. Instead of the skeleton you will see a body full of flesh and life and vigor.

But I am told that what the country wants is to come to a gold basis. So do I want it. I want to have my foot planted upon it.

You can redeem every one of these legal-tenders in gold. You can redeem them in installments and it will not cost the country a solitary cent of interest. If you make a distribution of that sort it will save untold millions.

But we are told we cannot do it, that the Constitution rises before us and opposes an impassable barrier. I tell you we can. Why, sir, are these bonds payable in bullion or coin? No. What does the Supreme Court say in the Trebilcock-Wilson case, 12 Wallace, 695? This case is a battle-ax with which I can cleave down every opposing theory. But time does not permit me to enlarge.

Your legal-tenders bear upon their face that they are good for the payment of all debts, public or private, except interest on the public debt and duties on imports. Bonds do not form one of the excepted cases, but, as a matter of course, are payable as any other debts.

It is known to every gentleman that you passed an act in 1869 saying you would redeem this debt in gold. Suppose you did. It did not form any part of the contract. It was a legislative act and bound nobody, but simply authorized the Government officer to pay in gold. Whenever you repeal it, it is at an end. It is not like the law of the Medes and Persians.

Where is the bad faith? When you say that you shall not pay them in legal-tenders who is defrauded, who is injured? The people of this country, by mere technicalities, brought under the power of an overgrown moneyed aristocracy in the country, the bondholders? Give the people the gold.

[Here the hammer fell.]

Mr. WOOD. I ask unanimous consent that the gentleman be allowed to proceed. How much more time does he wish?

Mr. BRIGHT. About ten minutes.

The SPEAKER *pro tempore*. The Chair hears no objection to the gentleman's time being extended.

Mr. BRIGHT. But, Mr. Speaker, I cannot dwell upon that part of the subject. These five-twenty bonds, as I have argued, are payable in legal-tenders; and the notes issued under the acts of February 25, 1862, and July, 1862, and March, 1863, and the series of 1869, all bear upon their face that they are receivable for all debts, public and private, except interest upon the public debt and duties upon imports. But I will not dwell upon that. I would give the bondholder all that he has a right to claim of the Government. He shall have his pound of flesh. I mean no dishonor, and sooner or later you will find that this country will drive directly to that point in order to save itself from enormous evils.

Now, let us look at these bonds. They have three great roots. One is the interest which is payable to their holders. Another one is the tariff root that strikes under and supports that. Another is the bank root. All mighty roots, that are supported from this bonded debt of the country. Why, sir, here is an interest debt of one hundred and twenty millions. That is levied by means of duties collectible in gold. Your manufacturing establishments all raise the manufactured articles to the same prices under shelter of protection, and they swell to about three or four times as much as the actual revenue duty that is collected; and if we collect one hundred and twenty millions of duties, suppose you add three hundred millions protection to it, and you have four hundred and fifty millions. Then you furnish them as a banking capital which makes a gross profit of a little less than one hundred and fifty millions a year—I know of what I speak—not their returned profits, but the gross profits, and which the country has to pay.

Hence, I say that this bonded debt ought to be paid off; that it is costing the Government and the people of this country now between five and six hundred million dollars a year. I know it is a contrivance not easily understood by the people; but nevertheless the fact so exists.

So far as these banks are concerned, I have a tabular statement here (Walker's Science of Wealth, page 237) showing how the sixteen hundred and forty-three banks in 1868 had an active capital of five hundred and twenty-five millions, and upon that they had received interest upon $1,070,160,000; and if we apply the same ratio to the existing banks, they have an active capital now of $665,902,000, on which they are doing a business of $1,830,000,000. The following is a summary of the working of 1,643 banks on the 1st of April, 1868:

Capital	$430, 221, 210
Surplus fund	72, 342, 335
Profits on hand	32, 780, 722
Total working capital	535, 344, 267
We find further these had of—	
Loans and discounts	627, 669, 886
Bonds of the United States	422, 635, 450
Other bonds and mortgages	19, 854, 684
Total on which the banks drew interest	1, 070, 160, 020

The following table exhibits the resources and liabilities of the national banks at the close of business September 12, the date of their last regular report, the returns from New York City, from other redemption cities, and from the remaining banks being given separately:

Resources and liabilities.	New York City, 48 banks.	Other redemption cities,* 181 banks.	Country banks, 1,747 banks.	Aggregate, 1,976 banks.
RESOURCES.				
Loans and discounts	$199, 160, 887 79	$262, 523, 070 82	$478, 549, 345 61	$940, 233, 304 22
Overdrafts	182, 459 04	594, 439 05	3, 209, 914 03	3, 986, 812 12
United States bonds to secure circulation	33, 870, 100 00	89, 591, 050 00	264, 869, 250 00	388, 330, 400 00
United States bonds to secure deposits	650, 000 00	3, 026, 000 00	11, 129, 000 00	14, 805, 000 00
United States bonds and securities on hand	3, 332, 400 00	1, 707, 400 00	3, 785, 050 00	8, 824, 850 00
Other stocks, bonds, and mortgages	4, 552, 797 40	4, 736, 037 68	14, 420, 199 45	23, 709, 034 53
Due from redeeming and reserve agents		32, 279, 436 51	63, 854, 684 15	96, 134, 190 66
Due from other national banks	15, 740, 765 99	10, 976, 896 48	14, 696, 017 59	41, 413, 680 06
Due from other banks and bankers	2, 077, 286 04	3, 335, 728 30	6, 609, 859 07	12, 022, 873 41
Real estate, furniture, and fixtures	8, 469, 984 33	8, 601, 528 75	17, 590, 310 13	34, 661, 823 21
Current expenses	905, 622 11	2, 380, 410 80	3, 699, 404 08	6, 985, 436 99
Premiums	766, 179, 69	1, 629, 890 56	5, 356, 773 63	7, 752, 843 87
Checks and other cash items	2, 058, 769 53	1, 908, 842 89	7, 466, 300 00	11, 433, 913 22
Exchanges for clearing-house	67, 897, 740 69	21, 028, 262 84		88, 926, 003 53
Bills of other national banks	2, 618, 563 00	4, 955, 579 00	8, 502, 644 00	16, 076, 806 00
Bills of State banks		11, 211 00	15, 826 00	27, 037 00
Fractional currency	338, 394 32	535, 538 90	1, 428, 841 04	2, 302, 774 26
Specie	14, 585, 810 55	3, 210, 970 07	2, 071, 688 83	19, 868, 469 45
Legal-tender notes	21, 468, 530 00	28, 599, 405 00	42, 279, 728 00	92, 347, 663 00
United States certificates of deposit	10, 810, 000 00	7, 550, 000 00	2, 250, 000 00	20, 610, 000 00
Clearing-house certificates		175, 000 00		175, 000 00
Totals	389, 486, 310 48	489, 356, 698 65	951, 784, 836 40	1, 830, 627, 845 53
LIABILITIES.				
Capital stock	70, 235, 000 00	127, 164, 985 00	293, 672, 631 00	491, 072, 616 00
Surplus fund	21, 923, 211 45	32, 470, 516 75	65, 920, 771 00	120, 314, 499 20
Undivided profits	11, 210, 470 03	12, 764, 472 21	30, 540, 189 52	54, 515, 131 76
National-bank notes outstanding	27, 482, 342 00	77, 800, 560 00	233, 798, 897 00	339, 081, 799 00
State-bank notes outstanding	146, 525 00	207, 127 00	835, 201 00	1, 188, 853 00
Dividends unpaid	205, 979 60	320, 700 03	875, 868 26	1, 402, 547 89
Individual deposits	167, 512, 662 74	172, 065, 102 29	283, 107, 798 26	622, 685, 563 29
United States deposits	296, 877 39	1, 496, 332 71	6, 036, 117 63	7, 829, 327 73
Deposits of United States disbursing officers	40, 287 13	1, 326, 753 51	6, 731, 509 49	8, 098, 560 13
Due to national banks	72, 257, 769 25	43, 649, 018 01	17, 765, 945 68	133, 672, 732 94
Due to other banks and bankers	18, 113, 050 50	15, 469, 279 28	5, 715, 819 36	39, 298, 148 14
Notes and bills rediscounted		1, 349, 053 58	4, 638, 458 78	5, 987, 512 36
Bills payable	62, 125 39	3, 272, 799 28	2, 145, 629 42	5, 480, 554 09
Totals	389, 486, 310 48	499, 356, 865 96	951, 784, 836 40	1, 830, 627, 845 53

*The redemption cities, in addition to New York, are Boston, Albany, Philadelphia, Pittsburgh, Baltimore, Washington, New Orleans, Louisville, Cincinnati, Cleveland, Chicago, Detroit, Milwaukee, Saint Louis, and San Francisco.

And they are collecting interest of the people of the country of nearly that whole amount, while they do not produce one single blade of grass or contribute one atom to the aggregate wealth of the country. They are mere instruments of absorption, like mighty sponges applied to the substance of the country, wringing it out and receiving it into their own vaults and to their own advantage.

Why, sir, what do I find in regard to these national banks, from an investigation of them? They cannot increase the currency beyond the limits now fixed by law; but I find that they expand business by loans and discounts. Like the old State banks, I find that they become the reservoirs of all the currency in the country, that they hunt it up and turn all the channels of the money into their own vaults to get the control and the power over it. I find that they thrive best in hard times just as the banks of discount and deposit do, and that they can put the screws down and raise the interest and their profits upon the people, just to the extent they are positively able to bear it. I find that like State banks they expand and contract from the same causes, causing expansion and contraction of prices. They make the standard of values high at one time and low at another; produce irregularities in the industries of the country; gamble in stocks; suspend, break, create panics, freeze up the channels of trade, and cause bankruptcy and ruin in the country. The recent panic cost this country $1,000,000,000, and I dare to make the assertion good whenever it becomes necessary to do so, in paying for the suspension of business, destitution, loss of labor, the sacrifice of property, and contraction in its value.

We find that all banks will suspend or break, from the old bank of Genoa down to Jay Cooke & Co. Even the railroad interest, when it bore down upon them, made every tendon of the banking system crack, and made even the Government financial prop itself give way. They had sold their bonds in Europe until they had glutted that market. They went to New York and there put their bonds in the market when they could not force them abroad, and got the banks to make loans upon them; but whenever the money was wanted for the purposes of trade and commerce, why you found that they could not manage the stocks that had been thrown upon them. Then it was that the people became alarmed, not for the ultimate security of the banks, but because they could not get their money to pay their debts. They rose against the monster that created the panic.

It is not expansion that creates ruin, because the prices of productions will increase with expansion; but whenever you contract your currency, you contract prices everywhere but do not contract your debt. I repeat, it is not expansion, but contraction, that ruins the country. Our Government went in debt and then contracted its currency, but never contracted its debt; so that it now requires three times the quantity of productions to pay the debts of the Government and individuals as it did before the contraction in 1865. That is where the difficulty is. What the country needs is more legal-tenders, more money and less debt.

Now, as to the bill before the House, I might, and perhaps shall, vote for it as a choice of evils. If nothing better can be obtained, I may be compelled to accept it; but I shall do so only as a means of breaking up our consolidated system of finance and trade; I shall use it as a lever to lift the stranded vessel over the shoal, in the hope that at another time we shall readjust our finances and give the people a currency that will be sound and safe, do justice to all, and cost the people nothing, or at least bear equally on all and oppressively on none.

In conclusion, I ask the attention of the House to the following petition of leading and representative men in relation to the currency from my own section of the country:

To the honorable Senators and Representatives in Congress assembled:

The undersigned citizens of Rutherford County, Tennessee, would most respectfully represent that there is a great deficiency in the amount of currency required to remove the crops and carry on the commerce of the Southern States, which has produced a financial crisis, stagnating business of every description. Indeed, unless speedy relief is afforded by the national Government, a large majority of our citizens will be involved in bankruptcy.

We therefore pray that your honorable body authorize, by enactment, the Treasurer of the United States to increase the volume of currency by issuing, as early as practicable, at least five hundred millions of additional legal-tender notes.

Respectfully submitted.

W. Roulit, J. R. Osborn & Bro., R. T. Tompkins, J. M. Avtan, James A. Leiper, J. E. Dromgoole, J. N. Clark, J. M. Witherspoon, W. M. Rud, A. P. Lowe, James F. Fletcher, G. H. Baskett, R. D. Reid, R. T. Martin, L. B. Wade, J. J. Lawing & Son, W. C. Eagleton & Brother, Edward A. Keeble, B. Smith, W. H. Blanch, George W. H. Blanch, J. H. Martin, W. A. Reed, T. F. Bates, Joseph W. Nelson, John Bell, jr., J. G. Nelson, Theo. Smith & Co., R. K. Henderson, Leland Jordan, John Rother, T. B. Miles, R. P. Crockett, C. M. Smith, S. G. McFadden, William N. Mason, J. F. McKinley, Charles N. Buford, Overall, Smith & Co., J. B. Hooker, Thomas Darragh, John W. Wade, S. J. Cobb, John H. Ackers, jr., Joseph Engles, D. Barker, B. F. Lillard, J. D. Miller, W. C. Martin, L. Russell, W. R. Murfree, Robert Carter, J. W. Sparks, J. W. Nisbett, E. L. Turner, P. C. Noland, Jesse A. Collier, Beverly Randolph, Wm. Ellington, Collier & Ellington, Thos. Robertson, Thos. H. Wood, Collier & Jones, E. G. Budd, E. R. Jones, D. H. Salley & Co., McGaughey & Co., Hodge & Smith, G. W. Smith, Isaac Norris, Thomas Black, jr., B. F. Rankin, D. W. Donaldson, George W. Matthews, R. N. Ransom, Ransom & Rankin, W. F. M. Betty, J. P. Baird, J. N. Coffy, W. C. Henry, W. M. Powell, L. C. Watts, W. J. Anderson, A. Moore, Jas. Clayton, J. B. Sanders, Jas. Sanders, W. C. Duffer, John C. Spence, Evander Lytle, J. A. Crutchfield, J. A. Ransom, S. R. Crockett, George W. Ransom, Aaron Turner, R. P. Willeford, J. A. Renshaw, William P. McKnight, J. T. Richardson, J. A. Bodner, Rosenthal Bros., A. Tobias & Brother, M. G. Rosenfeld, John Kerr, M. A. Wilson, Moses Hirach, A. Hibb, William Jeff. Overall, James McCullough, John J. Armstrong, Thomas C. Goodrich, Burrel G. White, John McDermott, sr., C. B. Wooten, J. E. Bates, F. G. W. Vooten, S. B. Boving, I. B. Murfree, H. S. Pugh, L. Q. Smith, Jno. Brown, W. H. Mankin, M. R. Buchanan, W. L. Hume, R. S. Currin, Jno. A. Crockett, J. A. Janning, J. C. Sanders, M. R. Lillard, Ed. Arnold, E. Rosenfeld, W. V. Spence, James Merchant, Benj. Meyerhoff, A. G. Rosenfeld, Mosby & Co., Ellington & Co., C. G. Mitchell, N. B. Black, Rosenfeld & Katz, Chas. R. Lehrberg, Jno. W. Childers, jr., B. L. Ridley, H. H. Clayton, Wm. A. Ransom, D. D. Moore, John W. Jordan, Jno. Lutterson, W. E. Duffer, I. Todd, G. W. Myers, A. B. Kerr, S. F. Byrn, G. D. Whitson, W. T. McHenry, J. H. Barbor, A. Tobias & Bro., K. C. Jones, Charles R. Holmes, I. R. Puckett, J. C. Jackson, J. H. Major, R. Ransom, Thomas B. Fowler, Garland Anderson, R. P. Smith, F. White, John B. Batey, Thomas S. Spain, Joseph Ransar, L. J. Pince, Ben. Batey, F. Nelson, John Gum, John W. Burton, J. L. Cannon, L. M. Maney, W. C. Keeble, W. B. Lillard, R. F. Wasson, Frank Wasson, H. H. Norman, A. G. Henderson, A. W. Page, W. N. Doughty, cashier of Stone Run National Bank, Robert T. Cooper, J. H. Fulgham, G. M. Kerr, L. B. Bowers, F. H. Crass, Peter Bohrman, S. B. Jones, J. K. Murphy, S. W. Troxler, R. J. Turner, Thomas J. B. Turner, J. S. Williams, Thomas H. Fletcher, R. D. Malone, J. Forster, D. Haywood, J. W. Irby, F. C. Mosby, H. B. Barkly, J. Summerhill, William P. Henderson, John Kelly, J. Hickman Weakley, F. H. Allen, J. S. Brigg, G. B. Waller, E. Dillon, F. B. Rankin, Toby Dillon, M. Pitts, B. F. Alexander, N. W. Tilford, J. Jones, W. A. Wilkinson, J. S. McFadden, J. T. McFadden, M. Froehlich, C. D. Ivie, jr., John McDermott, jr., J. B. Lane, R. D. Cook, W. P. Odam, John M. Tanquary, L. M. Roberts, W. F. Leper, A. G. Hagey, D. S. Brown, Herman Manell, S. G. Hunt, S. E. Parrish, Bock & Walter, H. Osborn, sr., James M. Buchanan, A. H. Bothers, W. G. Jones, John Burnett, C. F. Hudson & Co., W. A. Kaps, I. M. Bown, A. H. Leathers, Bonds More Green, W. W. Murphy, D. H. C. Spence, S. J. Graham, James D. Richardson, Joseph B. Saloner, C. B. Huggins, Thomas C. Black, M. D., William Whitman, M. D., Charles Ready, N. B. Buck, J. W. Ewing, S. L. McAdee, W. R. Jones, G. S. Harding, Richard Beard, William Robinson, C. A. Sheafe, Snow S. Jarratt, John Lytle, Hardy Murfree, J. A. Moore, W. E. Baskette, Edward L. Jordan, E. C. Cox, D. D. Maney, J. H. Jackson, H. P. Keeble, jr.

MURFREESBOROUGH, *March* 10, 1874.

Thanking the Chair and the House for the courtesy which has been extended to me, I yield the floor.

APPENDIX A.

EASTERN STATES.

States and Territories.	Apportionment on population.	Apportionment on wealth.	Aggregate apportionment.	Outstanding and authorized circulation.	Excess.	Deficiency.
Maine	$2,877,818	$2,053,200	$4,931,018	$8,020,252	$3,098,234	.....
N. Hampshire	1,461,138	1,486,800	2,947,938	4,624,525	1,676,587	.....
Vermont	1,517,376	1,380,600	2,897,976	6,932,030	4,034,054	.....
Massachusetts	6,689,889	12,549,300	19,239,189	59,523,671	40,284,482	.....
Rhode Island	997,747	1,752,300	2,750,047	13,385,840	10,635,793	.....
Connecticut	2,467,152	4,566,600	7,033,752	17,994,648	10,960,896	.....
Total	16,011,120	23,788,800	39,799,920	110,469,966	70,690,046	.....

SOUTHERN AND SOUTHWESTERN STATES.

Dist. Columbia	$604,560	$743,400	$1,347,960	$1,530,091	$182,131	.....
Virginia	5,624,042	2,407,200	8,031,242	3,902,342	.....	$4,128,900
West Virginia	2,029,041	1,115,100	3,144,141	2,360,307	.....	783,834
North Carolina	4,918,022	1,539,900	6,457,922	1,819,300	.....	4,638,622
South Carolina	3,239,045	1,221,300	4,460,345	2,319,500	.....	2,140,845
Georgia	5,435,587	1,575,300	7,010,887	2,365,605	.....	4,645,282
Florida	861,846	265,500	1,127,346	90,000	.....	1,037,346
Alabama	4,576,646	1,185,900	5,762,546	1,541,133	.....	4,221,413
Mississippi	3,800,529	1,239,000	5,039,529	5,876	.....	5,033,653
Louisiana	3,336,863	1,893,900	5,230,763	3,646,870	.....	1,583,893
Texas	2,757,640	838,100	4,695,740	930,960	.....	3,764,780
Arkansas	2,223,936	920,400	3,114,336	192,495	.....	2,951,841
Kentucky	6,064,027	3,557,700	9,621,727	7,637,900	.....	1,983,827
Tennessee	5,777,118	2,938,200	8,715,318	3,341,736	.....	5,373,582
Missouri	7,901,509	7,557,900	15,459,409	6,476,193	.....	8,983,216
Total	60,150,411	29,008,800	89,249,211	38,160,308	182,131	51,271,834

WESTERN STATES.

Ohio	$12,234,726	$13,151,100	$25,385,826	$23,876,370	.....	$1,509,456
Indiana	7,714,871	7,469,400	15,184,271	14,706,415	.....	477,856
Illinois	11,659,230	12,496,200	24,155,430	17,824,209	.....	6,331,221
Michigan	5,435,357	4,230,300	9,665,657	7,485,043	.....	2,180,614
Wisconsin	4,841,403	4,141,800	8,983,203	3,253,316	.....	5,729,887
Iowa	5,481,081	4,230,300	9,711,381	5,674,385	.....	4,036,996
Minnesota	2,018,445	1,345,200	3,363,645	3,330,414	.....	33,231
Kansas	1,672,754	1,115,100	2,787,854	1,825,496	.....	962,358
Nebraska	564,592	407,100	971,692	809,500	.....	162,192
Total	51,622,459	48,586,500	100,208,959	78,785,148	.....	21,423,811

PACIFIC STATES AND TERRITORIES.

Nevada	$195,052	$177,000	$370,052	$11,860	.....	$360,188
Oregon	417,377	300,900	718,277	225,000	.....	493,277
California	2,571,783	3,752,400	6,324,183	.....	.....	6,324,183
Colorado	182,993	123,900	306,893	548,990	$232,102	.....
Utah	398,386	88,500	486,886	419,829	.....	67,057
Idaho	68,852	35,400	104,252	90,000	.....	14,252
Montana	94,540	88,500	183,040	252,000	68,960	.....
Wyoming	41,855	35,400	77,255	72,000	.....	5,255
New Mexico	421,742	194,700	616,442	270,000	.....	346,442
Arizona	44,334	77,700	62,034	.....	.....	62,034
Dakota	64,096	35,400	100,496	45,000	.....	55,496
Washington	109,964	88,500	198,464	.....	.....	198,464
Total	4,611,974	4,938,300	9,550,274	1,924,688	301,062	7,926,648
Grand total	177,000,000	177,000,000	354,000,000	353,968,249	80,589,742	80,621,493

MIDDLE STATES.

States and Territories.	Apportionment on population.	Apportionment on wealth.	Aggregate apportionment.	Outstanding and authorized circulation.	Excess.	Deficiency.
New York	$20,118,813	$38,267,400	$58,386,213	$60,970,000	$2,589,793	.....
New Jersey	4,159,382	5,540,100	9,699,482	11,026,890	1,327,408	.....
Pennsylvania	16,167,317	22,425,900	38,593,217	42,055,781	3,462,564	.....
Delaware	573,873	566,400	1,140,273	1,296,616	156,342	.....
Maryland	3,584,651	3,787,800	7,372,451	9,252,847	1,880,396	.....
Total	44,604,036	70,587,600	115,191,636	124,608,139	9,416,503	.....

APPENDIX B.

Comparative table, exhibiting by States the bank circulation, the amount per capita, and the ratio of circulation to wealth and to capital, previous to the organization of the national banking system and in 1873.

EASTERN STATES.

States and Territories.	Bank circulation.		Circulation per capita.		Ratio of circulation to wealth.		Ratio of circulation to capital.	
	1862.	1873.*	1862.	1873.	1862.	1873.	1862.	1873.†
					Perct.	Perct.	Perct.	Perct.
Maine	$6,488,478	$8,029,252	$10 33	$12 81	3.4	2.3	81.3	84.1
New Hampshire	4,192,034	4,624,525	12 86	14 53	2.6	1.8	85.3	89.0
Vermont	5,621,851	6,932,030	17 84	20 97	4.6	2.9	143.7	83.0
Massachusetts	28,957,630	59,523,671	23 52	40 84	3.5	2.8	42.8	65.2
Rhode Island	6,413,404	13,385,840	36 73	61 59	4.7	4.5	30.7	65.0
Connecticut	13,842,758	17,994,648	30 08	33 48	3.1	2.3	63.5	70.9
Total	65,516,155	110,489,966	20 90	31 68	3.5	2.7	51.7	68.9

MIDDLE STATES.

New York	$39,182,819	$60,976,006	$10 10	$13 91	2.1	0.9	36.0	54.4
New Jersey	8,172,398	11,026,890	12 16	12 17	1.7	1.1	99.8	79.0
Pennsylvania	27,689,504	42,055,781	9 53	11 94	1.9	1.1	106.8	78.6
Delaware	678,340	1,296,615	6 04	10 37	1.5	1.3	176.2	85.1
Maryland	6,649,030	9,252,847	9 68	11 85	1.8	1.4	54.9	67.8
Total	82,372,091	124,608,139	9 97	12 82	2.0	1.0	53.1	64.0

SOUTHERN AND SOUTHWESTERN STATES.

Dist. of Columbia	.....	$1,530,091	.....	$11 62	.....	1.2	.....	88.6
Virginia	$19,817,148	3,902,342	$12 41	3 18	2.5	1.0	120.2	83.1
West Virginia	.....	2,360,307	.....	5 34	.....	1.3	.....	90.1
North Carolina	5,218,598	1,819,300	5 26	1 70	1.4	0.7	66.3	80.4
South Carolina	6,089,036	2,319,500	8 65	3 29	1.0	1.1	40.7	68.7
Georgia	8,311,728	2,365,605	7 86	2 00	1.3	0.9	50.2	81.5
Florida	116,250	90,000	83	48	0.1	0.2	27.3	0.0
Alabama	5,055,222	1,541,133	5 24	1 55	1.0	0.8	101.5	82.2
Mississippi	.....	5,876	.....	01	.....	0.0	.....	0.0
Louisiana	8,876,519	3,646,870	12 54	5 02	1.5	1.1	51.0	68.8
Texas	.....	930,960	.....	1 14	.....	0.6	.....	75.1
Arkansas	.....	192,495	.....	40	.....	0.1	.....	90.0
Kentucky	9,035,724	7,637,900	7 82	5 78	1.3	1.3	65.5	84.4
Tennessee	4,540,906	3,341,736	4 09	2 66	0.9	0.7	127.4	86.9
Missouri	4,037,277	6,476,193	3 42	3 76	0.8	0.5	35.9	64.9
Total	71,908,098	38,160,308	6 17	2 91	1.1	0.8	66.3	77.5

WESTERN STATES.

Ohio	$9,057,837	$23,876,370	$3 87	$8 96	0.7	1.1	159.6	80.4
Indiana	6,782,890	14,706,415	5 02	8 75	1.3	1.2	150.9	81.9
Illinois	619,286	17,824,209	36	7 02	0.1	0.9	31.4	77.4
Michigan	131,087	7,485,043	17	6 32	0.0	1.0	.....	73.8
Wisconsin	1,643,200	3,253,316	2 12	3 08	0.6	0.5	53.8	83.7
Iowa	1,249,000	5,674,385	1 85	4 75	0.5	0.8	156.5	88.3
Minnesota	198,494	3,330,414	1 15	7 57	0.4	1.5	62.4	75.0
Kansas	2,770	1,825,496	03	5 01	0 0	1.0	5.3	77.8
Nebraska	.....	809,500	.....	6 58	.....	1.2	.....	87.5
Total	19,684,564	78,785,148	2 49	7 09	0.6	1.0	125.4	79.7

PACIFIC STATES AND TERRITORIES.

Nevada	.....	$11,864	.....	$0 28	.....	.....	.....	0.0
Oregon	.....	225,000	.....	2 47	.....	0.4	.....	90.0
California	.....	.....	.....	.....	.....	.....	.....	.....
Colorado	.....	538,995	.....	13 52	.....	2.6	.....	76.2
Utah	.....	419,829	.....	4 84	.....	2.6	.....	90.0
Idaho	.....	90,000	.....	6 00	.....	1.4	.....	90.0
Montana	.....	252,000	.....	12 24	.....	1.7	.....	63.0
Wyoming	.....	72,000	.....	7 90	.....	1.0	.....	43.2
New Mexico	.....	270,000	.....	2 94	.....	0.9	.....	90.0
Arizona	.....	.....	.....	.....	.....	.....	.....	.....
Dakota	.....	45,000	.....	3 17	.....	0.7	.....	90.0
Total	.....	1,924,688	.....	1 82	.....	0.2	.....	79.3
Grand total	$238,671,210	353,968,249	$7 50	9 18	1.5	1.2	58.9	69.2

*Outstanding and authorized circulation. †Outstanding circulation.

NOTE.—The circulation of the State banks in the year 1862 has been obtained from page 210 of the report of the Secretary of the Treasury on the condition of the banks at the commencement of the year 1863. The returns from Delaware, Maryland, Louisiana, Tennessee, and Kentucky were not complete. The aggregate amount of State bank circulation reported at the time was much greater than at any previous period.

APPENDIX C.

Report of Special Commissioner of the Revenue to Congress, December 17, 1869, pages 7 and 8, presents the following statistical facts in relation to the operations of railroads:

"An analysis of the railway system of the United States, which has been made for the first time during the past year," presents us with results which, were they not founded on incontrovertible data, would seem fabulous. Thus the ratio of the gross earnings to cost of the railroads of the whole country for the year 1867 was equal to about 21 per cent.; for the Northern States about 23 per cent. The railroads of the country, therefore, now receive their cost in a little more than four years, and this ratio of gross earnings to cost is steadily increasing with the increase of the railway system and traffic of the country.

"Again, 'the average number of tons of freight carried upon the railroads of the country is estimated at 2,000 tons per mile of road. The tonnage of the railroads of Massachusetts, in 1867, equaled 3,812 tons per mile; that of the railroads of New York, 3,100 tons; and that of Pennsylvania, 6,000 tons. The gross tonnage of the 39,284 miles of railroad in existence at the close of 1867, at the above estimate, was equivalent to 78,568,000, and if we deduct from this amount 15,000,000 tons for coal and other cheap material, and an equal amount for duplications of the same tonnage on different roads, there will be left 48,488,000 tons of merchandise moved annually upon all the railways of the United States. At an estimated value of $150 per ton for this tonnage, the total annual value of the merchandise traffic of all the roads at present equals $7,273,200,000.'"

The total amount of tonnage transported on all the roads of the country for the year 1851 is estimated by good authorities at not exceeding 10,000,000 tons. If from this we deduct 3,000,000 tons for coal and other cheap materials, and 1,000,000 tons for duplications, there will be left a merchandise tonnage of 6,000,000 tons in 1851, against 48,488,000 tons in 1867. The rate of increase in this period, therefore, has been equal to 800 per cent., and the actual increase 42,488,000 tons. At the estimated value of $150 per ton, the increase in the value of the railway merchandise of the country in sixteen years has been $6,373,200,000, or at the rate of nearly $400,000,000 per annum. And it should also be noted that one-half of this total increase has taken place in the seven years that have elapsed since 1860.

The increased movement on the railways of the United States, which in the main represents increased product, also affords some indication of the progress of the development of the country. Thus, the earnings of the ten principal railway lines of the West exhibit for the first ten months of 1868 (with a decrease rather than an increase of freight rates) a gain of 8 per cent. as compared with earnings of the corresponding months for the year 1867. Taking also the movements on the railways and canals of the State of New York, which are known to be accurate, and at the same time accessible as a measure of comparison for the whole country, we find that the total annual tonnage increased from 7,138,917 tons in 1858, to 16,032,006 in 1868, an increase of 124 per cent.; while the annual value of the tonnage thus moved increased from $486,816,505 in 1858, to $1,723,336,207 in 1867, a gain of 254 per cent.

An examination of the railroad statistics of the whole country for the above period further indicates that during the ten years above referred to, or from 1858 to 1868, the increase of tonnage moved on the railways of the United States has been at a rate sixteen times greater than the ratio of the increase of population.

* Rise, Progress, Cost, and Earnings of the Railroads of the United States. H. V. Poor. New York: 1868.

APPENDIX D.

The following is a comparative table from the report of the Special Commissioner of the Revenue for 1869, showing the weekly expenses of families of workmen in the United States in 1867, and in Belgium in 1853:

Articles.	Families consisting of—			
	Two adults and three children.		Two adults and four children.	
	United States.	Belgium.*	United States.	Belgium.*
Bread and flour	$1 32	$1 13	$2 79	$1 27
Meat, fresh and salted	2 83	.....	2 56	.....
Butter and lard	1 43	27	1 64	64½
Cheese	34	.....	33	.....
Sugar, molasses, spices, vinegar, &c	1 26	16	1 26	8½
Tea	41	.....	51	.....
Coffee and chicory	39	17½	34	15
Soap and starch	40	5½	32	9
Milk	47	8	41	10
Eggs	40	.....	31	.....
Potatoes and other vegetables	97	67½	90	63
Fruits, fresh and dried	48	.....	63	.....
Fuel	94	27	1 13	27
Oil or other light	20	.....	30	.....
Other articles	80	57	1 22	28
House rent	2 38	40½	3 14	34½
Total, except clothing	15 02	†3 79	17 79	†3 86
Add 20 per cent. for advance in prices since 1853	.....	76	.....	77
	.....	4 55	.....	4 63
Increased cost in United States	.....	10 47	.....	13 16
	15 02	15 02	17 79	17 79

*In United States currency, the franc computed at 27 cents.

†These were the expenses in 1853. Since that period provisions have advanced in price from 10 to 20 per cent.

APPENDIX E.

Walker on Science and Wealth furnishes the following statistics, (page 427,) and states that the Annuaire Encyclopédique has the following statement of the armies of Europe for 1863:

Countries.	Army.	Population.	Cost, per soldier.	1 in—	Total cost.
Russia	1,000,285	64,000,000	$105 29	64	$105,848,000
France	513,349	37,500,000	268 18	73	137,729,075
Austria	467,211	35,019,058	144 00	75	67,310,840
Turkey	429,000	39,000,000	76 00	91	30,000,000
Italy	314,285	21,920,269	209 79	70	65,394,225
Great Britain	300,323	29,193,319	446 18	97	135,485,875
Prussia	214,482	18,500,446	147 60	86	31,346,730
Spain	120,000	15,500,000	209 20	129	25,132,370
Sweden	67,867	2,855,883	50 39	56	3,417,320
Holland	59,431	3,569,486	158 18	60	9,381,580
Denmark	50,000	2,605,024	71 37	105	3,507,729
Belgium	40,115	4,671,183	106 29	117	6,450,525
Roumania	20,000	4,000,000	118 00	200	2,360,000
Norway	18,157	1,433,764	93 00	79	1,689,540
Greece	10,291	1,096,000	99 60	100	1,084,500
Roman States	8,845	684,306	100 00	77	886,965
Servia	2,500	985,000	71 39	344	178,880
Switzerland					
Total	3,815,217	299,494,195	168 87	77	644,283,888

The report of the Secretary of the Treasury for 1863 showed that the United States expended for the Army	$747,359,882
For the Navy	82,177,510
Total	829,532,338

Being 33 per cent. more than all the war expenditures of Europe for that year.

Mr. WHITTHORNE. Mr. Speaker, in the midst of an abundant crop, with all the manufacturing industries of the country employed to the full bent of their capacity; when nature had yielded to labor a more promising return than had ever before blessed this people—estimated by the billions, and nearly 20 per cent. in value over any of the preceding five years—the country was startled by a monetary crisis, as rapid in its career as it was fatal to individuals and sections. With much the same feeling as, when aroused from the deep slumbers of the night by the cry of fire, one beholds the destruction by the devouring element of the comforts and protection which years of toil have secured, were the great, patient, toiling masses of the people awakened to witness the disappearance and destruction of the fruits of their labor and their care, by an element as fatal and as devouring as that of fire.

The panic of September, 1873, swept away the great financial and banking firm which had carried the credit of the Government during a period as perilous, as momentous, and as great as ever drew upon the resources and faith of any government, and prostrated the fortunes of individuals by the thousand, and in the shrinkage in price if not in values, it caused to the products of the South and West, and the manufactures of the entire country, estimated by the hundreds of millions, will make an epoch in the monetary history of the world, the study of which will form material for thought and instruction for years to come. However, its immediate effect and lesson is upon us and the people we represent. The consequences of the panic, in its derangement of business, in shrinkage in values, in its loss of confidence, all manifested in the countless thousands of laborers and their families, who, being without bread, or the employment to make it, appeal to charity; in the stoppage of small industries, in the penurious and straitened condition of the agricultural laborers alike in the cotton-fields of the South and the grain-fields of the West, in the depths of the burden felt by all classes, caused by the support of their national, State, and local governments, are the facts we have to confront. And in the midst of this financial distress there come to us two voices: One from those who were the direct agents and actors in producing it, many of whom derived profit and commission from its dire agonies and misfortunes, and all of whom used for their own relief the agencies they would now deny to the great mass of the people. From that great mass comes the other voice; it is alike a wail, a protest, and a demand—a wail for the ruin by which they are either surrounded or threatened, a protest against the means by which it was produced, and a demand for relief and protection against its disasters and against its recurence.

Profoundly surprised must the people be to learn that when they demand currency for their relief, they are to be informed by those bankers who demanded and coerced the Secretary of the Treasury into the purchase of fourteen millions of bonds in order to get the currency then in the Treasury, and who persuaded him to cut loose the forty-four million reserve, and who, not content with these questionable proceedings, openly violated the law and created millions of dollars of currency in certified checks, in order to bridge over the peril by which they and their immediate favorites were environed, that they, the people, do not need it. And while by these agencies they have in a great measure escaped the ravages of the storm, yet away far from them, among the producers and laborers in the real field of wealth where now the storm holds high carnival of ruin and bankruptcy, no such shelter as they have used shall be provided for the people. That currency (illegally got and illegally manufactured) saved the East and New York, and was a healthful medicine for the banks and brokers, yet it is poison to the South, the West, and the people.

Sir, let us recur to the protest of the people against the agencies by which this financial distress was produced, and then inquire into and meet their demand for relief against its disasters and protection against its recurrence.

By what agencies has this financial distress been produced? I answer without hesitation, it proceeded directly from the system of banking and currency created by your laws.

Turn with me for a moment to that system. Briefly stated, our currency is supposed to consist: first, of gold and silver, which pay all debts or dues, public and private; secondly, of Treasury notes, which pay all debts, public and private, and a portion only of public dues; thirdly, national-bank notes, which is a tolerated currency, and pays debts to each united association and a portion of the public dues, but is not a legal tender in payment of private debts.

Gold and silver practically do not now perform any of the offices of currency; they are by a less valuable material driven from the courses and channels of trade among the people. The national-bank notes, being redeemable by law in the Treasury or legal-tender notes, a certain portion of the legal-tenders must be held as a reserve for this purpose of redemption. And being made of value for that purpose, the moment, almost, that the debtors of a banking institution demand payment, this reserve being diminished, contraction results. And if the moment is one of distrust, it becomes a moment of bankruptcy. This being so, it is possible to make corners, which force these moments of distrust and bankruptcy upon the country. This condition of the currency and this regulation put it in the power of the speculators in the labor and in the real wealth of the country to dictate the price of labor, the value of its products, and to control the wealth of the country, and to diminish the revenues of the Government, national and State, and in so doing to increase the weight and burden of taxation.

It is said, and I will not gainsay its truth, that wild, hazardous speculation, tended to, if it did not precipitate, the panic. But what caused this wild, hazardous, speculative spirit? Turn again to your banking laws, which require the country banks, so called, to have in the redemption cities a portion of their reserve. What is the effect of this? The country banks keep on deposit in New York City an excess of this amount and with such banks as pay the most interest. The amount of the reserve is required to be kept at all hazards. The New York banks do not permit it to lie idle; but being liable to call, it is loaned, not to legitimate trade, but loaned on call at high rates of interest. These high rates of interest cannot be paid by the honest trader, for honest traders cannot afford to pay it, but are paid by the speculator and gambler, who depends upon his ingenuity or rascality for such returns as will enable him to pay it. So wild and reckless has this spirit of speculation become, that it recks not of national honor, only as a source of profit; of national life, only as a means of luxury; of individual fortunes, only as a matter of gain and triumph; of sympathy for human suffering, of pride in human happiness, there is none. All this is encouraged, and has the sanction of your present system of currency and banking.

Are these idle and unsustained statements? No. They are supported by the proof, which I read you from the Comptroller of the Currency in his last report, who says:

> The national currency act requires that the country banks shall hold 6 per cent., the redemption cities 12½ per cent., and the New York City banks 25 per cent. of their liabilities in cash, making an aggregate of cash reserve of from 13 to 15 per cent. The remainder of the reserve required to be held by the country banks may be on deposit with the banks in the redemption cities, while that of the redemption cities may be on deposit in the city of New York.
>
> These large accumulations in the redemption cities, and in the banks of the city of New York, are to a large extent invested in call loans, the banks in the redemption cities and in the city of New York having no resource like the joint-stock banks of England in which to place their surplus of reserves, which can be readily converted in the markets of the world into coin, if occasion shall require; and it can hardly be doubted that if the surplus means of the country banks, which were invested in call loans by their city correspondents, had been invested in funds convertible into cash upon demand, the disastrous results of the late panic would have been largely avoided.
>
> The crisis was caused in a great degree by the desire of the country banks to withdraw their balances from the city banks: first, because in the month of September the amount on deposit with the city banks was needed for the legitimate purposes of trade; and secondly, because the country banks, foreseeing and fearing the return of the experience of previous years, thought it safer to withdraw their balances at once. When the reserves of the New York City banks became alarmingly reduced by the drafts of their country correspondents, the only resource left to the city banks was to convert their call loans, amounting to some $60,000,000; but these, if paid at all, were paid in checks upon the associated banks, and the latter found, the next morning, at the clearing-house, that, although a portion of their liabilities had been reduced by the payment of call loans, they were in the aggregate no richer in currency than on the previous day. Suspension followed.

And again, on page 23, the Comptroller, quoting from a previous report, says:

> The reserves of the nineteen hundred national banks located elsewhere than in the city of New York are held to a great extent in that city. For most of the time during the past year an amount equal to more than one-fifth of the capital of all these national banks has been held on deposit by the national banks of the city of New York to the credit of their correspondents. In many cases these credits amount to twice the capital of the bank with which they are deposited; in other cases the amount of deposits is three, four, and even five times the capital, which amount has been attracted thither largely by the payment of interest on deposits. The failure of one of these New York City banks in a time of monetary stringency would embarrass, if not ruin, many banks in the redemption cities, and, in turn, the country correspondents of these banks would suffer from the imprudence of the New York bank, which would be responsible for wide-spread disaster. * * *

In times of excessive stringency loans are not made by such associations to business men upon commercial paper, but to dealers in speculative securities, upon short time, at high rates of interest; and an increase of call loans beyond the proper limit is more likely to afford facilities for unwarrantable stock speculations than relief to legitimate business transactions. * * * * *

The variations in the liabilities requiring reserve in the banks of the city of New York are very great. The banks outside of New York, during the dull season, send their surplus means to that city for deposit upon interest, to await the revival of business. The banks in the city of New York, at such periods of the year, have no legitimate outlet for these funds, and are therefore threatened with loss. The stock board takes advantage of this condition of affairs, speculation is stimulated by the cheapness of money, and a market is found for the idle funds upon doubtful collaterals, and the result is seen in the increased transactions at the clearing-house, which, during the past year, exceeded $32,000,000,000, or an average of more than $100,000,000 daily—not one-half of which was the result of legitimate business; the total amount of transactions being greater than that of the bankers' clearing-house of the city of London. The evil arises largely from the payment by the banks of interest on deposits, an old-established custom which cannot easily be changed by direct legislation.

Again he says, on page 28:

The present financial crisis may in a great degree be attributed to the intimate relations of the banks of the city of New York with the transactions of the stock board, more than one-fourth, and in many instances nearly one-third, of the bills receivable of the banks, since the late civil war, having consisted of demand loans to brokers and members of the stock board, which transactions have a tendency to impede and unsettle, instead of facilitating, the legitimate business interests of the whole country. Previous to the war the stock board is said to have consisted of only one hundred and fifty members, and its organic principle was a strictly commission business, under a stringent and conservative constitution and by-laws. The close of the war found the membership of the stock board increased to eleven hundred, and composed of men from all parts of the country, many of whom had congregated in Wall street, adopting for their rule of business the apt motto of Horace, "Make money; make it honestly if you can; at all events make money." The law of the State of New York, restricting the operations of the stock board, which had been retained on the statute-book since 1813, had, unfortunately, been repealed in 1858, so that its members and manipulators were enabled to increase their operations to a gigantic scale.

Again, says the late Secretary of the Treasury, now a Senator of the United States, in a recent speech delivered in the Senate:

The processes by which the currency of the city of New York was inflated are generally well understood. The statistics show that the deposits of the banks of the city of New York, including the national banks and the banks established under the laws of the State, were increased $50,000,000 between the month of April and the month of September. Four banks in that city were indebted during a portion of that period of time to the extent of more than $50,000,000. The presence of this vast sum of money in New York, accumulated by unnatural processes, brought upon that city, and then upon the whole country secondarily, the evils which we are now called to consider.

* * * * * * *

If, therefore, anything can be inferred from the experience of the last autumn it is this: that the accumulation of currency in the city of New York by artificial means produced an inflation of the currency in that city, led to speculations, to excitement, disaster, and ruin.

I repeat, sir, that the panic of September, 1873, is the direct consequence of the existing banking and currency laws. There is yet one view of the immense danger that lies in it that it seems to me has not fully been weighed and cared for by those who have charge of the present bill, or by those who look to a continuance of national-bank notes as a portion of the currency. The national-bank note is redeemable in legal-tenders or gold. Of gold there is none for purposes of redemption. Of legal-tenders there is, say, an equal amount to the national-bank notes. Now, let distrust, want of confidence, or any other cause, start the process of redemption with the banks, and we have seen it is likely to occur, and the Treasury note is sought for because of its higher functions. The national banks must hold every legal-tender note, and their own notes, as they may receive or collect them; the legal-tender to pay in redemption, and their own to prevent immediate demand for redemption. The first result is, that both amounts are being contracted; the legal-tender in being hoarded, and the national-bank note in being retired. The second result is, that when confidence is shaken in these institutions, a rapid, severe, and large contraction takes place, fatal in immediate disaster and bankruptcy. The amount of legal-tenders, the redemption agent, is not created by labor or toil. No such agency can add to its amount; that is fixed by your arbitrary laws and may be bought, secured, and controlled by those who are willing to laugh at your fears and mock at your calamities.

Again, if the immense sum of money under the name of reserves, which is drawn from the country banks into New York and other redemption cities, was permitted or compelled to remain with the country banks, the tendency would be first to discourage speculation, and secondly to encourage the growth of producing wealth.

If the cotton-planter, the tobacco-producer, and the grain-grower were enabled to select the time and place of selling, instead of having both, in a great measure under the present banking system, dictated by brokers in New York, the profits of the market in lieu of passing into the pockets of the broker would pass into those of the farmer and planter.

Again, it is possible that the idea of redemption agencies in the large centers of trade was originated under the belief that the day was not distant when national-bank notes would be convertible into coin; but that is a delusion—an event not likely to happen during the continuance of the present foreign indebtedness of the United States, and the several States and local corporations thereof. Assuming, without now arguing this proposition, that, for years to come, redemption of national-bank notes with legal-tenders is to be the policy of the country, that is, if national-bank notes are to continue as a part of the currency, what is its practical operation upon the region of country represented by the country banks? It is to take just that amount of legal-tender notes away from its business; and this brings me to the objection to the existing banking laws in this distribution of the bank capital, which is unequal and unjust. Its inequality, together with the requirement that a large proportion of the currency which the producing sections of the country have must be hoarded by the country banks in the redemption cities, makes the laborer and producer subject to the interest and policy of the trader and speculator of the eastern cities. This inequality and injustice is made manifest in the present plethoric condition of the eastern cities, which have drawn unto themselves at diminished prices the substance and fatness of the South and West, and is further attested by the earnest appeals that come from the laboring classes in all the producing States showing their distressed condition.

But, referring to this inequality of banking capital and circulation among the sections of the Union, let us look at the naked facts as they are. It appears, from the last report of the Comptroller of the Currency, the Southern and Southwestern States had of banking circulation in 1862 the sum of $71,098,408, or $6.17 *per capita*. In 1873 they had the sum of but $38,160,308, or $2.91 *per capita*. The Eastern or New England States had of banking capital in 1862 $65,516,155, or $20.90 *per capita*. In 1873 they had the sum of $110,489,966, or $31.68 *per capita*. Since 1862 the negroes have become free laborers and larger consumers, and in every point of view this fact demands for that section a larger amount of currency. There has not been any destruction of lands, and no real diminution in population in these States since 1862. The value of the annual yield of labor in grain, tobacco, cotton, &c., will show that, notwithstanding the war, and its effects upon individuals in those States, yet the wealth, the population, and the industry, that needs at least as much, if not more currency than was used in 1862, is there. But I beg to call attention to a further comparison, exhibiting the gross injustice of the present distribution of banking capital, and, taken in connection with the requirements of the banking law already referred to, makes manifest why the West and South are hewers of wood and drawers of water to the East. I exhibit here a table showing the population of the New England States, and the value of their real and personal property, and then the amount of their banking circulation; and then in juxtaposition exhibit a table showing the population of the Southern, Southwestern, and Western States, the value of their real and personal property, and then the amount of their banking circulation:

NEW ENGLAND.

States.	Population.	Value of real and personal property.	Circulation.
Connecticut	537,454	$744,631,524	.....
Maine	626,915	348,155,671	.....
Massachusetts	1,457,351	2,132,148,741	.....
New Hampshire	318,300	252,624,112	.....
Rhode Island	217,353	206,965,646	.....
Vermont	330,551	235,349,553	.....
Total	3,487,924	4,009,875,247	$110,489,966

WESTERN, SOUTHWESTERN, AND SOUTHERN STATES.

Illinois	2,539,891	$2,121,680,579	.....
Indiana	1,680,637	1,268,180,543	.....
Iowa	1,194,020	717,644,750	.....
Kansas	364,399	188,892,014	.....
Michigan	1,184,059	719,208,118	.....
Minnesota	439,706	228,909,590	.....
Nebraska	122,993	69,277,483	.....
Ohio	2,665,260	2,235,430,300	.....
Wisconsin	1,054,670	702,307,329	.....
Alabama	996,992	201,855,841	.....
Arkansas	484,471	156,394,691	.....
Florida	187,748	44,163,655	.....
Georgia	1,184,109	268,169,207	.....
Kentucky	1,321,011	604,318,552	.....
Louisiana	726,915	323,125,666	.....
Mississippi	827,922	209,197,345	.....
Missouri	1,721,295	1,284,922,897	.....
North Carolina	1,071,361	260,757,244	.....
South Carolina	705,606	208,146,989	.....
Tennessee	1,258,520	498,237,724	.....
Texas	818,579	159,052,542	.....
Virginia	1,225,163	409,588,133	.....
West Virginia	442,014	190,651,491	.....
Total	24,217,341	12,770,112,683	$111,409,156

It will be seen that while the population of the West and South exceeds that of New England twenty millions, and their real and personal property exceeds that of these States over eight millions, as shown by the census of 1870, from which I have quoted, yet New England stands equal in bank circulation. Six States equal to twenty-three! Three millions of population in the East equal to twenty-four millions in the West! The same accommodation to four millions of wealth in the East that you extend to twelve hundred and a half millions in the South and West! It would seem that the mere statement of the in-

equality would demonstrate its injustice; but learned men in finance, and gentlemen of the East versed in the courses of money, say that neither capital nor circulation would go South or West, because you have no capital. If you, say they, had the chance, you have no capital to put into bonds, either as banking capital for issue or discount.

I pause for a moment to test this. Will you take away the tax upon local bank issues? Will you consent that the seventy millions of excess shall be withdrawn from New England and placed for disposal at the West and South? Will you consent, as I shall hereafter argue is the best solution of our present financial difficulties, that the national-bank notes shall be retired, and in lieu thereof legal-tender notes shall be issued? No; none of these will be accepted by Eastern Representatives or Eastern bankers. Your failure to do so shows you do not believe we are without capital, but that you appreciate the power of the vast monopoly you enjoy over the currency of the country. But have we of the West and South capital and wealth? I do not propose to stop at the questions asked and draw inferences from them, but to solicit those who deny it to us, to answer what is wealth, and what is capital. The best definition of wealth ever yet given is, that it is labor. Capital is accumulated property, represented in lands, houses, personalty, bonds, &c. Of these, lands, houses, and personalty may be said to be useful capital. A bond has been defined to be "capital to him who holds it and a tax to every one else." In the South and West we have an abundance of labor; we have lands, houses, personalty, all the means of wealth and all the evidences of useful capital. It belongs to the orator and the poet to describe in appropriate speech its splendor, its magnificence, its extent, and its quantity; to me, the humbler task to invite you to reflect for a moment upon the immense trade of the Mississippi River and its tributaries, the growth of railroads and of cities, the increase in farms and in manufactures, and point to the facts exhibited in your return of exports. While these sections clothe and feed the millions of the East and North, yet they are able to furnish over three-fourths of the exports of the country.

I submit to you a statement of the exports of the United States for the fiscal year 1873.

Statement of exports (domestic and foreign) during the fiscal year ending June 30, 1873.

Articles.	Domestic exports, (mixed value.)	Foreign exports, (gold value.)	Total, (mixed value.)
Grain, and products of	$98,743,151	$1,612,006	$100,355,157
Cotton, unmanufactured	227,243,069	97,406	227,340,475
Coin and bullion	73,905,546	10,703,028	84,608,574
Tobacco, and manufactures of	25,331,946	334,216	25,666,162
Manufactured goods, not specified	208,440,062	10,887,666	219,327,728
Unmanufactured goods, not specified	15,468,789	4,515,189	19,983,978
Total export	649,132,563	28,149,511	677,282,074
In gold value	578,938,985		607,088,496

BUREAU OF STATISTICS, *February* 9, 1874.

EDWARD YOUNG,
Chief of Bureau.

Hon. W. C. WHITTHORNE, *M. C.*

Look to the values of cotton, grain, tobacco, gold and silver, and what little of either that may be the products of the States, other than the South and West, are more than balanced by the manufactured and unmanufactured goods exported from these States. A wonderful exhibit this of the productive industry and wealth of the country, its real capital, refuting incontestably the allegation that we have no wealth or capital. It is the vast bank from which is drawn the main support of your Government and its people. And yet, when this immense country, with all of its industrial and commercial pursuits, is made to pay tribute under the regulations of your banking system to those who are far distant in sympathy and interest from them, by a monopoly whose power and influence are almost without a parallel in commercial history, I submit it is most grievous and unjust.

One of the ablest political economists and statesmen America ever produced said, in terse and forcible words which by their strength commend themselves to the approval of every reflecting mind:

> Can that favor equality which gives to one portion of the citizens and the country, decided advantages over the other? * * * Can that be favorable to liberty which concentrates the money power, and places it under the control of a few powerful and wealthy individuals? It is the remark of a profound statesman, that the revenue is the state. And of course those who control the revenue control the state; and those who control the money power can the revenue, and through it, the state, with the property and industry of the country in all its ramifications. Let us pause for a moment and reflect on the nature and extent of this tremendous power.
>
> Place the money power in the hands of a single individual, or a combination of individuals, and they by expanding or contracting the currency may raise or sink prices at pleasure; and by purchasing when at the greatest depression and selling at the greatest elevation, may command the whole property and industry of the community and control its fiscal operations. * * * Never was an engine invented better calculated to place the destiny of the many in the hands of the few, or less favorable to that equality and independence which lie at the bottom of our free institutions.

You first fix by law the amount of your national-bank currency; you then fix by law the amount and kind of currency in which it is redeemable; you fix by law the places of its redemption, and abstract this amount from the fields of production, and in doing this prefer one section in the distribution of currency; thus logically and purposely placing the money power of the nation in the hands of these parties and this section. And, sir, need I point now—in view of the agency of eastern capitalists in producing the panic and their control of the deposits of the country banks—to the results, an embarrassed Treasury, shrinkage in prices, broken fortunes, closed workshops, and unemployed labor, proving to-day the truth that the money power "may command the whole property and industry of the community and control its fiscal operations?"

Dare I go further, and say here, sir, with parliamentary propriety, that they control the legislation of the country? The counsel of those whose business, whose education and interest, it has been and is to increase the value of money at the expense of labor has been freely tendered, if not sought for; but those whose desire and interest it is to increase the price of labor and their products have had no paid counsel or attorneys before us. They, the masses, in their honest faith, rely upon us, their public Representatives in this House. Shall we emancipate them and their labor from this thralldom and serfdom, more powerful and exacting in its requirements of tribute and service than any form of feudalism that ever existed?

I deem it appropriate, here and in this connection, to refer to the "savings-banks," so called, as a part of the monetary system of the country. "Bank deposits," through agency of drafts and checks, form a large part of the currency of the country. The protection of depositors, and through them this part of the currency of the country, does not seem to have secured that care and attention upon the part of local Legislatures and the authors of the present national banking system which the importance of the large amount of individual deposits demanded.

Turning to the last report of the Comptroller of the Currency, made to the present session of Congress, I find the aggregate amount of individual deposits in the savings-banks of eight States to be $663,244,179; and the individual deposits in the national banks, (September 12, 1873,) to be $622,685,563. Now, estimating the individual deposits in the savings and other banks of the remaining twenty-nine States to be equal to one-third of the amount given for the savings-banks of the eight States, and you have a grand total of about $1,500,000,000 of individual deposits, which, through the agency I speak of, form a portion of the currency of the country.

It has been said, Mr. Speaker, that land, houses, bonds, and mortgages are the capital of the rich, while currency is the capital of labor and of the poor. The value of your land, houses, mortgages, and bonds, this form of capital, depends upon the value and health of labor. Currency, then, being the capital of labor, it is a high duty of the legislator to see that that "currency" should be full, healthy, and life-giving, not life-destroying.

I pause for a moment to ask your reflection upon previous bank suspensions, monetary crises, and panics, more particularly in this country; that they, as well as this one, were precipitated and attended by a want of confidence by the depositor, and a want of ability in the banking institutions to meet the demand of the depositor; that while the panic of 1873 was not accompanied with so much distrust of the currency, yet the solvent banking institutions of 1873 had no power by the issue of bank-notes or currency to meet local or individual demands for relief, as was the case in other panics, except in localities where certified checks were made use of. The want of security to the depositor reaches far beyond him, and extends to the great public, and the failure to give it is a serious dereliction of duty, injurious in its consequences.

Thus far, Mr. Speaker, I have endeavored to present what I regard as the abuses and evils of our existing banking and currency system, against which the people rightfully protest, and from which they demand relief.

Sir, before we consider the measures of relief proposed, let us look to the condition of the country. With a national, State, and municipal debt of $3,275,239,130 in 1870, and which has not (though slightly in the national) in the grand total decreased since then; with a railroad debt of $1,511,578,944, making a total aggregating nearly five billions of dollars; with a large amount of individual indebtedness, a part of which is represented by millions among the assets of the banks, and when you regard this immense load, think further that this people, so indebted, pay annually for the support of their national, State, and municipal governments, in round numbers, $700,000,000; and as you take in the picture of the condition of the country, reflect that the interest on our bonds, national, State, railroad, and municipal, payable each year to the holders resident in Europe, exceeds the annual production of gold and silver in the whole world, you must realize that the proposition of immediate resumption of specie payments, either by the Government or the banks, is utterly idle. Equally idle is resumption at an early day.

I am one of those, however, allow me to say, who believe gold and silver are properly the currency of the world, and the basis of all credit money in all well-regulated commercial countries; and that they are and have been wisely fixed by the experience of the world as the proper standard of value. They are the only fair representative and just currency for labor; and I further believe they are the currency contem-

plated by the framers of our Constitution. But in view of the decision of the Supreme Court recognizing legal-tender notes as money; in view of past legislation; in view of the fact that gold and silver have been expelled from our trade as currency; in view of the indebtedness of the country as I have shown; in view of the embarrassed condition of labor and the shrinkage in the values of property; in view of the immense load of taxation resting upon the shoulders of the laborer and producer, it is simple mockery to talk now to the people and advise them to adjust their debts and pay their taxes in gold, or to hope and believe it can be done at an early date.

Resumption of specie payments is, however, the goal to which the statesmen of the country, who would do justice to labor and industry, would lead our finances. But how is it to be done, and when? The money centers, the banks and bankers, the bondholder, and the speculator, plethoric with currency, all seem united in the suggestion that it is to be done by payment of the present issues of legal-tenders in specie or in a bond bearing interest payable in gold. To pay in gold is impossible. Then, to reduce the proposition, it is one to add from twenty to twenty-five million dollars per annum (the interest upon $400,000,000 of our present debt now non-interest bearing) to the present amount of taxes paid by the people, and then leave, as the volume of paper currency, the amount of issues authorized by law to the present national banks—being a contraction of $400,000,000—and a concentration of the money power in the hands of the banks of New York and New England! How fearful and dangerous this power over the labor, industry, and property of the country! How vast, stupendous, and far-reaching the monopoly! Shall we, under the delusion that we are returning to specie payments, surrender the liberties of the people, their labor, and their wealth, to the tender mercies of these monopolists. Resumption and contraction, in view of the peculiar relations of legal-tender notes to the national-bank notes, mean to increase the purchasing power of national-bank notes, with the corresponding effect to decrease the price of labor and the value of property. Can you make anything else of the proposition? Grant it and act upon it. Increased taxation follows; all values sink; labor seeks in vain for its reward; bankruptcy ensues, and universal distress prevails. Results we dare not face; results we should not precipitate upon the country.

But grant that the legal-tender is the promise to pay of the Government; when? Is the holder demanding payment? If he does, what injustice is done him by inability or refusal to pay? Is he not a citizen of the country, and if he says that he is losing interest, does he seek to avoid the payment of his proportion of the expenses of Government by turning his capital into a bond to escape taxation? If such is his purpose, I for one do not propose to aid him, regarding that provision of law that exempts bonds from taxation as unjust, if not unconstitutional. Yet, again, grant that the issue of more currency tends to cheapen the currency already in existence, and to elevate the prices of property and labor, and that evil is likely to flow from inflation; yet the dangers from this source are not equal, or so momentous in consequences, as those that will arise from the proposed measures of contraction. An increase of the volume of currency beyond the legitimate demands of trade and population is ever attended with destructive results, and hence I would avoid, if possible, this mistake.

I am brought now, Mr. Speaker, to the consideration of the questions as to how much currency we have, and how much is demanded by the trade and population of the United States.

Your paper currency and legislation, and the state of your foreign indebtedness, have driven gold and silver away; and they are not to be reckoned in any estimates that may be made as to the amount, except so far as it appears in the States of Texas and California and among the miners.

I quote from the report of the Comptroller, who, after writing his annual report, says in a note that—

Since writing the above the following statement has been prepared, showing the whole amount of national-bank currency, legal-tender notes, and fractional currency issued up to October 12 and November 1, 1875:

Class.	October 13.	November 1.
National-bank currency	$350, 049, 056	$350, 332, 884
Legal-tender notes	359, 566, 888	360, 952, 206
Fractional currency	46, 699, 191	47, 876, 149
Totals	756, 315, 135	759, 161, 239
Deduct amounts held by the Treasury and by banks	116, 496, 997	128, 140, 727
Which will leave unaccounted for	639, 818, 138	631, 020, 512

After making due allowance for the currency held by State and savings banks, trust companies, and private bankers, these are larger amounts than can be supposed to have been in the pockets of men or the tills of small dealers. But it may be left to the ingenious in such matters to divine what portion thereof was hoarded by the timid, the ignorant, or the covetous.

That is to say, that upon the 1st day of November last there was nominally in circulation the sum of $631,020,512, leaving "the ingenious" "to divine what portion was hoarded by the timid, the ignorant, or the covetous." Shall we be far wrong, sir, to divine that the savings-banks, State banks, and bankers, together with the timid and ignorant—these latter classes, being largely debtors, knowing only that the Treasury note would pay all debts but customs dues—had hoarded over two hundred millions of this amount? Shall we make a mistake, sir, when we divine that a large percentage of this amount has been lost and destroyed since issued? In fine, sir, looking to the fact that the first and continuing effect of the panic was a famine of currency, relieved in the redemption cities and other money centers, at first by "certified checks" and then by drawing from country customers, are we not safe in "divining" that among the honest traders, laborers, producers, and manufacturers, there was but little, if any, more than four hundred millions of currency upon the 1st of November last? I venture the opinion that no statistician or statesman, who values his work or his opinion, can estimate it at a higher figure. No statesman, financier, or trader will estimate this sum as sufficient for the trade, commerce, and population of the United States. But it is said this contraction was spasmodic and temporary; that the present law authorizes—

Fractional currency	$50, 000, 000
Legal-tender notes	356, 000, 000
National-bank issue	354, 000, 000
Making a total of	760, 000, 000

And that is with the circulation of gold and silver in the States referred to about $20 *per capita*, and is a sufficient volume. I am ready to concede this if the amount was in circulation, but it is seen that under your banking law the reserve is kept constantly out of circulation. This we may estimate at $150,000,000. The national-bank issue is kept afloat and retired at the will of the banks, and not at the will of the laborers and producers, so that I submit it is entirely safe to assume that the actual circulation under authority of law does not and cannot exceed materially the sum of $650,000,000, or about $16 *per capita*, and the control of that under your partial legislation and system not left to industry, but to favored individuals. This sum *per capita* is not enough for the people of the United States.

I find upon turning to a recent report made by the able Chief of the Bureau of Statistics, Edward Young, that he gives for Great Britain a total circulation, coin and notes, of £141,239,000, equivalent in United States gold coin to $686,421,540; and says:

The population of the United Kingdom as determined by the census of 1871 was 31,877,108. Assuming this number to have been increased to 32,000,000 by the end of 1872, the average amount of currency *per capita* circulating in the United Kingdom at the later date was about equal to $21.45 in United States gold coin, or about $23.60 in our paper currency.

For France, after giving details which show the amount of circulation, he gives a total as follows: "Currency circulation 7,047,627,206, (in francs,) "equivalent," he says, "in United States gold coin, at 20 cents to the franc, to $1,209,545,441; or, if computed at United States Treasury notes, (19.3 cents to the franc,) to $1,167,200,000." The population of France is about 36,000,000, giving of circulation about $32 *per capita*.

For North Germany, after giving details which show the amount of circulation, he presents a total as follows:

Coin and notes in the hands of the people, 785,594,504 thalers, equivalent in United States gold coin to $557,772,097.84.

He says:

The population of North Germany in 1867 was 29,906,217. Assuming it to have been 30,000,000 at the date to which the above statement refers, the average amount of currency *per capita* was equal to about $18.60 in United States gold, or about $20.64 in our currency when gold is worth a premium of 11 per cent.

These countries are the wealthiest in all the arts and industries of civilization, and have found it necessary to supply to their trade, commerce, and labor more, and I add a better circulation *per capita* than does this Government. Since the discovery of the gold mines of California and Australia, and the silver mines of our mountains, the rate of circulation *per capita* has been on a steady and strong increase in all commercial and civilized countries.

The circulation of the United States in 1860 was, as per statement of Mr. Chase, $477,000,000, or over $15 *per capita*. Since then our growth in population, the extension of cultivated territory, the wonderful increase of the products of the farm and of manufacturing establishments, the rapid and powerful multiplication of the channels of trade and commerce, as exhibited by the tables of our commerce, manufactures, and railroads, which I have before me but have not time to read, but whose wonderful truths are told in the simple exhibit that our national wealth in 1860 was $16,159,616,068; and in a short decade, which witnessed the most gigantic civil war recorded in the annals of time, carrying with loss of life the destruction of billions of property, we behold an increase in national wealth of $14,000,000,000, the total national wealth in 1870 being $30,068,518,507. And when we reflect that in France, Great Britain, and North Germany, where land is held by families not transferred for centuries; that commercial and manufacturing establishments become respected with age, making a credit that answers all the purposes of currency; that their population is dense and compassed within a narrow territory, with facilities for exchange within almost any given ten miles square; that the experience of these countries dictates from $20 to $25 *per capita* as the needed amount of circulation, it would seem that with our lands, from the rapidity and ease with which they are transferable; with mobility the feature of our commerce and manufactures; with our population diffused and extending over an area of territory exceeding that of civilized Europe; with such lack of facilities of

exchange that for months the bank-note or legal-tender ceases its office of circulation, resting in the pockets of laborers and producers far distant from the channels of trade and commerce, it seems too clear for argument that our present banking and currency laws do not furnish the supply of circulation demanded by our trade and population.

If the nominal amount of our currency was emancipated from its legislative restrictions and the control of individuals, (which control is secured by the law itself,) I am inclined to believe it would not be far from the amount demanded by a healthy condition of labor and trade, and particularly if that currency ceases to be the creation of individuals.

I am one of those, Mr. Speaker, who believe that it is alone the province of the "sovereign power" to coin money, and that the right or authority to do so should not be delegated to any class; but, without arguing such points, I address myself to the immediate question, can we, without the evils of inflation or the dangers of contraction, so reform our currency as to give the needed supply, and ultimately reach the point where labor will dictate its own value, and commerce be relieved of unjust exactions by a representative circulating medium, recognized by the world in its experiences of the past and its wisdom of the present, as the only just standard of value? In my opinion it can be done; and that is by retiring the national-bank note, and substituting in lieu of it the legal-tender note. This will give the people the full benefit of the present nominal amount of the currency, since the necessity of any reserve will not exist, and all legislative restrictions upon the currency can be well dispensed with.

The advantage of uniformity will give health, and a provision that the legal-tender shall be receivable in payment of all dues to the Government except so much gold per annum as may be demanded by the legal obligations of the Government will give value to them. This will form the cheapest and best paper currency the present condition of the country will admit of. This work of substitution can be rapidly performed, and without prejudice to the industrial pursuits and trades of the country; and in my opinion can be done so as to relieve the people of a large amount of interest per annum, without violating any of the obligations of the Government. It will give a sense of security and certainty to the business interests of the country, that will at once lift up and give new life to the energies of the people; it will enable you, by retiring small notes, at a near future day to put into the pockets of the people that amount of gold and silver necessary for the adjustment of the wages of daily labor, and this will form the basis of confidence in all our business transactions. And after this step, as your public debt decreases and your means of paying taxes increase, you can glide into that condition of finances that will enable the Government to pay on demand in gold such notes as the interest or convenience of the public may desire to be converted.

Already, sir, have I extended my remarks too far for the patience of the House. I have said enough to indicate my general views upon the reforms demanded in our currency. I have but to add that, in addition to the amount of currency, the adoption of the legal-tender note would give, being about $800,000,000, I would further authorize the Secretary of the Treasury to pay any bond of the United States of any series in legal-tender notes to be issued for that purpose. My own views in favor of paying the five-twenty bonds in legal-tenders I need not now press upon the consideration of the House, being satisfied that an overwhelming majority differs with me in that regard.

It will be seen that I regard the questions presented by the currency agitation as solvable into these plain, practical ones:

Shall the four hundred millions of non-interest-bearing debt be converted into an interest-bearing debt? *Contraction and resumption mean this.*

Shall the purchasing and interest-increasing power of the monopoly in money be added to and perpetuated? *A continuance of national-bank notes means this.*

Shall the labor of the country be emancipated from its serfdom to the speculators and money-changers of the East?

Escaping from the intricacies and thralldom of a currency of a class that controls the values of property at its will, shall the industry and production of the country dictate its own prices and its own rewards?

Entertaining these views, and believing that the bill of the Committee on Banking and Currency, as reported, tends to increase and perpetuate the present national banking monopoly, with all its unjust discrimination against the West and South, with its power over the labor and property of the country, and that its principles and details are in the interest of capital as against labor, and that valid objections as to the power and policy of Congress to charter and protect by national sanction every broker and note shaver in the country exist, and that its passage will eventuate in the conversion of the non-interest-bearing debt of the Government (being the four hundred millions of greenbacks) into an interest-bearing debt, I cannot yield it my support without material amendment.

If the present national banking system, with circulation, is to be continued, I submit that the just complaints of the country demand these reformatory features, namely:

First. Some security for the depositor.

Secondly. Prohibition against payment of interest on deposits.

Thirdly. Some protection against usurious rates of interest.

Fourthly. An equal distribution of banking capital.

Believing, Mr. Speaker, that the prosperity of the country, the content of its laboring classes, the reduction of taxes, and the easy and ultimate payment of the public debt are only to be secured by a sound currency; and, upon the other hand, that a vicious currency will corrupt the courses of trade, leading to gambling and speculation, will prostrate the industries of the country, perpetuate its debt, increase taxation, and involve the fate of popular institutions, I have but firmly to say, that in the present condition of the country and its finances I see no safe way to relieve its embarrassments and to secure a sound currency except through the adoption of the greenback currency as against the national-bank note.

Mr. BECK. I wish to give notice that at the proper time, if an opportunity occurs, I will offer the amendment to the bill, which I send to the Clerk's desk. Of course there can be no action on the bill to-day; but I want the amendment read so that when the proper time comes I may offer it, my object being to put a tax of 3 per cent. on the circulation of national banks instead of 1 per cent. per annum I believe they ought to pay that much for the privilege of being furnished with currency by the Government. My proposition will add $6,600,000 annually to the revenues of the country, from a source much better able to bear it than many sources from which we now collect it are.

The Clerk read the proposed amendment, as follows:

Add as an additional section:

That from and after the passage of this act, there shall be levied, collected, and paid, a tax of ¼ of one per cent. per month upon the average amount of circulation issued by any bank, association, corporation, company, or person, including as circulation all certified checks and all notes and other obligations calculated or intended to circulate or to be used as money, but not including that in the vault of the bank, or redeemed and on deposit for said bank; and all provisions of existing law in conflict with the foregoing provisions are hereby repealed.

Mr. BUCKNER said: Mr. Speaker, I am fully persuaded that many members of this Congress, especially from the country north of the Potomac and east of the Alleghanies and Lake Erie, have no adequate conception of the real condition of the great agricultural and planting sections of the country. I do not believe that they begin to appreciate the sufferings of the farmers of the West, and of course they are not prepared to administer any appropriate remedy, or to admit that they need any change in the policy of the Government or any relief by the action of this Congress. They seem to be laboring under the unfortunate delusion that the whole country has been on a grand financial and monetary spree, and that the only cure for the patient is to let him sober off—it matters not at how much cost to his health or peril to his life. They seem to think, when they have hunted up some false and specious explanation of the panic of last fall, and they can announce that money is easy in New York and other money centers, everything is again lovely and the country is once more on the high-road to prosperity.

That I am not mistaken as to the prevalence of this opinion among those who parade their opinions before the public, I beg to read some extracts from a speech lately delivered by the ex-Secretary of the Treasury. After stating that his policy of contraction was the policy of the country, he says:

We have passed through—I say "through"—a financial difficulty. That financial "difficulty" has no doubt taught us a lesson. As a lesson it is to be considered, as a teacher it is to be respected; but as a dictator, or as a reason for abandoning a policy that has been tried, or as a reason for entering upon a policy which has not been tried, it is the most dangerous of authorities.

He continues to say that "the *recent 'difficulty' neither is nor has been serious in its general results;*" and after attributing the panic to the inflation of the currency locally, he says that the *city of "New York from the month of April to December, was a living and vivid illustration of the evils of an inflated currency, whether affecting a city, a State, or the nation itself.*"

I do not propose to controvert these assertions of the ex-Secretary. I only call attention to them to confirm my proposition that gentlemen from the creditor and favored section of the country seem to be content when they have given an explanation of the "financial difficulty," however trite or superficial it may be.

In the same speech the distinguished ex-Secretary thus speaks of the condition of the country:

I believe that the country has never, from the beginning of the Government, enjoyed five years of such undisturbed prosperity as it has during the last five years. And if it be true, as the Senator from Georgia has asserted, that there is an absence of prosperity in the South, I apprehend from the observations I have been able to make that it is due to circumstances entirely independent of the policy of the Government.

As evidence of the prosperity of the agriculturists of the South he refers to the increase of population in a few of the cities of the South, and with equal reason and as sound logic he might be able to prove that the farmers of the West are growing rich because they have occasionally, and in a few localities, burned corn for fuel.

In a speech delivered on this floor by an honorable gentleman from New York [Mr. WILBER] there is such a vein of contentment and satisfaction running through it, and especially with that monster of monstrosities, the national banking system, that I must ask the Clerk to read it:

The Clerk read as follows:

In fact, there are so many different ideas presented there is danger of doing too much. The country is now prosperous; we have passed over the panic of last fall; and I believe we cannot at this time make any better banking law than we now have. We have tried it. The people had more confidence in national-bank bills

last fall than in banks or business firms. They chose rather to hoard them up than loan to banks or business firms with interest. Furthermore, I will guarantee that not a member here can tell what bank a single bill is on which he has in his pocket.

Mr. BUCKNER. The venerable gentleman from Pennsylvania, [Mr. TOWNSEND,] in a labored and well-prepared speech on the late panic, delivered some weeks ago, accounts for it in great part by overtrading, and says that the failure of Jay Cooke & Co., and the stoppage of payment by banks and bankers of New York, were effects and not causes. I entirely concur in the opinion that the panic was but an effect, and not a cause, of the failure of the speculating bankers of New York; but I utterly deny that overtrading, as stated by the gentleman from Pennsylvania, or local inflation at New York, the theory of the ex-Secretary of the Treasury, either singly or combined, has produced the condition of things in the South and West of which we complain. Either solution of the panic, or "financial difficulty," is as superficial as it is deceptive and unsatisfactory. The local inflation at New York, and the overtrading, if any has existed, are alike effects of a cause that lies far back and beyond.

The panic of last fall was the legitimate and logical result of the system of financial policy that has been alike the glory and shame of the dominant party in these Halls—a policy that has made the rich richer and the poor poorer; that has fattened capital and pauperized labor; that has discriminated unjustly and wickedly in favor of sections and special interests, and that has farmed out to the sharks and Shylocks, to the corrupt rings and avaricious money-mongers of the nation, the control of the entire currency of the country. In the class legislation and in the sectional monopolies that have been the disgrace and reproach of American legislation, is to be found one of the chief causes of the "financial difficulty" of 1873, as I shall attempt to show.

Before I proceed to this branch of my subject, I desire to call attention to the assertion I have made, that the representatives on this floor and in the Senate from the sections of the Union favored by congressional legislation, with a few exceptions, have no just conception of the financial condition of the great planting and agricultural interests of the South and West. I think this statement needs no other corroboration than is to be found in the declarations of distinguished gentlemen on this floor, made during the present session of Congress, and by the extracts I have read from a speech lately delivered by the ex-Secretary of the Treasury.

If more proof were needed I would have no hesitation to put on the stand as witnesses, every Representative on this floor, from the great lakes to the gulf and from the Potomac to the Rio Grande, to contradict the ex-Secretary, and to disprove his statement that for the last five years the country has never been more prosperous. His State and his people may be prosperous; but it is the grossest delusion or a most barefaced attempt at deception thus to falsify the condition of the great producing sections of the Union. Instead of there being any truth in the statement, this large section of the Union has never been in a more unprosperous or impecunious condition. I believe I am much nearer the truth when I assert that the so-called Confederate States are to-day poorer than they were the year after Lee's surrender.

As to my own State, I do not hesitate to affirm that the farming interest is more depressed than it has been for thirty years. Improved farms in Missouri, in counties that have been organized and settled for forty years, will not command in greenbacks to-day as much as they would sell for in gold from 1856 to 1860 by from 50 to 100 per cent. Immigrants from the North by the score and by the hundred, in all parts of the State, after making a payment of one-third or one-fourth for a farm, have been compelled to abandon their lands to their vendors. Money has been held at exorbitant rates of interest, and banks and bankers are exacting and obtaining from 1 to 3 per cent. per month. And this state of things is not the result of last fall's panic. In fact the panic has had little or nothing to do with the financial condition of the West. It was about as bad as it could well be before the panic, and I do not know that it has grown any worse, except for a very short time during the stoppage of payment by the banks. Money has been growing scarcer and more stringent; the rates of interest have been increasing, and values have been shrinking, in the face of fair crops and good seasons, for the last five or six years.

Why, Mr. Speaker, how do these gentlemen interpret that mighty organization that has spread like fire on our great prairies, from the sources of the Father of Waters to its mouth, and which began its work long anterior to the late "financial difficulty?" How do they account for the Grangers and the Patrons of Husbandry? When before in the history of this country have they seen the farmers banding together secretly and openly for the protection of their interests? Does not their domestic and isolated life, the very spirit and genius of their calling afford unmistakable evidence that in thus organizing they are controlled by a deep and pervading sense that they are suffering some intolerable grievance? Will gentlemen delude themselves with the idea that this great movement is the work of chronic office-seekers or disappointed politicians? Can they believe that any class of our population, whether agricultural or mechanical, living in country or city, in the East or West, that felt and knew that they were in that prosperous condition represented by the ex-Secretary of the Treasury and the gentleman from New York, [Mr. WILBER,] could be found spending their time and means in discussing measures of imaginary relief, and combining in town, county, State, and national organizations to redress pretended and unreal wrongs?

No, sir; the very existence of these organizations contradicts the statement that the producer of the West is prospering, or has prospered lately. And the fact that this assumed prosperity of the South and the West only comes from the comparatively small and favored section of the Union, and its existence denied by those having the best means of knowing, affords indubitable evidence that there is "something rotten in Denmark;" and when gentlemen have satisfied themselves that the late panic was caused by "overtrading," by the bursting of Jay Cooke's bubble, or by "local inflation in New York," they are just as far from a true diagnosis of the real disease that is preying upon the vitals of the country's prosperity as they were when they began. They are but the external symptoms of the disease; and the quack called to prescribe for a patient in one of those rich and malarious regions in my State, burning up with fever, and raging with delirium, who told his patient that his fever was caused by the chill that had just racked his frame, and that if he had not had the chill he would have had no fever, was about as wise in his day and generation as those who seek for the cause of the late panic in "overtrading," or in "local inflation," or both.

To what, then, Mr. Speaker, are we to ascribe the general depression of the farming interest of the West, and the producers of the entire country? One of the principal causes of the financial disorder of the country, and notably of the West and South, is beyond question the contracting of the currency, with the view to reach a specie basis and to resume specie payments by the banks and the Government. This has operated with depressing effect upon the labor of the country, and, whether so designed or not, has worked uniformly in the interest of capitalists and money-dealers, brokers, and bankers usurers and extortioners. Every turn of the contracting screw increased the debt of the debtor and the debtor section, and increased relatively the capital of the creditor and of the creditor section. This disastrous policy is founded upon the doubtful idea that our domestic circulation must necessarily conform and assimilate to the international currency of the world, until our circulation has been reduced to greatly less than either of the two great nations of Europe, Great Britain or France.

I think this can be made so clear that there can be no doubt of the correctness of my proposition. Instead of being less, the character of our population—its sparse settlement, and the absence of places of deposit in the South and West—and our great expanse of territory would seem to leave no question as to our currency wants being greater than those of the people of France or Great Britain. In the large cities of this country, as well as in all civilized countries, checks and bank credits supply in a great measure the place of money tokens. By means of these facilities millions of indebtedness are paid and exchanges carried on without the use of a dollar in money, while in the sparse settlements of the West and South payments are only made in money itself. The want of places of deposit convenient and accessible to the farmer makes it a necessity for him to be his own banker, and hence a much larger amount of currency is needed by our western and southern population, relatively, than is required in the older and more densely populated districts.

The distinguished gentleman from Connecticut, [Mr. KELLOGG,] in his remarks in Committee of the Whole some weeks since, makes our circulation amount to seven hundred and seventy-six millions. He arrives at this conclusion by adding the amount of authorized legal-tenders to the circulation of the national banks, and the amount of fractional currency now appearing from the books of the Treasury to be outstanding. He treats as circulation the entire legal-tender reserve held by the banks, and makes no allowance for the shrinkage of paper circulation, amounting according to the Treasurer's Report (page 12) on the fractional currency to one-fifth in ten years, in round numbers, four out of twenty millions. These deductions being made, and the amount of circulation in this country—exclusive of the gold of the Pacific States—does not exceed five hundred and seventy-five millions; and here are my figures, taken from the last report of the distinguished gentleman of hieroglyphic autograph, the faithful Cerberus of the Treasury:

Outstanding legal-tenders, 1st of November, 1873		$360, 566, 764
Deduct reserves	$102, 074, 104	
In Treasury	6, 392, 771	
		103, 466, 875
Actual circulation legal-tenders, November 1, 1873		252, 099, 889
National-bank circulation, November 1, 1873		340, 993, 470
Fractional currency, (page 11, Treasurer's Report)		38, 089, 517
Total circulation, without shrinkage		631, 182, 876
Deduct for shrinkage one-half of what the Treasurer states to have been the shrinkage on the first issue of fractional currency (page 12) for ten years, and it amounts to		$52, 500, 000
Which leaves as the circulation on 1st of November, 1873		578, 682, 876

These figures are corroborated by the Report of the Comptroller of the Currency, page 31, of 1873.

The only possible error in these figures is in the estimated shrinkage, by fire and other casualties. I believe that 1 per cent. per annum is the usual estimate for such loss, and has always been regarded as one of the chief profits of banks of issue. My estimate is much less.

The Superintendent of the Bureau of Statistics has kindly furnished me with the amount of the circulating mediums of France and

Great Britain and Ireland, and I give his figures and the present estimated population of those countries and of our own, based upon the latest census reports, as well as the area of each.

Countries.	Amount.	Population 1873.	Area, sq. miles.	Per capita.
France	$1,209,000,000	40,000,000	204,000	$30.22
Great Britain and Ireland	680,000,000	30,000,000	121,000	22.86
United States	578,000,000	42,000,000	2,800,000	14.45

It is thus seen that we have $14.45 circulation per head of our population—less by more than one-half than the Superintendent of Statistics estimates for France, and nearly one-third less than that of England and Ireland.

But let me direct the attention of the House to a few more figures, furnished by the Comptroller of the Currency, on page 11 of his report to this Congress. It contains the estimated bank-note circulation of all the States in 1862 and 1873, by States and groups of States. If you estimate the bank-note circulation as being but one-half—it is, in fact, about as 35 national-bank notes are to 29 greenback and fractional currency—these startling results are shown, and they account for the happy, contented, and self-satisfied condition of the representatives of what I have denominated the favored section of the nation. The six New England States have for circulation $53.36 *per capita;* the five Middle States $25.64; the fourteen Southern and Southwestern States (including Missouri) $5.82, and the nine Northwestern States (including Ohio) $14.18. Estimating that there was in these States as much gold as bank paper in 1862, which is probably far above the truth as to the Southern and Western States, these results are established by the Comptroller's figures:

	Per capita.
Six New England States had in 1862	41.80
Five Middle States	19.94
Fourteen Southern and Southwestern States	12.34
Nine Northwestern States	4.96

Mr. Speaker, these figures begin to throw some light upon the question whether the South and West have any reason for clamoring as they do for an increase in the volume of currency. It begins to be manifest also why the gentlemen from the New England and Middle States are so well satisfied to let things move on as they are, while the other sections of the Union demand relief from the wrongs of a contracted currency, exorbitant rates of interest, and universal stagnation of all kinds of business. And in the face of these facts and figures, in the teeth of the universal and unanimous voice of the producing classes of the entire West and South that they are being impoverished and ruined, we are gravely told, by a late head of the financial bureau of the Government, that the country was never more prosperous than it has been for the last five years; and we are to be frightened from our propriety by the bugbear of inflation and a redundant currency.

We demand to be placed on an equality with the Eastern and Middle States, and we are pointed to the continental money of the Revolution, the *assignats* of France, and the bloated currency of the confederacy. We demand more tools with which to do our exchanges, increase our productions, and build up our waste places, and we are met with the hackneyed cry that we must come to a specie basis. We paid $40,000,000 premium on four hundred millions of indebtedness—four hundred and forty million greenbacks for four hundred million bonds—before it was due, for which the holders paid greenbacks worth fifty cents on the dollar. We have doubled the indebtedness of the taxpayers of the country by agreeing to pay the five-twenty bonds in gold, when they were contracted to be paid in greenbacks, but that does not satisfy the insatiate greed, the voracious appetite of the Shylocks and sharks, the bankers and brokers, the money-mongers and gold-worshipers of the country.

No, sir, these lineal descendants and next of kin to the sordid and mercenary crew whom the Saviour of the world when on earth whipped and scourged from the Temple at Jerusalem, must add to the intolerable burden of debt of the people, by bringing the price of everything down to the standard of gold, and contracting the currency for the purpose of accomplishing that sublimest of all follies in the present condition of the country—resumption of specie payments.

Mr. Speaker, the contracting policy of the Government, inaugurated in the interest of capital and money, by the Secretary of the Treasury, whose groveling instincts I trust now are being fully developed and satisfied amidst the gold and bullion of Threadneedle street, is unparalleled in the history of modern times for its wanton disregard of the rights of the tax-payers of the country, and for its inexcusable contempt for the lessons of experience. If that best of all teachers had failed to shed any light upon our financial path, there might have been some excuse or palliation for the wrongs which have been superinduced by adopting and pursuing it with criminal pertinacity.

Those who have engineered the contraction of the currency for the last seven or eight years, have no such excuse to justify or palliate the foul wrong they have inflicted upon the labor interests of the country. England had traveled the same road, and for twenty-five years her producing classes suffered untold woes because her statesmen listened to the theories of the philosopher in his closet, backed up by the clamor and cupidity of her bankers and brokers, and demanded a return to specie payments from a redundant and expanded paper circulation. The parallel between the condition of the two countries—England from 1797 to 1818 and 1819 and up to 1845, and America from 1861 to 1873—is so complete and perfect throughout, that it is almost impossible to resist the conclusion that the policy of contraction has been inaugurated and carried on for the very object which it has accomplished, the aggrandizement of capital and money at the expense of the labor of the country. Negligence may be so gross as to create the presumption of fraud, and statesmanship may be so blundering as to make it a crime.

England was compelled, in the midst of a life and death struggle with France, to authorize her great financial agent to suspend specie payments. America was under like compulsion, from a like cause. An expanded paper currency, by both governments, was the immediate precursor of a most wonderful increase and activity in all departments of business, notwithstanding each nation was engaged in a most exhausting war—the wars with Napoleon continuing over twenty years, while our civil war lasted less than five years. Each people accumulated an enormous public debt, so that the public debt of Great Britain at the end of over twenty years of armed conflict with Napoleon amounted to more than four billions, an increase of considerably more than three billions. We had, in much less time, run up a debt of about the same sum—three billions. It was an expanded paper currency that enabled both peoples to submit cheerfully to unheard-of taxation, that stimulated agricultural and manufacturing industry, that in England enabled eighteen millions of people to prosper under an annual taxation of $350,000,000 for several years at the close of the war, and up to the time that the policy of a return to specie payments was discussed and ultimately adopted, in 1819 and 1822; the wages of labor were high; the working classes everywhere prosperous; agriculture remunerative; the rates of interest low; and large loans negotiated by the government at but little over 4 per cent. But no sooner was the clamor of the bullionists and gold-worshipers heeded, and the contracting screw put in motion, than a change came over the face of the whole country, notwithstanding a large increase of population, of exports and imports, and in tonnage. There was but one class benefited, and that the capitalists and money-changers; almost every other interest suffered terribly.

I beg to have read from the Clerk's table some extracts from England in 1815 to 1845, by Sir Archibald Alison.

The Clerk read as follows:

Our colonial possessions enriched the earth; the whole West India Islands had fallen into our hands; an empire of sixty millions of men in Hindostan acknowledged our rule; Java was added to our eastern possessions; and the flag of France had disappeared from every station beyond the sea. Agriculture, commerce, and manufactures at home had increased in an unparalleled ratio; the landed proprietors were in affluence; wealth to an unheard-of extent had been created among the farmers; the soil, daily increasing in fertility and breadth of cultivated land, had become almost adequate to the maintenance of a rapidly increasing population; our exports, imports, and tonnage had more than doubled since the war began; and though distress, especially during 1810 and 1811, had at times been severely experienced among the manufacturing operatives, yet, upon the whole, and in average years, their condition was one of extraordinary prosperity. The revenue raised by taxation within the year had risen to £72,000,000 in 1815, from £21,000,000 in 1796; the total expenditures, from taxes and loans, had reached in 1814 and 1815, the enormous amount of £117,000,000 each year. In the years 1813 and 1814, being the twentieth and twenty-first of the war, Great Britain had above a million of men in arms in Europe and Asia, and remitted £11,000,000 yearly in subsidies to the continental powers. Yet was this prodigious and unheard-of expenditure so far from exhausting the capital or resources of the country, that the loan in 1814 was obtained at the rate of £4 11*s.* 1*d.* per cent., being a lower rate than that paid at the commencement of the war, although the annual loan at its close was above £35,000,000, and the population of the empire at that period was only eighteen millions, just two-thirds of what it was found to be by the census of 1841. * * * *

Since the year 1819 the empire has exhibited the most extraordinary spectacle that the world has perhaps ever witnessed; and it is to it that we earnestly request the attention of our readers, because then began the series of causes and effects in which we have ever since been, and still are, involved.

Considered in one point of view, there never was a nation which, in an equal space of time, had made so extraordinary a progress. Its population had advanced from 20,600,000 in 1819, to 28,000,000 in 1844; its imports had increased from £30,000,000 in the former period to £70,000,000 in the latter; its exports had advanced, during the same period, from £44,000,000 to £130,000,000; its shipping from 2,350,000 tons to 3,900,000. There never, perhaps, was such a growth in these great limbs of industry in so short a period in any other state. Nor had agriculture been behind the other staple branches of national industry. Its produce had kept pace with the increase, unparalleled in an old state in the population as well as the still more rapid multiplication of cattle and horses for the purposes of use and luxury; and amid this extraordinary growth of consumption the still more extraordinary fact was exhibited of the average importation of grain steadily declining, from the commencement of the century till at length, anterior to the six bad seasons in succession, which commenced in 1836, it had sunk to 400,000 quarters on an average of the five preceding years, being scarce a hundred and twentieth part of the annual consumption of men and animals, which exceeds 60,000,000 quarters. And what is most extraordinary of all, the returns of the income tax when laid on, even in the year 1842, a period of severe and unprecedented commercial depression, proved the existence, in Great Britain alone, of £200,000,000 of annual income of persons enjoying above £150 a year each; of which immense sum, about £150,000,000, was from the fruits of *realized capital*, either in land or some other durable investment. It is probable that such an accumulation of wealth never existed before in any single state, not even in Rome at the period of its highest splendor.

Considered in another view, there never was a period in which a greater amount of financial embarrassment has been experienced by Government, or more widespread and acute suffering been endured by the people. So far has the exchequer been from sharing in the flood of wealth which has thus been so profusely poured into the empire, that it has, with the exception of two or three years of extraordinary and perilous prosperity, been, during the whole of this period, in a state of difficulty. This steadily increased till it at last brought the nation to such a pass that it was extricated from absolute insolvency only by the reimposition, during the thirtieth year of European peace, of the war income tax. Not only was the provident and far-seeing system of Mr. Pitt for the redemption of the debt practically abandoned, during the necessities of this calamitous period, but the national account was turned the other way and the annual deficiency gradually increased till it had reached the

enormous amount of £4,000,000 annually, and added in six years of peace no less than £11,000,000 to the amount of the national debt. The nation, during the latter years of the war, prospered and experienced general well-being under an annual taxation of £72,000,000 drawn from eighteen million souls. In the latter years of the peace it has, with the utmost difficulty, drawn £50,000,000 from a population of twenty-seven millions. Wages in the former period were high, employment abundant, the working classes prosperous, with an export of British and colonial produce of from £45,000,000 to £50,000,000 annually. In the latter, wages were in many trades low, employment difficult, suffering general, with an annual exportation to the amount of £120,000,000 to £130,000,000. * * * * * *

Wages sank during these disastrous periods in the manufacturing districts so low that they barely sufficed with the great bulk of workers, especially females, for the support of existence. Serious insurrections broke out in 1820 and 1842, both in England and Scotland, ostensibly for political purposes, but mainly occasioned by the general distress among the manufacturing operatives, as was decisively proved by their entire extinction when labor again received a remunerating return.

Farming capital in the agricultural districts was, during their distress, everywhere grievously abridged—in many places totally annihilated.

Mr. BUCKNER. From these statistics and figures it appears that from 1792 to 1797, when bank paper was exchangeable for coin, the paper currency was $80,000,000 and the exports $50,000,000. From 1797 to 1818, the paper currency had risen to $240,000,000 and the exports to $250,000,000. From the time the bill of 1819, compelling specie payment, went into operation the currency was so contracted that the entire paper and gold circulation in 1845 of England was only $280,000,000, notwithstanding the fact that the exports had run up to nearly $600,000,000, the imports to $330,000,000, and the shipping had grown from two and one-half to four and one-half million tons, and the population had advanced from fourteen to nineteen millions in 1845. Instead of the circulation being $280,000,000, it would have been $600,000,000 if it had kept pace with her exports; compared with her imports, it should have been $480,000,000; with her tonnage, it should have been $470,000,000; and if with population, it should have been $360,000,000. The author says that—

So prodigious a contraction, at a time when the national transactions and wants, as measured by the exports, imports, shipping, and population, were so rapidly increasing, necessarily produced incalculable suffering, an enormous augmentation of debts, and diminution of the price of all sorts of produce, and the most ruinous financial embarrassments.

And to what cause does the distinguished writer of these extracts attribute the misery of the laboring classes of England from 1819 to 1845, and the universal depression of the agricultural interests of the kingdom? He says that the chief cause of all the evils under which England labored and suffered for twenty-five years was the contraction of the currency, unnecessarily made to bring about the resumption of specie payments in 1819; and if facts, figures, and statistics can prove a proposition it is demonstrated beyond cavil or any lingering of doubt.

By the report of the United States Treasurer for 1872, page 291, I find that on June 38, 1865, there was—

United States outstanding (Treasury) currency	$698, 918, 800
Seven-thirty notes	830, 000, 000
National-bank notes	131, 452, 000
State-bank notes, estimated	40, 000, 000
Total	1, 700, 370, 800

By Treasurer Spinner's report of 1868, there was—

Treasury currency, July, 1868	$444, 196, 262
Seven-thirty notes, January 1, 1868	240, 591, 300
Three per cent. certificates	50, 000, 000
National-bank notes, July, 1868	294, 908, 264
State-bank notes, (estimated)	4, 000, 000
Total	1, 033, 695, 826

Amount, as heretofore stated, as circulation, without shrinkage, November, 1873, $631,020,000; showing a contraction between 1865 and 1868, of $666,000,000; and between 1868 and 1873, of $402,000,000; while our increase in imports, exports, weath and population, has been as follows:

Years.	Imports.	Exports.	Population.	Wealth.
1865 to 1868	$210, 000, 000	$163, 000, 000		
1868 to 1873	271, 000, 000	259, 000, 000	4, 000, 000	$11, 000, 000, 000

And if eight hundred millions of circulation was sufficient for the country in 1868, our increase in population in 1873 entitles us to over nine hundred millions now, our increase in wealth to eleven hundred and forty millions, our increase in imports to twelve hundred millions, and our increase on exports to twelve hundred and eighty millions, instead of which we have been cut down to an actual circulation of less than six hundred millions, and of that two-thirds has belonged to one section of the Union.

But this contraction has been surpassed by ours, and has produced like disastrous results.

I regret that I have not time to make further extracts from the figures and statistics contained in this little work. I must pass from this branch of my subject with the single observation that the error of British statesmen, with the light before them in 1819, may be excused; but with the experience derived from English history on this vital and important question, the blunder of our financiers is without excuse, justification, or palliation. As in England, so in the United States, the effect of a return to specie payments, as it was done there, and is attempted here, has to all intents and purposes nearly doubled all debts incurred under the expanded currency of the war. So that, on the supposition that our national debt of $2,200,000,000 was contracted in a redundant currency, we are practically owing in our contracted and contracting currency, $4,000,000,000, with this aggravation in our case, that a large part of this debt is due from the less to the more favored section of the country; from the producing to the moneyed section of the Union; from the poverty to the wealth of the country.

Mr. Speaker, I think I have shown that the "local inflation" at New York from April "to December" of last year, as well as the overtrading and speculation among bankers and brokers and stock-gamblers preceding the late panic, was an effect and not the cause of this "financial" difficulty; and that the cause is to be found, in part at least, in the unequal distribution of the circulation, and to its unwise and ruinous contraction.

As I have before stated, the effect of this contraction has been as detrimental to the West and South as it has been beneficial to the North and East. What it took from the former it has bestowed upon the latter in the shape of gold interest upon untaxed bonds and dividends upon bank capital. Both interest and dividends must be produced from the labor and industry of the whole country, and combined with the unequal distribution of the circulation has had the effect to drive all the blood from the extremities to the seat of life; and as in the human system congestion and disease result from an excess of circulation at the heart, so our financial policy produced a similar result last fall at New York, the financial heart of the nation. The same causes must produce like results in the future, and unless Congress shall retrace its steps and repair the wrongs of its unjust, sectional, and monopolizing legislation, a speedy recurrence of such financial difficulties may be predicted with as much certainty as the astronomer calculates an eclipse of the sun. Can any of these wrongs be rectified by an extension of the national banking system? Will the distribution of twenty-five or fifty millions of national banking doled out by the Comptroller to the South and West from the enormous excess now held by the New England States tend to relieve these impoverished sections? I answer most emphatically, no. On the contrary, they will but aggravate the maladies under which we are suffering, and render another "financial difficulty" more certain and its return more speedy.

The following shows the present outstanding and authorized circulation by groups of States, taken from page 7 of the Report of the Comptroller of the Currency for 1873:

States and Territories.	Circulation.	Excess.	Deficiency.
Six New England States	$110, 489, 996	$70, 690, 046	
Five Middle States	124, 608, 139	9, 416, 503	
Fourteen Southern and Southwestern States, including District of Columbia and Missouri	38, 160, 308		$51, 271, 034
Nine Western States	78, 785, 148		21, 423, 811
California, Oregon, Nevada, and Western Territories	1, 924, 688		7, 625, 000
Total circulation	354, 000, 000		

It was the great expounder of the Constitution who is reported as having said of the old banks of issue and deposit, that "human ingenuity never devised a scheme so well adapted to fertilize the rich man's field with the sweat of the poor man's brow;" and if there was any truth in this strong and forcible language when applied to the State banks or the old national banks, what vocabulary shall furnish language to characterize the hydra-headed monster fastened upon the country by the cunning financial trickery of the money-changers and monopolists of the East? I will enumerate very briefly some of the objections to this fiscal contrivance.

1. It assumes and presupposes the permanent existence of a national debt. Its chief corner-stone and foundation is national indebtedness, and its friends seek thus to make "a national debt a national blessing." If the nation could pay off its debt, there could be no such thing as a national bank, such as now curses the industry of the country. Why shall we foster an institution with two thousand heads, and destined to be indefinitely multiplied, whose primary interest will be in the direction of lavish expenditure and high taxation, so as, if possible, to hinder and prevent forever the payment of the public debt?

2. These institutions, and all such monopolies, whether organized under State or Federal laws, are perpetual antagonists to the exercise of the powers conferred on the national Government by the Constitution, and the aiders and abettors in its failure of duty to supply a circulating medium for the people. There necessarily exists an irrepressible conflict between the circulation of these banks and the direct obligations of the Government. We cannot serve God and mammon. The field of circulation cannot be jointly occupied by these antagonizing and hostile forces. One or the other must and will reign supreme and paramount sooner or later. We have no right to farm out at any price, much less for the miserable pittance of 1 per cent. rent on the circulation of these banks, the right to supply the circulation for forty million people.

What would be thought of a proposition to farm out the power to

declare war, or to provide and maintain a navy, or to establish post-offices and post-roads? What right has the Congress to give a monopoly for twenty years to a combination of individuals to supply the nation with the means necessary to do the exchanges and transact the business of the country more than it has to farm out the business of the Post-Office Department, or of the Navy or War Department? The duty, I hold, is equally imperative in one case as the other.

Such was the opinion of that great apostle of State rights and strict construction, Thomas Jefferson. And if it should not be deemed irreverent and disrespectful in a body so eminently loyal as this to name the name of John C. Calhoun, the master-intellect of his day, the sworn foe of centralization and the unswerving friend of constitutional union and the liberties of the people, I would cite him as authority for the position I have taken.

Mr. Calhoun, in his speech on the bill authorizing an issue of Treasury notes, September 19, 1839, said:

It is, then, my impression that, in the present condition of the world, a paper currency in some form, if not necessary, is almost indispensable in financial and commercial operations of civilized and extensive communities. In many respects it has a vast superiority over a metallic currency, especially in great and extended transactions, by its greater *cheapness*, lightness, and the facility of determining the amount. * * * * * *

It may throw some light on this subject to state that North Carolina, just after the Revolution, issued a large amount of paper, which was made receivable in dues to her. It was also made a legal tender, but which of course was not obligatory after the adoption of the Federal Constitution. A large amount, say between four and five hundred thousand dollars, remained in circulation after that period, and continued to circulate for more than twenty years at par with gold and silver during the whole time, with no other advantage than being received in the revenue of the State, which was much less than $100,000 per annum. * * * * *

No one can doubt but that the Government credit is better than that of any bank—more stable, more safe. Why, then, should it mix it up with the less perfect credit of those institutions? Why not use its own credit to the amount of its own transactions? Why should it not be safe in its own hands, while it shall be considered safe in the hands of eight hundred private institutions, scattered all over the country, and which have no other object but their own private profit, to increase which they almost constantly extend their business to the most dangerous extremes? And why should the community be compelled to give 6 per cent. discount for the Government credit blended with that of the banks, when the superior credit of the Government could be furnished separately, without discount, to the mutual advantage of the Government and the community? Why, let me ask, should the Government be exposed to such difficulties as the present, by mingling its credit with the banks, when it could be exempt from all such by using, by itself, its own safer credit? It is time the community, which has so deep an interest in a sound and cheap currency, and the equality of the laws between one portion of the country and another, should reflect seriously on these things, not for the purpose of oppressing any interest, but to correct gradually disorders of a dangerous character, which have insensibly, in the long course of years, without being perceived by any one, crept into the state. The question is not between credit and no credit, as some would have us believe, but in what form credit can best perform the functions of a sound and safe currency.

Believing that there might be a sound and safe paper currency founded on the credit of the Government exclusively, I was desirous that those who are responsible and have the power should have availed themselves of the opportunity, &c. * *

We are told the form I suggested is but a repetition of old continental money—a ghost that is ever conjured up by all who wish to give the banks an exclusive monopoly of Government credit. The assertion is not true; there is not the least analogy between them. The one was a promise to pay when there was no revenue, and the other a promise to receive in the dues of Government when there is abundant revenue.

We are also told that there is no instance of a Government paper that did not depreciate. In reply, I affirm that there is none, assuming the form I propose, that ever did depreciate. Whenever a paper receivable in the dues of Government had anything like a fair trial, it has succeeded. Instance the case of North Carolina, referred to in my opening remarks. The drafts of the Treasury at this moment, with all their incumbrance, are nearly at par with gold and silver; and I might add the instance alluded to by the distinguished Senator from Kentucky, in which he admits that as soon as the excess of the issues of the Commonwealth Bank of Kentucky were reduced to the proper point its notes rose to par. The case of Russia might also be mentioned. In 1827 she had a fixed paper circulation, in the form of bank-notes, but which were inconvertible, of upward of $120,000,000, estimated in the metallic ruble, and which had for years remained without fluctuation, having nothing to sustain it but that it was received in the dues of the Government, and that, too, with a revenue of only about $90,000,000 annually. I speak on the authority of a respectable traveler. Other instances, no doubt, might be added, but it needs no such support.

It has another and striking advantage over bank circulation, in its superior cheapness, as well as greater stability and safety. Bank paper is cheap to those who make it; but dear, very dear to those who use it, fully as much so as gold and silver. It is the little cost of its manufacture, and the dear rates at which it is furnished to the community, which give the great profit to those who have a monopoly of the article. Some idea may be formed of the extent of the profit by the splendid palaces which we see under the name of banking-houses, and the vast fortunes which have been accumulated in this branch of business; all of which must ultimately be derived from the productive powers of the community, and of course adds so much to the cost of production. On the other hand, the credit of Government, while it would greatly facilitate its financial operations, would cost nothing, or next to nothing, both to it and the people, and of course would add nothing to the cost of production, which would give every branch of our industry, agriculture, commerce, and manufactures, as far as its circulation might extend, great advantages, both at home and abroad.

Later still, March 22, 1838, in his speech on the sub-treasury bill, Mr. Calhoun said:

I now undertake to affirm positively, and without the least fear that I can be answered—what heretofore I have but suggested—that a paper issued by Government, with the simple promise to receive it in all its dues, leaving its creditors to take it or gold and silver at their option, would, to the extent that it would circulate, form a perfect paper circulation, which could not be abused by the Government; that would be as steady and uniform in value as the metals themselves; and that if, by possibility, it should depreciate, the loss would fall not on the people but on the Government itself; for the only effect of depreciation would be virtually to reduce the taxes, to prevent which the interest of the Government would be a sufficient guarantee. I shall not go into the discussion now, but on a suitable occasion I shall be able to make good every word I have uttered. I would be able to do more—to prove that it is within the constitutional power of Congress to use such a paper in the management of its finances, according to the most rigid rule of construing the Constitution; and that those at least who think that Congress can authorize the notes of private State corporations to be received in the public dues are estopped from denying its right to receive its own paper.

In the letter of Mr. Jefferson to his son-in-law, Eppes, dated June 24, 1813, he recommended the issue of Government notes and foreshadowed the proper monetary system for the country. I will ask the Clerk to read from volume 4 of his published Correspondence.

The Clerk read as follows:

In the war of 1755, our State availed itself of this fund by issuing a paper money, bottomed on a specific tax for its redemption, and, to insure its credit, bearing an interest of 5 per cent. Within a very short time, not a bill of this emission was to be found in circulation. It was locked up in the chests of executors, guardians, widows, farmers, &c. We then issued bills, bottomed on a redeeming tax, but bearing no interest. These were readily received and never depreciated a single farthing. In the revolutionary war, the old Congress and the States issued bills without interest and without tax. They occupied the channels of circulation very freely, till those channels were overflowed by an excess beyond all the calls of circulation. But although we have so improvidently suffered the field of circulating medium to be filched from us by private individuals, yet, I think, we may recover it in part, and even in the whole if the States will co-operate with us. If Treasury bills are emitted on a tax appropriated for their redemption in fifteen years, and (to insure preference in the first moments of competition) bearing an interest of 6 per cent., there is no one who would not take them in preference to the bank paper now afloat, on a principle of patriotism as well as interest; and they would be withdrawn from circulation into private hoards to a considerable amount. Their credit once established, others might be emitted, bottomed also on a tax, but not bearing interest; and if ever their credit faltered, open public loans, on which these bills alone should be received as specie. These, operating as a sinking fund, would reduce the quantity in circulation, so as to maintain that in an equilibrium with specie. It is not easy to estimate the obstacles which, in the beginning, we should encounter in ousting the banks from their possession of the circulation; but a steady and judicious alternation of emissions and loans would reduce them in time.

* * * * * * *

But it will be asked, are we to have no banks? Are merchants and others to be deprived of the resource of short accommodations found so convenient? I answer, let us have banks, but let them be such as are alone to be found in any country on earth except Great Britain. There is not a bank of discount on the continent of Europe (at least there was not one when I was there) which offers anything but cash in exchange for discounted bills. No one has a natural right to the trade of a money-lender but he who has the money to lend. Let those, then, among us, who have a moneyed capital, and who prefer employing it in loans rather than otherwise, set up banks and give cash or national bills for the notes they discount. Perhaps, to encourage them, a larger interest than is legal in the other cases might be allowed them, on the condition of their lending for short periods only. It is from Great Britain we copy the idea of giving paper in exchange for discounted bills; and while we have derived from that country some good principles of government and legislation, we unfortunately run into the most servile imitation of all her practices ruinous as they prove to her, and with the gulf yawning before us into which those practices are precipitating her.

Mr. BUCKNER. 3. It is a most costly and expensive medium of circulation, and in this respect excels in enormity of wrong all other cunningly devised schemes of legalized robbery of the many for the benefit of the few that the wit of man has ever devised. Resolved into its simple elements, the operation is this: The people, through their governmental agency, loan *their own notes* to a combination of individuals (the shareholders of these banks) at the rate of 1 per cent. per annum, interest or tax, for which in return these shareholders loan as currency to the people their notes indorsed by the people, by and through their Government, at from 8 per cent. per annum to 3 per cent. per month, the people paying all the expenses of issuing and printing the notes, amounting since the organization of these banks to about two and a half million dollars.

These bank monopolists first receive 6 per cent., in gold, semi-annually on their bonds, deposited for the security of their circulation, and they also lend out from 75 to 90 per cent. of the face value of the bonds, at any rate of discount they can obtain, their net earnings, varying as the report of the Comptroller of the Currency shows, from 4 to 18 per cent. semi-annually. If the gold interest received by these monopolists semi-annually, amounting in the aggregate to $24,000,000, less the tax of 1 per cent. on circulation, and the average rate of discount exacted on loans from these banks to the people (not less than 8 per cent. average) be considered, the cost to the people of this national-bank luxury cannot be less than fifty or sixty million dollars per annum for the use of three hundred and fifty-four millions of circulation. And if to this be added the salaries of bank officers, State and municipal taxes, and other needful expenses attendant upon their business, the tax upon the productive industries and resources of the country becomes most frightful and alarming.

By reference to page 57 of the Report of the Comptroller of the Currency for 1873, it will be found that the net earnings of the national banks on capital and surplus in the following States for the years 1870, 1871, 1872, and 1873, were as follows:

States.	1870.	1871.	1872.	1873.
North Carolina	14.39	12.08	11.99	13.27
Georgia	16.11	12.33	12.65	14.52
Texas	23.36	13.23	21.22	21.91
Kentucky	13.79	11.52	10.47	11.56
Tennessee	16.65	15.48	13.58	12.94
Ohio	11.89	11.90	12.12	11.62
Indiana	12.32	11.73	10.65	10.55
Illinois	14.60	13.32	12.57	13.40
Chicago				16.31
Michigan	14.77	13.32	13.72	13.48
Detroit	15.04	15.48	12.16	13.59
Wisconsin	13.77	14.32	13.62	13.38
Milwaukee			17.93	13.75
Iowa	13.46	11.84	17.70	12.62
Minnesota	16.15	15.68	14.32	17.83
Missouri	19.12	18.58	18.14	17.16
Kansas	17.16	21.'3	15.89	16.50

When before did banks in this country make 10 to 23 per cent. per annum, after all expenses are paid?

And what good end do they serve? Why should the people be taxed even to the amount of the 6 per cent. gold interest on the bonds, which give the notes of national banks their credit, when by the substitution of the legal-tender currency, or Government obligations in some form, the same amount of circulation would cost the people comparatively nothing? It is the credit, the resources, and the faith of the Government that alone give both, currency and circulation, and the national banks are worse than a useless drain upon the resources of the country, benefiting no one but the favored shareholders who own and control them. And when it is recollected that the profits derived from the business carried on by these banks, as well as the interest on the bonds held as security for their circulation, belongs, in large proportion, to the favored section of the Union, we have another imposing item to add to the causes of the "local inflation" in New York.

4. The national banks have been, and must continue, under the policy that is destroying all the great labor interests of the Union, one of the principal levers by which the contracting screw is moved. One of its chief features is contraction. Every national bank organized under existing laws necessarily creates a local contraction of from 30 to 40 per cent. Let me illustrate this proposition.

A bank is desired by some of the capitalists of my district, with a capital of $100,000. We have no five-twenties or 5 per cents.; they are held and owned in the East or in Europe. The first step is to buy United States bonds, now worth 118; and $118,000 must be taken out of circulation and sent East to purchase the bonds, to be deposited as security for $90,000 issued to the bank as its circulation. In addition to this, there is required a reserve of 15 per cent. in legal-tenders, to be kept by country banks, which amounts to $13,500, thus reducing the amount of the local circulation from $118,000 to $76,500.

Of the sum of $356,000,000 of legal-tenders outstanding before the late financial difficulty, $102,000,000 were held by the banks as a reserve which could not be used except in violation of law; and if this banking system is to be increased by the $44,000,000 of reserves legalized by the bill which passed this House a few days since, over one-fifth, or $8,800,000, cannot go into circulation, but must form a reserve for the new banks that will be established to rob and plunder the people by the exaction of usurious interest. But contraction of the currency is the meat and drink of the money-sharks the world over; and no fiscal device was ever more satisfactory to this class of population than the national banks. The Comptroller of the Currency is much enamored of these national shaving-shops. But I should doubt whether the business men of Missouri who contributed to swell the dividends of these banks to 17½ per cent. for six months in 1871; or of Milwaukee, which shows 19 per cent. dividends for six months in 1872; or of Iowa, which shows 14 per cent. for the same time; or of Louisville, dividing 11 per cent. for six months, for same time in same year; or Leavenworth, which reports 22.4 per cent. in 1870, regard these financial machines with like admiration.

If the false and fallacious theory obtains that the market value of gold is dependent upon the volume of paper currency, and that the best means to reach a specie basis is to contract the circulation, I do not know that the theorizers could have hit upon a device better adapted to their purpose than the national banks. But let them understand, once for all, that success must be accomplished by the destruction and ruin of every other interest than that of capital, and of every other section but that one specially favored by congressional legislation.

5. The national banking associations are not only a monopoly by which, for a nominal and paltry consideration, the Government has turned over to a comparatively few individuals the issue and control of nearly two-thirds of the monetary circulation of the Union, and to that extent vesting these institutions with sovereign power over the business, trade, and commerce of the nation, and over the fortunes of individuals, but it has the additional demerit of being an almost exclusively sectional monopoly. It is a double-headed monopoly; sectional as well as individual. It not only gives exclusive privileges to a few, but the few are also confined in a great measure to a section.

The report of the Comptroller of the Currency shows that the six New England States, with a population of 3,458,000, have a bank circulation of $110,489,000, an excess of $70,000,000 beyond their due share, while Illinois and Missouri, with a population of 4,260,000, has $22,543,000, and a deficiency of $15,314,000. This sectional monopoly is the more startling and unjust when contributions to the support of the Government by sections are contrasted—the six New England States having paid in 1873 internal-revenue duties amounting to $5,573,000, while my State and its neighbor on this side of the Mississippi River paid internal taxes amounting to $20,752,000.

Why, sir, even poor old Virginia, curtailed of her once fair proportions, with a banking circulation of three and a half millions, pays more revenue to the General Government by $2,000,000 than all New England, with a less bank circulation than little Rhode Island and Providence Plantations by near $10,000,000.

Verily, this great Government is administered upon the principle that "whosoever hath, to him shall be given, and he shall have more abundance: but whosoever hath not, from him shall be taken away even that he hath."

And does any one harbor the thought that the New England States will surrender any of the excess of circulation they have, or consent that there shall be any real increase of the circulation of these banks in the Southern and Western States? I venture the opinion that even Rhode Island, with her sixty-three dollars circulation to every man, woman, and child within her territory, will not admit that she has more circulation than she needs, while she cannot consent to increase the national-bank circulation because of her ardent and unselfish devotion to the golden calf. Specie resumption is, next to a plenty of irredeemable paper, the one thing needful for New England. So that as long as we continue this infamous system of individual and sectional plunder the South and West must be ground to powder beneath the upper and the nether millstone. We cannot have a redistribution, because New England has none to spare. We cannot have any increase, because that would drive us, according to the theories of her political economists, that far from the consummation of all material and financial good—specie payments.

But, Mr. Speaker, the most potent objection to the national banks and to all that brood of financial measures to which I have adverted, and of which it has been the ready auxiliary, is the increased rate of interest which, either singly or in combination with these measures, it has brought about. Secretary Chase, in 1862, complained of 6½ per cent. as being excessive and beyond the ability of the Government to pay. This was at the beginning of the war, when the future of the country was clouded in doubt and darkness. It would certainly have been wise statesmanship to have borrowed money at a lower rate of interest after the war closed and peace reigned over a united country. But not only was the debt largely increased, probably duplicated, by what the distinguished gentleman from Pennsylvania [Mr. KELLEY] characterizes as the humbugging act of March 18, 1868, by which it is said the Government pledged its faith to pay the five-twenties in gold, principal and interest, when, by the terms of the act of February, 1862, and according to the highest republican authority, the late Mr. Thaddeus Stevens, of Pennsylvania, these bonds were payable in greenbacks, but the rent or interest was fixed at a rate that has affected the price of money throughout the country.

The following remarks by Mr. Stevens are taken from the Congressional Globe, and were made in 1868, when the bill making five-twenties payable in gold was under discussion in the House:

Mr. STEVENS, of Pennsylvania. What was that law? That bonds of a certain amount should bear 5 per cent. interest in gold. Now, up to the time they fall due we must pay them faithfully. After they fall due they are payable in money, just as the gentleman understands "money;" just as I understand it; just as we all understood it when we passed the law authorizing that loan; just as it was a dozen times explained upon the floor by the chairman of the Committee on Ways and Means when called upon by gentlemen to explain what it meant, and just as the whole House agreed that it meant.

[Here the hammer fell.]

Mr. O'NEILL obtained the floor.

Mr. STEVENS, of Pennsylvania. I should like to have one or two minutes more.

Mr. O'NEILL. I will yield to my colleague one or two minutes.

Mr. STEVENS, of Pennsylvania. I want to say that if this loan was to be paid according to the intimation of the gentleman from Illinois, [Mr. Ross;] if I knew that any party in this country would go for paying in coin that which is payable in money, thus enhancing it one-half; if I knew there was such a platform and such a determination this day on the part of any party, I would vote for the other side—Frank Blair and all. I would vote for no such swindle upon the tax-payers of the country; I should vote for no such speculation in favor of the large bondholders, the millionaires, who took advantage of our folly in granting them coin payment of interest. And I declare—well, it is hard to say it—but if even Frank Blair stood upon the platform of paying the bonds according to the contract, and the republican candidates stood upon the platform of paying bloated speculators twice the amount we agreed to pay them, then I would vote for Frank Blair—even if a worse man than Seymour headed the ticket. That is all I want to say.

Six per cent. gold interest payable semi-annually, with exemption from municipal, State, and Federal taxation, has been equal to not less than an average of 9 per cent. per annum in lawful money, while the cost to the people in the interest paid to the national banks has been considerably in excess of 9 per cent. At this last rate, $300,000,000 of bank currency, compounded annually for nine years, amounts to over $251,000,000. The Government has been the great money-borrower of the country, and with resources, present as well as prospective, greater and more diversified than those of any other nation on the globe, and with a credit untarnished by the slightest taint of repudiation or want of faith to its engagements, it has erected a standard and fixed a rate of interest on its obligations, and authorized its fiscal agency to demand rates for the use of the credit of the nation that has necessarily advanced the price of money to all private borrowers having less credit and more limited resources to a point utterly unbearable, and specially ruinous to the great labor interests of this country.

No legitimate industry in this country can thrive and prosper under the oppressive burden of interest the productive industries have been forced to pay for the last seven or eight years. I believe it is susceptible of demonstration, that the average annual increase in the productive wealth of the country does not run above 4 per cent., and I think has been less than 3 per cent. per annum, since the war. The painstaking and well-informed statistician at the head of the Bureau of Statistics, estimates this annual accumulation at about 2½ per cent. per annum, and if either of these estimates approximates the truth, how glaring becomes the wrong and injustice to the producing interests of the nation, by which the capitalist, the speculator, and the money-dealer has been able to realize from 9 to 30 per cent. per annum upon his non-producing capital.

Need we wonder at the alarming spectacle exhibited in this land of boasted equality of civil rights, at the wonderful growth and power of the moneyed aristocracy of the country, and of the increasing destitution of the laboring classes; of so much suffering by one portion of the people, with so much splendid prosperity in another; of unbounded private wealth alongside of squalid poverty; great increase in national resources with constant decrease in the comforts of a large portion of the people?

Mr. Speaker, let me say to the dominant party of the country, whose pride and boast is that they have liberated four million slaves, and have crowded the statute-books of Congress with enactments intended to protect them in the exercise of the rights of freemen, that you have by your financial policy nullified and neutralized all the benefits of your waste of treasure and blood, and of your well-meant legislation in behalf of the negro, and unless you retrace your steps and cease your discriminating legislation in favor of capital, sections, and interests, you will have consigned the African to a bondage more galling and to a task-master more pitiless and unrelenting than those delineated on the imaginary pages of Uncle Tom's Cabin.

It is no just reply to these views to be told that the average profit of the two thousand national banks on capital and surplus, as reported by Comptroller Knox, is but little over 8 per cent. The point is not what the banks make as clear profit, but what these luxuries cost the people. To estimate this, we must know the gross earnings of these broker-shops, and this information is not given to us. We can only conjecture what have been the expenses of conducting these institutions—the princely salaries paid to presidents, cashiers, tellers, clerks, and attorneys, and how much has been contributed "where it will do the most good." All these charges are borne by the producing and laboring classes, and must be calculated to ascertain the extent to which they are robbed and plundered by these cunningly devised contrivances.

Mr. Speaker, there are many other points of objection to these institutions. If my time permitted, I should like to say something on their centralizing influence, their political power, and the peril of intrusting to the Secretary of the Treasury, to the Comptroller of the Currency, or any other officer, such absolute power over the business interests of the country as the national banking law gives. I should like to discuss the question of divorce of the Government from banking in all its forms, whether State or national, free banking or monopoly banking, and to present more in detail the views I hold as to the duty of the Government to furnish to the people a paper medium of exchange based upon its credit and the resources of the country, that will circulate with gold and at par with it, when the proper time shall have arrived, and that will exclude all aid or assistance from paper issued either by State banks or national banks.

I hope never to see another bank organized in this country, whether State or national, with power to issue its lying promises of payment in specie. And I have no doubt that Treasury notes, even without being made legal tender for debts between individuals, and good for all dues of the Government of every kind except the interest on the public debt, and convertible into United States bonds at a low rate of interest, would answer all the demands of our internal commerce; relieve the industry of the country of its oppressive burdens and place all sections of the Union upon an equality as to the favors of the Government; prepare the way for an influx of gold and silver, and gradually liquidate and discharge the public debt. If I could have any doubt of the value of such a circulating medium and its capacity to rescue us from the clutches of avaricious Shylocks, selfish bankers, and the sordid mercenaries of capital and money, I would confidently trust to the opinions of the two wisest statesmen and most sagacious politicians whose names adorn the history of America. I allude to Mr. Jefferson and Mr. Calhoun. Besides the authority of their opinions, we know that Virginia in 1755 issued such a paper medium that was equal to gold. North Carolina did the same thing during the war of the Revolution, and Kentucky accomplished the same result by means of the Commonwealth Bank, alluded to in debate some time since by the distinguished gentleman from Kentucky, [Mr. BECK.]

In addition to this, Mr. Calhoun states that Russia kept in circulation at one time $120,000,000 at par with gold, when her yearly payments were less than $30,000,000. And it is a historical fact that during the last years of the Napoleonic wars, (as stated by Alison, pages 76, 77,) the—

> Allied sovereigns issued paper notes, guaranteed by Russia, Prussia, and England, which passed as cash from Kamtschatka to the Rhine, and produced the currency which brought the wars of Napoleon to a close.

But in my judgment any effort to relieve the distress of the laboring interests of the country either by an increase of circulation or by an issue of bonds bearing a low rate of interest, or by any other scheme, will be worse than useless until the voice of the producer is heeded by Congress and the national-bank villainy is obliterated.

I can see no hope of any permanent reform in the monetary condition of the country until this double-headed monstrosity is put into a course of liquidation. It stands as the great barrier to the permanent prosperity of the country. It is the lion in our path of departure from the financial policy adopted in an hour of national necessity and sectional passion, mingled with selfish cupidity, and fastened upon the country when war was flagrant or when the negro and his rights was the idol to whom the dominant party offered up incense and adoration. We have reason to congratulate ourselves that the deeds and acts of those unfortunate days have passed into history, and that we have no such excuse to maintain and reinvigorate this gross wrong to the labor of the country as those who participated in its conception, or in enlarging the sphere of its mischief.

Mr. Speaker, it has been about a twelvemonth since the country was astounded and the public conscience shocked by the revelations of the mismanagement, fraud, and corruption of the Union Pacific Railroad Company and the financial manipulations of the inner ring known as the Credit Mobilier. If my memory serves me aright the report of the committee so ably and faithfully presided over by my friend from Indiana [Mr. WILSON] showed that Ames, Durant, and McComb, and their fellow-conspirators, had robbed the Government of about $40,000,000 in building this great highway to the Pacific. But, sir, that sum is a mere bagatelle to the millions that the national banking system has extorted from the hard earnings of the producers of the country's wealth in the nine years of its existence. The difference between the cost to the people of the national-bank circulation, and of legal-tender security at an average interest of 8 per cent. currency on the bonds held as security for these national-bank notes compounded annually for nine years is more than six times the robbery of the Credit Mobilier ring, to say nothing of the untold millions that have been filched in the shape of usurious interest and exorbitant rates of exchange.

This national banking syndicate is the veritable Credit Mobilier of the United States of America. That investigated last winter and so ingloriously brought to grief is but a pigmy by the side of this giant of legalized robbery and sectional monopoly. The Pacific Railroad ring was small in numbers, limited in its sphere of operations, greedy of appetite and voracious of everything within its reach. The national-bank mobilier has far more stomachs to fill, and exercises its jurisdiction over the area of a continent, but its greed is no less insatiate and remorseless. As the one was exposed and throttled in the last Congress, I trust that this Congress will put a quietus upon this most dangerous and most gigantic form of legalized plunder.

Am I asked if we are never to return to specie payments? Never, I answer, if by specie payments is meant a return to the issue of bank-notes, promising to pay specie that we know they never did pay or could pay. But if by a return to specie payments it is to be understood that the Government shall give to its creditors the option to take the obligations or notes of the Government, or gold, as the creditor may desire, I am so far inclined to the specie-basis theory as to see no objection to looking forward to this result as a desirable consummation in the future; that is, that our circulation, when the condition of the country is prepared for it, shall consist of Treasury notes, with or without being a legal tender, but receivable for all public dues, and gold and silver coin.

But of all the vagaries that ever were conceived in the brain of a visionary, or enunciated by the speculative dreamer, that which seeks to bring us from an expanded currency to a specie basis by contracting the volume of currency and crushing out the productive industries of the country to bring about that result is the wildest and the most unpractical. The whole basis of this theory is false and fallacious. It is that the difference between the market value of gold coin and our paper money is measured by the volume of the latter, and that gold has a fixed and unvariable value.

Neither proposition has any foundation to rest upon, as can be demonstrated by an array of numberless facts if my time permitted. These have been the errors from which has sprung the general distress in the South and West, growing out of the attempt to contract the currency to a point where resumption could begin. With the immense debt, county and State, national and corporate, now burdening the people, a great proportion of which is held abroad, and an annual interest thereon estimated from $150,000,000 to $225,000,000, resumption, or an attempt at resumption now or in the near future, would be a calamity more disastrous and far-reaching in its effects than can be conceived.

No permanent resumption, it seems to me, can take place until the industries of the country are in a more prosperous condition. A short cotton crop in the South, a poor harvest of cereals in the Northwest, a heavy demand for gold coin by any of the great powers of Europe, would inevitably create a drain of the precious metals from this country, suspension by the banks, and a return to an irredeemable currency, with bankruptcy, exorbitant rates of interest, paralysis of business, starvation among the laboring classes, and a long train of attendant evils. To attempt resumption in the present monetary condition of the country is the supremest folly that can be conceived. We must practice economy as a nation and as individuals, develop the dormant wealth of the country by wise legislation, state and national, reduce our gold interest, and offer inducements to our own capital to take our bonds at a low rate of interest, increase our exportable productions, and take off all the shackles of trade, internal and external, that can be done with safety.

And here let me give a passing remark to a strange and singular paradox which the advocates for resumption offer to our consideration. According to their theory, irredeemable paper is the great curse of the country, and resumption of specie payments is the sovereign remedy for all our financial ills. It is the chorus of every board of exchange, or chamber of commerce, and of nine-tenths of the bankers, brokers, merchants, and money-dealers in the East, and yet it is an indisputable fact that, within the last thirty years, the

banks of the United States have suspended specie payments three times, and that under the influence and by the use of an irredeemable currency the country was brought up to the point of resumption twice, and is being tried a third time.

When money has heretofore become stringent, as in 1837, 1857, and 1861; when hard times and commercial failures presaged pecuniary disaster; when the laboring classes were thrown out of employment, and distress pervaded all departments of business, then suspension of specie payments was the remedy and the sole remedy, and the business of the whole country was conducted in great measure by irredeemable paper money.

Now, when we have had a severe panic—a suspension of greenback payments and universal embarrassment among the laboring classes of the country—the remedy of our financialtphysicians is resumption of specie payments, and that, too, by contraction. If this be financial wisdom, then I confess to my incapacity to comprehend or appreciate it.

From the views I have thus imperfectly presented to the House, the remedies for the present financial ills of the country may be readily inferred.

First. The entire grain-growing and cotton-planting regions of the Union demand an increase of the volume of currency, as well to place them on an equality with the more favored sections, as to enable them to develop their natural resources, and to aid in paying off their share of the national debt. The history of the last few years of this country, and the history of England since the resumption of specie payments there in 1819, prove the difficulty if not the impossibility of paying off a heavy debt incurred in a time of expanded circulation with a contracted currency.

The debt of Great Britain was not reduced exceeding $100,000,000 from 1819 to 1843. During that time the population had increased from twenty millions to twenty-eight millions; the imports had increased from one hundred and fifty millions to three hundred and fifty millions; exports had advanced during the same period from two hundred and twenty millions to six hundred and fifty millions; and the shipping from two and one-third million tons to four and one-half million tons. In 1819 eighty-two millions of her debt was paid off, while twenty-four years afterward, under the operation of the specie-basis theory, the revenues of the kingdom had not increased, but there was a deficiency of several millions to pay ordinary expenses. Her public debt of four billions stands to-day a monument of the folly we are now imitating.

If we do not retrace our steps, and approximate our volume of currency somewhat to its standard in 1866 and 1867, I do not hesitate to affirm my conviction that the child is yet unborn who will see the present debt paid or greatly reduced below its present sum.

Secondly. For the purpose of getting rid of an odious, oppressive, expensive, and sectional monopoly, the notes of the national banks should be gradually withdrawn, and their places substituted with legal-tenders or notes issued by the Government, good for all dues to the Government (customs duties included) except the interest on the public debt, and convertible into Government bonds bearing a low rate of interest. The difference in the market value of greenbacks and gold would thus disappear, our annual interest would be reduced, and we should reach resumption quicker by this road than by the process of contraction, and without sacrifice of the industrial interests of the nation. If banks are wanted by the States, they will be established wherever they are needed; not banks of issue, but solely for the purposes of deposit and discount. The Federal Government would thus be divorced from banking and bar'ks, and it would be confined to the duty, delegated to it by the Constitution, of coining money and regulating the value thereof.

What obstacles interpose to the execution of this simple and unartificial scheme? Two have been suggested which alone deserve consideration. They spring from an alleged violation of public faith in making the customs duties payable in anything but gold, and in breaking the pledge given by the nation in the act of March 18, 1869, that the principal and interest of the public debt should be discharged in gold coin.

The following colloquy took place in the Senate, January 16, 1874, between Senator FERRY, of Michigan, and Hon. JOHN SHERMAN, chairman of the Committee on Finance, both republicans:

Mr. FERRY, of Michigan. I ask whether, in the Senator's judgment, the value of the currency in France depends so much on the convertibility of the notes into bonds, or on their being made lawful money for all purposes, which our greenbacks are not?

Mr. SHERMAN. I have no doubt that it would greatly advance our greenbacks if they were allowed to be received at the custom-houses for duties.

Mr. FERRY, of Michigan. Is that not the case in France?

Mr. SHERMAN. Yes; but I will ask the Senator a question now. Would he pass such a law in the face of the obligation of the United States, made on the 25th day of February, 1862, that this coin shall be set apart sacredly as a fund?

Mr. FERRY, of Michigan. If I had control of the finances of this nation I would not discredit my own paper; I would declare it good for all purposes for or against me, and then enter the market and purchase the gold necessary to meet the obligations which I had agreed to pay in coin. In that case I would stand upon the French basis and maintain the same credit which the French nation maintains to-day, to wit, a discount of ½ per cent. on its currency, while ours to-day is about 10 per cent., for the very reason that we have not made our currency lawful money for all purposes, but have made an exception in regard to duties.

The effect of making the legal-tenders receivable for all public dues, especially for customsduties, would be to appreciate them to the value of gold at once, and thus to some extent neutralize the foul wrong perpetrated by Congress upon the tax-payers of the country, in making the five-twenty bonds, which were agreed and understood to be payable in greenbacks, payable in gold. That such was the contract of the Government with the holders of greenback circulation and the holders of these bonds cannot be successfully controverted.

On that point, if it needs confirmation, I have already referred to an extract from a speech delivered on this floor by its once-honored leader, (Mr. Thaddeus Stevens.) It was this same leader that made violent opposition to putting the brand of inferiority and depreciation upon the legal-tenders when they were first issued. The bill as originally reported and passed in this House made the greenback receivable for all dues to the Government, customs duties included. It was in the Senate that this bill, to use the language of Mr. Stevens, was so mangled, disfigured, and deformed, that its own father would not own it. And he charged that this great wrong was done at the instigation of the bullion-brokers and the bankers, and expressed the fear that it was "a cunningly devised scheme," which would carry incalculable injury and great loss to all classes throughout the Union except one. The spirit of prophecy was upon the once-honored leader of the majority of this House; and we are here to-day to bear witness that his forebodings have been realized in every jot and tittle.

Mr. Stevens, in his remarks on the bill as amended, said:

I approach the subject with more depression of spirits than I ever before approached any question. I have a melancholy foreboding that we are about to consummate a cunningly devised scheme, which will carry great injury and great loss to all classes of the people throughout this Union except one. With my colleague, I believe that no act of legislation of this Government was ever hailed with as much delight throughout the whole length and breadth of this Union, by every class of people, without any exception, as the bill which we passed and sent to the Senate. Congratulations from all classes—merchants, traders, manufacturers, mechanics, and laborers—poured in upon us from all quarters. The boards of trade from Boston, New York, Philadelphia, Cincinnati, Louisville, Saint Louis, Chicago, and Milwaukee, approved the provisions, and urged its passage as it was.

I have a dispatch from the Chamber of Commerce of Cincinnati, sent to the Secretary of the Treasury, and by him to me, urging the speedy passage of the bill as it passed the House. It is true a doleful sound came up from the caverns of bullion-brokers, and from the saloons of the associated banks. Their cashiers and agents were soon on the ground, and persuaded the Senate, with but little deliberation, to mangle and destroy what it had cost the House months to digest, consider, and pass. They fell upon the bill in hot haste, and so disfigured and deformed it that its very father would not know it. Instead of being a beneficent and invigorating measure, it is now positively mischievous. It has all the bad qualities which its enemies charged on the original bill, and none of its benefits. It now creates money, and by its very terms declares it a depreciated currency. It makes two classes of money—one for the banks and brokers, and another for the people. It discriminates between the rights of different classes of creditors, allowing the rich capitalist to demand gold, and compelling the ordinary lender of money on individual security to receive notes which the Government had purposely discredited. * * *

When it is proposed to correct this rank injustice and repair this foul wrong in part; when every other class but the one for whose especial benefit this mark of inferiority and depreciation was placed upon the greenback is crying out against it, the same sordid, mercenary, and selfish horde are suddenly seized with a fit of patriotic indignation, and, assuming a virtue though they have it not, resist any interference with their legalized rights of robbery, and plant themselves upon their abhorrence of a broken and violated public faith. "The honor and faith of the nation must be preserved though the heavens fall," resounds and reverberates through the caverns of the bullion-brokers, the dens of Wall-street gamblers, and the parlors of the banks.

We propose to elevate and appreciate the value of the obligations of the Government, and we are met with the objection that Congress by a solemn resolve has pledged the customs dues to pay the gold interest on its bonds. We call the attention of these sticklers for national honor and public faith to the printed indorsement on every legal-tender note, which makes it receivable in "payment of all claims and demands against the United States except duties on imports and interest on the public debt," and makes it "a legal tender *in payment of all debts, public and private, within the United States, except duties on imports and interest as aforesaid*," and claim the right to pay the five-twenty bonds with them, and we are gravely told that the act of Congress of 18th March, 1869, pledged the faith of the Government to pay the principal and interest of these bonds in coin, notwithstanding they were purchased with greenbacks at the rate of from two to three dollars in greenbacks for one in gold.

These acts of Congress, the last of which, March 18, 1869, has been characterized by the distinguished gentleman from Pennsylvania [Mr. KELLEY] as a piece of political humbuggery, and which richly merits the appellation of the grandest financial swindle of modern times, are pleaded by the advocates of the money-power as absolute estoppels and conclusive bars against the tax-payers ever paying anything but gold coin for the discharge of the public debt, or of appreciating the legal-tenders to par with gold.

There is but one remedy for this accumulation of aggravated outrages against a tax-ridden people, and that is contraction, constant and prolonged, until a specie basis is reached. And what adds to the intensity and magnitude of this crime against the labor interests of the country is, that it is cloaked over with a hypocritical and pretended solicitude for the preservation of the public faith.

In my experience in life, Mr. Speaker, I have observed that the most consummate villains were those who were most blatant of their virtue and indisposition to do injury or injustice to any; and when in the ordinary transactions and intercourse with my fellowmen I have heard one proclaim his own purity, vaunt his personal

honesty and integrity, and his determination to deal justly and fairly with his fellows, I involuntarily suspected that he had some dishonest or selfish purpose to subserve. So it is with the men who talk so loudly and write so glibly of the nation's honor and the nation's faith. It is not that they are more sensitive to the honor and good name of the nation than other men, but that they are more alive to their own interests, and more reckless of the interests of others; it is not that they have more honor or honesty, or a keener sense of right than their fellows, but that they have greater cupidity, more insatiate avarice, and less respect for the rights or interests of their neighbors.

This clamor about the public faith is the merest pretext and the thinnest sham. It is an attempt "to steal the livery of heaven to serve the devil in." It is an effort to raise a false issue, and turn the popular mind upon a false scent, that the bankers and brokers, bondholders and money-changers, may still more enrich their fields with the sweat of the poor man's brow, and fill their coffers to overflowing with gold coined from the labor of the toiling masses of the nation.

Did any one ever hear of any denunciations from these classes against Secretary BOUTWELL for violating the plain provisions of the act of March 18, 1869, in paying $40,000,000 premium on bonds not due, and which he could not pay legally until United States notes were convertible into coin, or bonds bearing a lower rate of interest could be sold at par in coin, neither of which events has arisen? When did these brokers, bankers, and money-mongers ever manifest any solicitude that the Government should keep its faith with the tax-payers of the nation? Who ever heard any protest from them against the passage of the first act, approved by President Grant, by which the burdens of the tax-payer were increased 100 per cent., and the wealth of the bondholder augmented in like proportion? It is perfectly legitimate and proper for this Government to break its faith with the tax-payers of the country, but faith must be kept with the bondholder and banker at all hazards.

This Government needs no resolve of Congress to preserve its good faith, or to comply with its honest engagements. Its acts and deeds have a voice and potency that need no aid from empty resolutions or partisan enactments. Nearly $2,000,000,000 collected from internal taxation alone in ten years; resources such as have never before been vouchsafed by a kind Providence to any other people on the habitable globe; forty millions of people, the most energetic, the most thrifty, the most intelligent that have existed in ancient or modern times, and a prompt and punctual discharge of every moneyed obligation for more than three-quarters of a century, furnish a guarantee that this Government and people will deal justly and act honestly with its creditors, compared with which demagogue resolves of Congress are as "sounding brass and a tinkling cymbal." *Non tali auxilio tempus eget.*

Mr. COTTON. Mr. Speaker, various are the suggestions, and most conflicting, which we are receiving from every part of the country on the currency question, and here in Congress we have many professed doctors of finance, each having a different remedy. In the midst of this contrariety of opinion, I have adopted for my guidance certain principles which I think will aid me materially in deciding upon the various propositions which have been submitted.

THE THREE SIXTY-FIVE BOND PLAN.

I will not favor having the Government engage in any financial operation which I would condemn as impolitic for an individual.

It is believed that to pay interest on deposits held subject to call is bad policy. If the depositary keeps the money on hand, so as to be at all times ready to meet the call, he becomes the loser to the amount of the interest paid; and if he loans the money, so as to have it earn interest to meet that which he has to pay, there is no certainty that he can have it when called for. Yet we have those who propose that the United States should become the recipient of call deposits, and pay interest thereon. The proposition of this nature of which we hear the most is one to have the Government pay 3.65 per cent. on such deposits, and issue its certificates of deposit, in the form of bonds, promising to pay on demand with that rate of interest. The three sixty-five bond plan is nothing other than a proposition that the Government shall pay interest on deposits payable on demand. This would certainly be very convenient for bankers and others having idle money on hand, or which they might be holding until some desirable investment would turn up. This they could require the Government to take and pay interest on until they should see proper to call for it. The United States would have the expense of receiving these deposits, supplying the bonds, the expense and risk of guarding the money, the expense of its repayment, and would, in addition, lose the interest paid. Business of this nature, if unprofitable in the case of an individual, who might make some temporary use of the money, taking the risk, would be still more so for the Government, which could not make temporary investments; neither could it venture to pay out this fund permanently in retiring Government bonds bearing a higher rate of interest.

This system would also be very desirable to those who might wish at certain periods to lock up currency. The money that otherwise, during an operation of this kind, they must hold without receiving any gain therefrom, they could place in the Government Treasury, require the money to be there held ready for them at all times, and in the mean time have it bear interest.

Mr. KELLEY. I want to ask the gentleman whether he is characterizing the bill which I had the honor to propose.

Mr. COTTON. I refer to the 3.65 per cent. bond proposition.

Mr. KELLEY. Will the gentleman permit me to interrupt him a moment?

Mr. COTTON. Certainly.

Mr. KELLEY. I desire to say that my proposition is for the redemption of the 6 per cent. gold bonds with the money thus obtained.

Mr. COTTON. I understand that.

Mr. KELLEY. It has two objects, which are distinctly these: the reduction of the rate of interest and the conversion into paper instead of gold of a large portion of the principal and interest of our indebtedness, and to bring the bonds into the hands of our own people instead of permitting it to remain in foreign countries, where it now is.

Mr. COTTON. I understand the gentleman fully; but I would ask him, after the money received for the three sixty-five bonds has been paid out to redeem five-twenty bonds, and you have, say $1,000,000,000 of three sixty-five bonds outstanding, then, in case there should be demand in time of a panic for redemption of the same, how are you to repay the money, the money received having been paid out for the redemption of the five-twenty bonds?

Mr. KELLEY. I will take pleasure in answering, so far as I understand it, the question of the gentleman. Banks of deposit ascertain with absolute certainty the average fixed deposits which they are able to use as loans to their customers. The laws which regulate these deposits are very well established. In addition to that we have the experience of the percentage of our various forms of temporary loan that ever came in, that ever was presented for redemption. My bill proposes a redemption fund of $50,000,000 to be kept and held exclusively for the redemption of these bonds in case they should be presented in an unusual amount under an emergency, and I believe that the Treasury is thus abundantly guarded against the contingency which the gentleman suggests.

Mr. COTTON. I do not believe the people can be drawn into that sort of a plan, nor that money can be obtained from them at 3.65 per cent. interest when they can obtain at any time 5 per cent. by purchasing the bonds of the Government. I do not believe they can be decoyed in that way, and induced to place their money in the Treasury where it will bear only 3.65 per cent. when they can get 5 per cent. or more some other way.

Mr. KELLEY. If the gentleman will pardon me——

Mr. COTTON. My time is running on.

Mr. KELLEY. I will pledge myself in advance not to disturb the gentleman again.

Mr. COTTON. Make it brief.

Mr. KELLEY. There is to-day lying on deposit in the Treasury of the United States $53,000,000 of greenbacks, the owners of which are entitled to no interest and which draw no interest. The owners would be glad to have 3.65 per cent. on that deposit. On the 18th of September last, when the break-down came, there were from two hundred to two hundred and fifty million dollars on deposit in the banks or with bankers, at rates of 4 per cent. or below it, which were subject to all the risks of bankers' speculations. That could all be obtained on convertible Government securities at the rate of 3.65 per cent.

Mr. COTTON. Why do you not get at the present time what is thus deposited and not bearing interest?

Mr. KELLEY. Because we cannot offer interest, but hold the money as a special deposit. This is why we do not get more; but if we cannot use it, if we borrowed at a low rate of interest on call, we could redeem 6 per cent. bonds.

Mr. COTTON. How can you redeem five-twenties with the money received for the three sixty-five bonds when you are to hold all this money subject to call?

Mr. KELLEY. I think the answer to this question has been suggested in what I have already said.

AMOUNT OF GREENBACKS LIMITED.

Mr. COTTON. I would not have the Government break any of its pledges.

The law of June 30, 1864, which authorized the issuing of $400,000,000 of bonds, or in lieu thereof, Treasury notes to an amount not exceeding $200,000,000, contains this provision:

> Nor shall the total amount of United States notes issued, or to be issued, ever exceed $400,000,000, and such additional sum, not exceeding $50,000,000, as may be temporarily required for the redemption of temporary loan.

This clause was inserted in that law to give value to the notes and bonds authorized by that act, and which were to add largely to the national debt, then already so great that many despaired of its ultimate payment.

The temporary loan having been redeemed, the limit under that loan would be $400,000,000. This restriction, aside from any other considerations, would prevent that expansion in the issue of these notes which is advocated by many.

The amount of these notes in circulation was the highest in 1865. The Secretary of the Treasury having commenced to contract the circulation, Congress, to prevent this being too rapid, provided in the act of April 17, 1866—

> That of United States notes not more than $10,000,000 may be retired and canceled within six months from the passage of this act, and thereafter not more than $4,000,000 in any one month.

February 4, 1868, Congress enacted—

That from and after the passage of this act the authority of the Secretary of the Treasury to make any reduction of the currency by retiring or canceling United States notes shall be, and is hereby, suspended.

The amount then in circulation was $356,000,000. Hence that became the minimum limit.

Since that time there has been difference of opinion whether under the law there could be a reissue of any part of the $44,000,000 retired in bringing the amount down to $356,000,000. The Treasury Department has claimed that the law of June 30, 1864, authorizing the issue to the maximum of $400,000,000 remained in force, and that the $44,000,000, which the Department designates as the reserve, could be lawfully reissued, while on the other hand it has been insisted that the act of April 17, 1866, required the notes withdrawn from circulation to be canceled so as not to be reissued, and that by retiring the $44,000,000 the maximum sum was reduced to $356,000,000, and could not be increased by a reissue of any portion of what had been retired.

The Department, acting under its construction of the law, has placed a large part of this so-called reserve in circulation, and on the 23d of this month the amount thereof issued was in round numbers $26,000,000, making with the $356,000,000 the sum of $382,000,000 of United States notes outstanding at that time.

VOTE OF MARCH 23, 1874.

Under this state of facts, on that day this House voted on three propositions to fix the amount of these notes: first, to make the maximum issue $356,000,000; secondly, to make the maximum $382,000,000, the amount then in circulation; and thirdly, to make it $400,000,000. The last proposition prevailed. On the first and third I voted in the negative, and in the affirmative on the second sum, $382,000,000.

To make the limit $356,000,000 would necessitate rapid contraction, and might prove injurious to business. To increase the issue so as to bring it up to $400,000,000 would be to add voluntarily $18,000,000. To this there are, to my mind, several objections, among which are the following: First, to enlarge the issue of these notes in time of peace, and when there does not exist such public exigency as necessarily compels it to be done, is not warranted by the Constitution as construed by the Supreme Court, as I shall show farther on. Second, such issue would violate the national pledge in the act of March 18, 1869, of which I shall speak more fully before I am through, that provision at the earliest practicable period should be made for the redemption of the United States notes in coin. Third, such voluntary increase of the United States notes would be contrary to what has been the avowed policy of the Government, and would create the impression that this nation will not pursue any fixed policy, and thus impair the public credit.

Since this House, on the 23d instant, declared in favor of making the issue of United States notes $400,000,000, these notes have declined 1 per cent., involving a loss of $3,820,000.

Mr. E. R. HOAR. The decline to-day is 2 per cent.

Mr. COTTON. The gentleman from Massachusetts tells me that to-day the decline is 2 per cent., making the loss over $7,000,000.

BUYING BONDS WITH GREENBACKS.

It has been the theory of some that a large amount of these notes should be issued and placed in circulation in purchasing Government bonds. Those who favor this should bear in mind that the bonds are much above these notes in value, so that it would take more than $100 of notes to purchase bonds to the amount of $100, and by an operation of this kind the indebtedness of the nation would be much increased, as well as the currency further depreciated. For the purpose of ascertaining what would be the result of investing in bonds the additional $18,000,000 necessary to be added to the circulation to raise the amount of United States notes to $400,000,000, I addressed the following inquiry to the Secretary of the Treasury:

HOUSE OF REPRESENTATIVES, UNITED STATES, *March* 26, 1874.

Hon. WILLIAM A. RICHARDSON, *Secretary of the Treasury:*

For the purpose of seeing how much the Government would lose by purchasing United States bonds with the $18,000,000 which it would require to bring legal-tenders up to $400,000,000, I would like to know the value of five-twenty bonds the day the four hundred million bill passed the House. That was March 23.

A. R. COTTON.

I received from him the following response:

TREASURY DEPARTMENT,
Washington, D. C., March 26, 1874.

Hon. A. R. COTTON, M. C., *House of Representatives:*

Government would nominally lose $2,633,772 by buying bonds to the extent of eighteen millions in currency at market price on the 23d, average premium being 17.14; but bonds were then and are now above par in gold in the market, and could not have been purchased under the general order not to pay above par.

WILLIAM A. RICHARDSON,
Secretary of the Treasury.

From what would be the loss in using $18,000,000 of these notes in purchasing bonds at the present premium, and when it is understood also that to add largely to the amount of these notes would so depreciate their value as to greatly increase this premium, it can readily be seen what a disastrous proceeding this would be. The amount of notes thus paid out would far exceed the amount of bonds purchased, and when this was done the notes would be so reduced in value that to bring them up to what they are now the Government would be compelled to fund them into bonds again. And by this process the bonded debt would be largely augmented.

REDUCTION OF THE DEBT PROMISED.

The Government has also promised its creditors that there should be an annual reduction of the public debt. This promise should be kept. It was made for a like purpose of giving value to the Government securities. It was enacted in the act of February 25, 1862, that the coin received for duties on imports should be set apart as a special fund, and applied as follows:

First. To the payment in coin of the interest on the bonds and notes of the United States.

Secondly. To the purchase or payment of 1 per cent. of the entire debt of the United States, to be made within each fiscal year after the 1st day of July, 1862, which is to be set apart as a sinking fund, and the interest of which shall, in like manner, be applied to the purchase or payment of the public debt, as the Secretary of the Treasury shall from time to time direct.

Thirdly. The residue thereof paid into the Treasury of the United States.

This act authorized the issuing of $150,000,000 legal-tender and demand notes, and $500,000,000 bonds. To enable the Government the better to dispose of these, it assured its creditors that a fund should be set apart for the reduction of the public debt to the extent at least of 1 per cent. annually of the entire debt of the United States. Any increase of the public debt by Congress would be inconsistent with this promised annual reduction. We cannot keep this promise and increase the debt in any form as the means of supplying anticipated deficiencies in the public revenues. This nation can certainly pay its way in time of peace. Let there be such retrenchment as to bring the expenditures within the revenues; but if this cannot be done, better keep the nation's pledge by placing sufficient tax where it will be the least burdensome.

SPECIE RESUMPTION PROMISED.

We find also, in the act of March 18, 1869, a pledge of this nation which is incompatible with any legislation calculated to diminish the value of greenbacks and carry us further from specie payments. It is therein enacted—

That in order to remove any doubt as to the purpose of the Government to discharge all just obligations to the public creditors, and to settle conflicting questions and interpretations of the laws by virtue of which such obligations have been contracted, it is hereby provided and declared, that the faith of the United States is solemnly pledged to the payment in coin, or its equivalent, of all the obligations of the United States not bearing interest, known as United States notes, and of all the interest-bearing obligations of the United States, except in cases where the law authorizing the issue of any such obligation has expressly provided that the same may be paid in lawful money or other currency than gold and silver. But none of said interest-bearing obligations not already due shall be redeemed or paid before maturity, unless at such time United States notes shall be convertible into coin at the option of the holder, or unless at such time bonds of the United States, bearing a lower rate of interest than the bonds to be redeemed, can be sold at par in coin. And the United States also solemnly pledges its faith to make provision at the earliest practicable period for the redemption of the United States notes in coin.

Since the passage of that law we have imperceptibly and without injurious results to any one made large progress and near approach to specie payments, and it would certainly be ill-advised to abandon all the ground that has been gained in that direction. I am opposed to any severe measure to bring about specie resumption, neither do I expect we are to have resumption at once; but I think we should face steadily in that direction, and not lose sight of this pledge. It has been this pledge that has appreciated the value of United States notes, and given such character to the national securities that bonds bearing a reduced rate of interest have been disposed of at par, and many of them abroad.

The United States minister to Prussia, Mr. Bancroft, in a letter addressed to Secretary Fish, December 22, 1873, in relation to the President's message, writes:

Four years ago this public believed the United States were about to return, without delay, to a specie currency. As a consequence, public confidence in our stocks was constantly on the increase. When such marvelously large payments of our debt were made it was taken for granted that those payments would be accompanied by a return of the Government, through all its obligations, to specie payments, according to the pledge of the first act of the Forty-first Congress. Nations are here divided into those which have a forced paper circulation and those which have a specie basis, and the differences in the prices of the stocks of the two is amazingly great.

Our 6 per cent. stocks were rising, and there was every reason to hope that the price would soon be far above par. The remoteness of the United States had come to be thought lightly of, and there was even a rising belief that there was a peculiar safety attending their stock, resulting from the very fact that they stood apart and beyond the reach of convulsions in Europe. There still remains unshaken confidence in their determination and in their ability to pay their bonded debt; but the seemingly indefinite postponement of the epoch when they intend to remove the use of force in keeping their notes in circulation seriously affects financial opinion. This change manifests itself in various ways. Where purchases are made of stocks, those falling due first are most sought after by those who have safety in view; and there is less disposition to engage in any new loans which the United States might be disposed to invite.

You will not be surprised, therefore, when I say that the judgment of the President "that we can never have permanent prosperity until a specie basis is reached" is responded to here with absolute unanimity, coupled further with the idea, which is, indeed, involved in the President's words, that we can never attain the credit which we have a right to hope for in the financial markets of the world until that specie basis is reached.

SUPREME COURT'S CONSTRUCTION.

In addition to the declaration of the legislative branch of the Government, avowing it to be the nation's duty to make the earliest provision practicable for the redemption of the United States notes in coin, the judicial branch, in passing upon the character of these notes,

have pronounced them not money, in the true meaning of that word, but the nation's promises to pay money, substituted temporarily and from necessity for money; and promises that the nation is under obligations to redeem with what the world recognizes as money.

In the case of the Bank of New York *vs.* Supervisors, (7 Wallace 26,) decided by the Supreme Court of the United States, December, 1868, United States notes were held to be exempt from State taxation under the act of February 25, 1862, which provides that—

All United States bonds, and other securities of the United States, held by individuals, associations, or corporations within the United States, shall be exempt from taxation by or under any State authority.

It was contended in the argument of counsel that these notes were a new kind of money; that the Government did not really and in fact contract by these notes to pay the bearer on demand or at any time; that there is really no debtor or creditor in respect to them, no loan or evidence of loan; that as far as the credit of the United States was involved in the issue of these notes, no greater responsibility was assumed than is assumed by any government in coining or otherwise affixing a stamp to metal and affixing to it a certain nominal value. But the court decided that they were promises to pay money, and as such constituted a part of the securities of the United States, and were therefore, according to that act, exempted from State taxation. Chief Justice Chase, in delivering the opinion, said:

These notes are obligations of the United States. Their name imports obligation. Every one of them expresses on its face an engagement of the nation to pay to the bearer a certain sum. The dollar note is an engagement to pay a dollar, and the dollar intended is the coined dollar of the United States, a certain quantity in weight and fineness of gold and silver, authenticated as such by the stamp of the Government.

In the leading Legal-tender cases, that of Hepburn *vs.* Griswold, (8 Wallace, 603,) decided December term, 1868, in which five judges declared that Congress had not the constitutional power to make these notes a legal tender for pre-existing debts, three judges dissenting; and the cases of Knox *vs.* Lee, and Parker *vs.* Davis, (12 Wallace, 457,) heard and determined together at the December term, 1870, in which five judges held these notes to be a legal tender as well for debts contracted before they were issued as for debts contracted afterward, four judges holding them not to be a legal tender in any case, while there was this difference of opinion in regard to the authority of Congress to make these notes legal tender, yet in all the opinions they are characterized as promises of the Government to pay money, and not money in reality.

In the cases in 12 Wallace the opinion of the majority of the court was delivered by Justice Strong, and while the opinion sustained the legal-tender quality of these notes to the fullest extent, we find therein the following:

The legal-tender acts do not attempt to make paper a standard of value. We do not rest their validity upon the assertion that their emission is coinage or any regulation of the value of money; nor do we assert that Congress may make anything which has no value money. We do assert this: that Congress has power to enact that the Government's promises to pay money shall be, for the time being, equivalent in value to the representative of value determined by the coinage acts, or to multiples thereof.

Justice Bradley, concurring with Justice Strong, says of the act of issuing these notes:

It is not the attempt to coin money out of a valueless material, like the coinage of leather, or iron, or cowry shells. It is a pledge of the national credit; it is a promise by the Government to pay dollars; it is not an attempt to make dollars. The standard of value is not changed. The Government simply demands that its credit shall be accepted and received by public and private creditors during the pending exigency. Every government has a right to demand this, when its existence is at stake. The interests of every citizen are bound up with the fate of the Government. None can claim exemption. If they cannot trust their Government in its time of trial, they are not worthy to be its citizens.

No one supposes that these Government certificates are never to be paid; that the day of specie payments is never to return. And it matters not in what form they are issued. The principle is still the same. Instead of certificates they may be Treasury notes or paper of any other form. And their payment may not be made directly in coin, but they may be first convertible into Government bonds or other Government securities. Through whatever changes they may pass, their ultimate destiny is to be paid. * * * But it is the prerogative of the legislative department to determine when the fit time for payment has come. It may be long delayed, perhaps many may think too long after the exigency has passed. But the abuse of a power, if proven, is no argument against its existence, and the courts are not responsible therefor.

Justice Bradley further says:

It follows, as another corollary, from the views which I have expressed, that the power to make Treasury notes a legal tender, while a mere incidental one to that of issuing the notes themselves, and as one of the forms of borrowing money, is, nevertheless, a power not to be resorted to except upon extraordinary and pressing occasions, such as a war or other public exigency of great gravity or importance, and should be no longer exerted than all the circumstances of the case demand.

In Hepburn *vs.* Griswold, Justice Miller, who was of those who maintained that these notes are a legal tender for pre-existing debts, thus treats of them:

The legal-tender clauses of the statutes under consideration were placed emphatically, by those who enacted them, upon their necessity to the further borrowing of money and maintaining the Army and Navy. It was done reluctantly, and with hesitation, and only after the necessity had been demonstrated, and had become operative. Our statesmen had been trained in a school which looked upon such legislation with something more than distrust. The debates of the two Houses of Congress show that on this necessity alone could this clause of the bill have been carried; and they also prove, as I think very clearly, the existence of that necessity. The history of that gloomy time, not to be readily forgotten by the lover of his country, will forever remain the full, clear, and ample vindication of the exercise of this power by Congress as its results have demonstrated the sagacity of those who originated and carried through this measure.

In these cases we have what might be termed the democratic side of the court, were there any politics in court; holding that these notes are not legal tender, and cannot be made legal tender in any case; while what we might call the republican side, although sustaining their legal-tender character to the fullest extent, yet saying that they are the Government promises to pay money, not an attempt to make dollars; that no one supposes they are never to be paid; that they originated in necessity; and that the making of them legal tender is a power not to be resorted to except upon extraordinary occasions, such as war or other public exigency of great gravity, and should be no longer exercised than all the circumstances of the case demand.

Here we have four judges out of nine asserting that under no state of circumstances did Congress possess the constitutional power to make these notes legal tender even for debts contracted after the making the laws under which they were issued; while the five judges who maintain the power in Congress to declare them legal tender place this right upon the extreme necessity of the Government during the war. Where, then, do those who favor making at this time an additional issue of these notes find the constitutional authority for so doing? If we take the most favorable construction given by the court to the power of Congress, we find no authority for increasing this kind of paper in time of peace, and when there does not exist the necessity which would compel resort to some such means to sustain the Government. The reasoning of the court indicates that our duty under the Constitution would lead us in the direction of providing in due time for specie resumption.

That these notes are in fact indebtedness, and represent a loan to the Government, is also evident from their nature, and from their having no intrinsic value. Before the Government can pay out a gold dollar it must become the owner of the same by giving an equivalent therefor; it must either purchase the gold and then coin the dollar, or obtain from a citizen a coined dollar in payment of what is due the Government. Before it could have paid $100,000,000 in gold it must have become possessed of the same by an equivalent expenditure. Finding itself destitute of the gold, it substituted, for the time being, that which cost it nothing beyond the preparation of the notes, and which has no value aside from the promise that it will be replaced with something of value.

PAPER SCHEME.

There are those who teach that regard should no longer be had for a metallic standard, and that the Government should even issue its paper stamped with various denominations, and endeavor to keep it afloat as money. Should any other nation resort to a device of this sort, we would declare it to be on the verge of bankruptcy. I desire to call particular attention to the fact that this nation is now doing what is not being done by any other, that is, keeping its indebtedness in circulation as a substitute for money. We are informed of the amount of currency in France and other countries, but in not one of these do the nation's notes form a part of the currency.

We cannot do otherwise than compare all values with the world's money standard—coin. The transactions in commerce, amounting annually to hundreds of millions of dollars between this and other nations, are conducted on the coin basis. The Government bonds, which exceed $1,700,000,000, are to be paid in gold, as well as the interest on the same; and whenever we come in contact with other nations, as must be done continually, we are forced to realize that there is but one standard of value.

But it is said there is not sufficient specie in this country, and never can be, to transact the business of the country. That is true, and the same is true of every other country. It is further true that the business of no nation is carried on entirely through the instrumentality of what is usually termed money, but the greater part is conducted by the use of bank-bills, checks, drafts, and paper of various kinds. It does not follow that, when currency shall be at par with gold, only specie is to be used as the circulating medium; but then what may be called a dollar will be a dollar, and not ninety cents, as compared with a real dollar; and whoever issues that which may be current as a dollar will be held responsible to maintain it at par with coin, and to make it as good as coin.

FREE BANKING.

This would not necessarily restrict the amount of the currency; but, on the contrary, there could then be free banking without risk of inflation, as the liability to redeem in coin would prevent excessive issue of bills. Any redundancy would be returned for redemption. When a bank pays out its notes in discounting, a debt is created in its favor which will require as great an amount of notes to discharge, and this operates to protect the bank to a large extent from being called upon to redeem its notes.

We have learned that the present system of national banks, based on United States bonds, affords absolute security to the bill-holder, and if, added to this, we could have that bill made as good as a gold dollar, and then make banking free, we would have attained that self-regulating system of currency which is so much desired. The coin in the country which is now withheld because the currency is depreciated would be added to the circulation. All transactions would be regulated by the specie standard, but paper equivalent in value would supply the want of coin. Between the United States and Great Britain gold and silver only are recognized as money, yet

the Geneva award, $15,500,000, was paid our Government without the use of one dollar in coin.

CAUSE OF THE PANIC.

The late panic is attributed in great part by many to the scarcity of money.

The fact that money was attainable at a reasonable rate of interest immediately preceding the panic, and that legitimate business is again generally in a properous condition, leads to the conclusion that the disasters which caused that disturbance in financial affairs were the result of injudicious operations, rather than the fault of the currency. Single firms had assumed liabilities for several millions of dollars without the ready means for payment, and had invested their own capital, and the funds of others with which they had been intrusted, in unavailable securities, and nothing could be more natural than that they would some time be found short, and forced to suspend. Had money been more plenty, and they been able to gather more into their hands, they would, perhaps, have become more expanded, and the calamity have been greater.

I am not aware that any one who has a marketable commodity finds difficulty in making sale, by reason of there being no currency wherewith to pay him. If he has nothing to sell or exchange for money he could not obtain it were it ever so abundant, unless he should borrow, which oftentimes proves disastrous. Farmers are not prevented from selling their products in consequence of too limited currency, and I understand they are obtaining fair prices, notwithstanding the recent financial fright. That business generally is again, and so soon, in a prosperous condition shows us that we have given the state of the currency too much blame, and reckless operators too little credit, for the troubles of last September.

NATIONAL-BANK CIRCULATION.

There is a feeling in the West and the South that those portions of the country have not their fair share of national-bank circulation.

The act of February 25, 1863, which established this banking system, limited the amount of circulating notes to $300,000,000, of which $150,000,000 were to be apportioned to associations in the States, in the District of Columbia, and in the Territories, according to representative population; and the remainder apportioned to associations formed in the several States, in the District of Columbia, and in the Territories, having due regard to the existing bank capital, resources, and business.

The act of February 12, 1870, authorized an additional $54,000,000 to be furnished to banking associations in those States and Territories having less than their proportion. That law also authorizes the withdrawal of currency to an amount not exceeding $25,000,000 from banking associations in States having more than their proportion, and supplying this to States and Territories having less. The latter portion of this law has not been executed. The Comptroller of the Currency recommends that instead of this withdrawal, there be issued $25,000,000 additional circulation, to be furnished the States and Territories which have not their share. Provision should be made for supplying to these States and Territories their full proportion.

STABLE VALUE.

In legislating upon the currency nothing should be done to impair its value. We do not wish cheap money, nor currency of a fluctuating value. That which we call money, and which is the measure of value for everything else, should not be an uncertain measure by reason of changes in its own value. These changes increase the fluctuation of prices, and give opportunity for speculation and gain to those who have the leisure to watch these fluctuations or to plot to bring them about. The profits which are made by this means come out of the prices of the commodities which are the subjects of these speculations and diminish the prices to the producers. Those who are occupied in industrial pursuits have not the time or opportunity to study the chances in relation to these fluctuations, and take no part in manipulating them, but they suffer the loss of what is made in this way. Hence the industrious, and those engaged in legitimate trade, are especially interested in having a currency of stable value. I am opposed to the adoption of any new scheme for the inflation of the currency which will unsettle its value. Better do nothing than to thus derange the business of the country. Whatever may be done in the way of increasing the currency should be on such a basis as will be certain not to diminish its value. Until the vote of the House on the 23d in favor of retrograding on the greenback question, Congress, although not undertaking to force specie resumption, has, by pursuing a course of legislation consistent with its pledge in favor of resumption, inspired such confidence that this result would be accomplished at no distant day that the advance in the value of United States notes since March, 1869, when this pledge was given, has added over $70,000,000 to the wealth of the country.

From the time that pledge was given, and until some doubt arose in regard to the course of the Government, consequent upon much talk of inflation, the annual average on the premium on gold showed a constant appreciation in the value of currency.

The Government has taken upon itself the important duty of supplying the people with currency, and has taxed the State banks out of existence. It has therefore a double duty to perform—that of maintaining the value of its own obligation in the form of notes, and of giving the country a sound currency. The nation cannot be a party to any wild-cat operations, nor venture upon any hazardous experiments with the currency. It should pursue a uniform and settled policy. That policy heretofore has been, not to regard the state of depreciated and irredeemable paper as the normal and permanent monetary condition of this country, but to legislate at all times in the belief and with the desire that ere long the currency may be brought from its present disgraced state to rank respectably with the currency of other nations. To this policy we should adhere.

I have now concluded my remarks, and as the gentleman from New York [Mr. MELLISH] suggested he would like to ask me a question, I am ready to have him do so.

Mr. MELLISH. I would ask the gentleman if the decision of the Supreme Court was not that the Government had power to make Treasury notes dollars, and that Congress was the judge when and how to exercise that power?

Mr. COTTON. Their decision is here in their own language. It is that there was no thought of making dollars, that no one ever supported the legal-tender act on the ground that the issuing of United States notes was like unto coining money, but entirely *ex necessitate* that the Government must have credit during the war, and these notes were a forced loan from the people. While the majority of the court say that Congress, as the law-making power, has the discretion to say how long these notes shall stand unredeemed, yet inferentially they say it shall be the duty of Congress to redeem them. There cannot be found in these decisions one word giving the least color or shadow of right to add at the present time to the volume of United States notes. The gentleman can take my references and look the decisions over at his leisure.

Mr. MELLISH. My question is not quite answered, if the gentleman pleases. I asked him if in this decision the Supreme Court did not declare that Congress is the judge when and how to exercise this particular power?

Mr. COTTON. They did declare that with Congress rested the discretion when to redeem, but said at the same time that the notes should be retired as soon as practicable after the exigency had passed.

You will not find in these decisions authority for increasing these notes at this time, in a time of peace.

Mr. HAWLEY, of Connecticut. May I ask the gentleman a question?

Mr. COTTON. Certainly.

Mr. HAWLEY, of Connecticut. Is there anything at all in that decision from which one could draw the least encouragement or hope that would justify the United States in making those notes a legal tender in time of peace? I know there is no such decision. The court would not make any such arbitrary *dictum;* but is there anything to encourage the idea?

Mr. COTTON. Nothing whatever. I quoted literally what I read from the language of the judges themselves; and when we consider that out of nine judges four declared that Congress should not issue this paper and make it a legal tender under any sort of exigency, and that the five who sustained these notes as a legal tender barely did it on the ground of necessity, I think——

Mr. HAWLEY, of Connecticut. Of war necessity.

Mr. COTTON. Yes; as a war measure. I think the ground is very narrow indeed for any one to stand on at the present time, and say that we can now issue more of this paper and make it a legal tender.

Mr. MELLISH. Did I understand the gentleman correctly as saying that the Supreme Court decided that the Government had power to make Treasury notes dollars, and that Congress was the judge of when and how to exercise this power? I understood the gentleman to say that that was the decision.

Mr. COTTON. This is what the court says:

But it is the prerogative of the legislative department to determine when the fit time for payment has come.

Not to issue more, but when the time has come to pay what are already issued.

The court say it—

May be long delayed; perhaps many may think too long after the exigency has passed, but that the abuse of power—

Does my friend want to abuse it?—

if proven, is no argument against its existence, and the courts are not responsible therefor.

I now yield the floor.

Mr. SCUDDER, of New Jersey. My purpose is not to deliver an essay upon finances or currency, but to state in a practical way some few suggestions arising out of the bill which has been presented by the committee.

We have two things to look to: First, we should resume specie payments as soon as we can with prudence; secondly, should not contract the currency any more than we can by possibility help at the present time.

The bill to fix the amount of legal-tender notes at four hundred millions has already passed this House. My impression is it will pass Congress.

The bill reported by the committee to amend the several acts providing a national currency, and to establish free banking, and for other purposes, looks upon its face somewhat to expansion. We have added forty-four millions of legal-tender notes, which were called in by Mr. McCulloch. The bill also seeks to remove the restrictions which prevent the creation of bank circulation.

Now, Mr. Speaker, how are we to resume? How are we to perform the very difficult office of resuming specie payments, and at the same

time not contract the currency? I say we must resume specie payments by keeping in the Treasury the gold over and above that which is necessary to pay interest upon the national debt, and such other expenses of the national Government as must be paid in gold. As legal-tenders are paid into the Treasury, retain them there, or cancel them; and supply the place of the legal-tenders thus retained or canceled by bank-notes. We should remove the legal-tender character of the bank-notes, so far as they have that character under the act of Congress. That would be a step toward the resumption of specie payments.

Now, take the estimates for the year ending June 30, 1875, of the amountof gold which will be received into the Treasury. It is estimated at $180,000,000. To pay the interest on the public debt we must use $97,798,080; to pay the interest on the Pacific Railway bonds we must use $3,877,410, making in all $101,675,490. Deducting that from the one hundred and eighty millions, we have a surplus annually on that estimate of $78,324,510. We then have legal-tenders, if this bill shall pass which legalizes the legal-tender notes, to the amount of $400,000,000; and we have a fractional currency amounting to $44,000,000, making in all $444,000,000. This is subject to deduction by reason of currency lost and removed from circulation by hoarding.

Now, I submit that it is impracticable to accumulate that amount of gold in the Treasury to redeem that amount of paper. Then, we must get the legal-tenders out of the way on some other plan than that of paying for them in gold at once. That plan, then, must be to withhold them by degrees, and as we withhold them supply their place by bank-notes. That plan will work no contraction.

It has been stated that the amount of national-bank notes is three hundred and fifty-four millions. The amount, then, of the legal-tenders, as we suppose, will be, if Congress assents to the action of this House, four hundred millions. We will have also this forty-four millions of fractional currency.

Then let us go upon this plan. Let the withdrawal of the legal-tenders and the issue of bank-notes proceed as nearly as may be *pari passu*. The first effect of that will be to gradually increase the value of the legal-tenders. The increase will not be sudden, as it would be if the Government sought to redeem them at once in gold. It will be so gradual that at first it will be almost imperceptible. And as these legal-tenders increase in value they will be held by the banks. This process will be so slow that, in my judgment, it will not disturb the market. Now, if the Government, according to the plan of many gentlemen, should proceed to purchase the gold, it would produce an abnormal state of affairs. Gold would necessarily rise in price, and the period of resuming specie payments would be put further off. Gold would necessarily rise in value in comparison with paper under that system, and the existing relations between paper and gold would be much disturbed.

Under the plan I have suggested, (and it is not at all original with me, for it has been suggested by several others,) gold would be exported less than it now is; it would remain more in the country. Mr. McCulloch's plan was defective in this. He called in the legal-tender notes, but did not replace those legal-tenders by a currency of equal value. Mr. McCulloch's plan was simply contraction, and the gold was not kept in the Treasury, and did not become a part of the currency of the country.

I take it, Mr. Speaker, if we attempt to force specie payments against the will of the business community it will be found a very difficult task. An effort to do so in this country would probably result in failure. Simply to fund the legal-tenders and withdrawing them from the open market in that way would give us no equivalent whatever. The funding of the legal-tenders would also increase the debt of the nation, for these legal-tenders now pay no interest. The country would not stand that unless there was a great necessity for it, or unless you gave an equivalent for these legal-tenders. For instance, suppose $20,000,000 in gold accumulated in the Treasury and its equivalent in legal-tenders should be purchased. That gold would be of no benefit as currency, for it would not in any sense enter into circulation. The gold would command a premium, and the inevitable result of that plan would be to produce contraction. That experiment has been tried by Mr. McCulloch and has failed. If we can retain the gold in the Treasury, gradually withdrawing the legal-tenders, and supply their place by bank-notes, then a wholesome result would necessarily ensue. Less gold would by consequence be exported. The banks themselves, looking forward toward specie payments, would retain the gold which they derive from interest on their Government bonds. It would be of little consequence that this approach to specie payment was slow; for if we consult the will of the country and the general laws of trade and business we should not unduly hasten that event.

Now, with reference to this fractional currency, amounting to $44,000,000, under any effort to redeem that it would be the last to come in. That amount would be required in the small dealings of the country, and this fractional currency need not be redeemed in amounts less than five dollars, and need not be made a legal tender for sums larger than five dollars.

Now it strikes me this gradual process of approaching specie payments would prevent speculation arising from an anticipated increase in the value of gold. The natural impression would be to the contrary; but as long as you make the legal-tenders increase in value so that they approximate the price of gold, the danger of speculating in gold for a rise is increased. That danger would to a great extent prevent that speculation.

I beg leave to read a passage from Francis's History of the Bank of England:

> In 1817 the directors, desirous, perhaps, of testing the feeling of the public with regard to metallic payments, announced, that after the 2d of May of that year they would pay cash for all their notes of one and two pounds dated prior to the 1st of January, 1816, or exchange them for new notes of the same value. The confidence, however, of the public was great and scarcely any demand was made on their coffers. In October of the same year a further notice was issued, that on and after the 1st day of October they would be ready to pay gold for all their notes dated prior to the 1st of January, 1817. Every exertion, since the commencement of peace, had been made to resume specie payments with safety. The collection of bullion had been rapid, and to a large amount; and it was soon found that these precautionary measures had not been thrown away. The difference between a legitimate demand for gold by the public, and a demand for the same material by speculators, was rapidly witnessed.
>
> When the one and two pound notes, that description of paper held principally by the poor man, were called in, the amount of cash claimed was not more than one million. When, however, it was announced that all notes prior to a particular date would be paid in specie, the bullion speculator stepped in, took advantage of the exchanges, and sent more than five millions to the Continent. On the report of Mr. Peel, the house passed a bill, in two nights, restraining the bank from paying the notes alluded to.
>
> That a great increase in bullion tended to justify this measure is indisputable. In 1816 and 1817, some of the country bankers found it difficult to dispose of their coin. Preference was shown to their notes; and it cost one firm £100 to transmit its surplus specie to London. At another period, in bringing one thousand guineas to a London banker, the latter begged as a favor that the gold might not be left, as he had sent so much to the bank, and did not like to trouble the establishment with any more.

This illustrates that so far as the fractional currency is concerned, even if it was redeemable in specie, redemption would not be called for. I claim that the effort to redeem legal-tender notes, by holding in the Treasury gold enough to pay them off after the amount was reduced by calling them in, would inevitably gradually bring down the premium on gold. During this process it is not probable that all speculation in gold would be prevented.

Now let us see the office which has been performed by specie in times past. It has been stated on good authority that a million and a half of specie settles at the clearing-house $80,000,000 of currency; on a credit of $400,000,000 between Europe and America $50,000,000 in gold has settled the balance; illustrating when you get to specie payments how little gold is necessary to carry on the commercial affairs of the country. In one sense we have never been a specie-paying people. Unlike some of the states in Europe we have never had gold enough to redeem our bank-notes. The confidence of the public has stepped in and supplied this great want of gold, and the gold on hand has been sufficient to settle the balances, not only in our internal mercantile affairs, but in the transactions of foreign commerce. Good judges have estimated that from $150,000,000 to $200,000,000 of gold held by the banks would enable them to resume.

Now, Mr. Speaker, in case a system of free banking should be adopted, it would be one of the essential features of that system that the Government would not attempt the distribution of the currency either according to the wealth or population of the States or Territories. This matter would be left to take care of itself. The ordinary laws of supply and demand which govern the affairs of mankind in commerce and business would control that subject. The capitalists who engage in this business will control it according to the demands of the business public. In waste places where currency is not wanted, where banking facilities are not required and would not be profitable, banks would not be established.

Now I propose to examine the bill of the committee for a few moments.

The first section does away with the reserve for circulation. I respectfully submit that that is right, for the reason that the circulation is secured by the bonds of the Government, which are in value about 20 per cent. beyond the bank-notes based thereon. That ought to be a sufficient reserve.

The second section removes the limitation prescribed by the banking act, which limitation reads thus:

> That the entire amount of notes for circulation to be issued under this act shall not exceed $300,000,000.

That restriction must necessarily be removed upon the principle of free banking. Under the principle of free banking there must be no restriction save the securitiy of the notes, which is now guaranteed by public stocks and the reserve to secure deposits.

Though we have not yet reached the period for the payment of specie, we should so frame our legislation as to approach that period. If, then, our circulation by bank-notes is well secured and the plan be to substitute bank-notes for legal-tenders, the limitation on the circulation clearly should be removed. The repeal of the limitation on circulation must necessarily be followed by the repeal of the proviso to the second section of the act of July 12, 1870, entitled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates and an increase of national-bank notes," which proviso reads:

> That no circulation shall be withdrawn under the provisions of this section until after the $54,000,000 granted by the first section shall have been taken up.

Now let us examine the third section of the bill, which is as follows:

> That every association organized, or to be organized, under the provisions of the said act, and of the several acts in amendment thereof, shall at all times keep and have on deposit in the Treasury of the United States, in lawful money of the Uni-

ted States, a sum equal to 5 per cent. of its circulation, to be held and used only for the redemption of such circulation; and when the circulating notes of any such association or associations shall be presented, assorted or unassorted, for redemption, in sums of $1,000, or any multiple thereof, to the Secretary of the Treasury, or to the assistant treasurer in the city of New York, the same shall be redeemed in United States notes. All notes so redeemed shall be charged by the Secretary of the Treasury to the respective associations issuing the same, and he shall notify them severally, on the first day of each month, or oftener, at his discretion, of the amount of such redemptions.

I submit to the learned gentlemen of the committee that they have made a mistake in the introduction of that section. The thirty-second section of the banking act provides for agencies for redemption. It appears to me that the Government should not go into this matter of being a redemption agent. The system of redemption should be provided for by the banks themselves, and that system it will be necessary to put in force only when you get to the resumption of specie payments. I submit that the Government should not be a redemption agent, that the banks can manage the matter themselves; and there is a provision of the banking act that redemption agencies shall be provided in certain metropolitan places.

Again, the retention of 5 per cent. of circulation by the Government for that purpose necessarily works contraction. Under the present system, bank-notes being as valuable as legal-tender notes, redemption is of no consequence whatever; a practical redemption takes place all the while at the present time. You deposit bank-notes and you can call for legal-tender notes, and you have your bank-notes constantly redeemed by legal-tender notes. Their value being equal to the legal-tender notes in the estimation of the public they are never returned to the banks for redemption, or sent in to the Government unless when they are mutilated. Then it strikes me that, practically, redemption agents will not be necessary unless the value of the bank note and that with which you are to redeem it is unequal. If that with which you are to redeem it is of more value than the bank-note then the redemption agent becomes a matter of necessity. But as long as the bank-note and the legal-tender note are so close together in value there is no practical necessity for redemption agents. Experience has already demonstrated that.

I would submit that those parts of section 3 which apply to a reimbursement of the Treasury Department for printing notes for the banks, and limiting the amount of legal-tenders to $400,000,000, are proper and should be retained.

Section 4 provides for the withdrawal of circulation and taking up the Government bonds which have been deposited for securing the bank-notes, and I presume that nobody will object to this provision.

Section 5 requires the reserves to be kept in the vaults of the bank, and I find there is a strong impression on the minds of many in favor of that proposition. I submit that it is objectionable, and that it would work contraction. A bank must redeem by its agent in the metropolis, wherever that metropolis may be. It must keep deposits there to redeem its notes and carry on its business. The country bank which has not credit at the metropolis cannot assist its dealers, and it would be but of little value to its customers. If the country bank must keep all its reserves in its own vault, and at the same time keep deposits in the metropolis so that its bills may be redeemed there and its business carried on at the clearing-house and its transactions facilitated at the metropolis, then contraction must necessarily ensue.

Practically the country bank keeps an account in the city bank. The city bank does the business for the country bank at the clearing-house, and it is also a redeeming agent for the country bank, where the necessity for a redeeming agent exists. If you compel the country bank to keep its reserves in its own vault, it must also place deposits in the metropolitan bank to accomplish its purposes, and the result necessarily must be contraction. No practical benefit can arise from compelling the country bank to keep all its reserves in its own vaults.

Now another idea upon that point. It being the settled rule of business that the bank in the country does keep deposits in the metropolis, legislation against that rule of business must necessarily be unsound; for any system of legislation which attacks a settled rule of business growing out of the necessities of the case must be essentially unsound.

The eighth section of the bill, I respectfully submit, is based on erroneous principles. It reads thus:

SEC. 8. That the Secretary of the Treasury is hereby authorized and directed to issue, at the beginning of each and every month, from and including July, 1874, two millions of United States notes not bearing interest, payable in gold two years after date, of such denominations as he shall deem expedient, not less than ten dollars each, in exchange, and as a substitute, for the same amount of the United States notes now in circulation, which shall be canceled and destroyed, and not reissued. And any excess of gold in, or hereafter coming into, the Treasury of the United States, after payment of interest on the public debt, and supplying any deficiency in the revenues provided to meet the current expenses of the Government, shall hereafter be retained as a reserve for the redemption of such notes.

It provides for the redemption of $2,000,000 of legal-tender notes by $2,000,000 of gold notes.

Now, these gold notes will be at a premium; they will not enter into the circulation of the country, for business purposes. Two million dollars of gold must go out of the Treasury every month, and that $2,000,000 of gold will not enter into the circulation. The Treasury will part with its gold, and resumption of specie payments will be put further off.

Mr. McCulloch substantially tried that system; he sold gold and bought legal-tender notes, and he thereby worked contraction to a degree that the country resisted his plan. The gold that he parted with did not aid in bringing about a resumption of specie payments, and it did not enter into and become a part of the currency of the country. And we at this late day have actually legalized the $44,000,000 of legal-tender notes which Mr. McCulloch called in, and which under the recent emergency the Treasury Department has reissued.

Now, take the other plan. If for every legal-tender note taken from the circulation of the country you supply a bank-note, and at the same time retain gold in the Treasury, ultimately the Treasury will be enabled to redeem the legal-tender notes without purchasing one dollar of gold. As I have said before, as soon as the Treasury shall accumulate $150,000,000 in gold, in all human probability the outstanding legal-tender notes, under the system proposed, can be paid off in specie. I submit that the legal-tender qualities, such as they are, of the bank-note should be removed.

A suggestion has been made to me by a very practical man of a simple method by means of which bank-notes can be substituted for legal-tender notes. When the Government shall issue notes to the banks, do it on this plan: Let the bank pay into the Treasury $100 of legal-tender notes; let the Government issue to the bank bonds payable in gold for $100, and let those bonds bear a rate of interest of 4½ per cent., which would be about equivalent to the present price of gold. Let the banks then deposit their bonds with the Government, and then let the Government issue to the banks 90 per cent., or say 80 per cent. of circulation for each $100 of bonds deposited. I speak of a bond of $100 as an illustration. In this way the legal-tender notes can be retired, and at the same time furnish a basis for bank-notes. These bonds, like the other bonds of the United States, should be made payable, principal and interest, in gold, and free from taxation.

Under this system the banks will shape their business so as to resume as soon as it is safe and practicable for them to do so. The legal-tender notes will gradually be absorbed by the banks. In the first place they will not be equal to gold, but will daily be growing more and more valuable. And when the Government shall be strong enough to redeem the legal-tender notes, the gold will then go to the banks, and the banks must necessarily resume.

Under such a system there can be no danger of too great inflation by bank-notes. Every well-managed bank will do its business in view of the fact of a gradual approach to, and an inevitable certainty of, specie payments.

There seems to be among many well-informed gentlemen an impression that free banking will lead to inflation. I submit it will not, because the business of banking is not as profitable at the present time as formerly, for obvious reasons; and there is no danger of too great inflation by means of bank-notes, particularly if legislation is so shaped as to look to resumption of specie payments. One obstacle in the way of engaging in this business is the system of taxation. The national and State taxes on banks are a great burden. These taxes are 1 per cent. and ½ of one per cent. on the capital, except that portion of the capital invested in United States bonds; 1 per cent. on circulation and ½ of one per cent. on deposits. These taxes are paid to the Federal Government. The tax on shares is paid to the State governments; in some instances paid by the banks themselves, and in others paid by the shareholders.

When these shares are assessed they are not assessed like improved landed property, which is generally assessed at some 60 per cent. of its value, but they are assessed at their full value. I asked from one of the banks which had a capital of $500,000 a statement of the taxes which it paid. It paid to the Federal Government $7,380 and in local taxes, $16,400, making $23,080. If you take improved land valued at 60 per cent., as generally rated by assessors, which land is actually worth $500,000, the tax would be $9,840, and if you value the land at $500,000,000 the tax would be $16,400 instead of $23,080. In the case of this bank the tax was on the gross earnings 20.34 per cent., and on the net earnings 26.48 per cent. This bank had a good surplus earned when banking was profitable, which is an important fact to be taken into consideration, when the percentage of tax on gross and net earnings is considered. I submit that so far as this bill proposes free banking there will be no serious danger of expansion from that source, and the great laws which govern all kinds of business may with safety be applied to the currency provided you make the currency secure, as has been proposed.

So, Mr. Speaker, in a very practical way I have submitted these views, and have more than occupied the time allowed me.

Mr. MELLISH. Will the gentleman allow me to ask him a question?

Mr. SCUDDER, of New Jersey. Yes, sir; any you may choose to ask.

Mr. MELLISH. Would not the hoarding of gold by the Government have the effect to raise the price of gold, or rather would it not be substantially "bulling" gold?

Mr. SCUDDER, of New Jersey. I suppose not, and for this reason: You hoard gold by the Government with a view to redeem legal-tender notes. These legal-tender notes are daily increasing in value, and the exportation of gold will cease, or partially cease, and nobody will speculate for a rise when the operations of the Government under a bill of this kind would tend to increase the price and value of the legal tender in its relation to gold. When the legal-tenders and gold are of equal value, speculation in gold is at an end.

Mr. CLARK, of New Jersey. Mr. Speaker, since this bill has been

before the House I made a few remarks upon the banking and currency of the country, showing as far as my observation went that the present national banking law has been of great benefit to the country, and I think still that it will be much better for us to leave that admirable law as it now exists and simply add the privilege of free banking, which, I believe, will give us more currency where it is needed without causing an inflation generally beyond the legitimate wants of the business community; and yet some gentlemen on this floor say it is this law which has brought upon us all our woes and is the cause of the present prostration of business, going on to cite many instances of bankruptcy and ruin brought about by the workings of this law as they believe.

Mr. Speaker, I am surprised that any gentleman representing a constituency west of the Hudson River should take such a stand, condemning a system which I have data here to show has been the making of the West. I must confess that I am at a loss to understand the opposition of gentlemen from the West, and their reasons for denouncing this national banking system, when I can perceive such evidence of the prosperity brought to the West upon the wings of this very system. Gentlemen must admit the positive growth in wealth, and the great increase, not only in agriculture, but in the manufactures of the West; and why they will persist in ignoring the influence of this system in promoting this unusual prosperity I cannot conceive.

Mr. Speaker, how could it be possible for the whole country, or for any portion of it, to flourish in every branch of its industry, as it has, and as I propose to demonstrate it has, during the last decade, if this were a deficient banking system; nay, not only a deficient, but a pernicious system, as I have heard it called by members of this House?

I know, sir, that I am in opposition to many gentlemen in this House in this position I have taken, and not only to the gentlemen here, but to that large body of well-known business men of New York who signed a memorial to Congress which they calculate and intend to have great weight with this Congress and with the country. This memorial says that they believe that any additional issue of paper money, either directly by the Government or indirectly by the national banks by authority of the Government, would be most injurious to the interests of the nation. They say, "speculation of all kinds is stimulated by the excessive volume of the currency, and the minds of the whole nation are demoralized and rendered unfit for the pursuits of steady industry." Therefore they pray that no more issue of paper shall take place, and that the greenbacks issued out of the reserve be withdrawn as speedily as possible.

Now, Mr. Speaker, I should like to ask, how many millions of dollars constitute a proper and how many million dollars constitute an excessive volume of currency?

In 1850 the value of the real and personal property of the United States was $7,135,780,228. When the nation was worth a little over seven thousand million dollars, can these business men from their own experience, or from any knowledge drawn from books, tell us what number of millions of dollars in currency would have been adequate? Can they fix a sum which, if increased or lessened, injury would have followed?

In 1860 the wealth of the nation, according to an official census, had increased to $16,159,616,068. Seven thousand millions had swollen to sixteen thousand millions! Population, railroads, buildings, commerce, manufactures, and agriculture had increased correspondingly. Will these memorialists tell us what the currency ought to have been at the end of that prosperous decade? Can they agree upon a statement of what number of millions of dollars of currency would have best served the interests of all classes at that time? What amount of currency for each million of dollars of wealth is needed? In 1870 the wealth of the United States had increased to $30,068,518,507. Thus after deducting the enormous losses of the war, after deducting the value of the slaves, there was an increase of national wealth of nearly fourteen thousand million dollars, probably the greatest aggregate increase of wealth recorded in the history of any nation.

Go back ten years from to-day, when losses from war had nearly ceased, and take a term of ten years ending now instead of in 1870, and there can be little or no doubt but that the increase in wealth in this country was $20,000,000,000. In this time no serious additions were made to the currency. Whether there was too much or too little, whether it was a good or a bad one, whether it was redeemable or irredeemable, with it we have built forty thousand miles of railroad, established a gigantic system of manufactures, greatly increased the wages of laborers and mechanics, and doubled the value of all the real and personal property in this country.

What other currency under the heavens, gold, silver, or paper, ever achieved such a result for any people, great or small, ancient or modern?

Idealists and speculators will in all times future, as in all times past, attack any existing system however brilliant the results it may be achieving. But what disinterested man of good sense either distrusts, denounces, or dislikes the United States legal-tender and national-bank notes, which have done so much for the nation? How can we assent to the proposition that there are too many in circulation for the public good when we know that by their use the value of all the real and personal property of the nation has been doubled?

After twelve years of beneficial use a plain man would be more likely to ask for their increase than for their diminution. Yet, twelve years hence, when property shall have doubled in value again, theorists will still be found crying, "Too much currency."

Congress should legislate for the people, uninfluenced by mere impractical theorists. Under the influence of idle talkers the Treasury Department actually commenced calling in the greenbacks, and Congress had to interfere and arrest the effort to diminish a circulation which had done so much for the country.

The Department, instead of redeeming 6 per cent. bonds with its surplus funds, called in and paid off no less than $59,000,000 of three per cents which had been held by the banks as part of their reserve. This compelled the banks to withdraw fifty-nine millions of greenbacks from circulation to put into their vaults for a reserve. If for many years the country has prospered in an entirely unparalleled ratio by the use of an unusual amount of currency, why not retain it? If our present monetary system has done better than any other monetary system ever tried in any nation, why change it? If by our system we have accumulated more property in ten years than England has with her system in fifty years, why should we abandon our system and adopt either hers, or indeed any other?

What is the value of the real and personal property of England, Scotland, Ireland, and Wales, and what is the amount of their currency? Senator MORRILL, of Vermont, in a recent speech, estimates their wealth at $40,000,000,000, and H. V. Poor states the amount of their gold, silver, and paper money at seven hundred and fifty-nine millions. The population he puts at thirty-two millions.

We have large territorial areas, forty million people, $30,000,000,000 of wealth, an immense interior navigation, more miles of railroad than all Europe combined, and yet have less than four hundred millions of greenbacks and less than three hundred and fifty millions of national-bank notes. We have a smaller volume of circulating medium than Great Britain, although our wants in that respect are far greater.

How is it with France, with a population of 35,844,000? Mr. Poor states its condition thus:

	Francs.
Gold coin in circulation	800,000,000
Silver coin in circulation	300,000,000
Bank of France paper in circulation	600,000,000
Total	1,700,000,000

Yet France has a smaller territorial area than Texas, has not so many miles of railroad as Illinois, nor so much interior navigation as New York, or even Missouri or Virginia. Its wealth is stated at $40,000,000,000 by Senator MORRILL.

To put this matter in another form let me state the amount of circulating medium *per capita* of the population of England, France, Germany, and then of our own country. First, England has twenty-three dollars, France has thirty-three dollars, and slow Germany has nineteen dollars; while our own country has twenty dollars. So, as compared with other countries, we are not so fearfully inflated after all.

Specie payments are desirable, it is true, but they have their evil as well as good consequences. The financial disaster of 1837 was the severest of our times, and those of 1847 and of 1857 were far more destructive than that of 1873; yet only on this last occasion had we an exclusive paper currency. When evil times came, all lacked confidence in paper money issued on a specie basis. Everybody was afraid of it, and sold it for what they could get. Not so with paper money in 1873. All had perfect confidence in it, and many made great sacrifices to get it; it was money that was wanted in the crisis of 1873, not specie. Why this opposite conduct; a conduct absolutely universal?

We adopted a new system of currency about ten years since. If it was too large for us, if the notes it authorized were irredeemable in gold or silver, if it was inconsistent with that of other countries and at war with the most beautiful theories of our proudest writers and orators, it has allowed us to expand the villages of Chicago and of Saint Louis into mighty cities, and to earn one-half as much wealth in ten years as England has earned since it was invaded by Julius Cæsar some two thousand years ago.

All the wealth of France, both real and personal, accumulated during so many ages of industry, amounts only to $40,000,000,000, as I have already stated. Yet strange to say this country, with the paper money which it has recently become so fashionable to denounce, in ten short years has acquired $20,000,000,000, or an amount half as large as that of all France. While year by year achieving results so utterly without parallel in the world's history the people have been besought with wondrous and audacious importunity to change the system thus gloriously bearing them onward to such success.

Of course the theoretical intermeddlers did not succeed in their efforts to change the brilliantly successful system. The people have resisted these efforts patiently ten years; and the amusing part is that the theorists are ever so intently eyeing their violated theories that they have not yet discovered the wonderful growth everywhere visible around them. They cannot appreciate the facts that the mere wages of factory operatives amount to a larger sum than the entire circulating medium used by this country for all purposes, and that engaged in other occupations there are six times as many more persons who earn wages. The mere earnings of American factories exceeded four years ago the sum of $4,000,000,000 per annum. Of the stupendous amounts of business going on in this wide country of ours the would-be doctors of our currency seem to have a very feeble conception.

For one, I believe the people right in their steadfast opposition to all contraction of their present currency and in their opposition to all increase of the currency, the necessity for which cannot first be clearly

shown. All violent efforts to resume specie payments are necessarily injudicious. Plans to resume when masked under a pretense of a desire to render our paper more safe are simply slanderous. Everybody in our country believes in the perfect safety of our greenbacks and national-bank notes. They need no legislative strengthening plaster. Let resumption come easy, and without anxious solicitation; no wry faces, no convulsive shrugs of the shoulders. It will be along one of these days if we are simply industrious and economical as a people; otherwise it will come later.

In the mean time there are palpable errors that we ought to hasten to correct.

The West, South, and the Middle States need more local capital and more currency. It is wrong to say, when we notice such a glut of money as we do now in New York, and such a dearth all over the Western and Southern country as is observable to every one, that no more is needed in those regions of dearth or it would go there. The proposition may be true enough in the language of the theories so much in vogue, but it is false in fact and false in practice. The West and South and Middle States need more organized and active capital if they would develop and profitably conduct their industries and trade. To allow of this organization it is proposed to deprive other States of a portion of their privileges, and confer them upon the destitute.

This deprivation plan may be a wise one in theory, but to practical men it seems weak and unwise, to say the least. Let those who have capital in the Eastern States use it as profitably as they have heretofore done; do not take it from them. Why do them an injury? On the other hand, relax the law and allow the destitute cities of the West and South to organize and use all the capital they need. Give them the free-banking law they ask Congress for, but with the same regulations as are required by the present law. Why not? Who is injured by building up industry and trade in remote cities and villages? Who is profited by their destitution?

Now in this law I propose, as far as my vote goes, to give the West, and South, and North—in fact the whole country—more currency, if it needs it, by the means of free banking, regulated as I have said before by the provisions already existing in the national banking act. There could be nothing simpler than our banking system. The Government is in debt some $3,000,000,000, for which it has issued bonds bearing interest and running from five to forty years; the parties holding these bonds, wishing to use them in business, are permitted to deposit them with the Treasurer of the United States, he issues nine-tenths of their amount in small bills, insuring their ultimate redemption by holding the bonds as collateral security to the Government. If a man has $100,000 in bonds, he can get on them $90,000 in small national-bank notes; with them he goes to banking; if he loses his money, the Government pays the notes and keeps the bonds.

Now, Mr. Speaker, this bill proposes to extend this system to anybody having the bonds, and there seems no reason why it should not be. It permits the increase of the circulating medium, it is true, but it is properly secured as formerly. The only question is, can the Government stand sponsor for more money? If the answer be yes, as it must be, what harm? And, on the other hand, what a wonderful amount of good it will do. The merchants, manufacturers, miners, and farmers of remote States need banking facilities as really as do similar persons in the Eastern States. One hundred million dollars of bank capital located in the thriving villages and cities west of the Hudson River and used there would be of incalculable value to our whole country.

Let us see if the importance and propriety of this last proposition cannot be made manifest. In the country west of the Alleghanies the mines are numerous and rich, and are so accessible to consumers of their products, that, although but partially opened and worked, they have marvelously augmented the wealth of the nation. A like result has flowed from their swiftly improving agriculture and from their increasing trade and commerce. To show what use they have for banks, look at the increase of the value of goods manufactured in a few of these far-off States.

States.	1850.	1860.	1870.
Indiana	$18,725,423	$42,803,469	$108,617,278
Illinois	16,534,272	57,580,886	205,620,672
Missouri	24,324,418	41,782,731	206,213,429
Michigan	11,169,002	32,658,356	118,394,676
Wisconsin	9,293,068	27,849,467	77,214,326
Minnesota	58,300	3,373,172	23,110,700
Iowa	3,551,783	13,971,325	46,534,322
Arkansas	537,908	2,880,578	4,629,234
Texas	1,168,538	6,577,202	11,517,302
Louisiana	6,779,417	15,587,473	24,161,905
Georgia	7,082,075	16,925,564	31,196,115
Tennessee	9,725,608	17,987,225	34,362,636
Kentucky	21,710,212	37,931,240	54,625,809
Ohio	62,692,279	121,691,148	269,713,610
West Virginia			24,102,201
Alabama	4,528,876	10,588,566	13,040,644
Kansas		4,357,408	11,775,833
Mississippi	2,912,068	6,590,687	8,154,758
Nebraska		607,328	5,738,512
	200,790,247	461,803,825	1,278,724,671

In 1850 these States west of the Alleghanies manufactured goods amounting to a little over $200,000,000. But as there were manufactured that year in the United States goods valued at the large sum of $1,000,000,000, the manufacturers of the West and South were lightly esteemed. Twenty years have rolled away, and the census now shows that these remote States manufactured more goods in one year by $250,000,000 than all the States, themselves included, had manufactured in 1850. Yet the value of the manufactures of these remote States is small compared with the value of their trade, commerce, and transportation, or compared with the value of their agricultural and planting products.

To enable them to transact their business satisfactorily to themselves and their customers the Finance Committee of the Senate gravely propose to grant them twenty-five millions of bank capital, and have reported a bill accordingly—a sum inadequate to run their steamboats and railroad trains; a sum inadequate to make one payment of wages to their factory operatives. Give them free banking; then they may so dispose of their bonds as to always have enough currency to transact their legitimate business. We have had of various sorts, including the compound-interest notes, 3 per cent. certificates of indebtedness, &c., an outstanding circulation of more than $1,000,000,000. We have, after doubling the wealth and business of the country, reduced our circulation to a sum below $750,000,000—more than 25 per cent. Do you wonder there is a stringency in the money market?

If with half the wealth, with half the business, the country was greatly benefited by the use of 25 per cent. more circulation than we now have, what excuse can we offer for refusing to allow a reasonable amount of banking facilities to this wonderfully prosperous people East as well as West and South? By unnatural processes a huge inflation of the currency has been inflicted upon one of our great cities.

Instead of promptly applying a correction, shall we give their existence as a reason why we should refuse banking facilities to many millions of men? Without increasing the circulating medium to an amount as large as it was formerly, Congress can grant all that has been asked for, namely, sufficient to transact business, and that, too, without seriously disturbing a system which has wrought out results of greater magnitude and beneficence than any other yet tried in a large country of such diversified industries.

Mr. Speaker, this bill before the House is undoubtedly the result of mature deliberation on the part of the Committee on Banking and Currency, aided by the wisdom of the many bankers and other business men who have from time to time appeared before them to express their views on the subject.

Now, sir, I am in favor of the second section of this bill, which removes the restrictions upon the amount of the circulation, which in fact makes banking free, and yet I really do not feel as if I could answer to the name of inflationist; because, while I favor free banking, I desire that all the present regulations, restrictions, and securities by reserves, be continued in their full force; and because I think and say here that I believe this House will do well to leave those regulations in force, and will do much harm should they remove them.

The distinguished gentleman on the committee from Illinois thinks we should not supervise banking, unless it is proposed to supervise every other kind of business, and cites one case as in point, "the First National Bank of this city, located in the very shadow of the office of the Comptroller of the Currency, to prove the absolute worthlessness of this governmental care and supervision over our banking institutions."

If the officers of this bank violated their oaths in making a sworn statement of the loans, discounts, and legal-tenders on hand which they are called upon to make at least five times a year, and at such times as suits the Comptroller, does the committee bring forward this isolated case of bank dishonesty as a reason for relaxing or removing the present governmental supervision?

The same gentleman says that "when Congress has passed such currency laws as will secure the bill-holder its duty is done." I beg to differ with the gentleman on this point. If this bill becomes a law, and banking is free to all in State or Territory, I hold that it is tenfold more important that Congress should increase the reserves and restrictions so as to make *depositors* as well as *bill-holders* secure, so that the people will still retain that unbounded confidence they now have in the Government to keep the control of the banking interests of this country. This confidence is caused by the knowledge that the Government controls, and this is manifested by the stamp of "nationality" on each bill, and after an institution has complied with all the requirements of the law in organizing a bank it places above the entrance to its banking-house "national" which gives it standing at once, and gives the people confidence in the institution.

Mr. Speaker, I give notice here that I will introduce an amendment striking out every section of this bill excepting the second section, reducing the bill to a plain and simple bill permitting free banking, and retaining all the provisions of the old law governing the principle of banking.

The distinguished gentleman from the committee also recommends that the present usury law be abolished.

Before I close my remarks I wish to enter my protest before this House against abolishing the usury law. Gentlemen say the law is useless because it is disregarded; but I tell you, gentlemen, the law is not disregarded to so great an extent as is generally supposed. The

letter of the law is maintained, though often the spirit is disregarded, which shows that it has some force still, and even then the law is disregarded by those only who know their man.

Mr. Speaker, if this law were abolished, the necessitous borrower in the money market would be aptly illustrated to my mind by a dwelling on fire in a village. The lower portion of the house wrapped in flames, the occupants go to the upper story, and make frantic appeals for help. They cannot be reached except by the aid of an extra long ladder; there is only one such in the village. The neighbors rush off for that, but are repulsed by a demand for $100 for the use of it. The neighbors begin to expostulate that it is too much. The owner of the ladder knows full well they must pay his price or the family will be burned. It is a case of life or death, and the money must be paid to save them. Just so is it with the money-lender, banks, and other loan institutions, (true, there are exceptions;) they know their victim must have the money he asks for that day or fail. Do away with the usury law, and it will unsettle the present reasonable rate of interest throughout the country.

Mr. WALDRON. Mr. Speaker, I have nothing to add to the variety of plans, theories, and devices which have been presented to this body as furnishing a solution for what has been termed "the financial problem." A man must be indeed fastidious who cannot find something in the numerous projects of the hour which tallies with his preferences and judgment. I only desire to announce the convictions which will govern my vote on the different schemes that have been brought before this Congress.

In the first place, I regard the issuing of a paper currency by the Government as at least a doubtful exercise of power, and certainly most pernicious in its influence on the business interests of the people. We have acquiesced in its exercise when the salvation of the nation seemed to require it, but the necessity has passed away, and the paper which was the creature of the necessity should now gradually be retired. So long as the policy of issuing irredeemable paper is persisted in, so long shall we have instability, uncertainty, fluctuations, and panics. Constant pressure will be brought upon Congress to increase or contract the volume of the currency. The business of the country will be, as it is to-day, paralyzed because of the uncertainty of our legislation. Men refrain from embarking in business enterprises because values as measured by an irredeemable currency are continually rising or falling as the volume of paper increases or diminishes. So long as the power is exercised by the Government, or any Department thereof, to issue inconvertible paper, just so long is an element of uncertainty added to the operations of the business world, which fosters speculation, stimulates gambling, and cripples legitimate trade.

Look at the spectacle of to-day. No man can tell within $44,000,000 what the limit of our legal-tender currency is, or is to be. No man can tell whether our steps are to be in the direction of resumption of specie payment, or in the opposite direction of expansion. Now, what the country wants is stability, permanence, persistence in some fixed policy. When our policy is announced, the business of the country will adjust itself to it; but so long as we disregard the world's standard of value, and leave the amount of our currency to the changing legislation of Congress, or the discretion of a Department, we are at sea without pilot or chart.

Another objection that I have to our irredeemable currency is that its continuance is debauching and corrupting the moral sense of the nation. We are actually farther from resumption to-day than we were at the close of the war. Men begin to argue that gold and silver are not the best representatives of value, and overlooking the fact that industry is the source of wealth, they would substitute a printing-press to manufacture currency.

The issue of irredeemable promises to pay adds nothing to the wealth or prosperity of a people; but there is this pernicious peculiarity attending it, that every issue only creates the demand for additional issues; the first step yielded, the others readily follow. The history of the civilized world is full of instruction and warning to us, to which it were madness to shut our eyes; and as to its influence on the industries of a nation, we have the testimony of the great Massachusetts statesman, Daniel Webster, many years ago. He said:

> A disordered currency is one of the greatest of political evils. It undermines the virtues necessary for the support of the social system, and encourages propensities destructive of its happiness. It wars against industry, frugality, and economy; and it fosters the evil spirits of extravagance and speculation. Of all the contrivances for cheating the laboring classes of mankind none has been more effectual than that which deludes them with paper currency. This is the most effectual of inventions to fertilize the rich man's field by the sweat of the poor man's brow. Ordinary tyranny, oppression, excessive taxation, these bear lightly on the happiness of the mass of the community compared with a fraudulent currency and the robberies committed by a depreciated paper. Our own history has recorded for our instruction enough, and more than enough, of the demoralizing tendency, the injustice, and the intolerable oppression on the virtuous and well disposed of a degraded paper currency authorized by law or in any way countenanced by Government.

Believing that the legal-tender currency is the obstacle to the resumption of specie payments, I am in favor of its retirement, and the substitution in its place of the national-bank currency. I would divorce the Government from the banking business, leaving to it the supervision of banking corporations so as to insure protection to the bill-holder, and making the business of banking free to all persons or corporations who will comply with the requirements of law. The present banking law is the best which the ingenuity of man has devised. Its value has been tested by years of experience, and more especially by the panic of last autumn. While that revulsion struck down merchants, manufacturers, and business interests of all kinds, the national banks of the country went safely through. Out of twenty-one hundred banks organized under the law, but eleven have failed in eleven years; and even in their case no bill-holder has lost a dollar. Such an exhibit is without a parallel in any business experience.

Now, the only objection that can be urged to this system is that it is limited by law. It is alleged that it is a monopoly, and from that objection I would relieve it by throwing it open to any and all who desire to invest their capital in banking. And, as a preliminary to throwing it open, a policy should be adopted which looks to the retirement of the legal-tender notes.

As for the different modes suggested for the redemption of the greenbacks I am wedded to no particular plan, although I prefer the passage of a law which shall provide that one-fourth of the customs duties may be paid in greenbacks and the notes destroyed. Since the close of the war the Government has used its surplus gold to pay its bonded debt before it was due—let it now use it to retire a demand debt long past due. This policy would at once appreciate the greenback in value and would retire forty millions a year, the other three-fourths of the customs duties being payable in coin and furnishing the gold to pay the interest on the public debt. It may be urged that this would be too slow a redemption of the legal-tender currency, but it should be slow, it should be gradual, there should be no sudden and violent contraction of the currency; no unnecessary derangement of the business of the people; but let the policy be fixed; let it be steady and permanent; let it be, above all, in the right direction, holding every inch that we gain, and although we should cancel but one-tenth of the greenbacks in a year, yet the influence would be felt at once in their steady approach to a gold standard of value.

Long before the time has elapsed which would be necessary to absorb this paper, it would be at par with gold. The withdrawal of a fraction of it through the custom-houses, coupled with the demand for it on the part of new national banks as a reserve, would soon so circumscribe the amount in circulation that it would be within the means of the Government to redeem it in gold long before the time was reached for its entire withdrawal.

And while this retirement of greenbacks is going on a free banking system will supply to the country currency just as the needs of business and wants of trade demand, and it is much better to leave that matter to the laws of trade than to any arbitrary action of Congress or Departments.

On motion of Mr. WALDRON, (at four o'clock and thirty minutes p. m.,) the House adjourned.

IN SENATE.

MONDAY, *March* 30, 1874.

Prayer by the Chaplain, Rev. BYRON SUNDERLAND, D. D.

The Journal of the proceedings of Friday last was read and approved.

PETITIONS AND MEMORIALS.

Mr. HAMLIN. I have received and been requested to present a memorial, very numerously signed, alleging that the navigating interests of the Eastern States are oppressed by onerous and as they believe, illegal demands by way of pilotage through Hell Gate, New York. They ask Congress to adopt such measures as will relieve them from the effects of unconstitutional acts passed by State Legislatures for the prohibition of commerce. I move its reference to the Committee on Commerce.

The motion was agreed to.

Mr. SCHURZ presented the petition of Sarah E. Ballántine, widow of David Ballantine, sr., of Boonville, Missouri, praying compensation for damages sustained to her property during the late war by order of General Lyon; which was referred to the Committee on Claims.

Mr. ANTHONY. I present the memorial of Charles W. Smith, Edward R. Rhodes, and others, of Providence, Rhode Island, protesting against the extension of patents by acts of Congress, representing that it is of great injury to the manufacturers and consumers of patented articles, and that more injustice is done in this country by such acts than by those of like nature in foreign countries. I move the reference of this memorial to the Committee on Patents.

The motion was agreed to.

Mr. FERRY, of Michigan, presented a memorial of J. C. Wilson and 119 other citizens of Rochester, Michigan, urging immediate action on the financial question, and praying that the volume of the legal-tenders be fixed at $400,000,000, and for the passage of a free-banking law; which was referred to the Committee on Finance.

Mr. KELLY presented affidavits of R. S. Crystal, John C. Allen, and Charles Lafollet, relating to charges against Hon. JOHN H. MITCHELL; which were referred to the Committee on Privileges and Elections.

Mr. CRAGIN presented the memorial of Philip S. Wales, medical inspector of the United States Navy, praying that his name be placed

upon the prize-list with those entitled to share in the prize-money awarded to the fleet of Admiral Farragut for the capture and destruction of rebel vessels resulting in the capture of New Orleans; which was referred to the Committee on Naval Affairs.

Mr. SCOTT presented five memorials of citizens of Lehigh County, Pennsylvania, in opposition to the imposition of a tariff duty on tea and coffee, in opposition to any increase of internal taxes, and in favor of the repeal of the second section of the act of June 6, 1874, which reduced by 10 per cent. the duties on certain foreign imports; which were referred to the Committee on Finance.

CUSTOMS FINES, PENALTIES, AND FORFEITURES.

Mr. ANTHONY. The Committee on Printing, to whom was referred a motion to print a letter of the Secretary of the Treasury, transmitting, in answer to Senate resolution of December 9, 1873, a statement of the amount paid collectors, naval officers, surveyors, and detectives, engaged in the customs service, on account of distributive shares of fines, penalties, and forfeitures, for the ten years ending June 30, 1873, have instructed me to ask to be discharged from its further consideration, and that it be referred to the Committee on Appropriations. This is the document, [pointing to a large document upon the desk.] It contains a great deal of information which I suppose if it ought to have been furnished, ought to be printed, as it is of no use in its present shape; but it seems to the Committee on Printing that the recapitulated results, which are embodied in small space, would answer all the purposes of the inquiry. But it is a matter which relates to financial administration, and the committee desire that the Senate should have the judgment of the Committee on Appropriations.

The report was agreed to.

Mr. ANTHONY. I wish to state, Mr. President, with your permission, that while I do not know but that this document furnishes desirable information, it shows the great bulk of some of the answers to resolutions of inquiry we send to the Executive Departments. It will cost over $6,000 to print this document in full. Of the expediency of that cost the Committee on Appropriations can judge better than the Committee on Printing. Some time ago, when I had the honor to be a member of the Committee on Rules, we reported a rule that all resolutions of inquiry should go first to the proper standing committee, to ascertain if the object to be attained was worth the cost of obtaining it; but it did not meet with the approbation of the Senate, which thought that it was a restriction upon the right of inquiry.

Mr. DAVIS. I ask, by whom was this information called for?

Mr. ANTHONY. By the Senate?

Mr. DAVIS. By what member of the Senate?

Mr. ANTHONY. I do not know. It is not stated.

The PRESIDENT *pro tempore*. The Chair understands that the original resolution was offered by the Senator from Maine, [Mr. MORRILL.]

Mr. DAVIS. I understand it is moved to refer it to the Committee on Appropriations.

Mr. ANTHONY. That is the report of the Committee on Printing.

The PRESIDENT *pro tempore*. That order has been made.

REPORTS OF COMMITTEES.

Mr. HAMLIN, from the Committee on Mines and Mining, to whom was referred the bill (H. R. No. 2543) in relation to mineral lands, reported it with an amendment.

He also, from the same committee, to whom was referred the bill (S. No. 25) in relation to mineral lands, asked to be discharged from its further consideration, and moved its indefinite postponement.

Mr. INGALLS. I ask that the bill may go on the Calendar.

Mr. HAMLIN. I wish to say to the Senator that the precise bill which the House has passed is his bill, and that the committee have reported upon it favorably, with an amendment.

Mr. INGALLS. Very well.

The bill was postponed indefinitely.

Mr. HITCHCOCK, from the Committee on the District of Columbia, to whom was referred the bill (H. R. No. 2102) to incorporate the Capitol, North O Street and South Washington Railway Company, reported it without amendment.

Mr. PATTERSON, from the Committee on Pensions, to whom was referred the bill (H. R. No. 1950) granting a pension to Betsie Lewis, reported adversely thereon, and the bill was postponed indefinitely.

He also, from the same committee, to whom was referred the bill (H. R. No. 2095) granting a pension to Charles McCarty, reported it with an amendment.

He also, from the same committee, to whom was referred the bill (H. R. No. 1943) granting a pension to Helen M. Stansbury, reported adversely thereon, and the bill was postponed indefinitely.

Mr. PRATT, from the Committee on Claims, to whom was referred the bill (S. No. 496) for the relief of those suffering from the destruction of the salt-works near Manchester, Kentucky, pursuant to the orders of Major-General Carlos Buell, reported it with an amendment, and submitted a report; which was ordered to be printed.

Mr. PRATT, from the Committee on Public Lands, to whom was referred the bill (S. No. 174) for the relief of certain settlers upon homestead and pre-emption lands, submitted an adverse report thereon; which was ordered to be printed.

The PRESIDENT *pro tempore*. If there be no objection the bill will be postponed indefinitely.

Mr. INGALLS. I ask that the bill be placed on the Calendar.

The PRESIDENT *pro tempore*. It will be placed on the Calendar with the adverse report of the committee.

Mr. WRIGHT, from the Committee on the Judiciary, to whom was referred the bill (H. R. No. 2078) for the benefit of occupying claimants, reported it with amendments.

Mr. DENNIS, from the Committee to Audit and Control the Contingent Expenses of the Senate, who were directed by a resolution of the Senate of March 3 to report upon the expediency of furnishing to each member of the Senate a copy of "Practical Information concerning the Public Debt of the United States, with the National Banking Laws," published by W. H. & O. H. Morrison, asked to be discharged from the further consideration of the subject; which was agreed to.

TWO PER CENT. FUND.

Mr. OGLESBY. The Committee on Public Lands, to whom was referred a memorial of the governors of the States of Ohio, Indiana, and Illinois, in regard to what is commonly known as the 2 per cent. fund, which they claim to be due them from the General Government, have had the same under consideration, and have instructed me to report back the memorial with a written report, which we desire to have printed, and to present with it a bill. The committee recommend the passage of the bill, in the hope that justice may finally be done to these three States.

The bill (S. No. 637) to settle certain accounts between the United States and the States of Ohio, Indiana, and Illinois was read and passed to a second reading, and the report was ordered to be printed.

Mr. FRELINGHUYSEN. In reference to that report I have a word to say. That subject was referred to the Judiciary Committee at the last session, as the Chair remembers; was very carefully considered, was debated in the Senate for days, a vote taken upon it, and finally disposed of. It seems to me that that matter should not be referred or a report come from another committee now.

The PRESIDENT *pro tempore*. Does the Senator move to commit it to the Committee on the Judiciary?

Mr. FRELINGHUYSEN. I do.

The PRESIDENT *pro tempore*. The Senator from New Jersey moves to commit this bill to the Committee on the Judiciary.

Mr. THURMAN. What committee reported the bill?

The PRESIDENT *pro tempore*. The Committee on Public Lands.

Mr. THURMAN. It has not been very customary, I think, in the Senate when a committee has made a report to send that report to another committee for revision. I have tried several times, when a question of law was involved, to have a bill reported by a committee sent to the Committee on the Judiciary to inquire into the mere question of law, but never have succeeded yet, and have been sometimes pretty sharply rebuked for attempting to do it, it seeming to be thought to be a reflection upon the committee that had reported the bill.

Now, sir, I see no reason in this case to depart from the usage of the Senate. Here, as I understand—this is the first time I have heard of it; I did not know this matter was before us this session at all—this subject has been before a committee and that committee has reported. How it has reported I do not know; but suppose the matter was before the Judiciary Committee at the last session, and the majority of that committee reported adversely to the claim; and now suppose there is a report in favor of the claim by another committee; that is no reason for sending the report of that committee to the Judiciary Committee for revision. Both reports will be before the Senate, and the Senate can decide which of the two committees has arrived at the proper conclusion. I hope there will be no reference of this to the Judiciary Committee.

Mr. FRELINGHUYSEN. It is very clear that this matter must have been referred to the Committee on Public Lands by an inadvertence, for it seems that the Senator from Ohio did not know that it was before the Senate, and I am sure I did not know that it was before the Senate, and the Senator from Ohio and myself were a subcommittee that examined this subject at the last session of the Senate. It is purely a question of law. It has nothing to do with the public lands at all. It might as well have been referred to the Committee on Education as to the Committee on Public Lands. It is a naked question of law which has been considered by the Committee on the Judiciary, discussed in the Senate for days, and finally adjudicated upon by the Senate. It is no reflection upon the Committee on Public Lands, if it was improperly referred to them, to have it referred where, according to the rules of the Senate, the subject properly belongs.

Mr. THURMAN. I must beg leave to say that there is something more in this than a bare, naked question of law. There is a question whether this claim has not a broad equity that appeals to the justice of the Government, whatever may be the strict technical law upon the subject.

Now, in respect to this claim, we have had divers reports upon it. We had an elaborate report in the House of Representatives from the Committee on the Judiciary of that body—I think it was the Judiciary Committee; I feel that I cannot be mistaken about that—in favor of this claim. We had a report of the majority of the Judiciary Committee of the Senate adverse to the claim. And now if we have the report of another committee upon the same subject, I do not see that that lays the slightest foundation for sending that report to the Committee on the Judiciary, as if the Committee on the Judiciary

was to sit as a court of errors upon the reports of other committees of this body. I think that is contrary to the usage of the Senate. I have given my own experience on bills involving constitutional questions of the gravest moment. I recollect one instance perfectly well. I asked that the bill might be sent to the Committee on the Judiciary to report on that constitutional question, and I was told by the oldest Senator in the body, the late Senator from Massachusetts, (Mr. Sumner,) that that was contrary to the usage of the Senate, and would be considered a reflection upon the committee that reported the bill. When I say I was told so, the Senate was told so, for he spoke it openly in his place, and the motion failed. I have never known such a motion to succeed unless the committee that reported the bill itself acquiesced in the proposed reference.

I therefore insist in this case that there is no necessity to refer this bill to the Committee on the Judiciary. We know what the majority of the Judiciary Committee think about it. The committee is substantially constituted now as it was when it made its report. A majority of the committee are opposed to this measure, opposed to the claim, do not believe it has any validity; and sending it back to that committee is simply to bury it. Now, as the Senate, and not the committee, is to decide this question, there is no necessity for sending the bill to that committee to review the report that has been made by the Committee on Public Lands.

Mr. CONKLING. If this report is one contemplated by the rules of the Senate in their spirit, certainly our rules and proceedings are odd and lame. Here is a matter involving a great sum of money, and involving a mere question of law, nothing else, for if there be equity in it, the equity grows out of a question of law. Some time ago petitions and a bill being introduced, the subject was referred to the Judiciary Committee. An elaborate examination was made by the committee, and an adverse report in writing was made to the Senate. A discussion, or rather a number of discussions, ensued here, and the action of the Senate sustained the committee and was adverse to the bill.

Had a bill been introduced afterward, and by inadvertence or otherwise referred to the Committee on Public Lands, what I must conceive as the very novel result before us, would be less unusual. But what do we find? Upon looking at the papers sent to the Secretary's desk, nothing will be found but a report of the committee and a bill originated by the committee. Does not all this seem odd? A question of law, an important question of law, is referred to the law committee of the body, patiently and fully considered, passed upon, and final action taken deliberately by the Senate; and thereupon another committee of the Senate, to which I think nobody would say it would properly have belonged originally, without any reference of a bill to the committee, of its own mere motion, originates a bill—and no doubt, by general parliamentary law, every committee has a right to do this—and brings it forward, thus entirely discarding, superseding, and ignoring the action of the Senate already taken in the case.

Mr. President, if there was any use in referring this subject to the Judiciary Committee, the Senate obtained the benefit of that reference. The report is here, the bill is here upon the files of the Senate. It was defeated by a vote of the Senate. If anybody wants it referred to the committee to be examined again, I am not prepared to say that that would be very extraordinary; but I submit to the Senate that it is a plain violation, if not of the letter of the rules and of the parliamentary law, of the spirit of those rules and of that law, when one committee has been charged with a subject, has examined it carefully, has made an elaborate report, and the Senate has taken jurisdiction of the whole thing, discussed it, and pronounced upon it, for another committee, without a bill being referred to it—the Senator from Ohio says he did not even know that the subject was before any committee of the body—of its own motion to originate a bill and bring it in just as if there had never been any proceeding on the subject before.

Mr. THURMAN. Will the Senator allow me to interrupt him for one moment to make a statement?

Mr. CONKLING. Yes, sir.

Mr. THURMAN. I understood him to say that the Committee on Public Lands had nothing referred to it.

Mr. CONKLING. I did not say so. I said the Committee on Public Lands had no bill referred to it, and that the papers sent to the table of the Secretary by that committee consist of a report and a bill in manuscript originated by the committee, and of nothing else.

Mr. THURMAN. But they had a memorial referred to them.

Mr. CONKLING. That may be; I said nothing on that subject. I say now, however, if that committee did have another memorial referred to them, I should like to know upon whose motion the memorial was referred, and I will hazard the judgment that had attention been called to it at the time, that memorial would never have been referred to a new committee not appropriately chargeable with the subject, when it had already been given to the Judiciary Committee, and that committee had elaborately investigated it. Where should we be if that were the rule? I introduce a memorial on a particular subject, and it is referred to the Committee on Claims. The Committee on Claims examines it elaborately, comes in with a written report; a bill is reported; it is discussed in the Senate, and acted upon finally; and thereupon I introduce another memorial on the same subject, and I select some other committee, and have it referred to that committee, and try my hand there, and that committee by and by reports back something, and that is adverse. Then I introduce another memorial, and have it referred to a third committee. Where is it to stop? And is it in accordance either with the usages of parliamentary bodies, or with sound sense, to do any such thing? Think of such experimental practice courts. The Legislature provides that when one judge even at chambers has refused an order, it shall be unlawful to apply to another judge for it again. Why? For the very reason which prevails here. The presumption is, when a memorial or a subject is brought before the Senate, that the Senate acts not mistakenly, but correctly, in selecting the committee to which it properly belongs. Therefore the presumption would be, without referring to the nature of this question, that the Senate acted intelligently and reasonably in directing the Judiciary Committee to investigate this subject. Moreover, we see that the nature of the question is one which pertained to that committee; and now because there is an adverse report, some petitioner who is not satisfied with that, or with the adverse action of the Senate, sends to some other Senator—we have not yet heard who—a memorial, and that Senator by accident or design selects some other committee, and that committee originates a bill of its own, looking in the other direction, and we are invited to again traverse this ground upon that.

Mr. President, I do not feel the interest in this 2 per cent. matter which evidently inspires some other members of the Senate, and naturally enough; it does not specially affect any locality which may look to me to represent it. I have, however, a very clear judgment about the 2 per cent. bill, and a very clear judgment about the propriety of taking the large sum of money involved from the Treasury, and giving it to anybody. But I make no note of the merits of the question one way or the other at this time.

I insist upon it if we are to have the safeguards, and they are few enough, which prevail in parliamentary bodies and to derive any benefit from our rules, that we should in all cases so enforce them that when the appropriate committee has been selected and the subject given to it and the committee has investigated and reported, and the Senate has acted, some other committee without notice to anybody shall not start up, even though a petition be referred to it, and review the whole matter, reverse the former decision, and bring the Senate to action upon it again.

Therefore I shall vote to recommit this bill, objecting as I do to its being read a second time to-day, to the Committee on the Judiciary unless there is objection to that committee.

The PRESIDENT *pro tempore*. The Senator from New York objects to the second reading of the bill, and it will be laid aside.

Mr. OGLESBY. What do I understand by laying the bill aside?

The PRESIDENT *pro tempore*. The bill will go on the Calendar, but the motion to refer will be laid aside because it cannot be entertained until the second reading of the bill. The bill cannot be read the second time to-day, objection being made.

Mr. OGLESBY. There are explanations that ought to be made here now.

The PRESIDENT *pro tempore*. They are out of order now.

Mr. WADLEIGH. I desire to say that I wish to present a minority report from the Committee on Public Lands. That was the understanding of the committee.

The PRESIDENT *pro tempore*. The rule of the Senate is that there can be no minority report; but, what is practically the same thing, members dissenting to the report may present their views, which are always received by the Senate.

Mr. CONKLING. I will withdraw my objection to enable any Senator to be heard who wishes to be heard. I did not make it for that purpose, but because I shall object when the time comes, and do now if this be the proper time, to the second reading of the bill. But if my friend from Illinois wishes to make any statement I withdraw the objection for the present.

The PRESIDENT *pro tempore*. This is the proper time to make the objection, and having been made the bill cannot be read the second time to-day.

Mr. OGLESBY. Do I understand that the Senator from New York has withdrawn his objection?

Mr. CONKLING. I will, with the permission of the Chair, withdraw it to enable the Senator to say anything particularly of a personal character which he wishes to say; but I cannot consent that the bill be read the second time to-day.

The PRESIDENT *pro tempore*. The Chair will state that this debate has so far proceeded by general consent. If there be no objection it can proceed farther.

Mr. MORTON. A single objection——

The PRESIDENT *pro tempore*. The Senator from Illinois is entitled to the floor on this question, if anybody. Is there objection to the further discussion of this subject by the Senator from Illinois? The Chair hears none.

Mr. OGLESBY. There is a misapprehension in the start about how the bill now before the Senate originated. A memorial, printed, and signed by the governors of three different States of the Union, with a joint resolution, was handed to the Senator who presented the memorial, was brought in in open session in the morning hour, and presented here for reference to the Committee on Public Lands. The honorable Senator from Indiana [Mr. PRATT] had the impression in his mind, and so stated to the committee, that the joint resolution had been presented with the memorial and referred with it. When, however, we got into the committee and called the subject up, the

Senator from Indiana then for the first time read the resolution and said that he believed he had not sent it with the memorial. The joint resolution that went with the memorial is the bill now presented, and it is changed from a joint resolution to a bill, a very short one, giving interpretation to acts passed by Congress in years gone by and making other statements.

The question of this 2 per cent. fund is not exclusively a matter of law. There are matters of fact connected with it; and the whole case sprang out of the public lands. In the admission of these States into the Union it was exclusively a question pertaining and referring to the public lands. It was in connection with the question of public lands and in regard to their proceeds being used in making the Cumberland road that the claim arose. Hence it was altogether proper that this memorial and joint resolution, which was not formally referred, and which now comes back in the shape of a bill simply changed by the committee from a joint resolution to a bill, should have been before the Committee on Public Lands just as well as before the Committee on the Judiciary.

It is said there was a report from the Judiciary Committee against this bill. That was not in this Congress; it was in another Congress. Shall I state to the Senate that this matter has been before other Congresses than this, and that it has been referred to the Committee on the Judiciary in the House of Representatives, reported on favorably and passed by overwhelming majorities, and that after it was reported against in this body at the last session of Congress, although the Committee on the Judiciary reported against the bill, it came within one or two votes of passing? I wish to know if there has anything thus far been done in connection with the bill now presented to this Congress that presents any unusual aspect or that shrouds the bill in mystery or covers it with suspicion? It is a frank appeal to Congress by three States of the Union for what they consider a matter of justice under law and under facts and under compacts; and the Committee on Public Lands as well as the friends of the measure perfectly well know that it cannot pass this body without free, open, and ample debate. We did not know but that in the progress of the debate, as the Calendar should be read and disposed of, a question might be hereafter raised as to whether the bill should be referred to the Judiciary or some other committee; but it was wholly unexpected that a movement would be made this morning to cut off the deliberations of the Committee on Public Lands, to cut off their report, to throw away all they have done and throw it into a new channel, raising a cloud of suspicion upon it, without a word of explanation.

There are able lawyers upon the Committee on Public Lands, and one of the ablest lawyers on that committee, I doubt not, when he makes the minority report which the Committee on Public Lands have given him permission to do, will show as much as any other ordinary lawyer could show on his side of the question; and that minority report will go with the majority report, although it may be signed by the names of but few members of the committee. I did not expect the question would be raised this morning of referring the matter to a new committee. I hope the Senate will keep the bill before it on the report of the Committee on Public Lands, until it shall be discussed and its merits understood, and it be seen whether this is a just claim or unjust claim. If it be an unjust claim and one that ought not to be voted to these States, they will each of them scorn to receive it; but as long as they shall conscientiously believe it is a just claim they will stand here, modestly but earnestly, claiming the right to the money.

Mr. MORTON. Mr. President, this is not a new measure before the Senate, and I do not know of any peculiar lien, either equitable or legal, that the Judiciary Committee have to administer upon this bill. They have made a report, which is now on the files for reference, and I doubt whether they could add anything to it. They are substantially the same committee now that made that report. This memorial from the governors of the States concerned was referred to the Committee on Public Lands, and I think very properly. It is a claim growing out of a donation of the public lands heretofore, and to it belongs the consideration of the public-land laws. Why, Mr. President, if every question that involves some matter of law or equity is to go to the Committee on the Judiciary, it would draw more than half the business of this body to it. There are questions that properly belong to that committee, and there are other questions that properly belong to other committees although they do involve some questions of law or of equity. There may be questions of equity where there is technically no legal right. We have courts of equity to administer upon such cases; and it is peculiarly the jurisdiction of Congress to administer and to do equity even where there may be no claim of law.

I think in every point of view that this memorial went very properly to the Committee on Public Lands, and I think it would be treating that committee with some disrespect now to refer it to the Committee on the Judiciary, thereby assuming that the Committee on Public Lands cannot understand whatever law there may be arising out of the facts involved in this claim. I have no doubt they are able to comprehend the law and to comprehend the equity, and I presume from the character of the committee they have paid more attention to the laws governing public lands than even the Committee on the Judiciary. Therefore for one I shall object to the recommitment of this bill to the Committee on the Judiciary.

Mr. SARGENT. The amount involved in this bill is about one and one-third million dollars. During a long series of years the Government of the United States endeavored to extinguish this claim and for that purpose spent $6,821,248; and as these appropriations were made in different amounts, amounting in all to the aggregate which I have mentioned, by careful legislation spread over the statute-books during Congress after Congress, it was provided that the amount appropriated should be applied to the extinguishment of this claim on the part of these three States. Now, sir, if it is a question to be decided by this Congress whether there is law or equity requiring the Government of the United States, after expending this immense sum to extinguish this demand, to pay a further sum, I must say that for one member of this body I want the opinion of the highest legal authority in this body.

Mr. THURMAN. Will my friend allow me to interrupt him?

Mr. SARGENT. Certainly.

Mr. THURMAN. I should like to see one act of Congress that purported to be an extinguishment of these claims.

Mr. SARGENT. By the original legislation.

Mr. MORTON. I suggest to the Senator that he is arguing the merits of the case.

Mr. SARGENT. Very well. If the Senator objects to my answering the question, I will not answer it. I was simply showing the importance of the proposition before the body, and that Congress heretofore had endeavored to dispose of it, and dispose of it not only equitably to these States, but in a spirit of lavish generosity. Now, sir, if there is, as is contended, an equity in this matter, then I want the Judiciary Committee to define the exact limits of that equity, or, if it arises out of strict law, let us know what the laws are and what the inference to be derived from them is. Therefore I think, instead of this coming from a committee, when we have referred to them no bill for that purpose, from a committee whose duty it is simply to pass upon the policy relating to public lands, it should go to the Committee on the Judiciary, which we trust with matters of pure legal cognizance. I must say that I have confidence that that committee will give us a report which will show whether we are liable or not.

I believe not merely in being generous to these three States, but I believe in being just to the people at large. And certainly our Treasury is not now in a condition to deplete it of the enormous sum which this legislation contemplates. For that reason there ought to be more consideration of this matter; and for that reason, furthermore, we ought to know exactly what our legal obligations are.

Mr. THURMAN. I cannot permit the remark of the Senator from California, that Congress has again and again passed acts in extinguishment of this claim, to go without notice. I think I have investigated this claim about as carefully as any Senator on this floor, and this is the first time I have heard it suggested that Congress had given anything or appropriated anything in extinguishment of it. There is certainly no such thing said in the elaborate report of the Judiciary Committee made by the Senator from New Jersey in last Congress, upon which he bestowed so much care and pains. Never before have I heard any such suggestion. If the Senator wishes to go into the question of what States have received the most public lands, what States have been dealt with most generously, I am perfectly ready to go with him into that investigation, and to show that of all the new States this side of the Rocky Mountains these very three States have received the most niggardly treatment.

Mr. SARGENT. The question which the Senator raises of course is entirely foreign to the discussion. How far the State of Ohio may have been benefited by this legislation in particular, probably he can judge, when, under the legislation of Congress and to extinguish this grant, there was built through the whole State of Ohio a highway as magnificent as that of the Cæsars, and now, under a perhaps better claim of Illinois, and perhaps a still better of Indiana, if there is any value in any of these claims, the State of Ohio comes in, and under the protecting wing of those States would pretend that the money which we spent in building that great public road through the State of Ohio shall not be chargeable to this 2 per cent. which the United States retained for the purpose of building the highway to and through these States. Certainly the Senator's State is the last one to complain either of this legislation or the effect which has been produced by the six or seven millions which the Congress of the United States authorized to be expended to carry out its original contract with those States.

But, sir, I do not care to go into that question. I merely intended to advert to it in passing to show the magnitude of the question involved, how heavily it bears upon the Treasury of the United States; and if there be any legal defense which the Government of the United States has from paying this claim, then I want it to be set forth by the legal organ of this body. Sir, we are not here in the position simply of representing the States which sent us here; we are not here merely to further the draft of vast sums of money from the Treasury for the benefit of our respective localities; but we are here to protect the Treasury of the United States, whether we are here from California, from Maine, or from Ohio. We are here to see that the best that can be said on behalf of the Government of the United States is said, and said by the proper committee, and said by Congress itself; and for that reason I think this, a purely legal question, should go to the Judiciary Committee. When that committee shall report upon it, and give us the legal aspects of the matter, then I shall be prepared, I trust, to discuss the value of their conclusions.

Mr. MORRILL, of Vermont. There is a little more morning business to present, and I therefore must object to the further consumption of time on this question.

The PRESIDENT *pro tempore*. The Senator from Vermont calls for the regular order. Reports of committees are still in order. This bill having been read the first time will be printed with the report, and the bill will be placed on the Calendar.

Mr. FRELINGHUYSEN. I ask whether the motion which I made, to refer the bill to the Judiciary Committee, will come up with the bill?

The PRESIDENT *pro tempore*. It will.

MRS. CYNTHIA M'PHERSON.

Mr. PATTERSON. The Committee on Pensions, to whom was referred the bill (H. R. No. 2213) granting a pension to Mrs. Cynthia McPherson, mother of the late General James B. McPherson, instruct me to report it back without amendment. This bill has been laid over on account of my sickness, and I will therefore ask for its immediate consideration. It passed the House unanimously, and I presume there will be no objection to it.

By unanimous consent, the Senate, as in Committee of the Whole, proceeded to consider the bill. It directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Mrs. Cynthia McPherson, mother of James B. McPherson, late major-general in the United States Army, and pay her a pension at the rate of fifty dollars per month.

The bill was reported to the Senate without amendment, ordered to a third reading, and read the third time.

Mr. TIPTON. Has that bill been reported from the Committee on Pensions?

The PRESIDENT *pro tempore*. It has. The Senator from South Carolina states that it has laid over in his hands owing to his sickness, and he therefore asks its consideration at this time.

Mr. TIPTON. I discover it to be one of those special bills to meet a special case for a special purpose, which I never did think was in accordance with the equities and justice of our pension system, and therefore I was not aware that it had been to the committee or supposed it would not come up in this shape from the committee; but I shall not object this morning against the will of the Senate.

The bill was passed.

BILLS INTRODUCED.

Mr. BUCKINGHAM asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 638) for the relief of Joseph Dunlap, a settler on the Kansas Indian lands in Kansas; which was read twice by its title, and referred to the Committee on Indian Affairs.

Mr. HAGER asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 639) authorizing military bounty-land warrants to be received in payment of lands in certain cases; which was read twice by its title, referred to the Committee on Public Lands, and ordered to be printed.

Mr. FENTON. For several years past there has been a controversy in Congress and out of it relating to the claims of New York Indians to lands in Kansas. A gentleman who I think is familiar with the subject has drawn a bill which I am asked to introduce. I have not examined it with that care which I ought to give it, before committing myself to its provisions, but I ask leave to introduce it.

There being no objection, leave was granted to introduce a bill (S. No. 640) to provide a settlement with the Six Nations of New York Indians of questions growing out of unexecuted treaty stipulations; which was read twice by its title, referred to the Committee on Indian Affairs, and ordered to be printed.

Mr. HAMLIN asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 641) for the relief of Daniel Stickney, postmaster at Presque Isle, Maine; which was read twice by its title, and referred to the Committee on Post-Offices and Post-Roads.

Mr. NORWOOD asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 642) to revive and continue in force section 7 of an act entitled "An act making a grant of land to the Territory of Minnesota in alternate sections, to aid in the construction of certain railroads in said Territory; and granting public lands in alternate sections to the State of Alabama, to aid in the construction of a certain railroad in said State," approved March 3, 1857, and to extend the time in which said road in the State of Alabama shall be constructed for the period of five years from the date of the approval of this act; which was read twice by its title, referred to the Committee on Public Lands, and ordered to be printed.

Mr. JOHNSTON asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 643) to incorporate the Washington Canal and Water-power Company; which was read twice by its title, referred to the Committee on the District of Columbia, and ordered to be printed.

REPRINTING OF A REPORT.

Mr. FENTON. In Senate report No. 203, to accompany Senate bill No. 552, to refund to E. & J. Koch certain customs duties, which has just been laid on the desks of Senators, I see there are several errors. The report was drawn by me under the authority of the Finance Committee. I ask that it may be returned to the Public Printer that the errors in it may be corrected.

The PRESIDENT *pro tempore*. The Senator from New York moves that report No. 203, from the Committee on Finance, be reprinted.

The motion was agreed to.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. LLOYD, its Chief Clerk, announced that the House had passed the following bills; in which the concurrence of the Senate was requested:

A bill (H. R. No. 1600) directing the Secretary of the Treasury to issue an American register to the English-built brig Hattie Eaton;

A bill (H. R. No. 1691) for the relief of Thomas Ridgway;

A bill (H. R. No. 2416) to authorize the Secretary of War to ascertain the amount of expenses incurred by the States of Oregon and California in the suppression of Indian hostilities in the years 1872 and 1873;

A bill (H. R. No. 2692) to change the name of the schooner-yacht Quarantine to Welcome;

A bill (H. R. No. 2695) for the relief of Ely Cameron;

A bill (H. R. No. 2701) to relieve William G. Jones, of Alabama, of political disabilities; and

A bill (H. R. No. 2702) to relieve John Forsyth, of Alabama, of political disabilities.

SHELVES BETWEEN DESKS IN SENATE CHAMBER.

Mr. MORRILL, of Vermont. I offer the following resolution, and ask for its present consideration:

Resolved, That no shelves shall be allowed to be placed between any desks in the Senate until the Senate shall take some action in relation thereto.

On Friday the Senate resolved to remove the fence round about the seats of the Senators, and to restore the desks to their original position. Unquestionably, to some Senators, the shelves that were formerly inserted between the desks were a great convenience; but they had become so numerous, that they were a positive nuisance before the late change. We have now some difficulty in threading our way through the seats, and I trust there will be no objection to the adoption of this resolution. If these shelves should become as numerous as they were prior to the former change, it will be almost impossible to make our way to the seat of any Senator.

The PRESIDENT *pro tempore*. Is there objection to the present consideration of the resolution?

Mr. THURMAN. I want to discuss it whenever it is taken up.

Mr. CONKLING. Then I will not make any objection to it. I rose to suggest to the Senator from Vermont that this is a question which rather concerns individual Senators than the whole Senate. For example, suppose my friend beside me [Mr. HAMLIN] and myself choose to put a shelf here in order that we may have a place for some one of the deposits of documents which make it impossible for us now to put our feet on the floor or our knees under our desks, it concerns nobody but us. To be sure, it closes up a passage out of which I might go if I chose; but if I agree to it and my neighbor agrees to it, it certainly does not incommode the Senator from Vermont. So in respect to a shelf between his desk and that of his neighbor.

Mr. MORRILL, of Vermont. But the Senator will see that in that way he may close up all the passage-ways, provided the two Senators on each side agree.

Mr. CONKLING. Not unless all the Senators agree to it.

Mr. MORRILL, of Vermont. And then we have not even a pet road or a public highway to escape through in any part of the Senate. I am not at all interested in this matter personally. It is a question that concerns other Senators much more than it does myself.

The PRESIDENT *pro tempore*. The Chair does not understand whether the Senator from New York objected to the resolution?

Mr. CONKLING. The Senator from Ohio [Mr. THURMAN] objected. He said he desired to discuss it when it should be taken up.

The PRESIDENT *pro tempore*. Objection being made, the resolution will lie over.

Mr. ANTHONY. I understand that this is not a prohibition of these shelves, but merely to arrest their being put up until the Senate take some order upon the subject.

Mr. MORRILL, of Maine. Suppose you allow it to go to the Committee on Rules?

Mr. ANTHONY. Very well.

Mr. MORRILL, of Maine. I move the reference of the resolution to that committee.

The motion was agreed to.

ELLIOTT'S REPORT ON EUROPEAN LIGHT-HOUSES.

Mr. SARGENT submitted the following resolution; which was considered by unanimous consent, and agreed to:

Resolved, That the Secretary of the Treasury be directed to transmit, for the information of the Senate, the report of Major George H. Elliott of his inspection of European light-house establishments.

SCHOOL LANDS IN MISSOURI.

Mr. BOGY submitted the following resolution; which was considered by unanimous consent, and agreed to:

Resolved, That the Secretary of the Interior be, and is hereby, directed to report at an early day the townships and fractional townships in the State of Missouri which were entitled to lands for the use of schools, under the act of 20th of May, 1826; and to state the quantity each of said townships and fractional townships was entitled to under said law; and whether the lands to which said townships were thus entitled have been conveyed or patented by the United States to said State, for the purpose contemplated by the law.

RECORD OF M'KINSTRY COURT-MARTIAL.

Mr. BOGY. I offer the following resolution and ask for its present consideration:

Resolved, That the Secretary of War be, and he is hereby, directed to furnish to the Senate at an early day a full copy of the testimony and proceedings of the court-martial convened at Saint Louis in September, 1862, for the trial of Major J. McKinstry, quartermaster United States Army, on a charge of "neglect of duty."

Mr. SHERMAN. I think that resolution had better lie over. If I remember that case, it would constitute an enormous volume, and would take a great deal of time to copy it.

Mr. BOGY. It is a matter of very great importance to the person himself, and I think there is no public objection to it. I am aware of none, and I made inquiry on that point.

Mr. SHERMAN. I know that the Secretary of War has declined and has stated that the available clerical force in his office now is not sufficient for him, in months to come, to supply the papers already called for by Congress. Under the circumstances I shall be compelled to object.

The PRESIDENT *pro tempore*. The Senator from Ohio objects, and the resolution will lie over.

EXTENSION OF THE MORNING HOUR.

Mr. FERRY, of Michigan. I ask for the present consideration of the report of the Committee on the Revision of the Rules providing for an extension of the morning hour.

Mr. SHERMAN. That is not a part of the regular morning business, and I shall object to it until after the financial discussion is over. Then I shall make no further objection to it.

Mr. FERRY, of Michigan. The chairman of the Committee on Finance will not understand me as desiring to interfere at all with the financial question. This question was submitted to the committee by a resolution referred to them by the Senate, and they have reported upon it. There is no disposition to interfere with the financial matters.

Mr. SHERMAN. There is no hurry about acting upon the report now. Let it go over until after the pending order is disposed of.

Mr. FERRY, of Michigan. I supposed that all Senators were interested in reaching the Calendar for the purpose of facilitating the business of the Senate.

Mr. SHERMAN. I suggest that the better way would be to take a day to clear the Calendar than to add to the morning hour. At any rate, I hope the subject will not be taken up now.

Mr. STEWART. Would it be satisfactory to the Senator from Ohio if the resolution should be amended so as to provide that it shall not take effect until after the pending financial bill is disposed of?

Mr. SHERMAN. The extension of the morning hour will only allow the passage, perhaps, of two or three more bills each morning, and I think it would be better to name a day for the consideration of the Calendar and act upon it. However, the morning hour is over now, and I object to the consideration of the resolution.

The PRESIDENT *pro tempore*. The morning hour having expired the Senate resumes the consideration of the unfinished business; but if there be no objection the Chair will receive morning business.

Several SENATORS. Let us get rid of morning business.

EXECUTIVE COMMUNICATION.

The PRESIDENT *pro tempore* laid before the Senate a report of the Secretary of War, in response to a resolution of the Senate of the 27th instant calling for a copy of the reports of United States engineers who made examinations of the bridge over the Mississippi River at Saint Louis, Missouri; which was referred to the Committee on Commerce.

ADDITIONAL PETITIONS AND MEMORIALS.

The PRESIDENT *pro tempore* presented resolutions of the city council of Chelsea, Massachusetts, in respect to the memory of Hon. Charles Sumner; which were ordered to lie on the table, and be printed.

He also presented a memorial of the Legislature of Wisconsin, relating to the improvement of the Mississippi River and its tributaries; which was referred to the Committee on Commerce.

He also presented a memorial of the Legislature of Wisconsin, for increased mail service on route No. 25838; which was referred to the Committee on Post-Offices and Post-Roads.

He also presented a memorial of the Legislature of Wisconsin, for increased mail service on the route between Harvard, Illinois, and Walworth, Wisconsin; which was referred to the Committee on Post-Offices and Post-Roads.

He also presented a memorial of the city council of Janesville, Wisconsin, in favor of the improvement of the Fox and Wisconsin Rivers; which was referred to the Committee on Commerce.

He also presented a memorial of the Legislature of Wisconsin, for the erection of a court-house and post-office at Oshkosh; which was referred to the Committee on Public Buildings and Grounds.

He also presented a memorial of the Legislature of Wisconsin, for an increase of mail service for Richland, Vernon, and Juneau Counties, Wisconsin; which was referred to the Committee on Post-Offices and Post-Roads.

He also presented a memorial of the Legislature of Wisconsin, for an increase of mail service from Menomonee, Dunn County, to Durand, Pepin County, Wisconsin; which was referred to the Committee on Post-Offices and Post-Roads.

He also presented a memorial of the Legislature of Wisconsin, for the establishment of a weekly mail-route from Kiel to Meeme post-office, in the County of Manitowoc, Wisconsin; which was referred to the Committee on Post-Offices and Post-Roads.

He also presented a memorial of the Legislature of Wisconsin in favor of the passage of a law to construct fish-ways on the Lower Fox River, in that State; which was referred to the Committee on Commerce.

Mr. LOGAN presented a petition of business men of New York City, asking that the volume of legal-tenders be fixed at $400,000,000, and also praying the passage of a free-banking law; which was referred to the Committee on Finance.

He also presented the petition of Brenton Levis, praying to be placed on the pension-rolls; which was referred to the Committee on Pensions.

Mr. BUCKINGHAM presented a letter from the Secretary of the Interior, relating to the suffering condition of the Chippewa Indians attached to the Red Cliff and Bad River reservations, in Wisconsin, and recommending an appropriation of $2,000 for their immediate relief; which was referred to the Committee on Indian Affairs.

Mr. FRELINGHUYSEN presented the petition of F. B. Betts, of the firm of Betts, Nichols & Co., of New York, praying for the payment of Treasury draft of March 1, 1861, No. 5453, for $250; which was referred to the Committee on Claims.

Mr. McCREERY presented the petition of Josa V. Jeffrey, (late Johnson,) for herself and for the surviving children of Claude M. Johnson, deceased, of Lexington, Kentucky, praying compensation for cotton seized and sold, and taken from their plantation in Tensas Parish, Louisiana; which was referred to the Committee on Claims.

He also presented the memorial of Hugh W. Hawes, of Saluria, Texas, in reference to the improvement of Matagorda Bay; which was referred to the Committee on Commerce.

PAPERS WITHDRAWN AND REFERRED.

On motion of Mr. COOPER, it was

Ordered, That the petition and papers of Murray A. White and others be taken from the files and referred to the Committee on the Judiciary.

On motion of Mr. COOPER, it was

Ordered, That the papers in relation to the claim of Moses Brooks be taken from the files and referred to the Committee on Claims.

HOUSE BILLS REFERRED.

The following bills were severally read twice by their titles, and referred to the Committee on Commerce:

A bill (H. R. No. 1600) directing the Secretary of the Treasury to issue an American register to the English-built brig Hattie Eaton; and

A bill (H. R. No. 2692) to change the name of the schooner-yacht Quarantine to Welcome.

The following bills were severally read twice by their titles, and referred to the Committee on Military Affairs:

A bill (H. R. No. 2416) to authorize the Secretary of War to ascertain the amount of expenses incurred by the States of Oregon and California in the suppression of Indian hostilities in the years 1872 and 1873; and

A bill (H. R. No. 2695) for the relief of Ely Cameron.

The following bills were severally read twice by their titles, and referred to the Committee on the Judiciary:

A bill (H. R. No. 2701) to relieve William G. Jones, of Alabama, of political disabilities; and

A bill (H. R. No. 2702) to relieve John Forsyth, of Alabama, of political disabilities.

The bill (H. R. No. 1691) for the relief of Thomas Ridgway was read twice by its title, and referred to the Committee on Public Lands.

COMMITTEE SERVICE.

The PRESIDENT *pro tempore* appointed Mr. WADLEIGH to fill the vacancy upon the Committee on Privileges and Elections caused by the death of Mr. Sumner; and appointed Mr. FRELINGHUYSEN to fill the vacancy upon the Committee on Education and Labor arising from the same cause.

SEMINOLE ANNUITIES.

Mr. BUCKINGHAM. The Senator from Kentucky [Mr. STEVENSON] was appointed one of the conference committee in regard to the difference between the two Houses relative to the bill (H. R. No. 1923) authorizing the payment of annuities into the treasury of the Seminole tribe of Indians. I understand that he is called home, and may not return for some days. I ask that the Chair be authorized to appoint a substitute in his place.

The PRESIDENT *pro tempore*. The Senator from Connecticut moves that the Chair be authorized to fill a vacancy in the committee of conference, occasioned by the absence of the Senator from Kentucky, [Mr. STEVENSON.] Is there objection? The Chair hears none.

The PRESIDENT *pro tempore* subsequently appointed Mr. McCREERY to the vacancy occasioned by the absence of Mr. STEVENSON.

BANKING AND CURRENCY.

The Senate, as in Committee of the Whole, resumed the considera-

tion of the bill (S. No. 617) to provide for the redemption and reissue of United States notes, and for free banking.

The PRESIDENT *pro tempore*. The question is on the motion of the Senator from Maine, [Mr. HAMLIN.]

Mr. PRATT. What is the motion?

The CHIEF CLERK. The motion is, in section 2, line 2, to strike out "1876," and insert "1877;" so that the clause will read:

That on the 1st day of January, 1877, the Secretary of the Treasury is authorized and required to pay on demand, &c.

Mr. MORTON. I inquire whether that motion is in order?

The PRESIDENT *pro tempore*. The Chair thinks not.

Mr. SHERMAN. In what respect?

The PRESIDENT *pro tempore*. If the Senate will indulge the Chair a moment, he will state. By Rule 12, of the Senate Rules, a motion to strike out and insert is one proposition. This bill being before the Senate as in Committee of the Whole, the Senator from North Carolina [Mr. MERRIMON] moved to amend by striking out all after the enacting clause and inserting certain other words. The Senator from Illinois [Mr. LOGAN] moved to amend the words proposed to be inserted. That was an amendment in the second degree. The Senator from Indiana [Mr. MORTON] then moved to amend by striking out the second section, a part of the bill covered by the motion of the Senator from North Carolina. This the Chair held to be an amendment in the third degree, and out of order. Thereupon the Senator from Illinois withdrew his motion, and the Senator from Indiana renewed his, to strike out the second section of the bill. Now the Senator from Maine [Mr. HAMLIN] moves to strike out a part of the second section, covered by the motion of the Senator from North Carolina. This presents the same question which was ruled by the Chair when the Senator from Indiana first made his motion. As the correctness of the Chair's ruling at that time was doubted by some Senators of great experience, and whose opinion is authority, the Chair has carefully reconsidered the subject, and, after consulting the books, is of the opinion that the ruling was correct.

The rule in regard to amendments is one of convenience merely, and designed to prevent the confusion which would result from piling proposition upon proposition without end. The rule of parliamentary law is that amendments can only be moved in the second degree; that is, there can never be more than three undetermined propositions before the Senate at any one time: first, the bill; second, an amendment; third, an amendment to an amendment.

The matter may be more clearly presented by employing mathematical formula. A bill is under consideration. It is moved first to amend by striking out A and inserting B. Second, it is then moved to amend by adding to the words to be inserted. The proposition then is, will the Senate strike out A and insert B plus C? This is an amendment in the second degree, and is a third undetermined proposition. The Senate must then vote upon the third proposition, after which another third proposition may be presented, upon which the Senate must next vote, and so on. But when in this attitude of the question, the Senator from Indiana moved to strike out the second section of the bill, which was covered by the motion of the Senator from North Carolina, and involved in the proposition presented by the motion of the Senator from Illinois, he presented a fourth proposition, namely, will the Senate strike out A minus D and insert B plus C? Had the Senator from Indiana moved further to amend the words to be inserted, it would not be questioned that such a motion would have been out of order. Does it alter the case that his amendment was directed to the part to be stricken out, instead of to the words to be inserted? The Chair thinks not.

The object intended to be secured by the rule must be kept in view, which is, not to multiply beyond three the undetermined questions before the Senate. When a motion is made to strike out and insert, a motion may then be made to amend the bill and it takes precedence, because the friends of the bill ought to be allowed to perfect it before the vote is taken on striking out; but if the motion be first made to amend the words to be inserted, then the limit of undetermined propositions is exhausted and the Senate must come to a vote before a proposition can be entertained to amend that part proposed to be stricken out. So if the first motion made be to perfect the part proposed to be stricken out, that must be disposed of before a motion can be entertained to amend the words proposed to be inserted. Applying this principle to the motion of the Senator from Maine, the Chair must hold that it is out of order.

Mr. THURMAN. I wish to understand the decision, because it may be very material in the consideration of this bill. I beg leave to put a case to the Chair. We will suppose the amendment of the Senator from Illinois to be voted down, then we have but one amendment and that is in the first degree—the amendment of the Senator from North Carolina. But we have two questions before the Senate, the original bill and the substitute offered by the Senator from North Carolina. Now I understand the Chair to rule that you may raise a third question by moving to amend the text of the original bill. But suppose a motion is made to amend the text of the original bill by a friend of the bill, and then a motion is made to amend that amendment, which would be perfectly proper if the substitute of the Senator from North Carolina were not before the Senate, for then there would be but three questions. If I understand the ruling of the Chair, that cannot be done, for that would make four questions. If that is the rule—I do not say that it is not, for the Chair is much more familiar with the rules than I am—I must say that it would most materially embarrass those who would perfect the original bill, because by having simply a motion to strike out the whole bill, you prevent any amendment to the original bill except what would be proper if there were no motion to strike out; that is, you prevent everything except an amendment in the first degree. In other words, you cannot have an amendment in the second degree for the purpose of perfecting the original bill; that is cut off by this motion to adopt a substitute.

The PRESIDENT *pro tempore*. The Chair regards that as settled entirely by the twelfth rule, which declares that a motion to strike out and insert is one and an indivisible proposition. If so, that is certainly the first amendment. Then, whether an amendment be offered to perfect the bill or to perfect the amendment, it is a second amendment, because the part to be stricken out is as much a part of the motion as the words to be inserted; and an amendment to either must be an amendment to an amendment, after which no further amendment can be offered.

Mr. HAMLIN. I do not propose to raise a question of order here, or rather to appeal from the decision of the Chair; but I do propose to state my difference with the Chair. I think the Chair is clearly wrong in its ruling, and I will state in a very few words why I think so.

It is true that the rule of the Senate provides that a motion to strike out and insert shall be one motion and not divisible. That is clear. That is, when you move to strike out and insert, it is put as one motion. That is what the rule means, and it does not mean anything more; it does not mean anything less; but it does not mean to preclude the right of perfecting what is proposed to be stricken out when the question is put as one question.

Let us take this case precisely as it is before the Senate. There is the amendment of the Senator from North Carolina [Mr. MERRIMON] as an amendment to the original bill. If the other motion submitted by the Senator from Indiana [Mr. MORTON] is not to be made distinctive and as a distinct proposition, not to divide it, however, then the Chair would be right. But your rule only provides that the question of striking out and inserting shall be put as one. That means that I cannot move to divide the question so as to vote first on striking out and next on inserting; but when I make my motion, it is not a motion in the fourth degree but a motion in the second degree upon another proposition. Why? You divide your proposition and you have virtually two substantial propositions pending before the Senate, or a proposition with two branches, either of which admits an amendment. My motion is therefore in the second degree, made to that of the Senator from Indiana, which is a motion absolutely distinct from the two first motions and on another branch; the form of the question really presenting two branches of the proposition. By that process, which I think has always prevailed in the Senate, the Senate are at liberty to perfect words in any proposition before they are stricken out. Under any other ruling what is the result? The Senator from Ohio has stated it. An amendment is made in the second degree, an amendment to it would be in the third degree, and you cannot dot an *i* or cross a *t* in the text of a whole bill; and we are compelled therefore to vote for it precisely in that form. The Chair would be clearly right if it were not that the matter before us has two distinct propositions; and when I say that, I do not mean to make the motion to strike out and insert a divisible question. The rule applies only to the simple question when the Senate shall vote, that you cannot allow them to strike out first and then insert. That is all there is in that; and under that view I have no doubt that my motion is right; but I take no appeal from the Chair.

Mr. SHERMAN. I am quite sure that the practice of the Senate has always been to regard an amendment in the nature of a substitute, when offered, as a separate text liable to be amended in the second degree, while the principal bill is also held open to amendment in the second degree. But if the Chair is now right, then the amendment of the Senator from Indiana is clearly out of order, or else the amendment of the Senator from Illinois is clearly out of order. If there is no proposition pending except the principal proposition reported by the committee, and but two amendments are in order to it, of course only two amendments can be pending; but there are now three amendments pending to the bill.

The PRESIDENT *pro tempore*. The third amendment is the amendment of the Senator from Maine, which the Chair rules out of order for that reason.

Mr. SHERMAN. I beg pardon.

The PRESIDENT *pro tempore*. There are now but two amendments; the amendment of the Senator from North Carolina, and the amendment of the Senator from Indiana. There were three before, because the Senator from Illinois moved to amend the amendment offered by the Senator from North Carolina, on top of which the Senator from Indiana moved to strike out the second section, which the Chair ruled out of order. The present status of the bill is this: An amendment was offered by the Senator from North Carolina, which was certainly an amendment in the first degree; and then an amendment was offered by the Senator from Indiana, which the Chair thinks must be an amendment in the second degree.

Mr. THURMAN. The amendment of the Senator from Illinois?

The PRESIDENT *pro tempore*. Of the Senator from Indiana. The Senator from Illinois withdrew his amendment, and then the amendment of the Senator from Maine comes in.

Mr. SHERMAN. So far as the practice is concerned, I do not think there can be much doubt, because we have always regarded an amendment in the nature of a substitute as a separate text open to amendment in the second degree. If the ruling of the Chair could be established as the rule for all time, I would not much object; but then the logic of the rule would require the amendment to apply as a modification of the first amendment. The Senator from North Carolina now offers an amendment in the nature of a substitute. That is open to amendment, but that is in the second degree. That amendment of the Senator from North Carolina ought to be open to an amendment to itself. That is an amendment in the second degree. But the logic of it would carry you to the opposite direction; if you can offer one amendment in the nature of a substitute then you can offer another amendment which has no bearing whatever, is not an amendment to the amendment at all, which is not an amendment to the amendment that is offered, but an amendment to the original bill.

The PRESIDENT *pro tempore*. The Senator will pardon the Chair a word. That is the whole gist of the question. If the amendment which is first moved to strike out and insert is one amendment, and Rule 12 says it shall be, then a motion to amend either end of it, that is the part to be stricken out or the part to be inserted, must be an amendment in the second degree. After you have got two amendments you cannot have a third; and the inconvenience mentioned by the Senator from Maine must certainly result, he concedes himself, after you have taken one step more; it is only a question of where you shall impose the limit.

Mr. SHERMAN. The Chair regards the amendment of the Senator from Indiana as an amendment to the amendment of the Senator from North Carolina.

The PRESIDENT *pro tempore*. Certainly.

Mr. SHERMAN. But it seems to me that that is illogical. That would prevent the Senate at all from maturing the matter that is proposed to be stricken out. If the Chair is now correct, then the Senate is utterly powerless to mature a proposition that is proposed to be stricken out. That certainly has never been the practice of the Senate, and it seems to me it would be exceedingly inconvenient in the ordinary management of the business of the Senate.

I beg the pardon of the Chair. As the Chair has undoubtedly looked into this matter at considerable length, much more than I have, I will not take an appeal; but I beg the Chair again to review the matter carefully, as I know he will. I do not care how it operates in this particular case; but it is manifest that while the Senate may desire to amend the second section, it would be grossly wrong in the management of any proposition to strike it out now. Although the second section may not meet the approval of the Senate *in hæc verba*, in the words in which it is written, yet a motion to strike it out ought to be defeated necessarily, because the Senate by an amendment may change it so that they would be willing to have it remain in the bill.

The PRESIDENT *pro tempore*. The Senator will pardon the Chair. There is no doubt that after the Senate shall vote on the third proposition or second amendment, whether it be to the bill or to the substitute, that is disposed of. There are then but two propositions before the Senate and but one amendment; and other amendments can then be moved either to the bill or the substitute.

Mr. THURMAN. It is in order now to appeal, I believe, from the decision of the Chair?

The PRESIDENT *pro tempore*. Undoubtedly.

Several SENATORS. O, no; do not appeal.

Mr. THURMAN. I think it is a question of too much importance really to stand as the ruling leaves it; and as the ruling of the Chair is, according to my recollection, contrary to the ruling of the Senate, and would be productive of very serious embarrassment, I feel bound to appeal.

Now I wish to call, as briefly as I can, the attention of the Senate to the matter that is here really involved. It seems to be conceded on all hands that the friends of a measure have a right to have that measure perfected, as it is called; that is, it is to be put in such shape as the friends of that measure—if they are able to do it, if they can command a majority vote for it—may think proper to put it before the motion is put on striking that out and substituting something else for it. It seems to me it is impossible to give effect to that rule without considering the text moved to be stricken out and the substitute for that text as independent things, each of which may be amended in the second degree.

I did not think the decision of the Chair was right the other day when the Chair ruled that the motion of the Senator from Indiana to strike out the second section was out of order; and why not? The Chair ruled that that was out of order because there were two amendments already pending, the amendment of the Senator from North Carolina and that of the Senator from Illinois, and therefore that until the Senator from Illinois should withdraw his amendment, or the Senate should vote it down, the Senator from Indiana could not move to strike out the second section of the bill. We do not consider, in determining this question, whether the Senator from Indiana was opposed to the original bill or not. A friend of the bill might have made the same motion, thinking that that would perfect the bill. So the distinct question was raised by that motion whether or not the original bill is to be considered as one text in respect to being amended, and the substitute is also to be considered an independent text in respect to its being amended.

But now, if the ruling of the Chair shall be maintained and be fixed as the rule of the Senate, see what the consequence will be. The Chair says that when the vote has been taken on the amendment of the Senator from Illinois the result must be one of two things: either that amendment will be rejected, or it will be adopted; if it be rejected, then there will be but one amendment left, the amendment of the Senator from North Carolina; if it be adopted, it becomes incorporated with the amendment of the Senator from North Carolina, and there is but one amendment, and that is an amendment in the first degree.

The PRESIDENT *pro tempore*. Then a motion to amend the bill is in order.

Mr. THURMAN. Then a motion to amend the bill is in order; but just see where we are placed. If a motion is made to amend the bill, that is an amendment in the second degree by this ruling, and that cannot be amended at all. We are obliged to vote on that. It is very true that we might get rid of that by voting it down and then offer the very same thing with the change that might be desired, or move so much of it as might be desired; and so you might go on; but where would be the end of such a thing as that, and how many votes would be necessary? The truth of it is that the ruling of the Chair comes to this: that in perfecting the bill by the friends of the bill, no amendment shall be received except in the first degree. The fact that the enemies of the bill have a substitute pending is to restrict the rights of the friends of the bill to offer amendments in the second degree. If that is not a limitation, and a most destructive limitation, of the right to perfect the original text, I do not understand it; and it does seem to me that has not been, according to my observation, the usage of the Senate heretofore, and that it ought not to be the usage, because it would be destructive of the very valuable right of perfecting the original text.

Mr. HOWE. Mr. President, it is apparent to every one, I presume, that it is more important that this decision when made shall be made right than that it shall be made in any particular way. It has no significance or importance as presented now; and although I thought the Chair was in error the other day, when the ruling was first made, I am not so confident of it this morning. I am well aware that when the present occupant of the chair sits up with a question of law over Sunday, he is very apt to be right about it on Monday, unless there is some special reason for being wrong. I rose to ask if there was any objection to the motion made by the Senator from Maine being withdrawn at the present time. It is in his power, I suppose, to withdraw it if he chooses to do so. I hope he will do so; for I should rather not vote on this appeal until I have had some opportunity to look at the question itself.

Mr. MORTON. The question raised by the Senator from Maine can be offered in another way.

Mr. HAMLIN. I am perfectly willing, with the consent of the Senate, to withdraw my motion to amend.

The PRESIDENT *pro tempore*. The Senator from Maine withdraws his motion to amend. The question is on the motion of the Senator from Indiana [Mr. MORTON] to strike out the second section of the bill.

Mr. MORTON. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. PRATT. I wish to give some reasons, as briefly as I can under the ten-minute rule, why the motion to strike out the second section of the bill should not prevail.

Sir, we have determined by the vote of Thursday last that the maximum amount of United States notes shall be fixed at four hundred millions. In voting for that increase, I have not for a moment lost sight of the fact that they are the nation's obligations which call for money, and that the good faith of the nation is as much committed to their redemption in coin as it is to the payment of our bonds. They constitute a part of our system of public credit, and are not the less to be cared for because the sphere of their employment is in conducting home exchanges. I cannot therefore vote for striking out the section in the committee's bill which makes provision for them in a way which does justice to the holder and maintains the public faith. It is too late to raise any question about what these greenbacks promise. The Supreme Court of the United States has settled that point, and we have settled it ourselves. The court said in 7 Wallace, 29, speaking through the Chief Justice:

> Every one of them expresses upon its face an engagement of the nation to pay the bearer a certain sum. The dollar-note is an engagement to pay a dollar, and the dollar intended is the coined dollar of the United States—a certain quantity in weight and fineness of gold or silver, authenticated as such by the stamp of the Government. No other dollars had before been recognized by the legislation of the national Government as "lawful money."

It has furthermore declared that our legal-tender notes have the same exemption from taxation, State and municipal, which our bonds have.

So much for the Supreme Court.

Now, what has Congress declared? Five years ago, by solemn enactment, it said:

> And the United States also solemnly pledges its faith to make provision, at the earliest practicable period, for the redemption of the United States notes in coin.

I could add nothing to this declaration of the court and promise by Congress by any words of my own. They are pledges by two departments of the Government—one as to what the nation is bound to do, the other what it will do.

Now, sir, we know the country is in no condition at this time to redeem this pledge, nor in the near future could it be done without producing disaster, since we have taken no measures looking to redemption, and the gold is not in the country to do it, and no one has been able to show how it is to be got here in sufficient quantity. What, then, is our only alternative? It is to do the next best thing in allowing the holders the right to exchange these notes for interest-bearing bonds. This is restoring a privilege they once enjoyed.

The Senate will pardon me for adverting briefly to the history of greenbacks. There were three acts of Congress authorizing their issue, adopted on the 25th of February, 1862, July 11, 1862, and March 3, 1863. Under these acts there have been four different issues. The maximum authorized was $450,000,000, but the highest amount ever in circulation, including the demand notes, was $433,160,569; and this limit was reached the last day of August, 1865. When, on August 20, 1865, the President proclaimed the rebellion at an end, it was a fraction short of $400,000,000, and has been at no time since so high.

The two first issues had printed on their backs this declaration: "Exchangeable for United States 6 per cent. twenty-year bonds, redeemable at the pleasure of the United States *after five years*." The third issue under the act of March, 1863, omitted these words and made them simple legal tenders, as does the last issue of the series of 1869, which has mostly absorbed the previous issues. But this right to exchange the legal-tenders for the five-twenty bonds was taken away after the 1st of July, 1863, by the act of March 3 in that year.

Now, sir, the second section of the bill reported by the committee, and which it is proposed to strike out, simply renews this privilege. It gives the holder of the greenback the right to demand, after a certain day, the coin or a 5 per cent. bond, at the election, not of himself, but of the Secretary of the Treasury.

Is this not honest? Is it not the least we can do for this dishonored paper? The citizen holding the greenbacks gets no more dollars by the operation, but he gets interest for being kept out of the promised coin. He gets a time obligation bearing interest in place of a due-bill which bears none.

But it is urged that to allow this will cause contraction, notwithstanding we authorize an expansion of forty-four millions. I deny this. Why and how should it cause contraction? You must in the first place demonstrate that the man holding $1,000 of legal-tender notes, which he can use at 10 per cent. profit, is going to rush to the Treasury and exchange them for a bond which yields him but 5 per cent. interest, half at most of the interest or profit he can make with his money. But it is said he will do this because the bond is worth its face in gold and a little over at this time. But that assumes, what is not proved, that the bond will continue to be worth that when the right of conversion is given.

This right of exchange will produce one of two results, either to bring the bonds down or lift the greenbacks up, and will probably operate both ways. The bonds will not certainly command a premium while the right exists of converting the whole four hundred million legal-tenders into them, and not only that, but of reconverting them as often as they shall be reissued. For you will observe, sir, that the notes when redeemed by a bond are not to be retired and canceled, but to be reissued and the notes so redeemed are to be used for two purposes: first to purchase or redeem our 6 per cent. bonds, and next to meet current payments for the public service.

Mr. MORTON. Will my colleague permit me to suggest that the section does not require them to be reissued, but leaves that matter discretionary with the Secretary of the Treasury?

Mr. PRATT. I am aware of that. I will come to that directly. Of course as often as they are reissued they are liable to a fresh conversion, and so the process goes on indefinitely. This privilege, then, will prevent the bonds ever going above par.

Nor will this process increase the public debt, but will decrease the interest account. It will enable the Treasury Department to take up our bonds bearing 6 per cent. interest and ultimately fund the public debt at 5 per cent.

I cannot see, then, how a contraction of the currency will follow when this section provides against that event by clothing the Secretary with power to reissue all the legal-tenders presented for exchange. It has been well observed in the course of this debate that we have got to invest this officer with large discretionary powers. We have done so in the past and they have not been abused. It is not to be supposed for a moment that though there be no absolute compulsion on him to reissue he will refuse to do it if the public interest shall require. We have witnessed, sir, how he has yielded to the public demands since the forty-four millions were retired under the act of 1866—once in September, 1869; again in 1871 when the great fire occurred in Chicago, and again within the last five months when the forty-four million reserve was reissued to the extent of twenty-eight millions under pressing necessity. I make this reference simply to show that this discretion vested in the Secretary of the Treasury will always be exerted to prevent contraction when the public interest demands it.

A word more and I am done. I listen with impatience to the harsh criticisms pronounced here against our irredeemable currency, as it is called, when I remember what it has accomplished. Our public debt reached its highest point on March 1, 1866, when it was $2,707,856,000. By the 1st day of September, 1872, in the space of just six and a half years, it was reduced $564,500,000. It is true we realized a good deal by the sale of war materials, but by far the greatest part of this reduction was accomplished by the application of our revenues from taxation to the purchase of our outstanding indebtedness. Let us not forget that the wonderful prosperity of the nation, which enabled it for three years in succession to pay off one hundred millions a year of the public debt, occurred while we had no other medium of exchange than this irredeemable currency. Am I too bold in saying that this prosperity was promoted in a large degree by this very currency, in which the people had, and continued to have, such abounding confidence? Then let this section stand as it is. It but accomplishes what five years ago, in the act to strengthen the public credit, Congress pledged itself to do. Without this provision, or something similar, I do not see how the confidence of the public is to be maintained that the greenbacks will ever be redeemed or taken care of.

Mr. HOWE. Mr. President, I am glad to hear the remarks which have just fallen from the Senator from Indiana, [Mr. PRATT.] They strengthen a hope I have cherished all along that this section was not so bad as I viewed it. I shall vote to strike out the section, because I must of necessity be guided in my own vote by my own judgment upon the merits of the section. Of course I have not any abiding confidence in the correctness of my own convictions. I know the Senator from Ohio, I know the Committee on Finance would not have proposed this section if they could have imagined that it would produce the results which I conceive will inevitably flow from it. When the Senator from Ohio, or the Senator from Indiana, or any other Senator, says that the Government has pledged itself to pay off its legal-tender notes at some time or other, they only assert what I have asserted over and over again. They assert what I had begun to feel was a truth which no man was left in the Senate ready to assert but myself. And when the Senator from Ohio says that this obligation being conceded, inasmuch as the Government is unable to redeem it literally by paying off its notes in coin, we cannot object to paying them in interest-bearing bonds, he argues as I have argued over and over again, and as I argue to-day. Every consideration of honesty and of good faith calls upon this Government to-day to allow the holders of these greenbacks to put them into interest-bearing obligations if they want to do so, and do it just as fast as it can be done without contracting the circulation and without inflicting an injury upon the debtor-paying portion of the country. So we are agreed on all that; but that is not the measure proposed by this section. This section does not propose to pay a dollar of your unredeemed promises. The first part of it is a proposition, as it seems to me, to make your greenbacks do double duty, to make them represent debt and money both at the same time. Now it will slip up on one of these enterprises. There is no invention, the wit of man cannot invent anything that can be both of these things.

Mr. President, the first part of this section authorizes any holder of legal-tender notes to put them into the Treasury and receive a 5 per cent. bond. Very well; that is a perfectly simple thing; and if it required these notes then to be canceled as a paid debt, I should have but one objection to it; I should say the process ought to be checked, controlled, guided a little with reference to the obligation of contracts already outstanding. But this section tells the Secretary not to destroy those notes; to keep them. What is the effect of that upon the country at large? That is contraction. Every million that goes into the Treasury is a million withdrawn from circulation, not obliterated to be sure, but it is locked up; it is out of circulation. What effect will the operation of that have? The Senator from Ohio knows, and we all know, that every autumn there is a portion of your speculators who operate for the express purpose of bringing about what they call a stringency in the money market. But a few years ago they succeeded in locking up, I think, $15,000,000 for a few days, and it made the country yell from one end to the other. Fifteen million dollars were locked up! They did it upon this penalty, that they lost the interest on the $15,000,000 while it was locked up. Consequently they could not stand that operation a great while. They could not afford to lose the interest on $15,000,000. With just such an operation as that in our eye, just such an operation as that known to our recent history, here it is proposed to order the Government to the front, to make it act as a great bear in speculation, and to say, "Here, bring your surplus notes to us; we will lock them up for you, and we will pay you 5 per cent. for the privilege of doing it." That is the effect it will have upon the business of the country.

What effect will it have upon the banks? You have authorized some banks, and some of you propose to authorize more banks. What effect will it have upon them? I agree with the Senator from Ohio that banks should be held to some sort of redemption. What sort? The only redemption that is worth a cent to the business of this country, and that is the obligation of redeeming their notes in lawful money; and I agree that the only lawful money ought to be that which is regarded as lawful money by the commerce of the world, and that takes its place as such in the commerce of the world. That is the only redemption that does any good. No other redemption is of any sort of importance.

What does this section propose? It proposes that the Government shall hire everybody to raid on the banks. You require them to keep a reserve of 15 or 25 per cent. in greenbacks or in lawful money. Now you propose to set the brokers to raiding on that reserve. They do not go for it now; they do not draw on it now at all. There is no use in their drawing on it. But the Government whets them on by

saying, "Present the notes; pack your carpet-bag with bank-notes; traverse the country, draw the greenbacks, bring them to us, and we will pay you 5 per cent. for the privilege of locking them up in our vaults." That is the effect it has on the banks.

If the section stopped there I could not go for it; but these are not the worst features of the section. What effect is it going to have on the Government? I do not know that anybody cares what effect it may have on the Government; but if anybody does, what effect will it have on the Government? Your Secretary of the Treasury is set up there and he is bound hand and foot; he is charged with one duty, and that is to give to every man who shall bring him $1,000 in greenbacks a 5 per cent. bond for $1,000, if he cannot pay coin, and everybody knows he cannot pay coin, and will not pay coin. That might just as well have been left out; the bill would have been quite as intelligible, quite as candid, if that had been left out. Charged with the duty, then, of giving a $1,000 bond to every man who shall bring him $1,000 in greenbacks, he presides at your Treasury. You know, Mr. President, we all know, that every summer there is a large amount of money on which the holders are willing to take 4 per cent., or 3½ per cent. That money will go into the Treasury hereafter. The fall will find you with a vast contraction of your circulation. Now what is the Secretary going to do about it? This is money that he has in the Treasury; his vaults are swelled with it. He can do but two things with it: one is, to buy bonds again at such prices as the holders of the bonds are willing to take; and the other is to spend it in meeting our appropriations. My honorable friend from Indiana [Mr. PRATT] has flattered himself with the idea that men are going to crowd the Treasury with notes in exchange for 5 per cent. bonds, and that the Secretary is going to pay them out and get 6 per cent. bonds in exchange.

The PRESIDING OFFICER, (Mr. ANTHONY in the chair.) The Senator has spoken ten minutes.

Mr. HOWE. Well, Mr. President, I acquiesce; I did not know ten minutes were so short a time; but I have already said enough, I take it, to indicate why I shall vote for the amendment to strike out the section.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Indiana, to strike out the second section, upon which the yeas and nays have been ordered.

Mr. FRELINGHUYSEN. I have no right to speak on this amendment, having consumed my time and more already; but I merely rise to say that I have an amendment which I wish to offer as a substitute for this section, which I suppose under the ruling recently made is not now in order.

Mr. MORTON. It might be added as an additional section.

Mr. FRELINGHUYSEN. I think I shall vote against striking out the section, and move to substitute another one for it, if that will be in order.

The PRESIDING OFFICER. That may be in order if the section be not stricken out.

Mr. SCHURZ. I desire to make a suggestion to Senators who are in favor of doing something toward a return to specie payments, and that is, to vote against the motion to strike out this section. I know there are some features of the section which are objectionable to a good many of us; but by voting down the motion of the Senator from Indiana [Mr. MORTON] we may afterward introduce amendments and perfect it to the best of our ability.

Mr. BUCKINGHAM. I wish to say a single word in regard to the resumption of specie payments. I know it is very desirable, and I appreciate the importance of it as much as almost any man in the Senate; and I know that there is a great desire on the part of the mercantile community to have this Government pursue such a policy as to reach specie payments. But I regret to say that I do not see that that object is within reach immediately. I do not believe that the legislation of Congress can fix a time when the American people can resume and maintain specie payments. I do not believe that the Senate of the United States know enough to determine that time. Nor do I believe that specie resumption will come and be maintained in any other way than the way intimated by my friend, the Senator from New Jersey, when he spoke of its coming in a silent and quiet manner as the spring comes upon the earth. When it comes, it will come in accordance with the unwritten laws of commerce. They will bring about the day and the hour when you can maintain specie resumption. The best thing that Congress can do to secure specie payments is to adopt some system of legislation that will stimulate our industry and lead the American people to produce more than they now produce, so that they shall sell more than they now sell; and when the American people shall produce and sell more than they buy they can pay the balance in coin with perfect ease, because there will be no balance against us.

It is to my mind just as simple for the nation as it is for the individual. You could easily pay cash for everything which you buy for your personal expenses if your income were greater than your expenditure, because you would have the money with which to pay cash as you bought; but if your income be less than your purchases, you have to go on credit. So I think it is in regard to the resumption of specie payments by the United States.

Mr. MORTON. Mr. President, a 5 per cent. bond is now barely at par in gold. We have had great difficulty in converting our 5 per cent. bonds into gold at par and taking up our sixes in Europe. This is a proposition to sell the same bonds at a discount in gold of 10 per cent. That is all it is. It must result in the depreciation of the bonds, or if it does not do that, on the other hand in a sudden resumption of specie payments, carrying with it disastrous consequences. It seems to me that this section is pernicious. It is not carrying out the pledge that was made. It is not proposing to pay the notes in coin, but it is proposing to elevate their value in a different way, and to do it in a manner for which there is no pledge, and to do it in a way that must result disastrously if brought about, if it has the effect claimed for it, injuriously to the country.

Mr. President, it was argued by a number of Senators upon this floor—I see them now sitting around me—that to invest the Secretary of the Treasury with the power to issue, or not to issue, at his discretion, the $44,000,000 reserve, was a power too great to intrust to the discretion of any one man; but this section gives to the Secretary of the Treasury the power to take into the Treasury one hundred, two hundred, three hundred millions of greenbacks if they shall be offered, and to hold them. If he is a contractionist in theory; if he believes that the legal-tender currency should be diminished—as many upon this floor do, and many outside of this Chamber do—he would hold on to them and contract the currency. We give this great power to one man, and its exercise depends upon his theoretical notions of what we ought to do in regard to the currency. If it is unsafe to allow to one man the question of issuing or not issuing $44,000,000, what will you say in regard to $382,000,000?

Mr. SHERMAN. This is the first time in my experience in the Senate when I have ever seen the sharp tactics of cutting off all amendments to a pending proposition, or all amendments to amend a pending proposition. I wish to call the attention of the Senate to it. The Senator from Maine [Mr. HAMLIN] has been here many more years than I have. Here is a proposition involving questions of the gravest magnitude, and by parliamentary legerdemain we are prevented from amending it so that those who are in favor of the principle of it may vote for it. Now a proposition is made to strike out this section under circumstances which prevent our offering an amendment. That is a sufficient reason in itself why every Senator who desires to approach this matter fairly and in the true spirit of inquiry should vote now against the proposition to strike out, because if the section is amended so that the friends of it can unite on all the details of it, it will then be sufficient time to put the question of striking out.

But I wish to call attention to another point. We have been here now three or four months. When we came here $26,000,000 of the reserve had not been issued. Gold stood at 109, with a total volume of currency of all kinds approaching to $800,000,000. Gradually the Secretary of the Treasury, in the absence of revenue, has paid out $26,000,000—in other words, has increased the currency $26,000,000. What has been the effect on your currency? Gold has advanced 4½ per cent., from 109 to 113½. Thus you have inflated our currency $26,000,000, and you have depreciated its purchasing value 4½ per cent., or $36,000,000.

Mr. MORTON. What was the price of gold twelve months ago and nine months ago?

Mr. SHERMAN. I take the time when we had reached the maximum of $356,000,000. Before that time it was a little less, because some of it was in the Treasury. Here you have the fact proven before you that the issue of $26,000,000 of greenbacks has decreased the purchasing power of the whole mass of our currency $36,000,000. Senators, here is a bill which contains but one provision that looks toward the redemption of our broken promise; there is nothing else in it that looks like even a hope of the redemption of the notes. My friend from Wisconsin [Mr. HOWE] does not like it, because it does not go far enough; he says the promise was to pay gold absolutely. The Senator from Connecticut [Mr. BUCKINGHAM] does not like it. He is in favor of more rapid and prompt specie payments than the rest of us are. Now, without any opportunity to amend the section and see whether or not we can produce a concurring mind, it is proposed to strike out of the bill the only provision that looks toward specie payments, or the redemption of the broken promises of the United States.

I trust, sir, that whatever may be its opinion as to the merits of this bill, the Senate will at least give us an opportunity to perfect it. If now you strike out this section, the only section which provides for redemption, and if you increase more and more the paper money either in the form of bank-notes or United States notes, I prophesy—no; I need not prophesy, because it is a mathematical fact—that to the extent that you increase your paper money, to that extent you depreciate its purchasing power. It is a proposition as strictly mathematical and as strictly certain as the motion of the planets in their revolving round.

Mr. FERRY, of Michigan. The chairman of the Committee on Finance has stated what gives me the right to infer that the section in its present form is not just as it is wanted.

Mr. SHERMAN. I do not say it is not just as I want it.

Mr. FERRY, of Michigan. The Senator has stated that if we strike out this section it is a resort to parliamentary tactics by which the friends of the bill are prevented from perfecting it. Now let us not be deceived on this question. If the section does not involve a correct principle, the bill is open to amendment by which the principle may be modified and adopted. But the Senator is well aware that if

now under his intimation the Senate refuses to strike out the section, it is equivalent to declaring that they want it as it stands. If we refuse to strike out this section, we declare, negatively declare, that we want it precisely as it reads.

Mr. SHERMAN and Mr. THURMAN. Not at all.

Mr. FERRY, of Michigan. I believe, as I understand the rules, that a motion to strike out being negatived is practically the same as an affirmative declaration to retain. I think I am correct in that, and therefore Senators who are opposed to the section have no other resort than to vote to strike it out. The Senator from Indiana [Mr. MORTON] has so well expressed my views that I will not repeat. The section is in the interest of contraction, and to show that that is the object section 4 contemplates contraction of greenbacks to go on until the maximum amount of greenbacks is reduced to $300,000,000.

Mr. MORTON. Allow me to suggest to the Senator that it has been said by the chairman of the committee that the issue of $26,000,000 of greenbacks has raised the price of gold. I show from the speech of the Senator from West Virginia [Mr. DAVIS] that on the 30th of June last, long before the panic, gold was fifteen cents premium, and it was higher than that, but I have not the quotations here.

Mr. FERRY, of Michigan. I am opposed to this indirect method of contraction. I believe as firmly as has been expressed by the Senator from Indiana that the conversion into a 5 per cent. bond is direct contraction; and when we have by a majority of the Senate declared that the greenbacks shall be retained at a maximum of $400,000,000, that ought to settle that the Senate is opposed to contraction. It is proposed either under free banking or under the direct increase of $46,000,000 to increase the currency, notwithstanding which we are asked by opposers to indirectly contract the currency under the guise of giving and then taking, but taking more than is given.

If any tactics are to be attributed to members of the Senate, it strikes me it is to those who are defending this bill. We are seeking consistently to carry out the idea of a moderate increase of the currency to meet the expansion of the business of the country, simply that and nothing else; and in line with that we ask that this section shall be stricken out. If when the bill comes to the Senate any Senator sees fit to modify what is done in Committee of the Whole, he has his opportunity then. I have always been in favor of providing for conversion into a low-rate bond, but not such high-rate bonds as will offer an inducement to fund the currency and cause serious contraction. When you make a bond bearing 5 per cent. interest into which your currency is convertible, you make it an object to convert; but when you place it at say 3.65 per cent. interest, no more currency will be converted into them than can be spared from the business wants of the country.

Therefore I say the only remedy left to the friends of expansion is to drive out this section and to follow it up, and if no other does, I shall move to strike out section 4, which provides for contraction of the greenbacks to $300,000,000. Strike out those two sections, and then if there is a proposition for conversion into a moderate-rate bond I am ready to support it. I felt that we should understand clearly that a refusal to strike out is substantially declaring that we want it just as it stands; and believing that it does not express the wishes of the majority, let us strike it out.

Mr. MORRILL, of Vermont. I shall not vote to strike out this section. At the same time I am not in favor of the section as it stands. I vote to retain it in order that I may have an opportunity to amend it.

Mr. WRIGHT. I suggest to my friend from Vermont that he cannot possibly do that. By the rule it is provided:

> In like manner, if it is proposed to amend by striking out a paragraph, the friends of the paragraph are first to make it as perfect as they can by amendments before the question is put for striking out. If on the question it be retained, it cannot be amended afterward, because a vote against striking out is equivalent to a vote agreeing to it in that form.

Mr. SHERMAN. Now I will ask the Chair, so that there will be no controversy about it, how that is? The right to amend this proposition has been denied—a ruling as certain to be reversed as the time comes. But I will ask the Chair now if it is not perfectly in order to move to amend this section by inserting words in any form or in any place?

The PRESIDING OFFICER, (Mr. ANTHONY in the chair.) By striking out part.

Mr. WRIGHT. After the question shall be taken on striking out and that shall have been refused?

Mr. SHERMAN. Certainly you may move to strike out part and insert other words. It is open to any change or amendment.

Mr. FERRY, of Michigan. Let us not be diverted from the issue. The objection to this section is that it provides for 5 per cent. bonds. A refusal to strike that out is affirmative action of the Senate that we retain the 5 per cent. bonds, and the Senate cannot amend that point of the section.

Mr. SHERMAN. The Senator can move to strike out "5 per cent." and insert "2.65" or "1.65" if he thinks that is necessary, or any other rate.

Mr. FERRY, of Michigan. I should not be so unparliamentary as to offer such a motion after the Senate had refused to strike out the section. I should be precluded by the very rule which the Senator from Iowa has read in the hearing of the Senate.

Mr. CONKLING. That is not the rule. He read from the Manual.

Mr. SHERMAN. The twelfth rule regulates this, not the Manual.

The PRESIDING OFFICER, (Mr. ANTHONY.) The Secretary will read the rule.

The Chief Clerk read the twelfth rule, as follows:

> If the question in debate contain several points, any Senator may have the same divided; but on a motion to strike out and insert, it shall not be in order to move for a division of the question; but the rejection of a motion to strike out and insert one proposition, shall not prevent a motion to strike out and insert a different proposition; nor prevent a subsequent motion simply to strike out; nor shall the rejection of a motion simply to strike out prevent a subsequent motion to strike out and insert.

Mr. SHERMAN. Certainly.

Mr. FERRY, of Michigan. Now, Mr. President, I think the rule read by the Secretary confirms what I stated, that the 5 per cent. interest cannot be stricken out. There can be no amendment of the section except there is something added that changes the terms of the section. After a refusal to strike out the provision for the conversion of these notes into a 5 per cent. bond, it is not competent for the Senate to modify that section by striking it out. I grant that other words may be added to the section; that a part may be stricken out and other words added that shall change the section. According to Jefferson a refusal to strike out is equivalent to agreeing to the words refused to be stricken out.

Mr. FLANAGAN. Mr. President, much has certainly been said on this question. If I had time this morning I should like to make some remarks upon it, but I am admonished that I must be very brief. I am reminded that we are now in the condition of two mighty armies that were once drawn up, as I have read of. One of the generals riding up and down before his army remarked that he was no man of words; he was not for speaking; but one thing was very clear, and all could realize the fact. Said he, "There is your enemy; now you have either got to join in battle and whip them or they will whip you." That is our case this morning. We are pretty equally numbered here, those who are for coin and those who are against it and for inflation.

No man seems to be entirely ready to declare that the second section now under discussion is perfect. It may not be. For my part, however, making the best of a bad bargain, I would be ready to receive it; I am willing to receive it for one; but if it can be improved, I am surely for the improvement. I hope its friends will be able to improve it. But, sir, it has a smattering that I admire very much. It speaks of coin, and it is certainly in the interest of good faith. My distinguished friend from Michigan [Mr. FERRY] said it was in the interest of thus and so. It is very clear there can be no misunderstanding on that point, that it is in the interest of good faith on the part of this great nation. Can we afford at this day to act otherwise than in good faith?

My distinguished friend from Indiana [Mr. MORTON] says that it is dangerous, very hazardous indeed, to add 5 per cent. in good faith to the payment of our bonds; that it will thereby depreciate the American bonds. That may be conclusively true; but what fact does it establish beyond all manner of doubt? That the other side of the question will depreciate the present currency. The one is as clear as the other, and I hold it to be much more so. Certainly, however, we know what is being done now. Senators may speak about last year or the year preceding, but it is sufficient that we now realize that gold is 13½ per cent. premium. Why is it thus? It is easily understood. The country is aware of what we are doing here; and with a continuation of this discussion, and a few more votes in the line that we have already had them, 15 per cent. will not be the total point of the premium; it will go to 25 per cent., and I know not where it will eventually land; it is all uncertain.

It is said that "out of the abundance of the heart the mouth speaketh," and I will illustrate the pleasing view that this section presents to me by a reference to the production of cotton. In the South you plant your cotton. You give it the proper culture for a short time, and then they begin to tell you that the cotton-bloom is seen. That is very pleasing to the planter, and to the family around the social table. Soon after a white bloom is discovered in Jack's or Tom's plantation, as the case may be, and that is very gratifying indeed. What is that bloom? That bloom is a beautiful white flower. The next day it is a red flower. The farmer walks out and sees the red flower. So here in this bill he sees that in 1876 he can present his thousand-dollar bill, or any other given amount, to the Treasury, and they can either give him the coin, the white flower or the red flower, for whenever you see the red flower it is a demonstration that in a very few days you will be enabled to gather the cotton, the beautiful white fleece, first white and then red. Whenever a man can pick his cotton out of the field, he can get the gold for it in fifteen minutes, either in seed, or by baling it up and sending it to market.

I have heard it said that there will be no panic upon us until the next crop will be ready to be presented to the world. What are the facts? Three hundred million dollars' worth of cotton in the South wants no currency to move it. It has appreciated within the last two or three days. In Liverpool it has risen about a cent a pound. That is in gold. The $300,000,000 worth of cotton of the South can regulate the currency of this mighty nation, if the friends of coin, the friends of the integrity and the true faith of the nation, will only permit it to do so, if they will utilize it. There is no difficulty about the coin; the coin can be had.

But are we to be told that United States bonds will be depreciated if we declare that the Government, when they are not able to pay in

coin as they have promised to do at the first practicable moment, will pay in a bond bearing interest? No, sir, it is good faith; it is honesty; it is a jewel, and the more you rub it the brigher it will shine. It will make our bonds better in the money markets of the world than they are to-day, because then they will be unstained; there will not be a blemish upon them, and everything will be sound at home and abroad, and the man who holds an American bond will be upon the same footing that the European bondholder is to-day personally or through his agents. Then there can be no misunderstanding.

But what will be the result if our distinguished friends who advocate the other side of the question in this instance are successful? They do not beg the question. They know and they are quite ready to proclaim the fact, and in that we have the essence of their propositions, that if their measures do succeed money will depreciate, and then our anxious friends on that line will know that they have a cheap article. I want no cheap article, whether it be domestic, plain calico, or silks, or broadcloth, or anything else. Give me a good article, and then I am at ease. What will your "cheap money" do? It will rob and beggar the laboring people and keep them to the grind stone with the perspiration pouring out of them, and they are to be preyed upon for the benefit of bankers and the moneyed men of the world. That is the whole of it. The man who labors daily for his subsistence wants no such money as is contemplated here.

The history of the world has been invoked for financiering capacity; all the lessons of life have been introduced here; but there is one authority that was not given us. I think it the one that should have been invoked, and I looked from time to time for Senators to do so. They were speaking of various authorities, but they never referred to Aladdin and his lamp. If they could only get the old gentleman to go along with his lamp and go through the various portions of the country where they want banks, and let him rub as much as they desire, and give them plenty of money, it would be all very well, until the proper time comes for it to vanish, and vanish it will.

Mr. MORTON. Allow me to suggest to my friend that Aladdin made silver plenty.

Mr. FLANAGAN. I wish he could do it now. Then we would get Aladdin to help us to return to specie payments.

Mr. THURMAN. The Senator from Michigan and the Senator from Iowa have raised a question that we ought to have settled, or understand very distinctly what will be the settlement of it before we come to vote on the amendment offered by the Senator from Indiana to strike out this second section. The Senator from Michigan and the Senator from Iowa, if I understand them, maintain the proposition that if the motion to strike out shall fail, then that section cannot afterward be amended. Now, I want to know how that is. If that section cannot be amended, should the motion to strike out fail, I shall be compelled, with the views that I expressed the other day, to vote to strike it out; but if it can be amended, then I can vote, consistently with my views, to retain it in order that it may be made to satisfy my own opinions, if that result should be arrived at. I want to know, therefore, whether, if the motion of the Senator from Indiana to strike out shall be defeated, that section will or will not be amendable?

The PRESIDENT *pro tempore*. The Chair will read this unpopular twelfth rule. The last clause is as follows:

> Nor shall the rejection of a motion simply to strike out prevent a subsequent motion to strike out and insert.

Mr. THURMAN. That is all very true; but the question is whether there is to be any limited interpretation given to that last clause in the twelfth rule, that where a motion is made to strike out, the defeat of that motion shall not prevent another motion to strike out and insert; and in that way you might amend by making motions to strike out and insert; but must you do it in that form? Are you compelled to go about in that indirect manner to do it? May you not amend the text at once without moving to strike out, by adding to it or by changing a part of it? Are you driven in the very language of the twelfth rule to move to strike out the whole section and insert it in a new form? That is the question I want answered.

The PRESIDENT *pro tempore*. The Chair understands that before the motion made by the Senator from Indiana was made any Senator could have moved to strike out a part of the second section and insert other words; but when the Senator from Indiana made his motion, he had then an amendment to an amendment pending, and the Senate must come to a vote upon that before there can be any more amendments.

Mr. SHERMAN. I ask the Chair this question, which covers my colleague's point: If this proposition of the Senator from Indiana is voted down, is not the section as much open to amendment as it was before when the bill was reported?

The PRESIDENT *pro tempore*. It is open to every amendment except the one which the Senate has rejected, simply to strike it out.

Mr. CONKLING. That is the rule undoubtedly.

Mr. THURMAN. I think so, too, because I think if you can move to strike out and insert, which would be to move to strike out the section, after this motion had been rejected, and insert it in a new form with a little addition or omission——

Mr. CONKLING. If my friend will pardon me, I beg to suggest to him that I think this is the history of that rule: The announcement just made by the Chair without the rule would not have covered the case provided for by the rule, because it would be a repetition of the motion to strike out. Therefore the rule was made to provide for that one case; and now with the rule I cannot doubt that the Chair lays down the law precisely as it is, that it is open absolutely to all amendments. Without the rule there might be a doubt about the motion to strike out and insert being in order after a motion to strike out had failed.

Mr. THURMAN. I think the decision of the Chair is right. All I wanted to know was, what was the decision.

Now, I must say upon this subject that I do not understand the object of this motion made by the Senator from Indiana. Is he opposed to the amendment of the Senator from North Carolina and to the amendment of the Senator from Illinois, and does he want to perfect this bill in order that, having perfected it, he may vote down their amendments? What is there in this bill that meets his approbation and makes him anxious to retain it, so that it being retained he will vote against the proposition of the Senator from Illinois and the proposition of the Senator from North Carolina; or I might say the proposition of the Senator from Illinois, for that covers the whole proposition of the Senator from North Carolina? Is it as a friend of this bill that the Senator from Indiana moves to strike out this section? I should like to have his views on that, and an explanation of the reasons that induce him to make a motion which puts the friends of the measure at the disadvantage that they cannot change one single word in the text of the bill by any amendment in the second degree. Is that friendly to the bill—that which limits their power to perfect it in the extraordinary way in which it is limited by the decision of the Chair, made this morning? If, on the other hand, he is not a friend of the bill, but is a friend of the proposition of the Senator from Illinois, why does he trouble the Senate with a motion to strike out this particular section? Here is a motion to strike out the whole bill, made by the Senator from Illinois. If the Senator from Indiana is in favor of that proposition, why not take a vote on that? Why not stand on that, and let us see what will be the result of that vote? Why come in as an enemy of the bill to do that which it is the office of the friends of the bill to do?

The PRESIDENT *pro tempore*. The question is on the amendment of the Senator from Indiana, upon which the yeas and nays have been ordered.

Mr. THURMAN. Before taking my seat I wish to say that I shall vote against striking out this section in order that it may be in the hands of its friends to perfect it. If it be made to conform to what my judgment is, then I can ultimately vote for it. If not, my objections remain to it precisely as they were before. I shall vote against striking it out, therefore, not because I approve of it in its present form, but because I prefer to leave the bill in the hands of its friends instead of its enemies.

Mr. LOGAN. I have but a word to say. Inasmuch as the propriety of these motions is questioned all the time, I presume we have as good a right on our side, if I may call it such, to make a motion of this sort, as Senators have who try to perfect a bill that they do not intend to vote for. It looks as though this bill might be perfected in such a manner that enough of us on this side would vote against it, and enough of the pretended friends of the bill vote against it, to defeat the whole proposition. That looks to me to be about the object to be attained by retaining this section. I have not yet heard a Senator who says that he will vote to retain this section who has not at the same time said he is opposed to the section, but will vote to retain it in order to get it in some shape, nobody can tell what, that somebody may vote for. I should like to know what kind of object that is. If the insinuation is that our object is not a fair one, what kind of object is to be obtained by retaining a section that you are not for, thinking that you may get something that you may possibly be for at some future time? That is the whole argument made in favor of retaining this section, except so far as the chairman is concerned. I presume he is for it; but I have not heard any other gentleman say so.

Mr. MORTON. Mr. President——

Mr. SHERMAN. I think your time is up.

Mr. MORTON. My friend, the Senator from Ohio, thinks my time is up. I hope he will remember and keep as good an account of his own time as he does of mine.

Mr. SHERMAN. Let us stand by the rule, unless it is abandoned.

The PRESIDENT *pro tempore*. According to the record of the debate kept by the Senator from Rhode Island, [Mr. ANTHONY,] in the absence of the present occupant of the chair, the Senator from Indiana is only charged with the time he commenced. How long he occupied, the present occupant of the chair does not know.

Mr. FRELINGHUYSEN. I merely wish to say, in answer to my friend from Illinois, that I am not in favor of this section as it stands, but I mean to vote against striking it out, and for this reason: I want to amend it, and if I cannot amend it, I would rather have it than nothing.

Mr. LOGAN. The Chair has decided, however, that it may be amended if this motion fails.

The Chief Clerk proceeded to call the roll on the motion of Mr. MORTON to amend the bill by striking out the second section.

Mr. BUCKINGHAM, (when his name was called.) On this question I am paired with the Senator from Louisiana, Mr. WEST. I should vote against striking out this section, and he would vote for it.

Mr. FLANAGAN, (when his name was called.) I suppose I am perhaps bound to withhold my vote on this question. I made an agreement with the Senator from Tennessee, Mr. BROWNLOW, and at his request I consented to pair with him; but I had no idea at the time the proposition was submitted to me that he was going home. I understand that is the case. I have acted in perfect good faith. I advised him this morning of the facts; but for the time being I shall withhold my vote.

Mr. KELLY, (when his name was called.) On this question I am paired with the Senator from Arkansas, Mr. CLAYTON; at least I shall so consider myself for a day or two longer. He would vote "yea" and I should vote "nay."

Mr. SCOTT, (when his name was called.) On this question I am paired with my colleague, [Mr. CAMERON,] who is absent on account of illness in his family. If he were present he would vote for this proposition to strike out and I would vote against it.

Mr. DAVIS, (when Mr. STEVENSON's name was called.) The Senator from Kentucky [Mr. STEVENSON] was called home suddenly by the death of his friend and law partner, and he requested me to announce the fact, and also to announce that he was paired with the Senator from Arkansas, Mr. DORSEY.

Mr. STOCKTON, (when his name was called.) On this question I am paired with the Senator from North Carolina, Mr. RANSOM, who is necessarily absent from the city. If he were here, I presume he would vote "yea;" I should vote "nay."

Mr. WRIGHT, (when his name was called.) I announced last week that I was paired with the Senator from Vermont, Mr. EDMUNDS, on this question. That pair still continues, and therefore I withhold my vote.

The roll-call having been concluded, the result was announced—yeas 28, nays 23; as follows:

YEAS—Messrs. Allison, Bogy, Boreman, Carpenter, Conover, Dennis, Ferry of Michigan, Gordon, Harvey, Hitchcock, Howe, Ingalls, Johnston, Logan, McCreery, Merrimon, Mitchell, Morton, Norwood, Oglesby, Patterson, Pease, Ramsey, Robertson, Spencer, Sprague, Tipton, and Windom—28.

NAYS—Messrs. Anthony, Bayard, Chandler, Conkling, Cooper, Cragin, Davis, Fenton, Frelinghuysen, Hager, Hamilton of Texas, Hamlin, Jones, Morrill of Maine, Morrill of Vermont, Pratt, Sargent, Saulsbury, Schurz, Sherman, Stewart, Thurman, and Wadleigh—23.

ABSENT—Messrs. Alcorn, Boutwell, Brownlow, Buckingham, Cameron, Clayton, Dorsey, Edmunds, Ferry of Connecticut, Flanagan, Gilbert, Goldthwaite, Hamilton of Maryland, Kelly, Lewis, Ransom, Scott, Stevenson Stockton, West, and Wright—21.

So the amendment was agreed to; and the second section of the bill was stricken out.

Mr. SCOTT. I move to amend the amendment of the Senator from North Carolina [Mr. MERRIMON] by adding to it the following section:

That on the 1st day of January, 1877, the Secretary of the Treasury is authorized and required to pay, on demand, at the offices of the assistant treasurers in the cities of New York, Philadelphia, Cincinnati, Saint Louis, and New Orleans, to any holder of the United States notes to the amount of $100, or any multiple thereof, in exchange for such notes, an equal amount of any coupon or registered bonds of the United States, in such form as he may prescribe, and of denominations of fifty dollars, or some multiple of that sum, redeemable in coin of the present standard value, at the pleasure of the United States, after ten years from the date of their issue, and bearing interest, payable quarterly in such coin, at the rate of 5 per cent. per annum. And the Secretary of the Treasury may reissue the United States notes so received, or, if they are canceled, may issue United States notes to the same amount, either to purchase or redeem the public debt, or to meet the current payments for the public service, adding to the present form of said notes a provision making them redeemable at the option of the Government in coin or in United States bonds of the description hereinbefore mentioned. And the said bonds, and the interest thereon, shall be exempt from the payment of all taxes or duties of the United States as well as from taxation in any form by or under State, municipal, or local authority; and the said bonds shall have set forth and expressed upon their face the above conditions, and shall, with their coupons, be made payable at the Treasury of the United States.

Mr. LOGAN. I understand the Senator from Pennsylvania moves that amendment to the proposition of the Senator from North Carolina?

Mr. SCOTT. Yes, sir.

Mr. LOGAN. I offer the following section as a substitute for section 3 of the bill reported by the Finance Committee——

The PRESIDENT *pro tempore*. That motion is out of order at present. The amendment can be reported for information if the Senator desires it, to be moved at the proper time.

Mr. MORTON. Is it the same amendment that the Senator offered before?

Mr. LOGAN. Yes, sir, with the exception that I have changed the word "twenty-seven" to "twenty-two," in accordance with the suggestion of the Senator from Pennsylvania, [Mr. SCOTT;] and I have also left out the second section of the amendment. It is the first section of the amendment I offered before, which is the free-banking section.

Mr. FRELINGHUYSEN. I wish to give notice of an amendment which I send to the desk, not interfering with the Senator from Pennsylvania and not detaining him to have it reported. It is the amendment that has been placed on the tables of Senators.

Mr. SCOTT. I do not rise to occupy my ten minutes in discussing the amendment I have offered; but as from its reading it may have struck some Senators as being an amendment of some length, I simply wish to explain wherein it differs from the section which has just been struck out. The differences in the two are these: This amendment omits the provision for the redemption of the United States notes in coin, and fixes the 1st day of January, 1877, as the time for the commencement of the redemption of the notes in bonds. It provides that the notes may be retired at five distinct points of redemption in amounts of $100, instead of confining the place of redemption to one in sums of $1,000; and it provides that after these notes are redeemed, when reissued, the form of them is to be changed so as to make them redeemable at the option of the Government in coin or in the same character of United States bonds. Those are the differences between this section as proposed and the section which has been stricken out. I would have voted, had I not been paired, against the striking out of that section for the purpose of amending it, and I now offer this amendment for the purpose of getting a vote on this proposition.

Mr. FERRY, of Michigan. I understand the Senator from Pennsylvania to propose a 5 per cent. bond?

Mr. SCOTT. Yes, sir.

Mr. FERRY, of Michigan. Will he modify that to a three sixty-five bond.

Mr. SCOTT. Not at present.

Mr. MORTON. This amendment contains a very radical change in the character of the currency. It provides that when these greenbacks shall come into the Treasury on the purchase of these 5 per cent. bonds, the Secretary of the Treasury may cancel them, and that he may reissue a greenback in a new form—a greenback not payable in coin, as the character of the present promise is, but a new greenback which may be paid by the Government in a bond, changing the character of the new currency to be issued. Thus we should have two different kinds of greenbacks in circulation. I suppose the intention is that the new greenback shall also be legal tender like the old one.

Mr. HOWE. How is that?

Mr. SCOTT. The form of the note is only to be changed by adding to it that it is redeemable in coin or in bonds of the description mentioned in the section, which, of course, retains the legal-tender feature of the note.

Mr. MORTON. It occurs to me that this amendment is, if anything, more objectionable than the other section. It introduces a new species of currency and unnecessarily complicates our financial system for no benefit whatever that I can see.

Mr. MORRILL, of Vermont. It seems to me that my friend from Pennsylvania has taken a step in advance of any Senator here upon this floor. He proposes that we shall retire anything that bears the semblance of future redemption in coin, and start entirely on a basis of paper. We are first to redeem the notes that are now outstanding, not in coin, as the Senator thinks we are under obligation to do, but to redeem them in paper, and then thereafter to go on promising no more than what we can perform. It reminds me of the witness who, upon a cross-examination, was very much embarrassed by his testimony. The lawyers were in a wrangle whether he should be permitted to proceed after it was clearly proven that he had perjured himself. He interrupted and said, "May it please the court, if you will allow me to go on now, I will tell the truth." [Laughter.] So the Senator from Pennsylvania desires to withdraw the currency out that we cannot redeem without falsifying our promise, and then to go on in a manner that will be truthful; that is to say, we shall be able to do all we promise, that is to redeem the legal-tenders in paper and in nothing else.

There are other objections to this proposition, but I think that the Senate is hardly ready to proclaim on the very face of any act we shall pass here that we are never by any possibility to return to the standard currency of the world.

Mr. SCOTT. I would make an entirely different application of the story given to us by the Senator from Vermont about the witness telling the truth. I have argued upon the floor of the Senate, and I have heard very few combat the argument, that this idea of redeeming and continuing to redeem in coin the amount of paper circulation which is needed for the proper transaction of business in this country is a fallacy and a delusion. I have argued that for ten years to come, with our outstanding debt, with the production of silver and gold in this country, and with the export of bullion going on to as large an extent as our whole production, the resumption of specie payments is far in the future; and, sir, believing that, finding so many Senators who are arguing upon different sides of this question believing the same thing, I am for telling the truth and saying that we cannot redeem these notes now, but that we will redeem them in the next best thing we have to give—the bonds of the Government bearing interest. And when these legal-tender notes are thus redeemed, I hold that we have satisfied the obligation contained in our pledge of 1869, and redeemed these notes in the equivalent of coin; and having redeemed them, having them in the Treasury of the United States, I am then for going on with the Senator's witness and telling the truth again, and when they are reissued saying to the holder of the note, "You will get coin when the situation of the country is such that we can give it to you; and when we cannot, you shall have bonds in redemption for this legal-tender note."

Mr. SARGENT. It seems to me that a very striking objection to the amendment of the Senator from Pennsylvania is that it is simply increasing the bonded debt of the United States in the first instance to the extent of $400,000,000; and after that, again to $400,000,000; and so on as often as the paper mill of the Government be put in oper-

ation. Here it appears in the naked form of the proposition. If there were a proposition before the Senate for a loan bill of $400,000,000, the bonds to bear 5 per cent. interest and run for ten years, we certainly would debate that with great anxiety and care, and my impression is that the Senator from Pennsylvania himself would cast his vote against it. He would be apt to say, so would we all, that if the Government needs this additional amount of money, needs that this great addition shall be made to its bonded debt, as an alternative proposition, we had better increase taxation, either the tariff or the internal revenue; that we had been improvident in reducing them; and let us bring into the coffers of the Government from the present generation a portion of this enormous expenditure. But here in the most insidious form, without the observation and without the direct action of Congress, without declaring what we intend shall be the result, we propose to increase indefinitely the bonded debt of the United States. I cannot vote for this proposition.

This gives an opportunity to say, as to another amendment referred to by the Senator from Indiana, that that section did not produce this result; at any rate, that it was in a very modified form; and before it would have full operation Congress could intervene and prevent such unexpected operation from it. But here, the only and direct effect of this amendment must be to enormously increase the bonded debt of the United States.

Mr. MORTON. I ask my friend if there is any difference in the two propositions except as to the new money to go out? In one case the promise is to pay in gold, and in the other case to pay in gold or bonds. Is not that all the difference?

Mr. SARGENT. I admit the other proposition was liable to some of these objections to a certain extent. This is certainly objectionable to the very fullest extent. I think we ought not to emit greenbacks for the ordinary expenses of the Government if we ever intend to redeem them. We may emit them to pay the Government debt, thereby reducing its general volume; but when we receive them and fund them, and then emit them again for the ordinary expenses of the Government, we simply are creating a continual debt; and under the operation of this amendment I can see no end to it.

Mr. HOWE. I will not attempt to make any argument against this amendment, because I know I should not say what I want to say in ten minutes. I will make one remark: I tried to make a motion when I was on the floor before against the second section of the bill. The chairman of the Committee on Finance, and other Senators who think with him generally, have said over and over again that they did not want to violently contract the currency; and, on the contrary, they were very much opposed to expanding the currency. Now it seems to me impossible that any Senator will look at this amendment proposed by the Senator from Pennsylvania and not admit that it will do both these things: that it will contract the currency at one time very violently and very sharply, and at another time it will expand it very freely and very largely. As the Senator from Maine by my side [Mr. HAMLIN] says, that makes an elastic currency—altogether too elastic for business purposes. You might just as well put the business of this country into a crushing-mill; it would operate upon it in the precise way, pinching it very hard at times and then loosening it altogether at other times.

Mr. MORRILL, of Maine. I should like to ask the Senator from Pennsylvania as to the legal effect of the change in the character of the note which he proposes; whether it is not substantially a new note when reissued, not the old note simply, but whether he does not provide for an issue of substantially new notes?

Mr. SCOTT. That is a question which the Senator from Maine can answer as well as I. The amendment provides for a reissue of an equal amount of these notes, simply adding this provision. Whether that is or is not a reissue of these notes, I suppose, presents the same question which has been presented here every time that legal-tender notes have been reissued. They were first fundable in bonds, and afterward they were directed to be reissued, and that condition was taken away, although it was not, I know, on the face of the note. The condition was in the law, and there was as much of a change, and just as great a change, in that respect, as this proposes to make.

Mr. MORRILL, of Maine. The significance, if there is any at all in what I suggest, would be owing to the difference of circumstances under which we are acting. All these notes originally were issued as war measures in the exercise of an extraordinary power without which there was no pretense that we could issue them. Of course the exercise of that power would not affect the fixing of our own terms and conditions in regard to the note. But now all these things being changed, and we being now in a condition where we are to exercise simply the ordinary powers of legislation, it becomes important to consider under what circumstances we can reissue at all. Of course I have heard nobody argue that we had the power to make an independent issue at the present time of legal-tender notes. This is not the time or the occasion, nor have we upon any assumption which Congress ever made in the past, nor should we be justified by the decision of the Supreme Court in entering upon such a proceeding as that. Now this provides for a reissue of these notes under certain changes, with certain other conditions which give them a new character to some extent. My inquiry is whether (conceding now that we have the power to provide for a reissue) that is not such a change that it makes this a new note; and, if so, it falls, of course, within the objection that we are exercising that power in time of peace which I assume none of us have ever maintained could be exercised on such a question.

Mr. SCOTT. The Senator from Maine starts a question about the power to issue legal-tender notes, one which of course I do not wish to provoke a discussion upon in ten-minute speeches; and, while I would prefer to have a vote upon that feature of the amendment, rather than embarrass any one who entertains doubts upon that question I will withdraw that part of the amendment which proposes to change the form of the notes.

The PRESIDENT *pro tempore*. The Senator from Pennsylvania modifies his amendment. It will be reported as modified.

The CHIEF CLERK. The modification is to leave out in the twenty-first line the following words:

> Adding to the present form of said notes a provision making them redeemable at the option of the Government in coin or in United States bonds of the description hereinbefore mentioned.

So that the amendment now reads:

> That on the 1st day of January, 1877, the Secretary of the Treasury is authorized and required to pay on demand, at the offices of the assistant treasurers in the cities of New York, Philadelphia, Cincinnati, Saint Louis, and New Orleans, to any holder of the United States notes to the amount of $100, or any multiple thereof, in exchange for such notes, an equal amount of any coupon or registered bonds of the United States, in such form as he may prescribe, and of denominations of fifty dollars, or some multiple of that sum, redeemable in coin of the present standard value, at the pleasure of the United States, after ten years from the date of their issue, and bearing interest, payable quarterly in such coin, at the rate of 5 per cent. per annum. And the Secretary of the Treasury may reissue the United States notes so received, or, if they are canceled, may issue United States notes to the same amount, either to purchase or redeem the public debt, or to meet the current payments for the public service. And the said bonds, and the interest thereon, shall be exempt from the payment of all taxes or duties of the United States as well as taxation in any form by or under State, municipal, or local authority; and the said bonds shall have set forth and expressed upon their face the above conditions, and shall, with their coupons, be made payable at the Treasury of the United States.

Mr. BAYARD. Mr. President, I always thought the second section of the bill, which the Senate have voted to strike out, very much of a financial conundrum. I would frankly state that I never could see the precise effect it was to have in the way it was intended to act; namely, as a step, longer or shorter, but still a step, toward the resumption of specie payments. That was the intent of the section which has been stricken out, and I understand the amendment now proposed is very much the same, with the important exception that in no event shall there be a payment of specie for United States notes of a like amount. The usefulness of this amendment I confess I cannot imagine. Its effect upon the currency I cannot imagine. It cannot be called either a measure of expansion or a measure of contraction, if it is coupled with the last section of this bill, which provides that nothing in the law shall be held to authorize an increase of the public debt. Without that last section, undoubtedly this would simply be a rapid system of conversion of a non-interest-bearing debt into an interest-bearing debt, and the reissue of the non-interest-bearing form *ad infinitum*, and that would be done without any special sanction of Congress. I think the Senator from California has very justly described what would be the operation of the law, and I think the Senator from Wisconsin also has described it that it might *per contra* be used as an extreme measure at times of contraction. I can see, therefore, no practical beneficial result to come from the proposed amendment; but independent of the possibility of its evil use, independent of mischief it might create even were it hampered by the operation of the sixth section of the bill preventing anything in the law from being construed into a power to increase the principal of the public debt of the United States, I should be unwilling to support it. Already the Government of the United States has established one law for the contracts of its citizens and another law for its own. The promises of the Government to pay to those who hold its Treasury notes are in plain, unmistakable language. They have been due and overdue in the hands of those who hold them since the day following their issue. Had they been the notes of an individual, they would have been protested. Upon the part of the Government this was unnecessary, because the mere authority that prevents the sovereign being sued is all that stands in the way of the enforcement of a plain legal contract. Whether it be becoming to the character of a government to shelter itself behind its authority and escape its just obligation by dint of that authority, I have a very clear opinion. I cannot believe that the scale of morals, that the touch-stone of right and test of right between a government and its creditors, should not be in all respects as lofty and as sacred as between the debt and credit of individuals. The Government of the United States having issued these promises to pay without date is by all construction of contracts between individuals bound in law, if a government can be bound in law, certainly bound in the morals that underlie all law, to keep its promise according to its contract, and that the Government of the United States has steadfastly refused to do.

Now, sir, it is bad enough to have this state of things existing without superadding new promises which shall be broken again. This proposition is very much what would be termed in law a plea not of payment, but of accord and satisfaction in discharge of a debt. It is a confession by the Government of the United States that they are either unwilling or unable to meet their contracts according to their terms, and therefore they will give something which shall be received as an accord and satisfaction, to wit, a new promise to pay secured by bonds with interest payable at the rate of 5 per cent. But then the money received for those bonds, that is to say the paper promises which are converted into those bonds, are again to be reissued, and

at this time under a reaffirmance by the Congress of the United States that the paper so reissued is no more creditable than that which goes into the Treasury. I confess that I think the credit of this country is severely impeached by the whole system of finance upon which we are embarked; that the measures of Congress do not tend to give any hope that a proper sense of what I believe to be the honor, duty, and obligation of the country is recognized by Congress; that they propose again to signify that there may be reissued, as a novation of the old debt, these same old, discarded, dishonored promises of the Government. I can see not only no suggestion of a resumption of specie payments in this amendment, but rather an inferential resolve that specie payments shall not come again while the present sentiments and views of Congress prevail. It is a new decree of postponement of the performance of our promise; it is a new lease to irredeemable paper money; and as such it never shall have in any shape or form my vote in approval.

The PRESIDING OFFICER, (Mr. FERRY, of Michigan, in the chair.) The question is on the amendment proposed by the Senator from Pennsylvania, [Mr. SCOTT.]

Mr. SCOTT. I call for the yeas and nays.

The yeas and nays were ordered.

Mr. WRIGHT. I merely wish to say one thing. I shall vote against this amendment, without giving any other reason, because I am opposed to the 5 per cent. bonds. I shall not vote for such a bond or a bond with that rate of interest or anything more than 3.65 per cent., unless I am compelled to do so as a matter of compromise as the best I can do. I shall vote against this amendment for that reason without giving others.

Mr. SCOTT. Upon this as upon other questions I am paired with my colleague, [Mr. CAMERON.] If he were present, I should vote "yea" and he would vote "nay."

The question being taken by yeas and nays, resulted—yeas 6, nays 36; as follows:

YEAS—Messrs. Cooper, Cragin, Pratt, Sherman, Stewart, and Wadleigh—6.

NAYS—Messrs. Allison, Bayard, Bogy, Boreman, Carpenter, Conover, Davis, Fenton, Ferry of Michigan, Goldthwaite, Gordon, Hager, Hamilton of Texas, Harvey, Hitchcock, Howe, Johnston, Logan, Merrimon, Mitchell, Morrill of Vermont, Morton, Norwood, Oglesby, Patterson, Pease, Ramsey, Robertson, Sargent, Saulsbury, Schurz, Spencer, Thurman, Tipton, Windom, and Wright—36.

ABSENT—Messrs. Alcorn, Anthony, Boutwell, Brownlow, Buckingham, Cameron, Chandler, Clayton, Conkling, Dennis, Dorsey, Edmunds, Ferry of Connecticut, Flanagan, Frelinghuysen, Gilbert, Hamilton of Maryland, Hamlin, Ingalls, Jones, Kelly, Lewis, McCreery, Morrill of Maine, Ransom, Scott, Sprague, Stevenson, Stockton, and West—30.

So the amendment of Mr. SCOTT was rejected.

Mr. FRELINGHUYSEN. I offer now, to come in after the first section of the bill, the amendment which I send to the table.

The Chief Clerk read the words proposed to be inserted as section 2, as follows:

That the surplus revenues of the United States shall be used for the purpose of accumulating gold coin in the Treasury, the Secretary of the Treasury being nevertheless at liberty to sell such amount of said coin as may be necessary in order to meet the demands for currency for which the receipts of currency are not sufficient; and the Secretary of the Treasury may, from time to time, issue and sell such amount as may, in his discretion, be necessary and proper for the purpose in this section hereinafter stated, not exceeding $50,000,000 of coupon or registered bonds of the United States of the denomination of fifty dollars, or some multiple of that sum, redeemable at the pleasure of the United States after ten years from the date of their issue, bearing interest at 5 per cent. per annum, payable half-yearly, and free from all State or other taxation. And the proceeds of said bonds shall be used for the purpose of purchasing or procuring gold coin, which coin shall be employed for the purpose of redeeming the legal-tender notes of the United States; and it shall be in the discretion of the Secretary of the Treasury and the President, so soon as they shall deem it expedient, with such amount of gold as for the time being may have been accumulated, purchased, or procured as aforesaid, to commence and continue the redemption of said legal-tender notes, at such places as they may select; and the said legal-tender notes which shall be, as herein provided, redeemed shall not be issued for any purpose except in exchange for gold coin at par, and when so reissued shall be redeemable as aforesaid in gold coin; and any legal-tender notes which may at any time be redeemed shall be issuable in manner aforesaid in exchange for gold coin at par; but the amount of such legal-tender notes, including those which may be outstanding and those which may have been redeemed, shall at no time exceed the amount authorized at the date of the approval of this act: *Provided*, That if after the commencement of the said redemption the Government shall be unable to redeem a part of the said legal-tender notes in gold coin, the Secretary of the Treasury is hereby authorized to issue the requisite amount of bonds of like terms and effect as those hereinbefore authorized, and therewith to redeem the said legal-tender notes, which he is unable to redeem in gold coin, by exchanging the said bond therefor at par.

Mr. FRELINGHUYSEN. My friend from Maine [Mr. MORRILL] has just suggested to me that he supposed I would have the grace to get up and explain this amendment, which I will do in a very few words.

The first provision in the amendment is simply that the Secretary of the Treasury shall be authorized to use the surplus revenues of the United States for the accumulation of gold coin, with a clause that he shall nevertheless be at liberty to sell such an amount of coin as may be necessary in order to meet the demands for currency, for which the receipts of currency are not sufficient. It appears by the statement which has been made here that if we could retain all the coin we got, and did not have to sell any of it, the surplus would be about $44,000,000 a year, or in three years $132,000,000. There may be a necessity to sell some part of that coin from time to time. This amendment does not interfere with this. I have only to say that that provision meets the approval, as the Committee on Finance know, of the Secretary of the Treasury, I having conferred with him, and he having, I think, submitted to them a like provision.

The next provision of the amendment is that the Secretary of the Treasury may from time to time purchase coin, humoring the market, purchasing it as he has opportunity, for bonds, but the amount of bonds to be thus purchased is not to exceed $50,000,000. It is restricted to that sum, so that we shall not come to specie payments too soon. We have to rely for the accumulation upon the surplus of the revenue, excepting to this amount of $50,000,000. Then the amendment provides that the accumulation shall be used to procure gold goin, which shall be employed for the purpose of redeeming the legal-tenders of the United States.

The next provision is:

And it shall be in the discretion of the Secretary of the Treasury and the President, so soon as they shall deem it expedient, with such amount of gold as for the time being may have been accumulated, purchased, or procured as aforesaid, to commence and continue the redemption of said legal-tender notes.

It does not fix a day, but leaves it to the discretion of the Secretary and the President when to commence this redemption; and I think there are great advantages in that provision. I will simply state them. If a day was fixed, that might have a tendency to increase the price of gold. If a day was fixed the notes might be hoarded with a view of being rushed upon the Treasury. If a day was fixed, that day might be the most unpropitious season imaginable to commence the resumption of specie payments. It might be as wild a thing to try the experiment of commencing specie payments on that fixed day as to put a ship to sea in a hurricane. Leaving the day unfixed, the public being informed of the accumulation, business adjusting itself to it, no obstacle would be thrown in the way, because if obstacles were put in the way resumption would be postponed until the occasion was favorable to resumption.

The next provision is that after the Secretary of the Treasury has got the legal-tender notes to par he may prevent the supply of gold in the Treasury being exhausted by reissuing these Treasury notes for coin at par and for no other purpose. Those who have controlled this measure by their votes hitherto will observe that in this provision there is nothing that looks to possible contraction. On the contrary, you are introducing into the circulating medium of this country the gold currents of the world. The only provision which looks to contraction is that which follows; and I think it is an essential one. I do not think it will produce contraction. In order to effect specie payments it must be inevitable; when resumption commences there is to be no failure; and therefore there is a provision here that if after the commencement of specie payments there should not be a sufficiency of gold, then, and only in that event, notes that are presented may be redeemed by bonds at 5 per cent.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. SARGENT. I should like to ask the Senator from New Jersey if he has objection to inserting after the word "sell," in line 8, "which shall be not below par in gold," so as to require the bonds to be sold for par in gold?

Mr. FRELINGHUYSEN. I do not know that there would be serious objection to that, for I believe that 5 per cent. bonds are to-day at par in gold and a little above it.

Mr. SARGENT. It would certainly not be well for the Government to sell its bonds below par in gold.

Mr. FRELINGHUYSEN. I do not know that I should have any objection to that, though I would much rather leave that discretionary with the Secretary of the Treasury.

I will say further, out of the time of my friend from California as mine has expired, though not exactly in answer to his question, that one objection made to this measure was made perhaps in conversation by the Senator from Missouri, that this accumulation of gold would have the effect of raising the price of gold. That, I think, is a mistake. I think that the parties in Chicago who have the largest supply of wheat are the parties who regulate the price of wheat, and not the man who has not got any; and I think that if the Secretary of the Treasury had this accumulation of gold, he could control the price of gold. I have not put it in the section, but there would be no difficulty in issuing gold certificates on the pledge of bonds of the United States two dollars for one. There would not be the least risk in that; and if he had this accumulation the gold-brokers of Wall street would be emasculated of their power.

Another thing in reference to this proposition: it saves the Government the payment of interest. These legal-tenders being made convertible would be preferred to the gold, and we should redeem our pledge by the fact that anybody can have the gold for them that wants it.

Mr. SARGENT. Do I understand the Senator to assent to the amendment I proposed?

Mr. FRELINGHUYSEN. Yes, sir.

The PRESIDING OFFICER. It will be so modified.

Mr. MORTON. This proposition is, first, that the surplus revenues shall be retained in gold in order to accumulate gold to resume specie payments upon; next, that the Secretary of the Treasury shall be authorized to sell 5 per cent. ten-year bonds to the amount of $50,000,000, the proceeds of which shall be used to purchase gold to put in the Treasury so as to acquire a sufficient amount of gold to authorize the Secretary to begin the work of resumption. When he comes to the conclusion that it is safe to begin, he begins to pay out gold for greenbacks. What, then, is to be done with the greenbacks? The greenbacks are to remain in the Treasury, unless somebody comes and offers

to give gold for them dollar for dollar. Then the greenbacks may be reissued, but not otherwise; and as it is not very probable that anybody would do that, the greenbacks taken to the Treasury in this way would be a contraction to that amount.

Mr. FRELINGHUYSEN. Not contraction if gold comes out for the greenbacks. The gold would supply the place of the greenbacks.

Mr. MORTON. The gold would supply the place of the greenbacks provided you have come to specie payments and gold is no longer in demand, but takes a part in the circulation; but if you have only got $100,000,000 of gold, you can pay that all out, and that becomes a commodity the very moment it leaves the Treasury, and the currency of the country is short $100,000,000. That is the effect of it. But now comes the proviso which changes the whole character of this proposition, and makes it something entirely different:

Provided, That if, after the commencement of the said redemption, the Government shall be unable to redeem a part of the said legal-tender notes in gold coin, the Secretary of the Treasury is hereby authorized to issue the requisite amount of bonds of like terms and effect as those hereinbefore authorized, and therewith to redeem the said legal-tender notes which he is unable to redeem in gold coin, by exchanging the said bonds therefor at par.

In other words, the Secretary under that proposition might commence specie payments to-morrow with only $50,000,000 of gold in the Treasury, and when that is paid out he is then authorized to give in exchange for the greenbacks a 5 per cent. bond. That operation may be commenced at once.

Mr. FRELINGHUYSEN. Will my friend permit me a word?

Mr. MORTON. Certainly.

Mr. FRELINGHUYSEN. The resumption cannot commence unless the Secretary of the Treasury and the President shall deem it expedient with such amount of gold as for the time being has been "accumulated, purchased, or procured as aforesaid to commence and continue the redemption of said legal-tender notes." Now, we have the faith of the Secretary of the Treasury and of the President that they will not commence this process of redemption until they think the state of the public market, the appreciation of the greenbacks by reason of this measure, is so that they can continue it; and it is only in the possible contingency of their being mistaken in that judgment that any resort can be had to these bonds.

Mr. MORTON. Why, Mr. President, this gives to the Secretary of the Treasury, and the President of the United States if you please, with him, the right to determine when they will begin to redeem these notes. They may begin simply with the surplus revenues, or they may wait until they sell $50,000,000 of bonds. They may begin if they please with $10,000,000 in the Treasury, and when that runs out, then they are authorized to go on with 5 per cent. bonds, and the notes received in exchange for 5 per cent. bonds must remain in the Treasury until somebody comes and offers gold for those notes, dollar for dollar. In other words, it authorizes the contraction of the whole volume of currency, after the little amount of gold has been paid out with which the work of resumption begins. It may be commenced in sixty days. If the Secretary of the Treasury should believe that the currency ought to be contracted by taking in the greenbacks, it gives him the legal right to do it, after he has exhausted the very small supply of gold in the Treasury.

Mr. HOWE. You hold that the effect of taking in a ten-dollar note, and paying out ten dollars in coin, would be withdrawing ten dollars from circulation?

Mr. MORTON. It would be, unless specie payments were completely restored, so that the coin would remain in circulation, as it would if you had enough, but if you have only a small quantity of it, not enough to resume specie circulation permanently, then all that the Treasury pays out goes as a commodity at once into the market, and not into circulation, and therefore the greenbacks received are so much taken out of the whole volume of circulation. The Treasury ought never to begin to redeem notes in coin until it has enough coin to meet all demands, so that when the coin is paid out, instead of becoming an article of merchandise, it becomes a part of the currency; and that can never be until you have got enough coin to insure the redemption of all the notes and to meet the foreign demand besides.

The PRESIDING OFFICER, (Mr. FERRY, of Michigan, in the chair.) The question is on the amendment proposed by the Senator from New Jersey.

Mr. FRELINGHUYSEN. I call for the yeas and nays.

The yeas and nays were ordered; and being taken, resulted—yeas 14, nays 29; as follows:

YEAS—Messrs. Anthony, Chandler, Conkling, Cragin, Frelinghuysen, Hamlin, Howe, Jones, Morrill of Maine, Morrill of Vermont, Sargent, Sherman, Stewart, and Wadleigh—14.

NAYS—Messrs. Allison, Bogy, Boreman, Carpenter, Conover, Cooper, Davis, Dennis, Fenton, Ferry of Michigan, Goldthwaite, Gordon, Hamilton of Texas, Harvey, Johnston, Logan, Merrimon, Mitchell, Morton, Oglesby, Patterson, Pease, Pratt, Ramsey, Robertson, Scott, Spencer, Tipton, and Windom—29.

ABSENT—Messrs. Alcorn, Bayard, Boutwell, Brownlow, Buckingham, Cameron, Clayton, Dorsey, Edmunds, Ferry of Connecticut, Flanagan, Gilbert, Hager, Hamilton of Maryland, Hitchcock, Ingalls, Kelly, Lewis, McCreery, Norwood, Ransom, Saulsbury, Schurz, Sprague, Stevenson, Stockton, Thurman, West, and Wright—29.

So the amendment of Mr. FRELINGHUYSEN was rejected.

Mr. MORTON. I move to strike out the fourth section of the bill.

Mr. SHERMAN. I desire the yeas and nays on that motion.

The yeas and nays were ordered.

Mr. HOWE. Has the Senator from Indiana any objection to postponing this motion until the amendment of the Senator from Illinois [Mr. LOGAN] has been voted upon?

Mr. SHERMAN. I design now, as the Senate sees that this ruling of the Chair has embarrassed us, to move to strike out a word in the fourth section, for the purpose of taking the judgment of the Senate as to whether it is possible to conduct the business of the Senate within this restrictive rule now established for the first time in the Senate of the United States. I move therefore to amend the section proposed to be stricken out, by striking out "$382,000,000" in lines 7 and 8 and inserting "$400,000,000." I simply wish to raise the question formally as to the right to perfect the section proposed to be stricken out.

Mr. FERRY, of Michigan. Mr. President, is that motion in order?

Mr. SHERMAN. The point is raised now; the question is presented by my motion to strike out the limit fixed at $382,000,000. Manifestly that ought to be struck out. It is an amendment that ought to prevail. It ought to be within the power of the Senate to perfect the section before the section itself is stricken out, because the Senate have by a vote adopted the maximum standard of $400,000,000; and yet now, by the operation of a rule for the first time established in the Senate for which there is no precedent—I say after inquiry there is no precedent for it—we are precluded by the motion to strike out that section from conforming it to the previous action of the Senate. I submit the motion now, instead of $382,000,000, the amount now named in the seventh and eighth lines, to insert $400,000,000, so as to conform to the vote of the Senate heretofore taken. I wish to know whether it is in order for me to make that motion?

Mr. FERRY, of Michigan. I should like to ask the Senator from Ohio if striking out section 4 would not conform to the previous action of the Senate on the bill?

Mr. SHERMAN. I think that presents a very different question; and that shows exactly the position in which we are placed. I will read the section, so as to show the embarrassment we are in in considering these things, and how much we are limited by the ruling of the Chair. Here is a section that provides that as new national-bank organizations are formed and as $1,000,000 of circulating notes are issued to them, $700,000 of greenbacks shall be retired. That is the substantial provision of the section, to provide for a gradual retirement of United States notes as bank-notes are issued; but there is in this section a reference to an aggregate volume of $382,000,000, while there is nothing at all in the bill now about $382,000,000. The $382,000,000 clause was stricken out; and now, if I cannot move to strike out $382,000,000 in this section and insert $400,000,000, the result will be that we are guilty of the absurdity of first declaring that the aggregate shall be $400,000,000, and in this section that the aggregate is $382,000,000, and by parliamentary law there is no way of correcting that!

Mr. MORTON. That absurdity is removed by striking out the whole section.

Mr. SHERMAN. In other words, if there is the slightest variation, to the dotting of an *i* or the crossing of a *t*, or a misrecital of fact or a misrecital of a section, you cannot amend it; and the only way you can correct that formal error is by a motion to strike out the whole section and substitute a new section in correct form.

I do submit to my honorable friend who occupies the chair, for whose opinion I have high respect, that this ruling of his is too restrictive for us to conduct the ordinary business of the country upon. I will submit to his judgment this case: Suppose the legislative appropriation bill comes in here at the close of the session, and some Senator should move to strike out the whole bill and offer a substitute; that would be an amendment in the first degree. Then suppose some Senator, going over and considering the bill according to the ordinary mode, comes to an appropriation of $1,000,000 for a given purpose and he says, "Well, that is too high; instead of $1,000,000, it ought to be only $950,000." In that case we are not able to correct that $1,000,000 except by an amendment not going beyond the second degree, because that is all we can do within the ruling of the Chair. Suppose that then, while the legislative appropriation bill is pending, a single section is proposed to be stricken out; there is no power to amend it. There being one amendment to strike out the whole bill and to insert a substitute, and another amendment to strike out a single section of the bill, you cannot amend that which is proposed to be stricken out.

I have not examined the authorities, but I know that that is contrary to the established usages of the Senate. It will embarrass us very essentially; it embarrasses us now. No man in the Senate would vote against the proposition I submit to strike out "382" and insert "400," because manifestly it ought to be done in deference to the previous vote of the Senate; but now we cannot amend that section proposed to be stricken out unless the Senator from Indiana will kindly withdraw his motion to strike it out until we can make it conform to the previous vote of the Senate.

Mr. MORTON. If the motion to strike out should be voted down, then the Senator will have the privilege of putting in "400" instead of "382," making it harmonious with the first section.

Mr. SHERMAN. In other words, any Senator can come here with a motion to strike out the section and prevent us making the slightest change or modification in it. We are compelled to strike out in order to get in something that will correct an error or mistake—the dotting of an *i* or the crossing of a *t*. Suppose there was in this sec-

tion a single thing that was wrong, an error of recital, and a Senator moves to strike it out, we cannot correct that error of recital and make it so that four-fifths of the Senate would vote for it; but we must strike out the section, and then put in something else.

Mr. LOGAN. Cannot the Senator renew that motion if this motion of the Senator from Indiana fails?

Mr. SHERMAN. Yes; then, in other words, we cannot correct any error in a substantial proposition pending before us unless we strike it out or refuse to strike it out, and then correct it.

Mr. LOGAN. You can correct it if the motion to strike out prevails; but if it was even corrected, with the restrictions there are in this section of retiring the greenbacks down to $300,000,000, I do not know who would vote for it. I should not.

Mr. SHERMAN. I made the point to show that the restrictive decision made by the Chair will now practically prevent us from carrying on the ordinary business of the country in the old-fashioned way, which always regarded an amendment in the nature of a substitute as one proposition, and the original bill as still pending, each open to amendment in the second degree. I am quite sure that has been the practice, and it has been very common indeed. When a bill is introduced, and a substitute is offered, then an amendment is in order, either to the substitute or to the original proposition, in the second degree. It is true that might make pending, first the substitute and amendments to it, and then the original proposition and amendments depending on it; but that is the only logical way in which you can ever perfect a bill when a substitute is pending. Now I should like a vote of the Senate as to whether the decision of the Chair is right which constrains us from amending the section proposed to be stricken out.

The PRESIDENT *pro tempore*. The Chair will ask the indulgence of the Senate for a moment on this question, which will be submitted to the Senate.

The Senate will do the Chair the justice to believe that it has no desire whatever to force any ruling on the Senate which is not entirely sound. It is not the duty of the Chair to make rules, or to amend them, or to shape them in any way, but simply impartially to administer them. It is true the inconvenience mentioned by the Senator from Ohio exists in the case put by him. It is equally true that that inconvenience always exists when as many motions to amend have been made as under the rules can be entertained. The difficulty here arises from the rule of the Senate. By the general parliamentary law—I read now from Cushing, page 526—

> This form of amendment—
>
> That is, amendments by leaving out and inserting—
>
> This form of amendment is a combination of the two preceding forms—

Namely, to strike out as a simple proposition and to insert as a simple proposition:

> This form of amendment is a combination of the two preceding forms, and when moved is treated precisely like two motions, and put consecutively to the question: first, to leave out the words objected to; and, secondly, to insert the other words proposed in their place.

By that general parliamentary law, unquestionably when a motion to strike out and insert is made, two propositions being before the Senate at once, they may go to the amendment of either. They may take up the original bill and move to amend it, and then move to amend that amendment. Then when they turn to the substitute, a separate proposition, they may move to amend that, and then move to amend the amendment, because there are two propositions which are to be treated consecutively before the body. But the twelfth rule of the Senate, it seems to the Chair, merges and consolidates them into one. When the rule says that that proposition to strike out and insert shall be an indivisible proposition, that it shall not be divided, then it is one. Therefore when a bill is pending and a motion is made to strike out and insert, everybody admits that that is an amendment in the first degree. What does the amendment cover? As much the words to be stricken out as the words to be put in. You may amend that amendment. But the general parliamentary law says that when you have got your second amendment you have got your three propositions; and beyond that they shall not be piled one upon the other. Suppose an amendment to strike out certain words and insert two sections, and some man moves to amend the first section proposed to be inserted; there is an amendment in the second degree, as everybody would concede. Could a man after that move to amend the second section? Clearly not, because that would be a third amendment. Why can he go back to the original bill any more than he can offer another amendment upon the words to be inserted? He can if there are two propositions pending; he cannot if the question is but one proposition. If the motion to strike out and insert is one amendment and not two; in other words, when Rule 12 changes the parliamentary law by merging the two motions into one, then all the consequences must follow; namely, that proposition or amendment which is to strike out and insert may be once amended; that is, one proposition may be made, and after that none can be, because otherwise you would have amendments in the third degree.

The Chair, after examining the matter very fully, and consulting with all the staff of the Chair at the desk before him upon all these questions, was confirmed in this opinion; and on Saturday took all the books he could find, and examined the thing thoroughly, for the mere purpose of ascertaining what was the exact, rigid, proper ruling upon this rule. That it works inconvenience the Chair sees as well as the Senator from Ohio does, in the particular case; but it is quite within the power of the Senate to reverse the ruling and make a new rule, for that is the effect of it.

It is said that there are no precedents for this ruling. The Chair is informed that the point of order has never before been raised in the Senate. If it had not been raised at this time, of course the Chair would not have ruled upon it; but when a point of order is made under the twelfth rule, the Chair has no discretion about it. Convenient or inconvenient, the Chair must enforce the rule; but of course he has not the slightest feeling about his ruling. Whether it shall be overruled or not is a matter for the Senate to decide; and the Chair will now submit the question to the Senate, whether the amendment offered by the Senator from Ohio shall be received.

Mr. SHERMAN. I will read the parliamentary law, which it seems to me is very plain, laid down in Jefferson's Manual, and see whether that is changed by the rule. I desire in the first place to say that I do it not for this particular case, but to establish a precedent. A precedent once established here is always followed on parliamentary questions:

> In like manner, if it is proposed to amend by striking out a paragraph, the friends of the paragraph are first to make it as perfect as they can by amendments, before the question is put for striking it out.

Here the Senator from Indiana moves to strike out a section which has some defects in it according to the previous votes of the House. Surely the rule of parliamentary law comes in and says the friends of the paragraph are first to make it as perfect as they can by amendments before the question is put on striking out. That is the plain, ordinary course. But the Presiding Officer says that the twelfth rule denies that. Here I think is the basis of the error. This rule provides:

> If the question in debate contains several points, any Senator may have the same divided; but on a motion to strike out and insert, it shall not be in order to move for a division of the question.

Ordinarily if you make a proposition which contains two substantive propositions it can be divided, any Senator can demand a division; but an exception is made against that right to demand a division as to a motion to strike out and insert. By parliamentary law a motion to strike out and insert was divisible; but that was found to be inconvenient; and therefore the Senate at some previous time limited the power to divide a question of striking out and inserting. They have simply changed in that respect the parliamentary law. They have not changed the parliamentary law in any other respect. And yet upon that clause of the rule the Chair has placed a construction which, if sustained, will very much embarrass us:

> But the rejection of a motion to strike out and insert one proposition shall not prevent a motion to strike out and insert a different proposition.

Here a motion is made to strike out a section. Surely it must be in order for another Senator, the question being open to perfect the section that is proposed to be stricken out, to amend the section to make it so that a majority of the Senate would not desire to strike it out; but if the Senator from Indiana insists upon his motion to strike out, he may prevent the Senate from having a vote on the merits of the proposition at all, because the proposition may be so worded as to be ungrammatical or faulty, or its meaning may have been so changed by the previous votes of the Senate as to demand amendments. If there is no way to amend it, if we have got either to vote to strike it out or take it as a whole, almost any affirmative proposition would be stricken out. That, it seems to me, reverses the whole logic of parliamentary law which is intended by simple and plain rules to enable the majority to perfect the proposition before it, to reach a vote on the substantial points, and settle the matter in that way. If we are prevented, by this motion to strike out the whole section, from passing our judgment on the details of this section, the merits of it, the words of it, the grammar of it, we must take the vote as a whole. It seems to me this would be embarrassing.

Mr. THURMAN. With great respect for the opinion of the Chair, it does seem to me that the vice of this ruling consists in this: that it treats a motion to strike out the whole of the bill and insert a substitute for it as the first amendment within the meaning of that rule which says that amendments shall not go beyond the second degree. That, in my judgment, is the fundamental error. I think that according to the usage of the Senate, and according to the requirements of reason, a motion to strike out the whole bill and insert matter in lieu of it ought to be treated for the purposes of amendment as a distinct proposition, and the bill as another distinct proposition.

Mr. HAMLIN. And always has been.

Mr. THURMAN. If this is not the case, just let us see what will happen. If this is not the case, you utterly deprive the friends of the measure of an opportunity to perfect it before the motion is made to strike out. Suppose a bill to consist of two sections, and the opponents wish some substitute for it or do not want the substitute at all, and they agree among themselves that Senator A shall move to strike out section 1, and Senator B shall move as an amendment to that to add "and section 2." The two sections together, therefore, embrace the whole bill. Then you cannot perfect the bill at all; you cannot even correct a reference to a statute, or a date, or anything, until when? Until a vote has been taken upon the second motion that was made; and when you have done that, then the same thing can be repeated again, and again, and again, for just as often as you

have voted one down, another motion may be made by whoever may get the floor first to strike out some portion less than the whole of the remainder of the bill; and thus you put it out of the power of those who are in favor of the bill to perfect it before the motion to strike out is carried. Or if a motion is made to strike out the whole bill, and somebody moves as an amendment to that to add something to it, however trivial it may be, then you have two motions to amend according to the ruling of the Chair, and it is impossible until the vote is taken on those amendments for the friends of the bill to amend it.

It does seem to me that in practice this would be found extremely inconvenient. This is not a matter of any moment so far as this bill is concerned. It is perfectly clear what is to be the fate of this measure, that there is a majority here who will make it what they please, and I think about as good a thing as the friends of the original bill could do would be to give them all the rope they want, and let them run and be glorified. I, for my part, cease to feel any interest whatever in the bill. The majority may make it what they please. They can do it. They can break down every barrier that the experience of the world and the experience of our own country has set up as a good and sound barrier against a deluge of irredeemable paper money. The friends of the Administration, as they are called, may go directly in the teeth of the recommendation of the President in his annual message; they may treat that recommendation with scorn and contempt, as they are doing here by every vote they give. They have the power to do it; and I for one, finding it hopeless to resist them, am content, for my part, to submit to the fate of the vanquished. But, sir, so far as this question of order which is now before the Senate is concerned, it will live long after this bill is disposed of, and return to trouble us in all time; and it seems to me, unless that decision shall be reversed, or if sustained a new rule be made, we shall be in continual trouble.

Mr. SARGENT. The practice of the House of Representatives upon this matter may be of some value as a contemporaneous exposition of parliamentary practice. I have noticed the rulings in the House of Representatives for several years past, and especially in Committee of the Whole, where this question frequently arises upon appropriation bills. There, where a motion is made to strike out a pending paragraph, that motion is never put as long as any other proposition is made to amend the paragraph. The motion to strike out is simply laid aside while some one else moves to amend, and to his motion to amend it is always held in order to submit an amendment; and this is practiced until finally, the paragraph being perfected by those who desire it to be retained in the bill and put in as good shape as they can suggest, then the question to strike out is taken up.

The twelfth rule of the Senate is not new in this particular. If the Chair has looked back he will find that it was first inserted in the rules of the House of Representatives, December 23, 1811, the language there used being that "a motion to strike out and insert shall be deemed indivisible." Subsequently in 1822, eleven years thereafter, the remainder of the rule was inserted in the House of Representatives providing that "a motion to strike out being lost shall preclude neither amendment nor a motion to strike out and insert." On page 210 of Barclay's Digest the rule is stated in this manner, being a quotation from the forty-sixth rule of the House, which is the same in this particular with the rule of the Senate:

> A motion to strike out and insert shall be deemed indivisible; but a motion to strike out being lost shall preclude neither amendment nor a motion to strike out and insert.

Now, as explaining that rule, follows what I read:

> If it is proposed to amend by striking out a paragraph, the friends of the paragraph are first to make it as perfect as they can by amendments before the question is put for striking it out.

And that is the rule of the House of Representatives. Now, they could not perfect the amendment unless they treat it as they would any other proposition liable to amendment and amendment to amendment.

Mr. CONKLING. What does the Senator read, the text of Barclay's Manual or the rule?

Mr. SARGENT. I read the rule and then the commentary of Barclay. This has been the rule since 1811; and I know that during the last six years it has been the constant practice of the House in Committee of the Whole, where this question arises and where they are not embarrassed by the operation of the previous question, whenever a motion is made to strike out a portion of a bill or a pending paragraph of an appropriation bill, which gives more frequent occasion for such a motion, the friends of the paragraph propose to amend, and that proposition to amend is again amendable. That is the constant practice. I merely state it for whatever value it may have as a contemporary exposition. Having had much to do with appropriation bills in the House, and having watched the rulings and practice on those questions there, I speak with some confidence.

Mr. HOWE. When this question was first raised the other day, I thought I recollected a practice in the Senate that was not in harmony with the ruling of the Chair; and I think still that the practice of the Senate has been different. I rather assumed that the practice of the Senate had been right and that the ruling of the Chair was wrong; but upon my word I cannot see any justification for the practice of the Senate if it has been as I recollected it to be and as Senators about me say they recollect it to have been. If this twelfth rule means anything and says anything, it seems to me to say as explicitly as human language can say that a motion to amend by striking out and inserting is one motion. Well, if it be one motion, then it is subject to only one amendment at a time. Now, I do not understand that the inconvenience can flow from it which the two Senators from Ohio have mentioned. I do not understand how it is possible to force a vote upon the striking out of a bill until you have made the bill as perfect as you can make it. It is true that while there is a motion pending to strike out the bill, here is a motion submitted to perfect the bill by striking out a section. Very well, that is a second amendment, an amendment in the second degree. Now, the Senator from Ohio complains that he cannot on top of that move to amend further by striking out a part of the section, or by striking a part of the section and inserting something else. Suppose that is a practical inconvenience; allow that; and still some other Senator might want to amend the part which the Senator would strike out and perfect that; and you would experience the same difficulty.

Mr. SHERMAN. I will state to the Senator that that has been always the practice. You move to strike out a section; the section is open to double amendment, in the first degree and in the second degree. That has been the practice, and it is only in that way that you can get at the wish of the Senate.

Mr. HOWE. I think the Senator does not understand me, or I do not understand him. If a motion be pending to strike out a section, I understand that it may be amended; or it is in order to move to amend by striking out a part of the section, say by striking out the last half of the section. Does the Senator mean to say that it may be amended by striking out a quarter or a line of the last half?

Mr. SARGENT. Yes; if there is only one amendment.

Mr. HOWE. But there are two. The first motion is to strike out the section. The next motion is to amend that by striking out the last half of the section.

Mr. SHERMAN. The motion to strike out is not considered in the light of an amendment at all. When you make a motion to strike out a proposition, that is a substantive proposition just like a motion to lay on the table; and a motion to strike out is not regarded in the light of amendment.

Mr. HOWE. A motion to strike out a section?

Mr. SHERMAN. A motion to strike out a whole section is not in parliamentary practice regarded as an amendment. It is rather a motion to defeat it, like a motion to lay on the table. A motion to strike out a section always subjects the section itself to amendment in the first and second degree.

Mr. HOWE. Is a motion to amend a bill by striking out the first or second section of it not to be treated as a motion to amend?

Mr. SHERMAN. It is not a motion to amend the section itself, but a motion to strike it out. It is a motion to amend the bill unquestionably, and the matter to be stricken out is itself open to amendment, and I hesitate myself whether it should be in the first or second degree. I think it should go to the second degree; but that is a question on which I would not be very positive.

Mr. SARGENT. If the pendency of a motion to strike out a section is to be taken as an amendment in the first degree and is to be enforced by the reasoning which we have heard here, then a motion to adopt the bill is pending, and there can be but one subsequent motion upon it. The motion to adopt the bill must be the pending motion, and there can be but two amendments before the Senate. It is just as much a motion, and you can construct an amendment in the third degree upon it, as would be a motion to strike out one-half of the bill or to strike out one section. If it is the mere pendency of a motion that makes it, you have a pending motion all the time to adopt the bill.

Mr. HOWE. But the Senator misunderstands me if he supposes I mean to contend for such a doctrine as that. There are motions to amend, which are limited. The question on the passage of a bill is never treated as a motion to amend. It may be treated as a motion perhaps, but certainly it is not a motion to amend. But a motion to strike out a section of a bill, I always supposed was a motion to amend the bill, and although that motion may be amended, it is subject to but one motion to amend it; but one can be pending at a time.

Mr. THURMAN. Will the Senator allow me to call his attention to the fact that he is not arguing the question here? The question here is whether a motion to strike out the whole bill and insert a substitute, is to be considered as an amendment in the first degree, so that when the friends of the bill want to perfect it, and assuming that the Senator from Indiana is a friend of the bill, and in order to perfect it, moves to strike out the fourth section of the bill, that is an amendment in the second degree, and his motion to perfect the bill cannot be amended at all. That is the question. It all results from treating the motion to strike out the whole bill as an amendment of the bill; whereas, I say, to strike out the whole bill and substitute another bill makes two distinct and independent propositions before the Senate, the original bill and the substitute, within the meaning of the rule, which says you shall not go beyond the second degree.

Mr. HOWE. I do not know whether the ten-minute rule applies to this debate or not.

The PRESIDENT *pro tempore*. It does not, as the Chair thinks.

Mr. HOWE. But I think that was the precise question I was try-

ing to consider. If the twelfth rule does not make that motion to amend, as I said before, it does not make it anything.

Mr. THURMAN. What does the twelfth rule really have to do with it? let me ask the Senator. Suppose the twelfth rule had never been adopted, then a motion to strike out and a motion to insert would have been divisible motions. One person might move to strike out, and another to amend by moving to insert, and they would have been two motions, and then, according to that theory, no other motion could be made. You could not move to perfect the bill at all, because here are two amendments in the second degree, one is to strike out, and the other is to insert.

Mr. HOWE. Then you would have two propositions before the Senate at one time, which the general parliamentary law tolerates, and which this rule does not tolerate.

Mr. THURMAN. How does that rule prevent its being tolerated?

Mr. HOWE. Simply because it consolidates them, and says they shall be but one question.

Mr. THURMAN. How does that affect this question? I really cannot see.

Mr. HOWE. I do not say that I can, but I was so sure that I did see it that I thought I would try and point it out. I shall have to vote to sustain what I believe to be the true construction of these rules.

The PRESIDENT *pro tempore*. The Senate will pardon the Chair for making another suggestion on this subject, tending to show that these rules do change and supersede the general parliamentary law. In our edition of Jefferson's Manual, page 255, it is said:

> In like manner, if it is proposed to amend by striking out a paragraph, the friends of the paragraph are first to make it as perfect as they can by amendments, before the question is put for striking it out. If on the question it be retained, it cannot be amended afterward, because a vote against striking it out is equivalent to a vote agreeing to it in that form.

And yet by this Rule 12 it is expressly provided:

> Nor shall the rejection of a motion simply to strike out prevent a subsequent motion to strike out and insert.

In other words, the Chair understands these rules to hold the same relation to general parliamentary law that a statute holds to the common law; and while by the parliamentary law this motion is two motions, so to speak, when it is moved to strike out and insert, two motions are made at once, must be treated separately, and are so treated, and probably may be amended separately; that would be the understanding of the Chair; yet by this rule which says they shall not be divided, it seems that the proposition is made one proposition, and that that is an amendment to the bill in the first degree, after which you can have one amendment at either end of the proposition, either on the bill or on the words to be inserted; and whichever gets the floor first will preclude the other until a vote is had on that. Then a vote can be had on the other proposition; and then the whole subject is open to amendment again when it comes into the Senate.

Mr. SHERMAN. I desire to call the attention of the Senate to one thing. No one denies that the practice of the Senate under this rule has been so and so. Now is it wise for the Senate, by a deliberate vote, to change that practice? I have heard a great deal of complaint and talk about the previous question. I have always been in favor of the previous question and limiting debate in this body; but this change in the practice of the Senate will be a greater revolution than the introduction of the previous question. It practically ties our hands in the consideration of an appropriation bill.

Now, I beg Senators to remember that no one has taken an appeal from the decision of the Chair. There was a manifest reluctance to do so. The Chair saw at once that even those Senators who differed with the Chair did not wish to express their dissent by taking an appeal. But now, since the Chair has submitted the matter to the judgment of the Senate, I appeal to the Senate whether it is not better for us to settle the practice as it has always been in times past, so as to give the largest latitude for amendment, qualification, and limitation, rather than to tie ourselves down by a rule that will embarrass us hereafter and compel us sometimes to vote on propositions which do not present the real question that we wish to vote upon. We may at the same time pursue this course, although we deny, as the Senator from New York seems to do, the view that the Chair has taken by the literal construction of the rule. It is manifest that the practice of the Senate under that rule has been different. Is it not better for us to follow the old practice rather than set up now a construction that perhaps the great ability of my friend in the Chair as a lawyer has enabled him to see here, and perhaps it is a correct one? At least he thinks so, and many other lawyers here think that it is a correct construction of the rule. Yet it is a departure from the whole practice of the Senate, which I dislike very much to see, especially at this time. Every rule of the Senate which allows the largest liberty, the largest latitude, the greatest facility for amendment and debate, has always been favored here, and I hope that construction will be continued.

Mr. FERRY, of Michigan. I call the attention of the Senator from Ohio to this view of the question. We have gone through this bill so far under the ruling, and why not finish the bill under the same ruling? The Senator has made a very pointed case. He has stated that the motion to strike out section 4 precludes the possibility of his making that section conform in the amount of greenbacks to the prior vote of the Senate. Now, this bill is a report from the Committee on Finance, which the chairman has presented. The amendment or the improvement of the bill by striking out this section did not originate with the nominal friends of the bill. The striking out of the section was moved by those who are termed the opponents of the bill. Now, the point is made, and it is made as a case of great inconvenience, that the friends of the bill cannot make it conform to the judgment of the Senate. As I understand it, the turning point of the vote upon striking out this section 4 will be upon the idea of contraction or not. That lies at the basis of the vote, if I may be permitted to anticipate that. It is the contraction of the greenbacks down to $300,000,000 from the $382,000,000. It is non-essential in that regard whether the amount named in the section is $382,000,000 or $400,000,000; that is incidental. The question upon which the Senate will vote will be whether the Senate proposes to provide for the contraction of greenbacks to $300,000,000 or not.

Mr. SHERMAN. I hope that my friend will understand me distinctly, that I am trying to present a question that has no connection whatever with this bill, a question of order.

Mr. FERRY, of Michigan. But the Senator attaches it to the inconvenience of striking out $382,000,000 and inserting $400,000,000, to make the section conform to our previous action. I am not sure that the chairman will vote for that. He has pointed out the fact that the $382,000,000 here is inconsistent with the vote of the Senate in the other section making the amount $400,000,000; but I am not confident that the Senator will vote to change the $382,000,000 to $400,000,000, for he has been against that increase, and it would seem as though he were making a point here merely to magnify the inconvenience while we arrive by it at no essential good. Now, I say, inasmuch as there has been this ruling so far through the bill, is it not more harmonious that we should continue under it and not raise the point now, basing it upon the fact that the majority of the Senate have stricken out $382,000,000 and inserted $400,000,000 in the first section, and now this subsequent section should be made to conform to that former action of the Senate.

Mr. SARGENT. If the Senator from Michigan will allow me, I will suggest to the Senator from Ohio to withdraw his amendment and let us see if we cannot vote on this question. He can make this point again at some time when there will be no suggestion or fear that it is to influence the pending business.

Mr. SHERMAN. I desire to present the question to the judgment of the Senate whether they wish to follow the old practice of the Senate, without any question at all with reference to the finances. We can certainly settle the whole question of order now without committing ourselves for or against the idea of inflation.

Mr. SARGENT. I hope the Senator will bring it up at some other time.

Mr. HAMLIN. I have risen to add my voice to that of the Senator from California, and to implore the Senator from Ohio to withdraw his amendment, and if my friend from Michigan will permit me for one minute I will state my reasons. The Senate to-day will sustain the decision of the Chair upon what has no connection with the ruling of the Chair, in my judgment. If it does it will be a precedent that will rise up here to vex us in all our subsequent legislation. It will reverse the practice of this body for thirty long years. It is not of the slightest importance in this question what is the ruling of the Chair or what is not; the friends of the motion submitted by the Senator from Indiana have got a fixed majority here; they can strike out what they please; they can insert what they please; and there is nothing in the world to be gained by the ruling of the Chair, and if the Chair under this state of excitement is to be sustained it will establish a precedent that will vex us in other legislation. Who does not know that upon every principal measure we have at the last end finally settled it by somebody offering a substitute, and who does not know that the substitute and the original bill have been treated as two distinct propositions, although I know the rule says that when you put a question you shall not divide it when you put it, and that is all there is of the rule? If we are to establish it so that we cannot perfect, first, the substitute, and secondly, the original proposition, it will, I repeat, again come up to vex us all; and I do hope the Senator from Ohio will withdraw his motion. I desire to add that the Senator from Michigan and the Senator from Indiana both urged me the other day to maintain the position that I am now maintaining, and they are against me now. I do ask the Senator from Ohio to withdraw his motion.

Mr. FERRY, of Michigan. I am sustaining the ruling of the Chair, and I am here to maintain the consistency of this body upon the question of ruling, and I say to the Senator from Ohio that a simple vote upon the section will settle the question of harmony and consistency between these sections and the prior action of the Senate. If it is carried, it wipes out this $382,000,000 and wipes out the contraction. If it is rejected, then the Senator can move his amendment, as I hope he will, to strike out "$382,000,000" and insert "$400,000,000." I am not sure that the Senator will vote for it, because he has not done so heretofore; but there will be an opportunity for him to do so if we fail to strike out this section. It seems to me, however, as though we had arrived at that point where the simplest, quickest, easiest way is to take a vote on the section and thus settle the question of contraction and the question of consistency between the sections.

Mr. MORTON. I desire to say a word in reply to my friend from Maine. On Friday last I made a motion to strike out the second sec-

tion. It was decided by the Chair not to be in order because of the amendment pending offered by the Senator from Illinois to the substitute offered by the Senator from North Carolina. I had an impression that it was in order, and I so said to my friend from Maine; but it was held that it was not in order. That seemed to be the final conclusion of the Chair and I thought of a large part of the Senate. Hence to-day when the motion of the Senator from Maine himself to change the form of the second section was made I asked the question whether that was in order. I have simply that much to say in regard to it.

And now, Mr. President, one word in response to the Senator from Ohio, [Mr. THURMAN.] I was particularly struck with his remarks a few minutes ago. He declared that he took no further interest in this bill. His resignation was very touching indeed; but what surprised me most was his tender regard for the recommendation of the President of the United States on the question of the currency. Of course I was gratified at that because it was something new; but at the same time it would be very hard for him to find in any message of the President the particular recommendation to which he referred.

Mr. SHERMAN. I am surprised to hear that Senators are so excited that they will reverse the established rules of the Senate in order to carry out a particular scheme. I have a very sad view of the measure that is being adopted to-day. I believe that we are dishonoring the public faith, dishonoring the promises of the nation, dishonoring the promises of the republican party as claimed at the outset of the administration of President Grant; and I have said so frankly, but I did not think there was such a sentiment, such excitement, in this Senate Chamber as that Senators would deem it necessary, in doing what I regard as an almost criminal violation of the public faith, to overrule the established rules and precedents of the Senate. I have had no feeling about this matter. I have been out-voted, but I certainly have not made any threats about it. I simply wish to preserve the rules of the Senate, not for this particular case, because I concede myself that what are called the inflationists are in the majority, and they can pass the bill as they choose. They can issue a thousand millions of bank-notes without redemption, or any qualification whatever. They might as well go beyond the $400,000,000 and make it $5,000,000,000. That they could do; they have the power to do it; there is no doubt about that; but is it necessary in doing that to reverse the established rules of the Senate? My honorable friend from Maine says the Senate is in such a condition that it will reverse the old established usages of the body, and change the form and manner of doing business. We certainly are not in such a state of intellectual excitement as that.

The Chair has found a construction of the rule, and according to the grammatical construction he thinks he is correct; but it is contrary to the usages of the Senate, and our rules have been rather matters of usage and custom. Like the old common law, they are customs rather than written law. We very seldom refer to the rules except in very elementary propositions. We depend upon the customs of the Senate and rely upon them. Here is a custom which has opened wide the latitude of debate and given every Senator the freest opportunity to express his opinion, to approve and debate any measure, and perfect it, in the language of parliamentary law, before it is proposed to be stricken out. Now it is proposed to reverse that rule in the midst of a debate, pending a bill of great public importance. It seems to me that while this measure is bad enough, it may be made still worse if this debate and the action of the Senate to-day are to be made the occasion of reversing the established usages and customs of the body. I trust we are not so excited but that we can settle this question properly at the present time.

I have always noticed in the Senate, and it is with great propriety too, that it is with extreme reluctance the Senate will ever overrule a decision of the Chair; it is very rarely done. Now, it is not necessary to do that. The Chair himself having given his construction of this rule, submits it to us, and the question is with us. Had we better take the construction of the rule which the Chair puts upon it, or had we better conform our action in this particular case to the customs of the Senate? As a matter of course, in regard to this particular proposition, I only seize on a case that is pending before us, a strong case. Here is a section that the Senator from Indiana desires to strike out; he moves to strike it out, and yet I cannot amend that section so as to conform it to the previous vote of the Senate upon his own motion, or the motion of some one of those with whom he is acting; and there is the embarrassment of the case. It is only an illustration of what might occur every day in the year, especially pending an appropriation bill.

Now, I trust that by a unanimous vote, especially after the declaration made by the Senator from Wisconsin, the Senator from Maine, and other Senators who have been here a number of years, that it has always been the practice of the Senate to regard a motion to strike out rather in the light of a motion to lay on the table, and to regard the section proposed to be stricken out as always open to amendment in the first and second degree, I trust we shall conform to that practice, and simply declare that it is our purpose to conform to it; and fortunately we can do it now without overruling the Chair, or having any effect upon the question of inflation. My friend from Michigan can have all the paper money he wants without overruling this established practice of the Senate. He can frame his bill to expand the currency as much as those who are voting in harmony with him choose; but it is not necessary to go further than that in order to accomplish it, and reverse the rules and usages of the Senate.

Mr. LOGAN. Mr. President, at the last meeting of the Senate, when my proposition was offered, the question, as I understood it then, was whether, on an amendment to a substitute, a motion to strike out a portion of the original bill was in order. The Chair decided that it was not; and as I understood the Chair, he decided then as he has decided now. I withdrew my proposition, so as to allow the Senator from Indiana to move to strike out a portion of the original bill, with the understanding that if the motion failed, then the section would be subject to amendment, which is the decision and ruling to-day. There is no difference, no change whatever. It was acquiesced in then, and looked upon as correct, because the discussion showed then that the motion of the Senator from Indiana was not correct at the time, or was out of order at least, unless my motion was withdrawn, which was done for that purpose. Now, I do not see any inconvenience in that, or any impropriety in it; nor do I see any misconstruction of the rule. I think the construction of the rule given by the President of the Senate to-day is the true one. I may be in error, but that is my judgment about it.

But I hope I may be allowed a moment to reply to what has been said. At one time it was thought doubtful as to who had a majority here on this subject, and I do not say anything about a majority now except so far as the votes have gone. I know nothing as to what the result may be, but it seems to me very strange that Senators should become suddenly so very much alarmed that the country is going to be injured, the country is going to be ruined, there is going to be a great flood of greenbacks and paper money rained down by the action of the Senate upon the heads of the people of the United States to such an extent that everything will be depreciated and destroyed! Does not the Senator from Ohio know that other Senators here have as much interest in the welfare of this country as he has himself? Does he presume that Senators here who may be in the majority have not the interests of their own constituents at heart as much as he has? Does he suppose that we, if we should have a majority, would wield our power in such a manner as to destroy this Republic or the interests of the people? If he does, it only proves a want of confidence in that Senator's mind in the majority of the Senate of the United States.

I have always taken it for granted that at least Senators knew what they were doing, at least they knew upon what line they were acting. If the majority of the Senate to the end stand as they do now, and that majority shall fail to give the country something that is a relief and something that is not calculated to destroy in its effects, then the criticism of the Senator might be correct; but until they show a want of capacity to perform their duty in this Chamber to their constituents, and in such a manner as will benefit them, they are not subject to any such criticism.

Inflation! The Senator says we may have $5,000,000,000. Who has talked about $5,000,000,000? The word "inflation" is used as a kind of bugbear. Let us change the term. Suppose that we who have proved ourselves faithful, as we think, to the interests of our country and were in a majority in this body in regard to this issue of $400,000,000, change the term; suppose instead of calling us inflationists we call you contractionists and extortionists, how would you like that? You would not like it; you would say no. Suppose we say that you are trying to contract the currency down to such a point as to allow the banks to practice extortion upon the people of this country, you would become enraged at it. You would say we were making insinuations here against you. We mean no such thing. We have submitted all the time to these attacks upon us denouncing us as inflationists. We have not used opprobrious terms toward Senators opposing our theories; but I have just as good a right to say that Senators here who try to contract the currency according to the fourth section down to $300,000,000 are extortionists as they have to say that I am an inflationist.

I am in favor of an increase of the currency up to the business wants of the people of this country. I have given my reasons for it frequently on this floor. I believe that free banking is the best thing to be done; that if banking as it has been carried on has been good for the country, free banking would be better. Cut the restriction down and give the people equal rights in this land—that sacred principle which has been advocated by many men on this floor and by the whole country has been indorsed. That, sir, is what we desire, or I know some of us do at least. We propose to extend equal rights to the people of this land in business matters as well as in other matters; and while we are fighting for the rights of the people, while we are trying to give to them the same rights the law now gives to a few, we are not to be spoken of derisively and contemptuously in this Chamber. No, sir; when we throw down the gauntlet of free banking in this Chamber we throw down the platform of the people of this land, and one, too, that we had as well stand on now as to come to it hereafter. Now is the time, and you might just as well get upon that platform now as to get upon it in the future, because you are sure to be on it, for it is the will of the people of this country, it is the desire of the people of this country; it is the right of the people to have it; it is equality; it is justice; it is that which ought to be the law of this country. Every law ought to have the principle of equality in it. That is all there is in this measure.

One word in reference to this section. The Senator from Ohio appeals to us as though the country would be ruined; why there

will be a terrible flood here perhaps in a short time if this section is stricken out. What is this section? This section provides that for every hundred million of national-bank currency that is furnished to be issued, $70,000,000 of greenbacks shall be withdrawn from circulation; in other words, when we think we have got a hundred million of national-bank currency we have got but $30,000,000. That is the provision of the section. What further, sir? Why, that this contraction shall go on until the greenbacks of this country are contracted down to $300,000,000; showing that this bill when reported from the committee, although it professed to give $382,000,000 circulation of greenbacks, yet had the sting in the last section which was to deprive it of its efficacy and of its virtue by the contraction of a hundred millions, which brought it down lower than even the bill by some fifty millions by contraction. It shows the whole scheme, and when you speak of a scheme on our part, I say this scheme as reported here is a scheme of contraction of the currency of the United States, and from one end of it to the other it carries contraction upon its face. And yet we are told that it contains the principle that is to save the people of this land; and Senators, too, who profess, some of them, not to be in favor of contraction, are angry if we propose to strike out the very section that does contract the currency beyond the argument of any man that has been made on this floor so far. Certainly it is a system of contraction and nothing else.

Speaking for myself, I can say in a few words what I am in favor of. I am in favor, first, of standing by the $400,000,000. I am in favor of free banking. This free banking means to give the same right to one association that another has under the law. If the majority of the Senate desire to put clamps upon it so as to restrict it, that is for the majority to say; but the principle is what I am after; and that is why I have introduced it. If they desire to add to that amendments which will make the notes convertible and reconvertible into a small interest-bearing bond, the majority have a right to do that. If they desire to add that a portion of the interest shall be held as a reserve in the bank for redemption purposes, so that when the Government is ready to redeem, the banks may be on an equality at the same time, let that be done; but the principle is right; and that principle will be maintained by this country, if not now, in the future. This is what I desire; and this is what I am working for, and what I am moving in the direction of.

If Senators think this is opening the flood-gates to destroy the country, they have a right to vote against it; but they have no right to criticise my vote when I vote for it. Then, sir, I am in favor of striking out this section; so that the theory upon which we started for an increase of the currency shall be carried out, with proper guards and proper brakes thrown around it, so as to preserve the benefits that will be derived from this general proposition.

EXECUTIVE SESSION.

Mr. MORRILL, of Maine. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to.

ENROLLED BILLS SIGNED.

A message from the House of Representatives, by Mr. LLOYD, its Chief Clerk, announced that the Speaker of the House had signed the following enrolled bills; and they were thereupon signed by the President *pro tempore*:

A bill (H. R. No. 2451) to improve the mouth of the Mississippi River; and

A bill (H. R. No. 1037) making appropriations for the construction, preservation, and repair of certain fortifications and other works of defense, for the year ending June 30, 1875.

EXECUTIVE SESSION.

The Senate proceeded to the consideration of executive business. After fourteen minutes spent in executive session the doors were reopened, and (at five o'clock and four minutes p. m.) the Senate adjourned.

HOUSE OF REPRESENTATIVES.

MONDAY, *March* 30, 1874.

The House met at twelve o'clock m. Prayer by the Chaplain, Rev. J. G. BUTLER, D. D.

The Journal of yesterday was read and approved.

ORDER OF BUSINESS.

The SPEAKER. This being Monday, the first business in order is the call of the States and Territories, beginning with the State of Maine, for the introduction of bills and joint resolutions for reference to their appropriate committees, not to be brought back on motions to reconsider. Under this call memorials and resolutions of State and territorial Legislatures may be presented for reference and printing. The morning hour begins at two minutes after twelve o'clock.

INGOLDSBY ANDREWS.

Mr. FRYE introduced a bill (H. R. No. 2703) for the relief of Ingoldsby Andrews; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

SELDEN CONNOR.

Mr. FRYE also introduced a bill (H. R. No. 2704) for the relief of Selden Connor; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

INSTITUTE FOR PHYSICAL CULTURE.

Mr. HALE, of Maine, introduced a bill (H. R. No. 2705) to provide for setting apart public land in the District of Columbia for the Institute for Physical Culture; which was read a first and second time, referred to the Committee on Public Buildings and Grounds, and ordered to be printed.

CORNELIUS RAPELYE.

Mr. SCUDDER, of New York, introduced a bill (H. R. No. 2706) for the relief of Cornelius Rapelye; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

SHIPPING COMMISSIONERS.

Mr. TREMAIN introduced a bill (H. R. No. 2707) to amend the act authorizing the appointment of shipping commissioners, and for other purposes; which was read a first and second time, referred to the Committee on Commerce, and ordered to be printed.

THOMAS J. PEACOCK.

Mr. MERRIAM introduced a bill (H. R. No. 2708) for the relief of Thomas J. Peacock, of Fairfax County, Virginia; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

SARAH M. BRADLEY.

Mr. MERRIAM also introduced a bill (H. R. No. 2709) granting a pension to Sarah M. Bradley; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

CARE OF INSANE CONVICTS.

Mr. MACDOUGALL introduced a bill (H. R. No. 2710) to provide for the care and custody of persons convicted in courts of the United States, who have or may become insane while in prison; which was read a first and second time, referred to the Committee on the Judiciary, and ordered to be printed.

HARRIET TUBMAN.

Mr. MACDOUGALL also introduced a bill (H. R. No. 2711) for the relief of Harriet Tubman; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

GEORGE SMITH.

Mr. ROSS introduced a bill (H. R. No. 2712) granting a pension to George Smith; which was read a first and second time, referred to the Committee on Revolutionary Pensions and War of 1812, and ordered to be printed.

REFUND OF TAXES ON TOBACCO.

Mr. ROSS also introduced a bill (H. R. No. 2713) to provide for refunding certain taxes on manufactured tobacco; which was read a first and second time, referred to the Committee on Ways and Means, and ordered to be printed.

MARTHA HUNTSMAN.

Mr. STORM introduced a bill (H. R. No. 2714) granting a pension to Martha Huntsman; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

SAMUEL P. KEMP.

Mr. MOORE introduced a bill (H. R. No. 2715) granting an increase of pension to Samuel P. Kemp, late of Company I, Seventh Ohio Volunteer Infantry; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

MRS. MARY C. RENO.

Mr. O'BRIEN introduced a bill (H. R. No. 2716) granting a pension to Mrs. Mary C. Reno; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

MRS. M. D. DALL.

Mr. LOWNDES introduced a bill (H. R. No. 2717) for the relief of Mrs. M. D. Dall; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

SEAMAN'S FRIEND SOCIETY, OF NORFOLK.

Mr. PLATT, of Virginia, introduced a bill (H. R. No. 2718) for the relief of the Seaman's Friend Society, of Norfolk, Virginia; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

LIGHT-HOUSE AT TANGIER SPIT.

Mr. SENER introduced a bill (H. R. No. 2719) to establish a light-house at Tangier Spit, Accomack County, in Chesapeake Bay, Virginia; which was read a first and second time, referred to the Committee on Commerce, and ordered to be printed.

JAMES W. HUNNICUTT.

Mr. SENER also introduced a bill (H. R. No. 2720) for the relief of James W. Hunnicutt; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

R. H. BUCKNER.

Mr. HARRIS, of Virginia, introduced a bill (H. R. No. 2721) for the relief of R. H. Buckner; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

THOMAS A. NICHOLSON.

Mr. ROBBINS introduced a bill (H. R. No. 2722) for the relief of Thomas A. Nicholson, of North Carolina; which was read a first and second time, referred to the Committee on Ways and Means, and ordered to be printed.

SAMUEL W. DAVIDSON AND OTHERS.

Mr. VANCE introduced a bill (H. R. No. 2723) for the relief of Samuel W. Davidson, Henry Smith, John Gray Bynum, and others, on account of expenses incurred by Silas H. Swetland, as special agent to settle with the Eastern or North Carolina Cherokees; which was read a first and second time, referred to the Committee on Indian Affairs, and ordered to be printed.

ORDNANCE STORES ISSUED TO STATES AND TERRITORIES.

Mr. YOUNG, of Georgia, introduced a bill (H. R. No. 2724) for the relief of certain States and Territories on account of ordnance stores issued to them during the late civil war; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

DISTILLERS OF FRUIT.

Mr. BELL introduced a bill (H. R. No. 2725) to provide for refunding certain taxes illegally collected from distillers of fruit; which was read a first and second time, referred to the Committee on Ways and Means, and ordered to be printed.

OLIVIE E. CARTER.

Mr. BELL also introduced a bill (H. R. No. 2726) for the relief of Olivie E. Carter, of Jackson County, Georgia; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

ALVIN W. PRINCE.

Mr. BELL also introduced a bill (H. R. No. 2727) granting a pension to Alvin W. Prince, late captain Company B, Georgia State Troops; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

J. H. PACE.

Mr. BELL also introduced a bill (H. R. No. 2728) for the relief of J. H. Pace, of Jackson County, Georgia; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

WILLIS J. PARNELL.

Mr. BLOUNT introduced a bill (H. R. No. 2729) for the relief of Willis J. Parnell; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

I. B. HINKLE.

Mr. WHITE introduced a bill (H. R. No. 2730) to authorize the Secretary of the Treasury to pay the account of I. B. Hinkle; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

JESSE STALLINGS.

Mr. WHITE also introduced a bill (H. R. No. 2731) to grant a pension to Jesse Stallings; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

LAWRENCE COUNTY NARROW-GAUGE RAILROAD COMPANY.

Mr. WHITE also introduced a bill (H. R. No. 2732) to grant certain lands to the State of Alabama in trust for the Lawrence County Narrow-Gauge Railroad Company; which was read a first and second time, referred to the Committee on the Public Lands, and ordered to be printed.

TESTIMONY BEFORE COMMISSIONERS OF CLAIMS.

Mr. WHITE also introduced a bill (H. R. No. 2733) to facilitate and reduce the expense of taking testimony in behalf of claimants to be used before the commissioners of claims; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

SECURITY OF LIFE ON BOARD STEAMBOATS.

Mr. SHEATS introduced a bill (H. R. No. 2734) to amend an act entitled "An act to provide for the better security of life on board of vessels propelled in whole or in part by steam, and for other purposes," approved February 28, 1871; which was read a first and second time, referred to the Committee on Commerce, and ordered to be printed.

JAMES MADISON WELLS.

Mr. MOREY introduced a bill (H. R. No. 2735) for the relief of James Madison Wells, of Louisiana; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

JOHN W. HICKEY.

Mr. MOREY also introduced a bill (H. R. No. 2736) for the relief of John W. Hickey, of the State of Louisiana; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

WILLIAM ENGLISH.

Mr. SOUTHARD introduced a bill (H. R. No. 2737) granting a pension to William English, of Licking County, Ohio, late a private in the war of 1812; which was read a first and second time, referred to the Committee on Revolutionary Pensions and War of 1812, and ordered to be printed.

FOUNDRY METHODIST EPISCOPAL CHURCH, WASHINGTON.

Mr. GARFIELD introduced a bill (H. R. No. 2738) for the relief of the Foundry Methodist Episcopal church, of Washington City; which was read a first and second time, referred to the Committee on the District of Columbia, and ordered to be printed.

PROCLAMATION OF EMANCIPATION.

Mr. MONROE introduced a bill (H. R. No. 2739) appropriating $10,000 for the purchase of Carpenter's painting of the Signing of the Proclamation of Emancipation; which was read a first and second time, referred to the Joint Committee on the Library, and ordered to be printed.

NATIONAL CURRENCY.

Mr. BECK introduced a bill (H. R. No. 2740) to provide a uniform currency by the retirement of national-bank notes and the substitution of Treasury notes and 3.65 per cent. bonds, and for other purposes; which was read a first and second time, referred to the Committee on Banking and Currency, and ordered to be printed.

HARRISON GILL.

Mr. YOUNG, of Kentucky, introduced a bill (H. R. No. 2741) for the relief of Harrison Gill, of Kentucky; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

WILLIAM PARK.

Mr. WHITTHORNE introduced a bill (H. R. No. 2742) for the relief of William Park, of Tennessee; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

WILLIAM F. BRYSON.

Mr. SAYLER, of Indiana, introduced a bill (H. R. No. 2743) for the relief of William F. Bryson, late second lieutenant Company I, Thirty-fourth Regiment Indiana Volunteers; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

JACOB W. EGELSTON.

Mr. HOLMAN introduced a bill (H. R. No. 2744) granting a pension to Jacob W. Egelston, late lieutenant-colonel of the Eighty-third Regiment Indiana Volunteers; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

PORTLAND, DALLES AND SALT LAKE RAILROAD.

Mr. HURLBUT introduced a bill (H. R. No. 2745) providing for the construction of the Portland, Dalles and Salt Lake Railroad, and for the performance of all Government service free of charge; which was read a first and second time, referred to the Committee on Railways and Canals, and ordered to be printed.

MILITARY FORTS.

Mr. FARWELL introduced a joint resolution (H. R. No. 78) authorizing the Secretary of War to lease parts of military forts or posts; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

GEORGE W. RICKER.

Mr. BARRERE introduced a bill (H. R. No. 2746) granting a pension to George W. Ricker, private of Company E, Eighth Regiment Illinois Volunteers; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

NEW ORLEANS COLLECTION DISTRICT.

Mr. WELLS introduced a bill (H. R. No. 2747) to limit and define the collection district of New Orleans, and for other purposes; which was read a first and second time, referred to the Committee on Ways and Means, and ordered to be printed.

REBECCA J. CULVER.

Mr. HYDE introduced a bill (H. R. No. 2748) granting a pension to Rebecca J. Culver; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

HENRY SIPPLE.

Mr. HYDE also introduced a bill (H. R. No. 2749) granting a pension to Henry Sipple; which was read a first and second time, referred to the Committee on Revolutionary Pensions and War of 1812, and ordered to be printed.

PETER P. MANION.

Mr. STONE introduced a bill (H. R. No. 2750) for the relief of Peter P. Manion; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

OUACHITA RIVER, ARKANSAS.

Mr. SNYDER introduced a bill (H. R. No. 2751) making an appropriation for the permanent improvement of the navigation of the Ouachita River, in the State of Arkansas; which was read a first and second time, referred to the Committee on Commerce, and ordered to be printed.

JAMES M'GINNIS.

Mr. WALDRON introduced a bill (H. R. No. 2752) for the relief of James McGinnis; which was read a first and second time, referred to the Committee on Indian Affairs, and ordered to be printed.

LAND GRANTS IN FLORIDA.

Mr. WALLS introduced a bill (H. R. No. 2753) confirming the grant of certain lands in the State of Florida; which was read a first and second time, referred to the Committee on the Public Lands, and ordered to be printed.

ALBERT G. CLARY.

Mr. PURMAN introduced a bill (H. R. No. 2754) to restore Captain Albert G. Clary to his original position on the naval register; which was read a first and second time, referred to the Committee on Naval Affairs, and ordered to be printed.

OATH OF OFFICE BY SUBORDINATE OFFICERS.

Mr. PURMAN also introduced a bill (H. R. No. 2755) in relation to the oath of office by subordinate officers of customs; which was read a first and second time, referred to the Committee on Ways and Means, and ordered to be printed.

MRS. HARRIET R. ALSBURY.

Mr. GIDDINGS introduced a bill (H. R. No. 2756) for the relief of Mrs. Harriet R. Alsbury; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

WILLIAM O. MADISON.

Mr. KASSON introduced a bill (H. R. No. 2757) granting a pension to William O. Madison; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

IMPROVEMENT OF THE MISSISSIPPI RIVER.

Mr. RUSK presented a joint resolution of the Legislature of Wisconsin, relative to the improvement of the Mississippi River and its tributaries; which was referred to the Committee on Commerce, and ordered to be printed.

FISH-WAYS ON LOWER FOX RIVER, WISCONSIN.

Mr. ELDREDGE presented a memorial of the Legislature of the State of Wisconsin, for the construction of fish-ways on the Lower Fox River, in the State of Wisconsin; which was referred to the Committee on Commerce, and ordered to be printed.

POST-ROUTE IN WISCONSIN.

Mr. ELDREDGE also presented a memorial of the Legislature of Wisconsin, for the establishment of a weekly mail-route from Kiel to Meeme post-office, in Manitowoc County, Wisconsin; which was referred to the Committee on the Post-Office and Post Roads, and ordered to be printed.

PUBLIC BUILDING, MILWAUKEE, WISCONSIN.

Mr. MITCHELL introduced a bill (H. R. No. 2758) for the construction of a custom-house, bonded warehouse, and internal-revenue offices at Milwaukee, Wisconsin; which was read a first and second time, referred to the Committee on Public Buildings and Grounds, and ordered to be printed.

PUBLIC BUILDING, OSHKOSH, WISCONSIN.

Mr. SAWYER presented a memorial of the Legislature of the State of Wisconsin, relative to the erection of a custom-house and post-office at Oshkosh; which was referred to the Committee on Public Buildings and Grounds, and ordered to be printed.

PUBLIC BUILDING, GREEN BAY, WISCONSIN.

Mr. SAWYER also presented a memorial of the Legislature of the State of Wisconsin, relative to the erection of a custom-house and post-office at Green Bay; which was referred to the Committee on Public Buildings and Grounds, and ordered to be printed.

LIGHT-HOUSE AT YERBA BUENA ISLAND, CALIFORNIA.

Mr. CLAYTON presented a concurrent resolution of the Legislature of California, for the establishment of a light-house and fog-bell at Yerba Buena Island; which was referred to the Committee on Commerce, and ordered to be printed.

He also introduced a bill (H. R. No. 2759) to authorize the erection of a light-house, &c., on the island of Yerba Buena; which was read a first and second time, referred to the Committee on Commerce, and ordered to be printed.

WAR EXPENSES OF CALIFORNIA, OREGON, AND NEVADA.

Mr. PAGE introduced a bill (H. R. No. 2760) to reimburse the States of California, Oregon, and Nevada for expenses incurred in the late rebellion; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

ERRORS IN PRIZE-LISTS.

Mr. HOUGHTON introduced a bill (H. R. No. 2761) authorizing corrections to be made in errors in prize-lists; which was read a first and second time, referred to the Committee on Naval Affairs, and ordered to be printed.

MACHINERY FOR MAKING JUTE CLOTH, ETC.

Mr. LUTTRELL introduced a bill (H. R. No. 2762) to admit free of duty into the ports of the Pacific coast, for two years after the passage of the act, all machinery for manufacture of jute cloth and sacking; which was read a first and second time, referred to the Committee on Ways and Means, and ordered to be printed.

INTERNAL IMPROVEMENTS, CALIFORNIA.

Mr. LUTTRELL also presented a concurrent resolution of the Legislature of the State of California, requesting Congress to make an appropriation for the improvement of the navigable rivers in that State.

The resolution was read, as follows:

Whereas the commerce and carrying trade of the State of California are seriously impaired by the obstructions which have accumulated in our navigable rivers, thus depriving producers of the natural avenues to tide-water; and whereas if said obstructions are not removed the railroad companies will have a complete monopoly of the carrying trade of the State: Therefore,

Be it resolved by the senate and assembly, That our Senators and Representatives in Congress be requested and instructed to use all honorable means to secure an appropriation from the General Government sufficient to remove said obstructions, so that these rivers may be made the competing avenues of commerce, and thereby afford additional facilities for the transportation of the products of the State.

Resolved, That the governor be requested to transmit a copy of these resolutions to each of our Senators and Representatives in Congress immediately.

The resolution was referred to the Committee on Commerce, and ordered to be printed.

MRS. SOPHIA GREEN.

Mr. DUNNELL introduced a bill (H. R. No. 2763) granting a pension to Mrs. Sophia Green, widow of Harvey Green, late a private in Company C, Tenth Regiment Vermont Volunteers; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

STEAMBOAT INSPECTORS FOR DISTRICT OF DU LUTH.

Mr. AVERILL introduced a bill (H. R. No. 2764) to establish a board of local inspectors of steam-vessels in the district of Du Luth, in the State of Minnesota; which was read a first and second time, referred to the Committee on Commerce, and ordered to be printed.

JOHN W. DARBY.

Mr. AVERILL also introduced a bill (H. R. No. 2765) granting a pension to John W. Darby; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

ABSENTEE SHAWNEE LANDS.

Mr. COBB, of Kansas, introduced a joint resolution (H. R. No. 79) explanatory of a joint resolution entitled "A joint resolution for the relief of settlers on the Absentee Shawnee lands in Kansas," approved April 7, 1869; which was read a first and second time, referred to the Committee on Indian Affairs, and ordered to be printed.

NATIONAL UNION SAVINGS-BANK, DISTRICT OF COLUMBIA.

Mr. KENDALL introduced a bill (H. R. No. 2766) to amend an act entitled "An act to incorporate the National Union Savings-Bank, of the District of Columbia," approved May 24, 1870; which was read a first and second time, referred to the Committee on Banking and Currency, and ordered to be printed.

LOUIS ROSENBAUM.

Mr. ELKINS introduced a bill (H. R. No. 2767) for the relief of Louis Rosenbaum; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

TRANSPORTATION ON RAILROADS.

Mr. SHOEMAKER, of Pennsylvania, introduced a bill (H. R. No. 2768) to regulate transportation on railroads; which was read a first and second time, referred to the Committee on Railways and Canals, and ordered to be printed.

WILLIAM E. RANKIN.

Mr. THORNBURGH introduced a bill (H. R. No. 2769) granting a pension to William E. Rankin, a private in the Ninth Tennessee Cavalry; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

CLAIMS AGAINST THE UNITED STATES.

Mr. YOUNG, of Georgia, introduced a bill (H. R. No. 2770) to amend an act entitled "An act to amend an act entitled 'An act to establish a court for the investigation of claims against the United States,'" approved August 6, 1856; which was read a first and second time, referred to the Committee on the Judiciary, and ordered to be printed.

J. SCOTT PAYNE.

Mr. MAYNARD introduced a bill (H. R. No. 2771) for the relief of J. Scott Payne, second lieutenant Sixth United States Cavalry, late first lieutenant Fifth United States Cavalry; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

MRS. ELIZABETH RICE.

Mr. YOUNG, of Kentucky, introduced a bill (H. R. No. 2772) grant-

ing arrears of pension to Mrs. Elizabeth Rice; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

JAMES P. RADER.

Mr. FOSTER introduced a bill (H. R. No. 2773) granting arrears of pension to James P. Rader; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

EDWARD CAVENDY.

Mr. PLATT, of Virginia, introduced a bill (H. R. No. 2774) for the relief of Edward Cavendy; which was read a first and second time, referred to the Committee on Naval Affairs, and ordered to be printed.

REUBEN RAGLAND.

Mr. PLATT, of Virginia, also introduced a bill (H. R. No. 2775) for the relief of Reuben Ragland, of Petersburgh, Virginia; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

FREE BANKING.

Mr. MERRIAM introduced a bill (H. R. No. 2776) to establish free banking, and for other purposes; which was read a first and second time, referred to the Committee on Banking and Currency, and ordered to be printed.

JUDGE FOR WEST TENNESSEE.

Mr. LEWIS introduced a bill (H. R. No. 2777) to provide for a judge for the district of West Tennessee; which was read a first and second time, referred to the Committee on the Judiciary, and ordered to be printed.

IMPROVEMENT OF FORKED DEER RIVER.

Mr. LEWIS also introduced a bill (H. R. No. 2778) to appropriate $25,000 for the improvement of Forked Deer River, in Tennessee; which was read a first and second time, referred to the Committee on Commerce, and ordered to be printed.

ENCOURAGEMENT OF MECHANICAL INDUSTRY.

Mr. LEWIS also introduced a bill (H. R. No. 2779) to encourage mechanical industry; which was read a first and second time, referred to the Committee on Education and Labor, and ordered to be printed.

WABASH AND MISSISSIPPI CANAL.

Mr. CASON introduced a joint resolution (H. R. No. 80) authorizing and directing the Secretary of War to detail an engineer from the Corps of Army Engineers to examine and survey a route for a canal from a point on the Wabash and Erie Canal at or near the city of Terre Haute, in the State of Indiana, to the Mississippi River opposite to or near the city of Saint Louis, in the State of Missouri; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

PRINTING OF TESTIMONY.

On motion of Mr. MAYNARD, by unanimous consent, the Committee on Banking and Currency were authorized to have printed testimony taken before them under a resolution of the House.

WISCONSIN CENTRAL RAILROAD.

Mr. SAWYER. The morning hour having expired, I move to suspend the rules to allow the Committee on the Public Lands to report back Senate bill No. 512, granting an extension of time for the completion of the Wisconsin Central Railroad, to the House, for consideration after the special orders now before the House, and that it shall hold its place on Monday until disposed of.

Mr. RANDALL. Let us hear what that is.

Mr. SAWYER. Let me make a brief statement.

Mr. RANDALL. I object to debate.

Mr. HOLMAN. I rise to a question of order.

Mr. RANDALL. I call for the regular order.

Mr. SAWYER. But hear the facts.

Mr. RANDALL. I object, and demand the regular order.

ORDER OF BUSINESS.

Mr. PLATT, of Virginia. I understand that the gentleman who has charge of the bill reported from the Committee on Commerce yields to me for a bill which I desire to have put upon its passage at this time.

The SPEAKER. The gentleman from Pennsylvania [Mr. RANDALL] objects.

Mr. RANDALL. I object to anything out of the regular order.

The SPEAKER. That is sufficient until the gentleman indicates the withdrawal of his call for the regular order. It is not for one gentleman to indicate the withdrawal by another gentleman.

Some time subsequently, during the reading of the bill reported by the Committee on Commerce,

Mr. RANDALL said: If I have the privilege of withdrawing my objection to the bill of the gentleman from Virginia [Mr. PLATT] I do so; but I object to land grants.

The SPEAKER. The House is now executing its special order.

LOUISVILLE AND PORTLAND CANAL.

Mr. WHEELER, from the Committee on Commerce, in pursuance of the authority given by the House, assigning such report as a special order for to-day, after the morning hour, reported back the bill (S. No. 350) providing for the payment of the bonds of the Louisville and Portland Canal Company, with an amendment in the nature of a substitute.

The substitute reported by the committee was read, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the appropriations made by the act approved March 3, 1873, entitled "An act making appropriations for the repair, preservation, and completion of certain public works on rivers and harbors, and for other purposes," for the payment of the debts of the Louisville and Portland Canal Company, are hereby continued in full force, and are made permanently applicable to the payment of the debts of the said Louisville and Portland Canal Company; and so much as may be necessary shall be applied to the payment of the interest as it accrues, and the principal of the outstanding bonds of said company as they mature: *Provided, however*, That the Secretary of the Treasury may purchase and pay for any of said bonds, at their market price, not above par, whenever he deems it for the interest of the United States.

SEC. 2. That after thirty days from the passage of this act the Secretary of War is hereby authorized and directed to take possession of the said Louisville and Portland Canal, and all the property, real and personal, of said company, as the property of the United States, as provided for by the act of the General Assembly of the State of Kentucky, approved February 22, 1844, entitled "An act to amend an act entitled 'An act to amend the charter of the Louisville and Portland Canal Company,' approved January 21, 1842," conceding jurisdiction over said canal to the United States, subject, however, to the mortgage lien on said property in favor of the trustees under said mortgage and the holders of the bonds issued under it; and the Secretary of the Treasury is hereby authorized to pay the directors of said company for the stock held by them, which payment shall be made forthwith by the Secretary of the Treasury, being the sum of $100 to each director, with interest thereon at 6 per cent. per annum since the 9th day of February, 1864; and he is authorized and directed to cause a careful and full examination of all receipts and disbursements of the said company to be made, and to collect, and, if necessary, to sue for any money due to or held for the said company by the directors of said company, or the trustees under said mortgage, or by any person whatever. And said Secretary of the Treasury is hereby directed and empowered, immediately upon the passage of this act, to give public notice, in such manner as, in his judgment, will best effect the purpose, to all persons and corporations having debts of any nature against said Louisville and Portland Canal Company, except the bonded debt thereof, to present them to him on or before the 1st day of July, 1875; and any such debt not presented on or before said day shall be forever barred. And said Secretary is hereby directed and authorized to examine, audit, and, in his discretion, allow such debts, or any of them, being hereby vested with any power necessary to that end; and he shall embrace this action in the premises in his succeeding annual report: *Provided, however*, That no sum of money shall be paid by the Secretary of the Treasury on account of any claim for either city or State taxes assessed, or to be hereafter assessed, against said company, or against the said canal property, or any of its appendages; and no money shall be paid under the provisions of this act until all claims for said taxes shall have been released.

SEC. 3. That the said canal and property appertaining thereto shall be held for the common use and benefit of the people of the United States, free of all tolls and charges, except such as are necessary to pay the current expenses of said canal, and to keep the same in repair; and for the present year they shall be at the rate of ten cents per ton capacity on vessels propelled by steam, and five cents per ton on other vessels; and to ascertain what rates will pay current expenses after the present year, the Secretary of War shall, on the first Monday of January of each year, ascertain from the expenditures of the previous year what tolls will probably pay the expenses of the current year; and he shall fix and declare the rate of tolls thus ascertained to be charged for the current year; and, until otherwise provided by law, the Secretary of War shall provide for the superintendence, management, and repair of said canal, and may apply the tolls so received, as far as may be necessary, to pay the current expenses of said canal; and he shall, in his next annual report, set forth such receipts and expenditures, and the condition of said canal, with a view to such legislation as may be necessary for the superintendence and management thereof.

Mr. WHEELER. As an individual member of the committee, I offer what I send to the desk to be read, as an amendment to be regarded as pending to the substitute.

The Clerk read as follows:

Add at the end of section 1 the following:

Provided further, That said Secretary shall pay no money under any of the provisions of this act, nor shall the Secretary of War take possession of said canal as authorized by the next section, until the State of Kentucky shall cede to the United States jurisdiction over the said canal, with all its property, hereditaments, and appurtenances, and relinquish to the United States the right to tax, or in any way to assess, said canal, its property, hereditaments, and appurtenances, or the property of the United States that may be thereon during the time that the United States shall remain the owner thereof.

Mr. WHEELER. I now yield the floor to the gentleman from Indiana, [Mr. HOLMAN,] to be resumed by me at his pleasure, or on the indication of a majority, for the purpose of demanding the previous question upon the bill and pending amendment, reserving to myself the closing hour for debate.

Mr. HOLMAN. I yield ten minutes to the gentleman from Ohio, [Mr. BANNING.]

Mr. BANNING. I send to the desk to be read resolutions of the Board of Trade of Cincinnati, received by me this morning.

The Clerk read as follows:

At a meeting of the Board of Trade of Cincinnati, held on Saturday, March 28, 1874, the following preamble and resolutions were unanimously adopted:

Whereas Congress at its last session passed an act authorizing and directing the Secretary of the Treasury to "assume, on behalf of the United States," the control and management of the Louisville and Portland Canal, and providing for a large reduction of the onerous tolls paid by vessels navigating the Ohio River; and whereas from some cause the Secretary of the Treasury has failed to put in operation this provision of this law, and the said onerous and burdensome tolls are still charged on our commerce: Therefore,

Resolved, That the Cincinnati Board of Trade, representing the manufacturing and commercial interests of our city, again appeals to Congress to enact such laws as shall speedily and effectually relieve the commerce of the Ohio River, in which the Western and Southern States are so deeply interested, of this most unjust and unreasonable tax, and place the canal in the hands of the Government, with authority to charge a rate of tolls which shall not be in excess of the cost of operating and maintaining the work.

Resolved, That this board earnestly appeals to members of Congress from the Western and Southern States, and especially to the members from Ohio, to see that this act of justice is rendered the commerce of the Ohio River, by appropriate and immediate legislation.

In witness whereof I have hereunto set my hand this 28th day of March, A. D. 1874.

H. H. TATEM,
Secretary.

Mr. BANNING. Mr. Speaker, the Louisville and Portland Canal was incorporated by the Legislature of the State of Kentucky in 1825. It was built to enable vessels navigating the Ohio River to pass an obstruction opposite Louisville, known as the Falls.

The original capital stock of the company was $600,000, divided into shares of $100 each. The United States subscribed for one thousand shares, at a cost of $100,000. The stock was afterward increased to $1,000,000, divided into ten thousand shares of $100 each.

By authority of the acts of Congress and of the Legislature of Kentucky, the dividends belonging to the United States were applied to the purchase of the shares of private individuals.

In 1855 the United States had become the owner of all the canal stock except five shares, which were retained by the five directors of the company at the reqnest of the Secretary of the Treasury of the United States, until provision was made by Congress for taking possession and charge of the canal.

In 1869 the board of directors of the company made a loan of $1,600,000 for the enlargement of the canal and locks. This amount was not sufficient to finish the work. Congress then appropriated the amount of money necessary, and, under charge of General Weitzel, of the Engineer Corps, United States Army, the improvement has been completed.

In his able report General Weitzel, in speaking of the canal and its cost to the Government, gives the list of tolls collected since it went into operation, in 1831, to 1872, when it was closed for repairs, the total amount being $5,157,247.05. In his report General Weitzel then says:

Now, if the Government pays or assumes the debt of the canal, and makes the appropriation asked for to complete the work, the whole amount that the Louisville and Portland Canal will have cost is barely one-half of this enormous sum, $5,157,247.05, taken out of the pockets of the people of the country to get round an obstruction in a national highway.

Besides, it will be a very cheap price to pay for this work and the grounds belonging to it, when they, as real estate alone, are worth at least the amount which the Government is asked to pay for them.

The expense of operating the canal has been greater during the progress of the work of enlargement than it will be when everything is completed and working smoothly.

I think that with both sets of locks the canal can be operated at an expense of $50,000, and probably less, if the crews of vessels passing throughout will assist, as they undoubtedly will gladly do, when the toll is only nominal.

Now, the new locks and enlarged canal were first thrown open to the public on the 6th of February, 1872.

The receipts of toll from the 1st of January, 1872, to that time were very light, as navigation was almost continually suspended by ice, yet from that date to August 23, 1872, (when the canal was closed for repairs,) that is, in a period of about six months, $207,025.19 were collected for tolls. This sum is $26,099.79 greater than the greatest amount of toll collected in any one year (1866) previous. It is perfectly safe, I think, to assume that during the next year, if the rate of toll were continued at fifty cents per ton, the tolls collected would reach $350,000. If this be true, the rate of tolls should be fixed at about seven cents, when the canal comes into the control of the Government, in order just to pay running expenses.

But accidents are liable to happen, and frequently do happen, to gates and machinery, and a fund of $50,000 to enable damages to be promptly repaired should be accumulated as soon as possible, and always maintained. For, in case of any such accident, the work of repair could not be delayed to await an appropriation from Congress.

For this reason I think it would be the part of wisdom to fix the rate of tolls during the first year at about twelve cents per ton. The experience gained during this year would enable the toll to be fixed during succeeding years. I believe that the increase in the tonnage which will pass through the canal when the toll is decreased will enable the rate to be fixed as low as five cents per ton after the first year.

In framing the act for accepting the canal, I think that the Secretary of the Treasury, by whose Department the canal would of course be operated, should have the power to fix the toll from time to time, so as just to pay the running expenses and keep a fund of about $50,000 on hand for repairs. He should also be authorized to employ the persons necessary to operate the canal, and fix their pay. The persons should all be employed during good behavior, for it will work serious if not fatal injury to the best interests of commerce if experienced men are not continually employed on the work, especially in opening and closing these enormous gates.

The following are the rates of toll at present charged:

Fifty cents per ton on steamboats and all other vessels aving hcustom-house papers.

Three cents per superficial foot on produce flats, barges, &c.

Two cents per superficial foot on flats, barges, &c., carrying coal, salt, iron, hay, lime, lumber, stone, brick, wood, sand, &c.

One cent per superficial foot on empty flats, barges, rafts, &c., not having custom-house papers.

In reducing the rate of toll for steamboats the rates for the other crafts should be proportionately reduced.

The report, which can be found in full in Executive Document No. 1, Forty-second Congress, third session, together with the report of the secretary of the company, contains a full and complete history of the canal and the strongest reasons for the passage of this bill. It shows conclusively that the tolls may be reduced more than four-fifths, and then the collections will be more than sufficient to pay the expenses of the canal. It recommends the passage of such a bill as we now have under consideration, leaving the fixing of the amount of toll to the Secretary, so that he may adjust the same to pay the expenses of the canal.

This recommendation of General Weitzel is founded upon the statute of Kentucky of 1842, which provides that—

When the said shares shall be purchased the same shall be all transferred to the Government of the United States, on condition of said Government levying tolls for the use of said canal only sufficient to keep the same in repair.

That the canal is a matter of national character, of greatest interest, perhaps, to the people of the Ohio and Mississippi Valleys, the West and the South, but of great interest to the people of the entire country, is well shown by the report of the Committee on Commerce made to this House in February last.

In speaking of the Ohio River improvement, they say:

As an avenue for the cheap transmission and distribution of the fabrics of the East, fuel, cereals, and other products of the West, the Ohio River stands pre-eminent.

Through a remarkable combination of physical circumstances this channel presents geographical and commercial advantages so eminently conducive to the prosperity and wealth of the whole country as to make its improvement a question of sweeping nationality.

It is a material part of the grand system of continuous water transit from the head-waters of the Monongahela and Alleghany Rivers to the Gulf of Mexico, and the main thoroughfare for the proposed canals through the interior of Virginia, traversing the great Apalachian coal-field, and almost boundless deposits of iron, to Hampton Roads on the sea, and, via the Tennessee, Coosa, and Ocmulgee Rivers, threading the rich mineral and cotton districts of Georgia to the harbor of Altamaha Sound on the Atlantic Ocean.

The navigation of the Ohio directly influences the industries of fourteen of the States, but circulates the commodities of every State in the Union. It belongs to the Government of the United States. It is a national highway, governed by national authority. It promotes very many national interests by facilitating intercourse, aids commerce, contributes to the operations of war, enhances the resources of the nation, develops the producing agencies of every branch of trade, and exchanges the gifts of nature for those of the arts and sciences.

It is therefore the duty of Congress to consider the means requisite to add to the efficiency and importance of this channel.

The people of Cincinnati, a portion of whom I have the honor to represent, are largely interested in the passage of this bill. The present high tolls are a heavy tax upon our commerce. We think the navigation of this great national highway should be made free to us, and to all, at least as near free as this bill makes it.

The Government should not charge us for the privileges of this canal more than the expenses of operating it.

We think we deserve well of the national Government; we do right well our part in keeping up the national revenues and paying the national expense. During the fiscal year ending July 1, 1873, Cincinnati paid $7,161,277.20 internal revenue, and since 1863 to July 1, 1873, we have paid $69,786,307.37 internal revenue into the national Treasury toward paying the debt and expenses of this Government.

Shall the manufactured products of our city, which pay this immense revenue to the Government, be tolled again for the benefit of the United States as it passes the Louisville Canal on its way to market? Is it in keeping with the spirit of our Government to compel commerce to pay tonnage duties for the privilege of navigating our river?

In the report of the Chamber of Commerce of Cincinnati for 1872, the first report of that board after the completion of the canal, in speaking of its enlargement, the board say:

Boats of large class, so long as they can navigate the remainder of the river, will find no obstacle at Louisville. Encouragement will thus be given for the establishment of lines of the best and largest boats, and to the building of steamers for our trade as commodious as the ambition of boat-owners may prompt. In fact this result has already been anticipated by the building of boats of large capacity for our lower-river trade. It is true an onerous burden is yet imposed on our commerce by the tonnage duties at the canal, but the hope that the Government will take such action as will actually secure merely nominal tolls certainly will not be disappointed.

The same board, in their annual report for 1873, say:

The river interest, during the past year, has in some important respects presented a more favorable aspect than during the preceding, or perhaps a number of preceding years. The completion of the Louisville and Portland Canal, noticed in the last report, has had a most salutary effect. A larger class of boats has visited Cincinnati than ever before, save during the most favorable stages of the river, and it has secured to commerce, during much of the time, lower freights both by river and by railroad to points below, thus not only reducing the cost of transportation on the usual commerce of the city, but also increasing our trade. The beneficial results have been quite apparent; still they have not been so marked as they would have been had there been the reduction in tolls which was contemplated by the recent act of Congress. And even this reduction would not have brought full benefit; for, until there shall be such changes as shall secure nominal tolls, the charges paid will be a tax on the commerce of Cincinnati, and the full measure of relief contemplated by this great national improvement will be so far postponed.

Mr. Speaker, the city of Louisville did assert her right to tax this canal property, and commenced a suit to collect the taxes. Whether the city of Louisville, tired of and wearied with the procrastination of the General Government to take possession of the canal and reduce the tolls and relieve the commerce of this river, commenced this suit to compel some action on the part of the General Government, I do not know; I am, however, advised that since the bill has been pending the authorities of the city of Louisville have dismissed this suit.

The canal is now the property of the United States, except five shares of $100 each, which are held by individuals, as I have before stated. It is the property of the Government—bought by the Government, and paid for by the Government. Has the State a right to levy a tax upon property of this character, belonging to the General Government? If so, when did she acquire it? When did a State before assert such a right; and how does it come that the city of Louisville has slept upon this right for nearly half a century, and now only asserts it at a time when the commerce of this great river is to be relieved of these onerous tolls, levied for the privilege of this canal?

Surely, Mr. Speaker, there is nothing in this objection worthy of argument, or deserving the consideration of this House.

Upon this subject, after giving extracts from laws of Kentucky, the committee say:

It would seem, from the foregoing authorities, that, as the property of the canal company is represented by the shares of stock, and these shares are owned by the United States, the property is not subject to taxation under the authority of the State of Kentucky.

Sir, it has been argued against this bill that the Campbell heirs have asserted, or are going to assert, some right to a title in this property, dating back to the days before Kentucky was a State. This question has been carefully considered by the Committee on Commerce in their report. They find that the claim of the Campbell heirs is without foundation. I only mention it now to say that these two objections are of about equal strength.

I hope the House will pass this bill now. I fear if we delay its passage, some sharp speculator may hunt up some descendant of the old Indian chief, whose favorite resort was near the falls of the Ohio on account of the good fishing and fine hunting there, and set up for him that his forefather was never sufficiently remunerated, and claim title to this property because his scalping ancestor got only one tin whistle instead of two, as in the treaty provided.

Mr. Speaker, if these claims against the canal property were valid, as they are not; if Louisville had the right to tax; and the Campbell heirs a title therein, as they have not, would it be an argument against the passage of this bill?

Who should pay the tax and who should settle with the Campbell heirs—the commerce of this river or the Government of the United States? This question admits of but one answer, which is that the Government that improves and protects the harbors and builds lighthouses upon the sea-coast ought equally to secure the safe and free navigation of western rivers.

It will be claimed against the passage of this bill that the surrender of jurisdiction is not full and complete. The bill as now amended is certainly well guarded in that respect. Reported as it is from the Committee on Commerce by the gentleman from Indiana, [Mr. HOLMAN,] it comes to this House well recommended, announcing in its favorable report from that gentleman that it has been most thoroughly considered, and that all the rights of the Government have been carefully and well taken care of.

JURISDICTION.

On the 21st of January, 1842, the General Assembly of Kentucky passed the following amendment to the charter of the Louisville and Portland Canal:

That in the event of the United States becoming the sole owner of the Louisville and Portland Canal the jurisdiction of this Commonwealth over said canal shall be yielded up to the Government of the United States, and no annual report, as mentionnd in the charter of the Louisville and Portland Canal, shall be required to be made by the United States or the agents and superintendents of said canal to the General Assembly of this Commonwealth.

On the 28th of March, 1872, the Legislature of Kentucky passed the following joint resolution:

Whereas all the stock in the Louisville and Portland Canal belongs to the United States Government except five shares owned by the directors of the Louisville and Portland Canal Company, and said directors, under the authority of the legislation of Kentucky and the United States, executed a mortgage to Isaac Caldwell and Dean Richmond to secure bonds named in said mortgage, some of which are out and unpaid, and said canal company may owe other debts; and whereas it is right and proper that the Government of the United States should assume the control and management of said canal: Therefore,

Be it resolved by the General Assembly of Kentucky, That the president and directors of the Louisville and Portland Canal Company are hereby authorized and directed to surrender the said canal, and all the property connected therewith, to the Government of the United States, upon the following terms and conditions:

1. That the Government of the United States shall not levy tolls on said canal, except such as shall be necessary to keep the same in repair, pay all necessary superintendence, custody, and expenses, and make all necessary improvements.

2. That the city of Louisville shall have the right to throw bridges over the canal at such points as said city may deem proper: *Provided always*, That said bridges shall be so located as not to interfere with the use of the canal, and so constructed as not to interfere with its navigation.

3. That the title and possession of the United States of said canal shall not interfere with the right of the State to serve criminal and civil processes, or with the State's general police power over the territory covered by the said canal and its appendages.

4. And further, that the city of Louisville shall at all times have the right of drainage into said canal: *Provided*, That the connections between the drains and the canal shall be made upon the plan to keep out mud and garbage.

5. That the use of the water-power of the canal shall be guaranteed forever to the actual owners of the property contiguous to said canal, its branches, and dams, subject to such restrictions and regulations as may be made by the Secretary of the Department of the United States Government which may have charge of the said canal.

6. That the Government of the United States shall, before such surrender, discharge all the debts due by said canal company, and purchase the stock of said directors.

The Legislature of Kentucky has adjourned and will not be in session again for two years. The money necessary to carry this measure into operation is already appropriated. A delay will work to the advantage of no person except the five directors of the company, while the passage of this bill will relieve the commerce of the Ohio River of a tonnage duty of more than $350,000 annually, and will enable the people of the East to get the cotton, the rice, the corn, the tobacco, the wheat, and other products of the South and West free of this most unreasonable and unjust tax.

I desire in conclusion to submit the following letter of the president of the Chamber of Commerce of Cincinnati:

CINCINNATI, *March* 19, 1874.

DEAR SIR: As I promised you, I respectfully present the following memoranda in relation to the Louisville and Portland Canal:

The steamer Thompson Dean left Cincinnati on Sunday, March 8, 1874, for New Orleans. With other cargo, she took barrel pork at thirty-four cents per barrel, in round numbers at two dollars per ton. It costs her one dollar per ton to pass through the Louisville and Portland Canal, going from Cincinnati to New Orleans, and returning boats are charged by their tonnage, without regard to the cargo they may have on board. They pay the full toll, though they may not have a ton of cargo on board.

Coal can be transported from Pittsburgh to New Orleans at about one dollar per ton; canal tolls on a steamboat going and returning are equal to the entire cost of taking coal from Pittsburgh to New Orleans in barges.

Steamboats can easily make the voyage from Cincinnati to Saint Louis, or to Memphis and return in two weeks. A boat measuring six hundred tons and making such trips, if she always passed through the canal, would pay $300 per week canal tolls.

It is very safe to say that a packet plying regularly between Cincinnati and Saint Louis, or between Cincinnati and Memphis, would during her life-time pay as much money for tolls as it cost to build and furnish the boat.

A packet line between Cincinnati and Saint Louis was recently projected. The advantages of such a line to the valleys along all the western rivers would be of very great value. Since my arrival here I have heard that the project has been abandoned, because the tolls at the canal would exhaust all the profits expected to be derived from the establishment of the lines.

There are about three hundred thousand tons of iron-ore to be transported from the banks of the Mississippi below Saint Louis to the coal-fields of the Upper Ohio during the current year. As the water on the Falls of the Ohio is less for ascending than descending boats almost the entire year, a large proportion of this iron will have to pass through the canal, thus adding fifty cents to its cost of transportation.

Facts like these could be furnished you from almost every department of trade.

Yours truly,

S. F. COVINGTON.

General BANNING.

Mr. KASSON. Before the gentleman from Ohio [Mr. BANNING] resumes his seat, I wish to ask him a question about the rate of tolls. What are they now on the commerce by steamers?

Mr. BANNING. Fifty cents a ton.

Mr. KASSON. The bill of last Congress provided for reducing them to not exceeding twenty-five cents.

Mr. HOLMAN. The object of this bill is to carry that into effect.

Mr. KASSON. This bill, on the contrary, provides for reducing them to ten cents; and I would like some gentleman to explain the reason for that reduction, and whether that reduced rate will be enough to meet the expenses of the canal.

Mr. HOLMAN. If my friend from Iowa [Mr. KASSON] will indulge us a little, he will find these points made clear.

I now yield twenty minutes to the gentleman from Kentucky, [Mr. STANDIFORD.]

Mr. STANDIFORD. Mr. Speaker, in considering this bill and its provisions, and the relief which it contemplates to a class of commerce which has hitherto been legislated nearly out of existence, and also in respect to its bearing upon and importance to the great, populous, and wealthy valleys of the Ohio and Mississippi, and the States immediately interested in this matter, and also in respect to its bearing upon the financial policy of the country, it comes to us as one of no minor importance, and should command the careful attention of every member of this House; and I cannot think that the House will refuse to pass the bill when it fully understands the conditions upon which these people ask it of this Congress, and how this Government is bound by every moral obligation that would be considered binding upon an individual to take possession of the Louisville and Portland Canal in the interest of the commerce which occupies this great national highway.

The territory interested directly in the navigation of this river, embracing an area containing more than three hundred thousand square miles and several thousand miles of river navigation, and fully one-fourth of the population of the United States, is, I believe, richer in all that gratifies the wants of man than any other country in the civilized world, with its genial and healthful climate, its varied productions diversified in its great agricultural and mineral wealth—Pennsylvania with her inexhaustible fields of coal, iron, and oil; Ohio and West Virginia with lumber, salt, oil, coal, grain, and hay; Illinois and Indiana with their golden fields of corn, oats, wheat, and barley; Kentucky, Missouri, and Tennessee with hemp, tobacco, grain, and iron; and with all these States producing fine horses, cattle, and hogs in surplus quantities sufficient to supply Germany, Ireland, France, and England with food; and the Southern States with cotton, sugar, rice, and tropical fruits, with ample capacity for maintaining a population equal to Europe. Well may the Ohio Valley be called the land of milk and honey.

Mr. Speaker, I am glad to know that the bill now under discussion is one to which your attention has been heretofore directed, and upon the importance of the measure many of the members of the House are far better informed than myself, and I therefore trust are predisposed to look with indulgence upon my inability to discuss this question in all its bearings. I believe no measure before Congress has absorbed the attention of the people more than cheap transportation, unless it be the finances of the country.

I know that if a careful examination be made it will be found that the portion of country interested in the navigation of this river pays fully two-thirds of the internal revenue of the country. My own State alone paid $5,456,678.47 last year, which exceeds the annual internal-revenue tax of the States of Massachusetts, Maine, Connecticut, New Hampshire, and Vermont combined, by more than $200,000. And just here I wish to say, that while legislation has been conducted in the interest of an equal reduction of taxation, and members have deluded themselves into the belief that great advancement has been made in that direction, a few facts will show how such legislation has affected the East and the West respectively. By the last act which came to be a law, Massachusetts was relieved from taxation about 50 per cent., or more than two and a half million dollars, while the effect was to increase the burden upon the people of the Ohio Valley; as for instance in 1872, Illinois paid $15,799,667.30, and in 1873 she

paid $16,493,169.34; Indiana paid, in 1872, $5,441,892.72, and in 1873, $5,678,052.51, showing an increase in these States. Virginia's tax was increased more than $3,000,000, while Ohio, which pays one-seventh of the internal revenue of the nation, was relieved by this bill only $50,000.

Sir, all this kind of legislation has been in favor of the East against the West, and now when we come and ask so small a favor as this, we are met by opposition from gentlemen whose debts and taxes we have been so long furnishing the money to pay. Why, the fact of the matter is that the States bordering upon this river, I mean Ohio, Kentucky, Indiana, and Illinois, to say nothing of Pennsylvania and West Virginia, pay annually over $42,000,000 out of the $106,000,000 internal-revenue tax collected in the country.

We know that the Government has lent its credit to the enormous sum of $64,000,000, and given millions of acres of land to capitalists to extend the iron horse to the Pacific coast, containing a population of less than one million. Upon this debt the Ohio Valley has been paying the interest, which now exceeds $20,000,000, in the proportion, as I have just shown, of 42 to 106, or twenty-one fifty-thirds of the whole amount. While we agree that we have been benefited by this great national outlay, the East has received treble benefits, and we have paid the expense of the improvement.

We have heard of the discontent of the grangers; they are consulting, and will finally discover the cause of all their troubles, and, like the intelligent physician when called to see his patient, will carefully diagnose the case, find the cause of the complaint, then apply the physic to aid nature to throw off the disease and restore the sick to health. Need I say that the trouble under which they are laboring is this system of unequal taxation? They will find that the railroads are not altogether in fault in producing their troubles, but that the legislation of the country in the interest of eastern monopolies, causing inordinate expenses, compels exorbitant rates.

We ask the Government to take possession of property already its own and protect our commerce from the burden of this tax. What I refer to is this. The tax on the commerce of the Ohio River, by reason of the tolls exacted by the United States, amount to a large prohibition of trade. The smaller classes of boats built for navigating the tributaries of the Ohio cannot afford to pay the tax upon their freight and tonnage in passing through this canal. To illustrate, (and I wish you, sir, and the members of this House to understand that I am not taking any extreme cases, but endeavoring in an honest business way to show the great evil of this toll,) freight from, say, Cincinnati to New Orleans is taxed at least 10 per cent. to pass through the canal; and a packet-boat making regular trips of, say, once a week through this canal will be compelled during her life-time, which may be estimated at from four to five years, to pay as much as it would cost to build, furnish, and keep her in repair. The navigation of our river has greatly languished owing to this conduct on the part of the United States in keeping up this tax.

Why is lake and ocean navigation protected by friendly legislation, and river navigation continually burdened by oppressive enactments? Why is the capitalist who has invested a few thousand dollars in a lake or an ocean steamer protected from loss in case of accident, except to the amount of capital invested, when the same amount put into a river steamboat by a merchant, manufacturer, or other person to aid some mechanic to build his boat, to navigate the Ohio River, in the interest of its trade, would render his whole fortune liable for any misfortune that might occur in the shape of an accident or loss of life or property? I refer just now to the act of 1851, entitled "An act to limit the liability of ship-owners," and will read the following, from volume 9, pages 635 and 636 of the Statutes:

An act to limit the liability of ship-owners, and for other purposes.

* * * * * * * * *

SEC. 3. *And be it further enacted*, That the liability of the owner or owners of any ship or vessel for any embezzlement, loss, or destruction, by the master, officers, mariners, passengers, or any other person or persons, of any property, goods, or merchandise shipped or put on board of such ship or vessel, or for any loss, damage, or injury by collision, or for any act, matter, or thing, loss, damage, or forfeiture done, occasioned, or incurred, without the privity or knowledge of such owner or owners, shall in no case exceed the amount or value of the interest of such owner or owners in such ship or vessel and her freight then pending.

* * * * * * * * *

SEC. 7. This act shall not apply to the owner or owners of any canal-boat or lighter, or to any vessel of any description whatever used in rivers or inland navigation.

And why is it that the river-man is required to purchase every humbug device that any sharp fellow can get his friends to recommend as a protector to life and property, thereby filling his coffers at the expense of river navigation, and increasing the burden upon commerce? River-men understand what I mean.

There is a great difficulty in the way of safe and profitable river transportation, which I wish to refer to in this connection, although it is a little foreign to the subject under consideration; and that is the obstruction of the river by bridges without proper restrictions, as all experienced river-men know and will tell you. I desire, however, to say in this connection that I am not opposed to granting the right to build bridges, but that great care should be used in giving this power to railroad corporations. I believe that the commerce of the country demands through trunk lines of railroad to carry the productions of the country to commercial centers for distribution. But I am the warm friend of water transportation, because experience has taught me that when we have competition between steamboats, canal-boats, and railroads, the tax on the manufacturer, merchant, and farmer is not more than one-half for freight in shipping their products to market.

In this connection I also desire to say that I am not here for the purpose of waging war upon the railroad interest of the country, and I am sorry that we have not ten or twenty for each one we have to-day; for then we should have employment for all of our skilled and unskilled labor at good wages, because when one road did not need their services another would; and in the same manner the competition between the roads would give us cheap transportation and the producers of the country a good market for their surplus products. As an illustration of this, I need only to call your attention to the competition between the Baltimore and Ohio and Pennsylvania Railroad Companies, where the expense of transportation for passengers and freight has been reduced one-half within sixty days.

But to return to the subject under consideration, you should remember, when considering this bill, that nearly every dollar's worth of stock is now owned by the Government of the United States; that that stock carries with it the real estate and the improvements of the canal; that this vast interest is placed in the hands of five persons, who retain each one share of stock of $100, in order that they may act in the capacity of directors; and in this manner the United States carries on a toll-gate business for profit against the commerce of the Ohio River; and this portion of the financial affairs of the Government is managed by a committee of private individuals, who act under a technicality of law, instead of being controlled by the financial officers of the Government, as is provided by the laws of the United States.

It might be injudicious to ask just at this time for the Government to appropriate money to build a canal around the Falls of the Ohio for the benefit of the trade of that river, vast as it is, and much as such an improvement would be required. But when it comes to ask not a dollar of appropriation, nor a copper of additional expense, or the incurrence of a cent's worth of debt that the Government is not already bound for and the property of the Government mortgaged to pay, and when the Government, by legislation and by purchase, has in so many ways indicated its policy in respect to this canal, we think that the House should pass this bill.

In 1855 the United States had by purchase become the owner of all but five shares of the canal stock. It afterward, under pressure of financial embarrassment, authorized the borrowing of $1,600,000 for the purpose of improving the canal, which amount was secured by mortgage upon the canal property and improvements, worth more than $4,000,000, and the indebtedness evidenced by bonds of $1,000 each. These bonds are payable in installments every four years. About $500,000 have already been paid, and the first installment of $400,000 will be payable in 1876. The receipt of tolls at the present rates will not be sufficient to meet this indebtedness; hence the United States will be compelled to increase the rate of tolls, and so increase the burden upon the commerce of the river, or advance the money to pay the debt, or go to protest and let the mortgage be foreclosed.

Now, the question upon which this bill hangs is, ought the United States to pay this debt, or compel the commerce of the river to pay it? Is it the policy of the United States to compel commerce to pay for improvements in the interest of navigation?

Mr. Speaker, it is proposed to improve New York Harbor by deepening the channel at Hell Gate. What would the city of New York say? What would the distinguished chairman of the Committee on Commerce do, and what would the country think, if the Government should station a revenue-cutter there, and exact from every vessel, of whatever size, destination, or capacity, a tax upon its tonnage for the privilege of passing over the improvement until such sum as the improvement cost shall be paid for? Why, Mr. Speaker, the whole East would come down, or send their wise men, to repeal such a law. It would be called unjust and cursed as outrageous by everybody in the country. Why, sir, the great State of New York, from Lake Erie to the ocean, would rise in rebellion to prevent such an outrageous act of injustice to her commerce, and I am of the opinion that the distinguished gentleman to whom I have referred would be the leader in such a movement. And yet this is but an exact illustration of the present attitude of the United States in respect to the commerce of the Ohio River which passes Louisville.

I, as a Representative of the people of the fifth district of Kentucky, a constituency whose interest in this matter is affiliated with the interests of one-fourth of the people of the Union, am sorry to say that the only opposition we find is from the East and the far Northwest, which have never tired of knocking at the doors of Congress for aid, and whose commerce has been so well protected by the Government, not only in the building of light-houses and improvement of harbors, but by aid granted to railroads in the interest of internal trade.

Now, Mr. Speaker, the navigators of that river are willing to pay as much as will liquidate the expenses of superintendence and repair of the canal, leaving that sum to be ascertained by the Secretary of the Treasury, and all they ask is that they be allowed to use the canal upon these terms—a privilege which the Government is authorized fully to grant, and cannot in justice refuse to give.

Is it nothing that the people of the great cities bordering this river have in the strongest terms, through their boards of trade and chambers of commerce, expressed their desire for the passage of this bill?

Is it nothing that the Representatives of the people of the vast territory interested in the navigation of this river are a unit in asking for its passage—a representation comprising at least one-fourth of the population of the United States, and which pays nearly one-half of the internal revenue of the country?

Mr. Speaker, it appeared strange to me that the claim of the city of Louisville for taxes should stand in the way of consummating a measure so important to the commerce of the Ohio River, when that claim, if insisted upon, would have had to have been adjudicated by the courts. I knew that my constituents did not want this claim for taxes if it was to be a burden upon this commerce, and it seemed to me that that question was settled by act of the Kentucky Legislature, passed January 16, 1838, and which still stands unrepealed upon the statute-books.

And just here I wish to say that the State of Kentucky, in order to make free this commerce, had taken away, by the act referred to, from her commercial metropolis the right of taxing this property, from which, had the tax been levied, it would have received an amount in excess of the sum which the United States will have to assume to carry out the provisions of the bill.

But, Mr. Speaker, if there ever was anything in the claim of Louisville to tax this canal property, she has given it up by this ordinance, which I have just received, and will read:

THE LOUISVILLE AND PORTLAND CANAL.

OFFICE OF THE CITY ATTORNEY,
March 25, 1874.

SIR: The seventeenth section of an act entitled "An act to amend the charter of the city of Louisville," approved January 16, 1838, is as follows:

"SEC. 17. That the lands of the Louisville and Portland Canal Company, nor the stock held therein, shall be liable to be assessed for city taxation; and all of that part of the present charter of said city which authorizes the city council to impose a tax upon said canal be, and the same is hereby, repealed."

The act of the Legislature from which the above is taken will be found in Elliot's Laws and Ordinances, page 74. After a careful examination, I have been unable to find that this specific exemption from assessment and taxation for municipal purposes has been in express terms repealed. The discovery of this exemption was made since the suit was brought and is now presented as a bar to our action. I think the exemption would be held, and advise that the claim for taxes be abandoned.

Respectfully,

T. L. BURNETT,
City Attorney.

Hon. CHARLES P. RUDD,
Chairman Joint Committee on Revision.

The communication was accompanied by the following preamble and resolution:

Whereas the Congress of the United States has under consideration the payment of the debt on the Louisville and Portland Canal, with the view of taking possession of the same, and making it practically free to the commerce of the Ohio River; and as the only obstacle to the passage through Congress of the bill for this purpose is the claim of the city of Louisville for taxes assessed against said canal property:

Resolved by the general council of the city of Louisville, That the city attorney be, and he is hereby, directed to suspend action in the suit now pending against the Louisville and Portland Canal Company for taxes; and, in the event that said canal property should pass into the hands of the General Government, the city of Louisville hereby relinquishes all right, title, and interest whatever she may have in any claim for taxes against it.

The resolution was adopted by the unanimous vote of the lower board, having first been approved by the board of aldermen. So the objection based upon that fact is done away with.

As regards the claim of the Campbell heirs, the courts have long ago settled it in favor of the canal company.

Mr. Speaker, this question presents itself to my mind as one involving the financial policy of the Government in this, that the United States is the only one interested to any great extent in the property of the canal, it being the owner of every dollar's worth of stock, except five shares, of $100 each, retained by the directors, in order to keep up a show of an organization. And the directors are all men in whom I have the greatest confidence, and who stand high in the community in which they live, and deservedly so; it is the principle to which I refer under which in this manner are managed the financial affairs of the Government. Why, sir, you might as well let out the Treasury and have it run by contract.

It seems to me to be beneath the dignity of the United States to manage a corporation like this in such an underhanded way to make a profit off the Ohio River for the privilege of permitting steamboats to pass a natural obstruction in a national highway. I wish to say in this connection that I am unable to understand why a Government like ours should hesitate between assuming a few hundred thousand dollars and paying it outright. If the Secretary was authorized to issue 6 per cent. currency bonds, payable at the same time as the outstanding canal bonds which he proposes to assume, and exchangeable therefor, I have no doubt but that the bondholders would accept such a change, and by this plan the Government would not have one cent more to pay than she assumes, and all parties would be benefited by the transaction.

In 1844 the Legislature of Kentucky passed a law authorizing the United States to take possession of this canal property, which reads substantially as follows:

In the event of the United States becoming the sole owner of the Louisville and Portland Canal, the jurisdiction of this Commonwealth over said canal shall be yielded up to the Government of the United States.

The amendment offered by the gentleman from New York is an ingenious attempt to kill the bill, and that would be its practical result if passed.

The Legislature of Kentucky does not meet for two years, and during the whole time the commerce of the river will be burdened with this taxation. The State of Kentucky has been for more than thirty years last past attempting to give this canal to the United States, and we had supposed that every law which any legal mind could conceive of to that end had been enacted; but here comes the gentleman from New York with a proviso which he conceives necessary to a proper transfer of this canal property. We must view his objection in that light to be charitable, for there is only one other light to view it in, and that is that he has thrown in his amendment for the purpose of hindering and postponing the beneficial results of this bill by a technical objection, for what purpose I cannot conceive.

To hint that Kentucky, after what she has already done, would refuse to put any seal necessary upon this transfer, is an insult to that State. To say that she has not already done her part to do so, is to my mind a woful lack of comprehension of the legal effect of laws, or an ignorance of the laws and resolutions which our Legislature has passed.

Kentucky is not so much interested in the passage of this bill as the States of Pennsylvania, Ohio, Indiana, and Illinois; and I believe, sir, that so much are the people of these States interested in this measure that, could they be consulted, they would not hesitate to pay the first installment of canal bonds due if that would have the effect to accomplish its immediate enactment; indeed, I believe that it would pay the present commerce of the river to subscribe that amount for that purpose; but we have no right to and do not expect this of the Representatives of the people of the United States. We are entitled to have this bill passed as it came from the committee, and that is what we ask.

In conclusion, Mr. Speaker, I hope this bill will pass the House. I consider it an act not only of simple justice to the people interested in the navigation of the Ohio River, but a matter of duty upon the part of the Government in the management of its financial affairs.

Since the year 1842 my own State, which is the creator of this company, has advanced everything consistent and required to carry out this plan; has conceded everything that could be construed into an objection on her part to turning over this property to the United States, and now asks the Government to carry out its part of the contract.

Mr. HOLMAN. I yield the balance of my time to the gentleman from Ohio, [Mr. SAYLER.]

Mr. SAYLER, of Ohio. I do not propose, Mr. Speaker, in the few minutes allotted me in this discussion, to undertake to say anything about the general importance of this bill. I take it for granted, sir, that, in view of the frequent discussions of the subject, in various sessions of Congress, in the various sessions of the Legislature of Kentucky, and the various commercial conventions that have been held all through the West, and in view of the interest evinced in this matter throughout the entire country, every intelligent man is acquainted to a very large extent with its importance. I take it for granted that there is no purpose on the part of the House to refuse to pass this bill. And I take it for granted, too, Mr. Speaker, that even the amendment offered by the gentleman from New York, [Mr. WHEELER,] the chairman of the committee—although not authorized by the committee to be offered—is offered by him in good faith; and I take it for granted that that gentleman does not desire to interfere with the passage of some bill by which this object can be accomplished.

But I propose, sir, to devote the time I have to the discussion of this amendment alone, and for the simple reason, Mr. Speaker, that the passage of this amendment practically annuls every provision of the bill, and practically takes away from the parties who are intended to be benefited all the remedy that the bill proposes to apply to their case. Now, Mr. Speaker, this may not appear upon its face, but if gentlemen of the House will consider its provisions I think they will find themselves placed just in this position: that by voting for this amendment they practically destroy the purpose of the bill, and that they must either vote down the amendment, or, having put the amendment upon the bill, the bill itself remains of no value to the parties who have advocated it and who are interested in it.

The amendment provides that the Secretary of the Treasury "shall pay no money under the provisions of this act, nor shall the Secretary of War take possession of said canal as authorized by the next section, until the State of Kentucky shall cede to the United States jurisdiction over the said canal, with all its property, hereditaments, and appurtenances, and relinquish to the United States the right to tax, or in any way to assess, said canal, its property, hereditaments, and appurtenances, or the property of the United States that may be thereon, during the time that the United States shall remain the owner thereof."

Now, Mr. Speaker, if the Legislature of the State of Kentucky were in session, I do not know that I would object to having the gentleman from New York draw just such legislative act as he thought best, and have it submitted to the action of that body; because, from the whole history of that body, I am satisfied that they would be disposed to enact any law that any gentleman might regard as fair and proper in the management of this great commercial enterprise. But the difficulty is, that the Legislature of the State of Kentucky is not in session, and will not be in session for two years.

Mr. Speaker, the commerce of the Ohio, of the Missouri, and of the Mississippi, and the people interested in it, have, during the last forty years, paid $5,500,000 toward the construction of this canal. The gentleman proposes that since its enlargement we shall continue to pay tolls until the State of Kentucky shall cede jurisdiction. The average amount of tolls paid by the commerce of those rivers in the last forty years has been about $125,000 per annum. The amount estimated for the present year, under the enlargement of the canal, is $350,000, and I undertake to say that for the two years following a very large part of the $1,000,000 of indebtedness that still remains will have been swept away by this tax upon the commerce of the country; or, in other words, the amendment is simply a proposition that, instead of the Congress of the United States relieving commerce from this enormous burden of taxation, that commerce shall be compelled, in addition to the five and a half millions that have already been paid, to pay the million that is yet due and necessary to put this work entirely out of debt.

Mr. Speaker, if the State of Kentucky had never ceded this jurisdiction there might be some reason for this amendment. I propose very briefly to show the members of this House that that jurisdiction has been as fully and as completely ceded by the State of Kentucky to the United States as it is possible for it to be done in any words.

As has been stated upon the floor of this House, this canal company was originally organized in 1825. The canal was finished, I think, some time in the year 1831. It was evident from the start that it was a work of so much national importance, bearing through it, as it did, the commerce of one-third of all the present States of the country; affecting, as it did, the commerce of those great internal rivers and of the people who live between the Alleghanies and the Rocky Mountains, it became evident at the start that it was of such magnitude that it should be controlled by the Government of the United States. This matter was much discussed between the years 1830 and 1840. In 1842, the Legislature of the State of Kentucky took the first step toward putting this property in the hands of the United States. I call the particular attention of gentlemen to this statute, and to an amendment to it made in 1844, under which the stock now held by the United States was acquired, and which I claim was as perfect and complete a title in the Government of the United States, and as complete a cession on the part of the State of Kentucky, as it would be possible for them under any circumstances, or by the employment of any language, to make. The act of the Legislature of Kentucky of 1842 provided in its first section—

That the act incorporating the Louisville and Portland Canal Company shall be, and the same is hereby, so amended that, whenever the stockholders in said company shall so direct, the board of president and directors of said company shall have the privilege of selling the shares of stock owned by individuals in said canal to the United States, or the State of Kentucky, or the city of Louisville, for the purpose of eventually making the said canal free of tolls; or, further, to effect this object, the board of president and directors, when so authorized as aforesaid, shall hereby have the privilege of appropriating the net income arising from said canal to the purchase of said stock instead of making dividends therewith.

The second section provides that the net income shall be applied to the purchase of shares of stock.

The third section provides the manner in which shares shall be purchased.

The fourth section is as follows:

Be it further enacted, That the shares so purchased by said board shall be held in trust by it, for the purposes herein declared, and shall be voted on by them at all subsequent meetings and elections, until, by the operation of the provisions of this act, all the shares standing in the name of others than the Government of the United States shall have been purchased up; and when the said shares shall be all purchased, the same shall be transferred to the Government of the United States, on condition of said Government levying tolls for the use of said canal, only sufficient to keep the same in repair, and pay all necessary superintendence, custody, and expenses, and make all necessary improvements, so as fully to answer the purposes of its establishment; and, further to protect and guard the interests of commerce, the superintendents or agents in charge of said canal shall ever hereafter, on the first Monday in January, annually, report to the General Assembly of Kentucky the amount of tolls levied and received, and of the charges and expenses incurred on the same—the General Assembly reserving the right of directing the amount annually to be collected, if found too much for the purposes contemplated by this amended act.

Now it is precisely the last two clauses of this fourth section of the act of 1842 that the gentleman from New York seems to refer to in this amendment, and he refers to them precisely as if they yet stood upon the statute-book of Kentucky.

[Here the hammer fell.]

Mr. SPEER. I move that the gentleman's time be extended for five minutes.

No objection was made, and it was so ordered.

Mr. SAYLER, of Ohio. If the gentleman from New York [Mr. WHEELER] will refer to the acts of the subsequent session of the Legislature of Kentucky he will find that on the 22d of February, 1844, the act which I have just read was amended as follows:

That in the event of the United States becoming the sole owner of the Louisville and Portland Canal, the jurisdiction of this Commonwealth over said canal shall be yielded up to the Government of the United States; and no annual report, as mentioned in the charter of the Louisville and Portland Canal Company, shall be required to be made by the United States, or the agents and superintendents of said canal, to the General Assembly of this Commonwealth.

That constitutes a perfect cession on the part of Kentucky. But gentlemen say these are not perhaps subsisting statutes, but have subsequently been affected by other legislation of Kentucky. I undertake to say that no subsequent statute of Kentucky can affect these acts of 1842 and 1844, because under those acts, and by virtue of that contract, (and I call the attention of the chairman of the Committee on Commerce to this fact,) all the outstanding shares of stock were purchased. Gentlemen will find in a table contained in the report of the committee a statement of the purchases that were made between the years 1841 and 1855, and while this legislation of Kentucky was subsisting. I contend that it is still subsisting and can never be changed by the State of Kentucky. Under that contract, ceding entire jurisdiction to the United States, the United States became the possessors of the seven thousand and ninety-three outstanding shares.

I do not care if the Legislature of the State of Kentucky in 1872 did pass an act by which she imposed certain conditions upon her cession. Her cession was completed by the act of 1844, and the perfect right to take possession accrued to the Government of the United States in 1855. It was a vested right, of which the Government of the United States could not be dispossessed by any action of the Legislature of Kentucky, nor could any subsequent conditions be imposed upon that right, although I desire to say that in my judgment the conditions imposed by the act of 1872 are not important, and not to any great extent objectionable. I am sorry I will not have time to discuss them.

In 1855, when all these shares had been purchased by the United States, the board of president and directors of the Louisville and Portland Canal sent their report to James Guthrie, then Secretary of the Treasury, (I am sorry I have not time to read these documents,) stating to him that the entire purchase had been made, and that the State of Kentucky was prepared to hand over to the Government of the United States the possession and control of this work and of the property connected with it.

At that time James Guthrie, of his own motion, asked that five of these shares might be retained, one by each of five individuals, in order that they might formally perpetuate this corporation for the benefit of the United States, and until the United States saw fit, in some proper form, to take possession of it, and necessary arrangements had been made to do that. I contend that from that moment (and to this proposition I invite the attention of the chairman of the Committee on Commerce, who is a lawyer) these five men simply became trustees, holding for the benefit of the United States; they were depositaries of a naked trust.

Mr. WHEELER. I take direct issue with the gentleman on that proposition, but I will not argue it now.

Mr. SAYLER, of Ohio. Very well; I will be glad to hear it argued. I maintain that those five persons became depositaries of a naked trust. As every book of equity will say, they are absolutely trustees without an interest; they have no interest; and from the day they accepted and continued to hold these five shares of stock at the instance of Mr. Guthrie, Secretary of the Treasury of the United States, they held them as trustees for the benefit of the people of the United States. And in the discussion and determination of this question they have no possible right to be considered, except as to the amount of their individual stock, and except as their position may affect the bondholders; and this has been substantially held by Justice Miller, of the Supreme Court.

Mr. SPEER. They could not refuse to sell to the Government the stock they held.

Mr. SAYLER, of Ohio. They could not, because the contract under the act of 1842 was adopted with the unanimous consent of all these parties, and this is merely a perpetuation of that arrangement at the instance of the United States and with the consent of these men.

This anomalous condition of things is presented: Five men, who have each $100 interest in a work of the value of $10,000,000, absolutely managing and controlling the whole enterprise, and receiving and disbursing an income of from $300,000 to $500,000 a year, as will be the case hereafter. One is president, one is secretary, one is treasurer, one is attorney, and the other something else, I do not know what. [A voice: "A banker."] I believe they are all bankers, but I am not certain. I am not abusing these gentlemen; I do not say they have not discharged their trust fairly and properly. But I do say that it is now time that the commerce of this great portion of the country shall have relief from the burdens heretofore imposed upon it, and it is now time for the Government of the United States to take possession of and manage its own property.

[Here the hammer fell.]

Mr. HOLMAN. I now yield to the gentleman from Missouri [Mr. STANARD] such time as he may desire.

Mr. STANARD. I desire to occupy probably not more than ten minutes. I will say that this subject has been before the Committee on Commerce, of which I am a member, during this session. When I left here some ten days ago for the West, I did not expect that there would be any opposition from that committee to this proposition. It was then believed that it would be put in such a shape as certainly would be satisfactory to the Committee on Commerce and satisfactory to the House. I had no idea this morning of saying a word on this subject, and will now occupy but a few moments, and that at the solicitation of gentlemen who are more especially interested in this subject than I am or can be, as this canal is many hundred miles from the State which I in part have the honor to represent here.

But I am an advocate, and have ever been in my feeble way, for

unrestricted and untaxed commerce upon the rivers of this country. We of the West, as well as you of the East, have all known for many years that this Louisville and Portland Canal was a great bone of contention. The people of the Ohio River have believed it a great burden upon them, that they should be taxed fifty cents a ton upon the registered tonnage of all vessels that passed through this canal; not upon the tonnage itself, because a boat or a barge might be capable of holding two thousand tons of freight and only carry three hundred tons or five hundred tons through this canal, yet she is taxed fifty cents upon her registered tonnage; thereby, in many instances, making the tax upon the towage of coal or iron almost as much as the freight would be for the whole transportation.

It is not strange that the people of the Ohio Valley have protested against this enormous tax, especially at this time, when there is such a cry coming up from the entire country for cheaper and for additional transportation facilities for the people of the West as well as of the East.

I understand, Mr. Speaker, that if this bill passes, it requires no additional appropriation from the Government to carry out its provisions; that the appropriation was made last year for the purpose of buying these bonds; that the Secretary of the Treasury in his discretion was authorized to proceed, but that he found out when he commenced to negotiate (as he states in Executive Document 218, giving a synopsis of the whole affair) that there were certain claims being prosecuted against this canal, and he desired additional consideration or legislation before he proceeded—he did not wish to assume the responsibility in this case. One of the matters to which he referred was the institution of a claim by the city of Louisville for taxes upon this canal. It has been shown by the gentleman from Kentucky [Mr. STANDEFORD] who has just addressed the House that the city council of Louisville have instructed their attorney to withdraw this claim for taxes now pending. Hence that matter is disposed of; and hence it seems to me, so far as that is concerned, there is no necessity for the amendment which is offered to this bill by the distinguished chairman of the Committee on Commerce, the gentleman from New York, [Mr. WHEELER,] as that matter is not now pending. The claim has been withdrawn.

Mr. CONGER. Could not the same city council order their attorneys to recommence the suit as soon as this bill is passed?

Mr. STANARD. I presume the council might do that; but I have no idea that they would.

Then, sir, it is claimed further that there is a dispute relative to the title, and that the State of Kentucky shall guarantee to the Government of the United States that any title which may be held by Kentucky or her citizens shall be ceded to the Government of the United States.

From the information that I can gather on this subject, I have not the least doubt in the world that if the Legislature of Kentucky was in session it would immediately release, or cause to be released, any jurisdiction that the State or its citizens may have over this canal. But unfortunately for the people of the Ohio Valley and of the country, the Legislature of Kentucky is not now in session, and will not be for two years. It is claimed by lawyers who have most thoroughly investigated this subject that the State of Kentucky has already relinquished its jurisdiction; that it has, so far as it could, guaranteed to the Government of the United States jurisdiction over the canal in case Government should take possession of it. I have not the least doubt that as soon as the Government does take possession of the canal, and assume jurisdiction over it, all these supposed difficulties, which are the merest moonshine, will disappear; that the Government will have entire control and ownership of the canal.

I observe, in glancing over this bill, the following provision:

Provided, however, That no sum of money shall be paid by the Secretary of the Treasury on account of any claim for either city or State taxes assessed, or to be hereafter assessed, against said company, or against the said canal property, or any of its appendages; and no money shall be paid under the provisions of this act until all claims for said taxes shall have been released.

I do not imagine that the State of Kentucky, or the city of Louisville, in view of their interests, material and otherwise, which are identified with and linked to this canal, will institute any suit or prosecution against the Government when it must thereby damage all the interests involved. I believe, sir, that when this bill is passed (and I believe it ought to be passed to-day) we shall hear no more of these claims of the State of Kentucky, or the city of Louisville, or the Campbell heirs.

Mr. HOLMAN. I now yield to the gentleman from Pennsylvania, [Mr. NEGLEY.]

Mr. KASSON. Before the gentleman from Pennsylvania proceeds, I wish to ask the gentleman from Indiana [Mr. HOLMAN] whether he is going to give any opportunity to gentlemen not altogether in possession of full knowledge connected with this bill to say a few words with the view of getting the desired information. All the gentlemen who have spoken thus far have spoken on but one side of the question. The time it nearly out, I suppose; and I desire, if possible, to get some information.

Mr. HOLMAN. I will say to the gentleman from Iowa [Mr. KASSON] that the fullest examination of this subject is desired; and when the gentleman from Pennsylvania [Mr. NEGLEY] concludes, the gentleman from Iowa and the gentleman from Vermont [Mr. WILLARD] shall have such portions as they may desire of the time I may have remaining.

Mr. KASSON. I should like to have five or ten minutes so I may ask the friends of this bill to enlighten me on some points which do not seem to be very clear. I do not say that I will oppose the bill, but I wish to know in reference to matters about which gentlemen have not spoken.

Mr. HOLMAN. I will yield to the gentleman from Pennsylvania, [Mr. NEGLEY.]

The SPEAKER. For how long?

Mr. HOLMAN. For ten minutes.

Mr. NEGLEY. Mr. Speaker, this work is a material part of a system of water communication from the head-waters of the Monongahela and Alleghany Rivers to the Gulf of Mexico, a distance of nearly three thousand miles, and upon the bosom of that grand river there floats a tonnage equal to the foreign tonnage which enters into the harbor of New York. Through a remarkable combination of physical circumstances this central channel of trade presents commercial and geographical advantages so eminently conducive to the prosperity of the whole country as to make it the subject of proper consideration for the representatives from every portion of the country, and highly proper that its improvement should be liberally fostered by the General Government. In this connection let me state that the Government has bestowed with lavish hands appropriations for the improvement of the principal harbors of our coast and for other rivers, and in no instance has there been tolerated for one moment the onerous taxation levied for years upon the tonnage and commerce passing through the Louisville and Portland Canal. It is to-day the cheapest avenue for commerce through the interior of the continent; then why should it be taxed or why should we permit a State or corporation to levy a tax of fifty cents per ton on all the registered tonnage passing through it? It has been the policy of the Government, and to-day it is the sentiment of all the people, that we should improve and thereby cheapen transportation on all of our national highways of commerce. If you permit year after year an annual tax of $350,000 to be levied upon the fabrics of the East, upon the fuel and cereals of the West, and upon the sugar, rice, and tobacco of the South, you do a great injustice to not only the people who reside along this artery of trade, but to the consumers everywhere.

I would appeal to the gentleman from New York, [Mr. WHEELER,] chairman of the Committee on Commerce, and to the Representatives of the cities of Boston, Buffalo, New Orleans, Charleston, and of the lakes, whether, in view of the liberal expenditures of the Government to improve those harbors, they would tolerate an assessment upon the commerce carried in and out of the harbors of their cities to refund to the Government those expenditures? I anticipate the answer that they would not. I also appeal to the gentlemen who speak so earnestly on this floor in favor of our internal commerce and in favor of the material interests of the country to favor the passage of this bill without restriction.

Mr. Speaker, we live in a day of unlimited production. Our nation rivals the countries where the arts were cradled. Therefore, if we desire to make our nation rich and powerful, let us remove all the unnecessary burdens and build up our commerce; if we desire to make our Government enduring and to fill its coffers, let us remove these burdens and build up our commerce; if we desire to make our people the freest and happiest on earth, let us remove the burdens from commerce and build it up by judicious expenditure where necessary. While this question interests directly but a portion of the States, it affects the traffic and distribution of the products of every State.

Mr. Speaker, this question has been argued in detail, and it is useless for me to travel over the same ground; but in behalf of the steamboat interest, and of those who transport fuel and the products of the West upon this river, I ask favorable action upon this bill as reported without the amendment of the honorable gentleman from New York, [Mr. WHEELER,] chairman of the Committee on Commerce. To-day you tax the steamboat interest in every possible way. You compel them to pay a license tax for pilots and engineers; you direct how they shall construct their vessels; you point out the method by which they shall build their machinery; you put upon them patent mechanical devices with the most onerous conditions, and refuse a limit to the responsibility of ownership. Now, while you do all this, I beg of you to remove from them such taxation as should be levied upon all interests alike. The Louisville and Portland Canal is now under the control of the Government, and as such it ought to be maintained, the same as other public works, by annual appropriations.

Mr. HOLMAN. Mr. Speaker, I yield to the gentleman from Vermont, [Mr. WILLARD.] How much time does he want?

Mr. WILLARD, of Vermont. I should like to have twenty minutes, and if I can get through before that all the better.

Mr. HOLMAN. I hope the gentleman will limit himself to ten minutes.

Mr. WILLARD, of Vermont. I ask the gentleman from Indiana not to limit me to ten minutes. The other side has already had more than an hour and a quarter. I ask the gentleman to give me fifteen minutes.

Mr. HOLMAN. Very well; I will yield for that time.

Mr. WILLARD, of Vermont. Mr. Speaker, I desire to call the

attention of the House to this bill. It is a measure which will take out of the Treasury of the United States one million and a quarter of dollars. So it is worthy of consideration from the amount of money involved in it, if for no other reason. But for what purpose does it take this money? The canal around the Falls of the Ohio River has been in operation since 1831. During the whole of the time the Government, I believe, has been part owner of that canal. Charges or tolls have been levied on the shipping that has passed through it both ways sufficient to pay down to 1869, I understand, all the expenses and all the costs of the canal. So that whatever money the Government may have put into it before that period has been reimbursed; and by a computation which has been presented here it is claimed that it has been reimbursed, and some $25,000 more. Therefore the Government may be said up to that time to be neither debtor nor creditor to the enterprise. Since that time the Government has appropriated directly for improvements upon this canal a million and a quarter of dollars—in more exact figures, $1,278,000—from which it has received no return whatever.

This bill provides that the Government shall appropriate still further $1,172,000, or enough to take up and cancel bonds to the amount of $1,172,000 now outstanding. These bonds are a mortgage lien on the property, the money having been expended for improvements upon the canal. This appropriation of $1,172,000 was made at the last session of Congress, leaving its expenditure to a certain extent at the discretion of the Secretaty of the Treasury; and the Secretary of the Treasury did not see fit, under that discretion, to take possession of the canal for two reasons. One reason was because he saw no way by which he could at once get possession of these bonds and pay them, as most of them were not yet due, and so come in possession of the canal according to the terms of the act. The other reason was that suit had been brought against this canal property by parties claiming to own the real estate and the entire property; and while that suit was pending the Secretary of the Treasury deemed it unwise, or at least not within his fair discretion, to make use of this appropriation of money for the purpose of taking possession of the canal.

This bill proposes to reappropriate that $1,172,000, and with some conditions which it is hoped by those who present the bill will obviate the objection existing by reason of that suit which is now pending, and by reason of certain other liabilities or incumbrances which may rest upon this property. And the bill proposes one thing more: that after the Government takes possession of this canal it shall be free to the commerce which passes up and down the Ohio River, with the exception of a toll sufficient to pay the running expenses and repairs upon the canal; and the committee are satisfied, from what I suppose to be their best judgment upon that question, that a toll of ten cents per ton of capacity on vessels propelled by steam, and five cents per ton of capacity on vessels propelled otherwise, will be sufficient to meet this.

Now, sir, I say in the first place that in my judgment this provision of the bill is wholly inadequate to meet the current expenses; and I will state why. The report which has been presented in this case shows that the highest rents or tolls received from the canal in any one year, were in 1872; how much they were in 1873 is not shown here, but in 1872 they were $207,000. As I understand, the tolls that are now charged for vessels passing through that canal are fifty cents per ton capacity of the vessel, without respect to whether it is propelled by steam or otherwise. Now, it is obvious that if you cut down the tolls to five cents per ton on one class of vessels and ten cents per ton on the other class, making the tolls an average of seven and a half cents, you will get only one-seventh as much toll for a year as was received in 1872 from the same number of vessels. One-seventh of $207,000 would be about $30,000. That would be all that would be received for toll.

But this report shows in another place a statement of the indebtedness of the company, made I suppose by the directors or managers of the company, in which I find the estimated expenditures on the canal for three months as follows: October, $6,136; November, $5,500; December, $6,000—an average of nearly $6,000 a month for the mere current expenses of the canal, irrespective of repairs, or about $75,000 a year for current expenses. It is obvious, then, that the tolls provided in this bill will not meet one-half of the current expenses of the canal, to say nothing of repairs.

I call the attention of the House to these facts for the purpose of showing that in any event the tolls should be raised at least to twenty cents per ton, irrespective of the character of the vessels; and even then it is very doubtful whether sufficient would be realized to pay the current expenses and repairs.

But, sir, I have one other suggestion which I desire to make in connection with this bill; and it seems to me that it is a consideration worthy the thought of Congress. A canal is an artificial water-way. It is just as much an artificial way as a railroad is an artificial way. I cannot see, in the nature of things, any reason why the Government should be at the expense of maintaining a canal around the Falls of the Ohio River, which would not justify the Government in purchasing the Erie Canal and making it free of toll, or in purchasing any canal in the country and making it free of toll; or in purchasing all the railroads of the country and running them at Government expense; or in purchasing all the turnpikes of the country and maintaining them at the Government charge.

But, sir, the gentleman from Pennsylvania [Mr. NEGLEY] who preceded me suggested that we should remove the burdens on commerce. Well, sir, I agree that if the Government is putting any burden upon commerce beyond what commerce ought to bear it should be removed. But you cannot lift a burden in the shape of taxation in this country from one class of people without putting it on somebody else. You cannot relieve any class of people of taxation without subjecting some one else to heavier taxation, as it is only thus that you can compensate the Treasury for the deficiency in revenue thus caused. If the Government goes into this business of relieving commerce by furnishing free transportation over artificial ways—for that is substantially the theory of this bill—you are simply taking the burden from a commerce which, it seems to me, is abundantly able to bear it, and putting it on the people of the United States. The Government must have revenue. You cannot run the railroads and canals of the country at the charge of the Government without having money in the Treasury of the United States to run them with, and money does not come from the clouds; it is not rained down; in this country it only gets into the Treasury by being taken out of the pockets of the people. You cannot get it into the Treasury in any other way. You must lay burdens of taxation upon the people of the United States, in order to get money into the Treasury to pay the charges and expenses of the United States. And when the Government takes all the canals of the country into its charge; takes all the railroads of the country into its charge; takes all the turnpikes of the country into its charge, on the plea that burdens must be lifted from commerce, instead of having an expenditure, as now, of $300,000,000 a year, we will have an expenditure of a thousand millions a year, and then, in my judgment, there will be a reaction on the part of the people, and a cry against taxation that will be heard here and everywhere throughout the land.

Even now the people everywhere are asking that these burdens of Government taxation shall be lifted; they are everywhere asking that the expenditures of the Government shall be lessened; and yet propositions are brought here asking, every day and every hour, for more and greater charges upon the Treasury of the United States.

Mr. NEGLEY. I desire that the burdens upon commerce shall be equal.

Mr. WILLARD, of Vermont. I agree that they should be equal; but can the gentleman give me any reason why, if he ships a cargo of merchandise by the Ohio River to New Orleans and uses an artificial water-way, the Government should give him out of its Treasury a portion of the expense of that transportation, when it does not do so when he ships by railroad? He may choose to ship his merchandise to New York by rail, and why should not the Government be at the charge of that transportation to New York by rail just as much as for transportation by artificial water-ways?

Mr. NEGLEY. I desire to ask the gentleman if he would tolerate a tax on the commerce of the country in any of the harbors of New England, or in any other harbor—at Hell Gate, for instance?

Mr. WILLARD, of Vermont. That is too broad a question to argue here in fifteen minutes, and the gentleman will excuse me for not arguing it. I understand very well that it is very difficult where you shade off gradually from one class of appropriations to another, from appropriations for harbors and for river improvements to a canal around the Falls of the Ohio, and then to a canal through a flat country connecting navigable waters, and then to a canal through the Alleghany Mountains, and next to railroads; you can make the gradation so gradual that it is difficult to draw a line between any two and say you must stop there. But unless you stop somewhere, it comes to this, that the Government shall pay all these charges and then turn around and take them out of the people in taxation.

Now, all experience shows that, where commerce uses an artificial highway, whether it is a water-way or a railroad, commerce can afford to pay for its use. And what follows? These charges follow the commerce, follow the merchandise, and are added to the price finally charged to the consignee or to the consumer; and in that way the cost is distributed among those who, it seems to me, are the persons who should bear all expense of transportation.

The gentleman from Massachusetts [Mr. G. F. HOAR] suggests to me—and it seems a forcible suggestion—that by the logic of this bill the Government of the United States could be called upon to reimburse the State of Massachusetts for the money expended on the Hoosac tunnel, for the purpose of relieving commerce of the burden of tolls for the use of that highway. And this only shows how, by taking one step after another, each advance seeming almost precisely the same in principle as the last, you may yet be making startling progress in the direction of relieving all the industries of the country at the public charge; and the end that is sure to come, if this kind of legislation is pursued, is Government communism, when the whole property of the people will be seized by taxation and brought together into one treasury, and then distributed again by legislative enactment for the benefit of those who happen to control a working majority of the law-making power.

[Here the hammer fell.]

Mr. WILLARD, of Vermont. Before I close I desire to offer an amendment, which I understand the gentleman from Indiana consented that I should offer.

Mr. HOLMAN. I yield for the amendment.

Mr. WILLARD, of Vermont. The third section of this bill provides

that the Secretary of War shall ascertain each year what tolls will probably pay the expenses of the succeeding year, and may apply the tolls so received to pay the current expenses of the canal. I move to amend that section by adding to it the following, to which I understand the gentleman from Indiana [Mr. HOLMAN] makes no objection:

But no expenditure or contract for expenditure of money shall be made under the authority of this section in any one year, to an amount greater than the amount received during such year from tolls on said canal.

Mr. HOLMAN. I think that amendment is right. I have no right to accept it, but I suppose there will be no objection.

Mr. NEGLEY. I object to the amendment.

Mr. HOLMAN. I will permit it to be offered, and the House can vote upon it.

The SPEAKER *pro tempore*, (Mr. ELDREDGE.) The amendment will be regarded as pending.

Mr. HOLMAN. I now yield for five minutes to the gentleman from Iowa.

Mr. KASSON. It is hardly possible in five minutes to review this bill or its history; and I have to regret that my careful and considerate friend from Indiana [Mr. HOLMAN] has felt it necessary to apportion so much time to the pronounced advocates of this bill, and so little to those who wish to examine its details.

I have nothing to say against the policy of the bill which is to exempt commerce from taxation. Its object is laudable; the means of accomplishing that object present a question to which I desire for about ten minutes to get the attention of the House.

The last Congress appropriated nominally $100,000 for completing the Louisville and Portland Canal; and then provided for the payment of all its debts, "and the sum of money necessary for that is hereby appropriated." In looking at that simple clause in the river and harbor appropriation bill of last Congress I was utterly surprised to find that under that language was covered an appropriation intended to run for ten or fifteen years and embracing between one and one and a half million dollars. The bill now before the House perpetuates that legislation of the last Congress; and in addition it proposes not to consider the relations of the State of Kentucky and the United States in connection with these appropriations, but demands that the United States shall perpetuate the appropriations of $1,172,000 and $100,000, and add to it the purchase of this stock. All this without a satisfactory declaration from the State of Kentucky that when we have done it she will not quarrel with us about the jurisdiction of the canal. That is the point to which I wish to call the attention of the House and of the friends of this bill.

In 1842 Kentucky proposed an arrangement with the United States, but with various conditions. The United States could not accept those conditions. In 1844 Kentucky passed another act, in which she proposed generally to cede jurisdiction, but specially named one of the classes of jurisdiction retained, by which she seemed therefore to perpetuate the other claim of jurisdiction, namely, that of fixing the rate of toll after the United States should have taken possession, so that the rate should only be sufficient to keep the canal in repair. There was a general cession of jurisdiction, and then a special point named in that cession, which, by the law of *expressio unius exclusio alterius*, would indicate a doubt whether that was a complete cession of jurisdiction.

Thirdly, to increase my doubt, the State of Kentucky now comes by its joint resolution of 1872, before the conditions of the former cession of jurisdiction were complied with by the United States, and says to us, "We retain general police jurisdiction, and not only we, the State of Kentucky, but the city of Louisville retains her jurisdiction to empty into the canal everything except mud and garbage," &c. But the retention of partial jurisdiction by the State of Kentucky, and the retention of partial rights by the city of Louisville, are two things asserted by the State of Kentucky in the year of our Lord 1872, twenty-eight years after she proposed to cede jurisdiction to the United States, and before we have taken possession under that action of cession.

My State-rights friends should certainly relieve us from involving ourselves by legislation in an embarrassed contradiction with the State of Kentucky. In 1872 she asserts the right of jurisdiction. We propose now to pass a bill, unless the amendment of the gentleman from New York [Mr. WHEELER] is adopted, which does not postpone our payment of nearly a million and a half of money until the State of Kentucky shall give us a clean bill of sale of that canal. To that I am opposed.

[Here the hammer fell.]

Mr. HOLMAN. I yield five minutes to my colleague from the Indianapolis district, [Mr. COBURN.]

Mr. COBURN. Very little can be said on this question in five minutes. The argument of the gentleman who has just taken his seat [Mr. KASSON] seems to imply that some conditions imposed by the State of Kentucky are an obstruction in the way of the Government taking possession of and running this canal; or at least that what has been said in the shape of a joint resolution of the Legislature of the State of Kentucky is in the nature of a threat to the General Government that should be withdrawn before Congress acts. If we were about to construct this canal now that question would have some importance. But it can cut no figure whatever in the adjustment of this question as it is at present.

This canal is already made; the money of the Government has been expended upon it; the property is there; it is in the public use. It is not like a case where the Government is about to construct a custom-house or post-office, and makes it a condition-precedent that the jurisdiction of the State shall be yielded to it before the work is done. The thing is accomplished; the work is done; the canal is being used. There is no reason now for attaching a condition which at the most will be useless and inoperative; because nothing can attach to this condition, and nothing can be the consequence of imposing the condition if attached. All that was intended to be done has been done without the condition; it is too late to talk about conditions now.

I regard the joint resolution of Kentucky prescribing the conditions upon which jurisdiction is to be yielded over the grounds occupied by this canal as insulting to the United States as they are empty. What right have they in Kentucky to limit the tolls, to reserve ways for bridges, for sewerage, and other things, in connection with a work of the General Government—for more than twenty years owned, managed, and possessed by the United States?

But, Mr. Speaker, the great consideration after all is not this matter of conditions. The question is whether the commerce in a portion only of this country shall be in a great measure free. Why, sir, the gentleman from Vermont, [Mr. WILLARD,] a few moments ago, talked in violent opposition to the Government going into the business of transportation and the construction of artificial water-ways for commerce. I ask you, sir, whether or not the provision for light-houses; whether or not the provision for dredging out the entrance to the hundred harbors of the sea and lake coasts; whether or not the provisions made year after year for dredging out the Saint Clair Flats and the Detroit River, and the long line of lake communication under appropriations by Congress, are not as much liable to objection on the ground stated by the gentleman from Vermont as the construction of the Louisville and Portland Canal? During a part of the year any boat can pass over the Falls of the Ohio. I have myself gone in a steamboat over those falls when no man could tell that there was a fall or an obstruction there. Why you can, with a light class of boats, pass over the Saint Clair Flats, and over other routes not improved by the Government, and near to those that have been dredged by expenditures of the Government. These ways of commerce, it is true, are in part artificial; but the Government has never taken and never will take the position that the ways of commerce cannot in some measure be artificially improved, on that it is not its duty to improve such channels. Much more money has been expended on other channels of commerce than on this without one thought of toll or charge. This one has paid its way, and more than done so. There is no reason for it; no reason why it should not be free.

Why, sir, if the doctrine of the gentleman from Vermont be carried out, we will roll back the wheels of progress; we give up all that we have done in the way of internal improvements and other facilities for commerce; we destroy our light-houses; we allow the channels of our harbors and rivers to fill up. It seems to me that the doctrine the gentleman from Vermont has advanced is one that would reverse the entire practice of the Government from the beginning, and would take us back into an era of barbarism. We are dredging the Mississippi; we are dredging the Missouri; we are dredging the harbors of all our great sea-ports; we are spending hundreds of thousands, perhaps millions, of dollars to clean out the channels at the city of New York. Why, why then, shall this toll be imposed upon the dwellers in the valleys of the Ohio and Mississippi? I say there is no more reason for retaining a 10 per cent. toll upon this commerce than there would be for putting a charge of 10 per cent. upon the tonnage that enters into the harbor of Philadelphia or Baltimore. But 50 per cent. has been the rate upon the capacity of all vessels, no difference what the load was. And the gentleman from Vermont would retain that. It is a monstrous exaction, that cannot be removed too soon.

The bill before the House does not in my judgment go far enough. Why should the local trade of the Ohio River be assessed for the purpose of keeping the locks and canal in repair? Why not tax every vessel that enters New York or Baltimore to repair those harbors? It is the duty of the whole country to keep the great highways of commerce open. And there are very few equal to the Ohio River in importance.

Mr. HOLMAN. I now yield three minutes to the gentleman from New York, [Mr. WOODFORD.]

Mr. WOODFORD. Mr. Speaker, educated to believe that ours is one great nation; that all that makes for the true welfare of any part, makes for the true welfare of the whole, I believe that these internal rivers should be improved precisely as the mouth of the Mississippi has been cared for, and as the commerce on the coast has been protected. I shall not weary the House by prolonged remarks. Let me simply suggest that I believe that the great State of New York, with its far-reaching commercial interests, heartily favors everything that will develop the internal commerce of the country, precisely as it favors that which develops the external commerce of the country. We shall gladly do all in our power to make these great navigable rivers the free, sufficient highways of the commerce of the future.

Mr. HOLMAN. Before this discussion is closed, I desire to again call the attention of the House to the real question involved, although I think it has already been very fairly presented. It is, sir, whether the Government shall take possession of and control this canal which belongs to itself. It is not whether money shall be appropriated for the construction of a work of internal improvement, but whether

the Government shall take charge of its own property, and apply it according to its original purpose as a free channel of commerce, or whether this important public work shall remain in the hands of the irresponsible parties—irresponsible to the Government—now controlling it.

I hope the House will consider the anomalous condition of this work. As members have doubtless learned from the report of the committee, there were ten thousand shares of stock in this canal company, of which the Government of the United States owns ninety-nine hundred and ninety-five, and has done so ever since 1855. Five shares were retained, at the instance of the Secretary of the Treasury, by five persons to constitute a board of directory of this work. The House will also understand that Congress has no control over those five directors. They are not officers of the Government. They make no report to Congress. Congress has not fixed their salaries. Congress does not regulate the income or the expenditures of the canal in any form whatever. The question involved here is, then, whether the Government shall take charge of a work which emphatically belongs to itself, and which it has owned since 1855, and regulate and control it for the purposes of Congress.

Gentlemen refer to the question of surrender of jurisdiction of this work by the State of Kentucky. I desire to call attention to the language of Mr. Justice Miller in deciding the injunction case which arose in 1872. He says:

> The United States is the only stockholder of this corporation. The directors have really no personal interest in the corporation or its property. They are, to all purposes, what equity calls trustees without an interest, the depositaries of a naked trust.

To be sure Mr. Justice Miller overlooks the fact that these five shares are outstanding, or perhaps attached no importance to the fact; and the House will perceive that by the joint resolution of the Legislature of Kentucky passed February 22, 1844, which has already been read, the extinguishment of those five shares is necessary to invest the Government with the complete jurisdiction sought to be surrendered, and certainly surrendered by that joint resolution. This bill provides that the Secretary of the Treasury shall forthwith pay off those five shares of stock, being $500, with interest since November 9, 1864. When that is done the title of the Government is, of course, complete.

Now, as to the question of taxation. I deny the liability of this work to any taxation. This bill provides that no money shall be paid until any right of taxation claimed by the State of Kentucky or the city of Louisville has been fully, completely surrendered up to the United States. Why, then, this discussion of the question of taxation? Not a dollar is to be paid under this bill until there has been complete surrender of any right of taxation that exists. The bill assumes that the General Government takes possession of the work under the act of Kentucky ceding full and complete jurisdiction, of February 22, 1844, so soon as the stock shall all become the property of the United States.

Now, Mr. Speaker, another fact has been referred to by the gentleman from Vermont, [Mr. WILLARD.] He has spoken of the tolls necessary to keep this work in repair. I wish to say distinctly, speaking for myself, that I am not in favor of any of these works remaining a charge upon the Government after they are finally completed. I wish, however, to say that this work should have proper superintendence and be kept in proper repair by a proper tax on the commerce passing through it. And I wish to call the attention of the gentleman from Vermont to the fact that General Weitzel, a member of the Corps of Engineers, who has had charge of this work for years, reports to the Secretary of War that a tonnage of seven cents is all that would be required to superintend and keep this work in repair. That will be found on page 11 of General Weitzel's report. The Committee on Commerce propose, however, to impose a tonnage tax of ten cents for the care and repair of the work.

Mr. WILLARD, of Vermont. I also quoted from General Weitzel's report showing that a tax of 50 per cent. only produced $207,000.

Mr. HOLMAN. The estimate of the engineer who has been in charge of this work for years, whose integrity is undoubted and is conceded on all hands, is that a tonnage tax of seven cents will answer the purpose. I admit the gentleman from New York, [Mr. WHEELER,] who will consume the last hour of this debate, will perhaps show that the amount of revenue from the Louisville and Portland Canal is only something over $200,000 per annum; but can my friend say that is the whole revenue? The trouble is that here are irresponsible persons holding this vast avenue of commerce belonging rightfully and exclusively to the United States, persons who are at least irresponsible to Congress or to any other power, so far as I am informed, to regulate their operations. Can the gentleman from Vermont say what are the actual revenues?

The truth is the whole matter is under the control of these irresponsible persons, and they collect and apply the revenues to suit themselves. What are the salaries which they pay to themselves? What do they pay for superintendence? How much to their president and attorney? There is no well-regulated government which would leave a work of its own in the anomalous condition in which this work is left. It is incredible, too, that such an irresponsible power over an extended commerce could exist in our Government.

But if gentlemen want a tax of more than ten cents, if they think more than ten cents is necessary for the superintendence of this work and to keep it in repair, let them make that motion and I will not object to any reasonable proposition. I wish this work to pay its own expenses. If any gentleman from examination is satisfied that a larger tonnage tax is necessary, let him submit his amendment. I do not wish this work should remain a charge upon the Government.

Another objection has been stated. Let me ask the gentleman from Vermont [Mr. WILLARD] and the gentleman from Iowa [Mr. KASSON] this question: Whether the revenues of the canal have not for years been applied to the extinguishment of stock? Has any other work in the Union borne such a tax?

Mr. KASSON. No money has been paid into the Treasury from receipts, but has all been expended on the canal.

Mr. HOLMAN. On the contrary, over $24,000, as is shown by this report, has been paid back to the Treasury after refunding to the Government the amount originally paid. Let me ask the gentleman from Iowa not to forget the extensive works and improvements made in his own State. Let me refer him to the Rock Island Canal and to the Des Moines Rapids Canal, on which the Government has spent over $2,500,000. Now, does the gentleman say they are to be subjected to taxation? Does he propose that the commerce of his State and of the country generally shall be taxed for those canals on the Upper Mississippi? Does the gentleman suggest we should impose a tax upon those canals? Will he ask for benefits to his section of the Union he would deny to another?

Mr. KASSON. If necessary to keep them in repair, with an empty Treasury, I should certainly do it. I wish to say to the gentleman, however, that the United States, after this payment, will have more than paid the fair cost of this Louisville and Portland Canal. There is no improvement in the Mississippi River which cost as much as this. It cost $1,709,000 up to 1865.

Mr. HOLMAN. The gentleman may be correct, but I will again ask him the question, does he propose to bring forward a proposition that the commerce of the Upper Mississippi should be taxed because of the Rock Island Canal and the Des Moines Canal? Are the gentlemen interested in that great improvement of the Sault Sainte Marie Canal asking that a tax shall be imposed because of that improvement? Why, then, should you make this an exceptional case? There are other works built by the Government all of which are substantially free, and the commerce passing through this canal alone is the subject of oppressive taxation.

Mr. LAWRENCE. And more commerce passes through this canal than all the others put together.

Mr. HOLMAN. Yes, sir; that is correct.

Mr. CONGER. I wish to say to the gentleman that a tax has been imposed upon the commerce passing through Sault Sainte Marie Canal, varying year after year, for the purpose of its superintendence and to keep it in repair.

Mr. HOLMAN. How much?

Mr. CONGER. It has varied from year to year from fifteen to seven cents.

Mr. HOLMAN. That is right, and this bill proposes to impose the amount of taxation upon the commerce passing through this canal for the same purpose.

Mr. CONGER. But I understood the gentleman from Indiana to say there was never any tax imposed upon the Sault Sainte Marie Canal.

Mr. HOLMAN. No, sir; no tax for construction; all I am asking is that the necessary tonnage tax only shall be imposed for the purpose of keeping this canal in repair and providing for its proper superintendence. I ask that no more tax should be put upon the commerce passing through the Louisville and Portland Canal than is imposed upon the commerce passing through the Rock Island Canal or through the Sault Sainte Marie Canal, and others similar, which improvements were made by large expenditures from the national Treasury. The gentleman from Iowa [Mr. KASSON] and the gentleman from Vermont [Mr. WILLARD] certainly cannot ask that we shall make a discrimination in favor of the commerce of one section of the Union, and against the commerce of another section. It would be unjust and ought not to be tolerated.

Mr. Speaker, it is not true, as the gentleman from Iowa supposed and intimated, that Congress was blind in its legislation of last session in making this appropriation. No subject was ever more fully and carefully discussed. The facts were all before the House as completely as we have them now, showing the appropriation was understood to be $1,172,000, or enough to pay the 1,172 bonds of $1,000 each issued by this company under the act of Congress of 1860 to enlarge the canal.

The gentleman will find that the Congressional Globe fully shows that fact. We understood the matter then just as we do now. It is now proposed to continue that appropriation. Why? Because these bonds are due as follows:

In 1873, 373, for	$373,000
In 1881, 399, for	399,000
In 1886, 400, for	400,000
In all, 1,172, for	1,172,000

This bill, then, is virtually appropriating $1,172,000 to be paid during a period of twelve years. I wish gentlemen to understand fully the effect of this bill, and that this is necessary to be done to relieve an extended commerce which has borne the heaviest exactions that any commerce in the United States has borne to this hour.

Up to 1872, as General Weitzel's report shows, the Ohio River commerce has paid the following tax at this canal:

1831	$12,750 77	1853	$178,869 39
1832	25,706 12	1854	149,640 43
1833	60,736 92	1855	94,356 19
1834	61,848 17	1856	75,791 85
1835	80,165 24	1857	110,015 38
1836	88,343 23	1858	75,479 21
1837	145,424 69	1859	90,905 63
1838	121,107 16	1860	131,947 15
1839	180,364 01	1861	42,650 02
1840	134,904 65	1862	69,936 90
1841	113,944 59	1863	152,937 02
1842	95,005 10	1864	164,476 26
1843	107,724 65	1865	175,415 49
1844	140,389 97	1866	180,925 40
1845	138,291 17	1867	114,961 35
1846	149,401 84	1868	155,495 88
1847	139,900 72	1869	167,171 60
1848	158,067 96	1870	139,175 00
1849	129,953 46	1871	159,848 90
1850	115,707 88	1872	207,025 19
1851	167,066 49		
1852	153,758 12	Total	5,157,247 05

Mr. Speaker, I cannot anticipate the line of argument which the gentleman from New York [Mr. WHEELER] may indulge in. This bill declares that we take possession of that canal for the United States as its own property by virtue of the act of the 21st of February, 1844, of the Legislature of Kentucky. The gentleman comes forward now with his amendment and proposes that no payment shall be made under this bill by the Secretary of the Treasury until jurisdiction shall be surrendered by Kentucky over this canal to the United States. The House sees, of course, that the gentleman's proposition is in direct conflict with the propositions contained in the bill. The surrender of that jurisdiction by the joint resolution of February 21, 1844, was unquestionably complete, and the Government has acted on that assumption ever since. The letters of the Secretary of the Treasury before us fully sustain that view.

Kentucky has not up to this time indicated any want of good faith. That which you have a right to apprehend is that these five gentlemen, who, without any authority from the United States, are using your revenues, derived from taxation of your commerce, to the amount of $350,000 a year, and fixing their own salaries and disposing of this money as they may think proper, may not be as careful of your interests and the interests of the Government as your own officers might be, and as Congress should be. They may act fairly, but you have no guarantee of that beyond the personal character of these gentlemen. And yet the amendment of the gentleman from New York proposes to perpetuate that anomalous state of things for the next two years. I would like to ask the gentleman from Iowa [Mr. KASSON] this question: whether he is willing that for two years the commerce of the Ohio River shall be submitted to a taxation of $700,000, as would be the case if this amendment became law, if General Weitzel's report is correct, under the control of five gentlemen who give no bonds and take no oath of office, are entirely irresponsible to the United States as to the mode in which they will expend this vast sum of money and execute this great trust? Is he willing to put that amount of the taxation of this country under the control of five gentlemen who are not even required to make any report to Congress of their doing, or in any sense responsible to the United States? You do not even know who these gentlemen are.

Mr. KASSON. I answer, Mr. Speaker, that I would be glad, if they used their power that way, to take it away from them. But how $700,000 can be levied in two years, when the tolls only yielded in the last year for which we have a report a little over $200,000, I do not know.

Mr. HOLMAN. But will the gentleman put even $400,000—one-third of the whole amount involved in paying these bonds, the bonds being for $1,172,000—under the control of these, to you, irresponsible parties; $400,000 in the charge of five unknown parties, who make no reports to Congress, nor recognize your authority? But let me ask the gentleman another question. He speaks of a revenue of $200,000, but he overlooks the fact that an engineer, in whose integrity the most implicit confidence can be reposed, General Weitzel, reports the revenues at $350,000 a year.

Mr. KASSON. I took the figures from the report which was also referred to by the gentleman from Vermont [Mr. WILLARD] that the statement of General Weitzel for the last year reported showed a revenue of $207,000. I may be mistaken, but that was what I took the figures from.

Mr. HOLMAN. The gentleman is mistaken. General Weitzel in his report gives the reason why the revenue was not so large in 1872, and shows conclusively, I think, that the revenues could not fall short of $350,000 a year. So that the House is asked to keep this work in its present anomalous condition for two years longer and allow five unknown parties to impose a toll upon your commerce to an amount of $700,000, without any obligation to appropriate a dollar of it for the extinguishment of this debt.

[Here the hammer fell.]

Mr. SPEER. Before the gentleman resumes his seat I wish to ask him one question. This bill proposes to pay off the indebtedness of the corporation, which I understand to be about $1,200,000.

Mr. HOLMAN. One million one hundred and seventy-two thousand dollars.

Mr. SPEER. I wish to ask the gentleman what those bonds have been selling at in the market during the past year? This will bring them to par; and if these bonds have been bought by the parties who hold them now at fifty, sixty, or seventy-five cents on the dollar, it would be a gross wrong on the people of this country to pass this bill, which would appreciate them to par and compel the Government to redeem them at par. There ought to be an amendment providing that the Secretary of the Treasury should be authorized to purchase the bonds, not at the market value, but at the price paid by the holders with interest. There should be no speculation or jobbery on the part of the holders.

Mr. HOLMAN. I trust the gentleman from New York will yield to me for a moment to answer that question.

Mr. WHEELER. I desire that my friend should not limit himself to moments at all; he certainly ought to have the right accorded to him to speak as long as he chooses. I said at the outset that I would not call the previous question until he indicated a desire on his part that I should do so.

Mr. KASSON. I hope the gentleman's time will be extended.

Mr. WHEELER. This is a very important question; none more important has been presented to the House for a long time.

Mr. KASSON. I ask unanimous consent that the time of the gentleman from Indiana be extended for ten minutes.

The SPEAKER *pro tempore*, (Mr. ELDREDGE in the chair.) If there be no objection the gentleman's time will be extended. The Chair hears none.

Mr. KASSON. I wish to say to the gentleman from Indiana that he must be mistaken as to the amount of tolls collected, unless he refers to a different page of the report from that which I have before me.

Mr. HOLMAN. I ask the Clerk to read what I have marked in this report of General Weitzel.

The Clerk read as follows:

The receipts of toll from the 1st of January, 1872, to that time were very light, as navigation was almost continually suspended by ice, yet from that date to August 23, 1872, (when the canal was closed for repairs,) that is, a period of about six months, $207,025.19 were collected for tolls. This sum is $26,099.79 greater than the greatest amount of toll collected in any one year (1866) previous. It is perfectly safe, I think, to assume that during the next year, if the rate of toll were continued at fifty cents per ton, the tolls collected would reach $350,000. If this be true, the rate of tolls should be fixed at about seven cents, when the canal comes into the control of the Government, in order just to pay running expenses.

Mr. KASSON. What I referred to was the fact, as this report shows, that the highest amount received in any year from tolls was $207,000.

Mr. HOLMAN. Not at all; that was for six months. The canal is now completed. We have never had any report since the completion of the canal except a partial one, which shows that in only six months $207,000 was realized from tolls.

Now one word in answer to the inquiry of the gentleman from Pennsylvania, [Mr. SPEER.] I certainly would not consent, if it could possibly be avoided, to do any act which would appreciate the value of these bonds. The gentleman from Pennsylvania certainly knows that during the last Congress, when we passed the act appropriating this money, the language was that the Secretary of the Treasury should take possession of the work at such time and in such manner as he might himself think proper in the interest of the United States. The object of that was that he might purchase up the bonds at the lowest possible price, and the gentleman from Pennsylvania must understand now that under this bill the widest latitude is given to the Secretary of the Treasury for the same purpose; he is to buy the bonds, if he thinks proper, in the interest of the United States; but he will not pay off, I presume, one dollar of the bonds until they become due unless he finds it to the interest of the Government to buy them. He has no right to pay off the bonds until they are due. Now the Senate bill provides that he may purchase bonds at not exceeding par value. How will the gentleman prevent the bonds from going up? They are 6 per cent. currency bonds. They are a charge on a work which realizes, at any rate, over $200,000 a year, even according to the statement of the gentleman from Iowa. How can you prevent the bonds ultimately being paid? How can you compel the holders to sell them for less than what they regard as the full value? Can the gentleman from Pennsylvania fix the price of the bonds? I wish it could be done, and would yield for any feasible proposition for that purpose.

Mr. SPEER. Does not the gentleman fix the price by preventing the Secretary of the Treasury from giving more than par value? How can you do that?

Mr. HOLMAN. Certainly; we say he shall not pay more than their par value. I do not see that we can impose any other limitation. The gentleman must see that this debt was made by authority of the United States, by virtue of an act of Congress. Congress authorized the directors to issue these bonds, to enlarge the canal, and to tax the revenues of the canal for their payment. Those revenues are now more than ample to pay the interest on the bonds, and ultimately to pay the principal of the bonds as they become due. I am now, as I was last Congress, anxious that the Secretary of the Treasury should purchase these bonds at the lowest price; but we cannot compel the holder to take less than their par value.

Mr. SPEER. Will the gentleman inform the House—he is a fair man, and we want correct information—what was the market value of the bonds before the passage of the act of last Congress?

Mr. HOLMAN. The report of the Secretary of the Treasury says that they were in the market, I think, at ninety-one cents on the dollar. The president of this company so reported to the Secretary. My recollection of the report of General Weitzel is that they were less. We do not provide for the payment of a dollar of the bonds before they become due except by way of purchase. We authorize the Secretary of the Treasury to purchase them in at a sum not exceeding their par value. Can the gentleman make any other provision on that subject? Can he say that they shall be bought in for sixty or seventy cents, when these parties hold the bonds by our authority?

Mr. CONGER. The interest has always been paid up on these bonds; they have never depreciated from a lack of payment of interest.

Mr. HOLMAN. Certainly not; and I am glad my friend has called attention to that fact. This report shows that the interest has always been paid. They were issued under our authority, and the precaution, on the part of the Senate, in saying that if the Secretary of the Treasury buys them he shall not pay more than their par value, seems to me to be a wise precaution. I do not see anything else that can be done. If any gentleman can show me any mode in which to prevent the appreciation of the bonds beyond what has been the market price I shall very cordially act in co-operation with him to secure that result.

I think that I indicated sufficient caution in the last session of Congress upon this subject, when, in drawing up the section that the House adopted and which afterwards became a law, it was provided that the Secretary of War should use his own discretion as to the time and manner of exercising the powers under that provision, so that there could be no construction of the act compelling him to pay these bonds before they were due and thus appreciate their value.

Mr. KASSON. With the permission of the gentleman I wish to call his attention to a point which I am sure he will regard as important.

The SPEAKER *pro tempore*, (Mr. ELDREDGE in the chair.) The time of the gentleman has expired.

Mr. KASSON. His time was extended for ten minutes.

The SPEAKER *pro tempore*. That time has expired also.

Mr. KASSON. I hope he will be allowed five or ten minutes more.

Mr. WHEELER. I think it is due to the gentleman from Indiana [Mr. HOLMAN] from the House that he should not be restricted. He has been generous enough to give away pretty much all his time to others.

The SPEAKER *pro tempore*. How much time does the gentleman desire?

Mr. HOLMAN. I think ten minutes will be sufficient.

No objection was made, and the time was extended accordingly.

Mr. KASSON. I desire to call the attention of the gentleman to a point which I have no doubt he will regard as important. It is in no spirit at all of antagonism to the principal object of the bill, to free this canal from taxation, that I call attention to this subject. The act of last year provides that the Secretary of the Treasury shall be authorized and directed to assume on behalf of the United States the control and management of said canal in conformity with the terms of the joint resolution of the Legislature of the State of Kentucky approved March 28, 1872. That joint resolution contains these among other provisions: that the Government of the United States shall not levy tolls, &c., except such as may be necessary to keep the canal in repair, &c.; second, that the city of Louisville shall have the right to throw bridges over the canal at such points as it may think proper, so as not to interfere with the navigation of the canal; third, that the title and possession of the United States shall not interfere with the general police power of the State over the territory of the canal, but the State may still establish police regulations for the territory covered by the canal. Then the city of Louisville shall at all times have the right of drainage into said canal, with the exception of mud and garbage; everything else may be drained into it. And fifth, the water-power of the canal shall be guaranteed forever to the parties living there.

Now, what I desire to say is that the bill now before us in its first clause perpetuates the legislation of last session without saving anything. That legislation of last Congress authorizes the Secretary of the Treasury to take possession of this canal under the joint resolution of Kentucky of 1872. We do not therefore escape it by saying that we will take possession under the legislation of Kentucky of 1844; because in perpetuating the legislation of Congress of last year we perpetuate that clause with all the conditions I have indicated. That is an important point.

Mr. HOLMAN. It would be very important if the gentleman was correct. If he will examine more closely the first section of this bill he will see that it does not perpetuate the legislation of last year except to continue the appropriations. We should not accept the joint resolution of Kentucky of March, 1872. Our rights were already complete. As the gentleman knows General Weitzel reported to the Secretary of War, and he to Congress, that the conditions imposed by that joint resolution of 1872 were entirely satisfactory. The gentleman is aware of that fact, and that we acted on the best information we had on that subject. The Secretary of War recommended the report of General Weitzel to Congress.

When we discovered that this joint resolution of 1872, which was referred to in the legislation of last year, might receive a construction that might impair the rights of the Government, we simply determined to abandon it, and to take possession of this work under the powers originally granted to the United States by the Legislature of Kentucky, when the Government entered upon the work of paying off or rather buying up this stock as it did in 1842 and 1844, and which was completed in 1855. The gentleman will see by reference to the first section of this bill that we do not perpetuate the legislation of last year except as to the appropriation. It simply places in the hands of the Secretary of the Treasury the money necessary to buy up these bonds at a discount from year to year before they become due, or pay them when due; that is all. It simply perpetuates the appropriation, not the legislation itself. The Government did not take possession of the law of last session; did it?

Mr. KASSON. I suppose the Government is not now in possession. We can get at this point easier by conversation than otherwise. The act of last Congress appropriates money with the accompanying clause to which I have referred, "and the sum of money necessary to enable the Secretary of the Treasury to carry this provision into effect is appropriated;" that is to say, to take possession under the terms of that joint resolution of 1872. And I will add that the bill now under consideration does not contain any repealing clause. The result, therefore, is that this bill continues the appropriation with the accompanying conditions.

Mr. HOLMAN. Is not the gentleman too technical?

Mr. KASSON. I think not.

Mr. HOLMAN. This bill simply provides "that the appropriation so made," &c. What was the appropriation? A sum necessary to pay off or buy up these bonds.

Mr. LAWRENCE. Nothing is continued in force but the appropriation.

Mr. HOLMAN. Yes; and the gentleman will notice that by the express terms of this bill we assert the right, and direct action upon it, to take possession of this work under the act of Kentucky, of February 21, 1844. And no gentleman who has examined that act can doubt the completeness of the surrender; and it is the only legitimate surrender of the jurisdiction of Kentucky over this canal. That State said to us, "If the General Government will buy up that stock, and become the owner of this canal, we will surrender the jurisdiction." The Government itself entered upon the work of buying up the stock; it now has bought it up; and therefore has a right to claim the full benefit of the act of 1844.

Mr. LAWRENCE. Ninety-nine hundred and ninety-five shares were bought under that act of 1844; only five shares remained; and as to those five, the Government continued to have the right to buy them, because time does not run against the Government. The Government has the right to buy them at any time. This bill simply proposes that the Government shall now take those other five shares under the act of 1844, thus obtaining from the State of Kentucky a complete cession of all claim of jurisdiction. Thus the title of the Government will be complete. There is no doubt about that.

Mr. HOLMAN. I wish to call the attention of the gentleman from Iowa [Mr. KASSON] to the fact, of which I am reminded by the gentleman from Illinois, [Mr. CLEMENTS,] that we have paid out of the Treasury of the United States for the completion of the Des Moines Rapids Canal $2,544,560.53, while for the completion of the work now in question we appropriated by this bill $1,172,000, and have expended in completing the canal, since 1868, $1,278,000. The gentleman will discover that he is mistaken in saying that the Louisville and Portland Canal is to cost more when this debt is paid off than the Des Moines Rapids Canal. Yet the gentleman would not consent, nor would I, that the commerce of the Upper Mississippi River should be taxed to refund to the Government the money that has been thus expended. Yet that is the effect of the gentleman's proposition.

Mr. KASSON. Not at all.

Mr. HOLMAN. The gentleman proposes that these burdens shall remain upon commerce until the exactions upon it shall extinguish the debt created by the authority of the United States.

Mr. KASSON. Not quite that. And if the gentleman will turn to page 14 of his report he will find that there has been appropriated by Congress for the enlargement of this canal, in addition to the purchase of the stock, $1,278,200. Add this amount to the amount of the bonds, and add also the amount paid for stock, and it makes this short canal, I think, more expensive than the fourteen miles of the Des Moines Rapids improvement.

Mr. HOLMAN. I know the gentleman does not intend to misrepresent the facts.

Mr. KASSON. Certainly not.

Mr. HOLMAN. There has been refunded of the money paid out by the Government $24,278, and this is shown in the committee's report. This much went into the Treasury over and above the sum expended in the purchase of the shares of stock originally purchased by the United States.

Mr. KASSON. To what page of the report does the gentleman refer?

Mr. HOLMAN. Page 11.

Mr. KASSON. I read from page 14. It there appears that the sums appropriated by the United States at different times to complete the enlargement of the canal amount to $1,278,200.

Mr. HOLMAN. That is correct. There is one fact which I ask the gentleman to observe. The Government in the first place, in 1825, paid $100,000 for stock in this canal; and in 1829, $133,500, making

in the aggregate $233,500. Now, between the years 1834 and 1841 there was paid back in the Treasury of the Government $257,778, leaving an actual profit to the Government on this stock transaction of over $24,278.

[Here the hammer fell.]

Mr. WHEELER. I hope the gentleman may be allowed to conclude his remarks.

Mr. HOLMAN. I would remark that gentlemen representing constituencies for the benefit of whom important and valuable works of improvement have been constructed, water-channels connecting our great lakes and furnishing proper facilities for the commerce of the Upper Mississippi, and the sea-board, and the great rivers of New York, where millions upon millions have been expended, should not ask now that the commerce of the Ohio River should bear a tax which no other section of the country has ever borne. That is the point of my argument.

I only ask for the West equal rights with the other sections of the Union, and that Congress shall treat as fairly, as magnanimously, the commerce of the Ohio River as it has other sections of the Union. This canal affects not only the commerce of the Ohio but of all the great rivers of the West. The East should consider that our western interests in commerce are entitled to the same consideration as theirs. My friend from New York should remember that we are appropriating now, and have been, vast sums of money for the improvement of the natural channels of the sections of the Union he represents; and I am certain he cannot consent that our western interests should be oppressed by an invidious discrimination against us. We are none of us complaining about the policy of the Government toward the East. Our people have been very patient in bearing taxation for the purpose of improving these water-channels of the East, and we only ask equal-handed justice.

We ask that after our commerce has for so many years borne this oppressive taxation, such as no other section has borne, it shall now cease, and that it shall not be obliged still longer to bear it upon the shadowy assumption that the Government of the United States has not acquired complete jurisdiction over this work, when for at least thirty years the Government has acted upon an unquestioned cession of jurisdiction, and for nineteen years every Secretary of the Treasury you have had (except Mr. Cobb, who denied the power of the Government to own any work of internal improvement) has recognized this work as the property of the United States, especially since the completion of the purchase of this stock in 1855. Until a recent day the Government has done all that has been done to control this work, and has directed the application of its revenues until within the last few years. And it cannot be denied that this canal is now, in fact and law, the property of the United States.

I am conscious that I should not consume further time; and yet I desire to say a word further in reply to the gentleman from Vermont, [Mr. WILLARD.]

Mr. WILLARD, of Vermont. I wish to ask the gentleman whether he has any objection to allowing me to offer, so that it may be pending after the previous question is ordered, an amendment changing the rate of tonnage as provided in the third section of the bill, so as to make the rate twenty cents per ton on steam-vessels and ten cents per ton on other vessels?

Mr. HOLMAN. I shall not object to that amendment being offered.

Mr. WILLARD, of Vermont. Then I desire to have it pending.

Mr. HOLMAN. I hope the gentleman from Vermont [Mr. WILLARD] will bear in mind that the whole of that vast region of country bordering on the Ohio and Lower Mississippi is supplied through this Louisville and Portland Canal with coal. You authorized the construction of a bridge in 1864 across the Ohio River at the entrance of these falls. Gentlemen know very well that by our action the navigation of that river has been materially affected. I did at that time what I could to prevent the passage of that bill. Congress, however, passed the act authorizing the construction of that bridge, and now we are told the use of the canal has become the more imperative. Do the gentlemen think the farmers of that country in shipping the products of their labor, and the miners of Pennsylvania and Virginia in shipping coal, ought to pay a duty of more than ten cents a ton on each boat which passes through that channel unless clearly necessary to meet the expenses of the canal?

Mr. WILLARD, of Vermont. The purpose of my amendment is simply to provide a sum equal to what will be required for repairs and running expenses. I understood the gentleman from Indiana to say that in his judgment a large tonnage tax is not necessary for that purpose, but so far as I am able to judge from this report of General Weitzel it must be necessary. In fact the law passed in 1873, approved March 3, provided that the tonnage tax should be twenty-five cents. The toll then was twenty-five cents per ton, and this bill proposes to reduce it much below that amount. As this is in some sense a re-enactment of that law, we ought to have some reasonable expectation that the receipts from tolls will meet the running expenses of the canal.

Mr. HOLMAN. I do not object to the gentleman's offering his amendment, but I will say to him that the report of General Weitzel, whose intelligence, capacity, and integrity everybody concedes, shows that a tonnage tax of seven cents will be sufficient. This bill, however, provides for a tonnage tax of ten cents. We are willing that it should be that sum, and if found insufficient we must consent to the necessary increase.

Mr. WILLARD, of Vermont. It has occurred to me that the figures given do not warrant so agreeable an anticipation as that which is entertained by the gentleman from Indiana. I have no objection, however, to the bill being perfected before a vote is taken on it.

Mr. HOLMAN. I do not object to a vote being taken on the gentleman's amendment,

Mr. WILLARD, of Vermont. The gentleman does not object, then, to having my amendment offered and pending.

Mr. HOLMAN. Of course not. I will not occupy the time of the House longer, and thank the House for this patient hearing after so tedious a discussion.

Mr. WHEELER. I now demand the previous question on the bill and pending amendments.

The SPEAKER. Does the gentleman object to the amendment of the gentleman from Vermont coming in to be voted on?

Mr. WHEELER. I do not; I leave that to the gentleman from Indiana entirely.

The previous question was seconded and the main question ordered.

The SPEAKER. The gentleman from New York [Mr. WHEELER] is entitled to an hour to close the debate.

Mr. WHEELER. As I do not feel quite well this evening I would prefer to close the debate in the morning. If the House prefers it I will go on to-night.

Mr. COX. I ask my colleague to yield to me for the purpose of making a motion that the House adjourn.

Mr. WHEELER. I will yield for that purpose.

Mr. HOLMAN. What is the effect of the previous question being seconded and the main question ordered?

The SPEAKER. This will come up as the first business in order after the reading of the Journal to-morrow morning.

Mr. NEGLEY. What then becomes of the bill reported from the Committee on Mines and Mining?

The SPEAKER. That will be crowded over to the next day, because at half-past one o'clock the currency bill will come up by special assignment.

Mr. NEGLEY. Is not the bill reported from the Committee on Mines and Mining in the same situation precisely as this bill, the previous question having been seconded and the main question ordered? And that being so, does not the bill reported from the Committee on Mines and Mining take precedence of this bill?

The SPEAKER. The bill reported from the Committee on Mines and Mining is in the morning hour. The pending bill will go over as unfinished business, and will be first acted on.

INTERNATIONAL EXHIBITION.

Mr. KELLEY. Before the question is taken on the motion to adjourn made by the gentleman from New York, I am instructed by the Committee on Ways and Means to report a bill, and to move that the rules be suspended and the bill passed.

It is a bill (H. R. No. —) to admit free of duty articles intended for the international exhibition of 1876.

The bill was read. It provides that all articles imported for the sole purpose of exhibition for the international exhibition to be held in the city of Philadelphia in the year 1876, shall be admitted without the payment of duties, or of customs fees or charges, under such regulation as the Secretary of the Treasury shall prescribe; provided all such articles as shall be sold in the United States, or withdrawn for consumption therein at any time after such importation, shall be subject to the duty, if any, imposed on like articles by the revenue laws in force at the date of importation; and provided further, if any goods or articles imported under the provisions of the act shall be withdrawn for consumption, or shall be sold without payment of duty as required by law, all the penalties prescribed by the revenue laws shall be applied and enforced against such articles, and against the persons who may be guilty of such withdrawal or sale.

Mr. GARFIELD. I desire to suggest that the word "international" be substituted by the word "centennial," and then I think there will be no objection to this bill.

Mr. KELLEY. It is reported from the Committee on Ways and Means in pursuance of existing law.

Mr. GARFIELD. I refer to the word "international." I do not think the House is willing to indorse that in an incidental way. If it be so, let us make it so.

Mr. KELLEY. The House is not required to indorse it. It is in pursuance of two acts of Congress, one of which provides that such regulation shall be made.

Mr. GARFIELD. I know that. But where has Congress named this an "international" exhibition?

Mr. KELLEY. In the title to the first act. It is an act to provide for an international exhibition.

Mr. GARFIELD. I object.

Mr. KELLEY. Then I ask that the rules be suspended, and that the bill be passed.

The SPEAKER. That cannot be done in the present condition of business, the previous question now operating on the bill in relation to the Louisville and Portland Canal.

Mr. CLYMER. I move to reconsider the vote by which the main question was ordered, for the purpose of offering an amendment.

Mr. HALE, of Maine. Is there not a motion to adjourn pending?

The SPEAKER. There is.

Mr. RANDALL. I demand the regular order.

Mr. CLYMER. I enter the motion to reconsider.

ENROLLED BILLS SIGNED.

Mr. DARRALL, from the Committee on Enrolled Bills, reported that the committee had examined and found duly enrolled bills of the following titles; when the Speaker signed the same:

An act (S. No. 334) to remove the disabilities of William L. Cabell, of Texas;

An act (H. R. No. 1224) for the relief of William H. Denniston, late an acting second lieutenant Seventieth New York Volunteers;

An act (H. R. No. 1762) concerning the practice in territorial courts and appeals therefrom; and

An act (H. R. No. 2547) to relieve from political disabilities Thomas Hardeman, jr., of Georgia.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. SYMPSON, one of its clerks, informed the House that Mr. MCCREERY had been appointed one of the conferees on the part of the Senate on the disagreeing votes of the two Houses on the bill (H. R. No. 1923) authorizing the payment of annuities into the treasury of the Seminole tribe of Indians, in place of Mr. STEVENSON, absent.

The message further informed the House that the Senate had passed without amendment the bill (H. R. No. 2213) granting a pension to Mrs. Cynthia McPherson, mother of the late General James B. McPherson.

The question being taken on the motion to adjourn, it was agreed to; and thereupon (at four o'clock and three minutes p. m.) the House adjourned.

PETITIONS, ETC.

The following memorials, petitions, and other papers were presented at the Clerk's desk, under the rule, and referred as stated:

By Mr. ARCHER: The petition of the Baltimore Bridge Company, to be relieved from losses incurred in building the Rock Island bridge, to the Committee on Claims.

By Mr. ASHE: The petition of Walter F. Leak, to be refunded excess of tax paid to the United States, to the Committee on Claims.

Also, the petition of citizens of Union County, North Carolina, for a post-route from Monroe to Olive Branch and Austinsville, to the Committee on the Post-Office and Post-Roads.

Also, the petition of citizens of Anson and Richmond Counties, North Carolina, for a post-route from Lilesville, Anson County, to Little's Mills, Richmond County, North Carolina, to the Committee on the Post-Office and Post-Roads.

By Mr. BANNING: The petition of J. F. Judge and 62 others, druggists, of Cincinnati, Ohio, for the repeal of the stamp-tax on medicines, to the Committee on Ways and Means.

By Mr. BECK: The petition of Rosa V. Jeffrey, late Johnson, and the children of Claude M. Johnson, of Lexington, Kentucky, for relief, to the Committee on the Judiciary.

By Mr. BELL: The petition of Mrs. Olivia E. Carter, for relief, to the Committee on Claims.

Also, a paper relating to the claim of J. H. Pace, for relief, to the Committee on Claims.

Also, papers relating to the application of Alvin W. Prince, for a pension, to the Committee on Invalid Pensions.

By Mr. BLOUNT: Papers relating to the claim of Evans and Parnell, for storage of cotton, to the Committee on Claims.

By Mr. BURCHARD: The petition of Lucy Colton, for a pension, to the Committee on Invalid Pensions.

By Mr. BUTLER, of Massachusetts: The petition of merchants of Salem and Beverly, Massachusetts, for the extension of the act of July 14, 1870, to the port of Salem, to the Committee on Reform in the Civil Service.

Also, the petition of James F. Baldwin, for equalization of bounties, to the Committee on Military Affairs.

Also, the petition of Sarah G. Kneeland, of Georgetown, Massachusetts, for a widowed mother's pension, to the Committee on Invalid Pensions.

Also, the petition of Mrs. M. E. A. B. Newell, for compensation for services during the war, to the Committee on Invalid Pensions.

By Mr. BUTLER, of Tennessee: The petition of Rev. W. Willey, agent for the American Board of Commissioners for Foreign Missions, for relief, under the thirtieth article of the Cherokee treaty of 1866, for losses sustained during the late war, to the Committee on Indian Affairs.

By Mr. CLAYTON: A communication from Charles Meinecke, of San Francisco, California, in relation to the importation of foreign wines and spirits, to the Committee on Ways and Means.

By Mr. CLYMER: The petition of 240 citizens of Reading, Pennsylvania, in opposition to the imposition of a tariff duty on tea and coffee, in opposition to any increase in internal taxes, and in favor of the repeal of the second section of the act of June 6, 1872, to the Committee on Ways and Means.

By Mr. CONGER: Resolutions of the Legislature of the State of Michigan, asking Congress to aid in the improvement of the navigation of the Saginaw River, to the Committee on Commerce.

Also, the petition of David Huestis, for extension of patent, No. 28277, for molding shot and shell, to the Committee on Patents.

By Mr. COX: The remonstrance of Hazen, Whitney & Co. and others, business men of New York City, against the repeal of section 33 of the bankrupt law, known as the 50 per cent. clause, to the Committee on the Judiciary.

Also, the memorial of Owen Redmond, of Rochester, New York, in relation to the invention of a steam-plow, to the Committee on Agriculture.

By Mr. DAWES: The petition of E. W. Blackinton, postmaster at Blackinton, Massachusetts, to be remunerated for loss resulting from theft of postage-stamps, to the Committee on Claims.

By Mr. DONNAN: The following petitions, which were severally referred to the Committee on Commerce:

The petition of E. Ross and many other citizens of Independence, Iowa, asking for the necessary appropriation for the early completion of the improvement of the Fox and Wisconsin Rivers.

Also, the petition of B. P. Rawson and many other citizens of Strawberry Point, on same subject.

Also, of E. M. Jerome and other citizens of Clayton, Iowa, on same subject.

Also, of C. D. Beeman and upward of 100 other citizens of Waukon, Iowa, on same subject.

Also, of Colonel S. G. Kun and nearly 200 other citizens of Colesburgh, Iowa, on same subject.

Also, of Louis Goidicke and more than 100 other citizens of Giard, Iowa, on same subject.

Also of John T. Stoneman and between 500 and 600 other citizens, of McGregor, Iowa, on same subject.

Also, of S. V. Shaw and 104 other citizens of New Albion, Iowa, on same subject.

Also, of W. M. Kelly and many other citizens of Rossville, Iowa, on same subject.

Also, of J. W. Thomas and many other citizens of Lansing, Iowa, on same subject.

Also, of Orrin Clawson and may others citizens of Auburn, Iowa, on same subject.

Also, of John Dury and other citizens of Dubuque, Iowa, on same subject.

Also, of Oscar Lambert and other citizens of Myron, Iowa, on same subject.

Also, of A. H. Wiggen and other citizens of Fort Atkinson, Iowa, on same subject.

Also, of F. Teabort and other citizens of Postville, Iowa, on same subject.

Also, of Hon. H. S. Brunons and other citizens of Fayette, Iowa, on same subject.

Also, of Joseph Marsh and other citizens of Taylorville, Iowa, on same subject.

By Mr. FORT: The remonstrance of the council of the Patrons of Husbandry of Iroquois County, Illinois, against the passage of any law permitting county papers to pass free in the mails, and asking that all mail matter be prepaid, to the Committee on the Post-Office and Post-Roads.

By Mr. FOSTER: The petition of Charles L. Hurlbut, of Norwalk, Ohio, for compensation for services as a scout, to the Committee on Military Affairs.

Also, the petition of business men of Sandusky, Ohio, for more currency circulation and for free banking, to the Committee on Banking and Currency.

By Mr. FREEMAN: The petition of John R. Shockley, for relief, to the Committee on Claims.

By Mr. GARFIELD: The petition of citizens of Trumbull County, Ohio, for the abolition of the national banking system and the substitution of Treasury for national-bank notes, to the Committee on Banking and Currency.

By Mr. HAILEY: The petition of citizens of Idaho Territory, for the passage of the Portland, Dalles and Salt Lake Railroad bill, to the Committee on Railways and Canals.

By Mr. HALE, of Maine: The petition of 99 citizens of Pembroke, Maine, for the repeal of the second section of the act of June 6, 1872, to the Committee on Ways and Means.

By Mr. HARRISON: The petition of Ferdinand Kuhn, of Nashville, Tennessee, for relief, to the Committee on Claims.

By Mr. HAWLEY, of Illinois: Resolutions adopted at a mass meeting of the citizens of Rock Island, Illinois, in relation to the Rock Island bridge and military prison, to the Committee on Military Affairs.

By Mr. HERSEY: The petition of Samuel D. Thurston and 45 others, owners of shipping in Bangor, Maine, for the passage of such laws as will protect them from onerous and oppressive charges in the ports of the United States, to the Committee on Commerce.

By Mr. HUNTON: The petition of 56 citizens of Pulaski County, Virginia, for the repeal of the second section of the act of June 6, 1872, to the Committee on Ways and Means.

By Mr. HYDE: The petition of Henry Sipples, for a pension, to the Committee on Revolutionary Pensions and War of 1812.

By Mr. KASSON: Papers relating to the claim of William O. Madison, for a pension, to the Committee on Invalid Pensions.

By Mr. LAWRENCE: The petition of R. A. Cullison, of Logan County, Ohio, to the Committee on Invalid Pensions.

By Mr. LEWIS: The petition of the Memphis Chamber of Commerce, for an appropriation of $25,000 for the improvement of Forked Deer River, Tennessee, to the Committee on Commerce

Also, the petition of Rev. T. L. Boswell and others, of Fayette County, Tennessee, for the payment of the claim of the Southern Methodist publishing house, to the Committee on War Claims.

Also, the petition of citizens of West Tennessee, protesting against the transfer of claims from the various Departments to the southern claims commission, to the Committee on War Claims.

Also, the petition of J. E. Temple, of Memphis, Tennessee, for the payment of the French spoliation claims, to the Committee on Foreign Affairs.

Also, the petition of Gideon J. Pillow, for payment for mules taken in 1862, to the Committee on Claims.

Also, the petition of tobacco manufacturers and dealers, for the abolition of the duty on mass or stick licorice, to the Committee on Ways and Means.

Also, the petition of Wiley B. Miller and others, of Memphis, Tennessee, manufacturers of cotton-seed oil and oil-cake, for the improvement of the mouths of the Mississippi River, to the Committee on Railways and Canals.

By Mr. LUTTRELL: Resolutions of the Legislature of California, asking for the establishment of a light-house and fog-bell on Yerba Buena Island, to the Committee on Commerce.

Also, resolutions of the Legislature of California, in relation to mail service between San Diego and Julian mining district, to the Committee on the Post-Office and Post-Roads.

By Mr. MOORE: The petition of 31 workingmen of Beaver Falls, Pennsylvania, for the repeal of the second section of the act of June 6, 1872, to the Committee on Ways and Means.

By Mr. MOREY: Papers relating to the claims of J. Madison Wells, to the Committee on War Claims..

By Mr. NIBLACK: The petition of Christiana Tichnor, widow of Robert W. Tichnor, deceased, for arrears of pension, to the Committee on Invalid Pensions.

By Mr. O'BRIEN: The remonstrance of Hodges Brothers and 250 mercantile firms of Baltimore, Maryland, against the repeal of the 50 per cent. clause of the bankrupt law, to the Committee on the Judiciary.

Also, the petition of Michael McGee, of Baltimore, Maryland, to be paid bounty due him, to the Committee on Military Affairs.

By Mr. PARKER, of Missouri: The petition of N. B. Giddings and others, for the passage of a law giving pensions to soldiers in the Mexican war, to the Committee on Invalid Pensions.

By Mr. PARSONS: The remonstrance of D. B. Ramsey and others, against the employment of aliens as engineers and pilots, to the Committee on Commerce.

By Mr. PIERCE: The petition of sundry consumers of steel, for a reduction of duty on the article, and for a change from an *ad valorem* to a specific duty, to the Committee on Ways and Means.

By Mr. POLAND: The petition of N. T. Sheafe and others, members of the bar in Vermont, for a change of time for holding the United States courts in that State, to the Committee in the Judiciary.

By Mr. RANDALL: The petition of Theodore F. Hollock, late private of Company G, Sixty-seventh Pennsylvania Volunteers, for removal of charge of desertion and for arrears of pay and bounty, to the Committee on Military Affairs.

By Mr. RICHMOND: The petition of citizens of Union County, Pennsylvania, for the appointment of a commission of inquiry concerning the alcoholic liquor traffic, to the Committee on the Judiciary.

Also, the petition of Mary A. Andrew, of New Castle, Pennsylvania, for a pension, to the Committee on Invalid Pensions.

Also, the petition of Matthew Stillwell, for arrears of pension, to the Committee on Invalid Pensions.

Also, the petition of Samuel Peiffer, George Flaugh, and James Smith, surviving soldiers of the war of 1812, for a pension at the rate of eight dollars per month, from February 14, 1871, to the Committee on Revolutionary Pensions and War of 1812.

By Mr. E. H. ROBERTS: The petition of 42 citizens of Oneida County, New York, in opposition to the imposition of a tariff duty on tea and coffee, in opposition to any increase in internal taxes, and in favor of the repeal of the second section of the act of June 6, 1872, which reduced, by 10 per cent., duties on imports, to the Committee on Ways and Means.

By Mr. SAYLER, of Indiana: The petition of William F. Bryson, late second lieutenant Thirty-fourth Indiana Volunteers, for relief, to the Committee on Military Affairs.

By Mr. SENER: The petition of J. W. Hunnicutt, of Fredericksburgh, Virginia, for relief, to the Committee on War Claims.

By Mr. SLOSS: The petition of Susan R. Fletcher, widow of Dr. Nathan Fletcher, for relief, with accompanying papers, to the Committee on War Claims.

By Mr. THORNBURGH: The petition of John Dever, of Knox County, Tennessee, for relief, to the Committee on War Claims.

By Mr. SPEER: The petition of 111 citizens of Logan, Mifflin County, Pennsylvania, of similar import, to the Committee on Ways and Means.

By Mr. TREMAIN: The petition of William H. Coffin, for payment of bounty due his deceased son, Robert E. Coffin, late private Tenth New York Volunteers, to the Committee on Military Affairs.

By Mr. VANCE: A paper relating to the establishment of a postal route from Casher's Valley, Jackson County, North Carolina, to Walhalla, South Carolina, to the Committee on the Post-Office and Post-Roads.

By Mr. WHITE: The petition of sundry citizens of Alabama, for a grant of land to the Lawrence County Narrow-Gauge Railroad Company, to the Committee on Railways and Canals.

By Mr. YOUNG, of Kentucky: The petition of Elizabeth Pice, for a pension, to the Committee on Invalid Pensions.

Also, the petition of N. Shafer, of Maysville, Kentucky, for relief, to the Committee on Claims.

Also, the petition of Harrison Gill, for relief, to the Committee on War Claims.

IN SENATE.

TUESDAY, *March* 31, 1874.

Prayer by the Chaplain, Rev. BYRON SUNDERLAND, D. D.

The Journal of yesterday's proceedings was read and approved.

PETITIONS AND MEMORIALS.

Mr. MCCREERY presented the petition of Joseph Wilson, praying compensation for mules captured from him and reimbursement for expenses incurred in recapturing a portion of them, which he was to furnish the United States under a contract with the Quartermaster-General, dated July 2, 1864; which was referred to the Committee on Claims.

Mr. SARGENT. I present the petition of 7,276 citizens of California, reciting that the crime, violence, immorality, poverty, and domestic misery which so direfully afflict this fair country, are nearly all directly attributable to the use of intoxicating drinks, the sale of which is sanctioned and licensed by the Government; that the taxes and losses entailed upon the people by the use of these drinks are universally recognized to be many times greater than all the revenues derived from them; that the use of these drinks is mostly, if not wholly, due to the public temptations afforded by their public sale; that this traffic maintains in our midst a practical civil war; it diverts our citizens from their industrial pursuits, trains them in vice, and sends them forth an army of criminals, to overrun the land with violence, robbery, and murder, compelling us to withdraw from the ranks of the commercial and industrious classes another army of police, jailers, constables, and prison-guards to afford a very imperfect protection of life and property against the crime originated by permission of the Government, and that our prisons contain to-day, from this cause, a larger number of inmates than there were prisoners of war at any one time during the war of the rebellion, and that the liquor traffic is more costly every year in life and treasure than was any year of that war; that our people, our sons, and our daughters, are in constant peril from the destructive, demoralizing influences generated and sustained by ahe public drinking bars, and our property, our homes, and our lives, are ever in imminent peril from the criminal violence and wanton caprice of men crazed and brutalized by strong drink; that these drinks, and the traffic in them, are wholly unnecessary; that where they are entirely prohibited peace, order, and prosperity prevail, while crime and violence are almost entirely unknown, and jails and jailers are unnecessary; that the drinking customs and liquor traffic of America have become a national disgrace and a most serious menace to our national prosperity. Therefore they respectfully ask to be protected, as they say, in their right to life, liberty, and the pursuit of happiness, by an amendment to the Constitution of the United States which shall prohibit the manufacture and sale of all intoxicating liquors, to take effect on the 1st day of January, 1876.

The numerous signatures to this document are vouched for to be by the parties signing it. They comprise the names of a great many males of twenty-one years of age and over, the names of females over sixteen years of age, and of a number of persons under twenty-one and over fourteen years of age. I move the reference of this important petition to the Committee on Finance.

The motion was agreed to.

Mr. FERRY, of Michigan. I present the petition of Edward P. Rogers and 208 others, citizens and business firms of Ludington, Michigan, praying an increase of currency adequate to the demands of the business community, and stating that the West is alike suffering from such want while all commercial communities require a medium of circulation to enable commerce to flourish. In behalf of the Northwest and Southwest they ask Congress in its wisdom to pass such laws as will give them relief. I move that this petition be referred to the Committee on Finance.

Mr. FENTON. I present the memorial of the recent convention of tax-payers of the State of South Carolina asking for relief against misrule and corruption and for protection for the rights of property. This memorial is signed by W. D. Porter, president of the convention, and by other officers and members of the convention. I move its reference to the Committee on the Judiciary.

The motion was agreed to.

PAPERS WITHDRAWN AND REFERRED.

On motion of Mr. OGLESBY, it was—

Ordered, That Reuben Goodrich have leave to withdraw his petition and papers from the files of the Senate.

On motion of Mr. WADLEIGH, it was—

Ordered, That the petition and papers of Annie Butterfield be taken from the files and referred to the Committee on Pensions.

On motion of Mr. SPRAGUE, it was—

Ordered, That the petition and papers in the case of William Rouch be taken from the files and referred to the Committee on the District of Columbia.

On motion of Mr. ROBERTSON, it was—

Ordered, That the petition and papers in the case of the claim of Mrs. Jane Rudolph, of Columbia, South Carolina, be taken from the files and referred to the Committee on Claims.

REPORTS OF COMMITTEES.

Mr. SPENCER, from the Committee on Military Affairs, to whom was referred the bill (H. R. No. 1934) for the relief of Pat. O. Hawes, reported it without amendment.

He also, from the same committee, to whom was referred the bill (H. R. No. 1587) for the relief of William H. Pilkenton, late a second lieutenant in Company G, Fifth Regiment Indiana Cavalry Volunteers, reported it without amendment.

He also, from the same committee, to whom was referred the bill (S. No. 344) for the relief of William Bowlin, reported it without amendment, and submitted a report thereon; which was ordered to be printed.

He also, from the same committee, to whom was referred the bill (S. No 345) for the relief of Alois Smith, reported it without amendment, and submitted a report thereon; which was ordered to be printed.

He also, from the same committee, to whom was referred the bill (S. No. 455) for the relief of William M. Kimball, reported it without amendment, and submitted a report thereon; which was ordered to be printed.

Mr. FERRY, of Michigan, from the Committee on Finance, to whom was referred the bill (S. No. 468) authorizing the coinage of a twenty-cent piece of silver at the mints of the United States, reported it without amendment.

Mr. MORRILL, of Vermont. I am directed by the Committee on Finance, to whom was referred the bill (H. R. No. 1200) for the relief of the sureties of the late Jesse J. Simkins, collector of the port of Norfolk, Virginia, to report it back without amendment; and as this is a unanimous report, and it is necessary that it should be acted upon at once in order to afford the remedy sought, I ask for the reading of the bill, and for its present consideration.

The PRESIDENT *pro tempore*. It requires unanimous consent to consider the bill at this time. It will be read for information.

The Chief Clerk read the bill.

Mr. MORRILL, of Vermont. This Mr. Simkins was the collector of the port of Norfolk, and after the place was captured by the confederate forces he paid over or deposited this money with the treasury of the State of Virginia, and receipts were given for it. Subsequently he deceased, and his bondsmen were prosecuted for the amount of the indebtedness of Mr. Simkins to the Treasury of the United States. They employed Mr. Chandler to defend the suit, who forgot all about it and made no defense. If he had been present, and had made the defense which was legitimate and proper in the case, there would have been no judgment given against them. The money, as the committee have understood by evidence exhibited before them, is now a special deposit in the treasury of the State of Virginia; the gold and silver is untouched, but the State authorities refused to pay it over to the United States upon demand having been made, for the reason that they assert that the constitution of that State prohibits them from paying any confederate debts or any debts of the so-called State government that was in existence in 1865, 1866, and 1867. Under the circumstances the Committee on Finance were unanimously of opinion that the relief sought for should be given.

Mr. CONKLING. Is not this the same case which was recently before the Committee on the Judiciary?

Mr. MORRILL, of Vermont. I think not. I do not think it has ever been in the Senate before. I am not aware of it if it has been.

Mr. CONKLING. My impression is very strong, and I think from the nod of the head of the present occupant of the chair, he concurs in my recollection, that this case was before the Judiciary Committee.

Mr. MORRILL, of Vermont. If so, I was not aware of it.

Mr. CONKLING. It was examined upon the question whether this money was paid over in the actual presence of force which the law would call *vis major*, and whether the Government had now by any instrumentality any recourse to the money alleged to be in the treasury of the State of Virginia. I forbear to state what the action of the committee was, although I can do so without any error of memory, but I suggest that the bill had better lie over until we can examine it.

Mr. MORRILL, of Vermont. I will not press the bill now.

The PRESIDENT *pro tempore*. The Senator from New York objects to the present consideration of the bill, and it will be placed upon the Calendar.

Mr. MITCHELL. The Committee on Claims, to whom was referred the petition of Caroline M. Purviance and Francis Wyeth, have instructed me to report a bill (S. No. 644) for the relief of Caroline M. Purviance and Francis Wyeth, and recommend its passage. If there be no objection I ask for its immediate consideration.

The bill was read and passed to a second reading.

Mr. FRELINGHUYSEN. I object to the present consideration of the bill.

The PRESIDENT *pro tempore*. The bill will be placed on the Calendar.

Mr. MITCHELL. There is a written report which I ask to have printed.

The PRESIDENT *pro tempore*. That order will be made.

Mr. WRIGHT, from the Committee on Claims, to whom was referred the bill (S. No. 91) for the relief of Mrs. Louisa H. Hasell, reported it without amendment, and submitted a report thereon; which was ordered to be printed.

Mr. LOGAN, from the Committee on Military Affairs, to whom was referred the bill (S. No. 436) for the relief of Lieutenant John Shelton, reported it without amendment, and submitted a report thereon; which was ordered to be printed.

Mr. WADLEIGH, from the Committee on Military Affairs, to whom was referred the bill (S. No. 492) authorizing the city and county of San Francisco to use the Presidio reservation as a park and highway, reported it with an amendment.

ADDITIONAL PAYMASTERS.

Mr. LOGAN. I ask, if there be no objection, to be permitted to call up a bill which was laid aside some time ago at my request, for the purpose of authorizing the appointment of some five or six paymasters, so that I may read the letters of the Paymaster-General and Secretary of War showing the necessity for action on some measure of that kind.

The PRESIDENT *pro tempore*. The Senator from Illinois asks unanimous consent for the consideration at this time of the bill indicated by him.

Mr. CONKLING. I make no objection to the bill being taken up to enable the Senator to say anything he may like to say; but I prefer that action on the bill be postponed until we can consider it more deliberately than we can in the morning hour. Indeed, I should like to know the conclusion to which the Senator from Illinois and the Military Committee and both Houses come touching other matters concerning the Army, before we legislate on this bill.

The PRESIDENT *pro tempore*. The Chair regards the remarks of the Senator from New York as an objection. Reports of committees are still in order. If there be none, the introduction of bills is next in order.

BILLS INTRODUCED.

Mr. INGALLS asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 645) providing for the sale of the Kansas Indian lands in Kansas to actual settlers, and for the diposition of the proceeds of the sale; which was read twice by its title, and referred to the Committee on Indian Affairs.

He also asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 646) to amend an act to establish a uniform system of bankruptcy throughout the United States, approved March 2, 1867; which was read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed.

Mr. CONKLING asked, and by unanimous consent obtained, leave to introduce a joint resolution (S. R. No. 7) authorizing the reappointment of Robert L. May; which was read twice by its title, and, with the petition accompanying it, referred to the Committee on Naval Affairs.

RECOMMITMENT OF A BILL.

On motion of Mr. SPENCER, it was

Ordered, That the bill (H. R. No. 2423) explanatory of the act entitled "An act to provide for the creation of corporations in the District of Columbia by general law," be recommitted to the Committee on the District of Columbia.

ASBURY DICKINS.

The PRESIDENT *pro tempore*. If there be no further morning business, the Senate will proceed to the consideration of bills on the Calendar to the consideration of which objection is not made.

The first bill on the Calendar was the bill (S. No. 171) for the benefit of the legatees of Asbury Dickins, deceased; which had been reported by the Committee on Claims adversely.

The PRESIDENT *pro tempore*. The bill is before the Senate as in Committee of the Whole.

Mr. MITCHELL. I will state in reference to that case that the Committee on Claims reported adversely by a majority of the committee. A minority of the committee, however, consisting of three, made a minority report, which is on file. A bill has passed the House and is now pending, and, if it is in order, I move that the House bill be taken up for consideration at this time.

Mr. SCOTT. I suppose there will be no objection to that. The House bill is also reported back adversely for the action of the Senate. The Senate may as well consider it now and dispose of the subject.

The PRESIDENT *pro tempore*. If there be no objection, this bill will be laid aside, and the House bill will be proceeded with.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. No. 1580) for the relief of the heirs of Asbury Dickins.

The Secretary of the Treasury is authorized by the bill to pay to the devisees of Asbury Dickins, deceased, $3,976.19, in full satisfaction of all claims for services by him as Acting Secretary of the Treasury, chief clerk of the Treasury, Acting Secretary of State, and chief clerk of the State Department.

Mr. CHANDLER, and Mr. MORRILL of Vermont. Let the report be read.

The PRESIDENT *pro tempore*. The report of the committee adverse to the bill was read the other day, when the Senate bill was under consideration, and the views of the minority of the committee will now be read.

Mr. SCOTT. The reading of the adverse report was commenced when the bill was under consideration, and cut off by the expiration of the morning hour.

The PRESIDENT *pro tempore*. The report will be read through.

Mr. MITCHELL. Before that is read, if it be in order, I wish to offer an amendment to the House bill.

The PRESIDENT *pro tempore*. The amendment of the Senator from Oregon will be reported.

The CHIEF CLERK. The proposed amendment is to strike out, in line 6, "$3,976.19," and in lieu thereof insert "$3,385.15."

The PRESIDENT *pro tempore*. The report will now be read.

The CHIEF CLERK. The following report was submitted by Mr. SCOTT, from the Committee on Claims, on the 17th of February:

The Committee on Claims, to whom was referred the bill (S. No. 171) for the benefit of the legatees of Asbury Dickins, deceased, have had the same under consideration, and submit the following report:

Asbury Dickins presented his petition at the first session of the Thirty-third Congress, upon which a bill for his benefit was reported, which bill passed the Senate, and, after being favorably reported upon by the House Committee on Claims, was referred to the Court of Claims.

July 6, 1855, he presented his petition to that court, showing that he held the office of chief clerk in the Treasury Department from April 1, 1829, until August 22, 1833, and the office of chief clerk in the Department of State from August 22, 1833, until December 12, 1836; that during these years the President, under the act of May 8, 1792, (1 Stat., p. 281,) authorized him to perform the duties of Secretary of War and Secretary of State at different times when the contingencies mentioned in the act happened. He claims that he acted as Secretary of the Treasury one hundred and thirty-three days and as Secretary of State two hundred and twenty-six days. These aggregates were made up as follows:

1. As acting Secretary of the Treasury:	*Days.*
From April 24, 1829, to May 26, 1829, inclusive	33
From June 21, 1831, to August 7, 1831, inclusive	48
From October 18, 1831, to October 26, 1831, inclusive	9
From March 15, 1832, to March 30, 1832, inclusive	16
From October 1, 1832, to October 10, 1832, inclusive	10
From November 8, 1832, to November 17, 1832, inclusive	10
From May 6, 1833, to May 9, 1833, inclusive	4
From May 29, 1833, to May 31, 1833, inclusive	3
Total	133

2. As acting Secretary of State:	
From August 10, 1833, to August 24, 1833, inclusive	15
From November 11, 1833, to November 15, 1833, inclusive	5
From October 11, 1834, to October 31, 1834, inclusive	21
From May 2, 1835, to June 13, 1835, inclusive	43
From July 6, 1835, to July 13, 1835, inclusive	8
From August 31, 1835, to September 8, 1835, inclusive	9
From September 28, 1835, to October 19, 1835, inclusive	22
From May 19, 1836, to May 23, 1836, inclusive	5
From July 7, 1836, to August 29, 1836, inclusive	54
From September 27, 1836, to November 9, 1836, inclusive	44
Total	226

Alleging that he performed during these periods the duties of chief clerk and Secretary of the respective Departments, he claimed a *pro rata* portion of the annual salaries allowed by law to the Secretaries, admitting that he was paid his salary as chief clerk for the whole time, except from June 21 to August 7, 1831, and that for that time he was paid as Secretary of the Treasury.

The bill passed by the Senate in the Thirty-third Congress allowed him the *pro rata* salaries of the Secretaries for the periods he acted as such, less the salary for the same periods as chief clerk. He was thus claiming in court the salaries of both offices for the time he alleged he had discharged the duties of both, although in his petition to Congress he had asked only the difference between the pay of chief clerk and that of the head of a Department.

The court ruled that Mr. Dickins held these offices separate from the office of chief clerk; that he held at the same time two offices; that there was no law to prohibit his doing so; that he discharged the duties of both offices and was entitled to compensation accordingly.

Excluding the time for which he was paid as Secretary of the Treasury from his demand, the claim, as presented to the accounting officers for services as Secretary of the Treasury, amounted to	$1,235 57
For services as Secretary of State	2,479 16
And adding for the period from June 21 to August 7, 1831, his salary also as chief clerk	261 46
The whole claim was	3,976 19

The court found him entitled to 85 days as Secretary of Treasury	$1,395 88
To 260 days as Secretary of State	3,693 37
And for services as chief clerk	261 46
	5,350 71

When this report from the Court of Claims was submitted to Congress, a report was made upon it (No. 94, H. R., Thirty-fourth Congress, first session,) refusing to allow it, and dissenting from the finding of the court. Without quoting from the House report we merely state that its grounds were:

1. That the mere authority to discharge temporarily the duties of Secretary of the Treasury and Secretary of State under the act of 1792 did not make Mr. Dickins Secretary of these Departments respectively, for these offices were still held by the incumbents whose places he was temporarily filling, and that he therefore did not hold two offices during these periods.

2. That as he did not hold the two offices he was not entitled to the two salaries.

The case was before the Thirty-fifth, Thirty-sixth, and Thirty-seventh Congresses without final action. It was again before the Fortieth Congress upon petition of the legatees of Mr. Dickins after his death, and passed the Senate March 13, 1868.

It is again presented by this bill for the benefit of the legatees of Mr. Dickins, asking $4,276.81 as the difference between the salary of Secretary and chief clerk. His will is not presented to enable us to determine who are the legatees named in it. But assuming that there are proper parties to receive the money, if it ought to be paid, we proceed to dispose of that question.

While the Government never pleads the bar of limitation, certainly the length of time during which parties have slept without asserting the existence of rights may be fairly considered in passing upon their justice and equity. The services for which this claim is made were rendered from 1829 to 1836. In 1836, December 12, Mr. Dickins became the Secretary of the Senate, and continued to occupy that position until July 15, 1861. We learn from his own petition that it was not until after he heard of allowances for such services having been made to his successors, Mr. Young and Mr. Fletcher Webster, that he was impressed with the justice of presenting a claim for his services, and such claim was not presented by him until the year 1849.

The payment for part of the time he served as Secretary of the Treasury would naturally suggest that if entitled by law to pay for part, he was entitled to pay for all the time he had so served, and he was during all this time in a position in which he had peculiar advantages for having his claim acted upon. But while he was thus quiet, asserting no claim, Congress passed three acts, all declaring that double salaries or extra pay ought to be forbidden in such cases. (Act of March 3, 1839, 5 Stat., 349; act August 23, 1842, sec. 2, 5 Stat., 510; act August 26, 1842, sec. 12, 5 Stat., 525.)

The same policy has been reiterated by the acts of September 30, 1850, sec. 1, 9 Stat., 542; and August 31, 1852, 10 Stat., 99.

If it be averred that the services were rendered before the passage of these acts, it may be answered that the same policy was in effect declared by the act of April 20, 1818, 3 Stat., 447. That act fixed, among others, the salaries of the clerks of the War and State Departments, and provided—

"SEC. 9. And no higher or other allowance shall be made to any clerk in the said Departments and offices than is authorized by this act."

If it be alleged that the President might, under the act of 1792, authorize a person not holding any office to discharge the duties of Secretary, and that he would be entitled to reasonable compensation, it may be replied that such was not understood to have been the intention of the act, nor has that been its practical application. It is believed there has been no instance, from its passage to the present time, in which the President has exercised the authority conferred upon him, by the selection of a person not then in public service, and in the public service in the very Department where the duties were to be performed. The act did not create a new office nor authorize a new appointment to an old office. It empowered the President to intrust the discharge of the duties of one office during certain contingencies to the incumbent of another office.

As Mr. Dickins rested thirteen years after the services were thus performed before claiming compensation at the rate paid the Secretaries, from which it may fairly be argued he did not consider himself entitled to make such claim; as Congress, during that time and before, had distinctly declared, and has since declared, that such claims ought not to be paid; as all applications for payment hitherto, even during the time he was one of the officers of the Senate, have been unsuccessful, this committee, after the lapse of thirty-eight years since the services were rendered, does not feel itself called upon to say that Mr. Dickins was wrong in concluding for so long a time that he had no claim or that Congress has been wrong in refusing to recognize it after he came to a contrary conclusion.

We recommend that the bill be indefinitely postponed.

The Chief Clerk proceeded to read the views of the minority, submitted by Mr. MITCHELL, as follows:

The minority of your committee respectfully beg leave to submit the following as their views, and their reasons for dissenting from the conclusions of the majority:

This claim is an old one, and consequently has received the close scrutiny of your committee. The petition of Asbury Dickins was originally presented to the United States Senate February 23, 1854, at the sitting of the first session of the Thirty-third Congress, and the claim, in some form, has been before nearly every Congress since that time—

Mr. MITCHELL. That minority report is rather lengthy. It was submitted by myself. I am not ambitious to have it read here, unless some member of the Senate desires to have it read, although I am perfectly willing that it should be read, because I think it is a complete answer to the majority report.

The PRESIDENT *pro tempore*. The reading of the views of the minority will be dispensed with, if there be no objection.

Mr. MITCHELL. In justice to the minority of the committee, and for the information of the Senate, I will make a brief statement in regard to this case.

The petition was referred to the Committee on Claims, and assigned to myself, and after a careful and thorough investigation of the case I arrived at the conclusion that the claim was a just one, one that these parties were entitled to, and that it ought to be paid, and I so reported to the Committee on Claims. A majority of the committee dissented from the view I took in regard to the matter, and authorized the chairman [Mr. SCOTT] to make a majority report adverse to the claim.

Mr. Asbury Dickins, while chief clerk of the Treasury Department, under eight different appointments by President Jackson acted as Secretary of the Treasury, under the eighth section of the act of Congress of May 8, 1792, entitled "An act making alterations in the Treasury and War Departments," Statutes at Large, volume 1, 281, and which reads as follows; I ask the particular attention of the Senate to this section, because upon its construction depends the validity or invalidity of this claim:

SEC. 8. *And be it further enacted*, That in case of the death, absence from the seat of government, or sickness of the Secretary of State, Secretary of the Treasury, or of the Secretary of the War Department, or of any officer of either of the said Departments whose appointment is not in the head thereof, whereby they cannot perform the duties of their respective offices, it shall be lawful for the President of the United States, in case he shall think it necessary, to authorize any person or persons, at his discretion, to perform the duties of the said respective offices until a successor be appointed, or until such absence or inability by sickness shall cease.

In pursuance of this authority of law President Jackson, as I have stated, appointed Mr. Dickins acting Secretary of the Treasury eight different times during the period that he was chief clerk of the Treasury Department. Furthermore, in pursuance of this same provision of law, President Jackson, while Mr. Asbury Dickins was chief clerk of the State Department, under ten different appointments appointed him acting Secretary of State. He filled these different appointments, serving in both capacities, as Secretary of the Treasury for one hundred and thirty-three days and as Secretary of State two hundred and twenty-six days. The claim then is at this time that he or his heirs

or legatees be paid, during the time he acted as Secretary of State and Secretary of the Treasury, the difference between the salary he received as chief clerk and the salary of a Cabinet officer at that time.

Now, what is the objection made by the majority of the committee, as expressed in the report submitted by the chairman of the committee, to the payment of this claim? The principal objection, as I understand it, is that it was not intended that the President, under this section, should designate any person to act as Secretary of the Treasury, or as Secretary of State, unless it was some person in that particular Department holding a subordinate position in that Department; and that in such a case it was not expected that he should receive any further or additional pay than the pay he was receiving at the time for such subordinate position. I call attention to the language of the statute. I deny that such is a fair construction of the law. The language is plain, full, and unequivocal, not susceptible of any such construction. It provides in plain, positive terms "that in case of the death, absence from the seat of government, or sickness of the Secretary of State, Secretary of the Treasury, or of the Secretary of the War Department," "it shall be lawful for the President of the United States, in case he shall think it necessary, to authorize any person or persons"—not the chief clerk of the War Department, or of the State Department, not any particular clerk of either Department, but he may authorize "*any person* or *persons*" to perform the duties.

I call attention to one statement in the report of the majority for the purpose of showing that notwithstanding the fact that the chairman of the committee is always very careful in his investigations, and generally correct in his conclusions, his report in this case must necessarily in the face of the facts, in the face of the record, in the face of the law, amount to an exception to that general rule which I have just stated. He says this in that report:

> If it be alleged that the President might, under the act of 1792, authorize a person not holding any office to discharge the duties of Secretary, and that he would be entitled to reasonable compensation, it may be replied that such was not understood to have been the intention of the act, nor has that been its practical application. It is believed there has been no instance, from its passage to the present time, in which the President has exercised the authority conferred upon him, by the selection of a person not then in public service, and in the public service in the very Department where the duties were to be performed.

I desire in answer to that, and in justification and in vindication of the report of the minority in this case, to call the attention of the Senate to a very few precedents in regard to that matter.

I first call attention to the case of James Monroe, where the auditing officers of the Government paid his heirs $2,069.44 for salary from the 1st of October, 1814, to the 28th of February, 1815, for his services as acting Secretary of State during the same time that he acted and was paid as Secretary of War. Again, I ask attention to the case of Henry Dearborn. In 1801 Henry Dearborn was Secretary of War under President Jefferson, and received his pay as such. He was also acting Secretary of the Navy, a different Department, from April 1 to July 15, 1801, during which time he also received pay as Secretary of the Navy.

The report of the majority, you will observe, says that it is not believed there is any instance. I have referred to two.

Again, William Jones was paid for serving as acting Secretary of the Treasury from April 20, 1813, to February 9, 1814; and during all this time Mr. Jones was Secretary of the Navy, and received his pay as such. In the years 1825, 1826, 1827, and 1828, Mr. Southard was Secretary of the Navy, and received his pay as such, and was also part of that time acting Secretary of the Treasury, a different Department, and acting Secretary of War a portion of the time, another and a different Department, and in the printed document entitled "Receipts and Expenditures" of 1850 I find this entry: "Samuel L. Southard, deceased, late acting Secretary of the Treasury, from March 8 to July 10, 1825, inclusive, and as acting Secretary of War, from May 26 to June 2, 1828, inclusive, $2,194.91."

Four cases I have now referred to.

Again, in 1836 and 1837 Benjamin F. Butler was Attorney-General of the United States, and received his full pay as such. He was also acting Secretary of War, a different Department, from the 26th of October to the 31st of December, 1836, for which he received $1,092.40, (see page 10 of the book entitled "Receipts and Expenditures of 1836,") and from January 1 to the 13th of November, 1837, for which he received $1,200, (page 18 "Receipts and Expenditures, 1837.") Here is a case where an appointment was made of the head of one Department to act in two other Departments and made by the President of the United States, under this same identical provision of law, the eighth section of the act of the 8th of May, 1792.

Then, so far as precedents are concerned, they are abundant. But the minority report furthermore speaks of the acts of 1839 and 1842, which do prohibit by express provision the payment of double salaries; and I call the attention of the Senate to that fact. Wherefore the necessity of the act of 1839 and the act of 1842, prohibiting in express terms the payment of two salaries to the same man for the performance at the same time of the duties of two different offices, unless there was no provision of law before that time prohibiting such payment? The very fact that the law of 1839 was passed which does prohibit it in express terms is impliedly a declaration by Congress that before that time there was no such inhibition, and that where the appointment was made in pursuance of that provision of law an equitable claim, to say the least, existed against the Government of the United States that it would pay for these services what they were reasonably worth. In reference to that, the chairman of the committee says in his report that the same policy was in effect declared by the act of April 20, 1818, as was declared by the acts of March 3, 1839, and August 23, 1842, which in express terms prohibited the payment of double salaries. Not at all; not by any means, Mr. President. No such policy was declared by the act of 1811, and I will refer to that to see what it is. That act provides as follows:

> SEC. 9. * * * And no higher or other allowance shall be made to any clerk in the said Departments and offices than is authorized by this act.

What does that amount to? It is simply a declaration that a clerk *as clerk* shall receive no other or greater compensation than that provided by law; and if the effect claimed for this section properly belonged to it, there would have been no necessity for the passage of the act of 1839 which did prohibit double salaries.

Now, Mr. President, in reference to this claim, I insist that the report of the majority cannot be sustained either upon principle or upon authority; that a fair construction of the act is against it; that the precedents are all against it. But then the majority report asks, why pay this claim after thirty-nine years? I have referred to the case of Mr. Dearborn for services performed in 1801, which claim was not paid until 1849. There is a precedent in answer to that objection; and then, again, the statute of limitations does not run in favor of the Government in regard to a claim that is legitimate.

I may say again in reference to this claim, because I do not wish to take up time, that a bill for its payment has passed the Senate heretofore; it has passed the House at different times heretofore; it has been carefully considered in the House at the present session of Congress and a bill has passed the House and is now pending in the Senate. That bill provides for about $500 too much. I have given this matter careful consideration and have offered an amendment reducing the amount allowed by the House bill to the amount that is justly and equitably due from the Government of the United States to the legal heirs of Asbury Dickins. And I will say in conclusion that I am satisfied had the chairman of the Committee on Claims given this case the investigation that I have done, he never would have made the report that has been made.

Mr. SCOTT. Mr. President, I will occupy a very few minutes in calling the attention of the Senate to the principle involved in this case. If, after considering that, the Senate shall see proper to adopt the minority report, I certainly shall have no regrets. I have but discharged my duty as the chairman of the committee in making the report of the majority, concurring as I do in the views asserted in that report.

The principle involved in the decision of the case, is whether the Senate will overturn that policy which has been established by repeated acts of Congress of preventing extra pay, double pay; preventing the officers of the Departments who are detailed under the act of 1792 from setting up claims for higher salaries when they happen to be detailed from a lower position to discharge the duties for the time being of a higher position; and, sir, let me ask attention, without again repeating the facts of the case which have been stated by the Senator from Oregon, to the act of 1792, under which this claim arises. It reads thus:

> SEC. 8. *And be it further enacted*, That in case of the death, absence from the seat of government, or sickness of the Secretary of State, Secretary of the Treasury, or of the Secretary of the War Department, or of any officer of either of the said Departments whose appointment is not in the head thereof, whereby they cannot perform the duties of their respective offices, it shall be lawful for the President of the United States, in case he shall think it necessary, to authorize any person or persons, at his discretion, to perform the duties of the said respective offices until a successor be appointed, or until such absence or inability by sickness shall cease.

Now let me call attention to the peculiar language of that act of Congress. I think the author of that act evidently had in his mind that it was necessary by some phraseology to get rid of what I think is certainly a very plausible constitutional objection to that act of Congress. It will be noted that it does not authorize the President to appoint a Secretary of War, a Secretary of the Treasury, or a Secretary of State.

The PRESIDENT *pro tempore*. The morning hour having expired, the Senate resumes the consideration of the unfinished business of yesterday.

Mr. MITCHELL. I ask that that be laid aside.

Mr. ANTHONY. I hope the Senator from Pennsylvania will be allowed to finish his remarks.

Mr. BUCKINGHAM. Let the bill be finished.

The PRESIDENT *pro tempore*. Senators request that the pending bill be laid aside informally to allow the Senator from Pennsylvania to conclude his remarks. Is there objection?

Mr. BOREMAN. It is evident that this bill cannot be disposed of. I object.

The PRESIDENT *pro tempore*. The Senator from West Virginia objects.

ENROLLED BILLS SIGNED.

A message from the House of Representatives, by Mr. CLINTON LLOYD, its Chief Clerk, announced that the Speaker of the House had signed the following enrolled bills; and they were thereupon signed by the President *pro tempore*:

A bill (H. R. No. 1224) for the relief of William H. Denniston, late an acting second lieutenant Seventieth New York Volunteers;

A bill (H. R. No. 1762) concerning the practice in territorial courts and appeals therefrom;

A bill (S. No. 334) to remove the political disabilities of William L. Cabell, of Texas; and

A bill (H. R. No. 2547) to remove from political disabilities Thomas Hardeman, jr., of Georgia.

BANKING AND CURRENCY.

The PRESIDENT *pro tempore*. The Senate, as in Committee of the Whole, resumes the consideration of the bill (S. No. 617) to provide for the redemption and reissue of United States notes and for free banking. The pending question is on the question submitted by the Chair. Will the Senate receive the amendment offered by the Senator from Ohio [Mr. SHERMAN] to the fourth section of the bill?

Mr. SHERMAN. Will the Chair be kind enough to state the question exactly?

The PRESIDENT *pro tempore*. The Senator from Ohio offered an amendment which in the opinion of the Chair was out of order, being an amendment in the third degree; but he submitted the question of order to the Senate.

Mr. SHERMAN. I do not wish to vote on the point of order with any reference to the question pending in the Senate; and for the purpose of avoiding that difficulty, as the question is now before the Senate as to whether my amendment is in order or not, I will propose the following as the order of the Senate, and it seems to me Senators on all sides can vote for it without regard to its effect on the pending question:

Resolved, That pending a substitute for the whole bill and a motion to strike out a section of the bill, it is in order to perfect by amendment the section proposed to be stricken out.

The Senator who occupies the chair, our President, thinks that under the construction of Rule 12 this would not be the parliamentary law; but the practice of the Senate is precisely as I have written here, and I hope this order will be adopted by unanimous consent, and that will remove the difficulty without passing upon the question of the actual construction.

Mr. FERRY, of Michigan. The Senator will allow me to suggest that he withhold his proposition and withdraw his point of order until this bill is settled. I would remind him that when reporting a proposition to extend the morning hour one-half hour, the Senator thought it might interrupt the progress of this bill and therefore suggested that it had better be deferred until this bill was settled. In the same spirit, I would say to the Senator from Ohio that perhaps as we have gone so far through this bill, it might be the better course to withdraw the point of order and offer this amendment to the rules when we shall have concluded the pending bill.

Mr. SHERMAN. Here we are perfecting a bill of great importance. I assert my right as a member of the Senate to offer an amendment; and that right is denied me, for the first time I believe in the history of the Government. I do not want to see the Senate overrule the usages of the Senate, on account of a narrow, strict construction of a rule, in the consideration of a bill of this importance. In other words, I do not want to see a majority of the Senate, whatever they may think about a particular measure, override the usages of the Senate in the passage of the bill. I insist upon my right to offer this amendment. If a majority of the Senate say I have no right to do it, I submit as a matter of course; but it will be the first time in the history of this Government that the right to make a similar motion has been denied. I do not think a majority desire to do this. I do not think a majority desire to prevent the same course being pursued in the consideration of this bill that has been pursued in times past in the midst of great party excitement and excitement of all kinds. Therefore I cannot waive what I take to be my right to offer this amendment. If I am overruled by the Senate, and the Senate decide that under the rules as they stand I cannot offer it, I must submit, as a matter of course; but I do not think that is the best course. I think the best way is for the Senate simply, without reference to the pending question, to say what is the rule, and what is the practice and usage of the Senate, and give to the friends of this bill the same rights that have always been extended in all cases heretofore in perfecting a bill pending before the Senate.

I make these remarks with perfect kindness to the Presiding Officer who has made a different ruling. His ruling is based upon a strict construction of the twelfth rule. Now I wish simply to assert, in the form of a motion, that the usage of the Senate, the practice of the Senate in the construction of that rule, has been different, whatever may be the grammatical, or logical, or strict construction of the rule. I will not put it in this form, but will simply ask the Senate to pass on the pending point; but I think, to relieve all question about the pending question, it would be better to put it in the form of a construction of the rule, so that it may be operative in the future. If it is in order I will so submit it.

The PRESIDING OFFICER, (Mr. ANTHONY in the chair.) It requires general consent, or the postponement of the pending bill.

Mr. SHERMAN. I do not ask the postponement of the bill.

The PRESIDING OFFICER. The Senator asks unanimous consent to submit the order which has been read. Is there objection?

Mr. FERRY, of Michigan. I do not rise in the spirit of objection.

The PRESIDING OFFICER. The Chair hears no objection.

Mr. FERRY, of Michigan. I merely wish to state that on the first impression I was inclined to the view taken by the chairman of the Committee on Finance; but upon the statement that the practice of the Senate had been otherwise, I immediately deferred to that practice. I suggest to the chairman of the Committee on Finance, with the statement from the Chair that such had been the practice of the Senate, whether in the midst of this measure, since we have gone on so far under that former practice, it would not be better that we should continue throughout the bill, and thus preserve the harmony of ruling. To interpose in the midst of this bill to change the ruling, would seem incongruous, to say the least.

Mr. SHERMAN. Does my friend, the Senator from Michigan, say that the ruling now made on this bill has been the practice of the Senate?

Mr. FERRY, of Michigan. It was so stated from the Chair, as I understood; but I may be mistaken.

Mr. SHERMAN. If the Senator can show me a case in the parliamentary history of this Government where a motion to amend a section proposed to be stricken out has been denied, I will give up.

Mr. FERRY, of Michigan. I ground my statement, as I said, upon what was admitted to be the practice of the Senate, and I am always ready to defer to the practice.

Mr. SHERMAN. On the contrary, the occupant of the chair said he understood the practice of the Senate to be different, but he regarded himself as an officer of the Senate bound to administer the rule laid down.

Mr. CONKLING. He said no such point had ever been made.

Mr. SHERMAN. He said no such point had ever been made, but he considered himself bound by the language of the rule. He said that he saw the inconvenience of the rule, but he said that the point of order had never been made before. I assure the Senator from Michigan that I have inquired of those who are familiar with points of order in both Houses; I have not examined the cases myself; but I am assured that in the ordinary practice of the Senate it has been the uniform custom to allow motions to amend first to be made. Upon that point I appeal to and ask the statement of the rule by the gentleman who now occupies the chair, [Mr. ANTHONY,] who for four years presided over the deliberations of the Senate.

Mr. FERRY, of Michigan. My recollection was that the Chair stated that such had been the practice of the Senate, but I may be mistaken; and it was fortified by the statement of the Chair that he had examined the subject, and I remember there were several authorities upon the desk, to which the President *pro tempore* referred, and he stated that he was clearer than he was before, after having given thorough examination to the case. However, the President *pro tempore* is on the floor of the Senate and can speak for himself.

Mr. CARPENTER. I ask the attention of the Senate for a few minutes upon this subject. I understand the question now submitted to the Senate to be the same as was submitted to the Chair when a point of order was raised. I submit that the Senate should not in this form amend its rules or violate them. The rules which are contained in the book [holding up the book of rules] are the rules of the Senate, not the rules of the Chair; and it is simply the duty of the Chair to declare and enforce them. The question is whether under the rules of the Senate an amendment such as is offered by the Senator from Ohio can be received. The Chair, instead of disposing of that question, having ruled upon it before, submitted it to the Senate; and the Senate is now to determine not whether it will amend the rule, but whether the Senator from Ohio is entitled to introduce his amendment in the present status of this bill.

One word in regard to what is said to have been the practice of the Senate. Of course I have been here but a short time. When the Senator from Ohio says the practice has been so and so, I accept his statement of it; but the Chair called upon to rule on a point of order must be governed by the rule and cannot know, and knowing cannot be governed by, the practice. I remember an instance illustrating this very well at our short session in 1873. My colleague [Mr. HOWE] offered certain memorials which were addressed to the two Houses of Congress, at the extra session of the Senate. Their reception was objected to, and the Chair ruling them out of order, the Senator appealed from the ruling of the Chair. The Senate sustained the ruling. On the following morning, my colleague came in and presented a pile of Journals, showing some eleven or twelve precedents for the very motion which he made, and added:

If precedents could establish anything, it seems to me these precedents must have settled the propriety of receiving petitions.

To that the Senator from Ohio [Mr. SHERMAN] replied as follows:

It was done by unanimous consent, without objection. By that kind of logic I can show that there are no rules in the Senate at all, because every rule of the Senate has been violated by unanimous consent. Unless the point was made, I insist that a precedent was not established by the Senate, because every rule has been violated. There is no rule on the whole list but what has been waived over and over again by unanimous consent; but that does not establish what the rule is.

Now, I understand that to be a sound statement of a principle of law applicable to our practice here. The mere fact that the practice has been one way, and from its convenience has passed by unanimous consent for years, settles nothing as to what is the proper construction of this rule. It simply shows that by unanimous consent the rule has been waived, and that the practice is to waive it. That may all be so; I accept the statement of older Senators that it is so, but no instance is referred to, and on examination I am unable to find, and the Clerk has searched and is unable to find, any instance in which the point of order has been made, and if no such instance

can be found, then I quote the Senator from Ohio, and I quote his sound doctrine, too, that the mere practice, unquestioned, without the point of order raised upon it, practice without a decision either of the Chair or of the Senate, settles nothing; and, as he says, if you can refer to practice to show what a rule means, you can wipe out every rule in this volume, for there is not one that has not been waived over and over again. On the question to which I have referred, the reception of these petitions, although my colleague presented eleven instances in which they had been received, going through a series of years, yet on the point of order being raised, the question "Shall they be received?" being put, the Senate rejected the petitions by a vote of 32 to 24. Now what becomes of the argument based upon the practice?

One word upon this rule, which seems to me so plain that no two lawyers can differ about it. I know very well how difficult it is for a lawyer who has been accustomed to a particular course of practice in court to believe that the law is not as he has seen the practice; and it is equally so with Senators. When a thing has been done in this body for a great many years it is almost impossible to satisfy Senators that it has not been done according to rule. But it seems to me that on the rule itself there is no ground for doubt.

In the first place, no Senator will question that a motion to strike out and insert is a motion to amend. That will not be questioned by anybody. It is classed in the books under the head of amendments; it is one of the most important kind of amendments; it is classified as such in every book that treats of the subject. It is therefore an amendment in the first degree. By the general parliamentary law that motion when submitted is regarded as two motions made at once, and is put to the body as two motions, first putting the question, shall the portion proposed to be stricken out stand as a part of the bill? and if that is settled in the affirmative that ends the question. If settled the other way, then the question is, shall the part proposed to be inserted be inserted? And those are two questions. I have no doubt that in a legislative body where such was the rule the part to be stricken out could be amended, and the part to be inserted could be amended, and perhaps you could have an amendment to an amendment in both cases; but this rule of the Senate declares in words that on a motion to strike out and insert it shall not be in order to move for a division of the question. What is the meaning of this? The parliamentary law is, not that you may move a division, but that it is making two motions, and they put by the Chair as separate motions; and one writer says it is regarded as two motions made at once.

Mr. SHERMAN. Will my friend allow me to ask him a question?

Mr. CARPENTER. Certainly.

Mr. SHERMAN. If by parliamentary law a motion to strike out and insert is two motions, two divisible motions, two amendments, one to strike out and the other to insert, then according to parliamentary law, pending that double motion or those two motions, it would not be in order to amend the text; and yet by the parliamentary law it is always in order to amend the text. By parliamentary law but two amendments can be pending at the same time, and if this motion, being a compound or double motion, exhausts the order of amendments, then how is it possible under parliamentary law to amend the text? And yet by the plain declaration of parliamentary law it is always in order to amend the text proposed to be stricken out.

Mr. CARPENTER. That depends upon what the Senator means by the text. If he means the part to be stricken out, that is one thing; if he means another part of the bill, that is another thing altogether.

Mr. SHERMAN. I mean the part proposed to be stricken out. How is it in order, then, by parliamentary law, to move to amend that which is proposed to be stricken out when the motion itself is, according to the Senator, a compound motion and exhausts the power to amend?

Mr. CARPENTER. The motion is not a compound motion, I maintain, but is one motion; and the Senator asks how it can be divisible. It is one motion under this rule, and you can move to amend a motion to amend but once.

Mr. SHERMAN. I spoke of the parliamentary law.

Mr. CARPENTER. The parliamentary law, as I understand it, makes two propositions of what we call one. When a motion like this is made, the Chair in the House of Commons would say, "Two motions have been made, one to strike out, the other to insert some substitute."

Mr. SHERMAN. That would cut off all other amendments, according to your theory.

Mr. CARPENTER. The parliamentary law happens to be exactly the other way. I am not answerable for the faults of parliamentary law; I am not the author of it, I am only one of its students.

Mr. THURMAN. I should like to have a categorical answer to this question: If according to parliamentary law the motion to strike out and insert be considered as two amendments, then I should like to know whether you can perfect the original bill?

Mr. CARPENTER. Mr. President, I have rarely found my honorable friend from Ohio putting a question based upon any such hypothesis as that, or so unjustified by the premises.

Mr. THURMAN. I only desire you to explain.

Mr. CARPENTER. If a Senator was allowed to make two motions; for instance, if I move to amend the bill by striking out the first section, and then, having the right to make another motion, I make my second motion, which is to strike out the last section, the last proposition is not an amendment to the first. The Senator from Ohio does not understand me to assert that by parliamentary law when a motion is authorized to strike out and insert, the motion to insert is an amendment to the motion to strike out. If such was the case the result he mentions would follow. But my astute and able friend from Ohio could not have fallen into such a blunder as that, and he could not have thought me so stupid as to announce such a proposition.

Mr. THURMAN. Very well. Then let us understand the Senator. He says that according to parliamentary law a motion to strike out and insert does not cut off a motion to amend the original text. I so understood him.

Mr. CARPENTER. Yes, sir.

Mr. THURMAN. Very well. It is not considered two amendments or as presenting two questions so as to prevent presenting a third question by a motion to amend the original text. That is what I understand the Senator to say.

Mr. CARPENTER. I understand that by parliamentary law such motion is regarded as presenting two distinct questions or propositions. It is the same as though a Senator should on one morning move a certain amendment and the next morning should move another amendment; but instead of making them at different times, on different occasions, he makes them both at once.

Mr. THURMAN. Very well. The motion to strike out and insert, then, is considered an amendment, the first amendment.

Mr. CARPENTER. The motion to strike out and insert is, apart from our rule, two motions; the first of which is a motion to strike out, and that is amendable, and the second is a motion to insert, and that is amendable, because they are separate motions; but under our rule they are not, it is but one motion, and you can amend that motion but once; otherwise, you may move an amendment in the third degree.

On a question of mathematics which does not reach beyond three units I think I can trust my judgment. If there is one thing well settled in parliamentary law it is that motions to amend cannot go beyond this: first, an amendment to the question, whatever it is; second, an amendment to the amendment. We all agree on that, do we not? There is no exception to that that I can find in any book on parliamentary practice. You have a question before you; you may move to amend it, and then you may move to amend the amendment, and then the limit is exhausted. Now here is a bill before us. The Senator from North Carolina moved to strike out and insert. Is that an amendment?

Mr. HOWE. But that does not count, they say.

Mr. CARPENTER. O! Rip Van Winkle might construe this rule upon precisely that principle; but I do not believe the Senator from Ohio can. The motion to strike out and insert is a motion to amend in the first degree. What is it if it is not a motion to amend? Can there be any question about it? If it be an amendment in the first degree, then when anybody moves to amend that proposed amendment, that is an amendment in the second degree, is it not? That motion to amend may be made at either end of the proposition. It may be made to amend the portion to be stricken out, in which case you have two proposed amendments and must come to a vote before you can perfect the substitute, or you may move to amend the substitute, in which case you have your amendment to the amendment and must vote upon it before you can entertain a motion to amend the text.

Mr. THURMAN. You cannot perfect the original text at all, then, under that motion, but must come to a vote! That follows.

Mr. CARPENTER. Of course it follows. That is what I am trying to push to the forefront of this subject. I am not trying to conceal it. That is what I assert, and I assert it by the authority of the books, and I defy the Senator to show a single authority which lays down the doctrine that a motion to strike out and insert is not an amendment in the first degree, and I defy him to show an authority that amendments may be received past the second degree. Now, here is a motion to strike out one section and insert something else. I move to amend the part to be stricken out. Is not that an amendment to the proposed amendment? Does it not change the proposition of the first motion to amend? So, on the other hand, if the motion be first made to amend the part to be inserted, you have exhausted the limit of undetermined propositions and the Senate must come to a vote.

Of course, there is in certain cases inconvenience in any rule you may establish. That the books all admit; but they say that the limit must be fixed somewhere, and every writer fixes it as I have stated. Now, without this rule I should think, and I should so decide if I were in the chair, that such a motion in substance presented two propositions, that the proposition to amend the text took precedence, and that the part to be stricken out might be amended, so that you would have two amendments, that is, a motion to strike out and a motion to amend pending, and a motion to insert and the motion to amend that motion both pending at once; those based upon the text to have precedence. I think that would be so; but where your rule provides that instead of being two propositions it shall be one, and *that one* a motion to amend, then the next amendment must be an amendment in the second degree; and one of two things, I submit to my friends, must be true: The motion made by the Senator from Ohio is either an amendment in the third degree, or it is an independ-

ent motion which cannot be put until the pending motion is disposed of. It must be one or the other. If it be not based upon an amendment, if it does not relate to that subject, then it is not germane to the question before the Senate, and is out of order for that reason.

But I do not put it at all upon that ground. I say that under this rule the motion to strike out and insert, being a motion to amend the bill, is an amendment in the first degree, and that any motion following that, which changes the effect of it, is an amendment in the second degree; and that any motion whatever which would again change that must be an amendment in the third degree. If it can be made out that a motion to strike out and insert is not an amendment in the first degree, that ends the question; but no man, I take it, will maintain that. It is an amendment in the first degree. Then must not any amendment which changes that proposition be an amendment in the second degree? And does not the amendment offered by the Senator from Indiana in this case change the proposition pending before the Senate upon the motion of the Senator from North Carolina?

Here is your bill. The Senator from North Carolina moves to strike out the whole of it, and insert certain words. The Senator from Indiana moves to amend by striking out only a part of it. So that the question then will be, whether the Senate will strike out a part of this bill, and insert what has been moved by the Senator. Does not that change the proposition made by the two Senators? Does it not bear directly upon the subject? Is it not a third change of the proposition, or an amendment in the third degree? I can make the thing no plainer than the statement of it; but let me try it once more. Here is the bill. Here is a motion to strike out the whole bill, and insert something else.

Mr. SARGENT. That is a substitute.

Mr. CARPENTER. What is a substitute? Is it not an amendment?

Mr. SARGENT. Is it not a proposition aside from the original bill?

Mr. CARPENTER. That is what we want you to prove.

Mr. SARGENT. I have shown that to be the contemporaneous practice of the House of Representatives.

Mr. CARPENTER. The Senator showed that such had been the practice in many cases. It may have been the common practice. I remember numerous instances in which when we have been amending appropriation bills the predecessor of the present Vice-President, Mr. Colfax, would say to the Senate, "It is more convenient, if there be no objection, to treat the substitute as the text," and he would call for objections, and if none were made, he would then take the substitute as the bill, and then allow that to be amended in the second degree; but the very asking for objection to it was a statement of the proposition that without consent it could not be done.

Mr. SARGENT. If the Senator will allow me, on page 255 of Jefferson's Manual—and before reading it, the Senator will certainly admit that a motion to strike out the whole bill, and insert something else, is in the same nature as a motion to strike out a paragraph, and insert something in lieu of it—Jefferson says:

In like manner, if it is proposed to amend by striking out a paragraph, the friends of the paragraph are first to make it as perfect as they can by amendments, before the question is put for striking it out.

In other words, in a question of this character, it is a question of preferred motions, which motion shall first be put. The motion to strike out is postponed until, as Jefferson says, the friends of the paragraph can make it as perfect by amendments as they can. How can they make it perfect by amendments if you take away one-half of their power to perfect it by amendments, by saying that they shall simply propose an amendment in one degree? According to parliamentary law, they are to have the power to make it as perfect as they can by whatever range of amendment is allowed by the ordinary practice of the Senate. That seems to me to be the distinction.

Mr. CARPENTER. I thank the Senator for drawing my attention to that, for it seems to me it upsets his whole theory. He is trying to rule this question under the general parliamentary law, which I say we cannot do.

Mr. SARGENT. If the Senator will allow me, I showed him that there was exactly a similar rule in the House of Representatives, and that the commentary upon it is taken from Jefferson's Manual, and it has been the rule and practice there for many years.

Mr. CARPENTER. That is so utterly foreign to the question I am discussing that it is out of order on this proposition; it is not germane.

Mr. SARGENT. If the Senator will allow me——

Mr. CARPENTER. Let me show to my friend that that is so.

Mr. SARGENT. Certainly; I will listen with pleasure.

Mr. CARPENTER. Of course we are all desirous to get at what the rule is. I am just as anxious as the Senator. Here, in the first place, is a rule of the Senate which declares a certain thing. The question is, what does that rule mean? To show what this rule means, the Senator refers to what would be the law if there were no rule. To show that that is so, let me ask the attention of the Senator to the conclusion of the very paragraph which he commenced reading:

When it is proposed to amend by inserting a paragraph, or part of one, the friends of the paragraph may make it as perfect as they can by amendments before the question is put for inserting it.

There is no question about that.

Mr. SARGENT. That is not what I read.

Mr. CONKLING. I think it is exactly what the Senator read.

Mr. SARGENT. I read this:

In like manner, if it is proposed to amend by striking out a paragraph, &c.

Mr. CARPENTER. You read the wrong thing, I guess.

Mr. SARGENT. The notes of the reporter, which I have not changed, will show what I read.

Mr. CARPENTER. I will ask the reporter to read what the Senator from California did read.

Mr. SARGENT. I think the Senator, in his anxiety on this subject, did not catch what I read.

The REPORTER, (reading from his notes.) Mr. SARGENT quoted from page 255 of Jefferson's Manual, as follows:

In like manner, if it is proposed to amend by striking out a paragraph, the friends of the paragraph are first to make it as perfect as they can by amendments, before the question is put for striking it out.

Mr. SARGENT. That is what I asserted that I read.

Mr. CARPENTER. Is not that the paragraph I read?

Mr. SARGENT. You read the first part.

Mr. CARPENTER. I commenced reading your paragraph.

Mr. SARGENT. Let the reporter read what the Senator said, and see if he did not wind up the quotation he read with the words "before the question is put for inserting it."

Mr. CARPENTER. The Senator understood what I meant and I understood what he meant. I understood him to assert that I was not reading the same paragraph from which he read.

Mr. SARGENT. I read the portion of the paragraph relating to the matter under discussion.

Mr. CARPENTER. Very well; I will read the whole paragraph:

When it is proposed to amend by inserting a paragraph, or part of one, the friends of the paragraph may make it as perfect as they can by amendments before the question is put for inserting it. If it be received, it cannot be amended afterward in the same stage, because the House has, on a vote, agreed to it in that form. In like manner, if it is proposed to amend by striking out a paragraph, the friends of the paragraph are first to make it as perfect as they can by amendments before the question is put for striking it out. If on the question it be retained, it cannot be amended afterward, because a vote against striking out is equivalent to a vote agreeing to it in that form.

When it is moved to amend by striking out certain words and inserting others, the manner of stating the question is first to read the whole passage to be amended as it stands at present, then the words proposed to be struck out, next those to be inserted, and lastly the whole passage as it will be when amended. And the question, if desired, is then to be divided, and put first on striking out. If carried, it is next on inserting the words proposed. If that be lost, it may be moved to insert others.

That, of course, is all done away with by Rule 12.

Mr. SARGENT. I admit the paragraph the Senator last read is modified by Rule 12. But the one to which I called attention is not affected by it.

Mr. CARPENTER. It all illustrates what I claim, that when we are construing a rule we get no light by determining what would be the law without it. The presumption is that the rule was intended to change the law; else the rule would have been wholly unnecessary. But the Senator concedes that this Rule 12 does change the parliamentary law in at least one particular. I claim that it does in both particulars.

Now let me once more state what I understand to be the order of these propositions, and then I shall be done with the subject, entirely I hope.

Here we have a bill. One proposition before the Senate is, shall that bill pass? It is then moved to strike out all after the enacting clause and insert other words. That is an amendment; that is a first amendment or an amendment in the first degree. Now, I maintain that any motion which changes the proposition which is put before the Senate by the first motion, is an amendment to that motion, or an amendment to an amendment; and that whether the motion be to change the words to be stricken out or to change the words to be inserted, in either case the proposition made by the first motion to amend is changed. In one case it is to strike out the whole bill and insert certain words; and by the other motion, it is to strike out only a part of the bill and insert these other words. I say that is an amendment to the amendment; or it is an amendment in the second degree, and past all question mathematically and to the eyesight, it is a second amendment, whatever you call it. I think myself that the rule might well be as Senators desire to have it; and I move to amend the order which the Senator from Ohio has sent to the Chair by striking it out and inserting the following in lieu thereof:

Rule 12 shall be so amended that pending a motion to strike out and insert, the part to be stricken out and the part to be inserted shall each be regarded for the purpose of amendment as a question, and motions to amend the part to be stricken out shall have precedence.

I move that as an amendment to the order which the Senator from Ohio has moved.

The PRESIDING OFFICER, (Mr. ANTHONY in the chair.) The question is on the amendment proposed by the Senator from Wisconsin [Mr. CARPENTER] to the order proposed by the Senator from Ohio, [Mr. SHERMAN.]

Mr. THURMAN. The only objection I have to that is my very firm belief that Rule 12 has nothing in the world to do with this question, and, therefore, does not need to be amended in any such form. I am perfectly willing to get at what is right in almost any way; but what Rule 12 has to do with the question before the Senate I confess I am wholly unable to conceive; and nobody has yet pointed out to my dullness what it has to do with it. What is the whole effect

of Rule 12? Simply to make one question where otherwise there would be two. It has nothing to do with the question of what is an amendment in the second or third degree, or what are the privileges of the friends of a bill in perfecting a paragraph moved to be stricken out.

Mr. CARPENTER. Will the Senator allow me a word at that point?

Mr. THURMAN. Right there.

Mr. CARPENTER. If you have two propositions, you may have four amendments, two to each. If you have one proposition, you can only have two amendments.

Mr. THURMAN. Let us see what it is. Suppose this clause of Rule 12 did not exist, could there not be a motion made to strike out and insert? Certainly. The Senator says that would have been either one motion or two motions. It is a divisible motion, as I understand, by the parliamentary law; that is, it is a motion capable of being divided.

Mr. CARPENTER. The authorities say that such a motion is treated as two motions, to be put consecutively, not divisible by the order of the Senate, but two motions, and must be so put.

Mr. THURMAN. Very well; it is two motions. Then does it constitute one amendment or two amendments?

Mr. CARPENTER. Two independent amendments.

Mr. THURMAN. Then, according to the Senator's theory, and according to parliamentary law, when a motion is made to strike out and insert, you cannot make one single motion to amend the original text.

Mr. CARPENTER. I know my friend does not want to misrepresent me, and he does not want to misunderstand me. If we had a rule here which authorized a man to get up and move to amend the first section of the bill, and at the same time to make a totally independent motion directed to some other section of the bill, it would hardly be thought by any one that the motion to amend the sixth section was an amendment to his own motion to amend the first. That is all there is in this confusion. By the parliamentary law, a man can at the same instant make two independent motions; one is not an amendment to the other; the motion to insert is not an amendment to the motion to strike out; but he makes the two motions, and they are both on the table together. Either of them, I suppose, may be amended once, which would be an amendment in the second degree in each case.

Mr. THURMAN. Then take it that way; what is the effect of it? That, although there are two questions pending according to the Senator's statement, one the question of striking out and the other the question of inserting, yet treating them as one amendment, it is competent to move to amend the original text. But how competent? By moving simply one amendment, and you cannot go any further than that. Now, what has Rule 12 to do with it but to say precisely what, according to the interpretation of the Senator, is the effect of the parliamentary law itself? He says that although these are two motions which a man may submit at the same time, yet they constitute an amendment of the original text, and you may then go on, treating them as if they were one amendment, and move an amendment to perfect the original text, and then you have two questions before the Senate.

Mr. CARPENTER. And two amendments of each question, which is permitted in every parliamentary body; but the question here is whether you may have one question and three amendments to it.

Mr. THURMAN. Two amendments upon each question. What does the Senator mean by that? You have the original bill and you have a motion to perfect that, and then you have the substitute which is offered. What amendment is there to that?

Mr. CARPENTER. You have in the first place the original bill. Suppose you simply move to strike out three sections of it and do not move to insert anything; that is a motion to amend, is it not?

Mr. THURMAN. Assuredly.

Mr. CARPENTER. How far can you go to that? You can move to amend that amendment by striking out two, instead of three sections. Then you have to stop. Now by the parliamentary law, as I understand it, you may at the same time, if you choose, make a totally different motion, which is to strike out and insert something. That is an amendment to the bill in the first degree. Then you may move to amend that, which is an amendment to an amendment; and so you would have four amendments, because you have two questions and each may be amended twice. But when the Senate rule welds them together and says they are both one question, then the part to be stricken out is as much covered by the motion as the part to be inserted. You have therefore got but one question, and you have got one proposition to amend it, and all you can have is one more, and when the Senator from Indiana made his motion that one more was filled, the limit was exhausted.

Mr. THURMAN. I shall never get it through the head of my friend, or rather he does not see it, one or the other.

Mr, MORTON. Allow me a word.

Mr. THURMAN. Not now. I would rather conclude what I have to say.

Mr. CARPENTER. I wish the Senator would yield, because the Senator from Indiana might be more successful than I am in making my point.

Mr. THURMAN. The interpretation now given to Rule 12 is certainly one that never was imagined before; but let that pass. I will not dispute about what the effect of that is. But here is the vice of the Senator's argument: he treats the amendment offered by the Senator from Indiana to the original bill as an amendment to the substitute offered by the Senator from North Carolina.

Mr. CARPENTER. I do that for this reason: the Senator from North Carolina moves to strike out all after the enacting clause; the Senator from Indiana says, "No; do not strike it all out; let us strike out one section." Then the question will be when the substitute is perfected, shall this substitute perfected be put in the place of this bill minus the second section? The whole difficulty with the bill may be in the second section; and if the Senator can get the second section stricken out, nobody may want to substitute anything for the rest of the bill. I am not speaking of this bill particularly, but of a case which might exist.

Mr. THURMAN. Now see how false that reasoning is. You may move to change the original text so as to prevent the substitute from being adopted, which is exactly the reason for the parliamentary rule that you may perfect the original bill. It is very true that if the amendment of the Senator from Indiana were adopted, that might affect the vote on the motion made by the Senator from North Carolina and might defeat that motion to strike out. But that is exactly the reason for the rule which allows you to perfect the original text; and it does not prove that the amendment offered by the Senator from Indiana is an amendment to the motion made by the Senator from North Carolina. It is no such thing. It is not in form so; and it does not have the effect of amending it at all. The motion of the Senator from North Carolina is to strike out the whole bill. If the Senator from Indiana had moved, as an amendment to that amendment, to strike out the second section and retain the rest of the bill, or to put it in a better form, if he had moved as an amendment to the amendment of the Senator from North Carolina to strike out a particular section of the bill and retain the residue of the bill, that would be an amendment; or I will put it in this way: The Senator from North Carolina moved to strike out all after the enacting clause. Suppose the Senator from Indiana had moved to strike out the words "all after the enacting clause" and insert "section 2," that would have been an amendment to the amendment offered by the Senator from North Carolina, and if that amendment prevailed and then the amendment of the Senator from North Carolina prevailed, nothing would be stricken out but section 2. But carry the amendment of the Senator from Indiana to the original text, and it does not affect in the slightest degree the amendment offered by the Senator from North Carolina, for that mays till be put and the whole bill be stricken out.

Mr. CARPENTER. But would you not be striking out something different in one case from the other? Is there no difference between striking out three sections and four sections? Is it the same proposition?

Mr. THURMAN. The very object of perfecting the text is that it may affect the motion to strike out.

Mr. CARPENTER. Then it is an amendment to it.

Mr. THURMAN. No; it is not an amendment to the motion to strike out.

Mr. CARPENTER. It changes it, but does not amend it; is that the idea?

Mr. THURMAN. It does not change the amendment at all.

Mr. CARPENTER. It changes the proposition embodied in the motion to amend in so far as it puts a different question before the Senate.

Mr. THURMAN. No, Mr. President; it does precisely what the parliamentary law allows; it allows you to change your bill so that the motion which has been made to strike out all after the enacting clause shall not have the strength that it would have if the bill had not been perfected; and that the Senator calls an amendment to an amendment. I put it to the Senator, suppose the amendment of the Senator from Indiana prevailed, would not the amendment of the Senator from North Carolina remain in words, and figures, and letter, to every dotting of an *i* and crossing of a *t* precisely as it is?

Mr. CARPENTER. In case the amendment of the Senator from Indiana prevails?

Mr. THURMAN. Yes.

Mr. CARPENTER. Not by any means. Suppose, in place of the words "all after the enacting clause," he repeated the language, in the one case you have four sections repeated in words, in the other case you have three sections repeated in words; is that the same proposition?

Mr. THURMAN. The words of the amendment of the Senator from North Carolina, I say, will remain precisely the same. The effect may be different. The error of the Senator from Wisconsin is in treating an amendment to the original text as an amendment to an amendment that has been offered. It is no such thing; it is an amendment to a different thing. That is the error; and there is not one single thing in these authorities that says they are one and the same thing. An amendment to an amendment is one thing; and an amendment to the original text is a wholly different thing, and you cannot make an amendment to the original text an amendment to an amendment that has been offered; much less is it an amendment to a motion to strike out the whole bill and insert a substitute.

One word more and I am done. There is no reason why this matter should not be decided correctly. It has been said here by some

Senators "Do not let it be decided while this bill is pending, because what is called the majority on this floor will decide it wrong in order to carry their bill." I do not believe that Senators will decide it wrong from any such unworthy motive, nor have they anything to gain by making a wrong decision. They have the majority and can make the bill what they please.

Mr. MORTON. I desire to call the attention of the Senator from Ohio to one question. His colleague [Mr. SHERMAN] has submitted a proposition which is in the nature of a declaration of the rule. The Senator from Wisconsin [Mr. CARPENTER] has submitted another proposition purporting to be an amendment of the rule. These two propositions, as I understand, arrive at the same result. Is not that the understanding of the Senate?

Mr. CARPENTER. I do not think so. I understand the Senator from Ohio [Mr. SHERMAN] to present his order as the form in which the Senate will now decide that it is in order under the twelfth rule to receive this amendment. Mine is an amendment to the rule, which would make that in order hereafter.

Mr. MORTON. That is what I mean; they both arrive at the same result. The difference is that one is a declaration of what the rule is now, and the other purports to be an amendment of the rule; but each one will establish the rule to be the same.

Mr. CARPENTER. Hereafter.

Mr. MORTON. That is what I understand; so that after all it is now a question of etiquette more than anything else. I hope that the whole day will not be wasted upon this discussion. I see no objection to adopting the proposition presented by the Senator from Wisconsin.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Wisconsin to the order submitted by the Senator from Ohio.

Mr. SHERMAN. I am not disposed to be tenacious about this matter, so that we accomplish the result and preserve the right of Senators to amend the part proposed to be stricken out. As to whether we have to amend the rule to do it, I am not disposed to stand upon that, though I do not think it is necessary to do that. I ask that the proposition of the Senator from Wisconsin be read, that we may see exactly whether it will reach the point we desire to come at.

The PRESIDING OFFICER. The amendment to the order will be read.

The Chief Clerk read as follows:

That the twelfth rule be so amended that, pending a motion to strike out and insert, the part to be stricken out and the part to be inserted shall each be regarded for purposes of amendment as a question, and motions to amend the part to be stricken out shall have precedence.

Mr. SHERMAN. It seems to me that would cover the case.

Mr. SARGENT. I shall certainly assent to this form of the proposition, although I still adhere to the idea that it is not necessary.

Mr. MORTON. It reaches the point.

Mr. SARGENT. Certainly it reaches the point.

Mr. MORTON. It is the quickest way of settling the question.

Mr. HOWE. I should like to hear the original order of the Senator from Ohio read.

The PRESIDING OFFICER. It will be read.

The Chief Clerk read as follows:

Resolved, That pending a substitute for the whole bill and a motion to strike out a section of the bill, it is in order to perfect by amendment the section proposed to be stricken out.

The PRESIDING OFFICER. The amendment of the Senator from Wisconsin is accepted by the Senator from Ohio. The question is on the order as amended.

The order was agreed to.

The PRESIDING OFFICER. The Senate resumes the consideration of the bill which was laid aside informally, being Senate bill No. 617, to provide for the redemption and reissue of United States notes and for free banking; and the question is on the amendment of the Senator from Ohio to the fourth section.

Mr. SHERMAN. I withdraw that amendment now. I only wished to preserve my rights.

The PRESIDING OFFICER. The question recurs on the motion of the Senator from Indiana [Mr. MORTON] to amend the bill by striking out the fourth section.

Mr. MORTON. I ask to have that section read.

The Chief Clerk read section 4, as follows:

SEC. 4. That within thirty days after circulating notes to the amount of $1,000,000 shall be issued to national banking associations under the preceding section, it shall be the duty of the Secretary of the Treasury to retire an amount of United States notes equal to 70 per cent. of the circulating notes so issued, which shall be in further reduction of the volume of $382,000,000 fixed by the preceding section; and such reduction shall continue until the aggregate amount of United States notes outstanding shall be $300,000,000. And for that purpose he is authorized to issue and sell at public sale, after ten days' notice of the time and place of sale, a sufficient amount of the bonds of the United States, of the character and description prescribed in the second section of this act, for United States notes to be then retired and canceled.

Mr. CONKLING. I ask for the yeas and nays on the motion to strike out that section.

The yeas and nays were ordered.

Mr. MORTON. I desire to say a single word in regard to this fourth section. It proposes, as fast as new national-bank notes are put into circulation, that an amount of greenbacks equal to 70 per cent. of the amount of the new bank-note circulation shall be retired and canceled until the whole volume of greenbacks is reduced to $300,000,000. It proceeds upon the theory that as new bank-note circulation goes out 30 per cent. of that amount in the form of reserve in greenbacks will be taken into the vaults of the banks; and then by retiring 70 per cent. more of greenbacks, the volume of circulation will be kept precisely the same.

Mr. SHERMAN. I will say to the Senator, without encroaching on his time, that the amount of greenbacks held in reserve by national banks is only 6 to 9 per cent., not 30 as he says; and that we expect the operation of the two sections together will be an inflation of the currency to the extent of about 21 to 23 per cent., the difference between 70 and 91 or 92.

Mr. MORTON. I think the Senator is mistaken about that. The law requires the national banks in certain cities to have a reserve of 25 per cent. in greenbacks for the currency they issue and a like reserve of 25 per cent. for their deposits, while the country banks must have a reserve of 15 per cent.; and the estimate is that taking the country and the city banks the reserve for currency and the reserve for deposits together amount usually to about 30 per cent.

Mr. SHERMAN. About 9 per cent. in currency for circulation; the balance is for deposits.

Mr. MORTON. I give my understanding about it. By retiring of greenbacks 70 per cent. of the amount of national-bank circulation put out, the volume of currency is kept the same. I have several objections to this which I think ought to be fatal to it. In the first place, it is unreasonable, and contrary to the whole theory of banking, that as fast as you increase the bank-notes you contract the medium in which those notes are to be redeemed. I ask who will bank under a new law by which as fast as national-bank notes are increased the medium in which those banks are to redeem their notes is to be contracted? The difficulty of redemption is increased as fast as the new banks are created. There is no more reason in this than there would be if, after having resumed specie payments and bank-notes were to be redeemed in coin, it was then to be provided that as fast as new banks are created a certain amount of coin should be withdrawn from circulation and placed in the vaults of the Government.

A statement was made by the Senator from Massachusetts, [Mr. BOUTWELL,] very strongly, and it cannot be improved, in speaking of this very proposition some weeks ago, that it was absurd and fatal to propose that while you increase the volume of national-bank circulation you are to decrease the medium in which the bank-notes are to be redeemed; that this proposition would effectually prevent any increase of banking under it.

Another objection to it is, that it proposes to increase the interest-bearing debt; you are to take in under this proposition now $82,000,000 or $100,000,000 of greenback circulation, for which the interest-bearing bonds of the United States are to be issued.

Mr. President, I see no good that can come out of this proposition in any way at all. It is virtually nullifying what has already been the action of the Senate and the House in regard to the number of greenbacks that shall constitute the volume of that kind of currency. I hope, therefore, that this section will be stricken out. It is in the same line of policy which has been urged upon the Senate all winter, of contracting the greenback circulation.

But I want now to correct a statement made yesterday. The Senator from Ohio [Mr. SHERMAN] said yesterday that as a consequence of issuing $26,000,000 of the $44,000,000 reserve by the Secretary of the Treasury gold had gone up to 113 or 113¼. I sent to the Treasury Department this morning and I got the quotations, and I find that one year ago to-day gold was 116¾ in the city of New York; that the average price of gold for the month of March, 1873, was 115½, the average price for April, 1873, was 117¼, the average price for May, 1873, was 117$\frac{6}{10}$, the average price for June, 1873, was 116½. Now we are told, for the purpose of creating some alarm, that the issue of twenty-six millions of the reserve has sent up the price of gold to 113. Gold went down during the panic because there was no demand for it, because nobody wanted it. People wanted greenbacks, and notes, and bonds; nobody wanted gold; there was no demand for it, and it went down. But so far from the issue of part of the reserve by the Secretary of the Treasury having increased the premium, it has not had the weight of a feather, in my opinion, in that direction. Gold ranged from 117 to 119 all through the month of April last year, and from 117 to 119¼ through the month of May last year.

Mr. MORRILL, of Vermont. Mr. President, I move to amend this section by inserting "90" in lieu of "70" in line 5.

The PRESIDING OFFICER. The Senator from Vermont moves to amend the section by striking out "70" and inserting "90;" so as to make it read:

It shall be the duty of the Secretary of the Treasury to retire an amount of United States notes equal to 90 per cent. of the circulating notes so issued.

Mr. MORRILL, of Vermont. The general purpose of this section I am in favor of; but it seems to me that, as it now stands, it opens the door a little too wide for expansion. The Senator from Indiana is opposed to it, because I presume—I do not know—he is not only in favor of increasing the amount of legal-tenders, but he is in favor of increasing the amount of the national-bank notes without any limit whatever; and he objects to this section, because by increasing the national-bank notes the banks will require a larger volume of legal-

tenders for purposes of redemption. That seems to imply that we are never to have anything else than legal-tenders for the purpose of redeeming national-bank bills. I suppose that it was the impression, if we were ever to approximate to a specie resumption on the part of the national banks, that they would acquire some specie; that they would hold some portion of their interest received from the Government in coin in their vaults for the purpose of ultimately redeeming their notes in coin. But the Senator from Indiana seems persistently to incline to ignore the precious metals in anything that shall occur hereafter.

I am in favor of placing this sum at 90 per cent., so as to keep the amount of irredeemable paper that is in circulation at precisely the same volume that now exists. If, therefore, the amendment I propose be adopted, we should have just as much paper in circulation when this bill goes into operation as we have now, and no more. But if the section should not be stricken out, and only 70 per cent. of the amount of new bank-notes should be retired, there would be 20 per cent. more paper out than we have at the present time.

Mr. HOWE. Mr. President, I shall vote against the motion to strike out the fourth section with more enthusiasm than I have given any vote since this debate commenced. The Senator from Indiana is mistaken when he says that the effect of this will be to contract the paper circulation. He is either mistaken or all the arithmetics extant are mistaken. The Senator figures that 15 and 25 per cent. of greenbacks are required as a reserve to secure circulation, and 25 per cent. more to secure deposits. I was so much a stranger to that provision of law that I really did not know of its existence until it was alluded to in the early part of this debate. I did not know really until this winter that your banking law undertook to create a reserve of greenbacks to secure deposits.

Mr. SHERMAN. It is only 6 per cent., I will say to the Senator, in the country, and not 15 per cent.; and but ⅗ of 25 per cent. in the cities; that is to say three-fifths of the reserve may be deposited in other banks. They are practically not in greenbacks.

Mr. HOWE. I have here a statement of the condition of the banks in February last. The deposits were $540,000,000; the circulation $341,000,000. There are nearly $900,000,000 of deposits and circulation. To secure both the banks hold between one hundred and four and one hundred and five million dollars of legal-tender notes. So the Senator sees very clearly that if but 70 per cent. of the notes issued are canceled in greenbacks, you will have a larger circulation afloat after every bank is organized.

Mr. MORTON. Will the Senator allow me to read the law?

Mr. HOWE. Certainly.

Mr. MORTON. The Senator from Ohio said it was not in greenbacks; I say it is in greenbacks. The law is:

That every association in the cities hereinafter named shall at all times have on hand, in lawful money of the United States—

That means greenbacks—

an amount equal to at least 25 per cent. of the aggregate amount of its notes in circulation and its deposits; and every other association shall at all times have on hand, in lawful money of the United States, an amount equal to at least 15 per cent. of the aggregate amount of its notes in circulation and of its deposits.

Mr. SHERMAN. Now read the proviso that follows, that three-fifths may be in bank credits.

Mr. MORTON. That does not change it, because they are required to keep that in greenbacks.

Mr. SHERMAN. Not at all.

Mr. MORTON. The proviso says:

That three-fifths of said 15 per cent. may consist of balances due to an association available for the redemption—

Redemption in what? Greenbacks—

of its circulating notes, from associations approved by the Comptroller of the Currency.

Mr. HOWE. Is my time going on.

The PRESIDING OFFICER. It is.

Mr. HOWE. It will not go on much longer. [Laughter.]

Mr. MORTON. I submit I am right all through.

Mr. HOWE. No matter what the law says, the practice says and the fact says that your legal-tender reserve is but about 12 per cent. of your deposits and your circulation. Now, the pretense that this works a contraction of the circulation is groundless, and we are called upon to say by the vote we give on this motion to strike out whether we ever mean to redeem the faith of the Government pledged by these legal-tender notes or not. I have said over and over again that the Senator from Indiana is perfectly right when he says we cannot pay specie for them to-day. Here is one thing that we can do, we can issue our bonds in exchange for them, and it is proposed that we shall do so; simply give our note and pay interest for the time that it runs; and we can do that to the extent proposed in this section without injuring any debtor in the country, without affecting any existing contract. The one answer that is given to this proposition, the one objection that is made to it is this: if you do not keep the greenbacks afloat to nurse your banks, your banks will not thrive! That is the objection which is urged here now to redeeming, to getting rid of these dishonored promises. I speak that once more, although I notice my friend from Indiana announced himself yesterday as pained by the opprobrious epithets which had been piled upon these notes. Mr. President, I am sorry to have pained any Senator here, specially one for whom I have so high and so unfeigned an esteem as I have for the Senator from Indiana; but I do not care what the corporation is, what the sovereign is, or who the individual is, when he promises to do a thing and does not do it year after year, does not make an effort to do it, he is dishonored and discredited, no matter whether it is a great and free republic like this or any bank in the world; the consequence is all the same.

Mr. FERRY, of Michigan. I think the Senator from Vermont and the Senator from Wisconsin have lost sight of the theory established under the banking system. I call their attention to the fact that while we had $354,000,000 of national-bank circulation out, we also provided that there should be $356,000,000 of legal-tenders or greenbacks—substantially equal amounts. So before this effort to increase the currency, it was deemed wise that there should be outstanding as many greenbacks as there was national-bank circulation. Now, the Senate and the House have both declared that the sum of greenbacks shall be $400,000,000 instead of $356,000,000 as the maximum volume in circulation. To carry that out, upon the same principle that was before established, it is proposed by striking out this section that there shall also be an equal amount of greenbacks to the amount of national-bank circulation; for let it not be forgotten that the Senate have already declared by a majority that there shall be an increase of national-bank circulation of forty-six millions; swelling the maximum of national-bank circulation to $400,000,000. We have also declared that the greenbacks shall be $400,000,000, thus preserving the equivalent volumes of the two currencies.

This section proposes not only to reduce the greenbacks in the ratio of 70 per cent. to 100 of national-bank notes issued, but by the amendment proposed by the Senator from Vermont, in the greater ratio of 90 per cent. to 100, until the maximum shall be lessened to three hundred millions. Now, if you preserve the same relation, you must contract your national currency to three hundred millions also, making the total volume of your circulation but $600,000,000, when to-day you have a volume of over $700,000,000 without the pending legislation. I ask if it is the object of the friends of this bill, as it now stands printed, not only to contract the currency, but to interrupt and throw obstacles in the way of the facility of redemption? If this be the case, the section should stand. If it be not the case, striking out the section places it precisely upon the same relation which has heretofore been preserved.

It has been stated by several Senators that whether under free banking or otherwise there will not be an issue of national circulation of more than $50,000,000 within a year. If it is found that the increase is much larger and the relation is not preserved, there will be opportunity at some subsequent session to place some check upon the issue if deemed necessary; but until that is the case I cannot consistently comprehend, neither can it be logically affirmed, that the greenbacks must be reduced in substantial proportion to the issue of the national circulation.

There is another object in this, and I address myself now more especially to the words dropped by the Senator from Wisconsin. It is an undisputed fact that as between the two currencies the people prefer the greenbacks to the national circulation; and wherever a test has been made, the greenbacks have maintained a higher rate of value in the market than the national circulation as compared with gold. Now it is proposed to reduce that preferred currency by supplanting it with bonds of the Government drawing interest. I cannot forego the opportunity of again calling the attention of the Senate and the country to the proposition of the section which intends by contraction of the greenbacks to reduce promises to pay without interest, and place in their stead promises to pay with interest. Promises to pay in bonds are no absolute assurance that they will be paid at maturity. Failing to meet some of our maturing bonds, we provided at the opening of this session for funding them. In other words, we provided by statute for the breach of our faith on the question of payment of maturing bonds. Now it is proposed by the section to provide for the issue of $100,000,000. Shall we be prepared to pay that amount at maturity when we could not meet $20,000,000?

Mr. MORTON. Allow me to suggest to the Senator right here that the report of the Comptroller of the Currency for 1872 shows that at the close of business on Friday, December 27, the actual reserve of all the banks—and if I understand it the table leaves out the redemption cities—was $102,033,000, and of the redemption cities $71,496,000 in addition.

Mr. SHERMAN. How much of that was in legal-tenders?

Mr. MORTON. The law requires it all to be in legal-tenders.

Mr. FERRY, of Michigan. The value of our bonds depends on our ability and promptness to pay, and the bonds are of no more value, with the exception of the accruing interest when promptly paid, than the greenbacks are. They are both national promises to pay, issued from the same source, with the same public credit sustaining the two. Therefore I can see no difference in regard to value, but I can see a serious difference in the added burden to the people of accruing interest. As a choice, I prefer the issue of greenbacks without interest to the issue of bonds entailing an annual amount of coin interest.

Mr. SHERMAN. Mr. President, I must confess my amazement at hearing the statement made by the Senator from Indiana that the whole of our bank reserves was held in greenbacks. I supposed every one was familiar with the fact that while the law requires 15 per cent. on deposits and on circulation to be held as reserve in the coun-

try and 25 per cent. in the cities, much more than half of this was in the nature of bank credits which were loaned out on call in the city of New York, and were the basis of the volume of speculation which is now going on so admirably. I have here the table of the Comptroller of the Currency, which shows that on the 12th of September, 1873, three or four days before the panic broke on the country, the whole amount of the reserve in the States and Territories was $110,110,000, of which the reserve in legal-tenders was $42,279,000.

Mr. MORTON. That is, in their own vaults at home.

Mr. SHERMAN. The balance was deposited in New York and was loaned out. Not one dollar of it was in currency. It was deposited in currency and loaned out to speculators. Then in the redemption cities the whole amount of reserve required of them was $116,473,681, and of that they had in legal-tenders $50,067,935. The balance was loaned to each other. So the whole aggregate reserve of all the banks three days before the panic was between ninety-two and ninety-three million dollars of legal-tenders. The Comptroller of the Currency also states that the average reserve of legal-tenders or of money on hand held by the banks of the United States is between 11 and 12 per cent. That is also stated in his annual report. The Senator points to the law. But he read the law showing that while these banks were to maintain a certain amount of reserve, a part of that may be in deposits in other banks, and those deposits are loaned out in the ordinary course of business like any other money on deposit.

Mr. MORTON. Will the Senator allow me to made a suggestion right there, because we want to be right about this matter?

Mr. SHERMAN. I will yield if it is not taken out of my time.

Mr. MORTON. The three-fifths of the reserve of the country bank is the fund of the bank for redemption purposes, and although it may be loaned out by the bank to which it is sent, that is a violation of the law; and the three-fifths of the city bank reserve is the fund for redemption purposes in the redemption cities.

Mr. SHERMAN. There is no violation of law. As a matter of course, when a country bank has a reserve of $25,000, $15,000 of that is sent to New York, deposited with a New York bank, and the country bank draws interest on it, and the city bank loans it to speculators to affect the market. As I mentioned the other day, I was in Cincinnati at the time the panic came. The deposits of the banks in Cincinnati were in New York and were not available. Drafts drawn on New York were not paid. The result was that their currency on hand was rapidly drawn out by their depositors and the banks suddenly collapsed. They had ample reserves in New York, but they could not get those reserves; they had been loaned out and were not available; and the consequence was that they had to suspend until they could gather in from various sources enough money to carry on their operations.

Now, the aggregate currency reserve, taking all the banks together, is between 11 and 12 per cent., varying from 10 to 12 per cent., you may say. Therefore when you issue $1,000,000 of bank-notes, it has the effect to inflate the currency to the extent of $900,000. If you issue $1,000,000 of bank circulation, about one-tenth of that sum in greenbacks would be held as a reserve for that circulation. The balance would either be sent to New York as part of their reserve, $15,000 of it, or it would be loaned at home. The result is that the issuing of $1,000,000 of national-bank notes is an inflation of the currency to the same extent that the issue of $900,000 of greenbacks would be.

Now, Mr. President, while providing for the inflation of the currency in the manner proposed by this and the preceding section, while providing for an increase and expansion of the currency, the Committee on Finance at the same time provided for improving the value of the currency by reducing the basis of redemption, and, as the Senator from Wisconsin states very properly, that is the only possible way by which you can maintain paper money at its present standard, or its present purchasable power. There are three modes of redemption. This is one, to retire the greenbacks and thus reduce the basis of redemption. Secondly, to give new uses to the notes by allowing them to be converted into bonds, and to be used in the payment of customs duties. The third way is the one proposed by the Senator from New Jersey, [Mr. FRELINGHUYSEN,] to accumulate coin, and to the extent that the people confide in the retention of that coin for the maintenance of specie payments it gives value to your greenbacks.

Now, sir, you have voted down two of these modes. You voted down the mode of accumulating gold; you voted down the mode of providing for the redemption of these notes in bonds; and now you propose to issue your bank currency, without any reduction whatever of the amount of greenbacks, but with an actual increase of the amount of greenbacks. While we are willing to inflate the currency under the compulsion that a majority of the Senate put us to, yet you are not willing to provide against the expansion that will inevitably follow by the increase of both kinds of paper money. That is the condition in which we are placed.

Senators must pause at some time. There is some limit. They cannot go beyond a certain tether without utter destruction. I appeal to them now to pause. They have the responsibility. Our hands are washed clear. We are no longer responsible for this measure. As it now stands I will not vote for it. I throw upon them the responsibility of making the necessary safeguards against the inflation of the currency. I shall aid them and aid every Senator here in every measure that looks to making guards against the inflation and depreciation of our paper money; but the responsibility for those guards is no longer upon us. It is with those who have defeated the mode and manner pointed out by us to prevent an inflation. They must take the responsibility. All that we can do is to aid them, and I appeal to them, as now responsible for the fate of this measure, not to lose sight of the necessity of providing for some mode of redemption. This is the simplest, easiest, and most logical way.

I did not expect this motion to strike out the fourth section. I only expected that Senators on the other side, seeing the responsibility that now rested upon them, would propose to modify it, and instead of 70 per cent. would say 50 per cent. I did not dream that in the Senate of the United States the proposition would be made and carried to increase indefinitely the amount of bank-paper money, and to increase definitely the amount of legal-tender notes. I trust that the Senate will maintain this section in some form. The amount now proposed by the Senator from Vermont is the actual amount of inflation caused by the increase of these notes 90 per cent. The amount proposed by the committee was a kind of compromise. I did not expect the Senators who are now responsible for this measure would do more than reduce it somewhat, say to 50 or 60 per cent. Even that would not be satisfactory to me; but it would at least prevent an immediate, rapid, actual inflation of both forms of paper money.

Mr. SCOTT. Mr. President, I will not vote for the amendment offered by the Senator from Vermont; but as the question is made about the practical effect of the fourth section if it be permitted to stand as it is, I wish to call attention to that practical effect by the figures to show how it will operate. Suppose $100,000,000 of national-bank circulation be issued under the preceding section, the third section, and the estimate is that about $100,000,000 would be issued under it, then under the fourth section $70,000,000 of legal-tender notes would be retired. That would leave $30,000,000 of difference between the two. Now, it is alleged that when you take into consideration the reserve that is to be held upon this $100,000,000 of additional national-bank circulation, there will be a contraction of the currency. How will that be?

Let me first call attention to the fact that this $100,000,000 is to be distributed to those States which have not now a ratio of circulation equal to the State of New York. The consequence of this is that not one dollar, I presume, of this national-bank circulation would be taken by one of the redemption cities. I state that because upon examination of the circulation in the redemption cities I find that of $339,000,000 of national-bank currency outstanding on the 12th of September last, there was in the redemption cities $105,000,000; fully one-third of the whole national-bank circulation out was enjoyed by these redemption cities. Then the 25 per cent. reserve would not apply to any of this $100,000,000. It would be a 15 per cent. reserve that would have to be kept by all banks that would be organized under this section. What is the practical effect of that $15,000,000 if the whole $15,000,000 were kept?

Mr. MORTON. You mean 15 per cent.

Mr. SCOTT. I mean 15 per cent.; but I say $15,000,000 because I am speaking of a hundred millions, 15 per cent. of which would be $15,000,000. If the whole 15 per cent. were kept in the vaults of the banks thus organized, there would still be an increase of circulation to the extent of $15,000,000.

Mr. MORTON. There must be a reserve of 15 per cent. on the deposits and the currency, the Senator must bear in mind.

Mr. SCOTT. I am speaking of that. You are not going to increase the amount of deposits very much by increasing the number of banks.

Mr. MORTON. If not, they cannot live; that is all.

Mr. SCOTT. You will increase the amount of circulation. You may divide the deposits of the surplus money which now exists in the country which finds its way to the banks, but you will not increase the deposits in the proportion that you will increase the number of banks, and therefore the calculation fails, if you propose to add 15 per cent. to the line of deposits equal to the increase of the line of national-bank circulation.

But, sir, instead of the whole 15 per cent. remaining in the vaults of the banks, as has been stated, three-fifths of that may be kept in the redemption cities, and if you take three-fifths of the $15,000,000, you add $9,000,000 to the $15,000,000 and it will give you an increase of $24,000,000 of circulation, on the assumption that none of it goes to the redemption cities; and if a portion of it goes to Saint Louis, as the Senator from Ohio states would be the case, still there would be an increase of circulation of from $22,000,000 to $24,000,000 under the operation of this section in any point of view in which it can be presented.

Mr. LOGAN. Mr. President, I am very glad to hear the remarks of the Senator from Pennsylvania, because he more fully discloses the object of this bill taken altogether than it has been before by any member of the committee. According to his statement, there is no possible way under this bill by which the currency of the United States could be increased in excess of $30,000,000. I do not presume that the Senate at any time has understood or believed that the committee, while professing that they were willing that the currency might be increased, if a majority of the Senate was in favor of it, desired to restrict that increase to $30,000,000. I do not presume that the Senate understood that any time, unless they examined this bill very carefully. But not only does this bill restrict the increase to $30,000,000,

but in all probability the increase would not exceed $15,000,000. Not only that, if you adopt this section, what is the result? You provide for a decrease to the amount of $100,000,000 of the greenbacks, as they are commonly called, in contraction, while you increase the national-bank circulation, and what else? You add to the public debt of the Government $5,000,000 of gold. That is precisely this section of the bill.

Mr. MORTON. Five million dollars per annum.

Mr. LOGAN. Five million dollars per annum; and then in six years you make the Government pay $30,000,000 in gold on interest-bearing bonds for the $30,000,000 of national-bank circulation; and thereby you equalize it, by the Government paying $30,000,000 in gold and the people have the right to $30,000,000 of national-bank currency! That is what this bill means.

Mr. MORTON. That would be to pay for it!

Mr. LOGAN. That is exactly what this section means, nothing more, nothing less; and as I stated here on the floor before, every section that has been reported by the committee has had in it a payment by the Government in gold to the bondholders of this country; and somehow or other, with more tenacity than to anything else, certain Senators here cling to any provision that provides for putting gold in the bondholders' pockets and taxing the people and taking it out of the Treasury of the United States.

Mr. HOWE. Will the Senator permit me to say a word?

Mr. LOGAN. Certainly.

Mr. HOWE. As I am in that category, I want to say by way of excuse that my reason for doing that thing is that I have been conscious for some dozen years that the Government has had this hundred millions of property, used it up and spent it, and has not returned a cent for it, and inasmuch as it cannot pay for it, I thought it might pay a little something in the way of interest.

Mr. LOGAN. A hundred millions of what property?

Mr. HOWE. A hundred millions of property represented by your unpaid promises.

Mr. LOGAN. Yes, and of the forty million people in this country I have not heard of a solitary man who had a greenback that asked you to give him a 5 per cent. bond for it.

Mr. HOWE. You just offer the holders of the greenbacks the 5 per cent. bond, and if they do not take it, very well; I shall be perfectly content.

Mr. LOGAN. I do not doubt, nobody doubts that they would take it; but it is a voluntary motion on the part of certain Senators to give them an indebtedness of the Government and pay them gold interest for a thing they do not ask you for. Who is it that has been rapping at the doors all the time for you to give a 5 per cent. gold-bearing bond for greenbacks? And yet certain Senators would have you think the people were around these Halls insisting on our paying interest on the greenback currency. There is no such thing. Now is it not strange that it is impossible to get a bill of any character here unless it has a bond in it paying gold interest? I cannot understand that. It is something strange to me, and yet Senators say that they are willing, the Senator from Ohio, the chairman of the committee, says he is willing to help perfect the bill, but he does not intend to vote for it after it is perfected. That is very comforting to the Senators here who have to take the responsibility.

Mr. SHERMAN. I know that the perfecting which the Senator and those who are voting with him will give to this bill will not make it perfect to me, by any means!

Mr. LOGAN. How do you know that?

Mr. SHERMAN. I have no doubt of it.

Mr. LOGAN. You imagine so.

Mr. SHERMAN. No; I have no doubt of it.

Mr. LOGAN. Very well; then we will take it for granted that the Senator is committed against any bill that may be perfected in this Chamber.

Mr. SHERMAN. No, sir; and since the Senator asks me, I will say it is because I know his opinions and I know the opinions of those with whom he is acting, and they are not in favor of increasing the value of the currency, as they are proposing to increase its amount, according to my judgment. I shall be very happy indeed, if I am able, to vote with the Senator before we get through with this bill.

Mr. LOGAN. I hope the Senator will be able to do it, but he is not able to do it so far; and he at least indicates to us that no bill with a provision of this character in it will receive his sanction. Certain Senators are very willing to help us to perfect the bill provided we perfect it in the direction they want to go; and after we have done that, they notify us they will not vote for it, and that we must take the responsibility. That is very accommodating indeed. If Senators want to be so accommodating and they are so sure we are going to ruin this country, let us ruin it, for the country likes to be ruined in the way we are ruining it. Every few years the people would be glad to be ruined just in this way.

We do not propose, as I said last night, to flood this country with paper money, or to injure the country. We have as much interest in it as other Senators; but this fourth section, standing as it does before the country, is a proposition as I stated, for no purpose in the world except for the tax-payers of this country to pay to the bondholders in gold an equal amount, and more too, than the amount that you increase the national banking currency. Why, sir, your bonds run for ten years. Under this provision you cannot increase the currency to $30,000,000; there is no possible way of doing it; but suppose your bonds run for ten years, the interest on your bonds will be $50,000,000. The Government then pays $50,000,000 of gold interest for the redemption of the $100,000,000 in order to get $30,000,000 of circulation. That would be a nice bargain for the people of this country to make, would it not? The people of this country are asked to pay $50,000,000 in gold on a ten-year bond for the accommodation of $30,000,000 of circulation of national-bank currency. That is the request in this bill. I do not believe the people of this country want to do that. I do not believe it would be right for the people of this country to do that. I do not think it is proper in any aspect whatever.

If a section like this were put in this bill, then its defeat would be secured beyond all question. I merely make the suggestion to Senators who are in favor of the $400,000,000 provision, which has been agreed to, so far as that section is concerned, and in favor of a moderate increase of the currency, and I call their attention to this fact: If you refuse to strike out this section of the bill, and then perfect the bill with this section in it, you will find the chairman of the committee voting against your bill; you will find every one who has been voting against an increase of the currency voting against it; and you will find enough Senators who have voted for an increase voting against it to defeat the whole proposition. That is what leaving this section in the bill means.

Mr. SCOTT. Before the Senator takes his seat, I desire to know whether I misapprehend him. He states that this would be an increase of interest upon bonds to the amount of $100,000,000. I should like to know how it would take $100,000,000 to redeem $70,000,000 of greenbacks that are to be redeemed.

Mr. LOGAN. I will explain to the Senator what I mean by that. The bill provides that the Secretary of the Treasury shall go on reducing greenbacks until they are reduced to $300,000,000. If they stand at $400,000,000 in the bill now and this section requires him to reduce them to $300,000,000, is not that a reduction of $100,000,000? And that is exactly what this section requires to be done. I will read it, and you will see whether I am correct or not:

> It shall be the duty of the Secretary of the Treasury to retire an amount of United States notes equal to 70 per cent. of the circulating notes so issued, which shall be in further reduction of the volume of $382,000,000 fixed by the preceding section;—

That would be $400,000,000 now, under the vote which has been taken—

> and such reduction shall continue until the aggregate amount of United States notes outstanding shall be $300,000,000.

Now I ask if that is not a reduction of $100,000,000?

Mr. SCOTT. That is on the assumption that the $18,000,000 now in the Treasury may be issued.

Mr. LOGAN. It is on the assumption that the first section of this bill is agreed to, because it has been agreed to. It stands now as agreed to in the bill, and authorizes an issue to the amount of $400,000,000. It is upon that assumption that your section added to that reduces it to $300,000,000, which makes $100,000,000 of bonded debt, and makes an interest of $5,000,000 per annum, which on a ten-year bond amounts to $50,000,000. That is the whole of it.

The PRESIDING OFFICER. The Senator from Illinois has spoken ten minutes. The question is on the motion of the Senator from Vermont [Mr. MORRILL] to substitute 90 for 70 per cent. in the fourth section.

Mr. MORRILL, of Vermont. On that question I ask for the yeas and nays.

The yeas and nays were ordered.

The Chief Clerk proceeded to call the roll.

Mr. HAMILTON, of Maryland. I desire to state that I was absent yesterday when the vote was taken on striking out the second section of the bill. I was paired with the Senator from Virginia, Mr. LEWIS, on that question. I would have voted against the motion, and I suppose he would have voted for it.

Mr. KELLY. On this question I am paired with the Senator from Arkansas, Mr. CLAYTON. I would vote for this motion, and he probably would vote against it.

Mr. WRIGHT. On this question, as on all others connected with this bill, I am paired with the Senator from Vermont, Mr. EDMUNDS. He would probably vote "yea," and I should vote "nay."

Mr. RAMSEY, (after first voting in the negative.) I desire to withdraw my vote. I forgot that I was paired with the Senator from Connecticut, Mr. FERRY, for to-day.

The PRESIDING OFFICER. If there be no objection, the Senator's vote will be withdrawn.

The result was announced—yeas 20, nays 37; as follows:

YEAS—Messrs. Anthony, Bayard, Chandler, Conkling, Cooper, Cragin, Fenton, Frelinghuysen, Hager, Hamilton of Maryland, Hamlin, Jones, Morrill of Maine, Morrill of Vermont, Sargent, Saulsbury, Schurz, Stewart, Stockton, and Wadleigh—20.

NAYS—Messrs. Allison, Bogy, Boreman, Carpenter, Conover, Davis, Dennis, Ferry of Michigan, Goldthwaite, Gordon, Hamilton of Texas, Harvey, Hitchcock, Howe, Ingalls, Johnston, Lewis, Logan, McCreery, Merrimon, Mitchell, Morton, Norwood, Oglesby, Patterson, Pease, Pratt, Ransom, Robertson, Scott, Sherman, Spencer, Sprague, Thurman, Tipton, West, and Windom—37.

ABSENT—Messrs. Alcorn, Boutwell, Brownlow, Buckingham, Cameron, Clayton, Dorsey, Edmunds, Ferry of Connecticut, Flanagan, Gilbert, Kelly, Ramsey, Stevenson, and Wright—15.

So the amendment of Mr. MORRILL, of Vermont, to the fourth section was rejected.

The PRESIDING OFFICER. The question recurs on the motion of the Senator from Indiana [Mr. MORTON] to strike out the fourth section of the bill, upon which the yeas and nays have been ordered.

The question being taken by yeas and nays resulted—yeas 29, nays 27; as follows:

YEAS—Messrs. Allison, Bogy, Boreman, Carpenter, Conover, Dennis, Ferry of Michigan, Goldthwaite, Gordon, Harvey, Hitchcock, Ingalls, Johnston, Lewis, Logan, McCreery, Merrimon, Mitchell, Morton, Oglesby, Patterson, Pease, Pratt, Ransom, Robertson, Spencer, Sprague, Tipton, and West—29.

NAYS—Messrs. Anthony, Bayard, Buckingham, Chandler, Conkling, Cooper, Cragin, Davis, Fenton, Frelinghuysen, Hager, Hamilton of Maryland, Hamilton of Texas, Hamlin, Howe, Jones, Morrill of Maine, Morrill of Vermont, Sargent, Saulsbury, Schurz, Sherman, Stewart, Stockton, Thurman, Wadleigh, and Windom—27.

ABSENT—Messrs. Alcorn, Boutwell, Brownlow, Cameron, Clayton, Dorsey, Edmunds, Ferry of Connecticut, Flanagan, Gilbert, Kelly, Norwood, Ramsey, Scott, Stevenson, and Wright—16.

So the motion to strike out was agreed to.

Mr. GORDON. I desire to offer an amendment to the amendment of the Senator from Illinois.

The PRESIDENT *pro tempore*. The Senator from Illinois withdrew his amendment.

Mr. LOGAN. I offer my amendment now as a substitute for section 3.

The PRESIDENT *pro tempore*. The amendment of the Senator from Illinois will be read.

The CHIEF CLERK. The amendment is to add at the end of the amendment of Mr. MERRIMON the following as section 3:

That so much of the twenty-second section of the act entitled "An act to provide a national currency secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof," approved June 3, 1864, and of the several acts supplementary thereto and amendatory thereof; and such of the provisions of the act entitled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates, and for an increase of national-bank notes," approved July 12, 1870; and so much or such parts of any other act or acts of Congress as limit, or as may be construed to limit or restrict, the entire amount of notes for circulation to be issued under the said act of June 3, 1864, and the several supplements thereto, be, and the same are hereby, repealed; and that hereafter all associations organized, or that may be organized, for carrying on the business of banking, under the provisions of said act, shall be free to establish and organize national banks with circulation, at any place within the several States and Territories of the United States, upon the terms and conditions, and subject to all the limitations and restrictions, now provided by law, except the limitation upon the entire amount of circulation, which is hereby repealed.

The PRESIDENT *pro tempore*. The Senator from Georgia now offers an amendment which will be reported.

Mr. CONKLING. Before that is reported, let us understand whether the amendment just read is a substitute for the amendment of the Senator from North Carolina or in addition to it.

The PRESIDENT *pro tempore*. In addition to it, as the Chair understands.

Mr. MORTON. It is offered to the third section of the original bill, as I understand. Am I not right?

Mr. CONKLING. It does not so appear in the print.

The PRESIDENT *pro tempore*. The Secretary will state the status of the question, both the amendment of the Senator from North Carolina and the amendment of the Senator from Illinois.

Mr. LOGAN. It was my amendment that was just read, as I understand, and I offer it as a substitute for section 3 of the bill. I understood the Senator from Georgia to offer his as an amendment to my amendment. Is that the understanding?

Mr. GORDON. I offer section 3 of the bill reported by the committee in lieu of the amendment offered by the Senator from Illinois, changed in the particulars which the Clerk will read.

The PRESIDENT *pro tempore*. The Chair understands the Senator from Illinois to move his amendment as an amendment to the third section.

Mr. CONKLING. As a substitute for the third section.

The PRESIDENT *pro tempore*. Of the bill.

Mr. MORTON. And then the Senator from Georgia offers his as an amendment to that of the Senator from Illinois.

The PRESIDENT *pro tempore*. The amendment of the Senator from Illinois is to strike out the third section of the bill and insert what has been read, and to that the Senator from Georgia offers an amendment, which will now be read.

Mr. LOGAN. That is it.

Mr. MORTON. The substitute of the Senator from North Carolina has nothing to do with the question now.

The PRESIDENT *pro tempore*. The Chair did not at first understand the amendment of the Senator from Illinois. The Clerk will now read the amendment of the Senator from Georgia.

The CHIEF CLERK. The amendment is to strike out all after the word "that," in the first line of the amendment of Mr. LOGAN, and to insert:

National banking associations may be organized in any State or Territory, including the District of Columbia, having a less proportion of national-bank circulation than the State of Maine, according to the apportionment made upon the basis of population and wealth by the annual report of the Comptroller of the Currency for 1873, until each State and Territory and said District, respectively, has an amount of such bank circulation equal to such proportion of notes then outstanding in the State of Maine; and all banks organized under this section shall be subject to, and be governed by, the rules, restrictions, and limitations, and possess the rights, privileges, and franchises, now or hereafter to be prescribed by law as to national banking associations, with the same power to amend, alter, and repeal provided by the "national-currency act," approved June 3, 1864, and section 6 of the act entitled "An act to provide for the redemption of the 3 per cent. temporar-yloan certificates, and for an increase of national-bank notes," approved July 12, 1870, be, and is hereby, repealed.

Mr. CONKLING, I suggest to the Senator from Georgia, as a matter of convenience in business, that he had better offer his amendment by way of perfecting the text as it stands in the bill of the committee now. His amendment is the provision as it stands in the committee's bill word for word throughout, except that "the State of Maine" is substituted for "the State of New York." Therefore the simple way would be, I submit to him, to perfect in that respect the text of the bill, and then the Senator from Illinois can offer his amendment by way of substitute, and that will bring the question between the two sections. It is rather complex to vote now this whole section which stands in the bill and which it is moved to strike out upon the amendment of the Senator from Illinois, as an amendment changing only one single word, when it is so simple for the Senator to move to strike out the word "New York" and insert the word "Maine," and that gives us the whole question.

Mr. LOGAN. I think I can very easily remove this difficulty if there is any. The amendment that I offer as a substitute for the third section is free banking without restrictions except such as are in the banking law now. The Senator from Georgia offers a section which is free banking, except that it is restricted by the words "according to wealth and population now distributed to the State of Maine," putting all the other States upon an equality with the State of Maine. That restriction is all the difference there is between his section and my own.

Mr. MORTON. Maine has the lowest bank circulation of any New England State.

Mr. LOGAN. Yes, sir. That is all the difference. Finding that there are some Senators who prefer free banking with this restriction, and I being disposed, as far as I am concerned, to accommodate the matter to the views of those with whom I have been acting as much as possible, as I believe that this difference is not so great as to make it material, and that it will more surely lead to the success of the whole measure, I now accept the amendment of the Senator from Georgia.

The PRESIDENT *pro tempore*. The Senator from Illinois accepts the amendment of the Senator from Georgia.

Mr. SHERMAN. Then the whole of the amendment of the Senator from Georgia is simply to strike out the word "New York" and insert the word "Maine."

Mr. GORDON. That is the substance of it. I do not see any necessity for changing the form it is in now. The purpose is the same precisely.

Mr. MORTON. I ask to have the amendment reported.

Mr. GORDON. I cannot understand why the Senator from New York or the Senator from Ohio desires that I should use the words of the third section of the bill reported by the committee. The purpose is the same; the substance is the same in either case; and the Senator from Illinois accepts mine in lieu of his own amendment.

The PRESIDENT *pro tempore*. The question, then, is on striking out the third section of the bill, and inserting the amendment offered by the Senator from Georgia, which is now accepted by the Senator from Illinois.

Mr. SHERMAN. That is the same as a motion to strike out the word "New York" and insert the word "Maine," as I understand. I ask if there is any other difference between the two sections?

Mr. GORDON. None other.

The PRESIDENT *pro tempore*. Does the Senator from Georgia move to strike out the words "New York" and insert the word "Maine" in the third section of the bill?

Mr. GORDON. I offer the whole section as altered by myself in lieu of the amendment of the Senator from Illinois.

Mr. CONKLING. To rescue the Senate from what it seems to me would be a very grotesque entry on its record, I will raise the question of order that it is not in order to move to strike out a section and insert the whole section in place of it except one single word. I raise the point that the effect of that motion as a parliamentary motion is to change only one word, not to strike out the whole text, but to put it all back again with the incumbrance of having it all go out and all come in again.

The PRESIDENT *pro tempore*. The Chair cannot rule on a question of convenience. The proposition is a different one from the one pending in the bill. The words are different, and that is all that the Chair can see. The motion is in order.

Mr. FENTON. The Senator from Illinois having accepted the amendment proposed by the Senator from Georgia, is the proposition now submitted by the Senator from Georgia amendable before the vote is taken on it?

The PRESIDENT *pro tempore*. An amendment is in order. The question now stands on the motion of the Senator from Illinois to strike out the third section and insert his amendment as modified. That is subject to amendment.

Mr. FENTON. The fourth section of the bill being struck out, I do not see that the proposition of the Senator from Georgia, more than that of the Senator from Illinois, provides any practical system of redemption whatever; and that we may reach an end so desirable, I beg leave to offer an amendment to come in at the end of the amendment of the Senator from Georgia.

The Chief Clerk read the amendment to the amendment, as follows:

That so much of section 23 of the act of June 3, 1864, as provides that national-bank notes shall be received at par in all parts of the United States in payment of

the taxes, excises, public lands, and all other dues to the United States, and for all salaries and other debts and demands owing by the United States to individuals, corporations, and associations within the United States, is hereby repealed: *Provided*, That every association formed or existing under the provisions of this act shall take and receive at par, for any debt or liability to said association, any or all notes or bills issued by any association existing under and by virtue of this act, unless such notes or bills shall have been issued by an association which has failed to redeem them as required by this act.

That every association organized, and whose operations of discount and deposit are carried on at any other place than in the cities of New York, Albany, Boston, Philadelphia, Baltimore, Washington, New Orleans, Saint Louis, Louisville, Cincinnati, Pittsburgh, Cleveland, Detroit, Chicago, Milwaukee, Leavenworth, and San Francisco, shall select, subject to the approval of the Comptroller of the Currency, an association in either of the cities above named nearest its location, or in the city of New York, or in both, at which it will redeem its circulating notes at par in legal-tender notes or coin; and every association organized, and whose operations of discount and deposit are carried on in either of the said cities above named, shall select, subject to the approval of the Comptroller of the Currency, an association in the city of New York at which it will redeem its circulating notes at par in legal-tender notes or coin as aforesaid; and the Comptroller shall give public notice of the names of the associations so selected at which redemptions are to be made by the respective associations, and of any change that may be made of the association at which the notes of any association are redeemed; and the associations so selected and approved shall be entitled to receive as a compensation for the services of such redeeming agent, and the redeeming association shall be bound to pay such agent therefor, $\frac{1}{4}$ of 1 per cent. on all of its circulating notes redeemed; and such redeeming agent shall have a lien on the notes redeemed for such compensation, and have a right to deduct the same therefrom before delivering them to the redeeming association, unless some other rate or mode of compensation is agreed upon by the parties. If any association shall fail either to make the selection or to redeem its notes as aforesaid, the Comptroller of the Currency shall, upon receiving satisfactory evidence thereof, appoint a receiver in the manner provided for in this act to wind up its affairs: *Provided*, That nothing in this section shall relieve any association from its liability to redeem its circulating notes at its own counter at par in lawful money on demand.

Mr. FENTON. As will be seen by those who have given attention to the reading of the amendment, it simply proposes a practical plan for redemption, which the amendment of the Senator from Georgia fails to do. Under the provisions of the national banking law the plan is indeed a failure, in that the national bank note currency and the legal-tenders, or United States note currency, are used for one and the same purpose.

The first sentence of this amendment proposes to divest the national-bank notes of their semi-legal-tender character, except so far as debts due to the banks. Further than that the amendment only intends to accomplish a redemption of the national-bank notes in legal-tender currency or coin. It is, in a word, the principle that was so effectual in the free-banking law of New York which was adopted in 1837, and which worked so well for more than twenty years.

The PRESIDENT *pro tempore*. The question is on the amendment of the Senator from New York to the amendment.

Mr. FENTON. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MORTON. This amendment provides that the national-bank notes shall not be receivable by the Government for taxes under the internal-revenue laws, and that the Government shall not be at liberty to pay them out in discharge of its debts. It proposes to depreciate the national-bank notes by law, to take from them certain functions they now have so that they will be less valuable, and everybody that has to pay taxes must go to the trouble of getting legal-tenders for that purpose, and thereby the banks are to be called upon continually for the redemption of their notes. There is great anxiety for a redeemer. If Senators were as anxious for the redemption of souls as they are for the redemption of greenbacks, this would be a very pious body indeed. [Laughter.] I see no merit in that part of this amendment. So far as it provides for free banking, I am for it.

Mr. FRELINGHUYSEN. I would ask the Senator from New York whether he will not divide his motion. I agree with the Senator from Indiana that there is no propriety in our depreciating these national-bank notes. They will be weak enough and poor enough at the rate we are going on, without any legislation to make them any less acceptable.

Mr. FENTON. I do not admit that the effect of this amendment will be to depreciate the value of the national-bank note. It makes a distinction between the legal-tender note and the national-bank note; and to that end it would serve to call the national-bank notes into the localities in which the banks are situated, but it would not depreciate their value. They would, in other words, be returned from the redemption centers to the bank for redemption, and the effect would be to keep them nearer home. Unless there is some such arrangement as that, and which has been observed under all our banking laws hitherto, wherever they have been conducted upon any safe or sound system, I do not see how you are to establish redemption, because a national-bank note having the legal-tender character of the United States note will go wherever it goes, and will not be returned for redemption. The only object of that feature of the amendment is to secure a practical plan, not to depreciate the national banking currency. It does not do that, nor does it preclude the collection of taxes in the national banking currency, although the bank that is designated as a depository of the United States cannot make a return of such notes to the United States Treasury, nor could they do it under any other system of banking that was ever established in this country.

Mr. SCHURZ. Will the Senator permit me to make a suggestion? Will not the operation, as far as the paying of taxes is concerned, be this: that the tax-gatherer will take the national-bank notes, will at once turn them into the redemption agency, which redemption agency will assort them out and return them to the banks?

Mr. FENTON. Unquestionably.

Mr. MORTON. If he takes them, he takes them in violation of law.

Mr. FENTON. He does not take them in violation of law. The depository of the United States would not return them to the Treasury, but the collector of taxes may receive payment in any currency he may choose, as the collector of taxes may do under State laws.

The other portions of the amendment are only calculated to carry out this system of redemption, which is so important if we are to extend national banking as proposed by the Senator from Georgia.

Mr. PRATT. If I get the full import of the amendment proposed by the Senator from New York, I beg to ask him what function the national-bank notes will perform after they have been emasculated according to the mode proposed by his amendment?

Mr. FENTON. They perform the entire function of currency, and if the security upon which they are based, namely, United States bonds, is a perfect security, then they have all the requisites of a perfect currency under a redemption system.

Mr. SCHURZ. The Senator from Indiana, in his remarks recommending the striking out of that section of the bill providing for the retirement of a certain amount of greenbacks proportionate to the increase of national-bank notes, said that he wanted the greenbacks to remain in circulation for the purpose of redemption. He did not think it good policy while we were extending the national bank circulation at the same time to contract the volume of United States notes for that very reason.

The Senator showed great anxiety about the redemption of national-bank notes with greenbacks. Now I would ask him in the name of common sense what under the present system does he want greenbacks for in order to redeem national-bank notes? Is there under the national-bank law anything like redemption at all? It is a mere fancy; a mere sham; nothing else. In a panic a sudden and somewhat unreasoning distrust may seize upon the public mind; people may then imagine that national-bank notes are not as valuable as greenbacks; but looking calmly over the whole field they find that for all the purposes for which they can use a greenback they can use a national-bank note as well. Although the bank-notes are not made a legal tender in the discharge of private debts, yet being made a legal tender by law in the payment of taxes and in all things concerning the Government, they virtually are a legal tender in the discharge of private debts just as well as greenbacks.

What, then, does redemption mean under the present system? It means the redeeming of one note by another note which is just as good and no better. That is it virtually. That relation may sometimes be disturbed a little in seasons of panic, but seasons of panic cannot furnish a general rule. Now, the proposition of the Senator from New York suggests one mode of making redemption effectual. I will not say that it is the best mode. I intended once to introduce such an amendment myself, but I gave it up. Possibly some better mode may be proposed, and I hope it will come from those who have been protesting against the reduction of the volume of greenbacks on the ground that that would make redemption difficult.

What will be the effect of the repeal of that part of the national-bank act which makes national-bank notes a legal tender in the payment of taxes and Government dues? It will establish between the national-bank note and the legal-tender exactly the same relation which in specie-payment times exists between a bank-note and specie, nothing else. Specie, then, is legal tender and a bank-note is not, but the bank-note being convertible into specie goes for all the uses in which specie is employed. Is not that so? Upon what, then, does the value of the bank-note depend? Not upon a law making the bank-note a legal tender, for it is no legal tender; but it depends upon the circumstance that it is convertible into specie, and upon nothing else. When, therefore, the Senator from Indiana says by striking out that provision of our law which makes the national-bank note a legal tender in the payment of taxes you depreciate it, it is a misconception of the case. The value of the national-bank note will be exactly the same as the value of that kind of money into which the national-bank note is convertible; that is to say, as long as the national-bank note can be redeemed in greenbacks, it will be worth as much as the greenbacks, and no less. Therefore the purchasing power, the current value of the national-bank note, does not depend upon this provision of the law making it a legal tender in the payment of taxes at all. That provision may be repealed without depreciating the national-bank note in the least. It will not disturb its value as long as the national-bank note is convertible into a greenback, as long as we have an effectual system which regulates the redemption of national-bank notes with greenbacks. Therefore I think that notion that it will depreciate the national-bank currency is not based upon fact.

But it will have another consequence which I consider a very important one. National-bank notes under certain circumstances may depreciate; that is, as soon as their volume becomes too large for the requirements of the business of the country. When that limit is exceeded, the excess of national-bank notes will be turned in for redemption and will be withdrawn. When the business of the country requires more national-bank notes, then they can be set afloat again. Therefore I think that a provision like the one proposed by the Senator from New York would give to the currency that which is called flexibility, or elasticity in the best sense, for it would adapt the volume of the currency to the actual requirements of the business of the

country in so far as it would oblige the national banks to withdraw a certain quantity of their notes as soon as the volume which is required for the business of the country is exceeded; while the banks would be able to keep such a quantity of notes afloat as would be just sufficient to satisfy the actual needs of the business of the country.

Mr. FERRY, of Michigan. I could very well understand the policy of the bill, especially the section which provides for the contraction of the greenbacks to $300,000,000, as calculated to work an appreciation of the currency. That is a fair, open, and direct method looking to the appreciation of the currency of the country. I could as well understand, too, the policy of conversion into bonds by which by the addition of the gold interest accruing from year to year there might be an appreciation of the currency by such conversion. That is direct, and a little more effectual than the other, involving, as has been stated, the burden of interest. Those two propositions we could understand. They emanated from the same source, and have been advocated by the honorable Senator on my left [Mr. SCHURZ] with all his energy and pertinacity.

Now that theory is changed and we have a sort of boomerang policy. Instead of measures seeking to appreciate the currency directly, it is proposed now to depreciate the national currency in order to multiply the obstacles in the way of conversion. I can characterize it by no fitter term than "boomerang." It is striking at the value of the national currency for the avowed purpose of affecting an appreciation of the whole volume of circulation.

I say upon principles of good faith, fair and open legislation, when Senators have attempted to convert the currency into bonds and are voted down, and next attempt to contract the greenbacks and are again voted down, they should rest satisfied. But no, the proposition is submitted to prohibit the national-bank currency from being received for taxes and for other purposes, as now provided by law, in order to create an essential difference and thus separate the values of the two currencies. The effect of this would be to depreciate the one, and to create a greater demand for the other, and causing greater pressure upon the banks for the conversion of bank-notes into greenbacks.

I have no disposition to take up time in debate any more than to call attention to this sudden change of policy and to the pertinacious determination of those who are now in the minority to defeat the measures of the majority. They have volunteered the statement that they are trying to perfect the bill, and as resolutely state that they intend rolling the responsibility of results upon the majority. I say, in calmness and fairness and good faith, if we are charged with the duty of framing measures of relief and stability and are to sustain the responsibility of what is done, let it then be managed by its friends. We do not especially invite this kind of proffered aid in the way of perfecting a bill. Let us maintain the value of national-bank currency just where the law holds it to-day. You have failed to cut down the greenbacks and have failed further to induce the Senate to increase the bonded debt, so let us come squarely to the vote whether or not we shall have substantially free banking, or whether we shall have a definite increase of currency; and do not make this attempt to lessen the value of the people's money. The chairman of the Committee on Finance, in the running debate, said twice during the discussion of this subject that if it was an original proposition he would favor making the greenbacks a full legal tender. That I can see is in the line of an appreciation of the currency of the country. But when it is attempted now to break down the national-bank currency to a lower standard of value, I cannot understand the gentleman, and I must say it seems more like an intention to thwart the majority in their efforts to perfect what is charged they must necessarily assume. I am prepared, so far as my vote and action are concerned, to take my part of the responsibility of this question.

Mr. FRELINGHUYSEN. What was the majority?

Mr. FERRY, of Michigan. The majority on the lightest vote was more than one-half.

Mr. FRELINGHUYSEN. The majority was two votes. If my friend had voted the other way, the motion would have been lost. Now, I think we have heard enough of this brag about majorities when we are legislating.

Mr. FERRY, of Michigan. Mr. President, I am not here to raise a question with the Senator from New Jersey. A majority of one is as good as one hundred, practically, upon this question. I am not bragging, only replying to the taunt, if it was meant to be such, addressed repeatedly to the majority, but not before from the Senator from New Jersey. I am not disposed to use epithets that are offensive; but it has been said that we of the majority are assuming a grave responsibility, as though we did not comprehend the gravity of public duty, and at the same time it is suggested that those who are in the minority shall help perfect what we have assumed. In what way? By objectionable amendments. I say, as a question of etiquette at least, we should have the right of perfecting the measure, the responsibility of which we are to assume and answer for to the people. Therefore I say the remark of the Senator from New Jersey is not well-timed. There is nothing of threat in anything I have said or implied. I have merely replied to the remark made by the chairman of the Committee on Finance, that the responsibility rolling upon the majority was a grave one. We carried the amendment, which in the judgment of the minority was our weakest one, by a majority of two. As the majority, we assume the responsibility, and will go before the country, until Congress convenes again, to test whether that responsibility is wisely taken, and shall then learn whether the measure has the support of the people. I am satisfied to appeal to them and bide their judgment. My belief is that three-fourths (and that is putting it low) of the people of the country are throbbing in sympathy with the majority here for the success of the measure, the responsibility of which we now take.

Mr. MORRILL, of Vermont. The Senator from Michigan said he was not disposed to use any terms here which were not warranted by good taste, or to say anything by way of taunt. I should like to know what the Senator meant by "bullirag?" [Laughter.]

Mr. FERRY, of Michigan. The trouble is that the Senator from Vermont, although near me, did not understand the words that were conveyed to his ears as I uttered them. I did not use the word "bullirag;" I used the word "boomerang;" and if the Senator will consult the lexicographer, perhaps there will be a little more light thrown upon his understanding.

Mr. SCHURZ. I think I have a few minutes more, have I not?

The PRESIDING OFFICER. Four minutes.

Mr. SCHURZ. I think the word "boomerang" is as parliamentary as anything that has been said in this debate.

Now, sir, I begin to feel that it is a somewhat unwarrantable assumption on our part to offer amendments to this bill. In fact we are given to understand that there is a degree of moral turpitude in it. I did not feel that at first, but we are told it so frequently that gradually the consciousness of guilt is creeping all over me. But, sir, we are all weak, and presumptuous in our weakness, and so we still suspect that a minority, voted down only by two, still have some rights on this floor which white men are bound to respect.

I should not have risen to speak in favor of this amendment at all had not the gentlemen of the majority, a majority of two, told us repeatedly and emphatically that they did not want to have the volume of greenbacks decreased, because it would make the redemption of national-bank notes so difficult. We show them that the redemption of the national-bank notes under the present law, as they contemplate it, is a mere farce, in fact no redemption at all. Now, the Senator from New York, [Mr. FENTON,] in due modesty, for nobody will find any assumption in his manner, came forward and did a thing which he did not suppose to have any moral turpitude in it, and which in former times it was supposed any United States Senator under his sense of responsibility had a right to do; that is to say, he offered an amendment to this bill. He offered an amendment suggesting one method by which possibly the promise given to us by the majority, that redemption should be taken care of, could be fulfilled. Now, I admit, as I said before, that may not be the best one; but if this is voted down, we may then look up to the majority with that respect, even amounting to a certain degree of admiration, and with that confidence which only the imposing display of majestic condescension can inspire, to bring forward a measure which will secure the redemption of national-bank notes into United States notes with certainty better than this. So far I have heard no such suggestion.

[Here the hammer fell.]

Mr. MORTON. Just one word. The substance of the argument on the part of the Senator from Missouri and of the Senator from New York in favor of this amendment is that the national-bank notes are so good a currency, so perfectly secure, in which there is such entire confidence, that nobody wants to convert them into greenbacks, or anything else; and therefore you must take from the national-bank notes certain functions, reduce their value, impair their usefulness, so that people will have some object in converting them into greenbacks. That is the sum and substance of it. It is the most remarkable objection against the increase of the national-bank currency that ever I have heard.

Mr. FENTON. I do not wish to protract this debate; indeed I do not care to say more than a word. The amendment explains itself. My only purpose now is to repel the assertion that the amendment operates to depreciate the value of the national-bank notes. It does no such thing. It does not depreciate the value of the national-bank note. It narrows its uses; it prevents it making the circuit that it now makes, and it compels it to return to the counter for redemption. That is all. It does not depreciate the value of the bank-note, and my friend from Michigan and my friend from Indiana, with all their knowledge on this question, ought not to make any such assertion.

Mr. MORTON. I ask my friend this question: when you diminish the usefulness of the national-bank note, diminish the purposes for which it can be used, I ask if you do not diminish its value, if you do not depreciate it?

Mr. FENTON. Not at all. You localize it and you make redemption possible, and in no other way can it be done successfully.

Mr. FERRY, of Michigan. I rise for no other purpose than to acquit myself in the understanding of my friend from Missouri, and also my friend from New Jersey, as well as my friend from Vermont, that I have used no words here that are unparliamentary or offensive. So I will read from the dictionary the explanation of the word "boomerang" which I used:

Boomerang: a missile weapon, of a peculiar form used by the aborigines of Australia, which if unsuccessfully hurled is liable to return and kill him who hurls it.

Mr. MORTON. The Senator does not mean to say that it was used by aborigines here. [Laughter.]

Mr. FERRY, of Michigan. Nor from Australia. Nor did I wish to

point to the object of my use of the term, to localize (as gentlemen propose to localize this currency) the mover of the amendment, because I hold the mover of the amendment in high esteem. I do not suppose it will react and kill him, but in view of the source from which it emanates, irrespective of personality—from those who are attempting to obstruct and defeat the majority here—I say that its object is not only to strike personally, but to strike down the whole ground upon which they stand; and that is to help to perfect this bill. In attempting to perfect it, with their personality they kill the whole measure, and therefore it is unskillfully used, and will carry death with it.

Mr. FENTON. If the Senator from Michigan will allow me, I think I can help him out of this complication.

Mr. FERRY, of Michigan. I need no help from that quarter.

Mr. FENTON. The only application of the word "boomerang" in this case, as I think, is that my amendment would strike at a perpetually irredeemable and inconvertible paper currency.

Mr. FERRY, of Michigan. That is the judgment of the Senator from New York, who happens unfortunately at this time to be in the minority, and I who happen fortunately to be in the majority am willing to go with the Senator from New York to the people and let them judge and let time judge whether the measure we have is a boomerang that kills the public interest and the industrial interest and values of the country. I leave it there.

Mr. MORRILL, of Vermont. The Senator from Michigan will allow me to say that the allusion I made was a sportive allusion entirely, but it would hardly be safe for him to appeal to the ears of the Senate or of the reporter to correct the word which he actually used.

Mr. FRELINGHUYSEN. I ask if the proposition of the Senator from New York cannot be divided? I am in favor of that part of the proposition which provides for redemption, as I understand it. I am opposed to that part of his proposition which limits the use of the national banking currency. I would like to vote for the part relating to redemption; but must vote against it if it is connected with this, as I think, depreciation of the national currency.

Mr. FENTON. We have nearly the same system of redemption under the present national banking law; but the details are better perfected in this amendment, perhaps.

Mr. BUCKINGHAM. I think we have now the best currency that we have ever had, in one respect: it is of uniform value in every part of the country. Now, any bill that will change the value of the currency, so as to diminish it, even by an attraction in one locality making it worth a fraction more than in some other locality, will be a bill to the injury of this system of banking, in my judgment; and it is for that reason that I cannot vote for the amendment proposed by the Senator from New York.

Mr. SCHURZ. The Senator from Connecticut is an experienced business man. Now, if he can propose a method how to establish a system of redemption that will be efficient, that will have the effect of putting a safe limit to the issue of national bank note currency, which without such limit might run into wild inflation—if he has any such proposition to make, I should be very happy to accept it, and to vote for it. While we cannot redeem in coin, the difficulty is that we have two kinds of paper currency, equally valuable and occupying the same field of action, so that converting one into the other means redeeming it with itself. If the Senator can obviate that difficulty, I shall be happy to accept his proposition.

Mr. BUCKINGHAM. I think when an opportunity shall present itself I can propose a plan of redemption which will meet the suggestion of the Senator from Missouri, a system which will be in perfect harmony with free banking with an equal value of circulation in all sections of the country. I think one may be perfectly consistent with the other; and the plan which I shall propose is one which I have suggested before, which, although not redemption in specie, yet comes virtually to that, and will give the coin to any man who has either kind of currency at par within a fraction.

The PRESIDENT *pro tempore*. The question is on the amendment of the Senator from New York [Mr. FENTON] to the amendment, upon which the yeas and nays have been ordered.

Mr. RAMSEY. I am paired on this vote.

The question being taken by yeas and nays, resulted—yeas 14, nays 37; as follows:

YEAS—Messrs. Anthony, Bayard, Chandler, Fenton, Hamilton of Maryland, Hamilton of Texas, Jones, Morrill of Vermont, Sargent, Saulsbury, Schurz, Stewart, Wadleigh, and Windom—14.

NAYS—Messrs. Allison, Bogy, Boreman, Buckingham, Carpenter, Conover, Cooper, Davis, Dennis, Ferry of Michigan, Frelinghuysen, Goldthwaite, Gordon, Harvey, Hitchcock, Howe, Ingalls, Johnston, Lewis, Logan, McCreery, Merrimon, Mitchell, Morton, Norwood, Oglesby, Patterson, Pease, Pratt, Ransom, Robertson, Scott, Sherman, Spencer, Sprague, Thurman, and Tipton—37.

ABSENT—Messrs. Alcorn, Boutwell, Brownlow, Cameron, Clayton, Conkling, Cragin, Dorsey, Edmunds, Ferry of Connecticut, Flanagan, Gilbert, Hager, Hamlin, Kelly, Morrill of Maine, Ramsey, Stevenson, Stockton, West, and Wright—21.

So the amendment to the amendment was rejected.

Mr. BUCKINGHAM. This amendment, I believe, is open to amendment.

The PRESIDENT *pro tempore*. It is.

Mr. BUCKINGHAM. I offer the following: Strike out that part of the amendment offered by the Senator from Georgia which was accepted by the Senator from Illinois, and insert what I send to the Chair.

The Chief Clerk read the words proposed to be inserted, as follows:

On and after the 1st day of January, 1875, United States legal-tender notes, in sums of $1,000 and its multiple, shall, on demand by the holder thereof, be redeemed by the Treasurer of the United States either with coin or with United States bonds at par, as he shall elect. The principal of such bonds shall be payable in coin in ten years after the date of their issue, and shall bear interest, payable semi-annually in coin, at the rate of 5 per cent. per annum, and shall be free from State and municipal taxation.

That the principal of any United States bonds bearing interest in coin at a rate not less than 5 per cent. per annum, whether due or not, shall, on demand by the holder thereof, be paid by the Treasurer of the United States in legal-tender notes and the accrued interest in coin.

That it shall be the duty of the Secretary of the Treasury to issue bonds as herein described in denominations not less $100, and legal-tender notes in denominations not less than five dollars, and to make all rules and regulations necessary to furnish proof of the lawful issue of such bonds and notes, and for the full execution of all the provisions of this act.

Mr. BUCKINGHAM. Mr. President, I am very sorry to differ in my judgment from many members of the Senate in regard to the course which we ought to pursue in reference to our banking and currency system. It seems to me we sometimes lose sight of the object which ought to be before us. What do we need? Currency as a representative of money, not in unlimited quantities, but sufficient to meet the ordinary expenses of the individual and to pay balances which are due between one section of the country and another. We do not want any more currency than that. Now, I believe it is within the power of Congress to adopt some system which will give just that amount of currency, and when the amount goes beyond that so that it becomes a surplus it can be gathered up and retired. I think free banking is part of a system by which this can be secured.

The amendment which the Senator from Georgia proposes does not give us free banking. It gives us banking upon a certain condition, based upon the proportion of banking capital and bank currency which is now located in the State of Maine. But the State of Rhode Island may want a little more, and the State of Connecticut may want a little less; and if they are restrained or restricted by the amount located in Maine, there is not freedom. Now, I think men who understand the banking business as a manufacturer ought to understand his business might and should be permitted, if they can do it with security to the public, to locate a bank wherever they please, with such capital as they please, and manage it there so long as they can do it for their interest and the interests of the community; and when they cease to manage it in accordance with these interests let them retire and occupy some other field or no other field. A man might, under proper restrictions, be as free to engage in banking, if the necessities of the country demand it, as he would be to engage in manufacturing or in raising cotton or in wool-growing. I should like that kind of freedom.

But, Mr. President, there is a freedom to expand, and that indefinite expansion is not what I am for; but a freedom with proper restrictions, not improper, not any which are not in accordance with the interest of the public; but with restrictions. What restrictions? Simply those which will require him who issues that which purports to be money to pay it when it is wanted. We have security, but security is not payment. A mortgage is security, but a mortgage does not pay. Your bank-notes are secured better than any notes ever were before in this country, and perhaps in any other; but when my friend comes with his ten-dollar note and asks the coin for it, he does not get it. Now I want and I desire to enact some law by which he who issues his promise to pay will be restricted and brought into such limits that he will pay the coin if he can, and, if not that, then that which will come nearest to it in value. The amendment which I offer does propose that if a man will not or cannot redeem his promise in coin according to the promise, he shall do the next best thing; and that is he shall pay in a promise with interest, which he can sell to his neighbor at par or very near it. It does provide that the banker shall redeem in United States legal-tender notes, and when a man gets the legal-tender notes he may go to the Government that has promised to pay those notes and take either the coin or a promise with interest, better than the promise delayed. Why? Because the promise with interest he can sell, and it will bring him in the market more than his legal-tender note. In this way, it appears to me, there may be a system with perfect security.

I will say a single word with regard to the other proposition, which is simply interchangeability between bonds and legal-tender notes. Some speak of it as elasticity. I care not what name you give it. It is not that elasticity which is compared sometimes to stretching the yard-stick or to increasing the quantity of cubic inches in a bushel; but it is a kind of elasticity which increases the number of bushels or the number of yard-sticks all of equal length. It does not propose to stretch a dollar so as to make it worth one dollar and ten cents to-day and have it contract so as to be worth but ninety cents to-morrow, but it proposes that when a certain amount of business has so increased that a greater number of dollars of equal value shall be demanded to transact that business, those dollars can be obtained; and it permits the man who has the bonds or the property by which he can secure those bonds to secure a greater number of dollars.

Let me suggest another thing. All this noise about the banking system and currency is occasioned now by the embarrassment to commerce, the commercial panic which took place in New York last September and October. I ask, what provision has been suggested to relieve such a panic as that unless it be this? I ask, where has been the suggestion to relieve men who are embarrassed under such cir-

cumstances as men were then? You may put it down as certain that you can never prevent commercial embarrassment, you can never prevent men from entering into speculations or making unwise and injudicious investments, and when they make such investments they will be followed by disaster, and the speculator and gambler will sink as he ought to sink; but when he sinks, good and sound and true men are affected by his disaster; and what Congress ought to do if it can is to do something to tide over the sound men and not let them sink with the bankrupts.

I know, and I know by experience too, that the time has been when it would seem as though a man would die if he could not get more money, and he could not get it. Why? Simply because the banks were bound to maintain specie payments, and the pressure upon them was such as to drive them from that position; and then there was relief, because more money could be obtained. Now, I submit that there are times, as there were last September and October, when men worth no matter how much cannot secure the money which is necessary to meet the demands upon them. Now, I say that if they had the opportunity to increase the currency by going with bonds, and securing for those bonds promises to pay without interest, they would have been tided over, and the terrible disaster which swept so many into complete bankruptcy would not have destroyed them all, or at least not so many.

I do not know that I have anything more to say on this subject; but to me it seems as if this was the only thing which has been suggested which may possibly aid sound and good men in their business during a commercial panic. Who would be injured by it? The Government owes money. It does not pay. If there be a surplus of money, as there is in New York to-day, $80,000,000 and more of deposits than there were four months ago, at the time Congress convened; if there are no men who want that money, either in New York or in Illinois, or in any other section of the country, who will give for it more than it brings to-day, which is very little, then let those who own it go to the Government and get from the Government a promise to pay with interest, which would be a redemption. Then reverse it. Suppose next July money is wanted to move the crops from the West, or next October money is wanted to move the cotton crop from the South; if then the men who have these bonds could have the privilege of going to the Treasury of the United States and securing money that would circulate all over the grain-growing districts of the West and all over the South, it would go wherever it was demanded by the commerce of the country.

Mr. SCHURZ. Mr. President, when I interrupted the Senator from Connecticut before he offered his amendment, the amendment of the Senator from New York being then pending, I understood him to say that he was going to offer a proposition which would remedy the absence of a real system of redemption as between greenbacks and national-bank notes, while we could not redeem in coin, and while the only redemption that could be had for national-bank notes would be in greenbacks. He then replied that he would furnish such a system; but in his amendment I do not find anything of the kind. He has indeed provided that on and after the 1st day of January, 1875, United States legal-tender notes in sums of $1,000, and so on, shall on demand of the holder thereof be redeemed by the Treasurer of the United States either with coin or with United States bonds, at par, as the Treasurer shall elect.

Mr. BUCKINGHAM. The Senator understands that bank-notes are redeemable now in legal-tenders.

Mr. SCHURZ. I understand; but what I was going on to say was that the condition of things upon which I base my inquiry is not the condition of things supposed here. The Senate has already virtually declared that we shall not return to specie payments, and it is useless therefore to speak of redemption with coin.

Mr. BUCKINGHAM. I beg leave to suggest that this, I think, is entirely different in one respect from the proposition submitted by the Committee on Finance. That proposition left it with the Secretary of the Treasury to determine whether he would or would not issue this currency. This proposition makes it obligatory on him to meet the demands of the holder of the bonds or of the currency. The proposition of the Senator from Ohio did not. It left it optional; and in that respect I think this is altogether better for the public.

Mr. SCHURZ. I was going to say that this amendment does not satisfy me with regard to the redemption of United States bank-notes with greenbacks while we do not redeem the greenbacks in specie, and while there is, as the Senator himself must know, at present no prospect of arriving at any such result.

Mr. BUCKINGHAM. I agree that there is no immediate prospect of it, and I offer this as a substitute, as the best thing which can be secured while there is no redemption in coin.

Mr. SCHURZ. At any rate, the difficulty I desire to provide for is not provided for in this amendment. And then I see something here which rather startles me. This amendment, as I understand it, gives the Secretary of the Treasury power, as demands may be made upon him for bonds or for currency, to increase the debt or to increase the currency indefinitely.

Mr. BUCKINGHAM. I beg pardon. I ask the Senator if it is any increase of the debt to exchange a greenback for a bond or a bond for a greenback?

Mr. SCHURZ. I will put it differently, then—to increase the amount of interest-bearing bonds on the one hand, or the volume of greenback currency, as demands may be made upon the Treasury, indefinitely, absolutely without limit. I cannot vote for any such proposition. There may be a degree of inflation under such a law as here proposed to which I certainly cannot give my assent.

Mr. BUCKINGHAM. Will the Senator allow me to say a word in regard to the possibility of inflation? That possibility depends on the interests of men. Here is a 5 per cent. bond offered or to be relinquished. I have some greenbacks in the case supposed—I wish I had; but suppose I had. I want to use them to the best advantage. If I can use them in my business, or if I can loan them to my neighbor so that he can employ them in his business at 6 or 7 or 8 per cent., I will let him have them. If I cannot use them so that they are worth to me more than 4 or 4½ per cent., I go and get the bonds. There I am controlled by my interest, and every man who holds notes will be controlled by his interest in that way and no further. Now suppose a man has his bonds and he wants to convert them into greenbacks, by which the currency would be inflated according to the idea of my friend from Missouri, which would be true; it would be an increase; but when would it be increased? Only when it would be for the interest of the holder of the bonds, he being able to get more for the currency than the interest on his bonds.

Mr. SCHURZ. Will the Senator permit me to put a question to him?

The PRESIDING OFFICER, (Mr. THURMAN in the chair.) The time of the Senator from Connecticut is up.

Mr. SCHURZ. Then I will take the floor; I do not think I have consumed my time already. I would ask the Senator from Connecticut would it not be possible under this proposition for a number of speculators in New York to get together and gather together a large quantity of bonds, say twenty-five or thirty millions, and to throw them into the Treasury and take out of the Treasury twenty-five or thirty millions of currency and dash it right into the market?

Mr. BUCKINGHAM. If I may be permitted by the Senate long enough to answer that question——

The PRESIDING OFFICER. If there is no objection the Senator will proceed. The Chair hears none.

Mr. BUCKINGHAM. What would be the danger then? Here are men who combine together with thirty or fifty or one hundred millions of bonds to get currency; what are they going to do with it? The Senator says throw it upon the market. If it is for their interest, they will; but they are not going to part with their money unless they can make it for their interest to do so, and they must know this, that there are other men besides these holders of thirty or fifty millions who in like manner are as watchful of their interests. I do not apprehend the least danger from any such combination or any such inflation of the currency. If it is increased it will be increased because the business interests of the country demand it, and then it should be increased.

Mr. SCHURZ. The Senator from Connecticut asks what can speculators in New York collecting together fifty or one hundred millions of bonds do with the currency when they take it out of the Treasury and hash it into the market. The answer is very simple. It is put into the power of private citizens to inflate the currency to that amount, and by so doing to derange all current values in the country. There is a field opened for speculation the like of which never was seen in the United States; and I am sure, as we know from experience the men who carry on such speculations, we have no reason to think that they will not take advantage of it to the fullest extent of possibility.

Mr. BUCKINGHAM. I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER, (Mr. THURMAN in the chair.) The question is on the amendment offered by the Senator from Connecticut to the amendment offered by the Senator from Georgia. On this question the Senator from Connecticut asks for the yeas and nays.

The yeas and nays were ordered.

Mr. HOWE. I am only going to spend a moment. I shall be compelled to vote against this amendment. I do so with great diffidence. There is no Senator on this floor in whose judgment I have more confidence than I have in the judgment of the Senator from Connecticut, and I have the same confidence in the integrity of his purposes that every Senator and every man who knows him has; but this proposition is not new to me. I have heard it in this Hall and elsewhere for years and thought upon it a good deal. My main objection to it is the objection which has been stated by the Senator from Missouri. I think it is very evident that so long as these legal-tender notes were being funded your circulation would be contracted and prices would be falling. I think when the current was reversed your currency would be inflated and prices would be enhanced.

But Mr. President, I think the Senator is mistaken in supposing it would relieve just such a case as he has devised it for. I do not think this provision would have given any substantial relief to the country if it had been on your statute-book last fall. We were in some such situation as that the Treasury had notes at that time which it was authorized to dispose of for bonds and tried to dispose of for bonds. I have taken a little pains to ascertain of how much avail that was to the suffering public. That crisis commenced on the 18th of September. Up to the 25th of September the Treasury had contrived to buy some $12,000,000 of bonds. Those banks were principally supplied by the savings-banks. The notes, of course, which were issued in exchange for them went into the savings-banks. They did not meet any want of the business community. Now, what do you sup-

pose the Secretary paid for those 6 per cent. bonds at that time? One would think if the price of bonds was to be measured by the want of the country for circulating notes, bonds would have been worth about twelve shillings a bushel, for there probably never was a time when the community, from one ocean to the other, was so hungry, so eager for notes, as it was last fall. Six per cent. bonds before that crash came were worth about 115½ cents on the dollar with the coupons on. The Secretary bought the same bonds for just about 111 cents, paying the interest in coin. How much that depreciation was I cannot now state in cents, but every Senator will see it was a mere trifle. The fact was that the men who had the bonds to sell were not the men who wanted notes. They used their bonds to make the most out of them, and so I think it will always happen.

Mr. GORDON. I simply want to say, inasmuch as I had the honor of offering a proposition similar to this some weeks ago, that I am in favor of the principle of it. I simply wish to put myself on record. I am in favor of the principle of the interchangeability of the bonds and United States notes, as contained in the amendment offered by the Senator from Connecticut; but inasmuch as his amendment provides for 5 per cent. bonds, which are now far above par, I am satisfied that it does not accomplish the object the Senator has in view, and I shall therefore be compelled to vote against it while I approve of the principle.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Connecticut to the amendment of the Senator from Georgia, which was accepted by the Senator from Illinois; and on this question the yeas and nays have been ordered.

Mr. SCOTT. I am paired on this question with my colleague, [Mr. CAMERON.] I would vote for this amendment and he would vote against it.

Mr. WADLEIGH. On this question I am paired with the Senator from Indiana, Mr. PRATT. If he were present he would vote against the amendment and I should vote for it.

The question being taken by yeas and nays, resulted—yeas 7, nays 39; as follows:

YEAS—Messrs. Buckingham, Cooper, Cragin, Morrill of Maine, Sargent, Sherman, and Stewart—7.

NAYS—Messrs. Allison, Bayard, Bogy, Boreman, Carpenter, Chandler, Conover, Davis, Dennis, Fenton, Ferry of Michigan, Goldthwaite, Gordon, Hamilton of Maryland, Hitchcock, Howe, Johnston, Jones, Lewis, Logan, McCreery, Merrimon, Mitchell, Morrill of Vermont, Morton, Norwood, Oglesby, Patterson, Pease, Robertson, Saulsbury, Schurz, Spencer, Sprague, Stockton, Thurman, Tipton, West, and Windom—39.

ABSENT—Messrs. Alcorn, Anthony, Boutwell, Brownlow, Cameron, Clayton, Conkling, Dorsey, Edmunds, Ferry of Connecticut, Flanagan, Frelinghuysen, Gilbert, Hager, Hamilton of Texas, Hamlin, Harvey, Ingalls, Kelly, Pratt, Ramsey, Ransom, Scott, Stevenson, Wadleigh, and Wright—26.

So the amendment to the amendment was rejected.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Illinois [Mr. LOGAN] as modified at the suggestion of the Senator from Georgia, [Mr. GORDON.]

Mr. BUCKINGHAM. I offer the following amendment, to strike out as before and insert:

On and after the 1st day of January, 1875, United States legal-tender notes in sums of $1,000 and its multiple shall, on demand by the holder thereof, be redeemed by the Treasurer of the United States, either with coin or with United States bonds at par as he shall elect. The principal of such bonds shall be payable in coin in ten years from the 1st day of January, in the year in which they may be issued, and shall bear interest payable semi-annually in coin at the rate of 5 per cent., and shall be free from State and municipal taxation.

That is only a part of the previous amendment. It leaves out entirely that which was objected to by the Senator from Missouri, and which appears to have been objected to by many other Senators. It provides for the redemption of legal-tender notes in United States bonds or in coin on demand by the holder, but it leaves entirely out the other side of the proposition which I had in my own mind, making bonds convertible into legal-tender notes. It is merely one side of the question.

Mr. MORTON. The effect of this amendment is to authorize the conversion of all the legal-tender notes into a 5 per cent ten-year bond. There is no provision for their being paid out in any way whatever. It only involves the conversion, and contraction to the extent of the conversion.

Mr. SARGENT. I move that the Senate do now adjourn.

Mr. GORDON. I hope the Senator will withdraw that motion and let us get through with the bill.

Mr. LOGAN. I hope we shall get through with the bill to-night.

Mr. SARGENT. I am willing to withdraw the motion for the purpose of voting on the pending amendment; but we certainly cannot sit here all night.

Mr. MORTON. Let us go on as far as we can.

The PRESIDING OFFICER. Does the Senator from California withdraw his motion?

Mr. SARGENT. I will for the purpose of this vote, if Senators wish to vote on the pending proposition.

The PRESIDING OFFICER. Then the question is on the amendment offered by the Senator from Connecticut, [Mr. BUCKINGHAM,] to strike out all of the amendment offered by the Senator from Georgia, after the first word, "That," and insert the matter read by the Clerk.

Mr. SCHURZ. Is that a substitute for the amendment of the Senator from Georgia?

The PRESIDING OFFICER. It is.

Mr. SHERMAN. As the Senator from Connecticut is out of the Chamber at present, I will call for the yeas and nays upon it.

The yeas and nays were ordered; and being taken, resulted—yeas 21, nays 30; as follows:

YEAS—Messrs. Anthony, Bayard, Buckingham, Chandler, Conkling, Cooper, Cragin, Davis, Fenton, Frelinghuysen, Hamilton of Maryland, Hamilton of Texas, Hamlin, Howe, Jones, Morrill of Maine, Morrill of Vermont, Sargent, Schurz, Sherman, and Stockton—21.

NAYS—Messrs. Allison, Bogy, Boreman, Conover, Dennis, Ferry of Michigan, Goldthwaite, Gordon, Harvey, Hitchcock, Ingalls, Johnston, Lewis, Logan, McCreery, Merrimon, Mitchell, Morton, Norwood, Oglesby, Patterson, Pease, Ransom, Robertson, Spencer, Sprague, Thurman, Tipton, West, and Windom—30.

ABSENT—Messrs. Alcorn, Boutwell, Brownlow, Cameron, Carpenter, Clayton, Dorsey, Edmunds, Ferry of Connecticut, Flanagan, Gilbert, Hager, Kelly, Pratt, Ramsey, Saulsbury, Scott, Stevenson, Stewart, Wadleigh, and Wright—21.

So the amendment to the amendment was rejected.

Mr. SARGENT. I move that the Senate do now adjourn.

Mr. MORTON. I hope not.

The PRESIDING OFFICER. The motion is not debatable.

Mr. MORTON and Mr. ROBERTSON. I call for the yeas and nays.

The yeas and nays were ordered.

The Chief Clerk proceeded to call the roll.

Mr. SHERMAN. Before the vote is announced, I desire to state that, for one, so far as I am concerned, I wish to see this matter closed to-morrow.

Mr. MORTON. Mr. President——

Mr. CONKLING. This is all out of order. Announce the vote.

The result was announced—yeas 27, nays 26; as follows:

YEAS—Messrs. Anthony, Bayard, Chandler, Cooper, Cragin, Davis, Fenton, Flanagan, Frelinghuysen, Hager, Hamilton of Maryland, Hamilton of Texas, Hamlin, Howe, Jones, McCreery, Morrill of Maine, Morrill of Vermont, Sargent, Saulsbury, Schurz, Scott, Sherman, Stockton, Thurman, Tipton, and Windom—27.

NAYS—Messrs. Bogy, Boreman, Carpenter, Conkling, Conover, Dennis, Ferry of Michigan, Goldthwaite, Gordon, Harvey, Hitchcock, Ingalls, Johnston, Lewis, Logan, Merrimon, Mitchell, Morton, Norwood, Oglesby, Pease, Ransom, Robertson, Spencer, Sprague, and West—26.

ABSENT—Messrs. Alcorn, Allison, Boutwell, Brownlow, Buckingham, Cameron, Clayton, Dorsey, Edmunds, Ferry of Connecticut, Gilbert, Kelly, Patterson, Pratt, Ramsey, Stevenson, Stewart, Wadleigh, and Wright—19.

So the motion was agreed to; and (at four o'clock and forty-seven minutes p. m.) the Senate adjourned.

HOUSE OF REPRESENTATIVES.

TUESDAY, *March* 31, 1874.

The House met at twelve o'clock m. Prayer by Rev. W. E. PARSONS, of Howard University, Washington.

The Journal of yesterday was read and approved.

PETITION OF TAX-PAYERS OF SOUTH CAROLINA.

Mr. DAWES. I ask unanimous consent to present the petition of the tax-payers' convention of South Carolina, for such relief as Congress can grant from burdens arising from alleged frauds and misrule in that State; that it may be printed, and referred to the Committee on the Judiciary.

This petition, Mr. Speaker, is signed by gentlemen of such character as precludes the idea that it is frivolous or without any such foundation as would justify an investigation. Of course previous to an investigation no gentleman should assert the fact of the existence of such frauds or misrule. The prayer of the petition is that it may be referred to the Judiciary Committee for investigation; that it may be printed, and that the committee may have power to send for persons and papers in that investigation.

Mr. RANDALL. Will the gentleman allow me to ask him a question?

Mr. DAWES. Certainly.

Mr. RANDALL. I wish to ask the gentleman what this Congress has to do with taxation in the State of South Carolina?

Mr. DAWES. I do not know if there is any remedy in Congress for what these petitioners pray to be relieved from. They pray in general that, if there be any relief within the constitutional power of Congress to grant, Congress should grant it.

Mr. RANDALL. I thought the gentleman might perhaps be able to point to the authority in the Constitution of the United States.

Mr. DAWES. I confess myself that I do not see exactly the way to secure the relief in that regard from taxation which they pray for. There may be, however, some relief within the power of Congress; and if the investigation of the committee should show there is, Congress may grant it.

Mr. RANDALL. I have only to say that I should be glad to see the people of South Carolina have relief in that respect. But I think the source of relief is within themselves, and solely within themselves; and for one I deprecate any such proceeding as this, which could be cited hereafter as a precedent. We have enough perhaps of this centralization, and are moving rapidly enough in that direction.

Mr. DAWES. If I may be allowed to add a word, I would say that I have been careful not to assert any foundation for this complaint. I have merely stated to the House that this comes in the name of gentlemen from that State of such character as would justify an

investigation only. These gentlemen in respectful language petition Congress and present their complaints. I think it is the duty of Congress to hear them fairly, and to see whether there may be any remedy or not. And I would say, in reply to the gentleman from Pennsylvania, that the manner in which this is presented and this prayer is addressed to Congress is such that it can be made a precedent for no other case; because there is no assertion, in simply presenting this petition, of any power on the part of Congress; but that general relief is prayed for which this Congress may find in their power to grant.

I agree with the gentleman from Pennsylvania that centralization is an evil to be guarded against, and that the rights of States should be protected as sedulously and as carefully as the gentleman from Pennsylvania could wish for. At the same time no citizen of the United States who presents his prayer to Congress in proper language should be turned away from the doors of Congress without a fair and candid and just hearing at its hands.

Mr. RANDALL. I am as fully and as largely in favor of the right of petition as any man can be; perhaps I should have agreed with Mr. Adams had I been here at that time. I certainly think that what he did was in the right direction and was well done; but while I would give to this petition, for it is in the nature of a petition, a proper reference for investigation, I want also at the same time to warn these petitioners that the most dangerous power that can be invoked from the Federal authority is that which they petition for, the interference of the Federal Government in the internal affairs of their State. I would like to know what would be thought at this time if Congress should undertake to act in reference to the taxation of my own State?

Mr. DAWES. That may be wise and proper enough as a caution, but it is altogether premature before the petitioners have been heard or the House can know officially from the proper authority what it is they desire.

Mr. RANDALL. What they desire is a matter of public notoriety, and therefore I had a right to speak of it.

Mr. MAYNARD. Why is the petition presented in this manner and not under the rules, and referred in the usual way?

Mr. DAWES. For the reason that you cannot present a petition under the rules and have it printed, and have authority given to the committee to send for persons and papers. I call the previous question on my motion.

Mr. YOUNG, of Georgia. I demand the regular order.

Mr. MAYNARD. If the committee deem it necessary that they have power to send for persons and papers they will say so. I object to granting them that power now if it requires unanimous consent.

Mr. COX. The objection of the gentleman from Tennessee comes with an ill grace from him.

Mr. WALLACE. I hope the gentleman from Georgia will waive the demand for the regular order for a moment. I was absent from the House on a committee when this petition was presented.

Mr. MAYNARD. I will say in reply to the gentleman from New York [Mr. COX] that I was engaged in the investigation of the Ku-Klux outrages, and know something about the condition of affairs in the Southern States. He says the objection comes with an ill grace from me. That is a matter of taste between him and myself.

Mr. DAWES. As the gentleman from South Carolina [Mr. WALLACE] desires to be heard, I will withdraw the demand for the previous question.

Mr. WALLACE. I have been absent on a committee and know nothing at all about this matter.

Mr. WHITELEY. I ask that the indorsement on the petition be again read for information.

The SPEAKER. The gentleman from Massachusetts has presented a petition, of which the Clerk will again read the title.

The Clerk read as follows:

The petition of the tax-payers' convention of South Carolina, for such relief as Congress can grant from burdens arising from alleged fraud and misrule in that State.

The SPEAKER. The motion of the gentleman from Massachusetts is that the petition be referred to the Committee on the Judiciary and printed, and that, in regard to the prayer of the petitioners, the committee shall have a right to investigate it, with power to send for persons and papers.

Mr. MAYNARD. Is the latter part of that motion in order?

The SPEAKER. The Chair thinks that the latter part of the motion requires unanimous consent.

Mr. MAYNARD. I object.

Mr. DAWES. Then I move that the petition be referred to the Committee on the Judiciary, and printed.

The SPEAKER. The Chair thinks that is the better course.

Mr. WALLACE. I have no objection to that.

The question was taken on the motion of Mr. DAWES; and it was agreed to.

Mr. DAWES moved to reconsider the vote by which the petition was referred and ordered to be printed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

CHESAPEAKE AND OHIO CANAL.

Mr. LOWNDES, by unanimous consent, submitted the following resolution; which was read, considered, and agreed to:

Resolved, That the Secretary of War be directed to furnish this House with the report of surveys for the extension of the Chesapeake and Ohio Canal, made under the act approved March 3, 1873, entitled "An act making appropriations for the repair, preservation, and completion of certain public works on rivers and harbors, and for other purposes."

CHANGE OF REFERENCE.

On motion of Mr. STOWELL, by unanimous consent, the Committee on the Post-Office and Post-Roads were discharged from the further consideration of the following petitions, and the same were referred to the Committee on Claims:

The petition of C. H. Hale, assignee of Hale, Windsor, Crosby & Co., for compensation for extra services rendered in carrying the mails from the years 1866 to 1870 inclusive; and

The petition of Benjamin Best.

BIDS FOR MAIL CONTRACT.

Mr. STOWELL, by unanimous consent, presented a communication from the Postmaster-General, in relation to bids for contracts for carrying the mails; which was referred to the Committee on the Post-Office and Post-Roads, and ordered to be printed.

COMMISSIONERS TO VIENNA EXPOSITION.

Mr. MYERS, by unanimous consent, introduced a bill (H. R. No. 2780) for the relief of the commissioners to the Vienna exposition; which was read a first and second time, referred to the Committee on Foreign Affairs, and ordered to be printed.

YELLOWSTONE PARK.

Mr. DUNNELL, by unanimous consent, from the Committee on the Public Lands, reported (as a substitute for House bill No. 2177) a bill (H. R. No. 2781) amendatory of and supplemental to the act entitled "An act to set apart a certain tract of land lying near the headwaters of the Yellowstone River as a public park," approved March 1, 1872; which was read a first and second time, ordered to be printed, and recommitted to the committee, not to be brought back by a motion to reconsider.

RELIEF OF NAVAL CONSTRUCTORS.

Mr. HOLMAN, by unanimous consent, submitted the views of the minority of the Committee on War Claims in regard to House bill No. 217, for the relief of naval constructors of vessels of war; which was referred to the Committee of the Whole on the Private Calendar, and ordered to be printed.

SWAMP LANDS IN MISSOURI.

Mr. BLAND, by unanimous consent, presented a memorial of the county court of Laclede County, Missouri, asking that the title to swamp lands situate in said State be confirmed; which was referred to the Committee on the Public Lands, and ordered to be printed.

IMPROVEMENT OF MOUTH OF MISSISSIPPI.

Mr. STONE. I ask unanimous consent that House bill No. 2342, for the improvement of the mouth of the Mississippi River, which was reported back by the Committee on Railways and Canals and committed to the Committee of the Whole on the state of the Union, be taken from the Committee of the Whole and made a special order for consideration in the House on Tuesday, April 21, 1874, at the hour of half-past one o'clock p. m., and that at four o'clock of the next day, the 22d, the previous question shall be operative.

The SPEAKER. That requires unanimous consent.

Mr. HALE, of Maine. I ask the gentleman to except the regular appropriation bills.

Mr. STONE. I will do that.

Mr. NEGLEY. And also except the bill for the protection of life and property on vessels propelled in whole or in part by steam.

Mr. STONE. I am asking for but two days for the consideration of this bill.

Mr. NEGLEY. And another suggestion: this bill comes from a committee which never before had this subject under consideration. It should have been referred to the Committee on Commerce; that is the proper committee to consider it, not the Committee on Railways and Canals.

Mr. STONE. The bill was referred by this House to the Committee on Railways and Canals, and that committee has devoted the last four months to the consideration of this subject. It was reported back unanimously from the committee, and now we ask that a day be fixed for its consideration. As to the question whether it should have been referred to the Committee on Commerce, I do not undertake to say. It was referred to the Committee on Railways and Canals, and that committee has considered it.

Mr. NEGLEY. The House must understand how difficult it is——

The SPEAKER. It is too late to discuss the question now as to what committee should have considered this subject. The reference of the matter was made four months ago.

Mr. SMITH, of New York. I ask the gentleman from Missouri [Mr. STONE] to make an exception of reports from the Committee on Elections.

Mr. WILSON, of Iowa. If the committee have determined upon a policy to be adopted in regard to the mouth of the Mississippi River, I will not object to this being made a special order. If they have not so determined, I must object.

Mr. NEGLEY. At the earnest request of the gentleman, agreeing as I do with him as to the importance of this work, I will withdraw my objection.

Mr. LOWE. Does this proposition include the morning hour?

The SPEAKER. It does not. But the Chair would suggest that if the previous question is ordered at four o'clock on the second day, the bill will be very apt to go over to the third day.

Mr. STONE. I have no objection to making the previous question operative on the first day at four o'clock.

The SPEAKER. With that modification is there objection to the proposition of the gentleman from Missouri?

No objection was made, and it was so ordered.

CEMETERY AT SALT LAKE CITY.

Mr. COBURN, from the Committee on Military Affairs, reported back, with a substitute, Senate bill No. 347, granting a portion of the United States military reservation at Salt Lake City for cemetery purposes; which substitute was ordered to be printed, and recommitted to the Committee on Military Affairs, not to be brought back into the House on a motion to reconsider.

PONTON BRIDGE ACROSS THE MISSISSIPPI.

Mr. NEGLEY. I am instructed by the Committee on Commerce to report back House bill No. 2538, to legalize and establish a ponton railroad bridge across the Mississippi River at Prairie du Chien, and ask that it be put upon its passage now. The bill has been very carefully considered, and it contains all the provisions and restrictions hitherto agreed to by the House in connection with such bills.

Mr. POTTER. I object.

ORDER OF BUSINESS.

Mr. CONGER. I am instructed by the Committee on Commerce to report a bill which they are authorized to report at any time.

Mr. KILLINGER. I call for the regular order.

Mr. CONGER. I suppose this is the regular order, as the committee were authorized to report at any time.

The SPEAKER. It would be the regular order, except for the fact that the previous question is operating on the Portland and Louisville Canal bill, which comes up for consideration.

Mr. CONGER. This is a very important bill; it is for the appointment of an agent to examine the fur-seal fisheries of Alaska.

Mr. KILLINGER. I insist upon the regular order.

LOUISVILLE AND PORTLAND CANAL COMPANY.

The SPEAKER. The regular order being called for, the House now resumes the consideration of Senate bill No. 350, providing for the payment of the bonds of the Louisville and Portland Canal Company, on which, the previous question having been ordered, the gentleman from New York, the chairman of the Committee on Commerce, [Mr. WHEELER,] is entitled to one hour to close the debate.

Mr. WHEELER. Mr. Speaker, aside from the large and indefinite appropriation of money made by this bill it involves questions of as grave if not graver moment than any upon which this Congress has yet been called to act; among others, the delicate one of how far the national Government may exercise alleged rights in a sovereign State. The whole bill demands, and I trust will receive, the careful and deliberate consideration of the House.

At the commencement of the discussion I may be pardoned one word in relation to my personal attitude toward the measure. Some gentleman, unknown to me, has placed upon my desk an extract from some newspaper which purports to contain a telegram to the Inter-Ocean at Chicago, from some correspondent here, in which I am charged with duplicity in relation to this bill. Now, sir, I desire to say, once for all, that I am here to find no fault with the newspaper men. It is their right, as it is their duty, to search public men "as with a lighted candle;" and it is our fault if they take anything by the search. I accord to these men the full liberty to criticise my public acts and my public motives; and I shall never find any fault with them for so doing. If they do me a temporary injustice, time will surely right me. If they do me simple justice and I am in the wrong, then the fault is my own. In this matter, this correspondent, whoever he may be, is simply mistaken as to the fact. I call upon the gentleman from Indiana [Mr. HOLMAN] who has championed this measure in the House to confirm the truth of what I say—that I have never opposed this appropriation of money; that I have been entirely content that this entire amount of a million and a quarter of ascertained indebtedness and an unknown amount of unascertained indebtedness, with $114,000 of taxes assessed by the city of Louisville, shall be paid to carry out the purposes of this bill. I have never objected, in committee or out of it, to the amount of money involved in the bill. I have placed my opposition from the outset simply upon the question of cession of jurisdiction.

Mr. HOLMAN. With the permission of the gentleman from New York, [Mr. WHEELER,] I wish to say that while I have not seen the article referred to, I understand the fact to be that the gentleman, as chairman of the Committee on Commerce, has from the beginning raised no question upon this bill except to insist that, before any money shall be paid, the State of Kentucky should make a new and unequivocal surrender of jurisdiction over the canal. The gentleman from New York I think made that suggestion at the outset of the discussion before the Committee on Commerce, and I understand that to be his position now.

Mr. CONGER. As the same report charges me with opposition to the bill, I wish its special champion [Mr. HOLMAN] would say whether I have not always during the last two years favored the general course of action which this bill prescribes, making my objections solely on the question of jurisdiction.

Mr. HOLMAN. I have always understood the gentleman from Michigan [Mr. CONGER] to favor the passage of this bill. I know that he has discussed the question of jurisdiction; but I was not aware up to this time that he has ever said or done anything in opposition to the measure.

Mr. CONGER. I speak of it because I am charged in the same article with hostility to the measure.

Mr. HOLMAN. The gentleman from Michigan has always shown a disposition to act with entire fairness toward the commercial interests of the Ohio Valley, and I hope will still.

Mr. WHEELER. Now, Mr. Speaker, so much for this point. This article further charges that I have placed myself in hostility to the commerce of the Ohio Valley. In this connection, whatever shortcomings I may have as a public man, (and they are perhaps not few,) I think this House will give me credit for one thing, and that is for frankness. I never engage in any controversy in which I do not intend to carry my flag out, so that it may be seen by all men. I never intend in debate, or in other positions here, to occupy an equivocal position. I deny, sir, that I am opposed to the commerce of the Ohio Valley, or the commerce of my country anywhere. I am an American, sir, loving and desiring the interests of my whole country, and longing for the time when this anomaly of a boundless country overflowing with every element of wealth, but yet a giant with its financial muscles paralyzed, shall cease; when this giant with renewed strength shall put forth all its power, not only for the purpose of improving existing channels of commerce, but for multiplying new ones for the common benefit of the whole country. So much for my personal position.

The Louisville and Portland Canal Company was incorporated by the State of Kentucky in the year 1826, for the purpose of building a canal around the Falls of the Ohio River, a distance of two miles. The Government of the United States first became interested in it in the year 1826, when by an act of Congress it subscribed one thousand shares of the ten thousand shares which made up the capital stock of that company. In 1827 an additional act of Congress authorized the subscription of thirteen hundred and fifty more shares, making in all a money subscription of $235,000. Before the act of 1842, to which I shall presently allude, and under its operation, the United States had become the proprietor of five hundred and sixty-seven more shares. This made an aggregate of twenty-nine hundred and seventeen shares of the capital stock of this company. And, Mr. Speaker, I want to lay down here the proposition that that is every dollar of money that the United States ever paid into that capital fund. I will demonstrate that before I get through, and if I fail to do it, it will be from lack of capacity and not from lack of correctness in the statement. I say, then, that if this corporation were dissolved to-day by operation of law, for any purpose whatever, the United States would be simply entitled to take out of the assets the proportion of value which twenty-nine hundred and seventeen shares bear to the whole number of shares, and no more.

The fallacy of this bill rests in this, that the United States have become the proprietors of all the shares except five shares—a fact, Mr. Speaker, which has never been conceded by the Legislature of Kentucky, and a fact which has been persistently, and I say legally denied by the Louisville and Portland Canal Company.

Mr. HOLMAN. Will my friend allow me to make one inquiry of him?

Mr. WHEELER. The gentleman from Indiana will remember that I did not interrupt him or any other gentleman during this entire discussion yesterday, and I prefer to go on without interruption.

Mr. HOLMAN. But it is an inquiry pertinent to the gentleman's statement. When this whole case was before Justice Miller, did he not decide that the Government of the United States was the exclusive owner of the Louisville and Portland Canal?

Mr. WHEELER. Justice Miller decided no such thing. He decided only that the officers of the United States might go on to the Louisville and Portland Canal for the purpose of expending an appropriation which this Government made for the general improvement of that work as a part of the Ohio River—a similar appropriation to that made for the improvement of the numerous harbors of the country. Nothing more, nothing less, did Justice Miller decide. He said that the expenditure of that appropriation was not detrimental to the bondholders, whose rights had accrued subsequently to this transaction of which I am now speaking and subsequent to 1842 and 1844. He said they might go on and do anything which did not interfere with the security of those later creditors of this corporation. He did not undertake to decide this other question.

This, Mr. Speaker, is one-third, not quite one-third, of the capital stock of this corporation. The Louisville and Portland Canal Company have said to the United States, from the beginning down to this day, "You must content yourself with voting upon that stock. We will allow you under our Kentucky charter to come into our corporation meetings and participate in the election of directors. Nothing beyond that." They have limited the operations of the United States under the ownership of this stock to that one transaction; and that is the position of the canal company to-day.

This condition of things remained until 1842, when it became evident the commerce of the Ohio River demanded enlargement of the

canal. Let me look at this legislation of 1842 in view of this interest which had thus sprung up for the improvement of this work. Let us see what its import is. I ask the House now to follow me carefully, because on this legislation of 1842 and the supplementary legislation of 1844 turns this whole question. I say it is so clear, that a wayfaring man, though a fool, need not err in its construction.

By an act of the Legislature of Kentucky, approved February 21, 1842, the board of president and directors of the canal company were authorized, whenever so directed by the stockholders thereof, to sell "the shares of stock owned by individuals in said canal to the United States, or the State of Kentucky, or the city of Louisville, for the purpose of eventually making the said canal free of tolls; or, further to effect this object, the board of president and directors, when so authorized as aforesaid," were clothed with "the privilege of appropriating the net income arising from said canal to the purchase of said stock instead of making dividends therewith."

The fourth section of this act provides—listen attentively—

> That the shares so purchased by said board shall be held in trust by it for the purposes herein declared, and shall be voted on by them at all subsequent meetings and elections, until, by the operation of the provisions of this act, all the shares standing in the name of others than the Government of the United States shall have been purchased up; and when the said shares shall have all been purchased, the same shall be transferred to the Government of the United States, on condition of said Government levying tolls for the use of said canal only sufficient to keep the same in repair and pay all necessary superintendence, custody, and expenses, and make all necessary improvements so as fully to answer the purpose of its establishment, and, further, to protect and guard the interests of commerce.

What is the import of this statute? Look at the necessity which had arisen for the enlargemennt of this work, and which I could prove by the contemporary history of the enterprise, had I the time, had become an imperative demand all through the West, expressed by public meetings and elsewhere—look at this proposition of the Legislature of the State of Kentucky in 1842, by which it said to the United States, to the State of Kentucky, and to the city of Louisville: "If either of you will take this canal and make it free of toll"—and that is not all, that is but a minor part of it—"if you will enlarge it and make it meet the present demands of commerce, you shall have it upon these conditions, and upon no other." This proffer to the United States, by which these tolls were to accrue and be applied to the purchase of the stock of others than the United States, and this promise to transfer this stock to the United States, were upon the simple, sole condition that the United States should accept this trust and enlarge this canal.

Mr. Speaker, the United States never made response to this proffer, except, as I will hereafter show, to repeatedly decline it. They never paid one dollar toward this purpose. They never did one solitary act toward its performance; not one.

The history of this canal shows that from 1842 to 1844 the United States occasionally interposed an objection that the cession of jurisdiction was not full enough. And in 1844 the Legislature of Kentucky passed another act, which, as the directors of this company say in their printed reports, of which I have a volume here, in their judgment met the objection, that the cession of jurisdiction was not complete, and saying that if the Government would take it, if the Government would enlarge it, then the Government was entitled to it under the State act of 1842; but asserting all the way through that the Government of the United States could not take this property except in pursuance of the trust created by the act of 1842, not only to reduce the tolls, but to enlarge the canal so as to meet the demands of commerce.

Here is this act of 1844. See how carefully it is guarded: "That in the event of the United States becoming the sole owner of the Louisville and Portland Canal"—a thing it could only do by accepting this trust of improving the canal and making it as free as it could be, deducting only operating expenses; the United States could not take this stock purchased by surplus earnings, not a dollar of it, *except by performing that trust* in its entirety—it was only in the event of the United States becoming the sole owner of the Louisville and Portland Canal under the trust created by the act of 1842, that the jurisdiction of the Commonwealth of Kentucky over said canal was to be yielded up to the Government of the United States.

Now, I ask the House to observe in this connection that it is upon this proposition that this bill proceeds. It is sought now to bind the State of Kentucky to the proposition that she made thirty-two years ago, and which I will prove by and by she has clearly withdrawn. The gentleman from Iowa [Mr. KASSON] yesterday glanced a little at the point I now proceed to discuss. This act of 1844 went further than all this. It went so far as to provide that, even if the property were transferred to the United States, the Commonwealth of Kentucky reserved the right to regulate the tolls upon this canal forever. And this has never been repealed, as the gentleman from Iowa well said yesterday.

This act of 1844, after the propositions of 1842, amounted simply to this: "Take the canal, enlarge it, perform the trust, and we will excuse you from so much as compels you to make an annual report to the Commonwealth of Kentucky; holding in our hands, however, as a safeguard, if at any time you make the tolls too high, the power to reduce them." And this bill proposes to accept the canal with this condition. Is the Government of the United States, Mr. Speaker, to disburse this million and a quarter of known indebtedness and an indefinite amount of unknown indebtedness, and then to hold this property subject to the Legislature of the State of Kentucky, for all coming time, to regulate the tolls upon the commerce of the Ohio River? If so, it will be the first time the Government ever placed itself in a strait-jacket of this character.

I say, and if I am wrong in this legal proposition let some of Kentucky's eminent lawyers upon this floor contradict me—I say the State of Kentucky has never repealed this restriction of the act of 1842. It is in force to-day. And if the United States has to take this property under this bill, it has to take it subject to the right of the Legislature of the State of Kentucky to control the tolls upon it forever.

Now, Mr. Speaker, the agent of the United States was present at the meeting of the stockholders of this company at which this proposition of 1842 was accepted. What did the United States declare by that act? "We are perfectly willing to forego dividends upon our stock and that the surplus earnings shall be used in absorbing the outstanding shares." The Government of the United States has never performed any other act looking toward the execution of this trust; it has never paid a dollar of money, nor has it ever done one other thing in the matter of the enlargement and improvement of the canal.

Now, Mr. Speaker, under the provisions of the act of 1842, which said that the dividends of this company, its profits, should go to the purchase of the stock other than that owned by the United States, this stock in 1855 had all been absorbed, with the exception of the five shares which are now held, at the instance and by the special request of the Government of the United States, by the gentlemen who operate this canal. Let us see what was the attitude of the Government at this time, after this stock had all been purchased. The scrip itself is in the possession of the canal company, it has never been transferred to the United States; it has never been authorized to be transferred by the Legislature of Kentucky; and the position of this company to-day is that the United States can vote only on its original shares, with the small number which it acquired prior to 1842.

After 1842 and in the year 1855, when this stock through this process, under the operation of the act of 1842, had been acquired, as alleged by the friends of this measure, by the United States, these directors called upon the United States to take upon itself the fulfillment of the trust of 1842, and what was the answer? Here is the answer of the President of the United States:

> Let the improvements be made with the tolls, with the distinct understanding that the Government commits itself to nothing involving a material change in the capacity of the canal and locks; incidental expenses to be strictly within income at reduced tolls, as proposed.
>
> FRANKLIN PIERCE.
>
> APRIL 21, 1855.

The President said, further, that he would make a recommendation to Congress, and I will show you the subsequent action of Congress by and by. That was the attitude of the Government of the United States. In the absence of Congress the President of the United States declared, in effect, that the canal must enlarge itself, that the Government would not undertake the trusts of 1842; but said to the directors, "You must do it with your own means out of the revenues of the canal."

Now, I want to say once for all that this stock could only become the property of the United States by the acceptance of the trust created by the act of the Legislature of Kentucky, of 1842; a thing which it has never done. No one will pretend that the Government of the United States can take possession of this canal without the consent of the State of Kentucky. The bill itself goes upon that hypothesis and points to the act of 1844, carefully omitting all reference to the act of 1842. The act of 1844 was simply amendatory of the act of 1842, and every provision of the act of 1842 stands to-day, except that which was waived by the State of Kentucky in the act of 1844. This is a proposition made by the State of Kentucky thirty-two years ago. This doctrine of surrender which has been put forth upon this floor and in the bill, pointing only to the act of 1844, is proved very much as we prove our religious creeds. We select such passages from the Bible as sustain our views, and omit all the rest. Now, this bill proceeds upon the assumption that it was an absolute proffer on the part of Kentucky, without condition, to surrender this canal under the act of 1844. The material question in the whole matter is, did the United States ever accept the proposition of the act of 1842? If they did, the State of Kentucky is concluded; if they did not, she is not.

Let me now recall to the attention of the House once more the legislation of Kentucky of 1842, whereby the Legislature of Kentucky said, first, that Kentucky itself may do this if it sees proper, or the United States may do it, or the city of Louisville; but that if the United States took possession of the canal it must be upon the condition that she should enlarge and improve it. The United States have never undertaken that trust, and hence have never owned a dollar of the stock.

Mr. ELDREDGE. Will the gentleman allow me to ask him where the title to this acquired stock rests, and who is authorized, as the law now stands, to represent that stock?

Mr. WHEELER. It rests to-day in the Louisville and Portland Canal Company. The officers of that company hold five shares absolutely in their own right, and they hold the rest under this trust.

Mr. ELDREDGE. I desire to ask a further question. I wish to inquire whether the State of Kentucky could put a limitation upon the purchase of stock by any person who should desire to purchase, that they must pay their money for it, and then hold it in trust? Is not that a limitation which the State could not impose?

Mr. WHEELER. The State of Kentucky said by the act of 1844, supplementary to that of 1842, that she would give full jurisdiction of this property to the United States if the United States would enlarge and complete the canal and make it free of toll. She has made that proffer, and it is the only one she has ever made in that direction. The directors acquired these shares by the permission of the United States, not with the money of the United States, except so far as what its shares earned under the act of 1842; but they hold these shares acquired by the revenues of the canal, and they hold them subject to the act of 1842. They hold them under these anomalous conditions.

Mr. ELDREDGE. Did not the canal belong to the stockholders?

Mr. WHEELER. It did; but they parted with their rights so far as they sold their shares under the act of 1842.

Mr. ELDREDGE. One other question.

Mr. WHEELER. The gentleman must pardon me; he is taking up too much of my hour and drawing me away from my line of argument.

Mr. ELDREDGE. I only wish to understand this question; I was not criticising the gentleman's remarks.

Mr. WHEELER. I understand that fully; but the gentleman will see that these interruptions disturb my line of argument.

Now, the history of this whole enterprise shows that the Government of the United States repeatedly refused to do anything by way of improvement of this canal. Let us see how the company itself regarded this matter in 1858, three years after this stock had all been absorbed, and after, as alleged by the gentleman from Indiana, the United States became the owner of all but the five shares. I ask the Clerk to read some extracts I have marked in an answer made by the company in response to a letter from the Secretary of the Treasury claiming the right to control the canal.

The Clerk read as follows:

The president and directors of the company cannot concede the correctness of what appears to be the basis-idea of your letter, to wit, that in the existing status of the relations of the United States to the company the Secretary of the Treasury possesses the controlling voice in the direction of the course and affairs of the company. It will certainly be the pleasure, as well as the admitted duty, of the president and directors so to direct the management of the affairs of the company as to preserve the interest of the United States in the property and in the avails from its use. The expenditures which have been made since the absorption of the shares of private stock, by virtue of the operations of the company under the act of the Kentucky Assembly dated 21st February, 1842, have all been made with the concurrent approval of the Secretary of the Treasury for the time being; and your letter of the 26th of May last is the first notification received by the board of a change of disposition on the part of the United States as to the management of the affairs of the company for the future. The president and directors are but trustees of the stock acquired under the operation of the act of the 21st February, 1842, before referred to; but you will observe that, by reason of anything which has thus far transpired, the United States are not proprietors of any stock in the company beyond the shares held absolutely on the 21st day of February, 1842, and in the management of the affairs of the company are entitled legally to no further control than by the vote of said stock they can give to the company in the selection of its officers. The president and directors, as in duty bound, have advised the Government of the business of the company, and have awaited the pleasure of Congress to make the appropriations, or to assume the obligation to make such appropriations, as would carry out the objects of the trust declared by the act of the Kentucky Assembly dated February 21, 1842. The United States can only acquire the proprietorship of the property in the whole canal upon the basis established by said act; and, with all respect to Congress, it does seem to the undersigned that a reasonable period within which the election might have been made has already transpired. But as you observe in yours of the 26th of May last that it was your purpose to report to Congress all the facts in the case for its action, the undersigned is instructed to say that, until Congress shall have again had a full opportunity to act in the premises and to legislate upon the facts, and to elect whether the United States will undertake the trust declared by the statute of Kentucky, or will devolve its execution upon the other parties in interest, as stated in the statute, the president and directors will so conduct the affairs of the company as to observe with all fidelity the preservation of such surplus as shall represent the shares of the United States compared to the aggregate belonging to the whole stock of the company.

Mr. WHEELER. Now that ought to be satisfactory to this House as to this point. This company said in 1858, "We have repeatedly called upon the Government of the United States to accept and perform the trust under the act of 1842, and it has persistently refused." If I had time I could take the current history of the legislation of that period and show you how, time after time, bills were introduced into Congress for the purpose of carrying out the trust of 1842, but received no action. I say that Congress never did accept that trust; and only by its acceptance could it claim the right of ownership in the canal and the control of it. Down to this day the Louisville and Portland Canal Company recognizes the United States only as a voter to the extent of one-third of its stock, and in no other capacity.

Weary of delay in any plan for the enlargement of this canal, which was the main purpose of the legislation of Kentucky in 1842, in 1857 the State of Kentucky took the matter into its own hands. By an act approved December 19, 1857, it was declared that the charter of the Louisville and Portland Canal Company should be so amended as to authorize the said company to construct, with the revenues and on the credit of the corporation, a branch canal sufficient to pass the largest class of steam-vessels navigating the Ohio River; and said company was vested with all the powers and authority to acquire and hold the necessary lands for such branch canal, and to construct the same, as were vested by the charter and amendments for the construction of the original canal; and all the provisions of the original charter and amendments were made as applicable to the branch as to the original canal. That is the legislation in 1857 of the State of Kentucky. Tired of the delay of the United States in undertaking an enlargement of this canal, the State of Kentucky thus set about doing it itself, or set the machinery in motion to do it; that is, authorizing the company to do it with its own revenues.

Now, let us see what was the action of the Government of the United States in relation to enlarging the canal upon the plan of this legislation of 1857. Pending this, let us see how the company regarded this matter in 1859. Here is the report of the company for the year 1859, in which occurs this statement:

During the past year important movements have taken place at various points in the West in reference to the enlargement of the Louisville and Portland Canal. Meetings of merchants, steamboat masters and owners, and others interested in the navigation of the Ohio River, have been held at Cincinnati, Madison, Louisville, and other places, and measures adopted to bring the subject before Congress; and the board entertain the hope that during the present session Congress will either authorize the Government to receive the work, or consent (as its ownership of 2,902 shares of the capital stock makes it desirable it should consent) that the board proceed to carry out the enlargement of the work as contemplated by the statute of Kentucky.

Here is the declaration of this company in 1859. Now, let us see what the Government of the United States did in pursuance of the act of the Kentucky Legislature of 1857. On the 24th of May, 1860, Congress passed the resolution which I ask the Clerk to read.

The Clerk read as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the president and directors of the Louisville and Portland Canal Company be, and they are hereby, authorized, with the revenues and credits of the company, to enlarge the said canal, and to construct a branch canal from a suitable point on the south side of the present canal to a point on the Ohio River, opposite Sand Island, sufficient to pass the largest class of steam-vessels navigating the Ohio River: *Provided*, That nothing herein contained shall authorize said president or directors, directly or indirectly, to use or pledge the faith or credit of the United States for the said enlargement or construction, it being hereby expressly declared that the Government of the United States shall not be in any manner liable for said enlargement or construction: *Provided further*, That when said canal is enlarged, and its branch canal is constructed, and the cost of said improvement paid for, no more tolls shall be collected than an amount sufficient to keep the canal in repair and pay for all necessary superintendence and management.

Mr. HOLMAN. I trust the gentleman from New York will observe in this connection that at that time, in 1860, Congress had suspended entirely the making of appropriations for public works. That resolution was passed in consequence of the adoption of that policy at that time on the part of the Government.

Mr. WHEELER. That act was passed simply to meet the requirements of the Kentucky statute of 1857. What was the attitude of the Government of the United States upon this matter in 1860? It said, virtually, "We will not pay one dollar toward the enlargement of this canal. You may go on and enlarge the work yourselves; but we will not be liable"—this is the substantial language of the substitute—"for one dollar; you must do the work wholly at your own expense and with the revenues of the canal." Such was the legislation of 1860. Is this consonant with the idea that the United States had become the owner of this property under the Kentucky acts of 1842 and 1844; that they were keeping the trust imposed by the legislation of 1842 to enlarge and improve this canal so that it should meet the demands of commerce? It is entirely at war with any such idea.

Under this legislation of 1860 sprang up a new class of rights. Let us see how the company regarded the matter after this act of 1860 was passed by Congress. Here is the declaration contained in their report for 1860:

By this joint resolution—

Referring to the joint resolution I have just had read—

it will be seen Congress has in effect ceded the stock of the United States to the objects of the trust declared by the statute of 1842.

And so it had. The United States Government has now become a secondary proprietor in the Louisville and Portland Canal. Under this provision of 1857 the company went on; it issued bonds secured by mortgage upon the canal and its revenues for over $1,500,000. It did this with the knowledge and consent of the United States. This has all been done since the act of 1842 was passed by the State of Kentucky. What follows? The State of Kentucky has authorized a new trust to be created. Her laws and her honor are pledged for its strict fulfillment; and she is right when she comes in, as she does by the later legislation of 1872, and says that she will not surrender this property until this new trust created under her laws and by her sanction is fulfilled. It is for her to say whether she will permit the United States to step in and fulfill this trust for her, or whether she will carry it out herself.

I say that the aspect of this question was entirely changed by the legislation of the State of Kentucky in 1857 and by the legislation of Congress in 1860. The United States virtually said, "We will take our chances in this matter; our interest, whatever it may be, may be pledged with yours for the purpose of enlarging this canal. Go on; enlarge the work yourselves; do what you can with your own revenue; but understand that the national Government provides expressly that it will not be bound for one dollar of your liabilities." Strange and anomalous proceeding for the United States to take with a piece of its own property, which, according to the allegation of the gentleman from Indiana, they acquired in 1855.

Now, Mr. Speaker, I want to make this declaration, of which I challenge contradiction. From that time down to this day the United States Government has never asserted by any solitary act the control of that property. Go to the archives of your Treasury Department,

and you cannot find there, until within a year or two and since the project of this bill began to be agitated, a solitary communication that has passed between the Government of the United States and the Louisville and Portland Canal Company; not one. Strange and unprecedented treatment by the United States of its own property.

Mr. HOLMAN. The gentleman from New York [Mr. WHEELER] falls into an error. The Committee on Commerce in their report embraced only one letter on the subject; but there has been an extended correspondence of the same character since 1855.

Mr. WHEELER. I know the correspondence. It relates to an appropriation for this canal, as we appropriate money for rivers and harbors generally. I am saying that as to this peculiar relation alleged to exist between the Government of the United States and this canal company the United States have made no sign. You cannot find any indication of it in the Treasury Department. The Government of the United States has not to-day a solitary badge of ownership in connection with this property. The Government can by her representatives attend the meetings of the company; she can vote upon her original subscription of stock for directors; she cannot do anything else. These directors manage the work under the laws of the State of Kentucky. The Government has no other right to-day, and can have none, except by permission of the State of Kentucky.

Mr. Speaker, under circumstances like these, this bill contains the startling proposition that the Secretary of War—an officer never before recognized in connection with this work; for the Secretary of the Treasury has always had control of it so far as it has been controlled up to 1860; has managed all the correspondence, not by permission of the State of Kentucky, not by permission of the corporation holding the property, not by permission of the courts—shall take possession of this property.

What, the Federal Government, through the War Department, enter into the domains of a sovereign State, and take possession of its corporate property! Is this the modern doctrine of State rights? Sir, it is at war with my ideas of the rights of the States, and I should be unworthy to represent the district of Silas Wright if I failed to utter my protest. The Federal Government by power of arms to enter a sovereign State without its consent, and take forcible possession of one of its corporations! It is a proposition which should not be entertained for a moment by any one who has any regard for the rights of the States.

Why the Secretary of War? Why not the Secretary of the Treasury? He has always had the management of this canal. Sir, I have a little regard for law yet, and though during the eventful years which have just passed we were compelled to do some things which looked like a violation of the law and the Constitution, the time has come when we should return to the old anchorage-ground.

Mr. Speaker, Kentucky says, by her own legislative action, she does not consider herself bound by this proposition of 1842. What means this proposition of 1872, if there be any force in the old law of Kentucky, which I say the United States has repeatedly declined from the day of this proffer down to this bill, the Government never having performed a single act under that trust, not one single act which has entitled it to the possession of this property. What did the Legislature of Kentucky do in 1872? I ask the Clerk to read this resolution of March 28, 1872.

Mr. MELLISH. I should like to ask my colleague a question. Is he in favor of the bill as amended?

Mr. WHEELER. I am in favor of the bill as amended. I meant to state that in the outset. I will go in this matter of internal improvement as far as he who goes farthest. I will do anything within the limits of the Constitution and the Treasury for the commerce of this country, but I want all to be done under the forms and sanctions of law, with no violation of the rights of States or individuals. With this amendment I am in favor of the bill and shall vote for it. My position is this: when the Government of the United States pays a million and a quarter of ascertained indebtedness and the floating debt of this canal, she ought to be the owner and ought to control it without the consent of the State of Kentucky or of the city of Louisville. She ought to own it as she owns the other public buildings throughout the United States. Look at the offer of Kentucky to surrender this property, made in 1872.

The Clerk read as follows:

Resolved by the General Assembly of Kentucky, That the president and directors of the Louisville and Portland Canal Company are hereby authorized and directed to surrender the said canal, and all the property connected therewith, to the Government of the United States, upon the following terms and conditions:

1. That the Government of the United States shall not levy tolls on said canal, except such as shall be necessary to keep the same in repair, pay all necessary superintendence, custody, and expenses, and make all necessary improvements.

2. That the city of Louisville shall have the right to throw bridges over the canal at such points as said city may deem proper: *Provided always*, That said bridges shall be so located as not to interfere with the use of the canal, and so constructed as not to interfere with its navigation.

3. That the title and possession of the United States of said canal shall not interfere with the right of the State to serve criminal and civil processes, or with the State's general police power over the territory covered by the said canal and its appendages.

4. And further, that the city of Louisville shall at all times have the right of drainage into said canal: *Provided*, That the connections between the drains and the canal shall be made upon the plan to keep out mud and garbage.

5. That the use of the water-power of the canal shall be guaranteed forever to the actual owners of the property contiguous to said canal, its branches and dams, subject to such restrictions and regulations as may be made by the Secretary of the Department of the United States Government which may have charge of the said canal.

6. That the Government of the United States shall, before such surrender, discharge all the debts due by said canal company, and purchase the stock of said directors.

Mr. MELLISH. When were these resolutions passed?

Mr. WHEELER. In 1872. I shall not stop to look at these resolutions in detail. I wish the House to settle the question whether they want to pay their money for the purpose of purchasing this property upon these conditions:

The city of Louisville shall have the right to throw bridges over the canal at such points as said city may deem proper.

There is no recognition of any governmental superintendence here. You cannot build a bridge across the Ohio or the Mississippi River unless it is put under superintendence of the Government. The city of Louisville is to be the judge of this.

Provided, always, That said bridges shall be so located as not to interfere with the use of the canal.

Who is to be the judge?

That the title and possession of the United States of said canal shall not interfere with the right of the State to serve criminal and civil processes—

That is right. It ought not to be a harbor for thieves and other criminals. Now let us look a little further:

or with the State's general police power over the territory covered by the said canal and its appendages.

The United States cannot use it for anything that would interfere with the general police power. The State of Kentucky has reserved to itself not only the right to serve criminal and civil processes, but to regulate the general police, which covers every detail of the management of the canal. Does the Government want it upon that condition and this large appropriation of money?

Mr. HOLMAN. I ask if it is fair for the gentleman from New York to say that? Does not his committee oppose recognizing this joint resolution of 1872, and are they not unwilling that the Government should accept the control on the basis of that joint resolution?

Mr. WHEELER. The gentleman did say he would not accept it on that. But that is the only proffer of this property made by the State of Kentucky.

Mr. HOLMAN. The bill itself, as reported to the House, says that the Government takes the work under the act of 1844, and not under the act of 1872. The committee unanimously agreed, except the chairman, that we should not take it on the basis of the act of 1872.

Mr. WHEELER. I will not allude to the action of the committee further than to say that the gentleman is mistaken about that. I might state the action of the committee if I would. We were a unit in favor of my policy at one time. We are divided now. But I will not follow out that proposition of 1872, because the gentleman says the Government should not and cannot accept the work under it.

Mr. HOLMAN. I did not say the Government cannot. But I say that before the passage of that joint resolution we had a sufficient surrender of jurisdiction over this work by Kentucky.

Mr. WHEELER. I pursue the argument, then, without reference to the proposition of 1872. The State of Kentucky is perfectly right if she proposes to say that this new trust created in 1857, for which her honor and her law are pledged, shall be carried out by her. She has the right to control this canal until this debt is paid, as she stipulates she will do; and the debt does not mature, the last of it, till 1884. She has the right to control it, and she has taxed it repeatedly. Now, the advocates of the bill say that the State of Kentucky has not asserted, and that it is not probable she will assert, this right of taxation. Let us see what the fact is. From 1846 to 1853 the State of Kentucky taxed this property systematically, as I will show you. Let one instance suffice for all. In the report of the canal company for 1846 this remark occurs:

It will be noticed, by an item in this account, that the State of Kentucky has taxed the entire property and franchises of the canal; consequently no stockholder can be holden to give in the amount of his stock for taxation, and thus be subjected to a double tax.

Mr. HOLMAN. I would ask the gentleman whether he laid this information before the committee?

Mr. WHEELER. I did not. I did not have it when the bill was in committee.

Mr. HOLMAN. What document is the gentleman reading from, and where did it come from?

Mr. WHEELER. It is a volume containing the reports of the company.

Mr. HOLMAN. Who furnished it?

Mr. WHEELER. I beg to say to the gentleman that I have the right to fortify myself in this debate with such facts and arguments as are within my reach. I am responsible to the House for the truth of my allegations. And I say that from 1846 to 1853 the State of Kentucky systematically taxed this canal, and the United States itself taxed it during the war. Look at the report for 1866, and you will find this assertion substantiated. Surely a strange proceeding, that the United States, having become owners of this property in 1855, as is claimed by the gentleman from Indiana, should tax it in 1866. When before did the Government of the United States ever tax its own property?

Mr. HOLMAN. I hope the gentleman will explain how these di-

rectors came to furnish him with this information. They have not so favored his committee.

Mr. WHEELER. I will with pleasure. I wrote to the city of Louisville to obtain it. When I speak upon this floor I mean to speak understandingly and to know what I am talking about. I do not mean to grope in the dark and take things on assumption. And I claim that it is my right and my duty to inform myself when I address this House, and I claim the right to obtain information from whatever source obtainable.

[Here the hammer fell.]

Mr. HOLMAN. I trust the House will extend the time of the gentleman from New York, and allow us a few minutes for an answer.

Mr. WHEELER. I will be satisfied if the House gives me as much time as has been taken from me by interruptions.

Mr. MAYNARD. I wish to address an inquiry to the Chair. Does not the currency bill come up at this hour, half-past one o'clock?

Mr. HOLMAN. I hope it is understood that the gentleman from New York [Mr. WHEELER] has his time extended in order to complete his speech, and that we shall have a few minutes for an answer.

Mr. WHEELER. I asked repeatedly yesterday that the time of the gentleman from Indiana should be extended without limit or condition.

Mr. MAYNARD. Before the gentleman proceeds, will the Chair state what is the order of business?

The SPEAKER. The order of business is this: the gentleman from New York [Mr. WHEELER] took the floor under the previous question at twenty-five minutes past twelve o'clock, and five minutes were lost by the confusion in the House. He has now spoken one hour, and the regular order is to vote on the bill and amendments, but the gentleman asks a short extension of his time to make up for interruptions.

Mr. KASSON. I ask that he be allowed ten minutes.

Several MEMBERS. Give him all the time he wants.

Mr. MAYNARD. The point I make is whether at this hour the special order, the currency bill, does not come up.

The SPEAKER. Not while the previous question is operating.

Mr. MAYNARD. Well, I will not interpose any objection to the extension of the time of the gentleman from New York.

The SPEAKER. The Chair hears no objection to the extension of the gentleman's time.

Mr. WHEELER. All I desire is that the House shall have the facts before it. I have no personal interest in this matter, and shall most cheerfully acquiesce in the decision of the House whatever it may be; but I repeat that in the year 1866 the United States did what it never did before, if, as gentlemen claim, it owns this property. Here is a precedent for the United States taxing its own property. I have here the report of the canal company for the year 1866, in which I find this concluding remark:

The taxes paid in those two years (1865 and 1866) were also unusually heavy, amounting in the former year to $11,698, of which $7,676 went to the United States, and in the latter to $10,430, of which $6,430 went to the United States.

It seems that taxes to the amount of $8,022 were also imposed by others besides the United States after, as it is claimed, the State of Kentucky had surrendered its property to the United States, and the United States had accepted it and become the owner.

Mr. HOLMAN. Inasmuch as we have never been able to get any part of this record, which the gentleman has read, before the Committee on Commerce, I trust he will have the whole document printed.

Mr. WHEELER. Sir, if the Representatives from the State of Kentucky sit here to-day and hear the names of Guthrie and Speed impugned in this way, I will vindicate them, and do it by warrant of an officer of the Government of the United States.

Mr. STANDEFORD. I asked the gentleman a few moments ago to allow me to make a brief explanation, and he would not.

Mr. WHEELER. I say that the Government of the United States in 1867 sent its own Treasury agent there, and that that gentleman came back bearing testimony to the honesty and fidelity of the gentlemen in charge of the canal.

Mr. HOLMAN. According to the gentleman's own account——

Mr. WHEELER. The gentleman will please not interrupt me.

Mr. HOLMAN. You have plenty of time. Mr. Guthrie, as Secretary of the Treasury, showed that this canal was the property of the United States; his own reports show that fact.

Mr. HALE, of New York. I call the gentleman from Indiana to order.

Mr. WHEELER. Now, in regard to this matter of taxation, I say this, and I challenge contradiction by the eminent lawyers on this floor from Kentucky, that under her laws the State is bound to assess this canal property for its State tax of forty-five cents on the dollar, and I say further that any tax-payer in the State may compel, by *mandamus*, the assessing officers to put this property upon their lists if they neglect or refuse to do it. Every tax-payer has a right to ask that his own tax shall be lightened by the burden which this canal company ought to carry. Sir, the suit brought by the city of Louisville against this company was opportunely withdrawn only last Wednesday. A suit for $114,000 of unpaid taxes due by this canal company was withdrawn last Wednesday. The common council of Louisville dismissed the suit. What right had the common council of Louisville to dismiss a suit in which every tax-payer in the city of Louisville was interested? And what guarantee have we that when the United States shall have put its neck into this noose the suit will not be renewed? Ah! they have good lawyers in Louisville. I do not know the city attorney in Louisville, but I know that he is a most adroit and capable lawyer. He knows what he is about, and the common council knew what they were about.

Mr. STANDEFORD. Will the gentleman allow me to ask him a question?

Mr. WHEELER. Not now.

The common council of the city of Louisville are shrewd men. Here is their resolution:

Be it resolved by the general council of the city of Louisville, That the city attorney be, and he is hereby, directed to suspend action in the suit now pending against the Louisville and Portland Canal Company for taxes; and, in the event that said canal property should pass into the hands of the General Government, the city of Louisville hereby relinquishes all right, title, and interest whatever she may have in any claim for taxes against it.

I expect that the gentleman who drew that resolution had read the Kentucky resolutions of 1872, where they expressly affirm the right to control this property until all its debts are paid, to wit, until 1884. And I expect that during the entire interim the city of Louisville and the State of Kentucky will not only feel at liberty to assess this tax, but I hold that any tax-payer in Kentucky can compel the assessment by a *mandamus*, and there is not a lawyer on this floor who will contradict that proposition.

Here is the statute of Kentucky to which I would allude, in which is defined what property is taxable in the State of Kentucky; and this property is not excepted. It was said, to be sure, by some gentleman on the other side—I think the gentleman from the Louisville district, [Mr. STANDEFORD]—that in 1838 the State of Kentucky passed an act providing that the city of Louisville should except this property from assessment. That is unquestionably true.

And right here I will say that there seems to be something wrong; but whether the State of Kentucky is at fault, or those who purchase our law-books, I cannot tell. But the fact is that you can find but a few volumes of the statutes of Kentucky in our law library. And I am indebted to my friend from Kentucky, [Mr. ARTHUR,] for this copy of the statutes of his State. I cannot find whether the provision of 1838 has been repealed or not. In order to obtain information upon that point I telegraphed to the former Attorney-General of the United States, Hon. James Speed, asking him if under the laws of Kentucky, independent of the ownership of the United States, this property was taxable by the State of Kentucky and the city of Louisville. Here is his response:

Independent of United States ownership the State and city can tax the Louisville and Portland Canal.

We are to take this property, if at all, under the proposition of 1872; and as to taxation, we are to hold it at the peril of any tax-payer of Kentucky until the year 1884.

Mr. HOLMAN. Does not this bill expressly declare, as amended by your committee, that this property shall be exempt from taxation by Kentucky or Louisville?

Mr. WHEELER. Ah, it does; that is just what it does; and I am coming to that pretty soon. The fact that the taxation has not been uniform and systematic in this matter does not make against the right of the State to levy this tax. "Time does not run against the king" is an old maxim; and it does not run against the State. They are a very good people in Kentucky if, when the Government takes this work and pays for it, there is not one sharp tax-payer down there who will say that the Government shall pay taxes upon this canal property.

Now I come to the proposition incorporated in this bill—a provision that none of this money shall be paid for taxes. But where does that lead us? It leads us just here: these gentlemen in possession of this canal have refused to pay the tax. The gentleman from Indiana [Mr. HOLMAN] by his amendment says that the Government shall not pay it. What is the result? When this property comes to be assessed it will be sold under the statutes of Kentucky for non-payment of taxes, and the Government of the United States will lose all its right, or it must come in and pay the taxes.

Here is another invasion of the rights of Kentucky. Are you prepared for this, that the Government of the United States by its armed power shall enter your domain, take forcible possession of your property, and set your tax laws at defiance? If there be no gentleman from that gallant old Commonwealth to resent this insult to her sovereignty she shall have the benefit of my feeble protest.

Will anybody pretend that this canal can be taken independent of the offer of Kentucky in 1872? And does any one believe that these bonds are going to be presented for payment before due? The very moment the Government assumes the payment of them they will go to a premium of from 12 to 15 per cent. And are they verdant enough in Kentucky, even if they submit to this infraction of their State rights, to bring these bonds here, worth this premium, and present them to the Treasury for par payment, as this bill provides?

So much for the legal aspect of this case. I want to come now to the policy of this bill. This bill in terms is a permanent, indefinite appropriation. It appropriates $100,000 a year absolutely for the payment of the debts of this company, without limit and without qualification. That is a stretch of legislation in which this House has never indulged since I have been connected with it. I do not object to that;

so great is my desire that this canal shall be made as free as it may be independent of actual running expenses, that I am perfectly willing to vote for it. But when the precedent is established, I give notice to the gentleman from Indiana [Mr. HOLMAN] that I shall come forward with a proposition, and call upon him to vote for it, for the national Government to take the Erie Canal and all the canals of the State of New York and pay their debts and make them free, providing only for the expense of their operation and maintenance.

Mr. HOLMAN. This is the property of the Government of the United States. We do not now propose to make an appropriation to build a canal or to buy one. The proposition is, whether we shall take possession of our own property, or leave it in the hands of five irresponsible parties who are interested in keeping it within their own control.

Mr. WHEELER. Not at all.

Mr. HOLMAN. The gentleman certainly——

Mr. WHEELER. I do not yield to the gentleman from Indiana.

[Mr. HOLMAN made some remark which was not audible because of the Speaker's rapping with his gavel.]

Mr. WHEELER. I had supposed that this was my speech.

The SPEAKER. The gentleman is entitled to the floor.

Mr. WHEELER. This bill violates a standing law and a standing policy of this Government. And if it is good policy for the United States at large, it is good policy for the State of Kentucky. I ask the Clerk to read a statute of the United States which I send to his desk.

The Clerk read as follows:

A joint resolution making it the duty of the Attorney-General to examine into the titles of the lands or sites for the purpose of erecting thereon armories and other public works and buildings, and for other purposes.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it shall be the duty of the Attorney-General of the United States to examine into the titles of all the lands or sites which have been purchased by the United States for the purpose of erecting thereon armories, arsenals, forts, fortifications, navy-yards, custom-houses, light-houses, or other public buildings of any kind whatever, and report his opinion as to the validity of the title in each case to the President of the United States.

2. *Resolved*, That it shall be the duty of all the officers of the United States having any of the title papers to the property aforesaid in their possession to furnish them forthwith to the Attorney-General, to aid him in the investigation aforesaid.

3. *Resolved*, That no public money shall be expended upon any site or land hereafter to be purchased by the United States for the purposes aforesaid, until the written opinion of the Attorney-General shall be had in favor of the validity of the title, and also the consent of the Legislature of the State in which the land or site may be, shall be given to said purchaser. * * * *

Approved September 11, 1841.

Mr. WHEELER. Is that good policy for the country at large? If it is good for the country at large it is good for Kentucky. The Government never buys property except in the manner required by that statute, the question of the validity of the title being referred to the Attorney-General. We are not in the habit of buying property the title of which is clouded by a law-suit. In this case a suit is pending on the part of certain heirs for the recovery of this entire property. I do not undertake to pass upon the question of the title. The gentleman who appeared before our committee made a very plausible and specious argument. Let us see what the Secretary of the Treasury thought of this matter. He refused to carry out the appropriation of last Congress for reasons which he thus assigns:

While this subject was under consideration a communication was received from the president of the company, under date of July 9, 1873, informing the Department that "the Louisville and Portland Canal Company has been sued in the Louisville chancery court by the devisees of Colonel John Campbell, for nearly all the land owned by the company."

That suit is pending to-day in the court of chancery of the State of Kentucky. On account of this suit, the Secretary of the Treasury would not carry out the provisions of your legislation of last winter, but referred the question to Congress.

The Secretary of the Treasury says further:

This suit which is now pending, and is understood to involve the title to all or nearly all the land through which the canal runs, has so changed the aspect of affairs that I deemed it the part of prudence, within the discretion intrusted to my judgment, to expend no money toward paying the debts of the company until these facts should be laid before Congress for its consideration and action thereon.

Now, sir, with a suit pending in equity for this whole property—a suit *suspended*, (I use the words of the common council of Louisville,) for $114,000 of taxes—shall we take this property with all its burdens? I ask simply that we take it as we take all other property.

We have been told in eloquent terms of the magnitude of the commerce of the Ohio River. My colleague on the committee, the gentleman from Pennsylvania, [Mr. NEGLEY,] who discussed this subject yesterday, spoke in most glowing language of $350,000 of annual tolls paid on this canal. The gentleman's oratory got the better of his arithmetic. There is no truth whatever in that statement.

Mr. HOLMAN. The gentleman from New York has got no report on that subject, unless he got it from the canal company or some person acting under their eye.

Mr. WHEELER. I have a report from the Chief of Engineers, General Humphreys, obtained by him by telegraph from the officer in charge of the enlargement of this work, Captain Adams, of the United States Army.

Mr. HOLMAN. General Weitzel, I believe, has charge of the work.

Mr. WHEELER. I went to General Humphreys, in charge of the Engineer Bureau, and followed his direction. He obtained this information for me; and I am not so suspicious as to believe that even the canal directors would not give an honest statement of the operations of that canal for the last navigation year.

Mr. HOLMAN. Did the gentleman lay that information before his committee that they might act on it?

Mr. WHEELER. I did not. I did not make this speech before the committee. I reserved to myself in committee the right to offer this amendment in the House and to advocate it. I have performed what I supposed to be my duty, according to my convictions of right; and I am perfectly willing to leave the result to the House. I propose to attach to this bill a simple condition which we put on in the case of every petty purchase by the United States of a site for a court-house or a post-office; nothing more, nothing less.

One word as to this matter of tolls. The tolls of this canal last year were less than $200,000. For the commerce of the Ohio River I would do as much as for the commerce of any other section. The Government of the United States has since 1869 appropriated about one million and a quarter dollars to be expended upon this work. We are asked now to expend a million and a quarter more, making, with the floating debt, probably a million and a half dollars—nearly one-fourth of all you appropriated last year to the entire commerce of the United States, and one-fourth of all we shall be able to give this year. In addition to that, we pay the interest on the bonds until 1884. Is it any more than simple justice that when we pay this amount, when we shall have assumed all these risks, the State of Kentucky shall give us such a title as we expect to get for all other property that we purchase elsewhere?

It is said that the Legislature of Kentucky meets biennially, and will not be in session again for two years. That is true. But that Legislature was in session this winter while this proposition was pending here, and might have taken action to make this cession of jurisdiction. But, Mr. Speaker, if the commerce of the Ohio River be so vitally important to Kentucky, let her convene a special session of her Legislature. One day's sitting and a bill of six lines will do the work. Then we shall have this property free from entanglement; we shall take it as we take all other purchases; and with that I shall be content.

The SPEAKER. The first question is upon the amendment——

Mr. HOLMAN. I believe there is a motion pending to reconsider the vote ordering the previous question.

Mr. CLYMER. I yesterday entered a motion to reconsider the vote by which the previous question was ordered.

Mr. HOLMAN. I ask the gentleman from New York [Mr. WHEELER] to hear an amendment which I desire to submit as an amendment to his amendment, if the House should decide to reconsider the previous question.

Mr. WHEELER. I have no quarrel at all with the gentleman from Indiana in this matter; he knows well my desire in the case. I cannot be content with anything that stops short of what I have been advocating. There is nobody that can transfer this property to the United States except the State of Kentucky.

Mr. HOLMAN. All I ask is, that the power of these five men to control the work shall be extinguished by the Government, and that the work shall be placed under the control of the Engineer Corps; that no payment shall be made until this object is carried into effect. I want those five shares of stock extinguished, so that those five gentlemen who now hold them shall not control the revenues of the canal; but the Government shall see that the revenues are applied to the purposes to which they ought to be applied.

Mr. CLYMER. I have an amendment which I desire to offer as a substitute for the bill of the committee.

The SPEAKER. It will require unanimous consent to offer a further substitute, because as many amendments are pending as under the rules can be considered and voted on by the House. The Chair will, however, point out to the gentleman how the gentleman's purpose may be effected. Should the House reconsider the vote by which the main question has been ordered on the bill and amendments, it may then order the previous question on each amendment separately until the gentleman's substitute would be in order.

Mr. CLYMER. I merely desire my amendment to be read for information.

The SPEAKER. The gentleman from Pennsylvania moves a reconsideration for the purpose of offering an amendment, which will be read at the Clerk's desk.

Mr. WHEELER. If the amendment of the gentleman from Pennsylvania is offered will it be debatable?

The SPEAKER. The Chair thinks it would be debatable if the House were to reconsider the vote by which the main question was ordered.

Mr. CLYMER. I wish to offer it as a substitute for the amendment of the gentleman from New York, [Mr. WHEELER.] I ask that it be read at the Clerk's desk.

The Clerk read as follows:

Provided further, That if the State of Kentucky shall not cede to the United States jurisdiction over the said canal, with all its property, hereditaments, and appurtenances, and relinquish to the United States the right of said State to tax or in any way to assess said canal, its property, hereditaments, and appurtenances, or the property of the United States that may be thereon, during the time that the United States shall remain the owner thereof, at or during the time of the first session of the Legislature of the said State held after the passage of this act, that then the United States shall levy and collect tolls on said canal at the rate of the existing tariff of tolls on said canal until the United States shall be reimbursed and repaid in full for all moneys paid and expended by virtue of this act and until such cession is made.

The SPEAKER. In reply to the gentleman from Kentucky the Chair on further reflection doubts whether this amendment would be debatable under the peculiar circumstances of the case.

Mr. WHEELER. Then I must object to it, and I am sorry to do it.

The SPEAKER. The Chair thinks not, and for this reason: This subject comes over from Monday, where it was placed under a suspension of the rules, and if the previous question had not been seconded last night the bill would not have come over as the unfinished business to-day.

Mr. MAYNARD. If the vote by which the main question was ordered be reconsidered, will it not then go over to Monday next?

The SPEAKER. The Chair would not so hold, but that it would bring the House to an immediate vote on ordering the main question again on the bill, including this amendment.

Mr. CLYMER. I ask whether, in the event of the previous question being reconsidered, the friends of my amendment can be heard?

The SPEAKER. The Chair thinks not.

Mr. ELDREDGE. Would not the effect be to reconsider the vote by which the main question was ordered, and then leave it open to debate?

The SPEAKER. If left open to debate then this bill could hold the floor for the whole week. If the House should agree to reconsider, and divest itself of the previous question, the bill strictly would not then be before the House. It only holds now against the special order at half-past one by virtue of the previous question operating upon it.

Mr. ELDREDGE. But the House could again determine to enforce the previous question, and thereby cut off debate after an hour's debate or debate for any given time.

The SPEAKER. The Chair would be compelled to give the floor immediately to the special order. It now only holds beyond the hour of half-past one, when the special order comes up, by virtue of the main question having been ordered last evening.

Mr. ELDREDGE. The bill would then go over to Monday next.

Mr. HOLMAN. May it not be a condition agreed to by unanimous consent that the reconsideration shall take place only for the purpose of allowing an amendment to be offered?

The SPEAKER. In that view the Chair would be willing to entertain the amendment if the House agreed by unanimous consent the vote should be taken immediately on seconding the demand for the previous question. The Chair hears no objection to that.

Mr. G. F. HOAR. Does the Chair hold, if the House should reconsider this vote and the amendment should be offered, that amendment would necessarily be undebatable?

The SPEAKER. The Chair thinks so.

Mr. G. F. HOAR. How can the amendment be undebatable when the House never passed any order requiring the question to be at once taken without debate directly or indirectly?

The SPEAKER. The gentleman is mistaken as to the fact. The House simply gave Monday for this subject. If the House had adjourned without ordering the main question last night this bill would not have been before the House to-day. It is now here by virtue of the previous question; and strictly speaking, if the rules were construed according to line and plummet, the moment the House reconsidered the vote whereby the main question was ordered and divested itself of the operation of the previous question then this bill would not be before the House.

Mr. WILLARD, of Vermont. Does the Chair rule that the motion to reconsider is not in order on such a question as this?

The SPEAKER. The Chair does not hold that; because the House might want to throw it over till Monday next for further debate. The Chair cannot rule on motives of members in that way.

Mr. WHEELER. The gentleman from Pennsylvania [Mr. CLYMER] knows the affection I bear him; and I certainly would have admitted his amendment if I had had an opportunity of saying a few words upon it. But not having that opportunity, I must object to it.

The question being taken on Mr. CLYMER's motion to reconsider the vote by which the main question was ordered, there were—ayes 68, noes 84.

Mr. HOLMAN. I ask for tellers.

Tellers were ordered; and Mr. WHEELER and Mr. CLYMER were appointed.

The House again divided; and the tellers reported—ayes 98, noes 76.

So the motion to reconsider was agreed to.

The SPEAKER. The House having agreed to reconsider the vote by which the main question was ordered, the question recurs on the amendment offered by the gentleman from Pennsylvania [Mr. CLYMER] as a substitute for the amendment of the gentleman from New York, [Mr. WHEELER.] The Clerk will report the amendment offered by the gentleman from New York.

The Clerk read as follows:

Add at the end of section 1 the following:

Provided further, That said Secretary shall pay no money under any of the provisions of this act, nor shall the Secretary of War take possession of said canal as authorized by the next section, until the State of Kentucky shall cede to the United States jurisdiction over the said canal, with all its property, hereditaments, and appurtenances, and relinquish to the United States the right to tax, or in any way to assess, said canal, its property, hereditaments, and appurtenances, or the property of the United States that may be thereon, during the time that the United States shall remain the owner thereof.

The SPEAKER. The Clerk will now report the amendment offered by the gentleman from Pennsylvania as a substitute for the amendment of the gentleman from New York.

The Clerk read as follows:

Provided further, That if the State of Kentucky shall not cede to the United States jurisdiction over said canal, with all its property, hereditaments, and appurtenances, and relinquish to the United States the right of said State to tax or in any way assess said canal, its property, hereditaments, and appurtenances, or the property of the United States that may be thereon, during the time that the United States shall remain owner thereof, at or during the time of the first session of the Legislature of said State held after the passage of this act, that then the United States shall levy and collect tolls on said canal at the rate of the existing tariff of tolls on said canal until the United States shall be reimbursed and repaid in full for all moneys paid and expended by virtue of this act and until such cession is made.

Mr. NEGLEY. I ask my colleague to add a proviso, that the toll shall not exceed ten cents per ton.

Mr. WHEELER. I wish to ask the gentleman from Pennsylvania [Mr. CLYMER] one thing.

Mr. CLYMER. I call the previous question.

The previous question was seconded and the main question ordered.

Mr. WHEELER. I wish to say that this is a wilder proposition than any involved in the bill. The bill permanently appropriates $100,000 to be paid for the next two years until the Legislature of Kentucky convenes, and then, if the State of Kentucky neglects or refuses to cede jurisdiction, the Government is to reimburse itself by increasing the canal tolls—a right which it cannot exercise, as it is simply a tenant in the canal by sufferance of the Kentucky Legislature, and has no authority to fix tolls on the canal.

Mr. HUBBELL. I desire to inquire of the Chair whether the currency bill is not now the special order.

The SPEAKER. The Chair stated that if the rule were strictly enforced the currency bill would come up as the special order; but that not being insisted upon, the Chair announced that as conducing to the progress of the business of the House this measure would be brought to a vote without debate.

Mr. WHEELER. I call for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 105, nays 124, not voting 61; as follows:

YEAS—Messrs. Adams, Albert, Arthur, Atkins, Banning, Barrere, Beck, Begole, Bell, Berry, Bland, Bowen, Bright, Bromberg, Buckner, Bundy, Roderick R. Butler, Caldwell, Cannon, Cason, Cessna, John B. Clark, jr., Clements, Clymer, Clinton L. Cobb, Coburn, Comingo, Cook, Cotton, Cox, Creamer, Crossland, Crutchfield, Curtis, Dunnell, Durham, Eden, Fort, Garfield, Giddings, Hancock, Henry R. Harris, John T. Harris, Hatcher, Hereford, Herndon, Holman, Hunter, Hunton, Hynes, Kellogg, Kendall, Knapp, Lamar, Lawrence, Loughridge, Luttrell, Magee, Marshall, McLean, McNulta, Milliken, Mills, Mitchell, Moore, Neal, Negley, Nesmith, Nunn, Orth, Packard, Parsons, Pelham, Perry, Read, Robbins, Rusk, Henry B. Sayler, Milton Sayler, Sheats, Sheldon, Sherwood, Sloss, J. Ambler Smith, John Q. Smith, William A. Smith, Southard, Sprague, Stanard, Standeford, Stone, Tyner, Vance, Waddell, Wells, White, Whitehead, Whitthorne, Willie, James Wilson, Wolfe, Wood, Woodford, John D. Young, and Pierce M. B. Young—105.

NAYS—Messrs. Archer, Averill, Barber, Barry, Biery, Blount, Bradley, Buffinton, Burchard, Burleigh, Burrows, Cain, Amos Clark, jr., Clayton, Stephen A. Cobb, Conger, Crooke, Darrall, Dawes, DeWitt, Dobbins, Donnan, Duell, Eames, Eldredge, Elliott, Farwell, Field, Freeman, Frye, Gooch, Hagans, Eugene Hale, Robert S. Hale, Harmer, Benjamin W. Harris, Harrison, Hathorn, Havens, John B. Hawley, Joseph R. Hawley, John W. Hazelton, E. Rockwood Hoar, George F. Hoar, Hooper, Hoskins, Houghton, Howe, Hubbell, Hurlbut, Hyde, Kasson, Kelley, Killinger, Lansing, Lawson, Lowe, Lowndes, Lynch, Martin, McCrary, Alexander S. McDill, MacDougall, McJunkin, McKee, Mellish, Merriam, Monroe, Myers, Niles, O'Brien, O'Neill, Orr, Page, Hosea W. Parker, Isaac C. Parker, Pendleton, Phelps, Phillips, Pierce, Pike, James H. Platt, jr., Thomas C. Platt, Poland, Potter, Pratt, Rainey, Randall, Ransier, Rapier, Ray, Rice, Richmond, Ellis H. Roberts, Ross, Sawyer, Scofield, Henry J. Scudder, Sener, Sessions, Shanks, Lazarus D. Shoemaker, Sloan, H. Boardman Smith, Snyder, Speer, Storm, Stowell, Strait, Taylor, Christopher Y. Thomas, Thornburgh, Waldron, Wallace, Walls, Marcus L. Ward, Wheeler, Whiteley, Charles W. Willard, George Willard, Charles G. Williams, William Williams, William B. Williams, and Woodworth—124.

NOT VOTING—Messrs. Albright, Ashe, Barnum, Bass, Brown, Benjamin F. Butler, Freeman Clarke, Corwin, Crittenden, Crocker, Crounse, Danford, Davis, Foster, Glover, Gunckel, Hamilton, Hays, Gerry W. Hazelton, Hendee, Hersey, Hodges, Jewett, Lamison, Lamport, Leach, Lewis, Lofland, Maynard, James W. McDill, Morey, Morrison, Niblack, Packer, Purman, William R. Roberts, James C. Robinson, James W. Robinson, John G. Schumaker, Isaac W. Scudder, Small, Smart, A. Herr Smith, George L. Smith, Starkweather, Stephens, St. John, Strawbridge, Swann, Sypher, Charles R. Thomas, Todd, Townsend, Tremain, Jasper D. Ward, Whitehouse, Wilber, John M. S. Williams, Wilshire, Ephraim K. Wilson, and Jeremiah M. Wilson—61.

So the amendment was not agreed to.

The SPEAKER. The question recurs on agreeing to the amendment of the gentleman from New York, [Mr. WHEELER.]

Mr. HOLMAN. To that I desire to offer an amendment.

Mr. WHEELER. I object.

Mr. HOLMAN. Will the gentleman hear my amendment read?

Mr. WHEELER. I do not yield.

Mr. HOLMAN. I desire to ask the Chair, why, if it was in order to move a substitute for the amendment of the gentleman from New York, it is not also in order to move to amend that amendment?

The SPEAKER. Why, the simple reason is that the amendment of the gentleman from Pennsylvania was offered before the previous question was operating and the gentleman from Indiana is trying to move one after the previous question is operating.

Mr. HOLMAN. If the Chair will permit me, the previous question was called only on the amendment of the gentleman from Pennsylvania.

The SPEAKER. The Chair did not so understand it.

Mr. HOLMAN. That is the way the motion was made, distinctly.

The SPEAKER. The Chair did not so submit it to the House. The

gentleman from Pennsylvania had no other object than to get a vote on his amendment, and he got all he wished in having that vote. The Chair submitted the question as for the previous question upon all the amendments.

Mr. WHEELER. If there is any misunderstanding about the matter, I now demand the previous question on the bill and amendments.

The SPEAKER. The Chair thinks there is no misunderstanding.

Mr. WHEELER. I think there is none myself.

Mr. HOLMAN. If the gentleman will admit a single amendment it will be satisfactory to us.

The SPEAKER. The gentleman from Indiana will observe that the Chair stretched the ruling as far as it would bear without cracking in favor of the side that he represents. [Laughter.]

Mr. HOLMAN. I trust the gentleman from New York will allow this amendment to be read.

Mr. WHEELER. I must decline.

The question was put on Mr. WHEELER'S amendment; and on a division there were—ayes 87, noes 74.

Mr. HOLMAN. I call for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 130, nays 95, not voting 65; as follows:

YEAS—Messrs. Albert, Archer, Averill, Barber, Barry, Biery, Blount, Bradley, Buffinton, Burchard, Burleigh, Burrows, Cain, Cessna, Amos Clark, jr., Clayton, Clymer, Stephen A. Cobb, Conger, Crooke, Crounse, Darrall, Dawes, DeWitt, Dobbins, Donnan, Duell, Eames, Eldredge, Elliott, Farwell, Field, Foster, Freeman, Frye, Garfield, Gooch, Hagans, Eugene Hale, Robert S. Hale, Harmer, Benjamin W. Harris, Harrison, Hathorn, John B. Hawley, Joseph R. Hawley, Gerry W. Hazelton, John W. Hazelton, E. Rockwood Hoar, George F. Hoar, Hodges, Hoskins, Houghton, Hubbell, Hurlbut, Hyde, Kasson, Kelley, Killinger, Lansing, Lawson, Lowndes, Lynch, Magee, Martin, Maynard, MacDougall, McJunkin, Mellish, Merriam, Mitchell, Monroe, Myers, Niles, O'Brien, O'Neill, Packard, Page, Hosea W. Parker, Isaac C. Parker, Pendleton, Phelps, Phillips, Pierce, Pike, James H. Platt, jr., Thomas C. Platt, Potter, Pratt, Rainey, Randall, Ransier, Rapier, Ray, Rice, Richmond, Robbins, Ellis H. Roberts, Ross, Sawyer, Scofield, Henry J. Scudder, Sessions, Shanks, Lazarus D. Shoemaker, Sloan, H. Boardman Smith, Snyder, Speer, Storm, Stowell, Strait, Taylor, Christopher Y. Thomas, Thornburgh, Waddell, Waldron, Wallace, Walls, Marcus L. Ward, Wheeler, Whiteley, Whitthorne, Charles W. Willard, George Willard, Charles G. Williams, William Williams, William B. Williams, Woodford, and Woodworth—130.

NAYS—Messrs. Adams, Arthur, Atkins, Banning, Barrere, Beck, Begole, Bell, Berry, Bland, Bowen, Bright, Bromberg, Buckner, Bundy, Caldwell, Cannon, Cason, John B. Clark, jr., Clements, Coburn, Comingo, Cook, Cox, Creamer, Crossland, Crutchfield, Curtis, Dunnell, Durham, Eden, Fort, Giddings, Hancock, Henry R. Harris, John T. Harris, Hatcher, Hereford, Herndon, Holman, Howe, Hunter, Hunton, Hynes, Jewett, Kellogg, Kendall, Knapp, Lamar, Lawrence, Loughridge, Lowe, Luttrell, Marshall, Alexander S. McDill, McKee, McLean, McNulta, Milliken, Mills, Neal, Negley, Nesmith, Nunn, Orth, Parsons, Perry, Read, Rusk, Henry B. Sayler, Milton Sayler, Sener, Sheats, Sheldon, Sherwood, Sloss, J. Ambler Smith, John Q. Smith, William A. Smith, Southard, Sprague, Stanard, Stone, Tyner, Vance, Wells, White, Whitehead, Willie, James Wilson, Jeremiah M. Wilson, Wolfe, Wood, John D. Young, and Pierce M. B. Young—95.

NOT VOTING—Messrs. Albright, Ashe, Barnum, Bass, Brown, Benjamin F. Butler, Roderick R. Butler, Freeman Clarke, Clinton L. Cobb, Corwin, Cotton, Crittenden, Crocker, Danford, Davis, Glover, Gunckel, Hamilton, Havens, Hays, Hendee, Hersey, Hooper, Lamison, Lamport, Leach, Lewis, Lofland, McCrary, James W. McDill, Moore, Morey, Morrison, Niblack, Orr, Packer, Pelham, Poland, Purman, William R. Roberts, James C. Robinson, James W. Robinson, John G. Schumaker, Isaac W. Scudder, Small, Smart, A. Herr Smith, George L. Smith, Standeford, Starkweather, Stephens, St. John, Strawbridge, Swann, Sypher, Charles R. Thomas, Todd, Townsend, Tremain, Jasper D. Ward, Whitehouse, Wilber, John M. S. Williams, Wilshire, and Ephraim K. Wilson—65.

So the amendment was agreed to.

During the roll-call,

Mr. HOLMAN said: My colleague, Mr. NIBLACK, has been called away from the House by business; if he were here he would vote "no" on this proposition.

The result of the vote was announced as above recorded.

Mr. WHEELER moved to reconsider the vote by which the amendment was agreed to; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

The question recurred on the following amendment offered by Mr. WILLARD, of Vermont, to come in at the end of the third section of the substitute:

But no expenditure or contract for expenditure of money shall be made under the authority of this section in any one year, to an amount greater than the amount received during such year from tolls on said canal.

The amendment was agreed to.

The question then recurred on agreeing to the substitute for the Senate bill, reported by the Committee on Commerce, as amended.

Mr. HOLMAN. I believe the previous question is exhausted on the bill.

The SPEAKER. It is not exhausted. The question rests on the amendment reported by the Committee on Commerce in the nature of a substitute for the Senate bill. The votes thus far have been on perfecting that substitute.

The substitute, as amended, was agreed to.

The question recurred upon ordering the bill, as amended, to a third reading.

Mr. HOLMAN. I desire to interpose a motion to recommit the bill.

The SPEAKER. The Chair must recognize the chairman of the Committee on Commerce, who has charge of the bill. If the House negatives the motion he may submit, the Chair will then recognize the gentleman from Indiana.

The question was put upon ordering the bill to a third reading; and on a division there were—ayes 117, noes 35.

So the bill, as amended, was ordered to a third reading; and it was accordingly read the third time.

Mr. WHEELER moved to reconsider the vote last taken; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

Mr. WHEELER. I move the previous question on the passage of the bill.

The previous question was seconded and the main question ordered; and under the operation thereof the bill was passed.

Mr. WHEELER moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

CURRENCY—FREE BANKING.

Mr. MAYNARD. I now call for the regular order.

The SPEAKER. The regular order being called for, the House now resumes the consideration of the special order, being the bill (H. R. No. 1572) to amend the several acts providing a national currency, and to establish free banking, and for other purposes, reported from the Committee on Banking and Currency. The gentleman from Michigan, [Mr. HUBBELL,] a member of the committee, is entitled to the floor for one hour.

Mr. MAYNARD. Allow me to say, before the gentleman proceeds, that besides the several gentlemen on the Committee on Banking and Currency who desire to address the House, quite a number on both sides have expressed a wish to speak upon this bill for perhaps twenty minutes each; that is the time several gentlemen have indicated that they would like to be heard. I propose that after the members of the committee have addressed the House, the further debate upon this bill be continued under a twenty-minute rule.

Mr. ORTH. I hope the gentleman will not press that proposition.

The SPEAKER. It requires unanimous consent.

Mr. COBURN and others objected.

Mr. HOLMAN. I would ask unanimous consent that after one hour of debate further debate be limited to twenty minutes for each speaker.

Mr. ORTH. I object to that.

Mr. MAYNARD. I have no disposition to press this proposition upon the House against the desire of gentlemen. I submitted it to the consideration of the House; if it does not meet the approval of members, I have discharged my duty and done all that I desire to do.

Mr. HOLMAN. Then I will ask unanimous consent that, after the members of the committee have been heard, the debate be then limited to twenty minutes each.

Mr. RANDALL. I object to that. Why should the members of the committee have any more rights than the other members of the House?

The SPEAKER. Objection being made, the proposition is not agreed to. The gentleman from Michigan [Mr. HUBBELL] will proceed.

Mr. HUBBELL. Mr. Speaker, the revenues, the finances, and the policy of our Government, are so intimately connected and depend so much one on the other, either for good or bad results, that a discussion of either seems almost of necessity to embrace the others; therefore I trust that I may be pardoned if in the time allowed me I speak somewhat of the question of taxation and of the policy which I think ought to be pursued, in connection with that other and absorbing question, the finances of the country.

I have sat here in my seat and voted for abstract propositions, containing some things which I approved, many things which I did not approve, and perhaps inconsistent with what I may say, because, under a suspension of the rules, I was forced to go on the record one way or the other, without an opportunity for explanation. I now say to this House and to the country that I do not consider myself bound either politically or otherwise to the support of these propositions unless, after due consideration, they shall meet the approval of my judgment.

It occurs to me, that, at the present juncture in our affairs, it is a waste of both time and words to talk about decreasing taxation; whatever may be the desire of particular localities, and the views of particular gentlemen on this floor, in regard to this question, all must candidly admit, that the wants of the Government in the present exigency are such, that from motives of patriotism alone, if for no other reason, no step should be taken to lessen taxation during the present session of Congress. Contenting myself, therefore, with a simple statement of what I deem to be a necessity, I shall allow that statement to go forth with my vote against a repeal of any of the taxes set forth in the bills reported to this House by the distinguished chairman of the Committee on Ways and Means.

It is not altogether because of the late financial scare that I am thus constrained to cast my vote, for I believe if proper action had been taken in the early days of the session there would not be much left of that scare, but because I consider, that even in any but the most favorable times, the revenues of the Government are quite too low to enable it to meet promptly its obligations, be at all times master of the situation, and able to respond to the just demands of the country in the way of appropriations. In my judgment, the 10 per cent. reduction of the last Congress on import duties was not warranted by the occasion. Instead of making such reduction, had

the republican party, while yielding to the wishes of the people of the country, and granting comparatively large appropriations for public buildings, for rivers and harbors, and for other worthy purposes, insisted that such action forbade a reduction of the revenue, I believe we should not now be required to listen to so much of talk that savors more of the scare than it does of sound, sober judgment; and perhaps we might have been saved a lecture on our sins, wickedness, and short-comings generally.

In some of the battles of our late war we often noticed from the reports that a few were killed, a few more were wounded, and that a great many were very badly scared. Now, sir, that illustration gives a very good idea of the effect of the late flurry in the money markets; a few bold operators or reckless speculators were killed, some were wounded, more or less severely, while the great mass of the grand army of men who make up and represent the activity, industry, and wealth of this nation, were only badly scared, and the result has shown that our currency, which has heretofore, by many, been deemed sufficient to carry on the legitimate business of the country, was largely hoarded by all classes of people. To illustrate how foolishly this was done in some instances, one man buried his greenbacks in the ground, not even taking the precaution to select a dry place, and the rain descended, as it always does, on the just and on the unjust, and the buried greenbacks were destroyed by the ruthless mildew that succeeds moisture.

I cannot subscribe to the opinion often expressed, that there is great financial distress throughout the country from which will result widespread ruin, but rather that this monetary disturbance and unusual condition of financial affairs results from the fact that the business of the country is now out of joint, and that as soon as definite action is taken by Congress and its financial policy fully understood, business will get into proper shape again much faster than one listening to the debates here would suppose. That the uncertainty, and doubt in the public mind, as to what action Congress will take, touching financial matters, is to-day paralyzing our business interests to a far greater extent than the financial flurry which occurred last September, is to my mind the statement of a proposition so clear and certain that words are but wasted in any attempt to elucidate it.

Nor do I believe in nostrums in the way of legislation, labeled "Bills to prevent financial panics," any more than I believe in bills to establish perpetual motion, to change human nature, or to eradicate original sin.

I regard the cause, the occurrence, and the cure, as beyond the scope of the wisest legislation; and so long as there exists among any considerable portion of the human family an inordinate greed for gain, a desire to amass wealth by some bold dash, or uncertain speculation, trusting the result to the fickle goddess, Fortune, instead of having it come from the sweat and maxims of plodding business; so long as there are men who live in the world one generation too soon, so long will there be flurries, scares, and panics in the money markets, and no legislation can be devised to prevent them.

In considering our national monetary system we must not lose sight of the fact that, as a matter of necessity, in the preservation of its integrity, and the suppression of the rebellion, in order to supply the sinews of war, the Government was compelled to assume control of that system; and as this control still rests with Congress, the people are now looking to it, expecting, that, in view of the late disturbance, some definite action will be taken by it in relation to financial matters, but uncertain what that action will be. Owing to this fact—and no man can regret it more than I do—the money of the country, instead of being thoroughly distributed in obedience to the laws of trade throughout its ordinary channels, has accumulated largely in the vaults of its great moneyed institutions, and there is in operation a most rigid system of contraction, which is withdrawing from circulation the great body of the currency and placing it beyond the reach of the real business interest of the country.

Gentlemen tell us that money was never so plenty as now, and never so cheap as at the present time; that the rate of interest was never lower than now; they assume to say that he who asks for an improvement in the financial situation, who asks that money may be restored to its normal business and commercial channels, is an inflationist.

For whom is there plenty of money, by whom can it be obtained cheaply?

It is a sorry day for the fortunes of any people when money is begging to be hired on call, with Government bonds as collateral, at 3 per cent., earnestly pleading for a piece of gilt-edged paper at sixty days, at 5½ or 6 per cent., yet turns a cold shoulder to the business community at any price. It means that confidence in the legitimate business of the country is gone. It means that industry must cease, that laborers must be idle and starve, that faith is gone, and hope almost obscured.

This, sir, is our condition to-day, not so much because of the panic, but because timid capital is at a loss to know what this Congress will do with the finances. Money will continue to accumulate in the vaults of our great moneyed institutions and continue to grow cheaper to those who do not care to borrow until something is done to restore that confidence which is wanting by reason of delay in congressional action. When such action is taken, let it be what it may, then the people will adapt themselves to the situation; then will money begin to flow in its accustomed channels; then will industry be again revived, and labor again in demand.

Gentlemen may talk of economy here until doomsday, and the longer they talk the more timid capital will grow, and, every time a speech is made on the late financial panic and the distress of the country caused thereby, the money-lender will give his money-bags a tighter grip, and the rate of interest on call with good collaterals, or on gilt-edged paper, continually fall.

Gentlemen tell us that money is cheap, yet do they know, and can they tell, who will loan it to the manufacturer, or business man anywhere, except on call, or gilt-edged paper?

I have long since learned to look for breakers ahead when these kind of cheap loans monopolize the money market. It is a very certain indication of general distrust and want of confidence, and he who does not heed such warning and put his house in order, is pretty sure to find that house tumbling down about his head. The wealth of the people is not enhanced by these kinds of loans. They are a sort of luxury that can be indulged in only by the capitalists. Wealth is always evolved from the struggles, the labor, the hardships, and sometimes the failures, of men, and the process must be a slow one, indeed, if not altogether stopped, unless capital will consent to take risks, and not always demand gilt-edged paper, or Government bonds as collateral.

The business interests of the country demand that Congress should promptly take some action in relation to the question of finance, whether such action be of the wisest character or not. Almost any conceivable action, that may be accepted as decisive and as indicating the policy of the Government in this respect, will be better than to further prolong this delay and uncertainty; for we are to-day practically without circulation, not so much because of the late panic, so called, but rather because of the timidity of capital. Our money is hoarded, and will be until it is known what this Congress will do; therefore the question of taxation, of appropriations, and all others, sink into insignificance when compared with that of our monetary system. Let us set the wheels of industry in motion first, and then see what we can afford to do about these other matters. What shall we do? Shall we make an earnest and business-like effort to perfect our present system, or shall we try some new experiment which may launch us on an unknown sea, and thus force us to provide against perils "which we know not of?"

The theorist may indulge in new views and new systems, of finance, philosophy, economy, or even of theology, until the ripe old age of four-score is reached, yet the practical world will jog on, guided by the light of experience and observation, without even feeling the presence or influence of disturbing elements. It is only when we attempt to let go of what we are certain, and try something new, that the jar comes, which may prove a disaster.

Our present paper-money system is based on the theory of an ultimate redemption in coin. Out of the great war came the necessity, which forced the Government to issue its legal-tenders, as a substitute for that coin, with which the paper circulation, issued under our national banking act, is redeemed; and, while I cannot cut myself loose from the proposition that our whole system of finance is to ultimately rest on a specie basis, yet I am not willing that the men, who met the brunt of the rebellion, shall in their business suffer the shock of an immediate return to that basis.

Both of these issues are now in circulation, and both are limited; and, by this act of limitation, the Congress of the United States has attempted to say expressly just how much money the people of this country, pushing new enterprises, diversifying industry, and developing in a thousand ways and channels the resources of a magnificent continent, actually need and can have.

Far be it from me to distrust either the patriotism or the wisdom of the Congress of the United States; yet, I must be permitted to assert, that it has not the ability to determine just how much money circulation the people need, and the attempt to do it has been the cause of much of the financial disquietude which has prevailed throughout the country. To crowd the business of an active and growing people into an inflexible, cast-iron money system, is, to my mind, as absurd as it would be to force the matured man of forty-five into his ten year old breeches. It is undertaking an impossibility.

As I have already said, we have the two kinds of currency—the legal-tender, a substitute for coin, and the national-bank note, redeemable in that legal-tender or coin—and the real conflict to-day is between these two kinds of paper money. All side issues aid in this strife, and even he who argues that our present system of national banking is so far perfect that there is no need of its being either improved or expanded, or that we should now attempt to force upon the country specie payments, is doing more to aid the legal-tender side of the conflict than is the most ardent and outspoken supporter of the scheme.

If we are to have only so much paper money, and both are so nearly equal in value, how long will it be before that, issued directly by the Government, will assert its supremacy, to the exclusion entire of the other, and new issues thereof will, from time to time, be put into circulation to meet the demands of the people—every succeeding stress demanding and obtaining new issues—until all hope of ever reaching a specie basis must be forever abandoned. The people say, and justly too, that our present national banking system is a monopoly, and those of us who believe in the system as in the main wisely devised and best suited to our wants, must rid it of this hateful feature, or else it must go to the wall. There is no middle ground on which to stand here, but a bold issue is to be met.

Without discussing at length the various arguments *pro* and *con*, either in favor of or against either system, I will simply state that, with what light I now have on this subject, I can only support that system of a paper currency which is redeemable in legal-tenders, (now, if you please,) but ultimately in coin and legal-tenders, when they shall have appreciated to a par with coin, and which shall be so arranged that redemption shall not only be practicable but imperative. Redemption should not only be imperative, but the reserves should be held in the vaults of each banking institution, and always at command.

In other words, I would throw all proper safeguards around our present banking system, by amending the several acts under which it exists, and then I would make it popular, by making it free. I would legalize, as we have already done, the issue of the $44,000,000 reserve, so called, or, in other words, declare the legal-tender limit to be $400,000,000.

I would have no more of the game of fast and loose at the Treasury end of our money system, nor of an elastic currency, which allows one poor human will and judgment to hold and control the elastic end. I would rather that the people, who are alone responsible, if let alone, for the management of the business interests of the country, should determine this whole matter of how much circulation they require, either to move the cotton or other crops, than that one man should assume to do this, be he never so wise.

We owed this $44,000,000 to the people as an equivalent for the damage done to their interest by reason of our inaction on this question, and because they are justly entitled to a fair send-off in the spring trade, and thank God we have at last discharged the debt.

Mr. Speaker, if I saw in the bill under consideration the dangers to the business interests of the country which my distinguished colleague on the committee, the gentleman from Wisconsin, has with so much ability and credit both to himself and his constituents pointed out, I should not, as I do now with few exceptions, give it my hearty support. But I must be permitted to remind the gentleman that, in my judgment, he begs the question when, in pointing out the danger of inflation under this bill, he compares the national-bank issues to the French *assignats* or to any unsecured issue of paper money.

If the bill proposed to allow the people of the country to mortgage, at their own valuation, their wild and unimproved lands, and to use these mortgages as a basis for the free issue of paper money, dollar for dollar, then indeed would there be great force in his argument; but the gentleman will pardon me for suggesting that, in the present case, the basis of the two issues is just the difference between wild lands at an imaginary price and gold coin of the standard value.

I assume that the Government is both able and willing, and that it intends in good faith, to pay both the principal and interest of its bonded debt.

I assume that our gold bonds available for banking purposes are worth at least par, thus giving him the percentage in the argument, and that every corporation which may organize under the proposed law can only obtain ninety dollars of circulation for $100 in gold, the purchase-price of the bond which is made a perpetual pledge under the law for the payment of the ninety dollars of circulation thus obtained; and then I wonder how there can be a depreciation!

The *assignats* became depreciated, worthless; but does the gentleman claim that the national-bank notes to be issued under the proposed law can by any possibility become so?

I do not hesitate to say for the gentleman, and that, too, without fear of being corrected by him, that were we at a specie basis he would consider a system of free banking, such as is now proposed, a most desirable one for the prosperity of the country; and I give him credit for so much sagacity that I do not for a moment doubt that he is perfectly aware of the fact—a fact often lost sight of, I fear, in the discussion of this question—that our national banking system is, so far as circulation is concerned, on a gold basis to-day, and will be so under the proposed law; and that there is no more probability of the present or increased circulation becoming depreciated than there is of the Government becoming a bankrupt, and that the bill or note holder is and will be as absolutely secured as he would be were we at a specie basis.

I listened with great attention to his speech. It contains the whole argument on that side of the question, and is the best one I ever listened to; but I will venture to assure the gentleman that neither he nor his children, nor his children's children, will ever see the time under the proposed law, if it should be adopted and kept so long in force, when either he or they will be obliged to give a wheelbarrowful of national-bank notes, secured by gold bonds 10 per cent. in excess of their value in gold, for a bushel of wheat.

There is, Mr. Speaker, no danger, under the proposed free-banking system, of wheat going up to that measure of value unless the promise of "seed-time and harvest" is revoked.

For one, I believe in the stability and perpetuity of my Government, and rely on the promises.

I therefore protest against confounding our present and well-secured national-bank issues with the wild-cat issues which got loose under straw bail in other days, simply because the exigency resulting from the rebellion has been, and is such, that their redemption, for the purposes of trade and exchanges is for the present made with the legal-tender notes; and I submit in all candor that the whole argument on the question of a depreciated currency, if applicable at all, is solely applicable to the legal-tender issues; and that the national-bank issues, instead of embarrassing the Government in its attempt to redeem the legal-tenders in coin, aids it to do this by supplying the place of retired legal-tender notes, by taking up at home its bonds, and by retaining the coin interest at home and for home use.

The only argument which can be fairly urged against the measure is that it will stimulate trade, quicken industry, cure the dry-rot which has during the last six months eaten into the very heart of the business of the country; and that then we shall imperceptibly drift into the whirlpool of another panic, which will bring with it distress and result in financial ruin.

I admit that every active and commercial nation is just as liable to be taken with a panic as children are to be taken with the measles, and yet I believe, although we have got well past the middle of the nineteenth century, that there has not yet been discovered any sure preventive for either. I do not believe that my sagacious friend is at all afraid of being injured by a panic; nor that he feels competent to devise legislation which will be certain to prevent the occurrence of one. Sam Johnson, when he wanted to enhance the value of Widow Thrales's brewery, then being sold at auction, spurred thereto by his love for the fair widow, said to the bidders at that sale, "We are not here to sell a parcel of boilers and vats, but the potentiality of growing rich beyond the dreams of avarice." If Johnson could say this about a lot of unpoetic beer-vats and boilers, and a dusty old brewery, with how much greater force and power might the owner of a *patent* to prevent financial panics use the same language while trying to dispose of the right for some commercial center like New York. If New York had held such a patent last September, we should never have come so near losing, as we did then, the chance to legislate the $44,000,000 into circulation.

I must also take issue with the gentleman from Wisconsin on the fact as to whether our currency is excessive in quantity, and I now wish to call attention to that part of his speech where he shows by a careful prepared table the amount *per capita* in 1850, 1860, and 1870. He says:

The following table will show at a glance the population, wealth, and circulation in the United States in 1850, 1860, and 1870, and will completely set at rest any doubt as to whether our currency is excessive in quantity or not:

Year.	Population.	Assessed wealth.	Circulation.	Per head.
1850	23,764,706	$7,135,780,228	$150,000,000 notes. 100,000,000 coin.	$10 50
1860	31,127,000	12,084,560,000	200,000,000 notes. 150,000,000 coin.	11 30
1870	38,115,641	14,178,986,732	700,000,000 notes.	18 42

From the circulation of 1870, exclusively irredeemable paper, I make no deduction for so-called bank reserves, because those reserves, held against deposits, form a necessary part of the circulation of the nation, and are doing, in the coffers of the banks, duty as such equally with currency in the pocket of the citizen.

From this it appears that circulation has been increased out of all due proportion to both our population and wealth.

I ask the attention of the House to that part of his statement relating to the year 1860 as having a tendency to mislead gentlemen on this subject.

He gives the population of 1860 at 31,127,000, the assessed wealth at $12,084,560,000, and the total of circulation at $350,000,000, including coin and notes; while in fact the amount of notes in circulation at that time, as appears from the report of the Secretary of the Treasury, was $207,102,477, and the amount of coin in the country at that time, as appears from the report of the Director of the Mint, was, at a low estimate, $275,000,000. This makes a grand total of $482,102,477.

In this 31,127,000 population in 1860 are included 4,000,000 slaves, who were mere chattels and not holders of money, but who in 1870 were citizens and held our money largely. Therefore the figures for 1860 should stand as follows: Population holding money, 27,127,000; assessed wealth, $12,084,560,000; circulation, $482,102,477; circulation *per capita* $17.44 instead of $11.30, as given in the table before referred to.

Besides it must be remembered that the calculation for the year 1870, from which he makes it appear that we had $18.42 *per capita*, does not make any allowance for the large amount of lost and destroyed notes, which if allowed would in my judgment reduce the amount *per capita* to very near the amount held in 1860.

I therefore submit whether from this revised statement "it appears that our circulation has been increased over all due proportion to both our population and our wealth."

Mr. Speaker, I was in great tribulation about the fate of this bill. The gentleman from New York [Mr. MELLISH] who intends, as I am credibly informed, to make a speech on finance before the close of the present session, has told the House that it was "a bill of abominations."

When he made that assertion I was sorely troubled about its fate, and not a little bothered about the question as to whether or not the Committee on Banking and Commerce would go into history with its reputation questioned by the very highest contemporary authority. But imagine my *surprise* and *delight* when, on consulting the RECORD, I found this assertion to be, not the result of the distinguished

gentleman's own well-matured reflections, but only a repetition of what some one had told him.

For myself, I care nothing; but I cannot help congratulating the eminent gentlemen with whom I am associated on that committee, on their narrow escape, and contenting myself with the reflection that it is yet at least an open question whether you, Mr. Speaker, in naming that committee have exercised that sound sense and judgment for which you have hitherto been so eminent.

Let us hope that when the gentleman from New York makes *his* speech he will set this matter entirely at rest.

Now, Mr. Speaker, while I claim the people have the right to increase the quantity of the paper circulation, yet I deem it fully as important that we, as legislators, are bound to see to it that its quality be not depreciated, but rather increased in value. If a paper currency is redeemable in *anything*, its value, of course, for the purposes of trade and exchange, depends on the value of the *thing* with which that redemption is made; and, inasmuch as our redemption of the national-bank notes must for some time be made with the legal-tender notes of the Government, it logically follows that, if such redemptions are made imperative, whenever there is a redundancy, anything, which enhances the value of the legal-tender, must also enhance the value of the national-bank note.

How then can this be accomplished? Most clearly any provision of law, which practically retires any portion of the legal-tender notes, *must* enhance the value of the outstanding portion thereof.

The committee's bill, now under consideration, provides, in section 3, that all associations organized under its provisions shall at all times keep and have on deposit in the Treasury of the United States, in lawful money—*i. e.*, legal-tenders for the present—5 per cent. of its circulation, to be held and used only for the redemption thereof, as provided in the bill; but I think this section ought to be so amended as to provide for such redemption at any sub-treasury of the United States, instead of being limited, as it is in the bill, to the assistant treasurer in New York or the Treasurer in Washington. And section 5 provides, that every such association shall keep its lawful money reserves within its own vaults.

Therefore the effect of the provisions of the sections, above referred to, practically retires the amount of legal-tenders which go to make up the 5 per cent. for redemption purposes and the lawful reserves, to which must be added the average amount at all times in the hands of the people, and not available for banking purposes.

It occurs to me that, in this way alone, the value of the legal-tenders will be sufficiently enhanced to cause them to be sought after, and preferred by the people; and, as soon as that point is reached, the quality of our currency has commenced to improve. But, in order that there may be no mistake about this, and while I cannot, for obvious reasons, support the last section of the committee's bill, which provides for the hoarding of coin by the Treasury, yet I am in favor of, and as soon as the business of the country once gets into shape again, a gradual retirement of the legal-tenders, in some just ratio to the increased volume of national-bank notes, until they shall have been reduced by at least $100,000,000.

By this method the value of the legal-tenders would gradually appreciate, and eventually become equal to that of gold. Two causes would tend to produce this result: first, the decrease of the volume of the legal-tenders; and, secondly, the increasing demand for them for the purpose of redeeming the increased issue of national-bank notes. *If this* is *inflation*, then I am an *inflationist;* for it will give us a monetary system well adapted to the condition of the country and the substantial business wants of the people. It gives the people all the circulation they choose to take and pay for, and it gives them no more than they can pay for.

It neither increases the debt of the Government nor of individuals. It enables the people to supply themselves with an amply secured currency, always increasing in value, whenever and wherever most needed, by removing monopolizing restrictions, without removing those required by prudence and safety; and in the not distant future it will enable the Government to fund its legal-tender notes and retire from the banking business, a consummation that the experience of the last five months demonstrates is to be most devoutly wished for.

But, sir, the East, ever mindful of the wants of the great South and West, and ever anxious to provide for them in their own wise and beneficent way, tell us of those benighted regions that we do not want more circulation; that we do not need more banking facilities; that we are not yet far enough advanced to own and control these institutions; and that when we want accommodations we should apply to them. All the reply I have to make to this kind of talk is that we know we are poor; our rough-and-tumble struggle with nature enables us to be told of it without losing our temper. We trust we are honest, and we hope to be some day blessed with a more bountiful supply of this world's goods than we now control, and yet we think we are now able to avail ourselves to some extent of a system of free banking, if we can only be permitted to do so.

I know something of this people, of their resources, their industry and rapidly increasing wealth; and while I do not now claim that they have the ready money with which to buy as much circulation as the East is able to take up, yet they are both willing and ready to organize and start national banks with a limited capital, in nearly every well-settled county. You, of the East, know well enough that your banking capital, available for business purposes, is not represented by your circulation, but rather by your deposits, and we, of the newer sections of the country, have begun to appreciate the fact, and to know the importance of a national bank to every business community; not so much because of the circulation which it affords, although that is valuable, as because of the fact that it forms a nucleus about which will gather almost the entire idle money of a community, and make it available for business uses, so that the business man, with his neighbor's indorsement, can make a piece of paper desirable in the locality, but which you men of the eastern cities would not be willing to do at any price.

The national bank would have this effect always, because that class of people who hold the bulk of the idle money in any of *our communities*, have confidence in the system, and will keep it on deposit. We know well enough that the money of the West and South is hoarded by the laboring classes, that it is idle and cannot be made available for business uses; and we ought to know that each national bank with a capital of $50,000 will, if well managed, draw to it a very large amount of this kind of deposits, and that then the planter, the farmer, and the man of small means, instead of being crippled for the want of money, and obliged to sell his crop, or his property, could get accommodations which would enable him to avoid a sacrifice.

You of the East can never supply our home demand. Then why not let us supply ourselves?

Mr. Speaker, the district, which I have the honor to represent on this floor, contains an area of about twenty-five thousand square miles. Besides yielding largely in all kinds of agricultural products and fruits common to the State, its fisheries yield annually over $1,000,000, it produces annually one-half of the entire lumber, shingles, laths, and staves, manufactured in that State, and of the value, according to the last census, of $15,973,198, and the value of its iron and copper produced for the year 1873 amounts, in round numbers, to $15,000,000, these three items alone aggregating $31,973,198; and yet in that vast district, equal in extent to an empire, with all the elements of great and lasting wealth, and with a hardy population constantly increasing and actively engaged in many and varied channels of industry, there are only $366,840 of national-bank circulation, or a fraction over three dollars *per capita*. Prior to the passage of the national-bank act we had no bank in my own town, and if its business men wanted to borrow money they were obliged to run about and pick it up in small amounts, and on all sorts of contracts, thereby advising everybody of the stress in which they were, but mostly obliged to continually want it. Our money was nearly all in the hands of our laboring men and idle. Well, my people established a national bank with a capital which gave us $144,000 of circulation, and the result was that, on the 1st day of last September, our bank had a deposit account of nearly $500,000 available for business purposes.

We want more circulation to-day. Three institutions are now ready to take it, and are urging me to devise some way by which it can be obtained.

I thought, when the chairman of the Committee on Finance, at the other end of the Capitol, brought in his bill for a redistribution of the national-bank circulation, that the auspicious time was coming, and that I should soon be able to comply with the demands of my constituents; but to my surprise and consternation the people from the State of Rhode Island, who have only the small sum of sixty dollars *per capita*, confronted the honorable Senator from Ohio with a protest against such action, in which it was claimed that the business men of Rhode Island could not spare any portion of their immense circulation without injury to their interests, and, lo, my hopes vanished. Is it not just possible, Mr. Speaker, that these business people of Rhode Island, always so noted for their success and prosperity, are right in this matter, and that gentlemen, who are constantly trying, by every device which their ingenuity can invent, to so bend, and shape this cast-iron system that it will fit the business of the country, are wrong? Is it not just possible that there are defects in our present financial system, and that they can be remedied by wise action here, in such a way, that it may be open to all, and, at the same time be hedged about with such sure and certain safeguards, that an increase in the quantity of our paper money will not be incompatible with an enhancement of its value? Are not activity, industry, real growth, true development, and solid wealth the basis of our whole financial system, and is not a return to specie payments possible on that basis?

There never was a greater truism enunciated than that uttered by the veteran Senator of Michigan when he said on the floor of the Senate, "What we want is, more money and better money;" but I appeal to the sense of the country whether this want cannot be safely and securely supplied without forcing the country to undergo the shock of a forced resumption of specie payments.

Sir, it requires something more heroic than an act of Congress to place the country on a real and permanent specie basis. The problem can only be solved by eliminating the annual coin interest of about $100,000,000, which we pay on our bonded debt. Between the present paper-money era and a specie-basis era looms up, and always confronts us, this $100,000,000 of annual coin interest, which no act of Congress can *per se* honestly wipe out, but which must be decreased before we can reach that new era.

It cannot be reached by resolving to resume, but it can be through toil and labor, and taxation honestly applied to the reduction of our bonded debt.

Then, give the people prosperity and the Government revenues and we shall reach a specie basis which will be permanent and lasting without an act of Congress.

This is the business statement of the whole question, and the rapidity with which we shall move thitherward is only a matter of policy and expediency.

Entertaining as I do these views, I am not at all surprised at the position taken by gentlemen on the opposite side of the House when they say they are unwilling to vote either for increased taxation or for adding one dollar to the public debt, and that the expenditures *must* be cut down to meet the revenues, *no matter* what may happen. But I am fearful that this side of the House will too long yield to this demand, content itself with a do-nothing policy—spending its energies in attempting to cover unexpended balances into the Treasury—and in the pursuit of such a course, under the guise of economy will not only entirely satisfy the opposition, but convince the people of the country, by constantly paring down the appropriations, all the while forgetting that the revenues will decrease and decrease until bankruptcy must ensue, that the nation is still laboring under the throes of a financial panic so severe, terrible, and devastating as to entirely overcome its recuperative energies. I am, perhaps, not wise in statesmanship, but I do know that it is not for the interest of any party in power, and responsible for the conduct of the Government, to do just that thing which the opposition desires should be done, but that it should rather adopt some true and wise line of policy and follow it out, in spite of what the opposition may say or do. A party without a policy is an anomaly.

Do we understand what economy is as applied to the affairs of a great nation like ours? Are we not apt to theorize a little and talk foolishly about this matter, forgetting the true business principles underlying the whole question? Is it economy to say or do anything which has the least tendency to increase that loss of confidence occasioned by the late financial panic? to destroy that only thing now needed to quicken the energies of the people; to increase that only thing left of the panic? Is it economy to proclaim here in these Halls simply because the business interests of our country are, more through our neglect and inaction than by reason of the late panic, for a moment checked, and consequently the revenues below the immediate demands of the Government, that everything must come to a deadlock, and that appropriations must be cut down below the real wants and demands of the moment? Is it true that gentlemen on this floor are still talking and acting under impressions received before they left their homes to attend this Congress, and that the world and its business have not moved since then? Let me ask gentlemen to reflect before they subscribe to such a view. Let me beseech them to consider this proposition, in the light of experience, and of their business education, before they give it their unqualified assent.

I hold it to be an axiom that, in times like these, a true governmental policy of economy demands that everything in reason be done that can be done to restore, and strengthen confidence in business and in all legitimate undertakings, that we should make all legitimate appropriations for the wants of the Government, really necessary to be made, even though it costs more money to carry on the work than the revenues now seem to promise. It is, sir, no time now to cut down appropriations. It is no time to suspend work on either the public buildings or harbors where the work has already been commenced and carried forward to such an extent that, either loss will arise from its suspension, or commerce will suffer thereby. It is the proper time, however, to see to it that all such appropriations are carefully and prudently expended, that no extravagance or waste eats up the people's money and prevents it from doing the work set apart for it to do. But gentlemen will ask, "Where is the money to come from with which to meet these appropriations?" I answer, it will come from the increased revenues of the country, and that, if in the judgment of Congress, this increase seems to be insufficient, then I would increase the revenues, either by direct taxation or by import, duties. I tell you, the people are not opposed to taxation for the legitimate wants of the Government. They are only opposed to extravagance and waste in expenditures, to subsidizing monopolies and the despoiling of the public domain, by extravagant gifts and grants thereof, and to having their industries crippled by the delay and uncertainty of congressional action.

I would not borrow a dollar to meet a single ordinary demand of the Government, and I do not believe that, under the present circumstances, any party can survive, that either does it, or attempts to do it. The gentleman from New York, who had charge of the Army bill, told the country that western enterprise must be contracted; that the hardy pioneers must return to the more densely settled communities, and that the Government, in view of the late panic—of which nothing is now left but a little want of confidence—is unable to take care of them, unless they will huddle themselves together, and, like lost sheep, return to his fold.

Let it be recorded, sir, that here, in the Halls of the Forty-third Congress, that motto, which has for almost a century filled every young heart in this broad land with ambition and enterprise, "Westward the course of empire takes its way," is but a mere piece of buncombe, only intended for the Fourth of July; and that this great American Government, owing to a little flurry in the money market, which caused the downfall of a few bold operators, but which checked only temporarily the real business interests of the country, is no longer financially able to protect its own citizens within its own domain. That proposition is to my mind as humiliating as would be one to sell off to some foreign power that portion of our public domain not now really required for actual occupation and settlement.

I fear, sir, that we are overestimating the late panic, both as to its effect on the people, the business of the country, and the Government, believing it to be the near cause of certain results not at all attributable to it; and when I hear the other side roll well-turned sentences upon it "like a sweet morsel under their tongues," and see their faces gladden with delight when distinguished gentlemen on this side of the House let themselves loose on this fruitful theme, I cannot help asking myself, "Whose hands are pulling the chestnuts out of the fire and for whose benefit are they being pulled out?"

If the present session of Congress can only be frittered away in this kind of work, and if we can only be convinced that this kind of economy, which now seems to be the rage—an economy which is opposed to the investment of a single dollar, under any circumstances, in any of the permanent improvements of the country—is the best policy to be pursued, I for one fear that the people will consider us derelict in duty in not securing them the relief, and wise reforms now needed, and that "the place which now knows us will soon know us no more forever." I tell gentlemen that when they say from this high place that, either this Government, or this people are bankrupt, and unable to meet all appropriations necessary and proper to be made, they are sadly mistaken.

I am, sir, in the eyes of my confiding constituents, the peer of any man on this floor; and therefore at their behest, but with fear and trembling, I here assert and maintain that distinguished gentlemen holding leading positions on this floor are doing not only them, but the whole people, great harm and injury every time they say or do things, which tend to check that growth of confidence, which only needs now to be a little strengthened to cause business to be again revived and wealth accumulated all over this land.

I have said that I would not borrow one single dollar to meet or defray the current demands of the Treasury, but that I would, if necessary, impose additional taxes on the people to meet these demands, trusting their intelligence and patriotism to meet the emergency, in the same way in which they now meet every business engagement. There is no danger about the people's misunderstanding a business proposition, but there is danger of their becoming disgusted with a masterly inactivity—a frittering away of money and time on little things, while great interests, vital to their progress and welfare, are neglected and ignored.

Mr. Speaker, crowding itself on our attention, and jostling for precedence with this all-important subject of finances, comes another question for consideration. The cry has gone forth from every farm-house, shop, and cabin all over this broad land for cheaper transportation. The loud voice of the people has been heard on this subject, and it gives no uncertain sound. The appeal is made to us to take such wise action as shall in some certain sense answer this earnest demand of the people; not so much by legislation unfriendly to the great highways of traffic afforded by our railroad system, but by opening up and improving the great water-lines of communication between the North and South, the East and West, connecting the Mississippi with the East by canals, improving the navigation of that stream to its mouth, making the great lakes as one for all purposes of commerce, by improving the Saint Clair Flats, the Saint Mary's River and Canal, and doing everything, really needed in the way of improvement of harbors and rivers, that will tend to secure safety in transit, cheapen the rates of freight, and bring the producer and consumer nearer together.

For these great undertakings I am in favor of pledging the faith and credit of this Government even now, and in what some gentlemen may call dark days. These are the great natural arteries of this continent, and the people demand that they shall be improved and connected together by canals. Sir, I have but few, if any, grangers in my district; but it requires neither a prophet nor the son of a prophet to see what will be the results of this demand of the people. It must be wisely and well met, not only because it is demanded, but because it is right, and has in it the germs of development and wealth so mighty, powerful, and great, that they can hardly be foretold.

We must now either meet these issues wisely and bravely, or else we must give way and let our places be filled by others, who will catch the inspiration of the times, and be equal to the emergency.

Far be it from me to either find fault with public men or to indulge in doubt and uncertainty as to the future.

The signs of the times have for me no gloomy aspect.

The grand old party, which snatched a dying Government from the hands of its enemies, saved it, and made it progressive, powerful, and great, is yet true to its mission. Through it, as in time past, will come all needed reforms; and around it, when the supreme hour arrives, will rally the hosts of freemen.

Mr. SHERWOOD. Mr. Speaker, my constituents need more banking facilities and more money, and my convictions are they ought to have both.

First, let me say, I regard the obligation of the Government to redeem the greenback as binding, and I will vote for no measure to either depreciate the value of the greenback or impair the Government credit.

Congress, in 1869, after the hue and cry of the western democrats

for repudiation had somewhat subsided, passed an act to strengthen the public credit. This act binds the Government to redeem the greenbacks at the earliest moment practicable.

At present specie redemption is not practicable. It is not even possible. The people, who own the greenbacks, and who are the sole judges of the question of practicability, do not *demand* it now. The greenback is more popular than ever before, and it holds its value unimpaired amid all the clamors of all its detractors.

Upon all questions affecting the value of money legislation should be conservative. All legislation which disturbs existing values is immoral.

Resumption means contraction, with an inevitable depression of all values. This, at a time of general depression, would be scarcely less than criminal. It would bankrupt one-half the business men of the West and work outrageous injustice to the entire debtor class of the country. I represent that debtor class. Any legislation in the line of contraction appreciates the value of the dollars we have agreed to pay and decreases our chances of earning them. Scarce money and high interest will ruin us. We want cheap interest and easy credits. This stimulates industry, improves the opportunities of those who labor, and hardens our business muscle.

I represent a people whose wealth is to be realized, not by loaning acquired capital, but by developing our resources; a large agricultural constituency that has not yet reached its maximum development, and a commercial city (Toledo) of wonderful activity. We have all the elements of wealth. We want low taxes and cheap credits.

The Government can carry our obligations for 5 and 6 per cent. We cannot assume our share of these obligations less than 10 and 12 per cent. Our policy, therefore, is to let the Government carry our obligations until we become stronger, and give us the benefit of this 4 and 5 per cent. profit. We have tried to pay our debt too rapidly. The people of all sections need rest.

LIMITED FREE BANKING RECOMMENDED.

In providing for increased circulation to accommodate the West and South, I am willing to vote for a clause in this bill fixing a maximum for national-bank circulation, and also to limit said increase to sections lacking their quota of circulation.

The Representatives of the West, I am confident, would consent to make some Eastern State—New York, for instance—the standard for national-bank circulation. If free banking is limited to sections having less than the New York standard, eastern capital seeking profitable investment will be largely drawn to the West and South and invested in banks. I am therefore under conviction that such a measure would afford as prompt and satisfactory relief to the West and South as unlimited free banking. The East, being abundantly supplied with banks, capital, and currency, fears an era of unwholesome speculation from unlimited free banking. For one, I am willing to concede something to this conviction, and will, if opportunity is offered, vote to place such restriction in the bill now under consideration. But with those Representatives who advocate contraction and specie payments as a solution of our ills I take direct issue.

THE INJUSTICE OF CONTRACTION ILLUSTRATED.

Let me illustrate the injustice of contraction.

In May, 1869, I borrow of a money-lender in Hartford, Connecticut, one thousand greenback dollars, payable in five years, at 10 per cent. interest. This so-called $1,000 was worth the day it was borrowed $689 in gold. Specie payments are resumed, and in May, 1874, when my note is due, the value of the dollars I borrowed have increased 45 per cent., and beside paying my 10 per cent. interest in gold or its equivalent, I am also compelled to pay this Connecticut money-lender $311, in gold, for which I have received no value whatever. Do I pay this money justly, or am I cheated by a trick in legislation? Or say that a greenback dollar is worth 90 cents in gold today, and I borrow one thousand of these dollars, receiving nine hundred gold dollars in value, payable in one year, at 10 per cent. In the mean time specie payments are resumed, and next April, when my note is due, I am compelled to pay $1,100 in gold value for the use of nine hundred one year. I am thus swindled out of one hundred, principal, and $10 interest. That is, I have paid $200 for the use of $900 one year, or over 22 per cent.

These cases illustrate the injustice the contractionists would perpetrate upon the entire debtor class of the country There is no system of business morals or political economy that can successfully defend such a policy. It will not answer now to argue in justification that the credit class was robbed by the legal-tender act when the law was passed. That was a law of necessity, and only defended as a war measure. There is no code of ethics by which the borrower of a gold dollar discharges his moral obligations by paying in a greenback worth 50 cents. The credit class was robbed in 1862, 1863, 1864, and 1865, through the necessities of war, but what can be the pretense to rob the debtor class in 1874, 1875, and 1876?

Nearly every city, town, and corporation in Ohio have contracted debts and negotiated bonds upon a depreciated currency. To elevate the standard of value now is to largely increase these obligations.

Measured by its effects, elevating a depreciated currency is more immoral than depreciating it, because the loss in the first instance falls upon those able to bear it, while in the latter case it strikes down the struggling classes, and by paralyzing trade and manufacture, causes suffering to the laboring poor. The rights of both classes, debtor and credit, are sacred; and Congress has no moral right to increase the obligations of one or impair the obligations of the other.

FREE BANKING INDORSED.

A national free-banking law, with proper guards and checks, cannot depreciate the value of the greenbacks. The Government debt is not increased, nor are additional obligations incurred, by the issue of currency based upon Government bonds already sold.

Again, the money circulation of this country should be divorced as far as possible from the control of a political majority in Congress.

The question of the value of a dollar should not be debated on the stump and decided anew with every ballot. The bill-holder being secured and the value of a doller fixed, the money supply should be regulated by the immutable laws of trade. Agriculture, commerce, and manufacture should each be the sole judges of its moneyed necessities.

THE GREENBACK THEORY DISCUSSED.

Many practical and experienced financiers are of opinion that the Government should avail itself of the profits of circulation, and that the popular greenback should supplant the national-bank note, making one uniform currency. This is a fascinating theory. It is proposed to take up the three hundred and fifty-four million national-bank notes, issue an equal amount of legal-tenders, and with these notes go into the market and buy Government bonds. This, it is claimed, will reduce the interest on our public debt eighteen millions per year. This apparent saving, however, is somewhat delusive.

The present tax on the circulation of the national banks of 1 per cent. and ¼ of 1 per cent. on deposits, and ¼ of 1 per cent. on capital stock not invested in Government bonds, realizes the Government about $7,000,000 yearly, and State taxation, not far from ten millions more, or an aggregate of nearly if not quite seventeen millions. If there are inequalities in the present system, let us regulate that by legislation. But I am thoroughly fortified in the conviction that it is better economy to allow the bankers of the country to do the banking for the people than to establish a monopoly of banking at the national capital. I believe sections now demanding more currency can be better accommodated locally by banks than by a central system; and the amount of currency needed can be better determined and more safely regulated by the demands of business than by a political majority in Congress.

OUR MONETARY SYSTEM DISCUSSED.

Much is read and said here by those who desire a contraction of the currency about our gross violation of the laws of political economy. Let us examine this matter with due deference.

The Government of the United States has undertaken the critical duty of supplying the moneyed necessities of the people. It has, by imposing excessive taxes upon State banks, driven them out of existence, and to-day the money supply of this country is a monopoly.

For the past five years we have been increasing and extending the business of the country with marvelous rapidity; at the same time we have been withdrawing our money supply. This precipitated a panic, with immense loss of property and general paralyzation of trade.

Now, what is the remedy? I believe it lies in supplying the element, the lack of which produced the panic. Others argue that a continuance of the cause which produced the panic will work its cure.

Here we join issue. Bleeding is not prescribed by physicians for debility in the patient caused by the loss of blood. The money circulation of a country is like the blood circulation of the individual. In order to promote a wholesome life and a healthful activity, it must not only be sufficient in quality and quantity, but it must permeate and penetrate the remotest extremities of being.

THE FUNCTIONS OF MONEY.

What is this vital element called money, and what are its functions? Money is but a generalized agent for the exchange of values. Its potential requisites are: first, absolute solvency; second, universal recognition of its value. Our present currency is solvent. It has the complete confidence of the entire business world; but it is not equitably diffused, nor is it sufficient in volume to perform all its functions.

INEQUALITIES OF OUR SYSTEM.

Look at our condition in the West. Ohio is not the worst sufferer, and yet the lack of currency there is most seriously felt. We have credit, capital, magnificent agricultural resources, immense mineral deposits of coal and iron, central location, with markets in every direction, yet we have not adequate banking facilities. Our State banks are taxed out of existence. The General Government declines to aid us, and we are in the grasp of a money monopoly.

I have now letters from parties in Toledo, a city that is in need of more banks, asking me to secure them currency for a national bank. The Government bonds are ready to deposit. These bonds are worth more than their face value in gold in all the markets of this country and Europe, and yet this currency cannot be supplied even at the rate of 90 per cent. I applied to the Comptroller of the Currency to secure some currency from national banks that have wound up; but this currency cannot be had. It is in the hands of New York brokers, and is offered at 5 per cent. premium.

Now, suppose my Toledo friends, having read the able arguments delivered here upon the evils of our present system, desire to bank on a gold basis. They therefore sell their bonds for gold, and attempt to bank under the State laws of Ohio. Here comes your 10 per cent.

tax and drives them out of the field. My constituents are therefore practically prohibited from banking under either State or national laws. Their only privilege is to borrow money of eastern money-lenders at exorbitant rates of interest, which they are now doing. They are compelled to contribute a large share of the profits of their business to eastern capitalists.

There is no defense for such a system as this. It is an outrageous oppression. The Eastern States have an excess of circulation of national-bank currency of over $80,000,000. Ohio has a deficiency of $1,509,456, and Illinois a deficiency of $6,331,221; Massachusetts alone has an excess of $40,000,000; and even the little State of Rhode Island has an excess of $10,635,793. The city of Providence, Rhode Island, has a national-bank circulation of $9,483,710; while the city of Toledo, Ohio, a city with an immense jobbing trade and a great commercial mart, has but $1,337,400. Hartford, Connecticut, a finished town, with 37,180 inhabitants, owns $4,435,700 of national-bank circulation; while Milwaukee, the metropolis of Wisconsin, with over 71,000 population, has only $611,500. The little town of Fall River, Massachusetts, has nearly two millions of this circulation, while Lawrence, Kansas, has but $151,500.

Take two States, Ohio and Connecticut. Ohio is only authorized to issue $39,818,983 of this currency, Connecticut issues $33,047,632; and yet Ohio has three times the property and five times the population of Connecticut. I submit a comparison, as shown by the census of 1870:

Items.	Connecticut.	Ohio.
Population	537,454	2,665,260
Engaged in agriculture	43,663	397,024
In trade and transportation	24,720	78,547
Mechanical and mining	86,344	197,010
Professional and personal	38,704	168,308
Valuation of property	$747,631,524	$2,225,430,300
Taxation	$6,061,843	$23,526,548

The six New England States, with a population of 3,487,924, with a property valuation of $4,009,875,247, have a circulation of $110,489,966, while the twenty-three Western and Southern States, with a population of 24,217,341, with a property valuation of $12,770,112,683, have a circulation of only $111,409,156.

The Representatives of western constituencies who advocate the equitable rights of their section are denounced as repudiators, or as too ignorant to comprehend the complex science of finance.

PUBLIC SENTIMENT IN OHIO.

It is claimed also that public sentiment, even in the West, is against more currency. I venture the opinion that four-fifths of all the active business men of Ohio favor more currency. I am confident such is the case in Northwestern Ohio, my own section.

During the progress of this debate all history has been ransacked by contractionists for evidence to fortify their positions. All the obscure pamphleteers of the last century, whose works have drifted down through cheap auctions to the Congressional Library have been dusted out and doctored, and brought to the front. I have no objection to this resurrection of these dead voices; but in the light of the experience, knowledge, genius, and practical statesmanship of to-day, why should we seek oracles of obscure tombstones?

We have learned something of transportation since Moses traveled for forty years in the wilderness. We have learned something of electricity since Franklin touched the womb of the lightning, and I believe we have learned something of government and finance since George III and Adam Smith.

McCullough, in his able contribution to the Encyclopædia Britannica, in speaking of Adam Smith, and other writers so often quoted here, says:

> The opinions and theories of the eminent professors who have written on political economy have impeded the progress of the science, and created a popular distrust in its established conclusions.

Serene in the consciousness of this distrust, I desire to present the views of some living practical financiers of my own State.

First, I submit a letter from one of the most successful business men in Ohio, a gentleman who has done more than any other man to develop the iron and coal industries of the State; a gentleman who has never read Ricardo or Adam Smith, but who has absorbed some very sound political economy in a long and successful business career:

YOUNGSTOWN, OHIO, *March* 7, 1874.

DEAR SIR: I think common sense and business principles will apply to the management of the national affairs as it would to a man's own business operations.

In the first place, the present generation have been taxed heavily to put down the rebellion; they should not be taxed to pay the present debt.

Let the Government fund the debt long loan fifty to sixty years at 4 to 5 per cent., pay it when we have increased in population to an extent that I dare not name. Give us a free-banking law. The people are constantly talking about railroad monopolies; there are no monopolies in this country equal to the present banking monopoly.

What have the special few done that the Government should bestow extraordinary privileges upon them, receive their bonds, keep them safe, pay them the interest upon them, and then give them 90 per cent. of circulation to loan the business community at high interest? Money is too scarce and dear for business purposes. Money should not be worth more than 6 to 7 per cent. We want cheap money instead of pauper labor.

If I can make more or am better satisfied to bank than to mine coal or make pig-iron, I want the Government to extend to me the privilege they do to my neighbors, on the same terms and with the same restrictions.

I believe the low rate of interest bonds, convertible when the holder wanted to use money for a special purpose, would work well.

The South had none of our money in 1864. Since then four million negroes have been freed, and have to be paid for their labor, and large amounts of money are required to do their business operations.

We have seventy thousand miles of railroad as against twenty thousand a few years ago, population increased ten to fifteen millions within a few years, are mining four times as much coal, and making four times as much iron.

The seventy thousand miles of railroad are alive with people with a large amount of money in their pockets to pay traveling expenses.

Now, what are we asked to do? Simply this: with large increase and growing business, to manage proportionately with less than one-half the money we had a few years ago. It is simply ridiculous, and is not governed by any business principles. We should have money in proportion to growth of business and population.

Money may be plenty in New York, but it is not in Ohio. Our manufactures and mining are paralyzed.

Give us less taxes and more money and our own market, that we may live within ourselves for a few years, and we will be able to pay the debt and not feel it.

Yours, very respectfully,

C. H. ANDREWS.

General I. R. SHERWOOD,
Washington, D. C.

Also, a letter from the editor of the Western Reserve Chronicle, one of the oldest and ablest papers of the Connecticut Reserve of Ohio, supplemented with some comments by the Cleveland Herald. I do this for two reasons: first, to indicate popular feeling in the richest and most densely populated region of the State; secondly, to show Connecticut theorists how their brothers "to the manor born" expand and develop and liberalize when transplanted to the broad hill-tops and inviting valleys of Ohio:

WARREN, OHIO, *February* 14, 1874.

DEAR FRIEND: I hear of no one demanding or desiring resumption, save bankers, bondholders, and perhaps persons of large cash means, who hope, of course, to enlarge the purchasing power of their mind by the shrinkage of values resulting from resumption and contraction. I think the general desire of the producing, manufacturing, mercantile, and ordinary business classes is for more rather than less of the greenback currency. I believe the article inclosed, copied into and favorably commented on by the Cleveland Herald of a recent date, reflects the sentiment of this region. I submit it to you as giving in my opinion a fair reflex of the mind of a large majority of the people of Ohio.

WILLIAM RITEZEL.

Hon. I. R. SHERWOOD,
Washington, D. C.

The following is the article from the Cleveland Herald, referred to by Mr. Ritezel:

The Specie Hobby.—Under that head the Warren (Trumbull County) Chronicle holds a very sensible editorial talk with its readers; a talk that should be overheard by Congressmen. Great commercial centers, so called, have more influence at Washington than their relative importance entitles them to, and much more influence than their measure of sound, practical, business common sense entitles them to. The men at these great centers are enabled to concentrate instantly an amount of strength that is denied the country, while the visions of such men are very narrow and their ideas of cause and effect extend only to the curb-stone of their own stock market. The Chronicle says:

"Senators and Representatives with whom specie payment is a specialty misapprehend public sentiment, if in their efforts to contract our circulating medium they imagine that the people are in the least out of patience because Congress does not proceed 'to fulfill their promises to the people to make greenbacks redeemable in gold.' It is surprising to observe with what desperate tenacity some of our lawmakers cling to financial theories exploded by the test of practical experience. These gentlemen appear to think that there is some occult, omnipotent virtue in a specie dollar for which the people are hungering and thirsting, and, if not furnished soon, will die of pecuniary starvation. Probably if Congressmen mingled more with the masses, to learn their views and ascertain the popular demands and necessities, instead of consulting almost exclusively with bankers and bondholders, and importers of foreign manufactures, they would more truly represent their constituencies on this important question than they do."

The Chronicle then briefly reviews the last dozen years, and points to the fact of our unparalleled prosperity under the legal-tender issue; how that feature of finance was assailed, how triumphantly it demonstrated its benefits. And the Chronicle goes on thus:

"The fact is that the people are perfectly satisfied with the present currency, and do not demand a resumption of specie payments or a contraction of circulating medium. We aver without fear of successful contradiction that a petition in favor of a reasonable increase of currency or greenbacks can be circulated through General GARFIELD'S congressional district, and through all the district north of the national road—supposed to be more especially represented by Senator SHERMAN—and ninety-nine hundredths of the people will petition for more greenbacks. * * We believe we speak right from the mouth and hearts of the people, and reflect the views of the manufacturing, trading, and producing classes generally, who are the bone and sinew of the country."

ELEMENTS TO BE CONSIDERED IN FIXING VOLUME OF CURRENCY.

The demands of currency are regulated, first, by the character and amount of business transactions; secondly, by the average earnings *per capita* of the producing classes; thirdly, by the solidity or density of population.

To the first proposition it can be plead that the people of this country in proportion to population average more general employment than those of either France, Germany, or England. We have fewer paupers, fewer criminals, fewer non-producers, and no large standing armies. The average earnings *per capita* are more than double those of either England, France, or the German Empire. In density of population we have an average of but two hundred and seventy-two persons to the square mile, while England has about five thousand, the German Empire over four thousand, and France over three thousand. It is evident that sparsely settled regions and sections remote from banks need more currency *per capita* than regions densely populated. This is a self-evident proposition.

The statement that our currency is excessive as compared with other leading nations is found to be erroneous.

The following table, showing the total currency volume in England,

Germany, France, and the United States, throws a flood of light upon this statement:

Total currency volume of the United States	$869,000,000
Less gold and paper reserves	200,000,000
Total actual circulation	669,000,000
Circulation *per capita*	16 72
Total currency volume of England	884,943,000
Less reserves	112 259,000
Total actual circulation	772,684,000
Circulation *per capita*	24 28
Total currency volume of Germany	1,296,000,000
Less reserve	205,000,000
Total actual circulation	1,091,000,000
Circulation *per capita*	26 80
Total currency volume of France	$1,650,000,000
Less gold and silver reserve in bank	540,000,000
Total actual circulation	1,250,000,000
Circulation *per capita*	34 72

It is seen that our currency is eight dollars *per capita* less than England, ten dollars less than Germany, and eighteen dollars less than France.

RESUMPTION NOT PRACTICABLE NOW.

I desire to call the attention of the contractionists who think gold is now cheap enough to resume to an editorial in the London Economist of October last. When this article was written gold was at a premium of 10 per cent.

We know by experience how that premium may be effaced. If no more greenbacks are issued, the augmenting trade of the country will of itself raise the value of the paper; but this is a severe and painful process. Conducting a large trade with an identical currency is the same as conducting an equal trade with a diminished currency. In both cases there is dear money; that is, a high rate of interest and a lowered scale of prices; people have to pay more for what they borrow and receive less for what they sell, and the consequent suffering to trade is always considerable. It can be borne by America, we know, for she has already borne it; she has already reduced the premium on gold by a much larger amount than that which remains to be reduced, but the effort has been great, *and this panic is in great part in consequence of it.* Nor are our second or third conditions satisfied. The store of gold now held by the American Government is altogether inadequate to the resumption of cash payments, and the premium on gold must in our judgment be still further reduced before specie payments can be safely recommended.

Let our book economists who fortify themselves with English authority in finance digest the three objections just presented. Let these impracticables study the situation *as it is* rather than as it ought to be, and they will discover that their theories have no application now, and that their principles have neither basis nor vitality. The greenback must remain our only currency until increased prosperity and renewed national life with enlarged revenues shall have enabled us to cancel our foreign indebtedness, and the flow of the precious metals shall be *to us* and not from us. This is the work of time under the most prosperous days and wholesome laws. At present, with our industries crippled, our trade paralyzed, and so much labor unemployed, the first business should be to restore confidence.

THE FARMERS' INTEREST.

Hon. Amasa Walker has sent some Boston logic to the president of the Illinois State grange, repeating the oft-exploded theory that it is the farmers of the West who are suffering most by the so-called inflated or depreciated currency. Mr. Walker recapitulates how the farmers suffer, as follows:

First. From the low or gold prices of their own products, and the high or currency products of all other commodities.

Second. By the larger profits and higher taxes they are compelled to pay.

For all these there is no remedy but the restoration of the standard of value by a return to specie payments.

This Massachusetts book economist is completely refuted by the practical Massachusetts financier who now occupies a seat in the Senate. I quote from Mr. BOUTWELL's speech on finance delivered in the Senate January 22, 1874:

I mean to say, that if the currency of the country be so depreciated, and if it be held at a particular point for so long a time that the business of the country, the prices of labor, and the products of labor shall have become accommodated to the existing condition of things, then there are no substantial evils. * * * The proposition is, that in consequence of a depreciated currency, the farmers of the West, whose products in whole or in part are exported to foreign countries, where the currency is coin, are in a worse condition relatively than they would be if the currency of this country were coin. * * * If, as an example, you consider wheat, which is a great product of the West, you may assume, as a fundamental proposition in regard to its price, that it can never be less at any point in this country than its price in Liverpool, less the costs and profits of transportation. If that be so, then the price of a bushel of wheat at Saint Louis, measured in coin, the currency of England, is less than the price measured in coin at Liverpool by the cost of transportation there, and only by that, and that entirely independent of the fact as to the depreciation of our own currency. For our own present purpose we deal in the currency of the world, and if wheat be worth fifty pence a bushel at Liverpool, and the cost of transporting it there, profits and all, be ten pence, it is worth forty pence in coin in Saint Louis; and it is worth that because a party in Saint Louis can send it to Liverpool and can get his coin in Liverpool, and after paying all expenses he will have forty pence in hand for his bushel of wheat.

Now, if this person wishes to buy sugar or coffee in return, he can buy his sugar or his coffee with coin in the markets of exportation; and if the cost of a pound of sugar in coin laid down in Saint Louis, brought from Havana and paid for in coin, is ten cents, he has established the relation between his product exported and the necessaries of life imported, and that upon a coin basis. * * * To what the man sells, measured in coin, is added in currency the difference between coin and currency in commercial value, and to what he buys is added the difference between coin and currency in their commercial value; and he neither loses nor gains by the process.

The argument of the erudite Walker can be answered briefly. If the farmer sells his grain for gold on a gold basis, of course he realizes gold or gold value. If he buys his goods for depreciated paper at an enhanced price because of the depreciated paper, he realizes the difference in price by the premium on his gold before he makes his purchases.

By the argument of the so-called political economists we are led to believe that the legitimate market for the surplus products of the western farmer is England, and that he is dependent for his articles of consumption upon the importers. It can be demonstrated that a comparatively small portion of the grain crop of the West finds its way to English mouths, and articles imported are principally luxuries not consumed by western farmers.

Statistics show that Great Britain raises five-eighths of all the cereals she consumes, leaving three-eighths to be drawn from foreign soil. What proportion of this three-eighths is supplied by the United States? It is stated by competent authority that our grain export for 1872 was the largest in the decade. In that year we exported to Great Britain in wheat, rye, oats, and barley 26,343,951 bushels. The shortage of the grain crop in Great Britain that year was 186,000,000 bushels. Thus it will be seen that we supplied England with about 14 per cent. of her shortage.

The grain crop of Ohio in 1872 was over 150,000,000 bushels, or sufficient to supply the entire export trade to Great Britain for six years; and Ohio is not the greatest grain-producing State.

The aggregate grain crop of the grain-growing States in 1872 was 1,777,847,600 bushels. But 26,000,000 of this immense product was sold for the coveted British gold, or less than 1¼ per cent. When we consider these statistics we are better prepared to estimate the audacity of the assumption that the farmers of the West are dependent upon Great Britain, either to make a market or fix the market price of their products.

If the price of wheat in the West is regulated by the price in Liverpool, as the book economists all teach us, how is it that last August, when wheat in Chicago from the 6th to the 26th of September *fell* 30 *cents per bushel*, the price of wheat in Liverpool advanced during the same period, to wit, from 11*s.* 10*d.* to 12*s.* 6*d.* per hundredweight, September 6 to 12*s.* 7*d.* to 12*s.* 9*d.* per hundred-weight September 26.

As these statistics, drawn from the market reports, fail to fortify the theory of the book economists, I may be allowed to say that it was probably owing to the fact that the greenback, which serves the admirable purpose of moving the crops, was locked up in the vaults of the panic-stricken banks of New York. It was owing to our cast-iron system of finance, that could not convert a gold bond into a currency promise, even to save the nation from bankruptcy.

By the failure to secure greenbacks to move the crops to market before close of navigation the farmers of the West suffered a loss greater than the value of the entire grain export to Great Britain. The bulk of the western grain crop of 1873 was marketed below the cost of production. The high rates of interest paid yearly by western grain buyers to eastern banks for currency is so much deducted from the price of grain. This is the farmer's forced contribution to the eastern monopoly of money.

Here I desire to quote from a petition sent to the Senate and House by 200 business men of New York, and presented in the Senate by Senator LOGAN on the 17th of March:

The experience of the last few years, especially in the fall, when the agricultural products of the year must be marketed, has demonstrated that there is insufficient currency to do the legitimate business of the country. Hence there has been increasing stringency in the market, causing great distress and alarm, by which money-lenders have been able to profit for weeks and months to the extent of ½ to ¾ of 1 per cent. per day, and in extreme cases even as high as 2 per cent. per day, or from 45 to 700 per cent. per annum, and this in the money center of the continent. This has enabled a few men at such times, by locking up money, to aggravate the difficulty, and thus command their own terms, not a few of whom are now asking your honorable body to contract the currency that they may more effectually ply their infamous traffic.

These causes produced the late disastrous and ruinous panic, which will undoubtedly be reproduced with still more prostrating effects unless relief be afforded.

Your petitioners therefore respectfully ask that the volume of the currency be increased, especially the legal-tenders, and that provision of elasticity be made, so that business may again be safely resumed.

Western farmers will not be humbugged with the idea that contraction and more squeezing is what they need. Neither will they be deluded by the ingenious sophistries of those learned economists, on the beauties of selling high at home and buying cheap abroad.

POLITICAL ECONOMISTS REVIEWED.

If we admit that the eminent scholars and patrons of English nobility, who have fortified the English system with their speculations, thoroughly understood the subject of finance, we have but one duty to perform: bend all the energies of legislation to secure enough of the gold of King Solomon to say to every emaciated greenback "Thy redeemer liveth."

But while recognizing the fact that political economy is a science, we do not thereby admit that the celebrated Englishmen thoroughly understood it. Political economy is the science of the laws that regulate the production, distribution, and consumption of the products of industry, called wealth. Political economy is not the science of

speculation, but of fact and experiment. The political economy of the books assumes that no medium for the exchange of commodities or values is competent to produce wealth, but some substance which of itself has value. It is argued that the greenback is a mere promise to pay money; that it only represents debt.

A distinguished Senator defines a greenback to be

> A mendicant, which the Government quarters upon its creditors in times of peace, simply by assuring them that when they meet a creditor they may in turn transfer the mendicant upon him.

John Stuart Mill says:

> Paper currency is not money, because it is not a legal tender and does not close transactions.

The same author, in the same chapter, says:

> Bills of exchange and checks circulate as money and perform all the functions of money.

These are remarkable distinctions without a difference.

The paper currency described by Mill is based upon the assumption that the holder of the note can obtain the gold by presenting it at the bank of issue; the bill of exchange assumes that the holder may obtain the gold by presenting it where payable. And yet, according to Mill, the one performs all the functions of money, and the other does not.

Amasa Walker, in his Wealth of Nations, says:

> Our legal-tender money transfers debts, but cannot pay them. The creditor may accept the promises of the Government in place of that of an individual, but he receives no value.

Mann, in his admirable work on Paper Money, says this statement is erroneous, in not recognizing the vital fact that "such notes are as much money in the United States as gold in other countries."

Money derives its force from common consent. If men or governments choose to coin credits instead of gold, and this credit performs all the functions of money, it is as potent to discharge debt and to produce wealth as coined gold. The same remarkable Walker, just referred to, puts a perfect nightmare of statistics into column to prove that when money is plenty interest is high. Consequently scarce money means cheap interest. On this theory a short apple crop means cheap cider, and the hog cholera is the forerunner of cheap hams. If the grangers can only be made to see it, the true solution of the cheap transportation problem is to make a bonfire of about half the freight-cars on our railroads, thereby reducing the freight tariff 50 per cent.

Whether we denounce the greenback as a mendicant or renounce it as a dishonored promise, it was a potent element in war, and is to-day the great mainspring moving all the machinery of Government. As an element of civilization it has taught us that there are other elements than gold and silver by which the affairs of men and nations may be conducted. And it is bound to stay with us in defiance of all the economics of all the Englishmen. Our own country, in war and peace, for the past ten years has been conducted in defiance of every principle of military strategy and political economy laid down by the books. In war the most successful and brilliant military achievements were in direct violation of all military book strategy. Grant's campaign against Vicksburgh, and Sherman's campaign from Rocky Face to Savannah, were both in opposition to military precedents. In peace we have been operating under an exclusively paper currency, and depreciated at that. This, according to the books, is fatal. We have been operating under a protective tariff, which, according to the English economies, is fatal; and yet we have flourished under both.

After Grant had taken Vicksburgh, and "Sherman had marched to the sea," after the iron-clad Monitor had met the Merrimac in Hampton Roads, what were all the books on military and naval strategy worth? And to-day, after ten years of substantial and healthful growth in invention, in manufactures, in material wealth, in population, in moral grandeur, what do all the books of all the Englishmen amount to?

The Declaration of Independence was not written in accordance with English precedent; and when the young Republic was started, as a feeble contribution to a new system of political economy, there was no celebrated Englishman to give it a send-off, or a god-send, with a book. And to-day, with nearly a century of successful history behind us—a century born the year Adam Smith sent into the world his Wealth of Nations—how marvelous it is that not one Englishman has fortified the Republic with a book. And yet we have not seriously felt the loss.

INCONSISTENCY OF THE CONTRACTIONISTS.

By the way, how is it that the political economists on this floor and elsewhere, who are for nothing but gold dollars, are also for a protective tariff? The celebrated Englishmen who have furnished so many ready-made economies are much clearer and stronger on the free-trade doctrine than on the functions of money and the science of finance. How is it that this concentration of English brain for one hundred years, demonstrating the fallacy of protection has failed to carry conviction, while the many loose and disjointed dissertations on the science of finance have made such an overwhelming conviction? It seems to me the argument for contraction is only fortified by the interest of a section, and does not embrace the theory of the greatest good for all sections.

WHAT PAPER MONEY HAS DONE.

The past ten years, during which we have violated so much political economy, has been the most prosperous decade in our brief century of history. In these ten years—nearly one-half of which were desolate with the havoc of civil war—the aggregate wealth of the country has almost doubled.

By the Federal census of 1860 we were worth in round numbers a trifle over $16,000,000,000; in 1870 we were worth over $30,000,000,000. In the decade our export trade increased over 60 per cent., our manufacturing capital over 100 per cent., and the value of manufactured articles over 140 per cent. All this, notwithstanding the immense destruction of property by civil war, valued at eight thousand millions, slave property valued at twelve hundred millions, the killing and maiming of a million men, the payment for an average period of three years of over one million men—not to produce wealth, but to destroy it—the payment of immense bounties and pensions, paying the interest on our bonded debt, paying over three hundred and fifty millions of the principal, and sustaining taxation as no new nation was ever taxed before. The result is as marvelous as it is magnificent.

What is the secret of this, the grandest contribution thus far in the history of civilization to that great science of political economy? The secret is this. We are a nation of immense resources. The Government has extended to all her children her generous credit. With this credit the genius, the wonderful activity, and the invincible energy of the American people have had full swing. With this credit we have dug coal, smelted iron ores, fashioned the metals, fabricated the machines, built towns and cities, and gemmed the land with thriving and busy industries. With this credit we have corduroyed the land with railroads, made populous States of prairies and forests, and empires of States. This progress has been healthful, this development has been substantial, this wealth is tangible. It has been an era of universal prosperity. And yet we have not had, except in the Pacific States, a dollar of gold, the so-called currency of the world, in circulation. The greenback, now so fiercely denounced upon this floor and elsewhere, was our only currency.

How could we grow so in defiance of all the theories of all the Englishmen who have incubated so laboriously so many political economies? How dare we prosper so in the face of the great fact that gold, the only measure of value, had left the young Republic like a coward, and hid its face for an entire decade among the monarchies?

All the political economists say that paper currency always depreciates in value, and yet our currency is worth more to-day in the midst of a panic than ever before. All the political economists say that a paper currency once issued, the tendency to inflation cannot be restored; and yet since 1865 we have reduced the volume of our currency over four hundred millions.

PAPER MONEY OF REVOLUTIONARY GOVERNMENTS.

The French *assignats*, the continental money of the Revolution, and confederate scrip, are cited as evidence that money issued upon credit must eventually collapse. The French *assignats*, issued upon the confiscated property of the church, were the offspring of the French revolution. They depreciated when the Austrian and Prussian veterans prepared to cross the French frontier; and when England joined the alliance, of course they went down. The continental money of the American Revolution was born of necessity, and utterly failed because it was fortified with no central government, and represented no property. The confederate money never promised to pay anything until six months after the treaty of peace, and the treaty of peace has not yet been signed.

The John Law schemes and the South Sea Island bubbles that are injected into this discussion to illustrate the ultimate collapse of our greenback currency, are not even respectable scarecrows.

The greenback is fortified by all the powers of a strong central Government, and its redemption is pledged by the united property and resources of forty million people with over thirty billions of realized wealth. The greenback has been the most potent element in the march of empire, and the voice that seeks to dishonor it is inspired by the sordid greed of those who would speculate upon the misfortunes of their countrymen.

The abuses to which paper money has been subjected in times past by revolutionary and unstable governments is brought forward now as an argument against the greenback. Because the issue of paper money is liable to abuse, is not a wholesome objection to our system. The power of the people to make laws through Congress often leads to unwholesome legislation; yet this is no valid argument against a republic.

MONEY PANICS CONSIDERED.

If there had never been a money panic before the advent of the "greenback" the present howl and scowl of the book economists would be better heeded.

Adam Smith, in his Wealth of Nations, in commending a system of banking based upon gold, says of the Bank of Amsterdam, which failed soon after the book was published:

> At Amsterdam no point of faith is better established than that for every guilder circulated as bank money there is a corresponding guilder of gold or silver to be found in the treasures of the bank.

When Adam Smith wrote this the bank which he commended, and whose system of political economy he indorsed, had been in a bank-

rupt condition for fifty years. The deposits of the bank in 1775, four years before it failed, and at the time Adam Smith wrote, amounted to thirty-five millions and its annual business was four thousand millions.

If Adam Smith were living in this age of newspaper audacity, and had ever commended Jay Cooke's system of banks, whose failure has not entailed a tithe of the loss and suffering caused by the failure of the Bank of Amsterdam, he would now be quoted as a profound scoundrel rather than as a profound thinker or political economist. There were more bank failures in this country under the old system based upon gold than bank-note reporters could record, and the power to detect wild-cat and counterfeit money was an important feature in a business man's education; and there was never a decade without a panic.

ENGLAND'S SYSTEM DISCUSSED.

The English system of finance is held up here by the contractionists as a model. And yet England had panics in 1784, in 1793, in 1810, in 1819, in 1825, in 1837, in 1847, in 1857, in 1862, and in 1866. Still, it is no fair criterion to compare this nation with England. England is a credit nation; we are a debtor nation. The wealth of England is realized; ours is hidden in soil and mine, and is to be developed. England has been full of gold for two centuries, and is constantly augmenting her supply from Australia, South America, and the United States; we are constantly parting with our already meager supply to pay our debts.

Until recently England made iron for half the world, and for nearly a century she enjoyed almost a monopoly in manufacture. During all the period of her war with France, from 1797 to 1815, England preserved the mastery of the seas, and during all that time she supplied the continent of Europe with her manufactured articles. We must not forget that about this time science and engineering were just coming to the front, with the steam-engine, the spinning-jenny, and the power-loom. These inventions, so successfully applied, gave England a mastery over all the nations of the Continent that defied both fate and fortune. She had within her reach the raw cotton of America, the flax of Russia, the sugar and coffee of the West Indies, and the rich commerce of the exhaustless East. She had her American, her African, her Australian, her Asiatic empires, all contributing to her wealth, all pouring gold and treasures into her lap.

Mark the contrast between England in 1819 and our own country now. During the last decade our gold supply has been rapidly depreciating. During the decade from 1863 to 1872 we have exported $186,752,273 in gold and silver, and imported but $160,709,492. With seven hundred and fifty millions of paper money and about one hundred and forty millions of gold in the country, the proposition to resume in times of general confidence would be impolitic. To attempt it in time of a panic, is criminal folly.

The wise men of the East who are for specie payments now or nothing, claim that a demand for gold here will draw gold from other nations, and that, if necessary, we can realize gold from the sale of Government bonds. Two bills have been introduced in the Senate, proposing that the Government borrow gold in the markets of the world to redeem our greenbacks. The advocates of this remarkable scheme are reminded by Senator BOUTWELL that it is entirely impracticable. I quote from a late speech of that Senator:

> When the negotiations were going on in London for the sale of the largest amount of United States bonds that has ever been sold there at one time, it was foreseen by the Bank of England that a quantity of coin would accumulate as the proceeds of these bonds to the credit of the United States. As a matter of fact there was an accumulation of about $21,000,000. The Bank of England, foreseeing that there would be an accumulation of coin to the credit of the United States which might be taken away bodily in specie, gave notice to the officers of the Treasury Department of the United States that the power of that institution would be arrayed against the whole proceeding unless we gave a pledge that the coin should not be removed, and that we would reinvest it in the bonds of the United States as they were offered in the markets of London. We were compelled to do it. * * * There are in the nine great banks of Europe only $600,000,000 in specie. That specie is held as a reserve with reference to their local business and with reference to the great transactions that take place between the countries of the continent of Europe and Great Britain. I may say, without disparaging the authors of these propositions, that it is useless for Congress to waste time upon legislation looking in that direction.
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> There is another fact, known to all. We recovered at Geneva an award against Great Britain of $15,500,000. When this claim was maturing the banking and commercial classes of Great Britain induced the government to interpose, and by diplomatic arrangements through the State Department here, operating upon the Treasury Department, secured the transfer of securities and thus avoided the transfer of coin. In the presence of these facts, is it to be assumed for a moment that we can go into the markets of the world and purchase coin with which we can redeem one, two, three, or four million outstanding legal-tender notes?

The objections so clearly and forcibly presented by the late Secretary of the Treasury are insurmountable. The proposition is not worthy of serious consideration.

THE EFFECT OF SPECIE RESUMPTION IN ENGLAND.

What was the result of specie resumption in England; notwithstanding her ample preparation for the event and her abundant treasures of the precious metals? I read from Doubleday's Financial History of England:

> The currency bill of 1819 (Peel's bill to restore cash payments) was passed at the instance of a committee among whom were all the parliamentary dabblers in political economy, of whom Peel was chairman. Horner, chairman of the bullion committee of 1810, was dead; but in his stead they had Ricardo, a rich Jew stock-jobber, who having made an immense fortune by the worst species of gambling, had also contrived to obtain a reputation by the publication of some books on political economy. Peel was pitched upon for this unfortunate service mainly because he was a young man of aspiring pretensions and vast wealth.

Let us inquire how England was affected by resumption of specie payments. I quote from Doubleday's Financial History of England in describing the situation the year after specie payments were resumed:

> The distress, ruin, and bankruptcy which now took place were universal, affecting both the great interests of land and trade. In hundreds of cases, from the tremendous reduction in the price of land, the estates barely sold for as much as would pay off the mortgages, and hence the owners were stripped of all and made beggars. The tables of both houses of Parliament were loaded with petitions, detailing scenes of hardship and destitution appalling in the extreme.
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> It was an era of suffering, destitution, and crime, and the whole land was one scene of confusion, dismay, and bankruptcy.
>
> The price of grain went on slowly and progressively falling for a decade, when, in 1833, wheat was selling for four shillings a bushel. Prices were, upon the whole, lower than they had been for half a century before, and agricultural distress pervaded the land from one end to the other.

From the effects of this first decade of destitution and suffering, which the attempt at specie resumption precipitated in 1821, the laboring and struggling classes in England have never recovered. Her industrial classes have been kept always on the verge of want. Pauperism and crime have increased, and are increasing with appalling rapidity, while wealth is rolling in huge masses controlled by a few. We see the name of yeoman forgotten in England, and instead of a land of diffused wealth, it has been metamorphosed into a land of criminals and discontented paupers, lorded over by gigantic moneyed aristocrats. Thirty thousand people own all the land of England, and one hundred and fifty men and women own half.

Ruskin, in one of his late lectures, says:

> Though England is deafened with spinning-wheels, her people have not clothes; though she is black with digging of fuel, her people die of cold; though she has sold her soul for gain, yet they die of hunger.

Before we take England for illustration let us look further into the statistics.

The Bank of England resumed specie payments in May, 1821, under the act of 1819, (Peel's bill.) One year before specie payments were resumed the Bank of England notes were only depreciated about 2½ per cent. The bank held in its vaults £11,869,000 in gold to redeem a circulation of £22,884,000. Yet with this 50 per cent. of gold to redeem its notes, at a time, too, when there was no speculation in gold as a commodity as at this time, this amount was found insufficient; for in 1825 the bank was drained of its specie. A disastrous panic was the result. This was only stayed by the Bank of England issuing £5,000,000 (equal to $25,000,000) of bank-notes in excess of its charter allowance. McLeod, in his work on Banking, says:

> Had not this policy been pursued an entire destruction of commercial credits would have been the result.

Our own disastrous panic could doubtless have been averted by the issue of even one-half the forty-four million reserve; but I am not discussing that question now.

Again, in England in 1837, after President Jackson had refused to sign the charter for the renewal of the United States Bank, and laws were enacted for cash banking by the States, there was a drain of coin from the vaults of the Bank of England, which caused a panic in England, in which all the great commercial houses in trade with the United States were swept away. The drain of the precious metals was not only felt in England but all over the Continent. In 1838 and 1839 this drain was so aggravated in England, that she was compelled to borrow money from the Bank of France. This alone saved the bank from utter ruin; and it was only the fact that the weak condition of the bank was not known that it was saved at all. The bank averages of bullion for the last four months, ending with 1839, were less than £3,000,000. In this country, in this age of daylight and telegraph and newspaper inquisitions, such a concern would not stand for thirty hours.

HOW PANICS ARE RELIEVED IN ENGLAND.

It seems strange that the contractionists are making war upon the Secretary of the Treasury for issuing a portion of the forty-four million reserve, when the Bank of England has always adopted a similar policy to avert a crisis in Great Britain.

In the panic of 1857 the Bank of England increased its loans in violation of its charter in a very few days to the amount of $60,000,000; and during the panic of 1866 to the amount of $75,000,000. As the Secretary of the Treasury has only imitated in a small way the policy of the Bank of England, it is contemptible in the book economists to denounce him.

The Bank of England, when specie payments were resumed, held in its vaults 50 per cent. of gold to redeem its circulation; and yet, in order to maintain it, the bank was compelled to reduce its circulation in one year £7,000,000, and its discounts to merchants from nine to four million pounds, or over 50 per cent. A like contraction of credits in this country would bankrupt half the business men, East as well as West.

If England's trade and industry were paralyzed for two entire decades by this policy after her ample preparation, do the political economists think this country, with no preparation and no adequate gold supply, should imitate England's example now?

A monarchy may crush out the laboring and industrial classes, but a republic dare not and cannot.

The notes of the Bank of France are slightly depreciated, notwithstanding the fact that less than $600,000,000 of these notes are in circulation, and the other important fact that she has $800,000,000 of gold coin.

In this country there has never been a time when we had 20 per cent. of gold and silver to circulation. The percentage of specie to circulation in 1859, two years after the disastrous panic of 1857, was less than 15 per cent.; and the percentage of specie to circulation that year exceeded that of any year since 1842.

Since 1859 the legitimate demand for money has almost tripled, and our gold supply has fallen off one hundred and fifty millions. Specie payments are impossible; contraction is ruin.

CONCLUSION.

Let us put aside as unworthy of consideration the threadbare assertion that a wholesome money supply will demoralize the people by engendering speculation. This argument is based upon the theory that the business men of this country cannot be trusted with their own business.

Currency is credit. This credit Webster defined as the vital air of modern commerce. The West to-day, with untold wealth to be developed, stands pleading for this credit. With this credit confidence will be restored, trade will revive, industry will start again her busy fingers, and the car of progress roll onward as before. Without it, the solemn proclamation must go forth that we have reached the highest limit of our development.

ENROLLED BILL SIGNED.

Mr. HARRIS, of Georgia, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled a bill of the following title; when the Speaker signed the same:

An act (H. R. No. 2213) granting a pension to Mrs. Cynthia McPherson, mother of the late General James B. McPherson.

WYOMING AND TA KIANG.

Mr. MYERS, from the Committee on Naval Affairs, by unanimous consent, submitted a report to accompany the bill (H. R. No. 782) for the relief of the officers and crew of the United States ship Wyoming and the Ta Kiang; and the same was referred to the Committee of the Whole on the Private Calendar.

LAND CLAIMS IN NEW MEXICO.

The SPEAKER, by unanimous consent, laid before the House a communication from the Secretary of the Interior, transmitting, in compliance with the act of July 22, 1854, reports of the surveyor-general of New Mexico on private land claims in that Territory; which was referred to the Committee on Private Land Claims, and ordered to be printed.

SAINT LOUIS AND ILLINOIS BRIDGE ACROSS THE MISSISSIPPI.

The SPEAKER also, by unanimous consent, laid before the House a communication from the Secretary of War, transmitting a report on the construction of the Saint Louis and Illinois bridge across the Mississippi River; which was referred to the Committee on Commerce, and ordered to be printed.

REPORTS FROM THE POSTMASTER-GENERAL.

The SPEAKER also, by unanimous consent, laid before the House a communication from the Postmaster-General, transmitting, in compliance with the act of June 8, 1872, to revise, consolidate, and amend the statutes relating to the Post-Office Department, certain reports; which was referred to the Committee on the Post-Office and Post-Roads, with leave to print if the committee should so decide.

SETTLERS ON DES MOINES RIVER LANDS.

Mr. ORR, by unanimous consent, presented a report from the Committee on the Public Lands upon the bill (H. R. No. 1142) in relation to settlers on the Des Moines River lands; which was ordered to be printed and recommitted.

IMPROVEMENT OF OAKLAND HARBOR, CALIFORNIA.

Mr. PAGE, by unanimous consent, presented a memorial of the common council of the city of Oakland, California, relative to the improvement of the harbor of that city for commercial purposes; which was referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

CITY COUNCIL CHAMBER, CITY HALL,
Oakland, California, January 19, 1874.

The common council of the city of Oakland duly convened for official business this 19th day of January, A. D. 1874—the president and all the members being present—on motion of Councilman Spaulding, seconded by Councilman Warner, it is resolved to memorialize the honorable Congress of the United States upon the importance of improving the harbor of Oakland for commercial purposes, and for the reasons which the following recital of facts will show:

First. The commerce of the United States, in traffic and travel, as connected with the Pacific coast and the great continental roads, is now and has been for several years carried on over the water-front of the city of Oakland, in the State of California.

Second. That while this commercial business is rapidly increasing, it had already attained in 1872-'73 the aggregate of four hundred and fifty thousand tons of general freight; and in the year ending July 1, 1873, no less than one hundred and ten ships were loaded at the Oakland wharf with California wheat, amounting to one hundred and sixty-one thousand tons, to be distributed to the markets of the world.

Third. The transit of passengers from Asiatic and other foreign ports, from San Francisco and from the cities east of the Rocky Mountains, arriving and departing at Oakland by the great overland railroads, amounted to an aggregate of sixty-seven thousand souls for the year ending January 31, 1873; the local travel by ferry-boat between Oakland and San Francisco shows a rapid yearly increase, and now requires the constant use of half-hourly boats and trains, carrying a daily average of five thousand persons, equal to a yearly total of nearly two million passengers. During the year 1873 the treasure from all sources in the interior of the State of California and from the Nevada mines, reaching the Oakland dock, amounted to no less than $31,000,000 in value. The two staples of the Pacific slope, wheat and bullion, find readiest access to deep water upon the Oakland water-front. The location of the city of Oakland relative to the range of mountains known as the Coast Range of California, and the great Bay of San Francisco, is such as to make the Oakland water-front the nearest practicable railroad approach to deep water in the bay, alike adjacent to the city of San Francisco and the Pacific Ocean.

And whereas the present wharf, although erected by the railroad companies at a cost of nearly $1,000,000, can only be regarded as a temporary structure, and entirely inadequate to the present and prospective demands of commerce: Now, therefore,

Be it resolved, That the common council of the city of Oakland, in the State of California, do hereby most respectfully call the attention of Congress to the above plain recital of facts, and ask that a suitable appropriation may be made for the improvement of the estuary of San Antonio, the harbor of Oakland, in accordance with such plans as may be recommended or considered expedient by the board of engineers for the Pacific coast, and the Chief of Engineers, United States Army.

MACK WEBBER,
President of Council.

Attest:
W. WILLEBRAND, *City Clerk.*

ADJOURNMENT.

Mr. RANDALL. I move that the House adjourn.

Mr. MAYNARD. I desire to say—and I say it at this time that it may go in the RECORD—that I have been asked by several members whether I would recommend to the House a session for debate this evening, and I have invariably replied that I would ask for such a session, could I be assured there would be any one to speak. I have received no assurance of that kind, and therefore I do not feel at liberty to ask for such a session.

The motion of Mr. RANDALL was agreed to; and accordingly (at five o'clock and fifteen minutes p. m.) the House adjourned.

PETITIONS, ETC.

The following memorials, petitions, and other papers were presented at the Clerk's desk, under the rule, and referred as follows:

By Mr. BARRERE: The petition of 400 citizens of Elmwood, Peoria County, Illinois, asking for increase of currency and free banking, to the Committee on Banking and Currency.

Also, the petition of citizens of Summum, Fulton County, Illinois, praying for an increase of currency and remonstrating against contraction, to the same committee.

By Mr. BROMBERG: Petition of the Board of Trade of Columbus, Mississippi, relative to refunding the cotton tax, to the Committee on Ways and Means.

By Mr. BUTLER, of Tennessee: Papers relative to the claim of M. B. Salton, of Grainger County, Tennessee, to the Committee on War Claims.

By Mr. CLAYTON: Resolution of the Legislature of the State of California, requesting their Representatives in Congress to use their influence to procure the abolition of the tariff on quicksilver, to the Committee on Ways and Means.

Also, resolution of the Legislature, relative to the construction of a railroad and telegraph line from the Missouri River to the Pacific Ocean, to the Committee on the Public Lands.

Also, resolution of the Legislature, relative to the establishment of a mail-route from Reno, in the State of Nevada, to Quincy, in the county of Plumas, in the State of California, to the Committee on the Post-Office and Post-Roads.

By Mr. COBB, of North Carolina: Petition for a post-route from Kinston, North Carolina, via Belle Ferry, Johnson Mills, and Dawson's Store, to Swift Creek, North Carolina, to the Committee on the Post-Office and Post-Roads.

By Mr. CURTIS: Petition of citizens of Erie, Pennsylvania, praying for an appropriation for the removal of the bar in Saginaw River, to the Committee on Commerce.

By Mr. DUELL: The petition of citizens of Onondaga County, New York, asking that a post-route be established from Amber, via Marietta, to Marcellus, New York, to the Committee on the Post-Office and Post-Roads.

By Mr. HARRIS, of Georgia: The petition of citizens of Georgia, praying for a post-route from Hogansville, via Harrisonville and Owensbyville, to Houston, Georgia, to the Committee on the Post-Office and Post-Roads.

By Mr. McJUNKIN: The petition of citizens of Armstrong County, Pennsylvania, in opposition to the restoration of the duty on tea and coffee, to the Committee on Ways and Means.

By Mr. SCUDDER, of New York: The petition of the Methodist Episcopal church of Hempstead, New York, signed by the pastor, Rev. George Lansing Taylor, and other officers, asking for a commission of inquiry concerning the alcoholic liquor traffic, to the Committee on the Judiciary.

By Mr. SMITH, of Ohio: The petition of citizens of Ohio, asking for a commission of inquiry on the subject of the liquor traffic, to the Committee on the Judiciary.

By Mr. SPRAGUE: The petition of citizens of Athens, Ohio, asking for a commission of inquiry into the liquor traffic, to the Committee on the Judiciary.

By Mr. WHITEHEAD: Petition and papers for the relief of certain citizens of Lynchburgh, Virginia, to the Committee on Claims.

IN SENATE.

WEDNESDAY, *April* 1, 1874.

Prayer by the Chaplain, Rev. BYRON SUNDERLAND, D. D.

On motion of Mr. MORTON, and by unanimous consent, the reading of the Journal of yesterday's proceedings was dispensed with.

PETITIONS AND MEMORIALS.

Mr. CONKLING. I present the proceedings and resolutions of the common council of the city of Brooklyn, New York, remonstrating against the disposition by the Government of portion of the lands lying in the Wallabout, in the city of Brooklyn. This paper pertains more especially to one of the Executive Departments of the Government, but I move its reference to the Committee on Naval Affairs, that the subject may go before that committee.

The motion was agreed to.

Mr. CONKLING. I present also the memorial of the East Side, West Side, and North Side Associations of the city of New York in favor of increased appropriations for the removal of obstructions at Hell Gate in the East River. This petition sets forth historically a very strong case, showing, among other things, the immense importance to the commerce of the whole country of a free channel at that point. I move that the memorial be referred to the Committee on Commerce.

The motion was agreed to.

Mr. WEST presented the petition of L. Madison Day, praying reimbursement for property purchased by him from the Government; which was referred to the Committee on Claims.

He also presented a memorial of citizens of the town of Alexandria, Louisiana, praying for the building of a breakwater in the Red River opposite the town of Alexandria in that State; which was referred to the Committee on Commerce.

Mr. HAGER presented a resolution of the Legislature of California, asking for the abolition of the tariff duty on quicksilver; which was referred to the Committee on Finance.

He also presented a memorial of the Legislature of California, in favor of the establishment of a mail-route from Reno, in the State of Nevada, to Quincy in California; which was referred to the Committee on Post-Offices and Post-Roads.

Mr. HAGER. I present a memorial of the Legislature of California, reciting that heretofore lands have been granted for the construction of railroads on condition that they should be sold and disposed of within three years after the road was completed, and asking legislation on the subject requiring the companies to report the lands that they have disposed of according to their charters, and that as to those which may not have been sold, provision shall be made for their settlement and pre-emption as in other cases. I move the reference of this memorial to the Committee on Public Lands.

The motion was agreed to.

Mr. CHANDLER presented a petition of citizens of Michigan, praying that soldiers in the late war who have lost a leg above the knee shall be entitled to the same increase of pension as is allowed by law to those who have lost an arm above the elbow; which was referred to the Committee on Pensions.

Mr. SPRAGUE presented a memorial of John Beeson, asking the appointment of a delegation, composed in part of women, to visit the Indian tribes and devise means to improve their condition; which was referred to the Committee on Indian Affairs, and ordered to be printed.

Mr. SCHURZ. I present a concurrent resolution passed by the General Assembly of Missouri, instructing the Senators from that State and requesting the Representatives to support House bill No. 2342, which provides for the improvement of the mouth of the Mississippi according to the plan submitted by James B. Eads. I move the reference of the resolution to the Select Committee on Transportation Routes to the Sea-board.

The motion was agreed to.

Mr. SCHURZ. I also present a concurrent resolution passed by the General Assembly of Missouri, instructing the Senators and requesting the Representatives of that State to take such steps as may be necessary in reference to the establishment of a daily mail each way between Cairo, Illinois, and Poplar Bluff, Missouri, over the Cairo, Arkansas and Texas Railroad. I move its reference to the Committee on Post-Offices and Post-Roads.

The motion was agreed to.

The PRESIDENT *pro tempore* presented the petition of James Connolly and others, in favor of an additional issue of currency; which was referred to the Committee on Finance.

PAPERS WITHDRAWN AND REFERRED.

On motion of Mr. MORRILL, of Maine, it was

Ordered, That the petition and papers of Anna Ella Carroll be taken from the files and referred to the Committee on Military Affairs.

REPORTS OF COMMITTEES.

Mr. DAVIS, from the Committee on Claims, to whom was referred the petition of James Cameron, of Tennessee, praying compensation for property taken and used by the Army of the United States during the late war, submitted a report, accompanied by a bill (S. No. 647) to pay James and Emma S. Cameron for property taken and used by the Army during the late war.

The bill was read and passed to a second reading, and the report was ordered to be printed.

Mr. DAVIS. I would remark that that claim is for damage done to property, destruction of timber lands, &c., and it is indorsed by the then General, now President, Grant as being just and equitable, and he says it ought to be paid. I state this in the light of what has occurred recently in debate here.

Mr. McCREERY, from the Committee on Indian Affairs, to whom was referred the petition of certain settlers on the Sac and Fox diminished reserve, Osage County, Kansas, praying an extension of the time in which to make payments for their lands, asked to be discharged from its further consideration; which was agreed to.

Mr. INGALLS, from the Committee on Indian Affairs, to whom was referred a letter of the Secretary of the Interior, relative to the suffering condition of certain Chippewa Indians in Wisconsin, reported a bill (S. No. 648) making an appropriation for the relief of Chippewa Indians attached to the Red Cliff and Bad River reservations, in the State of Wisconsin; which was read, and passed to a second reading.

Mr. SARGENT, from the Committee on Naval Affairs, to whom was referred the petition of Captain Albert G. Clary, United States Navy, now on the active list, asking to be restored to his original position on the Navy Register next after Commodore C. R. P. Rodgers, submitted an adverse report thereon; which was ordered to be printed, and the committee was discharged from the further consideration of the petition.

ROBERT M. AND STEPHEN A. DOUGLAS.

Mr. MERRIMON. I am directed by the Committee on Claims, to whom was referred the petition of Robert M. and Stephen A. Douglas, to report the accompanying resolution referring the claim, so far as it refers to cotton, to the Court of Claims.

The resolution was read, as follows:

Resolved, That the petition and accompanying papers in the matter of the petition of Robert M. Douglas and Stephen A. Douglas, praying that they be paid for certain cotton and other property, in so far as the same relates to cotton, be, and the same are hereby, referred to the Court of Claims, to be heard and determined according to law and the course of that court in such cases and proceedings.

The PRESIDENT *pro tempore*. The Chair would suggest that this relief should be granted by a bill.

Mr. MERRIMON. The act of Congress provides otherwise. The committee examined into that matter.

The PRESIDENT *pro tempore*. The Chair will put the question on agreeing to the resolution.

The resolution was agreed to.

BILLS INTRODUCED.

Mr. WEST asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 649) for the relief of L. Madison Day; which was read twice by its title, and referred to the Committee on Claims.

Mr. INGALLS asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 650) explanatory of the resolution entitled "A resolution for the relief of settlers upon the absentee Shawnee lands in Kansas," approved April 7, 1869; which was read twice by its title, referred to the Committee on Indian Affairs, and ordered to be printed.

CHURCH ON WHITE-EARTH RESERVATION.

Mr. BUCKINGHAM. I have necessarily to be absent for a few days, and there is a bill on the Calendar which will probably be reached in my absence; but I would prefer, if the Senate would indulge me, to have it taken up now. It is House bill No. 1930.

By unanimous consent, the bill (H. R. No. 1930) to secure to the Episcopal Board of Missions the land in the White-Earth Indian reservation, in Minnesota, on which are situated their church and other buildings, was considered as in Committee of the Whole.

It is a direction to the Secretary of the Interior, with the consent of the Mississippi bands of Chippewa Indians, to cause to be issued a patent to the Episcopal Board of Missions for eighty acres of land, to embrace the church, parsonage, and hospital, and such other buildings as may have been, or may, prior to the issue of the patent, be, erected, by and under the direction of the board, on the White-Earth Indian reservation in Minnesota; the land to be selected by the person acting under the authority of the board, and reported by the United States agent for the Chippewa Indians in Minnesota, through the office of Indian Affairs, to the Secretary of the Interior; and there is a proviso that the estate conveyed to the board shall cease and be determined when the land and the erections thereon shall no longer be occupied and used by the board for missionary and school purposes.

Mr. BUCKINGHAM. I am authorized to propose the following amendment: In line 6 I move to strike out the words "Episcopal Board of Missions," and insert "Domestic and Foreign Missionary Society of the Protestant Episcopal Church in the United States;" that being the proper name of the society.

The PRESIDENT *pro tempore*. That amendment will be made if there be no objection.

Mr. BUCKINGHAM. The word "board" will be found in the tenth line, and also in the twelfth, fifteenth, and seventeenth lines of the bill. In each of those lines I move that the word "board" be stricken out, and the word "society" substituted.

The PRESIDENT *pro tempore*. Those amendments will be made if there be no objection.

The bill was reported to the Senate as amended, and the amendments were concurred in.

It was ordered that the amendments be engrossed, and the bill read a third time.

The bill was read the third time, and passed. Its title was amended so as to read: "A bill to secure to the Domestic and Foreign Missionary Society of the Protestant Episcopal Church in the United States the land in the White-Earth Indian reservation, in Minnesota, on which are situated their church and other buildings."

SEMINOLE ANNUITIES.

Mr. BUCKINGHAM submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the bill (H. R. No. 1923) authorizing the payment of annuities into the treasury of the Seminole tribe of Indians, having met, after full and free conference have agreed to recommend, and do recommend, to their respective Houses as follows:

That the House recede from its disagreement to the Senate amendment to lines 18 and 19, striking out the words "seven thousand five hundred" and inserting the words "five thousand;" and that the amendment of the Senate be agreed to.

WILLIAM A. BUCKINGHAM,
JOHN J. INGALLS,
T. C. McCREERY,
Managers on the part of the Senate.
JOHN T. AVERILL,
A. COMINGO,
Managers on the part of the House.

The report was concurred in.

ASBURY DICKINS.

The PRESIDENT *pro tempore*. The first bill on the Calendar will now be proceeded with, unless there be further morning business.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. No. 1580) for the relief of the heirs of Asbury Dickins, the pending question being on the amendment of Mr. MITCHELL to strike out, in line 6, "$3,976.19," and in lieu thereof to insert "$3,385.15."

The amendment was agreed to.

Mr. MITCHELL. I call for the reading of the minority report.

Mr. SCOTT. I was about proceeding, when the morning hour expired yesterday, to speak briefly in answer to the Senator from Oregon [Mr. MITCHELL] upon this bill; and I had proceeded so far as to state that the question involved in it was whether the Senate would now ignore the principles that have been adopted in legislation since 1839 denying to public officers extra pay or double pay when they discharged the duties for a short period of a different office from that to which they were appointed. I had further proceeded so far as to read the act of 1792, under which the present claimant held his appointment, and I will again read it for the purpose of making it applicable to the few remarks that I will make now. The act reads thus:

SEC. 8. *And be it further enacted*, That in case of the death, absence from the seat of government, or sickness of the Secretary of State, Secretary of the Treasury, or of the Secretary of the War Department, or of any officer of either of the said Departments whose appointment is not in the head thereof, whereby they cannot perform the duties of their respective offices, it shall be lawful for the President of the United States, in case he shall think it necessary, to authorize any person or persons, at his discretion, to perform the duties of the said respective offices until a successor be appointed, or until such absence or inability by sickness shall cease.

I had further remarked that the person who drew that act of Congress evidently drew it with the intention of obviating a constitutional objection. That objection will appear by reference to the second section of the second article of the Constitution, which I will also read. It is:

He—

That is the President—

shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur; and he shall nominate, and, by and with the advice and consent of the Senate, shall appoint embassadors, other public ministers and consuls, judges of the Supreme Court, and all other officers of the United States, whose appointments are not herein otherwise provided for, and which shall be established by law; but the Congress may by law vest the appointment of such inferior officers, as they think proper, in the President alone, in the courts of law, or in the heads of Departments.

Now, I ask attention to the fact that the claim made here is for the performance of the duties of Secretary of State and Secretary of the Treasury, in each case the head of a Department, so that this officer is not one the appointment of whom Congress may by law vest in the President alone, in the courts, or in the heads of Departments. He is himself, if he is such an officer, the head of a Department, and if he be one of the officers to be nominated by and with the advice and consent of the Senate, as he evidently is, then he could not have been Secretary of the Treasury or Secretary of State. Now, the claim made for him here, and the ground upon which that claim was decided in his favor in the Court of Claims, was that he was filling two offices. He could not fill two offices. He was simply the chief clerk of the State Department and the chief clerk of the Treasury Department, and as such under this act of 1792, treating it as constitutional, he was not appointed Secretary of State; he was not appointed Secretary of the Treasury, but he was by the President authorized "to perform the duties of the said respective offices until the absence" or inability from sickness should cease. He was not, therefore, the Secretary of the Treasury or the Secretary of State, and it may be that at some time in the future, when such officers shall be performing these duties and shall do some act which they can only do by virtue of their authority as head of a Department, a very serious question may arise as to whether such a person has all the authorities of the head of a Department. But that does not arise here. The only question we have now before us is, whether Mr. Dickins, or his legatees he having deceased, shall be paid the salary of the Secretary of the Treasury and the Secretary of State during the time that he was performing the duties of those offices under the designation of the President.

These services were performed in 1829 and from that period up until 1836, so that the Senate will see that forty-five years have elapsed since the first of these services were performed and thirty-eight years since the last of them were performed—services performed at intervals covering sometimes a few days, sometimes twelve or thirteen—I believe the longest period was forty-eight days—some of them nine, some of them four, some of them three, some twenty-one, some thirty-two, &c.

From 1836 until the time of his death (I do not exactly remember the date of it, but it was probably in 1851) Mr. Dickins was the Secretary of this body, and had ample opportunity, if he had a just claim, of presenting it and having it most favorably considered; but thirteen years elapsed from the time the last of these services were performed in 1836 before he ever presented a petition to Congress claiming anything at all; and the idea that he was entitled to claim seems then to have been suggested by the fact that the chief clerk of the War Department presented a claim for services of a similar character and the accounting officers allowed it, supposing they had the authority to do so. He then for the first time presented his claim in 1849, and it has been in Congress with varying success from that time down to the present, sometimes passing the House, at other times defeated in the House, once or twice I believe passing the Senate and being defeated in the House, but never having obtained the sanction of both Houses of Congress so as to pass it into a law.

Now it comes before us in 1874, forty-five years, as I have stated, after the first services were rendered, and the question presented to the Senate is, will we encourage all the claims that may lie buried in those forty-five years for services of a similar character—services on the part of clerks or officers of a Department who may be detailed for a short time from the Bureau or desk which they occupy to perform the duties of a Bureau or desk of a different character? As I have already said, if it be the pleasure of the Senate to vote this amount to the legatees of Mr. Dickins from other motives, from motives of sympathy, from motives of respect for his memory, or anything of that character, let it be upon that ground; but, as the chairman of the Committee on Claims, I deem it my duty to stand here and as far as I can to hold the door shut against the flood of claims that will follow if the principles of our legislation be broken over by the passage of any act of this character.

Now let us look at it. He was the chief clerk of the Treasury Department, and in 1818 an act was passed reorganizing the various Executive Departments, and what was the language of that act? Let me read the section:

SEC. 9. That the compensation allowed by this act to clerks, shall commence from and after the 31st day of March last, and it shall be the duty of the Secretaries for the Departments of State, Treasury, War, and Navy, of the Commissioners of the Navy, and the Postmaster-General, to report to Congress at the beginning of each year the names of the clerks they have employed respectively in the preceding year, together with the time each clerk was actively employed during the year, and the sums paid to each; and no higher or other allowance shall be made to any clerk in the said Departments and offices than is authorized by this act.

Let it be borne in mind that Mr. Dickins was at these respective times the chief clerk of the Treasury and the State Departments. I have argued that he could hold no other office under this act of 1792. The act does not authorize the President to appoint him to another office, but authorizes him to detail such clerk for the time being to the discharge of the duties of another office. He was then the chief clerk of the Treasury Department; and the argument of the Senator from Oregon and of this minority report is that as such clerk he shall be paid no other salary. Very well, let it be so. What other office does he hold, then? That of chief clerk. The language is that while he holds that clerkship "no higher or other allowance shall be made to any clerk in the said Departments and offices than is authorized by this act," and I hold that that act under which he held his appointment in 1829 is a prohibition of an allowance for another office, any other compensation than that of the clerkship which he then held.

Mr. ANTHONY. What is the date of that act?

Mr. SCOTT. The date of that act is 1818, an act in force at the time these services were rendered, and I do not wish the Senate to lose sight of that act. It is conceded that the act of 1839, the act of 1842, and subsequent acts expressly prohibited the payment of such a compensation as is here allowed; and if the acts of 1839 and 1842 had been on the statute-book at the time these services were rendered, no member of the minority of the committee who makes this report would contend that the payment of this claim is not absolutely and in terms prohibited by those acts of Congress. Now I hold——

Mr. ANTHONY. I am not as familiar with that act as the Senator from his service on the Committee on Claims has been, but my impression is that the construction of the act has repeatedly allowed similar payments to be made, one of them to Mr. Fletcher Webster.

Mr. SCOTT. The report cites the cases of Fletcher Webster and of Mr. Young, chief clerks of the State and Treasury Departments; and the peculiarity of this case is that if the construction was then placed upon this act which authorized these clerks to be paid for services thus rendered, the same construction ought to have been given at that time to the act in favor of Mr. Dickins if he made his claim. He was paid for one of the short periods during which he performed the duties of Secretary of State; and the peculiarity of the case is that notwithstanding he was paid that, and notwithstanding at a subsequent period some of the accounting officers did allow the claim of Mr. Young and Mr. Fletcher Webster, Mr. Dickins never thought of presenting a claim for these services until these subsequent constructions gave him the idea that he might be entitled to it.

Mr. ANTHONY. My impression was—the Senator can correct me if I am in error—that payments of this kind were made under the general law, or under its permission in the absence of any prohibition by law, and that many such cases were paid for without any specific appropriation by Congress. I think the reason why Mr. Dickins's claim was not preferred at the time is hardly an argument against it. Mr. Dickins was a reasonably prosperous man and a very modest man, and he did not prefer the claim until he felt the need of it. Certainly the Senator will not plead the statute of limitations against a servant of the Senate for twenty-five years.

Mr. SCOTT. I will come to that question of the statute of limitations in a moment. I was arguing that under the law as it stood when Mr. Dickins rendered these services, notwithstanding the construction of the Department in one or two isolated instances, payment was prohibited to any clerk in the Treasury or State Department of any other salary than that which was fixed by the law of 1818; I care not what it was. The language is explicit:

> No higher or other allowance shall be made to any clerk in the said Departments and offices than is authorized by this act.

And the Departments embraced by that act are the State, Treasury, War, and Navy. Now, passing from that down to 1839, what were the acts of Congress?

Mr. MITCHELL. I should like to ask the chairman of the Committee on Claims whether Mr. Dickins performed these services in the Treasury Department as clerk, or as acting Secretary? Did he perform those duties as a clerk? Were they a part of his duties as clerk?

Mr. SCOTT. I might answer that inquiry by putting another to the Senator, and asking whether, in the face of the constitutional provision that he must be nominated and confirmed by the Senate, he was Secretary of the Treasury, or Secretary of State?

Mr. MITCHELL. He was acting Secretary of State.

Mr. SCOTT. He was performing the duties of that office under the act, but he was still the chief clerk of the Treasury Department, detailed for the time being.

Mr. MITCHELL. In pursuance of an act of Congress.

Mr. SCOTT. In pursuance of an act of Congress?

Mr. MITCHELL. The validity of which has never been questioned that I know of.

Mr. SCOTT. I am speaking of the status of the case as we now have it. If the validity of the act never was questioned, that does not show that a case may not arise in which it may not be questioned. I think it is very doubtful indeed whether, if the Secretary of War or the Secretary of State being absent, and an officer detailed in pursuance of this law of 1792 performed an act which could be performed only by him as Secretary of War or as Secretary of State, that act would have validity.

Mr. MITCHELL. I should like to ask another question: whether or not the President of the United States, under the eighth section of the act of May 8, 1792, did not have the power to appoint a person to act as Secretary of the Treasury who was not in any subordinate position in any Department?

Mr. SCOTT. I am very glad the Senator has put the question. The act of 1792 does authorize the President, as it is here quoted, to designate any person or persons at his discretion to perform the duties of the said respective offices. Now, under that act there has never been an instance in which some person in the public service has not been designated.

Mr. MITCHELL. I beg pardon——

Mr. SCOTT. I do not wish to be interrupted at this point. The Senator makes the point that the full statement in the report, that no person in the public service and in the public service in the same Department has not been detailed, is not correct. He has cited precedents which show that the full sentence is not correct, that persons in the public service in one Department have been detailed to perform duties in another, that the Attorney-General has been authorized to perform the duties of Secretary of War, or that the Secretary of War has been authorized to perform the duties of the Secretary of the Navy; but the statement still remains true that in no instance, so far as I can recall the cases, has the President ever gone entirely outside of official personages and called in——

Mr. MITCHELL. Mr. President——

Mr. SCOTT. I trust I shall be permitted to finish this sentence—— and called in one who was not holding any official position and required by his oath to discharge his official duties, to fill a position under this act of 1792. Now I will hear the Senator.

Mr. MITCHELL. I call the attention of the honorable chairman to a case directly in point. Going back to the year——

Mr. SCOTT. Before you call my attention to that case, let me follow out this argument.

Mr. MITCHELL. I hope the Senator will allow me to answer this point.

The PRESIDENT *pro tempore*. The Senator from Pennsylvania declines to yield.

Mr. SCOTT. I decline to yield until I answer one question at a time. On the supposition that the President could go outside (and then the Senator's precedent will have more effect if he can cite it) and call in an utter stranger, a man not in the public service at all, to fill an office of this character, I ask can you take him there and swear him in as Secretary of State or Secretary of War, while the commission of the former Secretary of State or Secretary of War is still in his possession? And if you cannot (and evidently you can not) have two Secretaries of State and two Secretaries of War, would the unauthorized act of that stranger, inducted into office without taking the oath of office prescribed by the Constitution, be a valid and lawful act performed by the Secretary of State or the Secretary of War? If the Senator has an instance in which a man not in official position at all has been detailed to perform the duties of a head of a Department, I shall be glad to hear him.

Mr. MITCHELL. I am very sorry that the chairman did not allow me to cite the instance when he made the assertion that no such instance existed in the history of the Government. I refer to the case of the appointment of James A. Hamilton as acting Secretary of State in 1829. In 1829 President Jackson appointed Martin Van Buren his Secretary of State. Before he arrived and took possession of the office, and while there was a vacancy in the office of Secretary of State, the President appointed James A. Hamilton, a citizen of the State of New York, a person not in the public service at all, to fill the position of Secretary of State until Mr. Van Buren should arrive. That appointment was made in pursuance of the eighth section of the act of May 8, 1792, and the National Intelligencer of March 6, 1829, makes this notice of the appointment:

> James A. Hamilton, of New York, has been charged temporarily with the duties of Secretary of State.

There is an instance where a person not in the public service, not in any Department of the Government, was by the President appointed acting Secretary of State in pursuance of this very same identical statute under which this claim is made, and for which service he received his pay. Now, I submit that I have answered the position of the honorable chairman of the Committee on Claims on that point.

Mr. SCOTT. Instead of answering my position the Senator from Oregon has most effectually answered his own, because he states a case where Mr. Van Buren was appointed Secretary of State, but before he arrived and was sworn into office, before he was Secretary of State, another man was designated to discharge the duties; so that Mr. Van Buren was not, within the meaning of the act of 1792, "that in case of the death, absence from the seat of government, or sickness of the Secretary of State," &c., because Mr. Van Buren was not yet the Secretary of State, and had not been inducted into office. He was no more the Secretary of State than any other private individual was until he was sworn into office; and therefore, instead of answering the question which I put, the Senator has answered his own position, and shown that this was an appointment, if it was claimed to be, under the act of 1792, not coming within its terms at all.

Mr. MITCHELL. You will find on a reference to the book of expenditures that he was paid for those services in pursuance of an appointment under the act of 1792. It appears that the Government officers treated this as an appointment under that act at that time, and paid him accordingly.

Mr. SCOTT. Certainly, if the Senate was not in session at that time and the President appointed him Secretary of State to go in there and perform the duties, the office being vacant, Mr. Hamilton was Secretary of State and would be paid as a matter of course. That does not answer the question at all.

Now, let me proceed with these acts of 1839, 1842, and 1850; and, first, I will read the act of 1839:

> That no officer in any branch of the public service, or any other person whose salary or whose pay or emoluments is or are fixed by law and regulations, shall receive any extra allowance or compensation in any form whatever for the disbursement of public money or the performance of any other service, unless the said extra allowance or compensation be authorized by law.

The act of 1842:

> That no officer in any branch of the public service, or any other person whose salary, pay, or emoluments is or are fixed by law or regulations, shall receive any additional pay, extra allowance, or compensation in any form whatever for the disbursement of public money or for any other service or duty whatsoever, unless the same shall be authorized by law, and the appropriation therefor explicitly set forth that it is for such additional pay, extra allowance, or compensation.

The act of 1850:

> That hereafter the proper accounting officers of the Treasury, or other pay officers of the United States, shall in no case allow and pay to one individual the salaries of two different officers on account of having performed the duties thereof at the same time. But this prohibition shall not extend to the superintendents of the executive buildings.

It is argued that these acts, being of a date subsequent to the rendition of these services by Mr. Dickins, simply recognize that in the

absence of these acts his claim would have been allowed. So far from that, the very existence of claims of this character was a reason for passing these acts, and was the evidence of the policy of the Government that such claims ought not to be allowed. That was the policy that was established by these acts.

And now, having said this much upon them, I wish it distinctly understood that I am here not so much opposing the claim of the legatees of Asbury Dickins, not for anything that is peculiar to that case, but I am here as the organ of the Committee on Claims for the purpose of asserting the principle embodied in the acts, and of saying to the Senate that this door ought not to be opened; for if it is opened there is no kind of arithmetic that will compute the number of claims of this character which will come upon us. At this session I had occasion to report upon a claim for extra compensation based absolutely in large part upon the ground that the man ought to be paid a larger salary than was fixed by law because his superior officer had compelled him to discharge his duties in a room the temperature of which was kept above a healthy degree of the thermometer. This is one of a class of cases. The law fixes the salary of every office. The man who goes into the employment of the Government understands what that salary is. If he does not like it, he ought to give up the place and take up some other employment; but if he remains in it and discharges the duties that are imposed upon him by law, let him take that salary, and let Congress rid itself of the importunity that will forever follow it if claims for extra compensation or double pay are encouraged by allowing any of them.

Now, Mr. President, if with this statement of the views of public policy which prompted the Committee on Claims to report this claim adversely the Senate see proper to overrule it, upon them be the responsibility; our duty will have been discharged.

Mr. MORRILL, of Vermont. Mr. President, I do not suppose that it is possible that Congress can be rid of claims, especially of those claims where the interested parties reside in this District. The time will never come when some kind-hearted committee, or some still more kind-hearted minority, will not be found to report in favor of these old, stale claims.

What are the facts in relation to this case? The parties in interest, I admit, are entitled to the respect, possibly to the affection, of Senators; but has not the party in whose name this claim is now presented been treated with uncommon generosity by the Government of the country? For over thirty years, almost a life-time, he was in the employment of the Government and in the receipt of his full and regular salary.

There never was any solid foundation for this claim. If there is a solid foundation for a claim like this, there is scarcely a clerk in all the Departments who has been promoted to discharge the duties of a second to a third or a fourth class clerkship that might not as legitimately come before us for an increase of pay as for this party to come here and ask for pay in consequence of the discharge of the duties of his superior officer. Why, Mr. President, can you come before the Senate and put in a claim for the pay of the Vice-President, although you are discharging his duties, and discharging them very efficiently? The office of Secretary of State was filled at the time by a party who was occasionally absent; but the United States paid the full salary of the Secretary of State and of the Secretary of the Treasury. Are we to pay two salaries?

Mr. PRATT. Will my friend from Vermont allow me to correct him in one particular?

Mr. MORRILL, of Vermont. Certainly.

Mr. PRATT. I do not understand that this bill proposes to compensate the heirs or legatees of Asbury Dickins for services performed by him in the double capacity of chief clerk and acting Secretary of the Treasury at the same time. Of course while he was performing the duties of acting Secretary his functions as chief clerk for the time being were suspended.

Mr. MORRILL, of Vermont. No; but it does propose to pay two salaries of Secretary of State or two salaries of Secretary of the Treasury.

Mr. MITCHELL. Not two salaries; the difference between the two.

Mr. MORRILL, of Vermont. Suppose that our Secretary of the Senate should be taken ill and be absent for a week or a month, and his duties should be discharged, as they would be faithfully discharged, by the clerk who sits nearest to him on the left; all the difference that it would make to that clerk would be perhaps that he would be a head taller; he would feel a little honored from discharging the duties of his superior in the office of Secretary.

Now, Mr. President, all I have to say in relation to this matter is, that if this claim should pass, it will pass simply because there have been one or two or three bad precedents. We are called upon here to legislate to overturn the whole policy and existing laws from the foundation of the Government, simply because some kind-hearted committee have reported in favor of a bad case; and if this bill shall pass it will furnish a precedent for ever so many more. It will not only take out of the Treasury three or four thousand dollars, but very possibly several hundred thousand dollars.

This claim comes in here, after sleeping a long series of years, for service when the Secretary of State or the Secretary of the Treasury happened to be absent, in 1831, for nine days, in 1833 for four days, and in 1833 again for three days, and so running through a long number of years. We understand perfectly that it has been the habit of the Secretaries as well as of the clerks of the different Departments to have an absence during the warm weather of a month almost every year, and the Assistant Secretaries of the Treasury and of State, whenever their superiors in office are absent, of course discharge their duties. They feel it not only not an additional burden, as it is not, but instead an additional honor to be called to discharge the higher duties of their superiors. If this bill should pass it will furnish a precedent for the chief clerk of the State Department, Mr. Hunter. He has been in office for many, many years. If this bill passes I have no doubt he might come in for and claim much more than a year's salary of the Secretary of State.

Mr. PRATT. There is a statute that prevents that now.

Mr. MORRILL, of Vermont. There has been a statute always against it. The last statute we passed was only the judgment of Congress that these were claims of a character which never ought to have passed and never should hereafter. It was to prevent my kind-hearted friend from Indiana from being importuned by these claimants, and I am sorry that he has not profited by the judgment of Congress, and has been overcome by them at the present time.

Then there was Mr. Harrington, a very intelligent Assistant Secretary of the Treasury. We all know that he discharged the duties of the Secretary of the Treasury time and again, week after week. Then there was Mr. Chandler, who discharged the duties also at various times; also Mr. Richardson; and I could name a large number that have performed similar services who might and who would be likely to present an unending series of claims of exactly the same character.

Mr. President, I move to lay the bill on the table.

Mr. ANTHONY. I hope the Senator will withdraw that motion for a moment.

The PRESIDENT *pro tempore*. Does the Senator from Vermont withdraw his motion?

Mr. MORRILL, of Vermont. I do, but ask the Senator to renew it.

Mr. ANTHONY. I will allow the Senator to renew it. I am very much astonished, Mr. President, at the opposition which is made to this bill, which is in the line of exact and numerous precedents. It has passed the Senate two or three times; it has passed the House of Representatives two or three times; and it has been adjudicated upon favorably by the Court of Claims, to which it was remitted by Congress. This claim was presented to us many years ago, and we, not having time to examine into it, referred it to a judicial tribunal. It was not brought there by the claimant; it was referred there by us. That tribunal pronounced in favor of the claim. The House of Representatives passed the bill, but it failed in the Senate; and again the Senate has passed the bill and it has failed in the other House.

Mr. SCOTT. Will the Senator permit me to correct him in regard to the reference to the Court of Claims? Originally, as the Court of Claims was constituted, it could not enter a judgment for the claimant. It was referred by the House of Representatives to the Court of Claims. The court found in favor of it, and when that report was made to the House of Representatives their committee upon that case made an adverse report and recommended that it should not be paid.

Mr. ANTHONY. But subsequently I think they passed the bill.

Mr. SCOTT. Subsequently it passed the House, but not at that session.

Mr. ANTHONY. I thank the Senator for correcting me, because it reminds me that if the Court of Claims had then, when this claim was referred to it, the jurisdiction which it has now, it would have been paid and would not have come to Congress; and since the House of Representatives reported adversely upon the judgment of the Court of Claims the House itself has passed the bill.

Mr. SCOTT. Another House?

Mr. ANTHONY. Another House. I suppose there are very few Senators here who recollect Mr. Dickins. I remember when I first came into this body, more than fifteen years ago, there sat at the desk below your chair, sir, a man who had grown gray in that seat. He was a man of venerable appearance, of dignified manners, courteous to everybody, the new Senators and the old Senators, the minority and the majority. He was prompt and efficient in the discharge of his duties and wholly conscientious in everything. That man was Asbury Dickins, the third Secretary of this body. He served for twenty-five years, and in all that time he never was charged with any malfeasance or misfeasance in office, he never was charged with the omission or with the imperfect performance of any duty. In the course of his service he was the friend of some of the most illustrious men who have adorned this Chamber; he was the friend of Webster, of Clay, of Calhoun, of Benton, of Frelinghuysen, of Southard, of Everett, of John Davis, and of many others, their coevals and successors. He died in the service of the Senate, and he died poor. He left to his family nothing but his good name, and the memory of modest, unobtrusive, but very important services. His principal legatees, I believe his sole legatees, are two daughters, maiden ladies, who were brought up in all the luxuries and all the refinements of the most cultivated society in Washington, and who were left by their father's death almost entirely destitute.

When I first knew Mr. Dickins, age had laid its hand upon him, tenderly, it is true, but perceptibly, and had somewhat impaired his original vigor, but he was still a man of great intelligence, of great ability, and of large information. Before he came into the Senate he had rendered excellent service in two of the Executive Departments.

Mr. Dickins wrote one of the most remarkable papers in the history of our politics; he was the author of the defense of William H. Crawford, when as Secretary of State he was charged with malfeasance in office and threatened with impeachment, at a time when he was a candidate for President of the United States. This was in the celebrated "A. B. Conspiracy," which is almost forgotten now, but is familiar to the students of American history. That defense gained great credit for Mr. Crawford, but with his characteristic candor he stated that it was written, not by him, but by a clerk in his Department, Mr. Dickins. Mr. Randolph, who, with Mr. Webster, was on the committee of the House of Representatives to which the matter was referred, pronounced it "a triumphant and irresistible vindication," and praised its temper and spirit as well as its argument.

All that, it is true, does not give Mr. Dickins any claim on the Treasury. We are not to take money out of the Treasury for sympathy or for charity, but for justice. But I submit that it ought to make us look kindly upon the claimant, and not make it the first example of a harsh interpretation of the law. I submit that we should give to Mr. Dickins what we gave to Mr. Fletcher Webster, what we gave to Mr. Young, what we have given repeatedly to others, what the Court of Claims, the tribunal to which we referred the matter, said belonged to him, and what the House of Representatives send over to us. Shall we refuse to the legatees of our old and faithful servant; shall we in that case alone refuse what the judicial tribunals say he ought to have, and what the other House of Congress proffer to us?

Mr. President, the Court of Claims must be presumed to know the law; and when we refer a case to the Court of Claims and they adjudicate it, I think we ought to accept their decision. I hope that Mr. Dickins will not be made the first example of this new and rigid interpretation of the law.

Mr. MORRILL, of Vermont. I think that the tribute which has been paid by the Senator from Rhode Island to this party is worth a good deal; but I hardly think we can afford to make an appropriation of four or five hundred thousand dollars for the sake of making this gift to his heirs.

Mr. ANTHONY. It does not involve four or five hundred thousand dollars.

Mr. MORRILL, of Vermont. I renew my motion to lay the bill on the table.

Mr. MERRIMON. I wish to say a word or two.

The PRESIDENT *pro tempore*. The pending motion is not debatable.

Mr. MERRIMON. Does the Senator withdraw his motion?

Mr. MORRILL, of Vermont. There is not time now.

Mr. MERRIMON. The morning hour is just expiring, and I trust the bill will pass over.

The PRESIDENT *pro tempore*. The morning hour has expired, and the unfinished business of yesterday is now before the Senate.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. LLOYD, its Chief Clerk, announced that the House had passed the bill (S. No. 350) providing for the payment of the bonds of the Louisville and Portland Canal Company, with an amendment in which the concurrence of the Senate was requested.

ENROLLED BILLS SIGNED.

The message also announced that the Speaker of the House had signed the enrolled bill (H. R. No. 2213) granting a pension to Mrs. Cynthia McPherson, mother of the late General James B. McPherson; and it was thereupon signed by the President *pro tempore*.

LOUISVILLE AND PORTLAND CANAL.

Mr. THURMAN. I ask unanimous consent of the Senate to enable me now to submit a motion that the Senate disagree to the amendment of the House to the bill just received, and ask for a committee of conference.

Mr. CONKLING. No; I object to that. I want to know what the House amendment is. It is a pretty important matter, and we ought to understand it.

The PRESIDENT *pro tempore*. Objection being made, the matter cannot now be acted upon.

BANKING AND CURRENCY.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. No. 617) to provide for the redemption and reissue of United States notes and for free banking.

The PRESIDENT *pro tempore*. The pending question is on the motion of the Senator from Illinois, [Mr. LOGAN,] as modified at the suggestion of the Senator from Georgia, [Mr. GORDON,] to strike out the third section of the bill and insert other words in lieu thereof.

Mr. DAVIS. Is the motion now pending amendable?

The PRESIDENT *pro tempore*. It is.

Mr. DAVIS. It is the substitute offered by the Senator from Georgia, [Mr. GORDON,] I believe.

The PRESIDENT *pro tempore*. Which was accepted by the Senator from Illinois, [Mr. LOGAN.] It now stands on the record as the amendment proposed by the Senator from Illinois, as amended, and it is now subject to amendment.

Mr. DAVIS. I move to strike out "Maine" and insert "Pennsylvania," and on that I am entitled to ten minutes, I suppose.

The PRESIDENT *pro tempore*. The question is on the amendment to the amendment.

Mr. DAVIS. I find by calculation that, taking Maine as the basis, this section will give in round numbers $280,000,000 additional national-bank circulation; taking New York as the basis, it will give $124,000,000. That would make the total national-bank circulation on the basis of Maine $634,000,000. On that basis Ohio would have $19,000,000 in addition to what she has now; Indiana, $11,000,000; Illinois, $22,000,000; Virginia, $8,500,000; West Virginia, $2,700,000; North Carolina, $8,000,000; Georgia, $8,300,000; New York, $41,000,000 more than she has at present; Pennsylvania, $24,000,000 more. This is on the basis of Maine, making a total of $280,000,000 in all the States more than is now authorized by law. I give round numbers.

But taking the basis of New York as in the original third section as it came from the committee, would make $124,000,000 in addition to the present national-bank circulation, making the whole volume of national-bank circulation $478,000,000.

If my proposition to strike out "Maine" and insert "Pennsylvania" be adopted, it would give to some of the prominent States something like this in round numbers; to New York nearly $1,000,000 more than she has at present; to Ohio $4,300,000 more; to Indiana $2,300,000 more; to Illinois $9,000,000 more; to Virginia $5,600,000 more; to West Virginia $1,300,000; to North Carolina $6,000,000; to Georgia $6,000,000. This is in addition to what they have under the existing law. The total increase, taking Pennsylvania as the basis, will be $110,000,000 beyond the present amount of national-bank circulation.

Mr. CONKLING. Nearly $111,000,000.

Mr. DAVIS. One hundred and ten million eight hundred thousand dollars, to be exact. I have left out the fractions and given round numbers.

Mr. GORDON. I should hope that by accepting the amendment suggested by the Senator from West Virginia we could get an immediate vote on this question. I vastly prefer Maine, myself, as the basis; but if the Senator from West Virginia and those around him, two or three of whom have voted against us hitherto, are ready for a compromise on the basis of Pennsylvania, I think the friends who have advocated free banking, or banking upon the basis of Maine, can afford to accept it as a compromise, and in the spirit of compromise I do accept it. I accept the amendment offered by the Senator from West Virginia, and trust we shall be able to get an immediate vote on that proposition.

The PRESIDING OFFICER, (Mr. WRIGHT in the chair.) The Senator from Georgia accepts the amendment of the Senator from West Virginia.

Mr. SHERMAN. I may say that the amendment itself is an extraordinary one, but there are a good many extraordinary things in this debate. The only difference—I have compared the two—between the proposition of the Senator from Georgia and the third section of the bill reported by the committee is the word "Maine" instead of the word "New York;" and yet to obscure the matter, or for some other purpose, it is deemed necessary to recite the whole section over again; but the gist of the amendment proposed by the Senator from Georgia is to insert "Maine" instead of "New York," as the standard of increased bank circulation.

Mr. GORDON. If the Senator from Ohio will allow me, I am perfectly willing that the motion made by myself shall stand simply as a motion to adopt the third section of the committee's bill as amended by the amendment of the Senator from West Virginia.

Mr. SHERMAN. That is precisely what it is. I always try to get at the gist of a matter, and am not particular about forms or words. I did not know any reason for cumbering our legislative records with a restatement of the third section over and over again, especially when the short road was to strike out the word "New York" and insert the word "Maine."

Mr. GORDON. Let me explain, if the Senator pleases, in order to make my own record correct. I appreciate what the Senator says in that direction; but when this third section was arranged by myself as an amendment to the amendment of the Senator from Illinois, there were other clauses inserted, but after consultation upon the floor, and agreement between us as to the programme, I struck out the other feature that I intended to offer with that, which was the interchangeability of bonds; and therefore the amendment went in the shape in which it did to the desk.

Mr. SHERMAN. I have, in order to get at the precise result of these various amendments, endeavored to make a careful analysis of them, and I will give it to the Senate. Upon the basis of New York the increase of bank circulation would possibly be from one hundred to one hundred and ten millions. My friend from West Virginia states that the Comptroller makes it more; but it amounts to from one hundred to one hundred and ten millions. I do not think it more than that. Upon the basis of Pennsylvania it would allow an increase, I think, of more than one hundred and ten millions, although I am told by my friend that one hundred and eleven millions is the statement of the Comptroller; and as it is rather a compound question of arithmetic, depending upon two different bases of distribution, perhaps the Comptroller is more accurate than I am. On the basis of Maine the increase provided for is $263,156,000; and to test this computation any Senator can very easily turn to the table on page 71 of the report

of the Comptroller of the Currency and he will find that the increase proposed on the basis of the State of New York would be first to supply the deficiency in all the States, which amounts to $82,000,000, and then to add about 5 per cent. to the amount assigned to all the States. On the basis of Pennsylvania you would have to add about 10 per cent., and that of Maine would require an addition of 61 4/10 per cent. Thus the actual increase authorized by the amendment as proposed by the Senator from Georgia would be $263,156,000. As a matter of course, I wish to take the lowest sum that possibly can be obtained; and then, as the amendment of the Senator from North Carolina proposes to confine this increase to $46,000,000, I shall vote against the whole bill and for the substitute proposed by the Senator from North Carolina in case no other provision is added. I wish to make my own course clear, because in legislation I take always the least of evils.

Mr. President, I now again call on the Senator from Indiana, [Mr. MORTON,] who has taken the lead in striking out all the provisions of this bill that look toward maintaining the value of the legal-tender notes, I ask him now before this vote is taken, to tell us what provisions he intends to move to insert in this bill in order to save the greenbacks and the national-bank notes from depreciation. I have no fear of free banking or of taking New York or Pennsylvania as the standard of banking, provided we have some plan of redemption, provided we do not increase the amount of legal-tender notes without any promise whatever for their redemption and increase also the bank-notes without any promise whatever or any facility for their exchange or redemption. Therefore my vote hereafter will depend entirely upon the proposition which shall be moved by those who seem to have a majority here to maintain the value of the legal-tender notes. If some proper provision can be offered which will tend to maintain the value of legal-tender notes and prevent their daily depreciation, I should be perfectly willing to see banking to any extent; so that the question of the amount or standard of the banking circulation is a matter of subordinate and secondary consideration to some proposition for redemption.

If the Senator from Indiana says that he does not propose any mode of redemption, that his motions to strike out the second and fourth sections are not to be followed by some other provision seeking to maintain the value of the legal-tenders, then, as a matter of course, those of us who are opposed to this increase of paper money will take the very smallest limit of it in any way that is presented; but if there are measures proposed that meet our judgment which will maintain the purchasable power of the greenbacks with our view of the effects of paper money, we do not care how much paper money is used provided the tendency of the bill on the whole will be to appreciate nearer and nearer to the standard of gold the paper money of the country.

And, sir, if a party obligation could ever be thrust into a great discussion of this kind, let me beseech those who have stricken out all these features to remember that the first act of the Administration now in power was a promise to pay the notes in coin at the earliest day practicable; and now the last act that is pending here before us is to strike out every provision that looks that way, that has a bearing or tendency that way, and to increase the amount of the legal-tender notes without redemption and to increase by more than $100,000,000 the amount of bank-notes, taking the least of these propositions. Sir, when that pledge was made the limit of bank-notes was $300,000,000; the legal limit of legal-tenders was $356,000,000. You have increased the one $44,000,000, and you have increased the other $54,000,000; and now the least of all the propositions that are before us for increasing bank-notes is $46,000,000 more.

Therefore I appeal to Senators to give us notice now and let us see what they propose to insert in place of these sections stricken out, and at any rate to give us notice whether they intend to put out these greenbacks and these bank-notes without any promise, provision, or hope for redemption, or as to the time when, the place where, or the mode and manner. I should like to see that question settled before we vote on these different standards. Until then, as a matter of course, with my convictions I shall vote for that standard which will issue the least amount of this form of paper money without redemption.

Mr. MORTON. Mr. President, it has been the subject of complaint with many religious people in this country for a good many years that when our fathers formed the Constitution they did not put into it a recognition of Almighty God; but it seems, according to the argument of several Senators, that they put gold into it, which many think is better; they erected in the Constitution a golden shrine, at which many persons worship who worship at no other.

Now, Mr. President, this debate has been going on for nearly four months, and no human being in the Senate or out of it has been able to tell the country how we can get the gold in one, two, three, four, or five years with which to resume specie payments and maintain that resumption. In view of that fact, I think it is time to cease darkening counsel by talking about specie resumption.

Now, to come to the next point made by the Senator, he wants to know, if we are to increase the legal-tender notes $18,000,000 more, what we are willing to do in the way of conversion to maintain the character of these legal-tender notes. Mr. President, it is not necessary to do anything beyond what the nation has already done. The issue of $18,000,000 more, or of $80,000,000 more, will not depreciate them one cent. This nation stands behind them. "Ah!" the Senator from Ohio says, "what a monstrous proposition." The Senator told us the day before yesterday that the issue of $26,000,000 by the Secretary of the Treasury had sent up the price of gold, and when I sent and made the inquiry I found that gold was nearly 4 per cent. higher just that day one year ago.

Mr. SHERMAN. I gave the official statement, if my friend will allow me, that on the very day the first dollar of the $26,000,000 was issued, when we reached the legal limit of $356,000,000, gold was worth 109; to-day it is worth 113¼.

Mr. MORTON. Who denies that? That is begging the question. Gold had gone down under the influence of the panic when nobody wanted gold and everybody wanted greenbacks. That is all there is of that. The argument only goes to show that in times of pressure and public necessity greenbacks are more desirable than gold. The argument is the other way. I showed that the average price of gold during the spring of 1873, when we had not the $26,000,000 out, was some 4 or 5 per cent. higher than it is now.

Mr. President, you cannot bring about specie payments by simply contracting the greenbacks down to $300,000,000, and you will not depreciate their value by putting them up to $400,000,000. The people of this country have some sense. They want enough money, but do not want any more. They want enough to do the business of the country; but because they want enough to do that they are told they will get drunk, they will become gluttons, they will want $2,000,000,000! The very argument is an impeachment of the intelligence of Congress and of the people of the United States. They know that population has increased; they know that the country has been developed; they know that business has been vastly increased, and that more currency is demanded, and because they ask an increase just adequate to this increase of demand we are met with the cry of "inflation," "irredeemable paper," "the country is to be ruined," and somebody is to be scared!

Why, sir, only yesterday I saw in a very prominent New York paper that inflation is war. Have you seen it, sir? In a solemn editorial we are told that inflation is war, and that the Atlantic States will take up arms to prevent this proposed increase of the currency. There is to be a grand army of contraction brought into the field—I had better call it an army looking out for contracts. We are told that this measure will be resisted by force of arms. I need not argue whether there is anything in this threat; but it is quite as reasonable and as proper as much that has been said here in the Senate. Because the people want a little more currency to meet the wants of business and want free banking, we are told that we will depreciate the greenbacks!

Mr. President, we will come to specie payments when we can. There is no use of talking about it now. You have not the gold and you cannot get it in one, two, three, or four years, and no Senators upon this floor, however able they may be, have been able to tell us where the gold can come from. We might as well quit talking about that for the time being. The people want a little more currency. They believe it will be good for them, and I believe it. I believe it will revive business all over this nation. I believe that business will spring up under the influence of a promise like that, just as the grass and the flowers will grow under the spring showers. They require that.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. SARGENT. Mr. President, during the four months' discussion upon this subject I believe I have not spoken to exceed ten minutes. I have trusted that we might come to some conclusion upon it, and would not delay that by talking. But, sir, it seems to me it is time that an energetic protest should be made against the assumption which we heard upon the floor of the Senate yesterday, and perhaps the tone which pervades the debate to-day, that there is a majority in this Chamber which is responsible for the action here, not divided by party lines, relieving those who are assumed to be in the minority of responsibility in this matter, and even objecting to the offering of amendments by those who are not so happy as to be classed in the majority.

Mr. MORTON. I said nothing about majorities in my few remarks.

Mr. SARGENT. I was not referring exactly to what the Senator said, but rather to the tone of the debate. But in order to show just what I do mean I desire to call attention to the remarks, more pointed in this respect, of the Senator from Michigan [Mr. FERRY] yesterday. He told us that there was a majority here who had taken charge of these measures, that this majority assumed to shape them, and looked with some ungraciousness toward attempts to amend the bill by the minority.

Mr. FERRY, of Michigan. I know the Senator from California does not wish to misrepresent me.

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Michigan?

Mr. SARGENT. I do for a moment. I have only ten minutes.

Mr. FERRY, of Michigan. I trust the Senator from California in his allusion to my remarks of yesterday will observe that they were made in connection with the speech made by the chairman of the Committee on Finance, in which he stated that the responsibility was being rolled upon the majority. I spoke in reply to that, in connection with the gravity of the question and the willingness of the majority, if it was forced upon them, to assume that responsibility.

Mr. SARGENT. Mr. President, there are several responsibilities weighing upon legislators. In the first place, there is the responsibility which necessarily arises from the position of a Senator, no matter to what party he may belong. There is another and additional responsibility which belongs to the member of the dominant party. Gentlemen may shirk this responsibility as much as they please; but before the people the dominant party is held responsible for whatever measures pass this body. That responsibility we cannot escape. That responsibility weighs upon us, upon the Senator himself, and upon myself equally with him for that reason, as well as upon Senators generally. In order not to do the Senator injustice I quote his remarks. He said:

> I have no disposition to take up time in debate any more than to call attention to this sudden change of policy and to the pertinacious determination of those who are now in the minority to defeat the measures of the majority. They have volunteered the statement that they are trying to perfect the bill, and as resolutely state that they intend rolling the responsibility of results upon the majority. I say, in calmness and fairness and good faith, if we are charged with the duty of framing measures of relief and stability and are to sustain the responsibility of what is done, let it then be managed by its friends.

Again he said:

> But when it is attempted now to break down the national-bank currency to a lower standard of value, I cannot understand the gentleman, and I must say it seems more like an intention to thwart the majority in their efforts to perfect what is charged they must necessarily assume. I am prepared, so far as my vote and action are concerned, to take my part of the responsibility of this question.

I deny that that peculiar responsibility rests upon any gentlemen in this Chamber except within the limitations that I have mentioned. But if there is a majority in this Chamber on this subject, how is it made up at the present time? It is partly made up by gentlemen pairing with notable industry every Senator on their side of the question who is away from the Chamber; but principally because Massachusetts is unrepresented on this floor. One Senator from Massachusetts is dead, and the Legislature of that State, although its interests are so deeply involved—the men of all parties there having a concurrence of opinion on this subject—is caviling over the question who shall come back to represent it, while this the greatest question affecting Massachusetts interests that can come before this Congress is being decided. The other Senator from Massachusetts [Mr. BOUTWELL] is sick and unpaired; and on the test question yesterday of striking out the fourth section it was only carried by two. The vote was 29 to 27.

Mr. SHERMAN. Two Senators were present who had they been at liberty to vote, except for the pair, would have defeated it.

Mr. GORDON. One or two friends of the measure were temporarily out of the Chamber at the time.

Mr. SARGENT. Very well; the majority at any rate is so small that it is very little to brag of. Now, it was proposed yesterday that we should sit this question out last night. I ask these gentlemen if with the slight margin of majority they have got they have the power to keep this Senate here for a night session? They know they cannot do it, and must depend on the "minority" for favors. I am disposed to come here, as I have done every day for four months, during the ordinary sessions of the Senate and listen to these debates, and if the majority are in favor of inflation then to take the chances of war; but I am not disposed to resort to extraordinary means in order that these measures which I think inimical to the country shall be carried out. Try your boasted majority and see how long you can hold the Senate to an extraordinary session, while so nearly one-half of us think every vote taken is a step toward national suicide.

The Senator from Georgia tells us that he proposes an amendment increasing the national-bank currency $110,800,000 as "a measure of compromise," and that in connection with a bill which increases the greenbacks $56,000,000 more. It is a measure, in my judgment, fraught with destruction to the country. I will not compromise upon any such idea as that, and I do not wish the Senator to offer the amendment under the idea that I or those who think with me will accept that as a compromise. Why, sir, it is proposed now, in a time of profound peace, when the country is ordinarily prosperous, when there is no great overwhelming danger, to resort to those expedients which nations only use at the very crisis of their fate, when destiny seems to bear down upon them, when there is danger of disintegration by violent insurrection or annihilation by foreign war. We resort to those measures which are condemned by the experience of all mankind and by our own in the recent rebellion. We resort to them now when heretofore the only justification for them has been that the evils which they bring in their train are only a little less than those which result from national disintegration; and we are to adopt this as our ordinary financial expedient.

What will be the effect of it? The first effect will be necessarily to bear heavily upon all who have fixed incomes. It reduces measurably the pensions of all your soldiers; it reduces the compensation of every one in the service of the Government. It is unjust to the creditor class; and have we a right to inflict that injustice upon them? I can see no warrant for it. Our appropriations this year have been cut down some eight to ten million dollars in the few bills that we have passed, to the very limit of economy based upon the present value of money; but if you increase the volume, you decrease its purchasing power, and the result will be large deficiency bills. Our taxes now are too light to answer the wants of the Government, provided you are going to expand the currency, because the Government not merely pays salaries and pensions which are fixed, and the taxes therefore would pay those, but it is compelled to buy materials of all kinds, to keep the Army in the field and the Navy afloat and carry on all the operations of the Government aside from paying salaries or fixed amounts. But, sir, your taxes, which now barely tide your Treasury over the current fiscal year, with this inflation will become inadequate, because the Government cannot carry out its purposes.

There is another consideration. Gentlemen here complain because Rhode Island, or Ohio, or Maine, or New York say that "our local interests are opposed to an inflation of the currency," and they look upon it as an unreasonable opposition. Sir, I believe this debate is forcing upon the attention of the country, and especially those who want a sound currency, the idea that we cannot trust to Congress to give us a national system. Under the State-bank system the State of Massachusetts or of Ohio could maintain its sound basis of specie, and while they might have "wild-cat" in Indiana, or Florida, or Louisiana—floods of irredeemable paper—and enjoy it there, yet whatever evils it might bring with it could not pass the boundary lines of those States, because it was kept out by the laws of trade and by the local laws; but here we are tied together by this system like the Siamese twins, so that whatever injures one city or one State injures the whole, and New York and Massachusetts are entirely powerless to protect themselves from the effect of a depreciation which is brought about in Indiana.

Seeing these evils, seeing that Congress is too fickle, that we cannot rely upon it to maintain that stability necessary for all finance, I am disposed to vote against the whole banking system; and gentlemen cannot say that I am an "extortionist" or in favor of a "banking monopoly," for I would sweep it all away from the earth and remit the States to their original rights.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MORTON. We understand the Senator now.

Mr. SARGENT. I want State banks unless we can have permanency.

Mr. MORTON. California has enjoyed that all the time.

Mr. SARGENT. I am legislating for the whole country.

Mr. GORDON. Mr. President, I trust I shall not be considered as wanting in the courtesy due to my brother Senators, or lacking in appreciation of their ability or of their motives, when I state that I am unable to command language adequately to measure what I humbly conceive to be the enormity of the legislative blunders we are invited to commit. I am surprised not only at some of the propositions submitted by the opponents of free banking, but at the inconsistency of the arguments with which they attempt to maintain their opposition to free banking.

We are told by one that if we transfer $25,000,000 from the East to the West and South, these sections are so impoverished that they could not take it up for years. In the next breath we are told that if we allow these sections the privilege given to Maine or to Pennsylvania, so rapidly will they take up this banking capital that the country will be speedily flooded with paper money. What else? We are told by no less a personage than the chairman of the Finance Committee that the adoption of free banking is the death-knell of the national banks, and immediately thereafter by his colleague that the same measure is to perpetuate forever the system of national banks in this country. Sir, at one time free banking is to kill, at another time it is to make alive. At one time the South and West are too poor to take $25,000,000, at another time they will take enough national-bank currency to ruin the country. Sir, when doctors thus disagree, we may at least be temperate in the apprehensions we are invited to indulge as to the imminency of the evils with which they threaten us.

They offer us free banking, but upon what conditions? Not upon the condition that we redeem in gold, which they admit is impossible, but upon conditions infinitely more oppressive than redemption in gold. Feeling, as I claim to feel, a just amount of the responsibility resting upon a Senator to protect not only the credit of the Government, but also the interests of the people whom I have the honor in part to represent, I announce that I would prefer to vote for redemption in gold to voting for redemption in the bonds suggested by the Finance Committee. It will be less of a burden upon the people; less tax upon the industries of the country. The proposition is nothing less than the issue of some hundreds of millions of 5 per cent. gold-bearing bonds, and for what? What is the excuse? The honor of the nation. Sir, no Senator on this floor, whatever may have been his past record, from whatever section he may come, is further removed from submitting or advocating a proposition which would impair the credit of the Government than myself. Senators I think are unduly sensitive about the honor of the Government. If these United States notes were Government obligations, in which the citizens had invested from which to realize an income, I should be for their payment at almost any cost. But has any one so invested? Not at all. Has any citizen been deceived into accepting this obligation of the Government upon the expectation of such a payment? Not at all. When paid out by the Treasury and accepted by the party who received it, was any deceived by this promise? Not at all.

But let us analyze this question a little more in detail. What is this contract? I hold in my hand one of these obligations which

Senators propose to redeem by heavily taxing the industries of this country:

The United States will pay to bearer one dollar.

When? Is there any time fixed? None whatever. If my friend, the Senator from Maryland, [Mr. HAMILTON,] who has been so eloquent and so zealous in his advocacy of these harsh and cruel measures, as I must be allowed to term them, had made a contract with me one year previous to this date to pay me to-day in gold an amount of money, and had given me therefor his paper obligation, and I had gone to him on this day, when that gold was due, and said to him, "I neither demand the gold nor want the gold, but prefer that the obligation should rest just as it is," I ask Senators if the honor of the Senator from Maryland would compel him, or if he in law or in conscience is bound to force the gold upon me to protect his honor? Will any Senator maintain such a proposition?

And yet for a much stronger reason I hold that the Government is not bound to provide now for the redemption of this bill. Why? What is the nature of this Government and the nature of this contract? This Government, we must never forget, is an agent; the agent of the people, or I should have said, the agent of the States; and this obligation was made by this agent under the direction of the principal, which is the States or the people. It is a contract of the agent with the principal. It is a contract of the people with themselves. Are the States here—the principal—demanding its payment? Not one. Are the people demanding it? Nay, sir, I venture the assertion that if the simple question were submitted to the people whether they would thus tax their labor, to redeem this promise made to themselves, from all the producing sections, and I believe from every section, that an overwhelming and almost unanimous response would be made in the negative. I have no question about that.

So much, then, for the honor of the Government. But Senators remind us that it is bound by an act of Congress. The same argument applies in that case. The Congress is but the agent, and the agent has made this promise to the people, and the people do not desire its fulfillment. On the contrary they protest most emphatically against it, at this time.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. FLANAGAN. I merely wish to say a word in answer to my distinguished friend from Georgia on the point which he has made. He presents to us a promissory note, as I understand it to be. Now, I submit a proposition upon it and see how he can reconcile the one with the other. He is a lawyer of fine ability. I present to him simply three letters: I. O. U. Take the one-dollar bill that he has held up here in the Senate, and what is the legal effect of it? "I owe you one dollar," or if a thousand-dollar bill, "I owe you a thousand dollars." There is no date as to when that is to be paid, and therefore it is due. The dollar he exhibits here is due. Where is the good faith of the nation when it is presented and the response is, "O, this is not due; it does not say that it is to be paid at any given period?" That will not do for Senators. It might do for boys playing marbles, perhaps, where they are quarreling as to whether they would step over the line, or something of that kind; but surely, with Senators, with all the logic of my distinguished friend, it has no great force. The faith of the nation is solemnly pledged by the law that is found in your statutes, based upon the idea that that money is to be paid; and when a proposition is submitted here to give confidence to the citizens of this great nation and to the moneyed world, if we are not able to redeem the money as we sacredly promised by law, we should be very willing to pay interest upon the money. This country is not insolvent. Who is there who will pretend, after hearing all the arguments that we have had first and last, *pro* and *con*, on this subject, that the Government is not able to redeem its pledge? If it is able to do so, it is inexcusable in every sense of the word for not doing so. The money is due. Will it pay the money, or pay interest upon it if it can make an agreement upon that point which is satisfactory, as it appears it would be to one side here, and I have no doubt it would be and give confidence everywhere. The idea that there is no time fixed for payment will go for what it is worth. To me it is idle.

Mr. THURMAN. Mr. President, I have long admired the ability of my friend from Indiana, [Mr. MORTON,] as we all have, and have always, if not exactly with admiration, at least with something akin to amazement, seen that singular audacity of his that makes nothing that he has ever said before stand in the way of what he wants to say to-day. I have heard once, since the weather-signal service was inaugurated, a gentleman say of a certain politician who was remarkable for the changes of his political course that he seemed to have a political "Old Probabilities" who foretold for him the political atmosphere for the next twenty-four hours, and he cut his garb and wore his clothes according to that prognostication. [Laughter.] I would not say that of the Senator from Indiana, but I must say that, looking at what he has said and hearing what he does say, I cannot but feel filled with astonishment.

My colleague put the question to him a short time ago, this morning, what would he do in view of that inflation which he advocates so earnestly—and of the inflationists he is the recognized leader—what would he do to prevent this paper money which he proposes to issue from becoming depreciated, and what answer does he make to that question? He treats it with derision, as a thing utterly absurd, because, says he, this whole nation and all the wealth of this nation is at the back of these greenbacks, and they cannot depreciate; the whole wealth of the nation supports them and therefore they cannot depreciate, as if we had not seen them sell at less than fifty cents on the dollar, nay, less than forty cents on the dollar. But the whole wealth of the nation is at their back and therefore they cannot depreciate! What did the Senator say when the volume of greenbacks was less by $26,000,000 than it is now? What did he say in 1868 upon this very question of whether the wealth of the nation would prevent the depreciation of the greenbacks? Let us see. It has been read before, but I may be pardoned for reading it again. It is but a sentence or two. In the debate in this body in December, 1868, the Senator said:

Why is our currency depreciated, and why would it be depreciated if the Government did not owe a single bond?

Then he answers his question:

Because the greenback note is a promise by the Government to pay so many dollars on demand which it does not pay. The promise is daily broken, and has long been dishonored. The note draws no interest, and the Government has fixed no time when it will pay it. Under such circumstances the note must be depreciated.

Now comes what I beg the attention of the Senate to:

The solvency or ultimate ability of the promiser never kept overdue paper at par, and never will. To do that something more is required than the ultimate wealth or ability of the promiser. There must be certainty in the payment and time of payment, and if the time of payment be deferred, compensation must be made by the payment of interest.

That is what the Senator said then. Then he said that the wealth of the promiser never could keep overdue paper at par or prevent its depreciation; and now he treats with scorn and ridicule anything that looks like, in one, two, three, four, or five years, a redemption of this paper in coin. Why, Mr. President, what then was the Senator's view on the subject of redemption? You have heard it. I need not repeat it; it has been again and again. Then he was in favor of a return to specie payments, and then he attributed to the very fact of our having a depreciated currency that stagnation in business of which he spoke, and which now he attributes to the want of sufficient currency!

Well, Mr. President, it is not my purpose to raise any question as to the Senator's record from any personal consideration. I do not quote these things to convict him of inconsistency. Every man who has been in public life has been inconsistent apparently, and certainly it is no evidence that a man is wrong that he may upon further reflection have seen proper to change his views. I do not complain of that. I read that for the purpose of showing what was the former judgment of the Senator, and putting his reason then against his reason now; quoting his reason when the country was calm and undisturbed, when no political "Old Probabilities" had foretold the political atmosphere for the next twenty-four hours, with his judgment now, when the signal service has telegraphed that there is danger of a storm.

Before I proceed any further I should like to know how much of my ten minutes is left.

The PRESIDING OFFICER. Three minutes.

Mr. THURMAN. I might as well devote that time to answering a remark the Senator made the other day, that I would find it difficult to point out in the message of the President of the United States anything like such a recommendation as I suggested was to be found in that document. Well, sir, let us see whether it is difficult to find out. In the annual message of the President he says, speaking of this very panic, mark you, that happened last fall, and which is now made the pretext for extending the currency:

My own judgment is that, however much individuals may have suffered, one long step has been taken toward specie payments;—

That is, the panic was a long step toward specie payments—

that we can never have permanent prosperity until a specie basis is reached.

That is what the President says. Now, the Senator scouts the idea of a specie basis in one year, two years, three years, four years, five years, while the President whom he supports, and with so much ability too, says that we can never have permanent prosperity until a specie basis is reached. But that is not all. What further says the President? After speaking on the elasticity of the currency he says:

The exact medium is specie—

That is, the medium between too great inflation on the one hand and too great a contraction on the other.

The exact medium is specie, the recognized medium of exchange the world over. That obtained, we shall have a currency of an exact degree of elasticity. If there be too much of it for the legitimate purposes of trade and commerce, it will flow out of the country. If too little, the reverse will result.

But the President did not stop there. On page 14 he says:

These suggestions are thrown out for your consideration, without any recommendation that they shall be adopted literally, but hoping that the best method may be arrived at to secure such an elasticity of the currency as will keep employed all the industries of the country—

Now mark—

and prevent such an inflation as will put off indefinitely the resumption of specie payments, an object so devoutly to be wished for by all, and by none more earnestly than the class of people most directly interested—those who "earn their bread by the sweat of their brow."

The PRESIDING OFFICER. The Senator's time has expired.

Mr. LOGAN. Mr. President——

Mr. MORTON. Will not the Senator allow me a moment to reply to the Senator from Ohio?

Mr. LOGAN. Certainly.

Mr. MORTON. Mr. President——

The PRESIDING OFFICER. The Chair deems it proper to say that the Senator from Illinois may yield to an interruption but he cannot yield his time to the Senator from Indiana, as the Chair understands the rule.

Mr. LOGAN. Then I will proceed.

Mr. MORTON. I think that has not been the course here.

Mr. THURMAN. I hope the Senator from Indiana will be allowed to proceed by unanimous consent; but if that be done, if anything is said that requires me to answer him, I wish to have the privilege of doing so.

Mr. ANTHONY. I will give the Senator from Ohio my ten minutes.

Mr. SHERMAN. I trust the Senator from Indiana will withhold his reply until he can move an amendment, and then he will come within the rule.

Mr. MORTON. All right.

Mr. SHERMAN. I will not myself object to it; but the Senator can have the floor regularly in a few minutes.

The PRESIDING OFFICER. The Senator from Illinois is entitled to the floor.

Mr. LOGAN. I did not rise for the purpose of making a speech; but I was somewhat surprised this morning, when this question came up to be considered, that the chairman of the Committee on Finance should immediately rise to address the Senate after he was so earnest yesterday in desiring a vote and insisting on our sitting out the bill to-day, and after noticing that yesterday morning he commenced the debate also and then it had to go the rounds. I know very well that when such a debate is commenced several persons desire to speak. Noticing what he said this morning and remembering what he said yesterday morning, I see that we have a repetition of exactly the same speech every day on his part, (and perhaps I might say a repetition on our part, but I will not say that,) and it is an attempt to alarm us because there is no redemption. It is certainly very strange that the Senator from Ohio [Mr. SHERMAN] is so thoroughly wedded to his idea of having a 5 per cent. bond to go into the hands of some person, on which the Government or the people shall pay interest, for the purpose of redeeming the greenbacks, as they are commonly called, that he has to bring it to our notice every day. We remember very well that that is the position of the Senator, and it is unnecessary for him to notify us so frequently in reference to that point.

But let us see why these fears are expressed and why they are to be entertained. Constantly we are told there is no redemption. Is there not the same redemption for the national-bank currency that may be issued under any bill, if one should pass the Congress of the United States now, as there is at present? The Senator well knows that the thirty-second section of the banking law provides the ways and means for the redemption of the national-bank currency. He has not attempted, in any bill that he has offered here, to change the character of the redemption of the national-bank notes in any way whatever. The only thing he has attempted here has been to provide a redemption for the greenbacks in the form of a bond drawing 5 per cent. interest. If he desires to change the mode and manner of redeeming the national-bank currency, that is a question which is before the Senate now. We have passed from the other matters; and the discussion now is in reference to increasing the national-bank currency. What attempt has he ever made, in any bill that he has ever presented to the Senate, for a change of the mode of redemption of national-bank currency? None whatever. It stands just as the law is to-day providing the mode and manner by which national-bank currency shall be redeemed in greenbacks. There is the redemption for it thus provided in the law, and the Senator knows it.

Some remarks were made by the Senator from California [Mr. SARGENT] about the character of the speeches made here in the Senate. I have nothing to say in reference to that. Every Senator is responsible for the manner of his own speaking. I do not suppose a solitary Senator has been influenced here at any time during this debate by what any other Senator has said; I have no idea that any one has, and I intended this morning when I came here to say nothing, for I was very desirous that we should proceed to vote for the purpose of ascertaining the judgment of the Senate on these separate propositions, so that we might arrive finally at some conclusion as to whether a bill should be passed or a bill should not be passed; and that is my greatest desire now.

I think there might be some changes in the national banking law that would make it better. I would vote for some myself that would make it better than I think it is now; but inasmuch as the Senator from Ohio is so desirous of knowing, and persists every morning in asking, "What do you intend to do about redemption?" I will answer him. The Senator from New York [Mr. FENTON] offered a proposition yesterday for redemption, and the Senator from Ohio voted against it. I voted against it, because I do not see any necessity for any redemption being provided other than is provided in the law as it stands now; as far as the national-bank notes are concerned, they to be redeemed in greenbacks. It might probably be better to change it, but not in the manner in which the Senator from Ohio proposes to change it. When a redemption is proposed that is not agreeable to some of us, or not agreeable to him I will say, the Senator votes against it; that is to say, there is but one kind of redemption that can be fixed that is agreeable to him, and that is his own.

Mr. SHERMAN. I will vote for any plan that may be proposed looking to the redemption; or, if any Senator will submit any plan or project, mine being stricken out, I will vote for anything tending to advance greenbacks to par in gold.

Mr. LOGAN. I do not know of any plan of redemption of greenbacks except by gold. When you redeem them in a bond, that is only the credit of the Government sent out again—that is no redemption; it is a mere change of the form of indebtedness; it is not a redemption at all. The Senator says he will vote for any redemption. Will he vote for a gold redemption now? He has said often that he did not believe we could come to specie payments; time and again he has said that he does not believe we can do it now. What kind of redemption, then, does he want? He wants some mysterious thing that in its circle going the rounds is least understood by all men, and perhaps as little by himself as by others; something, no man can tell what, but something, and for what? Merely to defeat any proposition for an increase of the currency. That is the meaning of this debate that commences here every morning. It means procrastination and a determination, by all possible honorable means, to defeat the proposition. I have no objection to that; Senators have a right to do it; but that is the meaning of this repetition of the same thing over and over and over again, and after the bond redemption that is spoken of has been voted on five different times in this Senate! The very proposition substantially that he makes has been voted down five times, and sometimes by a vote of almost two to one; and yet he insists that there must be a redemption of some kind in this bill other than that which is provided in the law as it exists to-day. If the law as it exists to-day is not proper in reference to the redemption of the national-bank currency, why did not the chairman of the Committee on Finance propose to change it when the law was passed? He was in Congress and on the same committee; he was a part then of the Congress and of the committee that made this banking law; and why did he not change the redemption then of the national-bank currency and make it different from what it is now? He made no attempt to do it whatever. None has been made. But this is merely an attempt to drive from their position certain Senators here and to alarm them, if possible, or at least to alarm the country. As all may not understand the mode of redemption provided for in the national-bank act, he tries to leave the impression on the country that we are going wild and turning everything loose without any provision made for it. Whatever increase of currency may be passed here, if any is passed, will be subject to this very law that provides now for the redemption of the national-bank notes at the sub-treasuries of the United States in greenbacks. It is the only redemption, except a bond redemption, that any Senator on this floor has proposed save the Senator from New Jersey. His proposition was a gold one, and that proposition, I believe, received but eighteen votes.

Mr. FRELINGHUYSEN. My proposition was not to redeem the national-bank currency in gold.

Mr. LOGAN. To redeem the greenbacks. Well, when you redeem the greenbacks in gold, perforce the national-bank currency must be redeemed in gold. That is a natural consequence, and the one is the same as the other.

The PRESIDING OFFICER. The Senator's time has expired. As the Chair understands the question, the Senator from Illinois moved an amendment to the proposition of the Senator from North Carolina. To that there was an amendment offered by the Senator from Georgia and accepted by the Senator from Illinois. The Senator from West Virginia moves to amend the proposition of the Senator from Georgia, and he has accepted that amendment; and the question now is, does the Senator from Illinois, who moved the original proposition, accept the amendment? for it is for him to accept or reject it.

Mr. DAVIS. I understood the Senator from Georgia to say that he was willing to accept the third section in the original bill with the change suggested by me, making Pennsylvania the basis instead of New York.

The PRESIDENT *pro tempore*. That is so; but the Chair understands that the Senator from Illinois accepted the amendment of the Senator from Georgia, and it is for him now to determine whether he accepts this amendment.

Mr. LOGAN. If I may be permitted to state in a very short time my position in reference to that, I desire to do it. I should like to see the Senate determine whether or not a Western or a Southern State shall be entitled to the same privileges as one of the New England States. Maine being the one having the least amount of circulation, I believe, of any of the New England States, I should like to see a vote taken to decide whether or not the Senate proposes to say that other States shall not be placed on an equality with one of those States. I would prefer that, and I would prefer a square vote on free banking to either of them. But if the friends of this measure prefer to make Pennsylvania the basis, and think it has any greater show of passing the Senate in that form than with the State of Maine as the basis, which was named in the amendment that I have accepted, it does not give as I think what is right, but I am willing for the purpose of testing the sense of the Senate to accept that proposition now and let the Senate express its opinion about it.

The PRESIDING OFFICER. The Senator from Illinois, then, accepts the amendment of the Senator from West Virginia.

Mr. MERRIMON. The amendment of the Senator from Illinois is not to the substitute proposed by myself, as I understand it, but to the section.

Mr. LOGAN. It was to the third section of the original bill.

The PRESIDING OFFICER. The Chair stands corrected. It is an amendment to the third section of the original bill.

Mr. LOGAN. A substitute for that section.

Mr. HAMLIN. There have been several amendments and, I believe, as many exceptions to this piece of paper, and I want to hear it just as it now stands.

Mr. SHERMAN. It is only to strike out "New York" and insert "Pennsylvania" in the third section of the bill.

Mr. HAMLIN. Is that all? ["Yes."] Then I do not want it read.

Mr. DAVIS. I understand now that in the third section in the bill as reported from the Finance Committee the amendment is to strike out "New York" and insert "Pennsylvania." That is the whole question.

The PRESIDING OFFICER. The Chair understands the Senator from Georgia to modify his amendment, and that modification is accepted by the Senator from Illinois; so that the question is on the amendment of the Senator from West Virginia to strike out "New York" and insert "Pennsylvania" in the third section of the bill.

Mr. MORTON. Will the Senator from West Virginia [Mr. DAVIS] allow me enough of his time to say that I should be glad if both he and the Senator from Georgia would withdraw their amendments, so as to let the Senate take a fair and square vote on free banking, as presented by the Senator from Illinois? I should be glad to have a fair and square vote on that question, and then let this amendment come after, if it is not adopted.

The PRESIDING OFFICER. The question is on the amendment of the Senator from West Virginia, the previous amendments having been withdrawn.

Mr. DAVIS. I understand the bill will be amendable after "Pennsylvania" shall be substituted for "New York." If that be done, and free banking can then be tested as well after this section shall be perfected as now, and I believe it will be stronger, and it ought to be stronger with Pennsylvania in. I offered Pennsylvania in the spirit of compromise, it being much lower than Maine.

Mr. GORDON. I wish to ask one question as to the effect of this vote. My intention in offering the amendment in the form I did was to vote the section upon the bill, and not simply to vote as to whether the section should contain the words "New York" or "Maine." I wanted to get a vote on the adoption of that section as amended, and I so understand the Senator from West Virginia. Now the question is whether we shall have to take two votes on this section, one on striking out and inserting, and the other upon adopting the section.

Mr. LOGAN. The question stands thus, as I understand it: I offered my amendment as a substitute; I accepted the amendment of the Senator from Georgia to my amendment, thereby making it a substitute.

Mr. GORDON. I so understood.

Mr. LOGAN. If it is carried, it becomes a substitute for the third section, and then it is subject to such amendments as substitutes are subject to.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from West Virginia to strike out "New York" and insert "Pennsylvania" in the third section. ["Vote!" "Vote!"]

Mr. CONKLING. I beg to assure my friends that I am not going to postpone a vote. Two or three statements have been made varying somewhat as to the effect of this vote, and as I have put the Comptroller of the Currency to the trouble of making a statement for me as to the effect of it, which it will take but a moment to present, it may be agreeable to the Senate to know what it is. Taking the banking circulation of Pennsylvania as the basis, the Comptroller's table shows this:

Circulation of Pennsylvania, November 1, 1873, $42,055,781.	
One-half, $21,027,890, on a population of 3,521,951 is, *per capita*, $5.97.	
One-half, $21,027,890, on a wealth of $3,808,340,112, is, ratio, .0055.	
Total population, 1870, 38,558,371, at $5.97	$230,193,474
Total wealth, 1870, $30,068,918,507 at .0055	165,379,051
Total circulation, if distributed in same ratio as Pennsylvania	395,572,525
To this must be added the amount now held by the States which are in excess of above ratio	69,250,626
	464,823,151
Less circulation already authorized	354,000,000
Additional amount required to bring all States up to ratio of Pennsylvania, leaving those in excess all they now have	110,823,151

A remark which fell from the Senator from Georgia leads me to submit also another brief statement. He seems to think that those who believe that Southern States, or deficient States somewhere, are not in condition to subscribe for the added bank circulation cannot rationally at the same time regard this as inflation. In order to show that the distribution of this $110,000,000, nearly $111,000,000, in excess will not be an appeal merely to the deficient States to which he refers, I present this statement from the Comptroller of the Currency:

Statement showing the circulation of certain States, and an apportionment to the same States upon the basis of the circulation of Maine and Pennsylvania.

States.	Circulation authorized November 1, 1873.	Apportionment on basis of Maine.	Apportionment on basis of Pennsylvania.
New York	$60,976,006	$102,809,331	$61,919,698
Ohio	23,876,370	42,765,112	28,206,469
Indiana	14,706,415	25,340,152	17,008,395
Illinois	17,824,209	40,654,626	26,832,392
Virginia	3,902,342	12,551,306	9,566,958
West Virginia	2,360,307	5,021,381	3,687,406
North Carolina	1,819,300	9,855,418	7,830,190
Georgia	2,365,605	10,662,242	8,544,661
Minnesota	3,330,414	5,441,478	3,884,046
Additional circulation required to bring all States up to Maine			$280,274,824
Additional circulation required to bring all States up to Pennsylvania			110,823,151

Mr. HOWE. Do I understand the Senator to submit that as a table of all of the States in which the bank circulation is below that of Pennsylvania?

Mr. CONKLING. O, no. This is a selection of nine States, here and there, to illustrate without going through the whole thirty-seven States. It shows merely as to these nine States what the addition would be. Of course there are other States in respect of which it would be much more.

Mr. BOGY. What would be the augmentation on the basis of New York?

Mr. CONKLING. Without a precise calculation in regard to that, my understanding is this: the increase at this moment proposed being in round numbers $111,000,000, that sum exceeds by about $10,000,000 the increase as it would be upon the basis of New York.

Mr. DAVIS. I will say to the Senator from Missouri that it is $124,000,000, in round numbers, on the basis of New York.

Mr. SHERMAN. I think my friend from West Virginia has fallen into an error, because this table shows that on the basis of Pennsylvania the increase is $111,000,000.

Mr. CONKLING. I rather think the Senator from West Virginia is in error. He seems to understand that the basis of New York is greater than the basis of Pennsylvania.

Mr. HAMILTON, of Maryland. By $14,000,000.

Mr. DAVIS. I have the Comptroller's statement to that effect.

Mr. CONKLING. I thought he said by $24,000,000.

Mr. DAVIS. I said in round numbers the increase on the basis of New York would be $124,000,000.

Mr. CONKLING. That would be the difference between $124,000,000 and $111,000,000.

Mr. SHERMAN. The Senators are both wrong in the matter of figures. The Comptroller had not carefully made the statement at the time he gave the figures to the Senator from West Virginia which are being used by him. But the statement presented by the Senator from New York is the revised estimate, and by that, on the basis of Pennsylvania, New York gets an increase of $1,000,000.

Mr. CONKLING. More than a million.

Mr. SHERMAN. I stated the other day that on a correct statement the amount would not vary from $100,000,000 on the basis of New York; of Pennsylvania, $110,000,000; and of Maine, the large amount which has been stated to-day. But the basis of New York is less than the basis of Pennsylvania.

Mr. CONKLING. I think the Senator from Ohio is right. I was staggered by the figures of the Senator from West Virginia, misunderstanding them and thinking he had supposed the difference was $24,000,000. I may say without impropriety that the Comptroller of the Currency said to me verbally, without there being time to look at the table and add to this statement, that the basis of Pennsylvania was as I have already said $10,000,000 in round numbers more than that of New York; so that by taking Pennsylvania as the standard we should add to the increase of circulation about $10,000,000 more than we should have if we took New York as the standard; and that is fortified by these figures which show that under the redistribution upon the standard of Pennsylvania New York would receive more than a million in excess of her present bank currency.

Mr. DAVIS. I hold in my hand a statement from the Comptroller, and his exact figures are $124,062,267, as the increase on the basis of New York.

Mr. CONKLING. When were those figures made?

Mr. DAVIS. I received them yesterday evening.

Mr. CONKLING. I think the Senator will find on revision that that is an error.

Mr. DAVIS. I think perhaps we fell into an error by not calculating the enormous wealth of New York over other States. It is well known now that if you take the excess of Pennsylvania under the old apportionment it is $3,000,000, in round numbers; take that of New York and you find it is two and a half millions, in round numbers.

Mr. MORTON. What is the difference in the excess between those States?

Mr. DAVIS. At present?

Mr. MORTON. Yes, sir.

Mr. DAVIS. New York has two millions and a half excess in round numbers, and Pennsylvania has three millions and nearly a half in excess. But recollect New York's wealth is so much greater than that of any other State perhaps, except Massachusetts, that it makes its proportion larger *per capita* than any other State out of New England.

Mr. MORTON. What increase, for example, on your calculations would be given to Indiana on the basis of Pennsylvania?

Mr. DAVIS. The basis of Pennsylvania will give an increase to Indiana of $2,301,980, as made up by the Comptroller.

Mr. MORTON. There must be some error, because the calculation furnished by the Senator from New York gives Indiana $3,000,000, while the aggregate is $10,000,000 less.

Mr. DAVIS. I beg pardon of the Senator from Indiana. The statement that I read corresponds exactly with that of the Senator from New York. There is not a figure different.

Mr. MORTON. I thought the aggregate was less.

Mr. CONKLING. What is the aggregate?

Mr. DAVIS. The aggregate of Indiana at present is $14,706,415.

Mr. CONKLING. Yes, sir; that is according to the table I submitted.

Mr. DAVIS. Under an apportionment on the basis of Pennsylvania it would be $17,008,395.

Mr. CONKLING. The figures are the same.

Mr. DAVIS. Exactly the same.

Mr. BUCKINGHAM. It appears to me that we are laboring under the impression that certain sections of the country are suffering great injustice because they have not their proper share or proportion of banking facilities and banking currency; and this section of the bill proposes to make a distribution based upon the amount now located in the State of Pennsylvania. Suppose that is the right basis; if we shall adopt this amendment and enact this proposition into a law, each and every section of the country will be entitled to precisely a just proportion of banking facilities and bank currency; but I should like to know how long justice would be carried out toward every section of the country. I should like to know why to-morrow or next day there will not come up a cry to the American Senate for a redistribution because some other section of the country has less than its proper proportion of banking facilities. It seems to me it cannot be prevented; and in consequence of this it seems to me that this entire proposition is one that will never meet the difficulty.

Mr. FENTON. Before the vote is taken I wish to say that I am opposed to this proposition, not because it asserts free banking; I am in favor of free banking, as I have before stated from my place in this Chamber, with adequate security and redemption features. This proposition as it now stands provides for no redemption at all; and as there is nothing in the law outside of this amendment which practically secures this end, it seems to me that it is better to term this proposition one for free license in banking instead of free banking.

Mr. LOGAN. Will the Senator allow me, right there?

Mr. FENTON. In one moment. It is a license to emit an additional amount of paper money without making any provision for its payment. It is that and nothing else.

The proposition which I had the honor to submit last evening involved a sound principle; something upon which we could safely stand. It did not propose a contraction of the currency. It did not threaten to disturb any legitimate business interest, but it offered those safeguards which have heretofore been deemed so essential to a sound banking policy. I did not expect that those who are in favor of an unguarded increase of the volume of the currency would vote for it. I did not expect that they would favor any of those careful security and redemption features which experience has shown to be necessary to the operation of a sound system. In this I was not disappointed, and I shall not be disappointed now if this amendment be adopted; but I submit it is better for the friends of this amendment to declare in the title that it is a bill to perpetuate an irredeemable currency and to give free license to banking to the extent of $110,000,000.

The PRESIDING OFFICER. The question is on the amendment of the Senator from West Virginia, [Mr. DAVIS.]

Mr. MORRILL, of Maine. The movement of things this morning has rather attracted my curiosity. It is said now that this precise proposition is a question of free banking. I can hardly understand it in that light, although the honorable Senator from Illinois [Mr. LOGAN] and my friend who sits near me from Indiana [Mr. MORTON] talk about this being free banking. It is not free banking in that enlarged and catholic sense for which I could go.

Mr. LOGAN. I merely want to say that the Senator misrepresents me by saying that I say this is free banking. I say it is not.

Mr. MORRILL, of Maine. The Senator need not have the slightest occasion to interrupt if he will wait until I get on one or two sentences. What is observable on all hands is that we divide radically on two questions: one of inflation and the other of holding the Government of the United States to a performance of its pledge to redeem a portion of the paper money which now circulates as currency, and thus to perform its obligation and thus come back to the standard of values fixed by the Constitution. That that is a duty, nobody in the Senate has undertaken to deny. Why not perform it now? "We are not ready," we are told. Very well, if you are not ready to perform it now, why do you insist upon making it impossible in the future? Answer me that. If you cannot do it to-day, say so honestly. It may not be necessary for you to go into insolvency; it may be that we can bear the depreciated currency longer; it may be that a suffering people, for whom certain gentlemen *par excellence* assume to speak here, can stand your depreciated currency longer; it may be that while we are hesitating to perform our duty here the people who are engaged in the industry of the country can stand it to have this currency fluctuating as in three or four days under our action from 9 to 15 per cent.; and be solaced with the idea that we who stand here and insist that the Government shall go back to its pledges and its promises, at least begin to do it, are hostile to the interests of the people! I have not so understood it.

I was not a little surprised that my honorable friend who sits beside me here [Mr. MORTON] sounds the key-note to-day that it is sacrilege to be devoted to the standard of value indicated by the text of the Constitution of the United States; that we who hold that gold and silver are the true standard of value fixed by the Constitution are idolaters. That is rather a bold, not to say audacious figure, allow me to say to the honorable Senator.

Mr. MORTON. Not true?

Mr. MORRILL, of Maine. No, sir, it is a loyal devotion to a great fact which underlies all our prosperity. The honorable Senator from Indiana may attempt to ignore it; but all history points to it, and the moment you cut away from the constitutional provision of the standard of values, you are afloat in an illimitable sea; Heaven only knows when and where you are to make a harbor of refuge. There is no such delusion in this age as the one that the Senator, I say it with respect, is inculcating in the American mind at the present time. It is against all teachings of history. No such sentiment was ever before uttered on the floor of the Senate. The history of the fathers, the history of the Constitution, the history of all legislation in this country, and all tradition, is against it. I repeat, sir, the assumption that we may cut loose from the constitutional standard of values and are at liberty to fix a paper standard in lieu thereof is a delusion and a snare. Nay, sir, if there were any probability that such policy could obtain in a period of profound peace under the sanction of Congress, it would come to be regarded as a great political crime.

Now, Mr. President, if the Senator is entirely confident that his opinions are sound on this question, why so timid? He is bold enough when in the right. Why not walk up to this man-fashion? I am for free banking. The Government performing all its obligations, you may have all the money you can pay for; not all the paper you can print denominated money, but all the money anybody anywhere may want to bank on. I say, the Government of the country performing its obligations and taking its irredeemable promises out of circulation, then bank without limitation. But this idea of banking on irredeemable paper is an anomaly, and nobody knows its consequences better than the honorable Senator, as his former record indelibly fixed in the records of Congress will show. Why does he hesitate? Why this limitation of your circulation? If you want irredeemable paper money, why not have it *ad libitum*? You fix on Maine, first. Well, that would do very well as the minimum of distribution. Why not take it? Why all this legislative courtesy between inflationists on this side and the other this morning? Why this balancing? Was $268,000,000 of currency which you would get on the Maine basis more than you could carry? Why not carry it? Why come back to Pennsylvania and say $111,000,000? Is that enough? Does my honorable friend think $268,000,000 more than they can carry, more than the country will stand? I only put this, not by way of reproach, but simply to illustrate the absurdity of the whole thing.

No man here dare—my honorable friend who sits near me, who dares as much as any man in the right, does not dare to take the responsibility of unrestricted free banking upon irredeemable paper. But on my proposition he dare do it, because therein there is safety; because therein you come back to the great standard of the Constitution always and at all times, and that is self-regulating. Then you have just so much money as the business of the country justifies, just so much as the business of the country demands; but here under this proposed policy you have just so much paper currency as under an excitement such as prevails at the present time you can induce Congress to vote.

Mr. President, if this is an interpretation of banking by Congress and through the agency of Congress, it requires no prophet to foretell what the consequences of this system will be if it is perpetuated. The volume of currency voted up to-day and voted down to-morrow under the leadership of any gentleman who can command the country sufficiently to back him. Is not that so? Will the people of this country commit themselves to the policy of a volume of the currency dependent on the votes of Congress?

Mr. MORTON. Will the Senator allow me a moment?

Mr. MORRILL, of Maine. Certainly.

Mr. MORTON. The State of Maine is entitled to less than $5,000,000 of the national-bank note currency properly; but she got over $8,000,000, banking on irredeemable paper, and has flourished as she never did before. Now, when we do not ask that amount, but ask something in the way of equalization, the Senator comes forward and says that such banking is a crime. He is willing that Maine shall hold on to this crime, but Indiana must not participate more than she has done in the crime!

Mr. MORRILL, of Maine. The Senator might have taken his own

time to have said as much as that, because there is scarcely a particle of justification in the statement any way. Maine has got what she has because Indiana would not take what was offered to her. Does not the Senator know that?

Mr. MORTON. No.

Mr. MORRILL, of Maine. Maine has got more because Indiana would not take her portion offered to her when the great interests of the country demanded a sacrifice. Is not that so?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MORTON. I hope the Senator will be allowed to go on, though the rule has been applied to me.

Mr. MORRILL, of Maine. No, sir; the Senator from Maine will take another opportunity to address himself to the Senator from Indiana.

Mr. MORTON. I always like to hear my friend, whether he is on my side or not.

The PRESIDING OFFICER. The question is on the amendment of the Senator from West Virginia, as the Chair understands, to strike out "New York" in the third section of the bill and insert "Pennsylvania."

Mr. SHERMAN. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MORTON. Before the vote is taken I again call the attention of my friend from West Virginia and my friend from Georgia to the suggestion that they withdraw their amendments temporarily, and allow the votes to be taken on free banking pure and simple.

The PRESIDING OFFICER. The Chair understands that they have declined to withdraw their amendments; and the question is on the amendment as stated by the Chair. The Secretary will proceed with the roll-call.

The Chief Clerk proceeded to call the roll.

Mr. BUCKINGHAM, (when his name was called.) On this question I am paired with the Senator from Louisiana, Mr. WEST.

Mr. INGALLS, (when his name was called.) On this question I am paired with the Senator from Connecticut, Mr. FERRY. He, if present, would vote "nay," and I should vote "yea."

Mr. RANSOM, (when his name was called.) On this question I am paired with the Senator from Delaware, Mr. BAYARD, who is at home sick, being too unwell to be in the Senate. If he were here he would vote "nay," and I should vote "yea," on this motion.

The call of the roll having been concluded, the result was announced—yeas 25, nays 26; as follows:

YEAS—Messrs. Boreman, Carpenter, Conover, Cooper, Davis, Dennis, Ferry of Michigan, Gordon, Harvey, Hitchcock, Lewis, Logan, Mitchell, Morton, Norwood, Oglesby, Patterson, Pease, Pratt, Ramsey, Robertson, Scott, Spencer, Sprague, and Tipton—25.

NAYS—Messrs. Anthony, Bogy, Chandler, Conkling, Cragin, Fenton, Frelinghuysen, Goldthwaite, Hager, Hamilton of Maryland, Hamilton of Texas, Hamlin, Howe, Jones, McCreery, Merrimon, Morrill of Maine, Morrill of Vermont, Sargent, Saulsbury, Schurz, Sherman, Stewart, Thurman, Wadleigh, and Windom—26.

ABSENT—Messrs. Alcorn, Allison, Bayard, Boutwell, Brownlow, Buckingham, Cameron, Clayton, Dorsey, Edmunds, Ferry of Connecticut, Flanagan, Gilbert, Ingalls, Johnston, Kelly, Ransom, Stevenson, Stockton, West, and Wright—21.

So the amendment was rejected.

Mr. MORRILL, of Vermont. I now offer the following amendment, to come in at the end of the third section:

Provided, That the maximum limit of fractional currency issued for circulation shall be fixed at $40,000,000, and any excess beyond that amount which may be outstanding shall be withdrawn as early as practicable and canceled.

I think it will be admitted by all that there is a vast excess of fractional currency in circulation, so much that it is almost a positive nuisance. The practice of governments throughout the world has been as far as possible to allow the ordinary retail transactions to be conducted in specie. To that end the first national bank that was created under our Government was limited to a circulation of bills of ten dollars and upward, and the second charter to five dollars and upward. The practice under the Bank of England is to issue nothing less than notes for five pounds, or twenty-five dollars.

The evils of this small-paper circulation were frequently discussed when the democratic party was in power in 1832 and 1833, and by the Secretary of the Treasury, Mr. Woodbury, in 1841. Senators, if they have any desire to delve in these old documents, will find a vast deal of information in relation to paper currency if they will turn back to the doctrines then enunciated by the great democratic party.

Now, Mr. President, there is, besides the actual fact of a vast excess of this fractional currency being in circulation, another fact that I desire to call attention to. The twenty-five-cent denomination is constantly counterfeited. Now, if each individual of our population of forty millions receives a single twenty-five-cent counterfeit it amounts to $10,000,000 in a year of actual loss. But suppose it is only one-fourth of it, that would be two and a half million dollars a year, and in ten years it would amount to $25,000,000. I submit the proposition to the good sense of the Senate.

Mr. MORTON. Mr. President, the Senator from Maine [Mr. MORRILL] said that Maine had got nearly double the currency she was entitled to, because Indiana and other States had refused to take it. Under the law, that which was apportioned to each State was to stand to its credit until it was ready to take it, but other States rushed in in 1865 and took it all; and when Indiana and other States were prepared from that time forward to take it, it was gone. That is the simple truth of it. Maine got it in violation of law, and Indiana lost it in the same way. This is the simple fact, that our friends are not willing that the Western and Southern States shall have banks on the same terms that they have got them. They want to impose new terms under which new banks will not be established.

My friend says that gold is in the Constitution, that gold is the only god in the Constitution. The Supreme Court have said not. They have said that gold is not in the Constitution; that it is just as competent for Congress to make paper money a legal tender as gold. Silver is in the Constitution as much as gold; they are both mentioned in the same way; and yet silver was dethroned years ago, and was made a legal tender for only five dollars, and may be made a legal tender for nothing; and if Congress has the power to say that silver shall not be a legal tender, it has the same power to say that gold shall not be.

One word in reply to my honorable friend from Ohio, [Mr. THURMAN.] He has thought proper to say that I have made changes. That has been stated on the floor here for a purpose and seems to be repeated for a purpose. I would know how to reply to it out of doors; here I am constrained; but on the question of finance I know nearly all the members of the Senate have changed more or less, and I know that some men have changed half a dozen times since this discussion commenced. Now, Mr. President, there are financial Bourbons; and the financial Bourbon differs from the French Bourbon in one thing. The French Bourbon never forgets anything, but he never learns anything. The financial Bourbon forgets a great many things, but he never learns anything. There is that difference between them.

I may further remark that I am willing to compare my record on the subject with that of any Senator on this floor. I believe I have made some changes, and I expect to make more. There are two classes of men who never change. The first class is dead—the second I need not name. [Laughter.] But I want to read an extract from the President's message that the Senator from Ohio did not. The President is against inflation just as I am, and just, I think, as the great body of the country is. He uses the word "inflation" in the true sense—an increase of the currency beyond the wants of the people; and that is inflation. An increase of the currency to meet the wants of the country is no inflation. Here is what the President said. The President recognized the fact that we had not got enough currency:

In view of the great actual contraction that has taken place in the currency, and the comparative contraction continuously going on, due to the increase of population, increase of manufactories, and all the industries, I do not believe there is too much of it now for the dullest period of the year.

Well, if there is not too much for the dullest period, there must be a great deal too little for the active period of the year. He further goes on to say:

During the last four years the currency has been contracted, directly, by the withdrawal of 3 per cent. certificates, compound-interest notes, and "seven-thirty" bonds outstanding on the 4th of March, 1869, all of which took the place of legal-tenders in the bank reserves to the extent of $63,000,000.

And then he further goes on to show how the currency has been contracted:

During the same period there has been a much larger comparative contraction of the currency. The population of the country has largely increased; more than twenty-five thousand miles of railroads have been built, requiring the active use of capital to operate them; millions of acres of land have been opened to cultivation, requiring capital to move the products. Manufactories have multiplied beyond all precedent in the same period of time, requiring capital weekly for the payment of wages, and for the purchase of material; and probably the largest of all comparative contraction arises from the organizing of free labor in the South. Now, every laborer there receives his wages, and for want of savings-banks the greater part of such wages is carried in the pocket or hoarded until required for use.

There the President shows that there is no more currency than is wanted in the dullest season of the year, and shows how contraction has been going on in addition to the $63,000,000 that have actually been taken out of the circulation.

Mr. President, what is the use of talking about gold when you have not got it? The Senator from Ohio in all this session has never attempted to tell us how we can resume specie payments. The whole world knows we have not got the gold. The country is in the condition of a man who is rich, who has got a great deal of valuable property, who is in a fine condition, but has not the money. He has got that which is worth the money many times over, but he has not got the money. We have got the country; the country is prosperous; but the gold is not in the country, and everybody knows it; and yet we hear gold talked about here.

Mr. JONES. Will the Senator allow me to ask him a question?

Mr. MORTON. Yes, sir.

Mr. JONES. I should like to ask the Senator how it is that the State of Texas, the State of Oregon, the State of California, and the State of Nevada, with less resources than most of the States of which he speaks, find no difficulty in having plenty of gold?

Mr. MORTON. So far as Texas is concerned, I am not so well advised about the condition of that State; but I can say in regard to California and Nevada that I believe their banks from the very first declined to receive the legal-tender currency in that country. California has shut it out, and it is the greatest blunder she has made. It has stood in the way of her prosperity all the time. California is a mining State, and Nevada, I believe, is almost exclusively a mining State, and when they insist that the currency of the country shall be gold, my answer is that that is to make the currency that which California and Nevada produce.

Mr. JONES. If the Senator will excuse me, the question I asked was how it was that those States, with less values of wheat and such

things to sell, can get the gold—a large amount of it—and retain it? When the miners dig the gold they do not give it away; the people have to buy it, and buy it with something. And how do they retain the gold, being such poor States?

Mr. MORTON. Gold is the product of Nevada. That is what people go to Nevada for chiefly, and I believe it has been the policy of the financial men of Nevada to exclude greenbacks from the State, and it has been a blunder, in my opinion. Nevada only had forty-two thousand population in 1870; very few more, I think, than she had six or seven years before, and the probability is that she has got but few more now. She has got gold in abundance; her mountains are full of gold and silver, but she lacks people and she lacks prosperity.

[Mr. JONES addressed the Senate. His remerks will appear in the Appendix.]

Mr. MORRILL, of Maine. A dexterous remark interjected by the honorable Senator from Indiana into the few observations which I was making at the close makes it necessary for me to say a word in reply. The remark was that certain communities, referring to the New England States and particularly to the State of Maine, had an undue proportion of the national-bank currency, and that therefore it was a cheap sort of patriotism for a representative of Maine to take the ground now taken by her representative upon this floor. I would have remarked, if my time had permitted, by way of answer, that Maine took precisely what she was authorized to take by law. She took the $5,000,000 as she was authorized according to the rule of distribution. Indiana, so ably represented by my distinguished friend, not choosing or not being in a condition to take the part assigned to her, not having the same desire, possibly not the same ability that she now has to take the part that was assigned to her, it was offered to Maine, and under those circumstances Maine took it.

Mr. MORTON. Offered by an officer in direct violation of the law. That is, he permitted them to take it when they came and asked for it.

Mr. MORRILL, of Maine. We were permitted to take it by force of a law that if the currency was not taken up by a certain time it might be distributed to other States; and so it was distributed to those other States. More than that, the Senator himself very well knows that it was distributed under the stimulus of a 10 per cent. tax by way of penalty upon our own State circulation, with which we were content, if we did not do it.

Another reason why Maine should not be reproached for the conduct of her representatives on this floor is that when this condition of things was made known in the Senate in 1870, and we were told that certain States, which I will not denominate delinquent, but those States which had not their share of the circulation under the circumstances to which I have adverted because they did not care to take it, were anxious to take it, did we not, and does not my honorable friend bear witness to the fact that the representatives of Maine on this floor, and I believe every Senator from New England, offered it to them? Did we not, indeed, vote for a redistribution to equalize this circulation and give to those States who found themselves in that condition their fair proportion? And more, does not the honorable Senator know that we have been standing ready and waiting to do that same thing during this entire session? I took occasion very early in the session when that proposition was before the Senate to say that for myself I was ready to vote to equalize the circulation by a contribution from the States who had it in excess.

So I submit, Mr. President, that it comes with an ill grace from my honorable friend from Indiana to turn upon New England and charge upon her that she occupies a position which does not allow her to speak upon this question.

Now one observation more in regard to a remark that fell from the Senator, addressed to me somewhat, and that was that gold and silver were not necessarily by the Constitution the only standards of value, that paper money may be made a legal tender as well as gold and silver. If I misstate the Senator, of course he will correct me.

Mr. MORTON. I said the Supreme Court had declared so.

Mr. MORRILL, of Maine. My honorable friend now repeats it, and by way of giving sanction and efficacy to that statement says that the Supreme Court have so settled it, from which I am to understand that it is his opinion, and that the honorable Senator stands here now to assert the proposition that it is within the ordinary legislative power of the American Congress to make paper money a standard of value. I undertake to say, from a careful reading of the opinions of the Supreme Court, that they have settled no such thing; nor did I ever hear before that it was so pretended. In a great emergency, in such as involved the very life of the nation, the court did say that under such circumstances the Government might issue such paper. But that it could be done as an ordinary act of legislation, or under any other circumstances than such as were enumerated, they took especial pains in every line and in every page of all the opinions to deny; both those which affirmed and those which dissented, to say that it was entirely exceptional, and upon no other ground and under no other circumstances could that legislation be justified. It was put upon the ground of a national emergency. It was put upon that ground as a war measure, and everybody understood and understands at this day, as I had supposed, that it was in the nature of a forced loan. But, Mr. President, I attach no sort of consequence to that further than this: put that assumption of my honorable friend together with the assumption already stated, to which I adverted when I was up before, in regard to the standard of values fixed by the Constitution, and it shows the tendency of sentiment and opinion in the Senate, which I think is a matter greatly to be deplored.

The PRESIDENT *pro tempore*. The question is on the amendment offered by the Senator from Vermont, [Mr. MORRILL.]

Mr. LOGAN. Let it be read.

The CHIEF CLERK. At the end of the third section it is proposed to insert:

Provided, That the maximum limit of fractional currency issued for circulation shall be fixed at $40,000,000; and any excess beyond that amount which shall be outstanding shall be withdrawn as early as practicable.

Mr. MORTON. That is a contraction of $6,000,000.

Mr. CHANDLER. I should like to ask the Senator from Vermont if he knows what amount is out, and if he knows what amount is supposed to be requisite by the Treasury Department for the transaction of business.

Mr. MORRILL, of Vermont. As I have understood, $40,000,000 is considered the very utmost that is required. I think there is now outstanding more than the Senator from Indiana indicated; my impression is about $48,000,000.

The PRESIDENT *pro tempore*. The question is on the amendment of the Senator from Vermont to the third section of the bill.

Mr. MORRILL, of Vermont. I ask for the yeas and nays.

The yeas and nays were ordered; and the Chief Clerk proceeded to call the roll.

Mr. INGALLS. On this question I am paired with the Senator from Connecticut, Mr. FERRY. If he were here he would vote "yea," and I should vote "nay."

Mr. RANSOM, (when his name was called.) I am paired with the Senator from Delaware, Mr. BAYARD.

The call of the roll was concluded.

Mr. SARGENT. I am requested to announce that the Senator from Iowa, Mr. ALLISON, and the Senator from Nevada, Mr. STEWART, have paired. They are both engaged on a committee to-day. If present, the Senator from Iowa would vote "nay" and the Senator from Nevada would vote "yea."

The result was announced—yeas 19, nays 30; as follows:

YEAS—Messrs. Anthony, Buckingham, Chandler, Conkling, Cragin, Fenton, Hager, Hamilton of Maryland, Hamilton of Texas, Hamlin, Howe, Jones, Morrill of Maine, Morrill of Vermont, Sargent, Saulsbury, Schurz, Sherman, and Thurman—19.

NAYS—Messrs. Bogy, Boreman, Carpenter, Conover, Cooper, Davis, Dennis, Ferry of Michigan, Goldthwaite, Gordon, Harvey, Hitchcock, Johnston, Lewis, Logan, McCreery, Merrimon, Mitchell, Morton, Norwood, Oglesby, Patterson, Pease, Pratt, Ramsey, Robertson, Spencer, Sprague, Tipton, and West—30.

ABSENT—Messrs. Alcorn, Allison, Bayard, Boutwell, Brownlow, Cameron, Clayton, Dorsey, Edmunds, Ferry of Connecticut, Flanagan, Frelinghuysen, Gilbert, Ingalls, Kelly, Ransom, Scott, Stevenson, Stewart, Stockton, Wadleigh, Windom, and Wright—23.

So the amendment was rejected.

The PRESIDENT *pro tempore*. The question recurs on the amendment offered by the Senator from North Carolina, [Mr. MERRIMON,] to strike out the original bill after the enacting clause, and insert a substitute.

Mr. GORDON. Is not the question on the third section of the bill reported by the committee?

Mr. SHERMAN. I have some amendments to offer.

The PRESIDENT *pro tempore*. The Chair understands that all amendments offered to the third section have been rejected.

Mr. MORTON. The question was taken on the amendment of the Senator from Vermont, but a vote, I believe, has not been had on the question of making New York the basis.

Mr. HAMILTON, of Maryland. O, yes.

Mr. SHERMAN. New York is in the bill.

The PRESIDENT *pro tempore*. The question is on the amendment of the Senator from North Carolina, [Mr. MERRIMON.]

Mr. SHERMAN. I have waited thus far before offering any amendment to take the place of the second and fourth sections in the hope that the Senators whose vote struck out those sections would propose some measure to take their place. We are brought to the consideration of a choice between two evils. I will now offer the following to take the place of the fourth section, or to come in after the present third section:

That sections 31 and 32 of the national currency act be amended by requiring that each of the said associations shall keep its lawful money reserves within its own vaults at the place where its operations of discount and deposit are carried on; and all the provisions of the said sections requiring or permitting any of the said associations to keep any portion of its lawful money reserves elsewhere than in its own vaults, or requiring and permitting the redemption of its circulating notes elsewhere than at its own counter, except as provided for in this act, are hereby repealed.

Mr. MORTON. I will inquire of the chairman how that affects the question of reserve?

Mr. SHERMAN. This requires the banks to keep their reserves in their vaults. I will state that in the bill as it stands by common consent we have required three-fourths of the reserve to be kept in the vaults of the bank; but this is a section taken from the House bill now pending in the House, and which it seems to me is better, requiring the whole reserve to be kept in the vaults of the bank.

Mr. MORTON. As the law now stands three-fifths of the reserve

required to be kept may consist of balances in the redemption cities, as was stated yesterday. Now, will this require the banks to keep the whole 15 per cent. in the one case, or 25 per cent. of greenbacks in the other case, in their own vaults?

Mr. SHERMAN. That is the very purpose.

Mr. MORTON. So that it repeals that part of the old law which authorizes balances in the redemption cities to be treated as part of the reserve.

Mr. SHERMAN. Undoubtedly.

Mr. DAVIS. I ask the Senator from Ohio, does it not make the reserve less?

Mr. SHERMAN. I ought to say that this amendment will be followed by a proposition on that point. The bill having come up in this disjointed way, causes some embarrassment; but I will offer a section that will relieve the banks from any requirement of a reserve on their circulation and require them to redeem their circulation at the Treasury of the United States. In other words, I propose to add to this amendment two sections of the House bill, one which provides for actual redemption at the Treasury of the United States, and the other which relieves the banks from the necessity of maintaining any reserve for circulation.

Mr. DAVIS. Is there a provision that gold may be a portion of the reserve?

Mr. SHERMAN. It is so now under the law. Gold has never been demonetized entirely in this country. It may be a part of the reserve now.

Mr. FERRY, of Michigan. I should like to ask the Senator from Ohio whether his proposition is not to confine the redemption to the banks entirely, to make them redeem at their own counters?

Mr. SHERMAN. As I said, I propose, hereafter, or even now, if it is thought most logical, to offer two sections of the House bill.

Mr. FERRY, of Michigan. I should like an answer from the chairman whether it is the object of his amendment to confine the redemption to the bank counters of their several issues?

Mr. SHERMAN. No; I propose to have a center of redemption.

Mr. FERRY, of Michigan. Where?

Mr. SHERMAN. In the city of Washington. In other words, as the Senate have voted out every plan for redeeming United States notes, I now propose a practical redemption for bank-bills in greenbacks, taken from the House bill which is before me.

Mr. FERRY, of Michigan. If the Senator proposes to confine it to Washington as the point of redemption, then the difficulty of reaching Washington creating obstacles to the facility of redemption will create a discrimination against certain issues distant from the point of redemption. That will be the effect, so that the national currency will not preserve its uniform value in the market.

Mr. SHERMAN. To present to the Senate these questions in their order I will withdraw the amendment that I have offered, and now offer the third section in a modified form, taken from the bill of the House.

Mr. MORTON. I think we ought to have the propositions together, because they are one amendment.

Mr. LOGAN. Would it not be better to go on and see what the determination of the Senate is in reference to the third section of the committee's bill.

Mr. SHERMAN. That is settled; but I will withdraw the amendment, if the Senator desires to offer an amendment to the third section. The third section now stands unaltered.

Mr. LOGAN. With "New York" as the basis?

Mr. SHERMAN. It is, like the rest of the bill, open to amendment.

Mr. LOGAN. I think we want to determine how the bill is to be perfected. This proposition that the Senator is offering, a part of the House bill, is a proposition in connection with free banking. I have lying on my desk a proposition that I propose to offer at some stage of this proceeding for free banking with the proposition of the House, as suggested by the Senator. This proposition of the Senator does not properly belong here unless free banking is adopted, because it is in connection with that part of the House bill. That is a bill for unlimited free banking, providing for redemption in greenbacks at the different sub-treasuries of the United States, requiring the banks to keep 5 per cent. for that purpose in the Treasury of the United States, and then in connection with that it strikes out a portion of their reserve except on deposits, and also inserts this clause that the Senator proposes here, prohibiting all such associations from keeping any portion of their lawful reserve elsewhere than in their own vaults. I have the same proposition on my table in connection with the free-banking bill as offered in the House. It seems to me that it would be better to determine this question, because that proposition will be presented here before we are through.

Mr. SCHURZ. I desire to make a suggestion to my friend from Ohio and the Senator from Illinois also. Free banking is one thing, and redemption is another. Here the Senator from Ohio desires to propose a method of redemption. Upon the adoption or rejection of that method of redemption it may depend whether a great many of us will vote for free banking or not. If that method of redemption is rejected, I for my part shall vote against free banking; if it be adopted, I may be inclined to vote for free banking. Therefore it seems to me——

Mr. LOGAN. Allow me to ask the Senator a question right there. He says he may be inclined to vote for free banking. I ask him, with that section providing for redemption and with 5 per cent. of greenbacks held in the United States Treasury, will he vote for free banking?

Mr. SCHURZ. I think I shall. I have not read the section. I want to hear it first. The Senator has laid before us only a part of the whole thing.

Mr. SHERMAN. I have waited, but I will withdraw this amendment now.

Mr. LOGAN. I will say to the Senator from Ohio that I have on my table a proposition for free banking with the redemption section of the House, that I propose to offer in the Senate Chamber before this bill is concluded. Some say that with that redemption they are willing to vote for free banking. I say I will offer free banking in that shape myself, and I have it on my table with that purpose. I do not understand the Senator from Ohio to say that he will vote for free banking with that in. I understood the Senator to say he would not, because I have conversed with him on that subject.

Mr. SHERMAN. If the Senator will allow me I will explain precisely what I want, because this matter is one that we all ought to pass our votes upon intelligently. I desire to restore the second and fourth sections of this bill in the best form I can get them, and therefore I invite and urge Senators who represent the majority that struck out those sections to give us some substitute, unless they agree with the Senator from Indiana that no substitute is required. I will give way at any time to allow any expedient that will provide for redemption to be offered. But in case none is offered by Senators, I shall move to restore the fourth section by striking out the "70" per cent. reduction and inserting "50," in the hope that some Senators who voted to strike out the section as it stood will vote for at least a diminution of the greenbacks to the amount of 50 per cent. of the additional national-bank notes issued.

Next, I shall move to amend the second section in a different form, postponing the time of redemption one year longer; yes, I would vote for it if it was two years longer off; I would vote for anything that will fix an ultimate day that will make our promises good either in bonds or coin.

These amendments will provide for the redemption of greenbacks, and they cover the redemption of national-bank notes, because if you provide for the redemption of greenbacks you do provide for the redemption of national-bank notes; but if these amendments should be voted down, then I propose to do the next best thing, take the third section as it stands reported by the committee expanding our bank currency $100,000,000 on the basis of New York, and accompanying it with practical redemption by requiring the banks to retain in the Treasury of the United States, either in Washington or New York, or both, a sufficient amount of greenbacks to redeem their bank-notes. I would accompany that with a provision relieving the banks from the reserve on circulation, and requiring them to keep the whole of their reserve on deposits in the vaults of the bank and thus make redemption practical. That with some other sections from the House bill, to which I think there will be no objection, will improve this bill.

If these amendments should be adopted, then I would prefer this expanded free banking on the basis of New York to the proposition of the Senator from North Carolina; but if a majority of the Senate have made up their minds to redeem neither the greenbacks nor the bank-notes, then I will take the very smallest number possible of either, and will vote for the proposition of the Senator from North Carolina.

Now I hope, having explained my own personal position, my course will be understood. I shall desire first to perfect the mode of redeeming the greenbacks, by restoring in some form the second and fourth sections of the committee's bill. That failing, I shall seek to make redemption of bank-notes practicable, so that a bank-note can be designated presented for redemption in greenbacks at New York; and if that fails, then I shall vote for the proposition of the Senator from North Carolina, and let the bill go to the House.

Mr. SCHURZ. I would suggest to my friend from Ohio that he had better introduce his amendments now. They apply to the section as it stands just as well as they would apply to free banking. When those amendments shall have been voted upon, then some of us will know how to vote upon the proposition for free banking.

Mr. SHERMAN. I hope the Senator from Illinois will offer the sections he proposes to offer separately; but if he offers them all at once, I cannot vote for free banking without redemption of greenbacks.

Mr. LOGAN. The Senator says he cannot vote for free banking without that, but will he vote for it with it?

Mr. SHERMAN. I will not vote for free banking except with coin redemption.

Mr. LOGAN. Ah! Now in order that the Senator shall have an opportunity of voting for free banking, and let it be determined either one way or the other—that is a question for a majority of the Senate—I offer as a substitute for the third section as it now stands in the bill the first section of the amendment which I offered before, which is free banking without restriction, and in connection with it this section for the purpose of testing whether Senators who claim that they want redemption are in earnest or not:

And every national banking association organized or to be organized under the provisions of the said act, and the several supplements and amendments thereof,

shall at all times keep and have on deposit in the Treasury of the United States in lawful money of the United States—

Meaning greenbacks—

a sum equal to 5 per cent. of its circulation, which shall be a part of the present reserve now required by law, to be held and used only for the redemption of such circulation, and when the circulating notes of any such association or associations shall be presented, assorted or unassorted, for redemption in sums of $1,000, or any multiple thereof, to the Secretary of the Treasury or to any assistant treasurer of the United States, the same shall be redeemed in United States notes. All notes so redeemed shall be charged by the Secretary of the Treasury to the respective associations issuing the same; and he shall notify them severally on the first day of each month, or oftener at his discretion, of the amount of such redemption; whereupon each association so notified shall forthwith deposit with the Treasurer of the United States a sum in United States notes equal to the amount of its circulating notes so redeemed, under penalty of forfeiture of its charter.

There is a redemption provided for, with a forfeiture of charter if they do not comply with it. Then I have a section that I would offer in addition to this, providing that the reserves may be kept in their own vaults, and also providing that the law providing for reserves in reference to circulation be repealed, but that the reserve in reference to deposits shall be maintained. It is similar to the proposition of the Senator from Ohio; but that is a question for the Senate afterward. I offer these two sections as a substitute for the third section of the bill.

Mr. SHERMAN. I cannot vote for those sections together. The first section is free banking without any provision for the redemption of the greenbacks whatever, but simply this qualified redemption of bank-notes in legal-tenders. I am willing to apply free banking to the extent of the basis of New York if I cannot get anything better; but it seems to me we ought to take the question on these sections separately, not together.

Mr. LOGAN. Well, I propose to test the question of the sense of the Senate on free banking. I offered that before and I accepted amendments. I do not know how the Senate stands on free banking; but inasmuch as I took that position myself, I desire to test the sense of the Senate in reference to it. In this amendment redemption is provided for and so is free banking.

Mr. THURMAN. Is the amendment offered by the Senator from Illinois in order now?

The PRESIDENT *pro tempore*. The Chair understands it to be.

Mr. THURMAN. Now, Mr. President, we see the inconvenience of attempting to perfect a great measure like this or to agree upon it in open Senate. Here is a proposition that has not been discussed, an extremely important proposition, one that requires consideration on the part of any Senator before he can vote for it. I do not think we are in any condition to vote on it to-night. I think it requires consideration. I for myself confess that it being an entirely new proposition, at least to me—it may not be to others who have not been kept out of the Senate as I have been by committee work, but to me it is a novel proposition—I want time to consider it. I think this bill had better now be printed as it has been amended.

Mr. LOGAN. Allow me to correct the Senator. He says this is a new proposition. This proposition of free banking, just as printed now, has been before the Senate for six weeks.

Mr. THURMAN. I am not speaking about free banking. I am ready to vote on the proposition of the Senator from Illinois that he had printed a long time ago, and that he offered some days ago, and have been ready to vote on it ever since it was offered; but he offers that now with a very important qualification annexed to it, which I never heard of until it was suggested here within the last ten minutes. I am not accustomed to vote for measures that I do not consider. I have to do my own thinking to the best of my ability. I think, therefore, the best thing we can do is to print this bill as far as it has been amended and print the pending amendments, which can be done by to-morrow morning, and go into executive session now.

Mr. LOGAN. I wish to remind the Senator that the chairman of the committee yesterday suggested that to-day we should finish this measure; and now I hope the Senate will sit it out and finish it one way or the other. I can withdraw the second section of this amendment to accommodate the Senator and take the vote on the first, with the understanding that if it be carried I will offer the second, and then he can have plenty of time to examine it.

Mr. MORTON. Let us take them both together.

The PRESIDENT *pro tempore*. The question is on the amendment of the Senator from Illinois, [Mr. LOGAN.]

Mr. MORTON. I ask for the yeas and nays.

Mr. THURMAN. Does the Senator from Illinois withdraw the second section of his amendment?

Mr. LOGAN. Yes, sir.

Mr. THURMAN. He moves now to strike out the third section of the bill and insert the free-banking section?

Mr. LOGAN. Yes, sir.

Mr. THURMAN. I am ready to vote on that.

Mr. SCHURZ. Then I understand the question is on the original substitute offered by the Senator from Illinois divested of all the additions which afterward he has put to it.

Mr. LOGAN. Yes, sir; with this statement, that if there is a majority of the Senate for free banking, I will follow it up with this redemption section which I read and with the other section to which I referred.

Mr. SCHURZ. I suggested to the Senator from Ohio to introduce his amendment first before we could take a vote on the question of free banking, for this purpose: I wanted first to see whether any restrictions and checks would be put by the Senate upon this system of free banking before voting upon the principle itself; but if the principle is brought to a vote without any such checks, I shall vote against it.

Mr. SHERMAN. It seems to me that the Senator from Illinois, if he desires it, ought to have an opportunity to have a vote on free banking. It is true it is the same proposition submitted long ago by the Senator from Pennsylvania, [Mr. CAMERON,] but by voting on it the Senate can choose between free banking and banking on the basis of New York. That is the question, clearly.

Mr. LOGAN. I will state to the Senate, because I have nothing to cover up, the reason why I want to test it. If a majority of the Senate is for the principle of free banking, I am ready to go on then and perfect it. If a majority of the Senate is against free banking, there is no use in taking time to perfect it. Hence I desire to test the question, because it will be a question hereafter, and I should like to have it tested now.

Mr. SCHURZ. I will submit to the Senator from Illinois that he cannot test that question in this way at all. We may be in favor of free banking with certain restrictions, with an effective system of redemption, but may be opposed to it without some such checks. That is exactly my case. So if the restrictions are not voted upon first and adopted, I shall surely vote against the principle.

Mr. BUCKINGHAM. I agree almost perfectly with the suggestion made by the Senator from Missouri. I should like to see a system of free banking adopted; but whether I vote for free banking or not, depends very much upon the provisions of the bill authorizing free banking. Banking that is absolutely free, without any restriction, without any safeguard, is not my idea of free banking; and therefore I want to see what guards the Senate will throw around that system before I vote for the system.

Mr. HOWE. I am as much exercised upon this question, perhaps, as any Senator upon the floor. I have over and over again said that, in itself, I was in favor of free banking, but free banking in some conditions of the country I would not favor at all. Just how a man of my opinions should vote on this amendment as it is now presented to the Senate, has been a matter of some little difficulty for me to determine. I have concluded on the whole that, as this is simply a proposition to put free banking upon some bill, I will vote for it. Whether I will vote for the passage of the bill by and by, depends upon the shape the bill appears in when that vote is taken.

Mr. SHERMAN. I submit to the Senator from Wisconsin if he will not embarrass himself. The bill as it now stands provides for banking on the basis of New York. That is the third section of the bill. Now if some provisions for redemption should hereafter be adopted by the Senate, it will be then time enough certainly to insert free banking in place of this qualified free banking; but until a provision for redemption is inserted, why vote for free banking?

Mr. HOWE. I can do but one thing at a time, and I seem to be called upon to vote my impressions upon this one question at this time. I am embarrassed myself; but I do not see how I can embarrass the country by voting to put this amendment upon this bill, because if the bill does not finally come to a vote in such a shape as I think the country can stand it, I shall vote against the passage of the bill, and I certainly shall vote against the passage of the bill if we are called upon to vote for it with $400,000,000 of greenbacks provided for, and with the fourth section or something equivalent to the fourth section of the original bill reported by the Committee on Finance out of it.

Mr. SCOTT. I am very much in the position of my friend from Wisconsin, and I desire, for my own information, to ask the Senator from Illinois a question. He has spoken of following his amendment with a section providing for redemption. Do I understand that section which he proposes to follow this one with to be the section which provides for redemption of the national-bank notes by a deposit of 5 per cent. in the Treasury of the United States?

Mr. LOGAN. Yes, sir.

Mr. SCOTT. And not any provision which looks to the redemption of the legal-tender notes themselves?

Mr. LOGAN. I do not know how you can redeem them except in gold.

Mr. SCOTT. My vote will be governed very much in the manner that the Senator from Wisconsin has indicated. I am in favor of free banking with proper provisions for the redemption of the legal-tender notes; and if this section shall be voted in—and I shall probably vote for it—I shall feel myself at liberty to vote against the bill unless some provision for the redemption of legal-tender notes be incorporated in it.

Mr. THURMAN. Mr. President, this is a proposition for unlimited banking without any species of redemption. It is true the Senator from Illinois who moves it says that if adopted he will follow it up by an amendment he had already indicated, providing that 5 per cent. of the reserve of the banks now required by law, instead of being kept in their own vaults or in any of the redemption cities, shall be kept in the Treasury of the United States for the redemption of their notes, not in coin, but in greenbacks. To my mind, that is so trivial a measure, it goes to so small an extent if to any extent toward placing the country upon a sound basis, that I cannot vote for this free-banking proposition with no better provision for redemp-

tion than that. To my mind it amounts absolutely to nothing in the end, or scarcely anything except this: that it will be of some advantage to the banking institutions of the city of New York, some of whom now will not receive on deposit the notes of national banks from the far West or from the South, but would receive them on deposit if they were redeemable either in New York or here in the city of Washington. But so far as a resumption of specie payments at any time is concerned, it seems to me that that proposition of itself amounts really to nothing at all. The only way that you could make that proposition amount to anything would be by the measure that the majority strike out all the while and oppose all the while, as they do every measure that looks toward an appreciation of greenbacks to gold. Unless you do that, it is in vain that you provide for the redemption of national-bank notes in greenbacks. Unless greenbacks shall approximate toward gold in value, your redemption in greenbacks amounts practically to nothing at all.

Now, Mr. President, it has been said here and elsewhere that those who are opposed to this unlimited banking upon an irredeemable basis, to an unlimited amount of irredeemable bank paper, and paper money of one kind and another, are the friends of the present bank monopoly. Why, sir, the truth of it is that so far from the contractionists here, as they have been called—I am not one of them, for I have been opposed to contraction as well as expansion—so far from the contractionists here representing the national banks, ninety-nine out of every hundred of the national banks are opposed to contraction. So far from those who are opposed to the inflationists here being the advocates or representatives of the banking interest in this country, the entire banking interest, with a few honorable exceptions, are rather in favor of inflation than of contraction. That is the truth about it.

So too, sir, the opponents of inflation here have been stigmatized as the advocates and representatives of Wall street, when the truth is that every gambler in stocks and gold, every villain engaged in thrusting upon the people the securities of rotten corporations, every man who is preying upon the honest industry of the country, in Wall street, is an inflationist; every one of them is an inflationist; and it is well known to everybody who knows what that street is. No, sir; it is not by this unlimited banking on an irredeemable paper currency, this putting away forever the day of any solid currency in this country, that the prosperity of the country is to be increased, or that it is to be benefited in any way whatsoever.

Mr. LOGAN. Now, if the Senator will allow me——

Mr. THURMAN. Certainly.

Mr. LOGAN. Are you through?

Mr. THURMAN. No.

Mr. LOGAN. I was waiting till the Senator was through.

Mr. THURMAN. The Senator was standing so wistfully and he has spoken so seldom that I was anxious to give him an opportunity, and I will do it now. [Laughter.]

Mr. LOGAN. The Senator is very much mistaken; I am not desirous of making a speech; but I was only going to say to him that I would relieve him of his anxiety, if he was willing to accept it at my hands, in reference to this proposition. That was all.

Mr. THURMAN. I am willing to hear the Senator.

Mr. LOGAN. If the Senator will not allow me to relieve him, I will wait until he gets through, and then I do not want to make a speech but to make an amendment.

Mr. THURMAN. I was stating the amendment as offered by the Senator; but if he wishes to modify it I will take my seat and let him do so.

Mr. LOGAN. Now, I do not want to make a speech, or to get up any excitement, for I see we do get up a little excitement occasionally; but I rise to propose a different amendment for the purpose of testing the question. In order to perfect the bill, and thinking that the proposition I before offered may possibly intervene for a moment to prevent the perfecting of the bill, I withdraw this amendment and I will offer another, and then the Senator may proceed. I withdraw the amendment for free banking for the present and offer the section in my hand, and I will state that it is the third section of the original bill reported by the committee with the word "the" inserted after the word "all" and preceding the word "banks," in the third line on the third page; so as to read:

That national banking associations may be organized in any State or Territory, including the District of Columbia, having a less proportion of national-bank circulation than the State of New York, according to the apportionment made upon the basis of population and wealth by the annual report of the Comptroller of the Currency for 1873, until each State and Territory and said District, respectively, has an amount of such bank circulation equal to such proportion of notes then outstanding in the State of New York; and all the banks—

The word "the" there, the definite article, being put in after the word "all"—

organized under this section shall be subject to, and be governed by, the rules, restrictions, and limitations, and possess the rights, privileges, and franchises, now, or hereafter to be, prescribed by law as to national banking associations, with the same power to amend, alter, and repeal provided by the "national-currency act," approved June 3, 1864; and section 6 of the act entitled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates, and for an increase of national-bank notes," approved July 12, 1870, be, and is hereby, repealed.

I move to strike out section 3, and in lieu of it to insert the third section of the bill reported by the chairman of the Committee on Finance, with the word "the" inserted, so as to make it a different section.

Mr. SCHURZ. What is the object?

Mr. LOGAN. The object is to get a vote on that section.

The PRESIDING OFFICER, (Mr. ANTHONY in the chair.) The Senator from Illinois withdraws his amendment.

Mr. LOGAN. I withdraw the amendment, and offer this third section with the word "the" inserted, as a substitute for the third section as it stands in the bill.

Mr. SHERMAN. What is the object?

Mr. LOGAN. The object of it is very clear. It is to take the sense of the Senate on that section. That is the object.

Mr. CONKLING. What change does the word "the" make?

Mr. LOGAN. It makes change enough to treat it as a substitute.

Mr. THURMAN. It is no change of sense. It is simply equivalent to a motion to strike out the third section——

Mr. LOGAN. Not at all. It is to strike out and insert. It strikes out the third section and puts in the same section with the word "the" added, so as to test the sense of the Senate on that proposition. If the sense of the Senate is to take New York as the point to commence at, then we can go on and perfect the bill. That is the object, and nothing else.

Mr. SCHURZ. Let us see what the effect of the vote will be either way. If we adopt the substitute, then we shall have the same section only with the word "the" between "all" and "banks." If we reject the substitute, then we shall have the section as it stands now. It seems to me the same.

Mr. LOGAN. It is a vote on the section. We have had no vote on the section yet.

Mr. SCHURZ. And the effect will be that if we refuse to put in the word "the" it will leave the section just as it stands.

Mr. LOGAN. But I want the vote of the Senate on the section, and that determines it either one way or the other. It makes no difference whether the word "the" is put in or left out; we get a vote of the Senate on that section, and that is what I desire.

Mr. CONKLING. What does that vote mean after we get it?

Mr. LOGAN. If we carry it you will find out what it means.

Mr. SHERMAN. If this parliamentary novelty should be adopted, what difference would it make?

Mr. MORTON. I think I can state.

Mr. SHERMAN. I believe I have the floor at this moment. It does not make one particle of difference. This section stands now in the bill. If you want to test the sense of the Senate as to whether they want it or not, move to strike it out; and if the Senate say they will not strike it out, it is in the bill. That is all there is about it.

Mr. LOGAN. Very well; a vote will not hurt it.

Mr. SHERMAN. But you move to strike out and insert the same thing. That is a novel proposition. You do not gain anything by it. Hereafter it may be stricken out by a vote.

Mr. LOGAN. One Senator laughs at this, and another says that it is a novel proposition. I do not care whether it is a novel proposition or not. It is a proposition under the rules, and it is an amendment that I have a right to move. The sense of the Senate has not yet been tested as to whether this section with "New York" in it is the judgment of the Senate as to the basis for bank circulation. That is the position it is in before the Senate. When the amendment was moved to put in "Maine," an amendment to put in "Pennsylvania" was accepted; but that amendment was defeated by one vote. There has been no vote on this section whatever.

Now, let me put a proposition to the Senator from Ohio, because I am I think fair about this thing; I desire to be, anyhow. I do not propose, as one of the friends of an increase of the currency, to stand here, if I can prevent it, and see propositions put upon this measure that when we come into the Senate will cause the bill to be defeated. Now, I want to see how many members of the Senate are in favor of retaining this section in the bill by substituting the amendment that I have moved for the original section. If that be done, then it becomes a part of the bill. I want to see that.

Mr. SHERMAN. It is a part of the bill now.

Mr. LOGAN. It has never been voted on, and I have no means of knowing now, nor has any other Senator, what the sense of the Senate is on that proposition. If you take it for granted (and that is the proposition) that we agree to it, when the bill gets out of committee and comes into the Senate, no one knows whether it is a proposition that will be accepted by the Senate or not. I desire to know that because I desire to have things done on a rule which we can all understand as we go along.

Mr. SCHURZ. I desire to put a question to the Senator from Illinois.

Mr. LOGAN. Very well.

Mr. SCHURZ. He moves to strike out the third section and then to insert again the whole of the third section with one word added to it which does not alter the sense of the section at all. So, virtually, as the Senator from Ohio has already remarked, he moves to strike out the third section and then to insert the third section again in its place. That is all. Now, I should like to know what the meaning of that vote will be. Suppose I vote for the substitute, then I retain the third section. Suppose I vote against the substitute, then I retain the third section again.

Mr. THURMAN. Will my friend allow me to interrupt him for a moment?

Mr. LOGAN. Certainly.

Mr. THURMAN. I will tell him what is to be the effect of it, though I do not know that he will object to that. If the motion prevails to strike out and insert this, you cannot amend the matter inserted.

Mr. CONKLING. By striking out, but you can add to it.

Mr. THURMAN. You cannot afterward strike it out.

Mr. CONKLING. That is the only effect of it.

Mr. LOGAN. Does the Senator see the point now?

Mr. SCHURZ. Now I do see that point; but at any rate I do not see that it is a vote of the Senate upon the success of the section a bit.

Mr. LOGAN. That is a mere matter of judgment. I know what I am doing, I think. I propose to have a vote on this section, and if my proposition is substituted it becomes a part of the bill.

Mr. SCHURZ. It is a part of the bill now.

Mr. LOGAN. No; I beg the Senator's pardon. I can move to strike it out this minute.

Mr. GORDON. Allow me to say one word. The amendment providing for $400,000,000 of United States notes has been adopted by the Senate. This third section has not been adopted by the Senate. The Senator from Illinois wishes in common with those of us who have voted together for that amount of greenbacks, to adopt the third section of this bill and attach it to the $400,000,000 clause as a part of a bill to be voted on as an entirety hereafter. That is the whole question. We cannot get it before the Senate in any other way.

Mr. CONKLING. The Senator from Georgia, of course, does not wish to deceive himself, as we know that he does not wish to deceive the rest of us. Therefore the only explanation of his remark is that he forgets entirely that the Senate is now in Committee of the Whole. Suppose no vote is taken on the third section, the bill is reported to the Senate; what is the first question? Will the Senate concur in the amendments made in Committee of the Whole? If this third section is left to stand, it appears in the Senate with every chance in its favor that it would have if it be amended or be stricken out and reinserted in Committee of the Whole; so that the only possible effect of this vote, the only fair effect, I mean—I do not suppose anybody is trying to cheat anybody else—I do not mean to intimate that——

Mr. LOGAN. Not at all.

Mr. CONKLING. The only fair effect, and the only parliamentary effect, of such a motion as the Senator from Illinois now makes is to lead the Senate to express an opinion which means absolutely nothing whichever way it may be, but which, by the mere process of expression, will deprive the Senate in Committee of the Whole of the possibility of striking out or altering any part of this section. Afterward, in Committee of the Whole, it will be competent to add to it, but not to change, even in the estimation of a hair, anything that is there. Why? Because everything now there will have been stricken out, and everything found there will have been put in; and so that must remain until you reach the Senate. Then the question will be, will the Senate concur with the amendments made in Committee of the Whole? This will be one of the amendments.

Therefore the Senator from Georgia is quite mistaken if he supposes that, in order to have this section go from the Committee of the Whole to the Senate as part of the bill, it is necessary in this way or in any way to vote upon it. The bill is in Committee of the Whole, subject to amendment. In so far as it is not amended, it is reported to the Senate. In so far as it is amended, the action of the Committee of the Whole in the form of an amendment is also reported to the Senate. The first question is, will the Senate concur in the amendments made in Committee of the Whole? That done, the next question is upon the engrossment and third reading of the bill. Therefore there is nothing, I beg to say, to be gained by such a vote as this, except that we burn the bridges behind us; we put it out of our power in Committee of the Whole to go back to alter this section. Add to it we may; change it never, after we have stricken it out and inserted it again.

Mr. LOGAN. The Senator is mistaken in one point of view. A substitute may be adopted for the whole bill after this is done. So it does not leave it out of the power of the Senate to change, because it may change the whole measure by substituting another bill for it. But if it makes no difference with so experienced Senators as the Senator from New York, and the Senator from Ohio, and the Senator from Missouri, why do they oppose this proposition?

Mr. SHERMAN. Why do you propose it?

Mr. LOGAN. Why do I propose it? I propose it, as I said, because I know what I am doing. I desire to get a vote of the Senate on this section. I said awhile ago that we could not otherwise come into the Senate with this bill with any vote on this section. Hence, if we go into the Senate with this section without its being voted upon, the whole bill may be defeated by Senators who agree to these sections voting against the whole bill unless you have the sense of the Senate on it.

My proposition is this; there is no harm in it; it affects nobody, and changes nobody's mind; it is to make this a substitute for the section and thus make it a part of the bill; and then we have the sense of the Senate on the proposition whether that shall be the basis of the circulation of the national banks or not. The section was reported by the Committee on Finance as a part of their bill, and it seems to me that the chairman of the Committee on Finance, being anxious, as he ought to be, to get some portion of his bill, as much as he can, adopted, ought not to object to voting on this section, so as to decide whether it shall remain as part of the bill or not. I cannot see why he desires to object to it. I know it has this effect just as the Senator from New York says, that if it is voted as a substitute, then you cannot strike it out; you may add to it, or you may amend it, or you may put a substitute in place of the whole bill. I will illustrate this. The Senator from North Carolina has a proposition before the Senate now to fix $400,000,000 as the volume of greenbacks, and to add $46,000,000 national-bank circulation. That proposition is in the nature of a substitute for all we may do. If we adopt this proposition then a vote can be taken on his substitute, deciding whether we want $400,000,000 greenbacks and $46,000,000 additional bank currency, or whether the New York basis shall stand with the $400,000,000 greenbacks. It leaves it in that condition precisely, so that either one may be added to, or a substitute can be adopted for the whole, but neither one can be stricken out as an independent proposition. That is the position in which it puts it, and it brings the two propositions squarely before the Senate; the proposition of the Senator from Ohio for $400,000,000 of greenbacks and $46,000,000 increase of national-bank circulation, or the $400,000,000 legal-tenders with an increase of bank currency on the basis of New York. There are the two separate propositions then standing before the Senate, and either one may be added to or either one acted on. That is the condition of it precisely.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. LLOYD, its Chief Clerk, announced that the House had passed the bill (S. No. 16) supplemental to the act entitled "An act to promote the development of the mining resources of the United States," approved May 10, 1872, with an amendment in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the report of the committee of conference to the bill (H. R. No. 1923) authorizing the payment of annuities into the treasury of the Seminole tribe of Indians.

The message also announced that the House had passed a bill (H. R. No. 2782) to extend the time to pre-emptors on the public lands in the State of Minnesota to make final payment, in which it requested the concurrence of the Senate.

ADJOURNMENT.

Mr. CHANDLER. I move that the Senate adjourn.

Mr. LOGAN. I hope not. It was understood yesterday——

The PRESIDING OFFICER. The motion is that the Senate do now adjourn.

The question being put, there were on a division—ayes 29, noes 23.

Mr. MORTON and Mr. SPENCER called for the yeas and nays, and they were ordered; and being taken resulted—yeas 28, nays 25; as follows:

YEAS—Messrs. Anthony, Bogy, Buckingham, Chandler, Conkling, Cooper, Cragin, Davis, Fenton, Flanagan, Frelinghuysen, Goldthwaite, Hamilton of Maryland, Hamilton of Texas, Hamlin, Howe, Kelly, McCreery, Morrill of Maine, Morrill of Vermont, Patterson, Ramsey, Ransom, Sargent, Saulsbury, Schurz, Scott, and Thurman—28.

NAYS—Messrs. Boreman, Carpenter, Conover, Dennis, Ferry of Michigan, Gordon, Harvey, Hitchcock, Ingalls, Johnston, Lewis, Logan, Merrimon, Mitchell, Morton, Oglesby, Pease, Pratt, Robertson, Sherman, Spencer, Sprague, Tipton, West, and Wright—25.

ABSENT—Messrs. Alcorn, Allison, Bayard, Boutwell, Brownlow, Cameron, Clayton, Dorsey, Edmunds, Ferry of Connecticut, Gilbert, Hager, Jones, Norwood, Stevenson, Stewart, Stockton, Wadleigh, and Windom—19.

So the motion was agreed to; and (at four o'clock and fifty-four minutes p. m.) the Senate adjourned.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *April* 1, 1874.

The House met at twelve o'clock m. Prayer by the Chaplain, Rev. J. G. BUTLER, D. D.

The Journal of yesterday was read and approved.

AFFAIRS IN SOUTH CAROLINA.

Mr. RAINEY. I ask leave to present a memorial in behalf of the dominant party of the State of South Carolina in reply to the "tax-payers' memorial" presented yesterday.

The SPEAKER. The gentleman from South Carolina [Mr. RAINEY] asks to present for reference a memorial, the statement of which will be read by the Clerk.

The Clerk read as follows:

Counter-statement and reply of the republican central committee of South Carolina to the memorial of "tax-payers," so called.

There being no objection, the memorial was referred to the Committee on the Judiciary, and ordered to be printed.

PRE-EMPTORS IN MINNESOTA.

Mr. DUNNELL, by unanimous consent, reported from the Committee on the Public Lands a bill (H. R. No. 2782) to extend the time to pre-emptors on the public lands in the State of Minnesota to make final payment; which was read a first and second time.

Mr. DUNNELL. I ask unanimous consent that this bill be put upon its passage at once.

The bill was read. It provides that the time in which pre-emptors on the public lands in the State of Minnesota, including lands within Fort Ridgely and Sioux Indian reservations, are now required to make final proof and payment, be extended for the period of two years.

There being no objection, the bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. DUNNELL moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

MENNONITE SETTLEMENT.

Mr. CLYMER. I beg leave to report from the Committee on the Public Lands a substitute for the bill (H. R. No. 2121) to enable the Mennonites of Russia to effect permanent settlement on the public lands of the United States.

The SPEAKER. What action does the gentleman propose?

Mr. CLYMER. I wish the House to fix a day for the consideration of this bill. Large numbers of Mennonites are about coming to this country, and will arrive here possibly in May; and if legislation is to be had at all, it should be had promptly. I desire to ask the House to make this bill a special order for Wednesday of next week.

Mr. HALE, of Maine. I must ask the gentleman to make the same reservation which has been made with reference to other special orders, to except the regular appropriation bills, which are now far behind.

Mr. CLYMER. Certainly; I will make that reservation. I ask that the bill be made a special order for Wednesday of next week after the morning hour.

Mr. RANDALL. What is the bill?

The SPEAKER. It is a bill (H. R. No. 2783) being a substitute for the bill (H. R. No. 2121) to enable the Mennonites of Russia to effect permanent settlements on the public lands of the United States.

Mr. CLYMER. I am instructed to report the bill favorably from the Committee on the Public Lands.

The SPEAKER. The gentleman asks that the bill be made a special order for Wednesday next, a week from this day, subject only to the House going into committee on the regular appropriation bills.

Mr. NEGLEY. And other special orders.

Mr. RANDALL. When is it likely this committee will be called, so that bill can be reached in regular order?

The SPEAKER. Of course special orders made previously will take precedence of this special order.

Mr. CLYMER. That committee will not be called for one month, and if this legislation is to be had at all, it is important it should be had now.

Mr. RANDALL. I wish to bring to the attention of the House the fact that this continual making of special orders will after awhile bind the House hand and foot, so it cannot get to other business.

The SPEAKER. Does the gentleman from Pennsylvania mean it shall be made the special order for that day only, or that when reached it shall be the special order for one day only?

Mr. CLYMER. What day only?

The SPEAKER. One day only.

Mr. CLYMER. Yes, sir.

The SPEAKER. For that day only, if reached, and for one day only when reached, at the hour of half-past one.

There was no objection, and it was ordered accordingly.

PRE-EMPTORS.

Mr. RANDALL. Mr. Speaker, I want to have some explanation of the bill just passed here, which seemed to be "jumped" through the House.

The SPEAKER. The gentleman from Minnesota [Mr. DUNNELL] asked and obtained unanimous consent to pass the following bill. It is a bill to extend the time to pre-emptors on the public lands in the State of Minnesota to make final settlement.

The bill was read. It provides that the time in which pre-emptors on the public lands in the State of Minnesota, including lands within Fort Ridgely and Sioux Indian reservations, are now required to make final proof and payment, be extended for the period of two years.

Mr. DUNNELL. That bill was placed in my hands to be reported from the Committee on the Public Lands with the recommendation that it do pass. It has been acted on by the Committee on the Public Lands in answer to a memorial to Congress from the Legislature of the State of Minnesota. And I would say to the gentleman from Pennsylvania that the frontier counties in that State were last year unfortunately visited by grasshoppers, and the settlements on that frontier in consequence are and have been in a decidedly bad condition. The Legislature of the State of Minnesota has given to these frontier settlements $25,000 during the winter just past, and are now buying seed for them. It will be absolutely impossible for these pre-emptors to pay by next July, as they will be compelled to do, unless we pass this bill.

Mr. RANDALL. My object has been attained. Any bill of that sort, relating to public lands, it seems to me should always be accompanied on its passage by some explanation of the purpose in view. The explanation of the gentleman seems to be satisfactory.

The SPEAKER. The bill has been passed, and the motion to reconsider laid upon the table.

FUR-TRADE OF ALASKA.

Mr. HOLMAN. I demand the regular order of business.

Mr. CONGER. I ask unanimous consent to report from the Committee on Commerce a bill which has been referred to that committee with leave to report at any time, and which, I think, will not take up much time.

The SPEAKER. The regular order of business has been demanded. If it takes time, the previous question operating on the bill reported from the Committee on Mines and Mining, of course the bill will be returned to the gentleman from Michigan.

Mr. CONGER. If the bill be passed at all, owing to the fact that the vessel sails from San Francisco at a given time, it must be passed now. This action has been requested by the Secretary of the Treasury, in behalf of the Government. Perhaps if gentleman will hear it read they will make no objection.

The SPEAKER. It will be read subject to objection.

Mr. CONGER. It is a bill (H. R. No. 440) to enable the Secretary of the Treasury to gather authentic information as to the condition and importance of the fur-trade in the Territory of Alaska.

The bill was read. It provides that the Secretary of the Treasury be, and he is thereby, authorized to appoint some person, qualified by experience and education, a special agent for the purpose of visiting the various trading stations and Indian villages in the Territory of Alaska, the seal-islands, and the large islands to the north of them, in Behring Sea, for the purpose of collecting and reporting to him all possible authentic information upon the present condition of the seal-fisheries of Alaska, the haunts and habits of the seal, and the preservation and extension of the fisheries as a source of revenue to the United States; together with like information respecting the fur-bearing animals of Alaska generally, the statistics of the fur trade, and the condition of the people or natives, especially those upon whom the successful prosecution of the fisheries and fur trade is dependent; such agent to receive a compensation of eight dollars per day while actually thus employed, with all actual and necessary traveling expenses incurred therein; provided that the appointment made under the act shall not continue longer than two years.

Mr. WOOD. I object.

DEVELOPMENT OF MINING RESOURCES.

The SPEAKER. The regular order being called for, the House now resumes the consideration of the bill (S. No. 16) supplemental to an act entitled "An act to promote the development of the mining resources of the United States," approved May 10, 1872. The main question has been ordered, and the gentleman from California [Mr. PAGE] is entitled to the floor to close the debate. The Chair understood there was no objection to the amendment reported by the committee to the bill. There was some misunderstanding as to whether the amendment reported from the committee had been agreed to. If there be no objection it will be considered as agreed to.

There was no objection.

Mr. KENDALL. I send to the Clerk's desk, and ask to have read, the resolutions adopted on the 28th of March—last Saturday—at a large meeting in the city of Virginia, State of Nevada, being their solemn protest against the passage of this bill as it now comes before the House, with the amendment of the gentleman from Pennsylvania [Mr. NEGLEY] attached to it. I suppose, sir, that the objection will be made that this meeting is another scheme of the celebrated "bank ring," about which we hear so much; and I take occasion to say that I know, so far as anything can be known at this distance, that the resolutions of that meeting are a full and fair expression of the general and all but unanimous opinion of the people of Storey County, Nevada, where these mines to which the amendment of the gentleman from Pennsylvania [Mr. NEGLEY] has reference are situate.

The Clerk read as follows:

VIRGINIA, NEVADA, *March* 28, 1874.

Hon. C. W. KENDALL,
House of Representatives, Washington, D. C.:

A very large meeting held to-night; over two thousand voters present; feeling against NEGLEY's amendment intense. Following resolutions unanimously and enthusiastically adopted. An earnest remonstrance against the passage of amendment is being signed by everybody, and will be forwarded Monday night.

JAMES G. FAIR.

Whereas the amendment to the mining law now pending in Congress, and which, among other things, requires all mining companies on the Comstock lode to apply for patents to their claims within six months, involves matters of great moment and paramount interest to the miners, property-owners, and business men of Storey County; and whereas it is the almost unanimous wish of all the citizens of this county that the aforesaid amendment should be rejected: Therefore,

Resolved by the miners of Storey County in mass meeting assembled, First. That the amendment above referred to is justly regarded as a vital stab at the material prosperity of Storey County and of all the residents thereof.

Secondly. That the effect of the amendment can only be injurious and disastrous to every interest of this people.

Thirdly. That the passage of the amendment will destroy confidence in the mining interests of Storey County; will retard the work of development and prospecting on the Comstock lode; will discourage those energies as deep mining is being carried on; will drive away capital; will depress labor; will depreciate the value of real estate; will tend to annihilate business, and will in all things be to each of us a great and lasting calamity.

Fourthly. That for fourteen years the towns of Virginia and Gold Hill have poured an unceasing stream of wealth into the nation's Treasury, and no good reason exists and none can be given why the great blight threatened by this amendment should be put upon them, their prosperity taken away, and their very existence jeopardized.

Fifthly. That the people who have reared these towns are and have ever been

loyal and true to the Government and the flag, and nothing done or omitted by them can warrant the grievous punishment which this proposed action of Congress will certainly inflict.

Sixthly. That to the laboring classes of Storey County the passage of the amendment will bring as great and permanent injury and misfortune as to any other. It must result in a reduction of the number employed, and in the wages of those retained; and that engaged, as we are, in the dangerous business of mining at deep levels, where our lives are in constant danger, we can but earnestly protest against any action of Congress which will tend to reduce our wages and take away from us the means of gaining a livelihood.

Seventhly. That the only benefit possible to come from the adoption of the amendment will redound to the advantage of a grasping monopoly, whose success can only be built upon our ruin, and whose schemes involve the utter destruction of Virginia and Gold Hill, the reduction of the wages of labor, the abandonment of mining except as controlled by it, and finally ruin to the whole people of Storey County.

Eighthly. And resolved, finally, that we earnestly remonstrate against the passage of the amendment heretofore mentioned, and we do appeal to the Congress of the United States, and to the sense of justice and the convictions of right which must ever guide the judgment of honest men, to protect us from this threatened and imminent danger, and by the rejection of the amendment secure us from certain disaster.

Ninthly. That a copy of the foregoing preamble and resolutions be forthwith forwarded to the Senators and the Representative in Congress of the State of Nevada.

SAMUEL OWEN,
Chairman.
R. H. LINDSAY,
Secretary.

Mr. NEGLEY. I would ask the gentleman from Nevada to have the kindness to allow me to have several telegrams read in connection with the resolutions which have just been read by the Clerk.

Mr. KENDALL. The gentleman who has charge of the bill [Mr. PAGE] has the disposition of the time; I have not.

Mr. PAGE. I yield to my colleague from California [Mr. HOUGHTON] twenty minutes.

Mr. HOUGHTON. Mr. Speaker, it was not my intention, when this bill was before the House for consideration to take any part in the debate upon it. I knew that my colleague who had charge of the bill was thoroughly conversant with it. I knew, also, that the gentleman from Nevada [Mr. KENDALL] was thoroughly acquainted with it. I was aware of the fact that this bill had received the approval of the Senate, after a thorough investigation, and also the approval of the Committee on Mines and Mining of this House. I was surprised at the excitement manifested on the part of the several gentlemen who have taken part in the debate against this bill. They seemed to have discovered in it something which they say was wrong; but they have failed so far to explain to this House what that wrong consisted in.

Before proceeding to the discussion of this bill as it now stands, I desire to reply to some remarks made by the gentleman from Pennsylvania, [Mr. STORM,] the colleague of the gentleman who introduced the amendment to this bill, which has been incorporated into it. That gentleman was kind enough to warn the members of this House from the Pacific coast, as he said, of the fate of those members from that State who supported the Goat Island bill and who supported the Pacific mail subsidy in the Forty-second Congress. For the information of my friend from Pennsylvania, I will say that I as a member of the Forty-second Congress both advocated and voted for both of those measures. I returned to my home immediately after having voted in the Forty-second Congress for those two measures, and was renominated by acclamation for a seat in the Forty-third Congress. And notwithstanding the fact that by rearrangement of the congressional districts in my State, and the creation of a district which included my residence, which was largely democratic according to the vote cast at the last preceding election, I was elected to the Forty-third Congress by a majority exceeding that cast for any candidate for the Forty-third Congress in that canvass. The people of that State indorsed my action upon both of those measures by re-electing me in a district where there was a large democratic majority, notwithstanding the fact that I was slandered, maligned, and abused by a press in the interest of parties whose interest was against the interest of the people of that State. The democrats, recognizing the fact that I had stood up against that clamor and voted according to my own convictions of what was right, stood by me and re-elected me again triumphantly.

The gentleman from Illinois [Mr. WARD] betrayed in some remarks made by him a most woful ignorance of the condition of politics in the State of California—as much ignorance as he displayed in relation to the subject before the House. He knows as little of the politics of California as he knows of the interests of the poor miners, with whom he claims to have so much sympathy. I read a portion of the remarks of the gentleman from Illinois:

> Look at California, that State which is so rich in all that nature can bestow. To-day it is under the rule of the worst monopolies on this broad continent of ours. And so it is in Nevada. The dominant interest there is the interest of these monopolies. The men who come here and represent that country are honorable. All of them no doubt are honorable gentlemen, whom I respect and like. But it is just as natural that they should represent the dominant interest there as that I should represent the interest of my people.

I dare to say, for the benefit of the gentleman from Illinois and for the information of this House, that I am not here in the interest of any monopoly. I am not here representing any particular interest. I am here representing, so far as the local interests of my State are concerned, the interests of my State; but so far as national questions are concerned I am here to represent, just as freely as any gentleman upon this floor, the interests of the whole people of the country according to my best judgment.

I am fully persuaded that there are a great many members of this House who are not familiar with the history of the previous legislation in relation to this Sutro tunnel, or they would not have given their support to the amendment which has been adopted by the House, offered by the gentleman from Pennsylvania.

Mr. NEGLEY. Will the gentleman have the kindness to state to the House his objections to my amendment, and wherein it differs from the first section of the bill reported from the committee?

Mr. HOUGHTON. Before I get through I will.

First, I desire to call the attention of the House to the provisions of the act of July 25, 1866, which lies at the foundation of whatever rights Mr. Sutro may have in this tunnel. That act grants to Mr. Sutro the right to construct a mining, draining, and exploring tunnel, and to sink mining, working, and air shafts along the line thereof to and beyond the Comstock lode, extending westerly from the initial point seven miles, more or less; the tunnel to be eight feet high and eight feet wide.

The right of way was to extend northerly and southerly on the course of said, lode either within the same, or east or west of the same, and also on or along any other lode which might be developed or discovered by said tunnel.

He was further granted the right to enter two sections of public land at the mouth of the tunnel.

He was further granted the right to purchase, at $500 per acre, all mineral veins and lodes within two thousand feet on each side of the tunnel, cut, discovered, or developed in constructing, through its entire extent, with all the dips, spurs, and angles of such lodes.

The bill excepted from its operation the Comstock lode, and all lodes within said two thousand feet which were at the passage of the act in the actual *bona fide* possession of other persons; all except the Comstock lode being withheld from sale by the United States, and subjected to the sole right of purchase by Sutro, if abandoned by their possessors, or not marked in conformity to the mining laws.

Section 3, subjects all claims or mines on the Comstock lode, as well as all other lodes drained, benefited, or developed by the tunnel, to the condition (to be expressed in any grant thereof made by the United States) to pay the owners of the tunnel the same rate of charges for drainage, &c., as had been or might thereafter be named in an agreement between such owners and the companies representing a majority of the estimated value of said Comstock lode at the time of the passage of the act.

Gentlemen here have said a great deal about monopolies. They have said that this bill as it came to this House from the Senate was in the interest of a monopoly; but no gentleman, so far as I have heard, has shown that fact. It rests simply on the assertion of these gentlemen. They have no knowledge upon this subject, I undertake to say, except that derived from the statements of Mr. Sutro himself.

Mr. NEGLEY. I beg to correct the gentleman. All the information that I have, which I rely upon on this floor, is derived from the statements of the gentleman from Nevada [Mr. KENDALL] when he was a member of the Committee on Mines and Mining, and we examined this subject.

Mr. HOUGHTON. Mr. Sutro has been very diligent in presenting his claim, and asserting what he claims to be his rights in the matter of this tunnel. He is very industrious; he is very shrewd; he is very skillful in persuading gentlemen that his representations alone are true; that he alone is disinterested, and that everybody else who has anything to do with originating any legislation touching mining matters in the State of Nevada is an enemy to the poor miners of Nevada, and is acting in the interest of the Bank of California, which he has been holding up here before the House for years, as the bull-fighter holds a red flag before the bull, asking the House to dash at it blindly while he gets through some scheme in his own interest and in the interest of his associates in this matter. To show the feeling on the Pacific coast in relation to this question, I send to the Clerk's desk and ask to have read an extract from the Sacramento Record of very recent date.

The Clerk read as follows:

> Adolph Sutro's tunnel project, after being first lauded and then execrated, is gradually coming to be regarded as one of the most deep-laid, ingenious, and dangerous swindles ever conceived in the brain of a subtle adventurer. This tunnel, in fact, is neither more nor less than a scheme to secure the control of the whole of the Comstock lode; a plan to bleed every mine-owner on the lode, and establish a monopoly which it is already clear will be of no possible use to anybody but the owners of the tunnel.

Mr. HOUGHTON. At first it was supposed that this tunnel might be of some benefit, and those working mines upon this Comstock lode, believing that Mr. Sutro was in earnest, and that he would proceed and prosecute the work of constructing this tunnel in time to make it beneficial to them, or within such time as that it might benefit them, a majority of them entered into an agreement with Mr. Sutro by which they agreed to pay him two dollars per ton for all the minerals which should be extracted from their respective mines. Mr. Sutro bound himself by that contract to do certain things, and to do them within a given time. It is a conceded fact that Mr. Sutro has not complied with his contract.

Mr. Sutro himself, in the pamphlet which he has spread upon the

desks of members, admits that he has not complied with the contract on his part. I read what he says from page 8 of that pamphlet:

Should the question ever get into law, the courts will never decide that the contracts have been forfeited. The only point which can be made is that the work was commenced a year too late. In the face of the fact that every possible obstacle was thrown in the way, that plea will have but little weight, when it is considered that time was not the essence of the contract.

Time was the essence of the contract. Time was the only essential thing in it so far as the miners were concerned. They were sinking shafts upon their respective claims, and Sutro was constructing the tunnel at a great depth below their workings horizontally. It was supposed that as work progressed in sinking their shafts the accumulation of water would be so great that, if this tunnel was constructed to or beyond them, it would save the miners a vast amount of money, not only in the matter of draining their mines by avoiding the necessity of pumping and hoisting the water, but would also enable them to get their ore out of their mines without expensive machinery to raise it to the surface. But by reason of the delay of Mr. Sutro in prosecuting this work many of these mines have been sunk below the level of the tunnel, so that it is impossible that they should derive any benefit whatever from it in that respect, as they are all below the level of his tunnel. The miners claim that now by reason of his failure to comply with his contract they are absolved from their obligations under it. That is a question of controversy between these parties now, and I am informed it is before the courts for settlement. It seems to me it would be highly improper for Congress now to pass an act which would have the effect of binding these parties to the contract, notwithstanding the fact that Sutro by reason of his failure has released them from it, and when in all human probability the courts would adjudge that so far as they were concerned the contract was null and void.

There is another objection to this bill as it now stands. It is proposed to nullify and set aside the patents which have already been issued by the United States, upon the plea that some of these mine-owners who are engaged in this contest with Sutro refused to take out their patents. I suppose it is not necessary for me to say to any member of this House that where a patent for land has once been issued by the Government of the United States, through its proper officers and in pursuance of a law of Congress, it is not in the power of Congress to defeat the title of the party under that patent. It is said that the Government is receiving no money, because the parties refuse to take their patents. Gentlemen who make that statement seem to be very ignorant of the process of acquiring title to lands from the Government of the United States. No patent is ever issued until the money is paid. Gentlemen seem to think that Congress has control of this matter still; but that is a very grave error.

Whenever a patent is issued in the manner in which I have specified, whether it reaches the party named in it as grantee or not, it vests the title in him. Gentlemen say that these patents cannot be found, that they have not been filed, that receipts for patents cannot be found in the Land Office. That makes no difference whatever; that affects no one's rights. Every patent, before it goes away from the General Land Office, is recorded; and an exemplification of the record of any patent taken from the Land Office records has the same character and standing before any court of this country as the original patent. And the party is not required even to account for the non-production of the original, when he produces a properly certified copy of the record of the General Land Office. If this bill should pass in its present shape its effect would simply be that these parties would be deprived of ascertaining their rights in the courts of their country.

[Here the hammer fell.]

Mr. HOUGHTON. I ask for five minutes longer.

I say if this should become a law it would deprive these mine-owners of the right to assert their rights before the courts of the country, or force them to yield their rights in favor of Sutro.

Mr. Sutro professes a great sympathy for the poor miner, as he says. I do not believe in all these expressions of sympathy from Mr. Sutro for poor miners. Mr. Sutro is a wily schemer, a man who for years and years has lived by his wits, who has lived and thriven upon the scheme of this tunnel which he proposed to construct. No man of his character can have any sympathy for the poor miner. His real purpose is not to serve the poor miner, but to serve himself. If this bill should become a law and any claim is forfeited under its provisions, no one but Mr. Sutro can acquire a title to it, because the act of 1866 gives him the sole right to purchase every mining claim upon that lode or within two thousand feet on each side of it, and all other lodes which may be cut by the tunnel.

[Here the hammer fell.]

Mr. PAGE. I now yield five minutes to my colleague, [Mr. LUTTRELL.]

Mr. LUTTRELL. I do not propose to detain the House to exceed five minutes. I was opposed to the passage of the original bill, and am opposed to the bill as amended, and hope it will not pass. I believe the bill is in the interest of a monopoly, that it is in the interest of a corporation, and that it is prejudicial to the interest of the hard-toiling miners of the Pacific slope.

Mr. NEGLEY. What monopoly, the Bank of California?

Mr. LUTTRELL. The Bank of California and this man Sutro occupy about the same relation as two burglars, one of whom has entered the house and the other stands watch; one comes out and yells "Stop thief," and the result is that both get around the corner and divide the spoil. Pass this bill, and the interests of the miners will be crushed out between these two monopolies. This man Sutro has charged that the California delegation are working in the interests of the California Bank. So far as I am concerned, I deny it *in toto*. I hold my seat on this floor by reason of my opposition to all monopolies. I was elected in a district where General Grant received five thousand majority by a majority of twelve hundred and fifty. Why? Because I fought the Bank of California, and railroad rings, and land grants, and all other rings and monopolies.

Mr. NEGLEY. Was not this bill framed by a Senator from California and brought forward in this House by a Representative from California?

Mr. LUTTRELL. I do not represent the State of California in the Senate. I do not know who drew this bill; but I do know that every honest miner in the State of California is opposed to the passage of the bill. If the members of this House have any love for the workingmen of my section of country, I appeal to them to defeat every measure that comes up here proposing to force the honest miner to take out his patent before he has had an opportunity to work and develop his claim.

Mr. NEGLEY. Is there not such a requirement of law now?

Mr. LUTTRELL. Yes, sir; and that law upon the statute-book is a curse to the miner. Why? I only call your attention for a moment to the Land Office report of 1873, by which it appears that in my State there were surveyed last year under the present law about three hundred mining claims. What is the operation of that law? In the first place, we had to deposit nearly $15,000 with the surveyor-general at the time of our applications before we could have our claims surveyed. How does such a requirement affect the poor miner? There are on the Comstock lode hundreds and hundreds of miners working to open up their claims. They are poor laboring men. Three or four of them combine together, and two work for wages while, perhaps, two more go off prospecting.

Mr. NEGLEY. Does this bill affect such men?

Mr. LUTTRELL. Yes, sir.

Mr. NEGLEY. O, no.

Mr. LUTTRELL. If the gentleman will let me get through, he can talk as long as he pleases. I have but five minutes. I can give dozens of instances such as I have mentioned, instances of men who own no mines, who have nothing but their honest toil to depend on, who by the expenditure of their muscle delve in the earth, and open up these claims. They form themselves into parties of four or five, and two go on working for wages, and contribute means weekly to assist the others who are engaged in prospecting and making improvements. You now undertake to require such men to take out patents in twelve months.

It requires from $800 to $1,000 to obtain patents to these claims. How is it possible for the poor hard-working miner, perhaps with a family of four or five depending upon him for support, to raise such an amount in so short a time? Their claims may not pay them more than living wages, and perhaps not so much, until all the improvements are made upon them.

What does it cost to acquire title to land under the present law? In the first instance, a man must place $500 worth of improvements upon his claim; then he must deposit with the surveyor-general from thirty-five to one hundred dollars, as I can show to your satisfaction has been done in some three hundred cases; in many instances $100 were paid, and the average was fifty dollars to a claim. Then the miner must go and make his contract with the deputy surveyor-general, who charges him $100 for surveying his claim of probably one acre and making a plat of the same. Then he must advertise in the public prints, which costs him from forty to one hundred dollars more. Then he must deposit with the land officer from twenty-five to fifty dollars in each case. Then he must pay a notary public some fifteen dollars. Then his personal expenses amount to from fifty to one hundred dollars. Thus he has paid out on an average, provided he meets with no litigation, eight hundred or a thousand dollars. Of that amount how much does the Government receive? Only *two dollars and fifty cents*, while the poor miner has been obliged to expend nearly $1,000, two-thirds of which go into the hands of officials, and then, if his claim proves a failure, the miner is bankrupt.

Mr. NEGLEY. The gentleman is mistaken as to the requirements of the law.

Mr. LUTTRELL. That is the law; and that will be the operation of this bill.

Mr. NEGLEY. In what way?

Mr. LUTTRELL. Because it continues in force the onerous provisions of the present law, and compels honest miners to take out their patents before they have developed their claims.

How is it with the rich men? In one county in my district speculators have gobbled up twenty-two hundred and fifty acres of the best mining lands in one body, which is now owned by these speculators, and will be worked by cooly labor to the exclusion of the honest miner. How do they manage to acquire so much of this valuable land? I will tell you. They take $500 worth of hydraulic pipe, and lay it upon twenty acres, and then make affidavit that they have put so much improvements upon the land. The next day another one of the "ring" hauls that hydraulic pipe upon twenty other acres; then

a similar affidavit is made; and so they will go on until they occupy the entire country. Those people are speculators. They are just such men as this man Sutro and the Bank of California.

[Here the hammer fell.]

Several MEMBERS. Go on.

Mr. PAGE. If the House will extend the time, I shall have no objection to allowing the gentleman to proceed.

Mr. LUTTRELL. On three hundred claims, within the last year, the requirements of law have forced us to perform $162,500 worth of labor. As a further requirement, we have paid in cash about $113,750, making an aggregate of $276,250 to *acquire title to probably three hundred acres of land.* Of this expenditure the Government received *only* $812.

Yet this man Sutro tells you that he is laboring here in the interests of the poor miner; that his heart beats in unison with the poor miner. Why, sir, he has about as much love for the poor miner as the devil has for holy water, [laughter;] and the California Bank ring is in with him in this nefarious business. When he comes and tells you that the California delegation represent the California Bank ring, he knows that he tells a falsehood. He knows full well that if you undertake to force the miners on the Comstock lode to take out their patents, the result will be that the California Bank ring and Seligman & Co., whom this man represents, will gobble up the entire mining country, and crowd out the honest toiler and developer of American industry. I appeal to the honest men on this floor to reject this bill, and to repeal the oppressive requirements of the present law, so that the miner may be enabled to go upon the public domain, locate his claim, and work it for five years; and then, if he works it in good faith for that time, give him a patent for a homestead on the land. By this measure you will encourage the miner to prospect and develop the hidden treasures of our country, to add to the wealth of the nation, and to the prosperity and happiness of its people.

What, sir, has California done for our country? Why, sir, since the discovery of gold in California $900,000,000 have been taken from my State and added to the commerce of the world. The Comstock lode has added over two hundred millions, or about two-thirds of the entire silver product of the United States. The mines of our country have given millions of dollars to the support of the Government. When the country calls they obey her mandates. In the calls of charity their purses and hearts are always open. No nobler nor more self-sacrificing men breathe than the miners of the Pacific coast. When the late war was calling for help from all sections of our country I have seen them come from the mountains and hill-sides and give freely of their hard earnings for the support of the soldiers who were defending the country upon the field of battle. I will say to the gentleman [Mr. WARD] who represents the city of Chicago that when his beautiful city was laid in ashes these honest miners came down, as they have done on all like occasions, and willingly gave of the fruits of their labor for the relief of the people of that city. They are the most generous people upon the face of God's earth, and if you desire to protect them, and protect their interests, I appeal to you in their behalf to defeat this bill and kill everything of a kindred character. They do not want any such legislation, nor shall they have it if my humble efforts will prevent it.

If I had time I could furnish scores of documents to prove that the position I take is the correct one. The Sacramento Union, the San Francisco Bulletin, the Call, the Examiner, and the Post, and in fact every respectable journal in the State, inform us that no such legislation is needed. The only legislation which they ask for, or which they require, is that which will give these honest miners the right to their homesteads upon the mineral lands the same as you give to the farmer upon the agricultural lands.

The Bank of California and other kindred monopolies with which my State is cursed, have gobbled up in my county alone fifty thousand acres of our finest lands. They have taken up the lands from one end of the State to the other. They have monopolized the timber lands, swamp lands, agricultural lands, grazing lands, and now they seek to monopolize every acre of mining land in the State. I am opposed to any measure that will operate against any vested right of Mr. Sutro or the Bank of California, and will vote against any measure looking to that object. But while Mr. Sutro has rights, and the Bank of California also, yet the poor miners must not be imposed upon, nor their rights taken from them. I stand here to-day as the representative of the people—of the bone and sinew of our Government—and protest against this scheme to enrich powerful monopolies at the sacrifice of millions of poor men who develop our resources, who are the pioneers of civilization, and who add to the industries and prosperity of our nation.

Mr. PAGE. I cannot yield to my colleague any further, as I have promised to yield a portion of my hour to other gentlemen.

Mr. LUTTRELL. I should like to have five minutes more.

Mr. PAGE. I yield now to the gentleman from Pennsylvania for five minutes.

Mr. NEGLEY. Those who have been startled by the thunder of the gentleman's eloquence and by the cry of despair from the inhabitants of Virginia City will allow me to state that the telegram read this morning is incorrect. I hold in my hand a similar telegram addressed to the Speaker of the House of Representatives, in which, let me state to the gentleman from Nevada, [Mr. KENDALL,] the name of NEGLEY does not appear. I also hold in my hand an extract from a newspaper, the Territorial Enterprise, published on March 19, in which it is stated that "Congressman KENDALL has telegraphed the bill of JASPER D. WARD, of Illinois, will come up for consideration to-day;" and that convention, or rather that meeting which has been referred to, was a mass meeting called in reference to the Ward bill, and not at all in reference to this bill.

I further assert, Mr. Speaker, that the statement that all the miners are interested in opposing my amendment is untrue, for I have here a letter from a respectable miner of twenty-five years' experience, now residing in San Francisco, who states that my amendment is in the right direction, but that it should be made general and should not apply solely to the Comstock lode. I also hold in my hands telegrams from San Francisco saying that the Bank of California raised and controlled the meeting which was held last Saturday evening.

Mr. HOUGHTON. Let me ask the gentleman from Pennsylvania whether those telegrams have not been got up to order by Mr. Sutro?

Mr. NEGLEY. No, sir.

Mr. HOUGHTON. That is his usual course of proceeding.

Mr. NEGLEY. The gentleman has no right to stigmatize Mr. Sutro in that way. He is not on this floor to reply for himself, and I am not his advocate. I care nothing for Mr. Sutro. Every inspiration in his behalf, every word I have uttered here, has come from representations which have been made to me from his own State. All that I have done in his behalf has been justified by these representations and from the resolution passed in his favor by those who knew from experience the magnitude of his enterprise. I care nothing for Mr. Sutro. I have no interest in his mine. I have no interest in Nevada or California other than that I feel in the welfare of all the people of these States. But I do assure you, sir, that it is a "Heathen Chinee" game, this attempt to affect the judgment of this House by telegrams gotten up for the purpose of opposing the passage of an amendment introduced here in the interest of the Government and the vested rights of Mr. Sutro.

Mr. PAGE. Does the gentleman from Pennsylvania say the telegram which was read from the Clerk's desk is a false one?

Mr. NEGLEY. No, sir; but I do say that the telegram read from the Speaker's desk is incorrect, and that the name of NEGLEY does not appear in the original.

Mr. KENDALL. I beg leave to say to gentlemen here that I have the original telegram in my desk, and that the name of the gentleman from Pennsylvania, to wit, NEGLEY, does appear.

Mr. NEGLEY. Then the authors have not translated the proceedings correctly. I have here in my hands a telegram transmitted by the president and secretary of that meeting to the Speaker of this House, and I say that the name of NEGLEY does not appear in it at all.

But what is this telegram, after all, but rampage and nonsense. The absurd idea that we will take away from this people their rights, or deprive them of their homes and lands; that we will destroy the fruits of their labor, depreciate the value or lessen the production of their mines, or in any manner interfere with the industry of the poor miner, is a delusion and the solemn mockery of the truth.

The few corporations affected by the provisions of my amendment have reaped already, as stated by the gentleman, [Mr. LUTTRELL,] two hundred millions from their mines on the Comstock lode. Surely it is no hardship for them to perfect their titles and pay the paltry sum of $2.50 per acre.

My amendment only applies to the productive mines. It is not special or oppressive to a single miner on the Comstock lode, but touches those rich companies who are openly violating the law and transgressing the rights of others. This bill was prepared and introduced into this House by a Representative from California; and I hold the indorsement of the bill here in one of the papers published in Nevada. It was introduced into the Senate by a representative from California; and when gentlemen cannot pass the bill in the form dictated by their sagacity, they desire, they now ask you in the name of justice to repeal it. Justice to whom? It does not affect a single individual, but the seven or eight corporations owned or controlled by the Bank of California.

What is the occasion of this uproar, Mr. Speaker? Let me tell you. The Bank of California owns the railroad to Virginia City, and that road enjoys a monopoly of the transportation of all the passengers and freight carried to and from Virginia City. The same invincible power owns or controls all the reduction works near the Comstock lode, from which a profit of six dollars per ton is derived from all the ores obtained from these mines. The revenue derived from these two sources is simply enormous. But let the Sutro tunnel reach these mines two thousand feet below, and there will be competition, lower rates for transporting and reducing the ores, a greater security to life, and a richer field for the enterprise and labor of the poor miners.

[Here the hammer fell.]

Mr. PAGE. I yield ten minutes to the gentleman from Nevada, [Mr. KENDALL.]

The SPEAKER. The gentleman from California [Mr. PAGE] has only twelve and a half minutes of his hour remaining.

Mr. PAGE. The debate has been running, I believe, by unanimous consent. The time of other gentlemen was extended, and I trust I will not be deprived of the opportunity of having ten or fifteen minutes to close debate.

The SPEAKER. That depends on the calling of the regular order, which comes up at half-past one o'clock.

Mr. NEGLEY. If the time has been extended, it has been extended for the benefit of gentlemen on the other side; and I hope that, as a member of the Committee on Mines and Mining, I will have a few minutes more allowed me.

Mr. MAYNARD. I object to any arrangement which will interfere with the regular order.

Mr. PAGE. That does not come up until half-past one o'clock.

The SPEAKER. But the hour for closing debate expires at fifteen minutes past one, and the voting will probably throw this question far beyond half-past one.

Mr. PAGE. I hope the House will, by unanimous consent, extend the time for debate until half-past one.

Mr. STORM. I object.

Mr. PAGE. Then I can yield but five minutes to the gentleman from Nevada, [Mr. KENDALL.]

Mr. KENDALL. I hold in my hand the original telegram, and I desire to now contradict the statement of the gentleman from Pennsylvania [Mr. NEGLEY] that it does not contain his name. I have here the original, and I will read one sentence:

> Very large meeting held to-night. Over two thousand voters present. Feeling against NEGLEY's amendment intense.

Mr. STORM. I desire to ask the gentleman from Nevada one question. Does he know that the New York papers publishing the telegram did not contain Mr. NEGLEY's name?

Mr. KENDALL. I do not care for what was in the New York papers; it does not matter; that telegram to the New York papers was a very incomplete summary of the one I have caused to be read.

Mr. STORM. The New York papers did not have it.

Mr. KENDALL. I am not responsible for the New York papers, I hope.

Mr. STORM. They may throw some light on the correctness of the telegram which has been read.

Mr. KENDALL. The gentleman from Pennsylvania [Mr. NEGLEY] has undertaken to enlighten us. I submit to gentlemen of this House that if they are really desirous of protecting the rights, the vested rights, of Mr. Sutro and the rights of all concerned they will table this bill.

Mr. COX. Make a motion to lay the bill on the table.

Mr. KENDALL. That we propose to do; and I hope my friend from New York will aid us in that motion. If the House will agree to lay the bill on the table the rights of all will be protected most certainly. If the gentleman from Pennsylvania is serious in his wish to protect the rights of all let him vote with us and table this whole bill, including his amendment and the amendment of the gentleman from Indiana, [Mr. HOLMAN,] which I have supported earnestly, because it did protect the vested rights of Mr. Sutro. I beg you to consider the resolutions and the earnest protest of the people affected by this bill as it is now amended. They surely understand their wants and know their own interests.

Mr. NEGLEY. Will the gentleman permit——

Mr. KENDALL. I cannot yield to the gentleman. He is very eager to interrupt and interject his speeches into those of other gentlemen.

Now, I wish to put this plain, simple case by way of illustration. The gentleman from Pennsylvania has sought to champion the miners of my State, a section of the country which he has never seen. He has sought to enlighten this House with his knowledge about silver mining when he never saw a silver mine in his life, and would not know a silver mine if he did see it.

Mr. NEGLEY. I desire to correct the gentleman——

Mr. KENDALL. I do not yield.

Now, suppose that I, a Representative from the State of Nevada, solitary and alone, should undertake to champion some pet scheme of mine with parties outside at my back, something to affect an iron manufactory or an iron mine in the neighborhood of Pittsburgh, in the gentleman's district, in opposition to him, without consulting him, and in opposition to the entire delegation from his State, without consulting a single one of them, what would he think of me? Would there not be in my case, as there are in his case—he will pardon me for saying there may possibly be—some whispers, more or less loud, about the *purity of motives?* I say that the case supposed is his case here, the gentleman never having seen a silver mine.

Mr. NEGLEY. Mr. Speaker——

Mr. KENDALL. I do not yield.

The gentleman never having seen a silver mine comes in here and attempts to enlighten the whole Pacific delegation about their business! Now, I ask the members of this House, in the name of honesty and fair play, and in justice to vested rights, to vote down this infamous amendment, which destroys the good effect of the whole bill, by tabling the bill itself.

The gentleman from Pennsylvania who offered this amendment, [Mr. NEGLEY,] and his colleague, [Mr. STORM,] who are so familiar with the condition and wants of the mines and miners of the Comstock, though neither has ever seen a silver mine, bray out their usual argument that this is another movement of the "California Bank ring" to defeat the long-suffering and much-persecuted Sutro!

Sir, I have opposed this amendment and intend to oppose it, because *I believe and know it to be a monstrous wrong, because I believe and know it to be simply a spoliation of the rights of others.* The gentleman from Pennsylvania [Mr. NEGLEY] has labored hard and with his usual vehemence in attempting to show that I am inconsistent in my action. I can well afford to be indifferent to his labored effusion, to the scraps he has culled from speeches I have made here and elsewhere in which I have alluded to the Sutro tunnel. Why, I would gladly have aided him in his remarks, and would have found for his use language of mine still more strongly commending the Sutro-tunnel enterprise. Indeed, I said in the outset of this discussion, only the other day, these words:

> I wish this enterprise of the Sutro tunnel to proceed. I have believed, and still believe, that it will do much to develop and encourage the mining interests of the West. I have been in favor, and am still in favor, of appropriate legislation in its aid. I repeat and reaffirm all that I have said in its favor. But I will not, if I know it, legislate for a controversy, for a suit pending.

And I said again on the same day:

> And here I take occasion to repeat that I have been, and still am, friendly to the Sutro-tunnel enterprise. I have spoken in its behalf here and before the people in my State. I should rejoice to see it encouraged by Government aid. I will oppose, with all the force and influence I possess, any infringement on the rights of its projectors. Hence I will support a part of the amendment offered by the gentleman from Indiana, [Mr. HOLMAN.] And for the reason that I support the one, for that reason I oppose the other. The one protects vested rights; the other tramples them in the dust.

And I repeat again and again, if necessary, that I am friendly to this enterprise of Mr. Sutro; and have, certainly, no animosity toward him personally. I have tried to befriend his efforts. He is to me like any other man engaged in an undertaking having a public bearing—no more, no less. I have favored and still do favor the Sutro-tunnel enterprise by all legitimate means. But that, I hope and trust, does not compel me to support in its behalf a measure of confiscation of the rights of others. No, sir, I will not do this wrong to help on any enterprise, however commendable in itself that enterprise may be. I might be in favor of aiding my friend in building a house, but that would not argue that I should be in favor of furnishing him building material by pulling down the house of his neighbor. If, after all the debate that has been called out on his amendment, the gentleman shall be unable to reconcile my past declarations with my present opposition to this iniquity, it will be useless for me to say more. If he cannot see the difference between honestly encouraging the Sutro-tunnel project, and aiding its projectors to trample upon the rights of others, we will never understand each other upon this question. Argument will be lost upon him. He will never comprehend the distinction. Indeed, to use an expression not new, it will never enter his head except by a surgical operation.

This same proposition of compelling the miners on the Comstock lode to take out their patents, and by those patents binding themselves irrevocably to pay the royalty whether the tunnel shall be completed in the next five, or fifty, or five hundred years, was suggested to me two months ago, nearly, by Sutro himself. I at once declared my opposition to any such legislation; remonstrated with him upon its injustice to others and its imprudence; and I had supposed that the idea was abandoned until I found this amendment thrown suddenly into the House the other day. I regret this ill-advised action, because I clearly foresee in its effects the ruin of an enterprise that deserves well of the country. Mr. Sutro, unfortunately for himself, makes the grave mistake of supposing that his tunnel is the only interest in Nevada that should be represented in Congress. This hallucination is, perhaps, natural to him as an enthusiast in his project, but it is none the less damaging to himself and to his whole enterprise.

It is very easy to impugn motives. It is the only argument that a certain class of minds can make or understand. I am quite indifferent to such arguments, especially when advanced by the gentleman from Pennsylvania, [Mr. NEGLEY.] But the gentleman's ardor in championing his amendment has excited the inquiry all over this House why he, especially, should espouse a measure of this sort in opposition to the united wishes of all the Members and all the Delegates of this House from the Pacific mining States and Territories. I say, the question has been asked of me often since this debate began. I invariably answer, "Why, you see, NEGLEY is so familiar with the subject of mines and mining on the Comstock lode that it was the most natural thing in the world for him to undertake the defense of the poor miners out there. True, he never saw the country; but what does that matter? True, he never saw a silver mine, and would not know one if he should see it. True, he cannot tell us how mining claims in Nevada are located, held, worked, or carried on, and often confounds the strike of a lode with its dip, and imagines that the native silver is quarried out in blocks from those celebrated mines; but what of that, sir? He has lately put his intellect into this subject. He has suddenly aroused himself to the importance of special legislation for the miners of the Comstock. He has investigated their wants and knows just what they need—these old miners who have been delving away in the mountains of the West for the last fifteen or twenty years. You see, not every one is endowed with such comprehensive talent and statesmanship. If I, or if one of my colleagues from California, for instance, should spring upon and attempt to push through this House a measure vitally affecting, for example, a vast iron manufactory, or a valuable iron mine in the gentleman's district; if one of us should suddenly become enthusiastic and heroic over a pet measure of this sort in opposition to the wishes of the gentleman and in opposition to the wishes of his entire delega-

tion; if one of us should, all at once, and under these circumstances, get inspiration and illumination about the gentleman's local affairs, that presumptuous individual would be voted a nuisance, a bore, and an intruder. He would be considered as speaking before he was requested and not in his turn. A western member, with his characteristic modesty, would, in the case I have supposed, think it due to himself, due to the gentleman, and due to his delegation and to their constituency, to consult in some degree his wishes and the wishes of his colleagues. If he and his entire delegation were found to be united in opposition, and if the California member or the Nevada member should still urge such a measure, about which he had no practical knowledge, we would not complain if there should be some whispers—more or less faint—about purity and *disinterestedness of motives*. But you must see that it is different with the distinguished gentleman from Pennsylvania [Mr. NEGLEY] and his little piece of special legislation for our benefit—the amendment to this bill. He is a statesman of the most versatile talents, as we all know. His mind grasps the greatest questions and the minutest details of legislation equally well. He is at home in all questions arising in the East or in the farthest West.

> "Turn him to any cause of policy,
> The Gordian knot of it he will unloose
> Familiar as his garter.

"Such is the gentleman from Pennsylvania. His example is not safe for ordinary men to imitate. He masters the details of mining on the Comstock and its relations to Congress all equally well. He touches nothing in legislation which he does not adorn by the marks of his wonderful genius."

And all this shallow, senseless talk about the "California Bank ring"—the attempt to rob Mr. Sutro of his vested rights! Ah, sir, it is the old trick and cry of "stop thief" by the culprit himself. Why, if you sincerely wish to protect everybody in their rights just as they are now under the law, table, kill the whole bill, amendments and all. Unless you wish to secure some new legislation, some unfair advantage for one of two parties now in court, you will do this.

I have been amazed at the bald assumption of the gentleman from Pennsylvania in styling the simple and ordinary agreement of the miners on the Comstock to litigate, a controversy, a conspiracy to defeat Mr. Sutro of his vested rights by corrupting Congress! Does the gentleman expect to succeed by such assertions? Lately I saw it stated that one of these famous mines had declared a dividend of $200,000. Why does not the gentleman claim that this money, instead of going into the hands of stockholders, is to be used by the "bank ring" to buy votes here? Sir, the affidavit of Mr. Aron, which the gentleman had printed in his speech, but which he was prudent enough not to have read to the House, confirms what I have stated all along, that these parties are now in court; their rights are undergoing judicial examination; the very rights you would pass upon if you enact this bill into a law. And what more common thing, what more legitimate procedure, than for parties to subscribe to a fund to defray the expense of litigation? It is done every day. It is, as Mr. Webster once said, to the honor and glory of the American people and of the whole Anglo-Saxon race, that when a difference of opinion arose among them, they went to law about it. These people—these miners—differ in opinion from Mr. Sutro, and they propose to go to law about it. They have raised a fund for that purpose. They have made an agreement. They have subscribed money. That money is to be used in conformity with the following resolution, which Mr. Aron swears he has copied correctly from the record-book of the Ophir Gold and Silver Mining Company:

> *Resolved*, That the president and secretary of this company be, and they are hereby, authorized and directed to make and execute in the name of this company a contract or agreement in accordance with the foregoing instrument, binding this company, in connection with other companies on the Comstock lode, to litigate the claim of the Sutro Tunnel Company to collect a royalty upon ores raised from mines of said companies or said Comstock lode.

There is the resolution. There is no concealment about it. It is spread upon the books of the company, and any one of the hundreds or thousands of stockholders may see it. The company say by this resolution that they propose an ordinary law-suit. The gentleman from Pennsylvania says that they mean to corrupt Congress, and quotes the resolution as his proof! Are such statements to pass for arguments here? And yet upon such statements, such arguments, gentlemen would have this House decide and forestall a purely judicial question!

Sir, since when, even upon the clearest reasoning and upon the best argument, did this Congress become a judicial body? When this noisy assemblage of three hundred men resolves itself into a court to adjudicate nice legal questions in the light of the gentleman's fine legal arguments to which we have listened, then our law-books may as well be burned. The authorities which the gentleman will cite in the argument of his causes will be the elegantly gotten up literature of Mr. Sutro; a fancied pronunciamiento of the "bank ring," and liberal quotations from my own poor speeches to convict me of inconsistency.

I had, Mr. Speaker, at one time thought of replying to the other gentleman from Pennsylvania, [Mr. STORM,] usually so reticent, who the other day became so suddenly enlightened about the wants of the poor miners in the "sage-brush;" but I forbear; it is not worth the while; it is not of the slightest consequence. But, sir, as showing the feeling that everywhere exists in my State touching this amendment, I shall call the attention of the House to articles which came to me in the newspapers since this bill has been under discussion.

The Eureka Sentinel, published in a great mining center of the State, speaks of this amendment in connection with the bill introduced recently by the gentleman from Illinois, [Mr. WARD.] The difference between the bill introduced by this gentleman and the amendment which we oppose now is, that the first is general in its application, while the latter is local to the Comstock lode alone. The newspaper to which I have referred says:

> The distinguishing feature of WARD's bill, it will remembered, is the clause compelling corporations or individuals to take out United States patents for their mines within six months from the date of its passage. This would virtually force the poor prospector to pay the Government for his claim before knowing whether or not it was worth the purchase-money. A greater outrage in the shape of mining legislation was never attempted in or out of Congress; and we shall hope to learn when the news comes along that it was effectually squelched. WARD, the author of the bill, hails from Chicago. He would perhaps do full as well to give his attention to matters with which he is familiar. He may know all about pea-nuts and putty, or buckwheat and squashes, but he is not good authority on mines and mining; and it is the height of presumption on his part to meddle with a subject of such vast importance to the people of the whole Union.

I quote at length the following article from the Evening News of the 24th March. This paper is published at Gold Hill, immediately upon the Comstock lode. The article comprises a statement of this controversy:

> In referring to the recent appearance of Sutro in the lobby of the House of Representatives at Washington, his procurement of the introduction of certain amendments, which if adopted would force every prospecting company upon the Comstock lode to make application for patents to their lands within six months from the passage of the act or perfect their claims, and which amendments also had the effect to render each application thus made and every patent granted thereunder subject to the infamous lien of Sutro's so-called royalty, we expressed the opinion that there was something behind all this which was not yet apparent. It now comes out in special dispatches from Washington. Sutro had a paper offered by his seeming attorney, Mr. NEGLEY, in the House, which explains his zealous efforts to so hedge up the way of procuring patents that none can be obtained without impliedly or actually consenting to the lien of royalty imposed by the Sutro-tunnel act. It may here be remarked that unless the law is unconstitutional, this is the case now. But here is what Sutro says:
>
> Many have made application but have purposely neglected to take any further steps to perfect their titles, while others have received their patents. But it can no longer be shown that they have formally accepted them, for the only evidence to that effect—the duplicate receipts given—have been stolen from the register's office at Carson, and the register in the office at the time has disappeared. Section 1 of Senate bill No. 16, referring to mining claims for which patents have been applied for and the proof not perfected in one year, provides that in default of which the proceedings for patents so had by such applicants shall be considered void and without effect.
>
> First. To allow of the acceptance of the terms of the Sutro-tunnel act, implied by an application for patents, to become void by the law so that it shall no longer be evidence of such implied acceptance.
>
> Secondly. To allow not only the application, but all the proceedings for patent so held by such applicants to become void and without effect, which might be construed to make void also the claims for patents already issued, especially in those cases where the duplicate receipts have been stolen.
>
> Thirdly. To enable the parties to speedily secure a new patent without the Sutro-tunnel clause, should they toward the end of the session succeed in smuggling in a repeal of the Sutro-tunnel act also at such late hour that Congress could not correct the occurrence before another session.
>
> Fourthly. Allow them a new application for a patent to enlarge and float the boundaries of their claims further east, in order to cover the country in which the late developments give every reason to suppose that the Sutro tunnel will make large and independent discoveries of lodes.
>
> Another amendment to Senate bill No. 16 should be offered: That such mines on the Comstock lode shall be open to relocation for which patents are not applied for within six months and the title perfected within six months additional, would have that effect, and would at the same time secure to the Government the price of the land which had been withheld from it a number of years.
>
> It appears from these statements—
>
> First. That most of the mining companies on the Comstock lode which had made application for patent have refused to perfect the same, owing to the fact that they would, while the present law authorizing the Sutro tunnel stands on the books, be forced to take their patent subject to the royalty clause.
>
> Secondly. That many more have refused to make application since the passage of this bill, because by so doing they impliedly agreed to the conditions of the tunnel act.
>
> Thirdly. That to avoid any connection with or to keep clear from any obligation arising out of the Sutro-tunnel act, with its accompanying incubus, the two-dollar royalty clause, those mines which have applied for patents have allowed said applications to become void, choosing rather to take chances on holding their ground until hereafter they might procure an unincumbered patent therefor, rather than to take it from the Government subject to the eternal incumbrance of the royalty robbery.
>
> Whether or not these allegations of Sutro are true, we are not informed; doubtless to some extent they are. What do they show, and what does Sutro want? They show that so great is the opposition to the Sutro-tunnel scheme, and the law under which it proposes to force the whole Comstock lode to pay tribute to the owners of its franchise, that the companies, prefer to rest upon the uncertain tenure of a simple claim to mining ground rather than take a patent from the Government subject to the provisions of the tunnel act. They also show that in the opinion of all the mining companies upon this lode, instead of being of value, the Sutro tunnel is of little account, and that the benefits to be derived from its completion are not at all commensurate with the amount of tribute to be exacted from producing mines upon the lode. They further prove what we have heretofore maintained, that the Government has thus far lost the sale of over two hundred mining patents, and that this infamous law stands to-day as a bar between the Government and the mining companies—between its interests and those of the miners upon the Comstock lode. We say that by Sutro's own statements it is shown that for years this law has acted as a drag upon our mines and as a hinderance to the Government in disposing of its lands in this vicinity.
>
> Now what does Sutro ask? He wants a mining law so framed as to compel the mining companies on this lode to take their patents subject to his tax or otherwise forfeit their claims. He asks that a law be passed declaring all mines on the Comstock open to relocation unless patents are applied for within six months, and the title perfected within six months thereafter. In other words, he demands the passage of a law which will drive every prospector in this section into making application for a patent to his claim within six months, (bear in mind that the moment such application is made the applicant impliedly accepts the terms of Sutro's act,)

and which compels the prospector within six months thereafter to prove up title, pay for his claim, and take his patent, subject to the tunnel law. This would effectually vest the right in Sutro to tax the proceeds of each and every claim so proved and paid for forever to the amount of two dollars per ton of ore thereafter extracted.

It is infamous, and the hardihood of the ring which, under authority of national law, thus seeks to harass and rob the miners of this section has no parallel. We repeat that this is the most infernal attempt ever made to force unwilling victims into the toils of a combination which, without rendering any benefit, proposes to suck wealth unlimited from our mines and miners. Sutro fears that his bill will be repealed. His trepidation is well founded, for it will. He now seeks to hasten the procurement of patents before the repeal of his franchise, because by so doing the patents thus obtained would be issued subject to the conditions of the now existing law, a repeal of which thereafter would fail to invalidate the right to claim royalty of all whose patents had been obtained prior thereto. The Congress of these United States has passed many laws in the interest of rings, but we boldly assert that none have been enacted which in injustice, yea, villainous plundering, at all approach the law now under discussion, should the amendments demanded by Sutro be made a part thereof.

Another article from the Virginia Evening Chronicle of the 23d instant. I omit paragraphs which—so intense is the feeling there—are more of a personal nature; for with such matters I have nothing to do here:

Unfortunately for the welfare of the mining interests of the Pacific States, Congressmen who know very little about mining and far less about the interests involved therein are constantly frightening the country by the introduction of impracticable and dangerous mining bills. The "Ward bill," so recently the subject of congressional and journalistic discussion, properly belonged to the category of "dangerous," but the bill met with such general popular disfavor that hopes are entertained that it will die in the hands of the Committee on Mines and Mining. The other day the Senate passed a bill, the objects of which are twofold: first, to hasten proceedings in obtaining patents to mineral lands; and secondly, to prevent speculators from filing bogus applications upon such lands. The bill requires that final proof shall be made by applicants within one year, in default of which, unless there shall be an adverse claimant, all the proceedings shall be declared null and void.

When the bill came before the House of Representatives on Wednesday last, Sutro and his lawyers appeared in force fully armed with a list of amendments to the Senate bill. It is needless to state that these amendments were all for the benefit of the Sutro Tunnel Company. Their entire gist and aim is to reaffirm Sutro's right to extort the royalty of two dollars on every ton of ore which shall ever be lifted from the Comstock mines after the completion of the tunnel. By some hocus-pocus, Sutro induced HOLMAN of Indiana and NEGLEY of Pennsylvania to introduce his amendments, and the fight began on Thursday last. Mr. PAGE, of California, opposed the amendments on the ground "that they virtually declare that no bill relating to mineral lands should be passed unless Sutro were permitted to make it subservient to the Sutro tunnel." Mr. KENDALL, of Nevada, also vigorously opposed the amendments, and instead of the amendment offered by HOLMAN on Wednesday, offered the following substitute:

"*Provided*, That nothing herein contained shall be construed to repeal or in any way affect the provisions of an act granting A. Sutro the right of way and other privileges used in the construction of a draining and exploring tunnel to the Comstock lode."

Mr. PAGE was satisfied with the substitute, but it did not suit the fastidious tastes of Adolph and his attorneys, and therefore the matter is still in hand.

Now, in the name of common sense, what is the necessity of those amendments and of all this congressional twaddle about the Sutro franchise? The law as it now exists is a sufficient guarantee to the tunnel company, provided they accomplish what they agreed to perform when the franchise was granted, and nobody questions the fact.

If you do not mean positive legislation in behalf and in favor of Mr. Sutro you will join us in voting to table the bill. I protest against its passage with this amendment in the name of the people of all classes in the vicinity of the Comstock mines, who would be ruinously affected by such a measure, who have remonstrated against this great wrong that is threatened.

Mr. PAGE. Mr. Speaker, I do not know that I can add anything to what has already been said to induce the members of this House to vote down this amendment. It may be proper, however, for me to refer briefly to the history of Mr. Sutro in connection with this Sutro tunnel.

It appears that in 1865 Mr. Sutro obtained a charter from the State of Nevada to construct this tunnel. He immediately went to mine-owners upon the Comstock and adjoining lodes and entered into a contract with a few of the mine-owners on the Comstock and adjoining lodes, providing that when the tunnel was completed the parties who used it should pay him two dollars a ton royalty upon all the ore passing through it. Mr. Sutro agreed with these miners that he would get $3,000,000 subscribed to his tunnel, and that he would commence the work and expend from the 1st day of August, 1867, the sum of $400,000 per annum until it was completed. What did he do? Instead of going on and raising the money as a man would have done who meant to do what he had agreed to do, on the pretense that he was going to Europe to obtain the money, he came to Congress and got the act of 1866 passed, whereby he compelled not only those who had entered into this contract, but all those who had refused to enter into it, to pay this two dollars a ton royalty, whether they used the tunnel or not. That is the law. It also provided that when patents were taken out, when miners obtained Government title, that Government title should be subject to the two dollars a ton royalty given to Mr. Sutro. I say he succeeded in getting the law of 1866 passed; but what are the facts of the case? Why does he not ask, and why does not the gentleman from Pennsylvania ask, to have this law apply to all the mines which the Sutro tunnel will touch in its construction? Why, simply because the Government has withdrawn from public entry two thousand feet on each side of the Comstock lode of the most valuable mineral lands in the State of Nevada, in the interest of Mr. Sutro. Whenever a miner owning a mine within two thousand feet on each side of the proposed tunnel shall abandon his claim or fail to comply with the mining laws, then it falls to Mr. Sutro, and I say that they propose by this bill to compel the miners on the Comstock lode to take out patents, while they say to those alongside of the tunnel, "You shall not take out patents." This is an evident act of injustice, which I hope the House will not sanction.

Well, now, what has been the policy of the Government? Why, sir, the first mining law, the law of 1866, declared all of these lands containing mineral ore to be open to exploration. That is what Congress declared in 1866. In other words, they said to every miner, "If you will expend $1,000 on your mine and hold it subject to the local mining laws, you shall have a possessory right to that mine." It was a *bona fide* contract entered into between the Government and the miners; but gentlemen now seek to change this and to say to these miners who have expended on their mines and have complied with all the mining rules and regulations that they must take out their patents within six months or forfeit their claims.

Now, Mr. Speaker, I hold in my hand the manifesto of Mr. Sutro himself, and I want to call the attention of the House to the compliment he has paid to the Senate, the highest legislative body in the United States; I want to call the attention of the House to the compliment that he has paid to the distinguished chairman of the Committee on Mines and Mining of the Senate. I refer to the senior Senator from Maine, Mr. HAMLIN, a man who has been elevated by the voice of the American people to the second office in their gift. What does he say in reference to the bill that was examined by the Committee on Mines and Mining of the Senate, unanimously reported and passed by the Senate? He says:

Senate bill 16, containing a provision concocted with satanic ingenuity, passed the Senate while these parties knew I was absent in Europe. It was intended as the assassin's stab in the dark.

The distinguished foreigner—for I am informed that he is not an American citizen—comes here and lays upon the desks of the members of this House a vile libel upon men as honorable as ever occupied seats in any legislative assembly in this world.

[Here the hammer fell.]

Mr. PAGE. I hope the House will extend my time a few minutes.

Mr. NEGLEY. I shall object unless my time be extended too.

Mr. PAGE. I will occupy only six minutes, if the House will allow me, and then yield to the gentleman.

The SPEAKER. Is there objection to extending the time of the gentleman from California?

Mr. KELLEY. I should like to say a few words on this subject myself.

Mr. CREAMER. I object.

Mr. PAGE. I hope the gentleman will withdraw his objection; I desire to finish my remarks.

Mr. NEGLEY. I will agree that the gentleman's time shall be extended if he will permit my colleague [Mr. KELLEY] to speak for five minutes.

Mr. HUBBELL. I would like to have five minutes on this question, if the House will grant it to me.

The SPEAKER. Objection being made to further debate, the question is upon ordering the bill to be read a third time.

Mr. PAGE. I move that the bill be laid upon the table.

Mr. KENDALL. I appeal to every friend of the miner to table this bill.

The SPEAKER. Debate is closed.

The question was taken on the motion to lay the bill on the table; and upon a division there were—ayes 73, noes 76.

Before the result of this vote was announced,

Mr. PAGE and Mr. LUTTRELL called for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 95, nays 115, not voting 80; as follows:

YEAS—Messrs. Adams, Archer, Ashe, Atkins, Barber, Bass, Beck, Bell, Berry, Bland, Blount, Bowen, Bradley, Brown, Buffinton, Burleigh, Burrows, John B. Clark, jr., Clayton, Clymer, Cook, Cox, Creamer, Crooke, Crossland, Crounse, DeWitt, Dobbins, Durham, Frye, Giddings, Eugene Hale, Robert S. Hale, Henry R. Harris, John B. Hawley, Joseph R. Hawley, Gerry W. Hazelton, Herndon, E. Rockwood Hoar, Hoskins, Houghton, Hunton, Hyde, Jewett, Kendall, Knapp, Lamar, Lansing, Luttrell, Lynch, Magee, James W. McDill, MacDougall, McLean, McNulta, Mellish, Merriam, Mills, Neal, Niles, Orr, Page, Hosea W. Parker, Phelps, Pierce, Potter, Pratt, Read, Robbins, Ellis H. Roberts, James W. Robinson, Sawyer, Henry B. Sayler, Henry J. Scudder, Sener, Sessions, Shanks, Lazarus D. Shoemaker, H. Boardman Smith, Southard, Speer, Christopher Y. Thomas, Thornburgh, Vance, Waddell, Walls, Wheeler, Whitehead, Whitthorne, Charles W. Willard, James Wilson, Wolfe, Wood, Woodworth, and John D. Young—95.

NAYS—Messrs. Albert, Arthur, Averill, Barrere, Barry, Begole, Biery, Bromberg, Bundy, Burchard, Benjamin F. Butler, Roderick R. Butler, Cain, Caldwell, Cannon, Cason, Cessna, Clements, Clinton L. Cobb, Coburn, Comingo, Conger, Corwin, Cotton, Crutchfield, Curtis, Darrall, Donnan, Duell, Dunnell, Eames, Eden, Farwell, Field, Gooch, Gunckel, Hagans, Hancock, Harmer, Benjamin W. Harris, John T. Harris, Harrison, Hatcher, Havens, John W. Hazelton, Hodges, Holman, Howe, Hubbell, Hunter, Hynes, Kasson, Kelley, Lawrence, Lawson, Leach, Lewis, Lofland, Lowndes, Martin, Maynard, McCrary, McJunkin, Monroe, Moore, Morey, Myers, Negley, Nunn, Orth, Packard, Parsons, Pelham, Pendleton, Perry, Phillips, Pike, James H. Platt, jr., Poland, Randall, Ransier, Rapier, Ray, Rice, Richmond, Ross, Rusk, Scofield, Sheats, Sheldon, Sherwood, Sloan, J. Ambler Smith, John Q. Smith, William A. Smith, Snyder, Sprague, Stanard, Stone, Storm, Strait, Swann, Taylor, Tyner, Waldron, Wallace, Wells, Whitehouse, George Willard, John M. S. Williams, William Williams, William B. Williams, Wilshire, Jeremiah M. Wilson, and Pierce M. B. Young—115.

NOT VOTING—Messrs. Albright, Banning, Barnum, Bright, Buckner, Amos Clark, jr., Freeman Clarke, Stephen A. Cobb, Crittenden, Crocker, Danford, Davis, Dawes, Eldredge, Elliott, Fort, Foster, Freeman, Garfield, Glover, Hamilton, Hathorn, Hays, Hendee, Hereford, Hersey, George F. Hoar, Hooper, Hurlbut, Kellogg, Killinger, Lamison, Lamport, Loughridge, Lowe, Marshall, Alexander S.

McDill, McKee, Milliken, Mitchell, Morrison, Nesmith, Niblack, O'Brien, O'Neill, Packer, Isaac C. Parker, Thomas C. Platt, Purman, Rainey, William R. Roberts, James C. Robinson, Milton Sayler, John G. Schumaker, Isaac W. Scudder, Sloss, Small, Smart, A. Herr Smith, George L. Smith, Standeford, Starkweather, Stephens, St. John, Stowell, Strawbridge, Sypher, Charles R. Thomas, Todd, Townsend, Tremain, Jasper D. Ward, Marcus L. Ward, White, Whiteley, Wilber, Charles G. Williams, Willie, Ephraim K. Wilson, and Woodford—80.

So the motion to lay on the table was not agreed to.

The bill as amended was then read the third time, and passed.

Mr. NEGLEY moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. SYMPSON, one of their clerks, informed the House that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the bill (H. R. No. 1923) authorizing the payment of annuities into the treasury of the Seminole tribe of Indians.

The message further announced that the Senate had passed, with amendments in which the concurrence of the House was requested, a bill of the House of the following title:

A bill (H. R. No. 1930) to secure to the Episcopal Board of Missions the land in the White-Earth reservation in Minnesota on which are situated their church and other buildings.

CURRENCY—FREE BANKING.

Mr. MAYNARD. I now call for the regular order.

The SPEAKER. The regular order being called for, the House now resumes the consideration of the special order, being the bill (H. R. No. 1572) to amend the several acts providing a national currency, and to establish free banking, and for other purposes, reported from the Committee on Banking and Currency. The gentleman from New Jersey, [Mr. PHELPS,] a member of the committee, is entitled to the floor for one hour.

Mr. CREAMER. I move that gentlemen who desire to speak further upon this question have leave to print their speeches in the RECORD, and that to-morrow at two o'clock the House proceed to vote upon this bill. Further delay by speech-making is a waste of time.

Mr. RANDALL. I do not think the gentleman from New York [Mr. CREAMER] has wasted much time in that way.

Mr. CREAMER. Every speech that is made here costs the country at least $1,000,000 by delaying action, and no one listens to those speeches. We have been here four months and have come to no conclusion on this subject.

Mr. BECK. I desire to be heard upon this subject, and I object to the proposition of the gentleman.

The SPEAKER. It requires unanimous consent.

RUSH VALLEY MILITARY RESERVATION.

The SPEAKER laid before the House a letter from the Secretary of War, in relation to House bill No. 1479, to restore the Rush Valley military reservation in Utah Territory to the public lands; which was referred to the Committee on Military Affairs, and ordered to be printed.

REMOVAL OF NAVAL ASYLUM.

The SPEAKER also, by unanimous consent, laid before the House a communication from the Secretary of the Navy, in answer to a resolution of the House of February 20, 1874, in relation to the propriety and advantages of a removal of the Naval Asylum from Philadelphia to Annapolis; which was referred to the Committee on Naval Affairs, and ordered to be printed.

MARE ISLAND NAVY-YARD, CALIFORNIA.

The SPEAKER also, by unanimous consent, laid before the House a communication from the Secretary of the Navy, in answer to a resolution of the House of March 10, 1874, in relation to the necessity for a better supply of fresh water and for the construction of improved roads at Mare Island navy-yard; which was referred to the Committee on Naval Affairs, and ordered to be printed.

COLUMBIA INSTITUTION FOR DEAF AND DUMB.

The SPEAKER also, by unanimous consent, laid before the House a communication from the Secretary of the Interior, transmitting an estimate of appropriations to supply a deficiency in the appropriation of June 10, 1872, for payments due and unpaid on July 1, 1872, on the purchase of the estate known as Kendall Green by the Columbia Institution for the Deaf and Dumb in the District of Columbia; which was referred to the Committee on Appropriations.

DEFICIENCY APPROPRIATION FOR WAR DEPARTMENT.

The SPEAKER also, by unanimous consent, laid before the House a communication from the Secretary of War, transmitting a statement of the amount of deficiency in the appropriation for his Department for the fiscal year ending June 30, 1873; which was referred to the Committee on Appropriations.

PUBLIC BUILDING, SPRINGFIELD, ILLINOIS.

The SPEAKER also, by unanimous consent, laid before the House a communication from the Secretary of the Treasury, in relation to an appropriation for the purchase of the lot on which the United States court-house and post-office building in the city of Springfield, Illinois, has been erected; which was referred to the Committee on Public Buildings and Grounds, and ordered to be printed.

GOVERNMENT OF INDIANS.

The SPEAKER also, by unanimous consent, laid before the House a communication from the Secretary of the Interior, transmitting a draught of a bill conferring exclusive jurisdiction over Indian reservations upon the United States courts, and for the punishment of crimes committed by and against Indians; which was referred to the Committee on Indian Affairs, and ordered to be printed.

MATHEW M'CUNE.

The SPEAKER also, by unanimous consent, laid before the House a communication from the Secretary of the Interior, transmitting, in compliance with the act of May 29, 1872, the claim of Mathew McCune; which was referred to the Committee on Indian Affairs.

OOSTENAULA AND COOSAWATTEE RIVERS.

The SPEAKER also, by unanimous consent, laid before the House a communication from the Secretary of War, in answer to a resolution of the House of March 26, 1874, in relation to the survey of Oostenaula and Coosawattee Rivers, in the State of Georgia; which was referred to the Committee on Commerce, and ordered to be printed.

COURT-MARTIAL OF CAPTAIN F. W. HUNT AND OTHERS.

The SPEAKER also, by unanimous consent, laid before the House a communication from the Secretary of War, in answer to a resolution of the House of March 10, 1874, in relation to the court-martial of Captain F. W. Hunt and others; which was referred to the Committee on Appropriations.

JOSEPH DUNLAP.

The SPEAKER also, by unanimous consent, laid before the House a communication from the Secretary of the Interior, transmitting a draught of a bill for the relief of Joseph Dunlap, a settler on the Kansas Indian diminished reserve lands in Kansas; which was referred to the Committee on Indian Affairs.

REMOVAL OF OVERSLAUGH ROCK, HUDSON RIVER.

The SPEAKER also, by unanimous consent, laid before the House a communication from the Secretary of War, in relation to the claim of E. R. Seward, for removing Overslaugh Rock, in the Hudson River; which was referred to the Committee on Commerce.

CHIPPEWA INDIANS IN WISCONSIN.

The SPEAKER also, by unanimous consent, laid before the House a communication from the Secretary of the Interior, in relation to an appropriation to relieve the most pressing necessities of the Chippewa Indians attached to the Red Cliff and Bad River reservation, in Wisconsin; which was referred to the Committee on Appropriations, and ordered to be printed.

PRESIDIO MILITARY RESERVATION.

The SPEAKER also, by unanimous consent, laid before the House a communication from the Secretary of War, in relation to the present condition of the Presidio military reservation; which was referred to the Committee on Military Affairs, and ordered to be printed.

DEPARTMENTAL ADVERTISING.

The SPEAKER also, by unanimous consent, laid before the House a communication from the Secretary of the Treasury, in answer to a resolution of the House in relation to a bill or bills for advertising done in violation of the act of July 15, 1870; which was referred to the Committee on Accounts.

HENRY DALTON.

The SPEAKER also, by unanimous consent, laid before the House a communication from the Secretary of War, in relation to the claim of Henry Dalton, late of Company E, Ninth Tennessee Cavalry Volunteers; which was referred to the Committee on Military Affairs.

A. H. VON LUETTWITZ.

The SPEAKER also, by unanimous consent, laid before the House a communication from the Secretary of War, in relation to the case of A. H. Von Luettwitz; which was referred to the Committee on Military Affairs.

H. H. M'COLLEY.

The SPEAKER also, by unanimous consent, laid before the House a communication from the Secretary of War, in relation to the bill (H. R. No. 426) for the relief of H. H. M'Colley; which was referred to the Committee on Claims.

FOOD FISHES.

The SPEAKER also, by unanimous consent, laid before the House a communication from the United States commissioner for preservation and propagation of food fishes, asking a deficiency appropriation for the fiscal year ending June 30, 1874; which was referred to the Committee on Appropriations, and ordered to be printed.

CLAIMS FOR INDIAN DEPREDATIONS.

The SPEAKER also, by unanimous consent, laid before the House a letter from the Secretary of the Interior, transmitting, in compliance with the act of May 29, 1872, the claims for Indian depredations in the following cases:

O. M. Brown, William Fielding, O. P. Goodwin, William Smith, John Burke, Joseph Knight, John Chison, Joseph Bissonette, sr., Jean

Louis Rilliet, Antonie Dubray, Carhoof & Stone, Bernard, Irwin & Piper, Bernard, Irwin & Co., F. C. Buckley, Antonio José Lima, Joseph Bissonette, sr., Charles E. Guern, Alex. Topence, James A. Moore, Thomas De Baca, Rock Bush, Pierre Ganeau, Jerome McAlister, William Shirley, Henry C. Smith, William Baker, Henry Warren, B. Ponnier, W. N. Byers, M. H. Clifford, John A. Morrow, Edward Morrin, D. C. Tracy, Isaiah Buchanan, Antoine Reynal, Joseph Bissonette, sr., Samuel J. Martin, George Box, John Richard, William M. Slaughter and R. Lopris, Johuana Uhlig, James G. Cornell, John Richards, jr., Jefferson Smith, Alvin C. Leighton, Thomas J. Rhoades, Jason Sherman, John Richard, P. F. Spann, James Knights, Seth Ward, James H. Whittington, P. H. Green, John McRea, A. C. Leighton, Thomas B. Evans, Prudencio Lopez, J. W. Powell, W. A. Rankin, Charles Malnourie, R. Martinez, Mason & Co., Jeremiah Graham, Lewis H. Baker, Mrs. J. M. Stiffin, Antoine Jams, James Fargeon, M. Silva, A. C. Leighton, C. S. Burdsale, A. C. Leighton, A. C. Leighton, Durfee & Peck, John Richard, jr., David Catlin, A. C. Leighton, A. C. Leighton, Loren S. Jenks, John B. Lowry, C. E. Guern, John Lorn, Thomas Bittners, Robert B. Corley, John Phillips, F. C. Boucher, John Hittson, Captain F. E. Trotter, William Matson, Conrad Henning, Z. W. Rains, Bazille Clenens, P. B. McDonald, John Herd, Joseph Murphy, José Merravale, William Kersten, John Huntington, James Bordeau, Van Arnam & Comfort, F. F. Cabeza de Baca, A. P. Fox, William B. Stapp.

The several claims were referred to the Committee on Indian Affairs without being ordered to be printed.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to Mr. HAMILTON for one week; to Mr. SAYLER, of Indiana, for two weeks; to Mr. NIBLACK for ten days, and to Mr. HERSEY and Mr. TODD indefinitely.

MISSISSIPPI LEVEES.

Mr. MOREY, by unanimous consent, presented the memorial of Colonel George W. Morse on the subject of the construction of the Mississippi levees; which was referred to the Select Committee on the Mississippi Levees.

CIVIL SERVICE.

Mr. SMITH, of Virginia, by unanimous consent, introduced a bill (H. R. No. 2784) to improve the civil service of the United States; which was read a first and second time, referred to the Committee on Reform in the Civil Service, and ordered to be printed.

SEMINOLE INDIANS.

Mr. AVERILL. I submit the following report from a committee of conference, on which I ask action at this time:

The Clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the bill (H. R. No. 1923) authorizing the payment of annuities into the treasury of the Seminole tribe of Indians, having met, after full and free conference have agreed to recommend, and do recommend, to their respective Houses as follows:

That the House recede from its disagreement to the Senate amendment to lines 18 and 19, striking out the words "seven thousand five hundred," and inserting the words "five thousand," and that the amendment of the Senate be agreed to.

JOHN T. AVERILL,
ABRAM COMINGO,
Managers on the part of the House.

WILLIAM A. BUCKINGHAM,
JOHN J. INGALLS,
THOMAS C. McCREERY,
Managers on the part of the Senate.

The report of the conference committee was adopted.

Mr. AVERILL moved to reconsider the vote by which the report of the committee of conference was agreed to; and also moved to lay the motion to reconsider upon the table.

The latter motion was agreed to.

ALASKA FUR-TRADE.

Mr. CONGER. I wish to make a report from the Committee on Commerce, to report a bill (H. R. No. 2667) to enable the Secretary of the Treasury to gather authentic information as to the condition and importance of the fur-trade in the Territory of Alaska. The bill was referred to that committee with leave to report at any time.

The SPEAKER. At half-past one o'clock the House proceeds to the consideration of the special order, and the gentleman's bill cannot interfere with that special order. The bill can be reported at any time when the floor is not held by any privileged question.

Mr. CONGER. I give notice, then, that I will report it to-morrow after the reading of the Journal.

CURRENCY AND FREE BANKING.

The SPEAKER. The House proceeds to consider the bill (H. R. No. 1572) to amend the several acts providing a national currency and to establish free banking, and for other purposes. The gentleman from New Jersey [Mr. PHELPS] is entitled to the floor.

Mr. PHELPS. Mr. Speaker, we are bound to give the people of these United States a sound currency. We are bound to give them specie payments; for only gold, or a credit based on gold, is a sound currency. We are bound, whether we be liberals, republicans, or democrats, by express promise; we are bound by the provisions of a law, the first ever signed by our Chief Magistrate; we are bound by the oath we took as members of this House to support the Constitution; we are bound by the conventions of Philadelphia, Cincinnati, and Baltimore, which pledged the three great parties to "speedy resumption;" we are bound by the act of March, 1869, which "solemnly pledged the public faith to make provision at the earliest practicable period for the redemption of the United States notes in coin;" we are bound by the Constitution, which was formed "to promote the general welfare." Can we better provide for the general welfare than by giving to the people a uniform, stable currency?

For the general welfare, for the interests of other classes, others may speak. Let me to-day speak for the interests of labor—the labor of the farm and of the shop—

FOR THE POOR MAN.

I believe, and I think I can show, that while the moral evils resulting from a depreciated currency fall uniformly, the material ill, the real suffering and loss, fall upon the laborer and the farmer. The capitalist and merchant, in the resources of varied exchanges and varied investments, may adjust and shift the loss; the poor man receives it all. Wall street, and Beacon street, and Chestnut street may escape; the farm and the workshop, never. Therefore I urge to-day the resumption of specie payments in the name of the farmer and mechanic.

I ask a sound currency for those whose plows rust in the furrow; for those who darken the streets of Paterson with their patient waitings.

I SPEAK FOR MY OWN PEOPLE.

And let no man smile that I speak for those whose wants I best know and most feel: I speak *for* them, not *to* them. Shall I tell them of sufferings they have felt? Shall I point them to the silent forge, and spindle, and loom? They have lived and moved among them all this dreary winter, as men can live and move, even among the silent monuments of departed life. They ask for a sound currency; as their representative, I ask for it in their name. They have waited, they are still waiting, with patience. So far, they have asked for bread, and their Government has given them a stone; they have asked for money, their Government has given them a rag.

Mr. Speaker, a century ago, a part of the English people gathered around Westminster Hall to impress a sentimental grievance upon their representatives. Their subsequent conduct was not such as the friends of order could approve. Not such would be the conduct of the Paterson mechanics, should they gather around this Capitol to impress their real grievances. There would be no noise, no disorder, no riot. They would stand the livelong day in patient waiting. They would part without threat, to let in and out the representatives of the people, and as each passed, they would simply say, "You believe the testimony of Jefferson, Jackson, and Benton; or, you believe the testimony of Adams, Clay, Webster, and Sumner. Give us the money they recommended; give us a dollar that is a dollar. Give us the money of our fathers; give us the money of the world."

Mr. Speaker, I could spend much time in proving financial truths that were never disputed before this year of our Lord. Why should I? Shall I put up a man of straw, to knock him down? Shall I tell truths that the theory and experience of the world have established? Can I write them better than Smith, Ricardo, Say, Rice, and Bagehot? Can I speak them better than Jefferson, and Benton, and Webster, and Clay? If there is a man who believes there is any other basis for a sound currency than gold, and who maintains that belief in the face of the world's testimony, and the world's experience, I cannot convert him; I will not attempt it.

It seems to me that most of the confusion of thought and expression that appears in this discussion is the result of

INACCURACY OF TERMS.

The words are used in an inaccurate fashion. That the confusion is one, not in the subject, not in the mind that grasps it, but in the terminology. Give that strict definition to terms, give that strict use of terms when defined, which rules in other sciences, and all confusion must give way to order and harmony. In the great process of exchange there are two parts, two functions. For these two functions two different instruments are needed. Let us give these different instruments different names, and carefully maintain the distinction.

WHAT IS MONEY?

It is the measure of value. It is the instrument devised to transact the first step in an exchange. It is the commodity used to estimate the relative value of other commodities.

Before we can exchange commodities we must know what is their real value. We must take a commodity of fixed value, and dividing it into units, make these represent the ratio which other commodities bear to each other. This measure of value is money.

THIS MEASURE OF VALUE IS GOLD.

Why? Because gold has the mechanical qualities for such a measure. It is divisible and indestructible. It has, too, a universal and stable value. Now money must have value, because it is used to measure value. If we wished to measure the length of commodities we should take a measure that had length. Did we wish to measure weight, we would take as a measure a commodity that had weight. So when we measure values we must have a measure that has value. And gold is the only article that has a universal and stable value. Universal, for here civilization and barbarism, the past and the present, meet. Abraham counted shekels in the first recorded bargain, and William exacted from France a coin subsidy. The Pacific islander clamors for gold; and for gold the poet laureate of Great Britain sells his muse. "But," says an objector, "have not other commodities a universal

value? How with wheat? Abraham gathered wheat before shekels. Glidden's mummy unfolded wheat mixed with gold, and your islander sometimes says 'wheat' first, 'gold' afterward." All of which is true. But the demand for wheat is finite, and can be supplied. When supplied the price falls, for there is a glut. Not so with gold. The demand is infinite; there can be no glut. It grows on what it feeds. The Incas, when their eyes were dazzled with its ubiquitous sheen, schemed for it; and our richest grangers—most virtuous of men—are still Olivers, asking for more. And gold has a stable value; not perfectly so, (for I have heard of California and Australia,) but more stable than any other commodity. Hence for our money, for our measure of value, we take gold.

But besides money we hear of currency. What is that? Money was the measure of value.

WHAT IS CURRENCY?

Currency is the medium of exchange. It is the instrument that performs the second process in exchange. After money has fixed the relative values of commodities, currency makes the exchange. And what is currency? What does it consist of?

Mainly of credit. Credit in one of its many forms, draft and note, bill and check and account. So we have two different instruments, and two sets of names for them; one set is, the measure of value—gold, money; the other is, the medium of exchange—paper credit, currency.

And here is the only opportunity for mistake in keeping this distinction. Money is the measure of value—is gold. Currency is the medium of exchange—is paper representing gold. But as a principal can do what its representative can— money, gold, can also discharge the second process of exchange, can also be currency. It can perform the two functions. But when money performs the second function, makes the exchange, it is currency. Hence a deal of confusion. From this we escape by bearing always in mind that while money is currency, currency, except the small part which is gold, is not money. And perhaps just here it is well to say that no bullionist, no hard-money man, as far as I know, wants to use gold for currency. We want to use gold for money, for the measure of values. We want to use paper as currency, as the medium of exchange. In other words, we think gold the best measure of value; paper the best instrument of exchange, the best currency. But it must be paper that represents value, that represents gold, and can be turned into it. Why, then, are we dissatisfied with our present currency, which is paper? For the reason that it is not real currency, it does not represent value. It was not born, it was made.

WHAT IS THE ORIGIN OF A SOUND CURRENCY?

How does it get its birth? It is born in some transaction, and represents some value, money or property, which the transaction concerned. This is truest of the lowest and highest forms of credit. Take the earliest conception of currency. It is in the very infancy of trade before money is yet used as a measure of value. My friend has a skiff on the Hudson; I have a skiff on the Potomac. We wish to exchange. My friend takes my skiff. He gives me a writing which empowers the bearer to take his. This writing is

A DRAFT,

the simplest form of credit, the first piece of currency. And in the market any man who wants the skiff, or knows the value of it, will accept it as currency. This draft was born in a transaction—the exchange of skiffs; and represents value—property, the Hudson skiff, which exists to redeem it.

Take a step further in the development of currency. Money is now used as a measure of value, and exchanges are to that degree simplified. My friend this time wishes to buy my house. We fix the price. He has no money, but I trust him. He gives me a written promise to pay. Here is another form of credit. I walk off with another kind of currency—

THE PROMISSORY NOTE.

This note, too, was born in a transaction—the purchase and sale of the house. And the note, too, represents property, value; for it represents the house which my friend owns, and which still exists as a means of payment. If my friend, when the note falls due, has the house, he can by sale or mortgage, pay it. But suppose my friend has sold the house before the note falls due. If he sold it, he sold it for something—money or currency or property—and he holds the money or draft or property in place of the house and the representative of his note, and ready for its redemption. Just as the skiff stood behind the draft, the house stands behind the note.

But before my friend's note fell due, I needed a still higher kind of currency, one capable of wider circulation. Strangers refuse it; so I go to my bank. The bank will discount if I will take the bank's promise. The bank's promise passes as money; so I take it. This time I go out with another form of credit—another kind of currency—

THE BANK-NOTE.

This bank bill came into being in a transaction, and represents value—the house of my friend, which still stands ready to furnish the money to pay the note, which pays the bank-bill.

So under natural laws currency in all forms comes into the volume of circulation, as the result of transactions, as the representative of value. Its volume, therefore, regulates itself. There is as much as there are transactions, as there are values, and no more.

But there comes a

DISTURBING ELEMENT.

The Government injects it into this natural stream fed by the business of the country. Government issues its promises, not as the representative of gold, not as the representative of property, but as the representative of debt. Natural currency comes as the representative of wealth—the Government currency as the representative of poverty.

Why, then, do not the laws of trade eject it, this foreign element—this bastard currency? They would. Men would refuse to take it. Nature would cure herself. But supreme sovereignty interferes and forces it upon the people. The people submit because they are law-abiding.

"But," says the friend of the greenback, "you argue as if the Government gave away its currency. This is not true. The Government received value for it." Certainly the Government did. It received property for its notes; but the property was bought for consumption or destruction. The property immediately upon its transfer ceased to exist as the means for paying the notes. If I sold a citizen a cargo of grain and he gave me his note for it, the cargo of grain in his hands, or some one else's, exists as the means of paying it. If I sell the cargo to the Government and take its note, the Government takes the grain and distributes the grain among its soldiers, and it is consumed, and no grain is left to pay the notes, nor can it be sold to furnish other means of paying them. In the case of the Government the property perished, leaving the notes unprotected. In the case of the private note the property remained to produce the means for payment. This examination of the nature of credit, of the origin of currency,

SHOWS ITS PROPER LIMITS.

Credit can act beneficently till it reaches the consumer; there it should stop. Bankers and merchants are simply agents for the exchange of commodities, and as such they may safely promise to pay with merchandise in existence, not for their own consumption, but for sale; and thus they may conduct their operations forever, without failure, through the various degrees of subdivision until the actual consumer is reached through the retail dealer. Here the point is reached where credit is most pernicious and should be avoided. The promises issued by the consumer, whether it be the Government or the laborer, are not from their nature currency, and any effort to force their circulation produces only confusion and loss. But this is what our Government did when, in the stress of war, it issued its promises against property, which it consumed or destroyed. Hence came the greenback; fruitful source of all our woes. This increased the currency beyond its natural limits. It was in excess. There was more currency than there was property for it to represent, and

THERE WAS A DEPRECIATION.

Let me not waste time to chronicle the now familiar effects of a depreciated and irredeemable currency. It is always in excess. This excess stimulates extravagance and speculation. There is constant temptation to be rid of a currency whose value is uncertain. Use it now, it is worth something; retain it until to-morrow, it may be worth nothing. And so the spirit of the gambler enters into the heart of the nation, and after extravagance come speculation, crime, moral and material ruin. To chronicle what of this moral and material ruin is general, I do not pause. I pass this to show that the worst evils of an unsound currency fall upon the poor.

The harm of wrong legislation in finance, as in taxation, falls and rests at last upon them. As a direct consequence of depreciated money, prices fluctuate, so the man who buys cannot tell for what he will sell, or what his money will be worth when he gets his pay. Against this uncertainty the rich man who sells can insure himself by adding a percentage to his price. The poor man who buys, buys to consume not to sell again, and pays this percentage out of his poverty. The rich man adds to the price of his commodities the premium on gold at each rise, and by continual exchanges adjusts or shifts the loss. The poor man has but one thing to exchange—his labor—and does not know the hourly, daily, or weekly rise of gold; and does he, he cannot daily, hourly, weekly, or even monthly add it to his wages. He cannot readily make new contracts for his labor, and, unfortunately, it is the only contract he can ever make. So the premium on gold reaches his wages last of all.

Certainly, then, an

IRREDEEMABLE CURRENCY IS NOT FOR THE POOR MAN.

If it is for the benefit of any, it is for the rich man and for the speculator. The more rich the man, the more desperate the speculator, the more easily he avoids the losses; the more certainly he profits by the fluctuations. Increase the number and variety of transactions, and you increase the opportunities to adjust or shift the burdens of a fluctuating currency. The poor man, who has nothing to sell but his labor, and who has everything to buy—lodging, food, clothing—finds his labor receiving only the premium on gold. This is bad for him at one end, and it is equally bad at the other; for, for his support, he pays, in each case, something beyond the premium. And this brings us to the general principle, that the premium on gold does not accurately measure the advance of prices, except in those articles that we export. In all other articles, prices rise beyond the gold premium, and this rise is due to the percentage added on each exchange; to insure the seller against subsequent depreciation of the money in which he shall be paid.

Naturally the increase in price will be least in those commodities which pass directly from producer to customer, and greatest in those which are subjected to most frequent transfers. When Mr. Low buys his tea in China, he pays for it in gold. The Chinese as yet are not intelligent enough to accept "the best currency the world ever saw." When the tea is in his warehouse—freight, duties, and exchange all paid—he fixes the price. He adds to cost the usual percentage of profit and the premium on gold; but he does not stop here. He sells on time, and before the time expires gold may rise 2 or 3 per cent. He does not think it will rise so much; but it may, and, as he sees no propriety in running any risk, he adds 3 per cent. and the jobber gets Mr. Low's tea into Chicago at a cost of 3 per cent. above the premium on gold, and when my friend from Kansas stopped over last November and bought his family chests to send to Wyandotte, the Chicago merchant said, "This M. C. will not remit before the 5th of next month; by that time some more of the $44,000,000 will be out and the premium on gold, instead of being 6, as it is now, may be 10 or 12; I will add 5 per cent. to guard against loss." So when this tea reaches the little grangers at Wyandotte, though gold is up only 10 per cent., tea is up 18 per cent.; 3 per cent. added by the New York importer, and 5 per cent. added by the Chicago jobber. So in any article, especially manufactured articles, where the materials have passed through many hands, we shall have the price naturally raised far above the gold premium.

And this is

WHY THE FARMER, THE WESTERN FARMER, SUFFERS

more from a depreciated currency than any one else, except the poor man who has only his own labor to sell. Why? Because the western farmer gets for his produce only the price of the foreign market. They raise and sell cotton, pork, beef, corn, wheat, cheese. The price of these in New York is always the price in Liverpool, less the price of transportation. It must be so. If the price in Liverpool were more we should export, or raise the home price. If the price in Liverpool were less we should cease to carry it there and the surplus accumulating in New York would force the New York price down to the Liverpool level. This is the theory, and this is the fact, that Liverpool fixes the price of our farm products. "But," say the friends of an irredeemable currency, "the farmer gets his price in gold and he gets the benefit of the premium; how then is he hurt?" He is hurt because the depreciation of our currency does not measure the increase in the prices of the commodities he buys. Say gold is 110; say 10 marks the depreciation of our dollar, and the farmer gets a gold dollar and changes it into $1.10, will his $1.10 buy what it used? No; rent, clothing, food, tools, horses, tea, coffee, all have advanced beyond the gold premium, and we have seen the reason. Each dealer added a percentage to guard against the loss of an uncertain currency.

And what is the

RESULT TO THE FARMER?

He gets for his produce, in paper money, what he got before the war, plus the premium on gold; but everything he buys he buys at an advance greater than the premium. Wheat in Chicago before the war was $1.10 per bushel, good sugar 9 cents per pound. Now, in the same market, wheat brings $1.25 and the same sugar 11½ cents. The price of the wheat shows the premium of gold, the price of the sugar shows the premium of gold plus an advance of 12 per cent. The importer and jobber have not only charged the premium on gold to the consumer, they have also taken from him an extravagant rate for shielding them from further loss. So here the fluctuating currency was a source of wealth to the rich trader, a source of poverty to the farmer and consumer. All the manufacturers and merchants have made themselves their own insurers. They have charged the premiums, which they themselves fixed, and the laborer and farmer have had to pay them.

It is not the worst of the farmer's case that his bushel of wheat shall not bring him as much sugar, as many books, as before. It costs him, alas! more to grow it. He pays more for land, for service, for tools, for horses, more than before.

And yet the perpetuation of a financial system which robs the laborer and the farmer to fill the coffers of the merchant and the speculator is a policy urged by those who pretend to be the enemies of the rich and the friends of the poor.

In the name, then, of the laborer who consumes, and the farmer who produces, whose welfare is the welfare of the country, and whose welfare is sapped by a dishonest currency, give us a currency which has gold for its basis. This much at least we can do. We cannot do all; we cannot cure

ALL THE EVILS OF THE FINANCIAL WORLD.

Men will still fail; panics will still blast; Indianapolis will still want money; corn raised too far from market will still warm the disappointed husbandman; railroad robbers will again drive their four-in-hands; the wicked will flourish; the good will pine; Lazarus will lie outside; Dives will feast inside—in a word, man will still be human whatever currency triumphs. But with a redeemable currency we can make fewer the failures, fewer the panics, fewer the Lazaruses, fewer the Diveses, less the suffering, less the vice. Yes, I admit with it—even with an honest currency—

WE SHALL STILL HAVE PANICS.

A world which does its business on a credit basis cannot escape them; and this basis is one which grows wider as the world grows older.

The demands on credit must increase; for the world does not contain money enough to effect its business, and credit in one of its multiform shapes must continue to be the principal instrument of exchange. Only in rude barbarism does money discharge all the functions of exchange; and as civilization increases the business of the world, credit by bill, by note, by check, by book account, is forced into greater exercise.

How large a part credit plays in the business of our own country let the accomplished gentleman from Ohio tell, who long ago, by careful investigation, obtained and recorded the figures. From him we learn that part of the currency, which is money, really so or legalized—in other words, the legal-tender of a nation—bears an insignificant ratio in the grand total of exchanges. He found that the history of the

CLEARING-HOUSE ASSOCIATION

of the New York banks showed that an average of 4 per cent. in legal money was employed. In an existence of seventeen years the association had made exchanges amounting to $273,661,000,000, and used $11,207,000,000.

IN THE REDEMPTION BANKS

he found the percentage 12.1 per cent. In six business days these banks effected exchanges of $154,959,665, and used $18,770,708.

IN CERTAIN COUNTRY BANKS,

fairly selected from different States and Territories as having transactions nearest to the farming population, where credit is less generally used, he found the percentage 28 of money to 100 of receipts. The receipts for six days were $2,102,488, the legal money $599,322.

This was the humble part played by legal money in our own bank exchanges. What the exact percentage is in the sections without banking facilities it would be difficult to say. There it varies and in different nations it varies; but it is always small. In London, Bagehot assumes the ratio of legal-tender to total circulation is 3 per cent. In New York, as a whole, it is properly assumed at 5 per cent. In other words, out of transactions involving $100,000,000, not more than $5,000,000 of coin, greenbacks, and bank-notes are used. At least ninety-five out of every one hundred millions is paid by checks, drafts, bills, and the like. And small as this ratio is, as a more advanced civilization forces new inventions to add to the many forms credit can assume, the future will probably see that that part of the currency which is money, will, as the years go by, bear a smaller and smaller ratio to the whole amount of commercial transactions.

Try to realize this—the extent to which our people carry on their transactions on mere promises to pay, their commerce, their manufactures, their trade, all their industries, with money to pay for only fifteen one-hundredths of their business. And yet this vast system of credit stands the strain, this complicate industry goes on for years, until its delicate support is broken. That support is trust. The trust that my friend has that his bank will pay his check; the trust that I have that my friends debited in my ledger for money loaned will pay when I ask them. This enables the bank-check and the book credit, or any currency, to take the place of money.

When this support is broken, when citizens begin to doubt the solvency of banks and bankers, and neighbors the solvency of each other,

THEN COMES A PANIC—

the child of distrust—and all refusing every form of credit, note, or draft, or bill, or check, demand money. Currency is valueless; the delicate machinery of credit which the ages have perfected ceases to work, and man, in the frenzy of distrust, remitted to his original barbarism, will take only gold. Until the panic is hopeless, if law interferes, they will obey it, and take the legal money, which the law enforces. If the panic is hopeless, the creditor, doubting the ultimate solvency even of the government, refuses its legal-tender, and peace comes only in the utter ruin of bankruptcy. The trouble is the people have asked fifteen millions of legalized money to do the work of one hundred millions, and it cannot.

This shows the cause of panics—the possibility in the human heart suddenly to lose its normal trust in its kind. And the human heart is the same and will act to the same causes, whether the legal money is gold or whether it is paper. We shall be liable to panics always; for we can never make the exchanges of our present civilization for money, but must always use credit mainly. And when we use credit, and the human heart remains as it is, we are always subject to the incursion of that distrust which will suddenly palsy the activity of currency, and panic will reign. All we claim is that the liability to this incursion of distrust, this panic, is naturally greater under an irredeemable currency. The evils of an irredeemable currency, to which I have already alluded, tend strongly to produce it, tend strongly to aggravate and perpetuate it when produced. The reign of paper money gives us speculation and extravagance. Both use up money rapidly, extravagance consumes, speculation wastes it, or buries it in unprofitable investment. This twofold drain is felt, and a people whose *morale* has been sapped by an artificial prosperity are forced to look about them. They recognize and exaggerate consequences which they have no courage to endure; and in speedy loss of hope and faith they rush to save all that to them has worth—money. And the loss of trust, which leads men temporarily to despise credit and seek only gold, is panic. Paper money has produced it; paper money will aggravate it. Had we a redeemable currency, a currency that the solvent world has, the insane want of money would

be met. The gold of a thrifty population, ever looking for the most profitable market, would come to our relief. The profits offered would overcome all obstacles and drain the world, were it necessary. But it is not. It is an unreasoning panic. The arrival of a little gold, the news of it on a westering ship, breaks the spell,

AND CONFIDENCE REIGNS AGAIN.

Where we have a national currency of our own—the best in the world—there is no such remedy, no such cure. The national issue, if it has any value, has a limit. The people know that limit, know that the limit fixed for a normal condition of the market, is inadequate now. And if it has no limit, the most ignorant know it is worthless, its legality fails to give it currency, and the national issue disappears with the continental scrip, the French *assignat*, the Texas red-back, the South American shin-plaster.

Specie payments will not prevent panics, but they will retard and cure them.

And here, too, is the folly of an argument based on a supposition that governments can tell how much legal money is needed for a nation's wants. The *per capita* theory is a vain one; for the amount shifts from day to day, from market to market. In normal condition New York needs five millions of legal money to do the work of one hundred millions; in times of panic New York needs one hundred millions of legal money to do the work of one hundred millions. What amount shall the anxious legislator manufacture for New York's wants? Shall he make it one hundred millions? Then it will take two dollars to buy a ten-penny loaf when there is no panic. Shall he make it five millions? If the panic continues he can buy his ten-penny loaf for half a cent. I would counsel the anxious legislator under these circumstances to hold off, and let God and nature take care of man's wants.

Without further discussion let us assume,

1. That gold is the only basis of a sound currency.
2. That paper redeemable in gold is the best currency.
3. That currency must always perform the larger part of the world's exchanges.
4. That currency is that form of credit which gets its birth in business transactions, and represents an existing value—either gold or property.
5. That currency, untrammeled by governmental interference, regulates its own volume.
6. That governmental credit, not representing gold in the Treasury, not issued against property in existence, but against property consumed or destroyed, is a bastard currency; and, as a foreign and superfluous element, depreciates the currency of the people.
7. That a depreciated currency inflicts moral ill upon all classes, but throws the material loss and suffering mainly on the farmer and laborer.
8. That a depreciated currency tends to create and aggravate panics.
9. That it is our duty to legislate in the direction of specie payments.

Now we come to the

BILL OF THE COMMITTEE.

I break no confidence in saying it is the bill of no member—it is literally the bill of the committee—the result of conflicting views. A part of its provisions I like, a part I do not. But I am willing, as a whole, to take it. I believe there is more good in it than harm. It points and moves in the direction of specie payment. That is something. It tells the people we mean to be honest, when we can afford it; that we will make no more forced loans—issue no more greenbacks; but will by degrees redeem them all. Perhaps, after all, it is not safe to go faster.

But with so strong a motive I would dare the risk of proclaiming resumption as the chief glory of our centennial; relying upon our ability to borrow sufficient gold by the sale of our bonds. It would be the brightest star in Philadelphia's galaxy. I believe that gold enough, without panic, could be obtained in the European market to answer the demands of a graduated resumption, which should be complete on the Fourth of July, 1876. The suffering, in my opinion, occasioned by such resumption would be slight compared with those following a depreciated currency.

But in this opinion a majority of my colleagues of the committee do not share, and the result is the

COMPROMISE OF THE EIGHTH SECTION,

which provides for the gradual reduction of the amount of legal-tender. That method was selected as the one involving the least distress. The contraction is gradual and slow. At the beginning the currency is not contracted at all. The quantity of national notes is not changed. A portion of them are changed in quality; are of a higher value; but this value is not for some time appreciable, and to the end they can be used as legal-tender. For the two millions each month withdrawn, two millions are immediately substituted. These two millions discharge all the functions of the original greenback, although they have the further merit of carrying the promise of repayment in gold at a definite time.

We have, therefore, until two years have elapsed, still four hundred millions of promises out; but of these promises two millions monthly are assuming a definite and respectable character. For two years, then, there can be no contraction of the volume. But will not the gold greenback be hoarded? Yes, by the banks, who, being forced to keep a reserve in greenbacks, will release their paper greenbacks, and use these instead. The banks need one hundred and forty millions for their reserve, so that the banks will furnish a depository for more than the fifty millions which can be issued for two years. After two years there will be contraction by the amount of two millions for each month. In the mean time, should private citizens compete with the banks for the gold greenback, which is scarcely probable until the reserve of the banks is supplied, the gold greenbacks in private hands furnish a slight elasticity to the currency which may have its use.

THE GOLD GREENBACK

at the issue is worth scarcely more than the paper greenback; but as it approaches the time of payment increases rapidly in value, so that the tendency constantly increases to withdraw it from circulation. But, as it is still money, a great demand for money increasing its rate would force it into market again.

Let us not forget, in examining this method, that the action taken is final and cannot, by indirection, be repealed by the Government. The dishonored and indefinite promises that have been withdrawn are canceled, never to be reissued. In their place are promises so explicit and definite that no Congress would dare to break them. Two millions of irredeemable paper is destroyed each month, and cannot, except by direct act of sovereignty, be re-created.

It should not be unnoticed in considering the value of this measure that

IT IS A SIMPLE MEASURE,

free from subtlety and complication; one within the comprehension of the plain citizen. This is as it should be. If Government will meddle with that which it should leave alone, at least let this interference be such as the people can understand and intelligently conform to.

This is an easy measure, and, alas! a slow measure of resumption.

If we offered no quicker results we were bound to make provisions which should guard the long interim as far as possible from the evils of our depreciated currency. It was not, therefore, sufficient for this committee to offer only a method of resumption which in many years would bring this country to specie payments. It was necessary that they should also provide what safeguards could be devised against the recurrence of panics in the mean time.

We have seen that the natural tendency of a depreciated currency is to lead indirectly to the destruction of that trust which is the foundation of all currency. We have seen that this destruction of trust is the occasion of panic. In the absence of trust, in the temporary destruction of currency, only money is prized. In countries where the currency is normal the duration of panics is stopped, by attracting to the points of stringency, by the offer of large interest, the money of the world. Here is an analogy which should guide us in the organization and management of the artificial currency which we have created.

When, under our system, this lack of trust destroys the functions of currency, and a frightened people refuse to accept aught else than the substitute the law forces upon them, if the amount of money is limited, from what source can the panic get its relief? It cannot fall back upon the markets of the world. The world, unfortunately, has not its best currency.

What is wanted, is that elasticity which the laws of trade supply in those countries which enjoy the currency of the world. In what way can an artificial elasticity be established which shall measurably supply this want? There seems to be no other than

THAT PLAN OF FREE BANKING

which the bill embodies. Government cannot supply it. How can the Government bank? On what? Could it issue, it would be an unnatural currency. It would pass only under the compulsion of law. But the circulation of the bank would be regulated by demand, and would represent and be backed by the capital of the bank or other property. This is, of course, only true of a bank that expects to redeem.

Banking without such expectation would tempt the banks to use, in other forms, their capital and to preserve none of it in a shape ready for the redemption of its notes. Having put out their notes, without fear of redemption, the capital which represented these notes, and the property in exchange for which they issued them, would be by them placed in permanent investments, out of their reach for purposes of redemption, practically destroyed. Then the bank-note would cease to be legitimate currency. Like the Government note, it becomes the representative of poverty, not of wealth—of that consumed, not that existing—and would be only an additional, foreign, and dangerous element in the circulation.

But if the

BANKS ARE FORCED TO REDEEM,

they are forced to maintain within their control the values which their notes represented, and their notes, therefore, remain a sound and healthy currency. The health of free banking depends entirely upon redemption. Were the banks required to redeem in gold, there could be no doubt of the wisdom of removing any restrictions upon the volume of their issue; but in our case Government has interfered with the laws of trade and redemption may be made in legalized rather than real money.

Under these conditions redemption is an experiment. Whether the legal-tender, itself a piece of paper, can be made so superior to the

bank-note that the holder of the bank-note will prefer to exchange it for the legal-tender, is yet a problem to be solved. To insure the success of the experiment, all artificial means of increasing the value of the legal-tender should be adopted. The bill of the committee finds the legal-tender now superior to the bank-note, mainly in the fact that the legal-tender is the bank's reserve. This insures the co-operation of the banks. They will force redemption as far as their influence reaches. Is their influence sufficient to regulate the whole issue? I am of opinion that it is; that whether the citizen prefers the national note to the bank-note or not, if the banks do, a safe and practical redemption is secured. The dangers of a fixed volume of such currency as passes for money, in view of the probability of panics, is such that the prudent mind may well choose the risk of practical redemption. There is danger of less suffering from an excessive issue of bank-notes which are not sent home for redemption, than there is from the devastations of a panic, which would be aggravated by a limited issue. Even without the restraints of redemption there is little danger of an excessive issue. The profits of the banking system are no longer great. The purchase of the bonds requires much money. The $56,000,000 issued in 1870 has but just been distributed. Under these circumstances the risk cannot be great.

We could afford to run a greater risk simply to check that cry of "monopoly" which will be urged loudly and with reason as long as a restriction which has let in certain citizens excludes others from the profits of the banking business.

NOTICE THE LAST PROVISION.

It practically directs that we shall not use our gold to buy bonds; that we will pay, or save our gold to pay, obligations that are due, before we anticipate the payment of obligations not due. This is simple business thrift and honesty. Our gold can still be used for the expenses of Government when needed. With this drain upon the Treasury and the diminished income of the Government, gentlemen who deal in gold need have no fear that the accumulations will be much beyond the necessities of the monthly payments. I fear they may fall short. In that case the deficiency must be met by a sale of bonds or increased taxation. Against such deficiency the Ways and Means Committee of another Congress may need to report. But the sale of a few bonds, or a tax upon tea and coffee, is better than forever to continue the disgrace of an irredeemable currency.

Another objection is, the gold greenback makes another kind of currency. That is an objection; but both kinds perform the same functions, and, if in circulation, must pass at the same value.

THE LAST OBJECTION

is, gradual as the process is, it is a process ultimately of contraction, and must entail some suffering. This is true. It is idle to disguise it. We can regain specie payments only at a cost. But it is worth the cost. The people are ready to bear the pain; they clamor for the knife that shall save them. Shall we lack the courage to apply it to a willing patient? It needs only the determination, the start. Begin to rid us of a depreciated currency that stops our trade, saps our morals, and makes the rich richer, the poor poorer. Begin to give us a sound currency, the dollar of the fathers, the dollar of the world. We freed the slave; we saved the Union; we will pay our debts.

Mr. FARWELL. I desire to ask my friend from New Jersey a question. He announces that he speaks in behalf of the poor laborer of his State and of other States, who, he says, has suffered and is suffering on account of this depreciated currency. The question I desire to ask him is this: Whether the advanced price of labor is not four times greater than the present premium on gold?

Mr. PHELPS. My answer to that would be, first, to deny the premises. I do not think "the price of labor is four times greater than the present premium on gold." If my friend is correct in supposing that labor has increased fourfold beyond the premium on gold, I make this reply: Much more certainly than he can show the price of labor has increased four times beyond the premium of gold; I can show the price of living has increased six times. Grant that the laborer gets 40 per cent. more than he once did, it costs him 60 per cent. more to live than then. And my answer to him now, which has been categorical, does not include the moral influences of a depreciated currency, which ultimately stops manufactures, ultimately stops trade, and so tends to deprive the laborer of all wages.

What is the result? A depreciated currency slowly raises the wages of the laborer; but at last the bubble bursts. Laborers instead of obtaining advanced wages cannot obtain wages at all. And if the gentleman wants to know whether the laborer with our depreciated currency gets an increase of wages four times greater than the premium on gold, let him go to Paterson and ask those five thousand mechanics who do not get any wages at all.

Mr. MERRIAM. In the panic of 1857, when we were banking upon a gold basis, were not these people more distressed than now?

[Here the hammer fell.]

At the expiration of Mr. PHELPS's hour, by arrangement, his time was extended for twenty-five minutes.

Mr. HAWLEY, of Connecticut, Mr. Speaker, good faith and wise policy forbid us to go further in the path the House has pointed out, the path of inflation; and, indeed, wise policy is the same as good faith. It always pays—using the lowest form of expression—always pays to do right; and, as I shall try to show, if this nation stands pledged to any course in political affairs, firmly and irrevocably pledged, it is to the resumption of specie payments. And certainly there is no road to resumption through expansion except the road that passes through repudiation.

THE LEGAL-TENDER ACTS.

Pardon me if I call attention to some well-known facts in legislation on this subject. I shall not dwell upon them. We are pledged to resumption clearly by the very first act, that of February 25, 1862, which authorized a legal tender, which made $150,000,000 of notes a legal tender in payment of all debts, except, &c., and proceeded to say that any holders of United States notes depositing any sum not less than fifty dollars, and beyond that in multiple of fifty, with the Treasurer, should receive in exchange 6 per cent. gold bonds.

Now, sir, there were serious doubts in regard to the constitutionality of legal-tenders. Some of our ablest and most patriotic men protested that we had no right, even in war times, even under the pressure of war necessity, to make a paper promise to pay a legal tender for debts; and even great as they thought the necessity was, they refused to vote for that bill. But those who did urge it put into it the clause that these notes were convertible on presentation into gold notes, with interest payable in gold; which was as nearly an equivalent to gold as they could provide, and clearly recognized the obligation to keep the gold standard in view.

In the next act, that of July 11, 1862, which authorized another one hundred and fifty millions, there was a similar provision, and that every depositor of fifty dollars, or of multiples thereof, should be entitled to have the notes converted into gold bonds paying gold interest. The act of March 3, 1863, worked a partial repudiation of this promise, but its intent was to hurry up the conversion, and limited the time of presentation to July 1, 1863.

Well, sir, we come next to the pledge not to go over four hundred million dollars; all the while, even in the agony of war, proceeding with discretion and deliberation, always keeping in mind that we were bound to make these notes convertible in some form into gold. Fearing there was truth in the prophecies of those men who said this was like the letting out of water and there would be no end to paper money, Congress put into the law of June 30, 1864, this pledge:

Nor shall the total amount of United States notes, issued or to be issued, ever exceed four hundred millions of dollars, and such additional sum, not exceeding fifty millions of dollars, as may be temporarily required for the redemption of temporary loans.

RESOLUTION AND ACT AUTHORIZING CONTRACTION.

There is one more solemn declaration of Congress to which I desire to call your attention. Mr. McCulloch in his first annual report, dated December 4, 1865, expresses as his opinion "that the legal-tender acts were war measures, passed in a great emergency"—the Supreme Court holds that to-day—"that they shall be regarded only as temporary; that they ought not to remain in force a day longer than would be necessary to enable the people to prepare for a return to the gold standard; and that the work of retiring the notes which have been issued should be commenced without delay, and carefully and persistently continued until all are retired." That is the gospel of the matter. They ought not to remain in force a day longer than would enable the people to prepare for their being withdrawn. How was that declaration of the Secretary received by Congress? The following resolution was offered:

Resolved, That this House cordially concurs in the views of the Secretary of the Treasury in relation to the necessity of a contraction of the currency, with a view to as early a resumption of specie payments as the business of the country will permit; and we hereby pledge co-operative action to this end as speedily as possible.

They concurred and they pledged co-operative action. Who voted for that? There voted for that resolution one hundred and forty-four members of this House against six, and among those who voted in the affirmative I observe the names of DAWES, and ELDREDGE, and GARFIELD, and HALE of New York, and HOOPER, KASSON, and KELLEY, and MYERS, and NIBLACK, and LAWRENCE, and MARSHALL, and ORTH, and RANDALL, SAWYER, and SCOFIELD. And only six men, not one of whom answers to the roll-call here to-day, were in the opposition. By a practically unanimous vote this House formally declared that the policy of contraction was the true policy, and that we must return as soon as possible to specie payments.

Pursuing that policy, Congress enacted April 12, 1866, the law authorizing the Secretary to fund all loose, outlying temporary obligations, and further provided—

That of United States notes not more than ten millions may be retired and canceled within six months from the passage of this act, and thereafter not more than $4,000,000 in any one month.

Under this law the temporary loans were all called in and the pledge to maintain the extreme limit of four hundred millions remained. But under the authority granted the Secretary retired also forty-four millions of the legal-tenders, reducing the aggregate to three hundred and fifty-six millions.

These things you did when the influence of the war was fresh upon you; when you dared to do right, or to aim toward it, even if it did cost a little. Well, contraction did hurt; there was the pain that accompanies the eradication of disease. The law of February 4, 1868, says—

That from and after the passage or this act the authority of the Secretary of the Treasury to make any reduction of the currency by retiring or canceling United States notes shall be, and is hereby, suspended.

But Congress did not authorize a reissue. It authorized retiring and canceling, and every dollar of those notes which McCulloch retired

under that authority of Congress was canceled, burned, destroyed, annihilated; and when we talk about the $44,000,000 reserve, we talk about that which has existed in imagination only, for there has not been one dollar of the reserve in existence. That which has since been issued under the name of the "reserve" has been printed anew. Nowhere has it appeared in the annual report of the Secretary that this reserve really existed, and he has never accounted for it. He has reported the indebtedness of the United States in the form of legal-tender notes at three hundred and fifty-six millions; but where do you find him accounting for forty-four millions, or any part thereof, supposed to be held in his strong box?

CROWNING THE CAMPAIGN OF 1868.

But, sir, I have other pledges to read you. Another and more formal pledge was given after the great campaign of 1868 and the inauguration of General Grant. A republican Congress came here fresh from a long, thorough, and exhausting discussion of this great question. There had been more or less of doubt as to what should be done with the bonds, and what should be done with the currency. An appeal was made to the people. The republican platform of 1868 admitted of no doubtful interpretation. You came here and solemnly voted, March 18, 1869:

Be it enacted, &c., That in order to remove any doubt as to the purpose of the Government to discharge all just obligations to the public creditors, and to settle conflicting questions and interpretations of the law by virtue of which such obligations have been contracted, it is hereby provided and declared, that the faith of the United States is solemnly pledged to the payment, in coin or its equivalent, of all the obligations of the United States not bearing interest, known as United States notes, and of all the interest-bearing obligations, except in cases where the law authorizing the issue of any such obligations has expressly provided that the same may be paid in lawful money, or in other currency than gold and silver; but none of the said interest-bearing obligations not already due shall be redeemed or paid before maturity, unless at such time as United States notes shall be convertible into coin at the option of the holder, or unless at such time as bonds of the United States, bearing a lower rate of interest than the bonds to be redeemed, can be sold at par in coin; and the United States also solemnly pledges its faith to make provision at the earliest practicable period for the redemption of United States notes in coin.

You could not commit your Government more solemnly than by the first act signed by the then and now President of the United States, and it was to the great honor of the cause of republican government the world over. Is there any reason in morals or politics, any reason admissible in decent company for a deliberate departure—shall we call it a final departure—from that policy?

THE PRESIDENT'S MESSAGES.

But there are still other committals. Every single message of the President of the United States, from that time to this day, has reaffirmed that doctrine, and urged is importance upon the Congress of the United States. In every message is that doctrine laid down, and it has apparently received the unanimous approval of the republican party, and the approval also of a large portion of the democratic party—certainly of many of its ablest journals.

Mr. COX. The gentleman will allow me to say that I approved of the President's message in that regard, and introduced a resolution into this House copying his message in that respect, but the republicans voted it down.

Mr. HAWLEY, of Connecticut. That was because they doubted the gentleman who offered it. [Laughter.] They did not doubt his soundness on the specie-payment question.

Mr. COX. Ever since this question has been before the country I suppose I have been the soundest man in the House, and I shall vindicate my record to-morrow; but I repeat that the republicans voted down their own President's recommendation as copied by me *in hæc verba*.

Mr. HAWLEY, of Connecticut. I am very glad to say the gentleman is quite right on this great question; but when he dressed up the President's message the republicans did not recognize it. [Laughter.]

In his inaugural of March 4, 1869, the President said:

A great debt has been contracted in securing to us and our posterity the Union. The payment of this, principal and interest, as well as the return to a specie basis, as soon as it can be accomplished without material detriment to the debtor class or to the country at large, must be provided for. To protect the national honor every dollar of Government indebtedness should be paid in gold, unless otherwise expressly stipulated in the contract. Let it be understood that no repudiator of one farthing of our public debt will be trusted in public places, and it will go far toward strengthening a credit which ought to be the best in the world, and will ultimately enable us to replace the debt with bonds bearing less interest than we now pay. * *

How the public debt is to be paid, or specie payments resumed, is not so important, as that a plan should be adopted and acquiesced in.

A united determination to do is worth more than divided counsels upon the method of doing.

In his second inaugural, March 4, 1873, are these passages:

My efforts in the future will be directed * * * to the restoration of our currency to a fixed value, as compared with the world's standard of values—gold—and if possible to a par with it.

His first annual message, December 6, 1869, contains this:

Among the evils growing out of the rebellion, and not yet referred to, is that of an irredeemable currency. It is an evil which I hope will receive your most earnest attention. It is a duty, and one of the highest duties of government, to secure to the citizen a medium of exchange of fixed, unvarying value. This implies a return to a specie basis, and no substitute for it can be devised. It should be commenced now, and reached at the earliest practicable moment, consistent with a fair regard to the interests of the debtor class.

His second annual message, December 5, 1870, has this:

The approach to a specie basis is very gratifying, but the fact cannot be denied that the instability of the value of our currency is prejudicial to our prosperity, and tends to keep up prices to the detriment of trade. The evils of a depreciated and fluctuating currency are so great that now, when the premium on gold has fallen so much, it would seem that the time has arrived when, by wise and prudent legislation, Congress should look to a policy which would place our currency at par with gold at no distant day.

In his third annual message, December 4, 1871, he said:

Continued fluctuations in the value of gold, as compared with the national currency, has a most damaging effect upon the increase and development of the country in keeping up prices of all articles necessary in every-day life. It fosters a spirit of gambling prejudicial alike to national morals and the national finances. If the question can be met as to how to give a fixed value to our currency, that value constantly and uniformly approaching par with specie, a very desirable object will be gained. * * * * * *

In his fourth annual message, December 2, 1872, he said:

The preservation of our national credit is of the highest importance; next in importance to this comes a solemn duty to provide a national currency of fixed, unvarying value as compared with gold, and as soon as practicable, having due regard for the interests of the debtor class and the vicissitudes of trade and commerce, convertible into gold at par.

In his fifth annual message, December 1, 1873, speaking of the panic of 1872, he said:

My own judgment is, that however much individuals may have suffered, one long step has been taken toward specie payments; that we can never have permanent prosperity until a specie basis is enacted, and that a specie basis cannot be enacted and maintained until our exports, exclusive of gold, pay for our imports, interest due abroad, and other specie obligations, or so nearly so as to leave an appreciable accumulation of the precious metals in the country from the products of our mines.

* * * * * * *

These suggestions are thrown out, * * * hoping that the best method may be arrived at to secure such an elasticity of the currency as will keep employed all the industries of the country, and prevent such an inflation as will put off indefinitely the resumption of specie payments, an object so devoutly to be wished for by all, and by none more earnestly than the class of people most directly interested—those who "earn their bread by the sweat of their brow."

THE PARTY PLATFORMS.

Do you remember your party pledges? It will not do to say in a jocular way that those pledges amount to nothing. You did not say that during the campaign, and the honest citizens of the country did not understand you as joking with them upon the great matter of the national faith. They believed you when you stood on the stump and solemnly promised that the United States should be true to all its obligations. They were red-hot from the war, and had fresh in their minds the deep devotion of that awful time, and they held that it was as important to maintain the honor of the Government in the payment of its obligations as to maintain the unity of the nation on the battle-field.

In the Chicago republican platform of 1868 the republican party said:

We denounce all forms of repudiation as a national crime; and the national honor requires the payment of the public indebtedness in the uttermost good faith to all creditors at home and abroad, not only according to the letter but the spirit of the laws under which it was contracted.

And the republican national convention of 1872, in Philadelphia, said:

We denounce the repudiation of the public debt in any form or disguise as a national crime.

It said:

We witness with pride the reduction of the principal of the debt and of the rates of interest on the balance, and confidently expect that our excellent national currency will be perfected by the *speedy resumption of specie payments.*

I say that there are interests in this country that never would have carried you through to victory if you had not made that pledge to the people. And what stronger language can we find than the following from the platform of the liberal and democratic national conventions of 1872?

The public credit must be sacredly maintained, and we denounce repudiation in every form and guise. * * * * * *

A speedy return to specie payments is *demanded alike by the highest considerations* of commercial morality and honest government.

Mr. DAWES. Would not my friend like to put right here in his speech the resolutions of the democratic State convention of Connecticut the other day?

Mr. HAWLEY, of Connecticut. I will put it in. If I recollect aright it was stubbornly in favor of specie payments.

Mr. DAWES. Here it is.

Mr. COX. What was it in New York last year?

Mr. HAWLEY, of Connecticut. It was all right. I will read the democratic resolution from Connecticut:

We recognize in the present stringency of the money market, the panic which led thereto, the general prostration of business, and the consequent suffering of the working classes, the direct fruits of that policy which, while it pretends to advance the interests of the country, is, in reality, plunging us into national and individual bankruptcy and ruin; and as an offset to this policy we demand, and we call upon the people to inaugurate, a speedy return to specie payments, as called for alike by the highest considerations of commercial morality and honest and economical government.

That is the voice of the democracy of Connecticut.

Mr. COX, [applauding.] Exactly.

Mr. HAWLEY, of Connecticut. I wish the democracy all over the United States was as honestly standing on the old-fashioned democratic Jackson and Benton hard-money foundation as is the democracy of Connecticut.

Mr. SMALL. There would be one more to applaud if they were. [Laughter.]

Mr. COX. New Hampshire stood upon that doctrine the other day.

Mr. HAWLEY, of Connecticut. I happen to have in my pocket the republican platform of Connecticut, and I ought now to read that also:

That there ought to be no further increase of the paper currency of the country; and that the people expect from the present Congress the adoption of such measures as will forward the early resumption of specie payments.

So we talk and so we vote from the beginning to the end in my State.

Mr. MAYNARD. That shows that they have all the money there they want.

Mr. HAWLEY, of Connecticut. So the nation stands pledged in all the ways in which pledges can be made, by what I may call the prayerful legislation of Congress—legislation perfected within sound of the thunders of the enemy's cannon—by the pledges of your party platform, by the messages of its President, and by its national party platforms; in all ways and at all times. Yes, and again within the last year, as I shall show you, though I doubt whether one-half of the House at the time knew it. You enacted, February 12, 1873—

That the gold coins of the United States shall be a one-dollar piece, which, at the standard weight of twenty-five and one-tenth grains, shall be the unit of value.

That is the measure of value, the unit of value as declared by a law which passed here without objection. There is no financier of any school who could have made a respectable argument against that act.

Mr. ELDREDGE. Will the gentleman allow me to suggest a thought?

Mr. HAWLEY, of Connecticut. Yes, sir.

Mr. ELDREDGE. I have in my hand a one-dollar note; it is not of much account. On the back is a pledge, which if it had been complied with I think would have done very much to accomplish the results which the gentleman and myself have so ardently and anxiously looked for. "This note is a legal tender at its face value for all debts, public and private, except duties on imports and interest on the public debt." That was a law of Congress, I believe. Does not the gentleman think that, if that pledge had been complied with, we should have been to-day very much nearer specie resumption than we are, having repudiated that law which stands upon our statute-books?

Mr. HAWLEY, of Connecticut. Receivable for all obligations except——

Mr. ELDREDGE. "This note is a legal tender at its face value for all debts, public and private, except duties on imports and interest on the public debt." It will not pay our bonded debt.

Mr. HAWLEY, of Connecticut. I understand.

Mr. ELDREDGE. Yet it seems as though it ought to.

Mr. HAWLEY, of Connecticut. If you want to try that over again, just begin. If you think you can delude the people of this country into paying its bonds in paper, in taking up a long obligation which the whole world understood was payable in gold, and discharging a solemn bond with protested demand notes—if you want to try that again, try it.

Mr. ELDREDGE. My friend has not answered my question.

Mr. HAWLEY, of Connecticut. I will answer it. I do not think it would have helped us toward resumption. I think that course would have plunged us into bankruptcy; it would have been taken all over the world as an act of national repudiation.

Mr. ELDREDGE. I think that one thing which has kept us from specie resumption more than any other is that we have had two classes of obligations, one for the rich, one for the poor; the rich to be paid in gold, and the poor in repudiated paper.

Mr. HAWLEY, of Connecticut. Very good. What I want is one currency, based upon the standard unit of value, 25.8 grains of gold for the dollar of every kind. I want one standard; but I want it just as good for one class as for another.

Mr. ELDREDGE. That is what I want; and therefore I thought my point would strike the gentleman.

Mr. HAWLEY, of Connecticut. I would make the poor man's money just as good as the rich man's—not depreciate anybody's money. Let us lift the whole to the one true level.

OUR DEPARTURES FROM THE FAITH.

How have we redeemed our pledges to secure redemption at the earliest practicable moment? We have been increasing our paper money. We have increased the fractional currency from $27,000,000 to $48,000,000. We have increased the bank circulation $54,000,000 under the pretext, I know, that we were recalling the $54,000,000 of three per cents; and we have bought bonds when we should have redeemed notes. Let me ask your attention to the policy of the Treasury Department within the last five years; for it is the first time I have ever had so good an opportunity to say that I think that policy has been wrong in this respect. We have bought bonds in excess of the needs of the sinking fund to the extent of at least $220,000,000; we have bought them in the market at an average gold price of 95.19, while there was upon the statute-book your act of 1869 saying that you would not pay your bonds, except in gold, or until the legal-tender note was as good as gold. Leaving your demand notes protested, and at a discount in the market, you take advantage of your depreciated national credit, and with your own depreciated demand paper go into the market and buy up the long bonds, that you were under no obligation to pay for years to come—you buy these up at a discount in gold. Now, how would any merchant stand in the commercial world who, letting his demand notes go protested, should run around, and, because his credit was not good, should buy up, at less than one hundred cents on the dollar, his long indebtedness, secured by mortgage? That is what we have done. I do not say there was a corrupt purpose; I do not denounce any one as guilty of a great wickedness; but it was not sound financial policy. Our first duty was with the demand notes that we had out, and that were injuring us as individuals and as a nation by their service as a depreciated currency.

We had an unconstitutional inflation of $44,000,000, so far as we can accomplish it in this House; and we are considering to-day a measure which its friends hope will still further inflate an irredeemable currency. I speak of this as an unconstitutional inflation of the currency to the extent of $44,000,000; for from a careful perusal of all the acts concerning it, I believe, with the majority of the Finance Committee in the Senate, that when you had once got down to $356,000,000, there was no authority anywhere on the part of anybody to issue that money again. That money having been once called in and paid, I hold that the issue of another dollar of legal-tenders stood upon precisely the same ground, and required just as much constitutional authority as the original issue of the legal-tenders; and as the legal-tenders could not be issued except in time of war, and as you had not a war necessity when these legal-tenders were reissued, you had no right to turn out again any part of the $44,000,000 thus recalled. And if I could have my way; if the Supreme Court were such a court as I should constitute; if I had the power, I would have this last bill of yours just passed declared as unconstitutional as I believe it to be. You have no right to issue legal-tenders except in time of war; and, upon my soul, I very seriously doubt both your necessity and your right to do it even then. But as the measure was believed to be one of necessity, adopted when we were engaged in a life or death struggle, the act is to be pardoned on that account.

Mr. HEREFORD. I understand the gentleman to say that this recent issue of $44,000,000 was contrary to law and unconstitutional.

Mr. HAWLEY, of Connecticut. I so believe it.

Mr. HEREFORD. Then will you join in a vote of censure upon the Secretary of the Treasury for issuing those legal-tenders illegally and unconstitutionally? Will you vote to impeach him for it?

Mr. HAWLEY, of Connecticut. In answer to that I say——

Mr. HEREFORD. The Secretary of the Treasury having done an illegal and unconstitutional act, will you vote to impeach him?

Mr. HAWLEY, of Connecticut. Wait a moment; let me answer in my own way, as I have the floor.

Mr. DAWES. I would like to ask the gentleman from West Virginia [Mr. HEREFORD] a question: Does he propose to impeach everybody who differs from him in opinion?

Mr. HEREFORD. No, sir; but my friend from Connecticut [Mr. HAWLEY] spoke of this as an illegal and unconstitutional act done by a member of the Administration of his own political party. Now, I ask him whether he will vote to impeach that officer?

Mr. DAWES. That is the opinion of my friend from Connecticut. The opinion of the Secretary of the Treasury—as honest an opinion as that of my friend from Connecticut——

Mr. HAWLEY, of Connecticut. Precisely.

Mr. DAWES. Is just the opposite. I agree with my friend from Connecticut. But the Secretary of the Treasury has the opinion of the Attorney-General behind him.

Mr. HEREFORD. Will my friend from Massachusetts [Mr. DAWES] vote to impeach the Secretary of the Treasury?

Mr. DAWES. No, sir.

Mr. HEREFORD. Will not the gentleman vote to impeach public officers for a violation of the plain letter of the law and the Constitution?

Mr. DAWES. I will vote to impeach any officer for a corrupt and willful violation of the Constitution and the law; but when an officer acts in the honest discharge of a duty about which there may be a difference of opinion, and in which I believe him to be just as honest in the entertainment of his opinion as I am in mine, I do not propose to impeach him any more than I would impeach my friend from West Virginia for entertaining opinions upon the currency diametrically opposite to mine, though just as honest as mine are.

Mr. HEREFORD. Will my friend from Massachusetts allow me——

Mr. HAWLEY, of Connecticut. I must stop this. I like a hearty fight, but I prefer to be in it myself. [Laughter.]

Mr. COX. The gentleman had better stop it right there.

Mr. HAWLEY, of Connecticut. The gentleman from Massachusetts [Mr. DAWES] has sufficiently answered the question. I can see very clearly, as every candid man can, that I may believe the action of a member of the Administration to be unconstitutional and unauthorized by law, or that of a judge of the Supreme Court, as is suggested to me by my eminent friend here, [Mr. E. R. HOAR,] and yet I may see no cause in that for impeachment. I am not ready to impeach the Secretary of the Treasury. Though I think he did wrongly, though I think he was greatly mistaken, I have no doubt that he acted conscientiously on his own best judgment.

Mr. MAYNARD. I suppose the gentleman is aware there are others besides the Secretary of the Treasury who agree in the opinion of the Secretary of the Treasury.

Mr. HAWLEY, of Connecticut. There are many who agree with the Secretary of the Treasury in that respect. I have no doubt there

are people in abundance who want more paper printed, and who care very little about the way in which it is done. I have no doubt there are many able men who agree that he had the right to issue that $44,000,000. But, sir, I am so fanatical on that question that I do not believe, and the chairman of the Committee on Ways and Means does not believe, he had any constitutional authority to issue that money.

Mr. POTTER. Will the gentleman from Connecticut allow me to say right here that the Supreme Court of the United States has never decided any legal-tender notes to be valid except those legal-tender notes which were authorized in time of war?

Mr. HAWLEY, of Connecticut. Precisely. That decision of the Supreme Court which reluctantly admitted the constitutionality of the legal-tender notes never gave so much as an intimation that it would be right to issue them in time of peace. Is it not so?

Mr. POTTER. I do not say that; I was not speaking of the opinions of the court, but of their decision; but I say as a matter of fact it has never been decided that any legal-tender notes except those authorized during the war were constitutional.

Mr. GARFIELD. They restricted the issue to the emergency of war, and I should think it excluded the ordinary issue.

Mr. ELDREDGE rose.

Mr. HAWLEY, of Connecticut. I decline to be interrupted any further.

I hold the Supreme Court decided only the question that under a great war necessity, of which Congress must under the circumstances be the judge, it might issue legal-tender notes, but I hold the necessary effect of the decision of the court is against the power to issue them in time of peace. But I must hurry on.

THE "BUSINESS INTERESTS" AGAINST INFLATION.

We are told, sir, that the business of the country demands more irredeemable and inconvertible paper. I deny it. I know there is a sort of temporary public sentiment, as it is called, which wants more money. "More money!" I want more money, Mr. Speaker, and you want more money, and so does everybody want more money; but in reality we want more wealth, more capital. But I think the real representative of the real business of the country is in favor of no more irredeemable paper, is opposed to our taking any further steps in the downward march to bankruptcy and repudiation. And I must express my belief, if members of Congress, instead of yielding to this false sentiment, instead of being influenced as we are by great corporations who need more paper, if we had all gone directly to the people and told them to face the national evil, and that sound policy demanded we should stop in the downward march and climb back, however painful it might be, toward resumption; if we had told them plainly and honestly to fight it out, we could have the country with us to-day. For, sir, I do not distrust the willingness of the country, even if there be something of embarrassment or pain in it, to move in what they believe is the right path. If we are right I think the people can and will be led to see it.

Let us see what is the opinion of the prominent representatives of the business world. What do the petitioners from New York City say?

Your petitioners respectfully represent that they *view with alarm* the proposition before Congress for increasing the volume of the currency.

They believe that any additional issue of paper money, either directly by the Government or indirectly by the national banks by authority of the Government, would be most injurious to the interests of the nation.

The country is now suffering, and has been for the past twelve years, great loss and inconvenience arising from an irredeemable currency. Values of all kinds of merchandise and other property are continually fluctuating, owing to the constantly changing price of gold, and thus no certain calculations can be made in business. Speculation of all kinds is stimulated by the excessive volume of the currency, and the minds of the whole nation are demoralized and rendered unfit for the pursuits of steady industry.

Your petitioners beg leave to represent most earnestly that a resumption of specie payments at the earliest practicable time is imperatively required by the true interests of the nation, and they most respectfully deprecate the issue of any more currency, as such a proceeding would postpone indefinitely a return to a sound financial condition.

Your petitioners therefore pray that no more issues of paper shall take place, and that the greenbacks already issued out of the so-called reserve shall be withdrawn again as speedily as possible.

This petition is signed by over two hundred of the most prominent business men, among whom are Brown Bros. & Co., Duncan, Sherman & Co., Drexel, Morgan & Co., Morton, Bliss & Co., John J. Cisco & Co., Grinnell, Minturn & Co., Howland & Aspinwall, A. A. Low & Bros., Cooper, Hewitt & Co., Phelps, Dodge & Co., Harper Bros., Moses Taylor, Marshall O. Roberts, Shepherd Knapp, George S. Coe, Arnold, Constable & Co., J. & W. Seligman, Vermilye & Co., D. Appleton & Co., Benedict, Hall & Co., Devlin & Co., S. B. Chittenden & Co., Orange Judd & Co., Lord & Taylor, and others representing the larger operations in banking, and foreign and domestic commerce and trade in general.

But gentlemen say they are capitalists. True; they are men who know what a good currency must be to have business prosperous, and they as much as anybody are interested in a correct standard of value.

Mr. KELLEY. I wish to ask the gentleman whether he believes that there is any man whose name he has mentioned, or any other signer of that petition, who does not have a large interest in the stock of the present banking monopolies of the country?

Mr. HAWLEY, of Connecticut. I have no doubt they have a great deal of money, and that is one of the reasons why I read their petition. They do not want the currency of the country to be so deranged that they cannot prosecute a successful business. And I give them credit for something more than pure selfishness in the matter. I give them credit for having some regard for the interest of the whole nation, and not considering their own pockets alone.

We have had referred to the committee also a petition from the leading men of Portland. The people of Boston have again and again, through their boards of trade and otherwise, declared their opinion. From Philadelphia we have eighty names of leading merchants and bankers. From Chicago we have thirty names, twenty-two of banks and the remainder of savings-banks, protesting against any further issue. We have a petition also from Chicago, with four hundred and seventy-two names of business men, protesting against any more irredeemable paper. Besides that we have from Chicago two hundred names of leading wholesale and other firms, all protesting against inflation. Nine out of ten of the wholesale firms applied to signed the protest, and more names could have been got if there had been time. We have, then, about seven hundred names of wholesale merchants, bankers, and men of business in Chicago. We have a petition from one hundred and forty-six business firms of Cincinnati who view with alarm these attempts to increase the currency. They say they "view with alarm the various bills to increase the irredeemable paper currency, and pray that Congress may not authorize its increase in any form whatever. Inflation would again stimulate wild speculations, promote gambling in stocks and in gold, retard the restoration of the specie standard, and produce in the end general disaster."

That I hold to be a fair representation of the opinion of the business men of Cincinnati.

THE BOARDS OF TRADE.

The boards of trade are composed of leading merchants and capitalists; men who desire to see their cities prosper, and who are willing to lend a hand to new manufacturing enterprises, and who watch over the railroad and river commerce of their respective cities. They know something of what business requires. And the Cincinnati Board of Trade advise "careful and patient preparation," but conclude decidedly—

That the further inflation of the volume of irredeemable currency would be injurious to the country and retard the restoration of the specie standard.

The Baltimore Board of Trade say substantially the same thing. But, without dwelling at greater length on the action of these various local boards, I call attention to the National Board of Trade, which at every session it has held since the war has denounced the expansion of an irredeemable paper currency and called for a return to the specie standard. At its last meeting, since we have been in session this winter, it adopted the following resolutions:

First. That the National Board of Trade recommends to Congress that there shall be no further issues of irredeemable paper whatsoever.

Secondly. That, in the opinion of this board, it is the first duty of the Government to provide for the retirement and cancellation of so much of the legal-tender issue as has been taken from the so-called forty-four million reserve.

I notice in the action of the national board in 1871 that every western city voted for speedy resumption.

And the Chamber of Commerce of New York has sent here a formal and very able argument and earnest memorial upon the subject. These representative men say:

In the judgment of this chamber the time has come when a just regard to the commercial and financial interests of the country demands a return to specie payment or the institution of such measures as will lead to resumption at an early day; that with the least possible delay the "promise" of the United States given under the sanction of law and enforced by a "solemn pledge" should be made as good as the national bond, and honored at sight as the other is paid at maturity.

That is the view which the business world takes of this question. It does not demand inflation. Even if it did, we ought not to grant it. We promised to pay specie, sir, as I have shown you beyond the power of contradiction, and we must do it.

THE EVILS OF PAPER MONEY.

The evils of an expanded and irredeemable paper currency are infinite. I take leave to quote what has been again and again quoted here, and which ought to be kept before us written in the usual letters of gold. They are the words of an old-fashioned statesman, one of the greatest minds the country has ever produced. I mean, of course, Daniel Webster, who knew something of constitutional law and something of financial policy, for he was not ashamed to confess himself the "book economist" sometimes sneered at here, and to say that he had read everything that he could get on the subject. He said:

Of all the contrivances for cheating mankind none has been more effectual than that which deludes them with paper money. This is the most effectual of inventions to fertilize the rich man's field with the sweat of the poor man's brow.

Every word of that is true, and will be true to the end of time.

Mr. MAYNARD. Before the gentleman leaves that portion of his subject will he have the kindness to cite the two sentences immediately preceding that which he has quoted from Mr. Webster's speech?

Mr. HAWLEY, of Connecticut. I have only what I have quoted. If anywhere Daniel Webster ever said that he would countenance irredeemable paper, pray let the words be read.

WHICH WAY?

We have again come to a parting of the ways, where a choice must be made between two very widely diverging courses, between two very hostile systems.

I now call your attention again to the act passed February 12, 1874, wherein you said deliberately that there shall be a gold "one-dollar piece which at the standard weight of twenty-five and eight-tenths *shall be the unit of value.*" That is the measure of value, and when you put out this paper saying that you promise to pay a dollar you must have a measure, a standard of value, something to show what a dollar is. Now, what shall be the standard? Shall it be twenty-five and eight-tenths grains of gold? Will that be your aim and goal? Will you start in that direction, or will you turn in the other direction?

On the other hand, it is openly avowed that we never shall see specie payment; that that is money which the law calls money; that paper based on the faith of the nation up to the whole extent of the wealth of the nation is good money; and we are urged, moreover, to let the supply of paper money continue, to be regulated only by the demand; that is, to endeavor to satisfy by legislation the desire to borrow. Having within our reach a universal language of commerce, a language which the world knows and understands, we propose to throw aside that language and erect one of our own in the nature of a paper promise to pay a dollar purely of local use. Let us be frank and honest about it. Let us tell the world that we will no longer have for our standard this twenty-five and eight-tenths gold; we will no longer promise what we do not intend to fulfill; we will run the paper-mill and the printing-press; we will take paper and stamp it with the inscription "This is a dollar," and "In God we trust." Who is ambitious to have his portrait put upon this new money? In times past our honored men have been pleased to see their faces stamped on the honored paper of the country; but who stands forward now; where is the champion countenance ambitious to shine upon the new paper, not a dollar, but called a dollar?

OUR ABILITY TO RESUME.

But some gentlemen say you can never return to specie payment; you cannot pay gold if you try it; you never can get back to it. I am not telling you precisely when you can come to it. The preacher does not tell you when you shall reach heaven; but begs you, for your own good, to put your face that way and move on. We have paid six or eight hundred million dollars of the public debt, and yet we profess ourselves unable to so affect our demand notes as to bring them up to par. We have exported in the last eight or ten years $410,000,000 of specie. Do you tell me there is no way known to finance by which we can check that outflow, by which we can retain enough of it to begin paying off our paper?

But, say gentlemen, we are obliged to export gold to pay our foreign indebtedness. Well, you would not have had so much foreign indebtedness had it not been for your expanded paper currency. I want to call your attention to a very important fact, to one which, stated as it has been within the last four or five years by Amasa J. Walker, and afterward by William M. Grosvenor, may be called a discovery in finance. It is this: that the volume of our importations of foreign goods is never regulated to any considerable extent by our tariff; our tariff has never decided how much of foreign goods shall be imported into this country. Draw a horizontal line, divided into sixty portions for the last sixty years. Erect at each end perpendicular lines, upon which you scale the currency *per capita* and the varying tariffs. Run two irregular lines from left to right, rising or falling to indicate the varying currency *per capita* and the varying volume of importations. You will find an extraordinary parallelism between the lines. As the volume of currency increases, importations increase, and *vice versa*. There is scarcely any parallelism between the lines indicating the elevation or depression of the tariff and the aggregate of importations. The parallelism of these two lines of currency and importation is a mathematical demonstration. It is utterly impossible under the laws of mathematics that those two lines should have preserved that parallelism unless importations were governed by currency.

Mr. KELLEY. The fact is contradicted in the last four years of our own history.

Mr. HAWLEY, of Connecticut. And proved by the last sixty years of our history, as is shown by figures drawn from the Treasury Department. There will be exceptions, of course. Short crops may affect it, foreign disasters may affect it, but only temporarily; there stand the parallel lines.

I read now from Grosvenor's Does Protection Protect:

During the war of 1812 our currency increased from about forty millions to about one hundred millions in 1816, and was then reduced by a general overthrow of banks to about forty-five millions in 1820. In like manner our imports for domestic consumption, which in 1807 had been about seventy millions, as soon as the war closed rose to over one hundred millions, and to one hundred and thirty millions in 1816, and were then reduced to about sixty millions in 1820. From 1820 to 1833 the currency increased a little faster than population, and our imports increased in like proportion. From 1833 to 1837 the currency rose very rapidly to two hundred and twenty-two millions, and the imports were in like manner increased from eighty to one hundred and sixty-nine millions. From 1837 to 1843 the currency was contracted from two hundred and twenty-two to one hundred and twenty-eight millions, and imports shrank from one hundred and sixty-nine to fifty-eight millions. Again from 1843 to 1857 the currency was expanded from one hundred and twenty-eight to four hundred and seventy-four millions, and the gross imports rose from sixty-four to three hundred and sixty millions. In 1857 the currency was violently contracted and imports were instantly reduced.

Mr. MAYNARD. Do you recognize Grosvenor as good authority?

Mr. HAWLEY, of Connecticut. I recognize him as good authority when he gets his figures from the Bureau of Statistics. When he comes to argue free trade I will talk further with him. This is my proposition: Expanded paper stimulates imports, and so long as you have a large volume of inconvertible paper money, so long you will have, extraordinary occasions excepted, heavy importations, and heavy foreign bills to pay.

THE BALANCE OF TRADE DELUSION.

I now come to another department of this investigation. It is said that we never can resume specie payments, and that there is no use in our trying to do so, until we have changed the balance of trade. The common talk about the balance of trade is a delusion from beginning to end. There is no falsehood in figures like the falsehood of the tables of those who talk about the balance of trade. The veteran banker from Wisconsin, [Mr. MITCHELL,] in his exceedingly able speech, demonstrated that the other day in a very few words. I will quote his demonstration, lest some now listening may not have heard it. Suppose that $100,000 worth of goods were started from New York and were sunk in mid-ocean. That being the sole trade of the country, it would appear that we had exported $100,000 more than we had brought into the country, and had thereby made a gain of that much. But suppose that instead of going to the botton the vessel had proceeded to Spain, and had there purchased $150,000 worth of wines, which had sold for $200,000 in the markets of this country. Then the balance of trade would have been adverse, according to the custom-house returns, to the extent of $100,000, although the merchant probably made $50,000 by the operation. The prosperity of the country is made up of the aggregate prosperity of individuals. If every merchant in the country had succeeded as well as that one, then we would have had an enormous adverse balance of trade against us, but everybody would have got rich out of it.

I will follow out that demonstration a little further. Suppose that instead of taking $100,000 worth of goods the merchant had taken $100,000 of gold, which is as much a product of this country as wheat, and had gone to Spain and there had purchased $150,000 worth of wines, or that which would sell for that amount when he got back here. He then would have made $50,000 (less expenses) and the country would have been that much richer. But the custom-house tables would show that we had imported $150,000 worth of goods, exported no merchandise, and had lost our $100,000 of specie.

Mr. BUTLER, of Massachusetts. Will the gentleman allow me to ask a single question?

Mr. HAWLEY, of Connecticut. Certainly.

Mr. BUTLER, of Massachusetts. How much would we have gained after we had drunk up that $150,000 worth of wines?

Mr. HAWLEY, of Connecticut. That involves another question. If the gentleman does not like wines I will change it, say, to Spanish wools, which I think they use in Massachusetts.

Mr. COBURN. How does the gentleman show that by this process we have gained gold? Do we not lose our store of gold even if we make money on the gold?

Mr. HAWLEY, of Connecticut. Yes; we have lost the gold, but we have made $50,000 profit on it; and by all the laws of commerce gold will come back to this country when there is a demand for it on this side, arising from legitimate business, as strong as was the demand which took it to Spain.

Mr. ELDREDGE. Is not the balance of trade based on gold instead of commerce, and is not that the fallacy of the illustration?

Mr. GARFIELD. Trade and not gold is commerce.

Mr. HAWLEY, of Connecticut. I will make another supposition. Suppose the $100,000 worth of goods went to Spain and with the proceeds $150,000 worth of wines were bought. Those wines are taken to Brazil and invested in hides at $200,000, which are brought back to this country and sold for $250,000. The custom-house returns show the exportation of $100,000 and the importation of $250,000, (valuation in Brazil;) a loss to the country, they say, of $100,000, though the merchant has made $150,000, less expenses.

Illustrations can be multiplied. Let me give one in regard to English trade, for it is the balance of trade with England that we are chiefly troubled about. Let the New York merchant send $100,000 worth of goods to Liverpool. He adds 10 per cent. for expenses and 10 per cent. for profit. He sells the goods in Liverpool for $120,000, and on the Liverpool wharf he purchases $120,000 worth of goods, and of course returns them to our custom-house at their valuation on that wharf. After he has got $120,000 worth of English goods he adds 10 per cent. for expenses, which would be $12,000, and 10 per cent for profit, which makes it $144,000, and gets that sum in New York.

Now the custom-house account stands:

Exports	$100,000
Imports	120,000
Adverse balance of trade	20,000

But the merchant's account stands:

Investment	$100,000
Expenses	22,000
	122,000
Proceeds in New York	144,000
Profit	22,000

The custom-house account shows a balance against us of $20,000; the actual trade shows a profit of $22,000. So you may follow the illustrations. And this does not pertain to the United States alone. But the statement I have just read about Liverpool trade is something like the true general condition of our foreign trade. If you count the value of the export on our wharf and the value of the importation on the wharf it leaves, you will always get a balance of trade against us, even though the trade may be unprofitable to us.

Mr. COBURN. How are you going to get the gold back? You have not touched that question.

Mr. HAWLEY, of Connecticut. I will talk about that in good time.

While upon this point, I wish to submit the following statement, which has been prepared by Dr. Young, Chief of the Bureau of Statistics:

Total value of imports of merchandise in the twenty-four years, from 1850 to 1873, both inclusive		$8,125,706,392
Total value of domestic exports in same period	$6,205,631,721	
Total value of foreign exports in same period	376,788,210	
Total exports		6,582,419,931
Excess of imports of merchandise over exports		1,543,286,461
SPECIE AND BULLION.		
Exports in twenty-four years above named	$1,425,428,592	
Less imports in same period	327,261,818	
Net exports		1,098,166,774
Apparent adverse balance of trade in twenty-four years		445,119,687
Average annual balance		18,546,653

Now, sir, if the purchases have been made with any wisdom at all, there has been no adverse balance of trade to any great extent. But you say the gold has gone out of the country. Yes; but it will come back again if the laws of commerce are not defied by our legislation. Yet you may be perfectly certain that gold will not come back in a hurry so long as you have this false and expanded currency.

Now, if the statement I have read as to the balance of trade be true, then besides sending all our specie away we should have had $18,000,000 a year for twenty-four years to pay besides. In that time we should have been not only without a single dollar of specie, but far below zero. Now, how much have we lost? In 1860, according to the best statisticians, we had about $200,000,000. They say that we have now $135,000,000 of gold, and perhaps $10,000,000 of silver. Then we have $145,000,000 of specie, so that we have lost only about $55,000,000 of specie in these twenty-four years. Therefore this apparent deficit of $18,000,000 a year is in a large measure canceled by those elements of trade to which I have referred as being undisclosed by our custom-house returns.

Mr. KELLEY. Will the gentleman allow me to suggest whether we have mined any gold in the mean time?

Mr. HAWLEY, of Connecticut. Exactly. Gold is of course just as much one of our exports as wheat, or pork, or beef, or cotton. We produce gold in immense quantities, beyond any need of our currency at all; and therein lies one of our offenses against the laws of political economy. While all the conditions of the problem were favorable to us, we have thrown away the blessings Providence laid before us and persisted in swimming about in the sea of paper currency.

Mr. HALE, of New York. Is not one of the main causes of the constant flowing out of gold the fact that we have no use for gold here; that it has ceased to be a part of our currency, and so goes where there is use for it?

Mr. HAWLEY, of Connecticut. Exactly. We have, as the phrase goes, demonetized gold. It is the cheapest thing this country produces to-day, and the one we can best afford to export; it is the one that we export more cleanly and thoroughly than we do any other product. You have by law, so far as you can, said that there shall be only two uses for gold, to pay customs duties and to pay the interest on the public debt. A few merchants use it in their trade in New York; but, so far as you can, you have prevented its use in any but those two directions. It is true, a small amount is used in the arts and manufactures. Gold having become cheap here as it is, the commercial world most readily seizes upon it to pay its balances with.

Mr. GARFIELD. The gentleman will allow me to say that a careful comparison of the amounts used for paying imports and the amounts used for paying interest with the actual amount of gold estimated to be in the country will show that those elements keep pace with each other; that we have just as much gold as we have those uses for, and no more.

Mr. HAWLEY, of Connecticut. I think we have a little more than is required by those uses. I think that fifteen or twenty million dollars of gold, shuffled back and forth, will pay all our duties, because it is constantly being exchanged between the merchants and the Treasury.

Mr. BURCHARD. The gentleman will allow me to remind him that a portion of the people of the United States still use gold as money.

Mr. HAWLEY, of Connecticut. Yes; I thank the gentleman for the suggestion. I have a memorandum upon that point somewhere. In spite of your legal-tender laws, in spite of your unconstitutional legislation, in spite of your adverse balance of trade, which you say will forever forbid us to come back to specie payments, gold and silver are still the basis of business in Texas, within a day or two's reach of you. So, too, California and all the Pacific States have stubbornly held to the gold standard from the beginning. California has never been debauched on this subject until you began to authorize gold banks; and now she has one or two banks with five times as much paper as they have gold in their vaults. She has begun the downward course, though I do not think she will keep on; for I think she knows what money is. If any State ought to know that, it is Texas; for the wildest dreams about the supreme value of a cent's worth of paper with figures on it was thoroughly tested in that State during her short financial history. Read Gouge's Fiscal History of Texas. I shall be glad to lend it to the inflationists.

But I have another fact for the men who trouble themselves about the adverse balance of trade. During the eight years from 1858 to 1865, inclusive, the trade of Great Britain in merchandise alone (specie excluded) was as follows:

Imports	£1,483,250,000
Exports	1,105,000,000
Adverse balance of trade	378,250,000

More marvelous still: instead of exporting specie to pay the balance, her net imports of specie were £23,000,000. Reduced to Federal currency the annual adverse balance of trade was $250,781,250.* In the same eight years the *excess of exports* from France (reversing British experience) was £96,500,000, and the net importation of specie was £49,000,000, leaving forty-seven millions unpaid; for, according to the custom house, the balance of trade was against Great Britain to the extent of £378,000,000 within eight years. Why is Great Britain bankrupt according to these financiers?

Many gentlemen would say Great Britain must have sent out all her gold to pay that balance. No, sir, with the balance of merchandise against her to an enormous amount, gold was coming in. Why, then, do gentlemen talk about adverse balances in merchandise?

The SPEAKER *pro tempore*, (Mr. BARRY in the chair.) The gentleman's time has expired.

Mr. PHELPS. I move by unanimous consent that he be allowed to proceed to the conclusion of his speech.

Mr. HAWLEY, of Connecticut. I hope my friend from Mississippi [Mr. NILES] will allow me to proceed in his time.

Several MEMBERS. Go on.

Mr. HAWLEY, of Connecticut. Instead of exporting specie to pay the balance of trade against her, Great Britain was receiving specie.

The SPEAKER *pro tempore*. The gentleman's time has expired.

Mr. HARRIS, of Virginia. I ask that the gentleman's time be extended.

The SPEAKER *pro tempore*. Does the gentleman from Mississippi yield the floor to the gentleman from Connecticut?

Mr. NILES. If the House extends the time of the gentleman from Connecticut without deduction from my time, I do not object.

Mr. HAWLEY, of Connecticut. I do not want to trespass any further upon the good nature of my friend from Mississippi.

Mr. RANDALL. The gentleman from Connecticut is making a most interesting speech, and I move that he be allowed to go on without regard to anybody's time—that his time be extended until he concludes his speech.

There was no objection, and it was ordered accordingly.

Mr. HAWLEY, of Connecticut. Instead of sending out any specie to pay her immense adverse balance, Great Britain received £23,000,000 of specie in that time, making a total excess of exports, specie and all, of £401,000,000. It can be explained, sir, by these same suggestions I have made in regard to our own balances of trade. The declared values at home and the declared values abroad, properly understood, explain those balances to a considerable extent. The returns outside the custom-house from English capital invested abroad explain the rest.

Mr. MERRIAM. I should like to have it understood that it was the carrying trade of the world which England did which brought in that gold.

Mr. HAWLEY, of Connecticut. I know it was the business she did; that is what everybody says.

Mr. MERRIAM. And it shows——

Mr. HAWLEY, of Connecticut. I say it does show, and that is what I began by saying, that this custom-house balance of trade was the most deceptive thing in all finance.

Nay, more; England in sixteen years, from 1851 to 1865 inclusive, according to the official returns of the board of trade, imported £650,000,000 of merchandise more than she exported! I know we can go to work and explain it, but I leave it to you, gentlemen, who are troubled by the little balance against us, to explain it; and the States of California and Texas as well as Great Britain are examples of the possibility of retaining a largely metallic currency against an apparent adverse balance of trade.

The New York Chamber of Commerce has expressed its deliberate opinion that we shall continue for years to come to send railroad and other securities—that is to say, to borrow money across the water; wherever money is cheap the American people will borrow it. Money is cheap in Great Britain and elsewhere, not because they print a

*See Patterson on Finance and Patterson on Capital.

great deal of lies, but because wealth is abundant, capital is abundant, and the home uses are limited. She has more capital than she can profitably use at home. The use of capital is cheap—not the mere exponent, the counter, or medium of exchanging capital. Her capital is ready to go abroad, and our great railroad enterprises are thankful when English capitalists come over and say we have more capital to spare to you to build your railroads. Do they bring us the two or ten millions of dollars in gold in their pocket-books? No; they carry some little pieces of paper which bring it to order, but no actual money of theirs may ever be visible on the ground.

The New York Chamber of Commerce wisely tells us this apparent balance against us is likely to continue indefinitely, so long as the older countries have spare capital to lend at low rates, and we make money by it, or Chicago makes by borrowing from Connecticut. Are we then going to postpone resumption indefinitely, to wait until we can get a custom-house balance in our favor?

SOME EFFECTS OF EXPANSION.

Admit for the sake of the argument that an issue of six hundred millions of greenbacks might serve for the currency of the country, without apparent depreciation, what would be the result? First, the banks, being at liberty to pay greenbacks instead of specie, would keep little or no specie. It would leave the country, because the superior currency leaves and the inferior remains always; and as commodities, deprived of half their uses, gold and silver would seek higher markets. Secondly, in the case of an unusual demand for specie we should have a smaller reservoir to draw upon, the price would fluctuate violently, and international trade being violently affected would react heavily upon domestic trade. Thirdly, we should have no protection against fluctuations. True, elasticity would be lacking, and recourse would be had to the printing press for still more paper. Fourthly, the gain could be made only once.

HOW TO MAKE THE NEXT FORCED LOAN.

What would you do in case of a great war? You took advantage of the great war necessity to issue legal-tender money—paper dollars—and make them a legal tender. They drove out legitimate money; you made the substitution—made a forced loan. Now, suppose us plunged into another great war, with a similar necessity upon us. What can you do then? You have exhausted your remedy. The country is full of a paper irredeemable legal tender, and you cannot take that great step which was in reality a forced loan to the extent of four hundred millions. It is said that there was once upon a time a disease among the dogs, and one of the doctors discovered that by cutting off the dog's tail very closely you could cure the disease. Another said there was only one fault to be found with the remedy, it could never be repeated on the same dog. So with your legal-tender issue. What would you do in another great emergency?

MORE CURRENCY.

But France and England, they tell us, have more currency and more money. Mr. Speaker, you cannot reason in this matter from population or wealth absolutely, though they aid us in coming to a right conclusion. A barbarous nation holds more money in proportion to its wealth than more civilized nations. The nations most accomplished in financial science, making most use of deposits, checks, &c., need less money. Great Britain has scarcely more than she had fifty years ago.

Currency in France:	*Francs.*
Coin and bullion	4,000,000,000
Metallic reserve	759,962,419
Bank of France notes in circulation	2,807,689,625
Aggregate actual circulation	6,047,727,206

But you notice that while their gold and silver is four billion seven hundred and fifty-nine millions, their notes in circulation are two billion eight hundred and seven millions. The specie is in the proportion of 47 to 28 of paper in France. I have no objection to "more money" in that proportion.

Let me give the latest statement of the currency of Great Britain:

Gold in circulation	£84,551,000
Silver in circulation	15,000,000
Bronze coin in circulation	1,148,000
Coin in reserve	15,774,366
Total money	116,473,366
Total bank circulation	56,314,274
Excess of bank-notes over coin reserves	40,539,908

Of this forty millions excess over coin reserves, sixteen millions are based on bullion, leaving less than 17 per cent. of the total circulation unrepresented by a metallic reserve.

When we are told of the "more money" in Great Britain, I point to the fact that she has two pounds of metallic or real money to one of paper promises. I hope to see "more money" in the same proportions in this country. Bear in mind that of the paper promises out 83 per cent. are backed by coin or bullion.

I have no objection to "more money." I ask "more money." I hope everybody may "have money." I hope money may be abundant through the country. And I object to more promises because I want "more money." But I insist that you shall do nothing to the notes already out; that you shall perform the first duty of a Government in making notes as good as money; and then we can have as much of it as you please. If it is in harmony with the currency of the world, when it is in superfluity, it will flow abroad; and when there is a scarcity here the money will come back. We shall be in connection with the great centers of commerce and of trade. As we stand now it is like pouring water upon an isolated column of water. The rise is rapid and instant, the fluctuation violent. But pour any quantity into an open pond or lake, which has a channel connecting it with the sea, and you perceive no difference. So add five hundred millions to the volume of what we call our money and you would derange all values, balloon enterprises, and land us in a short time in a common bankruptcy and ruin. But pour in five or six hundred millions at a time when we are enjoying a right currency, even if it be of gold, and it will temporarily flood the market; but it soon goes into the great sea of the commerce of the world and the balance is soon restored. We do not want more credit; yet that is what men are clamoring for; more credit, not more money. They want the Government to shovel some hundreds of millions to them. Why so? Do you carry it to your district and to my district, and give it to your people and to my people? No, sir; men are there wanting to borrow, borrow, borrow, and we are asked to legislate to satisfy their insatiate desire to borrow.

Now, sir, as individuals, as districts, as towns, as counties, as States, as a nation, as railroad corporations or manufacturing corporations, we are all in debt more that sound economy and sound policy can justify. That is the calamity with us now. We have labored at inflation; we have inflated all business; we are in debt and our credit has been extended, and yet men are praying here for more debt, more credit to build up what is called wealth.

Sir, there is hardly anything in figures, next to the "balance of trade," more deceptive than those figures which go to show how the country has grown in the last twelve years, and how much more prosperous we are although we have buried the savings of a generation in a great war which was not only unproductive but infinitely destructive. Sir, we grow in spite of all disasters, but we have made no such progress as the figures prove. I can get rich, any man can get rich from month to month, if I increase my indebtedness 10 per cent. a month and inventory only one side of the account. And I can grow rich simply by calling myself rich from year to year; that is really the source of a large portion of our so-called increase of wealth.

Mr. LAWRENCE. I will ask the gentleman whether if free banking be authorized, as the bill proposes, there is any probability that it will lead to a dangerous increase of the currency?

Mr. HAWLEY, of Connecticut. I will come to that in a few minutes. More money will increase the margin of fluctuation which every business man takes into account. My excellent friend from New Jersey [Mr. PHELPS] has illustrated this. The variation between paper and gold must be taken into account by every business man. If it be 1, 2, or 3 per cent., then he says, "I must add 5 per cent. to cover all this and the risk of more." The greater the fluctuation the greater must be the margin to cover it, and the business man gets it in the end out of the laboring classes and the farmers.

AGRICULTURISTS THE GREATEST SUFFERERS.

Now, sir, I am more astonished to see this increase of currency supported by members coming from the farming regions than by any others. It astonishes me to see men representing agricultural communities clamoring for more irredeemable paper money, when the great sufferers in this country by irredeemable paper are the agriculturists of all classes.

Sir, it is clearly established by political economy that the prices of all these exportable products are fixed abroad. Our surplus products go to England, France, or elsewhere, and the price we get there determines the price which the farmer gets in Iowa, unless, indeed, local disturbances or derangements of transportation exceptionally interfere. Your pork, your flour, your wheat, your corn, your cotton, are sold abroad, and the price you get in London or Liverpool settles the price the Iowa farmer or Georgia planter gets eventually, subject to intervening temporary disturbances. He sells at a gold price adjusted in markets governed by a specie standard. I know how gentlemen answer this. They say that it is true the farmer gets his gold in Liverpool; but when it comes over here he turns it into paper with a gain of 10, 12, or 15 per cent., as the market may be.

Well, sir, the great depreciation of money here is much more than 12, 13, or 15 per cent.; it is probably 40 or 50 per cent. The farmer in Iowa is governed in the price he gets by the price which is got in Liverpool, and the premium on gold does not cover the difference in his cost of living; he has to pay 30, 40, or 50 per cent. more for everything else than he would if our currency were based on a gold standard. Is it not true that in a large portion of the West in 1860 you got eighty, ninety, and a hundred cents a bushel for your wheat, or perhaps a hundred and ten? You who are farmers know that was so. You get something like those same prices now, and yet you will bear me witness that your machines for working your farms, that your laborers, that a large portion of all the articles you buy and consume, are about from 50 to 100 per cent. above what they were in 1860.

Mr. HEREFORD. That is the result of the tariff.

Mr. HAWLEY, of Connecticut. The gentleman says that is the result of the tariff. Sir, it would take me another hour to convince him of his mistake, but I think I could do it. The tariff has some little influence on this matter, but we have no tariff now so much higher than that of 1860 as to account for this difference. I know there is a general depreciation in the world owing to the great pro-

duction of gold and silver, and the expanded issue of paper money elsewhere; but that is not enough to cover all this difference.

The farming interest has been complaining for six or eight years bitterly every year that it could not make money. Of course it cannot make money; for it is bound down, chained down to a gold and silver currency when it sells, while it is compelled to do a large portion of its purchasing in a depreciated "paper money."

You thought that you gained a victory when you passed the transportation bill the other day. I tell you that the great speculative railroad interests in this country gained a victory a hundred-fold greater when you passed the $400,000,000 legal-tender bill; so that they may if possible revive their Southern Pacific and Northern Pacific, the Grand Central, their Grand Eastern, their Grand Western, and their Transcontinental Railroad schemes, and find money to float them. These are the men who gained a victory in this House within six weeks; the great speculators of the country, who want inflated prices, and what they call abundant money; and your farmers' bill will turn to ashes within your grasp; and your railroad speculators will go on drawing in their money for bonds which never will be redeemed, involving the farmers ultimately in ruin and despair. Now, if I read political economy aright—and I am not ashamed to say that I read a great deal of it in books, but I get some from merchants and "practical men"—that will be the result of your policy.

AN ELASTIC YARD-STICK.

It is said that we want an elastic currency. No, sir; we do not. We may want more half-bushels, more quart and pint cups, more yard-sticks, but we do not want them made of India rubber, nor do you of the West and South. You do not want a yard-stick that will measure thirty-eight inches to-day, and thirty-four inches to-morrow. You may want more yard-sticks, but you want them all of the same standard. In my State we have carefully preserved in glass cases the standard weights and measures which the General Government has sent us for the use of our people, and we go there and test our yard-sticks and peck-measures, and pint cups with great care. Now, I am willing that we shall have more pint cups and half-bushels and yard-sticks, but I want the standard unimpaired. I want the twenty-five and eight-tenths grains of gold to the dollar which you promised me I should get in the markets of the world. But you will not give it to me; and what is more you will not tell me when you will give it to us, nor will you tell me when you will try to give it to us. I want the standard of value restored.

THE PENDING BILL.

I cannot vote for the pending bill, although I know it has some good things in it. One is that feature introduced by my friend from New Jersey, [Mr. PHELPS,] which provides that we shall begin to issue $2,000,000 every month of gold notes as a substitute for an equal amount of legal-tender notes, the gold notes to be redeemable in two years. So far the bill is good, for it plants a mustard-seed of resumption; it begins to look toward a real money by and by.

But I am not satisfied with the general provisions of the bill. I am not satisfied with any bill that does not keep in view the great primary duty of returning to the true standard of value. Talk to me about practical redemption. Here [holding up a national-bank note] is a promise to pay five dollars; a promise made by a bank, and secured by United States bonds deposited in the Treasury here in Washington. It is as good as you can make paper. You propose to redeem it in another paper five-dollar note, which is a promise of the United States to pay. But it is a demand-note promise, and not a solemn bond with annual interest. Yet you call redemption the payment of one note secured by a Government bond in another legal-tender note not so secured. Now, I do not understand that to be redemption. I had before a good promise to pay, backed by the Government. I have now, after the so-called redemption, a good promise to pay backed by the Government. And that is what you call practical redemption. I have seen something very like that on the Pacific Railroad, but they called it "three-card monte" there. But I did not see where the profit came in to anybody except to the gambler.

Now, when you shall have $400,000,000 of legal-tenders, and about $400,000,000 of bank currency, the bank currency secured and more than secured by Government bonds laid by here in Washington, what is the use of talking about the redemption of one by the other? What is the good of it, and who cares to redeem in that way? You have, therefore, in this bill very wisely relieved the banks from the necessity of keeping on hand a reserve to meet their own circulation. If I had a pocketful of their notes I would not walk across the street to change them for legal-tenders. I do not ask you to keep any legal-tenders for the banks to redeem the notes of the banks.

You have carefully let alone the provision of the present law requiring the banks to hold a reserve to meet their deposits. They will be sure, as will financiers, to do that any way. The fact is, that as you have left the real standard of value and begin to deal in inconvertible and irredeemable paper, I cannot understand any gain in all the shuffles and shakes that change one kind of paper for another. I do not get anything when you have shifted paper all day long; I have no money in the end.

But would you do nothing, they say? Well, sir, if you wish to say that you will establish more banks in the West and in the South, and *pari passu* with their establishment withdraw an equal amount of currency from the East, that you can do without inflation. I cannot vote for inflation even if you take circulation out of my own State. I will vote every dollar of paper out of my town and State before I will consent to two cents of expansion, if I have to stay at home out of Congress all the rest of my life.

I believe that you are taking steps here more fraught with disaster to this country than were contained in that evil Nebraska bill which was big with controversy and with war. You have started upon the downward road to repudiation. By long climbing you were within a mile of the mountain-top; now, discouraged by temporary clamor for more money, you are traveling a mile down again. When will you have the courage to go back? Will you ever find it easier? Ah! how easy it is to make "more money!" By and by, when you have made business feverish and excited, and apparently prosperous, this clamor of wild speculators will come again to these Halls, demanding "More money!" "More money!" "More money!" Will you have more virtue then than you have now? Will you ever have a better time than you have had this winter to say, "We stop here?" The recent financial disaster—not the worst that might have happened—threw us upon our backs in the dust; it disarranged business and brought down values; and it afforded a good opportunity for us to take hold resolutely for a return to specie payments. It was this that was demanded by your great business men. You now propose to give your drunken patient more brandy to make him strong again. He will rise up and engage in wilder speculations than ever before. By and by final disaster and bankruptcy will come, and then you will be driven back to the real honest standard of money again. But do not let us pay that price.

Gentlemen, I repeat there is no road to resumption through expansion, except the road that goes through repudiation. If I am not altogether wild in this matter—I have with me the boards of trade, the chambers of commerce, the great merchants and bankers and financiers of the country—if I am not altogether wild in this matter, this is the decisive, the turning point in the national finances, and, what is of infinitely less importance, a turning point in the history of political parties. Many men who long for political reorganization have looked eagerly for the action which was to bring it about. Sir, parties are not called into existence by a proclamation. Parties create themselves. They grow out of some profound belief, some great moral purpose. You are furnishing that belief and that purpose to-day by making it necessary for men to rally without regard to party lines for the defense of sound economical principles and the preservation of the honor of the country. There is no man so good that I will vote for him for any office, from President down to constable, if he is unsound upon this financial question. There is no man so dear to me that I will not fight him from the word "go" until the election closes, if he is unsound on this question. And I know very many men who agree with me on this point. But I do not care whether there be five or fifty or five hundred; I am planted as firmly on this ground as in the days when I was a radical abolitionist, though I could not see the possibility of triumph within a hundred years. I believe I know what is right upon this matter; and I have no doubt that what is right will come uppermost in this country; that the people will sustain it. I am about done.

I submit in conclusion several propositions which I have hastily sketched, and with which I leave the question:

1. The precious metals furnish the best standard of values for a medium of exchange.

2. The proper currency is one composed of gold, silver, and paper convertible on presentation into coin.

3. The national Government should steadily aim at a resumption of specie payment, because that is right, and because it has so pledged itself again and again when it was most anxious to get credit.

4. The only path to resumption through an expansion of the volume of inconvertible paper money is through explosion and repudiation.

5. The national Government can easily find a road that will reach resumption in a reasonably speedy time, if it shall firmly determine to do so.

6. While what is known as a favorable balance of trade would facilitate resumption, it is not indispensable.

7. It is our duty to proceed toward resumption without regard to what for the moment is the condition of the balance of trade.

8. Specie payment persistently maintained is a powerful means of securing a "favorable balance."

9. The home price of exportable products is fixed in the foreign markets that buy our surplus.

10. Irredeemable paper money (with the resulting inflation of prices) tends strongly to cause an unfavorable balance of trade, and almost inevitably causes the payment of that balance in the precious metals.

11. A large volume of irredeemable paper nullifies a tariff.

These propositions sufficiently explain my general creed on this subject. A single word further and I am done. By the original legal-tender act, which made legal-tenders convertible on presentation into gold bonds; by the second act, which provided for the same conversion into gold bonds; by your pledge made when you sanctioned Secretary McCulloch's policy; by your solemn act of legislation which General Grant signed as the first act of his administration; by every pledge you have made in your political conventions, especially including the last; by every message of the President you are honoring; by the doctrines of sound finance; by the entreaty of the best business men in the country, you are commanded and solemnly pledged,

not to resume to-day or to-morrow or next year, but not to turn your backs upon resumption—only to set your faces thitherward and to do your utmost to bring this country up to the high level of commercial and political honor.

Mr. ELDREDGE. Before the gentleman sits down, let me ask him a question. I understood him to say there was no man so near or so dear to him, that, if he opposed him on this doctrine which he has been endeavoring to illustrate, he would support for office. I wish to ask the gentleman from Connecticut if he does not know, after the Supreme Court had decided against the validity of the legal-tender notes, that General Grant before his last election reconstructed that court? I ask him if, after all that which he pronounced against it, he did not support General Grant himself when he ran the last time for the Presidency?

Mr. HAWLEY, of Connecticut. I do not see any conundrum in that at all.

Mr. HEREFORD. And that, too, in order to give validity to greenbacks, which the gentleman from Connecticut has denounced as a thing to which he was opposed.

Mr. ELDREDGE. I do not think the gentleman is so ready to repudiate his party, or any man who stands so near to him, because he differs from him in opinion on a subject of this sort.

Mr. E. R. HOAR. If the gentleman from Connecticut will allow me I will answer, and I will do it in one word.

Mr. ELDREDGE. Let the gentleman from Connecticut answer. He has declared that, for himself, he would support no man who does not square with him on this question of finance, as he enunciated it to-day.

Mr. HAWLEY, of Connecticut. I do not know exactly what the gentleman is driving at, but he seems to charge me with inconsistency in supporting General Grant for the Presidency at the last election. General Grant has declared himself uniformly, from beginning to end, in favor of resumption of specie payment. I do not make the issue upon the constitutionality of greenbacks in time of war. I say there was great doubt, even under the war necessity, that we had a right to issue them, but I regard that question as settled. I regard the Supreme Court as having decided we had the right under the pressure of the great calamity of war to issue them. At all events the discretion rested with Congress, and Congress having exercised it, it remained only for the Supreme Court to say we had that power. I am not fighting on the constitutionality of the original issue.

Mr. ELDREDGE. Let me ask the gentleman to answer my question. He has not yet come to the point. It is well known to the country that the Supreme Court, as organized before the appointment of the new judges, had come to the decision that "greenbacks" were unconstitutional as a legal tender. General Grant, for the purpose of reversing that decision, or having them declared valid, reorganized the Supreme Court, when a new decision was made. Yet the gentleman from Connecticut supported with all his power and influence General Grant for the Presidency after the occurrence of these events.

Mr. HAWLEY, of Connecticut. I could go on for some considerable time to explain that reorganization of the Supreme Court, but I do not know that I could commit the question to better hands than to the gentleman from Massachusetts, [Mr. E. R. HOAR,] to whom I yield the floor.

Mr. E. R. HOAR. The fact is not as the gentleman from Wisconsin states it.

Mr. ELDREDGE. I have put the question to the gentleman from Connecticut, and I want him to answer.

Mr. E. R. HOAR. That slander has been repeated from the stump until it has once or twice been put squarely down. I published a letter, under my own hand, giving the dates, which contradict it perfectly, and the gentleman is utterly mistaken about it.

Mr. ELDREDGE. I do not wish the gentleman from Connecticut to appear by counsel. [Laughter.] I wish him to answer it himself.

Mr. E. R. HOAR. I am stating a fact. It is not a matter of ability, it is a matter of truth; and I say the gentlemen who were put upon the bench of the Supreme Court were nominated before the first legal-tender decision was given. Their nomination was sent in to the Senate on the morning of the very day on which that decision was given, and reached the Senate before the decision was given in the Supreme Court, and when it was reported in Washington that the decision of the court was going to be the other way. There was no more reason to believe those two gentlemen would give a different opinion on the legal-tender question from that which the court first gave than there was that Chief Justice Chase would give a different opinion—nor half so much at the time they were nominated.

Mr. ELDREDGE. The gentleman from Massachusetts knows and the country knows very well the decision would have been one way if there had not been added two other judges, and he knows very well the decision was finally a different way with these two other judges.

Mr. E. R. HOAR. But the gentleman said that these gentlemen were put there to reverse the decision.

Mr. ELDREDGE. I did not say any such thing.

Mr. E. R. HOAR. I understood the gentleman to say so. He said General Grant reorganized the court "for that purpose."

Mr. ELDREDGE. I stated that it was very well known to the country that the decision was against the validity of the greenbacks as a legal tender, and that after that two judges were added to the bench, and then there was a different decision.

Mr. E. R. HOAR. They were not; and there is where I differ from the gentleman. I say that their nomination was sent in before that decision was given.

Mr. ELDREDGE. They took part in the decision, but if the decision had been given before it would have been different from what it was, and the gentleman knows it.

Mr. E. R. HOAR. They were appointed before the decision was made.

Mr. ELDREDGE. That makes no difference. That does not alter the case. The Supreme Court had considered the question, and two judges were added afterward, and a different conclusion was come to.

Mr. E. R. HOAR. But they were appointed before.

Mr. ELDREDGE. I do not care when they were appointed. They did sit in the case, and the gentleman knows it.

Mr. POLAND. I ask the House to take a recess until half-past seven o'clock; and I have the satisfaction to announce, on behalf of the Committee on Revision of the Laws, that we expect to close our labors this evening.

ENROLLED BILLS SIGNED.

Mr. DARRALL, from the Committee on Enrolled Bills, reported that the committee had examined and found duly enrolled a bill of the following title; when the Speaker signed the same:

A bill (H. R. No. 1923) authorizing the payment of annuities into the treasury of the Seminole tribe of Indians.

AMENDMENT OF RULES.

Mr. BECK, by unanimous consent, submitted the following resolution; which was read, and referred to the Committee on Rules:

Resolved, That the rules of the House be so amended that it shall not be in order for the Speaker of the House to entertain a motion to extend the time of a member for a longer time than one hour, and such extension shall not hereafter be granted by unanimous consent.

CURRENCY.

Mr. PARSONS, by unanimous consent, introduced a bill (H. R. No. 2785) to amend an act entitled "An act to provide a national currency secured by a pledge of the United States bonds, and to provide for the circulation and redemption thereof," passed June 30, 1864; which was read a first and second time, referred to the Committee on Banking and Currency, and ordered to be printed.

Mr. FIELD. I ask unanimous consent to present a memorial of the citizens and business men of Detroit, in favor of an increase of the currency, that it may be referred to the Committee on Banking and Currency. I desire to state that the memorial represents, in my judgment, the sentiment of a large majority of the citizens of Detroit on the currency question.

There was no objection, and the memorial was referred to the Committee on Banking and Currency, and ordered to be printed.

The question being taken on Mr. POLAND'S motion for a recess, it was agreed to; and accordingly (at five o'clock and five minutes p. m.) the House took a recess until half-past seven o'clock.

EVENING SESSION.

The House reassembled at half-past seven o'clock p. m., Mr. G. F. HOAR in the chair as Speaker *pro tempore*.

REVISION OF THE STATUTES.

The SPEAKER *pro tempore*. The House meets this evening to resume the consideration of the bill reported from the Committee on Revision of the Laws of the United States. It is entitled "A bill (H. R. No. 1215) to revise and consolidate the statutes of the United States in force on the 1st day of December, A. D. 1873."

Mr. LAWRENCE. I move to strike out sections 1365 and 1366, on page 303.

The sections were as follows:

SEC. 1365. The Admiral shall be selected from the next grade below.
SEC. 1366. The Vice-Admiral shall be selected from the list of rear-admirals.

Mr. LAWRENCE. The committee have agreed that these sections should be stricken out.

The motion to strike out the sections was agreed to.

Mr. LAWRENCE. I move to add as a new section, to come in between sections 1460 and 1461, what I send to the desk.

The Clerk read as follows:

Add to section 1460 the following as an additional section:

There may be allowed upon the retired list of the Navy nine rear-admirals by promotion on that list: *Provided*, That this section shall not prevent the Secretary of the Navy from promoting to the grade of rear-admiral on the retired list, in addition to the number herein provided, those commodores who have commanded squadrons by order of the Secretary of the Navy or who have performed other highly meritorious service.

The motion was agreed to.

Mr. LAWRENCE. I move to add as a new section, immediately following the section which has just been adopted, what I send to the desk.

The Clerk read as follows:

Officers on the retired list of the Navy shall be entitled to promotion as their several rates upon the active list are promoted: *Provided*, That no promotion shall be made to the grade of rear-admiral upon the retired list while there shall be in that grade nine rear-admirals by promotion on that list, exclusive of those so promoted by reason of having commanded squadrons by order of the Secretary of the Navy or of having performed other highly meritorious service.

The motion was agreed to.

Mr. LAWRENCE. I move now to insert as section 1804 and section 1805 the sections which I send to the Clerk's desk. I will state that these sections were in the original revision as prepared by Mr. Durant, but that they were stricken out in the House. They were stricken out because they were somewhat local in their character, and at the time they were stricken out it was supposed we would insert in the revision some chapters relative to the District of Columbia, and it was thought that this would more particularly belong to the chapter embracing the laws relating to the District of Columbia. These sections, however, refer to pipes, branches, &c., connected with the water-works, which extend outside the District of Columbia and into Virginia; and the offenses enumerated in this section would be punishable in the State of Virginia. It is thought better, all things considered, to restore these sections just as they were; that is to restore sections 1804 and 1806.

The Clerk read the sections, as follows:

SEC. 1804. Every person who maliciously breaks, injures, defaces, or destroys any main or pipe, bend, branch, valve, hydrant, service-pipe, or any other fixture used for the distribution of water throughout the streets and avenues, or for its introduction into the houses, tenements, or buildings of Washington and Georgetown, shall be punishable by imprisonment in the county jail for not more than two years.

SEC. 1806. Every person who maliciously commits any act by reason of which the supply of water, or any part thereof, to the cities of Washington and Georgetown, becomes impure, filthy, or unfit for use, shall be fined not less than $500 nor more than $1,000, or imprisoned at hard labor in the District of Columbia not more than three years nor less than one year.

The amendment was agreed to.

Mr. LAWRENCE. I now move to strike out chapter 5, commencing on page 289 of Durant's revision, and to insert in lieu of it what I send to the Clerk's desk.

I will say a word in explanation of that amendment. At the time Mr. Durant was employed to prepare this revision he was instructed to prepare a chapter on military offenses, which was to include not only the existing laws upon the subject, but such other provisions as he might deem necessary to make a complete penal military code. He prepared that chapter, and in doing so he transferred from the original Articles of War a number of provisions in those articles and some provisions of other statutes, and he added in his chapter on penal military offenses many new provisions, entirely new legislation. It has been thought better by the committee to submit that chapter as a separate matter to the House, so that the revision of the laws shall contain nothing but the existing state of the law—the law as it existed on the 1st of December last. In order to carry out that idea we propose to strike out the fifth chapter of Durant's revision, which contains only a part of the Articles of War, and to insert in lieu of it the Articles of War complete, as they are in the substitute which I submit to the House.

I will say that this substitute is substantially that prepared by Judge James and reported by the commissioners in their revision of the statutes; but the Committee on Revision of the Laws have changed it somewhat, so as to make it conform to the law as it existed on the 1st of December.

Mr. POLAND. Allow me to say a word further about this new chapter. Mr. Durant was directed in the bill passed a year ago to prepare a chapter to define the punishment for military offenses. He selected out a considerable number of the Articles of War where no penalties were provided and affixed penalties to them, and inserted them in the new chapter he had prepared defining military offenses; and they were left out of the general revision of the Articles of War. This proposed change is merely to restore those Articles of War that Mr. Durant had taken out for the purpose of inserting them in his military bill; and as the committee determined that this revision should be wholly of the existing laws without change, we have restored the Articles of War that Mr. Durant had taken out for the purpose of forming a part of his military offenses bill.

The amendment was agreed to.

Mr. BARBER. The first amendment I have to offer is to section 3556.

The section was as follows:

SEC. 3556. The different mints and assay offices shall be known as—
First. The mint of the United States at Philadelphia.
Second. The mint of the United States at San Francisco.
Third. The mint of the United States at Carson,
Fourth. The mint of the United States at Denver.
Fifth. The United States assay office at New York.
Sixth. The United States assay office at Boise City, Idaho.
Seventh. The United States assay office at Charlotte, North Carolina.

Mr. BARBER. I move to insert between lines 4 and 5 the words "the mint of the United States at New Orleans."

The amendment was agreed to.

Mr. BARBER. I move now to insert between sections 3557 and 3558 the following as a new section:

SEC. —. The superintendents of the mints at Philadelphia, San Francisco, and New Orleans shall be, and perform the duties of, treasurers of said mints respectively.

The coinage act made the superintendents of these three mints treasurers of those mints. The reviser, Mr. Durant, had left that out.

The amendment was agreed to.

Mr. CASON. The first amendment I have to offer is to section 4446. It will be remembered that the House amended that section by adding the following proviso:

Provided always, That if any officer entitled to a part or share of any such penalty or forfeiture shall be necessary as a witness on the trial for such penalty or forfeiture, such officer may be a witness upon the said trial; but in such case he shall not receive, or be entitled to, any part or share of the said penalty or forfeiture, and the part or share to which he would otherwise have been entitled shall accrue to the United States.

We wish to withdraw that proviso. On full consultation it is thought that the same language has been repealed by another act, the coinage act of 1799, and modern legislation has been entirely contrary to the provisions of that amendment. Taking it altogether we think that perhaps it is not the law as it stands, and for that reason we withdraw it.

The proviso was withdrawn.

Mr. SAYLER, of Ohio. I move to insert on page 1012, to come in before section 4028, the chapter concerning the mails, the following as an additional section:

SEC. —. The following are established post-roads:

All waters of the United States, during the time the mails are carried thereon; all railroads or parts of railroads, which are now or hereafter may be in operation; all canals during the time mails are carried thereon; all plank-roads during the time mails are carried thereon; the road on which the mail is carried to supply any court-house which may be without a mail, and the road on which the mail is carried under contract made by the Postmaster-General for extending the line of posts to supply mails to post-offices; but are not established routes during the time such mail is carried thereon; all letter-carrier routes established in any city or town for the collection and delivery of mail-matter.

This was omitted at the time the revision was made, because it was expected to be put in in another connection and in a separate chapter. We now propose to prefix it to the ninth chapter, concerning the carrying of the mails.

The amendment was agreed to.

Mr. SAYLER, of Ohio. The next amendment I have to offer is to section 4654.

The section was as follows:

SEC. 4654. No collector shall grant to any vessel except canal-boats employed in navigating the canals within the United States, whose enrollment or license for carrying on the coasting trade has expired, a new enrollment or license, unless the master of such vessel shall have first rendered a true account to the collector of the number of seamen and the time they have been employed on such vessel, during the continuance of the license which has so expired, and shall have paid to such collector forty cents per month for every such seaman who shall have been employed; which sum the master is hereby authorized to retain out of the wages of such seaman. Whenever the master of any registered, enrolled, or licensed vessel of the United States renders a false account of the number of seamen so employed, or of the length of time they have severally been employed, as is herein required, he shall be liable to a penalty of fifty dollars, which shall be applied to and shall make a part of the general fund created by this title; and all needful regulations for the mode of collecting the sums hereinbefore mentioned shall be prepared under the direction of the Secretary of the Treasury, by such person as by him may be designated.

Mr. SAYLER, of Ohio. I move to amend that section by striking out in line 16 the words "by this title," and inserting in lieu thereof the words "for the relief of sick and disabled seamen."

The amendment was agreed to.

Mr. SAYLER, of Ohio. The next amendment I have to offer is to section 4871.

The section was as follows:

SEC. 4871. The several collectors of the customs shall respectively deposit, without abatement or reduction, the sums collected by them under the provisions of law imposing a tax upon seamen for hospital purposes, with the nearest depositary of public moneys, and shall make returns of the same, with proper vouchers, monthly, to the Secretary of the Treasury, upon forms to be furnished by him. All such moneys shall be placed to the credit of "the fund for the relief of sick and disabled seamen;" of which fund separate accounts shall be kept in the Treasury. Such fund is appropriated, and shall be employed under the direction of the Secretary of the Treasury, for the care and relief of the sick and disabled seamen employed in registered, enrolled, and licensed vessels of the United States.

Mr. SAYLER, of Ohio. I move to amend that section by adding at the end of line 9 the following words: "For the expenses of the marine-hospital service."

The amendment was agreed to.

Mr. SAYLER, of Ohio. The next amendment I have to offer is to section 4873.

The section was as follows:

SEC. 4873. Sick foreign seamen may be admitted to the marine hospitals within the United States, if it can with convenience be done, on the application of the master of any foreign vessel to which any such seaman may belong. Each seaman so admitted shall be subject to a charge of seventy-five cents per day for each day he may remain in the hospital, which shall be paid by the master of such foreign vessel to the collector of the collection district in which such hospital is situated. And the collector shall not grant a clearance to any foreign vessel until the money so due from her master shall be paid. The director of each hospital is hereby directed, under penalty of fifty dollars, to make out the accounts against each foreign seaman that may be placed in the hospital under his direction, and tender the same to the collector.

Mr. SAYLER, of Ohio. I move to amend that section by striking out the word "director" in line 10, and inserting in lieu thereof the words "officer in charge;" so that it will read:

The officer in charge of each hospital is hereby directed, under penalty of fifty dollars, to make out the accounts against each foreign seaman, &c.

The amendment was agreed to.

Mr. SAYLER, of Ohio. I will now ask the Clerk to turn to page 1220, section 4795. It will be recollected that several sections were stricken out at that point, and others inserted in lieu thereof. The second of the sections proposed as a substitute by the committee read, "that if any person referred to in the preceding section has died in the service, or of injuries received, or of disease contracted," &c. The words "in the service," at the suggestion of some one, I do not now remember who, were erased, and it will be found so marked

in the section as the Clerk has it. We have carefully examined that matter since, and find that, with reference to these naval pensions, accruing prior to 1851, those words are everywhere used. They are found in the act of June 30, 1834, and in the act of August 11, 1848, which acts contain the law concerning these naval pensions prior to 1861. The committee are, therefore, of the opinion that those words that were stricken out should be restored. I ask that that be done, that the words "in the service," which were erased, be restored.

It was so ordered.

Mr. MOORE. I have only a few amendments to offer, and shall occupy but a few minutes. One or two things escaped my attention in that portion of the work which I passed over on a former occasion, to which I now wish to call the attention of the House. The first of these is found in section 3654, which I ask the Clerk to read.

The Clerk read as follows:

SEC. 3654. The superintendent of the mint at Dalles City and Carson City, and the superintendent of the assay office at Boise City, shall be assistant treasurers of the United States, and shall respectively have the custody and care of all public moneys deposited within the mint and branches herein named, and shall perform all the duties required of them in reference to the receipt, safe-keeping, transfer, and disbursement of all such moneys, as provided by law.

Mr. MOORE. I move to amend that section by striking out in line 1 the words "Dalles City and;" so that it will read "the superintendent of the mint at Carson City," &c. I move also to strike out in line 5 the words "within the mint and branches herein named," and insert in lieu thereof the word "therein."

I offer these amendments to this section for the reason that the act establishing the mint at Dalles City seems to have been repealed by the act of February 12, 1873, commonly known as the "coinage act."

The SPEAKER *pro tempore*. The Chair desires to ask the gentleman whether the grammatical construction of the section as it would read if amended as he proposes would not be that these officers should have the care of all public moneys deposited in the United States.

Mr. POLAND. It might be construed to apply to the mints.

The SPEAKER *pro tempore*. The Chair merely desired to call attention to that point.

Mr. POLAND. O, it is all right.

Mr. MOORE. As I was remarking, the act establishing the mint at Dalles City was repealed by the act of February 12, 1873, which specifies what shall be known as the mints of the United States, and it does not include that at Dalles City.

The amendment was agreed to.

Mr. MOORE. I move to strike out section 3665, for the reason that that section seems to be superseded by the coinage act.

The section was as follows:

SEC. 3665. The chief and other clerks in the treasury department of the Mint shall give such assistance in the assistant treasury of the United States at Philadelphia, in the receipt, custody, and disbursement of the public money, as may be required of them by the treasurer, with the same responsibility for the faithful performance of such duty as is imposed upon them by the laws in force for the government of the Mint, and of the officers and clerks thereof. The treasurer of the Mint, as assistant treasurer at Philadelphia, may designate, from among the clerks in his office, one to act as chief clerk to the assistant treasurer.

The amendment was agreed to.

Mr. MOORE. The next amendment I have to offer is to section 3821.

The section was as follows:

SEC. 3821. The Congressional Printer shall hold his office for the term of two years, commencing with the first day of each Congress; shall receive a salary at the rate of $4,000 a year, and shall give bond, for the faithful discharge of his duties, in the penal sum of $20,000, with two sureties to be approved by the Secretary of the Interior.

Mr. MOORE. I move to amend that section by striking out the words "shall hold his office for the term of two years, commencing with the first day of each Congress."

The reason for this amendment is found in the fact that the act of February 22, 1867, creating the office of Congressional Printer, simply provides that that officer shall be chosen by the Senate, but it makes no provision whatever as to the length of time for which he shall serve. It is true the Superintendent of Public Printing, the officer who was superseded by the Congressional Printer, held his office for the term of two years. But, as already stated, the act creating the office of Congressional Printer makes no provision whatever as to any definite term. Accordingly the present incumbent of that position, as I understand, has held it ever since his first election by the Senate, shortly after the passage of the act, and I presume will continue to hold it until the Senate shall choose a successor.

Mr. LAWRENCE. He holds it at the pleasure of the Senate.

Mr. MOORE. Yes, sir.

Mr. POLAND. He is an officer of the Senate.

The amendment was agreed to.

Mr. MOORE. I move to strike out section 3879, on page 984.

The section was as follows.

SEC. 3879. The Congressional Printer shall not be allowed credit at the Treasury for payments on account of services rendered in the Government Printing Office at higher prices than those paid for similar services in the private printing and binding establishments in the city of Washington.

Mr. MOORE. That section is simply a proviso to section 3 of the joint resolution of June 23, 1860, in relation to public printing. I think it was clearly repealed by the act of July 20, 1868, which authorizes the Congressional Printer to secure employés at such rates as are for the interest of the Government and will be just to those employed; which provision I find embraced in section 3825 of this revision.

The motion to strike out was agreed to.

Mr. MOORE. These are all the amendments which are deemed to be necessary in that portion of the work which I have examined, and therefore I have nothing further to offer.

Mr. POLAND. I have an amendment to move to section 1813.

The section referred to was as follows;

SEC. 1813. The Secretary of the Interior shall pay to the District of Columbia the just proportion of the expense incurred in improving any avenue, street, or alley passing by or through any property of the United States, which such property bears to the whole cost thereof; and such proportion shall be ascertained in the same manner as such cost is apportioned among the individual proprietors of the property improved thereby; but such payments shall be made only upon vouchers approved by the engineer in charge of public buildings and grounds of the District, after full examination and measurement of said improvements and the approval of the prices claimed therefor; and the board of public works of said District are prohibited from incurring or contracting further liabilities on behalf of the United States in the improvement of streets, avenues, and reservations beyond the amount of appropriations previously made by Congress, and from entering into any contract touching such improvements on behalf of the United States except in pursuance of appropriations made by Congress.

Mr. POLAND. I move to strike out all of the first part of the section down to the words "the board of public works;" also to strike out the word "further," in the latter part of the section before the word "liabilities;" so that the section, as amended, will read as follows:

The board of public works of said District are prohibited from incurring or contracting liabilities on behalf of the United States in the improvement of streets, avenues, and reservations beyond the amount of appropriations previously made by Congress, and from entering into any contract touching such improvements on behalf of the United States except in pursuance of appropriations made by Congress.

The amendment was agreed to.

Mr. POLAND. I move to strike out sections 3154 and 3155, because they are both included in the next section.

The sections referred to were as follows:

SEC. 3154. If any person shall conceal or buy any merchandise, knowing it to be liable to seizure by this title, he shall forfeit and pay a sum double the value of the merchandise so concealed or purchased.

SEC. 3155. If any person shall receive, conceal, or buy any merchandise, knowing it to have been illegally imported into the United States, and liable to seizure by virtue of any act in relation to the revenue, such person shall forfeit and pay a sum double the amount or value of the merchandise so received, concealed, or purchased.

The motion to strike out was agreed to.

Mr. POLAND. The next amendment is to section 3166.

The section was as follows:

SEC. 3166. Except into the districts hereinbefore described on the northern, northwestern, and western boundaries of the United States, adjoining to the Dominion of Canada, no merchandise of foreign growth or manufacture, subject to the payment of duties, shall be brought into the United States from any foreign port in any other manner than by sea, nor in any vessel of less than thirty tons burden, agreeably to the admeasurement directed for ascertaining the tonnage of vessels; or landed or unladen at any other port than is directed by this title, under the penalty of seizure and forfeiture of all such vessels, and of the merchandise imported therein, landed or unladen in any other manner.

Mr. POLAND. I move to insert after the words "Dominion of Canada" the words "or into the district adjacent to Mexico."

The amendment was agreed to.

Mr. POLAND. I move to strike out section 2499 as amended on a former evening.

The section as amended was as follows:

SEC. 2499. The equipments, or any part thereof, including boats purchased for, or the expenses of repairs made in a foreign country upon, a vessel enrolled and licensed under the laws of the United States to engage in the foreign and coasting trade on the northern, northeastern, and northwestern frontiers of the United States, or a vessel intended to be employed in such trade, shall, on the first arrival of such vessel in any port of the United States, be liable to entry and the payment of an *ad valorem* duty of 50 per cent. on the cost thereof in such foreign country; and if the owner or owners or masters of such vessel shall willfully and knowingly neglect or fail to report, make entry, and pay duties as herein required, such vessel, with her tackle, apparel, and furniture, shall be seized and forfeited. But the owner or master of a vessel enrolled and licensed or intended to be enrolled and licensed to engage in the foreign and coasting trade on the northern, northeastern, and northwestern frontiers, shall furnish good and sufficient evidence that such vessel, while in the regular course of her voyage, was compelled, by stress of weather or other casualty, to put into a foreign port and purchase equipments, or make repairs, to secure the safety of the vessel to enable her to reach her port of destination, then it shall be competent for the Secretary of the Treasury to remit or refund duties thereon, and such vessel shall not be liable to forfeiture. And no license, or enrollment and license, or renewal of either, shall hereafter be issued to any such vessel, until the collector to whom application is made for the same shall be satisfied, from the oath of the owner or master, that all such equipments and repairs, made within the year immediately preceding such application, have been duly accounted for under the provisions of this section, and the duties accruing thereon duly paid; and if such owner or master shall refuse to take such oath, or take it falsely, the vessel shall be seized and forfeited.

Mr. POLAND. That section, together with the amendment, is found in another place in this revision.

The motion to strike out was agreed to.

Mr. POLAND. The next amendment is in the first part of section 2500.

That portion of the section was as follows:

SEC. 2500. There shall be levied, collected, and paid upon all articles mentioned in the following schedules, imported from foreign countries, the rates of duty which are by the schedules respectfully prescribed: *Provided*, That on the goods, wares, and merchandise in this section enumerated and provided for, imported from foreign countries, there shall be levied, collected, and paid only 90 per cent. of the several duties and rates of duty imposed by the said schedules upon said articles severally, that is to say.

Mr. POLAND. The amendment is to strike out the word "following" before the word "schedules" where it first occurs, and to insert after that word "schedules" the words "contained in the next section;" so that it will read, "articles mentioned in the schedules contained in the next section," &c.

The amendment was agreed to.

Mr. POLAND. The next amendment is in the paragraph of the same section relating to "wools, hair of the alpaca," &c.

The paragraph referred to was as follows:

On all wools, hair of the alpaca, goat, and other animals, and all manufactures wholly or in part of wool or hair of the alpaca and other like animals, except as hereinafter provided.

Mr. POLAND. The amendment is to strike out the words "as hereinafter provided," at the end of the paragraph, and to insert "umbrellas, parasols, and sunshades covered with silk or alpaca." The words "as hereinafter provided" were used in the act, but as placed here they are perfectly meaningless. It becomes necessary to state what was "hereinafter provided" in that statute in order to make it intelligible.

The amendment was agreed to.

Mr. POLAND. The next amendment is in the paragraph of the same section, relative to paper.

The paragraph referred to was as follows:

On all paper, and manufactures of paper, excepting unsized printing-paper, books and other printed matter, not herein specifically provided for.

Mr. POLAND. The amendment is to strike out the words "not herein specifically provided for," and to insert in lieu the words "and except sized or glued paper suitable only for printing-paper."

The amendment was agreed to.

Mr. POLAND. I also move to amend the same section by inserting before the words "Schedule A" the words "section 2501;" so that Schedule A will begin a new section.

The amendment was agreed to.

Mr. POLAND. The next amendment is to the paragraph on page 608, relating to leather.

The paragraph referred to was as follows:

Leather, japanned, patent or enameled, and leather of all kinds not otherwise provided for, 35 per cent. *ad valorem*.

Mr. POLAND. The amendment is to insert after the word "leather" at the beginning of the paragraph the words "and skins;" also to strike out the words "and leather of all kinds not otherwise provided for;" so that it will read:

Leather and skins, japanned, patent or enameled, 35 per cent. *ad valorem*.

The amendment was agreed to.

Mr. POLAND. The next amendment is in section 2529, in the paragraph establishing collection districts in the State of Connecticut. I move to amend the line relating to Stonington so that it will read, "in the district of Stonington, a collector who shall reside at Stonington."

The amendment was agreed to.

Mr. POLAND. I move to amend section 2709, relating to the compensation of surveyors of ports, by striking out the word "Stonington" in line 9 as printed.

The amendment was agreed to.

Mr. POLAND. I move to amend section 2673 by inserting "Minnesota" after the word "Idaho."

The amendment was agreed to.

Mr. POLAND. I move to amend section 2651 by striking out the word "before" at the end of line 20, and inserting the word "elsewhere;" so that the phrase will read, "not elsewhere enumerated."

The amendment was agreed to.

Mr. POLAND. I move to amend section 2652 by striking out after the words "naval officer" these words:

The latter paying one-third of the expense of the necessary stationery, and of the rent of an office to be provided by the collector, at the place assigned for his residence, and as conveniently as may be for the trade of the district; except the expense of fuel, office rent, and necessary stationery for the collectors of Salem and Beverly, Boston and Charlestown, New York, Philadelphia, Charleston, Baltimore, Norfolk and Portsmouth, which shall be paid, three-fourths by the collectors, and the other fourth by the respective naval officers in those districts.

So that the section will read as follows:

SEC. 2652. Where a naval officer is appointed to the same port, the fees allowed by the preceding section shall be equally divided between the collector and the naval officer, and all fees shall, at the option of the collector, be either received by him or by the naval officer, the party receiving to account monthly with the other for his share thereof.

The amendment was agreed to.

Mr. POLAND. I move to amend by striking out section 2848, as follows:

SEC. 2848. When any merchandise is intended to be imported from any foreign country into the port of Columbus in Mississippi, such merchandise may, so long as Columbus is continued as a port of delivery, be entered at the port of Mobile and thereafter transported to Columbus, upon compliance with sections 2853 to 2859, inclusive.

The amendment was agreed to.

Mr. POLAND. I move to amend section 2820 by inserting after the word "vessels," in the first line, the words "engaged in the foreign and coasting trade on the northern, northeastern, and northwestern frontiers of the United States;" so that the section will read as follows:

SEC. 2820. Enrolled or licensed vessels engaged in the foreign and coasting trade on the northern, northeastern, or northwestern frontiers of the United States, departing from or arriving at a port in one district to or from a port in another district, and also touching at intermediate foreign ports, shall not thereby become liable to the payment of entry and clearance fees or tonnage tax, as if from or to foreign ports; but such vessels shall, notwithstanding, be required to enter and clear.

This section as it stands seems to be a general provision, while in fact it should be limited.

The amendment was agreed to.

Mr. POLAND. I move to amend section 2938 by adding thereto a proviso, so that the section will read as follows:

SEC. 2938. All additions made to the entered value of merchandise for charges shall be regarded as part of the actual value of such merchandise, and if such addition shall exceed by 10 per cent. the value declared in the entry, in addition to the duties imposed by law, there shall be collected a duty of 20 per cent. on such value. But nothing contained in this and the preceding section shall apply to long combing or carpet wools costing twelve cents or less per pound, unless the charges so added shall carry the cost above twelve cents per pound, in which case one cent per pound duty shall be added: *Provided*, That this and the preceding section shall not be construed as impairing the provisions relating to duties on the several classes of imported wool contained in section —, under Schedule L.

The amendment was agreed to.

Mr. POLAND. I move to amend by striking out section 3891, which is a duplicate of section 208.

Section 3891 was as follows:

SEC. 3891. Whenever official notice is received at the Department of State that any amendment proposed to the Constitution of the United States has been adopted according to the provisions of the Constitution, the Secretary of State shall forthwith cause the amendment to be published in the newspapers authorized to promulgate the laws, with his certificate, specifying the States by which the same may have been adopted, and that the same has become valid, to all intents and purposes, as a part of the Constitution of the United States.

The amendment was agreed to.

Mr. POLAND. I move to amend section 3795 by striking out at the end the following clause:

Every officer of the Government who knowingly violates the provisions of this section shall be deemed guilty of a misdemeanor, and shall be fined $2,000 and imprisoned not less than six months nor more than two years.

So that the section will read as follows:

SEC. 3795. No contract shall be entered into for the erection, repair, or furnishing of any public building, or for any public improvement which shall bind the Government to pay a larger sum of money than the amount in the Treasury appropriated for the specific purpose.

The amendment was agreed to.

Mr. POLAND. I move to amend by striking out section 5552, which is a duplicate of section 3232.

Section 5552 was as follows:

SEC. 5552. Every officer or agent, appointed or acting under the authority of any revenue law of the United States, who is guilty of any extortion or willful oppression under color of law, or who knowingly demands other or greater sums than authorized by law; or who receives any fee, compensation, or reward for the performance of any duty, except as by law prescribed; or who willfully neglects to perform any of the duties enjoined on him by law; or who conspires or colludes with any other person to defraud the United States; or who makes opportunity for any person to defraud the United States; or who does, or omits to do, any act with intent to enable any other person to defraud the United States; or who negligently or designedly permits any violation of the law by any other person; or who makes or signs any false entry in any book, or makes or signs any false certificate or return in any case where he is by law or regulation required to make any entry, certificate, or return; or who, having knowledge or information of the violation of any revenue law by any person, or of fraud committed by any person against the United States under any revenue law, fails to report, in writing, such knowledge or information to his next superior officer and to the Commissioner of Internal Revenue; or who demands, or accepts, or attempts to collect, directly or indirectly, as payment, or gift, or otherwise, any sum of money, or other thing of value, for the compromise, adjustment, or settlement of any charge or complaint for any violation or alleged violation of law, except as expressly authorized by law so to do, shall be dismissed from office, and shall be fined not less than $1,000 nor more than $5,000, and imprisoned not less than six months nor more than three years. And one-half of the fine so imposed shall be for the use of the United States, and the other half for the use of the informer, who shall be ascertained by the judgment of the court; and the court shall also render judgment against such officer or agent for the amount of damages sustained in favor of the party injured, to be collected by execution.

The amendment was agreed to.

Mr. POLAND. I move to amend section 5391 by adding these words: "and every such person, being thereof convicted, shall suffer death;" so that the section will read as follows:

SEC. 5391. Every person who knowingly aids, abets, causes, procures, commands, or counsels another to commit any murder, robbery, or other piracy upon the seas, is an accessory before the fact of such piracies; and every person, being thereof convicted, shall suffer death.

The amendment supplies a clerical omission, which will be found pointed out in the chapter of errata.

The amendment was agreed to.

Mr. POLAND. I move to amend by adding a proviso to section 2771, so that the section will read as follows:

SEC. 2771. The President may from time to time cause such of the revenue-cutters as have become unfit for further service to be sold; and the proceeds shall be paid into the Treasury: *Provided*, That the Secretary of the Treasury may apply in the purchase or construction of revenue-cutters any unexpended balance of the proceeds of revenue-cutters sold by him under the authority of section 2 of the act of the 20th of April, 1866, chapter 63.

The amendment was agreed to.

Mr. POLAND moved also to amend by striking out section 3138, as follows:

SEC. 3138. It shall be lawful for any officer of the revenue to go on board of any vessel, whether she shall be within or without his district, and the same to inspect, search, and examine; and if it shall appear that any breach of the laws of the United States has been committed, whereby such vessel, or the merchandise on board, or any part thereof, is or are liable to forfeiture, to make seizure of the same.

The amendment was agreed to.

Mr. POLAND moved further to amend by striking out sections 3001 and 3002, as follows:

SEC. 3001. All brandy imported in casks of a capacity less than ninety gallons shall be deposited, at the expense and risk of the importer, in such public or other warehouses as shall be designated by the collector or surveyor for the port where the same shall be landed.

SEC. 3002. All kinds of imported wine may be put into the custom-house stores, under the bond of the importer or owner; no wines, however, shall be so deposited unless in the casks or bottles as imported.

The amendment was agreed to.

Mr. POLAND moved also to amend by striking out section 3013, as follows:

SEC. 3013. Nothing herein contained shall be understood to prohibit the sale of such quantities of merchandise so stored as may be necessary to discharge the duties thereon, at the time or times when such duties shall become due and payable.

The amendment was agreed to.

Mr. POLAND. I move to amend by striking out at the end of section 3015 these words: "nothing herein contained is intended to modify the laws in relation to pickled fish or refined sugar;" so that the section will read as follows:

SEC. 3015. No merchandise subject to duty shall be entered for drawback or exported for drawback after it is withdrawn from the custody of the officers of the customs.

The amendment was agreed to.

Mr. POLAND. The next amendment is to section 2596, to strike out in line 9 of that section the words "and Duncan City a port of delivery."

The amendment was agreed to.

Mr. POLAND. I move to amend by striking out section 4279. That section, as we have already amended it, is a duplicate of section 2819.

The section was as follows:

SEC. 4279. Vessels used exclusively as ferry-boats, carrying passengers, baggage, goods, wares, and merchandise, shall not be required to enter and clear, nor shall the masters or persons in charge of such vessels be required to present manifests, or to pay entrance or clearance fees or fees for receiving or certifying manifests.

The amendment was agreed to.

Mr. POLAND. I move to amend by striking out sections 4275 and 4276, which are both covered by section 4051.

The sections proposed to be struck out were as follows:

SEC. 4275. No vessel arriving at any port within the United States where a post-office is established, shall be permitted to report, make entry, or break bulk, until the master shall have delivered to the postmaster all letters directed to any person within the United States, or Territories thereof, which, under his care, or within his power, are brought in such vessel, except such as are directed to the owner or consignee of the vessel.

SEC. 4276. It shall be the duty of the collector or other officer of the port empowered to receive entries of vessels, to require from every master of such vessel an oath, purporting that he has delivered all such letters, except as above mentioned; and every commander or master of any such vessel who breaks bulk before he has complied with the requirements of this section shall be liable to a penalty of not exceeding $100.

The amendment was agreed to.

Mr. POLAND. I move, on page 1141, to strike out section 4525.

The SPEAKER *pro tempore*. That has already been done.

Mr. POLAND. I move on page 785, section 3185, in line 2, after the word "any" to insert "such;" so it will read, "on board any such vessel." As it stands here it would seem to be a general provision, while it refers to a particular class of vessels provided for in the preceding section.

The amendment was agreed to.

Mr. POLAND. I now move an amendment which I am glad to propose as an additional title.

The Clerk read as follows:

REPEAL PROVISIONS.

SEC. —. The foregoing seventy-three titles embrace the statutes of the United States, general and permanent in their nature, in force on the 1st day of December, 1873, as revised and consolidated by commissioners appointed under an act of Congress, and the same shall be designated and cited as The Revised Statutes of the United States.

SEC. —. All acts of Congress passed prior to said 1st day of December, 1873, any portion of which is embraced in any section of said revision, are hereby repealed, and the section applicable thereto shall be in force in lieu thereof; all parts of such acts not contained in such revision having been repealed or superseded by subsequent acts, or not being general and permanent in their nature: *Provided*, That the incorporation into said revision of any general and permanent provision taken from an act making appropriations, or from an act containing other provisions of a private, local, or temporary character, shall not repeal or in any way affect any appropriation or any provision of a private, local, or temporary character contained in any of said acts, but the same shall remain in force; and all acts of Congress passed prior to said last-named day, no part of which are embraced in said revision, shall not be affected or changed by its enactment.

SEC. —. The repeal of the several acts embraced in said revision shall not affect any act done, or any right accruing or accrued, or any suit or proceeding had or commenced in any civil cause before the said repeal; but all rights and liabilities under said acts shall continue, and may be enforced in the same manner as if said repeal had not been made; nor shall said repeal in any manner affect the right to any office, or change the term or terms thereof.

SEC. —. All offenses committed and all penalties or forfeitures incurred under any statute embraced in said revision prior to said repeal may be prosecuted and punished in the same manner and with the same effect as if said repeal had not been made.

SEC. —. All acts of limitation, whether applicable to civil causes and proceedings or to the prosecution of offenses, or for the recovery of penalties or forfeitures, embraced in said revision and covered by said repeal, shall not be affected thereby, but all suits, proceedings, or prosecutions, whether civil or criminal, for causes arising or acts done or committed prior to said repeal, may be committed and prosecuted within the same time as if said repeal had not been made.

SEC. —. The arrangement and classification of the several sections of the revision have been made for the purpose of a more convenient and orderly arrangement of the same, and therefore no inference or presumption of a legislative construction is to be drawn by reason of the title under which any particular section is placed.

SEC. —. The enactment of the said revision is not to affect or repeal any act of Congress passed since the 1st day of December, 1873, and all acts passed since that date are to have full effect as if passed after the enactment of this revision, and so far as such acts vary from or conflict with any provision contained in said revision, they are to have effect as subsequent statutes, and as repealing any portion of the revision inconsistent therewith.

Mr. POLAND. Mr. Speaker, we have offered these provisions so as to guard against every possible harm which can arise to anybody. It may be possible some provision of law has escaped everybody's search. The commissioners went over this work for three years, and Mr. Durant reviewed it all, and after the thorough search our committee have made into it, they do not believe any important provision of law has been omitted in this revision; but it is possible, with all our care something may have been omitted. We have, therefore, in drawing these provisions, provided no man's right shall be affected by this repeal in any manner or form, or any public right, so if it should turn out some provision of law has escaped our reading and been omitted in this revision, it will not affect any man's right, but will be only a loss of so much statute law. We think there is no danger in adopting these provisions, which have been most carefully and thoroughly considered.

Mr. LOUGHRIDGE. I ask the gentleman from Vermont if he proposes now to adopt the bill finally.

Mr. POLAND. Yes, sir.

Mr. LOUGHRIDGE. I would suggest that these sections should be printed. They are very important, and the members of the House should have the opportunity of examining them. I do not see why it would not be better to give us an opportunity to know what we are doing. What objection would there be to that?

Mr. POLAND. I would state that the only objection there is to it is that we have already taken a great deal of time. We had more faith in our own diligence than we had in that of the body of those who review our work. And although we have been as industrious we think as it is possible for men to be, and to be at the same time thorough in our work, we have already got somewhere near, as I hope, the end of this session. It will take a considerable time to prepare this bill to have it go to the Senate. And our work, as my friend will see, is not final. It has all to be reviewed by another body, and it is very important indeed that we should get it to them. And I would now like to ask my friend if we should have these sections printed how many members of this House does he think will ever read them?

Mr. LOUGHRIDGE. I hope all the membrs of this House will do so.

Mr. POLAND. I would hope every member of the House would read this entire revision and give their attention to it; but I scarcely expect they will.

Mr. LOUGHRIDGE. I know of one member who would wish to examine carefully these general sections.

Mr. POLAND. I cannot think that the time that would be wasted in getting this printed, now that we are very anxious to get the bill to the other House that they may go through with it at this session, would be at all compensated for by the attention which members would give to it.

The committee have drawn these sections with very great care. We have consulted a great number of statutes of different States, embracing provisions that they have made applicable to their revisions; and have gone something beyond all the provisions that we were able to find in any of the State statutes, for the purpose of observing the utmost care that there should not be any danger that any right could be injured that any man had; and I hope my friend will be satisfied that it will be safe for this House to adopt them without creating any further delay.

Mr. LOUGHRIDGE. There is not any gentleman in this House or in this Congress in whom I have more confidence than I have in the gentlemen who have done this work. But there are no men so intelligent, there are no men so talented, there are no men so able, but that other gentlemen might make suggestions that might be valuable. It does seem to me that in a matter so important as this there ought to be a vote of the House; it does seem to me that in a matter so important as the passage of a law of this kind there ought to be a vote of something like a quorum of the House.

Now, these general sections at the end of the revision are very important. I speak only for myself when I say that I should like to have the opportunity of examining them more at leisure than could be done by hearing them read at the desk. I think they ought to be printed. It would not delay the passage of the bill, and a vote could be taken in the House at any time. It would not cost more than one or two days' delay.

Mr. POLAND. It would delay us a week.

Mr. E. R. HOAR. I would suggest to the gentleman that to meet his view we would have to see every individual member of the House and learn whether he had looked over these sections and was entirely satisfied. They have been the most anxious subject of consideration, perhaps, of anything that has been before the committee. They were prepared some weeks ago, and have been brought up for consideration again and again. Every sentence in them has been weighed carefully, and all the suggestions that have been made have been listened to with the sole purpose of making them as nearly perfect as possible. And they have been prepared, as the chairman of the committee has said, with the aid of the general sections of the revisions of a

great number of the States of the Union which have revised their statutes, and have had this very same thing to guard against in their revision. We have gone over them sentence by sentence and made them as perfect as we can.

We see no good reason for delay, in order to bring this up at another time in the House, when we have no cause to doubt that it will be perfectly satisfactory to the House. If we had supposed that it was the desire of any gentleman to examine these sections, we would have been glad to have him do so, because we wanted all the assistance we could get. But the whole work is to go before the Senate, and if any gentleman finds anything that requires amendment, it will be perfectly easy for him to make a suggestion, and I am satisfied that the object of every member of the House and every member of the Senate is the same—and that is the object with which we started in the beginning of the session, to endeavor to reduce to this one volume what was the general public statute law of the United States on the first day of this session; and at the same time that nothing herein contained shall affect the right of any man, public or private; but that this shall stand as the law as it then was. And we have put into as clear language as the committee could frame the declaration of that purpose in these sections, having got a good deal of aid from the similar attempts of other legislative bodies.

Mr. LOUGHRIDGE. Have these sections been printed?

Mr. POLAND. They have not.

Mr. LOUGHRIDGE. I would not like to urge anything which the gentlemen who have charge of this work think would delay it materially. Still it is a matter of so great importance that I think there ought to be a vote of the House upon it. And I think these sections ought to be printed before final action by the House, but I do not desire to set up my judgment against that of the gentlemen who have the work in charge.

Mr. SAYLER, of Ohio. The House has been notified that this was the final evening, and that the work was to be completed to-night.

Mr. LOUGHRIDGE. We do not pass an ordinary bill, generally, without having it printed; we print everything, even ordinary pension bills; an amendment to an ordinary bill is printed.

Mr. SAYLER, of Ohio. We have adopted all the amendments to this bill without having them printed, and at sessions where there was no larger attendance than there is now.

The SPEAKER *pro tempore*. The Chair is not at this moment aware of any parliamentary method in which this revision can be brought up in the House. The House has, by unanimous consent, directed this business to be performed at these evening sessions, and the Chair knows of no method by which any portion of this bill, or any single amendment, can be brought before the House at a day session. Of course, any gentleman has a right to insist on a quorum being present before anything is done here, but the Chair does not know of any mode in which this bill can be brought into the House in the day-time, except by a report from the committee *de novo* and a new reading of the bill.

Mr. LOUGHRIDGE. In deference to the views of other gentlemen, I withdraw my objection.

The SPEAKER *pro tempore*. The Chair has given some reflection to the matter, but does not see any other mode. Of course after the passage of the bill any gentleman might move to reconsider; but the motion to reconsider would require, under the order the House has made, to be dealt with at an evening session. The only possible way of getting a vote on the bill in a full House would be for some gentleman to insist on the point that a quorum is not present, and in that case there would have to be a call of the House, and members would have to be brought in here in the evening.

Mr. LOUGHRIDGE. I withdraw my suggestion.

The amendment was agreed to.

Mr. POLAND. I now move the previous question on the bill.

The previous question was seconded and the main question ordered; and under the operation thereof the bill, as amended, was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

Mr. POLAND moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

Mr. RANDALL. I move that the House do now adjourn.

The motion was agreed to; and accordingly (at nine o'clock p. m.) the House adjourned.

PETITIONS, ETC.

The following memorials, petitions, and other papers were presented at the Clerk's desk, under the rule, and referred as follows:

By Mr. BELL: The memorial of Catharine Laud, praying for arrears of pension, to the Committee on Invalid Pensions.

By Mr. BIERY: The petition of citizens of Conshohocken, Montgomery County, Pennsylvania, in opposition to the imposition of a tariff duty on tea and coffee, in opposition to any increase of internal taxes, and in favor of the repeal of the second section of the act of June 6, 1872, which reduced by 10 per cent. the duties on foreign imports, to the Committee on Ways and Means.

Also, three petitions of citizens of Allentown, Pennsylvania, of similar import, to the same committee.

Also, the petition of 79 workingmen in the foundery and machine departments of the Allentown Rolling-Mills, of similar import, to the same committee.

Also, the petition of citizens of Allentown and Mauch Chunk, of similar import, to the same committee.

By Mr. HALE, of New York: The memorial of James Rogers and 367 others, remonstrating against reduction of duties on steel, to the Committee on Ways and Means.

By Mr. LOWNDES: The petition of George P. Remsberg, of Frederick, Maryland, for relief for loss of his son's arm from firing of provost guard, to the Committee on War Claims.

By Mr. NEAL: The petition of Louisa Thomas, widow of Cyrus Thomas, Company E, One hundred and seventy-sixth Ohio Volunteers, praying for a pension, to the Committee on Invalid Pensions.

By Mr. RANSIER: The petition of John F. Porteous, of Beaufort, South Carolina, praying for relief, to the Committee on War Claims.

By Mr. SCOFIELD: The memorial of Frank Bell, late first lieutenant and captain of Company I, First Rifles, Pennsylvania Reserves, requesting pay for horse and equipments lost in action while acting as adjutant of the Bucktail Battalion, to the Committee on Military Affairs.

By Mr. SENER: The memorial of Thomas B. Hunton, of Northumberland County, Virginia, praying relief for losses during the rebellion, to the Committee on War Claims.

Also, the petition of John D. Elder, of Fredericksburgh, Virginia, praying relief for losses incurred during the late rebellion, to the same committee.

By Mr. SHELDON: Papers in the matter of John M. Burrows, petitioning for relief, to the Committee on War Claims.

By Mr. SMITH, of Ohio: The petition of citizens of Clinton County, Ohio, on the subject of the liquor traffic, to the Committee on the Judiciary.

By Mr. WILLIAMS, of Indiana: The petition of Alexander Moffitt, praying for relief, to the Committee on War Claims.

By Mr. WILSHIRE: The petition of citizens of Arkansas, praying for the passage of the bill granting lands to the Saint Louis, Springfield and Little Rock Railroad, to the Committee on the Public Lands.

By Mr. WOODFORD: Resolution of the common council of the city of Brooklyn, memorializing Congress against granting lands of the General Government in the Wallabout, at Brooklyn, to any private corporations, &c., to the Committee on Naval Affairs.

IN SENATE.

THURSDAY, *April* 2, 1874.

Prayer by the Chaplain, Rev. BYRON SUNDERLAND, D. D.

The Journal of yesterday's proceedings was read and approved.

HOUSE BILL REFERRED.

The bill (H. R. No. 2782) to extend the time to pre-emptors on the public lands in the State of Minnesota to make final payment was read twice by its title, and referred to the Committee on Public Lands.

DEVELOPMENT OF MINING RESOURCES.

The PRESIDENT *pro tempore* laid before the Senate the amendment of the House of Representatives to the bill (S. No. 16) supplemental to the act entitled "An act to promote the development of the mining resources of the United States," approved May 10, 1872.

Mr. SARGENT. I move that the bill, with the amendment of the House of Representatives, be referred to the Committee on Mines and Mining.

The motion was agreed to.

LOUISVILLE AND PORTLAND CANAL.

The PRESIDENT *pro tempore* laid before the Senate the amendment of the House of Representatives to the bill (S. No. 350) providing for the payment of the bonds of the Louisville and Portland Canal Company.

Mr. THURMAN. I move that the Senate disagree to the amendment of the House, and ask for a committee of conference.

Mr. HAMLIN. That is a very important question. The bill passed this body without any discussion, and I think it should not now be referred to a committee of conference until the Senate shall have some understanding about it.

Mr. THURMAN. I was going to present two memorials on the subject; and when I shall have done that I will yield to whatever may be the wish of the Senate.

Mr. HAMLIN. I do not mean to express any objection. I simply think that this is a matter that the Senate ought to pass upon before it goes to a committee of conference. The House amendment should either be referred to the committee that originally reported the bill or an opportunity should be had to discuss it in the Senate.

Mr. SARGENT. I think it ought to go upon the Calendar and the Senate should have an opportunity to pass upon the question. I have no objection, however, to referring the amendment of the House to the committee that originally reported the bill, if that be desired.

Mr. HAMLIN. I have no objection to that; but I do not think the amendment should be agreed to or sent to a committee of conference

without some discussion and a fair understanding of what the amendment is.

Mr. SHERMAN. I have carefully read the substitute of the House of Representatives. There is only one single point in it on which the Senator from New York [Mr. CONKLING] desires to take the vote of the Senate, and that is the amendment offered by his colleague in the House, [Mr. WHEELER.] With that exception the two bills are almost identical.

Mr. SARGENT. That is a very important amendment.

Mr. SHERMAN. I know it is; but it is an amendment that simply delays the taking possession of the Louisville Canal for two years. That is the main trouble.

Mr. SARGENT. That is very true; but without that amendment we do not know what we are taking possession of. It seems to me that the matter had better be considered in the Senate.

Mr. THURMAN. I wish to present to the Senate some resolutions adopted by the Chamber of Commerce of the city of Cincinnati on this subject, and then I have an observation to make. The resolutions are short, and I can read them probably in as short time as I can state them:

CINCINNATI CHAMBER OF COMMERCE,
Merchants' Exchange, March 28, 1874.

At a regular session of the Cincinnati Chamber of Commerce, held this day, the following preamble and resolutions were unanimously adopted:

"Whereas we learn from the dispatches from Washington that members of the Committee on Commerce are not favorable to the Government taking possession of the Louisville and Portland Canal until further legislation on the part of the State of Kentucky; and whereas the action of the Kentucky Legislature heretofore was intended to and does cede the property to the United States upon the sole condition that the debts be provided for; and whereas we have good reason to believe that objection to immediate action on the part of Congress is inspired directly or indirectly by parties at Louisville who gain advantages by retaining control of the canal; and whereas the Kentucky Legislature will not meet again for two years, and the commerce of the Ohio River having already been too long oppressed by the heavy tolls collected on a canal owned virtually by the Government of the United States: Therefore,

"*Resolved by the Cincinnati Chamber of Commerce*, That simple justice to the commerce of the Ohio Valley requires that the Government should take immediate possession of the canal and reduce the tolls.

"*Resolved*, That copies of these proceedings be transmitted to our Representatives from this county, and also to Senators SHERMAN and THURMAN."

S. F. COVINGTON,
President.

I also present the following resolution, adopted by the same chamber of commerce yesterday:

Senator SHERMAN or THURMAN:

At the regular meeting of the Cincinnati Chamber of Commerce, held this day, the following preamble and resolution were unanimously adopted, and I was instructed to telegraph the same to the Senators from Ohio:

"Whereas the effect of the Wheeler amendment, embodied in the House bill, providing for the control of the Louisville and Portland Canal by the Government of the United States, insures the continuance of the existing oppressive toll for two years at least; and whereas the charge of fifty cents per ton for passing through the canal is especially oppressive, in view of the fact that freights are carried by water from the city to New Orleans at two to four dollars per ton: Therefore,

"*Resolved by the Cincinnati Chamber of Commerce*, That the United States Senate be, and it is hereby, respectfully requested, in behalf of the commerce of the Ohio and Mississippi Rivers and tributaries, and in advancement of the cause of cheap transportation, to reject the amendment ingrafted upon the bill on motion of Mr. WHEELER, and cause the same to be passed in such a shape as to insure the immediate control of the canal by the Government and a reduction of the tolls, so as to place this improvement on an equal footing with other canals controlled by the United States."

Very respectfully,

S. F. COVINGTON,
President.

Mr. President, I am totally at a loss to understand the opposition to this bill. I do not know any subject that has been more thoroughly discussed in the Senate except some subject of great public character and importance; and this may be said to be a subject of that kind, because it affects the commerce of the entire Ohio Valley, and to a large extent that of the Mississippi Valley. Why there should be any opposition, the Government owning all the stock of this company but $500—I believe that is true——

Mr. SHERMAN. Yes, sir.

Mr. THURMAN. And the objection being of the merest technical character in the world, such as in a suit between individuals no court of equity would regard for one moment; why the commerce of that valley should continue to be burdened with a tax of fifty cents a ton, when it is admitted on all hands that ten cents a ton would be amply sufficient to keep the canal in perfect repair, is past my comprehension; and why this objection should come as it does from quarters in nowise interested in this subject, I really do not understand.

Mr. MORRILL, of Vermont. May I ask the Senator from Ohio if ten cents a ton will keep the canal in repair, and pay the interest on a million and a quarter of dollars that the Government will be required to pay in order to obtain possession of the bonds—the indebtedness of the canal company?

Mr. THURMAN. I cannot answer that question, for I am not as well advised about it as my colleague is who has looked more into the figures; but certainly it requires nothing like fifty cents, nor the half of fifty cents, a ton to pay the interest as well as to keep that canal in repair. But it is Government property, and what the Government ought to do, irrespective of what it owes, is to reduce the tolls on that canal to the very lowest sum which will keep it in repair, and then it will have done less for the commerce of the Ohio River than it has done for the commerce of almost any other great water-channel in the United States.

Mr. SHERMAN. I say again that the only difference between the amendment of the House of Representatives and the bill of the Senate is, that upon the motion of a member of the House an amendment was stuck on here requiring the assent of the Legislature of Kentucky to what Kentucky has already assented to; that is, the cession of jurisdiction over this canal. There would be no objection to the adoption of the amendment if the Legislature of Kentucky were in session. If the House had passed this bill when it was sent there from the Senate, the Legislature of Kentucky was then in session and could have promptly given the requisite assent; but the Legislature——

Mr. DAVIS. If the Senator will allow me——

Mr. SHERMAN. Let me finish my sentence. The Legislature of Kentucky has adjourned and will not convene again for two years under their constitution; and in the mean time the commerce of the Ohio River, which, as shown by recent statistics, is more than double the whole commerce of the United States with foreign countries, will be clamped with a tax of fifty cents a ton on every boat-load of coal, salt, and all the interior productions of the country. While I do not object to any reasonable delay that Senators may desire, yet the interests of my constituents are so affected, and the interests of all the States in that region of the country, including Kentucky, (because they are as deeply interested as we are in this matter,) that I hope the Senate will give us a vote upon it. My impression is that by a committee of conference this very objectionable amendment might be retained, but in such a way as not to prevent the taking possession of the canal by the United States. I am inclined to think that a committee of conference would report an amendment which would cover the point of controversy and would receive the unanimous vote of both Houses.

Mr. MORRILL, of Vermont. I suggest to the Senator from Ohio that the Senator from New York, [Mr. CONKLING,] who takes an interest in this matter, is absent, and it had better go over or be placed on the Calendar until that Senator shall be present.

Mr. SHERMAN. I suppose we cannot object to that.

The PRESIDENT *pro tempore*. The matter may be laid aside informally.

Mr. SHERMAN. Let it lie on the table for the present.

The PRESIDENT *pro tempore*. The bill and amendment will lie on the table. Petitions and memorials are now in order.

PETITIONS AND MEMORIALS.

Mr. MORRILL, of Vermont. I present a petition signed by W. S. Johnson, M. D., and three others of the town of Milton, and of two others of the town of Chelsea, Vermont, who ask to have the stamp or proprietary act so altered or regulated as to exempt all physicians in possession of a medical diploma, or being lawfully licensed, from using stamps on any medicine that they may manufacture, vend, or dispose of, and that all pretenders who manufacture and vend a substance called medicine shall use stamps as heretofore and also pay a manufacturing license of ten to fifty dollars and a trading license of twenty or one hundred dollars. I move the reference of this petition to the Committee on Finance.

The motion was agreed to.

Mr. CRAGIN. I present the petition of the survivors of the Polaris; and as it is the practice sometimes to read petitions, I ask consent to briefly refer to this one. The petitioners say:

We parted from the ship in or about latitude 78° 28′ north on the night of the 15th day of October, 1872, and were on the ice floe one hundred and ninety-six days, exposed to all the rigors of an arctic winter, without adequate food, clothing, or shelter, constantly in imminent danger and peril of our lives, expecting never to reach our homes or see our friends; our sufferings, both physical and mental, were terrible, and so great that no language we can use will describe our agony during a long and desolate arctic night, (the sun not appearing for ninety consecutive days.) Once by a heavy swell dashing against the floe during the night of April 19, 1873, we were washed into the sea, and our escape from immediate death was miraculous, and at this time our supply of provisions got so low that we were obliged to be put on an allowance of one-quarter of a pound of bread and two ounces of meat per diem for several months, and at times we suffered greatly from hunger. We were rescued from our perilous position by the Newfoundland steamer Tigress on the 30th day of April, 1873.

We are still suffering in body, our health ruined, our means exhausted, and nothing left to support and sustain us, unless your honorable body grants us relief; and as we were employed by the Government for a voyage full of peril and danger, with a small recompense, to wit, twenty-five dollars per month, (when the pay at that time in the merchant service was forty dollars per month,) and with the assurance of Captain Hall and others interested in getting up the expedition that we should be liberally dealt with by the Government upon our return, if ever, we pray your honorable body to grant us and those other survivors of our expedition such relief and aid as shall be just and proper in the premises. And in this connection we would not forget "Esquimaux Joe" and "Hannah" his wife, who are now invalided, probably permanently, on account of the hardships and exposures of the expedition, and in particular we pray your honorable body that they should be liberally dealt with, as through God we believe we are indebted to them for the preservation of our lives.

In connection with this petition I also present a preamble and resolution adopted by the American Geographical Society, asking that the survivors of the Polaris be paid an extra sum, and also a letter of the Secretary of the Navy on the same subject. I move the reference of all these papers to the Committee on Naval Affairs.

The motion was agreed to.

Mr. SCHURZ presented the petition of Horatio S. Chalmers and others, heirs of John Chalmers, sr., praying indemnification for spoliations committed by the French prior to the year 1801; which was ordered to lie on the table.

Mr. SHERMAN. I present the petition of Mercy Ann Hall, the

widow of Charles F. Hall who died while in the service of the United States in command of the Polaris expedition. The petitioner sets out the services of her husband; that before he died he succeeded in carrying the flag farther north than man had ever before penetrated; that his life has been laid down for the common weal just as if he had fallen in battle; that his death left her destitute with two children, aged respectively seventeen and thirteen years, to support; that he died while in the service of the United States in command of the Polaris expedition. In presenting this petition, I desire simply to say that, in my judgment, a stronger appeal could not be made to the mercy and charity of the Government of the United States. This gentleman died while in the service of the Government upon a most dangerous voyage, leaving a widow and children without means of support. Their case is one that will appeal to the private feelings of any one who knows the circumstances. This petition is not only signed by the lady herself, but by Joseph Henry, Professor Baird, and a number of other gentlemen connected with scientific pursuits, W. T. Sherman, General of the Army, W. W. Corcoran, General Meigs, and a great many other citizens of this city. I move its reference to the Committee on Naval Affairs.

The motion was agreed to.

Mr. GORDON presented a petition of James S. Herron and others, praying that a pension be granted to Fannie M. Herron; which was referred to the Committee on Pensions.

Mr. BOGY presented a resolution of the Legislature of Missouri, in favor of the establishment of a daily mail each way between Cairo, Illinois, and Poplar Bluff, Missouri, over the Cairo, Arkansas and Texas Railroad; which was referred to the Committee on Post-Offices and Post-Roads.

Mr. HAGER presented a resolution of the Legislature of California, in favor of the appointment of a commission to ascertain the amount of property destroyed by Captain Jack's band of Modocs; which was referred to the Committee on Indian Affairs.

REPORTS OF COMMITTEES.

Mr. CHANDLER, from the Committee on Commerce, to whom was referred the bill (S. No. 586) to create a port of delivery at Helena, in the State of Arkansas, reported adversely thereon; and the bill was postponed indefinitely.

He also, from the same committee, to whom was referred the bill (H. R. No. 2692) to change the name of the schooner-yacht Quarantine to Welcome, reported it without amendment.

Mr. RAMSEY. Yesterday the Senate referred to the Committee on Post-Offices and Post-Roads a resolution of the Legislature of Missouri in favor of establishing a daily mail on one of the railroads of that State. The matter belongs entirely to the jurisdiction of the Postmaster-General. I therefore ask that the committee be discharged from the further consideration of the resolution and that it be referred to the Post-Office Department.

The PRESIDENT *pro tempore*. That order will be made.

Mr. RAMSEY. There was also referred to the same committee a memorial of the Legislature of Wisconsin for an increase of mail service. That belongs to the jurisdiction of the Post-Office Department, and I ask that the committee be discharged from its further consideration and that it be referred to the Post-Office Department.

The PRESIDENT *pro tempore*. That order will be made.

Mr. RAMSEY. The Committee on Post-Offices and Post-Roads, to whom was referred the bill (S. No. 123) to provide for the transmission of correspondence by telegraph, have directed me to report it back and to ask to be discharged from the further consideration of the subject.

The PRESIDENT *pro tempore*. The bill will be indefinitely postponed.

Mr. RAMSEY. In lieu of it the committee direct me to report a bill to provide for the transmission of correspondence by telegraph, accompanied with a report, which I ask to have printed.

The bill (S. No. 651) to provide for the transmission of correspondence by telegraph was read and passed to a second reading, and the report was ordered to be printed.

Mr. SAULSBURY. In connection with that report I desire to say, as one member of the Committee on Post-Offices and Post Roads, that I do not concur in it and shall oppose the bill whenever it comes up.

Mr. BUCKINGHAM, from the Committee on Indian Affairs, to whom was referred the bill (S. No. 425) for the restoration to market of certain lands in the Territory of Utah, reported it without amendment.

Mr. PATTERSON, from the Committee on Pensions, to whom was referred the bill (H. R. No. 1228) granting a pension to Mary Storrs, reported it without amendment.

He also, from the same committee to whom was referred the bill (H. R. No. 280) granting a pension to Ann Crane, reported it without amendment.

Mr. FLANAGAN, from the Committee on Post-Offices and Post-Roads, to whom was referred the bill (S. No. 434) referring to the Court of Claims for adjudication and determination the claim of the parties therein named, for the past and future use of Norton's postmarking and post-canceling hand-stamp, and of Robertson's improved hand-stamp, reported it without amendment; and submitted a report thereon, which was ordered to be printed.

Mr. SCOTT, from the Committee on Claims, to whom was referred the petition of Jane M. Rudolph, widow of Captain Thomas C. Rudolph, formerly of the United States revenue marine, praying for a pension, asked to be discharged from its further consideration, and that it be referred to the Committee on Pensions; which was agreed to.

Mr. DAVIS, from the Committee on Claims, to whom was referred the petition of E. M. Dennison, of the District of Columbia, praying for extra compensation as crier of court, from April, 1863, to December, 1865, submitted an adverse report thereon; which was ordered to be printed, and the committee was discharged from the further consideration of the petition.

Mr. FERRY, of Michigan, from the Committee on Post-Offices and Post-Roads, to whom was referred the bill (H. R. No. 753) for the relief of Peter S. Patton, reported it with an amendment; and submitted a report thereon, which was ordered to be printed.

Mr. INGALLS, from the Committee on Pensions, to whom was referred the bill (H. R. No. 1949) granting a pension to Ann M. Brackett, reported it without amendment.

Mr. OGLESBY, from the Committee on Pensions, to whom was referred the bill (H. R. No. 2098) granting a pension to Mrs. Nancy Parkhurst, reported adversely thereon; and the bill was postponed indefinitely.

Mr. PRATT, from the Committee on Pensions, to whom was referred the petition of George W. Trueheart, late private Company F, Sixty-seventh Regiment New York Volunteers, praying an increase of pension, submitted an adverse report thereon; which was ordered to be printed, and the committee was discharged from the further consideration of the petition.

He also, from the same committee, to whom was referred the petition of Elizabeth Davis, a citizen of Maine, praying that she may be restored to a pension on account of the services of her son, William L. Davis, late Company E, Twentieth Regiment Maine Volunteers, submitted an adverse report thereon; which was ordered to be printed, and the committee was discharged from the further consideration of the petition.

He also, from the same committee, to whom was referred the petition of Ira W. Douthart, late of Company D, Thirteenth Regiment Iowa Volunteers, praying to be allowed a pension, submitted an adverse report thereon; which was ordered to be printed, and the committee was discharged from the further consideration of the petition.

PRESIDENTIAL APPROVAL.

A message from the President of the United States, by Mr. O. E. BABCOCK, his Secretary, announced that the President had, on the 26th ultimo, approved and signed the act (S. No. 583) making an appropriation to defray the expenses of the Joint Select Committee to Inquire into the Affairs of the District of Columbia.

COMMENCEMENT OF INCREASED PENSIONS.

Mr. PRATT. The Committee on Pensions, to whom was referred the bill (H. R. No. 2456) to amend an act entitled "An act to revise, consolidate, and amend the laws relating to pensions," approved March 3, 1873, have had the same under consideration, and have directed me to report the same back with an amendment, striking out all after the enacting clause and inserting a substitute. I ask for the present consideration of this bill.

By unanimous consent, the bill was considered as in Committee of the Whole. The amendment of the Committee on Pensions was to strike out all after the enacting clause, and in lieu thereof to insert the following:

That where an increase of pension is provided for in the last clause of section 4 of the act entitled "An act to revise, consolidate, and amend the laws relating to pensions," approved March 3, 1873, the increase therein contemplated, as often as it shall occur, shall commence from the date of the examining surgeon's certificate that first showed increased disability; but all such surgeons' certificates under which an increase of pension is claimed, shall be subject to revision by the Commissioner of Pensions as contemplated in the act of which this is an amendment.

Mr. CONKLING. I wish the Senator to explain to us the effect of this proposition.

Mr. PRATT. I will. The last proviso of section 4 of the general pension law reads as follows:

Provided further, That, except in case of permanent specific disabilities, no increase of pension shall be allowed to commence prior to the date of the examining surgeon's certificate.

Now, as the Senator from New York very well knows, a man is placed on the pension-roll for disability incurred in the service; he is then rated at one-half disability, say four dollars a month; afterward his disability is increased, and this is established by the report to the Pension Office of the examining surgeon in his neighborhood. Sometimes that report is not acted upon for months, and, under the law as it stands, his increase of pension commences only from the time of the final decision of the Pension Office. The effect of this amendment is to make the increase of pension relate back to the date of the examining surgeon's certificate establishing the increased disability.

Mr. CONKLING. Will the Senator be kind enough to read the proviso again?

Mr. PRATT. The proviso in the existing law, as it occurs in the fourth section of the act of 1873, is:

Provided further, That, except in cases of permanent specific disabilities, no increase of pension shall be allowed to commence prior to the date of the examining surgeon's certificate.

It cannot under the existing law, nor can it by this amendment

commence prior to the certificate of the examining surgeon; but under the present ruling of the Pension Office it does not commence until the final action of that office upon the surgeon's certificate.

Mr. CONKLING. There is nothing in that proviso to sustain that ruling. That proviso is that in cases of total or specific disability the Pension Office shall not go back to a period anterior to the surgeon's certificate.

Mr. PRATT. Certainly.

Mr. CONKLING. There is nothing there which forbids it going back to that time, or directs the Pension Bureau to fix it at the time when the action at the Pension Bureau shall occur.

Mr. PRATT. The practice in point of fact, however, is to increase the pension from the time that the report of the examining surgeon is finally acted upon at the Pension Office; and it was thought by the committee that it was proper that the pension should relate back to the date of the examining surgeon's certificate establishing the increased disability. That is the whole of it.

Mr. RAMSEY. What is the action of the House?

Mr. PRATT. My substitute makes the matter a little clearer than the House bill. I prepared this substitute under the advice of the Commissioner of Pensions. I will read his letter. It is brief:

DEPARTMENT OF THE INTERIOR, PENSION OFFICE,
Washington, D. C., March 25, 1874.

SIR: In reply to your letter of the 24th instant, requesting my opinion as to the advisability of amending the last proviso to the fourth section of the act of March 8, 1873, to make it read as follows—

Then he quotes the House bill—

I have the honor to state that there does not appear to be any important objection to the subject-matter of this amendment.

It is respectfully suggested, however, that the subject, instead of being retained as a proviso to the fourth section, should constitute a separate section.

It is important that the portion of the proviso that gives the Commissioner of Pensions power to revise the certificates of examining surgeons should be retained.

The experience of the office shows that the ratings of the same disability by different surgeons vary so widely, that uniformity in the ratings for disability can only be attained by subjecting the certificates of examining surgeons to revision in the Pension Office.

The statement of the fact that there are about fifteen hundred examining surgeons connected with this office, and the fact that the question of the rate of disability is one which cannot be subjected to any fixed rules, will show the necessity which exists for such revision.

Uniformity can only be attained by subjecting the certificates to revision by persons in this office who endeavor to keep the same standard of disability constantly in view.

Very respectfully,

J. H. BAKER,
Commissioner.

Hon. D. D. PRATT,
Chairman of the Committee on Pensions, United States Senate.

Mr. MORRILL, of Vermont. I do not rise to object to the provision proposed by the Senator from Indiana, but I desire to ask him whether the proposed change will not subject the office of the Commissioner of Pensions to a revision of all the pensions that have been granted, where they have been granted at a date subsequent to the date of the surgeon's certificate?

Mr. PRATT. No, sir; it does not have that effect. He has now a supervision over the reports of the examining surgeons. Let me read the concluding part of this proviso of the fourth section:

That, except in cases of permanent specific disabilities, no increase of pension shall be allowed to commence prior to the date of the examining surgeon's certificate; and that in this as well as all other cases the certificate of an examining surgeon, or of a board of examining surgeons, shall be subject to the approval of the Commissioner of Pensions.

He has that power now.

Mr. MORRILL, of Vermont. The Senator does not seem to understand what I am driving at. My point is to ascertain whether, in regard to pensions that have been granted after twenty days, fifty days, or one hundred days, subsequent to the date of the surgeon's certificate, the Pension Office will not be called upon again to readjudicate all those cases?

Mr. PRATT. I am not prepared to say whether that result will follow or not. This measure is one of obvious propriety. An examining surgeon certifies to an increased disability, and that certificate is subsequently reviewed at the Pension Office and is approved. Now, under the existing law, the pensioner gets his pension only from the date of the decision of the office approving the report of the examining surgeon. The increased pension does not relate back to the time when the increased disability is proved by that certificate.

That is the whole of this amendment, simply to give the pensioner the benefit of the difference between the time when the examining surgeon certified and the Pension Office approved his report.

Mr. MORRILL, of Vermont. But I think it is obvious that if we pass this section, we ought to pass a law increasing the force of the Pension Office by at least fifty clerks.

Mr. PRATT. The Senator has heard the letter of the Commissioner of Pensions. He does not seem to anticipate any trouble of that sort, and he approves of this amendment of the law.

Mr. CONKLING. There is one respect in which there is a remarkable resemblance between pension laws and all other laws, and that is the value of certainty and stability. Now, if I comprehend the force of this measure at all, there are beyond the suggestion made by the Senator from Vermont two or three serious objections to it, and although I do not value any opinion of my own upon this subject as much as I do that of the Senator from Indiana, I venture to make to him two or three suggestions.

This is to be an amendment of an existing act, an act approved on the 3d of March, 1873, and the provision is "the increase of pensions therein contemplated, as often as it shall occur, shall commence from the date of the examining surgeon's certificate that first shows increased disablity." Now, before considering the effect of that, let us observe the present condition of the law. It contains no provision whatever against this very rule. It simply provides that the increased pension in these cases shall not date back of the surgeon's certificate. It does not declare that it may not go back as far as that, or as near that date as the Commissioner of Pensions may fix. Now comes a requirement that in all cases contemplated by the act of 1873, the pension shall thus date back. Therefore the Senator from Vermont is quite right in his suggestion; and there is no answer to it unless it be that the Commissioner of Pensions hereafter is to date back to the certificate of disability and there stop. What shall we have then? Every pensioner crying out, and justly so, that he is the subject of injustice. Why? Because every man whose case is adjudicated after this act shall pass, although adjudicated under a law which has existed for more than a year, is put upon a footing more favorable than he who upon the same state of case and with the same equities had his case adjudicated yesterday or on any prior day. The injustice of that the Pension Bureau and Congress cannot resist; and accordingly, as the Senator from Vermont suggests, this is to be an edict for a general revision and resettlement of all the cases "contemplated," in the language of this amendment, by the act of 1873.

But, Mr. President, that is not all. As often as the increase shall occur, it is to commence "from the date of the examining surgeon's certificate that first shows increased disability." What is to be the effect of that? Here comes a certificate from an examining surgeon. On its face, or by reason of facts which the Commissioner learns otherwise, there is reason to distrust it; no increase occurs. At a subsequent time the Commissioner of Pensions is satisfied that an increase should take place. Then what will be the effect under this? That increase must go back to the first certificate of an examining surgeon that showed this disability. There is to be a second revision of all these cases.

Mr. President, every time we change the pension laws, and every time we propose to change them, an immense amount of agitation and disturbance takes place; and if the correspondence of other Senators on this subject is anything like mine, they will understand the truth of which I speak; and it seems to me that such a provision as this, if now adopted, will start up a question in every case covered by the act of 1873 which has been adjudicated, and in every such case which awaits adjudication.

I asked the Senator from Indiana to repeat his reading of the provision in the act of 1873, in order that we might be sure that there was nothing there which prevented the discretion and judgment of the Commissioner of Pensions going back to the certificate, if he saw fit to do so; and the Senator assents to my assertion that there is nothing of that sort in the act. Therefore, as the law stands now, the Commissioner is clothed with the discretion and the jurisdiction to have the pension date from the first certificate, or the first one which satisfies him of the increased disability. The very fact that this provision is here shows that that has not been his rule of action in all cases, but that governed by his judgment and the facts of the case he has had it antedated more or less, depending upon the merits of the case. Now, we propose to say that it not only shall go back in all cases to the time when a certificate satisfies him of the disability, but that it shall go behind that, hit or miss, to that certificate, be it satisfactory or otherwise, be it true or false, which first showed an increase of disability.

My impression is that my honorable friend from Indiana, to whom we are so much indebted for the care and discrimination he gives to these cases, would do himself and us and the Treasury a favor if he would allow this bill to lie or to go back to his committee to consider whether really it is necessary to uproot all these cases when professedly there is no provision of law restraining the Pension Bureau from doing full justice in every case which the Commissioner thinks calls for this measure of justice rather than for another.

Mr. PRATT. If after I shall have answered some of the objections of my friend from New York he should prefer to make a motion to recommit this bill for further consideration to the committee, certainly I shall not oppose it, although it was considered quite fully in the committee and quite recently. It will be remembered that the law which is now sought to be amended was passed only a little upward of a year since, on the 3d of March, 1873; and consequently the increase to the pensioners cannot amount to a great deal during that short period of time. If in every case of increased disability the increased pension were to relate back to the time of the surgeon's certificate, it would not amount, I say, to a very great sum, because the law has been in force but little upward of one year.

Mr. CONKLING. If my friend will pardon me, I ask if it is not true that under that law, which was virtually retroactive because it related to disabilities which had occurred before the passage of the act as well as to those which should occur afterward, a great number of cases have undergone the action of the Pension Bureau, many thousand cases.

Mr. PRATT. I dare say a great many cases have occurred since the

3d of March, 1873; but I wish to call the Senator's attention now to the absolute justice of the provisions of this bill.

A man is admitted to the pension-roll, but his disability is rated at only one-fourth; he draws, therefore, but two dollars per month pension. He goes with his wounds, to the nearest examining surgeon, and the surgeon, after examining him, promptly reports to the Pension Office that the man is entitled to a pension for a total disability, or for a disability of one-half, or for a disability of three-fourths, as the case may be, and that his pension ought to be increased accordingly. That report is not acted upon here at the Pension Office for months afterward; and when the report is examined it is approved. Then under the present practice the pension is increased to date from the approval by the Commissioner of Pensions and does not go back a day. That is the mischief which is sought to be remedied.

Mr. CONKLING. I should like at that point to ask two questions: first, how does it happen that it takes months to adjudicate a case so plain as that which the Senator states; and, second, by virtue of what law is it that the Commissioner of Pensions feels himself constrained, in a case which he is satisfied is meritorious and truthful, to fix the day when he acts, rather than the date of the certificate, as the day on which the pension is to commence?

Mr. PRATT. In the first place, the honorable Senator will remember that there are nearly two hundred thousand pensioners, and there will of course proceed from different portions of the country a great number of cases every day in the year, and those cases cannot always be considered promptly when they reach the office. It takes time to examine these reports, and a conclusion may not be reached for weeks and months after the report of the examining surgeon is received. That is the fact. Were it not so, this amendment of the law would not be needed.

Now, as to the construction which the Commissioner of Pensions places on the law, that is his business, not ours. He has placed that construction. I think he would have done no injustice to the law if he had ruled otherwise, and when he approved the report of the examining surgeon he had made the increased pensions relate back to the date of the certificate. But the fact that he does not, that this is not the practice of the office, is the occasion of this class of pensioners coming to Congress.

Mr. CONKLING. But if my friend will pardon me again, this bill is not intended to remedy the evil he speaks of now and stop there. This bill makes it mandatory on the Commissioner not only to antedate the pension, but in all cases to carry it back to the first certificate, not the certificate that he approves as the Senator says now, but the first certificate, of an examining surgeon coming from no matter where, which shows the disability. Thus he is entirely deprived of all power and discretion when he comes to a case where he is satisfied that the first certificate showing this increased disability was a faulty and unreliable certificate. He does not approve it; he disapproves it; but still the mandate of this law requires him to date back the pension to that time.

As I have interrupted the Senator I beg leave to make one other remark. He said a moment ago that this act having passed only a little more than a year ago, there could not be a great number of these cases to be revised; it could not lead to a very great amount of work; and yet now he tells us, using two hundred thousand for illustration, that there are so many pensioners, (thereby meaning pensioners under this increase of pension or else it has nothing to do with it,) that two, three, or four months, I think he said, sometimes elapsed before action. If the Senator is right now, if that is the measure of the increase which has occurred under the act of 1873, he will see that two things follow: first that this is an enormous increase of the pension-roll in money; and second an enormous provision in respect of the labor which will be required to revise all these cases so multitudinous that he says they pile up until three or four months are necessary to reach each particular case.

Mr. MORRILL, of Vermont May I ask the Senator from New York if he does not think we shall have a large amount of increase of business on the part of Congress provided we undertake to correct the blunders of every officer who administers the law?

Mr. CONKLING. Yes, I do; and I think further, if I am not interrupting my friend from Indiana too much, that the most that can be called for here is a declaratory act which shall say to the Commissioner of Pensions that the existing law does not forbid him to go back to the certificate. I cannot comprehend how this section which has been read can be construed otherwise; but if there is any doubt, remove that doubt. As the Senator from Vermont says, if we undertake now, speaking back, to say that all these pensions shall be put back to the first certificate showing a disability, it seems to me we enter upon a thing which will give great trouble in the end, not only to the Commissioner and to the Treasury, but to ourselves.

Mr. PRATT. I do not rise to protract this debate. I will note simply one point made by the Senator from New York. If he had read the substitute carefully which the committee have adopted in place of the House bill, he would have found that the Commissioner does not absolutely act upon the report of the examining surgeon and necessarily increase the amount of the pension to accord with the increased disability, but he must first approve that report of the examining surgeon before any increase of pension takes place.

Mr. CONKLING. And yet the words are "that the pension shall commence from the date of the examining surgeon's certificate that first shows an increased disability."

Mr. PRATT. Now read the balance.

Mr. CONKLING. "But all such surgeons' certificates under which an increase of pension is claimed shall be subject to revision by the Commissioner of Pensions as contemplated in the act of which this is an amendment."

Mr. PRATT. Precisely.

Mr. CONKLING. The effect of which language, as I understand it, is inevitably that although the Commissioner may still determine whether an increase of pension shall take place or not, when he does thus determine, he is tied up to a certain date of commencement, which date is the date of the first surgeon's certificate that shows such increased disability.

Mr. PRATT. Certainly, if that certificate is true and meets his approval.

Mr. CONKLING. There is nothing in the bill that says that.

Mr. PRATT. However, I shall not oppose the motion of the Senator from New York to recommit this bill if he thinks that the bill is not sufficiently guarded. Does he make that motion?

Mr. CONKLING. I suggest that it be recommitted, as the Senator has no objection.

The PRESIDENT *pro tempore*. The Senator from New York moves that the bill be recommitted to the Committee on Pensions.

The motion was agreed to.

BILLS RECOMMITTED.

Mr. FERRY, of Connecticut. I am instructed by the Committee on Patents to move to recommit to that committee the bill (S. No. 119) for the better security of property in patterns for metal castings.

The motion was agreed to.

Mr. CONKLING. I wish to move that House bill No. 1950, granting a pension to Betsie Lewis, be recommitted to the Committee on Pensions. I think I have the assent of the members of the committee to make that motion. It is a bill reported adversely four or five days ago.

The motion was agreed to.

Mr. BOGY. I move that House bill No. 294, for the relief of Joab Bagley, reported from the Committee on Private Land Claims a few days ago, be recommitted to that committee.

The motion was agreed to.

BILLS INTRODUCED.

Mr. BUCKINGHAM asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 652) conferring exclusive jurisdiction over Indian reservations upon the United States courts, and for the punishment of crimes by and against Indians; which was read twice by its title, and, with the accompanying papers, referred to the Committee on Indian Affairs.

Mr. BOREMAN asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 653) for the relief of E. Boyd Pendleton, late collector of internal revenue, fifth district of Virginia; which was read twice by its title, and referred to the Committee on Finance.

Mr. HOWE asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 654) to extend the time for the completion of the railroad from the Saint Croix River or Lake, between sections 25 and 31, to the west end of Lake Superior and to Bayfield, in the State of Wisconsin; which was read twice by its title, referred to the Committee on Public Lands, and ordered to be printed.

Mr. WINDOM asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 655) to enable the Mennonites from Russia to effect permanent settlement on the public lands of the United States; which was read twice by its title, and referred to the Committee on Public Lands.

Mr. INGALLS asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 656) to incorporate the Colorado Canal and Irrigation Company, and for other purposes; which was read twice by its title, referred to the Committee on Public Lands, and ordered to be printed.

CORPORATIONS IN THE DISTRICT OF COLUMBIA.

Mr. HAMILTON, of Maryland. I submit an amendment to House bill No. 2423, explanatory of an act entitled "An act to provide for the creation of corporations in the District of Columbia by general law," which came over the other day and was referred to the Committee on the District of Columbia. I move that the amendment be printed and referred to that committee.

The motion was agreed to.

ASBURY DICKINS.

The PRESIDENT *pro tempore*. The Secretary will report the first bill on the Calendar.

Mr. WEST. I believe that the first bill on the Calendar is the bill for the relief of the legatees of Asbury Dickins, which has already occupied the Senate two days in the discussion of it to the exclusion of much other matter upon the Calendar; and in order that the Calendar may be proceeded with, I move that that bill lie on the table.

Mr. ANTHONY. I hope the Senator will not do that. It has occupied the morning hour for less than twenty minutes altogether and in legitimate debate in the morning hour. This morning has been entirely wasted in the discussion of a bill which has been sent back to the committee.

Mr. WEST. If the Chair permits debate on the question, we might as well now have it for the two and a half minutes left of the morning hour.

Mr. ANTHONY. I shall have to call for the yeas and nays on the motion to lay on the table.

Mr. WEST. I insist on the motion to lay on the table.

The PRESIDENT *pro tempore*. The Senator from Louisiana moves to lay the bill on the table.

The motion was not agreed to.

The PRESIDENT *pro tempore*. The bill (H. R. No. 1580) for the relief of the heirs of Asbury Dickins is before the Senate as in Committee of the Whole.

Mr. PRATT. I wish to submit some remarks to the Senate on the merits of the claim, and I cannot do it in the brief space allowed this morning. There is only a minute left.

Mr. ANTHONY. I hope the Senator from Indiana will be indulged. He is one of the minority of the committee that made the report, and I hope he will be allowed to make his remarks. They will be but a few minutes.

The PRESIDENT *pro tempore*. The Senator from Rhode Island asks unanimous consent that the Senator from Indiana be permitted to submit his remarks on this bill without being interrupted by the expiration of the morning hour.

Mr. SHERMAN. I do not want to object, but there is only one minute left of the morning hour.

Mr. CONKLING. Does the Senator from Indiana prefer to go on to-day?

Mr. ANTHONY. Certainly he does.

Mr. CONKLING. He has not said so.

The PRESIDENT *pro tempore*. The request is that the Senator from Indiana be permitted to proceed notwithstanding the expiration of the morning hour. Is there objection to that proposition?

Mr. CONKLING. Is that request made by the Senator from Rhode Island or the Senator from Indiana?

The PRESIDENT *pro tempore*. It was made by the Senator from Rhode Island.

Mr. CONKLING. If the Senator from Indiana has chosen to speak through the Senator from Rhode Island, he has selected certainly a very judicious attorney.

Mr. PRATT. I want to be considered simply as having the floor, so that I can present my views to the Senate in the morning hour to-morrow.

ENROLLED BILL SIGNED.

A message from the House of Representatives, by Mr. LLOYD, its Chief Clerk, announced that the Speaker of the House had signed the enrolled bill (H. R. No. 1923) authorizing the payment of annuities into the treasury of the Seminole tribe of Indians; and it was thereupon signed by the President *pro tempore*.

BANKING AND CURRENCY.

The PRESIDENT *pro tempore*. The morning hour having expired, the Senate, as in Committee of the Whole, resumes the consideration of the unfinished business of yesterday, which is the bill (S. No. 617) to provide for the redemption and reissue of United States notes and for free banking.

Mr. MERRIMON. I desire to offer a substitute for section 3 of the bill, as follows:

That $46,000,000 in United States notes for circulation, in addition to such circulation now allowed by law, shall be issued to national banking associations now organized, and which may be organized hereafter; and such increased circulation shall be distributed among the several States as provided in section 1 of the act entitled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates, and for an increase of national-bank notes," approved July 12, 1870.

Mr. CONKLING. May we inquire to what is that offered as an amendment?

The PRESIDENT *pro tempore*. A substitute for the third section of the bill.

Mr. CONKLING. May I ask what became of the amendment of the Senator from Illinois [Mr. LOGAN] to strike out the third section and put it back with the word "the" inserted at a certain point?

The PRESIDENT *pro tempore*. The motion of the Senator from North Carolina is in order if moved as a motion to amend the proposition of the Senator from Illinois.

Mr. LOGAN. I will state to the Senate my purpose, and it is to withdraw my amendment to the third section so as to allow the substitute offered by the Senator from North Carolina to be voted on. I have become satisfied that there are a few Senators who have been voting with us for an increase of the currency who are not prepared to vote for free banking on either of the bases that have been proposed, and those Senators not voting with us leaves the matter so close that it might put the bill in jeopardy when it comes into the Senate. For that reason I am willing to withdraw my amendment to the third section, and am ready to vote for the substitute of the Senator from North Carolina, that this question may be ended without further discussion and without further delay, and the country may at least know what we intend to do. For that reason I withdraw my amendment in favor of the substitute of the Senator from North Carolina.

The PRESIDENT *pro tempore*. The Senator from Illinois withdraws his amendment, and the Senator from North Carolina moves to strike out the third section of the bill and insert what has been read in lieu thereof.

Mr. MERRIMON. Let the words be again read.

The Chief Clerk read the words proposed to be inserted in lieu of section 3, as follows:

That $46,000,000 in notes for circulation, in addition to such circulation now allowed by law, shall be issued to national banking associations now organized or which may be organized hereafter; and such increased circulation shall be distributed among the several States as provided in section 1 of the act entitled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates, and for an increase of national-bank notes," approved July 12, 1870.

Mr. MORTON. I suggest to the Senator from North Carolina a slight addition to his proposition, in some such form as this:

Provided, That the computation of wealth and business in each State upon which national banking capital is to be apportioned shall be computed by the Secretary of the Treasury on the 1st of January, 1875, from the best data that can be procured.

Mr. MERRIMON. I intend to accept that suggestion as a part of the substitute I offer.

The PRESIDENT *pro tempore*. Let it be reduced to writing and sent to the desk. Will the Senator from Indiana reduce it to writing?

Mr. MORTON. I will withdraw the proposition now and present it hereafter in proper form when reduced to writing.

Mr. DAVIS. Is any amendment pending to the amendment of the Senator from North Carolina?

The PRESIDENT *pro tempore*. The Senator from Indiana offered an amendment, but asked time to draw it up.

Mr. MORTON. I withdraw it for the present. I will offer it subsequently.

The PRESIDENT *pro tempore*. There is no amendment pending to the amendment of the Senator from North Carolina.

Mr. SAULSBURY. I offer an amendment to that amendment, to be added thereto:

Provided, That no interest shall be paid by the Secretary of the Treasury after the passage of this act on the bonds which have been or shall be deposited in the Treasury to secure the circulation of any banking association, except on the excess of the par value of such bonds over the average circulation of such association during the current year, while such bonds shall remain on deposit in the Treasury to secure such circulation.

The PRESIDENT *pro tempore*. The question is on the amendment to the amendment.

The amendment to the amendment was rejected.

The PRESIDENT *pro tempore*. The question recurs on the amendment of the Senator from North Carolina.

Mr. DAVIS. I offer the following as a substitute for that amendment of the Senator from North Carolina. I move to strike out all of his amendment after the word "that," and insert the following:

So much of the act entitled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates, and for an increase of national-bank notes," as provides that no circulation shall be withdrawn, under the provisions of section 6 of said act, until after the fifty-four millions granted in section 1 of said act shall have been taken up, is hereby repealed; and it shall be the duty of the Comptroller of the Currency, under the direction of the Secretary of the Treasury, to proceed forthwith to carry into execution the provisions of section 6 of said act; and to enable him to do so, he is hereby authorized and required, from time to time, as needed for the execution of the said section, to make requisitions upon each of the national banks described in said section, organized in States having an excess of circulation, to withdraw and return so much of their circulation as by said act may be apportioned to be withdrawn from them, or, in lieu thereof, to deposit in the Treasury of the United States lawful money sufficient to redeem such circulation, and upon the return of the circulation required, or the deposit of lawful money, as herein provided, a proportionate amount of the bonds held to secure the circulation of such association as shall make such return or deposit shall be surrendered to it.

That upon the failure of the national banks upon which requisition for circulation shall be made, or of any of them, to return the amount required, or to deposit in the Treasury lawful money to redeem the circulation required, within thirty days, the Comptroller of the Currency shall at once sell, as provided in section 49 of the national currency act approved June 3, 1864, bonds held to secure the redemption of the circulation of the association or associations which shall so fail, to an amount sufficient to redeem the circulation required of such association or associations, and with the proceeds, which shall be deposited in the Treasury of the United States, so much of the circulation of such association or associations shall be redeemed as will equal the amount required and not returned; and if there be any excess of proceeds over the amount required for such redemption, it shall be returned to the association or associations whose bonds shall have been sold. And it shall be the duty of the Treasurer, assistant treasurers, designated depositaries, and national-bank depositaries of the United States, (who shall be kept informed by the Comptroller of the Currency of such associations as shall fail to return circulation or to deposit lawful money as required,) to assort and return to the Treasury for redemption the notes of such associations as shall come into their hands until the amount required shall be redeemed.

That from and after the passage of this act it shall be lawful for the Comptroller of the Currency to issue circulating notes in the manner and proportion now provided by law, to associations organized or to be organized in those States and Territories having less than their proportion of circulation, under an apportionment made on the basis of population and of wealth, as shown by the returns of the census of 1870: *Provided*, That the whole amount of circulation issued to such banking associations, and withdrawn and redeemed from banking associations under the provisions of this act, shall not exceed $50,000,000, and that such circulation shall from time to time be withdrawn and redeemed only as it shall be necessary to supply banks in those States having less than their apportionment.

This amendment offered by me is precisely the bill reported by the Committee on Finance originally transferring $25,000,000 from the States having an excess to the States West and South that have less than their proportion under the act of July 12, 1870, with this exception, that I have stricken out "twenty-five" and inserted "fifty," so as to transfer $50,000,000 from the States having an excess to the States having less than their proportion. The amendment of the Senator from North Carolina adds $46,000,000 to the

present volume of national-bank currency. By the amendment which I offer it is proposed to give the South and the West—and to this point I call the attention of Senators from the South and West—more than the amendment of the Senator from North Carolina. It will give an additional circulation to the South and West of $4,000,000 over and above the proposition of the Senator from North Carolina, so that I cannot see how the South and West can object to it, inasmuch as they get more by this amendment.

Mr. MERRIMON. May I ask the Senator from West Virginia a question?

Mr. DAVIS. Certainly.

Mr. MERRIMON. How much circulation will it add to the country?

Mr. DAVIS. It will give to the country that my friend is from and to all other parts of the country that want additional banking circulation $4,000,000 more than he asks for in his amendment.

Mr. MERRIMON. How much will it add to the general circulation of the whole country?

Mr. DAVIS. I will answer in a moment. If my friend is legislating for New England and not for his own section of country, then he is right in opposing this amendment; but if he is legislating to advance the interests of his own people, and if the rest of the gentlemen who represent the South and West are doing the same, then this amendment is to their advantage. My friend asks me how much it adds to the circulation of the entire country. He knows that as well as I can tell him. His desire is to call the attention of the Senate to it, I suppose, but I presume there no Senator here who does not know the answer to that question. He and I represent a constituency somewhat alike. They say they want more bank circulation; they want facilities which they cannot have under the present bank act. The amendment I offer will give them more than the amendment of the Senator from North Carolina by $4,000,000. It is plain to me that there is sufficient banking circulation now in the country. What is wanted is to have it properly distributed and properly located.

We have agreed to add $44,000,000 to the circulation of legal-tender notes. Now I propose to take from those States that have a very large excess of bank circulation $50,000,000 of that excess and transfer it to the States that have less than they are lawfully entitled to under the act of July 12, 1870. In that act Senators from the North and South and from the East and West, as I am told, for I was not here at the time, agreed that there should be a transfer on the basis of the census of 1870. It was agreed by the Senate generally that the North and East had more banking capital than they were entitled to on the basis of population and wealth, and that part of it should be transferred to the South and West. Now I propose in this amendment to carry out in good faith the act of July 12, 1870, and it will give to the section of the country where I live and where the western and southern members live more than the proposition of the Senator from North Carolina. Therefore I hope it will be adopted. I think it is just.

Mr. MORRILL, of Maine. Does my honorable friend understand that it is necessary, to carry out the act of 1870, which provided for a redistribution of $25,000,000, now to increase it to $50,000,000?

Mr. DAVIS. No, sir.

Mr. MORRILL, of Maine. Good faith would not require that.

Mr. DAVIS. Good faith would require that the East and the North should transfer $25,000,000 to the South and the West. That is the law to-day. The only reason it has not been carried out is that the Comptroller of the Currency, instead of following the words the law uses, "when it is taken up," says he is waiting until all is issued of the $54,000,000 additional. I propose a transfer of $50,000,000, because I believe it is just that the South and West should have $50,000,000 instead of $25,000,000.

Mr. MORRILL, of Maine. I should like to make a further inquiry of the Senator. The Senate has agreed to an augmentation of the legal-tenders by an issue of $44,000,000 more. Now, will adding this $50,000,000 be satisfactory to those sections to which the $50,000,000 are to be given?

Mr. DAVIS. What is the question?

Mr. MORRILL, of Maine. This proposition is to give those communities more currency. Is this done on the idea that having done it, this will be satisfactory to those communities?

Mr. DAVIS. I believe it would be to a great extent. There are some gentlemen who differ with me, however. My impression is that it would be just to them. They ought to have it, and therefore I am in hopes that the Senators North and South will agree to it.

Mr. LOGAN. If the Senator from West Virginia will allow me, I wish to understand this proposition. I want to discuss nothing this morning; I want to vote; but if I understand the proposition, it is, instead of increasing the bank currency $46,000,000, to transfer from the North and East $50,000,000 of what they already have, and it does not increase the currency a dollar. That is the proposition, is it not?

Mr. DAVIS. The North and East have to-day——

Mr. LOGAN. I understand what they have. I only ask the question.

Mr. DAVIS. I prefer to answer in my own way.

Mr. LOGAN. I ask if this is not a transfer instead of an increase of the currency?

Mr. DAVIS. The Senator is right about that, as he knows. But the North and East have now $124,000,000 of bank circulation in excess of what they are entitled to under the act of July 12, 1870. Out of that $124,000,000 I propose to transfer $50,000,000 to the South and West. That is the whole of it.

Mr. LOGAN. We do not want it that way. Let us vote.

Mr. SCHURZ. The Senator from Illinois says that this does not mean an increase of the currency but a transfer of the currency. The circumstance that it does not mean an increase of the currency recommends it to my vote. I do not like to vote for a measure of this sort at all; but since we have always been told that we are resisting accommodations to be given to the West and South, we desire to show to the Senate now that we do not resist any such measure at all. What we do resist is an increase of the currency without an efficient system of redemption. I shall therefore vote for this measure, although it does not in every respect meet my views.

The PRESIDENT *pro tempore*. The question is on the amendment of the Senator from West Virginia to the amendment of the Senator from North Carolina.

Mr. DAVIS. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. THURMAN. As I understand, the Senator from West Virginia offers this as a substitute for the amendment of the Senator from North Carolina; not as an addition to it, but striking it out.

The PRESIDENT *pro tempore*. The motion is strike out and insert, as the Chair understands.

Mr. ANTHONY. I understand the effect of this amendment is to transfer $50,000,000 from the States that have an excess of their proportion to the States that are below their proportion, and to make no addition to the currency. Is that the proposition?

Mr. DAVIS. That is it.

Mr. BOREMAN. I regard this proposition as a cheat and a delusion. The effort of what has been the majority on almost every vote here has been to increase the banking capital and circulation of the country. They believe that such an increase is needed for the business of the country, and they believe that a large majority of the people of the country demand such an increase. The proposition now submitted, as is understood by every one here, is not an increase of the banking capital or circulation one cent. It is an effort to take from these States that now have banks established and have more than their proportion of circulation under existing law, and are transacting their business upon that circulation, a portion of it and transfer it to those States that have less than their proportion.

Now, sir, those with whom I am acting on this floor propose national legislation. They do not propose to array one section of this country against another; they do not propose to impair the interests of one section for the benefit of another; but believing that an increase of the bank capital and circulation is a necessity, without interfering with the existing state of things to the prejudice of any section of the country, we wish to give that increase and to afford facilities to our constituents for the transaction of their business. This is in obedience, in my judgment, to the will of the people of this country. We are here, as I understand, to express that will. I suppose every gentleman believes that he is expressing what he regards as the will of his constituents, and is doing that which is best for the people of the country at large.

Now, sir, I cannot understand the tactics of my colleague on this floor in regard to the measure now before the Senate. I have not interfered in this business; I have been content to vote on the various propositions submitted, believing as I do that my constituents demand an increase of currency, not a transfer from other States. They are not controlled by such narrow and contracted views. They do not wish to impair the business efficiency and success of any particular section of this country; but they act upon broad national grounds, and believing that it is demanded, they wish an increase of the banking capital and circulation of this country so that they may transact their business with facility.

I say, sir, that I do not understand my colleague. Yesterday he offered a proposition here to increase the banking circulation more than $110,000,000, and to-day he opposes a proposition to increase it $46,000,000 by an effort by indirection to substitute a proposition simply to transfer instead of increasing the banking circulation of the country. These two movements cannot be reconciled. They are inconsistent. It is a sort of tactics that I cannot comprehend. I think there ought to be some consistency. I took great pleasure yesterday in voting for the proposition offered by my colleague to increase the banking capital of this country by more than $110,000,000; but I cannot go with him to-day in this side effort to defeat the proposition to increase $46,000,000.

We have seen that every proposition that has been offered here, except this one of the Senator from North Carolina, to increase the capital and circulation $46,000,000, has been defeated; and the friends of an increase of circulation have therefore come to the conclusion that the best they can do is to support the proposition of the Senator from North Carolina. They believe they can carry that proposition through the Senate. I believe so. I am satisfied of it from the votes that have been taken. But beyond that we cannot hope for success. Then why offer other propositions? When we were about to approach a vote on the $46,000,000 increase, when everybody seemed to be willing and ready to take that vote, here comes in this other delusive proposition in order to defeat the success of an increase of the banking capital of the country.

Mr. President, I am satisfied that a large majority of the people of West Virginia, whom I have the honor in part to represent here, demand an increase of the banking capital; not that it be taken from New England or elsewhere. They do not wish to create sectional jealousies and unkindness. On the contrary, they wish to cultivate friendly relations with all sections. They wish New England to make the most of the capital they have, but they wish to be themselves supplied with the requisite facilities for the transaction of business. Because our friends from New England here, by their votes and their course, do not aid us in securing what we desire, we are not, therefore, to be controlled by a narrow and contracted course and attempt to impair their business relations; but we expect to be able to overcome the opposition of our friends; we at least hope to do so, and I think if we may be now allowed to vote we shall show to our friends on the other side and to the country that we are able to approach something like what is just to the business interests of the country, and increase the banking capital to the amount of $46,000,000, at least, if we can do no more. The country demands it, in my judgment; the business of the country demands it.

All this talk about inflation is a scarecrow. Its only effect can be to delude and deceive. I do not mean to say that that is the purpose of Senators, but it must have that effect if it has any at all. Grown-up men who have lived to maturity in this country, and have participated in business transactions, are not to be frightened out of their propriety by this talk of inflation, "a sea of irredeemable paper without shore or bottom," and all that sort of stuff. We think we know what we need; we think we know what we are doing; and we are going to go as near to that thing as we can; that is, if we cannot get free banking, which I believe is the true policy of the country, we will take the next best thing and we will increase the banking capital $46,000,000. Free banking would relieve the present system of national banks from the charge of monopoly, which is the most potent complaint against it.

Now, sir, I advise the friends of an increase of banking circulation not to be deluded or deceived by the proposition offered by my colleague to transfer circulation from New England to the South and West, but to vote it down and come to the practical proposition which will, without any unkindness, without irritation, without injustice or unfairness to any, give us what we need and what our constituents wish.

Mr. DAVIS. I shall not reply to what my colleague has said in referring to the amendment that I have offered as "a cheat and a delusion." The proposition which I present is a measure which was reported by the Committee on Finance at this session, the only change I have made being to increase from $25,000,000, as proposed by them, to $50,000,000, the amount to be transferred from the North and East to the South and West. If there is any "cheat and delusion," therefore, it must have come from that committee; but I deem such remarks unworthy of reply.

It is true, as he has said, (and that was a legitimate argument,) that I voted yesterday for an increase of $110,000,000. I did so vote. It is well known to all Senators that at the time I offered the amendment to increase the national-bank circulation $110,000,000, which would be the result on the basis of Pennsylvania, there was then pending a proposition for $280,000,000 additional circulation. That is the explanation of the proposition for an increase of $110,000,000 which was voted for by my colleague and by myself yesterday.

As to the act of 1870, I shall not call it "a cheat and a delusion." I believe my colleague was here at the time it was passed, and for aught I know he voted for it. I cannot say whether he did or not; but it is very probable that he did, and now he terms it "a cheat and a delusion." I shall say no more.

Mr. BOREMAN. That was all right. I do not know whether I voted for it or not; very likely I did; and if we cannot get anything else here, if our friends from New England will not allow us to pass anything else, we may ultimately take that now; but in the present status of the matter pending here this proposition is calculated to cripple and mislead and defeat what the friends of the increase of circulation are after; that is, to give us more bank circulation. The vote in 1870 has nothing to do with the exact status of the proposition now before us.

The PRESIDENT *pro tempore*. The Senator from West Virginia has spoken ten minutes.

Mr. FERRY, of Connecticut. Mr. President, I am not, like the Senator from West Virginia farthest from me [Mr. DAVIS,] legislating either for the West or the South or New England, but for the whole country; and in considering what is best to be done with regard to this amendment I try to consider the interests of the whole country. I can conceive of nothing in a financial point of view so disastrous to the interests of the whole country as any expansion of the currency; so that if upon the presentation of this substitute there was an absolute certainty that we had got to have either a transfer of national-bank currency to the amount of $50,000,000 from the Eastern to the Western and Southern States on the one hand, or an expansion of the currency to the amount of $46,000,000 on the other hand, I would vote to make the transfer. It would be a less evil than the expansion. But no such absolute alternative is as yet presented to us; and, therefore, upon the present substitute I shall vote as I believe to be right upon the question itself; and believing that such a transfer would be a violation of good faith in the object it attempted to accomplish, and, in the second place, a financial absurdity in itself, I shall vote against it in the present stage of the bill, and shall not vote for it under any circumstances until such an alternative is presented as I have indicated.

The PRESIDING OFFICER, (Mr. SARGENT in the chair.) The question is on the amendment of the Senator from West Virginia [Mr. DAVIS] to the amendment of the Senator from North Carolina, Mr. MERRIMON.

Mr. BUCKINGHAM. Let the amendment be reported again.

Mr. LOGAN. It is very long. It is merely a provision for a transfer of circulation from the East to the West and South.

Mr. BUCKINGHAM. I will not ask for the reading of it.

The PRESIDING OFFICER. Upon this question the yeas and nays have been ordered.

The Chief Clerk proceeded to call the roll.

Mr. SAULSBURY, (when Mr. BAYARD'S name was called) said: I desire to announce that my colleague [Mr. BAYARD] is sick and unable to be in the Senate. He is paired, however, with the Senator from North Carolina, Mr. RANSOM.

Mr. BUCKINGHAM, (when his name was called.) On this question I am paired with the Senator from Maryland, Mr. DENNIS. I suppose he would vote "nay." If I were at liberty to vote I should vote "yea;" choosing this as a lesser evil than expansion.

Mr. MORRILL, of Maine, (when his name was called.) On this and all kindred questions I am paired with the Senator from Rhode Island, Mr. SPRAGUE. If he were here he would vote "nay," I am advised; and I should vote "yea."

Mr. RANSOM, (when his name was called.) On this question I am paired with the Senator from Delaware, Mr. BAYARD, who is detained at home by sickness.

Mr. SCOTT, (when his name was called.) To avoid repetition I desire to say that wherever I have not voted on the bill I have considered myself paired with my colleague, [Mr. CAMERON.] I should vote "yea" on this proposition.

The roll-call having been concluded, the result was announced—yeas 20, nays 31; as follows:

YEAS—Messrs. Anthony, Conkling, Cooper, Cragin, Davis, Fenton, Frelinghuysen, Hager, Hamilton of Maryland, Hamilton of Texas, Hamlin, Jones, Kelly, Morrill of Vermont, Sargent, Saulsbury, Schurz, Sherman, Thurman, and Wadleigh—20.

NAYS—Messrs. Allison, Bogy, Boreman, Carpenter, Clayton, Conover, Ferry of Connecticut, Ferry of Michigan, Goldthwaite, Gordon, Harvey, Hitchcock, Ingalls, Johnston, Lewis, Logan, McCreery, Merrimon, Mitchell, Morton, Norwood, Oglesby, Patterson, Pease, Pratt, Ramsey, Robertson, Spencer, Tipton, West, and Windom—31.

ABSENT—Messrs. Alcorn, Bayard, Boutwell, Brownlow, Buckingham, Cameron, Chandler, Dennis, Dorsey, Edmunds, Flanagan, Gilbert, Howe, Morrill of Maine, Ransom, Scott, Sprague, Stevenson, Stewart, Stockton, and Wright—21.

So the amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now recurs on the amendment of the Senator from North Carolina, [Mr. MERRIMON,] to strike out the third section and insert a substitute; which will be read.

The Chief Clerk read the words to be inserted, as follows:

That forty-six millions in notes for circulation, in addition to such circulation now allowed by law, shall be issued to national banking associations now organized and which may be organized hereafter; and such increased circulation shall be distributed among the several States as provided in section 1 of the act entitled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates, and for an increase of national-bank notes," approved July 12, 1870.

Mr. HOWE. Mr. President, I indicated a purpose last evening to vote for a proposition to put free banking on the bill as it stands; and it may be remembered by some that I attempted to justify such a vote upon the ground that I thought free banking in itself was a proper thing, and if inserted upon a proper bill would be quite satisfactory to me. I intimated that possibly if it was put on this bill, unless the bill was largely modified, I should not vote for the bill.

Here is a proposition to put, not free banking on the bill, but a new restriction upon banking. As I do not like restricted banking, I am not very strongly induced to vote for this proposition, because I object to the bill as it stands and to the amendment that is offered. I do not like the proposition moved, because it is a new restriction upon banking. I do not like the bill upon which you put it, because that bill provides for an increase of the greenback circulation.

I have taken occasion to say several times during this long winter that there were communities here and there in the United States which asked, which required, additional banking facilities. I have said that there was capital ready to furnish those facilities if your law would allow them to be furnished. I should be glad to offer those facilities. I should be glad to see that law so modified. But, Mr. President, when we have another bank in the United States I want it to be a real bank; I want it to do the whole duty of a bank, a full-breasted, full-grown bank. If we have got to do business with corporations like those that now exist, corporations which we have got to sit up with nights and feed with greenback broth, I do not want any more of them.

Mr. THURMAN. Mr. President, I shall vote for the amendment of the Senator from North Carolina without at all committing myself to vote for the bill if that amendment be adopted, for if we are to have a bill of expansion without one single feature in it which looks like ever coming back to a sound basis for the currency, I shall vote against any such thing. But I can vote for this amendment, reserving the

right to vote against the bill unless something shall be put into it which looks like saving us from a wholly irredeemable paper currency; and I can vote for it for this reason: We have had various propositions of inflation here; we have already agreed to inflate the greenback currency by the sum of $44,000,000. That is fixed. Then we had a proposition to inflate the national-bank currency on the basis of the State of Maine, which I believe would inflate between two hundred and sixty and two hundred and eighty million dollars; then on the basis of the State of Pennsylvania, which would inflate by the sum of $120,000,000 or thereabouts; then on the basis of the State of New York, which would inflate by the sum of $110,000,000. And now, if I may judge by what is said by one of the leaders of the inflationists, they have concluded to come down to the inflation proposed by the Senator from North Carolina, $46,000,000.

Well, I must say that this debate has not been without its effect, and that some good at least has resulted from it, when it has brought them down from $260,000,000 or $280,000,000 to the modest sum, in comparison with what has been heretofore urged, of $46,000,000. I can therefore vote to put that in the bill, reserving, as I said, my right to vote against the bill unless something shall be done toward preventing this country from being flooded for all time with a wholly irredeemable currency.

Sir, I derive some little consolation from the fact that the friends of this inflation, who see all the benefits that Heaven itself can bestow upon earth in an inflation of the currency, have so far rectified their views that they seem now to be willing to take one-sixth of what the day before yesterday or yesterday seemed to be their idea of what was necessary to cover this whole country with prosperity.

While I am on this subject I wish to say that I am very apprehensive that if this measure pass it will not have the effect which the mover of it expects. I certainly as much as any one wish to see the South and West benefited; I wish to see every part of the Union benefited; but I know that there are peculiar reasons why the southern part of this country should have the fostering care of the Government. No one feels those reasons more strongly than myself. But when we come to consider what will be the practical effect of this amendment should it be carried and become a law, I must confess that it appears to me that the South will probably derive very little benefit under it if the Comptroller of the Currency will be obliged to award banking facilities to the States that are deficient according to the degree of their deficiency.

Let us see what are the deficient States. That which is the most deficient is the State of Missouri. Her deficiency is $8,983,000, or in round numbers $9,000,000. Then comes the State of California, with $3,300,000; then Wisconsin, $5,700,000, I leave out the hundreds; then Tennessee, $5,300,000; Mississippi, $5,000,000; Georgia, $4,600,000; North Carolina, $4,600,000; Alabama, $4,200,000; Virginia, $4,100,000; Texas, $3,700,000; Arkansas, $2,900,000. I need not read further.

Now, what is the Comptroller of the Currency to do? The total amount of deficiency is $80,000,000. It is proposed to take $46,000,000 and give that to the States, pursuant to the provisions of the first section of the act of July 12, 1870, to provide for the redemption of the three per cents. How is he to distribute, I want to know? By what standard is he to distribute? Is he to fix an arbitrary standard of some State, and say that no State shall have any banking facilities until the State of Missouri has the full amount according to that standard which he shall adopt—some standard which bears about the same relation that $46,000,000 does to $80,000,000; for the deficiencies which I read are deficiencies which aggregate $80,000,000? Shall he take some standard such as the proportion that forty-six bears to eighty, and say that no State shall have any currency until Missouri, where the deficiency is greatest, shall have arrived up to that standard, and so on going step by step until all the deficient States have come up to that standard, or going a year without it have, under the provisions of this act, been deemed to refuse it? I do not understand from this amendment how the distribution is to be made; but if that shall be the distribution, my friends from the South will have to wait perhaps a long time before they get this addition of currency which they expect. But that is their lookout. I only mention it for the purpose of showing that if they want to have that relief down South which they say they need so much, they will perhaps have to find some other machinery in addition to that which is provided by this amendment.

Mr. MORTON. I do not care to discuss this question. I only say that the distribution will be apportioned among all the States in deficiency according to their deficiency. Of course it is not enough to meet all the deficiency. I wish it was more; but I ask a vote.

Mr. BUCKINGHAM. I have no doubt many sections of the country will be disappointed if they anticipate banking facilities and currency as it is proposed to have them distributed by this amendment. I believe it is true that money cannot go except where it is purchased by property. I understood some weeks since that the Senator from Georgia, [Mr. GORDON,] in speaking of the wants and necessities of Georgia, said that Georgia was poor. I am very sorry it is so; but I doubt not it is true, or he would not have stated it. Now I ask, if Georgia is poor, what object is it for any man or any association of men to go and establish a bank there where there is only poverty?

The honorable Senator said, if I remember aright, that when cotton was worth there but ten cents per pound they could not get money enough to move it and to buy it. I have no doubt it was true, and I believe that if the people there had any property to buy money with, if the doors should be opened so that men who have money could send it there and move the cotton, they would do it. But the object of the Senator was to show that they needed banking facilities and could offer inducements for them, and those inducements were grounded first upon poverty!

He said another thing, that the men who borrowed money there paid 1½ per cent. a month, and that compounded every thirty days made it perhaps equal to 24 per cent. a year. I ask how long a capitalist will loan his money at 24 per cent. per annum? I think it is perfectly clear that inasmuch as capital is shy, is timid, the Senator from Georgia would find it very difficult to win capital by such statements as he has made, so as to have it located for banking facilities in his State. I say this, regretting as I do that they have not greater means, because I believe it illustrates what they will find true if this bill shall pass, that their expectations will not be realized.

The PRESIDING OFFICER. The question is on the amendment of the Senator from North Carolina, [Mr. MERRIMON,] to strike out the third section of the bill and insert a substitute.

Mr. SAULSBURY. I shall vote against this amendment for several reasons.

First, I believe we have already too much currency in the country. There is too great a discrepancy between the amount of gold coin in the country and the volume of circulation. I believe it to be unwise and injudicious to increase that discrepancy; and for that reason, if there were no other, I should be compelled to vote against this amendment.

I am aware that the people of the South and West complain that they have not a fair proportion of the circulating medium in their midst; but when the proposition to-day was made to distribute $50,000,000 now engaged in banking capital in the East among the Southern and Western States, almost every friend of inflation from either of those sections recorded his vote against that distribution which they had heretofore claimed to be necessary and to be equitable. Therefore, if the failure of this measure in practice, if the increase of the circulating medium should still leave the West and the South destitute of banking capital, the responsibility must rest and ought to rest exclusively on the Senators from those sections of the country which have refused it and recorded their votes in opposition to it.

But, sir, I am opposed to this increase of the national banking circulation for another reason. It is a proposition to pension upon the Treasury of the United States $46,000,000 of additional capital. There are $400,000,000 of property of the rich men of the country now pensioned upon the Treasury of the United States, and those capitalists are drawing from the Treasury of the United States the interest of their capital. That Treasury is supplied by taxation upon the people of this country. The industries of the country are taxed and the benefit of that taxation conferred on the shareholders in the national banks; and this proposition is to increase the list of these pensioners upon the public Treasury. Against that I shall record my vote now, henceforth, and forever, whenever the proposition may come up.

But, sir, I shall vote against this whole bill. I shall vote against it whether this amendment is adopted or rejected, because the first provision of this bill now proposes to increase the legal-tender circulation of the United States. Sir, I believe there never was any power in Congress to make paper promises a legal tender. With that conviction resting upon my mind, notwithstanding the decision of the Supreme Court of the United States in that regard, I cannot vote and no vote of mine shall ever be given to issue further paper money as legal tenders. Nothing but coin ought to be regarded as a legal tender in this country; and that paper legal tender which has been made by act of Congress is not to-day worth exceeding eighty-seven cents on the dollar. The people of this country are compelled as between themselves to accept it—to exchange their property for it at its face value. It is made a legal tender by law. If I owe a debt to you, sir, or to any one, it matters not when the debt was created or how honestly I may have promised to pay every dollar that I owe you, I can take this legal-tender currency and can tender it to you in payment of the debt and you are bound to receive it. The proposition in this bill to increase the volume of the legal-tender notes of this country, so that men can take advantage of it and pay their debts with a less amount than they ought to pay, shall never be carried out by any vote of mine. I therefore shall vote not only against the pending proposition, but against the bill, whether the amendment becomes a part of it or not.

Mr. MORTON. I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the amendment of the Senator from North Carolina [Mr. MERRIMON] to strike out the third section and insert the matter that has been read by the Secretary.

The Chief Clerk proceeded to call the roll.

Mr. BUCKINGHAM, (when his name was called.) On this question I am paired with the Senator from Maryland, Mr. DENNIS. If he were present he would undoubtedly vote for this amendment, and I should vote against it. And I take this occasion to say that on all these questions I am for the present paired with him.

Mr. FLANAGAN, (when his name was called.) I suppose that I am

paired with the Senator from Tennessee, Mr. BROWNLOW. I regret it very much. If he were present I should vote "nay," and he would vote "yea." I may make the same statement as to all other questions pertaining to this bill.

Mr. HAMLIN, (when the name of Mr. MORRILL of Maine, was called.) I wish to say on behalf of my colleague, who is absent, that he is paired with the gentleman from Rhode Island, Mr. SPRAGUE. If he were present he would vote "nay," and the Senator from Rhode Island "yea."

Mr. RANSOM, (when his name was called.) On this question I am paired with the gentleman from Delaware, Mr. BAYARD, and on all questions connected with this bill during the day. If he were present he would vote "nay" and I should vote "yea" on this amendment.

The roll-call having been concluded, the result was announced—yeas 33, nays 19; as follows:

YEAS—Messrs. Allison, Bogy, Boreman, Carpenter, Clayton, Conover, Davis, Ferry of Michigan, Goldthwaite, Gordon, Harvey, Hitchcock, Ingalls, Johnston, Lewis, Logan, McCreery, Merrimon, Mitchell, Morton, Norwood, Oglesby, Patterson, Pease, Pratt, Ramsey, Robertson, Sherman, Spencer, Thurman, Tipton, West, and Windom—33.

NAYS—Messrs. Anthony, Boutwell, Chandler, Conkling, Cooper, Cragin, Ferry of Connecticut, Frelinghuysen, Hager, Hamilton of Maryland, Hamilton of Texas, Hamlin, Jones, Kelly, Morrill of Vermont, Sargent, Saulsbury, Stewart, and Stockton—19.

ABSENT—Messrs. Alcorn, Bayard, Brownlow, Buckingham, Cameron, Dennis, Dorsey, Edmunds, Fenton, Flanagan, Gilbert, Howe, Morrill of Maine, Ransom, Schurz, Scott, Sprague, Stevenson, Wadleigh, and Wright—20.

So the amendment of Mr. MERRIMON was agreed to.

Mr. FRELINGHUYSEN. I offer the following amendment, to come in after the first section:

The surplus revenues of the Government shall be used for the purpose of accumulating coin in the Treasury, until the Secretary of the Treasury shall be enabled thereby to redeem United States notes in coin when presented; but this shall not prevent the Secretary of the Treasury from selling gold sufficient to meet all demands on the Treasury which are payable in currency over and above currency receipts, and to keep on hand a proper cash balance for that purpose, and to retire such notes as may be required by this act to be retired.

The Senate has voted to increase the greenbacks $44,000,000, and we have just voted for an increase of the national currency by $46,000,000. We have the paper circulation up to $300,000,000 of the two classes; and, as is suggested, the fractional currency is to be added. The proposition I submit is that the Secretary of the Treasury be authorized to retain the surplus revenue of the Government as a fund for the redemption of the greenbacks. It is the mildest proposition that can be put, if we mean to do anything to keep our pledges. We have heard it stated repeatedly in the Senate that the people of the country demand the increase of currency. Mr. President, the people were once tested. After the exigencies of the war were over appeals were made from various sources to induce the people to throw off the toilsome payment of what was termed an oppressive debt. Then the nation showed its true greatness, for the people all over the land, stalwart men with brawny arms and with the sweat-drops of labor on their brow, sent forth the decree that the faith and honor of the country should be inviolate; and they sent representatives here to carry out that decree, and those representatives placed upon the record, there to remain, if fulfilled, to the honor, and if repudiated to the dishonor, of this country forever, this sacred promise: "The United States solemnly pledges its faith to make provision at the earliest practicable period for the redemption of the United States notes in coin."

A proposition was made here, and is now renewed, to retain the accumulations of our surplus revenue in order to create a fund for the redemption of our promises, and we were told that the nation was too poor; that it was impossible to do anything. Sir, if we had shown the same want of resolution when the existence of this country was threatened we should to-day have had no nation to legislate about. When a proposition was made that those who held the notes of the United States should have the privilege of receiving an interest-bearing bond in exchange for them, we were seriously told that would cost five or ten million dollars a year; as if the fact that it cost something for a nation to pay its debts was a reason why it was not dishonored by the non-payment of its debts.

That is not all. We made a pledge that our interest-bearing obligations should not be paid before maturity unless the United States notes were at the time convertible into coin, unless they were paid off to secure a lower rate of interest. This was but equitable, and yet in violation of that pledge we have paid millions.

Mr. President, there is one other suggestion which I wish to make. There are Senators who have other obligations resting upon them than those which the Constitution imposes. Some here represent a political party, having come here avowing that we would carry out the sentiments of that party. On the 6th of June, 1872, at a convention held in Philadelphia, this plank of a platform was adopted:

We denounce the repudiation of the national debt, in any form or disguise, as a national crime, and confidently expect that our national currency will be perfected by a speedy resumption of specie payments.

And yet some of the representatives of that party have by their votes increased the paper promises of the country nearly $100,000,000 without making any provision for specie payments. No Senator questions that as we increase this volume of currency the feasibility of returning speedily to specie payments is diminished. Is this keeping faith?

Mr. President, this Government lies down on its promise; banks lie down on their promises; and it is no wonder that the atmosphere is filled with the sad stories of defalcations and violations of trust by clerks, and cashiers, and trustees, and comptrollers. The true keynote of integrity should here be set. When there is such a desolation of character, the nation should not break down the ramparts of the strictest integrity. If we refuse now to make this provision authorizing the Secretary of the Treasury to hold the surplus revenue with the view at some future day of a resumption of specie payments, we take a departure that is in itself a dishonor.

Sir, I hope that the amendment may be adopted. I know the argument is used that the banks authorized will not be created, that the national currency will not be increased. We, however, legislate on the assumption that it will be; and I understand that the capitalists of the country might hesitate as to creating banks under the pledge of this Government that we were soon to return to specie payments; but the speculators of the country know that specie payments are out of the question, and every dollar that you will permit them to put in new banks will be speedily invested. Let this measure, feeble as it is, be adopted as some poor fulfillment of the repeated pledges which the Government and the dominant party have given.

Mr. THURMAN. I offer the following as an additional section to the bill——

Mr. CONKLING. The amendment of the Senator from New Jersey to hold coin is now pending.

Mr. THURMAN. Let this lie on the table, then, until the amendment of the Senator from New Jersey is disposed of.

Mr. MORTON. Let it be read for information.

Mr. THURMAN. Very well.

The Chief Clerk read as follows:

That from and after June 30, 1874, one-twentieth of the customs duties shall be payable in United States legal-tender notes, and after June 30, 1875, one-tenth, and after June 30, 1876, one-fifth thereof may be so paid.

Mr. THURMAN. Now let the amendment offered by the Senator from New Jersey be read.

The CHIEF CLERK. It is proposed to add to the first section of the bill these words:

The surplus revenues of the Government shall be used for the purpose of accumulating coin in the Treasury until the Secretary of the Treasury shall be enabled thereby to redeem United States notes in coin when presented; but this shall not prevent the Secretary of the Treasury from selling gold sufficient to meet all demands on the Treasury which are payable in currency over and above currency receipts, and to keep on hand a proper cash balance for that purpose, and to retire such notes as may be required by this act to be retired.

The PRESIDENT *pro tempore*. The Chair does not understand the Senator from Ohio to move his amendment at present.

Mr. THURMAN. I have very great doubts of the wisdom of hoarding all the gold that will be received into the Treasury——

The PRESIDENT *pro tempore*. Does the Chair understand the Senator from Ohio to move his amendment at present?

Mr. THURMAN. I understand I can move it as a substitute for the other.

The PRESIDENT *pro tempore*. That will be in order.

Mr. THURMAN. But I prefer to let the question be taken on the amendment of the Senator from New Jersey.

Mr. MORTON. Offer it as a substitute.

Mr. THURMAN. No; I do not want to complicate it. I desire to offer this as a distinct proposition before the Senate.

The PRESIDENT *pro tempore*. The Senator makes no motion, the Chair understands.

Mr. THURMAN. I make no motion at present. I shall offer my amendment after the amendment of the Senator from New Jersey has been voted upon.

Mr. LOGAN. Let us take a vote on the amendment of the Senator from New Jersey, and then you can offer your proposition.

Mr. THURMAN. I wish to say a word about the amendment of the Senator from New Jersey.

If I understand the proposition of the Senator from New Jersey it is that all the gold that shall be received into the Treasury—and I do not know but that it goes further than the gold—all the surplus revenue, whether it be in gold or in paper, shall be hoarded in the Treasury for the purpose of redeeming the legal-tender notes. I have very great doubts of the wisdom of that mode of redemption. What would it require? It would require that you should accumulate gold in the Treasury to the amount now of $400,000,000; that is, if this bill becomes a law, unless indeed it might be assumed that you could commence paying specie before you had acquired the full amount of $400,000,000 of gold; and I presume you could; but it would certainly require a very large accumulation of gold. As long as the banks are not paying specie, and as long as the volume of greenback currency is $400,000,000, it would not be safe for the Treasury to begin to pay gold until a very large accumulation had been made, such an accumulation as with a constant excess in the receipt of gold from the customs over and above the amount necessary to pay the interest on the public debt and our gold payments abroad to our ministers and to the Navy would secure a sum sufficient to pay the greenbacks as they might be presented. I do not know exactly what that would be. I do not therefore at first like very much the idea of hoarding the gold in this way, and unless better informed I cannot vote for the

proposition of my friend from New Jersey, although it looks in the right direction.

Mr. FRELINGHUYSEN. Mr. President, the gold receipts of the country are $180,000,000.

Mr. MORTON. They were.

Mr. FRELINGHUYSEN. The gold expenditures are $136,000,000, leaving a difference of $44,000,000. It may be that it will be, and doubtless it would be, necessary to sell a part of that gold in order to meet the currency demands upon the Treasury, and yet it would be possible to retain a part of it, perhaps $20,000,000, perhaps more, and in the course of a few years we would have an accumulation of gold. The idea that we can ever keep our pledges and make these notes convertible without accumulating gold, I cannot comprehend. We can give paper for paper, but we cannot redeem our pledge and make the notes convertible into gold unless we have got the gold. This is a step in the right direction. It is a step that goes but a little way, I admit. There is no contraction in it; but it gives an assurance to the country that this Government does mean to keep its oft-repeated pledges.

Mr. THURMAN. One word more on this subject. How do merchants obtain gold now with which to pay duties? I suppose the largest portion of it is obtained by sales of bills of exchange, perhaps foreign bills drawn against parties in England or some merchandise or security sent to Europe and sold; but a large amount of the gold with which duties are paid is purchased in New York with greenbacks. Now, the effect of hoarding gold in the Treasury must necessarily, as it seems to me, be to increase the premium on gold and just to that extent to increase the customs duties. The idea, therefore, of hoarding two or three hundred millions of gold seems to me to involve the proposition to make the customs duties, which I think are already onerous, still more excessive.

Mr. MORTON. Mr. President, this was a favorite idea with me six years ago. I presented a proposition to this Senate about six years ago that the Government should retain the surplus gold in the Treasury to provide a fund with which to redeem the greenbacks. If we were to redeem the greenbacks in gold, I did not know any way to do it without getting the gold; and I did not know any way to get the gold except to save the surplus. But I was met almost unanimously by the Senate at that time with the objection that it would require us to hoard gold for several years; that that would make gold scarce in the market; that importers and persons who had to send gold abroad to pay interest would have to buy it at constantly increasing prices; and upon such arguments my proposition was rejected. There was much more gold in the country then than there is now, and that objection was less forcible then than it is now.

The proposition of the Senator from Ohio [Mr. THURMAN] that we shall receive a part of the duties in greenbacks looks in the other direction, looks to diminishing the receipts of gold in the Treasury. That Senator talks constantly about irredeemable paper and about the necessity of redeeming our notes in coin, and yet he proposes to diminish the supply of gold which the Government receives.

Mr. SHERMAN. There is a modification to the amendment of the Senator from New Jersey which I suggested, and which met his concurrence. It is manifest it ought to be inserted.

The PRESIDENT *pro tempore*. The amendment will be reported as modified.

The Chief Clerk read the amendment as modified, as follows:

The surplus revenues of the Government shall be used for the purpose of accumulating coin in the Treasury until the Secretary of the Treasury shall be enabled thereby to redeem United States notes in coin when presented; but this shall not prevent the Secretary of the Treasury from selling gold sufficient to meet all demands on the Treasury which are payable in currency over and above currency receipts, and to keep on hand a proper cash balance for that purpose and to maintain the sinking fund.

Mr. SHERMAN. I do not see what possible objection there can be to this amendment. The great trouble, I am afraid, is that in the present condition of our revenue the surplus will not amount to anything. I doubt very much whether during the current year we shall be able to maintain the sinking fund. Indeed, the Secretary of the Treasury anticipates that he will not be able to provide for all the sinking fund this year. The statement laid upon our tables yesterday shows that since the 1st of July last our revenues have not been sufficient to pay our expenses, even without counting the sinking fund.

But the amendment of the Senator from New Jersey may be very useful in indicating a public policy. If it be adopted, the only thing in the bill (although I hope we may add something else to it before we get through) that will look to specie payments will be the accumulation of the surplus revenue. We have none now to accumulate; but in a year's time or in two years' time our revenues may so far improve that there may be a large accumulation of surplus revenue which will be applicable then to the purpose of maintaining and improving the credit of our currency rather than to the payment of the funded debt before it is due.

I shall therefore vote for the amendment. I do not see how gentlemen who are in favor of contraction can be opposed to an amendment to maintain a surplus revenue in the Treasury. For a year or two at least we cannot hope to have any; but as an indication of a public policy looking to the resumption of specie payments at some time it seems to me it is wise to insert it.

Now, as to the proposition of my colleague, for I may as well say what I have to say upon both questions at once, the objection I have to it is this: In the first place it is an express violation of section 5 of the act of February 5, 1862, which provides—

That all duties on imported goods shall be paid in coin, or in notes payable on demand heretofore authorized to be issued and by law receivable in payment of public dues—

They are now all paid off—

and the coin so paid shall be set apart as a special fund, and shall be applied as follows.

It is perfectly manifest, therefore, that we can only dispose of the surplus gold over and above the amount necessary to pay the interest on the public debt and to maintain the sinking fund; that is about one-fifth. My colleague recognizes the force of this obligation by limiting his amendment to one-fifth of the gold. But, on the other hand, what is the use of diminishing the revenues to the extent of the premium on that gold to the amount of one-fifth? My own impression is that it would create constant confusion and great trouble. At present the sub-treasury receives nothing but coin certificates or coin. The mere difference between the value of coin and currency for one-fifth of the amount of the duties would not be any considerable relief to the merchant, while it would be a very great practical embarrassment to the Treasury Department in maintaining two systems of coin and currency in the payment of duties. If a duty should amount to ten dollars, two dollars of it would be in currency and eight dollars of it in coin, making a complication of accounts.

But that is not all. It is practically a diminution of the revenue to the extent of the premium on the one-fifth; and at this time we certainly ought not to reduce the revenue. In any point of view, therefore, it seems to me the proposition of my colleague is not advisable. I therefore cannot vote for it. The proposition of the Senator from New Jersey I see no objection to, except, I am sorry to say, that we have not much revenue to accumulate at present.

Mr. FERRY, of Michigan. I desire to call the attention of the Senator from Ohio, the chairman of the Committee on Finance, to the fact which he has stated in his reference to the statute which he has read. At that time Congress provided for the payment for duties of the old demand notes, similar to the proposition now made by his colleague.

Mr. SHERMAN. They have all been paid off.

Mr. FERRY, of Michigan. But at that time they were not paid off, and the law provided that they should be received for duties, which is precisely the proposition made by the Senator's colleague.

Mr. SHERMAN. That was a mere provision that we should not dishonor them. Those $50,000,000 of demand notes were issued receivable for customs expressly, and consequently we could not pass a law that would violate the performance of that obligation.

Mr. FERRY, of Michigan. Still they were in existence, and the law provided for their use.

Now, as regards the other point that the Senator made, does it not appreciate the greenbacks by permitting a portion of them to be paid for duties? Does not that run in the line of the policy advocated by the honorable chairman of the Committee on Finance, and does it not also check the competition in the market for gold by reducing the amount necessary to be used for customs dues?

Mr. SHERMAN. In reply to the Senator, I stated the other day that this proposition would tend in one direction to appreciate the value of greenbacks, by making them useful for a purpose for which they cannot now be used; but at the same time it would diminish our revenue to the extent of the premium on the gold. It would make a very great difficulty in the accounts and the dealings between merchants and the Treasury and create great embarrassment to trade; and it would open up a question here on the floor of the Senate at this late day of the diminution of the duties on imported goods, because to the precise extent that you receive these notes in payment of customs duties you diminish the duties on imported goods. It will raise that question.

Mr. FRELINGHUYSEN. I have but a word to say. The suggestions against this amendment from the Senator from Ohio [Mr. SHERMAN] and from the Senator from Indiana [Mr. MORTON] do not correspond, do not harmonize. My friend from Ohio, while he will vote for it, thinks there is not much efficiency in the amendment because we shall have no surplus, while my friend from Indiana fears that the great accumulation this amendment provides for of gold in the Treasury will prevent the merchants from obtaining the necessary gold and embarrass business.

As to the first suggestion, that there is no surplus, it seems to me the Committee on Finance ought to address themselves to that question very vigorously. An increase of the tax on whisky and tobacco, as I indicated some three or four weeks ago, would give us a very material increase of our revenue, and we should then have a surplus.

As to the suggestion of the Senator from Indiana that this accumulation would interfere with business, I believe if this Government had an accumulation of gold it could control the gold market instead of being controlled by it, and there would be no difficulty on the double security of our own bonds in issuing gold certificates so as to relieve the demand for gold, and thus even prevent this amount of gold lying without producing any interest. The great advantage of this plan over any other is simply this: We say that the national banks may redeem in greenbacks; now we must make those greenbacks equivalent to gold; and if we do, we save all the interest that the funding

of $400,000,000 would require, while at the same time we fulfill our pledge in making them convertible into coin.

Mr. MORRILL, of Vermont. I regret that the Senator from Indiana feels obliged to go against any proposition that he was in favor of six years ago. I do not regard this proposition as likely to have any effect for the coming year. Unquestionably we shall have a deficiency and shall be unable to supply the entire amount required for the sinking fund, and it may be, and probably will be, the duty of Congress before its adjournment to provide for that deficiency in some way.

As it has been the practice to consider both of these amendments at the same time, the amendment of the Senator from New Jersey and the amendment suggested by the Senator from Ohio, I desire to say a single word upon the proposition made by the Senator from Ohio, [Mr. THURMAN,] and that is that it is an indirect way of reducing the present tariff. At a moment when our revenues are less than are required for our ordinary expenditures, the Senator from Ohio proposes to decrease them. I think that is a sufficient answer to the proposition made by the Senator from Ohio, for it would practically operate as a diminution of the tariff upon all articles to the extent of the premium on the part of the duty that is proposed to be paid in paper.

Mr. MORTON. There will be nothing for this amendment of the Senator from New Jersey to operate on this year, and probably not for several years, certainly not until there is a restoration of good times. The Senator from Vermont refers to what I proposed six years ago. If my recollection is correct, when I made this proposition six years ago my friend from Vermont was on the other side.

Mr. MORRILL, of Vermont. I cannot say.

Mr. MORTON. I rather think he was.

Mr. MORRILL, of Vermont. I would prefer to have the Senator produce the record.

Mr. MORTON. I have not time to hunt it up, and I do not think Senators' records are worth the labor sometimes. [Laughter.] I would want to know that the record was valuable before taking the trouble to hunt it up.

One thing further. I desire to call the attention of the Senator from New Jersey to the fact that his amendment leaves it discretionary with the Secretary of the Treasury when he will begin to redeem. He may begin when he gets $25,000,000, when he gets $50,000,000, or when he gets $60,000,000. It leaves it altogether discretionary with him. That is a very great power, a very great discretion.

Mr. FRELINGHUYSEN. The amendment says nothing about redemption—when he shall begin. The bill that I introduced before did.

Mr. MORTON. That is where this is defective.

Mr. FRELINGHUYSEN. No; that left it discretionary. If that is the objection that you make here, this only provides for the accumulation.

The PRESIDENT *pro tempore*. The Senator from New Jersey has exhausted his ten minutes.

Mr. THURMAN. I move to strike out these words at the close of the amendment of the Senator from New Jersey, "and to maintain the sinking fund." They ought to be stricken out, although that is not particularly my reason for moving to strike out, because they provide that the Secretary of the Treasury may sell gold to maintain the sinking fund. The sinking fund is to be in gold.

Mr. SHERMAN. No.

Mr. THURMAN. The greater part of it.

Mr. SHERMAN. O, no; he sells all the gold.

Mr. THURMAN. In bonds?

Mr. SHERMAN. Yes, sir.

Mr. MORTON. The duties are pledged to the sinking fund.

Mr. THURMAN. Yes, sir; and to be paid in gold.

Mr. MORTON. That is a part of the contract.

Mr. THURMAN. That is provided for in the act of 1862; but I do not care about that.

Mr. FRELINGHUYSEN. I will state to the Senator from Ohio that these words were inserted at the suggestion of the chairman of the Committee on Finance, supposing that they were necessary in order to preserve the law.

Mr. THURMAN. If Senators say so, very well; I will withdraw that motion and move another amendment.

What the Senator from Indiana says is perfectly true, that this amendment fixes no time when redemption shall commence. It would seem to leave it entirely within the discretion of the Secretary of the Treasury. The accumulation is to go on "until the Secretary of the Treasury shall be enabled thereby to redeem United States notes in coin when presented." I suppose that intends to leave him to judge whether he can commence with coin equal to 25 per cent., or 30 per cent., or 40 per cent., or 50 per cent. of the outstanding volume of greenbacks. I do not know that it is very wise to vest in a single officer of the Government the discretion to determine when specie payments shall be resumed in this country; a resumption that must affect more or less the business of the entire country, and which will require, whenever it takes place on the greenbacks, that the nineteen hundred and odd national banks and the new banks that are to be created shall all pay specie too. I think that is too much power to vest in any one man, and therefore there ought to be some amendment here, if this proposition is to be adopted, saying that the redemption shall commence when the accumulation bears a certain proportion to the outstanding volume of the greenbacks. That seems to me to be necessary; and, in order that the sense of the Senate may be tested on that, I move to insert after the word "presented" the words "which redemption shall commence when the accumulated gold is equal to 75 per cent. of the amount of outstanding greenbacks." I am not particular about 75 per cent. I do not think it would be necessary to go so high as that, but I move that simply as an amendment to test the sense of the Senate. I think myself we might commence redemption with 50 per cent., perhaps.

Mr. LOGAN. We might commence it, but it would not last long.

Mr. THURMAN. We might commence it and it would last, too, provided the receipts from customs should continue to be what they have been for the last five or six years. So much for that. I am not, however, in favor of this proposition for the reasons I have stated already and which I do not wish to repeat.

Now, I wish to say a word or two upon the proposition which I intend to submit, and which is not yet before the Senate, but has been commented upon.

In the first place, it is said by the Senator from Indiana that that is a step in the opposite direction. I do not know what he means by a step in the opposite direction.

Mr. MORTON. No; I did not say that. I saw the Senator from Ohio had been talking about irredeemable paper and the importance of redeeming it in coin, and at the same time he proposes to diminish the receipts of coin by the Government.

Mr. THURMAN. I do not care whether the Government has the coin or whether the people have the coin, so that the coin is in the country. It is not in any wise a step toward irredeemable paper to say that a certain proportion of the customs duties shall be payable in greenbacks, but it is a direct step toward resumption.

Mr. MORTON. I suggest to my friend on the question of redeeming greenbacks that it is the Government that has to redeem them and not the people, and therefore it is very material whether the people have the gold, or the Government.

Mr. THURMAN. I will show how it is a direct step in favor of resumption. It is admitted on all hands that if you receive a portion of the customs duties in greenbacks you will appreciate the value of the greenbacks. Everybody admits that, for everybody must see it. Well, just precisely as you bring greenbacks up to the standard of gold, just so do you make it perfectly easy for the Government to resume specie payments. When greenbacks shall have arrived at a commercial par with gold the Government could resume specie payments on their greenbacks with $10,000,000 of coin in the Treasury, for there would be no run upon it for the coin. Therefore every measure which tends to bring greenbacks up to the standard of gold is a measure that tends to enable the Government to redeem them in gold, and brings about a resumption of specie payments without any pressure, without any hardship. That is the merit of the proposition, that without any shock at all, without any contraction, without any hardship you gradually appreciate the value of greenbacks and bring them up to gold, and then the Government can resume specie payments without any danger whatever of having to suspend the next day.

But it is said by my colleague that this would be a violation of the act of 1862. By no manner of means is it a violation of that act. What is the provision of that act?

> That all duties on imported goods shall be paid in coin, or in notes payable on demand heretofore authorized to be issued.

They were coin notes; they are out of existence now, and so I may read it simply that all duties on imported goods shall be paid in coin.

> And the coin so paid shall be set apart as a special fund, and shall be applied as follows:
>
> First. To the payment in coin of the interest on the bonds and notes of the United States.

That is the first thing; and so far as this act is a pledge, that is a pledge to the holders of the securities of the United States.

> Second. To the purchase or payment of 1 per cent. of the entire debt of the United States, to be made within each fiscal year after the 1st day of July, 1862, which is to be set apart as a sinking fund, and the interest of which shall in like manner be applied to the purchase or payment of the public debt, as the Secretary of the Treasury shall from time to time direct.

There are two objects. You may say the gold is applied to those two objects: first, to pay the interest on the public debt, which is payable in gold; and second, to provide a sinking fund. Is there any further pledge? None whatever. The third clause is:

> The residue thereof to be paid into the Treasury of the United States.

What is the meaning of that? It is to be paid into the Treasury of the United States, and then capable of being appropriated precisely as Congress shall see fit. There is no limitation whatever upon it; and what has Congress done? Has not Congress allowed the Secretary of the Treasury to sell this gold by the hundred millions since this act of 1862 was passed? And who pretends that his sale of the gold for greenbacks was a violation of the pledge contained in that act? If his sale of gold for greenbacks was not a violation of that pledge, then the receipt of a certain proportion of greenbacks in payment of customs duties is no violation of that pledge. All the Government creditor has a right to is that he shall have his interest in gold and that he shall have a certain sinking fund set apart. That is the sole pledge that has been made to him;

and with the residue of gold we can do what the public interest requires. There is no violation, then, of the pledge of the Government.

But in the next place it is said that this measure will give rise to practical difficulties. I can conceive of no practical difficulty in it that amounts to anything. I propose at first that one-twentieth of the duties shall be received in greenbacks—that is a sum easily calculated—and then one-tenth, and then one-fifth. It would not take a boy ten years old to make the calculations upon any invoice as to what duties were to be paid. There can be no trouble about that. If our customs officers are not able to make such calculations and receive payment, they ought to be turned out and better men put in their places.

But then it is said it is proposed to decrease the revenue. How? My friend from Vermont talks about its decreasing the revenue, and my colleague talks about its decreasing the revenue. How? Because you will not take the whole of the customs duties in gold, and let the Government shave its own notes by selling gold for greenbacks and getting for one dollar in gold one dollar and ten cents or one dollar and thirteen cents in greenbacks. That is a singular argument to come from my friends who want gold and greenbacks to be on a par, or want greenbacks abolished altogether. Do they want this spectacle to go on of the Government collecting revenue to carry on the business of the Government by collecting gold, and then buying its own notes at a discount to pay the ordinary expenses? They talk about the Government being dishonored by the fact that these notes are unpaid promises to pay, and yet they propose that the Government shall go on collecting gold and then buying in its own paper at a discount of 10, 15, or 20 per cent. That is not the way I wish to see this Government carry on its business.

Sir, there is nothing in this fear of depreciating or diminishing the revenue to frighten us at all. Here is a plain proposition. The ultimate extent to which I have gone is seven-twentieth parts of the revenue, about one-third of the revenue. Can you safely collect one-third of your revenue after 1876 in legal-tender notes? According to all our experience you can do it, and have ample coin left to pay all the interest on the public debt and to provide for the sinking fund. Why, then, should we not do it? Why, then, should we not in this gradual way bring greenbacks up to gold and by doing so enable the Government to commence redemption, and with it bring redemption throughout the whole country?

Mr. FERRY, of Michigan. I desire to remind the Senator just there of one thing in the line of what he has been saying. He has cited the law and the pledge of the Government in regard to the disposition of the coin received through duties. I wish to remind him that the sinking fund, which was one of the pledges made at that time, was not created until March, 1869.

Mr. SHERMAN. The sinking fund was created by this very same section of the act of 1862.

Mr. FERRY, of Michigan. The law providing for the sinking fund was passed by the act of 1862, but the sinking fund itself, by the appropriation of gold for it, was not commenced until 1869.

Mr. SHERMAN. O, yes; it was provided for, but it was only modified.

Mr. FERRY, of Michigan. It was provided for by law, but not carried out in fact until 1869.

Mr. THURMAN. I do not care whether it was or not. There is the law, and I am willing to stand on the law and treat that as the pledge of the Government to the bondholders if they want that pledge. I am willing to stand by the faith of the Government. All I ask is that after we have performed all we have promised to do for them, then we shall do something for the people.

Mr. FERRY, of Michigan. It was not until the administration of President Grant and Secretary BOUTWELL, of the Treasury, in 1869, that the sinking fund was provided for in fact, by the appropriation of gold to it.

Mr. HAMILTON, of Maryland. I rise to make an inquiry. Is the amendment of the Senator from Ohio [Mr. THURMAN] pending before the body?

Mr. THURMAN. No; not now.

Mr. HAMILTON, of Maryland. Then why discuss it? As I understand, the amendment of the Senator from New Jersey [Mr. FRELINGHUYSEN] is now pending. Let us take a vote upon that first, and then we can come to this other question.

The PRESIDENT *pro tempore*. The Senator from Ohio moved an amendment to the amendment offered by the Senator from New Jersey, which is now pending.

Mr. THURMAN. No; I withdraw that. That was in regard to the amount of gold that must be accumulated.

The PRESIDENT *pro tempore*. The Senator from Ohio withdraws his amendment. The question is on the amendment of the Senator from New Jersey.

Mr. FRELINGHUYSEN. In reply to the suggestion of the Senator from Ohio, I do not understand that this amendment gives the Secretary of the Treasury any additional power in reference to redemption.

The PRESIDENT *pro tempore*. The Senator from New Jersey has exhausted his time. Is the Senate ready for the question on the amendment of the Senator from New Jersey?

Mr. FRELINGHUYSEN. I call for the yeas and nays upon it.

The yeas and nays were ordered; and being taken, resulted—yeas 16, nays 31; as follows:

YEAS—Messrs. Anthony, Conkling, Cragin, Ferry of Connecticut, Frelinghuysen, Hamilton of Maryland, Hamilton of Texas, Hamlin, Howe, Jones, Kelly, Morrill of Vermont, Sargent, Sherman, Stewart, and Wadleigh—16.

NAYS—Messrs. Allison, Bogy, Boreman, Boutwell, Carpenter, Clayton, Conover, Fenton, Ferry of Michigan, Goldthwaite, Gordon, Harvey, Ingalls, Johnston, Lewis, Logan, McCreery, Merrimon, Mitchell, Morton, Oglesby, Patterson, Pease, Pratt, Ramsey, Robertson, Scott, Spencer, Thurman, Tipton, and West—31.

ABSENT—Messrs. Alcorn, Bayard, Brownlow, Buckingham, Cameron, Chandler, Cooper, Davis, Dennis, Dorsey, Edmunds, Flanagan, Gilbert, Hager, Hitchcock, Morrill of Maine, Norwood, Ransom, Saulsbury, Schurz, Sprague, Stevenson, Stockton, Windom, and Wright—25.

So the amendment was rejected.

Mr. THURMAN. I now offer my amendment as an additional section:

That from and after June 30, 1874, one-twentieth of the customs duties shall be payable in United States legal-tender notes, and after June 30, 1875, one-tenth, and after June 30, 1876, one-fifth thereof may be so paid.

Mr. MORRILL, of Vermont. The measures before Congress are ostensibly to increase the business of the country by giving larger accommodations in the way of paper money. Now the proposition of the Senator from Ohio is simply to cripple manufactures by reducing the tariff on imports to the extent of the depreciation of our paper money so far as any portion of it is used under his proposed amendment in the payment of duties. Besides that, it proposes a measure that changes the tariff every day. Whenever the price of gold shall be higher or lower, the tariff will be changed accordingly; so that we shall have a fixed tariff, and yet one that is extremely flexible.

Mr. WRIGHT. I move to amend the amendment of the Senator from Ohio by adding the following:

Whenever the same can be done without violating the pledge made by the act of February 25, 1862, for the payment of the interest on the public debt and providing for the sinking fund.

Mr. THURMAN. I am willing to accept that. I do not think it is necessary, but some Senators think it is, and out of abundant caution I am willing to accept it.

The PRESIDENT *pro tempore*. The Senator from Ohio accepts the amendment offered by the Senator from Iowa.

Mr. BOGY. I desire to offer an amendment to the amendment of the Senator from Ohio as modified. I will read my amendment for information. It is to change the amount to be received in the way provided as follows: That "after June 30, 1874, one-fourth of the customs duties shall be received in legal-tender notes and national-bank notes, and after the 1st of January next, one-half shall be received in such notes." My amendment proposes to accomplish the same object as that of the Senator from Ohio, except that the proportions are larger; and instead of providing that legal-tender notes only shall be received, I wish to extend it to national-bank notes. I desire to occupy a very few minutes in explanation of the amendment which I propose.

The PRESIDENT *pro tempore*. The amendment to the amendment will first be reported.

The CHIEF CLERK. It is proposed to amend the amendment so that it will read:

That from and after June 30, 1874, one-fourth of the customs duties shall be payable in legal-tender notes or national-bank notes, and from and after the 1st of January, 1875, one-half shall be payable in such notes.

Mr. BOGY. I wish to modify my own amendment, although that is the proposition which I presented some time ago. I will modify it so as to confine the receipt to legal-tender notes, excluding national-bank notes, and I will give the reasons for that.

The PRESIDENT *pro tempore*. The amendment will be reported as modified.

Mr. THURMAN. Allow me to call the Senator's attention to one fact. His amendment if adopted would defeat the whole thing, because it would make it impossible to comply with the act of 1862 unless our customs duties were increased very largely. Let me give the Senator the figures. It requires now to pay the interest on the public debt and to provide for the sinking fund, and to pay for our expenses abroad——

Mr. BOGY. If the Senator will excuse me, I will relieve him by telling him that I am aware of all these things, and I will give the reasons for this amendment in anticipation of the very objections that he rises to make.

Mr. THURMAN. Let me say that the amount required in gold is $136,000,000, and we receive something over $180,000,000 a year, which leaves us only about $44,000,000.

Mr. BOGY. The limited time accorded me will not allow me to show that the calculation presented by the Senator from Ohio or by his colleague is incorrect. I will simply say that our gold receipts amount to about $180,000,000 or $190,000,000 a year, and we need for the public debt about $100,000,000. We need for the sinking fund, gentlemen say, $30,000,000. Well, then, we have a gold surplus of $50,000,000. But we can so arrange that not one cent of gold need be used for the sinking fund. I have not the time to go into that; but it can be shown that gold is not necessary to comply with that portion of the contract.

But, sir, I desire to come to the act of 1862 upon which all these arguments have been based that it would be a breach of public faith now to receive in payment of customs duties legal-tender notes instead of gold. I have looked carefully into that act and I have listened

with great attention to the arguments which have been made on this floor by the chairman of the Committee on Finance as well as by the Senator from Vermont and the Senator from New Jersey and other Senators, and I have yet to see the force of their arguments.

The law of 1862 provides that customs duties shall be paid in gold, and be appropriated first to the payment of the interest on the public debt; second, to the sinking fund; and third, the balance to go into the Treasury as any other fund might go, subject to the disposal of the Congress of the United States. The object of that pledge at that time was, doubtless, to give character and credit to our bonds. We were then engaged in war. The amount of bonds we then had outstanding was small; but if the war continued, as a matter of course there would become a necessity for this nation to extend its debt to a very large amount. It was thence wise, and I commend the wisdom of it, to strengthen the public credit by a measure of this kind; but I say there was no pledge made, no contract made beyond this, that the bonds of the United States and the interest on those bonds should be payable in gold. That was the essence of the contract. The fact that gold was so used, no doubt, did the credit of the nation good at that time, but that did not enter into the contract. The contract is that the bonds shall be at maturity payable in gold. I doubt myself whether it was even a contract at that day, and indeed I believe it was not a contract; but I yield that point because by the act of 1869 it was said to be a contract; but granting that it was a contract, the essence of the contract was that we should pay this debt in gold.

It is proper for a nation having but little credit, like an individual having little credit, to give security for loans. A nation like Mexico or Venezuela or any other nation that has not much credit before the world has to pledge its customs receipts to enable it to negotiate a loan at all. But I say this nation has passed that period; its public faith is good enough; and yet for the purpose of raising $100,000,000, or $120,000,000, or $130,000,000 a year in gold, by the argument made on this floor by every gentleman who has spoken on the subject, the currency has been depreciated 10 per cent. Your legal currency being depreciated 10 per cent., there is an actual loss between it and gold of $40,000,000 a year. As a matter of interest it will be a great deal better for us to receive all our customs duties in paper money and periodically to buy gold for the purposes for which the Government requires gold, because if you received your customs duties in paper money the difference between gold and paper money would be small, and as you would need but $100,000,000 of gold to pay your interest, you might well afford to pay 10, 15, or 20 per cent. for your gold and yet make money by the transaction. The depreciation is on the broad basis of $400,000,000 now of legal-tender notes, and at 10 per cent. it is $40,000,000. It would be better for this nation, on the score of mere dollars and cents, to buy the gold it needs.

If it were possible that this could be considered a breach of contract before the eyes of the world, of course I would not advocate it; but concede for the sake of the argument that these bonds were made payable in gold, then that is the essence of the contract, and the mode and manner in which this nation shall raise the money to do that is not a part of the contract. Nor would it affect the credit of this nation at all even to the hundredth part of a cent. There is not a bondholder in Europe or in the world but has the utmost confidence in the ability and willingness of this nation to pay all its obligations in the manner it undertook to pay them, whether in gold or greenbacks.

The only good argument which I have heard, and I think the only view in opposition to this amendment which is entertained by a large number of Senators on this floor, is the one advanced by the Senator from Vermont [Mr. MORRILL] awhile ago in answer to the Senator from Ohio [Mr. THURMAN] that by the receipt of paper money in payment of duties you would decrease your tariff duties. That is really the effect.

Mr. LOGAN. If the Senator will allow me, I wish to call his attention to one point. I do not want to make a speech on any of these questions, but I want to call his attention to one point which he may have overlooked, and I ask the attention of the Senator from Ohio also to it. This amendment although offered in good faith, as all these amendments are, would if put on this bill be its certain defeat. Why? Under the Constitution the House of Representatives alone can originate a bill for the raising of revenues; and under that provision of the Constitution the construction has been that any measure changing, raising, or diminishing the revenue in any degree, no matter how slight, must origizate in the other House. So the very moment this is put on this bill the House of Representatives, as they did two years ago in another case, would stop the proposition. I ask, then, the friends of the measure not to allow any such thing as this to go on the bill, which if done here will be done in my opinion in violation of the Constitution, and I could not vote for the bill with it in.

Mr. BOGY. I regret that I disagree with my distinguished friend from Illinois——

Mr. LOGAN. I merely wanted to call the Senator's attention to that point, thinking that he had overlooked it.

Mr. BOGY. I regret that I disagree with my distinguished friend under whose banner I have been walking, and walking to victory, the last four or five days. I do not think there is anything in the objection which he raises. This does not affect the revenue in the way contemplated by the Constitution, surely. The mode of collecting the revenue cannot be construed to come within the provision of the Constitution on that subject.

Mr. President, I think it is very manifest to the mind of every Senator on this floor that there is a majority of this body—and I use the word with some hesitation, because I do not like to use it in a body of this character; but to express my idea I am compelled to do it—that there is a majority in this House in favor of an expansion of the paper money of the nation. For reasons which I have given heretofore, disapproving as I do of the entire system, I am in favor of an augmentation, which some call expansion, and I have so signified my position. It being to me a fact apparent that cannot be contradicted that there will be an augmentation or expansion of the currency, it becomes of the greatest importance, and I realize the importance myself, that proper securities shall be given to prevent that enlarged circulation from being depreciated. If you make it too large and depreciate it itself by the very law you pass, of course it will have that effect.

Now, the great reason, the paramount reason, why the legal-tenders are not to-day equal to gold in value is owing to the fact that we ourselves by an act of Congress depreciate our own issue. Let the Congress of the United States that creates this money say that it shall be good money for all the dues of the Government without any exception; and as far as I am concerned I would go further. I say it would be wise and proper to make no discrimination between legal-tenders and national-bank notes; but knowing the views of a number of Senators on this floor, with some of whom I have agreed in the votes in regard to expansion, that the legal-tender is used as a means of redemption of national-bank notes, I yield my convictions in that respect.

The PRESIDENT *pro tempore*. The Senator has spoken ten minutes.

Mr. MORRILL, of Vermont. Mr. President, I know very well that my opinion in relation to this subject will not be very welcome to those who are sustaining this bill; but at the same time I feel it my duty to call the attention of the Senate to one or two points in this measure.

The proposition is here that we shall take a portion of our duties in paper instead of gold. What will be the practical effect in the first instance? Merely to make perhaps twenty or thirty million dollars of gold an article of merchandise, and have it exported from the country. Do those here who advocate an expansion of currency feel any particular hostility, after they have got all the paper they require, to having thirty or forty or fifty millions more of specie in the country? Not one dollar more will be purchased for the purpose of paying duties.

Mr. LOGAN. The Senator will notice that the proposition is not offered by any person who has advocated an increase of the currency. It is offered by the Senator from Ohio, who is opposed to an increase of the currency.

Mr. MORRILL, of Vermont. I stand corrected. Now, Mr. President, there will be no more gold purchased for the purpose of paying duties, whether the amount of duties is all paid in coin or not, with the bare exception of this proposed reduction, and if this proposed reduction of the amount to be paid in coin shall take place, as I said, it will merely give the privilege to the country of exporting that amount, and there will be so much less of gold remaining in the country afterward than there is now.

Can gentlemen suppose that our paper currency is going to be increased in value by the amount of diminution of the coin of the country? The very idea is an absurdity. Of course all recognize or have hitherto recognized the fact, that if we had a sufficient amount of gold it would be in the power of the Government to commence a resumption of specie payments. But this proposition goes in the direction of transacting the entire business of the country on paper, and bidding farewell to the idea of ever resuming specie payments, and that without the slightest reason, except the reason that may be offered by those who are in favor of reducing our present tariff on duties. If there are any here who are in favor of diminishing the receipts of the Treasury, they may be in favor of going for this measure; but I think no one who has any interest or any responsibility for this Administration can propose at the present time or vote for a proposition that will diminish the revenues, which are now notoriously insufficient to pay the ordinary expenses and provide a sinking fund.

Mr. SCOTT. I wish to call attention a little more distinctly to the point made by the Senator from Illinois in reference to this amendment. It certainly will have the effect of tabling this bill in the House of Representatives if this amendment be voted into it, and for this reason: it will be practically a reduction of the customs duties. If it were to go into effect to-day, it would be a reduction of 12 per cent. on the amount of the duties authorized to be paid in paper currency. There can be no doubt about that.

Mr. BOGY. Will the Senator allow me one word?

Mr. SCOTT. Certainly.

Mr. BOGY. I contend that that difference will disappear at once when we increase the value of the greenback by this process.

Mr. SCOTT. Let that be as it may in the future, I am looking at it as a practical question in the light in which it will be viewed by the House of Representatives. It is not an open question as to how they will receive legislation of this character. We passed a few sessions ago a bill in this body to repeal the income tax. That was

a bill reducing taxation, abolishing taxation, a bill that did not put money in the Treasury at all, did not raise revenue; and yet when it went to the House of Representatives they held that as it affected the revenue it was a measure which the Senate could not originate, and therefore they refused to consider it; they laid it upon the table; and so pertinacious were they upon that subject that they insisted upon it and demanded a committee of conference between the two Houses for the purpose of settling the question. The same question has occurred several times on minor subjects in relation to bills that had been amended by the Senate.

Mr. MORRILL, of Vermont. Once this session.

Mr. SCOTT. And once this session upon a very small point, on which probably the question will come up again. I call attention to it simply as a practical question. Is it advisable that on a bill of this character, upon which the country is asking for speedy action, where both Houses are desirous of speedy action, we should with our eyes open, whatever view we may entertain of the position assumed by the House, incorporate in the bill a provision which will have the effect of putting it upon the table in that House and clogging its passage? I shall certainly vote against the amendment, if for no other reason for that reason, although I concur in the views that have been expressed by the Senator from Vermont.

Mr. THURMAN. Mr. President, before I say anything upon this subject I wish to observe that upon reflection I am inclined to think that the amendment suggested by the Senator from Iowa, and which without due consideration I accepted, had better be withdrawn. There are some Senators who think that it would lead to uncertainty as to whether these legal-tenders would or would not be receivable at any given time in payment of customs duties—an uncertainty that ought not to exist for a single moment. I hope, therefore, that the Senator from Iowa will agree that that may be withdrawn at least for the present.

Mr. WRIGHT. I appreciate what has been said by the Senator from Ohio touching the amendment that I offered. I can see very well that it may leave this question in such doubt and uncertainty that perhaps, instead of reaching the end that is desired by him and the friends of the measure, it may have the effect of crippling it and leaving the matter in such an uncertain position that it is better to have the vote taken upon his proposition by itself, before any further amendment shall be offered. I therefore withdraw my amendment, and leave the question as first presented by him.

Mr. THURMAN. I wish to reply now to an objection that is started against this proposition of mine even by some Senators who do not profess hostility to it, and that is that it must necessarily destroy the bill, because the House of Representatives will not pass any bill which contains any measure originating in the Senate which affects the public revenue. Well, sir, if that is the Constitution of this country, the sooner the Government is abolished and another government set up the better it will be for the people. But that is not the law. My friend from Pennsylvania certainly does not believe that is the Constitution.

Mr. SCOTT. My friend from Ohio will permit me to say that I took the trouble to write a somewhat lengthy report on that subject, in which I took the ground that the House of Representatives was entirely wrong in its position on that question. But, nevertheless, that does not remove their objection as a practical question of legislation.

Mr. THURMAN. The Senator did write that report, which does him infinite credit as a constitutional lawyer; and I think there was not a member of the Senate who did not agree with it, and I do not suppose the Senate intends to relinquish or abjure its constitutional rights. Nor does it follow because a House of Representatives of a former Congress entertained very erroneous notions on the subject of the rights of the Senate, that therefore the present House does; or, if the present House does, that therefore we should abnegate our powers and be governed by the opinion of the House. But, sir, there is nothing in this idea whatsoever. A bill to raise taxes must originate in the House of Representatives. The Constitution is clear enough on that subject; but does it say that every bill or measure that in anywise affects the revenue of the country must have its origin there? It says nothing of the sort. If that were the case we could not originate a bill here in regard to the public lands, or we could not amend a bill in regard to what should be receivable in payment for the public lands. A host of bills would be wholly unconstitutional if they originated in the Senate, because they increase the revenue from the public lands. An amendment to allow homestead, or pre-emption, of payment in scrip, or anything of that kind, if moved in the Senate, would be unconstitutional, because it would affect the revenue. Nay, sir, every single grant to railroads that has been made by bills originating in the Senate would also be unconstitutional, because they tended to diminish the revenue. So that idea does not stand at all. What is the provision of the Constitution, pray? That all bills for raising revenue shall originate in the House of Representatives.

Mr. LOGAN. Will the Senator allow me to state what I meant by raising the objection? I did not propose to discuss the constitutionality of this question, but merely to suggest to the Senate that the question would be raised in the House, and that, knowing what the House had determined, it was a matter for us to look at carefully here in the Senate before we send such a bill there. I agreed with the Senate when the House dissented before and when the conference was had which has been referred to; but knowing the facts, I say according to the theory of the House (whether correct or not is not the question) this amendment upon the bill would subject it to their objection, beyond all doubt, in my judgment. Therefore I said what I did, that it would certainly produce the defeat of the bill either here or in the House.

Mr. CONKLING. As the Senator from Ohio is interrupted for a moment, will he let me make a suggestion? I hope no Senator will accept the idea that this presents a question parallel to that in respect of which the Senator from Pennsylvania made a report. The suggestion now made goes as far as this: if we were to undertake to say by a bill originating here that in future silver would not be a legal tender for any purpose in sums greater than ten dollars, that would encounter this objection. Why? Because it would require the payment of duties in silver, just as this does when you say that hereafter gold may not be tendered for all the duties, but a certain portion of them may be paid in greenbacks. I venture to say it has nothing whatever to do with the question which the Senator from Pennsylvania discussed in the report to which reference has been made.

Mr. THURMAN. What is said by the Senator from New York is precisely true. It is a wholly different thing from that. I can demonstrate that this whole bill runs counter to the idea of the House of Representatives if this amendment of mine does, for this bill affects the revenue without my amendment at all. It affects the value of the medium in which the taxes shall be paid and its purchasing power in the hands of the Government; and upon the same kind of reasoning by which this amendment of mine would be held to be a measure for raising revenue, which therefore must originate in the House of Representatives, this whole bill would have to originate there; in other words, the Senate would be shorn of its power to legislate as the Constitution provides it shall. I will not waste any time on that. I am sorry that those who are opposed to this measure interpose such an obstacle as that to frighten us out of our propriety.

Mr. LOGAN. Allow me a word, as I raised the question. The Senator says he is sorry those opposed to it do so. I am not opposed to his proposition. The Senator mistakes me. In a speech here on the 19th day of January I suggested to the chairman of the Finance Committee to let a portion of the duty be payable in greenbacks. I raised the objection to putting it on this bill because I believed it would affect the passage of the bill; and that is my objection to it, and not to the principle, by any means.

Mr. THURMAN. I did not misunderstand the Senator from Illinois. I did not believe he was hostile to the amendment I offered. I was not alluding to him as being hostile to it, for in principle I understand him to be in favor of it. But let that pass.

Now it is said by the Senator from Vermont that this proposition of mine is a proposition tending toward perpetuating an irredeemable currency. Well, upon my word, that is quite past my comprehension. Can any man doubt for one moment that if you say that a portion of the revenue now payable in gold only may be paid in the legal-tenders of the United States, that makes those notes more valuable than they now are; that that approximates them to gold? Is there anybody who can doubt that proposition? Has it not been said by the Committee on Finance, did not the distinguished Senator from Vermont as one of the members of that committee report the second section of this bill providing for the redemption of these notes in 5 per cent. bonds, upon the very ground that 5 per cent. bonds being at par with gold, if you made the greenbacks convertible into them you would bring the greenbacks up to the par of gold; and now when it is proposed to make the greenbacks equal to gold in the payment of customs duties, it is said that will not have the effect of appreciating them at all; that will not raise their value at all; but on the contrary it is a step toward perpetuating an irredeemable currency. Sir, I cannot understand such a proposition as that; and I cannot help thinking that if my respected friend, the Senator from Vermont—and there is no man who respects his intellect and his purity more than I do—were not a little warped in his judgment on this question by that prodigious affection he has for a high protective tariff, which amounts almost to the fanaticism of a first love, he would not see this measure in the light he does. But it is before the Senate, and there is no use in arguing it. The Senate understands the proposition. I propose, without any shock, without any contraction, without any violence to the business of the country, without injuring any man who owes money, and without raising any conflict between the debtor and creditor class, a measure that is in the direction of a return to a sound specie-paying currency—not so rapidly as to shock business or do injury to any debtor in the whole country, but quiet and easy in its application, and certain in its effects. I do not say that there may not be much better propositions; but I do say to those who are opposed, as I am opposed, to an irredeemable paper currency now and forever, that I believe they had better take this proposition which I believe they can carry, and enact it into a law.

Mr. CARPENTER. I desire to explain why I shall vote against this proposition. I am for it in and of itself, and on an independent bill introduced providing what the amendment of the Senator from Ohio provides I would vote for it. I am in the second place perfectly clear in my mind that the objection which the House will take to this proposition has no foundation whatever, that a bill to raise revenue within the meaning of the Constitution must be a bill under and by

virtue of which revenue is collected. That is the only kind of a bill which can be styled a bill raising revenue; but it is equally clear in my opinion that the House will object to this, and lay the whole bill upon the table if we send it there. I shall therefore, and for only that reason, vote against this amendment.

Mr. FERRY, of Michigan. It is hardly necessary for me to repeat here that I am in favor of the proposition proposed by the Senator from Ohio. As early as the 4th of December, in a speech which I had the honor to submit to the Senate, I declared my belief that if the Government would make its currency uniform and a full legal tender, it would appreciate it, as the currency of France to-day is appreciated, but within ½ per cent. of coin. The currency of France is receivable for customs, and if our currency was receivable for customs also we should find no perceptible difference worth noticing between our currency and coin. I also reiterated that view in a speech made, I think, on the 10th of March, and I am of the same opinion now. I am willing, however, to defer to the judgment of others who think that the House of Representatives would lay this bill on the table because holding the feature proposed to be placed in it by the Senator from Ohio, and it is only on that account that I rise to occupy any of the time of the Senate, because I made up my mind at the opening of this day that I would say nothing, if possible, that we might come to a vote and conclude this subject; and yet I am now forced to place myself right on this question, and to say, as has been said by our President *pro tempore*, that whenever there is an opportunity, divested of the difficulties which seem to be attached now to the question, I shall be most happy to vote for a proposition of this kind, believing that it is in the line of the appreciation of the currency, and is the best way of placing our currency at par with coin. I shall be compelled to vote against it at the present time as an amendment to this bill, however, for the reason already stated.

Mr. WRIGHT. Having paired with the Senator from Vermont, Mr. EDMUNDS, upon all questions in connection with this bill, inasmuch as it will be my duty to state that fact when the vote shall be taken, I embrace this opportunity to state the reasons why I should vote for this proposition if at liberty to vote.

During the first week of January, soon after the recess, it will be remembered that in some remarks which I had the honor to submit to the Senate I stated that I believed 10 per cent. of the customs revenues could be safely collected in greenbacks, and that in my judgment there was not any step that could be taken which would tend more certainly to the appreciation of the greenbacks than that one step. I believe so yet; and whether it shall be 10 per cent. or the per cent. proposed by the Senator from Missouri, would make but little difference so far as the principle is concerned. So far as the question now before the Senate is concerned and its effect on this particular bill, as to what steps the House might take on that question is a matter for each Senator to determine for himself. Inasmuch as I am precluded from voting on the question, I only deemed it my duty to state at this time, that I may place myself right, that if allowed to vote I should vote for this proposition.

Mr. MORTON. I desire simply to state the reason for my vote. I shall not vote upon this proposition on its merits. I think the objection is well taken that it belongs to a class of measures which must originate in the House of Representatives. All laws for raising revenue must originate in the House of Representatives. It is equally a part of that prerogative to determine in what the revenue shall be received, because the medium in which it is to be received may affect the amount. For that reason, whether it is to be received in paper or in coin, as that may affect the actual amount of the revenue, is a question to originate in the House—not to be finally determined there, but to originate there; and for that reason, without giving any opinion on the proposition made by the Senator from Ohio or my friend from Missouri, I shall vote "nay."

Mr. HAMILTON, of Maryland. I shall vote for the proposition of the Senator from Ohio for the very reasons assigned by Senators on the other side for voting against it. If I can be induced to believe that putting this proposition in this bill will induce the House to lay it on the table, that is what I want; and the sooner it goes on the table the better, as it now stands. I shall therefore vote for that proposition of the Senator from Ohio. I am for collecting the revenues of the United States in gold and silver; and I am for separating this Government from any contact with paper money at all. But while I am for that, I am opposed to the principle that this Government should force its paper money on other people. But when it undertakes to force its paper money on other people, let it take the medicine itself, and soon the whole system will be exploded.

Mr. CONKLING. The Senator from Maryland, like the Senator from Illinois, reasons very persuasively in favor of this amendment, and I should be tempted to vote for it too if I could concur with either of those Senators in supposing that there was any hope that the House of Representatives would take advantage of the amendment as a reason for laying this bill upon the table. I have too much respect for the common sense and discernment of the House to leave any room to hope for such a result. Therefore I am compelled to vote upon the amendment in respect of its merits, and as I think it has no merits I shall vote against it.

Mr. TIPTON. Mr. President, being unaccustomed to make public addresses, I shall have to vote for this proposition to set myself right on the record. [Laughter.]

The PRESIDING OFFICER, (Mr. MORRILL, of Vermont, in the chair.) The first question is on the amendment proposed by the Senator from Missouri [Mr. BOGY] to the amendment of the Senator from Ohio, [Mr. THURMAN.]

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question recurs on the amendment proposed by the Senator from Ohio, [Mr. THURMAN.]

Mr. CONKLING. I think we ought to have the yeas and nays on the amendment of the Senator from Ohio, and I ask for them.

The yeas and nays were ordered.

Mr. SARGENT. I am paired on this bill and the amendments to it for the rest of the day with the Senator from Louisiana, Mr. WEST.

The question being taken by yeas and nays, resulted—yeas 19, nays 27; as follows:

YEAS—Messrs. Bogy, Davis, Fenton, Hager, Hamilton of Maryland, Hamilton of Texas, Hamlin, Jones, Kelly, McCreery, Merrimon, Pratt, Ramsey, Ransom, Saulsbury, Stewart, Stockton, Thurman, and Tipton—19.

NAYS—Messrs. Allison, Anthony, Boreman, Carpenter, Chandler, Clayton, Conkling, Conover, Cragin, Ferry of Connecticut, Frelinghuysen, Harvey, Hitchcock, Howe, Johnston, Lewis, Logan, Mitchell, Morrill of Maine, Morrill of Vermont, Morton, Patterson, Pease, Robertson, Scott, Sherman, and Spencer—27.

ABSENT—Messrs. Alcorn, Bayard, Boutwell, Brownlow, Buckingham, Cameron, Cooper, Dennis, Dorsey, Edmunds, Ferry of Michigan, Flanagan, Gilbert, Goldthwaite, Gordon, Ingalls, Norwood, Ogleaby, Sargent, Schurz, Sprague, Stevenson, Wadleigh, West, Windom, and Wright—26.

So the amendment was rejected.

Mr. SAULSBURY. I offer the following amendment, to be added to the first section of the bill:

That the Secretary of the Treasury, on and after January 1, 1876, shall redeem in coin United States legal-tender notes upon presentation at such places as he may designate, in sums of $1,000 or any multiple thereof, at the rate of $100 in coin for $110 in currency; and after six months from said date he shall redeem said notes, presented in sums as aforesaid at the places aforesaid, in coin at the rate of $100 in coin for $108 in currency. On and after January 1, 1877, the Secretary of the Treasury shall redeem said notes, presented in sums as aforesaid at the places aforesaid, in coin, at the rate of $100 in coin for $106 in currency; and six months thereafter he shall redeem said notes, presented as aforesaid at the places aforesaid, in coin, at the rate of $100 in coin for $104 in currency; and on and after January 1, 1878, the said Secretary shall redeem the said notes, presented in sums as aforesaid at the places aforesaid, in coin, at the rate of $100 in coin for $102 in currency; and six months thereafter the said Secretary shall redeem said notes, presented in sums as aforesaid at the places aforesaid, in coin, at the face value of said notes: *Provided*, That said notes shall at no time be redeemed at rates higher or greater than their value relatively to gold.

On that amendment I ask for the yeas and nays. I do not care to debate it.

The yeas and nays were ordered; and the Chief Clerk proceeded to call the roll.

Mr. RANSOM, (when his name was called.) On this question I am paired with the Senator from Delaware, Mr. BAYARD.

The roll-call was concluded.

Mr. MORRILL, of Maine. I am paired with the Senator from Rhode Island, Mr. SPRAGUE, as I was on the question last voted on. I voted on it inadvertently. I ask unanimous consent to withdraw my vote.

The PRESIDENT *pro tempore*. The Senator from Maine asks unanimous consent to withdraw his vote on the previous proposition. Is there objection? The Chair hears none. The Chair will, however, call attention to Rule 17:

When the yeas and nays shall be taken upon any question, in pursuance of the above rule, no Senator shall be permitted, under any circumstances whatever, to vote after the decision is announced from the Chair.

Mr. MORRILL, of Maine. Then I content myself with saying that I voted inadvertently.

Mr. HAMLIN. The rule simply prevents his voting after the announcement.

The PRESIDENT *pro tempore*. The Chair thinks this correction may be made by unanimous consent. The name of the Senator from Maine will be erased from the roll on the preceding vote.

Mr. MITCHELL. I am paired with the Senator from Massachusetts, Mr. BOUTWELL. I am not advised how he would vote on this particular question, and I content myself with this statement and do not vote.

The result was announced—yeas 7, nays 31; as follows:

YEAS—Messrs. Cooper, Hamilton of Maryland, Hamilton of Texas, Hamlin, Jones, Saulsbury, and Stockton—7.

NAYS—Messrs. Allison, Bogy, Boreman, Carpenter, Chandler, Clayton, Conover, Cragin, Fenton, Ferry of Michigan, Gordon, Hitchcock, Howe, Ingalls, Johnston, Lewis, Logan, McCreery, Merrimon, Morrill of Vermont, Morton, Ogleaby, Patterson, Pease, Pratt, Ramsey, Robertson, Scott, Sherman, Spencer, and Tipton—31.

ABSENT—Messrs. Alcorn, Anthony, Bayard, Boutwell, Brownlow, Buckingham, Cameron, Conkling, Davis, Dennis, Dorsey, Edmunds, Ferry of Connecticut, Flanagan, Frelinghuysen, Gilbert, Goldthwaite, Hager, Harvey, Kelly, Mitchell, Morrill of Maine, Norwood, Ransom, Sargent, Schurz, Sprague, Stevenson, Stewart, Thurman, Wadleigh, West, Windom, and Wright—34.

So the amendment of Mr. SAULSBURY was rejected.

Mr. MORRILL, of Vermont. I offer an amendment now to come in after the section that was adopted on the motion of the Senator from North Carolina, [Mr. MERRIMON,] in the shape of two sections. I will say that while the amendment is not in accord with my own sentiments, I think it will be in accord with those of a large majority of the Senate. I take the amendment from a bill introduced in the House in relation to the redemption of the national-bank currency, and it is in so moderate a shape that I think it will commend itself to the general judgment of the Senate.

The words proposed to be inserted were read, as follows:

That every association organized, or to be organized, under the provisions of the national-currency act approved June 3, 1864, and of the several acts in amendment thereof, shall at all times keep and have on deposit in the Treasury of the United States, in lawful money of the United States, a sum equal to 5 per cent. of its circulation to be held and used only for the redemption of such circulation; and when the circulating notes of any such association or associations shall be presented, assorted or unassorted, for redemption, in sums of $1,000, or any multiple thereof, to the Secretary of the Treasury, or to the assistant treasurer in the city of New York, the same shall be redeemed in United States notes. All notes so redeemed shall be charged by the Secretary of the Treasury to the respective associations issuing the same, and he shall notify them severally, on the first day of each month, or oftener, at his discretion, of the amount of such redemptions; whereupon each association so notified shall forthwith deposit with the Treasurer of the United States a sum in United States notes equal to the amount of its circulating notes so redeemed, under penalty of forfeiture of charter. And when such redemptions have been so reimbursed, the circulating notes so redeemed, or if worn, mutilated, or defaced, new notes instead, shall be forwarded to the respective associations: *Provided*, That each of said associations shall reimburse to the Treasury the costs of redemption and of supplying new notes in place of those redeemed. And the associations hereafter organized shall also severally reimburse to the Treasury the costs of engraving and printing their circulating notes: *And provided further*, That the entire amount of United States notes outstanding and in circulation at any one time shall not exceed the sum of $400,000,000, now authorized by existing law.

That upon all circulating notes hereafter issued, or hereafter to be issued, whenever the same shall come into the Treasury, in payment, or deposit for redemption or otherwise, there shall be printed, under such rules and regulations as the Secretary of the Treasury may prescribe, the charter numbers of the associations by which they are severally issued.

Mr. LOGAN. I wish to call the Senator's attention to the fact that this proposition is pretty much the same as one that I offered yesterday. It is a part of the House bill in connection with free banking, just cut out of the House bill and offered. It applies only to a bill with free banking. Now I should like to ask the Senator why he offers it to this bill, and whether or not he will vote for the bill if this amendment is adopted.

Mr. MORRILL, of Vermont. It is utterly impossible for me to say what shape this bill is going to assume before we get through with it, and whether I shall vote for it or not. I do not think I ever can be induced to vote for it.

Mr. LOGAN. That is just what I supposed.

Mr. MORRILL, of Vermont. But I presume to say, notwithstanding, that the amendment which I offer is offered in good faith.

Mr. LOGAN. I am not doubting that at all.

Mr. MORRILL, of Vermont. And it is offered to perfect the bill. There is no portion of the bill that has any provision of like character; and I think it will commend itself to the good sense of all Senators that there should be something of this sort. I do not say that this is entirely correct; but this was handed to me by a gentleman who has ideas of expansion as well as the Senator from Illinois, a member of the House, and I thought there were some good features in it; and seeing the entire absence of any provision of this sort in this bill, I ventured to offer it here.

Mr. LOGAN. Now I wish to call the attention of the Senate for a moment to this point, because it is important. These two sections in connection with free banking were offered in the House so as to correspond with the features of that bill in connection with the greenbacks; but it ought not to be offered to this bill, because the very redemption that is provided for national-bank notes, with very little change in it, is in the law now as it exists; and it is a mere change so far as the machinery is concerned. Substantially the very same thing exists to-day in the law. But if free banking was to be adopted, it might be well to make these little changes for the purpose of perfecting the machinery. This bill, however, only providing for $46,000,000 additional bank circulation, there is no necessity for any machinery in reference to it except that which is already in the law, because this is the law with very little change. I presume the Senator offered it with a view to have a vote, without any expectation of its being adopted, or, if it was adopted, without any intention of voting for the bill. I hope the friends of the bill will not permit amendments that ought not to be applicable to this particular feature of it as it stands to be adopted so as to embarrass it.

Mr. MORTON. I presume this amendment is not perfected even as the Senator from Vermont would have it. The Senator would not require the banks to keep 5 per cent. of greenbacks in the Treasury of the United States in addition to what they are now required to keep by law. I presume he would have this 5 per cent. a part of the reserve which they are now required to keep.

Mr. President, the banks are now required to redeem at their own counters; they are also required by the law to select one of the redemption cities in which they shall keep a redeeming agency. They are now required to redeem at two places: at their own counter and at one of the redemption cities. This amendment requires them to redeem at a third place, at the Treasury of the United States, and the amendment would require an additional reserve of 5 per cent. I can conceive no good to be accomplished by it. If you require them to redeem at the Treasury, then you ought to strike out the redemption cities. They ought not to be required to have more than two places to redeem. The old State banks were only required to redeem at their own counters. I believe that is the rule in regard to all banks, even where they pay in specie, that they are only required to pay at their own counters. The objection that the national-bank notes are not presented for redemption grows out of the fact that the national-bank currency is so good that nobody cares about having it redeemed. That is the objection.

Mr. SCOTT. I rose when the Senator from Illinois concluded, but I gave way to the Senator from Indiana when I saw that he was not aware that I had been recognized; and I rose for the purpose of propounding to the Senator from Vermont the very same question that the Senator from Indiana has started. I am glad he has done it; for if it be the intention to add 5 per cent. to the amount of greenbacks which the national banks are required to keep on hand, then I shall offer an amendment to the amendment of the Senator from Vermont, releasing the banks altogether from keeping any reserve on their circulation. At present, as the Senator from Indiana has stated, they are required to redeem at their counters; they are required to select one of the redemption cities, and may keep there three-fifths of their reserve; and if this be added to it, it would make a reserve of 20 per cent. required of all the country banks instead of 15. I am opposed to this amendment unless it is accompanied with a release of the banks from keeping a reserve on circulation altogether. If it be the intention of the Senator from Vermont to take a vote on it as it stands, I will move to add to the section these words:

And said associations shall not hereafter be required to keep on hand any amount of legal-tender notes as a reserve upon their circulation.

The PRESIDENT *pro tempore*. The Senator from Pennsylvania moves to amend the amendment.

Mr. MORRILL, of Vermont. I will modify my amendment by inserting the words "shall be counted as part of their reserve" after the word "circulation;" so as to read:

That every association organized or to be organized under the provisions of the national currency act, approved June 3, 1864, and of the several acts in amendment thereof, shall at all times keep and have on hand in deposit in the Treasury of the United States, in lawful money of the United States, a sum equal to 5 per cent. of its circulation, to be held and used only for the redemption of such circulation, and which shall be counted as part of their reserve, &c.

Mr. FERRY, of Michigan. I dislike very much to take up time; but still I must call the attention of the Senator to a burden that this imposes on the banks. The redemption now is through their own correspondents, the choice of the banks in New York. It is proposed by this amendment to make the redemption at the Treasury and subtreasuries of the United States. The process will be to send its currency back to the banks. If it is confined to Washington, it compels them to redeem at a political center, not a financial one. The process in New York now is, they having selected their own correspondents, that the difference is made up through exchanges. In this case it will require the currency to be sent back and the banks will be compelled to pay the express charges.

Another thing; it proposes to characterize the currency, to localize it, and thus start a system of discrimination between the issues of the different banks. I am opposed to anything of that kind. The bank currency passes now universally throughout the country; but the tendency of this amendment is to individualize the issues of each bank and gradually create discrimination against one and another that may be more distant than others. That will be the effect, and it compels the banks to pay the expense of sending back the currency to their own counters. Now they do it through their exchanges, without expense, and it is done in New York where the balances naturally increase. Here it is proposed to be at a political center, out of the financial channel. It seems to me the amendment ought not to be adopted.

Mr. HOWE. I understand that it is even worse than the Senator from Michigan suggests. It seems to me to impose a very direct and not a light burden upon the Treasury Department. It makes the Treasury Department the agent of the eastern banks where the money of the country is concentrated, in assorting that money and collecting greenbacks for it. Two hundred million dollars or two hundred and fifty million dollars are on deposit in Baltimore, Philadelphia, New York, and Boston continually. If I understand this proposition, it says to bankers and brokers, "Send your money *en masse* right into the Treasury; the Treasurer shall find clerks to count and assort it, and return you greenbacks for it at once, and take their chances of collecting it from the country banks all over the United States in thirty days." It seems to me the Treasury is made directly—I do not want to use any offensive term—the agent to effect these collections. If the Government finds the material with which the banks shall redeem their promises, I think that is enough for the Government to do.

Mr. MORTON. I think the suggestion of the Senator from Wisconsin is a very important one. That would undoubtedly be the effect of the provision.

Mr. SHERMAN. The Senator from Indiana remarked a moment ago that there was now redemption both at the bank-counters and in the redemption cities. That is not so in practice. There is no occasion to send notes home for redemption at the bank-counters, because the persons who desired to get greenbacks for their notes would not pay the expense of sending them home. Redemption in the redemption cities has proved to be a failure. I doubt whether in the whole history of the banking law there has been $10,000 redeemed in the redemption cities. It is simply a means by which the banks get interest on deposits in the redemption cities. There are now two thousand banks. Think of the difficulty of assorting the notes of particular banks. Suppose it was desired to select the notes of a particular bank for redemption, either at its counter or at the place for redemption in a city; it is practically impossible; the difficulty is so great that it is never done.

Then there is another difficulty. Who knows where these bank-notes can be redeemed? Who designates in what particular bank and in which city is the place of redemption of any country bank? I doubt very much whether the bankers could find it out. The redeeming agents are designated by each bank respectively, how? By a notice to the Comptroller of the Currency. Is that published? Is that known? Not at all. You may take a national-bank note out of your pocket. There is nothing on the face of the note to show that it is redeemable at the First National Bank of New York. How can you find out which one of the numerous banks in the redemption cities is the place for the redemption of that note? You might possibly by writing to the Comptroller of the Currency in Washington find out the bank and city where it is to be redeemed. But that is practically impossible.

We have now bank paper which is convertible into a greenback by law at two places of redemption, and yet is practically inconvertible into greenbacks at any place of redemption. It cannot be sent home to a remote point for redemption, because that is too expensive and troublesome; it is too difficult to assort, too difficult to select those particular notes. It cannot be sent to a redeeming bank in a redemption city, because that is not ascertainable either on the face of the note or by any particular regulation of law.

The purpose of this section in the eye of the gentleman who penned it, and who himself is not only in favor of free banking but of an increased volume of legal-tender notes, was to secure something like an oscillation, a movement backward and forward, of this currency to prevent its redundancy; and it seems to me that he has fallen on the best expedient to accomplish this purpose. It is true I do not think it amounts to much, because as you increase the volume of greenbacks and swell the volume of bank-notes there is no great occasion to send the latter home for redemption; but certainly this will enable the holder of national-bank notes who desires to have legal-tender notes to get them by presenting them at the Treasury of the United States.

I have it from a member on whose word I rely, that the Treasurer of the United States says that practically there will be no difficulty in carrying this section into operation; that 5 per cent. is an ample reserve for the circulation of banks, and this would enable persons who desire to obtain legal-tenders either for the purpose of paying a debt or for any other purpose they may have in view to get them. Now, practically anybody may refuse to take a national-bank note in payment of debt. Therefore it is sometimes a proper and right thing to endeavor to get greenbacks. If the volume of bank-notes is to be largely increased there ought to be some mode by which these notes may be converted into greenbacks. There is no mode now. The very fact that these notes are all of the same similitude makes redemption impracticable under the present law. All the notes of two thousand banks are precisely alike, and the very name of the bank, the very designation and character of the bank and its location are in such small type that a man past fifty years would have to put on his spectacles to find out where the note was issued, so that redemption is impracticable. It was to meet that point that another provision contained in this section was inserted by the member who framed it. As each bank is known by a number, numbering from one up to nineteen hundred and odd, according to the date of its charter, it is proposed—which can be done at once by an ordinary machine—to stamp on the face of the note the number of the bank issuing it. Everybody can then ascertain what bank issued any particular note by its number. Now, practically it is impossible to have redemption, as you will see by taking up a pile of bills and assorting them over. You would find it difficult to pick out the notes of banks in one State without referring to localities in it.

I think I understand the object of the section. Indeed I have conversed with the gentleman who drew it. He does not agree with me in opinion; but his object in this is perfectly right and just, to facilitate redemption so as to promote as far as practicable under this system of redemption in greenbacks the oscillation, the movement backward and forward of currency, so that if bank-notes are unduly issued in a particular section of country they may flow back.

Now, take the State of Massachusetts. Massachusetts has issued $59,000,000 of circulating notes, and they are scattered all over the western country. If the bankers and people of the West could send those notes to the Treasury with the hope of getting greenbacks to carry on their operations, why should they not have that privilege? But now practically it is impossible; there is no redemption, no plan of redemption. Although the law guarantees one, yet it is utterly futile. No man can now convert a bank-note into a greenback without more labor and more trouble than the whole operation would be worth to him. It was merely to remove that difficulty that this section was framed. I shall vote for it, not that I think it will accomplish any great results, but it will certainly tend to permit this oscillation backward and forward of notes from the place of issue to the place where they are loaned, and then let them float back again to the bank or the Treasury, where they will be redeemed by a greenback.

Mr. HOWE. I am very much inclined to think that this measure would get up a little more oscillation than would be agreeable, especially to the banks. I guess you had better keep the circulation as still as you can.

Let me say to the Senator from Ohio what I think is the reason you have not any practical redemption; nobody wants it. What is the use of changing a bank-note into a greenback? Neither of them is money in a commercial sense nor in any honest sense. The greenback is more abundant than the bank-note. You say the greenback is issued by the Government; the bank-note is supported by the Government also. The greenback is a promise of the Government to pay a dollar; the bank-note is supported by the promise of the Government to pay a dollar and ten cents. There is a dollar and ten cents of the Government credit pledged for the redemption of the bank-note. The bank-note is the stronger of the two.

Mr. MORTON. It is a kangaroo.

Mr. HOWE. It has got the longest legs, you see. Then in paying debts every domestic creditor takes the bank-note just as readily as the United States note, and when you want to pay a foreign debt you cannot pay it with either. What is the use of such a redemption as that? You might provide for redeeming whisky with water and expect that to be practical. Most of the people would prefer to keep the whisky, just as most of the people would prefer to keep the bank-note because it is the strongest; a good reason for keeping it. [Laughter.] But the fact is, that all those who deal in money care so little whether they have the one note or the other that the banks have taken in and paid out both indiscriminately. You cannot go into a bank and get $100 without getting all kinds of currency. But the Senator from Ohio suggests that if the United States Treasury will take upon itself this labor of assorting the notes, counting them out, sending them back and forward, then you will get up an oscillation. I have not the least manner of doubt about it, but as I do not hunger for oscillation, I think I shall vote against this amendment.

Mr. FENTON. There is a way of securing redemptions, a practical plan if we want to adopt it, but I do not think we do. I have not seen any such disposition on the part of the Senate when they have had the opportunity, and they have it still. This amendment would not be very successful if it was adopted in securing redemptions in my judgment, and if it would be it ought not to be adopted, for I doubt whether the Government ought to be turned into an assorting and clearing house for the banks of this country. I shall vote against it.

Mr. SCOTT. I offered my amendment to the section offered by the Senator from Vermont, not because I am entirely favorable to that section, but if it is to be adopted I want my amendment to accompany it. My view of this central redemption for national-bank notes is, that it is at entire variance with the whole original theory of the national-bank system. We know it was a part of it, but the idea of the national-bank system was to apportion circulation to wealth and population in certain localities, for the purpose of accommodating the business of those localities; and if there be any way by which that is to be accomplished it ought to be by keeping that national-bank circulation in the very localities to which the law originally apportioned it. To require these banks to keep a portion of their reserves in a distant locality is in effect taking away from the localities intended to be benefited by the apportionment the benefit which the law intended to confer upon them. Therefore, I have never been very favorably impressed with the system of establishing redeeming agencies at the commercial centers for national-bank paper; for I think it is at war with the original idea of apportioning the circulation for the benefit of business in different localities according to wealth and population.

Mr. FRELINGHUYSEN. In order to understand this amendment, I ask the Senator from Pennsylvania whether the amendment does not provide for assorting the bills so that they will be sent to the places where they are intended to circulate? It struck me that that was just the benefit, if there was any, of this amendment, that it was a mode by which the bills which had wandered off thousands of miles away from their locality would through this channel be brought back to the place whence they originally issued. Am I correct?

Mr. SCOTT. If that were the only practical effect, that might be so; but it is evident the practical effect of it is intended to be to give the money-changers at the commercial centers the opportunity of getting greenbacks for this national-bank circulation. That is the effect of it. The other is a mere collateral affair, and not the original purpose of it.

Mr. MORRILL, of Vermont. When I introduced this amendment I stated that it did not precisely harmonize with my own views. I would be much more in favor of redemption at the city of New York. But as we have indications from enough of those who control a majority here to show what would be the fate of this proposition, and it is quite evident that the minority have "no rights which white men are bound to respect" as to offering amendments, [laughter,] I withdraw the amendment, and I hope the majority will propose something from a quarter that they will be ready to accept themselves.

Mr. FRELINGHUYSEN. I move that we now proceed to the consideration of executive business.

Mr. LOGAN. O, I hope not; let us go on and finish the bill.

Mr. ANTHONY. Will the Senator allow me to interpose a motion before that?

Mr. FRELINGHUYSEN. Certainly.

Mr. ANTHONY. Mr. President, to-morrow is a day that is observed with peculiar solemnity by the whole Christian world, and although I was not educated in the doctrine that accepts it as the authentic anniversary of the event which it commemorates, I have great respect for those who do. I believe it has not been customary during

the long session for the Senate to sit on Good Friday. I therefore move that when the Senate adjourns to-day it adjourn to meet on Saturday next; or as we have not sat on a Saturday at all during this session, I will move that when we adjourn to-day it be to meet on Monday next.

Mr. MORRILL, of Maine. Has there ever been an instance when that has been done?

Mr. ANTHONY. Has there ever been an instance during the long session when we have sat on Good Friday? I am sure that we have adjourned over that day. I cannot say that the practice has been uniform, but I know we have done so at times.

Mr. MORRILL, of Maine. I do not remember an instance.

Mr. MORRILL, of Vermont. Never but once.

Mr. ANTHONY. I will move that when the Senate adjourns to-day it be to meet on Saturday next.

Several SENATORS. Say Monday.

Mr. ANTHONY. I would prefer Monday, but I understood some Senators to object to that.

Several SENATORS. No, no; say Monday.

Mr. ANTHONY. Very well; then I move that when the Senate adjourns to-day it be to meet on Monday next.

The PRESIDING OFFICER, (Mr. BOREMAN in the chair.) The motion can be entertained by unanimous consent.

Mr. MORTON. If it is out of order, I object.

Mr. ANTHONY. I should think the Senator would allow us to test the sense of the Senate. I do not want to impose, and I certainly cannot impose, on the Senate any adjournment that they do not desire; but the Senator will allow us to test the question, will he not?

Mr. MORTON. I asked the other day to move to reconsider a vote to adjourn over, and I was told very promptly by the Senator from New York and half a dozen others that it was not in order, and was required to take my seat.

Mr. ANTHONY. Then I move to lay the pending bill on the table, the object being to have an opportunity to interpose a motion for the order of business, which I supposed was always granted. That motion is in order.

The PRESIDING OFFICER. It is in order, but it is not debatable.

Mr. ANTHONY. I hope, however Senators may vote on the question of adjournment, they will give us a chance to test the sense of the Senate upon it.

The PRESIDING OFFICER. The motion is not open to debate.

Mr. ROBERTSON. I call for the yeas and nays on the motion.

The PRESIDING OFFICER. The Senator from Rhode Island moves to lay the pending bill on the table.

Mr. HAMILTON, of Maryland. For the single purpose of moving an adjournment over.

Mr. CONKLING. Let us take the question by the sound, without the yeas and nays.

Mr. MORTON. No; let us have the yeas and nays.

Mr. CONKLING. Very well; then let us lay the bill on the table.

The yeas and nays were ordered; and being taken resulted—yeas 22, nays 21; as follows:

YEAS—Messrs. Anthony, Conkling, Cooper, Cragin, Davis, Fenton, Flanagan, Frelinghuysen, Goldthwaite, Hager, Hamilton of Maryland, Hamilton of Texas, Hamlin, Howe, Jones, Kelly, McCreery, Morrill of Vermont, Ramsey, Saulsbury, Schurz, and Windom—22.

NAYS—Messrs. Bogy, Boreman, Carpenter, Ferry of Michigan, Gordon, Harvey, Hitchcock, Ingalls, Johnston, Logan, Merrimon, Morton, Norwood, Oglesby, Patterson, Pratt, Robertson, Scott, Sherman, Spencer, and Tipton—21.

ABSENT—Messrs. Alcorn, Allison, Bayard, Boutwell, Brownlow, Buckingham, Cameron, Chandler, Clayton, Conover, Dennis, Dorsey, Edmunds, Ferry of Connecticut, Gilbert, Lewis, Mitchell, Morrill of Maine, Pease, Ransom, Sargent, Sprague, Stevenson, Stewart, Stockton, Thurman, Wadleigh, West, and Wright—29.

So the bill was laid on the table.

PRESIDENTIAL APPROVAL.

A message from the President of the United States, by Mr. O. E. BABCOCK, his Secretary, announced that the President had on this day approved and signed the act (S. No. 334) to remove the political disabilities of William L. Cabell, of Texas.

PROPOSED ADJOURNMENT TO MONDAY.

Mr. ANTHONY. I now move that when the Senate adjourns to-day it be to meet on Monday next.

Mr. FERRY, of Michigan. I move to amend the motion so as to provide for a meeting on Saturday next.

Mr. MORTON. Is this question debatable?

The PRESIDING OFFICER. It is, in the opinion of the Chair.

Mr. MORTON. The proposition to throw away the day to-morrow, in view of all the circumstances, it seems to me, cannot be justified; and I will say to my friend from Rhode Island that I think we ought to be allowed to take a vote on the pending financial question without this sort of delay being interposed. The proposition to adjourn over Good Friday is contrary to the usages of the Senate. I think no Senator here can remember that it has ever been done. There are many other holy days which it would be equally proper to adjourn over as that of Good Friday, that are observed by the Catholic and Episcopalian and other churches. I think we all understand this. I hope now that this sort of proposition will not be interposed to the final decision of this question.

Mr. ANTHONY. When I am charged with wasting the time of the Senate by any Senator who has not spoken more hours than I have minutes during this session I will defend myself. Until then I can stand upon my record. [Laughter.]

Mr. TIPTON. It is very evident that if we lose to-morrow on account of our piety, we shall take some Sunday in order to make up for it. [Laughter.] We have been in the habit of doing that, sitting on Sunday at the end of a session; and I have no doubt we shall be called upon to sit all day some Sunday in order that we may now piously take a day that our constituents do not expect us to take from the public business.

The PRESIDING OFFICER. The Senator from Michigan moves to amend the motion by substituting Saturday for Monday. That is the pending question.

Mr. CONKLING. That will merely waste the day. We shall not do anything on Saturday.

Mr. MORTON. I want to say one thing further. The remark of my friend from Rhode Island does not change the character of this proposition in the least. I shall make no defense against what he said.

Mr. ANTHONY. If the Senator knows or conceives that I have not made this motion in good faith, or that it has any character that does not appear on the face of it, I would thank him to state it. I am not in the habit of trifling with the Senate.

Mr. MORTON. It occurs to me that this is very much like trifling with the Senate.

Mr. FERRY, of Michigan. I have offered my amendment in good faith. I do not know that the vote just taken is an indication that the Senate proposes to adjourn over to-morrow; but if they are disposed to adjourn over, it seems to me they cannot do less than meet here on Saturday. If it is the object to pay respect to Good Friday, then I meet Senators upon that point, and ask them to meet here on Saturday. We are just as able to meet here on Saturday as we are on Friday, and if we give away Friday, we ought to take Saturday

It has been stated by others that there has been a disposition to prolong this discussion and waste the time of the Senate. The country has so felt, and has asked us to settle this question of finance one way or the other; and now in the face of that, with the measure pending and evidently a majority disposed to perfect the bill, it is proposed to throw away two days.

Mr. MORTON. To adjourn over three days.

Mr. FERRY, of Michigan. If it is just that we should give one day, I am willing to give that one day, but no more; and I am willing and ready to come here on Saturday and try and do my duty.

Mr. ANTHONY. I think I shall ask my friend from Michigan if his motion is according to the new parliamentary law which has been laid down here within a few days, that no Senator has a right to move an amendment to a proposition unless he is going to vote for it? If the Senator is going to vote for the proposition as amended, then I admit his right to move the amendment. I think he and his friends have laid down the doctrine in the case of my friend from Vermont [Mr. MORRILL] and others, that they have no right to move an amendment unless they are going to vote for the bill.

Mr. FERRY, of Michigan. That was on a financial question, not a religious one. [Laughter.] The Senator from Rhode Island has presented a new precedent, adjourning over Good Friday. I have no knowledge of such an expedient, but I am disposed to defer on religious matters as rapidly and as fully as I can to the Senator from Rhode Island. We have been applying rules, however, to a financial question. This is a new one. I was not aware of it until my attention was called to it. Now I propose to vote according to the amendment that I propose, and then my feeling is to vote down the whole proposition, because I am opposed to an adjournment over. I am disposed to spend the Sabbath religiously; but to adjourn over a day now, when we have spent four months on this great question, I think is asking a little too much.

Mr. BOGY. I hope the amendment of the Senator from Michigan will be adopted, and that the Senate will adjourn until Saturday. I appreciate the argument made by the Senator from Indiana and also by the Senator from Michigan, that the pending bill ought to be disposed of; but it must not be forgotten that to-morrow is a day that is held in high veneration by the entire Christian world, and I think it would be promotive of good even on this great financial question if we observe that day which is commemorated by the Christian world as the day upon which the Saviour of mankind was crucified. I hope the amendment of the Senator from Michigan will be adopted, and that the Senate will adjourn over until Saturday.

Mr. GORDON. Is it proposed by Senators on the other side to make it a day of prayer and fasting, that they may get light to guide them on the financial question? [Laughter.]

Mr. FERRY, of Michigan. I move that the Senate do now adjourn.

Mr. SHERMAN. I trust the Senator who desires to adjourn now will change the motion and move an executive session. There is occasion for an executive session.

Mr. FERRY, of Michigan. Very well; I modify the motion in that way.

The PRESIDENT *pro tempore*. The Senator from Michigan moves that the Senate proceed to the consideration of executive business.

The motion was agreed to.

Mr. ANTHONY. I never take advantage of the Senate, and I do not wish to do anything that may seem to do so; and therefore I give notice that to-morrow I shall move to adjourn, so that Senators may be here or not as they see fit.

The PRESIDENT *pro tempore*. The Senator from Rhode Island gives notice that to-morrow he will move an adjournment; but whether at twelve o'clock or during the afternoon he does not state.

Mr. ANTHONY. On the assembling of the Senate to-morrow.

EXECUTIVE SESSION.

The Senate proceeded to the consideration of executive business. After thirteen minutes spent in executive session the doors were reopened, and (at five o'clock and eight minutes p. m.) the Senate adjourned.

HOUSE OF REPRESENTATIVES.

THURSDAY, *April* 2, 1874.

The House met at twelve o'clock m. Prayer by the Chaplain, Rev. J. G. BUTLER, D. D.

The Journal of yesterday was read and approved.

RESUMPTION OF SPECIE PAYMENTS, ETC.

Mr. PLATT, of New York. On behalf of my colleague, Mr. CLARKE, who is confined to his bed by illness, I desire to present the petitions of merchants, manufacturers, bankers, and leading business men of the city of Rochester, New York, praying a return to specie payments and that there may be no more issue of paper currency, that it may be referred to the Committee on Banking and Currency.

Mr. FORT. I shall have to object unless others can be allowed the same privilege. Hundreds and thousands of petitions come here praying the very reverse of this petition. I am perfectly willing that this petition shall be presented if we can all present other petitions in the same way; but there will be hundreds of them every morning.

Mr. GARFIELD. Let them all be referred under the rule.

The SPEAKER. Objection being made, the petition will be referred under the rule.

CLAIMS FOR ADDITIONAL BOUNTIES.

Mr. HOLMAN. I ask unanimous consent to submit for consideration at this time a bill to extend the time for filing claims for additional bounties under the act of July 28, 1866. I think there will be no objection to it.

The bill was read for information. It proposes to extend the time for filing claims for additional bounties under the act of July 28, 1866, and which expired by limitation on the 30th of January, 1874, until the 30th of January, 1875, and to provide that all claims for such bounties filed in the proper Department after the 30th of January, 1874, and before the passage of this bill shall be deemed to have been filed in due time, and shall be considered and decided without refiling.

Mr. WILLARD, of Vermont. I must object to the present consideration of that bill. It will give rise to debate.

Mr. HOLMAN. I hope the gentleman will allow it to be referred to the Committee on War Claims with permission to report at any time. It is a matter of great importance to the soldiers.

Mr. WILLARD, of Vermont. I have no objection to that.

Mr. HAWLEY, of Illinois. It ought to go to the Committee on Military Affairs, if to any committee.

Mr. HOLMAN. I will withdraw the bill for the present and introduce it on Monday, if I can get the floor.

Mr. GARFIELD. I call for the regular order of business.

REDUCTION OF THE ARMY.

Mr. DONNAN. I rise to a privileged report from the Committee on Printing. I report back adversely the following resolution:

Resolved, That there be printed for the use of the House three thousand extra copies of the report of the Committee on Military Affairs as to the reduction of the Army.

The resolution was laid upon the table.

COMMISSIONER OF FORESTRY.

Mr. DONNAN. I report back from the Committee on Printing the following resolution, with a recommendation that the same be adopted:

Resolved, That there be printed five thousand extra copies of the report of the Committee on the Public Lands on the message of the President in relation to the appointment of a commissioner of forestry.

I hold in my hand the report referred to. It consists of some one hundred and sixteen printed pages well indexed, and was made by officers of the American Association for the Advancement of Science. It is a very able report, and there has been so much call for it that the committee have deemed it advisable to recommend the printing of five thousand extra copies. The type is now standing, and the cost of these extra copies will be some sixteen or seventeen cents per copy.

The resolution was adopted.

PERSONAL EXPLANATION.

Mr. STORM. I rise to a personal explanation, and what I consider to be a question of privilege. I find in the RECORD this morning, upon looking over the remarks of the gentleman from Nevada [Mr. KENDALL] as there printed, certain remarks of a personal character which were not uttered upon this floor during the debate of yesterday. I rise merely to call attention to the fact and to condemn the practice of gentlemen adding to their remarks others of a personal character which were not made upon this floor. I think no gentleman in this House should resort to such practice.

The SPEAKER. Does the gentleman mean personal in reference to a member of this House?

Mr. STORM. Yes, sir.

Mr. KENDALL. I did not understand the statement of the gentleman.

Mr. STORM. I say that the gentleman from Nevada, in his speech as published in the RECORD this morning, has some remarks of a personal character which were not uttered upon this floor yesterday. I mention this fact in order to condemn the practice.

Mr. KENDALL. And I say that if the gentleman had paid attention to what I said he would have heard what is reported in the RECORD this morning.

Mr. STORM. I say that the gentleman has added to his remarks, and the reporters' notes will show it. He does not deny it.

Mr. KENDALL. I do deny it.

Mr. STORM. I move that the RECORD be corrected by striking out that portion not uttered yesterday by the gentleman.

The SPEAKER. The gentleman from Pennsylvania [Mr. STORM] raises the point that there are published in the RECORD this morning, as remarks of the gentleman from Nevada, some remarks of a personal nature which were not uttered upon the floor, and asks that the same should be excluded from the bound copy of the RECORD. The Chair is of opinion that that is a question of privilege.

Mr. KENDALL. I ask that the sentences be read to which exception be taken.

The SPEAKER. They will be read.

The Clerk read as follows:

The gentleman from Pennsylvania who offered this amendment, [Mr. NEGLEY,] and his colleague, [Mr. STORM,] who are so familiar with the condition and wants of the mines and miners of the Comstock, though neither has ever seen a silver mine, bray out their usual argument that this is another movement of the "California Bank ring" to defeat the long-suffering and much-persecuted Sutro!

* * * * * * *

I had, Mr. Speaker, at one time thought of replying to the other gentleman from Pennsylvania, [Mr. STORM,] usually so reticent, who the other day became so suddenly enlightened about the wants of the poor miners in the "sage-brush;" but I forbear; it is not worth the while; it is not of the slightest consequence.

Mr. STORM. Those remarks, I say, were not uttered upon this floor.

Mr. KENDALL. I wish to say, that standing here in this place on yesterday, where I now stand this morning——

Mr. NEGLEY. Allow me just a moment to say to the gentleman from Nevada and to the House, that so far as any reference is made to me it is a matter of perfect indifference.

The SPEAKER. That is not the question before the House.

Mr. KENDALL. I wish to state that during the debate of yesterday on the bill which has been referred to, standing here where I now stand, the five minutes which I was allowed to address the House expired. I then stated that I should refer to certain extracts from newspapers that had come to me in reference to this bill, and should ask to have them included in my remarks, which I have done. And the gentleman from Pennsylvania [Mr. STORM] who has just now resumed his seat, then standing at my left, should have heard that I said substantially in regard to himself what appears in the RECORD of this morning. Now, sir, the gentleman is somewhat sensitive about the allusion that is made to him, and I am glad of it. It is a sign of good health when the patient has a little sensibility left. My allusion, though not in kind terms to him, was of such a nature that I am a little surprised the gentleman should rise here this morning to a personal explanation and ask that the RECORD be corrected. However that may be does not concern the matter. I repeat that the remarks which have been read were essentially and substantially made here in the course of that debate. That is all I have to say in explanation, not in defense, for I make none and need none.

Mr. STORM. The gentleman does not deny, he cannot deny, that he did not make yesterday in the debate the remarks which the Clerk has read.

Mr. KENDALL. I say that I did make them substantially.

Mr. STORM. I appeal to the notes taken by the reporter at the time, which I have not seen; but I say they will not be found there.

The SPEAKER. That is a question of fact, which the reporters' notes will settle. There have been several instances in which remarks of a personal nature have been interjected into the reporters' notes; and such cases have always given rise to unpleasant debate in the House. A notable case was that of a then member from Ohio, in which case the matter was referred to a committee of the House. It has uniformly been held that where a member revises the reporters' notes, or where he obtains leave to print remarks not delivered, everything of a personal nature, not spoken on the floor, should be carefully excluded. This is a part of the common law of the House.

Mr. SPEER. I ask that the reporter produce his notes.

The SPEAKER. The Chair is informed that the manuscript of the reporters is not in the House, but necessarily at the printing office.

Mr. STORM. I hope that the language printed in the RECORD may be corrected by reference to the reporters' notes. Without having seen those notes, I am ready to stand by them.

Mr. G. F. HOAR. In connection with this matter, I beg leave to inquire of the Chair by what authority the expressions "laughter," "sensation," &c., are put into the debates by the reporters; whether such things are any part of the proceedings of the House?

The SPEAKER. The Chair thinks not.

Mr. G. F. HOAR. Then I request the Speaker to direct that such expressions be hereafter omitted.

The SPEAKER. The Chair thinks that all those things should be omitted from the official report of the House, because they are in contravention of the rules; and to insert them in the report is only putting upon record that members are violating the rules of the House.

Mr. KENDALL. I am just informed (and I ask the indulgence of the House to say it) that gentlemen who were immediately around me yesterday morning did hear substantially, and almost identically, the language to which exception is taken by the gentleman from Pennsylvania. Even if the notes of the reporter should not peradventure show the language, there are many gentlemen here around me who say that I did use substantially the language which I have asseverated I did use.

Mr. STORM. Now the gentleman is creeping out of a very small hole. I was as much interested in the gentleman's remarks yesterday as any man on the floor of this House; and I say he did not use the remark which is applied to me in the printed report. There was a remark of that kind applied to my colleague, [Mr. NEGLEY,] but the other remark was not applied to me at the time the gentleman spoke.

Mr. KENDALL. I simply refer to other gentlemen here.

Mr. G. F. HOAR. In order that the reporters may definitely understand their duty in this matter, I ask that the statement which has been made by the Chair in regard to the insertion of parenthetical remarks by the reporters may be considered as an instruction to them on the part of the House.

The SPEAKER. Attention being called to the matter, the Chair directs the Official Reporters that hereafter all parenthetical remarks, such as "laughter," "applause," or anything of that kind, shall be omitted from their reports. Such things should never have recognition in the official reports of the House, any more than applause in the galleries. They are distinctly against the rules of the House.

In view of the question raised by the gentleman from Pennsylvania, [Mr. STORM]—whether it is to be brought up again upon an appeal to the reporters' notes the Chair does not know—the Chair begs again to remark, and to impress upon members, that the common law of the House which has always obtained in the revision of the official reports is, that it is not allowable for a gentleman to interject into his printed remarks anything of a personal nature not spoken on the floor. Members are all aware that great latitude is allowed in the printing of speeches and in the alteration of spoken remarks of an impersonal character. But as to everything personal, every member's sense of propriety will recognize at once that such remarks should be strictly confined to the report made by the official organs of the House.

Mr. KENDALL. I wish to appeal to members around me who are willing to rise in their places and say that I did use the language which appears in the report. Although the language to which the gentleman from Pennsylvania [Mr. STORM] takes exception is not of an offensive nature, I did use it in this debate, as members around me will asseverate.

The SPEAKER. The Chair thinks this matter has gone far enough.

Mr. KENDALL. I wish to set myself right on this question. Gentlemen who were near me yesterday will, if called on, rise in their places and say that I used the language appearing in the report.

ORDER OF BUSINESS.

Mr. DAWES. Mr. Speaker, there is a Senate amendment——

Mr. CONGER. I have been trying for something like thirty days to get the floor away from my friend from Massachusetts, [Mr. DAWES]——

The SPEAKER. The gentleman from Michigan [Mr. CONGER] has a privileged report, upon a bill which his committee has been authorized to report at any time. The Chair understands him, however, to yield to the gentleman from New York, [Mr. WHEELER.]

Mr. CONGER. Yes, sir.

DEFICIENCY IN APPROPRIATION FOR WAR DEPARTMENT.

Mr. WHEELER. I move that a communication presented yesterday from the Secretary of War, transmitting a statement of the amount of deficiency in the appropriation for his Department for the fiscal year ending June 30, 1873, be ordered to be printed.

The motion was agreed to.

ALASKA FUR-TRADE.

Mr. CONGER. I am directed by the Committee on Commerce to report back, with the recommendation that it do pass, a bill (H. R. No. 2667) to enable the Secretary of the Treasury to gather authentic information as to the condition and importance of the fur-trade in the Territory of Alaska.

Mr. NEGLEY. I desire to ask the Speaker if I am to be taken off the floor by this and other business without being heard?

The SPEAKER. The gentleman from Michigan has a privileged report which he has the right to make, the House having conceded to that committee the right to report at any time.

Mr. NEGLEY. I am not questioning the Speaker's action, but that of the gentleman from Ohio, [Mr. GARFIELD,] who, when I am on the floor, calls for the regular order.

The SPEAKER. The call for the regular order prevented the Chair from recognizing the gentleman from Pennsylvania.

Mr. NEGLEY. I wish to know whether the gentleman from Ohio proposes to parcel out the time of the House?

The SPEAKER. The gentleman is not doing so; the Chair is doing that.

Mr. NEGLEY. I take notice, Mr. Speaker, that every morning when we attempt to pass any bill in the interest of members, which will occasion no debate, a few gentlemen call for the regular order and take us off the floor. I think it shows a lack of courtesy to other gentlemen who have pressing business, not of their own, but others.

The SPEAKER. The gentleman from Michigan reports back a bill, the title of which has been read, from the Committee on Commerce.

The bill was read. It provides that the Secretary of the Treasury be, and he is thereby, authorized to appoint some person, qualified by experience and education, a special agent for the purpose of visiting the various trading stations and Indian villages in the Territory of Alaska, the seal-islands, and the large islands to the north of them, in Behring Sea, for the purpose of collecting and reporting to him all possible authentic information upon the present condition of the seal-fisheries of Alaska, the haunts and habits of the seal, and the preservation and extension of the fisheries as a source of revenue to the United States; together with like information respecting the fur-bearing animals of Alaska generally, the statistics of the fur-trade, and the condition of the people or natives, especially those upon whom the successful prosecution of the fisheries and fur-trade is dependent; such agent to receive a compensation of eight dollars per day while actually thus employed, with all actual and necessary traveling expenses incurred therein; provided that the appointment made under the act shall not continue longer than two years.

Mr. WILLARD, of Vermont. I objected to the bill yesterday, but did not have time to state my point of order. I wish to know now whether the point of order, that this bill involves an appropriation and must have its first consideration in Committee of the Whole on the state of the Union, does not lie against it?

The SPEAKER. The gentleman from Massachusetts, [Mr. DAWES,] the chairman of the Committee on Ways and Means, reported this bill for consideration by the House from that committee. It was objected to, but was permitted to go to the Committee on Commerce with the right to report it back at any time.

Mr. WILLARD, of Vermont. I should like to have the question of order settled whether the right to report at any time relieves the bill from the point of order.

The SPEAKER. The gentleman will observe the status of the bill. The gentleman from Massachusetts was asking to have the bill considered in the House when he reported it from the Committee on Ways and Means. Objection was made, but permission was given to have it considered in the House, provided it first went to the Committee on Commerce. It now comes back under that condition of things. The gentleman's point of order would lie against the bill if there had been no condition of that kind.

Mr. WOOD. Yesterday I understood one objection prevented the presentation of the bill.

The SPEAKER. It did, because at that time the bill from the Committee on Mines and Mining had possession of the floor, under the operation of the previous question, but there is nothing of a higher nature which will now cut it out. The right to report at any time is good except when anything is occupying the attention of the House, placed there by a suspension of the rules or by the seconding of the previous question. The report is in order now because there is nothing of a higher privilege.

Mr. POTTER. Do I understand there is an entry in the Journal that it was the understanding this bill should be considered in the House when it was reported?

The SPEAKER. The Chair thinks it was so understood and implied, if not distinctly recorded. The gentleman will of course observe the mere right to report at any time for reference to the Committee of the Whole gives the bill no advantage at all. There would then have been no gain; and the gentleman from Massachusetts, in order to avoid having it go to the Committee of the Whole, made this arrangement upon the floor of the House previous to the reference of the bill to the Committee on Commerce.

Mr. POTTER. That it might be reported at any time, which was understood to be to report for consideration in the House?

The SPEAKER. There would have been no gain unless that had been the condition; because if such had not been the condition it would have been better for the gentleman to have allowed his bill to go to the Committee of the Whole at that time.

Mr. POTTER. I merely desire to be instructed by the Chair as to the effect of leave being given to report at any time, as it was at my suggestion that that privilege was granted in this case.

The SPEAKER. It was done by unanimous consent; for at that time a single objection would have carried the bill to the Committee of the Whole on the state of the Union.

Mr. WILLARD, of Vermont. Do I understand the Chair to rule that when a committee is authorized to report at any time, the point of order that the bill makes an appropriation does not lie?

The SPEAKER. Not at all. The Chair does not so decide. The Chair will again rehearse what took place, that there may be no misunderstanding. The gentleman from Massachusetts, [Mr. DAWES,] the chairman of the Committee on Ways and Means, reported this bill and asked for its consideration in the House at that time. There was some objection made to that. Had the point of order been then made, the bill would necessarily have gone to the Committee of the Whole

on the state of the Union. But after some conversation it was agreed by unanimous consent that the bill would not be objected to if allowed to go to the Committee on Commerce, with the right to the committee to report it back at any time.

Mr. WOOD. Do I understand the Chair to rule that the privilege given to any committee of this House to report at any time does away with the privilege of a member to raise the point of order as to what should be done with the bill when it comes back here?

The SPEAKER. Not at all.

Mr. WOOD. Then I raise the point of order that, as this bill makes an appropriation, it should go to the Committee of the Whole.

The SPEAKER. That point of order was expressly waived. The understanding only goes to the point of order that was waived. The gentleman from New York [Mr. WOOD] will observe that the gentleman from Massachusetts [Mr. DAWES] having control of the bill would not have permitted it to go to the Committee on Commerce, under the right to report it back at any time, merely to lose two weeks before its going on the Calendar. If the point of order had been made at that time, the bill would have gone to the Committee of the Whole on the state of the Union. But that was waived, and instead of going to the Committee of the Whole the bill was sent to the Committee on Commerce with the right to report it back at any time.

Mr. WOOD. My recollection was that when the gentleman from Massachusetts made that report objection was made, and the bill was sent to the Committee on Commerce with only one privilege—no question of order being raised—the privilege simply of reporting it back at any time. No unanimous consent was given that the bill should be considered irrespective of the point of order.

The SPEAKER. What does the gentleman from New York consider was the motive in sending it to the Committee on Commerce?

Mr. WOOD. The committee could report it at any time.

The SPEAKER. What for? What was the motive on the part of the chairman of the Committee on Ways and Means in having the bill go to the Committee on Commerce?

Mr. WOOD. Because objection was made to it.

The SPEAKER. Objection was not made to reporting it.

Mr. HOLMAN. I would like to answer the question just put by the Chair. That subject-matter had been uniformly before the Committee on Commerce before, and for that reason I objected myself to the consideration of the bill until it had been referred to the Committee on Commerce.

The SPEAKER. Precisely. But one objection would have carried it to the Committee of the Whole on the state of the Union then, over the objection of the gentleman from Indiana.

Mr. HOLMAN. Certainly; but I said it should go to the committee that uniformly had had jurisdiction of that subject.

Mr. G. F. HOAR. Is it not also true that the bill was considered in the House, and on consideration referred to the Committee on Commerce?

Mr. DAWES. I agreed to the bill going to the Committee on Commerce on the assurance that that committee should have the privilege of reporting it for consideration at any time.

Mr. WILLARD, of Vermont. Did not the gentleman's own committee have that right?

Mr. DAWES. My committee did not have the right to report at any time. My recollection is that I asked unanimous consent to report the bill for present consideration on the ground that it was a matter of urgency. That is my recollection, that I asked unanimous consent to report it for present action. After I had so reported it, and it had been read for action at the present time, the gentleman from Indiana, [Mr. HOLMAN,] of the Committee on Commerce, suggested that that was a subject which had been in charge of the Committee on Commerce. I replied that I knew the matter originally did come from the Committee on Commerce, and I did not know exactly why the Secretary of the Treasury had referred it to our committee; but I had not the slightest objection to its going to the Committee on Commerce, provided they had the right to report it back at any time. That was agreed to, and it was handed over to the Committee on Commerce.

The bill had some discussion in the House. There was, I thought, a consideration in the House to that extent. I had, as I understood, the consent of the House to report it for action at any time. The action at that time was taking it from the House and referring it to the Committee on Commerce, with leave to report it at any time. That is the way it struck me.

Mr. POTTER. I understand the facts in respect of the introduction and reference of the bill to the Committee on Commerce exactly as the gentleman from Massachusetts has stated them, except that I did not understand that the House gave any leave to consider the bill at that time. In other respects I agree with the gentleman. I do not desire to antagonize the bill at this time; I believe it was at my suggestion, as well as that of others, that the Committee on Commerce were authorized to report at any time. I can see very well that no experienced parliamentarian would allow a bill to be referred, as this bill was, to a committee with leave to report at any time, if upon its being reported back one objection would send it to the Committee of the Whole. I only wish to call attention to that being the effect of such an understanding, so that we may have the benefit of it in other cases; and if a gentleman desires to save the point of order that a bill must go to the Committee of the Whole, he must not allow it to be referred to a committee with leave to report at any time.

The SPEAKER. O, no; the Chair could not allow it to be drawn into a precedent in that respect. The mere fact that a committee is authorized to report at any time does not affect the point of order.

Mr. DAWES. I do not so understand it.

The SPEAKER. The Chair does not so rule.

Mr. DAWES. I do not understand that the bill comes before the House by any such ruling as that.

Mr. WOOD. Allow me to say a word in reply to my colleague, [Mr. POTTER.] The Committee on Ways and Means had not the right to report this bill at any time.

The SPEAKER. The Chair has not so asserted.

Mr. WOOD. The object of the chairman of the Committee on Ways and Means was to have the bill referred to another committee. It received no consideration in the House; but the gentleman, by having it referred to another committee privileged to report at any time, thus obtained a privilege which the bill had not before.

Mr. DAWES. If the Chair will indulge me, I will say that I very well recollect that after I had reported the bill, I went on to give reasons for action upon it and for the necessity of prompt action, and to explain the principle upon which the bill was framed. That called the attention of the Committee on Commerce to the bill, and a member of that committee, while I was discussing the merits of the bill, suggested that the whole matter originated with the Committee on Commerce and should be considered by that committee. I was discussing the merits of the bill and explaining why it was proper that it should be passed at the present time, and then the gentleman from Indiana [Mr. HOLMAN] suggested that it ought to have gone to the Committee on Commerce. I saw then, while the bill was pending, that the Committee on Commerce might think it proper to antagonize the passage of the bill, and I said at once to myself that I would rather it should go to that committee immediately and let them see it for themselves and have leave to report it back at any time. But that was while I was discussing the merits of the bill. If I recollect aright I had gone so far as to give a history of the fur-seal trade; I have not thought of it since; but I am confident that I was discussing the merits of the bill.

The SPEAKER. The Chair has not had time to refer to the record, but the recollection of the Chair differs in one respect from that of the gentleman from Massachusetts. The Chair does not think that full leave had been given to consider the bill in the House, but pending an explanation, after which objection might have been made, an objection being made to considering it in the House, this arrangement was entered into. It was so far made that the record on the back of the bill, the official indorsement by the Clerk, is "March 26, 1874, read twice, and referred to the Committee on Commerce, with leave to report at any time." Now the fact that a bill has been once read takes it beyond the point of order, and the general understanding was that the bill was read twice. Gentlemen of the House will all observe that the mere right to report for reference to the Committee of the Whole is about the smallest privilege that can be given to a bill. A reference to the Committee of the Whole leaves it so entirely under the control of the opponents of the bill that any one is ready to give his assent to have it referred to another committee in this way, and therefore the gentleman from Massachusetts, acting with an intelligent knowledge of the rules as he always does, would not have consented to have the bill referred to the Committee on Commerce simply for the purpose of having it reported back to go to the Committee of the Whole.

Mr. WILLARD, of Vermont. I understand, then, the decision of the Chair to be that the bill having been read twice the point of order could not be made. Does not a bill have to be read twice before it can go to a committee?

The SPEAKER. Precisely; but when the bill itself was brought into the House, and allowed to be twice read, the question being upon its third reading, the point would not apply.

Mr. WILLARD, of Vermont. I understand that the bill was reported from the Committee on Ways and Means.

The SPEAKER. The bill was read twice and referred to the Committee on Commerce. It had not been read twice and referred to the Committee on Ways and Means, for this is a new bill with a new number.

Mr. WILLARD, of Vermont. Ah! then, it was an original bill reported from the Committee on Ways and Means without having been referred to them.

Mr. DAWES. Yes, sir.

Mr. CONGER. Now, if these matters are settled satisfactorily——

Mr. POTTER. If the point had been made in time it would have been good?

The SPEAKER. It would. The question is upon ordering the bill to be engrossed and read the third time.

Mr. BECK. Is there to be no explanation?

Mr. CONGER. If desired I will make a brief explanation.

Mr. BECK. The bill was considered in our committee, and I desire to be heard a few minutes upon it.

Mr. CONGER. I desire to state to the House what most members are aware of, that for the last three years the Government has been receiving from two little islands in Behring's Bay, some one hundred

and fifty miles from the mainland, and lying contiguous to each other, the sum of $261,000 a year as royalty and rent for the fur-seal fisheries and the use of the islands; a very large revenue from such an apparently unimportant source. It is supposed, from investigations that have been made, that there lie in other parts of Behring's Bay, between Behring's Strait and the Aleutian Islands, other rookeries of the fur-seal, from which additional revenue to the United States may be derived. It is also supposed that the haunts of the sea-otter, one of the most valuable furs known in the world, the skins of which in the market range in value from twenty-five to one hundred dollars each, may be so utilized by a proper management of the sea-otter fisheries, and other furs in that locality, as to bring a considerable revenue to the Government.

There is no station of the United States where officers or soldiers of the Government are employed nearer than Sitka, which is south of the Aleutian Islands. The regions proposed to be explored extend from three hundred to one thousand miles north of that, in a portion of the world where during the summer season the sea and the islands are covered with fogs and mists, where it rains almost continually. They have been heretofore very little explored. The knowledge which has been derived of them by the Russian government heretofore has been confined to the Russian government, and never has been made public so that it might be known. All their operations connected with the fur-trade are kept secret, as is the case at the present day with the Hudson Bay Company of British North America. There have been no officers of the Army, or other officers of the Government, even if fitted for such an investigation, within from three hundred to one thousand miles of the regions to be explored.

This exploration requires an agent familiar with the language of the inhabitants, one ardent and energetic in his desire for exploration, who will have to pass from island to island and examine in that misty, cloudy, rainy region all the haunts of these fur-bearing animals, and report to the Government the information he may collect. This will be a work of toil and danger. The whole exploration, after these islands have been reached, will have to be made in the little skin boats or kyaks of the natives. It is a thankless task in one sense, and yet one which a naturalist and explorer might be very willing to undertake, as the gentleman proposed to be sent there has already undertaken in regard to the seal-islands, Saint Paul and Saint George.

The gentleman who it is proposed shall be appointed to this work, Mr. Elliott, has spent a year and a half among the Aleutian Islands and has made a report, a few copies of which have been printed, setting forth the haunts and habits of the seals upon these islands, the duties of the Government in regard to their protection, and the amount of revenue that may be received. It is a report that is a credit to the country and to him. It is proposed, if he will consent, to employ him for a year or perhaps two years longer in this further exploration.

I have been familiar with this subject since the time the first bill was reported to the House in regard to these seal-fisheries. I took part in the preparation of that bill some years ago. At that time we were receiving nothing in return for the $7,000,000 which the Government had expended in the purchase of Alaska. But from the action which originated in this House we adopted a plan which has given us a revenue of $261,000 a year from two little obscure islands, Saint George and Saint Paul. It is thought this revenue may be increased, perhaps doubled, if the seal-rookeries on the other islands, should there be such, and the other fur-fisheries, are protected as they should be, and other fur-bearing animals are saved from needless destruction or from being driven from their haunts on our territory.

The object of this bill, which has been introduced at the request of the Secretary of the Treasury, is to enable him to send one man, not to inaugurate an expensive expedition costing thousands of dollars, but to send one man who shall continue the explorations which he has made so satisfactorily to the Government during the last year and a half. And I trust there will be no objection to this bill in an economical point of view. In my opinion the beneficial results of this measure to the Government and to its revenue will greatly counterbalance any possible expenditure which may be made under the bill.

Mr. BECK. Will the gentleman from Michigan yield to me for a few minutes?

Mr. CONGER. I will hear the gentleman.

Mr. BECK. I would like to have the bill read, and then I only want to occupy two or three minutes.

Mr. CONGER. The bill has been read twice.

Mr. BECK. It has not been read this morning.

Mr. CONGER. O, yes; it has.

Mr. BECK. Then, Mr. Speaker, I want to say a word on this question.

Mr. CONGER. I will first yield to the gentleman from Vermont [Mr. WILLARD] for three minutes.

Mr. WILLARD, of Vermont. I desire to call attention to the provisions of this bill, which has just been explained by the gentleman from Michigan, [Mr. CONGER.] To start with, it creates a new office. It provides for an additional special agent of the Treasury, at a salary of $2,500 a year and traveling expenses, whatever they may be—probably $2,500 more. It continues this office for two years, making the expense to the Treasury at least $10,000. The object of the bill as stated here—and I have no doubt that such is the sincere purpose of the gentlemen who bring forward the measure—is to see whether we cannot make something out of Alaska. We have found that purchase an expensive one, costing some seven or eight millions in gold; and we have realized but very little out of it thus far. The bill seems to be an experiment based upon this theory: that it is not certain but there may be more seals in that region of country than have yet been discovered, and that a hardy, vigorous, enterprising traveler, at an expenditure of $5,000 a year, may find that there are multitudes of them there, and that he may also be able to hunt up some parties who will be willing to contract with the United States to pay something for the opportunity of killing them and taking their skins. Well, it occurs to me that this is not the wisest economy. Although this bill has the indorsement of two committees—as respectable and honorable committees as any in the House, and composed of as intelligent gentlemen as any others—it seems to me that this is a very singular method of attempting to replenish the Treasury of the United States. The proposition is to send out a special agent—to create a new officer, though we are attempting here on all hands to cut down the number of public offices. The chairman of the Committee on Ways and Means, [Mr. DAWES,] in a speech which he delivered here some weeks since, arrayed with startling significance figures to show how much money we were paying out and how little we were getting in return for it. And yet his committee have indorsed this project to pay out $10,000, more or less, in an effort to see whether we cannot get something back from our expenditure for Alaska. I think, Mr. Speaker, that this measure is certainly not in the direction of economy.

If the bill is intended to hit the case of some traveler who has gone abroad, some special agent of the Treasury Department who has been investigating consulates, or something of that sort, and who is coming back by way of Alaska, (the appropriation on which he is traveling having expired,) that may possibly be a reason with some gentlemen why the bill should be passed. I do not suppose, however, that either of the committees that have recommended this bill had any such missionary in their mind. I have, however, seen an intimation in the newspapers that some gentleman has been appointed as special agent for the purpose of going to Alaska and investigating the fur-seal fisheries.

Mr. O'NEILL. Will the gentleman from Vermont state the name of the person to whom he refers?

Mr. WILLARD, of Vermont. I cannot. I think, however, he was from Vermont; and I suppose he is now in San Francisco waiting for this bill to pass, so that he may get $5,000 a year while journeying to and from Alaska. Now, sir, while this bill may be a wise measure of public economy, while it may be the means of getting back into the Treasury more money than we pay out to this officer, it does not seem to me on the face of it to promise very much in that direction.

Mr. BECK rose.

Mr. CONGER. I will yield in a minute to the gentleman from Kentucky, [Mr. BECK.]

Mr. Speaker, I think it would hardly be consistent with the good health of the gentleman from Vermont [Mr. WILLARD] if any bill, for any purpose, was to pass this House without his occupying our attention with something entirely disconnected from it, such as his reference in this case to agents for investigating consular matters. My friend from Vermont is economical. He shows it every day and every hour by occupying with his economy hour after hour of the time of this House, which is said to cost $5,000 an hour. Now, sir, the gentleman has never voted for economy as I have and as other honorable members of this House have.

Mr. WILLARD, of Vermont. The gentleman cannot find anywhere a record which will show that I have not been as economical in all my votes as he has been.

Mr. CONGER. Now the gentleman must interrupt me again, it seems. But this House knows that on every occasion, whether the bill is important or unimportant, whether it looks to economy or to squandering, the gentleman from Vermont rises with his tall, lank form and opposes every measure that comes before the House, whether he knows anything about it or not. My own opinion has been that he took this course in the arduous and laborious pursuit of information, desiring that the progress of the Government be stayed while he gathered for himself a little private information, which he might have learned from the reports of the committees.

Of course there has been a report made on this matter—a printed report, (Elliott's report)—which, if the gentleman had read it, would have shown him the importance of such a bill as this. If he had read even the current record of the country he would have known that Alaska did not cost $8,000,000. There is not a school-boy in the land but knows "seven millions for Alaska" is the great war-cry of the country, and not eight millions, and yet a million is of no difference to my friend, the economical gentleman from Vermont. He said seven or eight millions, he did not know which.

Now, Mr. Speaker, it is a matter of entire indifference to me whether the House passes this bill or not; but it has been thought by those who do know something about it, those who have spent their time in studying the condition of our country even as far off as Alaska, that there is here an opportunity of recovering from that country at least a fair interest upon the expenditure of the Government, and to put this money into the Treasury at a trifling cost.

Now, why does the gentleman vote here to give forty, fifty, sixty, or seventy thousand dollars in exploring around the Yellowstone in the interest of science? The gentleman voted for that bill, and I was surprised he did, for a bill organizing a great corps of men, surveyors, horses, mules, and cattle, and camp equipage, to explore the beauties of the Yellowstone. He had no word of reproof for that; but it is only when we propose to send some poor, lone, adventurous explorer, without retinue, without horses, without mules, and even without a jackass, that he objects. It is only when we propose to send out this adventurous explorer, who is to go to the region of mist and rain, and darkness and storm, alone, in his poor seal-skin boat, that the gentleman's economy comes to the rescue. And he talks to this House about the enormous expenditure of eight dollars a day for a man who, in the interest of science and in the interest of this Government, will risk his life and peril his comforts to go there alone to make this exploration—a thankless task for anybody.

Now, while I would go with the gentleman from Vermont, who has arrogated to himself not only this year but during all the preceding years ever since I have had the honor of being a member—who arrogates to himself the entire economy and prudence of the whole House as if he alone knew what was best for the Government to do, as if he alone knew where an expenditure would be beneficial—I say while I would go with him in all that is reasonable and in all that is proper, there is a limit to this eternal ringing into our ears of objections to every measure which will promote the prosperity of this Government. The gentleman from Vermont fails to see that, and he will go down to his grave objecting, objecting, objecting. He will go into the other world, and I believe when he gets there will object to the angels treading the golden streets for fear they will wear away some of the golden dust and destroy it forever.

Mr. WILLARD, of Vermont. The gentleman should not forget that I am in favor of gold, while he is in favor of greenbacks.

Mr. CONGER. I say, Mr. Speaker, that possibly one of the main inducements held out to my friend from Vermont for seeking to go into those glorious upper regions is that, inasmuch as he is such a lover of gold, he will have these golden streets to walk upon.

Now, sir, this is simply a question for this House to consider, whether or not this trifling expenditure commends itself to the judgment of the House as a desirable one for the interest of the Government. If not, defeat the bill. If it is desirable and proper in the direction of sound economy, pass the bill. I now yield to my other economical friend—my friend from Kentucky, [Mr. BECK.]

Mr. BECK. Mr. Speaker, I knew all the time that the gentleman from Michigan was speaking in reference to the gentleman from Vermont, while looking at me so sternly, it was a warning to me not to say anything against this bill, and was meant as a prelude to what, if I should do so, would surely fall afterward on my devoted head. I will take the warning given by his manner. I have had to make my peace with him once or twice before.

Sir, I sympathize with the gentleman in the object of the bill, but while it was before the Committee on Ways and Means I voted against the special provision limiting it to a single person, and he not an officer of the Government, although a majority of that committee voted in favor of it. I opposed it for this reason: While I have the highest appreciation of the talent of the young gentleman named, (Mr. Elliott,) whose report I have read and to whom I listened with much pleasure before the committee, and while I am prepared to say his work and his learning are everything to satisfy me that he is a young man of uncommon intellect, yet I did not think it was a proper thing for the purpose I had in view to pass a special bill to give him this employment alone. I will state my reasons briefly.

We have a contract now with a great, rich, and powerful company whereby they agree to pay us two dollars per skin for one hundred thousand seals, and the rent for the islands amounts to some fifty or sixty thousand more. We thus receive $200,000 for one hundred thousand seal-skins and from fifty to sixty thousand dollars for the use of the islands.

That company may or may not be taking more than one hundred thousand seals. I believe that nearly three hundred thousand seals are taken from our islands instead of one hundred thousand under that contract. There are houses in England that have a monopoly of the business. Not a seal-skin can be brought into this country—their monopoly is absolute. The skins are shipped from the islands to San Francisco and thence to London; and there they are manufactured. While seal-skins cost them $2.50 apiece, and two good seal-skins make a full set for a lady, or three inferior ones, not costing the company for a set over $5.50 or $7.50, that monopoly enables them to sell those sets of furs at prices varying from seventy-five to one hundred and twenty-five dollars in gold in London, or from two hundred to three hundred dollars a set in New York after they have been returned to this country.

My opinion, from pretty thorough information, is that those men are getting somewhere seal-skins to the amount at least of three hundred thousand a year. That number are said to be in the market, and there is no other place to get them except what fur can be obtained from one Russian island. The company has a general contract with the government of Russia to take as many seal-skins as they please from the Russian possessions, but, as I learn, they get very few. I do not suppose they get ten thousand a year from all the possessions of Russia. But that unlimited contract with Russia enables them to claim that all the seal-skins they have beyond one hundred thousand come from the Russian possessions, when in fact most of them are coming from our islands.

I desire, therefore, to send a man capable of looking into this business, an energetic officer of the Army, a man of high standing and position, responsible to the Government, to investigate those contracts and the number of seals that are taken, so that Congress may know whether we are being defrauded. I have faith in the capacity and integrity of the regular Army officers, and I rely on their disposition and ability to make our information thorough. Why, sir, this young man is no doubt a young man of scientific acquirements, a young man of education, and a young man well qualified to take photographs and write reports about the habits of seals, and I have no reason to doubt his integrity; but I would as soon think of sending a Southdown lamb to the prairies of Texas to catch wolves as of sending him to detect frauds perpetrated by that company. I want an officer of the Army to be sent for that purpose. And while I think the investigations of this gentleman ought to be prosecuted, and his examinations made, and the habits of the fur-seals made known, and that he is a good man to do that work, perhaps the best man in the country, I would add to this bill, even if I intended sending him, a provision for sending also one of your most competent officers and for paying him, if necessary, a fair price for the delicate and difficult services required at his hands.

Let us see that those companies are not defrauding us, that they are not annually taking from us in excess of their contracts hundreds of thousands of seal-skins, as I believe they are now doing. And if, as Mr. Elliott reports, the number of seals that may be killed can be increased and two or three hundred thousand can be killed—indeed he supposes that as many as four hundred thousand may be taken annually without encroaching on the breeding-grounds—why, in that case, let contracts be made on the report of a responsible officer, after a thorough investigation, which would enable us to get what we ought to from these islands and prevent fraud, if there be any, from being perpetrated, if it should be developed, as I believe it would be, that we are now being defrauded.

Mr. CONGER. I desire to make one further statement. The Government has an agent on each of these islands, Saint George and Saint Paul. The agents count all the skins there. But one vessel goes from there to San Francisco, where the skins are all counted from off the boat. There can be, without fraud on the part of the officer, no excess in the killing beyond the number that is reported, except a few thousand authorized by law to be killed by the natives for their food. There are five million seals it is supposed that land there for breeding purposes; after that they disappear in the ocean and nothing is known of them for nearly a year. Those agents are local officers. They stay there; while the exploration this bill calls for will extend over a seacoast of seventeen hundred miles, and much more for its bays and inlets.

Mr. MAYNARD. I wish to ask the gentleman from Michigan a question in the line of what he has just been saying. Statements have been made in the newspaper press to the effect that the number of seals taken on those islands amounts to two hundred thousand or two hundred and fifty thousand a year. On what authority that statement is made I do not know. But I desire to ask the gentleman whether the Committee on Commerce had given any special attention to that subject, or whether they have relied generally on the provision of law, and supposed that all was correct.

Mr. CONGER. I will say, in answer to the gentleman's question, that the law under which these islands were leased provided that there should be resident Government agents on those islands, who should take account of every seal-skin taken there, the killing of seals being put under their direction. They are shipped on board the only one boat which is allowed to approach those islands and taken to San Francisco. And I desire to say this, that of all the seals taken in the world two-thirds are taken on those two little islands one hundred and fifty miles away from the mainland.

A portion are taken from the Russian islands, on the Asiatic coast; a few are taken occasionally on their passage up and down the coast, taken in the water or upon rocks; a few are taken in the southern seas around the southern pole and from the adjacent islands. That embraces the whole; and I may say that there is in all the world but one place where these fur-seal skins can be prepared for use in the form in which they are used. So far as the taking off the hair from them and cleaning and coloring them is concerned, there is but one firm in the world that does it, and that is a London firm. Thousands of dollars have been expended to find out the secret of preparing and dressing fur-seal skins and coloring them; but as yet the business is confined to one firm.

Mr. MAYNARD. It is a manufacturing secret.

Mr. CONGER. Yes, sir; it is a secret; no one else has yet found out the particular mode of preparing fur-seal skins for the market, and hence this firm in London can command, and, as the gentleman from Kentucky says, do command, the whole market of the world. They alone buy them for what you might call the manufacture of fur-seal skins.

Mr. MAYNARD. One word more. It was stated in connection with the Russian treaty, how truly I do not know, that the Russians retained one or two islands near to the Asiatic coast, avowedly because they believed that we should manage the seals on the islands of

Saint Paul and Saint George so unwisely that they would be driven from there to take refuge on those islands on the Asiatic coast, so that, notwithstanding the treaty, Russia would practically have the benefit of the fur-seal skin trade after all.

Mr. CONGER. We think the protection provided by the present law will preserve this fishery perpetually to our own Government. That was the object of the law, and the only object of making this monopoly, and so far it works admirably. I now yield to the gentleman from Massachusetts, [Mr. DAWES.]

Mr. DAWES. Mr. Speaker, the policy of the Government in regard to this matter is fixed by law. It is too late for us to discuss its propriety. When the bill which is now the law was before the House I was intensely opposed to it and had a prepared speech upon it which remained undelivered; I sought the opportunity which my friends on the Committee on Commerce would not let me have to bring before the House the very objections suggested to the operation of this law. But the law passed against the protest of the Treasury Department, and against the protest of many members of this House. I am free to say, however, that the objections to putting this whole matter into the hands of one monopoly for twenty years have not been realized by experience. It has thus far worked well. I have kept my eye upon it, and not a friendly eye either, because I felt that it was wrong. I am willing to say that thus far the interest of these parties has led them to conduct this business remarkably well, as well for their own interest as for the interest of the Government and the preservation of the seals. But the whole thing depends upon the fact whether we know that we have the whole control of the fur-seal fishery or not. We cannot acquire the knowledge of that fact in any other way than by ascertaining more fully than we now are able to tell what is the condition of the other islands still in the possession of Russia. Every man cannot acquire that knowledge. An Army officer of the United States going there among these islands would be repelled; he would have no facilities for acquiring this information. It is proposed by the Treasury Department to send out there a young gentleman who has been a year and a half there, and has acquired by his relations with the people there such facilities as no other man possesses, and which would enable him to bring back to us the topography of those islands, the climate of those islands, to enable us to tell whether it be true, as my friend from Kentucky suggests, that these parties sell two or three hundred thousand skins a year and pay us a tax for one hundred thousand only. I have no reason to believe that they do cheat us; but I said when this bill was passed that they had made a contract with Russia for the other islands and that under cover of that contract such a result might be reached by them. I have no evidence that induces me to believe that such is the case beyond the statement of the gentleman from Kentucky. I see no better way to guard our revenue and to secure facilities in the collection of these taxes than that which is proposed by the Treasury Department, to bring back here, from one who will have facilities for obtaining this information, such a report as he has brought back in reference to our own islands, and the like of which for value of information has never been brought us from those regions.

Sir, not only are there seventeen hundred miles of coast there; there are more than four times that extent of coast there, taking all the islands into consideration. Then there are other kinds of fishery; there is the fossil-ivory business; and there are other fur-bearing animals on the mainland of which we are almost entirely ignorant, and concerning which we can obtain information only from the inhabitants of those islands through persons so situated that they can obtain reliable information I know that a man may go there and play and pretend to get information. And I know that one who is an enthusiast in his business, who has devoted himself summer and winter to exploring that icy region of country, who has become identified to some extent with the interests of the inhabitants themselves, if an honest and faithful man, can bring back information which no other man can obtain. An Army officer, honest I have no doubt as they all are, but bound up in his formalities and regimentals, under orders of cast iron, and stiff as those which govern all Army explorations, would come back here with reports formal enough, but the information to be derived from them would not be very great.

When this whole matter was before the Government when the treaty with Russia was pending, the Government found but one man in the country who knew anything about the condition of these islands. He was an old sea captain down in New Bedford, in my State, who had spent nearly thirty years in the Pacific Ocean and among these islands. They brought him on here, and the information which he gave to those who negotiated that treaty, and to the Treasury Department afterward, was the basis of all the legislation we have had on this subject. He has been sent there, has spent the whole of his time there, summer and winter, coming back here once each year to make his report and to make such suggestions as to the management of these islands as his experience and observation enable him to make. It is in this way and this alone that we have been able to take care of this Russian acquisition of ours and to make it pay something into the Treasury.

Mr. BECK. I desire to say one word before the gentleman from Massachusetts [Mr. DAWES] takes his seat.

Mr. DAWES. The floor is in the control of the gentleman from Michigan, [Mr. CONGER.]

Mr. CONGER. I am advised that I must call the previous question now, if I wish to have this bill acted upon this morning.

Mr. BECK. I merely wish to say a word or two to put myself right.

Mr. CONGER. I only wish to obtain action upon the bill and not have it lose its place.

The SPEAKER. The Chair will recognize the gentleman to call the previous question.

Mr. BECK. I do not mean to say that I knew this was all a fraud. But my information while in London last summer was that there was a very large number, perhaps three hundred thousand, seal-skins, used annually there; and I do not believe they came from any other source.

Mr. SCHUMAKER, of New York. I desire to say a word in reply to the gentleman from Massachusetts. I understood him to say that the only person who had any knowledge of these seal-islands was an old New Bedford whaler.

Mr. DAWES. Perhaps I ought not to have said that he was the only man.

Mr. SCHUMAKER, of New York. I wish to say that Henry Havens, of New London, and H. & S. Willett, of New York, sent their whaling ships to these islands some seven years ago, took possession of them by force, and formed a seal-hunting company, which with their old ships and oil-pots they sold out for millions of dollars. Stockholders of that company, with few exceptions, are foreigners, persons in Hamburg, Frankfort, and London. That is the way this seal-skin company was formed.

Mr. DAWES. I do not want to discuss that question. But years back of that Captain Bryant——

Mr. SCHUMAKER, of New York. He never was heard of in this speculation. This is one of the most gigantic speculations of the age. It is talked of in every city of Europe; it is well known there that this seal-skin fraud, as it is called, has been legalized by Congress and has now become one of the most gigantic swindles of the age. And they charge for a seal-skin suit, which costs them perhaps from fifteen to twenty dollars, from one hundred and seventy to two hundred dollars.

Mr. DAWES. I am speaking of the knowledge we obtained.

Mr. SCHUMAKER, of New York. I did not intend to say a word on this subject, but I know that Henry Havens, of New London, and A. & S. Willett, of New York, started this seal-skin company that has made so much money on the Pacific coast.

Mr. CONGER. I now call the previous question.

Mr. COBURN. I wish to propose an amendment to this bill, to the effect that the Secretary of War shall be authorized to detail an officer of the Army to go with this person and in conjunction with him make inquiries and report; and that in addition to that he shall also inquire and report whether the contracts as to the seal-fisheries have been heretofore complied with and whether said contracts should be extended.

Mr. MAYNARD. I will suggest that the Secretary of the Navy should send a naval officer.

Mr. CONGER. I must resume the floor, and call the previous question.

Mr. COBURN. I desire that this amendment may be read for information.

Mr. CONGER. I cannot yield.

The question was taken upon seconding the previous question; and upon a division there were—ayes 74, noes 65; no quorum voting.

Tellers were ordered; and Mr. CONGER and Mr. BECK were appointed.

The House again divided; and the tellers reported that there were—ayes 81, noes 66.

So the previous question was seconded.

The question was, Shall the main question be now put?

Mr. YOUNG, of Georgia. On that question I call for the yeas and nays.

Mr. MAYNARD. I wish that the amendment of the gentleman from Indiana [Mr. COBURN] might be read. The object is to get the amendment attached to the bill if possible, and I ask that it be read for the information of the House.

Mr. CONGER. I cannot yield; it relates to an entirely different object.

Mr. COBURN. If the gentleman will hear it read he will see that it relates to this very subject.

Mr. CONGER. It relates to an entirely different object. I cannot yield to have it read.

The question was taken upon ordering the yeas and nays upon the main question; and there were 35 in the affirmative.

So (the affirmative being one-fifth of the last vote) the yeas and nays were ordered.

The question was taken; and there were—yeas 102, nays 110, not voting 78; as follows:

YEAS—Messrs. Albert, Averill, Barber, Barry, Bass, Bradley, Bromberg, Buffinton, Burleigh, Benjamin F. Butler, Roderick R. Butler, Cain, Cannon, Cason, Cessna, Amos Clark, jr., Clayton, Conger, Corwin, Crooke, Crutchfield, Curtis, Dawes, De Witt, Dobbins, Donnan, Duell, Dunnell, Eames, Elliott, Farwell, Foster, Frye, Garfield, Gunckel, Hagans, Robert S. Hale, Harmer, Hathorn, Havens, John B. Hawley, Joseph R. Hawley, Gerry W. Hazelton, John W. Hazelton, E. Rockwood Hoar, Hooper, Houghton, Hubbell, Hurlbut, Hyde, Hynes, Kasson, Kelley, Lynch, Alexander S. McDill, MacDougall, Monroe, Moore, Myers, Negley, Niles, O'Neill, Orr, Orth, Packard, Page, Isaac C. Parker, Parsons, Pendleton, Phelps, Thomas C. Platt, Pratt, Purman, Ransier, Rice, Richmond, Ellis H. Roberts, Rusk, Sawyer, Henry B. Sayler, Sessions, Sheldon, Lazarus D. Shoemaker, Sloan, William A. Smith, Sprague, Stanard, Strait, Christopher Y. Thomas, Tyner, Waldron, Wallace,

Marcus L. Ward, Wheeler, Whiteley, George Willard, Charles G. Williams, John M. S. Williams, William Williams, William B. Williams, Wilshire, and Woodworth—102.

NAYS—Messrs. Adams, Arthur, Ashe, Atkins, Barrere, Beck, Begole, Bell, Berry, Biery, Bland, Blount, Bowen, Bright, Brown, Buckner, Caldwell, John B. Clark, jr., Clements, Clymer, Stephen A. Cobb, Coburn, Cook, Cotton, Creamer, Crounse, Darrall, Davis, Durham, Eden, Eldredge, Field, Fort, Freeman, Giddings, Gooch, Hancock, Henry R. Harris, John T. Harris, Hatcher, Hays, Hereford, Herndon, George F. Hoar, Hodges, Holman, Hoskins, Howe, Hunter, Hunton, Jewett, Kendall, Knapp, Lamar, Lawrence, Lawson, Lofland, Luttrell, Magee, Marshall, Martin, Maynard, McKee, McLean, McNulta, Mellish, Merriam, Milliken, Mills, Neal, Nunn, O'Brien, Hosea W. Parker, Perry, Pierce, Pike, Rainey, Rapier, Ray, Read, Robbins, James C. Robinson, James W. Robinson, John G. Schumaker, Scofield, Sener, Sheats, Sherwood, Sloss, J. Ambler Smith, John Q. Smith, Southard, Speer, Standiford, Stone, Storm, Taylor, Thornburgh, Vance, Walls, Wells, White, Whitehead, Whitehouse, Whitthorne, Charles W. Willard, James Wilson, Wolfe, Wood, and Pierce M. B. Young—110.

NOT VOTING—Messrs. Albright, Archer, Banning, Barnum, Bundy, Burchard, Burrows, Freeman Clarke, Clinton L. Cobb, Comingo, Cox, Crittenden, Crocker, Crossland, Danford, Glover, Eugene Hale, Hamilton, Benjamin W. Harris, Harrison, Hendee, Hersey, Kellogg, Killinger, Lamison, Lamport, Lansing, Leach, Lewis, Loughridge, Lowe, Lowndes, McCrary, James W. McDill, McJunkin, Mitchell, Morey, Morrison, Nesmith, Niblack, Packer, Pelham, Phillips, James H. Platt, jr., Poland, Potter, Randall, William R. Roberts, Ross, Milton Sayler, Henry J. Scudder, Isaac W. Scudder, Shanks, Small, Smart, A. Herr Smith, George L. Smith, H. Boardman Smith, Snyder, Starkweather, Stephens, St. John, Stowell, Strawbridge, Swann, Sypher, Charles R. Thomas, Todd, Townsend, Tremain, Waddell, Jasper D. Ward, Wilber, Willie, Ephraim K. Wilson, Jeremiah M. Wilson, Woodford, and John D. Young—78.

So the main question was not ordered.

During the roll-call, the following announcements were made:

Mr. GIDDINGS. I wish to announce that my colleague, Mr. WILLIE, is detained from the House by sickness.

Mr. PLATT, of Virginia. On this question I am paired with the gentleman from Kentucky, Mr. YOUNG. If he were present, he would vote "no," and I should vote "ay."

The result of the vote was announced as above stated.

Mr. MAYNARD. I call for the regular order.

The SPEAKER. The House having refused to order the main question, and the regular order being called for, this bill goes over. But the gentleman from Indiana [Mr. COBURN] is recognized to offer an amendment.

Mr. COBURN. I move to amend the bill by adding the following:

That the Secretary of the Navy be, and is hereby, authorized to detail an officer of the Navy to go in connection with the person above mentioned, who shall be charged with the same duties, and shall make a like report upon the subjects therein named, and shall also report whether the contracts as to seal-fisheries have been complied with by the persons or company now in possession, and whether said contracts can be safely extended.

Mr. MAYNARD. I call for the regular order.

Mr. CONGER. I ask that the previous question may be considered as ordered on the bill and amendment.

The SPEAKER. The regular order being demanded, and the House having refused to order the main question, the bill must go over, as the currency bill has been made a special order for half-past one o'clock.

Mr. CONGER. When will the bill come up again?

The SPEAKER. To-morrow morning; or if the currency bill should be disposed of to-day, it would come up immediately thereafter.

REMOVAL OF OBSTRUCTIONS AT HELL GATE.

Mr. MELLISH, by unanimous consent, presented a memorial of the East Side, West Side, and North Side Associations of the city of New York, to the Congress of the United States, in favor of increased appropriations for the removal of obstructions at Hell Gate; which was referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

The memorial of the East Side, the West Side, and the North Side Associations of the city of New York, in favor of increased appropriations for the removal of obstructions at Hell Gate.

To the Senate and House of Representatives of the United States:

The associations above named respectfully ask your honorable bodies to make suitable appropriations for the removal of obstructions impeding the navigation of the East River entrance to New York Harbor, and present the following facts as reasons to warrant an early completion of that work:

1. The East River is an arm of the sea through which passes a large portion of the vast fleet of coasting vessels that trade from the Eastern States to New York; and it is the hourly resort of steamboats crowded with passengers, and carrying the most precious freights.

2. The removal of those obstructions involves the expenditure of a sum trifling in comparison with the amount of property daily placed in jeopardy. From records kept at Execution Height it appears that from August 1 to November 30, 1868, inclusive, (four months,) 19,408 vessels passed that station and through the Gate. Of these there were 2,434 steamers, averaging at least 1,200 tons, and 16,974 sailing-vessels, (including 8 ships, 22 barks, and 436 brigs,) averaging at least 150 tons each, a value in tonnage alone of more than $700,000,000, or more than $6,000,000 daily passing that point. Add to this the vast amount of freight moved by steam and by sail daily through this channel, and there is given an aggregate of many millions of dollars daily exposed to the perils of this passage.

3. The number of passengers on the various steamers during those four months averaged 7,212 daily, and including the crews of steamers and sailing-vessels, there were over 12,000 souls daily exposed to consequences which were chiefly averted by the skill and watchfulness of pilots.

4. From investigations of several years it appears that an annual loss of over $1,500,000 has arisen from these obstructions. Admiral Davis has written:

"Of sailing-vessels which enter the Hell Gate passage, it is estimated that one in fifty sustains more or less injury by being forced by violence of the currents on the rocks and shoals."

And Admiral Porter has written:

"No one can form an idea of the number of vessels that go on shore during the course of a month. Fifty went on shore during the period I was occupied there, (two months,) and many of them were much injured."

5. The appropriations made by Congress for the removal of these obstructions began in 1868, when an appropriation of $80,000 was made. Since then the following appropriations have been made: In 1869, $180,000; in 1870, $250,000; in 1871, $250,000; in 1872, $225,000; and in 1873, $225,000. These appropriations, however, included expenditures for the whole distance from Buttermilk Channel, at Governor's Island, to a point beyond Hallet's Point, above Astoria, and only about 60 per cent. of the same has been expended in the Hell Gate improvement. The appropriations made have been inadequate to carry on the work with the success desired, as appears by all the reports made by General Newton, who is in charge of the work. In his last report, dated August 20, 1873, he writes:

"We have been much delayed, and the cost of the operations has been increased, by being compelled to work under appropriations not sufficient for rapid and economical progress. These matters have been touched upon in previous reports, and I repeat them here simply from a sense of duty."

In fact, in consequence of the exhaustion of the appropriation made at the last session of Congress, work has been actually suspended at Hell Gate since the 20th of November.

At the rate of progress thus far made it is estimated it will take from thirteen to sixteen years to complete the work, whereas with adequate appropriations it could be completed in three to four years.

In conclusion, it is hardly necessary to say that the commercial interests of our whole country, and a just regard for the lives and property of its citizens, as well as ordinary business economy, require that this work should be completed at the earliest possible period.

In view, therefore, of the importance of the subject and the absolute necessity that larger appropriations should be made, the said associations ask an appropriation for that object of at least $600,000 for the current year, that amount being required to enable all the men to be employed that can be worked to advantage.

Respectfully,

CHARLES CRARY,
WILLIAM A. DARLING,
THOMAS J. CROMBIE,
Special Committee of Public Meeting called by the East Side Association.

A. R. MARTIN,
JOHN W. PIRSSON,
LYNN S. CLARK,
L. G. MORRIS,
Special Committee of the West Side Association.

W. T. MARION,
JOSEPH W. GODWIN,
HUGH N. CAMP,
Committee of the North Side Association.

IRON-SHIP BUILDING-YARD.

Mr. HAYS, by unanimous consent, presented from the Committee on Naval Affairs a report to accompany the bill (H. R. No. 589) to establish an iron-ship building-yard on the waters of the Atlantic and on the Mississippi or one of its tributaries, and to afford facilities to the Navy; which was recommitted, and ordered to be printed.

HOMESTEAD AND PRE-EMPTION SETTLEMENT IN CALIFORNIA.

The SPEAKER, by unanimous consent, laid before the House a communication from the Secretary of War, in relation to the bill (H. R. No. 2298) to restore certain land in California to homestead and pre-emption settlement; which was referred to the Committee on the Public Lands, and ordered to be printed.

TELEGRAPH LINE FROM SANTA FÉ TO TUCSON.

The SPEAKER also, by unanimous consent, laid before the House a communication from the Secretary of War, in relation to a telegraph line from Santa Fé, New Mexico, to Tucson, Arizona Territory; which was referred to the Committee on Military Affairs, and ordered to be printed.

CURRENCY AND FREE BANKING.

The SPEAKER. The House now resumes the consideration of the bill (H. R. No. 1572) to amend the several acts providing a national currency and to establish free banking, and for other purposes. The gentleman from Mississippi [Mr. NILES] is entitled to the floor.

[Mr. NILES addressed the House. His remarks will appear in the Appendix.] At the conclusion of his speech he said: If I have any time remaining, I yield it to the gentleman from Virginia, [Mr. HARRIS.]

Mr. HARRIS, of Virginia. I shall be very much obliged if the House will allow me twenty minutes; that is, seventeen in addition to the three minutes yielded to me by the gentlemen from Mississippi, [Mr. NILES.]

Mr. RANDALL. That is not an unreasonable request; I hope it will be granted.

There was no objection.

Mr. HARRIS, of Virginia. Mr. Speaker, it is said "the people look too much to the Government for relief." Under ordinary circumstances, and in a government well administered, the people should only ask it to protect them in their rights of persons and property, and leave them to work out their own destiny and happiness as to them should seem proper.

But, sir, the Congress of the United States has taken upon itself the management of the affairs of the people in so far as to provide them with a circulating medium, and by unfriendly legislation taken from them the right through their several State governments to provide it for themselves.

When a crisis comes upon the country like that under which we have been suffering since September last; when business in all departments is prostrate; when the laboring man cannot get bread for his family; when the industrious mechanic cannot get paid for his work; when the agricultural interest of the country is languishing for the want of means with which to prosecute it; when the people of two great sections—the West and the South—are disheartened and borne down with oppression, resulting from the laws of the United States, is it not natural and proper that the people should look to the source of their evils to have them corrected?

The Congress of the United States by its banking system and its

laws of unequal taxation has brought the country to its present condition of distress. And the people will look to it to furnish some remedy for the great wrongs under which they are suffering. It is idle for Congress to attempt to escape the responsibility. It rests on them, and them alone, and there the country will place it.

Congress is the author of the banking system, which enabled all the banks of the United States at one time to close their vaults on the people's money, and in defiance of right, justice, or fair dealing to hold it and laugh their depositors to scorn, while they use the money to gamble in stocks and for other purposes to promote their own interest. And Congress sits with folded arms and looks serenely upon the wreck which itself has produced. The country, well knowing the financial system is the creature of Congress, looked with anxious interest for its meeting in December last, with the confident hope something would be done for the relief of the people.

The session is passing away, the spring season has come, when the farming and all other business interests must know what they are to rely upon, yet Congress does nothing. The banks hold with clenched hand the currency of the country from its rightful uses, make millions at the expense of the people, issue their certified checks or "their promises to pay," while the people in every department of business outside of New England and the East, in consequence, are prostrate and overwhelmed.

Sir, will not the Representatives of the people rise to the magnitude of the crisis and apply the remedy? I venture to answer for them, *they will do nothing* equal to the great emergency, but will talk and resolve, and resolve and talk, until the end of the session, without passing any law which will give substantial relief. Some paliative may be offered to an outraged people. And they must wait, as we are told, "for the laws of trade to regulate the affairs of the country."

Sir, if this state of things had been produced "by the laws of trade," I would join them in the sentiment. But as it was not the *laws of trade*, but the *laws of Congress*, which produced the convulsion, it therefore becomes the first and highest duty of Congress to apply the remedy and correct the evil. Will you do it? If the people of the great West and the South could answer this question, they would say in no doubtful voice you must do it.

But, Mr. Speaker, we are told that there is a sufficient amount of circulation to meet the wants of the country. This question is difficult to determine by any system of calculation. We must, therefore, look to the amount now in circulation in other countries, as well as in our own, before the present state of things existed, to act with wisdom on this great question.

ENGLAND.

Total circulation	$772,684,000
Population	31,817,108
Amount of circulation to each person	$24.28

FRANCE.

Total circulation	$1,250,000,000
Population	36,802,921
Amount of money to each person	$34.62

GERMANY.

Total amount in circulation	$1,091,000,000
Population	41,058,196
Amount of circulation	$26.60

UNITED STATES.

Total amount in circulation	$669,000,000
Amount of circulation to each person	$16.72

SOUTHERN STATES.

In 1861-'62, bank circulation	$71,098,408
In 1873, bank circulation	$38,160,308

VIRGINIA.

In 1860, bank circulation	$19,817,148
Bank circulation to each person	$12.41
In 1873, bank circulation	$3,902 342
Amount of circulation to each person	$3.25

Thus, Mr. Speaker, it will be seen that while in England, France, and Germany the average circulation *per capita* is $28.50, in the United States it is only $16.72, and in Virginia only $3.25 for each person, a difference in favor of those countries over ours of nearly 100 per cent.; and over my own State of nearly 900 per cent.

But, sir, this is not all or the worst. Great wrong and injustice exist in the unequal distribution of the bank circulation. The facts and figures which I give will startle gentlemen who have not examined this question.

The five New England States have of bank circulation	$110,489,966
The five Middle States have	124,608,139
Total in the ten States East	235,098,105
The fifteen Southern States and the District of Columbia have only	$38,160,308
The twenty Western and Pacific States and Territories all combined have only	78,709,836
Total in the twenty-seven States South and West, and the Territories	116,870,144

These figures are taken from the official report of the Comptroller of the Currency. They make the shocking exhibit that little New England has *three times* as much circulation as all the *fifteen Southern* States, and about 35 per cent. more than all the Western and Pacific States and the Territories combined.

It is not the laws of trade that takes all this money to New England, but the laws of Congress inaugurating this system of banking which builds up the moneyed monopolies of New England at the expense of the farming and laboring classes of the South and the West. Unjust as the law is, still it has not been fairly executed as to the South and West, as I will now proceed to show.

The following table exhibits the apportionment of the whole amount of circulation authorized by law ($354,000,000) to the different States upon the basis of population and wealth as given in the census returns of 1870, together with the amount outstanding and authorized, and the excess and deficiency:

EASTERN STATES.

States and Territories.	Aggregate apportionment.	Outstanding and authorized circulation.	Excess.	Deficiency.
Maine	$4,931,018	$8,029,252	$3,098,234	
New Hampshire	2,947,938	4,624,525	1,676,587	
Vermont	2,897,976	6,932,030	4,034,054	
Massachusetts	19,239,189	59,523,671	40,284,482	
Rhode Island	2,750,047	13,385,840	10,635,793	
Connecticut	7,033,752	17,994,648	10,960,896	
Total	39,799,920	110,489,966	70,690,046	

MIDDLE STATES.

New York	$58,386,213	$60,976,006	$2,589,793	
New Jersey	9,699,482	11,026,890	1,327,408	
Pennsylvania	38,593,217	42,055,781	3,462,564	
Delaware	1,140,273	1,296,615	156,342	
Maryland	7,372,451	9,252,847	1,880,396	
Total	115,191,636	124,608,139	9,416,503	

SOUTHERN AND SOUTHWESTERN STATES.

District of Columbia	$1,347,960	$1,530,091	$182,131	
Virginia	8,031,242	3,902,342		$4,128,900
West Virginia	3,144,141	2,360,307		783,834
North Carolina	6,457,922	1,819,300		4,638,622
South Carolina	4,460,345	2,319,500		2,140,845
Georgia	7,010,887	2,365,605		4,645,282
Florida	1,127,346	90,000		1,037,346
Alabama	5,762,546	1,541,133		4,221,413
Mississippi	5,039,529	5,876		5,033,653
Louisiana	5,230,763	3,646,870		1,583,893
Texas	4,695,740	930,960		3,764,780
Arkansas	3,144,336	192,495		2,951,841
Kentucky	9,621,727	7,637,900		1,983,827
Tennessee	8,715,318	3,341,736		5,373,582
Missouri	15,459,409	6,476,193		8,983,216
Total	89,249,211	38,160,308	182,131	51,271,034

WESTERN STATES.

Ohio	$25,385,826	$23,876,370		$1,509,456
Indiana	15,184,271	14,706,415		477,856
Illinois	24,155,430	17,824,209		6,331,221
Michigan	9,665,657	7,485,043		2,180,614
Wisconsin	8,983,203	3,253,316		5,729,887
Iowa	9,711,381	5,674,385		4,036,996
Minnesota	3,363,645	3,330,414		33,231
Kansas	2,787,854	1,825,496		962,358
Nebraska	971,692	809,500		162,192
Total	100,208,959	78,785,148		21,423,811

It will be seen from this table that New England is entitled to $39,799,920 and that it has $110,489,966—an excess of $70,690,046; almost three times as much as it is entitled to. The South is entitled to $89,249,211, and only has $38,160,308—a deficiency of $51,271,034, and not half as much as is due. All must be impressed with the fact that the above table shows that *every* New England and Middle State has an *excess*, and *every* Southern and Western State a *deficiency*, of bank circulation.

Mr. Speaker, does the history of any government furnish a parallel for such inequality and injustice as the foregoing figures show? Why is this? The answer is easy.

New England has had the wisdom to keep in office her trained and able statesmen. New England presides over this House in the person of the distinguished and popular Speaker. New England has the oldest member on this floor, [Mr. DAWES,] who is chairman of the Committee on Ways and Means. New England has the chairman of the Committee on the Judiciary, [Mr. BUTLER.] New England has the chairman of the Committee on Revision of the Laws, [Mr. POLAND.] New England presides over the Senate of the United States. New England had the late Secretary of the Treasury, Mr. BOUTWELL, and has the present incumbent, Mr. Richardson.

New England, owing to the experience and ability of its members has given character to the legislation of this country for a number of years, which has all been in their favor and against the South and

West. It has been in the interest of monopolies, oppressive to the the farming, mechanical, and all industrial interests of the South and West.

Wise administration of government would protect the people against money and monopolies. The latter are always able to take care of themselves. They need *no protection* at the hands of the Government, but the people need protection from their encroachments. The most detestable of all despotisms is the despotism of money.

The monarch knows that the perpetuation of his family depends largely upon the content of his people, and that to be contented they must be comparatively prosperous. His constant study, therefore, is to so conduct financial affairs that money shall be cheap and labor remunerative. Money knows no law but one of extortion; and whether its demands be wrung from the blood of the people, or filched from the contending factions of the rich, its merciless thirst for more is never quenched. Always on the alert for victims, the blood-stained battle-field is its paradise, and the moaning of the widow and the fatherless its consolation. *It needs no protection.* Yet the Government has reversed its duty, and instead of legislating for the people, and in their interest, it has legislated for capital and concentrated wealth; for railroads with watered stocks, who charge the people for transportation double the cost of construction; for organized rings to reduce the value of the products of the farmer; for stock-jobbers and gamblers who speculate on the miseries of the people.

By this system of protecting capital the East has over two-thirds of the entire bank circulation; own a large majority of the bonded debts of the States of the South and West and the counties of the West which issued bonds for railroad purposes. There is scarcely a county in the great State of Illinois which is not greatly in debt by bonds issued for railroads. Those bonds followed the money of the country, which being in the East found a market there, and the people of Illinois are not only paying to the eastern capitalist the interest on those bonds, but, with the people of the South, are paying to the national banks of the East 6 per cent. interest *in gold* on their United States bonds to the amount of $235,000,000.

Well may the East, with one foot on the South, the other on the West, with one hand in the pocket of the South and the other in the pocket of the West, intrench themselves behind their money-bags, the bonds of Western States and counties, and their iron vaults, and exclaim "We want no more money." Well they may, sir, when they have two-thirds of all the money of the country and a mortgage upon the lands of both the other sections. More currency would enable the people to raise these mortgages and pay their debts without having their land sold under the marshal's hammer, and save their wives and children from being turned out of home to buffet the peltings of "the pitiless storm," dependent upon the support of a cold and uncharitable world. This, perchance, might render the money and stocks of the East less valuable to them; hence they oppose an increase of the currency, let the consequences be what they may to others.

Patent and glaring as is the injustice which I have pointed out, still more so will it appear in another aspect which I shall now present. I will, for illustration, run a parallel between my own State (Virginia) and New England:

Internal-revenue tax of New England:	
Maine	$214,696 73
New Hampshire	325,455 36
Vermont	75,860 40
Massachusetts	3,761,004 95
Rhode Island	324,552 17
Connecticut	873,984 99
Total tax	5,575,554 60
Internal-revenue tax of Virginia	7,343,799 29
Thus Virginia pays in excess of all New England	1,778,244 69
Amount of bank circulation in New England	110,489,966 00
Amount in Virginia	3,902,342 00
Difference in favor of New England	106,587,624 00
Amount to which New England is entitled	39,799,920 00
Amount to which Virginia is entitled	8,031,242 00

New England has nearly three times as much currency as the law prescribes, and Virginia not half as much as is due her under the apportionment law. Virginia has to pay the General Government in revenue $7,343,799, and has only $3,902,342 circulation with which to pay it, while all the New England States only pay $5,575,554, and have over $110,000,000 with which to pay it. Virginia pays tax: United States, $7,343,799; State, school, and county tax, $4,485,088; total, $11,829,887; her whole circulation being about one-fourth of the annual taxes she is required to pay.

Is this right; is it just; is it fair? Do gentlemen expect Virginia to remain quiet under such unjust and oppressive legislation as this? No, sir; if she can do no more she will at least through her Representatives enter her protest at the bar of this House, and thus publish to the world the oppressions, the wrongs, and injuries inflicted upon her by the legislation of her own country. Stripped by the war of every vestige of personal property, her territory unlawfully severed, her buildings, her timber, her fencing committed to the flames, she will have paid to the General Government after this year a sum sufficient to have discharged her own State debt—about $50,000,000—on which she is unable to pay the interest; still this Government exacts the uttermost farthing, and leaves her people and her creditors to suffer the consequences. Virginia, though poor, bends not "the pregnant hinges of the knee where thrift may follow fawning." She asks no alms, "no touch of pity;" she only demands justice, her rights under the Constitution, and "equal protection under the law." If these had been granted her the State debt would have been adjusted, and her people would now be marching on with steady step and buoyant heart to prosperity and happiness.

Sir, Virginia is the fifth tax-paying State in the Union. Most of this tax is unconstitutional because it is a tax on the products of her soil. It is as unconstitutional to tax tobacco as it is to tax cotton or any other agricultural product.

Mr. Speaker, let us examine for a moment the bill under consideration. It is not a bill for the benefit and relief of the people, but an amendment of an existing law. This brings us to the point of examination of the original banking system of which this is an amendment. Of all the schemes projected by capitalists while the country was at their mercy, the banking system is the most nefarious and indefensible.

Already had protection and exemption of a large portion of our wealth drifted the profits of legitimate pursuits toward centralizing influences, and made their holders and owners the recipients of the tolls exacted by the laws against the people. Not satisfied with these discriminations in favor of capital and against labor, it was demanded that the enormous gains proceeding from these systems should be provided for by submitting the control of the finances to a banking system that in its operations has not only destroyed private, but has as well threatened the public credit; that has diverted the control of public affairs from the representatives of the people and the other co-ordinate branches of the Government to the capitalist and the bankers; has made the whole machinery of the Government the instrument of money, to do its bidding and accomplish its ends, each day by its operations making its authority more absolute and its extortions more grievous.

Let us strip this so-called blessing to its native nakedness. In the first place, capitalists, either by association or alone, procure from the Secretary of the Treasury authority to establish a national bank with an issue of, say, $450,000. To secure that issue it is required under the law to deposit $500,000 of Government securities, upon which the Government of the United States pays 6 per cent. interest semi-annually in *gold*. Thus for $500,000 of securities he receives first 6 per cent. per annum, payable semi-annually in gold, and $450,000 of the circulating medium guaranteed by the Government, *without interest*, to loan to the people at rates governed by the locality in which the bank is established, and 6 per cent. in *gold* directly from the pockets of the people as interest upon the public debt.

Mr. Speaker, let us try it by another statement of its operations. A man comes to the city of Washington with $100,000 in Government securities which at present market rates, cost him $113,000. He takes back with him $90,000 of national-bank notes, which he loans to the people, and draws $6,000 in gold of the money of the people, on an investment of $23,000 in greenbacks; thus making the people in the short period of four years pay back to him every dollar of investment, and in all after time, without one dollar advanced, making him a pensioner on the people to the tune of $6,000 in gold per annum on every $90,000 of issue of his bank.

Let us apply this to the present condition of affairs. There is assumed to be $350,000,000 of national-bank issue; the average of which will put the whole in circulation for more than four years, adding 10 per cent. to which gives the amount of bonds in the Treasury for the security of the circulation, $374,000,000; 6 per cent. on which shows the startling fact that the people of this country are paying a stipend of $22,400,000 in gold annually to these crippled and wounded bankers, whose portentous front and fear-inspiring battle-cries scared rebellion to its kennel. Every dollar they have invested has been returned to them, and yet the country, its wood-choppers and its blacksmiths, its farmers and its merchants, its mechanics of all grades, and its professions, are called upon to vindicate their loyalty to the country and their appreciation of the vast services performed by these heroes for all time; to pay them a bonus of $22,400,000 in gold, and that semi-annually.

Let us, Mr. Speaker, consider the operation of this system from another stand-point. I lay it down as an undeniable proposition that one of the highest duties of a government is to make money cheap to the people, for upon the labor of the people it is dependent for its greatness and prosperity. Let us apply this test to this war and capital begotten scheme.

It will not, I believe, be denied that the average rate of bankers' loans exceeds 10 per cent. per annum. The Government pays on the whole sum deposited as security 6 per cent. interest in gold, which, taking the five years last past, has equaled 7 per cent. in currency, making the aggregate rate of interest of this financial policy of the Government against the people 17 *per cent. per annum*, a rate denounced as usurious and unlawful by almost every civilized nation on earth; a rate which no people can carry and prosper; that rapidly centralizes the money in the few and makes poor the many.

Nor is this all. The national banks give occupation to three hundred and fifty millions of our circulation, taking it out of fair competition with our other moneyed wealth, thus tending to raise the rate

of interest on the whole circulation, and through the special privileges granted are enabled to usurp control of our finances, establish fictitious values, and ruinous policies.

I undertake to say that there can be no parallel found in the world for our present system of finance. The other moneyed wealth of the country in private hands is being lent to the people at from 6 to 10 per cent., while the Government, one of whose highest duties is to make money cheap, guarantees to a vast and overshadowing money combination near double that rate.

Mr. Speaker, the apologists and advocates of the national banking system claim that it affords more security for the circulation and more protection for the depositor than any system that could be devised. That the circulation is secure has been vindicated by its appreciation in value during the late crash. That appreciation, however, was not attributable to any inherent virtue in national banks, but because the Government was plédged for the redemption of the issue, and because the people of the United States have full faith in our ability to pay, and the genius of our people will compel strict conformity to their obligations.

But what is the necessity for establishing this combination of middle-men between the Government and the people, who plunder them from one channel alone of nearly $25,000,000 currency annually?

To show that the people have full faith in the issue of the Government without security, except its written promise to pay, there are nearly $400,000,000 of what are known as legal-tenders issued direct from the Treasury to the people, and which do not cost them one cent of interest, and which circulation stands superior to the circulation of the national banks. Then why not make our whole circulation legal-tenders by paying the bonds deposited for security of the national-bank circulation; thus saving this $25,000,000 currency annually, and giving to the people a cheap, abundant, uniform, and stable currency, at the same time discharging the public debt and placing in lieu of it a non-interest-bearing circulation?

This system would enable the Government to dispense with the enormous and unjust internal tax.

But, sir, it is said that it affords more protection to the depositor than any other that could be adopted. Let us investigate upon what grounds, if any, this assertion rests, and let us test its truth by the light of recent events.

So long as an unhealthy condition of finance prevails, in addition to the 10 per cent. margin of securities deposited in excess of issue, just so long will there be an additional security afforded by the discrimination between gold and Government issue, which difference in value I shall attempt to show proceeds solely from the manipulations of the consolidated capital of the national banks. If a healthy state of the finances were possible under the present system, 10 per cent. of the securities deposited stand for the protection of the depositor. The stockholders are responsible for double the amount subscribed. In the country districts, where banks are organized largely for the benefit of legitimate business, protection is afforded the depositor to a limited amount. It is shown by recent experience that the stockholders of the country banks become themselves the victims of the system.

The rule applicable to country banks, which control but a small portion of the money assets, has no application to city banks. Recent experience has shown practically, what it has been the effort of philosophical minds to show, that consolidation and centralization of money can only result in ruin to the country oppressed by it. Its advocates proceed upon the fundamental error that to make a financial system secure there must be consolidation of money interest.

The Government by the national banks provided a speedy channel of communication with the money centers. At certain periods, when the demand for money in the agricultural districts was light, through this channel it gravitated toward the centers, and money there became redundant. With redundant money speculation in wild-cat schemes to make it productive was the inevitable result. The surplus of the farmers of the Southwest, derived from the sale of tobacco, cotton, and other agricultural products, deposited with their local banks, was by them in many instances shipped from the country to the metropolitan banks; and by them loaned to the stock broker and gambler on Wall street. The security for the loans were largely stocks that were without value, or whose values were so influenced by redundant money in the great centers, provided by this system, *that the failure of a single bank crushed the rotten structure to the earth*, and the country banks so investing, represented as they are by responsible stockholders, are compelled to pay, as far as the law provides, their depositors for money sent by them to the money centers to be swallowed up in stock-gambling.

It was my intention to elaborately argue the propositions involved in this discussion, but I am warned my time is about exhausted, and I shall withhold for a future occasion what further I intended to advance.

It has been my effort, Mr. Speaker, to show that all legislation for internal revenue looks to the protection of the capitalist and the consequent destruction of the prosperity of the producer—is in the interest of money which has no intrinsic value, and against labor which is the sole foundation of wealth.

It has been my effort to show that the national banking system has centralized the money of the country in the cities, and that distribution of its circulation has by unfair discrimination depleted and impoverished the South and West and enriched and made despotic the New England States and the great commercial centers, and that the only remedy is to repeal all legislation that looks to the protection of money; that legal-tenders be substituted for national-bank currency in amounts sufficient to meet public demands, and that all unfair discrimination against labor and the products of the soil be abandoned.

I regret my time has expired, and return my thanks to the House for their kind attention.

Mr. BURCHARD addressed the House; but before concluding his remarks,

The SPEAKER *pro tempore*, (Mr. HAVENS in the chair.) The time of the gentleman from Illinois [Mr. BURCHARD] has expired.

Mr. PLATT, of Virginia, and Mr. RANDALL addressed the Chair.

Mr. BURCHARD. I hope I will be allowed a few minutes more.

Mr. HOLMAN. I hope the time of the gentleman will be extended.

Mr. PLATT, of Virginia. How much time does the gentleman want?

Mr. BURCHARD. I think fifteen minutes will be enough.

Mr. PLATT, of Virginia. I believe it was arranged that I should have the floor after the gentleman from Illinois [Mr. BURCHARD] had concluded his remarks.

Mr. RANDALL. My understanding was somewhat different. It was that I, as a member of the committee reporting this bill, should have the floor for one hour, and with that understanding I have arranged to give all but five minutes of my hour to four other members of the House. I am entirely willing that the gentleman from Virginia [Mr. PLATT] should address the House now, provided the gentleman from Indiana, [Mr. WILSON,] who is to speak first in my time, will consent thereto, and for that purpose I will ask the gentleman from Virginia how much time he wants?

Mr. PLATT, of Virginia. I am obliged to the gentleman from Pennsylvania [Mr. RANDALL] for his courtesy. I will get through as soon as I can. As I have not a written speech, it will be somewhat difficult for me to tell now how long I shall require. I wish to say that the arrangement indicated by the gentleman will be satisfactory to me. There will be at least half an hour left for the gentleman from Indiana [Mr. WILSON] when I have concluded my remarks. And allow me to suggest that the gentleman from Pennsylvania, [Mr. RANDALL,] being a member of the committee, has this advantage over me; if I go over to-day I may not be able to secure another chance to address the House, whereas he can obtain the floor at any time. I hope I will be permitted to follow the gentleman from Illinois [Mr. BURCHARD,] that being the arrangement for a long time, as the list on the Speaker's table will show.

Mr. HOLMAN. I hope there will be no objection to the gentleman from Illinois continuing his remarks.

Mr. RANDALL. If the gentleman from Illinois continues his remarks it will make it the worse for my hour.

Mr. PLATT, of Virginia. I must object to any extension of time being given until this matter is decided. If the floor is assigned to me, then I will yield to the gentleman from Illinois to proceed.

The SPEAKER *pro tempore*. The gentleman from Pennsylvania, [Mr. RANDALL,] being a member of the committee, is entitled to the floor if he claims it.

Mr. RANDALL. If the gentleman from Virginia will say that he will proceed now, and speak until ten minutes after four, and then let the gentleman from Indiana [Mr. WILSON] occupy the floor for the rest of the day, I will consent to that. I think that is a fair proposition.

Mr. WILSON, of Indiana. And I am to get what further time from the House I can.

Mr. RANDALL. That is for the gentleman to determine.

Mr. WILSON, of Indiana. I must take my chance for that.

Mr. PLATT, of Virginia. I must apologize for my persistency in trying to obtain the floor at this time according to the arrangement which was made after consultation with the chairman of the Committee on Banking and Currency [Mr. MAYNARD.] I believe it is unfair to me, as a member of this House, who have the same right as other gentlemen, to have a gentleman, whose name is to be found on the list away down below my name, to come in and take me from the floor now. For that reason I do what I have never done before since I have been a member of Congress, insist upon taking the floor at the time it was understood I should have it. I submit that it is no worse for the gentleman from Indiana [Mr. WILSON] that he proceed at the termination of my remarks, than it is for me to wait and permit him to proceed now. As I applied for the floor weeks before he did I think I am entitled to it.

Mr. MAYNARD. I am sorry that the "chairman of the Committee on Banking and Currency" has been brought into this matter; he had no authority over it. The gentleman spoke to the chairman, to be sure, and he recognized the courtesy which has always been extended by the Chair to members of the committee who have reported a measure of general importance. The gentleman from Pennsylvania [Mr. RANDALL] is the only member of the committee who has not spoken.

Mr. RANDALL. I do not complain of the chairman of the committee, [Mr. MAYNARD.] He has acted very properly in this matter.

Mr. MAYNARD. I stated to the gentleman here at my desk that the arrangement would be satisfactory to me.

Mr. G. F. HOAR. I suggest that the gentleman from Illinois [Mr. BURCHARD] be allowed to finish his speech; and meanwhile the gentlemen can arrange this matter among themselves.

Mr. RANDALL. I have been trying to do that; but it requires the patience of a saint.

Mr. PLATT, of Virginia. We have arranged it once, if gentlemen would abide by the arrangement which was made. That is the difficulty.

Mr. MAYNARD. The gentleman from Illinois [Mr. BURCHARD] indicates that ten minutes will suffice to enable him to finish his remarks.

Mr. PLATT, of Virginia. Very well; I withdraw my objection.

The SPEAKER *pro tempore*. Is there objection to allowing the gentleman from Illinois [Mr. BURCHARD] to proceed for ten minutes?

There was no objection.

Mr. BURCHARD. Mr. Speaker, there is no subject agitating the public mind of greater or more absorbing interest than the one presented by this bill. Every producer in the nation is concerned in our legislation. Every disturbance of values and increase or diminution of the purchasing power of money is felt in every part of the continent. A change in the standard of value is a change in the nominal amount of thirty billions of national wealth and ten billions of annual productions, and many billions of debts and credits.

These considerations forbid hasty and precipitate action. But delay has been severely censured. It is asserted that business is paralyzed, that channels of trade are obstructed, the wheels of industry motionless and markets overstocked, and that enterprise is checked and commerce is idle. This is charged by some to result from insufficiency of the currency, by others from failure to establish or adhere to a settled policy, and the uncertainty in regard to congressional legislation.

The bill under consideration is a proposition to permit bankers to place themselves voluntarily under the provisions of the currency act, offering the inducement of the advantages of the name and the right to issue notes as circulation. This is the main scope and effect of the bill. The subject opens up a wide field for inquiry and discussion. Hardly any two Representatives or business men entertain similar views. Among the ablest financiers there is the widest diversity, both as to the evils of the present system and the remedies to be applied. Gentlemen who have preceded me in the debate within the last two or three days have presented, it seems to me, clearly the distinctions, the proper definitions and principles in regard to the functions of money and the measure of value. I shall content myself with a brief reference to that branch of the subject.

OFFICE OF MONEY.

Money performs important and distinct offices. It is used as a common measure of values, a means for facilitating exchanges, and as actual wealth in possession. These three uses of money, namely, as capital, means of exchange, and measure of values, often lead to confusion.

Exchanges made upon credit, such as charges upon the tradesman's books, make use of money only as a measure of value. It is not actually used to facilitate an exchange or as capital.

A merchant who has charged a customer ten dollars for goods sold and delivered has used no money to facilitate exchange. No circulation or currency has been required. By a credit equal in amount for services performed, or other goods received, no currency ever may be required. The account may be settled without the necessity of a dollar to facilitate the hundreds of exchanges made and consummated.

Each charge and transaction, each credit given and balanced, necessitates reference to a measure of value, although none is actually employed.

A measure must be portable, divisible, uniform, and have qualities belonging to that which is measured. The measure of distance must have length; of space, must have dimension; of weight, must have weight; of time, must be an interval of time; of value, must have value.

That the precious metals answer this purpose better than any other substance became evident to mankind at the dawn of civilization. Their use as money marked the first advance from barbarism. With the recognition of the right of separate property followed the desire and necessity for exchange of ownership and of a medium and a measure of value when some general equivalent for the article exchanged became necessary.

It has been well said:

> Gold, silver, and copper possess certain properties which mark them out to be the cosmopolitan currency; it is not caprice frozen into convention, or the stamp of the mint, that has gained for them their present place; and Turgot says well, "Gold and silver are constituted, by the nature of things, money, and universal money, independently of all convention and law." They contain much value in small bulk; they are similar in quality wherever they are produced; they are indestructible; they are readily divisible, and yet do not suffer in beauty by division; and they are readily united. They are so scattered over the globe that the same expenditure of labor has, in the past at all events, generally produced about the same amount of metal, and being at once the most generally diffused and the rarest of metals, they are marked out by nature for coinage.

It is a very common fallacy that the mint gives the value to coin. It is said "The Government makes and stamps the specie dollar, and therefore gives the coined metal the dollar value. Why can it not stamp paper or other material and give it the dollar value?" The mint does not give the value. The Government but certifies the weight and fineness and gives the name. The exchangeable value of an ounce of gold-dust, a bar of gold, or the mint eagle, depends upon the relative quantity of pure gold it contains. The Government has evidently given no value, unless the added cost of coinage. The value of precious metals, like that of other things, is measured by the demand and cost of production. A promise to pay coin, though not itself capital, represents capital and an actual, tangible, divisible portion of the wealth of the country.

We are presented with the practical question, of what shall the currency, the circulating medium of the country, consist? No gentleman on this floor proposes at this time to return to an immediate resumption of specie payments. I have heard of no gentleman, and I do not know there is one in the land, who advocates a pure and exclusive metallic currency.

It seems to be admitted that it is for the interest of commerce and for the interest of business that the currency of the country should be mixed—that it should be paper and metallic circulation; at least that is the generally accepted opinion. There are, however, gentlemen here who insist that coin can be entirely dispensed with; that it is unnecessary there should be a metallic basis or a metallic measure of value.

STAMPED PAPER MONEY.

It has been proposed to dispense with coin as a measure of value. It is said, "Base your money not upon precious metals, part of the wealth of the country, but upon its whole wealth. Stamp upon paper 'United States, one dollar;' declare that it shall be a legal tender in payment of debts and be receivable for all taxes and dues of every kind." To the student of history and economic science the proposition seems too absurd to attempt a serious discussion of its effect. Great commercial nations having paper substitutes for coin have postponed or dispensed with their redemption, and have declared by legal enactment the bare promise or paper token equally valuable with coin bearing the same name and denomination. They have forbidden discrimination between them. It has been made a crime to refuse the paper or give a premium for the coin. Such offenses have not only been threatened but punished with fine, imprisonment, and even death. Yet it has been found impossible in any country, although often attempted, to prevent the depreciation of the government irredeemable paper money. The history of continental money, the paper currency of the United States, and the confederate money of the South during the rebellion are familiar illustrations:

All the devices I have seen, all the schemes proposed to dispense with coin and use paper tokens, are but modified imitations of various substitutes of the theories of the grand schemer who originated over one hundred and fifty years ago the great Mississippi Company, and plunged France into such a wild and frenzied state of speculation and involved its people in such wide-spread commercial disaster. One of the most earnest, and perhaps the ablest, advocates of the theory, was the celebrated John Law, whose work on that subject, printed in 1705, nearly one hundred and seventy years ago, I hold in my hand. In this treatise, published in Edinborough, he endeavored to impress the idea upon the Scotch Parliament and upon the Scotch people. He told them they might dispense with coin, and that its place could be taken by paper—by a cheaper and better currency.

I will read what he said of his scheme:

> I will attempt to prove that there can be established another money, having all the qualities necessary for money in a higher degree than gold, containing other qualities that gold lacks, and preferable for use even if gold were a production of Scotland; that by means of this money the people will be employed, land cultivated, manufactures encouraged, foreign and domestic commerce sustained, and wealth and power established upon a solid foundation.

That theory is not new. It is amusing to see gentlemen struggling to be acknowledged as the authors of the theory and its earliest advocates here. Gentlemen, too, claim that it is their invention, and that they are entitled to the credit of having brought forth the idea as the production of their own brains. But, Mr. Speaker, that theory, that idea, goes back two hundred years at least. John Law promulgated this very doctrine—that gold and silver are but a part of the wealth of the country, variable in quantity, liable to exportation, unserviceable for currency, and unequal to a paper circulation based upon the credit of the nation, or the value of its lands or other property. In this memorial to the Scotch Parliament he advocated the issue of paper tokens in quantity limited only by the demand, based upon land or its rental as a measure of its value, and receivable in payment of taxes or debts in place of coin.

Unable to impress careful Scotch financiers and legislators with his scheme, he ultimately presented his views to the regent of France, whose empty treasury and past expenditure furnished an inviting field for an adventurer of Law's genius and fascinating address. The regent listened eagerly to the wonderful schemes for producing untold wealth, and Law was made comptroller-general of the finances of the country.

The Bank of France was established, and at first—each livre based upon and representing a gold livre of the realm—its notes not only were as good but better than gold—they commanded a premium. But this safe and prudent course was soon departed from, and unlimited amount of bank-notes was not only permitted but issued. The depreciation of the excessive volume of paper was remedied by debasing the coin. The paper livre, worth but half the coin livre, was made as valuable by making the livre of half the amount of gold. But these efforts were futile.

It is unnecessary, however, Mr. Speaker, that I should dwell for

any length of time upon the evil results and misery which were entailed upon France in consequence of the adoption of the theory of John Law.

INTERCONVERTIBLE PAPER CURRENCY.

But this idea of convertible currency—a currency which is never to be realized—where both principal and interest are to be payable in paper; it is like the offer made to the Saviour. It offers the holder all the kingdoms of the earth, of which it has not a foot in possession. It is a paper title never to ripen into enjoyment; shares upon which dividends are to be paid only in additional shares.

The gold-bonded debt is to be changed to this paper. Eighteen hundred million dollars are to be made payable only in paper, and to draw interest in paper. If such paper rests upon the solid wealth of the country, it rests upon it as the ocean lies upon the solid earth. He who sails upon this delusive sea to take possession of the patrimony promised finds no dry land to rest upon. The paper billows are between him and his inheritance. Like the ancient mariner, he finds water—water everywhere.

But, Mr. Speaker, others have largely gone over that branch of the subject. I wish to say, as between bank-note circulation and United States note circulation, if there were no limitation by act of Congress, it would be a mere question of cost to the nation.

FAITH OF THE NATION PLEDGED.

But, as has been most ably argued I think, and to which I have failed yet to hear any answer, the faith of the nation has been solemnly pledged, if an act of Congress can make that pledge, that the volume of the paper circulation shall never exceed $400,000,000. We said it when we needed money to carry on the war. We at first said there may be a temporary excess of $50,000,000, but after the $50,000,000 were retired we again said there should never be more than $400,000,000. As the chairman of the committee [Mr. MAYNARD] suggests, that $50,000,000 was permitted only for a definite, specific purpose, which was fully accomplished, and its reissue was never authorized. Then, subsequently, we said there should be four hundred millions of legal-tender circulation. Now, then, with that limit, if the business of the country requires more than $400,000,000 and more legal-tenders cannot be issued, banks must be permitted to supply additional needed currency, either under national auspices or through State-bank organizations.

I think the country is satisfied that the national-bank organization is better than State-bank organizations.

I have always doubted the power and questioned the necessity under which the Secretary of the Treasury has seen fit to issue, since September, twenty-six millions of additional United States notes. The power of Congress itself to declare and make such notes a legal-tender for payment of debts was denied by a majority of the judges of the Supreme Court and has never yet been affirmed by the court to exist in time of peace.

POWER TO MAKE PAPER LEGAL TENDER.

It was at first denied absolutely. In 1869 the Supreme Court held, by a majority of five to three, in the case of Hepburn *vs.* Griswold—

We are obliged to conclude that an act making mere promises to pay dollars a legal tender in payment of debts previously contracted is not a means appropriate, plainly adapted, really calculated, to carry into effect any express power vested in Congress; that such an act is inconsistent with the spirit of the Constitution, and that it is prohibited by the Constitution.

It was but an iteration of the opinion of Daniel Webster, the greatest constitutional lawyer and statesman this country ever produced, how in the Senate in 1837 said:

Most unquestionably there *is no legal tender* and *there can be no legal tender in this country* under the *authority of this Government or any other* but *gold and silver*, either the coinage of our own mints or foreign coins, at rates regulated by Congress. This is a constitutional principle perfectly plain and of the highest importance. The States are expressly prohibited from making anything but gold and silver a tender in payment of debts; and although no such express prohibition is applied to Congress, yet as Congress has no power granted to it in this respect but to coin money and regulate the value of foreign coins, *it clearly has no power to substitute paper or anything else for coin as a tender in payment of debts and in discharge of contracts.*

Subsequently, in the case reported in 12 Wallace, a majority of the court reversed the previous decision and sustained the legal-tender quality of these notes; but the court has not yet passed upon the question as to the power to make Treasury notes a legal tender in payment of debts in time of peace when no public exigency exists requiring the exercise of such power to preserve the Government. Upon that question we have the opinion of Mr. Spalding, of New York, member of the Committee on Ways and Means, who introduced the bill into Congress from the committee.

In speaking of this law, he said:

Introducing the legal-tender bill early in January, 1862, immediately after the suspension of specie payments, in this great crisis I advocated the bill as a *war* measure, a measure of temporary relief to the Treasury, and on the ground that it was an imperative necessity to preserve the life of the nation. I conceded that it was a forced loan, and could only be justified on grounds of necessity. As a war measure, passed during war, continuing during the war, and as long as the exigency lasted, I believe it was necessary and proper to successfully carry on the war, and was therefore constitutional. I am equally clear that as a peace measure it is unconstitutional. No one would now think of passing a legal-tender act making the promises of the Government (a mere form of credit) a legal tender in payment of all debts, public and private. Such a law, passed while the Government is on a peace footing, could not be sustained for one moment.

Two of the five judges constituting the majority sustaining the legal-tender clause of the law have indicated in their opinions the distinction between the power to issue legal-tenders in time of war and in time of peace. Justice Miller, who maintained in Hepburn *vs.* Griswold that these notes are a legal tender for pre-existing debts, said:

The legal-tender clauses of the statutes under consideration were placed emphatically, by those who enacted them, upon their necessity to the further borrowing of money and maintaining the Army and Navy.

Justice Bradley, another of the five judges who decided the law constitutional, said:

The power to make Treasury notes a legal tender, while a mere incidental one to that of issuing the notes themselves, and to one of the forms of borrowing money, is nevertheless a *power* not to be resorted to except on *extraordinary* and *pressing occasions*, such as *war* or other *public exigencies of great gravity and importance*; and should be no *longer exerted* than all the circumstances of the case demand.

If Congress has such power, and is the sole judge of the necessity and propriety and of the times and modes in which it shall exercise powers confided to it for a particular emergency, constitutional liberty and the safeguards and limitations of the Constitution are worthless and at the caprice of popular and changing opinions. Although doubting the propriety or wisdom of issuing these notes, yet, as they are in circulation, I am unwilling to vote to take them up without some provision for supplying other circulation in their place. Indeed, their retirement at this time is impractical.

The exigencies of the Treasury have called them out. The Treasury has no surplus with which to redeem and retire them. I therefore voted against making the amount of the legal-tender circulation $356,000,000. There is no reason in keeping just that figure, and when the Treasury is in condition to redeem legal tenders either in coin or with redeemable notes in their place I see no propriety in saying that just $356,000,000 should be the limit.

On the other hand the four hundred millions is an actual authorization of increase of United States notes; a designed expansion of United States notes without any plan for their conversion or redemption. The increase of a depreciated irredeemable paper currency unavoidably results in a further depreciation. It has been the experience of every age. Every nation making the experiment has bitterly learned this lesson. During the rebellion it was not so much want of confidence by the people in the success and ultimate triumph of the Union cause, as the volume of the debt—the swelling volume of paper promises. When the war was over the legal-tenders still remained depreciated.

The Confederate States vainly attempted to make their money equal to gold. They made it a felony to discriminate between specie and confederate currency. Its refusal was declared by law to cancel a debt equally with its receipt and payment. But it was still refused. The more rigorous the law, the more severe its enforcement, the more rapidly its value fell.

VIOLATION OF FAITH.

The issue of more United States legal-tender notes without providing for their convertibility into coin at some early, practicable period violates the pledges made by Congress and the nation.

Thomas Jefferson laid down a maxim for the management of national finances that accords with sound statesmanship and national honesty. He says:

It is a wise rule, and should be fundamental in a government disposed to cherish its credit, and at the same time to restrain the use of it within the limits of its faculties, never to borrow a dollar without laying a tax in the same instant for paying the interest annually, and the principal within a given term; and to consider that tax as pledged to the creditors on the public faith. On such a pledge as this, sacredly observed, a government may always command, on a reasonable interest, all the lendable money of its citizens.

It is another of the ringing utterances of the author of the Declaration of Independence. In pursuance of this policy in the very act of February 25, 1862, first authorizing legal-tender notes, it was enacted that the coin received for dues on imports should be set apart as a special fund and applied—

First. To the payment in coin of the interest on the bonds and notes of the United States.

Secondly. To the purchase or payment of 1 per cent. of the entire debt of the United States, to be made within each fiscal year after the 1st day of July, 1862, which is to be set apart as a sinking fund, and the interest of which shall in like manner be applied to the purchase or payment of the public debt, as the Secretary of the Treasury shall from time to time direct.

Thirdly. The residue thereof to be paid into the Treasury of the United States.

In the act authorizing the issue of legal tenders in 1864 the quantity was expressly limited to $400,000,000, and the sum of $50,000,000 temporarily required. The language of the act making the limit is as follows:

Nor shall the total amount of United States notes issued, or to be issued, ever exceed $400,000,000, and such additional sum, *not exceeding* $50,000,000, as may be *temporarily* required for the redemption of *temporary loan*.

After the $50,000,000 had been withdrawn, Congress declared by act that the amount should never exceed $400,000,000. Whatever question there is as to the right to issue that amount, we are most solemnly pledged that it shall not exceed that sum.

When Congress met five years ago, upon the inauguration of General Grant, it gave this pledge to the world. It said:

And the United States also solemnly pledges its faith to make provision, at the earliest practicable period, for the redemption of United States notes in coin.

The republican party had triumphantly elected its candidate upon the pledge it had presented in its platform. Five years have passed

away, and the national pledge is yet unfulfilled. We have neither made provision for the redemption of the legal-tender note nor attempted to devise any practical method by which it can be done. Worse than that, we have neither stayed the issue of United States notes at three hundred and fifty-six millions, where it stood in 1868, nor checked the Secretary when, under doubtful authority, he had increased it to three hundred and eighty-two millions. We have turned our faces from the coin redemption of the legal-tender currency promises in 1869 and let loose eighteen millions more to water and depreciate that already outstanding, and postponed indefinitely the day of ultimate redemption.

What good will or can this accomplish? Already gold, which before Monday, March 23, stood at 111¼, has risen to 113¾. The purchasing power of the seven hundred millions paper currency is to-day eighteen millions less.

The nominal value of all the wealth of the nation was estimated by the Census Bureau in 1870 at $30,000,000,000, and of the millions of debts and credits probably as much more. *Values* have been unsettled by our legislation. The fifteen dollars weekly wages of the mechanic is worth thirty cents less, and the price of clothing and supplies and commodities must ultimately advance with the advance of gold, which is and remains the real standard of value.

VOLUME REQUIRED.

There are various circumstances that affect the amount of circulation demanded to accomplish the exchanges of the country. The habits of the people, their confidence or distrust, the facilities for using more convenient substitutes, enlarge or diminish circulation.

A stable government and honorable business community will inspire confidence. The trader gives credit to integrity and industry. While dishonesty must pay cash, the responsible, punctual purchaser's note is accepted in place of gold. Our people feel that the government of their choice is the safest in the world. Contrast this stability for the last hundred years with that of France from Louis XIV to Napoleon III, of the commune and the French republic. Such convulsions as France has witnessed shake confidence, lessen credits, and increase the demand for actual cash in the business of the country. A greater *per capita* coin circulation is accordingly to be expected in France than in England, the United States, or in other stable government. The amount of circulation required will depend upon the frequency and amount of exchanges; and the latter will greatly depend upon the amount of wealth to be exchanged as well as upon the production, habits, business, and number of its people.

Now the wealth of the United States is not over half that of the United Kingdom of Great Britain and Ireland. The estimated wealth of Great Britain and Ireland is $47,000,000,000; and our own, being estimated at $30,000,000,000 in our paper currency does not exceed half that amount. Then Great Britain is one of the greatest commercial nations of the world. Her exchanges must exceed ours. So in France. The wealth of France is estimated at double that of the United States, being, according to Monsieur Bernard in the Journal des Economistes of March, 1871, 300,000,000,000 francs, ($60,000,000,000,) while the census of 1870 gives the United States $30,000,000,000. In comparing the circulation of France with that of the United States it must be recollected that no deduction is made for coin or notes held in any other banks than the Bank of France, while in the United States the amount of cash in the two thousand national banks is shown by their returns, and in most estimates deducted from the circulation.

	United Kingdom, December 31, 1873.	France, December 31, 1873.	North Germany, January, 1870. (a)	*United States, January, 1874.
Population	32,280,000	36,200,000	30,500,000	*41,800,000
Amount of coin or of coin and bullion in the country (b)	$500,089,140 00	$772,000,000 00	$449,029,107 00	*$143,000,000 00
Amount of coin or of coin and bullion held by the banks (b)	74,708,401 14	146,672,746 87	71,000,000 00	27,000,000 00
Amount of coin in the public Treasury				91,782,034 00
Amount of coin outside of banks	425,380,738 86	625,327,253 13	378,029,107 00	24,000,000 00
Amount of notes issued and not retired	267,722,620 74	541,884,097 62½	179,742,990 00	776,000,000 00
Amount of notes held by banks	95,210,607 60			152,000,000 00
Amount of notes in the public Treasury				43,852,504 55
Amount of notes outside of banks	172,512,013 14	541,884,097 62½	179,742,990 00	580,000,000 00
Amount of coin, or of coin and bullion and notes in the country (c)	767,811,760 74	1,313,884,097 62½	628,772,097 00	919,000,000 00
Amount of coin and notes outside of banks	597,892,752 00	1,167,211,350 75½	557,772,097 00	604,000,000 00
Amount of notes in the country *per capita*	8 29	14 97	5 89	18 60
Amount of coin and notes in the country *per capita*	23 78	36 29	20 61	21 98
Amount of coin and notes outside of banks, *per capita*	18 52	32 24	18 28	14 45
Total wealth of the country (d)	47,199,772,375 20	60,000,000,000 00		30,000,000,000 00

* Estimated.

(a) The data necessary to a complete statement of the coin and notes in circulation in Germany at a recent date are not attainable. The figures given in this column refer only to the North German Confederation, and the date selected is one that preceded the formation of the German Empire.

(b) The figures for the United Kingdom and Germany include coin alone. The bullion in the Bank of England, amounting to about £16,000,000, or $77,760,000, is omitted both from the grand total and from the metallic reserve of the banks. The bullion in the German banks is estimated at $7,909,968, their total metallic reserve, at the time in question having been $107,909,968. In the case of France, bullion is included both in the bank reserves and in the figures giving the total metallic currency of the country.

(c) The figures referring to France include bullion. Those for the United Kingdom and Germany do not.

(d) The gross annual value of property and profits assessed to income tax in the United Kingdom, in 1871, was £465,594,366; which being capitalized at 5 per cent. and reduced to dollars, gives $45,255,772,375.20, which, at the usual rate of increase, must have been augmented by the end of 1873 to about the sum given in the table. (See Statistical Abstract of the United Kingdom for the years 1858–'72.) The wealth of France is given as estimated by T. N. Benard, on page 139 of the Journal des Economistes for May, 1871. Owing to the payment of the indemnity to Germany, and the large extent to which the industrial energies of the country have been absorbed in the reorganization of the army, it is not likely that the wealth of France has materially increased during the past two years.

Then, again, it is not taken into account in those estimates that one million of the people of this country to-day are using coin as their medium of exchange; and all the estimates I have seen made of the amount of money in circulation in the country exclude the idea that our people are using coin; whereas it is used not only in the West and in some portions of the South, but it is used to facilitate exchanges to the amount of over $1,000,000,000 in our commercial transactions with foreign countries. I only call attention to those criticisms because I shall not have time to enlarge upon them. I ask the attention of gentlemen to the estimates and table furnished me by the Bureau of Statistics, except as to the United States, which I present to show the comparison between the wealth and the paper and total circulation of our own country and that of foreign nations.

But there are two practical questions, the decision of which is based upon actual facts, that I desire at this time to discuss. One of these is the quantity of circulating medium in the country and in other countries as compared with our own; and the other, the panic of 1873, the causes and circumstances that produced it, and particularly the question, Was that panic caused by a preceding contraction of the currency?

CURRENCY IN THIS AND OTHER COUNTRIES.

I have taken the pains to ascertain as accurately as possible, at least for myself, through the officers of the Government, the amount of actual circulation at the present time in the country and since the year 1834; and I particularly call the attention of the House to the *per capita* circulation in the years 1834–'37–'43–'57–'61, and at the present time. (See tabular statement on next page.)

I call attention also to the amount of coin and paper money in circulation, commencing prior to 1837, down to the present time. The estimates from 1834 to 1870 are taken from a table I prepared and presented in the Forty-first Congress, showing the amount in the country in each year by adding to the quantity of the preceding year the annual production of our mines, the specie imported and assumed *per capita* brought by emigrants of twenty dollars each, and from the same deducting the specie exported and annual loss by destruction in the arts. Continuing the same estimates to the present time the amount of specie in the country in January, 1874, would be $143,000,000. This coincides with the estimate of nearly every statistician and every financial author, being roughly stated as $140,000,000.

The amount of bank-notes and other paper money was ascertained from reports made from time to time to the Secretary of the Treasury by the banks from accounts kept in the Secretary's office.

Gentlemen have argued that there has been a great contraction of the circulation; that there is much less circulation in this country now than heretofore, and than that of foreign nations. The gentleman who just preceded me spoke of the circulation of France and of Germany and of England, and compared the *per capita*, as he made the amounts in those countries with the *per capita* in this country at the present time. Some comparisons give larger estimated *per capita* for those countries than the Bureau of Statistics shows really exists. There are also considerations that should be taken into account in comparing the circulation of those countries with ours. Circulation is not needed merely for population. The people who are engaged in the primitive industries, fishing and hunting, need but very little circulation and use but very little.

Circulation of the United States from 1834 to 1874.

Year.	Population, millions.	Circulation, millions.			Banks and Treasury, millions.			In circulation outside of banks and Treasury, millions.	Per capita of total circulation.
		Paper.	Specie.	Total.	Paper.	Specie.	Total.		
1834	14.5	$95	$41	$136	$22	$37	$59	$77	$9.38
1835	15	104	57	161	21	44	65	96	10.73
1836	15.4	140	64	204	32	40	72	132	13 24
1837	15 8	149	73	222	37	38	75	147	14 05
1838	16 2	116	77	193	25	35	60	133	11. 91
1839	16. 6	135	92	227.	27	45	72	155	13. 70
1840	17	107	88	195	21	33	54	141	11. 47
1841	17. 6	107	89	196	27	35	62	134	11. 14
1842	18. 2	84	84	168	19	28	47	121	9 23
1843	18 7	50	83	142	13	34	47	95	7. 59
1844	19	75	103	178	12	50	62	116	9. 27
1845	19. 8	90	102	192	12	44	56	136	9. 70
1846	20. 3	106	98	204	13	42	55	149	10. 05
1847	20. 8	106	98	204	13	38	51	153	9. 81
1848	21. 4	129	125	254	16	54	70	184	11. 87
1849	22	115	120	235	13	50	63	172	10. 69
1850	23. 2	131	134	265	16	51	67	198	11. 42
1851	23. 9	155	172	327	17	60	77	250	13. 68
1854	26	205	266	471	23	85	108	363	18. 04
1855	26 9	187	295	482	23	81	104	378	18. 29
1856	27. 7	196	295	491	25	82	107	384	17. 80
1857	28. 5	215	315	530	28	78	106	420	18. 60
1858	29. 4	155	287	442	22	85	107	335	15. 03
1859	30. 3	193	307	500	19	110	129	371	16. 50
1860	31. 4	207	280	487	26	89	115	372	15. 51
1861	32. 2	202	248	450	22	90	112	338	13 19
1862	32. 8	218	310	528	25	106	131	397	15. 85
1863	33. 4	539	341	880	58	101	159	481	26. 04
1864	34. 1	636	336	972	.....	.....	.....	.....	.....
1865	34 8	888	269	1, 157	.....	.....	.....	.....	.....
1866	35. 5	945	248	1, 193	267	76	343	850	33. 60
1867	36. 3	858	216	1, 074	250	116	366	708	29. 55
1868	37	757	206	963	212	127	339	624	26. 02
1869	37. 8	752	156	908	188	129	317	591	24. 02
1870	38. 6	743	159	902	193	132	325	574	23. 82
1871	39 4	746	169	915	174	135	309	606	23. 22
1872	40. 2	751	139	890	148	111	259	631	22. 13
1873	41	753	132	885	177	93	270	615	21. 58
1874	41. 8	776	143	919	196	119	315	604	21. 98

PANIC OF 1873.

Mr. Speaker, there are two theories in regard to the cause of the commercial crisis and panic of 1873. One ascribes it to an insufficiency of money to do the business of the country, resulting from the contraction of the circulation. The other asserts that the condition of the currency produced the panic; that its excess and depreciation were the original exciting cause. Upon this subject various gentlemen have addressed the House. Their arguments, when analyzed, amount to this: during the panic currency was wanted; it was not to be had; in 1865 and 1866 there was nearly three hundred millions of currency more than in 1873; there has been contraction, and contraction brought on the panic. My first answer is that there has been no contraction of the currency within the last five years; the only contraction that was made in the currency was made within the first three and a half years. Secondly, panics result from undue expansion of loans by bankers and unprofitable investments of the savings of the nation.

The total amount of currency in circulation, as reported to me this morning by the Treasury Department, including the 3 per cent. certificates and the national-bank circulation, all the paper that is authorized to be issued as money, and not including the seven-thirties, which some gentlemen include in the amount in 1865 and which would make the amount much greater, was in 1865 $345,000,000. In 1869 the amount of paper circulation was $743,000,000, and on December 31, 1873, the amount was $776,000,000, being an expansion of the paper circulation at this time above what existed in 1869; so that there has been actually an expansion of the currency since 1869 and within the last two years.

Dates.	Outstanding currency at close of calendar year.	Three per cent. certificates.	National-bank circulation.	Grand total.
December 31, 1863	$463, 986, 327 25	.....	$280, 000 00	$464, 266, 327 25
December 31, 1864	706, 223, 052 95	.....	76, 066, 420 00	782, 289, 472 95
December 31, 1865	709, 334, 421 87	.....	236, 636, 098 00	945, 970, 519 87
December 31, 1866	560, 123, 161 32	.....	298, 588, 419 00	858, 711, 580 32
December 31, 1867	434, 885, 202 85	$23, 265, 000	299, 846, 206 00	757, 996, 408 85
December 31, 1868	396, 535, 077 37	55, 865, 000	299, 747, 569 00	752, 147, 646 37
December 31, 1869	398, 691, 165 18	45, 545, 000	299, 629, 322 00	743, 865, 487 18
December 31, 1870	398, 293, 847 38	43, 550, 000	304, 956, 849 00	746, 800, 696 38
December 31, 1871	399, 274, 170 27	22, 025, 000	327, 727, 308 00	749, 026, 478 27
December 31, 1872	405, 062, 161 12	4, 145, 000	342, 541, 452 00	751, 748, 613 12
December 31, 1873	427, 607, 706 90	5, 000	348, 516, 478 30	776, 129, 185 20

There are some circumstances which tend to require less currency at the present time than was needed in 1869. What are the causes which lessen the necessity for the use of currency, either of paper or coin? First, an increase of banks; and that is one reason why I am in favor of this bill as a whole. I find that the private banks in the country have increased since 1869, as shown by returns to the Commissioner of Internal Revenue, from 2,500 to 4,200. In Illinois we had in 1869 134 private banks, and in 1873 we had 314. In 1869 our deposits in those private banks were only $7,000,000, and were last June over $33,000,000. The increase has been remarkable.

The Commissioner of Internal Revenue furnishes me the following:

Statement showing number of banks and bankers and amount of deposits held in each State and Territory in July, 1869, and June, 1873.

Number.	State or Territory.	Number in 1869.	Number in 1873.	Deposits held in July, 1869.	Deposits held in June, 1873.
1	Alabama	16	24	$2, 587, 604 98	$1, 667, 219
2	Arizona	.....	.....	.....	.....
3	Arkansas	1	14	60, 000 00	316, 338
4	California	40	95	33, 623, 276 00	66, 186, 456
5	Colorado	3	19	237, 000 00	305, 922
6	Connecticut	41	102	9, 352, 760 00	66, 124, 918
7	Dakota	.....	4	.....	67, 628
8	Delaware	8	10	558, 749 00	1, 543, 785
9	District of Columbia	11	15	2, 064, 256 29	8, 666, 579
10	Florida	.....	5	.....	154, 277
11	Georgia	27	70	1, 824, 998 98	3, 204, 509
12	Idaho	.....	4	.....	16, 854
13	Illinois	134	314	7, 379, 461 98	33, 544, 797
14	Indiana	78	123	4, 560, 621 60	10, 968, 885
15	Iowa	75	181	2, 302, 967 31	6, 446, 114
16	Kansas	22	92	1, 355, 711 00	2, 935, 323
17	Kentucky	55	113	29, 872, 741 81	12. 688, 659
18	Louisiana	20	27	8, 913, 431 05	7, 370, 620
19	Maine	18	61	739, 746 86	27, 253, 684
20	Maryland	31	50	2, 779, 596 00	21, 567, 758
21	Massachusetts	55	229	3, 277, 857 00	200, 663, 465
22	Michigan	82	145	3, 637, 675 33	11. 004, 407
23	Minnesota	34	55	883, 398 00	1, 675, 182
24	Mississippi	7	21	398, 791 66	1, 473, 019
25	Missouri	125	206	19, 787, 757 55	35, 720, 025
26	Montana	.....	7	.....	68, 835
27	Nebraska	11	32	481, 974 00	946, 368
28	Nevada	8	12	1, 269, 787 00	1, 178, 148
29	New Hampshire	12	69	1, 369, 973 93	29, 037, 827
30	New Jersey	25	63	1, 921, 112 00	35, 203, 844
31	New Mexico	.....	1	.....	.....
32	New York	508	878	97, 125, 891 02	425, 847, 438
33	North Carolina	10	15	575, 753 84	1, 505, 944
34	Ohio	176	291	15, 803, 687 86	36, 623, 163
35	Oregon	6	7	339, 266 00	784, 356
36	Pennsylvania	211	527	34, 750, 267 07	102, 957, 949
37	Rhode Island	41	60	2, 631, 575 00	41, 904, 489
38	South Carolina	9	17	281, 708 00	1, 171, 628
39	Tennessee	32	35	2, 580, 873 52	3, 127, 673
40	Texas	9	82	958, 627 72	2, 869, 837
41	Utah	4	8	397, 638 93	493, 224
42	Vermont	7	21	164, 090 00	4, 865, 998
43	Virginia	45	86	1, 984, 024 41	8, 088, 175
44	Washington Territory	.....	3	.....	123, 956
45	West Virginia	13	18	560, 988 12	2, 290, 556
46	Wisconsin	52	80	2, 147, 564 49	8, 396, 392
47	Wyoming	.....	6	.....	42, 371
	Total	2, 062	4, 297	301, 543, 205 31	1, 229, 094, 594

Increased facilities for doing business diminish the amount of circulation required to transact business. Such facilities have increased in the United States faster than wealth or population. Among these are the means and rapidity of transportation and communication to different parts of the United States. Where men have frequent and easy communication the amount of currency required to perform their business is greatly reduced. The same dollar bill will pay a dozen different debts in the city to one in the country. Railroads and telegraphs practically bring men closer together. Time and space are annihilated. The money remittances pass with greater rapidity as increased facilities are extended. The express and the fast-freight train push into new regions, following the new railroad lines. Even the postal accommodations are increased, and lessen the amount of currency. Let me call attention to the increase in telegraphs and postal and railroad facilities since 1869. These accommodations, with increase of number of banks in the country, make the United States like one great city.

In 1869 payments and remittances were oftener made with money itself. The number of private banks has increased from twenty-five hundred to over four thousand; the national banks from sixteen hundred to two thousand. The mails, the railroad passenger-trains, and even the express companies, send the bank check or draft where formerly cash was used to make purchases or pay debts. The capital and deposits of private banks and bankers have increased since July 1869, to July, 1872, as estimated from taxes paid by them, as follows:

	1869.	1870.	Increase.
Capital	$89, 014, 200	$193, 211, 400	$106, 197, 200
Deposits	340, 883, 400	728, 650, 200	381, 766, 800

The Commissioner of Internal Revenue furnishes me the following information:

TREASURY DEPARTMENT,
OFFICE OF COMMISSIONER OF INTERNAL REVENUE,
Washington, March 28, 1874.

SIR: In further reply to your inquiries relative to capital and deposits held by persons, bank associations, companies, or corporations, other than national banks, engaged in the business of banking, I have to submit the following statement, showing the amount of such capital and deposits taxable under the internal-revenue laws held, during the years 1869 and 1872, as follows:

Capital held in 1869	$89,014,200
Capital held in 1872	195,211,400
Deposits in 1869	346,883,400
Deposits in 1872	728,650,200

Total average amount of deposits held during June, 1873, including deposits exempted from tax, $1,229,094,594.

Very respectfully,

J. W. DOUGLASS,
Commissioner.

Hon. HORATIO C. BURCHARD,
House of Representatives, Washington, D. C.

Organization of new banks diminishes the amount of currency demanded to do the business of the country. Checks take the place of coin and notes.

Mr. Buell, the president of the Importers and Traders' Bank of New York, says, in his statement made February 9, 1874, before the Committee on Banking and Currency:

Mr. BUELL. The proportion of currency to checks, bills of exchange, &c., used in commerce, is so small that few people conceive of it. We use in New York about 5 per cent. currency. In smaller towns they use 10 per cent.; in still smaller places from 15 to 25; and when you get back to the agricultural districts, it requires 50 per cent. or more. The other 95 per cent. of the commercial transactions of New York City are moved by checks, bills of exchange, &c.

The CHAIRMAN. Does the 5 per cent. cover the shopping and money transactions, hotel bills, &c.?

Mr. BUELL. Yes; it all comes to a point in the banks through the clearing-house exchanges. Take your own experience, or that of a merchant who pays $50,000 by checks in a day, and not more than $100 for cash disbursements, personal expenses, &c.

NATIONAL TAXATION HAS DIMINISHED.

The receipts from internal revenue, which were $309,226,813.42 in 1866, decreased in 1869 to $158,356,460.88, and to $113,729,314 in 1873.

The Treasury receipts from 1865 to 1873 were as follows:

Year.	Internal revenue.	Public lands.	Net revenue.	Total receipts.
1865	$209,464,215 25	$996,553 31	$323,092,785 92	$1,805,933,250 82
1866	309,226,813 42	665,031 03	619,646,647 91	1,270,712,078 83
1867	266,027,537 43	1,163,575 76	489,912,182 34	1,130,339,092 62
1868	191,087,589 41	1,348,715 41	405,638,083 32	1,030,749,516 50
1869	158,356,460 86	4,020,344 34	370,945,817 94	609,623,899 02
1870	184,899,756 49	3,350,481 76	411,255,477 63	696,729,973 63
1871	143,098,153 63	2,388,646 68	383,323,944 89	652,092,468 36
1872	130,642,177 72	2,375,714 19	374,106,867 56	679,153,921 56
1873	113,729,314 14	2,882,312 38	333,738,204 67	548,669,221 67

WAS THE PANIC CAUSED BY CONTRACTION?

It has been represented, and actually believed, that the contraction of the circulating medium of the country has prostrated business and precipitated on us the panic of last summer. Gentlemen are constantly repeating the amount of contraction since 1865.

It is a mistake that this made a great money stringency and caused the panic of 1873. Facts fail to prove their conclusion. The contraction took place prior to 1869. There has been no contraction of the currency during the last five years; on the contrary, it has been slightly expanded.

A comparison of the amount of circulation in the country at the present time and the amount in the summer of 1869 will show a greater amount of paper in circulation to-day than at that time. The contraction is sought to be shown by comparing the present amount of currency with the amount in circulation in 1865 and 1866. To make the difference more glaring, the compound-interest notes, and seven-thirty notes, and other interest-bearing obligations made legal tender are included as part of the paper circulation in 1865, although really held as investments rather than currency, and owned or kept as special deposits uncounted by the banks by hundreds of millions.

The difficulty in making out a case is apparent from the necessity of going back eight years for a comparison.

The following, originating perhaps in some irresponsible journal, has had indorsers on this floor and is in circulation, supposed to be reliable:

Amount of currency in 1865	$928,240,703
Amount of currency in 1873	767,072,919
Amount of contraction	161,778,784
Add the seven-thirties	829,725,000
Total contraction	1,018,167,784

The Treasurer of the United States, on pages 327 to 329 of the annual report of the Secretary of the Treasury for 1873, officially states the amount and kind of currency outstanding at the close of each fiscal year, and summaries them as follows:

Comparative statement of total outstanding for the last twelve years.

Outstanding June 30, 1862	$147,725,235 00
Outstanding June 30, 1863	411,223,045 00
Outstanding June 30, 1864	649,094,073 70
Outstanding June 30, 1865	698,918,800 25
Outstanding June 30, 1866	608,870,825 46
Outstanding June 30, 1867	536,567,523 02
Outstanding June 30, 1868	444,196,262 47
Outstanding June 30, 1869	391,649,558 61
Outstanding June 30, 1870	398,430,562 48
Outstanding June 30, 1871	397,699,652 06
Outstanding June 30, 1872	399,245,363 52
Outstanding June 30, 1873	401,527,267 94

Congress in February, 1868, passed an act forbidding the retiring and canceling of more legal-tender notes. Since June, 1869, there has been no contraction by the Government of this currency, but an actual increase of from $391,649,558 to $401,527,267—about $10,000,000.

If contraction produced the panic, how slowly its effect developed! It is refreshing to read the glowing descriptions given in 1870 in this Hall upon the then prosperous condition of the country. While this contraction had been going on at the rate of $45,000,000 a year for four years, or $250,000,000 if the seven-thirties are to be counted as circulation—all but $1,168,000 had been redeemed in 1869—the country had been prospering as never before.

PANICS.

There have been three great commercial crises in this country. Prominent above every other business convulsion or financial disturbance, that of 1837, twenty years later in 1857, and that of 1873, through which we have just emerged, and whose effects we still to some extent feel. A recurrence to the events immediately preceding and subsequent to the former crises cannot but aid in regard to the causes which produced those great convulsions and the measures to be adopted to prevent their evils. It is essential that the mere accidental circumstances, common to the periods, should be separated and distinguished from those which produce the changes. What relation had the currency to those panics?

Commercial panics are associated with banks. An extraordinary rush of depositors on the banks, demanding payment of amounts to their credit, is called a panic. It supposes a banker and a depositor. No intelligent analysis of the causes which produce panics without keeping in mind the nature of banking.

WHAT IS A BANK?

The real nature and office of a bank is far different from what is popularly supposed. It is a common idea that the bank is an institution simply for holding money, its own or that of other people. The creditor of the bank whose claims are payable on demand regards and treats his credit as cash, and every other depositor does the same. The bank is supposed to be the depository containing cash to the amount of all the deposits. But this is neither actually true nor is it essential to banking that any money should be used in the transactions in which banking is concerned.

The business of banking is receiving resources from one set of men and transferring them to another. It is the transfer of debts. It is a transfer only. The means transferred may be money, but in actual banking a very small per cent. of money is thus transferred.

The Bankers' Almanac, of 1874, page 239, gives the total of exchanges and cash balances paid for twenty years, and the cash balances have been only about 4 per cent.

The average daily exchanges for the year ending September, 1873, were $111,022,370; and the total exchanges for the same period were $33,972,773,942. The average daily cash balances were $3,765,921, being a little over 3½ per cent. So that the daily use of an average sum of less than $4,000,000 has effected exchanges during the year nine thousand times the amount, and more than the amount of the estimated value of the wealth of the nation. Ninety-seven per cent. of the business of the city banks consists in the transfer of credits, lending the representative of capital received from one customer, called the depositor, to another customer called the borrower.

The $944,000,000 loans reported in September as resources by the national banks consisted of $638,000,000 of resources received from or credited to depositors, to be returned upon demand.

Professor Bonamy Price, who was justly quoted by the gentleman from Pennsylvania [Mr. KELLEY] as the highest authority on banking, states most graphically the cause and course of a commercial panic. He says in a late lecture:

The mischief commences with the destruction of capital; its investment in unproductive enterprises. Laborers are fed, tools and clothing are worn out, materials are made away with, and no return of new wealth created to repair the loss. Presently the fatal fact is discovered, goods advanced on credit are reclaimed; but the wealth has departed and has not returned in a new form; debts are not repaid, but characteristic symptoms of a bankers' panic come to light. The truth suddenly flashes on commercial minds that mean to pay debts; the economic truth is perceived that wealth has been destroyed and not replaced by new-made goods, but it is seen that the wherewithal does not exist; debtors are driven to throw their merchandise on a market at ruinous prices. Then comes the terrible feeling, Who is safe? Who has gone beyond his means? What great houses have launched over on the sea of speculation and are sound at the core?

In examining each of the periods of 1837, 1857, and 1873, it will be seen that there had been for several years a large increase in importations. In the year ending September 30, 1830, the imports were $70,876,920; in 1833, over $108,000,000; in 1836, about $190,000,000, being $52,000,000 above the exportations of that year.

The fiscal year ending September 30, 1837, the exportations were $141,000,000, being $24,000,000 in excess of the imports.

The imports did not again reach that figure but once until the close

of the year 1847, when they amounted to about $141,000,000. This again gradually rose to $315,000,000 in 1836, and $361,000,000 in 1857.

The same increase in imports preceded the panic of 1873. The total imports rose from $462,000,000 in 1870, to $664,000,000 in 1873.

The total volume and *per capita* circulation of the currency was largely increased in the same periods.

There is another remarkable similarity between these periods preceding a panic. It was not lack of currency in 1837 nor 1857. It was, in the language the Democratic Review of 1838, page 397—

> The enormous system of overtrading into which both banks and individuals throughout the United States were embarked had involved almost every one engaged in the active pursuits of life. The improvident accommodations granted by many of our banks were only surpassed in extravagance by the absurd manner in which a great portion of these loans were invested. Suddenly unlimited confidence unhealthily swollen gave place to universal distrust. * * * The aver age price of cotton here rose from thirteen cents in 1834 to sixteen and one-half in 1835, and "to eighteen per pound in 1836." There were vast sales of public lands and excessive importations of foreign commodities.

The historian of the panic of 1873 can now write—

> It was the turn in the high prices of 1872, as it was in the high prices in 1836, that brought on the collapse of speculation, the closing period, the stoppage of credit, the demand for immediate payment. In each period there was a large expansion of loans, showing an extension of credits, a spending of borrowed resources.

The story of 1837, 1857, and 1873 is the same.

Commercial crises of 1837, 1857, *and* 1873 *compared.*

Year.	Miles of railroads built.	Sales of public lands.	Imports of merchandise.
1834	.....	$4,857,600 69	$103,208,521 00
1835	.....	14,757,600 75	129,391,247 00
1836	.....	24,877,179 86	168,233,675 00
1837	.....	6,776,236 52	119,134,255 00
1838	.....	3,081,939 47	101,264,609 00
1853	.....	1,667,084 99	250,420,187 00
1854	1,360	8,470,798 39	280,813,867 00
1855	1,654	11,497,049 07	233,020,227 00
1856	3,643	8,917,644 93	298,261,364 00
1857	2,491	3,829,486 64	336,914,524 00
1858	2,460	3,513,715 87	251,727,008 00
1868	2,979	.....	351,214,010 00
1869	5,118	.....	411,896,374 00
1870	5,525	.....	431,950,423 00
1871	7,779	.....	513,033,809 00
1872	6,427	.....	617,569,017 00
1873	4,190	.....	635,467,636 00

We find that there was not only a large increase of imports, but also, preceding the crisis of 1857 and 1873, large investments were made in railroads, increasing the number of miles built a year from 1,360 to 3,633. The expenditure for this purpose preceding 1856 was about $100,000,000, and in 1873 it had risen to over 7,000 miles a year, involving an investment of about $200,000,000 a year in railroad building, and some of them unprofitable roads. There was preceding all these crises an inflation of the currency, an excess of currency in the country, and an increase in this speculation and investment of money. There was also preceding them an investment of money in unprofitable enterprises. Prior to 1837 the investment was in lands, which rose from 3,000,000 acres purchased in 1831, to 24,000,000 acres purchased in 1837, and which rose in 1856 to $11,000,000 from $1,500,000 in 1852.

Mr. MAYNARD. We were then on a specie basis.

Mr. BURCHARD. Certainly we were on a specie basis, but the circulation of the country was inflated, and an excess of currency, even of a good currency, will produce overspeculation. My point is this: not that this irredeemable currency necessarily produces panics, but that commercial crises are not caused by an insufficiency of circulation in the country; that there are other causes which produce them, and that contraction could not account for it; for there has been no contraction for the last five years, and in 1869 and 1870 there was contraction by the retirement of the seven-thirty bonds.

Mr. BIERY. Will the gentleman allow me to ask him a question right there?

Mr. BURCHARD. If I can have my time extended, I have no objection.

Mr. BIERY. Were not the seven-thirties convertible on demand into currency; and, if so, were they not converted, and did they not furnish a part of the currency?

Mr. BURCHARD. I do not dispute that gentlemen are right when they say that the currency was contracted, but here is the point I make: This contraction was ended five years before the panic occurred; why did not the panic come on in 1869 or 1870, when we had contraction, instead of five years later, when there has been within the last year or two an expansion of the currency?

Mr. BIERY. I understood the gentleman to exclude the seven-thirties from the currency.

Mr. BURCHARD. We had in 1869 retired nearly all the seven-thirties.

Mr. BIERY. Did not their redemption lend an influence to the panic?

Mr. BURCHARD. If so it must have been very remote, for it took a long time to make itself felt; it took five years to produce that effect.

Mr. MERRIAM. Has the increase of business and of population anything to do with the actual contraction of the currency?

Mr. BURCHARD. Increase of population would decrease the *per capita* amount of circulation in the country undoubtedly; but it would not be more than one or two dollars *per capita*, and that was no be offset to some extent, if not wholly, by other causes. The establishment in a community of a bank dispenses with the use of money, not to recapitulate what I have said and what others have often said. I do not claim that there has been any great difference since 1869, but that there was no contraction between 1869 and 1873.

But I want to say a word or two in regard to this bill, which I will say I favor in the main. Although I am opposed to an expansion of the currency not looking to its ultimate redemption and convertibility, I am in favor of removing the monopoly principle from the banking system. I do not anticipate for the West and South the benefits that are claimed; I will frankly say so. But if the private banks that I have spoken of in Illinois desire to avail themselves of the advantages, if there are any, in issuing national bank-note circulation they ought to be permitted to receive it in Illinois as other States have received it. I do not believe it will amount to very much, if any, inflation under this bill.

The object of those who ask for more currency has been stated by one of the ablest advocates as follows:

> No one is here, Mr. President, asking the Government to set in motion her presses to grind out an unlimited quantity of "irredeemable paper." No one is here asking for an issue of currency which is not well secured, and by a gold bond backing it at that. The simple question in substance is this: Shall we increase to a moderate degree the present bank currency under the present banking law, especially in those States which have not received their proportion according to wealth and population?

To that proposition I heartily assent. The right to their just proportion of bank circulation should be accorded to every State.

I favor the removal of the restrictions on banking. Make it free to every part of the country where the securities can be advanced. Let the Government see to the performance of its own undertakings, and leave business and the wants and abilities of communities to fix the measure of circulation.

There are some features of the bill that I heartily approve. But, as I have said, I do not think it will afford the advantages to the South and the West that are expected from it. It will not increase the amount of existing loanable capital in the West. But circulation based upon bonds allows capital to be loaned twice. It has already been loaned to the Government. The bond represents the debt, and is the promise to repay the capital loaned with interest. Upon that, as security, the Government authorizes its creditor to loan, not the capital which the Government owes, but his credit, and promise of payment. The utilization of bonds as a basis of banking gives additional power to the Government creditor to accommodate the private borrower. Thus banking in the West, so far as it uses the bonds held by its own people, increases the power of capitalists to accommodate the local demands of borrowers.

But if the bonds must be bought by the sale of products or with United States notes by the western banker, the local circulation and the power to accommodate borrowers are actually diminished.

Suppose the business men of a town start a national bank. If they have Government bonds to the amount of $100,000 they receive $90,000 in notes, of which they can again loan as money $76,500. If there are no bonds owned in the town, they must be bought. They must collect and send away $115,000 of United States notes, or property which will sell for $115,000 of notes. The power of the capitalists of the town to accommodate borrowers will be diminished from $115,000 to $76,500, being about one-third less. Free banking would not increase local circulation or amount of capital to be loaned in a community unless bonds are actually held and used by the capitalists for banking. But a bank aids the community. It multiplies the substitutes for currency. It increases deposits and makes the check do the business of the note or coin. If the issue of circulation will be profitable, foreign capital will be invited to the locality for investment in banking. This will be a gain in loanable capital in the locality. More borrowers can be accommodated. The interest must be paid to the foreign capitalists, whether the loans are made through the bank or the borrower deals directly with the capitalist. If borrowers make wise use of the capital obtained, and the resulting product is more valuable than the principal and use paid, the community is enriched; if unprofitably employed, the locality is impoverished.

Will banks be organized under the act? Certainly, if the circulation will increase the banker's profits, and if capital is to be had. As I have shown, the banks now existing as private banks in the Western and Southern States have already or can obtain the capital. Will they take the circulation? Their action will be determined by the result of this inquiry. What greater return will a given sum of money expended in buying bonds and obtaining circulation yield than without doing so; that is, if they have not the bonds, as I think they have not to a large extent, in the South and West?

One hundred and fifteen thousand dollars will buy $100,000 of 5 per cent. bonds. Upon that $90,000 of circulation can be obtained, of which this bill will permit 95 per cent. to be loaned, amounting to $85,000, giving—

Interest at 10 per cent.		$8,500
United States tax on capital, ½ per cent. on $15,000 excess, not in United States bonds	$75	
United States tax on circulation, 1 per cent.	450	
Local taxes increased 1 per cent.	1,150	
		1,675
		6,875
Add interest on bonds, at 112 premium on gold		5,560
		12,435
The loan of capital would have yielded		11,500
Gain		935

Thus there would be realized $935 over and above what would be realized if the amount was loaned directly without organizing as a national bank.

But it is to be taken into consideration that in ten or fifteen years, when these bonds are to be redeemed, the legal-tender notes may be on a par with them and with coin; so that $115,000 put into banking now would yield, when the bonds are redeemed, only $100,000. Thus there is a sinking of $15,000. Under this calculation there would be an absolute loss. For this reason some men whom I personally know could have gone into banking in Illinois refused to do so because they said they could do better with their capital.

Now, make the exhibit for an Eastern State. Where they can loan money at 6 per cent., if the banker has the bonds already, and wants to get circulation upon them, he can clear $3,455 on every $115,000. It will be the interest of the banker in the East to take the circulation if he has the bonds to that extent. Computing the same depreciation of $1,000 on the investment, he will still make $2,455, or about 2¼ per cent.; or, if he has the bonds, he will make the whole $3,455.

I make this calculation upon the idea that the banks are organized; that men are already doing banking business as private bankers. I do not take into account the cost of officers' salaries, &c., which would reduce the profit if the banks are not already existing; but if the banks are doing business as private bankers, it would only to a small extent increase their expense.

BANKING RESERVE.

The committee recommended a repeal of so much of the banking act as requires a reserve to be held by national-bank associations for their circulation. I doubted the wisdom of such a course. It is true that there is no necessity for banks to have at their command any money for their circulation.

Practically there is and has been no redemption since the national banks were organized. The bank-note subserves all the purposes for which the United States note can be used except when the technical tender of the latter is required for the payment of a debt. If the reserve is intended by the act to be kept to secure the certainty of immediate redemption of the bank-note, the provision is necessary.

The commercial crises of banks have never been precipitated by the inability of bankers to redeem their notes, and the run upon suspected or weakened banks has been made by their customers and not the bill-holders. The measure of the paper reserve to secure its creditors can to the best advantage be determined by comparing the circulation deposits and reserves of the banks during past years. We will find that in every case where the banks were unable to pay depositors, and were compelled to suspend, the reserve had become greatly diminished compared with circulation and deposits. We will find that when the banks have maintained a sufficient reserve compared with deposits the commercial revulsion is unable to affect them, and their credit has been maintained unimpaired.

I have prepared a table showing the percentage of bank reserves, both of specie and of money of all kinds to deposits and circulation.

Statement showing number of banks in the United States, their capital, circulation, cash, deposits, loans, and percentage of cash to deposits, and to circulation and deposits, for forty years prior to 1874.

Year.	Number.	Capital, millions.	Circulation, millions.	Cash in bank.			Deposits, millions.	Loans, millions.	Ratio of cash to—	
				Specie, millions.	Paper, millions.	Total, millions.			Deposits.	Deposits and circulation.
1834	506	200	95	26	22	48	76	324	.63	.28
1835	704	231	104	44	21	65	83	365	.78	.34
1836	713	252	140	40	32	72	115	458	.62	.28
1837	758	291	149	38	37	75	127	525	.59	.27
1838	829	318	116	35	25	60	85	486	.70	.30
1839	840	327	135	45	27	72	90	492	.80	.32
1840	907	358	107	33	21	54	70	463	.71	.30
1841	784	314	107	35	27	61	65	386	.94	.35
1842	692	260	84	28	19	47	62	324	.76	.32
1843	692	229	59	34	13	47	56	255	.84	.41
1844	696	211	75	50	12	62	85	266	.73	.38
1845	707	206	90	44	12	56	83	289	.67	.32
1846	607	197	106	42	13	55	98	312	.56	.27
1847	715	203	106	35	13	48	92	310	.52	.24
1848	751	205	129	46	16	62	108	344	.57	.26
1449	782	207	115	44	13	57	91	332	.62	.27
1850	824	217	131	45	16	61	110	364	.55	.25

Statement showing number of banks in the United States, &c.—Continued.

Year.	Number.	Capital, millions.	Circulation, millions.	Cash in bank.			Deposits, millions.	Loans, millions.	Ratio of cash to—	
				Specie, millions.	Paper, millions.	Total, millions.			Deposits.	Deposits and circulation.
1851	879	228	155	49	17	66	129	414	.51	.23
1854	1208	301	205	59	23	82	188	557	.44	.21
1855	1307	332	187	54	23	77	190	576	.44	.20
1856	1398	344	196	60	25	85	213	634	.40	.20
1857	1416	370	215	58	22	80	231	684	.34	.18
1858	1422	392	155	74	22	96	186	583	.52	.28
1859	1476	402	193	105	19	124	260	657	.48	.27
1860	1562	422	207	84	26	120	254	692	.47	.26
1861	1601	430	202	88	22	110	257	698	.43	.24
1862	1492	418	184	102	25	127	296	648	.43	.26
1863	.....	405	239	101	58	159	394	649	.40	.24
1864	.....	.....	186	.....	.....	.....	.....	.....	.....	.....
1865	.....	.....	191	.....	.....	.....	.....	.....	.....	.....
1866	1582	403	259	17	208	225	550	501	.40	.27
1867	1648	420	298	17	206	223	585	608	.38	.25
1868	1642	420	298	18	181	199	559	617	.35	.23
1869	1628	419	297	30	158	188	585	645	.32	.21
1870	1615	426	294	20	175	195	557	689	.33	.20
1871	1648	435	298	26	141	167	518	726	.32	.20
1872	1790	460	320	30	130	160	617	819	.26	.17
1873	1940	483	338	19	141	160	611	887	.26	.17
Sept., 1873	1976	491	340	20	131	151	638	944	.24	.15
1874	1976	490	342	27	152	179	553	857	.27	.20

The ratio of cash to deposits has hardly ever in the history of the Government fallen below 40 per cent., and the ratio of cash to deposits and circulation has fallen below 20 per cent. during only two periods in our financial history, the one during the period preceding the commercial crisis of 1857, the other before that of 1873. The latter ratio in 1850 was 25 per cent. It had fallen in 1854 to 21 per cent., in 1855–'56 to 20 per cent., and in January of 1857 to 18 per cent. The same marked decline occurs during the period ending in the panic of 1873, having fallen to 17 per cent. January, 1873, and the ratio of cash in bank to deposits was then 26 per cent.

From an examination of these tables one would say that a reserve of cash less than 20 per cent. on both circulation and deposits is unsafe and imprudent.

The amendment proposed by this section of the bill will require 15 per cent. in banks outside of redemption cities and 25 per cent. in those cities as reserve upon deposits and only 5 per cent. upon circulation. This objection would in my judgment be fatal to the bill if the banks, in accordance with the permission, allowed their reserves to run down to the lowest limit. The weak and reckless may do so, but the sound and prudent banker will not. Available cash has always been maintained to greater amount than the law required.

The reserve required to be kept by the country banker will, under the law, be as much as has been actually kept by him in his vaults, and the 5 per cent. reserve required to be kept at the Treasury, with the balances to meet drafts upon city banks, will keep up the available cash to about the same amount as now required. If the majority deem this provision advisable, I shall not on that account, though doubting its wisdom, vote against the bill because retained.

Mr. RANDALL. I now yield thirty minutes of my time to Mr. WILSON, of Indiana.

Mr. WILSON, of Indiana. Mr. Speaker, at an early day in this session I introduced and had referred to the Committee on Banking and Currency a bill on the subject now under consideration, and which at the proper time I propose to offer as a substitute for the bill reported by the committee.

In part it is substantially the same as the committee's bill, but it contains other provisions to which in the course of my remarks I will call the attention of the House if my time will allow.

But first I desire to urge upon the House the adoption of a feature common to both, namely, that which makes

FREE BANKING,

the adoption of which, in my judgment, will remedy a leading defect in our currency system, which is that the *amount* of currency is *limited by law.*

For years past we have had a limit fixed by law upon the amount of the circulating medium, and no matter what were the necessities of the country we could have just so much currency and no more. We could have four hundred millions of legal-tenders and three hundred and fifty-four millions of national-bank notes. We must now meet the question whether we will let it stand at that amount or whether we will increase or diminish it, or whether we will so change the system as to impart to the amount of our currency the quality of elasticity.

Currency is simply a means, a medium, an instrument used by the people in the exchanges incident to business; and the question is, shall the means be adapted to the end or the end to the means? Shall the business of the country be restricted to a fixed amount of currency, or shall the amount of currency be made commensurate with

the demands of legitimate business? I apprehend that there can be but one answer to this. I presume no one will be found here or elsewhere insisting that the business of the country shall be restricted, nor will any one be bold enough to maintain that the currency shall not be ample to supply the demands of the legitimate business of the country. But, sir, the business is constantly varying. It varies from year to year with the variations in our agricultural productions and the productions of our manufacturing industries. The amount of currency that may be amply sufficient for this year may be too much or too little for next year. The necessity for it increases with the increase of population. It might as well be said that the promissory notes necessary for a man to use when he is doing a business of $1,000 per year is ample for his purposes when he does a business of $100,000 per year, as to say that the currency necessary for thirty millions of people is adequate for forty millions of like individual thrift and energy; or it might almost as well be said that the food that is necessary to supply a nation of thirty millions is ample to satisfy the appetites of forty millions.

If the amount of currency is limited to a specific amount by law, and a season comes when that is too small, the people must suffer in their business until legislation can be had to increase it. It seems to me, therefore, that what is needed is a currency system that possesses the quality of flexibility or elasticity; making currency free to expand or contract according to the demands of legitimate business. To my mind this is not only a reasonable conclusion, but if the experience of others is of any value, it is supported by that also.

We know that in 1844 the English Parliament fixed a limit to the amount of notes that might be issued by the Bank of England; and yet we also know that, three times since, that law has had to be suspended and the bank permitted to overissue in order to prevent great financial disaster. What does this prove? It proves that the legislators of England were not wise enough to foresee the needs of the English people, nor sagacious enough to furnish them the means of avoiding financial ruin. The weakness, the imperfection of the act was demonstrated by the fact that three times it had to be violated to save the nation from bankruptcy.

Indeed, sir, it is not necessary that we shall go to England for forcible illustrations. We have them at home, and of so recent date that it is almost superfluous to allude to them. Prior to the 3d of December, 1872, the Assistant Secretary of the Treasury took the responsibility of issuing $5,000,000 of the forty-four millions that had been retired by Secretary McCulloch. On the 3d of December, 1872, this House by resolution called upon the Secretary to know upon what authority and for what reason that five millions was again put in circulation. I have here his answer, an extract from which I will read. He says:

> The object of the issue was the relief of the business of the country then suffering from the large demand for currency employed in moving the crops of the South and West. The condition of affairs then existing in the country seems to me to have warranted the issue upon grounds of public policy.

This is a forcible illustration of the absolute necessity for an elastic currency, and of the perniciousness of a rigid, cast-iron system. The business of the country was suffering, and but for the fact that it so happened that the Secretary had the means at hand to relieve it, it must have continued to suffer. But that means was not the result of any wisdom in our legislation. It was an accident. Congress had fixed a limit beyond which the currency should not go. A former Secretary thought the people had too much, and he retired forty-four millions, and thus it happened that, when business was suffering for want of the means "to move the crops of the South and West," there was a reserve which could be issued, there was a means of expansion, resort to which was had and relief was obtained.

And, sir, we have had a more recent experience. We all remember very well that when the recent panic came upon the country there was a locking up of currency, and a great clamor to have the Secretary of the Treasury relieve the stringency by issuing the forty-four million reserve which had been retired to reduce the circulation. I remember to have read an article in an influential newspaper, somewhat noted for its conservative views, urging the Secretary to issue this forty-four millions and give relief, law or no law. And I need hardly remind members of the pressure brought to bear upon the President in New York at the time I allude, to avert the impending disaster by promptly causing this forty-four millions to be reissued. The logic of this certainly is that a currency system which rigidly limits the amount that can be issued is an unsafe one for the nation.

Sir, if we are going to adhere to this "cast-iron" system, who knows what the limit should be? I venture to say that there is no gentleman upon this floor who will have the courage to assert that he knows and is able to state how much currency will be needed this year or next year to meet the business wants of the country. If there is any gentleman who knows, I would be much pleased to have him name the amount. It is not possible to know the amount, and therefore there is no alternative left us but to devise a system, and it is our duty to devise one if possible, by which the supply of currency shall be regulated by the demand.

The great practical question, then, is, how shall this be done? What shall we do to make the currency elastic? Some gentlemen tell us that if we will get back to specie payment the problem will be solved; that that will bring the necessary elasticity. Now, sir, no one would be more rejoiced than myself over a return to a specie basis. There are two modes of reaching that point. One is to let the country grow up to it, the other is to depress the business of the country down to it. Which of these modes shall we adopt? Shall we supply the necessary means to give play to the energies of the people, enabling them to develop the resources of the country, or shall we put out the furnace-fires, close manufactories, throw the laboring classes out of employment, restrain enterprise, and depreciate values? This latter course will bring us back to specie payment, but it will bring inevitable ruin upon thousands and thousands. It will bring a golden era indeed to the fortunate few who have money, but it will be a cruel wrong to the multitude.

Sir, we have no moral right to pursue a policy which will force business and prices down to a specie basis. The people are not responsible for the existing condition of our monetary affairs. There came upon the country a great calamity, and the result was a greatly increased volume of the currency. Gentlemen tell us that there is a redundancy of it and that it has inflated prices. Well, for the sake of the argument, let me grant it. Could the business of the country stop? Were the people to cease buying and selling? Could they fold their arms in idleness and wait for a change? No, sir; their energies would not allow them to do that, nor was it the interest of the nation that they should. They adapted themselves to this new state of affairs for which they were not responsible, they bought and sold at the inflated prices, they gave notes and mortgages, they felled forests, they built houses and barns and turnpike roads and railroads and incurred indebtedness in so doing, and now gentlemen who have their pockets full of money say to their less fortunate neighbors, "Your business must be broken up, your property must be depreciated in value, the mortgages upon it must be foreclosed, you laboring men must do without work, and your wives and children without bread, in order that we may get back to specie payment, *i. e.*, in order that the national-bank notes and the legal-tender notes we have may be increased in value until they are equal to gold dollar for dollar." Sir, it is a policy that must make the "rich richer, and the poor poorer." If it has any merit, it is in its conformity to that scriptural idea, that "to him that hath shall be given, and from him that hath not shall be taken even that which he hath."

That is one way to get to specie payment and to procure such elasticity as it would bring, but it would be cruel and unjust, and therefore not the right way. I prefer the other mode, *i. e.*, to have the country grow up to it, and to secure the necessary elasticity in some other way than by forcing specie payments now.

I have already argued that a fixed amount of currency is wrong in principle, and if I am right in that it necessarily follows that we must either take off the restrictions upon the issue of Government notes, or we must remove the limit upon the issue of national-bank bills. Which shall we do? If we do the latter, it obviously involves doing away with all other circulating notes.

There are manifest objections to the removal of the restrictions upon the issue of legal-tenders. Every legal tender is an evidence of Government indebtedness; it is a promise to pay, and the payment when made must be in gold. If, therefore, the restriction upon the issue of these notes is removed, it would place it necessarily in the power of the Secretary of the Treasury or some officer of the Government to indefinitely increase the national debt; it would place the amount of the indebtedness of the country practically under the control of one man. Besides this, it can hardly be good policy to make the mere evidence of the country's indebtedness the circulating medium of the country.

CAN LEGAL-TENDERS BE NOW ISSUED?

There is yet another reason why we should not resort to Government notes. They would be worthless as a circulating medium unless they had the quality of being a legal tender; and if we undertake now, in time of peace, to issue Government notes and make them a legal tender, we are confronted with the grave question, "Have we the constitutional power to do so under existing circumstances?"

It is well known that when it was first proposed to make the notes of the Government a legal tender for the payment of debts, although we were then in the throes of rebellion and pressed by the direst necessity, even under those circumstances many able men, with a multitude of adherents, insisted that there was no constitutional power to do so; even those who favored it did so with extreme reluctance, as the following quotations from the debates of the period will show:

Mr. Spaulding, of New York, introduced the first bill, and he said that he offered it as a war measure, to meet the most pressing demands upon the Treasury; a measure of necessity and not of choice, to sustain the Army and Navy. "These," said he, "are extraordinary times, and extraordinary measures must be resorted to in order to save our Government and preserve our nationality."

Mr. Campbell, of Pennsylvania, said:

> The bill now before the committee is necessary to sustain the credit of the country and to carry on the war. It is with reluctance that I have come to this conclusion.

Mr. Stevens, of Pennsylvania, said:

> This bill is a measure of necessity, not of choice. No one would willingly issue paper currency not redeemable on demand and make it a legal tender.

Mr. Fessenden said:

> It has been defended simply and solely upon the ground that it is to be a single measure, standing by itself, and not to be repeated. It is put on the ground of absolute, overwhelming necessity, that the Government has now arrived at that point

where it must have funds, and those funds are not to be obtained from ordinary sources, or from any of the expedients to which we have heretofore had recourse; and therefore this new, anomalous, and remarkable provision must be resorted to in order to enable the Government to pay off the debt that it now owes, and afford circulation which will be available for other purposes.

Mr. SHERMAN said:

I agree that this measure can only be justified on the ground of necessity. If I did not feel its *necessity* I should vote against it on constitutional grounds

Mr. Howard said:

It is undoubtedly a hard *necessity* to which we are driven.

I might quote much more to the same effect; but this is enough to show the extreme reluctance with which leading men at that time assented to such a policy. In addition to this I need hardly call the attention of the House to the fact that the judges of the Supreme Court of the United States have been divided in opinion on this question.

It is safe to say that if the power exists at all, it is to be found in that provision of the Constitution which authorizes Congress to pass all laws that may be "necessary and proper" to carry into effect the enumerated powers. Whatever is "necessary and proper" to "collect taxes," to "borrow money," to "regulate commerce," to "raise and support armies," to "provide and maintain a navy," and so on, Congress may undoubtedly do. And I admit that Congress is the judge of what is "necessary and proper" to be done for these purposes or either of them. But it is not a matter of simple discretion on the part of Congress, or mere will power, but of sound judgment. I understand the rule laid down by the Supreme Court to be this, that Congress is the judge of the necessity and propriety of the act, and therefore, when Congress enacts such a law, the enactment is a determination of the fact that it was necessary and proper to enact it, and that determination the Supreme Court will not review, but will treat that determination, so to speak, as *res adjudicata*, and therefore will hold the act to be constitutional. In the case of McCulloch *vs.* Maryland, (4 Wheaton,) Chief Justice Marshall said:

When the law is not prohibited, and is really calculated to effect any of the objects intrusted to the Government, to undertake here to inquire into the degree of its necessity would be to pass the line which circumscribes the judicial department, and to tread on legislative ground.

This is quoted with approbation by the Supreme Court in the Legal-tender cases, (12 Wallace, page 542.) In this case the court, after laying down the rule that Congress had the right to make a choice of means to secure a legitimate end, proceeds to use the language which I will read from page 542. It is as follows:

Is it our province to decide that the means selected—

That is, making the notes of the Government a legal tender—

were beyond the constitutional power of Congress, because we may think that the other means to the same ends would have been more appropriate and equally efficient? That would be to assume legislative power, and to disregard the accepted rules for construing the Constitution. *The degree of the necessity for any congressional enactment or the relative degree of its appropriateness is for consideration in Congress, not here.*

Here it will be perceived that the Supreme Court has expressly decided that what is necessary and proper to be done for the purpose of carrying into effect any power under the Constitution is a question for congressional determination, and not for the determination of the Supreme Court. We are not therefore to be governed and cannot be governed by what the Supreme Court would say with reference to such an act; for if we should pass it the Supreme Court would simply say, "By enacting it you adjudged that it was necessary and proper to do so, and we will not go behind that judgment." Hence the duty of judging in the first instance as to whether it is "necessary and proper" is upon us, and that judgment is practically conclusive.

As I said before, it is not a mere matter of arbitrary will power, but of sound judgment in view of the situation of the country and the end to be attained. The question then is, is there a state of facts or circumstances now existing which renders it "necessary and proper" to make an additional issue of Government notes and declare them a legal tender? For our determination on that subject we are responsible. Then, I put the question for the deliberate judgment of each member of this House, is there anything in the present condition of the country which makes it "necessary and proper" to issue additional Government notes and make them a legal tender? Is it necessary and proper that we should do so in order to "borrow money," or to "support armies," or to "provide and maintain a navy," or to "collect taxes?" Does any one of these, or do all of them combined, call upon us to exercise this power? If so, we may exercise it; if not, we cannot exercise it without transgressing against the Constitution. It may be argued that the States are prohibited from issuing bills of credit, and that therefore Congress alone has that power; and that to make these effective Congress may make them a legal tender. Let that be granted, and again I ask the question, are there any existing facts or circumstances which render it "necessary and proper" to resort to such an expedient? Is it necessary, to secure a safe and reliable circulating medium, that the debt of the nation shall be increased? I do not believe that there is anything that we are called upon to do under any or all of the enumerated powers of the Constitution which makes it "necessary and proper" that we should make a further issue of Government notes.

I cannot, therefore, give my assent to a resort to a mode of supplying any additional currency that the business of the country may require which involves increasing the public debt, and which is, to say the very least, of such doubtful constitutionality.

How, then, are we to provide the needed currency, and make it elastic? My answer is, by means of our national banks, and the legal-tenders already issued.

Since we have experienced the recent panic—and no man has been the loser by reason of being a bill-holder—it is unnecessary to argue that these banks whose circulating notes are secured by Government bonds will give the people a safe circulating medium. Here we have a class of bank-notes absolutely safe to the holder, and of uniform value throughout the country; and to this system we may resort to supply the country with such a volume of currency as may be needed, and we may, if the rule that the demand will regulate the supply is a safe one, make it an important aid to giving it elasticity.

Having argued that a limited currency is not the sound doctrine, and against the issue of any more legal-tender notes, I am necessarily brought to the conclusion that the limit should be removed as to the issue of national-bank notes; or, in other words, that banking under this system should be free to all. Why should it not be free to all who can furnish the necessary security to the bill-holders? Why should a few men have the privilege of issuing circulating notes, to the exclusion of all others of equal means, facilities, and abilities? As the system now is it is a monopoly, and a monopoly cannot but be hurtful. It has the power to prey upon the people by reason of their necessities. It is contrary to the whole genius and spirit of our institutions to give special privileges to individuals or classes. If banking is made free, it not only furnishes the means of adapting the supply to the demand, but it produces competition, the tendency of which will be to cheapen money to the people.

But gentlemen tell us that if we make banking free the volume of the currency will be increased, and they say we do not want any more currency. I do not believe that it will increase the amount unless an increase is needed, and if it is needed it ought to be increased. I notice that this objection to an increase comes with striking unanimity from gentlemen representing New England. It is perhaps unfortunate for each of us that we judge of the whole country by our own particular locality instead of taking a survey of every part.

When recently I introduced some resolutions asserting that instead of imposing additional taxes to the extent of $42,000,000, as we were called upon to do, the true policy was to afford the people increased facilities for business, and thereby increase the revenues, I was struck with the unanimity with which gentlemen from New England voted against that idea, and I looked into the statistics to see if I could find anything to account for the fact that while the West and South were voting for those resolutions, New England was voting the other way.

I found that New England, with a population of three and one-half millions of people and two and three-quarter billions of wealth, has one hundred and ten millions of circulation; while the Western States, with eleven and one-half millions of population and three and one-half billions of wealth, have seventy-five millions of circulation.

These gentlemen may well say that they do not want any more currency; that they do not want any more facilities than this circulation affords them. They have an average of thirty-one dollars *per capita*, while the Western States have an average of seven dollars *per capita* of population.

If thirty-one dollars *per capita* is a good thing for the constituents of gentlemen from New England, I think it would be hard to show why it would not be a good thing for mine. If they have a surfeit of circulation, why do not they get rid of it? They seem to hold fast to all that they have. Indeed there was an act passed to withdraw from that locality $25,000,000 and distribute it to the West and South, but I have not heard of any haste to part with it. There are demands for more in the district I represent, but it cannot be had; and if New England has too much, some of my constituents are ready to take a part of it. I venture modestly to ask either that more shall be authorized or that you shall make a fair division of what is now authorized.

But, sir, they will not willingly give any of it up. They do not think they have any too much, and it is very evident that they do not think they can get along with any less than they have, and they know too well and cherish too highly the advantages of the business facilities it affords. A few days ago those who represent the national banks of the State of Rhode Island sent us a memorial protesting against the withdrawal of any circulation from that State, and giving it to the West and South, and asking that the existing law looking to the redistribution of $25,000,000, for the purpose of equalizing the sections, should be repealed. Here is that memorial:

To the honorable the Senate and House of Representatives of the Congress of the United States:

The undersigned, citizens of the State of Rhode Island, representing the various national banking institutions of the State, respectfully represent:

That the provisions of the sixth section of the act to provide for the redemption of the 3 per cent. temporary-loan certificates, and for an increase of national-bank notes, approved July 12, 1870, directing in effect the withdrawal from the banking associations which were the first to organize under the act to provide a national banking currency, &c., of their circulating notes to the amount of $25,000,000, will operate, if enforced by any legislation providing for machinery to give effect to the section of the law referred to, very prejudicially to the interests of this State and of New England.

The national banking capital in the State amounts to $20,500,000, and the amount of bonds pledged for circulation is about $15,000,000.

All of the national banking associations organized promptly after the passage of

the act, and at the time when it was of vital importance to the preservation of the Government that the financial system by the act inaugurated should be accepted by the country.

The very large and varied manufacturing and mechanical industries in this State, the extent of which will be best appreciated from the fact that the first collection district paid a larger internal-revenue tax on manufactures for several years into the Treasury than any other in the country, require for their successful prosecution all the banking facilities which the State now has. To contract any part of the circulation would directly diminish the volume of money resources, enhance the value of currency necessarily required for the weekly payment of thousands of operatives, and create financial disturbance, all resulting in the end in an increase of burden upon the consumer.

The undersigned believe that the attempt to equalize the distribution of currency by withdrawals from the earlier organized banking associations of a percentage of their circulation, to be given to associations in States and Territories having less than their proportion, would be attended with greater loss to the industrial communities which would suffer thereby than could possibly result from equalizing the proportions of circulation by increasing the volume of currency to the extent of twenty-five millions for the benefit of associations in the States and Territories having less than their proportion.

The undersigned therefore pray that the sixth section of the act above referred to be repealed; and they respectfully protest against the passage of the bill just reported from the Finance Committee, to provide for carrying into effect the sixth section of said act.

It is signed by the officers of thirty-two banks in the State of Rhode Island.

Turning to the last report of the Comptroller of the Currency I find that Rhode Island has a circulation of $61.59 for each man, woman, and child in the State; and then by the same report I find that Indiana has a circulation of $8.75 for each man, woman, and child in that State.

It is very evident that these Rhode Island bankers find that this banking privilege is a desirable one to have, else they would not hold to it so pertinaciously. They tell us that no part of their circulating notes can be withdrawn from them and given to the West and South without operating "very prejudicially to the interests of the State and New England." They say that "their manufacturing and mechanical industries require for their successful prosecution all the banking facilities the State now has." And yet, sir, these very gentlemen seem to be unable to appreciate, and all New England seems to be unable to appreciate, that the banking facilities which they regard as so essential to their prosperity are equally essential to the prosperity of the West and South.

A few days since my friend from Massachusetts [Mr. BUTLER] had the pleasure of an interview with some of the "solid men" of Boston, in which he called their attention to this subject. He said:

There is also the question of withdrawing twenty-five millions from Boston and distributing it South and West. * * * In regard to the twenty-five million project, I shall not allow that to be withdrawn from Massachusetts if I can help it.

He was very anxious to have these solid men aid him in defeating that proposition. Why? Because he thought it would seriously affect the "material interests of Boston."

By the report of the Comptroller of the Currency I find that Massachusetts has a circulation of $40.84 *per capita*.

If we talk about redistribution, so as to equalize these facilities between the various sections of the country, we are met by the declaration, "Money will always go where it is needed, no matter where the bank is situated." Well, let me grant that to be true. If it is true, then why should there be any opposition to letting us have our fair proportion of this circulation? According to this proposition, if we get $25,000,000 more of this circulation in the West and South by withdrawing it from New England and it is needed in New England, it will go there; therefore New England would not be injured.

Sir, this proposition that money will go where it is needed, as applied to this question, is a delusion; it is an artful dodging of the real question involved.

If all the circulation of the country were issued from a bank on the top of Mount Washington it would be the same as now, so far as the mere matter of circulation is concerned; that circulation would ebb and flow backward and forward throughout all the veins and arteries of trade according to its inexorable demands, just as it does now, and just as it always will, but the capital essential to its issue would be all concentrated at that point. It is not the mere question of the places whence these bills shall be sent out on their mission, but it is the matter of the facilities for doing business, for making exchanges, for the concentration of capital, making it readily accessible to merchants, manufacturers, traders, mechanics, farmers, that is of consequence. It is of infinite importance to the people that the surplus capital shall be distributed about over the country, so that it may be easily accessible to the business men of every locality. If all the money of the country were issued from the district I represent, Rhode Island would have just as much money as she has to-day, perhaps, but she would not have her present business facilities.

The reason New England is so reluctant to yield up any of her circulation is that it would deprive her of the business facilities it affords, and the business facilities afforded by it is what the West and South want.

I take occasion now to say, lest I may forget it, that I do not believe in the redistribution policy. I am willing that New England shall have all the facilities for business she now has. I would not take a single one away from her; I am glad that she has them; I am proud of her prosperity. All that I ask is that we shall not be deprived of like facilities; that, having gotten what they want, they shall not close the door against us; that they shall help us to open the door, to the end that we may avail ourselves of such facilities as the demands of our business, our industries require. To refuse this is both ungenerous and unjust.

I am afraid that some of our New England friends are disposed to be a little selfish on this subject, and if they find some of us of the West and South a little determined in looking after our interests they must not complain. We can control this Government if we choose; but if we do it will be, I trust, always upon principles of justice to all, equal rights and privileges to all. But I fear that is not the spirit of some of our friends. I have called attention to the spirit in Rhode Island; now let me attract the attention of the House to a colloquy that occurred a few days since between the gentleman from Connecticut [Mr. KELLOGG] and the gentleman from Ohio, [Mr. JEWETT.] That the moral of it may be seen, I call attention to the fact that the report of the Comptroller of the Currency shows that while Connecticut has a circulation of $31.48 for each man, woman, and child in the State, Ohio has a circulation of $8.96 for each man, woman, and child. That is the difference between the two States, each represented in part by the gentlemen I have named.

The gentleman from Connecticut [Mr. KELLOGG] said:

I have a few words more in regard to this complaint that I have heard several members make upon this floor, and which seems to be re-echoed by the press of the South and West, that we have more than our fair share of circulation, and that unless we will consent here and now to give you eighty or one hundred millions more of national currency or greenbacks, in a measure which we think most disastrous and ruinous to the whole country, to your interests and to ours, in some way or other you are going to take away the surplus over our share of circulation, as you call it.

Mr. JEWETT. Have you more circulation than you need?

Mr. KELLOGG. We have not in our section, and we cannot keep what we have got. There are from five to ten millions of our circulation to-day out in your Western States. We cannot keep enough for our business purposes at some seasons of the year, because men go to the West with it and get 10 and 12 per cent. interest upon it when they cannot get more than 6 or 7 per cent. with us.

Sir, that is a frank confession of the very thing of which we complain. Money is too dear with us; 10 and 12 per cent. is the lowest rate at which it can be obtained. Our New England friends who, according to my friend from Connecticut, can only get 6 and 7 per cent. at home with the large amount of circulation they have, (thirty-three dollars *per capita*,) can go over into the valley of the Mississippi, with its boundless natural capacities for wealth and prosperity, but where there is less than eight dollars *per capita*, and lend for 10 and 12 per cent. Thus the industries of the West and South are taxed; thus they pay tribute at the rate of 4 to 6 per cent. My friend says that that money they are lending us they need at home for their own business at some seasons of the year. If so, how much the greater must be our necessities when we will pay for the use of it so great an interest! He confessed that they had not any more than they wanted, that at some seasons of the year they had not enough; he is unwilling to let go of any they have, and is also unwilling that we, who are not nearly so well supplied, and are in need of the facilities which they so highly prize, and which are afforded by the circulation they have, shall be provided for. And, sir, he was not content with informing us of our condition of dependence, which we had long ago learned by experience, but he went further and said:

I propose to ask my good friends of the South and West what they are going to do about it?

Well, sir, I cannot speak for others in answering this question; but I venture to call attention to the fact that the West and South have the power to control this matter. We who represent those sections can, if we will, correct the legislation which now makes us pay tribute to other sections. We can, if we will, give to our constituencies the same facilities that others possess; and I know that the time has come when they expect us to look after their interests, and when they will have men here who will do so. And answering the question for myself, I take this occasion to say that I shall not rest content until a law has been enacted that will give to every section of the country an equal chance; which will cut off the enormous tribute which we are now paying, according to the gentleman's statement, to our more fortunate neighbors in the East; which will give the country ample currency for the demands of business, and which will give to the West and South the banking facilities they need. This would be accomplished in my judgment by free banking; but if I cannot get that, then I shall vote for the next best proposition, *i. e.*, to take away from the States that have an excess of circulation and distribute that excess among those that have not a fair share, and thereby equalize the States in this regard.

Mr. DAWES. I have listened to the gentleman's argument in favor of free banking with great interest, as I have always listened to what he has had to say, but I do not understand what occasion he had to arraign New England. I do not speak for any one but myself, and I know I have never said anything, and do not know of any vote recorded by New England, which would justify that arraignment. I say what I believe to be the sentiment of New England, that she is in favor of free banking as much as the West if it can be properly guarded, and that the only desire on her part is that it shall have such limitations in regard to circulation and redemption as will be as much for the interest of the West as for the interest of New England. I have a bill, drawn by myself, which contains a section in regard to free banking, and I have taken pains in it that there shall be such guards thrown around the issue and redemption as will prevent any inflation or explosion which would injure the West just as much as the East. I do not know why it is, then, that the gentleman feels called upon to

arraign New England in reference to this question of free banking. I think New England is as much for it as the West, provided only that safe redemption can be secured; and this is as essential for the West as for the East.

Mr. MAYNARD. If the gentleman will allow me, I wish to explain a remark which fell from me in this connection when I proposed some weeks ago to make this bill a special order and asked for a suspension of the rules. I noticed with some degree of regret and surprise that with the exception of one gentleman from Massachusetts, who seems to have voted a little wildly on that subject, and one more from Maine, whom I do not now see in his seat, the entire vote of New England was solidly against me.

Mr. DAWES. Does the gentleman understand that to be because there was a section in his bill for free banking? I understand that it was for a very different reason. I was not here, however, and do not know. I venture to say if the gentleman will bring forward a bill for free banking alone, properly guarded—so guarded in respect to issue and redemption as to take care of the West just as much as of the East—he will not find New England voting against it.

Mr. MAYNARD. There is a section, the last section of the bill, which perhaps can hardly be called a free-banking section.

Mr. DAWES. When I reported the bill in reference to the four hundred million United States notes, I expressly said, representing the Committee on Ways and Means, that it was their intention to supplement that section with other sections, one of them containing among other things free banking; not like the one in this bill, but so guarded as to make free banking with redemption safe both East and West.

Mr. G. F. HOAR. I ask leave to utter just one sentence, to say that there has not been a period since the inauguration of this Government, or since the struggle for our independence began, in which gentlemen from the rest of the country have not been arraigning New England as selfish—since the time when Sam. Adams's life was not safe in Philadelphia because he was in favor of independence. And there has not been a single one of the policies she has maintained to which the rest of the country has not in time come round, confessing that her views were as much to their interest as their own. And I am very sorry if my colleague [Mr. DAWES] has to apologize for or flinch from any attitude we take on this question.

Mr. DAWES. I do not know what occasion my colleague has to say that I have apologized. I have made no apology. I am giving my idea of the sentiment of New England on the question of free banking. If I have done it in a manner that appeared to be apologizing or flinching, then I do not understand what is the nature of a fair and candid statement, before this House, of what I believe to be the tone of public sentiment in New England upon a question under discussion here. And I am not here watching any of my colleagues to see whether I can find in their words occasion to set myself up above them, as standing up for the rights of New England better than they.

Mr. HAWLEY, of Connecticut, and Mr. BUTLER, of Massachusetts, rose.

Mr. HAWLEY, of Connecticut. I want to say just a single word.

Mr. BUTLER, of Massachusetts. I will yield to the gentleman from Connecticut first.

Mr. WILSON, of Indiana. I do not think I can yield further.

Mr. HAWLEY, of Connecticut. I wish to say just one word.

Mr. WILSON, of Indiana. It is very evident that these gentlemen cannot harmoniously settle the attitude of New England among themselves.

Mr. BUTLER, of Massachusetts. Give us three minutes and we will let you have time enough to finish your speech.

Mr. WILSON, of Indiana. Then go ahead.

Mr. HAWLEY, of Connecticut. I desire to speak a word for one small section of New England. I do not care how much money there is in the country. The more the better, if it is good money. I do not care how much capital there is in the country. The more the better. It is capital that the gentleman wants in Indiana rather than money. In Connecticut, for two hundred years, we have saved almost every dollar we have earned, and put it away in savings-banks and otherwise. It is because we have done this that we have got something to send to the West.

Now, as to the matter of distributing the currency——

Mr. WILSON, of Indiana. I must really resume the floor.

Mr. HAWLEY, of Connecticut. I just want one minute to tell the gentleman what bill I will go for. If you wish more banking facilities rather than increase the volume of irredeemable paper, take this course: authorize new banks and retire circulation from the older sections of the country *pari passu* with the issue of the new circulation, so that the aggregate of the volume in the country will remain the same. I would be willing to vote for that. The gentleman from Massachusetts [Mr. BUTLER] and other gentlemen from New England may speak for themselves.

Mr. BUTLER, of Massachusetts. I think I am called upon to say a word here. And I desire simply to say that I have the advantage of never having to apologize to New England for any vote I have ever given. While representing her on this floor I have given votes for the country, thank God, the whole country. And I think I was doing my duty to New England when I abstained from arraying her and her interests for one moment against the interests of the whole country. Now, sir, I am not willing to flood the country with irredeemable paper money issued by corporations, to make money for themselves, and withdraw from circulation the money of the people, the green back, which alone is the basis upon which all the bank paper is sustained. The gentleman from Connecticut, [Mr. HAWLEY,] if he can have more bank paper in New England and elsewhere, out of which men can make money and have all the chance to grind the poor man, is quite willing to have that sort of irredeemable paper money; but he is against the people issuing their own money, without price, without anybody to tax it, without anybody to put it into the pockets of other people, and take toll on it as it goes along. All the property of the nation, all the wealth of the nation, all there is of this Government, was saved by the greenback; and behind the greenback is a pledge for its redemption in the taxes of the country, in the property of the country, and not alone in the gold of the country, which we of New England may have a little more of than some of the rest of the States of the Union.

Mr. GARFIELD. Will the gentleman please point out the link that fastens his greenback to the security which he says gives it its value? How may the holder of it realize the security?

Mr. BUTLER, of Massachusetts. It is fastened by the votes of honest Congressmen that do not vote for banks.

Mr. WILSON, of Indiana. So far from making any attack upon New England, I have already said in the course of my remarks that I am proud of her prosperity; that I would not withdraw from her a single facility in the business which she has—not one. On the contrary, I desire that she shall have every facility that is in our power to give her. What I did do was to criticise the manner in which this matter has been discussed upon the floor of this House during this debate. I do not now know exactly the attitude which New England occupies upon this floor upon this free-banking question; but if my friend from Massachusetts [Mr. DAWES] says that he has never opposed free banking, if that is the attitude of New England, then, of course, we are hand in hand together upon this question. It is but natural that we should differ in opinions upon this subject. My friend from Massachusetts [Mr. BUTLER] has just announced himself in favor of a greenback currency. I have been arguing against that on grounds which I think are sound. He and I differ on that question, and other gentlemen differ with me like him on that question. There is a diversity of opinion with reference to it. All that I am contending for is that this thing shall be so adjusted that every section of the country shall have equal facilities for the transaction of business, and I believe that that will be accomplished by free banking.

HAVE WE TOO MUCH CURRENCY NOW?

But gentlemen tell us that if we make banking free we will increase the currency, and that we have too much already. I want to consider that for a moment.

I do not place very great reliance upon comparisons between different periods, or comparisons between different countries in settling a question like this. But if there is any virtue in such comparisons, it would indicate very strongly that we have not enough.

In the United Kingdom the circulation is about twenty-three dollars *per capita*. In the United States, taking the country all over, it is sixteen dollars *per capita*. But in the former case the people are compressed into a comparatively small territory. They have banking facilities at their very doors. The means of making their exchanges are abundant, and consequently a comparatively small amount of circulation is essential. A little money will go a great way under such circumstances. Our population is scattered over a vast area, and in the West especially facilities are limited. Hence the people are compelled to keep the money necessary for their business in their pockets, and to that extent it is not in active circulation. This would indicate that we need more *per capita* than our neighbors across the Atlantic; yet they have seven dollars *per capita* more than we have. Unless you can prove that they have too much, this proves that we have too little. And there is yet another consideration. Their country is already developed. They have made their improvements; we are just developing ours. We are building our dwellings, our shops and manufactories, and bringing wildernesses and waste places under cultivation. This comparison would indicate that we have not enough.

If we make a comparison by periods in our own country the result will be found the same.

In 1860 we had thirty-one millions population; in 1870 we had thirty-eight millions. In 1860 our wealth was $16,000,000,000, while in 1870 it was $30,000,000,000. In 1860 we had an active circulation of $300,000,000, while now we have an active circulation of less than $600,000,000. It is impossible to ascertain with accuracy the amount. It is probably not over five hundred millions. The chairman of the committee, [Mr. MAYNARD,] who has no doubt examined the matter with care, places the amount much lower than that. When we consider the vast increase of our business between those two dates, and the extent to which the people have scattered themselves abroad over a vast expanse of country that in 1860 was totally uninhabited, thereby placing themselves remote from business centers, and compelling them to have actual money for want of the usual devices of trade, it is apparent that the increase has not kept pace with our needs. Besides this, we now have a use for money that we did not have in 1860 to the same extent. Then we had three hundred millions of circulation, and we used eighty millions in the way of revenues paid to the Government. Less than one-fourth of the amount of circulation passed through the

Treasury. Now we have less than six hundred millions of active circulation, and we use three hundred and thirty millions in paying revenues to the Government, or more than one-half of the circulation passes through the Treasury per annum. I do not pretend that the amount collected as revenues is withdrawn from circulation, but I refer to this to show that here is a use for money that has enormously increased since 1860, and that use or demand for money has grown in equal proportion with reference to local taxes.

The increase of the circulating medium has by no means kept pace with the increase of the necessities for it; the increase and spread of population, the increase of business, the increase in the needs of the Government, national and local.

HOW IMMEDIATE RELIEF MAY BE OBTAINED.

Something is necessary to be done to revive business. Many productions have stopped; many, many men and women are out of employment; there can be no question about that. The country is the loser every day for the want of their labor, and they are the sufferers for the want of the comforts that labor would bring. When the panic came the money was locked up and business stopped; and it is idle to deny that it is the want of money in the usual avenues of business that has stopped it. There is an easy mode of relieving the country from this difficulty. There is now a large amount locked up in the banks as reserves on circulation. It is wholly unnecessary to keep it there. The circulation is amply secured by the bonds on deposit in the Treasury. This reserve can be set free without endangering the safety of the circulating notes. I propose that we shall do this by repealing that portion of the existing law which requires the banks to hold this reserve. This would give immediate relief, and to all sections of the country at the same time; for at every point where there is a bank there would be additional money ready for use upon the instant that the act was passed.

MONEY PANICS AND A RESERVE.

But, sir, I am far from believing that to make banking free is all that is necessary to be done.

A money panic is ruinous to the people, and if there is any device by which such calamities can be avoided in the future, its adoption would be a blessing to the nation.

Every one knows that the recent panic grew out of a want of confidence, not in the circulating medium, for everybody had confidence in that, but in the banks of the country. A great banking house failed because of the character of the business it had been doing, the kind of securities it had taken for its loans or its investments in corporation stocks and bonds; and when that house failed it created universal apprehension as to all others, and those who had money on deposit demanded it, because they knew it was good, that it would not become worthless in their own hands, and they were afraid to trust it longer with the banks. Thus it went out of circulation, the banks could not discount, and business came to a stand-still, with the most disastrous consequences.

It is pretty generally, I believe, conceded, that the remedy for this is a strong reserve, to which resort can be had in cases such as this. The Bank of England wards off panics by freely issuing from its reserve; and when the reserve is not strong enough it is permitted to overissue, as I have before stated. I propose to remedy this defect in our system by creating a strong reserve in our national Treasury. I propose that as fast as circulation is issued to newly organized banks, and when the revenues of the Government are in excess of current demands, the Secretary of the Treasury shall retire legal-tender notes into a reserve fund to the amount of $100,000,000, to be held for the sole purpose of issuing to those who may desire any portion of it upon a deposit of United States bonds, the interest on the bonds to cease while they are deposited in the Treasury. That is to say, if A has $10,000 or any other sum in Government bonds, and desires a like amount in notes for the purpose of his business, he may deposit the bonds with the Secretary and receive notes to a like amount; but there shall be no interest on the bonds while they are thus deposited. This would cost the Government nothing; it does not involve any increase of the Government debt; but it creates what is now so much needed—a reserve fund, safe, reliable, permanent, which would give confidence to the people. It would not only give relief if a panic came, but would tend strongly to prevent panics altogether. The very fact that there was such a fund would give confidence to the people, and the existence of such a reserve would tend strongly to prevent that pernicious practice of those most pestilent of all gamblers, the stock-gamblers—the practice of cornering the money market. When they set themselves to work to corner the money market, they would consider the fact that here was a reserve of $100,000,000 that they must corner also; the maddest "bull" and the hungriest "bear" would hesitate long before venturing upon a speculation that involved so great an undertaking.

But, sir, I propose by a portion of this substitute to do something to protect the country against the evils arising out of this practice of

GAMBLING IN STOCKS.

Depositors expect the banks to lend the money deposited, but they have a right to expect that the banker in whom they confide shall make his loans upon reliable security. But, sir, one source of financial misfortune grows out of the practice of lending upon the security of corporation stocks and bonds. When a crisis comes many of these cannot be converted into money; the bank that has made loans upon such security fails, and carries other banks and business men down with it into a common ruin. Against this peril depositors have a right to be protected, and I propose to protect them by requiring the bank examiner to ascertain whether the bank is lending upon such security, and if so, to publish the fact in the newspapers where the bank does business. I take it for granted that no prudent business man would keep his deposit account with a bank that was lending his money upon doubtful corporation stocks or bonds, and therefore I apprehend that no bank that desired to receive deposits would make such loans. The managers would know that so soon as such a report was published, every prudent banker would withdraw his balances from that bank, and every prudent business man would withdraw his deposits.

Such a provision certainly could do no harm, and it seems to me would furnish a great deal of protection to the business men of the country. It would tend to confine banking to legitimate channels.

Mr. KELLEY. I desire to ask the gentleman whether it is not true that a bank examiner is now under prosecution for having received bribes to the amount of $76,000 from banks to make false reports under your present system?

Mr. WILSON, of Indiana. I am not apprised of that fact.

Mr. G. F. HOAR. Has not the experience of mankind shown that the motives to which you have adverted are insufficient to secure the public and depositors and to control the banks against the dangers which you have described? Will it not be necessary to have the Government interfere and stop the operations of the bank when such abuses exist?

Mr. WILSON, of Indiana. I think I have provided in the bill which I have introduced to meet the very point which the gentleman from Massachusetts suggests.

With reference to the point made by the gentleman from Pennsylvania, [Mr. KELLEY,] the fact that a bank examiner has turned out to be a scoundrel is no reason why there should not be some restrictions placed on the banks.

Mr. KELLEY. I would ask the gentleman whether the failures of the banks here and elsewhere have not disclosed the fact that the bank examiners had either been false to their trust or incapable of discovering the frauds of the banks?

Mr. WILSON, of Indiana. All that may be true. It is an argument against the weakness and corruptibility of our human nature, and not an argument against trying to devise some system by which honest men can be protected against the practices of these banks.

Mr. MERRIAM. In eleven years only eleven of the national banks have failed, a condition of things unprecedented under any other system.

Mr. KELLEY. That does not answer my question about the dereliction on the part of the bank examiners. I think it a better plan to keep temptation from poor, weak, human nature, than to place it largely before men and then trust to some one man to prevent fraud.

Mr. WILSON, of Indiana. I take it for granted that when we undertake to legislate on a subject of this kind we must do the best we can. It certainly is our duty to protect the depositors as far as we possibly can. At present this matter of depositing money in banks is a mere matter of faith, and it is a faith that is predicated upon no knowledge whatever as to what the bank is doing. The depositor has a right to know what the bank is doing with his money, and if we can devise any means by which he shall not simply live by faith but shall have something upon which he can predicate that faith, we ought in my judgment to do it.

PAYING INTEREST ON DEPOSITS.

There is still another restriction that it seems now to be generally conceded should be placed upon the banks. I refer to the practice of paying interest on deposits, and I have proposed to prohibit this by the amendment forbidding it so far as the banks themselves are concerned. For obvious reasons it is not proposed to prevent the payment of interest to individual depositors. If Congress had the power to prevent all banks from paying interest on deposits, it would be well to do so, but it has no power over private banks or State institutions, and cannot prohibit them. If, therefore, we should prohibit the national banks from paying interest to individual depositors, all the deposits would flow into the others. But it is so universally conceded that the practice of paying or receiving interest to and from each other is an exceedingly pernicious one, that I will not discuss it. I take it for granted that the House will prohibit it in the future.

Mr. MAYNARD. What difference will there be if you prohibit the national banks from depositing with each other and permit them to make their deposits with private bankers?

Mr. WILSON, of Indiana. I think if the gentleman will look at the phraseology of my bill he will find that I have met that difficulty.

There is one other matter to which I desire to call attention in this connection. As I said before, we are told that money will go where it is wanted, and as furnishing an evidence of this I notice that the newspapers are laying stress upon the fact that when the Secretary of the Treasury recently issued largely out of the forty-four million reserve, a very large part of it found its way into the banks of New York. That is proof of an evil I am seeking to correct. Our banks in the West, instead of keeping the money received from depositors at home, keep balances in New York, on which they can draw at any

time and on which they get interest. This all works well enough until trouble comes, but when the New York banks get into trouble it brings all that have balances there into trouble also. It is the demand made by the stock-gambling operations in New York that entices these balances there. It is an unnatural, an immoral, and should be an illegal demand. If we prevent the payment of interest on balances and virtually prevent loans on stock securities, the result will be that these balances will be kept at home where the depositors have a right to expect them to be. If they are where they should be, in the bank where the depositor places them, then a corner in New York would not disturb the financial affairs of the whole country. But I need not enlarge upon this.

Mr. Speaker, with free banking coupled with the restrictions I have adverted to, and a strong reserve, I cannot see why we would not have a healthy and reliable circulating medium, and be reasonably secure against panics in the future. And I am unable to see why it would seriously interfere with a return to specie payments in the future. I do not believe that free banking will increase the circulation beyond the actual needs of the country. Whenever the Government can return to specie payment, the banks and people will be ready. By creating the reserve of which I have spoken, and by the additional use for legal-tenders by newly organized banks, they would soon come to be regarded as the basis of our currency system, and their value would be appreciated. I believe it would tend to hasten rather than retard specie payments. But whatever might be the effect in that regard, it would give the people all the currency they actually need, of undoubted reliability, and would give to every section of the country the opportunity to supply itself with business facilities which are indispensable to prosperity.

Mr. PLATT, of Virginia, obtained the floor.

Mr. RANDALL. With the permission of the gentleman, I ask leave to have printed an amendment which I propose to offer in lieu of the first proviso to the third section of the bill of the committee.

There was no objection, and it was so ordered.

Mr. WILLIAMS, of Michigan. I ask unanimous consent to have printed an amendment which I propose to offer.

There was no objection, and it was so ordered.

Mr. PENDLETON. If the gentleman from Virginia [Mr. PLATT] will yield to me, I will move that the House adjourn.

Mr. PLATT, of Virginia. I yield for that purpose.

Mr. KELLEY. Before the motion to adjourn is put, I desire to give notice to the House that at the proper time I shall move to substitute for the bill of the committee the bill No. 539, which is known as the three sixty-five bill.

Mr. WILSON, of Indiana. I desire to say that I shall offer a substitute for the bill of the committee at the proper time.

Mr. MAYNARD. It has been suggested to me that there should be a session for debate to-night, and gentlemen have expressed a willingness to come here and take part in the discussion. I ask that there may be a session to-night for the purpose of debate only, no other business to be transacted.

Mr. BECK. I must object. I am to have fifteen minutes in which to speak, and I do not care to come here to-night and speak to the Clerk alone.

The SPEAKER. The Chair does not understand that the fifteen minutes of the gentleman will come in to-night.

Mr. KELLEY. I take it there has been no more important subject than this before the House, and I think that there should be full time expended in a generous discussion of it before the members of the House.

Mr. HOLMAN. I trust there will be an agreement that the speeches hereafter shall be limited to something less than an hour each.

Mr. PLATT, of Virginia. I do not think I can yield further.

Mr. MAYNARD. I have thought it proper to submit a proposition for an evening session to the House, and to state that gentlemen have assured me that they desire to come here and speak to-night. If that proposition is not acceptable——

Mr. KELLEY. If gentlemen desire to come here and speak to-night, I will vote for a recess; but I do not want to force gentlemen to speak at night who really want to get the attention of members of the House to what they may say.

Mr. HOLMAN. I again ask that by unanimous consent, after the gentleman from Virginia [Mr. PLATT] has concluded his remarks, speeches shall be limited to twenty minutes each.

Mr. COX. I object.

Mr. HOLMAN. Otherwise there will be great injustice done to a large number of members who will not have an opportunity to be heard.

Mr. RANDALL. The gentleman has taken hold of the wrong end. Nearly all the time occupied on this bill up to the present has been occupied by members of the committee reporting this bill. I think the members of the House generally should have an opportunity to speak upon it without any further limitation than that applied to members of the committee.

Mr. PENDLETON. I have an amendment which I wish to offer if I get the opportunity, and I ask that it may be printed.

No objection was made, and it was ordered accordingly.

The SPEAKER. The Chair will again submit to the House the proposition of the gentleman from Tennessee, [Mr. MAYNARD,] that there be a session to-night for debate only upon the pending bill, no business whatever to be transacted.

Mr. PLATT, of Virginia. I do not like to object to that proposition, and would not but for the effect it may have upon my right to the floor.

The SPEAKER. It will not affect that right; the gentleman will be entitled to the floor the next time the consideration of this bill is resumed in a day session of the House.

Mr. PLATT, of Virginia. Then I will not object.

No objection was made, and it was so ordered.

The SPEAKER. The gentleman from Wisconsin, Mr. MCDILL, will occupy the chair to-night as Speaker *pro tempore*.

JOHN B. CHAPMAN.

Mr. RAINEY, by unanimous consent, from the Committee on Indian Affairs, reported a bill (H. R. No. 2786) for the relief of John B. Chapman; which was read a first and second time, referred to the Committee of the Whole on the Private Calendar, and ordered to be printed.

Mr. MAYNARD. I move that the House now take a recess.

The motion was agreed to; and accordingly (at five o'clock and five minutes p. m.) the House took a recess until half-past seven o'clock p. m.

EVENING SESSION.

The recess having expired, the House reassembled at half-past seven o'clock p. m., Mr. MCDILL, of Wisconsin, in the chair as Speaker *pro tempore*.

CURRENCY—FREE BANKING.

The SPEAKER *pro tempore*. By order of the House the session this evening will be for debate only upon the bill to amend the several acts providing a national currency and to establish free banking, and for other purposes. The gentleman from Missouri [Mr. HAVENS] is entitled to the floor.

Mr. HAVENS. Mr. Speaker, for many months the country has been impatiently waiting for action by this Congress upon the subject of the finances. It is the question above all others before us in magnitude and importance, and engages the profound attention and deep solicitude of all classes and conditions of our population.

In the midst of ample opportunities and unbounded providential favors the mistakes of the Government in its financial policies have scattered suffering and distress among the people. Those mistakes have clogged the channels of trade, thrown laborers out of employment, filled honest debtors with apprehension and alarm, and cast a withering blight over all the industries of the people. Whether the causes which have produced the existing stagnation and disorder are to remain, whether the mistakes that are robbing capital of its opportunities and labor of its just rewards are to continue, are questions that we are urged to answer by prompt and decisive action.

Wide and irreconcilable differences, however, as to the causes of the prevailing evils, and as to the measures necessary to remove them, embarrass us at every step and delay the success of measures designed to meet the monetary wants of the country. Expansion of the paper currency on the one hand, and contraction and specie payments on the other, are supported by their respective advocates with a zeal and ability worthy of the great interests involved, and the conflict between them will only terminate when every advantage has been tried and every argument exhausted.

SPECIE PAYMENTS NOT PRACTICABLE.

Mr. Speaker, I am firmly convinced that the only substantial relief that can be secured to the country at this time must come through an increase of the paper currency, and what I shall say will be intended to maintain the correctness of this view of our financial necessities. I do not believe that a resumption of specie payments is either practicable or possible at this time or in the immediate future. The premium which gold commands is occasioned by other causes than a redundancy of paper currency. Its scarcity in our markets and the foreign demand for it are the chief causes of its present price. Our national debt is largely held in Europe; large amounts of railroad and other corporation bonds are also in the hands of European capitalists, and the interest upon these obligations, amounting to about $65,000,000 per annum, is required to be paid in gold. The balance of trade is also heavily against us, requiring many millions more to make our annual settlements abroad. The result is that the quantity of gold in the country has for several years been steadily decreasing, so that it is not here in sufficient volume to redeem greenbacks and become a circulating medium among the people. For all practical uses it long ago ceased to circulate as money, and became simply an article of merchandise. Its value is regulated by the supply and demand precisely as the price of the breadstuffs we export is regulated. We are practically in the market buying it to meet our obligations abroad, at values regulated by the supply at hand and the degree of our necessities, just as we would buy any other article of merchandise we had promised to deliver. Our greenbacks do not lack public faith and confidence, but so long as all the gold that can be obtained at high premiums must be sent to Europe to pay an indebtedness there, we cannot redeem our paper with it nor supply it as a currency for practical use among the people. Our entire supply of gold flows

continuously out of the country, in obedience to demands upon us that we cannot evade, and any legislation to stop it and compel a resumption of specie payments would be as ineffectual as a legislative enactment to compel water to run up hill.

The true road to specie payments does not lie in the direction of violent measures to compel resumption. It is to be found in legislation that will aid in the discharge of foreign indebtedness and the development of our industries so that foreign commerce shall not annually show a balance against us. Legislation that will develop the resources of the country, improve the prosperity of the people, and correct our business relations with foreign countries is the best that can be done to hasten the return of specie payments. Let this be the direction of our efforts, and our foreign obligations will be discharged or transferred to our own citizens and the balance of trade turned in our favor. We can then resume specie payments, for our gold will not be owned abroad and be called for and carried away by remorseless creditors as fast as we can obtain it.

The assumption that our paper is less valuable than gold because there is too much of it is a most grievous error, and is the source of many evils that are afflicting the people. Those who entertain this opinion do not recognize that there can be any other cause for what they call the depreciation of our paper, and stubbornly refuse to look further. I maintain, sir, that no country having the usual and proper paper circulation can maintain specie payments while being drained of its gold by foreign demands and the operations of an unfavorable commerce. The history of the suspension of the Bank of England, which began in 1797 and continued during twenty-five years, is proof of this assertion. At the time that suspension began the paper circulation of the bank was less than it had been at any time during the preceding ten years. There had been no overissue of paper. Why was it depreciated? It was because the political and commercial relations of England with the nations of the Continent had carried her gold there and left her without the means of payment. The gold in the vaults of the bank had sunk to about one-sixth of its usual volume. There was no redundancy of paper, but its redemption became impossible; and though its volume was contracted within its usual limits, there could still be no payment, for there was no gold with which to pay, and suspension became inevitable. Repeated efforts to force resumption proved disastrous failures, leaving no other effects behind than wrecks of business and universal suffering and distress among the people. And it was not until the end of twenty-five years, and when England had recovered from the effects of her continental wars and restored her commerce to a healthful condition, that the flow of gold returned to her vaults. Then, and not till then, did the most extraordinary and determined efforts to effect resumption prove successful. It came in its natural time, and all measures to force it before merely exhibited the folly of attempting to make impossibilities possible by legislative decree.

The proposition I have made is also shown to be true by the present financial condition of the countries of Europe. In four or five of the most prominent of them specie payments have long been suspended. The debts of these countries are held abroad and their gold goes abroad to pay interest. On the contrary, every country whose debt is held by its own citizens has an abundance of gold and maintains specie payments. There is no mystery about it; and those who travel beyond the plain common-sense rules of every-day business life in search of some profound and mysterious principle which governs the movements of specie will only become bewildered and lost. The farmer who may have contracted away his whole crop of wheat will have none left for his own use; and so the Government that has contracted to pay its whole supply of gold abroad will have none left for use at home. And this is exactly our condition now. The unwillingness to recognize this fact, and persistence in the idea that a return to specie payments is a matter of mere discretion and not dependent on the conditions which ordinarily determine the capacity of the debtor, have led to a great deal of folly and to serious mistakes in the discussion and direction of the financial measures of the Government.

A distinguished financier, and one who holds a responsible and influential position in shaping legislation upon this subject, recently stated that the premium upon gold was "conclusive" evidence that there was too much paper. And he stated that there was "no mode of testing how much money is needed to do the business of a country except that amount which can be maintained at par in gold." This is an assumption that the gold market always remains the same, and that it is never affected by the influences which advance and depress the values of all other commodities. Wheat, cotton, and corn advance when the supply is small and demand for exportation great; but according to this theory the same conditions would not affect the local value of gold. No matter how small the quantity may be, nor how inevitable its flow out of the country, its value will remain the same. No matter how small its volume may be, the true test of "how much money is needed to do the business of the country is still the amount that can be maintained at par with it." Of course it follows that when the supply of gold is small, and foreign creditors are demanding it and taking it abroad, it would maintain at par the same volume of currency that it would if the supply were great, and the flow into the country instead of out. And, finally, I suppose that if we were so far bankrupted as to possess but a solitary eagle, that nimble piece would be sufficient at all times and places for the redemption of all the currency necessary to do the business of this great country; it would still be the true medium for testing the financial requirement of the people.

Mr. Speaker, if this opinion had not been uttered by one so distinguished for ability, and if I did not know that it is entertained and urged by very many other able men, I should think I might safely pronounce it absurd and ridiculous.

I do not question that resumption can be effected by contraction; but I do say that contraction to a sufficient extent to produce this result would silence our factories, destroy trade, and impoverish half the people. If the so-called depreciation of the paper currency were due entirely to its redundancy, the degree of contraction necessary to bring about resumption would not be very great and the consequences not very serious. But as it is, to say the least, largely on account of the deficiency of specie and the foreign demand for it, contraction would be required to a sufficient extent to force gold into use in spite of its scarcity and of its flow abroad. The redeemable paper currency that might be maintained under ordinary circumstances could not be maintained in the present condition of our gold supply. The ability to redeem depends upon the means at hand for redemption. The limited amount of gold that we are able to keep in the country at this time would be sufficient to redeem only a small volume of paper—far smaller than might be maintained at a specie basis if we were not required to send our gold abroad to discharge foreign obligations. Contraction, therefore, sufficient to force the people to transact their business with the little specie we might be able to hold and the small quantity of paper it would maintain at a specie basis, would be very great. Its effect would be disastrous. It would involve a shrinkage of values that would produce a general collapse of business. Thousands of our best citizens would be brought face to face with ruin, while thousands more—laborers of every class thrown out of employment—would become suppliants for charity to save their wives and children from suffering and starvation.

Who can demonstrate that if under existing circumstances our paper were reduced to one-half its present amount the Government could resume and maintain specie payments? The supply of gold would not be increased thereby, nor would the necessity for sending it abroad be reduced a single dollar. Individuals who are without money do not pay their obligations, and this is just as true of Governments. And those who are so clamorous for specie payments should inform us where the Government could obtain the gold to redeem its greenbacks, even though they were contracted largely within their present volume. It can only pay what it owes abroad by buying gold with its promises at high premiums; how could it also redeem those promises at home with gold at par with its greenbacks? It might do so at some possible point in the course of contraction, but it would be when the country was involved in universal disaster. No such contraction would be tolerated, and to talk of it is a waste of time. To experiment in that direction would be to unnecessarily oppress the people.

THE PRESENT CIRCULATION TOO SMALL.

If, then, resumption is impossible, or if it is at this time impracticable, what is our duty? Is it not clearly to supply the people with a sufficient amount of paper currency for the transaction of business? We should carefully consider whether the assumption that the circulation is now too large, and that any addition to it would be followed by an unnatural inflation of prices, is true or false. A comparison of our present circulation with that of former periods and of other countries may aid us in determining this question. On the 1st of January, 1860, the bank circulation, as shown by the Secretary of the Treasury, Mr. Chase, in his report of 1861–'62, was $207,000,000. In the same report he estimated the total amount of gold in the country on the 1st of October, 1861, at between $275,000,000 and $300,000,000. It is therefore reasonable to estimate the gold in 1860 at $285,000,000, as the volume certainly did not increase during the following year. Thus we find that there was a total circulation of $492,000,000; this does not include silver, of which there must have been several millions. Omitting the slave population, which then occupied only a property relation to the business of the country, and there was a circulation *per capita* of $17.90. And this was less than it had been at any time during the preceding eight years. In 1854, according to the most reliable estimates as to the amount of gold in the country, the circulation *per capita* was about $20; in 1856, $19.75; in 1857, $20.50; and in 1859, $18.50. In these estimates I have included the gold in the banks and in the Treasury, and have omitted the slave population.

On the 1st of October last the total circulation was $752,000,000. If the increase of population since the enumeration of 1870 has kept pace with the average rate during the previous twenty years, it is now considerably in excess of forty-two millions. Estimating it at that amount we find that the circulation *per capita* was at that date $17.90. This includes the national-bank reserves. If we deduct those reserves and take only the amount actually in circulation among the people, which, as stated by the Comptroller of the Currency in his late report, was on the 1st of November last $631,000,000, there was then an actual circulation *per capita* of $15.02.

It will be observed that the circulation *per capita* for several years previous to the war was considerably larger than it is at this time. But there are other facts to be considered, also, which demonstrate still more forcibly the insufficiency of the present volume of currency. In 1860 our wealth was $16,159,616,068; the ratio of circulation to

wealth was 3.05 per cent. In 1870 the wealth of the people had advanced to $30,068,918,507; and if the rate of increase maintained during the twenty years preceding the census of 1870 has been maintained since that time the wealth of the country now exceeds $40,000,000,000. But for safety let us estimate it at only $35,000,000,000; and at this estimate the ratio of circulation is only 2.12 per cent., or nearly one-third less than in 1860. If we omit the reserves and take the actual circulation as stated by the Comptroller, we find the ratio to be only 1.80 per cent.

A comparison of our circulation with that of other countries shows the insufficiency of ours in a still more glaring light. Let us take the three leading countries of Europe—England, Germany, and France. Authorities recognized as correct, which I believe are not questioned at all, show the total circulation of England to be $855,230,550, and the *per capita* circulation $26.87; that of Germany is $1,091,000,000, and the *per capita* circulation $26.60. Authorities do not agree as to the circulation of France, but the lowest estimate from creditable sources is $1,250,000,000, showing a *per capita* circulation of $34.62. In each case the reserves have been omitted, and these statements show the actual circulation. The *per capita* circulation in this country, omitting the reserves, I have shown to be only $15.02—less than half that of France, and only a little more than half that of either England or Germany.

I have not the means of ascertaining correctly the amount of circulation in the other nations of Europe, but it is undoubtedly correct to say that our people are supplied with less money for the transaction of their business than any other civilized people on the globe.

It will scarcely be claimed that our people do not require more money than those of either France, England, or Germany, though we upply them with materially less. There the great mass of the people are poorly paid for their labor and use but little money. Here our entire population are actively engaged in pursuits requiring the constant use of money. Our laborers are better paid. They wear better and more expensive clothing and eat better and more expensive food. They spend more in the education of their children and for all the comforts and enjoyments of life. The volume of money necessary to pay, clothe, and feed a thousand laborers in either France or England would not be half sufficient here. The great mass of our people—our agriculturists and mechanics—stand upon a higher plane of humanity than the poverty-doomed masses of those countries, and have a thousand wants unknown to them. The price of labor and the cost of living are more than 100 per cent. greater here than there, and yet our people are supplied with less money with which to meet their varied necessities and carry on the pursuits of their lives than those populations.

Again, we are developing new country, opening mines, building railroads, erecting factories, and in unnumbered directions have demands for money which are not felt in the old and finished countries of Europe. There the territorial extent is small and the populations very dense. The convenience of making exchanges is thereby greatly facilitated. Almost every man in England lives within sight of a bank, while our vast territorial extent and the sparseness of population in most of the States render these facilities impossible, and the use of actual money necessary for the transaction of the local business of the people. An ambitious and vigorous population like ours, with untold opportunities about them, may prosper in spite of great hinderances; but that they require greater financial facilities for the proper transaction of business than the quiet, sleepy population of the older countries, will hardly be questioned.

I have shown that our present circulation is less in proportion to either wealth or population than that of 1860; yet is it not evident that we require more? The South then had but one great industry, and that was controlled by a small class whose system of business was such as to require the use of but little actual money. Now small operators are taking their places, and multiplied demands for money for daily uses are everywhere felt. Her interests are becoming more diversified; factories are springing into existence, railroads are being built, and new commercial interests being developed. Where there was before but a single great industry, there are to-day a thousand channels into which money, the life-blood of trade and commerce, must flow, to give strength and vitality to varied industries and commercial pursuits. The volume of currency that was sufficient for the South of 1860 would be utterly insufficient for the South of to-day. The development of manufacturing, mining, and other industries throughout the North and West have also increased the general necessities in the same direction. Examine the marvelous growth of manufactures from 1860 to 1870, and explain, if you can, how industries that have doubled in their extent can be conducted with a currency that stands to-day near where it stood when that growth began. With the diversification of new pursuits and the extraordinary growth of old ones, multiplying the necessities for increased facilities for rapid exchanges, the volume of circulation is now less *per capita* than in 1860, and in proportion to wealth is one-third less.

Testing the amount of money necessary for the uses of our people as I have done, we find a very material deficiency. But before our eyes everywhere is evidence of the same fact that cannot be mistaken. The building of railroads has ceased, cities no longer maintain their accustomed growth, farms are not being improved, factories are not springing into life, emigration is checked in its march to the West, clouds are lowering over honest debtors, and all material growth and progress are arrested. The scant supplies of currency are scarcely sufficient for the uses of the great money centers and are, of course, held and controlled by them, while the ordinary industries of the people are in sickly stages and pleading for nourishment. The necessary operations of trade go on; but that enterprise which develops the resources of the country, creates its wealth, and leads the advance in material progress, is utterly repressed and inactive. These facts are before our very eyes, and no veil of flattering theories can obscure them.

THE CHARACTER OF OUR CURRENCY.

But, Mr. Speaker, our paper is sneeringly termed an "irredeemable currency," and history is continually invoked to show the danger of tolerating an "irredeemable currency." Writers upon political economy are quoted to show that an "irredeemable currency" encourages speculation, inflates prices, and finally leads to collapse and ruin. The results of stamping paper and base metals and calling them money are triumphantly presented as a warning against the toleration of our "irredeemable currency." Experiments where floods of paper issued, with no purpose or ability to redeem, have resulted in financial disasters are appealed to as proof that certain disaster lurks in the "irredeemable" greenback. Sir, those who hope to influence our action in this way ought to see that there are two material facts wanting to make their argument applicable to the present case. In every case so referred to, and in every case that can be referred to, the money so issued was issued in redundant quantities, and there was neither the purpose nor the ability to redeem it; in some instances there was not even a worthless promise to redeem. The public had no confidence in it, and it depreciated and became worthless as an inevitable consequence. It depreciated not because it was not to be redeemed at a particular time, but because it was not to be redeemed at all, and the people knew it, and because it existed in redundant quantities. It had no intrinsic value and no ultimate prospect of redemption, and hence it was utterly worthless. There was nothing in it nor behind it to give it value. That unsteady and fluctuating values, reckless gambling and speculation, and final collapse and ruin, should result from such a currency was most natural.

But to compare our paper currency with this sort of stuff is unjust and inexcusable. It seems like a frantic attempt to degrade and dishonor the money of the country, for which there is no justification whatever.

What is the "irredeemable stuff" that is so much sneered at, and which the people are so earnestly cautioned to beware of by the advocates of certain theories? Did the people of this country ever have any other paper currency in which they had so much faith and confidence? Does anybody doubt it, or the Government that stands behind it? In the midst of panic and disaster that would have prostrated the old State banks and made their notes worthless, spreading disaster wider and farther, our paper was almost the only thing in which confidence remained unshaken. It was sought after and hoarded as something which, in the midst of general uncertainty and wreck, would remain unaffected and sound. Why was this so? Were our wisest business men as well as the common people so grievously misled by what certain theorists have suddenly discovered to be "irredeemable stuff;" or may it not be that the theorists have mistaken the facts? The money of China, to which prominent reference has been made in connection with this subject, was practically repudiated. It was not even received for dues to the government that issued it. The French *assignats* were used as "wall-paper for the cottages of the peasants." The money of John Law was equally as worthless. The confederate paper depreciated as the fortunes of the confederate government waned and the hope of redemption was destroyed. In all these, and in every other case that has been cited to depreciate and disgrace our paper, there was scarcely a pretense of redemption, and the people knew that there could be no redemption. There was nothing to give the notes credit, and they sank to the value of waste paper. Such is not the condition of our currency. The Government stands behind it, and although it cannot redeem its notes at this time, everybody has faith in its ultimate ability and in its good purposes. Every dollar of property in the country is pledged for its redemption. No other credit is so good as that of the Government to-day, and hence in the test of a severe panic the currency suffered no shock amid the general depreciation of credit values. When the people lose confidence in the ability of the Government, or in its intention to redeem its promises we shall begin to suffer from the evils of an "irredeemable currency," and not before. In no just or proper sense can the currency of the country at this time be called irredeemable. Certainly it is not irredeemable in the sense in which the worthless issues to which we are so frequently referred were irredeemable; for they were without the prospect of redemption at any time, and their worthlessness resulted from this fact.

A condition of specie payments is something that always exists a great deal more in theory than in fact. The banks of this country maintained specie payments before the days of greenbacks so long as specie was not demanded and no longer. Everybody knew that it was impossible for the banks to redeem all of their notes in specie at any particular time, and that demand for payment involved suspension. But confidence in their ability ultimately to redeem their obligations upheld the credit of their notes and made them useful for all purposes of business. It is in a great degree the same with our

paper currency now. The Government may not approach as near to actual specie payments as the banks then did, but confidence in its ultimate ability to redeem its promises and faith in its integrity give value to its notes and make them desirable as a circulating medium.

Again, the uniformity of our currency, the difficulty of counterfeiting it, as well as its undoubted safety, have rendered it exceedingly popular with the people. Their appreciation of it is also strengthened by the painful recollections of the times when under the irregular and inconsistent banking laws of nearly forty States constant vigilance was necessary in order to avoid being imposed upon by counterfeits and the issues of broken banks, and when the current money of a given State would often be refused for the price of a breakfast in another. The familiar color of the greenback disarms suspicion as to its value, and the money of Wall street circulates also without question among the humblest citizens of the remotest parts of our extended territory. It cannot truthfully be said that the value of such a currency is fluctuating and unstable. Gold may command a premium, but it is not on account of any defect in the currency itself. Gold is not a circulating medium, but is a commodity bought and sold in our markets for specific purposes, and the value of which is regulated by the law of supply and demand, while our paper is almost the only thing which remains fixed and stable. The fluctuating premiums upon gold only indicate the fluctuations in the supply and demand, just as the ever-varying price of wheat indicates the condition of the market rather than the value of the money with which it is purchased; and it would be just as unfair to say that the paper currency is depreciated and unstable because at one time it will not purchase as much wheat or corn as at another, as it is to say that it is depreciated because at one time it will not purchase as much gold as at another. When gold becomes more plentiful and the demand for it abroad is not so great, it will become cheaper, just as any other article of merchandise would under the same circumstances.

Mr. Speaker, are the doleful theories of those who speak with so much contempt of our "irredeemable" currency sustained by the experience of the country? During the last twelve years we have had no other. Have we realized any of the baleful consequences that are paraded before us as a solemn warning against its continuance? Has our paper proved to be no better than the unsecured issues of irresponsible and dishonest authority with which it is compared? Sir, during this period the country has prospered and grown in an unparalled degree. In all that indicates material progress and development the history of the world shows nothing to compare with it. The products of our factories have doubled in their extent, railroads have been pushed wherever civilization has gone, vast territory has been peopled and cities built, marvelous mineral riches have been developed, trade and commerce have expanded, and all the industries of the people have multiplied and flourished beyond anything ever before known. And, sir, this has not been fictitious and speculative prosperity, but substantial and enduring growth. The figures of the census of 1870 tell a story that upsets all the theories that can be advanced to teach that a people cannot prosper except under the delusion of what is termed specie payments.

It should be remembered, also, that during a portion of the period to which I am referring eleven States were being wasted by war, and the whole people subjected to burdens of taxation to which they had before been strangers. It was shown the other day by the figures presented by the gentleman from Pennsylvania [Mr. KELLEY] that the amount of taxes collected from 1862 to 1872 in customs duties, internal revenue, and direct taxes exceeded largely all the collections from the same sources during all the previous years from the foundation of the Government. And yet, sir, the people sustained this burden and prospered in all their enterprises and industries as they had never before done. And all this was accomplished with a currency that is now termed "irredeemable," dangerous, and disgraceful.

Mr. Speaker, it has been demonstrated that the people may prosper in the use of this currency. It is not its character from which they are now suffering, but from the mistaken policy of contraction which has deprived them of a sufficient volume of it to carry on the business of the country; and the only relief that can be afforded is by an increase of its volume until specie circulation becomes possible.

THE INFLATION SCARE CROW.

But, Mr. Speaker, when we advocate an increase of currency we are met with the accusation that we are inflationists; and labored efforts are made to enlighten us as to the consequences of too large a volume of currency. History is paraded before us and the authority of learned writers is brought into requisition to teach us that inflation is a dangerous thing. But a great deal of research and hard labor expended in this generous work might be saved. I am sure that there are others besides the advocates of contraction who know what a redundancy of currency involves, and that they are just as far from inviting its evil influences. The issue is not upon this point, and the attempt to force it there is a confession of weakness upon the real issue.

What is inflation? That is the question to which gentlemen should direct their attention, rather than to the preparation of learned essays upon an evil which nobody would encourage. Show us that what we advocate is in fact inflation, and the victory will be yours. I have already shown that the volume of circulation is far less in proportion to wealth and population than at former periods, when it is not pretended that we had too much. I have also shown that it is materially less in the same proportion than that of other civilized countries where inflation is not dreamed of; and I have also shown that the necessities of our people require more money than those of other countries. With what propriety, then, are we charged with favoring inflation, when all that we ask would not supply our people with as much money as is supplied to the people of France or England, or in fact to the people of any of the leading civilized nations of the earth?

But it is not insisted that a larger aggregate volume might not properly be issued if the paper currency were redeemable, but because it is "irredeemable" it is dangerous to issue it in the volume that would otherwise be proper. Those who hold this view do so upon the theory that our currency is of the same character as the worthless issues which I have before spoken of—issues that nobody was responsible for and that everybody knew were not to be redeemed. This is the great error of their argument, for there is no ground for comparison between the two as I think I have shown. A currency only temporarily irredeemable, and in the value of which the people have full confidence, does not necessarily inflate prices and stimulate reckless speculation and gambling. It can only do so when issued in superfluous quantities; and these consequences will follow too great a supply of gold just as certainly as they will follow too great a supply of sound paper. This we lately witnessed in Germany, where wild speculation followed the accumulation of an unusual amount of gold. Too much money, whether it be paper or gold, will advance prices and excite unhealthful speculation. The irredeemability of our currency is therefore no argument against the issuing of as great a volume of it as the experience of mankind and our own judgments teach us is necessary to do the business of the country. Until we should go beyond the amount required for healthful business prosperity there would be no other depreciation of the paper than that occasioned by the scarcity of gold, and which is apparent rather than real. Neither fluctuating values nor reckless speculation would follow any more than if the same volume of gold were in circulation. Beyond that point nobody desires to go. In fact, taking the experience of our own and other countries as the test of how much money is needed, the advocates of an increase of the present volume are willing to stop far short of that point.

THE VALUE OF MONEY.

It has been earnestly insisted that any increase of the volume of currency necessarily decreases its value. If the amount of our currency were $300,000,000, and we should increase it to $600,000,000, we are told that the inevitable laws of finance would render each dollar worth only half of its previous value. If this is true it applies just as completely to an increase of gold as to an increase of paper, and it is just as forcible an argument in favor of limiting the volume of gold as it is in favor of limiting the amount of sound paper. And if it proves the point which it is intended to establish, it proves that the amount of money in circulation is a matter of no consequence—a small volume by its greater value being equivalent to any larger volume—the purchasing power increasing as the volume diminishes. But the proposition is inaccurate and unsafe as a basis for practical legislation.

It is undoubtedly true that the values of many kinds of property depend greatly upon the amount of money in circulation. But a very small increase beyond the amount necessary for legitimate uses may excite the wildest speculation, and carry fictitious and fluctuating values far beyond the limits of the rule that is quoted as infallible. And this is admitted by those who rely upon it when they paint the bottomless ruin of a redundant currency. And so a slight contraction within the volume necessary for healthful business may clog up the channels of trade and produce such disorder as to unsettle business and depreciate the value of property far out of the proportion indicated by the rule. Again, the values of many kinds of property—especially that in which the commerce of the world is carried on—are regulated by the markets of the world; they are dependent upon the general monetary condition of commercial countries rather than upon that of the particular place where such property may be offered for sale. It is, therefore, plain that the rule so confidently asserted cannot operate without the concurrence of many conditions that are practically impossible.

AN INSUFFICIENT CURRENCY MAKES THE RICH RICHER AND THE POOR POORER.

Mr. Speaker, in every country there is somewhere a point beyond which the volume of money cannot safely pass, and below which it cannot go without materially affecting the business interests of the people. And it is the duty of those who control financial measures to ascertain that point and approach it as near as possible. In my judgment the true point is the highest one that can be reached without stimulating reckless speculation, stock-gambling, and fictitious values. The reduction of the volume of money below that point is unjust to the masses of the people and injurious to the best interests of any country. Reduce the volume, and you reduce the price of labor and also the values of many species of property in at least equal proportion. I believe that in consequence of the crippling of the machinery for business operations the price of labor would be reduced in a much greater degree, and so of many kinds of property; and unfortunately it would be the property of the common people. The notes and bonds

of the capitalist would not shrink one dollar in amount, but would in fact be increased in value. The little possessions of the people, the productions of the mechanic and the agriculturist, however, would not escape.

Under such conditions the distinctions between the rich and poor are made more distinct and significant; the rich are made richer and the poor poorer. The little money that circulates is only sufficient for the wants of wealthy operators, and is so controlled by them that the poor see but little of it. The business of the country is subjected to the payment of ruinous rates of interest to the money-lenders, and is crippled and embarrassed by their exactions. A small volume of money is emphatically the rich man's money. It increases his power and destroys the independence and prosperity of the masses. Labor poorly compensated and deprived of its opportunities is humiliated and degraded, while wealth, never merciful, rejoices in its exaltation, and laughs at the misery upon which it fattens. Thus the aristocracy of wealth becomes more clearly defined, and the weakness of poverty more glaring and helpless.

Sir, no sophistry can disguise the fact that this is an issue between the moneyed aristocracy of the country on the one hand and the people on the other. Contraction or an insufficient volume of money means that the business of the country shall be forced to supplicate the banks and other money-lenders for loans at exorbitant rates of interest made possible by their necessities. It means that the industries upon which the laboring classes are dependent for employment and just remuneration shall only move at the will of the capitalist, and upon the oppressive terms that he may dictate. It means cheap labor, self-denial, and destitution among the people, and absolute power in the hands of the money-lenders over all the interests of the country.

Sir Archibald Alison, in his "England in 1815 and 1845, or a Sufficient and a Contracted Currency," shows that an insufficient currency, by the depression of prices and the diminution of profits, breaks down small dealers, and gives a monopoly of the markets to the large capitalists. He says:

> The period of a contraction of the currency and consequent fall in the money prices of all the articles of human consumption is one in which great profits are sure to be realized by the larger capitalists, and great losses sustained by the smaller. The former prosper because the magnitude of their transactions enables them to realize a handsome income upon the whole from a declining and at length almost inconceivably small amount of profit from each transaction; and they gradually get the monopoly of the market in their own line of business by the extinction of the lesser capitalists whom the fall in the price of commodities has ruined or the diminished profits have repelled from entering into competition with them. * * * Small traders, therefore, and farmers without capital are speedily ruined in such a state of things, and the laboring or destitute condition is only rendered the more distressing by the contrast which it affords to the wealth and splendor with which the holders of large capital in the same line of business are surrounded. * * * A period of contracted currency is one of embarrassment, difficulty, and generally in the end of insolvency to the small farmer and moderate land-holder.
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> If a supply proportioned to the increase of men and the wants of their commercial intercourse is not afforded, the circulating medium will become scarce; it will rise in price from that scarcity, and become accessible only to the more rich and affluent classes. The industrious poor, or those engaged in business but possessed of small capital, will be the first to suffer.

The same author says that, "the contraction of the currency which was unnecessarily made to accompany the resumption of cash payments by the bill of 1819" was the cause of incalculable evil. The agricultural and laboring classes were ruined. Wages sank "so low that they barely sufficed with the great bulk of workers, especially females, for the support of existence." "From 1826 to 1835," he says, "the table of the House of Commons literally groaned under the load of petitions praying for relief to agricultural distress." At the same time the wealthy classes were unusually prosperous. The "co-existence of so much suffering in one portion of the people with so much prosperity in another," he says, "was unparalleled in the history of the world." And this was the result of an insufficient currency—of contraction, which Alison says was "unnecessarily made to accompany the resumption of specie payments."

But those who advocate a reduction of the currency insist that no injury would result to the laboring classes; that if the price of their labor is reduced the prices of what they must purchase are correspondingly reduced, so that their condition is not affected. This is an old argument, and has been used to justify many wrongs. Those who use it, however, can but know that it is utterly false and unwarranted. The prices of the necessities which the laborer must purchase would not be reduced in the proportion that his compensation might be reduced. Such was never the case in any country, and never can be. In the purchase of what his wants require he comes in competition with the wealthy classes, and must submit to prices largely regulated in their interests; the prices of much that he must buy are controlled by the markets of the world, and not by the markets in the particular locality where he may live, nor by the circumstances that degrade his labor. If the rewards of labor were reduced one-half in this country at this time, through contraction, does any sane man suppose that tea and coffee would or could be sold at one-half their present prices, or that any other article imported from abroad, or that we now export, would be so reduced? No reasonable man will assert such a thing. The operation of the law of supply and demand is also constantly affecting the prices of his necessities and rendering uncertain the cost of living, while no corresponding fluctuations in the price of his labor protect him against this disadvantage—a disadvantage, too, which his meager wages furnish him no margin to meet.

The advocates of cheap labor are very careful not to direct the attention of those whom they would delude to the condition of the laboring classes of Europe, but prefer to rely solely upon their theories. There we have a practical illustration of the effects of cheap labor which puts all their false theories and plausible arguments to utter rout. It is there demonstrated that the necessaries of life do not cheapen with the price of labor, and that the condition of the laboring classes is degraded and miserable just in the proportion that the price of their labor is reduced. In nearly every country of Europe the laboring classes live in the most stinted manner, and yet there is absolutely no margin between the cost of living and the price of their labor out of which they can hope to save anything with which to acquire homes and independence. The broad line which separates them from the wealthy classes is never crossed, and they live out their lives without even the hope of rising above the condition in which they were born. This is cheap labor, compensated by the cheap necessaries of life that we are assured of.

Mr. Speaker, I trust that no legislation will characterize Congress now or hereafter which looks to the cheapening of the rewards of labor. The condition of the working people of this country is that which most distinguishes it from all other countries and is its highest glory; and any measure designed to cheapen labor would be most unfortunate and mistaken. All arguments and theories used to convince the laboring classes that a reduction of the price of their labor can be compensated for by cheaper necessaries of life are delusive and fraudulent. They have their origin in that spirit which, since the world began, has ever prompted wealth to encroach upon the rights of labor, and to magnify its splendor and power by degrading everything below it.

Sir, I am opposed to any increase of the currency that would unsettle values and inflate prices; but within that limit I am in favor of such a volume of circulation as will enable the poor to share it with the rich. It is the common people who are suffering to-day and not the wealthy classes, just as they must always be the sufferers when the volume of money is too small. They are dependent upon the prosperity of the industries that give them employment for their daily support, while the wealthy can enjoy their accumulations in spite of the causes that deprive the working classes of their reliance. The demand for more currency is therefore most important to the common people, and should only be resisted by those who are resolved to regard the interests of the few rather than the welfare of the many.

MORE PAPER THE ONLY REMEDY.

Mr. Speaker, the evils which have been depicted as resulting from an "irredeemable currency" cannot result from such a currency as ours; and it is the duty of the Government while assuming to control the volume of circulation to authorize the issue of as much as the legitimate business of the country would require if every dollar of it were gold. It is all that we have and all that we can have. Many years are likely to elapse before we shall reach the solid ground of specie payments. In the mean time shall the business of the country be crippled and all growth and progress retarded by abortive and futile attempts to accomplish something which all experience and reason show us to be at this time impossible? Under similar circumstances England was a quarter of a century in getting back to specie payments, though she resorted to more extreme measures to force resumption than are urged in this country now; and many more years are likely to elapse than some of us have fondly hoped before we shall be able to do so. And during the uncertain period that is to intervene there can be no wisdom in refusing to put in circulation the best currency at our command in sufficient volume to meet the legitimate demands of business. Because we cannot have just such currency as we most desire, we should not stubbornly refuse the best that is within our reach. The time to talk of reducing the paper currency will be when we have replenished our supply of gold and so improved our relations with foreign countries that we can keep it at home to supply the place of paper currency. In advance of that time the withholding of a proper volume of currency would only oppress and embarrass the people without effecting any good results whatever.

But it is said that the Government is breaking its pledges, that it is acting in bad faith in not redeeming its greenbacks. And we are daily given solemn moral lessons upon the subject of broken promises, which would be exceedingly impressive but for the use sought to be made of them. What are these broken promises and acts of bad faith about which men are so much concerned? The Government promised to redeem when it could, and the people so understood its promises when they accepted them.

Mr. MELLISH. Will the gentleman allow me to ask him a question right here in the line of his argument?

Mr. HAVENS. I will.

Mr. MELLISH. I would ask the gentleman, if the Government receive legal-tenders at par value for taxes and custom dues, a large portion every year, is it not proper to consider that a virtual redemption, and indeed a better redemption than was in operation under the old so-called specie-basis system?

Mr. HAVENS. I would call that redemption. It is taking up the obligations of the Government; and, certainly, to that extent it is a redemption of them.

Mr. MELLISH. It takes them up dollar for dollar.

Mr. HAVENS. The Government promised to redeem when it could, and the people so understood its promises when they accepted them. They recognize that it is not able to redeem them now, and they are not urging payment. On the contrary, they are protesting against any attempt at immediate payment. They are rather eager to accept more of the so-called broken promises. The people are responsible for the Government; it is theirs, and the consequences of its errors fall upon them. They understand that redemption can only be effected at this time by disastrous contraction; and if they do not clamor for payment at such a sacrifice, who ought to complain? If they desire to offer an extension, is it dishonorable for the Government to avail itself of the opportunity? Promises extended by such agreement and for mutual interests ought certainly not to be regarded as broken or dishonored, and the moral stigma sought to be cast upon them is simply absurd and unreasonable.

THE NECESSITIES OF THE WEST.

Mr. Speaker, I speak what I believe to be the judgment of four-fifths of the people of the West when I urge the expediency of measures to effect an increase of the paper circulation. The people of the West are heavily in debt. They have pushed forward civilization into new regions, have built cities, constructed railroads, improved farms, developed mines, and inaugurated all the great enterprises characteristic of an ambitious and energetic population. Their progress in material growth is the marvel of the age, and has no parallel in history. But they have operated with limited means, and largely upon credits. They are struggling to discharge obligations incurred in building an empire out of a wilderness. You can easily crush them. You can give their farms to merciless creditors, and destroy the hopes of tens of thousands built up by years of honest industry and toil. The policy of contraction will do it. Stand still and refuse to supply the volume of currency which the experience of our own and of other countries shows to be necessary, and great suffering will follow all over the West. Standing still is contraction, for the growth of population and the demand of increased business are constantly absorbing the circulation we have.

You of the East, who feel secure in the accumulated wealth of a century, who have inherited ancestral estates, and who have succeeded to the well-built business of your fathers and to the farms and shops made ready for you by the labors of other hands than your own, may not fully appreciate the situation of those who have pushed out from your midst with no capital but their own courage and energy to carve out their fortunes in a new and undeveloped country. And before you refuse your assent to measures which they deem expedient, which they believe essential to protect them from business prostration and bankruptcy, you should carefully consider whether their appeal is not reasonable, and whether all that you hope to gain by your policy will compensate for the injury you will inflict upon them. You might possibly force specie payment before its natural time, but the shock would be disastrous to honest debtors all over the country; and in the West, especially, they constitute a very large class. I will not undertake to speak as to all parts of the West; but wherever I have been able to learn it I know that during the past three years, outside of the cities, all the money that could be obtained has been eagerly sought for at from 10 to 25 per cent. upon the best of securities. And this demand has not come from speculators and adventurers, but from men whose legitimate necessities have compelled them to borrow. And the situation has constantly been growing worse. The want of money is now severely and dangerously affecting all classes; and without the co-operation of the Government, by which relief can be obtained through the operation of wholesome and prudent legislation, a great deal of sore experience is in store for us.

WHO ARE ADVOCATES OF IMMEDIATE RESUMPTION.

Mr. Speaker, in times of financial suffering and distress those who happen to be fortunate enough to have money at their command can loan it at exorbitant rates of interest, and buy up the property of unfortunate debtors being sacrificed at the demands of inexorable creditors. These men are now advocates of contraction and resumption. Every bank seeking borrowers, every man with large deposits, and every money-shark waiting for opportunities to speculate out of the distress of others, is an advocate of the same policy. Go where you will, East or West, and every man watching about the court-houses for opportunities to buy his neighbor's property at sheriffs' sales at a fraction of its value, firmly believes that an immediate return to specie payments is the remedy for all financial evils. It is the men engaged in legitimate business who ask for more currency. The industrial and commercial classes everywhere feel the want of it; and neither vague apprehensions nor doubtful theories should stand in the way of legislation that will supply their necessities.

FREE BANKING NOT THE BEST REMEDY.

Mr. Speaker, the proposition for free banking contained in the pending bill does not seem to be the measure best calculated to remedy the existing evils. In my judgment the country is suffering from the unjust and unequal distribution of the national banking capital even more than from the insufficiency of the volume of circulation. Massachusetts, according to her wealth and population, is entitled to $19,239,000, and actually has $58,000,000; while Missouri should have $15,459,000, and actually has only $6,835,000. The first has more than three times her share, while the latter has less than half the amount to which she is entitled. Rhode Island, entitled to $2,750,000, has over $13,000,000, more than five times her share; while Texas, entitled to $4,695,000, has only $849,000. Connecticut has more than double her apportionment, while Arkansas has only one-tenth of hers. It is unnecessary, however, to specify further. Every Eastern and New England State has largely more than her just proportion of the national-bank circulation, while every Western and Southern State has less. Without taking from any State that which they already have, those States that are deficient should be allowed that to which they are fairly entitled. No more than simple justice would thus be done, and the country would be benefited by a material increase of the general circulation.

But we are told also that the location of more banks in the West would not benefit us; that the supply of currency would not thereby be increased in the Western States, because the notes of the banks would flow away and seek their level in the East where they are needed, and with those who are able to hold them. This proposition is entirely erroneous. The banks of the West would loan their money to customers in the West, by whom it would be repaid at short intervals. Necessity as well as convenience would compel the banks to use their money at home, and it could not to any great extent be permanently transferred to the East. Besides, the conversion of capital now otherwise employed into banking capital would increase the amount of loanable money, so that loans would be more readily obtained and exchanges more easily effected. The idle money in the hands of individuals, and which they do not desire to loan, gathers into the banks in the shape of deposits, and is by them loaned to the people for active uses. The amount of money thus thrown into active circulation through the agency of the banks is everywhere very great.

Again, money is attracted by the banks. Its tendency is to gather near them; so that the localities favored with abundant banks are often plethoric while the localities remote from them are destitute. And as the banks are now chiefly located in the East, and held there by law, the natural and inevitable tendency of money is to flow in that direction. And this is one of the greatest evils from which the West is now suffering. It has frequently happened that while the West has been destitute of money for legitimate uses there has been a superabundance of it in New York. The establishment of more banks in the West would have the effect to counteract this tendency. Every additional bank in the West would not only supply more money, but it would become a powerful influence in holding the money of the West at home where it belongs. The evils which we are told would operate to deprive us of the benefit of any increase of circulation can be most effectually destroyed by increasing the strength and power of the local money centers of the West through the establishment of additional banks. The influences which at this time cause money to flow eastward are not altogether legitimate and natural, but are largely speculative and artificial; and they are encouraged and fostered by the preponderating power of the banks in that locality. They gather up the money of the country as the hen gathers her chickens under her wings, and they do not permit it to stray beyond their motherly influence. Distribute the banks justly among the people and you will equalize the financial relations between the sections so as to check the tendency of money to accumulate in a particular locality. The Eastern States are now suffering from the prevailing distress far less than the West, not only because the law has given them a larger circulation of currency, but because the natural and necessary operations of the banks hold that circulation where it belongs.

It is not true that money necessarily flows where it is needed for legitimate uses. As water will rise above its level to fill an artificial vacuum so money may be forced out of its proper channels by artificial causes. The undue concentration of facilities for financial operations in any particular locality stimulates trade and speculation in that locality, and creates an unhealthful and artificial demand for money, which draws it away from the legitimate uses of farmers, mechanics, and small traders in the rural districts. Speculation is expected to return larger profits than are realized by the ordinary industries of the people, and it attracts with controlling influence the active money of the country. It is therefore the duty of the Government, in so far as it assumes to control the financial affairs of the country, to avoid the giving of undue facilities for financial operations to any particular locality. It should avoid the creation of artificial influences by which a portion of the people are to be made rich and the remainder deprived of the means of transacting their legitimate and necessary business. This it does not do while it gives to some of the States four or five times the amount of banking capital, upon the basis of wealth and population, that it gives to others. It is practically the robbery of one section for the benefit of another.

I have said that the country is suffering more from the inequality of circulation among the States than from the insufficiency of the aggregate volume. And I do not believe that free banking will correct this inequality. The capital of the East is in a shape to be invested in banking with greater facility than that of the West, and if the way is opened more new banks will be organized in the East than in the West, so that the present preponderance of banking facilities will be preserved. The tendency of banking operations, from speculative and other influences, is to concentrate in the East in undue proportion, and free banking opens the way for the unrestricted operation of this tendency. I shall therefore favor an amendment to this bill, if I can

have the opportunity to do so, which will limit the increase of banking circulation and restrict it to the States that have less than their proportion. I would not ask the States that now have a surplus to surrender any portion of it; but in justice to the people of the West and South, and to the whole country, I would not permit them to increase what they have until the other States have approached something near the standard of equality with them.

I would favor the withdrawal of the national-bank circulation entirely, and the substitution of greenbacks. But this proposition receives little favor, and the bank circulation is certain to continue; I am therefore in favor of its equalization upon a just basis among the States.

Gentlemen from the East are unwilling to surrender any portion of the banking capital they have, and insist that they need it all. Doubtless they do; and if so why should they persist in denying to the West that which they claim to be necessary for their own business prosperity? They tell us the West is too poor to require more than she now has. If this is so she will not get more, whatever the law may permit. We only ask the amount which our wealth and population entitle us to. Upon this basis we ask equality; nothing more. Equalize the amount of capital authorized among the States upon a just basis. Do this, and if the West has no surplus capital to invest in banking there will be plenty of it in the East eager to go West to embrace the opportunities presented there for the profitable use of money in banking operations.

This measure, together with the legalization of the issue of the $44,000,000 reserve, making the total greenback circulation $400,000,000, would relieve the country from financial distress and restore business prosperity. And nothing less will meet the expectations of the people.

PARTY RESPONSIBILITY.

The party in power will be held responsible for mistakes and neglect in legislation, and it should heed the popular demand upon this subject if it would maintain its hold upon the public confidence. The suffering and distress occasioned by financial embarrassments is manifesting itself in a spirit of complaint against those who might have provided against the existing evils. The elections of last fall gave forth but the first faint indications of the discontent that is gathering. And we are sufficiently warned that in some way the people mean to be relieved from the evils under which they suffer—if not through the instrumentality of the republican party, then otherwise. You who look with apprehension upon the organization that has grown to be a power in the Western States, and is spreading its branches even into the heart of New England, and who believe that its tendency is to extremes, dangerous alike to those who composed it and to the whole country, must remember that the West has much to complain of; and that a people goaded to resentment are not always careful of the rights of those who have wronged them, and are liable to mix a spirit of revenge with their demands for justice.

Legislation that will remove the just causes of complaint and restore the people to business prosperity will also restore contentment and confidence in those in power. Without this the prevailing restlessness will continue to grow and gather force until in their just anger the people will sweep out of power the men who have refused to regard their distress or to harken to their appeals. Bankers, capitalists, money speculators of all kinds, are bringing to bear all their influence to mislead the public mind and to defeat legislation upon this subject. They are here in your committee-rooms, the resolutions of their meetings and caucuses are placed before us daily, and their petitions are flooding upon us; but let us not forget that behind them, and more potent than they, are the laboring classes and those engaged in the legitimate business of trade and commerce. They are not here. They have not the facilities for reaching us that are possessed by the representatives of money; but we know their wishes and should be careful that we are not diverted from regarding them by the unceasing appeals that are continually ringing in our ears. Let us not mistake the loud clamor of the money-changers for the voice of the people.

Mr. MAYNARD. Before the gentleman from Missouri [Mr. HAVENS] takes his seat I would like to ask him a question. He has broached a theory which has been suggested in another place in the form of a bill, that instead of unlimited banking we should have the present restrictions upon those parts of the country that are supposed to have a sufficiency of banking capital, and to take off the limitations as to the South and the West. I would ask the gentleman what objection there can possibly be to allowing the Eastern and Middle States to have increased banking capital if they want it, and if their capitalists can use their capital advantageously in that form? How can that interfere with the prosperity of his part of the country or that which I represent, of the West or of the South?

Mr. HAVENS. Well, Mr. Speaker, as I endeavored to show, the money of the country will flow where the banks are—where the great banking transactions are carried on; and if you concentrate in any particular locality of the country an undue proportion of banks, an undue proportion of the currency will tend to that center. If you give to the Eastern States more than their proportion of the banks, you will concentrate banking transactions in New York City or in New England, and the money will inevitably flow there.

These large banking facilities also have the effect to encourage speculation. Speculative enterprises attract money to the centers where they are carried on. The evil which to-day is affecting the West more than anything else is the fact that an undue proportion of banking facilities of the country is concentrated in one particular locality, to which all the money of the country constantly tends. Hence we have heard since the late panic that money was plentiful in New York City and in the East, while it is scarce in the West. Why is it plentiful in New York City? Because the banks are there, because the banking facilities are there to attract it and to hold it when it gets there.

Just so long as any particular section of the country is permitted to maintain a preponderance of banking facilities, just so long the money of the country will tend to that particular locality. Free banking, as I believe, would present the opportunity for the Eastern States to establish more banks than the West, because they have more capital in shape to invest in that way; and in my judgment, under free banking, there would be a greater increase of banking facilities in the East than in the West. The present preponderance of banking facilities which draws money away from the West would remain; and we should continue to complain that our money flows away to the East.

Wherever there may be an undue concentration of banking capital speculative and artificial demands for money will exist, that will attract it and gather it up to the injury of legitimate business in remote localities.

[Mr. HOLMAN addressed the House. His remarks will appear in the Appendix.]

Mr. MAYNARD. If no other gentleman desires to take the floor, I move that the House now adjourn.

The motion was agreed to; and accordingly (at ten o'clock and five minutes p. m.) the House adjourned.

PETITIONS, ETC.

The following memorials, petitions, and other papers were presented at the Clerk's desk, under the rule, and referred as stated:

By Mr. BUNDY: The petition of citizens of Vinton County, Ohio, for the establishment of a certain post-route in said county, to the Committee on the Post-Office and Post-Roads.

By Mr. FREEMAN CLARKE: The petition of merchants, manufacturers, bankers, and citizens of Rochester, New York, deprecating the issue of any more currency, and asking that the United States notes already issued out of the so-called reserve shall be permanently withdrawn as soon as possible, to Committee on Banking and Currency.

By Mr. CLAYTON: Resolutions of the Legislature of California, relative to the appointment of a commission to ascertain and report the amount of property destroyed by Captain Jack's band of Modocs, and to whom it belonged, to the Committee on Military Affairs.

By Mr. FIELD: The memorial of citizens and business men of Detroit, Michigan, in favor of an increase of currency, to the Committee on Banking and Currency.

By Mr. GOOCH: Papers relating to the claim of Charles F. Carr, of Boston, Massachusetts, to the Committee on Claims.

By Mr. HAWLEY, of Illinois: The petition of Joseph L. Neeley, for a pension, to the Committee on Invalid Pensions.

By Mr. HERSEY: The petition of James Johnston, of Amity, Aroostook County, Maine, for a pension, to the Committee on Invalid Pensions.

By Mr. HOLMAN: Papers relating to the claim of J. J. Hayden, for compensation for extra clerical services in the office of the provost-marshal-general of Indiana, to the Committee on War Claims.

By Mr. HOUGHTON: The petition of settlers in Kern County, California, for extention of time to pay for their lands, to the Committee on the Public Lands.

By Mr. PIERCE: The petition of Blake Brothers & Co. and others, of Boston, bankers and merchants, that the manufacture of Government issues hereafter be made to conform to the plan recommended by the Joint Select Committee on Retrenchment under date of March 3, 1869, to the Committee on Banking and Currency.

By Mr. PLATT, of Virginia: The petition of Emile de Goulard, that his invention of an apparatus for preserving life and property on seagoing vessels may be examined and adopted by Congress, to the Committee on Naval Affairs.

By Mr. RANDALL: The petition of sundry citizens of Philadelphia, asking for greater security in the engraving and printing of Government bonds and United States notes, to the Committee on Banking and Currency.

By Mr. SCHUMAKER, of New York: Resolutions of the common council of the city of Brooklyn, New York, against any alienation by the General Government to any persons or corporations other than to the city of Brooklyn of the lands lying in the Wallabout, to the Committee on Naval Affairs.

By Mr. SENER: Resolution of the Publishers and Editors' Association of the State of Virginia, asking for a fairer distribution of bankrupt advertising, to the Committee on the Judiciary.

By Mr. WELLS: Resolutions of the General Assembly of the State of Missouri, in relation to the improvement of the mouth of the Mississippi River, to the Committee on Railways and Canals.

Also, resolutions of the General Assembly of the State of Missouri, requesting the establishment of a daily mail each way over the Cairo, Arkansas and Texas Railroad, between Cairo, Illinois, and Poplar Bluff, Missouri, to the Committee on the Post-Office and Post-Roads.

By Mr. WHITEHEAD: The petition of citizens of Fincastle township, Virginia, for the repeal of the second section of the act of June 6, 1872, which reduced by 10 per cent. the duties on certain imports, to the Committee on Ways and Means.

By Mr. ———: A paper for a post-route from Madison, via Saint Magdalene and New Marion, to Holton, in Ripley County, Indiana, to the Committee on the Post-Office and Post-Roads.

IN SENATE.

FRIDAY, *April* 3, 1874.

Prayer by the Chaplain, Rev. BYRON SUNDERLAND, D. D.

The Journal of yesterday's proceedings was read and approved.

PROPOSED ADJOURNMENT TO MONDAY.

Mr. ANTHONY. Mr. President, as the good faith of the motion I made yesterday to adjourn over Good Friday was questioned by some Senators very broadly, I have taken the pains to look at the precedents. Last year, 1873, we were not in session on Good Friday. March 28, 1872, we adjourned over Good Friday until Monday, on motion of the Senator from Vermont, [Mr. EDMUNDS,] who is now absent on account of his health. March 29, 1866, we adjourned over Good Friday until Monday. In 1868 the impeachment trial was pending, and on that account there was no adjournment over on Good Friday. I think until the war we always adjourned over on Good Friday, although I am not certain. Now, Mr. President, I move that the Senate adjourn until Monday.

Mr. MORTON. Is that motion in order?

The PRESIDENT *pro tempore*. It is.

Mr. MORTON. The Senator moves that the Senate adjourn until Monday.

Mr. HAMLIN. No; that when the Senate adjourns.

Mr. FERRY, of Michigan. That motion is debatable, I think.

The PRESIDENT *pro tempore*. The Chair on consultation is advised that the motion is not in order in the morning hour, if objected to.

Mr. ANTHONY. Then I move that we proceed to the consideration of the motion that was pending when we adjourned last evening.

The PRESIDENT *pro tempore*. The Senator must move to suspend the morning hour business in order to get the floor for this purpose.

Mr. ANTHONY. That can only be done by unanimous consent, I suppose.

The PRESIDENT *pro tempore*. The Senator can move to suspend the pending order, the morning hour business, in order to submit his motion; or he can submit it by unanimous consent.

Mr. ANTHONY. Then I move to suspend the business of the morning hour with a view to enable me to submit a motion to adjourn over.

Mr. SHERMAN. The Senator will observe that the unfinished business at one o'clock will be the very motion that he now desires to call up. Why not suspend it, then, during the morning hour? We shall not be very much damaged if we spend an hour in the transaction of the ordinary morning business.

Mr. ANTHONY. I have no conscientious scruples about sitting on Good Friday. There are members of this body who have conscientious scruples; there are members of this body to whom it is painful to be here on this day; and I believe in religious freedom; and on their account, as well as in accordance with the general custom, I have made this motion. I should prefer to have the motion acted upon now, but if it is to be debated until one o'clock, we might as well go on with the morning business. Therefore, I will wait until the motion comes up in its order. If the question can be taken without debate, I should prefer it; but if it is to be debated, we might as well debate more profitable business and wait until it comes up in its regular order.

The PRESIDENT *pro tempore*. The Senator withdraws the motion. Petitions and memorials are in order.

PETITIONS AND MEMORIALS.

The PRESIDENT *pro tempore* presented a memorial of the Legislature of the Territory of New Mexico, in relation to the construction of a military telegraph from Santa Fé to the various military posts in that Territory; which was referred to the Committee on Military Affairs.

Mr. SCOTT presented the petition of James B. Thompson, late captain of Company F, One hundred and ninetieth Pennsylvania Volunteers, praying that he be paid the pay and allowances of a first lieutenant of infantry from June 6, 1864, to September 19, 1864, and of a captain of infantry from September 19, 1864, to March 1, 1865; which was referred to the Committee on Military Affairs.

Mr. HARVEY presented a petition of citizens of Cowley County, Kansas, asking protection against outrages by the Osage Indians; which was referred to the Committee on Indian Affairs.

Mr. LEWIS presented the petition of R. S. Allen, praying to be reimbursed for the amount of certain gold coin purchased by him at the sale of the assets of the Exchange Bank of Virginia; which was referred to the Committee on Claims.

PAPERS WITHDRAWN AND REFERRED.

On motion of Mr. BAYARD, it was

Ordered, That the petition and papers of Niel Nielsson be taken from the files and referred to the Committee on Pensions.

On motion of Mr. WRIGHT, it was

Ordered, That the petition and papers in the case of William H. Manning, asking compensation for timber taken by the United States, be taken from the files and referred to the Committee on Military Affairs.

On motion of Mr. HARVEY, it was

Ordered, That the petition and papers of John Birkett be taken from the files and referred to the Committee on Claims.

REPORTS OF COMMITTEES.

Mr. GOLDTHWAITE, from the Committee on Claims, to whom was referred the bill (S. No. 60) for the relief of P. O'Donnell, submitted an adverse report thereon; which was ordered to be printed, and the bill was postponed indefinitely.

He also, from the same committee, to whom was referred the petition of George W. Stuart, praying compensation for services rendered as messenger to R. H. Rousseau, while minister to Honduras, submitted an adverse report thereon; which was ordered to be printed, and the committee was discharged from the further consideration of the petition.

He also, from the same committee, to whom was referred the petition of John J. Anderson, surviving copartner of Anderson & White, praying compensation for the loss of cotton during the late war, submitted a report accompanied by a bill (S. No. 657) for the relief of John J. Anderson, surviving copartner of Anderson & White.

The bill was read and passed to a second reading; and the report was ordered to be printed.

Mr. KELLY, from the Committee on Public Lands, to whom was referred the bill (S. No. 624) to authorize the issuance of patents for lands granted to the State of Oregon in certain cases, reported it with an amendment.

Mr. WADLEIGH, from the Committee on Military Affairs, to whom was referred the bill (S. No. 28) to set apart a certain portion of the Island of Mackinac, in the Straits of Mackinac, within the State of Michigan, as a national park, reported it with an amendment.

He also, from the same committee, to whom was referred the bill (H. R. No. 764) for the relief of John Dold, reported it without amendment.

He also, from the same committee, to whom was referred the bill (H. R. No. 1936) for the relief of Dewight Desilva, of Deposit, New York, reported it without amendment.

Mr. HAMILTON, of Texas, from the Committee on Pensions, to whom was referred the bill (H. R. No. 2455) granting an allowance to soldiers who have lost an eye, reported adversely thereon; and the bill was postponed indefinitely.

He also, from the same committee, to whom was referred the petition of Martin V. Jackson, of Kansas, praying for a pension, submitted a report accompanied by a bill (S. No. 658) granting a pension to Martin V. Jackson. The bill was read and passed to a second reading, and the report was ordered to be printed.

Mr. SPENCER, from the Committee on the District of Columbia, to whom was referred the bill (H. R. No. 2550) making an appropriation for the payment of teachers in the public schools in the District of Columbia, and providing for the levy of a tax to reimburse the same, reported it without amendment.

BILLS INTRODUCED.

Mr. BAYARD asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 659) for the relief of Niel Nielsson; which was read twice by its title, and referred to the Committee on Pensions.

Mr. LEWIS asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 660) for the relief of Richard S. Allen, of Richmond, Virginia; which was read twice by its title, and referred to the Committee on Claims.

ASBURY DICKINS.

The PRESIDENT *pro tempore*. If there be no further morning business, the Secretary will report the first bill on the Calendar.

The CHIEF CLERK. The first bill on the Calendar is the bill (H. R. No. 1580) for the relief of the heirs of Asbury Dickins.

The Senate, as in Committee of the Whole, resumed the consideration of the bill.

Mr. PRATT. Mr. President, the Senate has listened to the report of the committee. The minority presented their views to the Senate, which have never been read. If those views had been read and listened to attentively, it would not have been necessary for me, belonging to that minority, to say a word in advocacy of the bill. The minority do not differ from the majority in the facts in this case, which are few and simple; they only differ in the construction to be given to the act of Congress of 1792 and the act of 1818, which I will refer to before I sit down.

The facts in the case briefly are as follows, and, as I said before, about these there is no disagreement whatever in the committee: Mr. Dickins, while acting as chief clerk of the Treasury Department, served in the capacity of Secretary *ad interim* of the Department for a period of one hundred and thirty-three days at different times, under the appointment of the President of the United States, that appointment being conferred in conformity with the act of 1792. For

his services as chief clerk he has been paid, but for his services as Secretary *ad interim* of the Treasury Department he never has received any compensation whatever. These services covered a period of four years under some eight different appointments, the first commencing on the 24th of April, 1829, and the last appointment being made on the 29th of May, 1833, the different periods of service aggregating, as I have said, one hundred and thirty-three days. He was subsequent to that time appointed chief clerk of the State Department, and at different periods he received appointments from General Jackson, at that time President of the United States, as Secretary of State *ad interim*, and he served the Government in that capacity at different times, under appointments made from August 10, 1833, to September 27, 1836, the period of two hundred and twenty-six days, and for that service he never received any compensation whatever.

I erred in my statement in relation to his services as Secretary of the Treasury. He did receive pay in that capacity for a period of a little upward of two months. With that exception, however, he never has received any compensation while serving as Secretary of State and Secretary of the Treasury during this period, amounting in all to three hundred and fifty-nine days.

The object of this bill is to pay him for that period of time, deducting what he has received while serving in this capacity as chief clerk in those Departments. It pays him simply the difference between his compensation as clerk and Secretary. Let me illustrate. Suppose that the salary of the Secretary of the Treasury at the time that Mr. Dickins was serving as Secretary *ad interim* was $6,000—I believe that was the compensation at that time. Suppose further that at that time the compensation of the chief clerk was $2,000 a year. Here would be a difference of $4,000 a year in the compensation; and if Mr. Dickins served a year in the capacity of Secretary of the Treasury, we claim that he should be entitled to this difference of $4,000.

Now, Mr. President, can there be any doubt about the abstract justice of this claim? At that time there was no law forbidding Mr. Dickins from receiving this double compensation. On the contrary, the precedents are numerous that up to the enactment of the law of 1839 men serving the Government in subordinate capacities, but transferred to a higher sphere in the same Department, received the compensation of their chiefs. I have a list here of precedents covering several pages which are all of that character. His claim was recognized at one time, and actually paid for the period of two months and more. It was passed upon at another time and recognized as legal, I believe, but was not paid, because there was no appropriation out of which he could be paid. But, as I have said, the precedents are numerous that he was entitled, while serving in two different capacities, to receive the compensation appertaining to the two offices in which he served. This bill, however, does not propose to pay him the salaries of the two offices, but simply the difference between what he has received and the compensation of the head of the Department whose place he filled for the time being.

Sir, we should have no hesitation whatever in the affairs of ordinary life in applying the principle which we claim is applicable here. If a man serving in the capacity of a clerk or teller in a bank is, on account of the death or the sickness of the cashier, promoted to his place and discharges intelligently all the duties of the cashier for the period of three or six months, no one would hesitate for a moment to say that he should be entitled to the compensation of the cashier during that time.

If an engineer conducting a railroad train were taken sick and a brakeman possessed the competent intelligence and skill to fill his place and run the train for a month or three months, no one would hesitate a moment in saying he was entitled to the compensation of the engineer.

Let me put another case. The chairman of this committee is a lawyer of extensive business and profitable practice. He employs a clerk at a salary of $1,500 a year to do the scrivener work of his office—to draw his contracts, his mortgages, his deeds, to prepare his pleadings, hunt up the authorites, and to brief his cases. Suppose that the Senator is stricken down by sickness and is unable to attend court and do justice to his clients, and his clerk takes his place for the time being and tries his cases in court; would I o hesitate for a moment in saying that that clerk ought to receive a higher compensation than as a mere clerk?

But I need not multiply illustrations. It is very clear to me that if the Secretary of the Treasury was entitled to $6,000 a year compensation, and Asbury Dickins filled his place for a period of one hundred and thirty-three days with equal intelligence and ability, he ought in justice to receive the same compensation as his chief.

Before I sit down, if I have time, I will cite the Senate to several instances where claims of this character in principle have been allowed and paid under the opinion of the Attorney-General.

On the 11th of August, 1859, the First Auditor of the Treasury examined and adjusted the account of Mr. Dickins, but it was not paid then simply because there was no appropriation applicable. On the 10th of March, 1854, the Senate passed this bill, or one substantially like it. On the 3d of March, 1855, while it was pending in the House, Congress being near its close, it was referred under a general resolution to the Court of Claims for consideration. On the 2d of April, 1856, that court made their report to Congress, accompanied by a bill. The opinion in that case was pronounced by Judge Blackford, one of the earliest judges appointed to that court, a citizen of the State of Indiana, and one of its most eminent jurists. The opinion is not reported at length in the volume which I hold in my hand, which is Devereux's Court of Claims Reports, but there is an abstract of the decision, which I will read from page 42. Speaking of the claim of Asbury Dickins against the United States it is said:

> The claimant, while chief clerk in the Treasury Department, at different periods between April 24, 1829, and May 31, 1833, acted as Secretary of the Treasury, performing the duties of the office, by authority of the President of the United States, on account of the absence from the seat of Government or sickness of the Secretary of the Treasury. *Held:* The claimant, at the times he so performed the duties of Secretary of the Treasury, held an office separate from his office of chief clerk; that is, held two offices, there being at the time no law to prohibit him from doing so; and as he discharged the duties of both offices, is entitled to compensation accordingly. (Per Blackford, J., *Dickins* vs. *The United States.*)

This decision was made in 1856, many years after the act of 1839 was passed, upon which the chairman of the committee commented the other day. These services, however, were all performed anterior to the act of 1839. That act then did not stand in the way; it does not stand in the way now of the passage of the bill. It was not retroactive in its operations, but simply prospective. Here, then, we have a decision of the Court of Claims that has never been overruled; it stands as the law to-day; and it defines with precision what were the rights of Asbury Dickins then before the court.

The same opinion, however, was given by several of the Attorneys-General of the United States. Let me refer in this connection to two or three. I read now from the second volume of Opinions of Attorneys-General. I will first refer to the claim of General Harrison for services on the Wabash. It is known that General Harrison was at that time Governor of the Indiana Territory, and he preferred a claim against the Government for the services which he performed as general of the army of the United States in conducting the campaign on the Wabash which culminated in the battle of Tippecanoe. The Attorney-General on the 17th day of January, 1826, rendered his opinion, from which I read the following extract:

> Without the act of the 10th of April, 1812, I should hold that a special appointment by the President to the governor of a Territory to take the command of a mixed army of regulars and militia from other States to carry on war with the Indians, more especially offensive war, as giving the person so appointed a claim on the Government for the pay and emoluments suited to the command to which he had been called. For it is impossible to maintain the position that our laws, in fixing the salaries of the governors of Territories, could have had in view such services as those; or that, because a man has accepted the appointment of governor of a Territory, he may therefore be called to any service of life and death, at the pleasure of the Government, without any manner of compensation for services.

Here, then, the claim is fully sustained. He says in conclusion:

> I am of the opinion that the law, in fair construction, covers his case; that he is within the spirit of it, seems to me beyond the reach of controversy.

Mr. Wirt was at that time the Attorney-General. I have another opinion of Mr. Wirt, given on the 12th of December, 1828, upon a claimed preferred by General Cass while he was governor of the Territory of Michigan. The syllabus is as follows:

> Governor Cass having been employed by the Government to perform services which did not belong to his duty as governor of the Michigan Territory, he has a fair claim to compensation on the principles of a *quantum meruit.*

The opinion proceeds to say:

> I understand the facts stated in Governor Cass's letter of the 26th November to be admitted; and if so, I can perceive no ground on which his claim can be properly resisted. His salary as governor is a compensation for his services *as governor*, but the services for which he claims do not belong to his duty as governor of the Michigan Territory; and having been employed by the Government to perform these services, he has a fair claim for them on the principles of a *quantum meruit.* The facts conceded, I think his right undeniable.

Though this opinion does not proceed to state what was the character of the services rendered by General Cass for which the Attorney-General thought he was entitled to compensation, I can state what they were to the Senate. He was appointed repeatedly by the President as a commissioner for the purpose of negotiating treaties with the Indians. He negotiated treaties with a great many different tribes while he was governor. One of the most important treaties, perhaps, that was ever made in the State of Indiana was negotiated by him in connection with two other commissioners in the year 1826; and I presume, though the opinion does not state the fact, that this was the nature of the services for which he claimed compensation of the Government. And here the principle is broadly asserted, as in the case I have cited from the Court of Claims, that although holding an office for which he was paid a specific salary, there was nothing in the law which prevented him from receiving compensation for discharging other official duties outside those of governor during the time that he held his commission as governor.

In this connection, I wish to refer to the act of 1792 under which Mr. Dickins received these appointments and performed these services. It reads as follows:

> That in case of the death, absence from the seat of Government, or sickness of the Secretary of State, Secretary of the Treasury, or of the Secretary of the War Department, or of any officer of either of the said Departments whose appointment is not in the head thereof, whereby they cannot perform the duties of their respective offices, it shall be lawful for the President of the United States, in case he shall think it necessary, to authorize any person or persons, at his discretion, to perform the duties of the said respective offices until a successor be appointed, or until such absence or inability by sickness shall cease.

Could more plenary powers have been conferred upon the President? You will notice, sir, that the appointment authorized is not confined to employés of the Department over which the person appointed is to preside, but the President may go outside of the

Department and may appoint any person to fill the office *ad interim*. A case was cited by my friend from Oregon [Mr. MITCHELL] the other day where a person outside of the State Department had been appointed Acting Secretary of State, and had received his compensation without any question being made whatever; and I understand the opposition here is based solely upon the fact that at the time of receiving this appointment of Secretary *ad interim* Mr. Dickins was serving as a clerk in that same Department and receiving a salary. Now, sir, is there anything in this act which prevented his appointment, or his appointment being made, which prohibits him from receiving the compensation of the head of that Department? Not a word of it. On the contrary, as I have already shown, his claim was recognized and paid for some two months. The same claim, I repeat, that we are urging here was recognized, recognized by the Auditor of the Treasury who examined Mr. Dickins's account and adjusted it, for two months, and it was paid. If it was right to pay him the salary of the chief of that Department for two months, why not for the entire one hundred and thirty-three days?

We have had frequent reference to the act of 1839, which was intended to put a stop to claims of this character. and which has put a stop to them. I do not claim for a moment that had these services been rendered since the act of 1839, Mr. Dickins or his legatees would have any standing before Congress. But, sir, this act of 1839 is a clear recognition that the rule had been different before. Let me read it; I believe it has not been read at any time during the course of this debate. It was passed on the 3d of March, 1839, and the third section is as follows:

> That no officer in any branch of the public service, or any other person whose salaries, or whose pay or emoluments, is or are fixed by law and regulations, shall receive any extra allowance or compensation in any form whatever for the disbursement of public money, or the performance of any other service, unless the said extra allowance or compensation be authorized by law.

If Mr. Dickins had been serving in the Treasury Department subsequent to the passage of this law as chief clerk, of course he could not have instituted any such claim as this, nor could his heirs since his death be heard. It would have been replied, "You took the office of chief clerk *cum onere;* you assented to the conditions of this law; you agreed in accepting this office that if you were transferred to the head of that Department you would make no extra charge for that service;" and the argument would have been unanswerable. It is because this claim originated before this law, and when it had been solemnly adjudicated that a man might hold two offices at the same time and receive the compensation of those offices, that this claim rests.

Why, sir, this is not a new thing, this right to hold two offices at the same time. It exists now in the States. In my own State there is a provision in the constitution that a man may hold an office under the State and at the same time be deputy postmaster, and receive the emoluments of both offices. There is another constitutional provision that in new counties, where the number of polls does not exceed one thousand, the same man may hold the offices of auditor, clerk, and recorder, or any two of these offices, and receive their compensation. Why, sir, the question was never doubted that I know of seriously; otherwise this act of 1839 would not have been passed. It was passed to cure this very mischief, to prevent persons serving the Government of the United States from receiving double compensation for serving the Government in different capacities. That was the whole purpose of the law; and if the practice had not been different up to that time why should this law ever have been enacted?

My friend, the chairman of the committee, supposes that this claim was barred by the act of 1818; but there is nothing in that act fairly construed which bars it. That act was before the Court of Claims at the time that Asbury Dickins was before that court as a claimant, and his right was clearly recognized. That decision was made in 1856, long after this act of 1818 was in force. Is it to be presumed for a moment that the Court of Claims were ignorant of that law? Yet I have read to you the opinion of the court:

> *Held:* The claimant, at the times he so performed the duties of Secretary of the Treasury—
>
> And that was after the act of 1818 was in force—
>
> held an office separate from his office of chief clerk, that is, held two offices, there being at the time no law to prohibit him from doing so, and as he discharged the duties of both offices, is entitled to compensation accordingly.

Now, sir, do you suppose that court was blind? With the Statutes at Large before them, do you suppose for a moment that this act of 1818 escaped their attention? The court obviously thought it was not applicable to the case; nor was there anything in the language of that act that would seem to make it so. Let me read that act of 1818 which has been so often thrown in our faces. The ninth section of that act is as follows:

> SEC. 9. That the compensation allowed by this act to clerks shall commence from and after the 31st day of March last, and it shall be the duty of the Secretaries for the Departments of State, Treasury, War, and Navy, of the Commissioners of the Navy, and the Postmaster-General, to report to Congress at the beginning of each year the names of the clerks they have employed respectively in the preceding year, together with the time each clerk was actively employed during the year, and the sums paid to each; and no higher or other allowance shall be made to any clerk in the said Departments and offices than is authorized by this act.

What is the meaning of that? It is that no additional compensation shall be made to them *as clerks;* no extra compensation for extra labor done during the period they were officiating as clerks shall be made to them. That must be the meaning of it; otherwise certainly the Court of Claims would never for a moment have sanctioned the claim of Mr. Dickins, who was a chief clerk in the Department after the act of 1818 was in force.

I resume, Mr. President, the history of this claim of Mr. Dickins in Congress. I brought it down to March 3, 1855, when it was referred to the Court of Claims and passed upon there favorably. At that time the Court of Claims had no power to render judgments. Had it possessed the power then which it possesses now, Mr. Dickins would have been paid for these services as Secretary of State *ad interim* and Secretary of the Treasury *ad interim*, and we should never have heard of this claim. But at that time all that the Court of Claims could do was to find the facts, give their opinion of the law, and make a report to Congress accompanied by a bill; and that was done in this case. The House committee reported a bill, substantially the bill now before the Senate, for the payment to Mr. Dickins of his claim.

Mr. SCOTT. Will the Senator permit me to correct him just at that point? It may perhaps be in the line of strengthening his argument, but it is a fact, and I wish it to appear, for I think it militates against the opinion of the Court of Claims. It is this: the amount they found was not the difference between his salary as chief clerk of those Departments and the salary of the heads of those Departments, but it was the amount of the salary of the heads of the Departments for the time he served without deducting his pay as chief clerk, thus giving him the full salary of both offices for that time. That was the decision of the court.

Mr. PRATT. I accept the correction of the honorable Senator. It follows, of course, as a logical conclusion from the opinion of the court which I have already had occasion to read, that decision being that Mr. Dickins held two offices and that there was at that time no law to prohibit him from holding them, and of course he was entitled to the double compensation. Now, sir, this bill does not claim that. It claims simply the difference between his pay as chief clerk, let it be what it may have been, and the pay of the head of the Department for the time being. That is the whole of it. The committee, while having this matter in charge, thought that this was doing justice to the estate of Mr. Dickins, and did not prefer the claim which would seem to be warranted by the decision of the Court of Claims.

But, Mr. President, I am admonished that the morning hour has nearly expired, and although there are several other points I had designed to touch upon, I will omit saying anything further now for the purpose of reaching a vote.

Mr. SCOTT. I do not desire to postpone a vote, but I must call the attention of the Senate to one feature of this case before they vote upon it. In answer to the argument made about the decision of the Court of Claims, I wish simply to say that the fundamental error into which that court fell was in holding that Mr. Dickins did hold two offices. I made an argument to show that he could not hold two offices. He was performing the duties of the one while he was holding the other.

But, sir, under the act of 1792, which I have already referred to, a question arose during the impeachment trial in 1868, and it became necessary, for the purpose of making out the case of the then President, to bring into the Senate and offer in evidence a list of the appointments and details that had been made under this act of 1792. I refer to it, in the supplement to the Congressional Globe containing that trial, beginning on page 188, covering pages 189, 190, 191, and on that is a message from Mr. Buchanan, dated January 15, 1861, in which he undertakes to show the authority by which he had made details of this character under the act of 1792, and accompanies it with a list of them, and it runs on to page 192 and covers pages 193 and 194, and then a number of cases coming down to 1860 are added, covering several pages more of appointments made under this act of 1792. In the course of the trial, when opinions came to be delivered, I find that the act of 1792 was referred to as supplied by the act of 1795, and the constitutionality of both acts questioned upon the very ground which I made in the remarks that I submitted yesterday. But, sir, here is a list—I have not had time to count them—of cases beginning in 1819, only ten years before this case originated, a list of some five or six hundred cases, all of which, if they have not already been paid—some of them, I suppose, have been—will come in and make their claims if we pay this one. In addition to that, how many second-class clerks are to-day performing the duties of third-class clerks? How many third-class clerks are performing the duties of fourth-class clerks, and so on all through the Departments? It is not because I am here against the claim of Mr. Dickins, as I have already said, or of his legatees, that I make this opposition; but it is as the organ of the Committee on Claims. If it were Mr. Dickins alone, if it were his estimable and courteous daughters alone, I should be glad to say, let them have the money. But, Mr. President, if you vote this claim you open the door to all this class of claims, and that is what I wish to call the attention of the Senate to before the vote is taken.

Mr. MITCHELL. I will inquire of the honorable chairman if the cases which he has just now referred to are cases where the appointments were made in pursuance of the act of 1792? That act only provided for appointments to Cabinet positions in the Departments of Secretary of State, Secretary of the Treasury, and Secretary of War, and it cannot be possible that all those cases belong to that class.

Mr. SCOTT. The Senator is mistaken in reference to the provisions of the act. It reads:

That in case of the death, absence from the seat of Government, or sickness of the Secretary of State, Secretary of the Treasury, or of the Secretary of the War Department, or of any officer of either of the said Departments whose appointment is not in the head thereof, &c.

It provides for more than the appointment of heads of Departments.

Mr. MITCHELL. That is true; it does include the subordinate officers, the appointment of whom is not in the heads of Departments; but as a matter of fact, nearly all the subordinate officers were appointed by the heads of Departments; so that it left but a very few to be appointed by the President in pursuance of that act.

Mr. SCOTT. Let us have the yeas and nays on the passage of the bill.

Mr. MORRILL, of Maine. Mr. President, if this body were an eleemosynary institution, I should think this a most excellent charity, and that we ought to give it our consideration; but as it happens that the people of this country have about as much as they can do at the present time to pay the ordinary expenses of the Government, postponing their debts and liabilities, and as the last four months here show the struggle that is going on to keep our head above water, to keep the Treasury of the United States from absolute bankruptcy, it seems to me that if there is any rule by which economy ought to be observed, it ought to be applied at the present time. Now——

PROPOSED ADJOURNMENT TO MONDAY.

The PRESIDENT *pro tempore*. The morning hour having expired, the Senate resumes the consideration of the unfinished business, which is the motion of the Senator from Rhode Island [Mr. ANTHONY] that when the Senate adjourn to-day it be to meet on Monday next; which the Senator from Michigan [Mr. FERRY] moved to amend by inserting "Saturday" instead of "Monday next." Is the Senate ready for the question?

Mr. ROBERTSON. On that I ask for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDENT *pro tempore* put the question on the amendment, and declared that the noes appeared to prevail.

Mr. FERRY, of Michigan. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MORTON. I presume that the Senator from Michigan himself would not insist upon the Senate meeting to-morrow unless the Senate should be inclined to adjourn over to-day. If we are to lose to-day, then I think we ought to meet to-morrow to make it up; but if the Senate is not to adjourn over to-day, but is to go on with business, I presume the Senator from Michigan would not care about the Senate meeting to-morrow. I do not know how that is.

Mr. FERRY, of Michigan. I am not disposed to throw any obstacles in the way of adjourning over to-day if that is the wish of several of the Senators, but I feel at the same time that it would be wrong to the country under the circumstances, and pending the financial bill, which has occupied so much time, for us now to adjourn over until Monday. Feeling, from the remarks that have been made by the chairman of the Committee on Finance, that the country were demanding action upon this question, perhaps smarting a little under that criticism, because I have taken a little of the time of the Senate upon the question, I now appeal to the Senator himself, and to other Senators, that if we are to adjourn over to-day we should meet on Saturday.

I heard from the Senator from Rhode Island the precedents which he cited, which are new to me. No such case has occurred since I have been in the Senate. I am willing, however, to defer to those precedents; but I hope he will join me in agreeing that to-morrow we shall meet here and make up for the time lost to-day, so that the week shall not be lost by our adjournment over to-day. Let Senators be allowed to observe Good Friday, and I wish them hearty good-will in it, but let us meet on Saturday, and go through with the financial bill.

But, on the other hand, in reply to what has been said by the Senator from Indiana, if it is thought best to go on to-day with this bill, certainly I am not disposed to meet on Saturday; and if that is the intention of the Senate I would withdraw my amendment, if the Senate were disposed to allow me to do so, as I cannot do it without consent, inasmuch as the yeas and nays have been ordered.

Mr. ANTHONY. Yesterday I put to the Senator from Michigan our new principle of parliamentary law, questioning the right of a man to move an amendment to a proposition unless he intended to vote for it. I asked him if he intended to vote for this proposition if his amendment should prevail, and I understood him to say distinctly that he did not. Now I think if we do not sit on Friday and Saturday, the very interesting speeches which we have heard upon this subject of finance have been so impressed upon our minds by frequent and continuous repetition that we shall be able to remember them from now until Monday, when they can be repeated over again just as well as on Saturday; and I hope that we shall adjourn over, as we have been accustomed to do on this day, until Monday.

Mr. FERRY, of Michigan. I stated yesterday in reply to the same point made by the Senator from Rhode Island that this is a religious question which seems to be pending now and the other was a financial one, and therefore I should act differently upon this from what I would upon the other. I do not wish it to be understood that I am opposed to members observing the day; and again I suggest to the Senator that the better way to do that is to let those Senators who feel it their duty conscientiously to observe this day pair with other Senators. I am ready to pair with any Senator who feels that he must observe this day away from this Chamber. That can easily be done, and leave a quorum in the Senate to proceed with the business of the Senate.

Now, in answer to what has been said by the Senator from Rhode Island, I did yesterday say that while I would vote for the amendment I proposed, I should vote against the adjournment over. I did not at that time know that there were any precedents for adjourning over Good Friday; but to-day the honorable Senator has cited several precedents. Now I say again I am willing to defer to them; but I say to him, let my amendment be carried that we meet to-morrow and spend Saturday here and conclude the bill that is now pending before the Senate.

Mr. BAYARD. May I ask the Senator from Michigan what would be his advantage if all the gentlemen who desire to absent themselves to-day should agree to pair with those who do not, on this subject? The result would be that the Senate would have no quorum, and the first vote taken would disclose that fact, and thereupon the transaction of public business would cease.

Mr. FERRY, of Michigan. If the Senate will vote for an amendment to adjourn to-day and meet to-morrow——

Mr. BAYARD. That would not in any degree affect the question made by the Senator. He proposed as a remedy for the consciences of Senators that they pair with others; and my answer is, if it should go to the extent of all those who have some conscience or opinion on that subject, he would find the Senate without a quorum.

Mr. FERRY, of Michigan. I merely reply to that, without occupying time, that I defer to the Senator's judgment of the complexion of the Senate in that regard. If he states there will be so many who would pair as to leave the Senate without a quorum, then I say meet us in adjourning until to-morrow, and sitting here on Saturday; let us not waste for the business of the Senate and the country two days of this week. Let us give up Friday and meet here on Saturday, and we shall have accomplished as much for this week as any other, for we have not sat on any Saturday this session.

Mr. ANTHONY. I am very glad that my friend from Michigan has gone back from his new theories to the old precedents, which I think are always safest; and so far as I am familiar with them the adjournment has uniformly been to Monday. We adjourned to Monday in 1872; we adjourned to Monday in 1866. In 1868 the impeachment trial was pending, and for that reason we did not adjourn at all.

The PRESIDENT *pro tempore*. Is the Senate ready for the question?

Mr. FERRY, of Michigan. The yeas and nays have been ordered, I believe.

The PRESIDENT *pro tempore*. The yeas and nays having been ordered, the roll-call will proceed on the amendment of the Senator from Michigan to substitute "Saturday" for "Monday."

Mr. BOREMAN. I have voted against adjourning over, but I am willing to defer to the wishes and feelings of gentlemen who have conscientious scruples about sitting here to-day. I do not see, however, that there will be anything gained by coming back here to-morrow. If we come back and sit here to-morrow, we shall do very little; and I think the better way is to adjourn until Monday. Therefore on this vote I shall feel it my duty to oppose those of my friends who wish to substitute "Saturday" for "Monday."

Mr. HAMLIN. I presume other Senators are situated as I find myself—troubled with matters which we cannot well avoid outside of this Hall, and perhaps somewhat outside of our legitimate congressional duties. I refer to calls that are made upon us by our constituents in regard to business matters at the various Departments. Had the Senate yesterday considered this matter, I would not have objected to adjourning over until Saturday; but the day is gone for any such purpose; I cannot devote this day to that purpose, having no particular conscientious scruples against doing my duty either here or elsewhere. I want to-morrow therefore to do these duties that are pressed upon me and that I cannot avoid. Otherwise I would vote to meet to-morrow.

Mr. FERRY, of Michigan. To meet just that case and others, as we are now here in session and it may be can retain enough to go on with business to-day and still give Saturday for the business to which the Senator from Maine has alluded, I will, if the Senate will allow me, withdraw my amendment and agree to take the question on adjourning over to Monday.

The PRESIDENT *pro tempore*. The Senator from Michigan asks unanimous consent, the yeas and nays having been ordered upon it, to withdraw his motion to amend the motion of the Senator from Rhode Island.

Mr. MORTON. I beg leave to say in that connection that I hope when the motion is withdrawn the Senate will then resolve not to adjourn to-day until we finish this financial question, or at least not to adjourn until the usual hour comes. Let us stay here and devote to-day to this question.

The PRESIDENT *pro tempore*. Is there objection to the withdrawal of the motion of the Senator from Michigan? The Chair hears none, and it is withdrawn.

Mr. WRIGHT. I wish the attention of the chairman of the Commit-

tee on Finance, the Senator from Ohio. He has several times indicated to us his purpose to press a vote upon this bill; has announced on more than one occasion that he should ask the next day that the Senate should remain in session until the bill was disposed of. In that request I have always been inclined to concur and stand by him. I still have that disposition, and I should like very much to know what he wishes on this subject, whether his wish is that we shall remain here to-day and to-morrow and press this bill to a vote, or whether, in view of the condition of the country which he has so frequently pointed out and has presented to the Senate so very urgently and eloquently, he is at this time willing for the Senate to adjourn. I ask whether he advises the members of the committee who act with him, not upon all the matters in connection with this bill, but in the earnest wish to press the bill to a vote, to agree that the Senate shall now adjourn until Monday; or whether, in view of the condition of the country as he understands it, he deems it better that we sit here to-day and to-morrow?

So far as I am concerned, I say unhesitatingly that I believe we ought to stay here to-day, and to-morrow also if it is necessary, to dispose of this bill. I think if a month since the country needed that we should remain here and stand by this bill as something for the country, certainly that demand is much greater and stronger now. Every one knows, I need not repeat it—every Senator on this floor has had letter upon letter urging it and pressing upon us the necessity of acting on this bill. I believe this bill is in such a condition that we can dispose of it to-day if we remain; and if the chairman of the committee will reiterate what he has said heretofore and appeal to the Senate to stand by this bill, I believe we shall remain here to-day and dispose of it. I think it will be infinitely better for the country and for us that we do so than to now adjourn over till to-morrow or until Monday.

Mr. FRELINGHUYSEN. I think my friend from Iowa is laboring under a great mistake. I have not heard the chairman of the Committee on Finance say that it was important to pass this bill to-day or at any time. It was a different bill from this that he thought the interests of the country required. On the contrary, I think I have heard him intimate that he never would vote for this bill.

Mr. WRIGHT. Why, Mr. President, I have not said that the Senator from Ohio insisted that this bill should pass, but he has insisted more than once that we should remain and dispose of the bill, dispose of the question, pass the bill or have it defeated. He has so insisted before this Senate; and I now ask him, as chairman of the Finance Committee, to say to the Senate what his preference is on this question. We are either under his lead to lose two days upon this bill or we are to remain here and attempt to dispose of the bill, either to pass it or defeat it. I should be very glad to know what his preference is.

Mr. ANTHONY. Does the Senator intend to follow the advice that he asks?

Mr. WRIGHT. I have already said that my preference is that we should remain here and dispose of this bill. I have been inclined, as I have already said, to follow the lead of the Senator from Ohio on that subject.

Mr. SHERMAN. I have voted steadily against all adjournments, and to bring the bill to a conclusion, although for the last three or four days it has been in such a condition that I certainly mean to vote against it, and regard its passage, in its present form, as an unmixed calamity. I do not consider myself responsible for the action of the majority, but it seems to me—and I say it in good temper and in good humor—that the gentlemen who compose the majority, and who have put this bill in such a position that I cannot vote for it, and that others who reported the bill and brought it before the Senate cannot vote it, ought to speak to the supporters of the bill to stay here and not vote for the first motion to adjourn. I have voted steadily against every adjournment up to this time. Now as to whether it is better to adjourn to-day or not, I really do not know how to advise the Senate. I think, on the whole, that if we had one or two days for calm reflection it is possible that this bill might be put into a shape that would command much greater strength in the country, and certainly where it might command my vote. It cannot as it now stands. I think the majority of the Senate who seem to stand in favor of this bill ought to determine whether or not they will give us a little time and themselves a little time for reflection. I shall vote against the adjournment because I wish to bring the thing to a conclusion, but I am not so sure that it would not be better for the country that we should adjourn over until Monday, in order to perfect and mature the bill. As it now stands I shall vote against the bill, and I shall vote against the adjournment.

As for Good Friday, I was reared in the faith of the Episcopal Church, and they have always regarded it as a holy-day, especially so; but at the same time I think the best way to observe a holy-day is to pursue the ordinary discharge of one's business, provided it is an honest business, and especially if it promotes the public service.

The PRESIDENT *pro tempore*. The question is on the motion of the Senator from Rhode Island, that when the Senate adjourn to-day it be to meet on Monday next.

The question being put, the Chair declared that the "ayes" appeared to prevail.

Mr. FERRY, of Michigan. I ask for the yeas and nays.

Mr. MORTON. I would suggest to the Senator from Michigan that on the motion to adjourn, which I presume will follow immediately, we take the yeas and nays.

The PRESIDENT *pro tempore*. The motion now is that when the Senate adjourn to-day it be to meet on Monday next.

Mr. MORTON. The adoption of that will not adjourn the Senate.

The PRESIDENT *pro tempore*. Of course not.

Mr. MORTON. Then on the motion to adjourn, which I presume will follow, we can have the yeas and nays.

Mr. FERRY, of Michigan. Very well. I did not understand the question before. The proposition is simply that when the Senate adjourns to-day it adjourn to meet on Monday next. I am not disposed to oppose that, but I shall vote against an adjournment now.

The PRESIDENT *pro tempore*. The call for the yeas and nays being withdrawn, no division being called for, the motion of the Senator from Rhode Island is agreed to.

Mr. ANTHONY. I move that the Senate do now adjourn.

Mr. FERRY, of Michigan. On that I call for the yeas and nays.

The yeas and nays were ordered; and being taken, resulted—yeas 28, nays 30; as follows:

YEAS—Messrs. Allison, Anthony, Bayard, Boreman, Chandler, Conkling, Cooper, Cragin, Davis, Fenton, Flanagan, Frelinghuysen, Hager, Hamilton of Maryland, Hamilton of Texas, Hamlin, Howe, Kelly, Lewis, McCreery, Morrill of Maine, Morrill of Vermont, Sargent, Saulsbury, Schurz, Scott, Stockton, and Thurman—28.

NAYS—Messrs. Bogy, Carpenter, Clayton, Dorsey, Ferry of Connecticut, Ferry of Michigan, Goldthwaite, Gordon, Harvey, Hitchcock, Ingalls, Johnston, Logan, Merrimon, Mitchell, Morton, Norwood, Oglesby, Patterson, Pease, Pratt, Ramsey, Ransom, Robertson, Sherman, Spencer, Tipton, Wadleigh, West, and Wright—30.

ABSENT—Messrs. Alcorn, Boutwell, Brownlow, Buckingham, Cameron, Conover, Dennis, Edmunds, Gilbert, Jones, Sprague, Stevenson, Stewart, and Windom—14.

So the Senate refused to adjourn.

THE CURRENCY—SPECIE PAYMENTS.

The PRESIDENT *pro tempore*. The special order is before the Senate, being the resolution reported by the Senator from Ohio [Mr. SHERMAN] from the Committee on Finance, declaring it to be the duty of Congress at the present session to adopt definite measures to redeem the pledge made in the act of March 18, 1869, for the earliest practicable redemption of the United States notes in coin.

Mr. CONKLING. Let us take that up by all means.

The PRESIDENT *pro tempore*. It is up.

Mr. HAMLIN. I should like permission to present a petition before we proceed to the regular business of the day.

The PRESIDENT *pro tempore*. The Chair will receive it if there be no objection.

ADDITIONAL PETITIONS AND MEMORIALS.

Mr. HAMLIN. I present a memorial signed by Dallas Knowlton and various other residents of this city, who allege that the general sewerage act of the District of Columbia imposes a specific tax of two cents per square foot, whether the land be worth two cents or twenty dollars per foot, and that it is a grievous and unconstitutional tax, and they ask relief therefrom. I move that the memorial be referred to the Committee on the District of Columbia.

The motion was agreed to.

Mr. CONKLING. May I present a memorial?

The PRESIDENT *pro tempore*. The Chair will receive morning business at present if there be no objection. The Chair hears no objection.

Mr. CONKLING. I present the memorial of citizens and freeholders of Oneida County, New York, that region being the greatest hop-producing region in the country, setting forth the injustice, as they conceive, in the existing tariff concerning hops, and praying that a duty of fifteen cents a pound may be imposed on all hops imported into the United States from foreign countries. The legislation prayed for, I know, cannot originate in the Senate, being a change in the tariff; nevertheless as this memorial is sent to me, I beg to present it and move its reference to the Committee on Finance, with the remark that the case stated is a very strong one, and I am satisfied that it deserves consideration.

The motion was agreed to.

The PRESIDENT *pro tempore* presented resolutions of a public meeting of colored citizens of San Francisco, California, in respect to the memory of the late Hon. Charles Sumner; which were ordered to lie on the table.

Mr. GORDON presented a petition of a large number of planters and other citizens of Georgia, praying that legal-tender notes may be substituted for national-bank notes, declared equal with coin, and convertible into bonds, bearing interest at 3.65 per cent. per annum; which was referred to the Committee on Finance.

BANKING AND CURRENCY.

The PRESIDENT *pro tempore*. The special order indicated by the Chair is now before the Senate.

Mr. SHERMAN. I move to take from the table the bill S. No. 617, which is really the unfinished business; and when it is taken up I intend to appeal to the Senate to let the matter go over until Monday. I move that it be taken from the table.

The motion was agreed to; and the Senate, as in Committee of the Whole, resumed the consideration of the bill (S. No. 617) to provide

for the redemption and reissue of United States notes, and for free banking.

Mr. SHERMAN. My purpose is, on Monday or whenever the matter comes up—now, if the Senate determine to go on with it—to move the second and fourth sections, with some modifications, as amendments. I think on the whole it would be better to adjourn over until Monday. There is a bill lying on the table which may take a little time, but not long. I think if we can get a little rest we may make more progress by coming back fresh on Monday than wasting this day in debating the question that we have already debated so much.

Mr. MERRIMON. I desire to make the first section of the substitute which I offered for the bill conform in terms to the section adopted by the Senate in lieu of the first section of the bill as reported by the committee. There is a slight verbal difference.

Mr. SHERMAN. Now I submit to the Senate that without debate this bill be postponed until Monday. I desire to offer one or two amendments; but I have consulted with Senators of opposite views on this subject, and I will submit the motion that this bill be deferred until Monday and continued as the unfinished business, with a view to give us an opportunity to think over the matter a little more fully and with the hope that we shall then close it.

Mr. THURMAN. The bill ought to be printed with the pending amendments.

Mr. SHERMAN. There are no amendments except to strike out the second and fourth sections.

The PRESIDENT *pro tempore*. Those are the only amendments adopted except that of the Senator from North Carolina to strike out the third section and insert another in its stead. There is a pending propostion to strike out all after the enacting clause and insert a substitute—an amendment offered by the Senator from North Carolina.

Mr. MORTON. The question now is on the substitute.

Mr. SHERMAN. The third section has been stricken out and the amendment proposed by the Senator from North Carolina adopted in lieu of it.

Mr. MORTON. The substitute embraces precisely what has been adopted on the bill, embracing the first and third sections as adopted.

The PRESIDENT *pro tempore*. The Secretary will state the condition of the bill as it appears by the record.

The CHIEF CLERK. The first section was stricken out on the motion of Mr. WRIGHT, and the following was inserted in lieu of the section stricken out:

That the maximum amount of United States notes is hereby fixed at $400,000,000.

The second section was stricken out. The third section was stricken out, and in lieu thereof the following inserted:

That $46,000,000 in United States notes for circulation, in addition to such circulation now allowed by law, shall be issued to national-banking associations now organized and which may be organized hereafter; and such increased circulation shall be distributed among the several States as provided in section 1 of the act entitled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates and for an increase of national-bank notes," approved July 12, 1870.

The fourth section was stricken out, and the fifth and sixth sections yet remain in the bill. The amendment now pending is to strike out all after the enacting clause and insert the substitute proposed by Mr. MERRIMON.

The PRESIDENT *pro tempore*. The Senator will suggest what change he wishes.

Mr. MERRIMON. I desire to substitute the words adopted by the Senate in lieu of the first section of the bill, for the first section of the substitute offered by me.

The PRESIDENT *pro tempore*. Then the Senator can accomplish his purpose by asking unanimous consent to withdraw the first section of his substitute, the other having been adopted by the Senate.

Mr. MERRIMON. I make that request.

The PRESIDENT *pro tempore*. The Senator from North Carolina asks unanimous consent to withdraw the first section of his substitute. Is there objection? The Chair hears none.

Mr. MERRIMON. Now I wish to supply it with the section which was adopted in lieu of the first section of the bill.

The PRESIDENT *pro tempore*. That has already been adopted, and when the Senator's substitute is added to it it will be all right.

Mr. MERRIMON. I make it part of the substitute, so that the substitute will be in lieu of the bill as perfected by the Senate.

The PRESIDENT *pro tempore*. Very well.

Mr. THURMAN. Is that in order, to move to strike out that which has already been inserted?

The PRESIDENT *pro tempore*. Not except by unanimous consent. The Chair called for objections and heard none.

Mr. MORTON. It was only a change which the Senator from North Carolina had a right to make without the consent of the Senate. He offers a substitute of two sections, and he desires to change the first section of the substitute before the vote is taken; that is all.

Mr. MERRIMON. I have a right to do that, I believe.

Mr. THURMAN. That is not the point at all. If I understand it, the Senator wants to move to strike out the first section of the bill as it now stands.

The PRESIDENT *pro tempore*. That cannot be done, of course.

Mr. THURMAN. But he can get at his object by moving to strike out all of the bill after the first section.

Mr. MORTON. The Senator does not comprehend the point.

Mr. MERRIMON. The substitute which I offered has not been acted upon; no vote has been taken upon it; no action whatever has been had upon it; and I have a right to substitute the words which the Senate have adopted in lieu of the first section of the bill as part and parcel of my substitute. That is what I propose to do.

Mr. CONKLING. Then why does the Senator want to withdraw anything?

The PRESIDENT *pro tempore*. The Senator from North Carolina suggests what is a perfectly proper mode of proceeding on his part.

Mr. CONKLING. Then he does not want to withdraw anything now?

The PRESIDENT *pro tempore*. Of course not.

Mr. SHERMAN. I ask that the amendment as now modified be printed.

The PRESIDENT *pro tempore*. That order will be made if there be no objection. The Chair will order the bill to be reprinted with the pending amendments if there be no objection.

Mr. MORTON. If that is to carry with it the idea of an adjournment now, I object.

Mr. BAYARD. I desire to give notice of an amendment which I propose to offer to the pending finance bill, and I think perhaps that it had better be printed.

The PRESIDENT *pro tempore*. It will be ordered to be printed if there be no objection.

Mr. DAVIS. I wish to make a statement which may have an influence on the pending bill, and which will occupy but a few moments.

On the day before yesterday, when the bill now under discussion was before the Senate, I stated that taking New York as the basis for the increased bank circulation as proposed in the third section, it would add to the volume of circulation $124,000,000; that taking Pennsylvania as the basis, it would add $110,000,000 in round numbers, and taking Maine, it would add $280,000,000. The statement was thought to be an error by many Senators, and in fact it was so generally supposed to be so by Senators that I began to have some doubt myself about it. Since that time I have seen the Comptroller of the Currency, and obtained from him a statement which I now hold in my hand. I find that I was correct in my assertion that the basis of New York would give $124,000,000 additional circulation. This statement contains a list of the States which would receive increased circulation under the New York basis, and I observe that even Pennsylvania would receive some additional circulation upon that basis. As it will have a bearing in the future, I present this table:

Statement showing the circulation of certain States and an apportionment to the same States upon the basis of the circulation of New York.

States.	Apportionment, basis of New York.	Outstanding and authorized.	Amount of increase.
Pennsylvania	$42,397,889	$42,055,781	$342,108
Virginia	10,447,297	3,902,342	6,544,955
West Virginia	3,970,711	2,360,307	1,610,404
North Carolina	8,677,946	1,819,300	6,858,646
Georgia	9,497,057	2,365,605	7,131,452
Ohio	29,046,070	23,876,370	5,169,700
Indiana	17,650,958	14,706,415	2,944,543
Illinois	27,639,399	17,824,209	9,815,190
Michigan	11,616,592	7,485,043	4,131,549
Iowa	11,678,533	5,674,385	6,004,148
Minnesota	4,134,469	3,330,414	804,055
Kansas	3,422,551	1,825,496	1,597,055
Nebraska	1,181,142	809,500	371,642
Total	181,360,614	128,035,167	53,325,167

Amount required to bring all the States up to New York, $124,062,267.

Mr. CONKLING. Is there anything pending before the Senate now?

The PRESIDENT *pro tempore*. Nothing but this bill.

Mr. CONKLING. Then I move that the Senate adjourn.

Mr. SHERMAN. I ask the Senator if he will allow us to take up and dispose of, one way or the other, either by referring it to a standing committee or a committee of conference, the amendment of the House of Representatives to the bill in relation to the Louisville and Portland Canal?

Mr. CONKLING. I will not insist on my motion if the Senator wishes to take up that bill.

The PRESIDENT *pro tempore*. The Senator from New York withdraws his motion.

Mr. SHERMAN. Of course the understanding is that the pending financial bill will remain the unfinished business to be called up at any time.

The PRESIDENT *pro tempore*. The pending bill will remain the unfinished business.

Mr. MORTON. The Senator from Ohio asks that the further consideration of this bill shall be postponed until Monday and that it shall then be the unfinished business. That is his proposition, as I understand.

The PRESIDENT *pro tempore*. That will be the effect of it, if the Senate adjourns now.

Mr. MORTON. I do not want to be considered as resisting the chairman of the committee; but I wish it to be understood that we shall then proceed with the consideration of this bill.

The PRESIDENT *pro tempore*. This bill is now the business before the Senate, and if the Senate adjourns in that state of things it will be the unfinished business on Monday next at one o'clock. The Senator from Ohio now asks, without displacing it, that the Senate proceed to consider some other matter, the Chair does not know what. It requires unanimous consent.

PRINTING OF A REPORT.

Mr. RAMSEY. Before proceeding to other business, I ask leave to offer the following resolution, for reference to the Committee on Printing:

Resolved, That one thousand extra copies of the report of the Committee on Post-Offices and Post-Roads on the bill (S. No. 651) to provide for the transmission of correspondence by telegraph be printed for the use of the Senate.

The PRESIDENT *pro tempore*. The resolution will be referred to the Committee on Printing.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. LLOYD, its Chief Clerk, announced that the House had passed the following bills and joint resolution; in which it requested the concurrence of the Senate:

A bill (H. R. No. 1063) to restore Captain John C. Beaumont, of the United States Navy, to his original position on the Navy Register;

A bill (H. R. No. 2538) to legalize and establish a ponton railway bridge across the Mississippi River at Prairie du Chien;

A bill (H. R. No. 2667) to enable the Secretary of the Treasury to gather authentic information as to the condition and importance of the fur trade in the Territory of Alaska; and

A joint resolution (H. R. No. 81) requesting the President to intercede with Her Majesty the Queen of Great Britain for the release of Edward O'Meagher Condon, now confined in prison in Manchester, England.

LOUISVILLE AND PORTLAND CANAL.

Mr. SHERMAN. There is a bill lying on the table which has been returned from the House of Representatives with an amendment which I ask to have taken up and disposed of now.

There being no objection, the Senate proceeded to consider the amendment of the House of Representatives to the bill (S. No. 350) providing for the payment of the bonds of the Louisville and Portland Canal Company.

Mr. CHANDLER. I move the reference of the bill with the House amendment to the Committee on Transportation Routes to the Seaboard, if that is the committee from which it came. It ought really to go to the Committee on Commerce.

Mr. SHERMAN. My colleague, who is not now here, moved to disagree to the amendment and ask for a committee of conference. I do not know which motion takes precedence.

The PRESIDENT *pro tempore*. The motion of the Senator from Michigan has precedence.

Mr. SHERMAN. I appeal to the Senator from Michigan to withdraw his motion. I have examined this bill, and I have read the debate in the House. The only point in controversy is as to a period of time, whether possession shall be taken now of this canal or whether it shall be taken two years hence, when the Legislature of Kentucky can convene. I have not the slightest doubt that a committee of conference, of which the Senator from Michigan, the chairman of the Committee on Commerce, might properly be a member, could adjust and arrange this matter without any controversy. The bill, in its present form, substantially has passed both Houses. The only question of difference is the one I have referred to.

Mr. MORTON. The point of difference, as I understand, is in relation to what is known as the Wheeler amendment. I should like to hear it.

Mr. SHERMAN. I ask the Secretary to read that amendment attached to the bill. It simply declares that the Secretary of War shall not take possession of this property until the Legislature of Kentucky has surrendered jurisdiction, &c.

Mr. CHANDLER. By permission, I will change my motion and move to refer the bill and amendment to the Committee on Commerce.

The PRESIDENT *pro tempore*. The question is on the motion of the Senator from Michigan to refer the bill, with the amendment of the House of Representatives, to the Committee on Commerce.

Mr. SHERMAN. Now I should like to have the point referred to by the Senator from Indiana read.

The CHIEF CLERK. The bill as amended by the House reads:

That the appropriations made by the act approved March 3, 1873, entitled "An act making appropriations for the repair, preservation, and completion of certain public works on rivers and harbors, and for other purposes," for the payment of the debts of the Louisville and Portland Canal Company, are hereby continued in full force, and are made permanently applicable to the payment of the debts of the said Louisville and Portland Canal Company; and so much as may be necessary shall be applied to the payment of the interest as it accrues, and the principal of the outstanding bonds of said company as they mature: *Provided, however*, That the Secretary of the Treasury may purchase and pay for any of said bonds, at their market price, not above par, whenever he deems it for the interest of the United States: *Provided further*, That said Secretary shall pay no money under any of the provisions of this act, nor shall the Secretary of War take possession of said canal as authorized by the next section, until the State of Kentucky shall cede to the United States jurisdiction over the said canal, with all its property, hereditaments, and appurtenances, and relinquish to the United States the right to tax, or in any way to assess, said canal, its property, hereditaments, and appurtenances, or the property of the United States that may be thereon during the time that the United States shall remain the owner thereof.

Mr. SHERMAN. That second proviso is the Wheeler amendment.

The Chief Clerk continued the reading, as follows:

SEC. 2. That after thirty days from the passage of this act the Secretary of War is hereby authorized and directed to take possession of the said Louisville and Portland Canal, and all the property, real and personal, of said company——

Mr. MORTON. The Secretary need not read the rest of the bill. It was only that proviso that I wanted to hear. The remainder of the House amendment is the residue of the Senate bill just as we passed it originally.

The PRESIDENT *pro tempore*. The question is on the motion to refer to the Committee on Commerce.

Mr. THURMAN. I hope the chairman of the Committee on Commerce will not insist on his motion. Let us see for one moment what this thing is. Here is a canal, the stock of which is owned by the United States in entirety, except five shares of $100 each. With the exception of $500, the United States is as much the owner of the Louisville and Portland Canal as any Senator on this floor is of his dwelling house; and now it is proposed that we shall not take possession of our own property and fix our own rate of toll until the Legislature of the State of Kentucky, two years hence, shall pass a formal act authorizing us, or empowering us, forsooth, to take possession of that which belongs to us. The whole commerce of the Ohio River is to depend upon the passage by the Legislature of the State of Kentucky of a bill, two years hence, to authorize us to possess and enjoy our own property; and we are to continue in the mean time to be taxed at the rate of fifty cents per ton on every steamer that passes through that canal; and mark it, sir, it is fifty cents per ton whether she has one pound of freight in her or whether she has not, whether she is full of freight or whether she has not a pound of freight in her. The point really involved is, whether we are to continue to pay that onerous duty, far more than five times as much as is necessary to keep the canal in repair, as is admitted on all hands. The question is, whether or not we are to have this burden upon us for two years longer in order to await an act by the Legislature of Kentucky, which, after it was passed, would give us no right that we do not now in equity and justice possess.

It is said there is a large sum of money involved here. What is this large sum of money which this amendment of the House says shall not be paid until the Legislature of Kentucky shall pass a certain act? That sum of money is the debt of the United States this day, and has been the debt of the United States ever since it became the owner of the stock of the company.

Mr. SHERMAN. And we appropriated money to pay it a year ago.

Mr. THURMAN. And the money was appropriated a year ago to pay it. If the United States sees fit to own stock in a corporation, and that corporation owes bonds, pray, is not the United States bound for them as a stockholder? There is no assumption, therefore, of any new debt, no assumption of any debt due by somebody else. It is the debt of the corporation, for which its property is liable, and as that stock and that property is owned by the United States, it is in effect the debt of the United States.

But all this was discussed a year ago, when the appropriation was made, and now we are asked to be put off for two years more, as I said before, simply to await the passage of an act by the Legislature of Kentucky, if it shall see fit to pass such an act, to allow us to enjoy and possess our own property.

Mr. CONKLING. Mr. President, I should not say one word on this subject now but for one remark made by the Senator from Ohio, which is, quoting his words, that the amendment, the idea of the House of Representatives, is "monstrous."

Mr. THURMAN. I do not think I used that word in that connection; but if I did not I will now, if it is not disrespectful to the House.

Mr. CONKLING. The Senator need not supplement what he has said in order to make very energetic his denunciation of the wantonness or stupidity of which the House must have been guilty in order to entitle itself to the observations he has made.

Now, Mr. President, premising the remark I rose to make, I say that the Senator from Ohio is no more unwilling than I am to place fetters or leave fetters upon the commerce of the Ohio River or the commerce of any other stream that flows anywhere in the Republic. It is not worth while, however, to darken the real question before us by declamation about the extent of the interest involved or about what might happen unless the Louisville Canal were liberated from the tolls now imposed upon it; and therefore I venture to correct the statement which the Senator from Ohio has made by adding to it some very essential things which he has omitted.

Transposing the order of his statement, he remarked that all the questions which were before the House of Representatives were discussed here a year ago. Never. On the contrary, if I may refer to what took place in the House, my colleague, whose name has been associated with this amendment, was taken to task because the facts which he presented had never been known to the Committee on Commerce, and he was required to excuse himself by saying that he had been in formed only then for the first time by telegraph of the most

material facts he stated. So it cannot be that this was all discussed a year ago.

More than that, the Senator from Ohio, says, "forsooth, we are not to take possession of our own property till the State of Kentucky passes an act two years hence." I beg to say with great deference to him that I think his statement is mistaken at both ends. In the first place, the question is not merely whether we are to take possession of our own property; and in the next place, the alternative is not whether Kentucky shall pass an act two years hence. The Legislature of Kentucky naturally does not meet for two years, but it has been stated elsewhere, I think with propriety, that if there be a necessity so urgent as is alleged, the Legislature of Kentucky might come together for a day if necessary to cure a defect, if in fact a defect exists.

Now, Mr. President, what is that defect as alleged? Not one raising the question whether we shall go and take possession of our own, but whether we shall pay a very large sum of money for that which cannot become our own by paying the money, or in any way without further legislation by Kentucky. How does the question arise? In 1842, again in 1844, again in 1872, enactments took place in the Legislature of Kentucky. By those enactments conditions are imposed upon the cession of this canal property to the United States. So it has been argued. So I think it will be difficult for the Senator from Ohio to deny. But more than that, it turns out by evidence which I may say is newly discovered—for I believe it was never heard of in either House until within a week—that the State of Kentucky persistently and always, in spite of the action of the Government and of the appropriations which have been made, has continued to tax this canal and its property, and that right, upon the theory of Kentucky, will remain untouched if we pass the present bill. Not only has Kentucky taxed this canal, but the United States has taxed it, and taxed it in recent years. Mr. President, consider the absurdity of the United States taxing its own property, taxing the Capitol, taxing the Treasury Department, or the public buildings of the country, if in truth this great piece of mason-work known as the Louisville Canal be one of the public buildings belonging to the United States. It is an action on the part of the Government speaking louder than words in confirmation of the claim of Kentucky that the title and the ownership of the property is not in the United States, but in a corporation of the commonwealth within whose domain it exists.

Suits have been brought; a suit is pending now for a large sum of money, according to my memory $114,000, and the common council of Louisville has recently passed a resolution directing the city attorney of Louisville to "suspend"—that I observe is the word employed in the resolution—to suspend that suit brought on claims for delinquent taxes alleged to be due against the canal, and then, in future, in case the United States does certain things, the direction is further that the suit be disposed of.

The amendment of the House of Representatives is founded upon the allegation that should the bill before us become a law the State of Kentucky will retain rights assertable in court and undeniable anywhere, conflicting with the ownership of the General Government, that the State of Kentucky and the city of Louisville will retain the right to bridge the canal where they please, to exercise police power which is argued to mean the whole power and jurisdiction of police over the canal, to do a variety of things which I do not stop to enumerate. The papers are not before me, and I had no expectation at this time or at any time of saying anything in regard to it. My purpose being merely to remind the Senator from Ohio that he makes too scanty a statement, I do not stop to go into particulars; but I say the allegation is that unless we have legislation from the State of Kentucky, a release and extinguishment of Kentucky's rights, despite this bill and despite any other action which we alone can take, there will remain with Kentucky rights which it must be the wish of every Senator who seeks to liberate the canal in question from impositions and burdens to extinguish altogether.

Mr. President, I express no opinion about this. I rose for no such purpose; and I beg the Senator from Ohio to understand that I wage now no argument with him as to where the merits of this question lie. I want simply to do justice to the House, to do justice to the amendment, and to do justice to the facts by bringing to the Senate the information that the question is not so simple, is not so narrow, as might be inferred from the somewhat scanty statement, as I think, which fell from the Senator from Ohio. If it were merely whether we should pause until the Commonwealth of Kentucky in its pleasure should give us an invitation or give us permission to go and take possession of that which we own, well might the Senator say "Forsooth, shall we stop to consider such a question?" But when the inquiry is whether the State of Kentucky has rights which we without her consent cannot cleave down, and whether we are to be unauthorized intruders in attempting to assert the purpose of this legislation, I think it can hardly be well said, "Forsooth, shall we stop to consider such a question?" I say yes, Mr. President. This Senate cannot be so occupied with momentous affairs that there is not a fitting time to consider whether, without the permission of a State, we can authorize the Secretary of War to go into it and take possession of property, and whether without the consent and agreement of a State we can annihilate by an act of our own vested rights of property. If no such intrusion is necessary upon the facts, if no such rights are at stake in the question, by merely pausing to see the length and breadth of the matter, we shall so ascertain, and then our path will be clear; and my interposition is merely to insist that we should see precisely what the facts are, precisely what the law is, and then act as we would act upon any other question worthy of consideration.

Mr. THURMAN. Mr. President, it is a very singular fact that although the State of Kentucky is very ably represented on this floor, neither of her Senators at any time when the subject of this canal has been before the Senate has seen fit to interpose a claim in her behalf; neither of those Senators has seemed to fear that there was any such thing as the United States violating the rights of the State of Kentucky. All the protection of her interests comes from a wholly different quarter of the Union. But let that pass.

The answer to the argument of the Senator from New York might be put almost in one single sentence. The rights of the United States and of Kentucky are fixed now. We are not now bargaining with Kentucky. The bargains have been made, and the rights of the parties are fixed; and therefore I put it to the Senator from New York whether he wants to deprive us of the right to our property until Kentucky shall make a new bargain with us. If Kentucky will have the right to tax this property after it shall come into our hands, she has it by virtue of existing legislation. The considerations that we have given have not included a release by her of the right of taxation. If that be so, do you propose to require of her that she shall give us what we have never demanded of her heretofore? She has agreed to cede to us all that we have asked of her for the consideration that we have proposed to give. Do you say that that bargain shall go for nothing, and that all that has been done shall in effect be destroyed unless she will consent to give more than we ever asked her to give and more than she ever promised to give? That is the question.

If Kentucky has these rights that gentlemen apprehend, she has them now under the legislation of Congress on the one side and the legislation of Kentucky on the other side, and neither the fact of our purchase of this stock nor anything else we can do can deprive her of these rights. Sir, are we to be kept out of the possession of our property for all time, and have the tolls on this canal fixed by five men who have nothing but $500 interest in it and who fix the tolls to suit their own personal interest instead of the interest of the country, because Kentucky will not make a new bargain and surrender something she never promised to give and for which she has received no consideration? Kentucky either cannot tax it, or she has the right to tax it under the law as it stands. If she cannot tax the property, there is no necessity for waiting for a formal relinquishment of her right to tax; and if she has the right to tax it under the existing bargain, then you have no right to deprive her of that power.

The whole thing, turn it as you will, twist it as you may, comes back simply to the question which I stated at first. This canal company was a corporation. Of course it had shares of stock. The United States was a stockholder, I believe from the very first. The United States has become the owner of the entire stock, with the exception of five shares of $100 each. It is the property of the United States; and the sole question is whether we shall administer our own property for the interest of the people of the United States, or whether we shall allow five men to block up the navigation of that river by administering that property in their own individual interest.

Mr. CONKLING. The Senator from Ohio [Mr. THURMAN] would seem to be somewhat anxious to place me in opposition to the measure, and even in opposition to the interests of commerce on the Ohio River. I hardly think the Senator has time to expend in that way. I notice, however, the apparent attempt to do so, in order to say to him that he may rely upon it that, despite any opposition which he may attribute to me, I shall vote for that which as I apprehend will be most certain to liberate the commerce of the Ohio River from all burdens; and will vote for this very bill if it turns out to be the appropriate and adequate remedy. I have not made an argument, as the Senator said in commencing his remarks; there is a vast difference between an argument and a mere statement of the question. It was the latter which I attempted to make in a very inadequate and partial manner; but certainly I made no argument. I mean to make none now; and yet I must take issue again with the Senator from Ohio.

He says, first, that Kentucky does not complain. I might inquire, why should Kentucky complain? If we choose to plant in the State of Kentucky $1,300,000, or, as my friend behind me [Mr. CHANDLER] thinks it is, $1,700,000, and subject it to the behests of Kentucky, and submit it to her power of taxation, I see not why Kentucky should complain. I rather think the Senators from any State represented here would feel warranted in withholding their hands and submitting with Christian resignation, if the United States should choose, by the action of the two Houses of Congress, to invest two or three million dollars in the State from which they come, subject to the taxation of the State. The question in such a case would seem to me to address itself, not to the interest, not to the State espousal, not to the local feeling of the Senators from Kentucky, but rather to the general judgment of the Senate as to what would be wholesome and wise.

Again, the Senator from Ohio says the rights of Kentucky are fixed; if Kentucky has a right to tax this canal, we cannot take away the right. So I said; and I thought that suggestion would "give us pause" when the question is whether we shall pay a million and a half for this canal, and pay it before we secure, if in truth it be necessary to secure, exemption from taxation for the canal. And yet the

honorable Senator from Ohio discusses it as if we did enough when we find that as the tree has fallen, so will it lie; if Kentucky has absolute police power over the canal, absolute power to bridge it as it pleases, absolute power to tax it as it pleases, that power and prerogative being with her Legislature, we have nothing to do with it. That seems to be his argument.

Why, Mr. President, to my mind the fallacy of that suggestion is as the fallacy would be if my honorable friend from Ohio should propose to sell me his farm, reserving the right after he had sold it and I had paid for it to use it and enjoy it and exercise all former rights of ownership over it; and then it should be said, "What of it? That is no reason why the bargain should not be completed." I submit that it would be every reason which would govern human judgment in such a transaction. So here, if it be true, as the Senator from Ohio says, that the right of Kentucky to tax the canal will be untouched by this action; and if this action consist of a voluntary payment by the Government of $1,300,000 or $1,700,000, manifestly the urgent question accosting us is whether we will not require that, preliminary to the payment, or simultaneous with the payment, of this great sum, action shall be taken by Kentucky which will give to us the value for which we pay.

I say again that I am not contending that Kentucky has this power. I express no opinion about it. I simply say that upon the argument that such power resides with Kentucky, one House of Congress has found that it would be improvident to consummate this legislation until that power is relinquished or extinguished; and so I say that it behooves the Senate to treat the question as it would treat any matter of importance, to the end that the Senator from Ohio or some other Senator may show us that there is no danger in this respect, or, if there be danger, may devise some provision to guard against it. That is all.

I say again, Mr. President, that in my belief this very important channel of commerce should be emancipated from the control of individuals, should not be enslaved by self-interest or burdened by impositions upon commerce; and in the maintenance of that belief, I will go as far with the Senator from Ohio as sound sense, as good faith, as reasonable legislative discretion will allow me to go. But I will not consent to "whistle down the wind" as "monstrous," in the language of the Senator, the suggestion that this question is worthy of examination, and worthy of intelligent decision.

Mr. SHERMAN. There are a few simple facts in regard to this matter which I think would settle it if they were fully understood; but this question being somewhat local in its character it is difficult perhaps to excite the attention of the Senate generally to it. The real ownership of the Louisville and Portland Canal is entirely in the Government of the United States. The history of that ownership has been stated properly by my colleague. In 1872, only two years ago, the United States, having completed its improvements, proposed to take possession of the canal, and then a proposition was made and invited from the State of Kentucky as to the terms on which this cession could be made. Here I invite the attention of the Senator from Michigan to the proposition of the State of Kentucky. The preamble recites—although I have not got it here I can state it substantially—that the United States is the exclusive owner of this property, subject to the ownership of one share in each of the five trustees in trust for the United States, and subject to a debt of about $1,100,000, the precise amount of which is stated in the bill; and then the Legislature of Kentucky proceeds to resolve—

That the president and directors of the Louisville and Portland Canal Company are hereby authorized and directed to surrender the said canal, and all the property connected therewith, to the Government of the United States, upon the following terms and conditions.

And then follow four or five ordinary stipulations about reserving the police jurisdiction and matters of no great moment. I can read them all if it be necessary; and perhaps I had better read them all, so that the Senate may see the exact terms:

1. That the Government of the United States shall not levy tolls on said canal, except such as shall be necessary to keep the same in repair, pay all necessary superintendence, custody, and expenses, and make all necessary improvements.

2. That the city of Louisville shall have the right to throw bridges over the canal at such points as said city may deem proper: *Provided always*, That said bridges shall be so located as not to interfere with the use of the canal, and so constructed as not to interfere with its navigation.

3. That the title and possession of the United States of said canal shall not interfere with the right of the State to serve criminal and civil processes, or with the State's general police power over the territory covered by the said canal and its appendages.

4. And further, that the city of Louisville shall at all times have the right of drainage into said canal: *Provided*, That the connections between the drains and the canal shall be made upon the plan to keep out mud and garbage.

5. That the use of the water-power of the canal shall be guaranteed forever to the actual owners of the property contiguous to said canal, its branches and dams, subject to such restrictions and regulations as may be made by the Secretary of the Department of the United States Government which may have charge of the said canal.

This was the form of the Kentucky resolution pending when Mr. Speed, formerly Attorney-General of the United States, went to Frankfort and ingrafted as an addition the clause which I will read, and which has created all the embarrassment in this case. It must be remembered that this property, costing the Government of the United States over $5,000,000, is now in the hands of five men claiming to act as trustees who levy the enormous toll of fifty cents a ton capacity on every vessel that passes through. They receive that money; they account to no one; they deposit it in a bank owned by them, and every one of those trustees is an officer of the corporation, drawing a salary as such. Mr. Speed being attorney for the corporation, and interested in the continuance of this private monopoly levying a taxation that is more oppressive than was ever levied upon the river Rhine in the days of the barons of old—fifty cents a ton, amounting to about $500 for every steamboat, and levying a dollar a ton on every coal-barge passing through the canal—Mr. Speed acting as attorney for the company, although this was the property of the United States, went to Frankfort and got ingrafted on this resolution of the Kentucky Legislature the clause which I will now read. I may state that he said so in the presence of my friend from New York and myself as members of the Transportation Committee. We examined the matter, and Mr. Speed gave this narrative himself. This clause was added at his suggestion:

6. That the Government of the United States shall, before such surrender, discharge all the debts due by said canal company, and purchase the stock of said directors.

This being plausible on its face, the Government of the United States accepted the terms of this cession. By a law passed a year ago we agreed to accept the cession of the Louisville and Portland Canal on the terms stated here, so that now there is a completed agreement in all respects between Kentucky and the United States for the ownership and possession of this canal; but here the difficulty lies: when the Secretary of the Treasury undertook to take possession of the canal he was met by the statement that the bondholders, the bonds being held by a great number of persons, would not surrender their bonds unless on certain terms and conditions, and because the Secretary of the Treasury did not think it was to the interest of the United States to comply with the terms and conditions proposed by the bondholders he could not take possession of the canal, for this sixth clause required him to pay the debts of the company. Those debts are bonded debts, and none of them are yet due, and some of them are not due for fifteen years to come. Therefore, under the sixth clause of this resolution of cession, the United States cannot take possession of the canal until the last bond is due, even if the United States were willing to pay par in gold and 500 per cent. premium. That is the condition in which this qualification has put both the United States and the State of Kentucky.

The feeling in Kentucky, in Louisville and everywhere else, is that the United States should take possession of the canal. Indeed Kentucky demands that we should now, having accepted its cession, carry out the terms and conditions of the cession and reduce the tolls. One of the conditions of this cession is that the tolls shall be reduced to barely enough to cover the mere expenses of management. The people of Kentucky—and I am sorry that my friend from Kentucky [Mr. STEVENSON] is not here to represent them—are just as anxious to carry out this arrangement as the people of Ohio and the people of the whole Ohio Valley.

The sole and only object of this bill was to remove the difficulty which grows out of the sixth clause of the Kentucky resolution. We have provided by the bill, as it was reported by the Committee on Finance and passed by the Senate, that instead of buying these bonds the United States assumes them, the money already having been appropriated to pay them. In order that the United States may not be placed at the mercy of these bondholders the bill provides that the United States assumes the payment of these bonds, having already appropriated the money and received and accepted the canal subject to the payment of these bonds when they mature. That enables the Government of the United States to take possession of its own, subject to the lien of the bonds and subject to their payment when due. The bondholders have made no complaint about this matter. Their interests are perfectly protected. Their lien is protected. There is no complaint coming from anybody in Kentucky about this matter, and there is no opposition to this measure of a local character except so far as these five trustees manifestly have an interest. But this amendment which has been proposed comes from a member of the House from the State of New York. I have read his speech with care. He desires that before the United States shall take possession of its own Kentucky shall consent to some other terms and conditions not imposed in this law. If such a transaction were to occur between private parties and one of the parties being dissatisfied with the agreement should say, "I will not carry out this unless you give me some other advantage, some other facility," the answer would be very prompt, "You have already agreed to the terms of the cession upon which you would receive this canal, take possession of it, and manage it for the benefit of the people of the United States, without any tolls except sufficient to cover expenses." Kentucky might promptly so respond; but in Kentucky they understand distinctly that they have no power to tax the canal, and it has been so asserted in the State; but whether they have or not, I consider that point entirely immaterial now. The gentleman who reported this bill in the House, the bill being under the previous question and he having the control of the debate, practically allowed no discussion after this amendment was offered. He offered the amendment, and it was added to the bill.

Now, if the Legislature of Kentucky was in session, if there was no great delay caused by this, I have no doubt the State of Kentucky would promptly accede to the modification proposed by this amendment. But the fact is that for two years that Legislature cannot be

in session under their constitution, unless called for a special purpose, and the people of Kentucky have no more interest in this matter than the other people of the United States, and it would be rather unreasonable to impose on the Commonwealth of Kentucky, she having already consented and done all we desired her to do, the necessity of calling the Legislature in extra session for the purpose of passing a law to agree to additional terms and considerations to a proposition that has already been accepted by the United States. Therefore the passage of this amendment, whether so intended or not, will delay for two years the taking possession of this canal, and will compel the people of the whole Ohio Valley to pay this enormous toll on their entire commerce for two years. These trustees disregard your law. The Senator from Michigan reported a bill which reduced this toll to twenty-five cents a ton. These trustees having the bare, naked ownership of this canal, disobeyed your law, declared that you had no power to pass it until you accepted conditions of the State of Kentucky, disregarded it, and continued to levy fifty cents per ton, instead of twenty-five cents, according to the law the Senator from Michigan reported. They have the legal control of it, and until the Government of the United States take possession, you cannot pass any law in regard to it, because, although they have really only a mere technical ownership, yet they have an ownership which they can maintain in the courts.

Now, if this bill is sent to a committee of conference an amendment can be proposed which in my judgment will be consented to by every member of the Senate. In the heat of debate, after the previous question had been called in the House, there was an amendment suggested by a member from the State of Pennsylvania [Mr. CLYMER] which I should be perfectly willing to accept, representing the people of Ohio, who are so much interested in this matter, and which I have no doubt, if there had been an opportunity for debate in the House, (at least I am so informed,) would have prevailed. I will read it. Remember, the only question being now as to whether the taking possession of the canal shall be postponed until the Legislature of Kentucky meets, the proposition that is pending now ingrafted on this bill, that the United States will not take possession for two years, until the Legislature of Kentucky meet and agree to the modification of the terms of cession—pending that, the member from Pennsylvania offered this proposition, to which I do not see any objection:

Provided further, That if the State of Kentucky shall not cede to the United States jurisdiction over said canal, with all its property, hereditaments, and appurtenances, and relinquish to the United States the right of said State to tax or in any way assess said canal, its property, hereditaments, and appurtenances, or the property of the United States that may be thereon, during the time that the United States shall remain owner thereof, at or during the time of the first session of the Legislature of said State held after the passage of this act, that then the United States shall levy and collect tolls on said canal at the rate of the existing tariff of tolls on said canal until the United States shall be reimbursed and repaid in full for all moneys paid and expended by virtue of this act and until such cession is made.

I would modify this somewhat. In my judgment, if the State of Kentucky insists upon levying a tax on this canal, and if it should be held by the courts of the United States that the result of this compact and agreement between Kentucky and the United States reserved to the State of Kentucky the power to levy a tax on this property of the United States, and the State of Kentucky should exercise that power, which I do not believe would be done, then I am perfectly willing that the tax thus paid to the State of Kentucky shall be added to the ordinary expenses of the canal, and the whole be levied as a toll on commerce. By the law as it stands, all the expenses of maintaining this canal are still levied in the nature of a tonnage tax; and if the State of Kentucky can levy a tax on this property, that will be part of the expenses of management and there would be no difficulty in adding it to the amount of toll to be collected from the commerce of the Ohio River.

Mr. THURMAN. Will my colleague allow me a moment to make a suggestion to him? He is supposing a case that is not supposable. I have looked a little into this matter of whether Kentucky can tax this canal, and I say it is perfectly clear, on the legislation of Kentucky herself, that she cannot tax this property. The statute of Kentucky of 1842, which was an invitation to the Government of the United States to purchase the stock of the company, and which authorized the sale of the stock to the Government of the United States, contains this provision:

And when the said shares shall have all been purchased, the same shall be transferred to the Government of the United States, on condition of said Government levying tolls for the use of said canal only sufficient to keep the same in repair.

That is a fundamental condition; and of course if the Government is not to levy tolls to pay taxes, it cannot do it by this very fundamental condition.

Mr. SHERMAN. I had forgotten that law, although I have no doubt I have read it. It seems to me the statute of Kentucky read by my colleague precludes the idea. I do not suppose ten members of the Legislature of Kentucky, when this property was taken possession of by the Government of the United States for their benefit, would think of taxing it. I do not believe the General Assembly of Kentucky would propose to levy a tax on this canal in the hands of the United States. As long as it was the property of private individuals, managed by private trustees, and a large profit made by those trustees out of its management and the tolls levied, the State of Kentucky might tax the property of that corporation like the property of any other corporation; but when that property is taken possession of by the Government of the United States I have not the slightest idea that any proposition will be made to tax it; but if such a proposition should be made, it is at once met by the law already read by my colleague.

Now, I beg the Senate to remember that this incumbrance—and my friend from New York saw it—this incumbrance to the navigation of the Ohio affects about ten States, nearly one-half the people of the United States directly. The amount of that commerce is estimated by statistics laid before the Committee on Transportation, when reduced even to the lowest amount, to be more than $1,000,000,000; and all of that must necessarily, in nearly all the stages of water on the Ohio River, pass through this canal. This incumbrance has been regarded, ever since I can remember anything, as one of the most burdensome things that could possibly occur. I trust now, when we have an opportunity to relieve from this load so large a portion of the people and a commerce so large, we shall do it by completing this legislation. Hitherto we have been balked at every step by the private interests we have created; and if any lesson is required to teach us never to trust to an individual corporation to manage the property interests of the United States, we have in this case of the Louisville and Portland Canal another striking example. The idea that five men, without a dollar invested there, without a particle of interest, when every dollar of the property is owned by the United States, are now managing without restraint and without account a property that cost us $5,000,000, and levying a tax so burdensome on commerce as that which has been stated, is a thing that ought immediately to attract the attention of the Senate. This bill is intended at least to remove this "Old Man of the Sea" from the commerce of the Ohio, and to give to the United States and the officers of the United States possession of this property, levying only sufficient tolls to pay the ordinary current expenses of managing the property.

Mr. CHANDLER. I think the arguments of both Senators from Ohio must convince every member of this body that the subject should be carefully considered by some committee of the Senate. We have put within the last five or six years something over two millions of money into this canal. If we have placed it there subject to taxation by the State of Kentucky we have made a very grave mistake. We ought never to have done that. Now it is proposed to put considerably over a million more funds of the Treasury of the United States into the jurisdiction of Kentucky. I think we should know, before we put another dollar there, whether it is to be under the control of the Government of the United States or of the State of Kentucky. Why, sir, you do not build a light-house in any State in this Union that you do not have jurisdiction ceded by the State to the United States before you lay a stone or a brick.

Mr. THURMAN. The Legislature of Kentucky passed two acts ceding jurisdiction to us.

Mr. CHANDLER. Let us examine them and see whether they are proper acts. The whole subject in my judgment requires careful investigation by some committee of this body. Most of these appropriations were recommended by the Committee on Commerce in the river and harbor bill. I therefore move its reference to that committee, and certainly some committee of the body should carefully examine this whole question and report on it to the Senate.

Mr. CONKLING. Mr. President, reluctant to intrude once more upon the Senate, I think I ought to do so in consequence of a remark made by the Senator from Ohio who sits fartherest from me, [Mr. THURMAN.] He rather chided his colleague for discussing even as a hypothesis the idea of Kentucky having the power to tax the canal and attempting to forecast what might happen in case the courts should affirm that power; and reading the act of 1842 the Senator said "no such case can arise; it is impossible, because Kentucky has already" clearly—that was his argument if he did not say it—"released the right to tax and forever extinguished it." As the Senator from Ohio nearest me [Mr. SHERMAN] has referred to the proceedings in the House, and as I have no other record to refer to, I beg to call attention to what that record shows, first asking the Senate to bear in mind that the parties concerned are on the one side the United States and on the other the State of Kentucky; and a singular occurrence, if the Senator from Ohio [Mr. THURMAN] be right, is that although there was no right in Kentucky to tax this property because it belonged to the United States, and although there was no sense in the United States taxing it because it was its own, both parties have concurred in taxing it as the property of the State of Kentucky. Is not that very odd if in 1842 it ceased to be the property of Kentucky, or if the power to tax it terminated absolutely?

Mr. THURMAN. Nobody has said that.

Mr. CONKLING. What did my honorable friend say?

Mr. THURMAN. Nobody said that in 1842 it ceased to be the property of the company. The act of 1842 gave the consent of Kentucky to the United States becoming the owner of stock in that company, but it took years after that.

Mr. CONKLING. When did it happen that the United States became owner?

Mr. THURMAN. I cannot tell without referring to the documents.

Mr. CONKLING. A short time after that?

Mr. THURMAN. No; a long time after it.

Mr. CONKLING. Why, Mr. President, the United States at that time had become the owner of part of this stock.

Mr. THURMAN. It was impossible to get it.

Mr. CONKLING. A short time after that the United States began to increase its ownership of stock, so that whether it was in the year 1842 or not, it was prior to the period as to which I am going to read that that law took effect, if it ever took effect, which the Senator from Ohio says made this the property of the United States and cut off the power of the State of Kentucky to tax it; and yet that law, now so clear that no Senator would doubt it, we are told, having taken effect, both the United States and the State of Kentucky, I repeat, concurred in visiting this property with taxation and treating it as the property of the Commonwealth of Kentucky. Now I read from the remarks of my colleague in the House, the remarks to which my friend from Ohio referred:

Mr. WHEELER. * * * From 1846 to 1853 the State of Kentucky taxed this property systematically, as I will show you. Let one instance suffice for all. In the report of the canal company for 1846 this remark occurs:

"It will be noticed by an item in this account that the State of Kentucky has taxed the entire property and franchises of the canal; consequently no stockholder can be holden to give in the amount of his stock for taxation, and thus be subjected to a double tax."

Mr. HOLMAN.—

Mr. HOLMAN being the member having the bill in charge at the time—

Mr. HOLMAN. I would ask the gentleman whether he laid this information before the committee?

Mr. WHEELER. I did not. I did not have it when the bill was in committee.

Mr. HOLMAN. What document is the gentleman reading from, and where did it come from?

I beg my friend from Ohio farthest from me [Mr. THURMAN] to observe what follows in relation to his remark that all this was discussed before the Senate and discussed a year ago. It will be observed that here was a challenge of the genuineness of this evidence newly discovered.

Mr. WHEELER. It is a volume containing the reports of the company.

Mr. HOLMAN. Who furnished it?

Mr. WHEELER. I beg to say to the gentleman that I have the right to fortify myself in this debate with such facts and arguments as are within my reach. I am responsible to the House for the truth of my allegations. And I say that from 1846 to 1853 the State of Kentucky systematically taxed this canal, and the United States itself taxed it during the war. Look at the report for 1866, and you will find this assertion substantiated.

Mr. MORTON. How was it after 1853?

Mr. CONKLING. I will come to that in one moment:

And I say that from 1846 to 1853 the State of Kentucky systematically taxed this canal, and the United States itself taxed it during the war. Look at the report for 1866, and you will find this assertion substantiated. Surely a strange proceeding, that the United States, having become owners of this property in 1855, as is claimed by the gentleman from Indiana, should tax it in 1866. When before did the Government of the United States ever tax its own property?

I pass on to read this further statement:

I have here the report of the canal company for the year 1866, in which I find this concluding remark:

I think the Senator from Indiana asked me how it was after 1853. Here now I read:

The taxes paid in those two years (1865 and 1866) were also unusually heavy, amounting in the former year to $11,698, of which $7,676 went to the United States, and in the latter to $10,430, of which $6,430 went to the United States.

Now, Mr. President, we cannot wink so hard as not to see that here is a case in which the United States and the State of Kentucky concurrently and simultaneously have affirmed by that highest power, the power to visit with taxation, that this property did belong to the State of Kentucky; and that time, let it be remembered, was subsequent to the time when the acts of 1842 and 1844 and the proceedings by which they were followed had taken all the effect that they have to-day.

Mr. MORTON. Let me ask the Senator under what law and in what way did the United States tax the canal?

Mr. SHERMAN. Like any other corporation.

Mr. McCREERY. Let me ask the gentleman from New York if the canal was not the property of a private corporation at the time those taxes were imposed?

Mr. CONKLING. Being hardly a judge of this matter from lack of information, I say to the Senator from Kentucky that that was the argument of my colleague in the House, and that was the argument upon which the House adopted this amendment; that was the argument upon which the House said that we could not of our mere motion upon our one-sided action, go into the State of Kentucky, and take from the Commonwealth of Kentucky and from a private corporation created by it the franchises and property representing this canal and make them our own merely by appropriating that great sum of money contained in this bill and by arming the Secretary of War with such power as is found in those words which declare that he is authorized to take possession of this work. Why the Secretary of War rather than the Secretary of the Treasury, who has always administered this business before, was authorized, I do not know unless it was to be under the war power.

Mr. MORTON. I ask the Senator if the act of the Kentucky Legislature of 1842 is correctly recited here? I have not got the act itself, but I find it quoted in the House debate.

Mr. CONKLING. I have no reason to doubt it, but I have no information on the subject.

Mr. THURMAN. The Senator from New York has only got a part of the statute.

Mr. SCOTT. I have the act of 1842 before me.

Mr. MORTON. That is the one I want to see.

Mr. SCOTT. I had got it in order to call attention to the purpose for which it was enacted. With the permission of the Senator from New York I will read the first section in connection with that section from which quotation is made in the debate to which he has referred. The first section reads thus:

That the act incorporating the Louisville and Portland Canal Company shall be, and the same is hereby, so amended that, whenever the stockholders in said company shall so direct, the board of president and directors of said company shall have the privilege of selling the shares of stock owned by individuals in said canal to the United States, or the State of Kentucky, or the city of Louisville, for the purpose of eventually making the said canal free of tolls; or, further, to effect this object, the board of president and directors, when so authorized as aforesaid, shall hereby have the privilege of appropriating the net income arising from said canal to the purchase of said stock instead of making dividends therewith.

That is the first section. The fourth section reads:

Be it further enacted, That the shares so purchased by said board shall be held in trust by it, for the purposes herein declared, and shall be voted on by them at all subsequent meetings and elections, until, by the operation of the provisions of this act, all the shares standing in the name of others than the Government of the United States shall have been purchased up; and when the said shares shall be all purchased, the same shall be transferred to the Government of the United States, on condition of said Government levying tolls for the use of said canal, only sufficient to keep the same in repair, and pay all necessary superintendence, custody, and expenses, and make all necessary improvements, so as fully to answer the purposes of its establishment; and, further to protect and guard the interests of commerce, the superintendents or agents in charge of said canal shall ever hereafter, on the first Monday in January, annually, report to the General Assembly of Kentucky the amount of tolls levied and received, and of the charges and expenses incurred on the same—the General Assembly reserving the right of directing the amount annually to be collected, if found too much for the purposes contemplated by this amended act.

That the whole legislation may be here incorporated, I will also read the act of 1844:

Be it enacted by the General Assembly of the Commonwealth of Kentucky, That in the event of the United States becoming the sole owner of the Louisville and Portland Canal, the jurisdiction of this Commonwealth over said canal shall be yielded up to the Government of the United States; and no annual report, as mentioned in the charter of the Louisville and Portland Canal Company, shall be required to be made by the United States, or the agents and superintendents of said canal, to the General Assembly of this Commonwealth.

Mr. SHERMAN. I should like to read to the Senator from New York now, so that we may have the facts, the statement made before us by Attorney-General Speed, giving the history of this matter at Louisville.

Mr. CONKLING. My friend need not read it for my information, as I have it.

Mr. SHERMAN. I will read it presently to place it on record.

Mr. CONKLING. The Senator from Ohio fartherest from me [Mr. THURMAN] spoke so sweetly and so softly a moment ago that I fear the reporter lost a fact stated by him, namely, that I knew nothing about this matter, and that there was no force whatever in my argument. I wish to put that fact into the case on the other side, thinking that it is entitled to all the strength which belongs to it; and I also observe upon it that if I know nothing about this case, and if I shall learn nothing about it, that misfortune will be mainly due to the triumphant management of the honorable Senator from Ohio fartherest from me, who seems to be willing to agree to almost anything under the sun on this subject, except that the measure shall go to a committee, or somewhere else where it can be understood, and where a report can be made so plain that even I can comprehend it. It is so difficult for the whole Senate to act intelligently upon information locked up in the breast of one member of it, that it seems to me that if we could take some mode of diffusing all over the Senate the information which now resides especially with one of the Senators from Ohio, we might gain some light by reflection or otherwise in that way.

Coming back now to these acts which have been read by my friend from Pennsylvania, both of which bear upon the subject before us, I observe that they prove, as I understand them, much of that which was contended for in the other House. Why? The act of 1842, which the Senator first read, refers to what shall occur upon a transfer of shares of stock. I understand, and I am informed just now again by very good authority, that every share of stock to this day stands where it stood on the books; there has been no transfer of ownership. On the contrary, those shares of stock paid for originally by the revenues of the canal remain precisely in the ownership in which that payment placed them. That is my comment upon the act of 1842.

Next the Senator comes to the act of 1844, which provides that whenever ownership shall be made over by Kentucky to the United States, jurisdiction shall cease on the part of Kentucky over the canal.

Mr. SCOTT. Will my friend permit me to call his attention to a recital in the act of the Legislature on that question of ownership?

Mr. CONKLING. Certainly.

Mr. SCOTT. On the 28th of March, 1872, the Legislature of Kentucky passed the following resolution:

Whereas all the stock in the Louisville and Portland Canal belongs to the United States Government, except five shares owned by the directors of the Louisville and Portland Canal Company, and said directors, under the authority of the legislation of Kentucky and the United States, executed a mortgage to Isaac Caldwell and Dean Richmond to secure bonds, &c.

This recital would seem to acknowledge on the part of the State of

Kentucky that the United States is the owner of all the shares of stock in that canal but five.

Mr. CONKLING. It would seem to acknowledge that which is too notorious to be a subject of comment, namely, that in equity all this stock, five shares excepted, belongs to the United States; but when we are discussing the effect of the statute nobody can instruct my astute friend as to the fact that the question is in a measure technical, and at this point it involves the inquiry whether the particular thing nominated in the statute has taken place; and I say again that I am informed that upon the books of the company the shares remain where the shares of stock were. I know nothing about it; I never saw the books; but I make the statement as it is given to me, and make it for the purpose of saying that it is one point in the case which it might be desirable to investigate and ascertain.

Mr. SCOTT. If my friend will permit me, if he will follow this act of 1872, he will see that it provides—

That the president and directors of the Louisville and Portland Canal are hereby authorized and directed to surrender the said canal, and all the property connected therewith, to the Government of the United States, upon the following terms and conditions, &c.

And if it be true that the United States is in equity the owner, would my friend standing here and, making a technical question upon this, say that if a court were called upon to pass on the question they would not consider that as done which ought to be done, and the beneficial owner of this stock as entitled to all the remedies he would have if it were transferred to him on the books, supposing that to be the case?

Mr. CONKLING. Yes, Mr. President, instructed only as I am I should stand up here or anywhere to maintain a proposition which I now state. The statute of Kentucky declaring—

And when the said shares shall be all purchased, the same shall be transferred to the Government of the United States on condition of said Government levying tolls for the use of said canal only sufficient to keep the same in repair and pay all necessary superintendence, custody, and expenses, and make the necessary improvements, so as fully to answer the purposes of its establishment—

and following with other conditions; that being the statute; and the fact, as I understand it, being that although the certificates of stock have been surrendered, no actual transfer of the stock has ever been made, I should say that a question arises whether the rights there contemplated have become perfect and consummate in the United States. That is all I mean to say. I disclaim over again arguing this question on either side. I am merely now endeavoring to impress upon the Senate the belief that there is that here worthy of some examination.

So, coming to the act of 1844 which provides that upon the ownership being made over, the jurisdiction of the State of Kentucky shall cease, I say that goes back to a question of fact, results in a question of fact, and a somewhat complicated question of fact. If the conditions have all been complied with, and no other legislation is necessary, the whole thing is concluded; but if, on the other hand, other legislation was contemplated, or if the conditions have not been complied with, then a question arises upon that statute.

But, Mr. President, I take leave, I hope, finally of this subject—I am very sorry to have vexed the ear of the Senate so long—by saying that one great fact stands out like a sunbeam in this case; nobody can fail to observe it; and that is, that after 1842, after 1844, after 1853, after 1855, after every period which marks a step in the acquisition of rights by the United States, both the United States and the Commonwealth of Kentucky have concurred in treating not merely in words, but by acts speaking louder than words, the Louisville Canal as the property not of the United States, but of the State of Kentucky. I say that since the last of these acts of which the record speaks, I know of nothing changing the status except the resolutions passed in 1872, for which I will trouble my friend from Pennsylvania if he has them before him, and those resolutions contain a variety of conditions which certainly present a substantial question, not a technical question, to the Senate, whether, submitting to them all, it is wise to vote this money. I shall not advert to them all; but I beg to call attention to two of them.

First, the Government shall not levy tolls above a prescribed sum.

Secondly, "the city of Louisville shall have the right to throw bridges over the canal at such points as said city may deem proper."

I stop there for a moment. I will read the proviso in a moment. Is it not somewhat anomalous that a State should have a right to bridge, intrude upon, control the property of the United States, bought and paid for out and out, whether it be a navigable stream or anything else?

Provided always, That said bridges shall be so located as not to interfere with the use of the canal, and so constructed as not to interfere with its navigation.

Who is to judge of that? I should like to ask you, sir, who is to judge of that upon this statute? Is the United States to litigate in court with the State of Kentucky the question whether some erection is an impediment to commerce, whether it is that which at common law could be prostrated as a nuisance? No arbiter is here. It is a naked and somewhat vague proviso, with no tribunal to solve the questions raised in it.

The city of Louisville shall at all times have the right of drainage into said canal: *Provided*, That the connections between the drains and the canal shall be made upon the plan to keep out mud and garbage.

That is rather odd. Who is to determine that? It is very well when you arrive at it; but in considering that this is our own property, that we are buying it and making it our own, it is rather odd that somebody is to have a right to drain into it with simply the provision that he do not fill it up with mud and garbage, and that it is left to somebody, we know not who to determine that question.

That the use of the water-power of the canal shall be guaranteed forever to the actual owners of the property contiguous to said canal, its branches and dams, subject to such restrictions and regulations as may be made by the Secretary of the Department of the United States Government which may have charge of the said canal.

The Government of the United States shall, before such surrender, discharge all the debts due by said canal company, and purchase the stock of said directors.

I remark upon those conditions that they are very remarkable if the case be one in which the property is really ours, or even one in which it is to become absolutely ours if we appropriate the money contemplated by this bill.

I think it would be quite prudent that we should investigate the whole case; and I assure the Senator who has been most enthusiastic in it that I will go as far as he will go in insuring once for all, without leaving open questions hereafter, the substance and essence of this thing, namely, a liberation of the commerce of the Ohio River from all unnecessary impositions, to the end that the utmost accommodation may be afforded which the circumstances permit.

Mr. MORTON. Mr. President, I see no occasion to make a very great mystery of this subject or to assume that there are great complications or difficulties surrounding it. I confess I do not see them. The history of this canal is this: Many years ago the Legislature of Kentucky chartered a company with the consent of the United States, to construct a canal around the Falls of the Ohio River. That charter provided that the United States might subscribe to and hold a part of the stock. The Government of the United States did subscribe and become a part owner of the stock. Subsequently it became the owner of all the stock and the owner of the canal, except technically that five shares, one each, remained in five persons who were thereby the directors of the company. All the substantial interest of the canal passed into the United States, but as a mere form of law and to keep the corporation alive, and for no other purpose, five persons were each allowed to hold one share of stock—$500. The substantial property, the interest, and control of the whole canal, passed into the United States from that time.

Now, I wish to read the act of the Kentucky Legislature under which this took place:

That the act incorporating the Louisville and Portland Canal Company shall be and the same is hereby, so amended that, whenever the stockholders in said company shall so direct, the board of president and directors of said company shall have the privilege of selling the shares of stock owned by individuals in said canal to the United States, or the State of Kentucky, or the city of Louisville, for the purpose of eventually making the said canal free of tolls; or, further, to effect this object, the board of president and directors, when so authorized as aforesaid, shall hereby have the privilege of appropriating the net income arising from said canal to the purchase of said stock instead of making dividends therewith.

Here this canal company was authorized to buy up this stock for the United States or for the State of Kentucky. Congress passed an act authorizing the directors to buy it up for the United States, and it was bought for the United States, and the property has been held by the United States ever since. It became a matter of contract. It was provided that whenever the United States became the owner of all this stock the jurisdiction over the canal should pass to the United States. The effect of that contract was, that whenever the Government of the United States chose, in addition to what she had done, to pay $500 to these five directors, buying up the last five shares, she would become not only the owner, but the absolute manager in the control of the canal. This is a matter of contract. The State of Kentucky cannot go back on it. It may pass as many new conditions as it pleases; that makes no difference. By a contract with the State of Kentucky the Government of the United States became the owner of all but five shares more than twenty years ago, and had a right to take possession of the canal whenever it chose to buy out the remaining five shares; and this act contains an appropriation for buying out the remaining five shares. Whenever the Government does so, it has a right to take absolute possession, and it is not in the power of the Legislature of Kentucky to impose any new conditions. All of these new conditions imposed by the act of 1872 are in absolute violation of the contract made with the United States; and I call the attention of the Senator from New York to that fact.

Mr. CONKLING. May I inquire of the Senator how it happens that the taxation by both governments occurred long after the prior rights to which he has referred?

Mr. MORTON. I expect that, in the prosecution of the war and the multiplicity of business, officers of the United States had not always a very much clearer comprehension of this subject in dealing with it than a good many Senators of the United States; and the Legislature of Kentucky may also have acted in the same way. But there it is now; there is no getting over that; that the Legislature of Kentucky, as long ago as 1842, authorized the Government of the United States to become the owner of this canal, and it did become the owner of it; and it is not in the power of the State of Kentucky to impose any new conditions upon it. How are we to get over that? My friend says it is notorious that the United States has for years owned all that stock but five shares. A mere technical interest remained in that corporation for certain purposes; but the substantial control all the time has been with the United States.

Why, sir, when the bonds were issued by that corporation subsequently to enlarge the canal, they were issued under the operation of an act of Congress expressly authorizing that corporation to do it, and there was another act of Congress, which I have before me, empowering that corporation to use the dividends for the purpose of constructing an enlargement of the canal. The substantial management has been with the United States all the time, and there has been no question but that the whole interest was with the Government, and a mere technical interest remained in that corporation which under the original contract the Government of the United States had a right to take possession of at any time by buying out the remaining five shares. I remember urging here. I believe in concert with the Senator from Ohio, [Mr. SHERMAN,] some four or five years ago, that those five shares ought to be bought and the Government take possession and control of the whole thing.

When the Legislature of Kentucky in 1872, under manipulation, too, as I have no doubt, and without a very clear knowledge of how this thing stood, passed the act just referred to by the Senator from New York, it was in absolute derogation and violation of the original contract; they were imposing terms and conditions upon property in which they had no interest at all. It was absurd for them to do it, to make new terms that the city of Louisville should be allowed to bridge that canal and should be allowed to empty her sewers into it, and this, that, and the other thing. Now mark it:

That the use of the water-power of the canal shall be guaranteed forever.

And further:

That the Government of the United States shall, before such surrender, discharge all the debts due by said canal company, and purchase the stock of said directors.

Purchasing the stock was the original condition, and that was all there was of it; and whenever the Government did that the absolute control of the canal came to the Government, and every other condition is a nullity.

Mr. FRELINGHUYSEN. What is the date of that act?

Mr. MORTON. It was in 1872, long after the Government of the United States had been making appropriations for this canal, and large ones, from year to year, in view of the original contract that had been made.

Mr. SHERMAN. Will my friend allow me to read an extract from the testimony of Attorney-General Speed, as the legal history of this matter?

Mr. MORTON. Certainly.

Mr. SHERMAN. I wish to call the attention of the Senator from New Jersey to this statement. The Senator from New York [Mr. CONKLING] seemed to be in doubt as to when the United States had finally got possession of the last of this stock. It was in 1857. Mr. Speed then gives the history of the matter, as follows:

Now the thing thus stood in 1857, with these five directors having the canal and holding it in trust for the Government of the United States under a Kentucky charter. The business of the country absolutely demanded that the canal should be enlarged. They got this act passed through the Kentucky Legislature, and then came the doubt whether, as the revenues belonged to the Government of the United States, it was competent for the Legislature to appropriate those revenues in that way.

Congress then, in 1860, after years of application, passed a resolution authorizing the revenues and credit of the company to be used for enlarging the said canal, and to construct a branch canal. So, under the act of 1857 and under the resolution of Congress of 1860, the directors proceeded to enlarge the canal. They used up the funds which they had on hand, and under the authority of the Kentucky Legislature and under the resolution of Congress they made a mortgage on the revenues of the canal and proceeded to the execution of the work.

That is the history of it.

Mr. HOWE. Who made that mortgage?

Mr. SHERMAN. This same canal company, with the authority of Congress and the authority of the Legislature of Kentucky, both concurring. At that time Congress refused or at least declined or neglected to take possession of the canal, and the repairs were allowed to go on under charge of the Engineer Department, but under the authority of this trusteeship, and the work was completed just before the passage of the act of 1872. The work of the United States being completed and all the debts extinguished except this bonded liability of $1,110,000, then the State of Kentucky passed a joint resolution in 1872 which recited that the Government owning all this property, the trustees should be directed to transfer the legal title over to the United States upon certain terms and conditions, all of which have been agreed to by the Congress of the United States except the last, which for the reason I have stated we could not agree to.

Mr. HOWE. That legal title was an equity of redemption?

Mr. SHERMAN. Yes, an equity of redemption. It was the property subject to the mortgage. That is what we take possession of under this bill, and all we propose to take possession of.

Mr. MORRILL, of Vermont. May I ask the Senator from Ohio, if he can tell me, what has become of the large profits derived from this canal? I notice that it has been asserted that they have been exacting very large tolls. What has become of those large tolls? Have they all been divided among these five stockholders?

Mr. SHERMAN. No, sir; they have been applied to the purchase of the stock. The Government of the United States did not appropriate money to buy in the stock, but the revenues of the canal have been applied to purchasing in the stock of other stockholders.

Mr. MORTON. And a large portion of it to the construction of the enlargement of the canal.

Mr. SHERMAN. And a portion of it for the salaries of these trustees.

Mr. MORRILL, of Vermont. As the company was first chartered by the State of Kentucky and those conditions were inserted in the laws of 1842 and 1844, what is there to prevent the Legislature of Kentucky from subsequently altering or changing the terms prescribed by the acts of 1842 and 1844?

Mr. SHERMAN. They cannot do it because those laws are a compact with the United States, under which the United States have invested $5,000,000, and the State of Kentucky cannot pass any law impairing a contract with the United States, nor do they propose to do it. The State of Kentucky, so far as I can see, has acted in perfect good faith in this whole matter.

Mr. MORTON. How long has the enlargement of the canal been going on?

Mr. SHERMAN. It commenced during the war. I think it took about six years. It has just been completed now.

Mr. MORTON. The United States have been appropriating, I think for nearly ten years, in the way of enlargement of that canal on the faith of this very contract, and the property has been constantly recognized as being in the United States. Now, the question of the right of Kentucky to tax the property does not affect the question of possession. It is now proposed to give to the United States the actual possession of this property, and take it out of the hands of the trustees, and that is all there is in this bill. Whether the taxes spoken of were valid or not, is not now the question. The question is, is the Government entitled upon the payment of the remaining five shares to take absolute possession of this property? And for that we have a positive contract with the State of Kentucky more than thirty years ago.

Mr. HOWE. Will the Senator allow me to inquire when and where the trustees have rendered an account of their management of this property?

Mr. SHERMAN. This bill requires them to render an account. It directs the Secretary of the Treasury to institute the proper proceedings.

Mr. HOWE. No such account has ever been rendered?

Mr. SHERMAN. So far as I know, they have not rendered an account. If they have, it has been to the State of Kentucky.

Mr. MORTON. They have rendered an account practically to the engineer of the United States in charge, General Weitzel, and have done so for several years.

Mr. HOWE. Has it ever been put in print?

Mr. MORTON. Yes, sir; I think there is a document here now that refers to the account. I think they have settled with him or have accounted to him practically.

Mr. FRELINGHUYSEN. I understand a mortgage was given to secure those bonds. About what time was that mortgage given?

Mr. MORTON. I do not remember.

Mr. SHERMAN. The mortgage was given in 1857. Some of the bonds, I think, are thirty-year bonds and do not expire until 1886.

Mr. FRELINGHUYSEN. This public work did not belong to the United States then in 1857?

Mr. SHERMAN. It was still held in the name of the trustees; but both the United States, which then owned the beneficial interest, and the State of Kentucky, which held the jurisdiction, concurrred in authorizing this company to borrow money and issue bonds, and continue the work in the name of the trustees.

Mr. THURMAN. The Government of the United States at the time that mortgage was authorized and issued owned all the stock of this company but five shares.

Mr. FRELINGHUYSEN. So I understand; but they did not own this work, or else they only could have given a mortgage.

Mr. SHERMAN. The United States did not own it at all. The whole matter has been in the hands of these trustees.

Mr. FRELINGHUYSEN. So I understand; but there comes the question, does it not, at that point, as to the right of taxation? If the United States did not own the canal at all, there may be considerable question whether the State of Kentucky might not tax this property?

Mr. SHERMAN. I think when the United States take possession of it under a State law of Kentucky, which gives them jurisdiction when they comply with certain conditions, they have the absolute ownership free from all taxes, because they have exclusive jurisdiction subject only to certain police regulations.

Mr. MORTON. Mr. President, under the Kentucky act of 1842 the Government became the equitable owner of the canal, all except $500. By the same act it had a right to become the legal owner by paying that $500, and now we have passed an act authorizing the payment of that $500 and the taking possession of the canal in pursuance thereof. There is the whole question. But subsequent to that time, two years ago, the Legislature of Kentucky came in and imposed new conditions which it had no right in the world to impose, and there is all the difficulty there is about the matter.

Now I want to state to the Senate the practical difficulty arising here, the oppression upon the commerce of the country. These five trustees, who are mere shadows, who are not trustees or owners in substance at all, have imposed heavy tolls upon the commerce passing through that canal and oppressed the commerce of the river in the way I shall show you now by a letter from the president of the Chamber of Commerce of Cincinnati. I desire the attention of the

Senate to this letter. It is dated March 19, 1874, and is addressed to General BANNING, member of the House, and is as follows:

CINCINNATI, *March* 19, 1874.

DEAR SIR: As I promised you, I respectfully present the following memoranda in relation to the Louisville and Portland Canal:

The steamer Thompson Dean left Cincinnati on Sunday, March 8, 1874, for New Orleans. With other cargo, she took barrel pork at thirty-four cents per barrel, in round numbers at two dollars per ton. It cost her one dollar per ton to pass through the Louisville and Portland Canal, going from Cincinnati to New Orleans, and returning boats are charged by their tonnage, without regard to the cargo they may have on board. They pay the full toll, though they may not have a ton of cargo on board.

Coal can be transported from Pittsburgh to New Orleans at about one dollar per ton; canal tolls on a steamboat going and returning are equal to the entire cost of taking coal from Pittsburgh to New Orleans in barges.

Steamboats can easily make the voyage from Cincinnati to Saint Louis, or to Memphis and return, in two weeks. A boat measuring six hundred tons and making such trips, if she always passed through the canal, would pay $300 per week canal tolls.

It is very safe to say that a packet plying regularly between Cincinnati and Saint Louis, or between Cincinnati and Memphis, would during her life time pay as much money for tolls as it cost to build and furnish the boat.

A packet line between Cincinnati and Saint Louis was recently projected. The advantage of such a line to the valleys along all the western rivers would be of very great value. Since my arrival here I have heard that the project has been abandoned, because the tolls at the canal would exhaust all the profits expected to be derived from the establishment of the lines.

There are about three hundred thousand tons of iron ore to be transported from the banks of the Mississippi below Saint Louis to the coal-fields of the Upper Ohio during the current year. As the water on the Falls of the Ohio is less for ascending than descending boats almost the entire year, a large proportion of this iron will have to pass through the canal, thus adding fifty cents to its cost of transportation.

Facts like these could be furnished you from almost every department of trade.

Yours truly,

S. F. COVINGTON.

General BANNING.

These five shadows, having no substance beyond the $500, control this question of tolls and oppress the commerce of that river. It is proposed now, in pursuance of the original contract, to pay them their $500 and take possession of the canal. The Legislature of Kentucky now has imposed new conditions, and the effect of the amendment adopted by the House of Representatives is to put off the taking possession of the canal for two years, because the Legislature of Kentucky will not meet for two years in due course under the constitution of that State, and during those two years the possession of the canal will still remain with these five directors.

I trust, sir, that the bill will not be referred, but that the Senate will non-concur in the amendment of the House of Representatives and ask for a committee of conference, for I think the whole matter can be very readily disposed of on a proper understanding of the facts.

Mr. HAMLIN. I have a general knowledge of the subject of this canal, having been called upon very many times in my life to vote appropriations for its construction. I must say, however, that of the specific appropriations and the precise terms and conditions of law which are applicable to it, I am not now as well informed as I was at the time when the various acts were passed, both in Congress and by the Legislature of Kentucky. I therefore should like a little more specific information than I have on the various points about which Senators so much disagree here to-day.

I must say, sir, that this is the most remarkable debate that I have ever listened to in this body in all my life; and I hazard the opinion that you can search the records of this body from the day the Government was formed to this hour, and you can find no parallel to that which we have witnessed here; and if we are to follow it, I think the Senate had better be abolished; certainly, its committees had better be abolished, and the Senate say, "We will take the action of the House upon grave matters involving questions of law, involving the expenditure of large sums of money, and base our action upon it without an investigation save that which occurs here upon an incidental and running debate," as has taken place here now.

Mr. SHERMAN. This is a Senate bill.

Mr. HAMLIN. I know it is a Senate bill, and I know it was reported and passed and went to the House, and the House have amended it in a material manner.

Mr. THURMAN. To which we propose to disagree and have a committee of conference.

Mr. HAMLIN. To which you propose to disagree and send it to a committee of conference, which is the most objectionable way of closing legislation. It should never be done in any case where there is a full opportunity of discussing and considering the disagreeing votes of the two branches. I know that in the last days of a session, when it is utterly impossible to discuss the various amendments, we often take up an appropriation bill and disagree to the amendments of the other House in gross, and I think it is sometimes done without even reading the amendments.

Mr. CHANDLER. With the permission of the Senator from Maine, I desire to say that I care nothing as to the bill going to the Committee on Commerce. I would just as soon that it should go to the Committee on the Judiciary; but it should be referred to some committee.

Mr. SHERMAN. The bill originated with the Committee on Finance, because the letter of the Secretary of the Treasury on the subject, containing the papers, was referred to that committee. The Secretary of the Treasury submitted to the Senate the difficulty he had in purchasing these bonds, and his letter, together with the accompanying documents, was referred to the Committee on Finance, and we prepared the bill with great care.

Mr. HAMLIN. I have no doubt the Finance Committee prepared the bill with great care; but notwithstanding that it did prepare it with great care, is was not the committee from which it ought to have emanated; it was a committee which had no just connection with the subject according to the usages of the Senate and the appropriateness of the various committees which we have appointed for special purposes.

Mr. SHERMAN. If my friend will allow me, the whole question in this controversy is not a question of commerce, is not a question of building the canal, or doing anything connected with commerce, but simply a question of the mode and manner of paying these bonds. Under the law, an appropriation has already been made to pay these identical bonds.

Mr. HAMLIN. I understand that; but I think it is a question which involves the commerce of ten States, and I think the Senator from Indiana said to the amount of $1,000,000,000. If that is not a question of commerce, or a question affecting commerce in a very marked degree, I do not know what is. All questions that relate to commerce, that affect commerce, that have an appropriate connection with commerce, ought to go to the Committee on Commerce.

But I do not care whether this bill goes back to the Committee on Finance, or whether it goes to the Committee on Transportation, or whether it goes to the Committee on Commerce. I say that in the disagreement which has arisen here between the best lawyers in the Senate, between the keenest minds we have in the Senate, the one affirming the law to be this way, and the other affirming the law to be that way, it ought to go to our own committee for consideration and report that we may know and act wisely and understandingly upon what we do. I do not know that I shall not vote for the bill precisely as it passed the Senate; I do not know but that I shall vote for the amendment that was put upon it by the House; but I do think that instead of taking up the debates of the other House here, and reading them page after page, and showing that we are relying upon that body for the basis of our action, we ought to have the report of our own committee to tell us what is the law and what are the facts. I only say this, that I want to do that which shall best promote the commerce of the West. I want to put this matter upon a basis that when it shall have been accomplished it will best promote that great commerce.

Now let me suppose—and I believe it is a question that is yet undecided—that the State of Kentucky shall seek to tax these works after the Government shall have taken them completely within its own control; what is the result? I believe Kentucky is a State that will do everything that she ought properly to do. If she ought to cede jurisdiction, I believe she will do it, or will cede that power to the General Government which will enable the General Government to keep the works unobstructed and free. But suppose the other thing, that it be not so; what then? If Kentucky seeks to tax, and has under the Constitution the right to tax the property, we must impose tolls upon the business of the canal to pay those taxes. I hold that it is in the interest of every man who has a dollar of the commerce that floats upon that river, and in the interest of the very Senators who are asking us to pass this bill without knowing whether it is rightly guarded or not, that we so have it that this canal shall be at all times what they want, to wit, a free canal. Suppose, again, Kentucky will not agree to it, and that we are to be subject to this annoyance, and you stand here in that condition. I can only say what I would do; I would vote to obliterate the work and let the waters run to waste before I would vote again for the large sums that I have always cheerfully voted for these works, if any State were to come in and ask to tax the property of the Government designed to benefit its own commerce.

I look at this matter carefully in all its lights. I want to vote wisely. How can I? Shall I take the version of the law as given by the Senator from Indiana? He thinks the Senate bill is clearly right. I know that is his opinion. Shall I take the view of the law suggested by the Senator from New York? I can hardly say that I have got a very clear, well-defined opinion just now as to which of them is right, and I do not choose to be forced to decide that question upon a mere temporary debate that has sprung up here.

Sir, we owe it to the character of this body to refer this matter to a committee, and let us have a report that shall give us all the facts and all the law.

Mr. STOCKTON. I move that the Senate do now adjourn.

Mr. THURMAN. No, no.

Mr. McCREERY. I should like to say something on this question, but I will not interfere with the Senator's motion.

Mr. THURMAN. Let us vote on this question.

The PRESIDING OFFICER, (Mr. INGALLS in the chair.) Does the Senator from New Jersey withdraw his motion?

Mr. STOCKTON. No, sir. It is proper for me to say that I am not making this motion entirely on my own account, or I would not insist upon it. I am making it on the part of a large number of gentlemen in the Senate who have an engagement at four o'clock; and as it is very near that time, they have asked me to make the motion now.

The PRESIDING OFFICER. The Senator from New Jersey moves that the Senate do now adjourn.

The motion was agreed to; and (at three o'clock and thirty-two minutes p. m.) the Senate adjourned.

HOUSE OF REPRESENTATIVES.

FRIDAY, *April* 3, 1874.

The House met at twelve o'clock m.

The Journal of yesterday was read and approved.

PONTON RAILWAY-BRIDGE ACROSS THE MISSISSIPPI.

Mr. SAWYER. I am instructed by the Committee on Commerce to ask consent to report now and put upon its passage the bill (H. R. No. 2538) to legalize and establish a ponton railway-bridge across the Mississippi River at Prairie du Chien.

The bill was read. It provides that the railway ponton-bridge across the Mississippi River and an island therein, communicating with the Milwaukee and Saint Paul Railway at Prairie du Chien, in the State of Wisconsin, and the Milwaukee and Saint Paul Railway at North McGregor, in the State of Iowa, be legalized and declared a lawful structure. John Lawler and the Prairie du Chien and McGregor Railway Company, their successors and assigns, are to keep up and maintain a suitable ponton-draw of not less than two hundred and fifty feet in length in the eastern channel, and one of not less than three hundred and twenty feet in length in the principal or western channel of the river. The draw is to be opened promptly, upon reasonable signal, for the passage of boats or rafts; but in no case shall unnecessary delay occur in opening the draws before or after the passage of trains; and the said parties shall maintain, at their own expense, from sunset to sunrise, throughout the year, such lights on the bridge as may be required by the Light-House Board for the security of navigation.

The second section provides that all railway companies desiring to use said ponton-bridge shall have equal rights and privileges in the passage of the same, and in the use of the machinery and fixtures thereof, and of all approaches thereto, under and upon such terms and conditions as shall be prescribed by the Secretary of War upon hearing the allegations and proofs of the parties in case they shall not agree; and the United States shall have the right of way for postal telegraph purposes across said bridge. No higher charge shall be made for the transmission over the same of the mails, the troops, and the munitions of war of the United States than the rate per mile paid for the transportation over the railroads or public highways leading to said bridge. In case of any litigation arising from any obstruction or alleged obstruction to the navigation of the river, created by the construction of said bridge under this act, the cause or question arising may be tried before the district court of the United States of any State in which any portion of said obstruction or bridge touches.

The third section reserves the right to alter or amend this act, so as to prevent or remove all material obstructions to the navigation of said river, without any liability of the Government for damages on account of the alteration or amendment of this act, or on account of the prevention or requiring the removal of any such obstructions; and if any change be made in the plan of construction of said ponton-bridge, such change shall be subject to the approval of the Secretary of War; and any change in the construction, or any alteration of said bridge, that my be directed at any time by Congress or the Secretary of War, shall be made at the cost and expense of the owners thereof.

Mr. HAWLEY, of Illinois. I would like to ask my friend from Wisconsin [Mr. SAWYER] one question. If I understand correctly the draw of this bridge is three hundred feet.

Mr. SAWYER. Three hundred and twenty.

Mr. HAWLEY, of Illinois. Is it a pivot-draw?

Mr. SAWYER. No, sir; the draw is really four hundred feet; it leaves a clear pathway of three hundred and twenty feet. The committee has taken great pains to protect the interests of navigation in this matter.

Mr. HAWLEY, of Illinois. I understand the gentleman to say that this is the report of the Committee on Commerce.

Mr. SAWYER. Yes, sir; the unanimous report.

There being no objection, the bill was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

Mr. HAWLEY, of Illinois, moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

OBSTRUCTIONS AT HELL GATE.

Mr. CREAMER, by unanimous consent, submitted the following resolution; which was read, considered, and agreed to:

Resolved, That the Committee on Commerce be requested to investigate and report to this House the present condition of the work at Hell Gate, in the State of New York, and what legislation, if any, is necessary for the speedy completion of said work.

MARINE HOSPITAL AT PITTSBURGH, PENNSYLVANIA.

Mr. WELLS, by unanimous consent, reported from the Committee on Public Buildings and Grounds a bill (H. R. No. 2787) to provide for the sale of the present United States marine hospital and site, and the purchase of a new site and the erection thereon of a new hospital, in the city of Pittsburgh, Pennsylvania; which was read a first and second time, ordered to be printed, and recommitted, not to be brought back on a motion to reconsider.

IMPROVEMENT OF WOLF RIVER, WISCONSIN.

Mr. AVERILL. By direction of the Committee on Indian Affairs I ask unanimous consent to report for passage now a bill giving the assent of Congress for the improvement of the Wolf River across the Menomonee Indian reservation, in the State of Wisconsin.

Mr. RANDALL. I call for the regular order.

The SPEAKER. The gentleman from Pennsylvania [Mr. RANDALL] objects, and demands the regular order.

Mr. BUTLER, of Massachusetts. I hope the gentleman from Pennsylvania will allow me to introduce a resolution to get some papers; it will take but a moment.

Mr. RANDALL. I do not withdraw the demand; therefore the resolution of the gentleman from Massachusetts need not be read.

ALASKA FUR TRADE.

The SPEAKER. The House resumes the consideration of the bill which comes over as unfinished business from yesterday morning, the bill (H. R. No. 2667) to enable the Secretary of the Treasury to gather authentic information as to the condition and importance of the fur trade in the Territory of Alaska. The pending question is on the amendment offered yesterday by the gentleman from Indiana, [Mr. COBURN.]

Mr. CONGER. I demand the previous question.

The previous question was seconded and the main question ordered; and under the operation thereof Mr. COBURN'S amendment was adopted.

The bill, as amended, was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time.

Mr. WILLARD, of Vermont. Mr. Speaker, I desire to say a word on this bill before it is passed.

Mr. CONGER. I do not yield for that purpose.

Mr. WILLARD, of Vermont. I wish to say a few words on this bill, by consent of the House. Has the previous question been called on the passage of the bill?

The SPEAKER. The previous question was called on the engrossment and third reading of the bill. The question now is, Shall the bill pass? If the gentleman from Michigan declines to yield, he must then demand the previous question on the passage of the bill.

Mr. CONGER. I do so.

The House divided; and there were ayes—54, noes 25; no quorum voting.

Mr. WILLARD, of Vermont. I do not wish to make any personal reply to the remarks of the gentleman from Michigan.

Mr. CONGER. If the gentleman merely wishes to explain his position, I have no objection.

Mr. WILLARD, of Vermont. I wish merely to explain some reasons which influenced me yesterday in the course I took.

Mr. YOUNG, of Georgia. Is this in order?

The SPEAKER. The question is, Shall the bill pass? Of course, if the previous question is not seconded it is open for debate. The gentleman from Michigan, who has charge of the bill, has called the previous question; but no quorum voting, it was thought better to allow the gentleman from Vermont to proceed with his statement. The Chair thinks it would be the better course, and save time of the House.

Mr. RANDALL. And the Chair is right.

Mr. CONGER. I should myself have no objection to the gentleman from Vermont going on. But this has occupied some time already, and gentlemen around me insist we shall go on with the vote.

The SPEAKER. No quorum having voted, the Chair will order tellers; and appoints Mr. CONGER and Mr. HOLMAN.

Mr. HOLMAN. If the previous question is not sustained will not this bill go over?

Mr. CONGER. I understand no further count is asked.

Mr. HOLMAN. Yes; I demand further count.

I wish to ask, Mr. Speaker, whether, this being private-bill day, if the previous question is not seconded this bill does not go over?

The SPEAKER. It came over as unfinished business.

Mr. HOLMAN. If the previous question is not seconded does it not go over to-day?

The SPEAKER. It does. Does the gentleman demand further count?

Mr. HOLMAN. I do.

The House again divided; and the tellers reported—ayes 126, noes 28.

So the previous question was seconded.

The main question was then ordered.

The question recurred on the passage of the bill.

The House divided; and there were—ayes 97, noes 24; no quorum voting.

Mr. HOLMAN. I insist on a quorum. I am opposed to the creation of any new office without a quorum of the House being present.

The SPEAKER. The Chair will appoint the same tellers.

The House again divided; and the tellers reported that there were—ayes 121, noes 27.

So the bill was passed.

Mr. CONGER moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

The SPEAKER. The Chair thinks he answered the gentleman from

Indiana erroneously on the point of order. He did not at the time bear in mind that this bill was reported from the Committee on Commerce under the leave granted by the House to report at any time; and the rule expressly says that the right to report at any time implies the right to consider at any time. The bill was in a different condition from a bill ordinarily coming by regular report before the House.

MRS. JAMES K. POLK.

Mr. BUTLER, of Massachusetts. I ask unanimous consent to offer the following resolution:

Resolved, That the southern claims commission do send to the Speaker of the House the papers and proofs in the case of Mrs. James K. Polk, widow of the late President of the United States.

Mr. LAWRENCE. There is no southern claims commission; that is a misnomer.

Mr. RANDALL. I hope there will be no objection. There is something in the way of respect due to the widow of an ex-President of the United States.

Mr. LAWRENCE. Is the claim allowed or disallowed?

Mr. BUTLER, of Massachusetts. Neither; it has not been considered.

Mr. LAWRENCE. What is the object of the resolution?

Mr. BUTLER, of Massachusetts. It is to bring the case here and refer it to your committee.

Mr. LAWRENCE. Is it not within the jurisdiction of the commissioners of claims? If it is not, then I do not object. The designation in the bill should be commissioners of claims, and not southern claims commission.

Mr. BUTLER, of Massachusetts. I make that correction.

The resolution, as modified, was adopted.

Mr. BUTLER, of Massachusetts, moved to reconsider the vote by which the resolution was adopted; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

PACIFIC MAIL STEAMSHIP SUBSIDY.

Mr. MILLIKEN. I ask unanimous consent to submit for present consideration the preamble and resolution which I send to the desk.

The Clerk read as follows:

Whereas the following preamble and resolution were adopted by the Forty-second Congress, to wit:

"Whereas in the testimony taken before the Ways and Means Committee of this House, in reference to certain matters committed to said committee for investigation, it was sworn by Lagrande Lockwood, of New York City, that a large sum of money was used to secure the passage through Congress of an increased appropriation to the Pacific Mail Steamship Company, in the nature of a subsidy for the transportation of mails, and for other purposes: Therefore,

"*Be it resolved*, That said Committee on Ways and Means are hereby authorized and directed to make full inquiry into the truth or falsity of said sworn statement, and to this end the said committee is hereby authorized and directed to send for persons and papers, and generally to exercise such powers and discretion as will be necessary thereto;"

And whereas subsequently thereto said Forty-second Congress did further resolve as follows, to wit:

"*Resolved*, That the testimony taken by the Committee on Ways and Means under the order of the House in regard to the alleged use of money to procure the passage of the subsidy for the Pacific Mail Steamship Company be deposited with the Clerk of the House, to be laid by him before the next Congress for its consideration:"

Therefore,

Be it further resolved, That the present Ways and Means Committee be, and they are hereby, authorized and directed to proceed at once to the full and complete investigation of the truth or falsity of said sworn statements, and make report to this House at as early a day of this session as practicable; and said committee is hereby reinvested with all the power and authority conferred by the first resolution above.

Mr. DAWES. I should like to hear the first portion of the preamble again read.

The first portion of the preamble was again read.

Mr. BUTLER, of Massachusetts. I object to the present consideration of the resolution, but not to its reference to the Committee on Ways and Means.

The SPEAKER. Objection is made.

Mr. RANDALL. Who objects?

The SPEAKER. The gentleman from Massachusetts, [Mr. BUTLER.]

Mr. RANDALL. Then I move to lay aside the preamble and pass the resolution. Let us see if any one objects to the resolution.

Mr. G. F. HOAR. I wish to inquire if the resolution does not direct the Committee on Ways and Means to lay aside for this purpose other business on which they are now engaged?

Mr. RANDALL. It does not. It directs the committee to report to this House at as early a day as practicable.

Mr. G. F. HOAR. Then I do not object.

Mr. DAWES. I do not object to the resolution; but I wish to state to the House that the investigation before the committee of the last Congress was placed by the committee in the hands of those gentlemen upon the committee who moved the investigation. They were instructed by the committee and clothed with power by the House to proceed in that investigation just as far as they pleased; and although it was committed to the committee in the late hours of the session, yet they proceeded as far as they chose, and reported back themselves to the committee that they did not desire to proceed any further. The testimony that was taken by them was reported back to the House as is recited there, and, under seal, recommitted to the committee this session. The committee have been disposed the moment they could get through with the business that is pressing upon them to open that testimony, and if in their opinion it required them to proceed further, they were ready to proceed.

Mr. RANDALL. I have no doubt of that.

Mr. DAWES. This statement is due to the last committee as well as to the present committee.

Mr. RANDALL. I have no doubt that the Committee on Ways and Means are quite ready to proceed to the investigation of corruption and expose it; but this is a general reminder to them.

Mr. DAWES. I think the resolution should be referred to the committee.

The SPEAKER. It is not before the House unless it is referred to the Committee on Ways and Means.

Mr. RANDALL. There has been debate.

The SPEAKER. The gentleman from Massachusetts [Mr. BUTLER] objected immediately and suggested that the resolution be referred to the Committee on Ways and Means.

Mr. DAWES. I trust it will be so referred.

Mr. BUTLER, of Massachusetts. I have no objection to its being referred.

Mr. RANDALL. I want to take the committee out of the position which the chairman has described. I want them to be instructed or advised by the House.

Mr. YOUNG, of Georgia. I demand the regular order.

The SPEAKER. If there be no objection the resolution will be referred to the Committee on Ways and Means.

There was no objection, and the resolution was so referred.

Mr. DAWES moved to reconsider the vote by which the resolution was referred to the Committee on Ways and Means; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

Mr. HAWLEY, of Illinois. I demand the regular order.

ORDER OF BUSINESS.

The SPEAKER. The regular order is demanded; and this being Friday, the committees will be called for reports of a private nature. The call rests with the Committee on Military Affairs. The morning hour begins at twenty-five minutes before one o'clock.

N. J. BARDIN.

Mr. MACDOUGALL, from the Committee on Military Affairs, reported back adversely the petition of N. J. Bardin, widow of J. T. Bardin, late a private of Company M, Eighth Tennessee Volunteers, asking a pension; which was laid on the table.

OLIVER LUMPHREY.

Mr. YOUNG, of Georgia, from the same committee, reported back, with the recommendation that it do not pass, the bill (H. R. No. 2067) to restore Oliver Lumphrey, late a second lieutenant Forty-ninth United States Infantry Veteran Reserve Corps, to his former rank in the Army of the United States; and the same was laid on the table, and the accompanying report ordered to be printed.

Mr. YOUNG, of Georgia, moved to reconsider the vote by which the bill was laid on the table; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

RANK AND STATUS OF ARMY OFFICERS.

Mr. YOUNG, of Georgia, also, from the same committee, reported back, with the recommendation that it do not pass, the bill (H. R. No. 590) relative to the rank and status of certain officers in the United States Army; and the same was laid on the table, and the accompanying report ordered to be printed.

KERRY SULLIVAN.

Mr. YOUNG, of Georgia, also, from the same committee, reported back, with the recommendation that it do pass, the bill (H. R. No. 491) for the relief of Kerry Sullivan, of Company G, Fourteenth Regiment New Hampshire Volunteers; and the same was referred to the Committee of the Whole on the Private Calendar, and the accompanying report ordered to be printed.

H. P. INGRAM AND JOHN K. ASKINS.

Mr. YOUNG, of Georgia, also, from the same committee, reported a bill (H. R. No. 2788) for the relief of H. P. Ingram and John K. Askins, of the Sixty-second Illinois Volunteers; which was read a first and second time, referred to the Committee of the Whole on the Private Calendar, and, with the accompanying report, ordered to be printed.

The SPEAKER. The Chair will state for the benefit of all members having private bills to report which are to go on the Private Calendar, that they should always be accompanied by written reports; for it is in order to have the report read when debate is not in order on objection days.

Mr. RANDALL. Is not this objection day?

The SPEAKER. It is. All reports accompanying bills are ordered to be printed, and adverse reports are always printed.

JOHN S. DICKSON.

Mr. COBURN, from the same committee, reported back, with amendments, and with the recommendation that it do pass, the bill (H. R. No. 2789) for the relief of John S. Dickson, late captain of paroled prisoners; which was referred to the Committee of the Whole on the

Private Calendar, and, with the accompanying report, ordered to be printed.

ADVERSE REPORTS.

Mr. THORNBURGH, from the same committee, reported adversely upon the petition of P. G. Hopkins, for relief, and the same was laid upon the table, and the report ordered to be printed.

Mr. DONNAN, from the same committee, reported adversely upon the petition of surviving officers, soldiers, and marines of the war against Mexico, residing in the State of Oregon and the Territory of Washington, asking for recognition of their services, and the same was laid upon the table, and the report ordered to be printed.

JAMES H. DAVIDSON.

Mr. DONNAN also, from the same committee, reported back, with the recommendation that it do not pass, the bill (H. R. No. 1327) for the relief of James H. Davidson, late colonel of the One hundred and twenty-second United States Colored Troops; which was laid upon the table, and the report ordered to be printed.

DONATION OF CANNON.

Mr. DONNAN also, from the same committee, reported back, with the recommendation that it do not pass, the bill (H. R. No. 2363) authorizing the Secretary of War to deliver condemned ordnance to Post No. 36 of the Grand Army of the Republic, at Trumansburgh, New York; which was laid upon the table, and the report ordered to be printed.

MILITARY TELEGRAPH OPERATORS.

Mr. DONNAN also, from the same committee, reported back, with the recommendation that it do not pass, the bill (H. R. No. 840) to include military telegraph operators within the provisions of the act approved April 4, 1872, to enable honorably discharged soldiers, &c., to acquire homesteads on the public lands; which was laid upon the table, and the report ordered to be printed.

GEORGE S. GUSTIN.

Mr. DONNAN also, from the same committee, reported back, with the recommendation that it do pass, the bill (H. R. No. 1322) for the relief of George S. Gustin, late private Company D, Seventy-fourth Regiment Illinois Volunteers; which was referred to the Committee of the Whole on the Private Calendar, and, with the accompanying report, ordered to be printed.

UNION PACIFIC RAILROAD COMPANY.

Mr. FRYE. I am instructed by the Judiciary Committee to report as a substitute for a bill referred to them a bill to enable the Central Branch of the Union Pacific Railroad Company to submit its claims against the United States under existing law to the decision of the Supreme Court.

Mr. HOLMAN. I ask that the bill be read.

Mr. SPEER. Is that a private bill?

The SPEAKER. It is not a private bill.

Mr. BUTLER, of Massachusetts. It is only to pay a corporation a claim.

The SPEAKER. The Chair thinks that all bills touching land grants to railroads have always been held to be public bills. The bill will have to come in on the regular call of the committee.

PRIVATE LAND CLAIMS IN NEW MEXICO.

Mr. PACKARD, from the Committee on Private Land Claims, reported back a letter from the Secretary of the Interior, transmitting, in compliance with the act of July, 1854, three reports of the surveyor-general of the Territory of New Mexico on private land claims in said Territory; which was recommitted to the committee, and ordered to be printed.

LAND-ENTRIES IN MISSOURI.

Mr. BUCKNER, from the Committee on Private Land Claims, reported back, with the recommendation that it do not pass, the bill (H. R. No. 1848) to confirm certain entries of lands therein named in the State of Missouri; which was laid upon the table, and the report ordered to be printed.

CAPTAIN JOHN C. BEAUMONT.

Mr. SCOFIELD, from the Committee on Naval Affairs, reported back, with the recommendation that it do pass, the bill (H. R. No. 1063) to restore Captain John C. Beaumont, of the United States Navy, to his original position on the Navy Register.

The bill was read. It authorizes the President of the United States to restore Captain John C. Beaumont, of the United States Navy, now on the active list, to his original position on the Navy Register next above Captain Charles H. B. Caldwell.

The bill was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

Mr. SCOFIELD moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

EDWARD O'MEAGHER CONDON.

Mr. BANNING, from the Committee on Foreign Affairs, reported a joint resolution (H. R. No. 81) in relation to Edward O'Meagher Condon; which was read a first and second time.

The joint resolution requests the President of the United States to intercede with Her Majesty the Queen of Great Britain and Ireland for the purpose of securing the speedy release of Edward O'Meagher Condon, of Cincinnati, Ohio, who was convicted on a charge of murder in Manchester, England, and is now confined in prison.

Mr. RANDALL. I do not care for the reading of the report, but I ask that it be inserted in the CONGRESSIONAL RECORD.

The SPEAKER. The Chair hears no objection to that.

The report was as follows:

The Committee on Foreign Affairs, to whom was referred the following petition of Governor Edward F. Noyes, Right Rev. J. B. Purcell, archbishop of Cincinnati, and other citizens of Ohio, with the letters, statements, and testimonials accompanying—

STATEMENT.

The case of Edward O'Meagher Condon, now confined in Portland convict prison, England, convicted for complicity in the killing of a policeman in Manchester.

Edward O'Meagher Condon, a citizen of the United States, late a resident of Cincinnati, Ohio, was sent over to Ireland from Cincinnati in the spring of 1867 to attend to some property left to his father by an uncle. He was instructed to call at Manchester on his return to see two relatives residing there. While in Manchester he was arrested for complicity in the killing of the aforesaid policeman, under the following circumstances:

Two suspected Fenians, named Kelley and Deacy, were being sent to jail in a prison van with other prisoners. The van was stopped about half-way between the court-house and jail by a party of forty men, who demanded the release of the two suspected Fenians. They ordered the policeman inside the van to open the doors. He had the keys, but refused to comply. The party then proceeded to break open the van with stones, &c., but failing, one of them fired a pistol into the key-hole to burst the lock. The bullet accomplished the object, and shot the policeman inside. There was no intention to injure the man. It might as well be one of the prisoners who would get hurt; but he was in the course of the bullet, and got killed.

Condon was arrested the same evening three miles away from the place of the accident. The affair created the wildest excitement and great alarm throughout England, particularly in Manchester; and in the midst of this popular panic a special commission was appointed to convict the prisoners. They were tried in batches of five, and Condon, an American, was included in the first batch. They were all convicted of murder in the first degree, and sentenced to be hanged. Tweny-five witnesses swore against one man, fifteen against two more, ten against the fourth, and five against Condon. The person who had ten witnesses against him was liberated on the application of the reporters, who declared that he did not have a fair trial. Five of the witnesses who had him convicted were those who swore against Condon. Three of those witnesses were prostitutes, confined in the van at the time of the riot, one a detective, and a fifth a by-stander.

The evidence of this last witness was that he recognized Condon by seeing him hit by a stone, which cut his head, and he knew him by the wound. The policeman who arrested Condon swore that he inflicted the wound on Condon's head at the time of the arrest, and a surgeon swore that the wound was not inflicted by a stone.

In the preliminary investigation not one of the witnesses identified Condon as present at the breaking of the van until the detective, who afterward swore against him, took the three prostitutes and pointed Condon out to them through a window. After this they swore that he was one of the rioters. Yet upon such evident perjury he was convicted.

Immediately after his conviction he wrote to Mr. Low, American consul at Manchester, who directed him to write a statement of his case to him, and he would send it to Minister Adams, who immediately applied for and got a respite by directions sent by telegraph by Mr. Seward.

From the statement of Daniel Redden, just published, who was confined for the same cause, it is greatly feared that Condon cannot long survive such terrible cruelty. He is accused of murdering a man he never saw. A petition signed by all the members of the city council of Cincinnati and indorsed by President Grant had no effect. A kind letter from Chief Justice Chase, in which he said, "As three had been put to death for the murder of one, surely justice ought to be satisfied and mercy take place in Condon's case," also failed. The chivalrous General Sherman requested his release as a special favor to himself for the many times he was instrumental in getting Englishmen out of trouble in this country. Home Secretary Bruce has all those letters, together with one from Judge Fitzgerald, of Dublin, in which he told the home secretary that, after an examination of Condon's trial, he would not convict him on such evidence.

The case of Condon is peculiar. Ten witnesses convicted the man who was set free, and only five of the same witnesses appeared against him, yet he is still in prison.

To the Congress of the United States:

Your petitioners, residents of the city of Cincinnati, Ohio, respectfully, but earnestly, ask that you will, by proper resolution or otherwise, interpose in behalf of Edward O'Meagher Condon, a citizen of this State and city, now in confinement in the Portland convict establishment, in England, for the alleged murder of a policeman in Manchester.

Your petitioners state that young Condon was, in 1867, a resident of this city, and was a good, industrious, and honest young man, respected by all who knew him; that in that year he was sent over to Ireland from Cincinnati to attend to some property left his father, Thomas Condon, of this city, and was also instructed on his return to call on two relatives living in Manchester, England; that while near said Manchester he was arrested for alleged complicity in the murder of a policeman of Manchester; that he was hurriedly tried, and, as we fully believe, by false testimony of perjured witnesses, condemned to death; that thereafter, upon representations made by Mr. Adams, the American minister to the British government, his sentence was commuted, or a reprieve granted; that he has since then, now more than five years, been imprisoned in England, and still lies there in jail; and we state that he had ever been, while in the United States, a young man of exemplary character.

That his long confinement has worn upon his health, and must ultimately, added to the keen sense of the injustice of his condemnation, kill him, unless he is released. That he was the main hope and stay of his parents, Thomas Condon and wife, who are old, and that his sad condition has brought untold sorrow and distress upon his family. That his release is demanded by justice and mercy both. That his trial was hasty and imperfect, and he was made a victim to falsehood and excitement.

That we have no doubt if the British government would authorize a new trial in his case it would be clearly shown that he is innocent of the great crime imputed to him. And we, his parents, neighbors, and friends, earnestly ask your honorable

bodies to take such action as will be consistent with your honor and that of our country, and also as will afford the English government the opportunity to show to American citizens that justice which no government is more constant and energetic in demanding for her own subjects than she is.

THOMAS CONDON,
His father.
ELLEN CONDON,
His mother.

I recommend and request that a new trial be granted if possible.

EDWARD F. NOYES,
Governor of Ohio.
J. B. PURCELL,
Archbishop of Cincinnati.
M. H. TILDEN,
Judge of Superior Court.
W. S. GROESBECK.
ALFRED YAPLE,
Judge of Superior Court of Cincinnati, State of Ohio.

I cheerfully concur in the request of Governor E. F. Noyes.

S. S. DAVIS, *Mayor.*

I am not acquainted with the facts of the case or the laws under which Condon was tried, but Mr. and Mrs. Condon are worthy people, their son is their stay, and his release would be a mercy and a blessing to them.

M. T. FORA,
Judge Hamilton Common Pleas.
CHAS. C. MURDOCK,
Judge Hamilton Common Pleas.
WM. L. AVERY,
Judge Hamilton Common Pleas.
T. A. O'CONNER,
Judge Superior Court of Cincinnati.
J. BURNETT,
Judge Hamilton Common Pleas.
WILLIAM TILDEN,
Judge of Probate Court, Hamilton County, Ohio.
N. H. VAN VORHES,
Speaker Ohio House of Representatives.

The petition is also signed by the following members of the Ohio State senate:

Joseph F. Wright.	P. W. Hardesty.	W. O. Packer.
H. D. McDonnell.	W. H. Holden.	I. Q. Smith.
A. W. Patrick.	Arome C. Wales.	D. W. H. Howard.
John Schiff.	J. H. R. Anon.	S. Knox.
Charles Boesel.	W. Morrow Beach.	J. T. Updejuff.
J. S. Gardner.	John G. Thompson.	Wm. Nash.
Peter Murphy.	John W. Morris.	H. S. Gage.
L. B. Leeds.	James Sayler.	

C. H. BABCOCK,
Speaker pro tempore House of Representatives, Ohio.

The petition is also signed by the following members of the Ohio house of representatives:

John Little, W. C. Cooper, T. Miltenberger, J. M. Haag, Wm. Bell, jr., Milt. McCoy, O. Chase, B. C. Blackburn, H. M. Chapman, J. M. Cochran, John M. Wilson, J. R. Conrad, Charles P. Taft, W. C. McFarland, S. B. Berry, John Seitz, H. Weible, William Adair, S. N. Titus, William G. Ways, R. C. Thompson, H. W. Curtiss, J. Scott, Isaiah Pillars, W. P. Howland, S. R. Mott, Thomas H. Armstrong, John C. Waldron, Ira Ferguson, Henry Chapman, Thomas D. Stiles, Levi Colly, Eugene Powell, George Nokes, William L. Ross, Clark White, Joseph Bradbury, James E. Chase, A. Armstrong, H. F. Brashear, H. Beckstresser, George Nokes, A. R. Van Cleaf, S. E. Blakeslee, Lewis Green, W. Stillwell, J. M. Brunswick, John F. Fallis, John Shank, Charles Oesterlein, David Cunningham, George W. Wilson, C. F. Kirkland, Albert Munson, William Milligan, Henry Schoenfeldt, A. H. Brown, Elias Elliss, Benjamin F. Spriga, N. E. Leland, Isaac Austill, J. R. Conrad, J. J. Moore, M. McCoy, J. Count, C. B. Smith, Samuel C. Bowman, Henry Weible, Thomas Peckinpany, John Kisor, Guido Maro, T. A. Corcoran, H. C. Whitman.

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7 MERRION SQUARE, EAST DUBLIN,
February 14, 1874.

SIR: I have received your letter of the 22d, and in reply take leave to assure you that I did not write to Mr. Secretary Bruce. I did not receive from him the reply which you describe. My position as a judge prohibits me from interfering in any case not tried before me, and even then only when called on by Government for a report. Mr. Kenslin Digby, member of Parliament for the Queen's County, is a connection of mine, and a valued friend, whose opinion I very much respect. He was deeply interested in your son's case, and he has frequently conversed with me about him and his trial. I learned from Mr. Digby that he has studied the case carefully, and had come to the conclusion that your son, Edward O'Meagher Condon, or Shore, had taken no part in the homicide of the constable of Manchester, and was implicated by taking part in the riot, and by stone-throwing only; that he was unarmed, and that there was no proof against him of any previous design. I had no knowledge whatever of the case myself. Mr. Digby felt very much for one so young and prepossessing as your son, but felt more for you and the family. I am aware of the great exertion he has made to procure your son's release, and I would have aided him if I had the power to do so.

I have no doubt that Mr. Digby will not be deterred by previous failures from continuing his efforts, and I most sincerely hope that zeal and efforts may soon prove successful,

I can only express my feelings for you and your afflictions, and remain your faithful,

J. D. FITZGERALD.

Mr. THOMAS CONDON.

CINCINNATI, *January* 28, 1874.

SIR: When in England I took special pains to get the facts in relation to the case of Condon, *alias* Shore, convicted of murder in Manchester, with three others. The others were executed. On account of well-grounded doubts of the participation of Shore in the murder, his sentence was commuted. Mr. Moran, our secretary of legation at the court of Saint James, was very much interested in the case, and after a thorough investigation, came to the conclusion that Shore, *alias* Condon, was entirely innocent. I conversed with Jacob Bright, M. P., Mr. Potter, Sir Wilford Lawson, and other members of Parliament, who expressed much interest in behalf of the accused. Young Condon is a worthy son of most worthy parents in your district, and every effort possible should be made to secure his liberty from confinement and his return to his family.

Mr. Moran can furnish all the facts in the case if written to.

I send you copy of petition, &c., and a letter from one of the most eminent judges of Ireland, to the father. The latter you will please preserve.

Yours, &c.,

S. F. CARY.

Hon. H. B. BANNING, M. C.

Have had the same under advisement, and after careful investigation of the cause and facts connected with the conviction of Edward O'Meagher Condon, make the following report to the House of Representatives:

Edward O'Meagher Condon is of Irish parentage; a citizen of Cincinnati, Ohio, of respectable family and associations, and has always borne a good character.

In the year 1867 he was on a visit to some of his relatives in Manchester, England. While there he became involved in a mob which had collected for the purpose of rescuing some Fenian prisoners.

From the evidence brought out in a trial subsequent to the affray, it seems that the prisoners were being conveyed in a van through the streets, the door of which was not only locked but guarded by a policeman on the inside. A shot was fired for the purpose, as asserted, of forcing the door. This shot unfortunately killed the policeman.

For this offense Condon and four others were convicted of murder, and sentenced to be hanged. Three of these were executed, one was discharged, while Condon's sentence was commuted to imprisonment for life at hard labor.

This occurred during the intense excitement of the Fenian struggle, after invasion of Canada from the United States, and the battle of Ridgway.

It would be seen, therefore, that a trial under the circumstances might be influenced by the feeling pervading the community where the offense occurred.

This would be intensified, of course, by the fact that one of the defendants was an American citizen, and held responsible as a prime mover in the original trouble.

Without questioning the justice of the verdict, we are of the opinion that executive clemency could go further than in a mere commutation of the sentence to hard labor for life.

It is not claimed that the unfortunate Condon fired the shot which resulted so fatally, and the very cause that led to the swift punishment pleads with irresistible force in his favor.

In the excitement of the moment he possibly encouraged the violence meant to break a lock, which resulted in a death without having the malice prepense necessary to make it murder. On this ground his sentence was commuted, as we have stated, and on this ground we claim he might well be pardoned.

We are well aware of the fact that Condon's offense was aggravated in the eye of the law by his being an American citizen. At the same time we ought to remember that Condon's Irish descent and Irish connections prompted the feeling that caused him to interfere, and under all circumstances we believe the Government of the United States would be justified, if, indeed, it is not a duty, to use every legitimate influence to procure his release. In this we are strengthened by the influential character of our American citizens praying for such release, to say nothing of the letter in Condon's behalf, written by Judge Fitzgerald, of Ireland, and a report of an investigation made by Hon. S. F. Cary, member of Congress, while in Manchester, immediately after this lamentable occurrence.

In view, therefore, of the prevailing interest felt in the prisoner's behalf throughout the country, and in behalf of his innocence of the offense with which he is charged, or, if guilty of an indiscretion in his acts, that he has already endured sufficient punishment, your committee deem it proper that action should be had by Congress tending to secure intercession on the part of the President for his release, and hence report the accompanying joint resolution, and respectfully ask its passage.

Mr. BANNING. I ask that the joint resolution be passed.

The joint resolution was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

Mr. BANNING moved to reconsider the vote by which the joint resolution was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

PENSIONS FOR SEMINOLE WAR OF 1818.

Mr. SHOEMAKER, of Pennsylvania. I am instructed by the Committee on Revolutionary Pensions and War of 1812 to report a bill granting pensions to soldiers and widows of soldiers of the Seminole war of 1818.

Mr. RANDALL. Is not that a public bill?

The SPEAKER. All bills affecting a class of pensioners are public bills. The bill will be read; after which objection will be asked to its being reported to-day.

Mr. RANDALL. In order to save time I will object now.

The SPEAKER. The bill will be returned to the committee.

REPORTS FROM THE COMMITTEE ON INVALID PENSIONS.

Mr. RUSK, from the Committee on Invalid Pensions, reported back, without amendment, the following Senate bills; which were referred to the Committee of the Whole on the Private Calendar, and the reports accompanying the same ordered to be printed:

A bill (S. No. 518) granting a pension to Benjamin C. Skinner;

A bill (S. No. 449) granting a pension to Mrs. Amy A. Hough;

A bill (S. No. 217) granting a pension to Julia A. Smith; and

A bill (S. No. 387) granting a pension to Captain Benjamin Farley, of Company C, Fifth Indiana Cavalry.

Mr. WALLACE, from the same committee, reported back, without amendment, the following bill; which was referred to the Committee of the Whole on the Private Calendar:

A bill (S. No. 42) granting a pension to Caleb A. Lamb, late a musician in Company E, Forty-sixth Regiment Indiana Volunteers.

Mr. BARRY, from the same committee, reported a bill (H. R. No. 2790) granting a pension to Nancy Abbott; which was read a first and second time, referred to the Committee of the Whole on the Private Calendar, and, with the accompanying report, ordered to be printed.

Mr. McJUNKIN, from the same committee, reported a bill (H. R. No. 2791) granting a pension to Franklin Stoner; which was read a first and second time, referred to the Committee of the Whole on the Private Calendar, and, with the accompanying report, ordered to be printed.

He also, from the same committee, reported back, without amendment, the following bills; which were referred to the Committee of the Whole on the Private Calendar, and the report accompanying the same ordered to be printed:

A bill (H. R. No. 1616) granting a pension to John G. Parr, of Kittaning, Pennsylvania; and

A bill (H. R. No. 2118) for the relief of Elizabeth Clarke.

Mr. MARTIN, from the same committee, reported back, without amendment, a bill (S. No. 316) granting a pension to Elizabeth F. Thompson; which was referred to the Committee of the Whole on the Private Calendar.

He also, from the same committee, reported a bill (H. R. No. 2792) granting a pension to Llewellyn Bell; which was read a first and second time, referred to the Committee of the Whole on the Private Calendar, and, with the report accompanying the same, ordered to be printed.

He also, from the same committee, reported a bill (H. R. 2793) to correct the time for commencing to draw a pension.

Mr. RANDALL. That is a general bill, I believe.

Mr. SPEER. Let it go to the Committee of the Whole; do not raise the point upon it.

Mr. RANDALL. I insist upon my point of order.

The SPEAKER. The point of order is well taken; the bill will be returned to the committee.

Mr. MARTIN. It is not a public bill.

The SPEAKER. Anything which makes regulations in regard to a class of pensions or a class of pensioners on the rolls is a public bill.

Mr. MARTIN. It does not regulate a class of pensions, but is simply to correct the date of commencement of a pension for one person.

The SPEAKER. That is a private bill; but the Chair will suggest that it is generally better to have the name of the individual incorporated in the title; that will leave no doubt, and it makes a much better reference in the index.

The bill (H. R. No. 2792) was read a first and second time, referred to the Committee of the Whole on the Private Calendar, and ordered to be printed.

Mr. YOUNG, of Kentucky, from the same committee, reported back, without amendment, the following bills; which were referred to the Committee of the Whole on the Private Calendar, and the reports accompanying the same ordered to be printed:

A bill (S. No. 361) granting a pension to Sciotha Brashears, late of the Seventeenth Regiment Kentucky Cavalry; and

A bill (H. R. No. 599) for the relief of Ade H. McDonald, of Nashville, Tennessee.

Mr. YOUNG, of Kentucky, also, from the same committee, reported adversely upon the following bill; which was laid upon the table:

A bill (H. R. No. 1713) for the relief of Bigsby E. Dodson, of Nashville, Tennessee.

Mr. CRITTENDEN, from the same committee, reported back, without amendment, the following bill; which was referred to the Committee of the Whole on the Private Calendar:

A bill (S. No. 566) granting a pension to Lucinda Schrum, widow of of Jacob R. Schrum, late of Company A, Forty-ninth Regiment Missouri Volunteers.

Mr. O'BRIEN. I am instructed by the Committee on Invalid Pensions to report back without amendment, and ask its immediate consideration, House bill No. 2716, granting a pension to Mrs. Mary C. Reno.

The SPEAKER. The bill will be read, after which objections will be in order to its present consideration.

The bill, which was read, directs the Secretary of the Interior to place upon the pension-roll, subject to the provisions and limitations of the pension laws, the name of Mrs. Mary C. Reno, widow of Jesse L. Reno, late major-general in the United States Army, and pay her a pension at the rate of fifty dollars a month from and after the passage of this act.

There being no objection, the bill was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

Mr. O'BRIEN moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

Mr. THOMAS, of Virginia, from the Committee on Invalid Pensions, reported back with a favorable recommendation the bill (S. No. 548) granting a pension to Christiana Bailey; which was referred to the Committee of the Whole on the Private Calendar.

He also, from the same committee, reported a bill (H. R. No. 2794) granting a pension to Elizabeth Wolf, widow of John F. Wolfe, late of Company D, Third Regiment Maryland Volunteers; which was read a first and second time, and referred to the Committee of the Whole on the Private Calendar.

MRS. MERCY ANN HALL.

Mr. MONROE, from the Committee on Education and Labor, reported back the memorial of Mrs. Mercy Ann Hall, widow of Captain Charles F. Hall, late commander of the Polaris expedition, praying for relief, and moved that the said committee be discharged from the further consideration of the memorial, and that the same be referred to the Committee on Naval Affairs.

The motion was agreed to.

ADDITIONAL COMMITTEE CLERK.

Mr. HOSKINS. The Committee on Accounts have directed me to report back the resolution which I send to the desk, without any special recommendation. If the House desires the investigation covered by the resolution to be made, the Committee on Accounts is decidedly of the opinion that these committees need a clerk. If the investigation is not to proceed, no clerk, of course, is necessary. We leave the question entirely in the hands of the House.

The Clerk read the resolution, as follows:

Resolved, That the Committee on Expenditures in the Post-Office Department, the Committee on Expenditures in the War Department, the Committee on Expenditures in the State Department, and the Committee on Expenditures on Public Buildings have leave jointly to employ a clerk during the present session of Congress at the usual rate of compensation.

Mr. RANDALL. This resolution proposes to create a new officer who will draw money from the Treasury.

The SPEAKER. The gentleman from Pennsylvania makes the point of order that this resolution involves an expenditure of money.

Mr. BUTLER, of Massachusetts. Is this a private bill?

The SPEAKER. And the gentleman from Massachusetts [Mr. BUTLER] makes the point that this is not a private bill.

Mr. RANDALL. Let it be crushed out between the two.

The SPEAKER. On the point of order that it is not private in its nature, the resolution will be returned to the Committee on Accounts.

RELIEF OF BUILDERS OF STEAMERS.

Mr. KELLEY, from the Committee on Ways and Means, reported a bill (H. R. No. 2795) for the relief of the builders of steamers La Portena, Edward Everett, F. W. Lincoln, Azalia, and N. P. Banks; which was read a first and second time, and referred to the Committee of the Whole on the Private Calendar.

REPORTS FROM THE COMMITTEE ON CLAIMS.

Mr. HAWLEY, of Illinois, from the Committee on Claims, reported adversely upon the memorial of J. N. Carpenter, asking compensation for loss of slaves; which was laid on the table, and the report ordered to be printed.

He also, from the same committee, reported a bill (H. R. No. 2796) for the relief of Raphael Madrazo; which was read a first and second time, referred to the Committee of the Whole on the Private Calendar, and the report ordered to be printed.

Mr. SHOEMAKER, of Pennsylvania, from the same committee, reported back adversely the bill (H. R. No. 1207) for the relief of James W. Bowen, late provost-marshal of the tenth congressional district of Pennsylvania; which was laid on the table, and the report ordered to be printed.

Mr. EDEN, from the same committee, reported back with a favorable recommendation the bill (H. R. No. 1370) to authorize the Secretary of the Interior to settle and pay the accounts of William Pelham, late surveyor-general of New Mexico; which was referred to the Committee of the Whole on the Private Calendar.

He also, from the same committee, reported adversely upon the following; which were laid on the table, and the reports ordered to be printed:

Memorial of F. A. Stone for compensation for services under the Commissioner of Public Buildings;

Claim of William E. Bond, late collector of internal revenue of the first North Carolina district;

A bill (H. R. No. 1642) for the relief of Jacob P. Clark, late register of the United States land-office at Olympia, Washington Territory; and

A bill (H. R. No. 289) for the relief of the heirs of Henry Fullenwider, deceased.

PRINTING OF ADVERSE REPORTS.

Mr. RANDALL. I wish to inquire whether the printing of an adverse report is within the discretion of the House?

The SPEAKER. There is no rule upon the subject; but it has been the uniform usage to print such reports; so as to put the opinion of the House on record.

REPORTS FROM THE COMMITTEE ON WAR CLAIMS.

Mr. LAWRENCE, from the Committee on War Claims, reported a bill (H. R. No. 2797) making appropriations for the payment of claims reported allowed by the commissioners of claims under the act of March 3, 1871; which was read a first and second time, and referred to the Committee of the Whole on the Private Calendar.

He also, from the same committee, reported adversely upon the memorial of J. and T. Green, of Jackson, Mississippi, asking indemnity for property destroyed by the United States Army; which was laid on the table, and the report ordered to be printed.

Mr. HAZELTON, of Wisconsin, from the same committee, reported back with amendment, the bill (H. R. No. 488) for the relief of B. C. Bailey; which was referred to the Committee of the Whole on the Private Calendar.

Mr. HOLMAN, from the same committee, reported a bill (H. R. No. 2798) for the relief of John J. Hayden; which was read a first and second time, and referred to the Committee of the Whole on the Private Calendar.

Mr. LAWRENCE, from the same committee, reported back papers in the case of Henry S. Zumro, moved that said committee be discharged from the further consideration of the same, and that they be referred to the Committee on Claims.

The motion was agreed to.

RECONSIDERATION OF REFERENCES.

Mr. RANDALL. As to all these bills which have been referred to

the Committee of the Whole on the Private Calendar, I move that the vote referring them be reconsidered, and that the motion to reconsider be laid on the table.

The SPEAKER. The gentleman will observe that this motion is not particularly important; for any bill of this kind, if brought back into the House upon a motion to reconsider, would be again liable to the point of order requiring its reference again to the Committee of the Whole.

Mr. RANDALL. Still my motion is a safe one.

The SPEAKER. The motion will be considered as agreed to.

ALIENS AS ENGINEERS AND PILOTS.

Mr. CONGER (when the Committee on Commerce was called) said: The Committee on Commerce have directed me to report back, with amendments, a Senate bill which is not exactly of a private nature, but for the passage of which there is great urgency. It is a bill (S. No. 580) to authorize the employment of certain aliens as engineers and pilots.

The bill was read. It provides than any alien who, in the manner provided for by law, has declared his intention to become a citizen of the United States may be licensed, as if already naturalized, to serve as an engineer or pilot on any steam-vessel subject to inspection under the provisions of an act entitled "An act to provide for the better security on board vessels propelled in whole or in part by steam, and for other purposes," approved February 28, 1871.

Mr. RANDALL. That is a public bill.

The SPEAKER. The gentleman from Michigan asks leave to report back a bill with an amendment, which will be read subject to objection.

The amendment was read, as follows:

In line 2, after "United States," insert "and who shall have been a permanent resident of the United States for at least six months immediately prior to the granting of such license."

Mr. RANDALL. I make the point of order that is a public bill and cannot be considered to-day.

Mr. FIELD. I object to it.

Mr. MERRIAM. So do I.

CHEROKEE INDIANS OF GEORGIA.

Mr. BUTLER, of Tennessee, from the Committee on Indian Affairs, reported back adversely a joint resolution (H. R. No. 37) providing for the payment of certain *per capita* allowance to the Indians of the Cherokee tribe residing in the State of Georgia; which was laid on the table.

W. A. WEBSTER.

Mr. AVERILL. I am instructed by the Committee on Indian Affairs to report a bill for the relief of W. A. Webster, and to enlarge the reservation of the Makah Indians in Washington Territory.

Mr. SPEER. That is a public bill.

The SPEAKER. The bill contains provisions which make it a public bill.

Mr. AVERILL. I wish to say, by order of the President certain territory was taken some two years ago and annexed to this reservation. By an arrangement with the Indian Department the value of the land was appraised by referees. The real purpose of the bill is to confirm the action of the President and to compensate the owner of the property.

Mr. RANDALL. If it was not a public bill the President would not have had anything to do with it.

The SPEAKER. It is a public bill, and it will be returned to the gentleman from Minnesota to be reported on the general call of committees.

MILITARY RESERVATIONS, ARIZONA.

Mr. HUNTON. I am directed by the Committee on Military Affairs to report back a bill (H. R. No. 1341) authorizing the Secretary of War to relinquish and turn over to the Interior Department parts of certain reservations in the Territory of Arizona no longer required for military purposes.

Mr. SPEER. I rise to the point of order that is a public bill.

The SPEAKER. It is a public bill, and will be returned to the gentleman from Virginia, to be reported on the general call of committees.

WILLIAM ROOD.

Mr. HUNTON, from the Committee on Military Affairs, reported back a bill (H. R. No. 1220) for the relief of William Rood, late private of the Thirty-sixth Regiment of Wisconsin Volunteers, with the recommendation that it do pass; which was referred to the Committee of the Whole on the Private Calendar.

DAVID W. STOCKSTILL.

Mr. HUNTON also, from the same committee, reported back a bill (H. R. No. 2799) for the relief of David W. Stockstill, of Sidney, Ohio, with the recommendation that it do pass; which was referred to the Committee of the Whole on the Private Calendar.

JOHN BURKE.

Mr. HUNTON also, from the same committee, reported back adversely the petition of John Burke, late first lieutenant Company F, Seventy-third Ohio Volunteers; which was laid on the table.

BENJAMIN CRAWFORD.

Mr. HARRIS, of Virginia, from the Committee on War Claims, reported a bill (H. R. No. 2800) for the relief of Benjamin Crawford; which was read a first and second time, referred to the Committee of the Whole on the Private Calendar, and ordered to be printed.

Mr. HAWLEY, of Illinois. I move that the House now resolve itself into the Committee of the Whole on the Private Calendar.

The motion was agreed to.

PERSONAL EXPLANATION.

The SPEAKER. Before the House goes into committee the Chair begs attention to a very small personal matter of some delicacy which he desires to submit to members. He does it with some hesitation, but thinks it better than that it should be left undone.

In the arrangement of the galleries, in the reserved galleries, from a usage which dates back to the organization of the Government, a single seat, not a large one, has been placed at the disposal of the Speaker. It is not simply a family matter, but has been used for distinguished visitors who under the rules could not be admitted to the floor, and its occupancy has been of great convenience in the way of extending such courtesy. As old members will recollect, it was formerly in the diplomatic gallery, but in the new arrangement, when a gallery was reserved for members, the Door-keeper assigned the shorter one of the front seats for the use of the Speaker. Some members have expressed dissatisfaction with it, and have not been disposed to accept it. This dissatisfaction has not been expressed to the Speaker, but to the man who has charge of the gallery. Now the Speaker does not claim this seat as a right, but as a courtesy of course it is grateful, and it is worth nothing unless extended with cordiality.

While not claiming it as a right, the Chair does not wish it to be left in dispute, and as it has belonged to the Speaker by immemorial usage, the change, if there be one, should be ordered by the House. The present occupant of the chair is perhaps as little disposed to insist on matters of this kind as any of his predecessors, and gave up voluntarily and cheerfully the use of the Speaker's parlor for the general use of members, which had hitherto been in the exclusive occupancy of the Speaker. And if there be any dissatisfaction with this arrangement in regard to the seat, he very cheerfully offers to give that up. But he wishes it to be understood distinctly whether the seat is to be at his disposal, as it has always been at the disposal of his predecessors.

Mr. RANDALL. I suggest that the custom be now made a rule, or rather that the judgment of the House be expressed in favor of the usage, because a motion to make it a rule would require to be referred.

Mr. MAYNARD. I quite concur in that view of the matter. It seems to me there ought to be some seat in the gallery, the right to the exclusive use of which should attach to the office of Speaker, not to the particular member who happens for the time to fill the Speaker's chair.

The SPEAKER. The Chair has spoken of it as belonging to the office, not to himself at all.

Mr. MAYNARD. There should be a seat which the Speaker could designate as Speaker. If the Representative from Maine chooses to use another seat for his own family or for strangers, that is a matter of his own. But there should be a seat attached to his office as Speaker, to be used in such a way as he should think proper in his official capacity.

The SPEAKER. It is much more frequently assigned by the present occupant of the chair to strangers than to any one else.

Mr. DAWES. I think whatever grumbling may have arisen has been from a misunderstanding on the part of the door-keepers.

The SPEAKER. The Chair does not bring this up with the idea that a single member of the House meant any unkindness to the Speaker; he has no idea of that kind whatever; but merely that there may be a perfect understanding about it. The relations of the present occupant of the chair with all the members of the House are personally of the kindest character.

Mr. DAWES. The statement of the Speaker as to the usage in this matter fully accords with my own recollection. I have been here ever since this Hall was occupied; and during all that time this right has been accorded by common consent to the office of Speaker. I hope the motion of the gentleman from Pennsylvania [Mr. RANDALL] will be acquiesced in by unanimous consent.

Mr. RANDALL. I would rather leave it to the discretion of the Speaker, whoever he may be, than incorporate it in the rules. I would therefore modify my motion so as to leave it in the discretion of the Chair.

Mr. MCNULTA. I agree with the gentlemen who have spoken that there might be properly a seat awarded to the office of the Speaker of this House as an act of courtesy to the officer and not to the person. But I do decidedly object to any member of this House having any exclusive privilege or seat in the gallery assigned to the use of members. The reason for so objecting I think will be apparent to every member. When our families come to the gallery and ask admittance, they must be notified, so to speak, that they are second-class passengers in that boat; that there is a seat they cannot occupy; that that seat is specially reserved. I understand that the custom has heretofore been, or that the practice has been, to assign this official seat in the diplomatic gallery, where the members' fam-

ilies will not come in contact with these notices, that are, to say the least, very disagreeable.

The SPEAKER. If the gentleman will allow a correction just here the Chair will make one. Prior to this session there never has been a seat reserved for members' families at all. The diplomatic gallery was open to the access of members' families, and the front seat in that gallery was given to the Speaker. When there was an arrangement made for the reservation of a gallery for members' families, of course the Speaker did not desire a seat away from the members, and the Door-keeper assigned him one in that gallery instead of in the diplomatic gallery.

Mr. MCNULTA. I think members will see the impropriety of keeping one seat vacant, as this will be most of the time. I think we should all meet here on a level. Every man here is entitled to the same privileges as any other man; and whatever may be especially accorded to the Speaker in his official position should be accorded to him in such a way that there should be no affront, no discrimination as against the rest of the members. While I acquiesce in the setting apart of a seat in some other gallery, I do certainly object to its being set apart in the members' gallery. I claim to have the same rights here as every other member has.

Mr. MELLISH. Would it be in order to make a motion that the gallery set apart for members' families be abolished?

The SPEAKER. Not at the present time.

Mr. MELLISH. I think the distinction between members' families and others should not be any longer continued. It is European, and ought to be abolished for the credit of the country.

Mr. HOLMAN. I trust my friend from Pennsylvania [Mr. RANDALL] will renew his motion that this subject be referred to the Committee on Rules, or I will make that motion with a view to the adoption of a proper rule on the subject. It is very clear that there has always been—at least it has been the case for the last ten or twelve years, ever since I have been here—a seat in the gallery set apart as a matter of convenience and courtesy for the use of the Speaker of the House. It is very proper that it should be done, and on the same principle that there is a room in this part of the Capitol for the use of the Speaker and under his control. I move that the subject be referred to the Committee on Rules with instructions to report a proper rule in regard to it.

Mr. MAYNARD. I do not see that we need encumber the rules with this matter. This is a practice which has obtained here ever since we have been in this Hall. Seats have always been reserved for the Speaker, and we have seen our wives and daughters and friends repeatedly reminded by the door-keeper that such seats were reserved. Nobody took offense at it then, and perhaps we were as careful of the feelings of our friends then as we are now. It seems to me that the simple statement that the Speaker has made, that there has been a seat set apart officially for the use of the Speaker, is all that is necessary.

The SPEAKER. The Chair has not the slightest personal desire in the matter except to have it definitely settled; that is all.

Mr. MCNULTA. I move, then, that there be a seat especially set aside for the Speaker in the diplomatic gallery.

The SPEAKER. That is not the question before the House at all; that is the diplomatic gallery.

Mr. MCNULTA. The other is the members' gallery, and it should not be taken from them.

The SPEAKER. The Speaker is a member of the House.

Mr. MCNULTA. I claim the same rights here that every other member is entitled to.

Mr. RANDALL. The seats in the diplomatic gallery are assigned to the representatives of foreign governments, and that is a courtesy between nations; but the right of the Speaker to have particular seats assigned for his use is not governed by any rule of the House; and yet it is perfectly manifest that that right should exist in the Speaker. I am therefore in favor of making firm the right of the Speaker to have such seats at his disposal.

The SPEAKER. The Chair desires no reference of this matter to the Committee on Rules, for he is a member of that committee. He will bring the matter to a conclusion at once by simply asking if this usage of the House, which has existed immemorially, is to be maintained? The Chair will now submit that question to the House.

The question was put; and it was decided in the affirmative.

Mr. MCNULTA. I rise to make a parliamentary inquiry. I want to know where the evidence is that the immemorial custom of this House is that one member has higher privileges than another?

The SPEAKER. The Chair regards the question as settled; it is not before the House.

Mr. RANDALL. I think we may as well determine that the Speaker shall have some rights and privileges.

Mr. WILLIAMS, of Wisconsin. I do not like invidious distinctions, and I rise to inquire if some rule could not be established by which all the members of the House could occupy the Speaker's chair?

The SPEAKER. The House has voted to go into Committee of the Whole on the Private Calendar.

Mr. RANDALL. I would like to ask what the Chair understands to be the decision of the House?

The SPEAKER. The Chair understands that by a vote of the House of perfect unanimity, with the exception of one member, the usage of the House has been confirmed.

Mr. MCNULTA. I would like to know what disposition was made of this question of the reserved seats?

The SPEAKER. The Chair understands that the usage of the House, which has been immemorial, was confirmed by a vote to which the gentleman from Illinois alone dissented.

Mr. MCNULTA. I want the Chair to understand that I object; if I am the only man protesting, I propose to protest distinctly against this thing being done.

Mr. RANDALL. I ask that the gentleman shall have his protest put in writing.

Mr. MCNULTA. That is done sufficiently already.

The SPEAKER. The gentleman from Illinois, Mr. MCNULTA, will please take the chair in Committee of the Whole on the Private Calendar.

THE PRIVATE CALENDAR.

The House then resolved itself into Committee of the Whole, (Mr. MCNULTA in the chair,) and proceeded to the consideration of the bills upon the Private Calendar.

The CHAIRMAN. This is objection day, and the committee will resume the consideration of the bills on the Calendar at the point where it stopped on last objection day.

PRIVATE LAND CLAIMS.

The first business upon the Calendar was the bill (H. R. No. 719) to authorize the issue of patents to lands in cases of private land claims.

The bill was read.

Mr. BUTLER, of Massachusetts. Is that a private bill?

Mr. DONNAN. Yes, sir.

Mr. BUTLER, of Massachusetts. How can it be? It proposes to regulate surveys.

Mr. DONNAN. It relates solely to private land claims.

Mr. HOLMAN. I desire to offer an amendment to that bill, and therefore I object to it.

HEIRS OF WILLIAM C. BRASHEAR.

The next bill upon the Private Calendar was the bill (H. R. No. 2198) for the relief of the heirs at law of William C. Brashear, an officer of the Texas navy.

The bill and accompanying report were read.

Mr. HOLMAN. I hope the gentleman who reported this bill will inform the committee how much it involves in the way of an appropriation.

The CHAIRMAN. That would be in the nature of debate, and this being objection day no debate is in order.

Mr. WHITTHORNE. Has not this bill been once before objected to?

The CHAIRMAN. The Chair is informed that this is the first time the bill has been reached on the Calendar.

Mr. BURLEIGH and Mr. MELLISH objected; and the bill accordingly went over.

WILLIAM B. THOMAS.

The next bill upon the Private Calendar was the bill (H. R. No. 2202) for the relief of William B. Thomas, late collector of customs at the port of Philadelphia.

The bill was read.

Mr. E. H. ROBERTS. I move that this bill be laid aside, to be reported favorably to the House.

Mr. HAWLEY, of Illinois. I object.

Mr. E. H. ROBERTS. Will the gentleman hear the report read?

Mr. HAWLEY, of Illinois. I am willing to hear the report read, but I reserve my right to object.

The CHAIRMAN. Objection being made, the bill goes over.

JOSEPH MONTANARI.

The next bill upon the Private Calendar was the bill (S. No. 311) for the relief of Joseph Montanari, and for other purposes.

The bill was read.

Mr. ORTH. I move that the bill be laid aside, to be reported to the House with a recommendation that it be referred to the Committee on Foreign Affairs.

Mr. HAWLEY, of Illinois. There is a letter from the Secretary of State upon the subject.

Mr. SPEER. Is not debate in the nature of objection to the bill?

The CHAIRMAN. It is, and the bill will go over.

P. HORNBROOK.

The next bill upon the Private Calendar was the bill (H. R. No. 2205) for the relief of P. Hornbrook.

The bill directs the accounting officers of the Treasury to allow, in the accounts of P. Hornbrook, surveyor of customs for the port of Evansville, in the State of Indiana, the sum of $872.35, being amount of payments made to John J. Hays for salary as store-keeper, from December 1, 1870, to December 11, 1871, and vouchers furnished therefor by said P. Hornbrook, and disallowed in the settlement of his accounts for want of oath of said John J. Hays.

The report accompanying the bill was read, as follows:

The Committee on Claims, to whom was referred the petition of P. Hornbrook, respectfully report:

That it appears by letter and communication from the Commissioner of Customs that P. Hornbrook, surveyor of customs for the port of Evansville, Indiana, on December 1, 1870, appointed John J. Hays store-keeper at a salary of $850 per annum, who entered upon his duties at that date, which appointment was on the 5th of December, 1870, approved by the Secretary of the Treasury; the said Hays did

not take the official oaths in such case required until the 11th of December, 1871, until which time he had not been apprised that any official oath was required; nor was the surveyor of the port aware that an official oath was required in the case of store-keeper. He states that in the case of the approval of his clerk and of his deputy, the Department furnished blank oaths to be administered, but that in the approval of the store-keeper's appointment no blank oath or notice of oath was given; that it appears that P. Hornbrook, surveyor, paid the said Hays for his salary and services from December 1, 1870, to December 11, 1871, at the rate of $850, amounting to $872.35, but for the reason that the said John J. Hays had inadvertently omitted, during said period, to take the required official oaths, the account was not allowed said surveyor; and it appearing that the services were duly rendered; that the said surveyor of the port, P. Hornbrook, paid the said Hays in good faith, and that he ought to be allowed the same in his account, the committee report herewith a bill for his relief, and recommend its passage.

No objection being made, the bill was laid aside, to be reported favorably to the House.

CREDITORS OF SIOUX INDIANS.

The next bill on the Private Calendar was the bill (H. R. No. 420) to authorize the Secretary of the Interior to discharge certain obligations of the United States to the creditors of the Upper and Lower bands of Sioux Indians.

The bill, which was read, authorizes and empowers the Secretary of the Interior to discharge all obligations of the United States to the creditors of the Upper and Lower bands of Sioux Indians, arising under the treaty of June 19, 1858, between said bands and the United States, and from the diversion by the United States of the funds and assets of said Indians in their possession and control applicable to that purpose; provided that the amount allowed and paid on said indebtedness shall in no event exceed the sum of $70,000; and appropriates, to enable the Secretary of the Interior to carry into effect the provisions of the bill, the sum of $70,000, or so much thereof as may be necessary, out of any money in the Treasury not otherwise appropriated.

Mr. LAWSON. I move that the bill be laid aside, to be reported to the House.

No objection was made.

JAMES M. TRUE.

The next bill on the Private Calendar was the bill (H. R. No. 2207) for the relief of James M. True, late colonel of the Sixty-second Illinois Volunteer Infantry.

The bill, which was read, directs that there be paid to James M. True, late colonel of the Sixty-second Illinois Volunteer Infantry, by the proper accounting officers, out of any money not otherwise appropriated, the compensation of colonel of infantry from the 20th day of February, 1862, when his recruits were taken from him by order of the Secretary of War, to the 10th day of April, 1862, the day upon which he was mustered in as such.

No objection being made, the bill was laid aside, to be reported favorably to the House.

ROBERT BENT AND JACK SMITH.

The next bill on the Private Calendar was the bill (S. No. 204) for the relief of Robert Bent and Jack Smith.

The bill, which was read, confirms the gift of six hundred and forty acres of land, each, made to Robert Bent and Jack Smith, son of John S. Smith, by the postscript to the treaty concluded with the Arapaho and Cheyenne Indians, February 18, 1861, and directs the Secretary of the Interior to cause patents in fee-simple to be issued for the same to said persons, their heirs, assigns, or legal representatives, conveying to them all the right, title, interest, and estate of the United States therein.

The Committee on Indian Affairs recommend that the bill be amended by inserting after the word "each" the words "recommended to be;" after the word "persons" the word "or;" strike out the words "assigns or legal representatives," and add to the bill the following proviso:

Provided, That the provisions of this act shall not be construed or have the effect to interfere with or impair any rights of any persons to said lands which may have already been acquired under the homestead or pre-emption laws of the United States.

Mr. HOLMAN. Is there a report accompanying this bill?

Mr. RAINEY. I have here a report in writing.

The report was read, as follows:

Your committee find that in February, 1861, a treaty was entered into between the Arapahoes and Cheyenne tribes of Indians and the United States. Appended to that treaty will be found a postscript embodying the particular request and wish of the chiefs and councilors in general convention, to wit, that a gift from the nation of six hundred and forty acres of land be given to Robert Bent and the same number of acres be given also to Jack Smith, both half-breeds.

The land desired to be conveyed covers the valley and what is called the Sulphur Springs, lying on the north side of the Arkansas River, five miles below the Pawnee Hills, and about seven miles from old Fort Bent. They wish the General Government to recognize and confirm the same.

It is necessary to observe that although this provision is not contained or alluded to in the body of the treaty, it is none the less conceded as being a part and parcel of that instrument. This conclusion is readily reached when we call to mind that it was allowed by the Senate to remain while an important amendment was made to the eleventh article of the treaty. In fact no qualification was given to the actual treaty that was withheld from the postscript; it was signed by the same commissioners, and recognized by the Senate with the accustomed formalities applicable to confirmations, and subsequently embraced within the signature of the President and Secretary of State.

These acts of themselves, in the opinion of your committee, place it beyond the reach of doubt as being in every respect an understood, valid article of the treaty.

At the time of its final execution it was supposed that the Secretary of the Interior had sufficient authority implied, if not forcibly expressed, to warrant his issuing of patents in fee-simple to both Robert Bent and Jack Smith without further legislation.

With this object in view the land was ordered surveyed and set apart for the purpose indicated; subsequently, however, he (the Secretary) has concluded that no such authority is conferred. Having thus concluded, and desiring to act under full authority of law, this bill, at his instance and recommendation, has been introduced and favorably considered by your committee, who now ask that it do pass, not only that authority may be granted to the honorable Secretary of the Interior, but as an act of justice to the claimants and good faith in carrying out the treaty stipulations.

The amendment was agreed to; and the bill as amended was laid aside, to be reported favorably to the House.

MAJOR ABSALOM BAIRD.

The next bill on the Private Calendar was the bill (H. R. No. 2131) to authorize a promotion in the Inspector-General's Department of the Army of the United States.

The preamble of the bill states that a vacancy of lieutenant-colonel in the Inspector-General's Department of the Army originated on the 13th of June, 1867, to which Major Absalom Baird was entitled to be promoted under the laws then in existence, but from which he was excluded by reason of an appointment in said department previously made; and that an act of Congress approved June 8, 1872, which it was believed would rectify this wrong, has failed to secure to Major Baird his just rights; and the bill authorizes the President to nominate and promote Absalom Baird to be lieutenant-colonel and assistant inspector-general, to date from June 13, 1867.

Mr. SPEER. I think I must object to that bill.

Mr. YOUNG, of Georgia. Before the gentleman objects I desire to move an amendment to the bill which I am instructed by the Committee on Military Affairs to offer.

Mr. COBURN. I understand that the gentleman from Pennsylvania [Mr. SPEER] objects to the bill because it gives back pay.

Mr. YOUNG, of Georgia. The amendment I have to offer will obviate that objection.

Mr. SPEER. I will hear the amendment.

Mr. YOUNG, of Georgia. I move to amend the bill by adding the following:

Provided, That no officer in said department shall by this act be reduced from his present grade, nor shall any pay or allowance be made to any officer under it except from the date of his promotion.

Mr. SPEER. That amendment will obviate my objection, and I will withdraw it.

The amendment was agreed to; and the bill as amended was laid aside, to be reported favorably to the House.

BECK & WIRTH.

The next bill on the Private Calendar was the bill (H. R. No. 2211) for the relief of Beck & Wirth.

The bill was read.

Mr. HOLMAN. I object. I think the case should be covered by general legislation.

ALFRED BOLDER.

The next bill on the Private Calendar was the bill (H. R. No. 551) granting a pension to Alfred Bolder.

The bill was read. It authorizes and directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Alfred Bolder, late a private in Company C, Forty-third Regiment United States Colored Troops, at the rate of eight dollars per month from the passage of the act.

No objection being made, the bill was laid aside, to be reported favorably to the House.

AUGUSTUS L. YAEGER.

The next bill on the Private Calender was the bill (H. R. No. 1791) granting a pension to Augustus L. Yaeger.

The bill was read. It authorizes and directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Augustus L. Yaeger, late a sergeant in Company H, Two hundred and fifth Regiment Pennsylvania Volunteers, who became blind from exposure and disease contracted in the service of the United States.

No objection being made, the bill was laid aside, to be reported favorably to the House.

MARGARET E. WEST.

The next bill on the Private Calendar was the bill (H. R. No. 62) for the relief of Margaret E. West.

The bill was read. It authorizes the Secretary of the Treasury to pay to Margaret E. West, widow of Brigadier-General Robert M. West, late captain in the Seventh United States Cavalry, the sum of ——— dollars, out of any money in the Treasury not otherwise appropriated; said General West having died out of the service of the United States of disease contracted in the service of the United States during the late rebellion.

Mr. SPEER. I observe there is a blank in this bill.

Mr. RUSK. That can be filled in the House.

Objection being made, the bill went over.

JOSIAH BRINARD.

The next bill on the Private Calendar was the bill (H. R. No. 60) granting a pension to Josiah Brinard.

The bill was read. It authorizes and directs the Secretary of the

Interior to place upon the pension-roll, subject to the provisions and limitations of the pension laws, the name of Josiah Brinard, late a private in Company E, Eighty-eighth Regiment of Pennsylvania Volunteers, at the rate of eight dollars per month from the passage of the act.

No objection being made, the bill was laid aside, to be reported favorably to the House.

ANN HUMPHREYS.

The next bill on the Private Calendar was the bill (H. R. No. 2214) granting a pension to Ann Humphreys, of Philadelphia.

The bill was read. It authorizes and directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Ann Humphreys, widow of Lawrence Humphreys, late a private in Company H, Ninety-first Regiment Pennsylvania Volunteers, and to pay her a pension from the passage of the act.

No objection being made, the bill was laid aside, to be reported favorably to the House.

HENRY C. SMITH.

The next bill on the Private Calendar was the bill (S. No. 317) for the relief of Henry C. Smith, of Indianapolis, Indiana.

The bill was read. It directs the Secretary of War to place the name of Henry C. Smith on the rolls as first lieutenant in Company H, Thirtieth Regiment Indiana Infantry Volunteers, as of the date of June 18, 1865; and that the proper accounting and pay officers shall allow and pay to said Smith the pay and emoluments of a first lieutenant from said date until the date of his discharge, deducting any sum or sums he may have received during said service.

Mr. SPEER. I call for the reading of the report.

The report was read as follows:

Henry C. Smith was mustered into service as a veteran volunteer in Company A, Thirty-sixth Indiana Volunteers, on December 21, 1863, was promoted first sergeant May 14, 1865, and was borne upon the rolls and received pay as first sergeant until mustered out of service, November 25, 1865.

Company A, Thirty-sixth Indiana Volunteers, was consolidated with the Thirtieth Indiana Volunteers, and was known as Company H, Thirtieth Indiana Volunteers.

Smith was commissioned as second lieutenant in Thirty-sixth Indiana Volunteers by the governor of the State of Indiana, but was not mustered into service June 1, 1865. He was also commissioned as first lieutenant in Thirtieth Regiment by the governor of Indiana on June 2, 1865, but never mustered.

Smith claims pay of second lieutenant from June 10, 1865, to June 18, 1865, and pay of first lieutenant from June 18, 1865, to November 25, 1865, the date he was mustered out of service.

The records show that Company A, Thirty-sixth Indiana Volunteers, was, before consolidation with the Thirtieth Indiana Volunteers, reduced below the minimum strength, and was not entitled to a second lieutenant during the period for which Smith claims pay.

The records of Company H, Thirtieth Indiana Volunteers, show that while the name of Isaac Dulhagen was borne upon the rolls as first lieutenant during the entire period for which Smith claims to have acted as first lieutenant, they also show that the said Dulhagen was reported absent without leave from June 22, 1865, and never returned to his company, nor has he received pay for services rendered during that time.

Captain John P. Swisher is reported as absent upon detached duty. Smith furnished evidence to show that he did the duty of first lieutenant Company H, Thirtieth Indiana Volunteers, during the period for which he claims pay; and the records show that no other commissioned officer was present with the company during the period specified, and that no person has been paid for the services claimed to have been rendered by Smith.

In view of these facts, your committee recommend that Henry C. Smith, late of Company H, Thirtieth Indiana Volunteers, be allowed the pay and allowances of a first lieutenant from June 18, 1865, to November 25, 1865, less the amount already received by him as pay of first sergeant; and for that purpose they recommend the passage of said bill.

No objection being made, the bill was laid aside, to be reported favorably to the House.

ALMON P. GRAVES.

The next bill on the Private Calendar was the bill (H. R. No. 20) granting a pension to Almon P. Graves.

The bill was read. It directs the Secretary of the Interior to place upon the pension-roll, subject to the provisions and limitations of the pension laws, the name of Almon P. Graves, of Keene, in the State of New Hampshire, and pay him a pension from and after the passage of the act.

No objection being made, the bill was laid aside, to be reported favorably to the House.

ELIZABETH BRADY.

The next bill on the Private Calendar was the bill (H. R. No. 2215) granting a pension to Elizabeth Brady.

The bill was read. It directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Elizabeth Brady, widow of Marion Brady, sergeant of Company D, Tenth Regiment of Indiana Volunteers, and pay her a pension from and after the passage of the act.

No objection being made, the bill was laid aside, to be reported favorably to the House.

ELIZABETH HACKLEMAN.

The next bill on the Private Calendar was the bill (H. R. No. 1832) granting a pension to Elizabeth Hackleman.

The bill was read. It directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Elizabeth Hackleman, widow of Robinson Hackleman, deceased, late a private in Company —, Sixteenth Regiment of Indiana Volunteers.

No objection being made, the bill was laid aside, to be reported favorably to the House.

CORNELIA A. WASHBURN.

The next bill on the Private Calendar was the bill (H. R. No. 2216) granting a pension to Cornelia A. Washburn.

The bill was read. It directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Cornelia A. Washburn, widow of Alfred Washburn, late acting master in the United States Navy.

No objection being made, the bill was laid aside, to be reported favorably to the House.

PRIVATE LAND CLAIMS.

Mr. PAGE. I withdraw my objection to the bill (S. No. 719) to authorize the issue of patents to lands in cases of private land-claims.

The bill was read. It provides that in case of any claim to land in any State or Territory which has heretofore been confirmed by law, and in which no provision is made by the confirmatory statute for the making of surveys and the issue of patents, the Secretary of the Interior shall cause the same to be accurately surveyed in accordance with the provisions of the thirteenth section of an act of Congress approved March 3, 1851, and shall issue patents for the claims so confirmed, upon the presentation to the Commissioner of the General Land Office of plats of survey thereof, duly approved by the surveyor-general of any State or Territory, if the same be found correct by the said Commissioner. But such patents shall only operate as a relinquishment of title on the part of the United States, and shall in no manner interfere with any valid adverse right, if such exist, to the same land, nor be construed to preclude a legal investigation and decision by the proper judicial tribunal between adverse claimants to the same land. All acts and parts of acts inconsistent therewith are repealed.

The amendment reported by the Committee on Private Land Claims was to strike out all after the enacting clause, and insert in lieu thereof the following:

That in case of any claim to land in any State or Territory within the limits of the Territory acquired from Mexico by the treaty of Guadalupe Hidalgo, and by the treaty commonly known as the Gadsden purchase, excepting the State of California, and in which no provision is made by the confirmatory statute for the making of surveys and the issue of patents, the Secretary of the Interior shall cause the proper surveyor-general to accurately survey the same in exact accordance with the act of Congress confirming the claim, and at the expense of the United States, to be paid out of the ordinary appropriations for the public surveys; and the Commissioner of the General Land Office shall issue patents for the claims so confirmed, upon approval of the plats of survey thereof, in manner hereinafter provided.

SEC. 2. That whenever either of the surveyors-general as aforesaid shall hereafter, in compliance with the provisions of this act, have caused any claims to lands aforesaid to be surveyed, and a plat thereof to be made, he shall give notice that the same has been done, by publication once a week for four consecutive weeks, in two newspapers, one published at the capital of the State or Territory in which the land surveyed is situated, and one published next the land thus surveyed, and shall retain in his office for public inspection the survey and plat until ninety days from the date of the first publication at the capital of the State or Territory aforesaid shall have expired; and if no objections are made to said survey, he shall approve the same, and transmit a copy of the survey and plat thereof to the Commissioner of the General Land Office at Washington for his examination and approval; but if objections are made to said survey within the said ninety days by any party claiming to have an interest in the tract embraced by the survey, or any part thereof, such objection shall be reduced to writing, stating distinctly the interest of the objector, and signed by him or his attorney, and filed with the surveyor-general, together with such affidavits or other proofs as he may produce in support of the objection. At the expiration of said ninety days, the surveyor-general shall transmit to the Commissioner of the General Land Office at Washington a copy of the survey and plat, and objections, and proofs filed with him in support of the objections, and also of any proofs produced by the claimant and filed with him in support of the survey, together with his opinion thereon. And if the said survey and plat are approved by the said Commissioner of the General Land Office, he shall indorse thereon his certificate of approval, if disapproved by him, or if, in his opinion, the ends of justice will be subserved thereby, he may require a further report from the surveyor-general touching the matter indicated by him, or proofs to be taken thereon, or may direct a new survey and plat to be made. Whenever the objections are disposed of, or the survey and plat are corrected, or a new survey and plat are made in conformity with his directions, he shall indorse upon the survey and plat adopted his certificate of approval. After the survey and plat have been made as hereinbefore provided, and approved by the Commissioner of the General Land Office, it shall be the duty of the said Commissioner to cause a patent to issue to the claimant, or his legal representatives, as soon as practicable after such approval.

SEC. 3. That such patents shall only operate as a relinquishment of title on the part of the United States, and shall in no manner interfere with any valid adverse right, if such exist, to the same land, nor be construed to preclude a legal investigation and decision by the proper judicial tribunal between adverse claimants to the same land: *Provided*, That this act shall in no manner affect private land claims which have heretofore been surveyed and patented by competent authority.

The report was read, as follows:

The Committee on Private Land Claims, to whom was referred the bill (H. R. No. 719) to authorize the issue of patents to lands in cases of private land claims, make the following report:

This bill is designed to supply an omission in existing legislation. By the treaty of Guadalupe Hidalgo it was provided, in sections 8 and 9 thereof, as follows, to wit:

"ART. 8. Mexicans now established in territories previously belonging to Mexico, and which remain for the future within the limits of the United States, as defined by the present treaty, shall be free to continue where they now reside, or to remove at any time to the Mexican republic, retaining the property which they possess in the said Territories, or disposing thereof, and removing the proceeds wherever they please, without being subjected, on this account, to any contribution, tax, or charge whatever.

"Those who shall prefer to remain in the said territories may either retain the title and rights of Mexican citizens, or acquire those of citizens of the United States. But they shall be under the obligation to make their election within one year from the date of exchange of ratifications of this treaty; and those who shall remain in the said Territories after the expiration of that year without having declared their intention to retain the character of Mexicans shall be considered to have elected to become citizens of the United States.

"In the said Territories property of every kind now belonging to Mexicans not established there shall be inviolably respected.

"The present owners, the heirs of these, and all Mexicans who may hereafter acquire said property by contract, shall enjoy, with respect to it, guarantees equally ample as if the same belonged to citizens of the United States.

"ART. 9. Mexicans who, in the Territories aforesaid, shall not preserve the character of citizens of the Mexican republic, conformably with what is stipulated in the preceding article, shall be incorporated into the Union of the United States, and be admitted at the proper time (to be judged of by the Congress of the United States) to the enjoyment of all the rights of citizens of the United States, according to the principles of the Constitution, and in the mean time shall be maintained and protected in the free enjoyment of their liberty and property, and secured in the free exercise of their religion without restriction."

For the purpose of giving effect to the above stipulations, Congress passed a law, approved July 22, 1854, the eighth section of which is as follows, to wit:

"SEC. 8. *And be it further enacted*, That it shall be the duty of the surveyor-general, under such instructions as may be given by the Secretary of the Interior, to ascertain the origin, nature, character, and extent of all claims to lands under the laws, usages, and customs of Spain and Mexico; and for this purpose may issue notices, summon witnesses, administer oaths, and do and perform all other necessary acts in the premises. He shall make a full report on all such claims as originated before the cession of the territory to the United States by the treaty of Guadalupe Hidalgo, of 1848, denoting the various grades of title, with his decision as to the validity or invalidity of each of the same under the laws, usages, and customs of the country before its cession to the United States; and shall also make a report in regard to all pueblos existing in the Territory, showing the extent and locality of each, stating the number of inhabitants in the said pueblos, respectively, and the nature of their titles to the land. Such report to be made according to the form which may be prescribed by the Secretary of the Interior; which report shall be laid before Congress for such action thereon as may be deemed just and proper, with a view to confirm *bona fide* grants, and give full effect to the treaty of 1848, between the United States and Mexico; and until the final action of Congress on such claims, all lands covered thereby shall be reserved from sale or other disposal by the Government, and shall not be subject to the donations granted by the previous provisions of this act." (See Statutes at Large, volume 10, page 309.)

In pursuance of said section 8, act of July 22, 1854, Congress has heretofore confirmed the titles to sundry private land claims under the treaty of Guadalupe Hidalgo, but omitted in the confirmatory statutes to provide for the segregation or the patenting of the confirmed claims. The act of June 21, 1860, (Statutes, volume 12, page 71,) provided for survey and patents for claims Nos. 9 and 17, because the legislation for those claims was peculiar and exceptional; but, while confirming the titles, it made no provision for surveying and patenting claims Nos. 1, 3, 4, 6, 8, 10, 12, 14, 15, 16, 18, and the claim of E. W. Eaton, not numbered in the act. It was probably supposed that the general statute regulating surveys and patents in that class of cases made ample provision, but that was an error. The only act upon the statute-books, namely, December 22, 1854, (Statutes, volume 10, page 599,) was restricted to such claims as had "heretofore been confirmed." By the third section of the act May 30, 1862, (Statutes, volume 12, page 409,) Congress impliedly, and by the act of June 2, 1862, (Statutes, volume 12, page 412,) expressly, provided for such surveys and patents in cases of "all claims or grants of land in any of the States and Territories of the United States derived from any foreign country or government."

Growing out of certain claims advanced by William McGarrahan relative to his "Panoche Grande" rancho, in California, and because there was ample provision in other subsequent statutes for surveys and patents of private land claims in California alone, (see act of July 1, 1864, Statutes, volume 13, page 332,) Congress, February 18, 1871, repealed the act of June 2, 1862, (Statutes, volume 16, page 416.) The effect of this repeal upon the States and Territories, other than California, was apparently not considered by Congress; but the repeal left them in the matter of confirmed private land claims without any legislation to authorize surveys and patents, except the implied authority of the third section act of May 30, 1862. (Statutes, volume 12, page 409.)

Under date of July 27, 1871, Secretary of the Interior Delano decided that this act of May 30, 1862, "applies only to a case where a patent is required to issue." He held that the act of June 21, 1860, which confirmed several grants, did not require the issuing of a patent, is of itself equivalent to a patent, and hence that he was not authorized to survey and patent those confirmed claims.

By reason, therefore, of the absolute repeal of the act of June 2, 1862, and of the official construction given to the third section of the act of May 30, 1862, there is no existing statutory provision by which the locus of these confirmed claims can be defined and the claimants furnished with the usual evidence of title. The proposed bill is designed solely to supply that omission. It has no relation to the questions of titles, but simply provides for segregation and issuing of patents for claims "heretofore confirmed." It does not even deal with titles that may hereafter be confirmed, because that would seem to anticipate future legislation. It is confined to that portion of the United States embraced in the treaty of Guadalupe Hidalgo and the Gadsden purchase, excepting the State of California. That State is excepted, because the act of July 1, 1864, (Statutes, volume 13, page 332,) makes complete provision therefor, and ample legislation also exists as to similar confirmations within the old French and Spanish cessions.

This bill is as important to the United States as to the confirmees. The title of the latter is already assured by the treaty and the confirmatory statute. But they are reasonably entitled to be furnished, as all similar confirmees have been, with an official survey, and with the usual evidence of title. That is all that is proposed by the accompanying bill. Without the same, any one will readily perceive the great and continued labor and expense that will hereafter be entailed upon the confirmees in suits with settlers under or purchasers from the United States in questions involving the boundaries of their confirmed titles. It is equally apparent that until these confirmed treaty claims are segregated and patented, settlers of the United States cannot know where to locate safely so as not to trespass upon the premises of these confirmees. The United States cannot determine the lines of these claims, and they necessarily extend the lines of the public surveys over these grants, and sell them off under the public land laws. The purchasers and the confirmees are thus thrown into ruinous litigation, which would have been avoided by an official survey and patent. And if the United States do not thus extend their public surveys and offer for sale, then they have to go to the other extreme, and reserve, to avoid possible conflict, much larger tracts than would prove by official survey to have been included in the confirmations.

The Commissioner of the General Land Office has fully considered this subject in his annual reports for 1871, 1872, and 1873. In the General Land Office report for 1871, page 64, is the following, to wit:

"It is most important to the growth and prosperity of these Territories, to which settlement is being rapidly attracted by the extension of railroads, that a separation be made at the earliest possible period between the public lands and those claimed under foreign titles. In this way only can the settler know where to locate safely so as not to intrude on the premises of others. The want of such definitive adjustment of the lines of the public and private lands has already in one instance, brought to notice by the governor of New Mexico, led to armed hostilities between settlers and employés of the grant claimants."

The accompanying bill only provides for the proper survey of those grants which have heretofore been confirmed by acts of Congress, and for the issuing of patents to the confirmees for the same.

Your committee therefore recommend the passage of the accompanying bill, which is a substitute for the original bill, and ask to be discharged from the further consideration of the subject.

Mr. SPEER. I raise the question whether it is in order to withdraw an objection after the Committee of the Whole has proceeded to other business.

The CHAIRMAN. The Chair understands it to be in accordance with the rules. The objection may, however, be renewed by any member. Does the gentleman from Pennsylvania [Mr. SPEER] object to this bill?

Mr. SPEER. I do not.

The bill was laid aside, to be reported to the House with the recommendation that it be passed with the amendment.

EDGAR L. SPENCER.

The next bill on the Private Calendar was the bill (H. R. No. 256) for the relief of Edgar L. Spencer.

The bill was read.

Mr. SPEER. I object. I think such cases as this should be covered by a general bill.

HENRY BRUCKNER.

The next bill on the Private Calendar was the bill (H. R. No. 2217) granting a pension to Henry Bruckner, late a private of Company F, Fifty-eighth Regiment Illinois Volunteers.

The bill, which was read, provides that the Secretary of the Interior be, and he is thereby, authorized and directed to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Henry Bruckner, late a private of Company F, Fifty-eighth Regiment Illinois Volunteers.

The report was read, as follows:

That they find that Henry Bruckner enlisted as a private in Company F, Fifty-eighth Regiment Illinois Volunteers, on the 20th day of November, 1861, and was honorably discharged at Saint Louis, Missouri, on the 31st day of October, 1862, on account of disability; and alleges that on the 4th day of April, 1862, near Pittsburgh Landing, while engaged in digging a sink, under orders, he was hit by a stick in the scrotum so as to cause hernia.

Captain Nichlaw and Frederick Haymeyer, of Company F, Fifty-eighth Regiment Illinois Volunteers, testify as to the injury received; that the same occurred as stated by petition, at Pittsburgh Landing, April 4, 1862, and resulted in hernia.

Charles A. Mayer and J. G. Miller, privates, of Fifty-eighth Illinois Volunteers, testify that they were on the detail with petitioner, digging a sink near Pittsburgh Landing, and saw him when he received the injury.

Dr. J. B. Braun, of Chicago, testifies that he was petitioner's family physician before he entered the service, and that at the time of his enlistment he was a sound, healthy man, free from rupture.

Certificate of discharge, dated 31st day of October, 1862, gives hydrocele complication with hernia. Surgeon states that an operation would be tedious, if successful, and recovery doubtful.

Frederick Phillips, a citizen of Chicago, knew the petitioner before he entered the service; that he was a sound man; that he lived in the house with his family, and that his wife frequently showed letters from petitioner, in which he states that he had received an injury at or near Pittsburgh Landing, and was ruptured.

Board of examining surgeons for Chicago, in certificate of examination, dated June 5, 1862, give hernia, and recommend a pension at one-half rate.

In the opinion of your committee, the evidence fully establishes the fact that Henry Bruckner received an injury in the service, and while in the line of his duty, which resulted in hernia, and that he is still suffering from the same; therefore report favorably, and recommend the passage of the accompanying bill.

There being no objection, the bill was laid aside, to be reported favorably to the House.

SARAH SUMMERVILLE.

The next bill on the Private Calendar was the bill (H. R. No. 2218) granting a pension to Sarah Summerville.

The bill, which was read, provides that the Secretary of the Interior be, and he is thereby, authorized and directed to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Sarah Summerville, widow of Alexander S. Summerville, deputy provost-marshal for the eleventh district of Illinois.

The report was read, as follows:

That it is represented in the petition that Alexander S. Summerville was a deputy provost-marshal under Colonel O'Kane, of the eleventh district of Illinois, and while performing the duties of such deputy in attempting to arrest deserters in the county of Fayette, in said State, on August 24, 1863, was shot and severely wounded by one of these deserters, and died from the effects of said wound on September 7, 1863, leaving Sarah Summerville, his widow, and three minor children. It is further represented that Mrs. Summerville is very poor, in feeble health, and is dependent on the charity of the community in which she resides for the support of herself and children, and asks the passage of a special act placing the name of this destitute family on the pension-rolls.

Your committee find that Alexander Summerville lost his life in the discharge of his duty as deputy provost-marshal in attempting to arrest deserters under proper orders from his superior officer; that he was shot by a deserter in the county of Fayette, Illinois, on the 24th day of August, 1863, and died on the 7th day of September thereafter; that the petitioner, Sarah Summerville, is his widow, and that he left three minor children.

Your committee, in view of all these facts in the case, are of the opinion that Alexander Summerville lost his life while serving his country; that the faithful and energetic discharge of his duties as an officer led to his death, and the appeal of his widow and orphan children to the Government for assistance should not be in vain. Therefore, your committee report favorably, and recommend the passage of the accompanying bill.

There being no objection, the bill was laid aside, to be reported favorably to the House.

PATRICK HICKEY.

The next bill on the Private Calendar was the bill (H. R. No. 2219) granting a pension to Patrick Hickey.

The bill was read. It provides that the Secretary of the Interior be, and he is thereby, authorized and directed to place on the pension-roll, subject to the provisions and limitations of the pension-laws,

the name of Patrick Hickey, late a private in Company E, First United States Artillery, and pay him a pension from and after the passage of this act.

The report was read, as follows:

The applicant entered the service of the United States as a private in Company K, Second Regiment United States Artillery, on the 21st day of December, 1843, and served throughout the Mexican war. His Captain, C. F. Smith, testifies to his enlistment and good conduct throughout the war. John J. Peck, brevet major United States Army, makes the following certificate:

JEFFERSON BARRACKS, MISSOURI, *January* 7, 1849.

This is to certify that Patrick Hickey, late a private in Company K, Second Regiment United States Artillery, served throughout the whole Mexican war with credit to himself and honor to his country.

He participated in every battle, save Buena Vista, and from the occupation of Matamoras until the close of the war was under my immediate command. His character for honesty and integrity was unquestionable, and I reposed entire confidence in him.

JOHN J. PECK,
Brevet Major United States Army.

The above is a true copy of the original, which has been somewhat defaced by wear and tear. I have been personally and officially acquainted with the above-named officer and his signature.

M. D. L. SIMPSON,
Lieutenant-Colonel and Acting Commissary General of Subsistence, Brevet Brigadier-General.

WASHINGTON, D. C., *March* 30, 1867.

From this regiment he was honorably discharged about December 21, 1848. His second enlistment was into Lieutenant Kingsbury's detachment of ordnance, as his discharge shows, on the 1st day of November, 1853, and that he was discharged therefrom, as stated on the face of the discharge, "in consequence of his own application to Major-General Scott, and his recommendation," the 22d day of May, 1854. His character given by his discharge is as follows:

Said Hickey has served honestly and faithfully during his brief term of service, and is believed to be an industrious and trustworthy man.

C. P. KINGSBURY,
Lieutenant of Ordnance.

For the third time he enlisted in the service the 23d day of January, 1855, as a private in Company E, First Regiment United States Artillery. From this service he was discharged the 14th of August, 1857, on account of disability incurred, and from which he is still suffering. The following certificate is taken as good evidence of his injury:

COLEMAN HOUSE, *New York, December* 5, 1868.

I certify that Patrick Hickey is well known to me; that he served with my command at Fort Dallas, Florida, as a member of my company, (Company E, First United States Artillery,) and that he was discharged therefrom in consequence of debility and night blindness, caused by prostration from the extreme heat in that southern climate, superinduced, to the best of my recollection, by the difficult and arduous service we were called upon to accomplish in order to drive the Seminole Indians from the country. This was in the fall of 1857.

Patrick Hickey is now at the Soldiers' Home in Washington. His character is excellent. His long and faithful services, his piety and sobriety, together with his gallantry shown on numerous battle-fields in the Mexican war, entitle him, in my opinion, to the greatest consideration.

ABNER DOUBLEDAY,
Colonel Thirty-fifth Infantry, Brevet Major-General United States Army.

Your committee, in view of these facts, and the eminent services of this soldier, and the fact that he is now suffering from disability, as is shown by the certificates of examining surgeons, think he is entitled to a pension, and therefore report the accompanying bill, and recommend its passage.

There being no objection, the bill was laid aside, to be reported favorably to the House.

ANDREW J. BALDWIN.

The next bill on the Private Calendar was the bill (H. R. No. 2220) granting a pension to Andrew J. Baldwin.

The bill, which was read, provides that the Secretary of the Interior be, and he is thereby, authorized and directed to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Andrew J. Baldwin, late a corporal in Company G, Tenth Indiana Cavalry Regiment, and pay him a pension from and after the passage of the act.

The report was read, as follows:

Andrew J. Baldwin was a corporal of Company G, Tenth Indiana Cavalry; was captured at Hollow Tree Gap, Tennessee, December 17, 1864, while in pursuit of General Hood, on his retreat from Franklin, Tennessee. While making a charge upon the rebel lines his horse fell and ruptured him, producing inguinal hernia, as termed by the surgeons. Mr. Baldwin was also wounded twice in the charge—once in the leg, once in the right shoulder. He was taken to Andersonville after his capture and placed in prison. There he was affected with the scurvy. He remained six months in prison at Andersonville; had no medical attendance while there, leaving nature to heal his wounds, and used his hands for a truss in pressing his bowels back to their proper position. All of the above facts are clearly proven by his own affidavit and corroborated by those of his comrades. From the time of his capture, and the manner of the service in which he was engaged at the time of his capture, it is simply impossible, in this instance, for Mr. Baldwin to supply the affidavits of his commanding officers or his regimental surgeons. Mr. Baldwin and about thirty soldiers of his regiment were captured with a detachment of Ohio soldiers. Not an Indiana officer or surgeon was with him when captured or wounded. The application for a pension was made in due time, and should have been granted before this date. Three examining surgeons have examined the condition of Mr. Baldwin, and all have agreed that he is permanently disabled.

The committee recommended a pension be given Mr. Baldwin according to his disability.

There being no objection, the bill was laid aside, to be reported favorably to the House.

MARY B. TRIPLETT.

The next bill on the Private Calendar was the bill (H. R. No. 2221) granting a pension to Mary B. Triplett, guardian of the minor heirs of John A. Tomlinson.

The bill was read. It provides that the Secretary of the Interior be, and he is thereby, authorized and directed to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Mary B. Triplett, guardian of the minor heirs of John A. Tomlinson, late of Company B, Second Illinois Cavalry, and pay her a pension from and after the passage of the act.

The report was read, as follows:

Mary B. Triplett, guardian for minor heirs of John A. Tomlinson, deceased, asks for pensions for the following minor children of the deceased:

John A. Tomlinson was a soldier of Company B, Second Illinois Cavalry. Application No. 169618 for such pension was filed January 27, 1869. Petition was refused by the Commissioner of Pensions, February 23, 1870, on the ground that the soldier was not in the line of his duty at the time of his death. Upon an examination of the papers connected with and pertaining to the application, this committee find that while the command to which said John A. Tomlinson belonged was on the march from Clinton, Kentucky, to Fort Pillow, Tennessee, said Tomlinson was permitted to go and see his family, living near by the line of march of the command. He was either killed and thrown into a small lake, or drowned while crossing said lake. His body was found in the water; marks of violence were found upon his person. His horse was found by his comrades near the stream, entangled in some brush. Thomas J. Garison, the captain commanding the company to which said Tomlinson belonged, under oath states that he gave Mr. Tomlinson permission to "go by" and see his family, residing near the road over which the command was traveling.

The marriage of John A. Tomlinson to Miss Wade, now Mary B. Triplett, is proven, as well as the birth of the following-named children, the issue of the marriage between John A. Tomlinson and Miss Wade:

Martha A. E., born 17th January, 1851; John A., born 25th July, 1856; William D., born 11th June, 1858.

The widow of John A. Tomlinson was remarried ——, A. D. 186–, to a Mr. Triplett.

Your committee report in favor of granting a pension to such children as were entitled to a pension under the existing law.

There being no objection, the bill was laid aside, to be reported favorably to the House.

HUGH WALLACE.

The next bill on the Private Calendar was the bill (H. R. No. 336) granting a pension to Hugh Wallace.

The bill was read. It provides that the Secretary of the Interior be, and he is thereby, authorized and directed to place upon the pension-roll, subject to the provisions and limitations of the pension-laws, the name of Hugh Wallace, late a private in Company F, Forty-sixth Regiment Missouri Infantry Volunteers, from and after the passage of the act.

The report was read, as follows:

Said Wallace entered the service on the 25th of August, 1864, and was honorably discharged therefrom on the 2d day of July, 1865, on account of disease contracted in the service. The Pension Bureau rejected his application, for the reason that he could not furnish the certificate of an officer of his company that the disease on account of which he was discharged was contracted in the line of duty. This he cannot do for the reason that he was serving with a detachment of another command, and absent from his company, by order of the commanding officer at Springfield, Missouri. It is abundantly proven by officers and men of other commands, as well as citizens, that he was a sound, able-bodied man when he entered the service, and that the disease which he contracted by exposure while in the service caused paralysis of his left arm, left side, and partial paralysis of his left leg. His left arm is entirely useless. It is certified that he was a man of steady habits and a faithful soldier, and in view of all the circumstances of the case the committee recommend the passage of the accompanying bill.

Upon an examination of the papers referred to the Committee on Invalid Pensions of the Forty-third Congress the committee adopt the above report of a previous committee in the case of Hugh Wallace, and recommend that a pension be given to the petitioner, Mr. Wallace.

There being no objection, the bill was laid aside, to be reported favorably to the House.

ROBERT F. WINSLOW.

The next bill on the Private Calendar was the bill (H. R. No. 2223) for the relief of Robert F. Winslow.

The bill, which was read, provides that the Secretary of the Treasury of the United States be, and he is thereby, authorized to pay to Robert F. Winslow, of Illinois, out of any money not otherwise appropriated, the sum of $813.82, for services rendered in raising, drilling, and equipping troops mustered into the United States service during the late war of the rebellion.

The report was read, as follows:

That it has been satisfactorily shown by the statements of Dr. Joseph Shugart, the surgeon of the regiment, and others, that on the 6th day of August, A. D. 1861, the memorialist received authority from the Secretary of War to raise a regiment of infantry volunteers, as appears by a certified copy of the order of said Department, and that immediately thereupon he left a lucrative professional business, yielding him a livelihood for himself and family, and applied himself exclusively, diligently, and in good faith to raising and organizing said regiment; and that in doing so the memorialist necessarily expended $375 in the employment of recruiting officers, and succeeded in enrolling between six and seven hundred men, nearly all of whom were mustered into the military service of the United States in the Fifty-seventh Regiment of Illinois Volunteers.

And further report that said Winslow established a camp of rendezvous and instruction for said volunteers at Princeton, Bureau County, Illinois, and gave his personal attention to their instruction. That he was supplied with tents, subsistence, and camp equipage for said regiment, all of which was in the charge of said memorialist.

That the committee have also been furnished with certified evidence of his excellency Richard Yates, then governor of the State of Illinois, establishing said facts, of which the following are true extracts:

"STATE OF ILLINOIS, EXECUTIVE DEPARTMENT,
Springfield, March 10, 1862.

"I, Richard Yates, governor of the State of Illinois, do certify that from the best information Colonel Robert F. Winslow rendered most effective service in raising some six or seven hundred men for regiment of which he was, by order of the War Department, to be the colonel. * * * * * * *

"I am informed he spent much time and money in recruiting the men. In my judgment he ought to be compensated in full for both."

By the consolidation of these men with another regiment the memorialist was deprived of all the fruits of his exertions and outlay, and it would be injustice to refuse him compensation for the service he has rendered the country in adding to

its effective force in the field a large body of men. The committee further repor tha t the Committee on Military Affairs, to which said claim of said Winslow wa referred at a previous Congress, reported in favor of allowing the same.

Your committee therefore recommend the House of Representatives to allow the said Robert F. Winslow $813.32, being the same rate of pay and commutation allowed by law to colonels of infantry, the same being computed for three months and four days, during which he was actually in charge of said volunteers, to wit, from the 6th day of August, A. D. 1861, to the 10th day of November, in the same year; and to that end report the accompanying bill as a substitute for H. R. 342, and recommend its passage.

There being no objection, the bill was laid aside, to be reported favorably to the House.

EMANUEL SMALL AND JAMES TATE.

The next bill on the Private Calendar was a bill (H. R. No. 2270) making an appropriation to pay Emanuel Small and James Tate, of Atchison County, Missouri, for carrying the mails.

The bill, which was read, provides that there be appropriated the sum of $110 to pay Emanuel Small and James Tate, of Atchison County, Missouri, the amount found by the Sixth Auditor of the Treasury to be due them for carrying the mails of the United States in the said county of Atchison, under a contract with United States, during the years 1868 and 1869; and the Secretary of the Treasury is thereby directed to pay the said Emanuel Small and James Tate, or either of them, the said sum hereby appropriated.

Mr. PARKER, of Missouri. I ask that the following letter be read.

The Clerk read as follows:

OFFICE OF THE AUDITOR OF THE TREASURY
FOR THE POST-OFFICE DEPARTMENT,
Washington, February 24, 1874.

SIR: Relative to the case of Small and Tate, late mail contractors in 1868-'69, you are informed that payment is withheld for want of an appropriation; and the same cannot be paid until Congress makes an appropriation to cover these back cases. The amount found to be due is $110.

Very respectfully, your obedient servant,

J. J. MARTIN, *Auditor.*

Hon. ISAAC C. PARKER,
House of Representatives.

There being no objection, the bill was laid aside, to be reported favorably to the House.

OLIVER POWERS.

The next bill on the Private Calendar was a bill (S. No. 336) for the relief of Oliver Powers.

The bill, which was read, provides that Oliver Powers, of Company K, Tenth Tennessee Cavalry, be allowed pay as private from the 15th day of February, 1864, to the day of the muster-out and discharge of said company, together with such bounties and allowances as would have been due him by law had his name remained on the rolls of his company; and that the Pay Department be directed to adjust and pay the same.

The report was read, as follows:

The petition of the claimant shows that Oliver Powers, late private Company K, Tenth Tennessee Cavalry, while on picket duty near Athens, Alabama, was captured by the enemy, ill-treated, and carried into captivity, &c.; that, owing to ill-treatment and robbery of his clothing, he fell sick, was paroled, and left by his captors some thirty miles from Athens, where he remained unable to help himself for six months; then, making his way to his home under great difficulties and suffering, he found that he had, in the mean time, been reported on the rolls as a deserter, and thus is barred of his honorable discharge, back pay, &c. This petition is verified and accompanied by affidavit in due form of J. M. Anderson, late first lieutenant Company K, Tenth Tennessee Cavalry, corroborating petitioner's statements, and stating that before this command was mustered out it was the intention of the company commander to change the rolls so as to relieve petitioner from the charges of desertion, &c., but that the same was neglected. He also testifies to the courage and soldierly qualities and good character of the petitioner.

An intimate knowledge of the country, and the frequent happening of such occurrences, taken in connection with the proofs, warrant belief in the facts stated by the petitioner.

The committee report Senate bill No. 366, authorizing and directing the Secretary of War to correct the record so as to honorably muster out and discharge Oliver Powers, late private Company K, Tenth Regiment Tennessee Cavalry, and directing the Secretary of War and accounting officers of the Treasury to pay or cause to be paid to said Oliver Powers, late private Company K, Tenth Regiment Tennessee Cavalry, such back pay, bounty, and allowances as he would have been entitled to receive but for the record of his alleged desertion.

Your committee recommend the passage of Senate bill No. 366.

There being no objection, the bill was laid aside, to be reported favorably to the House.

W. W. ELLIOTT.

The next bill on the Private Calendar was the bill (S. No. 310) fo the relief of W. W. Elliot.

The bill, which was read, provides that the Secretary of the Treasury be, and thereby is, authorized and directed to pay to W. W. Elliott, of Mulberry Grove, Illinois, from the funds of the medical and hospital department, a sum equal to $100 per month from April 20, 1862, to May 29, 1863, the period of his services as an acting assistant surgeon deducting all pay and allowances received by him as an enlisted man during the same period.

The report was read, as follows:

The papers in this case conclusively show that Dr. W. W. Elliott, of Mulberry Grove, Illinois, enlisted as a private in Company G Twenty-second Illinois Volunteers; was detailed by order of General E. A. Paine as acting assistant surgeon of Battery C, First Illinois Light Artillery, and under written contract served as such acting assistant surgeon, being responsible for property, &c., from April 20, 1862, to May 29, 1863, when he was commissioned as first assistant surgeon Fifty-first Illinois Volunteers. He has never received pay except as private for the term he was employed as such acting assistant surgeon. It is fully made out by the papers that such service was important and valuable, and has received the approbation of the Surgeon-General and the Secretary of War. The committee recommend the passage of the bill.

There being no objection, the bill was laid aside, to be reported favorably to the House.

THOMAS T. CRITTENDEN.

The next business on the Private Calendar was the bill (H. R. No 1297) for the relief of THOMAS T. CRITTENDEN, of Missouri.

The bill, which was read, provides that the proper accounting officers of the Treasury Department be, and they are thereby, authorized and directed to pass to the credit of THOMAS T. CRITTENDEN, late collector of internal revenue in the fifth collection district of Missouri, the sum of $21,641.56 in the adjustment of his revenue accounts, including the accounts of his deputy collector, John Montgomery, during the period that he was acting collector of that district, the records of their offices having been destroyed by fire, and it being impracticable under existing laws to equitably adjust those accounts; also to credit said THOMAS T. CRITTENDEN in the settlement of his disbursing account the sum of $298.50, the amount paid by him to Assistant Assessor John B. Beiderlinden for services rendered during the months of September, October, and November, 1866, and prior to taking the oath required by law.

The report was read, as follows:

In reply to various letters of inquiry, the Commissioner of Internal Revenue has addressed to the committee the following letters, which give a full and clear statement of the facts on which this claim is based:

TREASURY DEPARTMENT,
OFFICE OF COMMISSIONER OF INTERNAL REVENUE,
Washington, February 17, 1874.

SIR: I have the honor to acknowledge the receipt of your letter of the 13th instant, relative to the claim of Hon. T. T. CRITTENDEN, late collector internal revenue, fifth district Missouri, containing a series of questions; and I reply to the same in order, as follows:

1. Mr. CRITTENDEN was appointed collector of internal revenue for the fifth district of Missouri August 21, 1866. He took possession of the office October 23, 1866 As his appointment was not confirmed by the Senate, it expired upon the adjournment of Congress, March 3, 1867, as per act of March 2, 1867, section 3, and the duties of the office devolved upon John Montgomery, his principal deputy, who became acting collector, as provided in the act of June 30, 1864, section 40, as amended March 2, 1867, section 9. The records of this office show, however, that the date when Mr. CRITTENDEN actually transferred the office to Mr. Montgomery was April 20, 1867. Mr. John Montgomery continued in office as acting collector of this district from April 20, 1867, until January 19, 1868, when he was succeeded by W. J. Chandler, Ap collector.

3. Mr. CRITTENDEN was notified of the expiration of his commission by a telegram from this office dated March 4, 1867, and also by letter dated April 4, 1867. (See copies herewith.)

4. A representative of this office visited Sedalia, Missouri, in October, 1871, for the purpose of making an investigation into the facts connected with the administration of the office of collector by Mr. CRITTENDEN and Mr. Montgomery, and, if possible, effect a settlement of their accounts with the Government. He found no records, or assessment lists, or papers of any kind pertaining to the office of collector for the period embraced in Mr. CRITTENDEN's term of office, and was told, and had good reasons to believe, that these records had all been destroyed by a fire that commenced in a building adjoining the one occupied as collector's office, and in a very short time burned that and a number of other buildings, all being constructed of wood.

The records of the office that covered the period from November 7, the date of the fire mentioned, to January 19, 1868, he was informed by Mr. Montgomery, had been placed in the office of the assessor of that district, and destroyed in the fire that burned that office in January, 1871.

This statement was confirmed by Mr. Leaming, the assessor, and others. He discovered no evidence in any way connecting either Mr. CRITTENDEN or Mr. Montgomery with the origin of either of these fires. Owing to the absence of all these records and papers he was unable to do anything towards effecting a settlement of the account. Another officer of this office visited Sedalia, Missouri, in June, 1873, and reported substantially the same facts stated above.

5. Both of the agents of this office referred to reported that Mr. CRITTENDEN and Mr. Montgomery were willing to do anything in their power to effect a settlement of their accounts, but in the absence of the records and requisite data were utterly unable to comply with the requirements of the law and regulations.

Claims for the abatemnt of a large portion of the outstanding taxes were prepared by Mr. Montgomery, which he was unable to complete owing to the absence of the assessment lists, as above stated.

6. The various reports required of collectors appear to have been made by both Mr. CRITTENDEN and Mr. Montgomery during their terms of office, and the affairs of the office properly conducted.

7. At the expiration of the term of office of Mr. Montgomery, acting collector, the instructions of this office relative to the transfer of the office to W. J. Chandler, his successor, appear to have been promptly complied with.

8. Mr. CRITTENDEN's account as "stamp-agent" has been settled in full, and closed upon the books of the Department.

9. From the evidence on file in this office and the reports of the agents herein referred to, I have no reason to believe that the affairs of the office of that district were not properly conducted by both Mr. CRITTENDEN and Mr. Montgomery during their incumbency, and I am satisfied that in the absence of all the office records the uncollected taxes now standing charged to the account of Mr. CRITTENDEN cannot be accounted for by him, as required by the law and regulations of the Department.

10. The information obtained by the agent of the Department who visited Sedalia in October, 1871, was that the fire occurred at night, when the office was closed, and that neither Mr. Montgomery nor any of his clerks reached the spot in time to save anything whatever; that the town was composed at that time almost entirely of two-story frame buildings, which under a high wind burned with great rapidity.

11. The records of this office show that John B. Biederlinden was duly commissioned as assistant assessor August 17, 1865, but that he did not take the oath of office required by act July 2, 1862, (volume 12, page 502 of Statutes) until November 30, 1866. The payment made to him by Mr. CRITTENDEN was for twenty-two days' service in September, 1866, twenty-five days' service in October, 1866, and twenty-three days' service in November, 1866, which, though actually performed, could not be legally paid for, as he was not at that time a qualified officer.

Very respectfully,

J. W. DOUGLASS,
Commissioner.

GEORGE C. SMITH, Esq.,
Clerk Committee on Claims, House of Representatives.

TREASURY DEPARTMENT,
OFFICE OF COMMISSIONER OF INTERNAL REVENUE,
Washington, April 4, 1867.

SIR: In reply to your letter of the 29th of March, I have to say that your term of office expired on the 3d of March. On the 4th of March the following telegram was sent to you:

"Your commission having expired, office devolves upon your senior deputy. Report his name."

Very respectfully,

THOMAS HARLAND,
Deputy Commissioner.

T. T. CRITTENDEN, Esq.
Warrensburgh, Missouri.

UNITED STATES INTERNAL REVENUE,
COLLECTOR'S OFFICE, FIFTH DISTRICT MISSOURI,
Carthage, 2d, 24, 1874.

SIR: Understanding your committee have under advisement a bill for the relief of Hon. T. T. CRITTENDEN, M. C., late collector of internal revenue for the fifth district of Missouri, I take pleasure in stating to your committee that I am the present collector of said district, and have had charge of said office since June, 1871. A sense of justice compels me to volunteer the statement that while Mr. CRITTENDEN stands charged with the full amount of lists receipted for to the assessor during his term of office, the offices of both assessor and collector of said district were entirely destroyed by fire, leaving the collector without the data or means for reducing his liability; and that the whole amount for which relief is asked is solely owing to the loss of said lists, his other obligations having, according to the records of this office, been fully and promptly met.

From personal acquaintance with Mr. C. I would gladly testify to his high standing in community as a gentleman of high sense of honor and strictest integrity, and I would be pleased to hear of your favorable report on the bill for his relief, and hope Congress will do him the justice to pass the same.

I have the honor to be, very respectfully,

D. H. BUDLONG,
Collector Fifth District of Missouri.

Hon. JOHN Q. SMITH,
Chairman Sub-committee.

TREASURY DEPARTMENT, OFFICE OF INTERNAL REVENUE,
Washington, February 25, 1874.

SIR: I have the honor to acknowledge the receipt of your letter of this date, relative to your bill for relief now pending before Congress, in which you ask the following question:

"Does the amount covered by the bill introduced into Congress by General STANARD, of Missouri, for the relief of myself, as late collector fifth district of Missouri, embrace, as far as shown by the records of your office, the full ascertained sum charged against myself, not otherwise accounted for, for which I should be released, and for which I cannot account, by reason of the loss of the assessment lists and records by the fire at Sedalia, Missouri?"

In reply I would say that it does. It is the balance now outstanding as uncollected assessments upon the lists receipted for to the assessor by yourself and Mr. Montgomery, which do not appear to have been either collected or abated, being as stated, $21,641.56.

Very respectfully,

J. W. DOUGLASS,
Commissioner.

Hon. T. T. CRITTENDEN,
House of Representatives.

TREASURY DEPARTMENT, OFFICE OF INTERNAL REVENUE,
Washington, February 27, 1874.

SIR: In compliance with your request, I have the honor to inclose herewith a copy of a letter of John Montgomery, late acting collector internal revenue fifth district of Missouri, dated November 18, 1867, giving a detailed account of the circumstances of the fire that destroyed his office and office records on the night of the 6th of November, 1867, referred to in the bill for relief of late Collector CRITTENDEN and Acting Collector Montgomery, now before Congress.

I also inclose a copy of a letter from the assessor, M. J. Leaming, dated January 2, 1871, announcing the fact that his office was destroyed, with all its records, on that day.

The representative of this office who visited Sedalia, Missouri, in October, 1871, was informed both by Mr. Montgomery and Mr. Leaming, the assessor, that in this second fire of January 2, 1871, most of the records accumulated by Mr. Montgomery after the fire of November 6, 1867, were then destroyed, having been placed in the assessor's office for safe-keeping.

Very respectfully,

_____,
Commissioner.

Hon. JOHN Q. SMITH,
Committee on Claims, House of Representatives.

UNITED STATES INTERNAL REVENUE,
DEPUTY COLLECTOR'S OFFICE, FIFTH DISTRICT MISSOURI,
Sedalia, Missouri, January 2, 1871.

SIR: It becomes my painful duty to report to you that the assessor's office of the fifth district, together with all the books, papers, records, &c., pertaining thereto, was totally destroyed by fire this morning between four and five o'clock. The fire had progressed so far before being discovered that it was absolutely impossible to save anything, and all the records of the office are completely destroyed.

Very respectfully, your obedient servant,

MACK J. LEAMING,
Assessor.
By MORRIS TRUMBULL,
Chief Clerk.

Hon. J. W. DOUGLASS,
Acting Commissioner Internal Revenue, Washington, D. C.

UNITED STATES INTERNAL REVENUE,
ACTING COLLECTOR'S OFFICE, FIFTH DISTRICT MISSOURI,
Sedalia, November 18, 1867.

SIR: I have the honor to acknowledge the receipt of your letter of 13th instant, directing that I will inform you of the origin of the fire in which my books and papers were destroyed, together with the circumstances connected therewith, and that I adopt vigorous measures to replace the records, and that I apply to the assessor for copies of the assessment lists destroyed.

I have the honor to report in reply thereto that the fire originated in a small provision store, in the same block and two doors east of our office, by the explosion of a kerosene or coal-oil lamp. These buildings were all light frame buildings and very dry, the drought from which we are suffering having made them very easy to burn, and, from want of water, exceedingly hard to put out when once ignited. Our office was in a two-story frame building, the upper rooms of which were used as offices, the lower room as a store-room by a firm of merchants. The fire commenced about half-past eleven o'clock on the evening of the 6th instant, the flames spreading with such rapidity that few things were saved from any of these buildings near the one where the fire originated. I was not at home the night of the fire, having gone the same day to Jefferson City, but I believe every possible exertion was made to save all valuables in the building. My office was the back room up-stairs, and while a few things were saved below and in the front offices, little or nothing was saved from mine. These facts I give as I learn them from witnesses and know of the premises.

We were not careless in having our office in a place as liable to fire as this, because there are few houses in our city, on Main street particularly, that are not frame. A good office could not be procured except it were as much liable to fire as ours was. I have officed in this same building since April, 1865, and felt little uneasiness from fire, to learn, alas, in the end, that our long immunity from danger did not protect us.

I am doing all that can be done to replace our records, having already obtained from the assessor his original assessment lists, and am now engaged in making copies of them, taking new bonds from distillers, brewers, and tobacconists.

We have lost our statement of account between ourselves and Treasury Department, and, though we can in a measure replace it, we would much like a copy of account from your records.

Very respectfully, your obedient servant,

JNO. MONTGOMERY,
Acting Collector.

Hon. THOMAS HARLAND,
Deputy Commissioner Internal Revenue.

From the facts stated in the foregoing letter, the committee are clearly of the opinion that Mr. CRITTENDEN was in no way to blame for the destruction of the assessment lists of uncollected taxes for his district, and that he ought not in any way to be held responsible therefor. Mr. CRITTENDEN was not in possession of the office of collector at the time it was destroyed by fire. He was not in receipt of any of its emoluments, and there is no equity in holding him responsible for losses over which he could have no possible control.

The law, as it applies to Mr. Crittenden's case, seems to hold him responsible long after his connection with the office ceased. It was impossible for him to relieve himself of that responsibility until his successor was appointed and qualified. That was postponed from April 20, 1867, when Mr. CRITTENDEN turned over the office to Mr. Montgomery, until January 19, 1868.

It is the opinion of the Department that Mr. CRITTENDEN and Mr. Montgomery were faithful officers; that, so far as they have been able to do so, they have made full and satisfactory settlement with the Department; that, in consequence of the losses of the assessment lists, it is impossible that they can complete their settlement. The bill under consideration is to authorize the proper accounting officers of the Treasury Department to allow a credit to Mr. CRITTENDEN of the amount with which he stands charged. The bill also provides that Mr. CRITTENDEN should receive credit for the sum of $298.50, the amount paid by him to Assistant Assessor John B. Beidenlinden for services which were performed after he was commissioned and before he took the oath of office, because of which neglect the money actually paid him by Mr. CRITTENDEN could not be credited by the Department. This neglect to take the oath of office by Beidenlinden we suppose was a mere inadvertence; at all events, he seems to have performed the duties, and was paid therefor, and it would seem to be just that Mr. CRITTENDEN should be credited with the sum so paid.

The committee recommend the passage of the bill.

There being no objection, the bill was laid aside, to be favorably reported to the House.

JOHN CLINTON.

The next bill on the Private Calendar was the bill (H. R. No. 2345) for the relief of John Clinton, postmaster at Brownsville, Tennessee.

The bill, which was read, provides that the proper accounting officer of the Treasury be, and he is thereby, directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $265.35 to John Clinton or his legal representative, the same to be in full of all claim for money stolen from the post-office at Brownsville, Tennessee, on the 1st day of November, 1870.

The report was read, as follows:

The memorialist was postmaster at Brownsville, Tennessee, on the 1st of November, 1870; he had securely deposited on that day, in the money-drawer of the post-office, (kept expressly for that purpose, and no other,) the sum of $285.37 of money-order funds belonging to the United States Post-Office Department; that the said drawer and post-office were properly locked; but while said memorialist was absent at dinner the said post-office was burglariously entered, and said drawer opened by false keys, and said money stolen; that twenty dollars of it was recovered from the thief, but no more.

The said memorialist has paid said money to the United States Post-Office Department. Your committee find that he was not guilty of negligence in the loss of said money; and it being clearly shown in the amended petition that the memorialist fully intended to do what was his daily practice, *i. e.*, send that same night by the mail to the post-office at Memphis the proceeds taken during the said day, but was prevented by the robbery taking place during his temporary absence to dinner, your committee recommend that the sum of $265.37 be appropriated for the relief of said memorialist, and herewith report to that effect a substitute for the said bill.

There being no objection, the bill was laid aside, to be favorably reported to the House.

W. A. SAYLER.

The next bill on the Private Calendar was the bill (H. R. No. 2346) for the relief of W. A. Sayler, of Bryan, Texas.

The bill authorizes and directs the Secretary of the Treasury to refund the sum of $1,871.53 to W. A. Sayler, of Bryan, Texas, for taxes illegally collected on certain parcels of cotton during the years 1867 and 1868; and appropriates the sum of $1,871.53, out of any money in the Treasury not otherwise appropriated, for the purpose aforesaid.

No objection being made, the bill was laid aside, to be reported favorably to the House.

REV. GEORGE MORRISON.

The next bill on the Private Calendar was the bill (H. R. No. 2348) for the relief of Rev. George Morrison, late of Kentucky.

The bill authorizes and directs the Secretary of the Treasury to pay

to Rev. George Morrison, late of Kentucky, out of any money in the Treasury not otherwise appropriated, the sum of $150, in full payment for one horse and equipments captured by the enemy during the late war, while in the service of the United States.

No objection being made, the bill was laid aside, to be reported favorably to the House.

BURKE & KUNKEL.

The next bill on the Private Calendar was the bill (H. R. No. 2349) for the relief of Burke & Kunkel.

The bill authorizes and directs the Secretary of the Treasury to pay to Burke & Kunkel, out of any money not otherwise appropriated, $3,849, being amount of pig-iron taken by the agent of the Treasury Department by mistake as confederate property, July, 1865, and being the net proceeds, which was covered into the Treasury of the United States to the credit of the captured and abandoned property fund.

No objection being made, the bill was laid aside, to be reported favorably to the House.

LEMUEL C. RISLEY.

The next bill on the Private Calendar was the bill (H. R. No. 799) for the relief of Lemuel C. Risley, late a second lieutenant of the Eighty-fifth Regiment of Indiana Volunteers.

The bill authorizes and directs the Secretary of War to pay Lieutenant Lemuel C. Risley the full amount of pay and emoluments as a second lieutenant of the Eighty-fifth Regiment of Indiana Volunteers, from the 26th day of November, 1864, to the 31st day of January, 1865; provided that any sum of money which shall have been paid to the said Lemuel C. Risley as a non-commissioned officer or private for said period be deducted from said amount to be paid to him as second lieutenant.

Mr. BARBER. I would like to hear the report read.

The report was read, as follows:

The Committee on War Claims, to whom was referred House bill No. 799, for the relief of Lemuel C. Risley, late a second lieutenant of the Eighty-fifth Regiment of Indiana Volunteers, beg leave to report:

That it appears from the papers in the case that Lieutenant Risley was commissioned on the 21st day of September, 1864, second lieutenant in the Eighty-fifth Regiment of Indiana Volunteers, he being at the time sick in hospital (on sick leave) at Indianapolis, Indiana. On the 20th of November, 1864, he received his commission. He started to rejoin his regiment, then with General Sherman in Georgia, but on reaching Chattanooga he was stopped by order of General Cruft, then in command there. General Sherman having started on his march to the sea, and communication being cut off, it was impossible to reach his army by that route. Hood's army was then moving northward, threatening Nashville. General Cruft ordered all the unassigned soldiers and officers then at Chattanooga into battalions, and on the 26th day of November, 1864, he assigned Lieutenant Risley to the command of one of these battalions, and he continued in that command through all the battles that ensued near Franklin and Nashville, Tennessee, for several weeks, though he had not been mustered in. Finally, on the 31st day of January, 1865, he was mustered in as second lieutenant, under his said commission at Goldsborough, North Carolina. The committee find that from the 26th day of November, 1864, to the 31st day of January, 1865, Lieutenant Risley performed the duties of a second lieutenant, and should receive pay as such, deducting the sum paid him for that period as a non-commissioned officer or private soldier, and they accordingly recommend the passage of the accompanying bill.

There being no objection, the bill was laid aside. to be reported favorably to the House.

ROSANNA QUINN.

The next bill on the Private Calendar was the bill (H. R. No. 393) granting a pension to Rosanna Quinn.

The bill authorizes and directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Rosanna Quinn, mother of Francis P. Quinn, late sergeant-major of the Ninety-sixth Regiment Illinois Volunteers, and to pay her a pension from and after the passage of the act.

No objection being made, the bill was laid aside, to be reported favorably to the House.

E. CAROLINE WEBSTER.

The next bill on the Private Calendar was the bill (H. R. No. 1305) granting a pension to E. Caroline Webster, widow of Lucius H. Webster.

The bill authorizes and directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of E. Caroline Webster, widow of Lucius H. Webster, late a private in Company H, Seventh Regiment of Michigan Cavalry Volunteers, and pay her a pension from and after the passage of the act.

No objection being made, the bill was laid aside, to be reported favorably to the House.

HENRY B. HAVENS.

The next bill on the Private Calendar was the bill (H. R. No. 1907) granting a pension to Henry B. Havens, late a private of Company K, Twelfth Regiment Wisconsin Volunteers.

The bill directs the Secretary of the Interior to place on the pension-roll the name of Henry B. Havens, of Grant County, Wisconsin, late a private of Company K, Twelfth Regiment Wisconsin Volunteers, disabled while in service and line of duty, at the rate of eight dollars per month, subject to the limitations and restrictions provided by law.

There being no objection, the bill was laid aside, to be reported favorably to the House.

MARY A. LOWE.

The next bill on the Private Calendar was the bill (H. R. No. 1835) granting a pension to Mary A. Lowe.

The bill authorizes and directs the Secretary of the Interior to place upon the pension-roll, subject to the limitations of the pension laws, the name of Mary A. Lowe, widow of Charles Lowe, a private in the Mexican war, and pay her a pension at the rate of eight dollars per month from the passage of the act.

There being no objection, the bill was laid aside, to be reported favorably to the House.

SUSAN BENNETT.

The next bill on the Private Calendar was the bill (H. R. No. 1414) granting a pension to Susan Bennett.

The bill authorizes and directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Susan Bennett, mother of Peter V. Bennett, late a private in Company I, One hundred and seventy-seventh Regiment New York Volunteers, and pay her a pension as mother of said soldier from the passage of the act.

There being no objection, the bill was laid aside, to be reported favorably to the House.

JOHN B. MILLER.

The next bill on the Private Calendar was the bill (H. R. No. 2351) granting a pension to John B. Miller.

The bill authorizes and directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of John B. Miller, who served in the war with Mexico, and pay him a pension from and after the passage of the act.

There being no objection, the bill was laid aside, to be reported favorably to the House.

PETER J. CRATZER.

The next bill on the Private Calendar was the bill (H. R. No. 196) granting a pension to Peter J. Cratzer.

The bill authorizes and directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Peter J. Cratzer, late a private in Company K, One hundred and thirty-eighth Regiment Indiana Volunteers, and to pay him a pension from the passage of the act.

There being no objection, the bill was laid aside, to be reported favorably to the House.

EZRA H. FOSTER.

The next bill on the Private Calendar was the bill (H. R. No. 1719) granting a pension to Ezra H. Foster.

The bill authorizes and directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Ezra H. Foster, late private in Company I, First Wisconsin Cavalry, and in Thirteenth Wisconsin Battery.

There being no objection, the bill was laid aside, to be reported favorably to the House.

LEWIS HINELY.

The next bill on the Private Calendar was the bill (H. R. No. 2352) granting a pension to Lewis Hinely.

The bill authorizes and directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Lewis Hinely, late of Company E, Twelfth Regiment Pennsylvania Cavalry, and pay him a pension from and after the passage of this act.

There being no objection, the bill was laid aside, to be reported favorably to the House.

MAGDALENA DOCKS.

The next bill on the Private Calendar was the bill (H. R. No. 2116) for the relief of Magdalena Docks.

The bill authorizes and directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Magdalena Docks, widow of Francis Docks, late a private in Company A, Third Regiment Pennsylvania Cavalry.

There being no objection, the bill was laid aside, to be reported favorably to the House.

LUCY ANN CUMMINGS.

The next bill on the Private Calendar was the bill (H. R. No. 2353) granting a pension to Lucy Ann Cummings.

The bill authorizes and directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Lucy Ann Cummings, mother of A. Boyd Cummings, late lieutenant commander United States Navy, and pay her a pension from and after the passage of this act.

Mr. RUSK. I move to amend the bill so as to provide that the pension of the mother shall take effect from the death of the widow.

The amendment was agreed to.

There being no objection, the bill, as amended, was laid aside, to be reported favorably to the House.

EMILY L. SLAUGHTER.

The next bill on the Private Calendar was the bill (H. R. No. 2354) granting a pension to Mrs. Emily B. Slaughter.

Mr. O'BRIEN. I reported that bill, and I ask that it be placed at the end of the Private Calendar.

The CHAIRMAN. The bill will be passed over.

ANN R. VOORHEES.

The next bill on the Private Calendar was the bill (H. R. No. 2355) granting a pension to Ann R. Voorhees.

The bill authorizes and directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Mrs. Ann R. Voorhees, widow of Philip F. Voorhees, late captain in the United States Navy, and pay her a pension from and after the passage of the act.

There being no objection, the bill was laid aside, to be reported favorably to the House.

LANDS IN MICHIGAN.

The next bill on the Private Calendar was the bill (H. R. No. 2539) relinquishing the right of the United States in certain lands in the State of Michigan.

The bill provides for the relinquishment of all rights and title of the United States to the middle ground or island in the Saginaw River, lying within the prescribed limits of fractional section 5, in township 13 north, of range 5 east, and sections 29 and 32, in township 14 north, of range 5 east, in the State of Michigan, to the riparian owners respectively of the lands on the shores of said river in front of or opposite to said island; provided that the act shall not be construed or held to imply a claim of title on the part of the United States to said middle ground, but only as a relinquishment of any apparent right therein to the persons respectively to whom the lands on said shores were patented, their heirs and assigns.

Mr. BARBER. I ask that that bill be passed over.

Mr. CLYMER. If the gentleman will hear the report read I am satisfied it will convince him that the bill ought to pass.

Mr. BARBER. I will hear the report.

The Clerk read the report, as follows:

The Committee on the Public Lands, to whom was referred the bill (H. R. No. 166) providing for the sale of an island, or middle ground, in the Saginaw River, in the State of Michigan, ask to report:

That they have had the same under consideration, and find the following to be the facts in the case: That the original survey of the lands and river does now show the island to have existed at that time. The lands were sold to individuals, according to the subdivisions as represented by said survey. Subsequent to said survey there has appeared the island as forming from the bed of the stream, leaving a channel on each side thereof, but much narrower than the original. The said island of late years has become of such size as to be of considerable importance and value, but only as the property in front thereof has increased; and the narrowness of the channels on each side of the island has detracted very much from the value of the property on the main shores, besides detracting largely from the capacity and facilities of doing the business on shores to which the same have been generally applied. It appears that the parties owning the shores opposite thereto, believing that, as a matter of right and equity, their rights, as riparian owners, extended to the center of the channel or bed of the stream from the meanderal lines of the river respectively, each took possession of so much of said island as lies in front of land owned by them to the center line of the island, and have continued to occupy the same, and have expended large amounts of money in making improvements thereon, in some cases amounting to thousands of dollars. The parties occupying and in possession of the respective portions of the island claimed by them believe that they were justified in such occupancy and improvement. The Committee on the Public Lands have submitted the question to the Commissioner of the General Land Office, and received the following communication in reply thereto:

DEPARTMENT OF THE INTERIOR, GENERAL LAND OFFICE,
Washington, D. C., February 20, 1874.

SIR: I have the honor to return herewith the papers filed by you 7th instant respecting what is known as the "middle ground" in Saginaw River, Michigan, together with a copy of a letter to this office, dated 6th ultimo, from P. C. Andre, esq., of Saginaw.

This middle ground appears to have been, at the date of the public surveys, a part of the bed of the river covered by its waters. No public survey of it was attempted, and no island is reported in the stream at this point.

In March, 1856, a survey was made upon the ice by the county surveyor, who certifies that no survey could be accomplished in any other manner, the grounds being so constantly under water as to render it impracticable to make the attempt.

This survey was filed in this office, but was not considered as entitled to approval as a survey of public lands, and was not so approved.

Congress, however, on the 15th July, 1870, evidently without an examination of the questions involved, passed joint resolution No. 140, directing the issue of patent to Stephen Marston for a portion of said grounds described by metes and bounds, upon payment by him of the sum of $100.

The Commissioner, my predecessor in office, for the purpose of carrying the law into effect, on the 10th August, 1870, indorsed on the said plat of survey his qualified approval, as *ex-officio* surveyor-general of Michigan, and subsequently issued the patent accordingly.

Understanding that you wish my opinion upon the question of the power of Congress to dispose of this ground as public land, I have examined the facts as above recited, and would state that I do not regard it as in any sense public land, the property of the United States, but consider it properly within the jurisdiction of the State of Michigan, and subject to her laws.

The rights of the owners of the shore having been also called to my attention, I will give you a few authorities, decisions of the Federal courts, which seem to have direct application to this case, and will indicate the United States law upon both points.

Rivers are deemed navigable waters of the United States when they are used or are suitable of being used, in their ordinary condition, as highways for commerce between the States. (The Daniel Ball, 10 Wallace, 557; The Montello, 11 Wallace, 411.)

Under the acts of Congress relating to the survey and sale of public lands bordering on rivers, the right of a grantee of lands bordering on a navigable river stops at the stream, and does not extend to the *medium filum*. But such riparian proprietors have the same rights to construct suitable landings and wharves for the convenience of commerce and navigation as riparian owners on navigable waters affected by the ebb and flow of the tide. (Railroad Company *vs.* Schurmeir, 7 Wallace 272.)

The owner of land bounded by a navigable river (whether his title extend to the middle of the stream or not) has a right of free access thereto, and of erecting a landing, wharf, or pier for his own use or that of the public. These rights are to be enjoyed subject to such general rules as the Legislature may prescribe for the protection of the public rights; they cannot be taken for public use except due compensation be made. (Yates *vs.* Milwaukee, 10 Wallace 497)

At the revolution the people of each State, in their sovereign character, acquired the absolute right to all navigable waters and the soil under them. (Martin *vs.* Waddell, 16 Peters, 307; Russell *vs.* Jersey Company, 15 Howard, 426.)

The shores of navigable rivers and the soil under them were not granted by the Constitution to the United States, but were reserved to the States respectively; and new States have the same rights, sovereignty, and jurisdiction over this subject as the original ones. (Pollard *vs.* Hagan, 3 Howard, 212; Pollard *vs.* Kibbe, 9 Howard, 471; Hallett *vs.* Beebe, 13 Howard, 25; Withers *vs.* Buckley, 20 Howard, 84.)

The foregoing will be sufficient to show that, if this ground was of the bed of the stream on the admission of the State, she has sovereignty over it, and the laws for the disposal of the public domain can have no application to it subsequently.

Very respectfully,

WILLIS DRUMMOND,
Commissioner.

Hon. HIESTER CLYMER,
House of Representatives.

The committee also examined a brief submitted to them, which had been prepared upon the question by Hon. C. I. Walker, of Detroit, Michigan, and the cases and decisions referred to, and have prepared the accompanying bill, and recommend that it do pass.

There being no objection, the bill was laid aside, to be reported favorably to the House.

OFFICERS AND CREW OF UNITED STATES SHIPS.

The next bill on the Private Calendar was the bill (H. R. No. 782) for the relief of the officers and crew of the United States ship Wyoming and the Ta-Kiang.

Mr. WILLARD, of Vermont. That bill will give rise to some debate, and I object to it.

JOHN W. MASSEY.

The next bill on the Private Calendar was the bill (H. R. No. 2552) for the relief of John W. Massey, late consul at Paso del Norte, Mexico.

The bill directs the Secretary of the Treasury to pay to John W. Massey, late consul to Paso del Norte, Mexico, the sum of $400, being the sum expended by him in 1862 in the endeavor to reach his post of duty.

Mr. MYERS. I ask that that bill be laid aside, to be reported to the House.

There being no objection, the bill was laid aside, to be reported favorably to the House.

MARTIN LAFFIN.

The next bill on the Private Calendar was the bill (H. R. No. 1145) granting a pension to Martin Laffin.

The bill authorizes and directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Martin Laffin, late a private in Company B, Ninetieth Regiment Illinois Volunteers, and to pay him a pension from and after the passage of this act.

There being no objection, the bill was laid aside, to be reported favorably to the House.

ISAAC STEVENS.

The next bill on the Private Calendar was the bill (H. R. No. 1673) granting a pension to Isaac Stevens.

The bill authorizes and directs the Secretary of the Interior to place on the pension-roll the name of Isaac Stevens, late a private in Company D, Thirty-seventh Regiment Indiana Volunteers, subject to the provisions and limitations of the pension laws, and pay him a pension of eight dollars per month from and after the passage of this act.

There being no objection, the bill was laid aside, to be reported favorably to the House.

JOHN FOLGER.

The next bill on the Private Calendar was the bill (H. R. No. 1439) granting a pension to John Folger.

The bill authorizes and directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of John Folger, late a private in Company K, One hundred and twenty-second Ohio Volunteers, and to pay him a pension from and after the passage of this act.

There being no objection, the bill was laid aside, to be reported favorably to the House.

WILLIAM J. UHLER.

The next bill on the Private Calendar was the bill (H. R. No. 2668) granting a pension to William J. Uhler.

The bill authorizes and directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of William J. Uhler, minor child of Nelson M. Uhler, late a private in Company B, Twenty-first Regiment Ohio Volunteers, and pay him a pension from and after the passage of this act.

There being no objection, the bill was laid aside, to be reported favorably to the House.

LUCINDA JONES.

The next bill on the Private Calendar was the bill (H. R. No. 1843) granting a pension to Lucinda Jones, widow of Thompson M. Jones, late a private of Company G, Twenty-second Regiment Illinois Volunteers.

The bill directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Lucinda Jones, widow of Thompson M. Jones, late a private of Company G, Twenty-second Regiment Illinois Volunteers, at the

rate of eight dollars per month, and two dollars per month for each child by said soldier until arriving at the age of sixteen years.

There being no objection, the bill was laid aside, to be reported favorably to the House.

JENNET H. NISBET.

The next bill on the Private Calendar was the bill (H. R. No. 2181) granting a pension to Jennet H. Nisbet.

The bill directs the Secretary of the Interior to place on the pension-roll the name of Jennet H. Nisbet, mother of Thomas Nisbet, late a drummer in the Forty-fourth Regiment Ohio Volunteer Infantry, subject to the provisions and limitations of the pension laws.

There being no objection, the bill was laid aside, to be reported favorably to the House.

DEBORAH A. SWAN.

The next bill on the Private Calendar was the bill (H. R. No. 2669) granting a pension to Deborah A. Swan.

The bill directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Deborah A. Swan, widow of Levi Swan, late a private in Company D, Fifty-eighth Regiment Illinois Volunteer Infantry.

There being no objection, the bill was laid aside, to be reported favorably to the House.

MARY S. HOWE.

The next bill on the Private Calendar was the bill (H. R. No. 2670) granting a pension to Mary S. Howe.

The bill directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Mary S. Howe, widow of David Howe, late special agent of the provost marshal's office for the fourth district of Massachusetts, and pay her a pension at the rate of eight dollars per month, to commence from the passage of this act.

No objection being made, the bill was laid aside, to be reported favorably to the House.

GENERAL A. C. VORIS.

The next bill on the Private Calendar was the bill (H. R. No. 2671) granting a pension to General A. C. Voris.

The bill directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of General A. C. Voris, late colonel of the Sixty-seventh Regiment of Ohio Volunteers, and pay him a pension at the rate of thirty dollars a month, the same to commence from the date of his discharge from the service of the United States.

MARY A. S. LOOMIS.

The next bill on the Private Calendar was the bill (H. R. No. 2672) granting a pension to Mary A. S. Loomis.

The bill directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Mary A. S. Loomis, widow of Colonel Gustavus Loomis, late of the United States Army, and pay her a pension at the rate of thirty dollars a month, the same to commence from the passage of the act.

There being no objection, the bill was laid aside, to be reported favorably to the House.

HANNAH B. EATON.

The next bill on the Private Calendar was the bill (H. R. No. 2673) to restore the name of Hannah B. Eaton, of Kingsville, Ohio, to the pension-roll.

The bill directs the Secretary of the Interior to restore to the pension-roll the name of Hannah B. Eaton, with pension at the same rate previously paid to her, and to date from the 4th day of December, 1872, the day on which her name was dropped from the pension-roll.

There being no objection, the bill was laid aside, to be reported favorably to the House.

JOHN W. WRIGHT.

The next bill on the Private Calendar was the bill (H. R. No. 2674) granting a pension to John W. Wright, now at the National Military Asylum near Dayton, Ohio.

The bill directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of John W. Wright, late a private in Company E, Seventeenth Kentucky Infantry Volunteers, and that he be paid a pension from and after the passage of the act.

There being no objection, the bill was laid aside, to be reported favorably to the House.

DENNIS M'CARTHY.

The next bill on the Private Calendar was the bill (H. R. No. 1866, granting a pension to Dennis McCarthy, a soldier of the Mexican war.

The bill authorizes the Secretary of the Interior to place the name of Dennis McCarthy, Company D, Captain William M. Robinson, First Regiment Virginia Volunteers, upon the pension-roll; and that he be entitled to draw a pension of eight dollars per month from the date of his discharge.

Mr. WALLACE. I move to amend this bill so that the pension will take effect from the date of its passage.

The amendment was agreed to; and the bill was laid aside, to be reported to the House.

ROSALIE C. P. LISLE.

The next bill on the Private Calendar was the bill (H. R. No. 580) granting a pension to Rosalie C. P. Lisle.

The bill directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Rosalie C. P. Lisle, mother of Joseph T. Lisle, late an assistant paymaster in the Navy, and pay her a pension, commencing September 26, 1863.

Mr. WALLACE. I move to amend this bill so that the pension will take effect from the date of its passage.

The amendment was agreed to; and the bill was laid aside, to be reported favorably to the House.

MRS. ELIZABETH J. KING.

The next bill on the Private Calendar was the bill (H. R. No. 2675) granting a pension to Mrs. Elizabeth J. King.

The bill directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Mrs. Elizabeth J. King, widow of Herbert King, late captain of Company F, Third Regiment Kentucky Infantry Volunteers, and pay her a pension from and after the passage of the act.

There being no objection, the bill was laid aside, to be reported favorably to the House.

THOMAS M'KINSER.

The next bill on the Private Calendar was the bill (H. R. No. 2676) granting a pension to Thomas McKinster.

The bills directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Thomas McKinster, late captain of Company D, Fourteenth Regiment of Kentucky Volunteers, and pay him a pension from and after the passage of the act.

No objection was made, and the bill was laid aside, to be reported favorably to the House.

ANGELICA HAMMOND.

The next bill on the Private Calendar was the bill (H. R. No. 1799) granting a pension to Angelica Hammond.

The bill was read. It directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Angelica Hammond, widow of William Z. Hammond, late a private in Company E, First Maryland Cavalry Volunteers, to take effect from the passage of the act.

No objection being made, the bill was laid aside, to be reported favorably to the House.

GUADALOUPE TORRES.

The next bill on the Private Calendar was the bill (H. R. No. 1335) granting a pension to Guadaloupe Torres.

The bill was read. It directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Guadaloupe Torres, at the rate of eight dollars per month, from the date of the passage of the act.

No objection being made, the bill was laid aside, to be reported favorably to the House.

ELIZABETH M'CLUNEY.

The next bill on the Private Calendar was the bill (H. R. No. 2119) for the relief of Elizabeth McCluney.

The bill was read. It directs the Secretary of the Interior to place on the pension-roll, pursuant to the provisions of law in force prior to the act of July 14, 1862, and at the pension rate of fifty dollars per month, the name of Elizabeth McCluney, widow of Commodore William J. McCluney, late of the United States Navy.

Mr. FORT. I dislike to object to any bill reported by the Committee on Invalid Pensions; but as this bill raises a question——

The CHAIRMAN. No debate is in order.

Mr. FORT. Is there a report?

Mr. O'BRIEN. There is. Let the report be read.

Mr. FORT. I think the bill had better go over till some other day. I object to it.

MRS. MARY G. HARRIS.

The next bill on the Private Calendar was the bill (H. R. No. 2677) granting a pension to Mrs. Mary G. Harris, widow of John Harris, late commandant of the United States Marine Corps.

The bill was read. It directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Mrs. Mary G. Harris, widow of John Harris, late commandant of the United States Marine Corps, and pay her a pension at the rate of fifty dollars a month from and after the passage of the act.

Mr. FORT. I object to this bill for the same reason that I objected to the last. If the Marine Corps are to be allowed a higher rate of pension——

The CHAIRMAN. No debate is in order.

CHARLES HERBERT.

The next bill on the Private Calendar was the bill (H. R. No. 2678) granting a pension to Charles Herbert.

The bill was read. It directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Charles Herbert, late a private in Company C, Sixty-ninth Regiment New York Volunteers, and pay him a pen-

sion at the rate of twenty-four dollars a month from and after the passage of the act.

No objection being made, the bill was laid aside, to be reported favorably to the House.

GEORGE DAYSPRING.

The next bill on the Private Calendar was the bill (H. R. No. 2679) granting a pension to George Dayspring.

The bill was read. It directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of George Dayspring, late a private in Company H, Fifty-fourth Regiment Pennsylvania Volunteer Infantry, and pay him a pension at the rate of fifteen dollars a month from and after the passage of the act.

No objection being made, the bill was laid aside, to be reported favorably to the House.

MRS. JANE DULANEY.

The next bill on the Private Calendar was the bill (H. R. No. 2680) granting a pension to Mrs. Jane Dulaney.

The bill was read. It directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Mrs. Jane Dulaney, widow of William Dulaney, late colonel United States Marine Corps, and pay her a pension from and after the passage of the act.

No objection being made, the bill was laid aside, to be reported favorably to the House.

MRS. MARY E. MURPHY.

The next bill on the Private Calendar was the bill (H. R. No. 870) to place the name of Mrs. Mary E. Murphy on the pension-roll.

The bill was read. It directs the Secretary of the Interior to place the name of Mrs. Mary E. Murphy, of New York, on the pension-roll at the rate of fifteen dollars per month, commencing on the 1st day of October, 1861, as the widow of Richard J. Murphy, subject to the limitations and provisions of the pension laws.

Mr. HOLMAN. Is there a report in this case?

The CHAIRMAN. The report has not been printed.

Mr. HOLMAN. Then I hope some gentleman will explain the bill.

The CHAIRMAN. No debate is in order.

Mr. HOLMAN. I hope there will be no objection to a word of explanation, as there is no printed report. The bill proposes to date the pension back contrary to the general practice of the House.

The CHAIRMAN. No debate can be allowed. Does the gentleman object to the bill?

Mr. HOLMAN. No, sir.

There being no objection, the bill was laid aside, to be reported favorably to the House.

MARTHA A. ASHBURN.

The next bill on the Private Calendar was the bill (H. R. No. 2682) for the relief of Martha A. Ashburn, widow of George W. Ashburn, deceased.

The bill was read. It directs the Secretary of the Treasury to pay out of any money in the Treasury not otherwise appropriated, to Martha A. Ashburn, widow of George W. Ashburn, deceased, the sum of $3,838.37, in full payment and satisfaction of the claim of said George W. Ashburn against the United States.

No objection being made, the bill was laid aside, to be reported favorably to the House.

D. B. ALLEN & CO.

The next bill on the Private Calendar was the bill (S. No. 439) to provide for the payment of D. B. Allen & Co. for services in carrying the United States mails.

The bill was read.

Mr. RANDALL. I object to this bill; and I give notice that in connection with it I shall ask that the letter of the Postmaster-General be produced.

JOSEPH S. READ.

The next bill on the Private Calendar was the bill (H. R. No. 2463) for the relief of Joseph S. Read.

The bill was read.

Mr. HOLMAN. I call for the reading of the report.

Mr. RANDALL. Then I object to the bill to save time. I move that the committee rise. I wish to state that if we adjourn now we will have an objection day to-morrow for private bills.

The House divided; and there were—ayes 30, noes 60.

So the committee refused to rise.

PETERS & REED.

The next business on the Private Calendar was the bill (H. R. No. 565) for the relief of Peters & Reed, naval contractors at the Norfolk navy-yard in the year 1860.

Mr. RANDALL. I object.

J. L. TEDROW.

The next business on the Private Calendar was the bill (H. R. No. 955) for the relief of J. L. Tedrow, of Clarke County, Iowa.

Mr. RANDALL. I object to that bill.

Mr. KASSON. I hope the gentleman from Pennsylvania will withdraw his objection to this bill. It is only a matter of thirty-four dollars, and the proof is conclusive.

Mr. RANDALL. I do not withdraw it.

EVENING SESSION.

Mr. MAYNARD. If any gentlemen desire to speak to-night on the currency bill and will send their names to the Speaker's table, and it shall appear they are sufficient in number to have an evening session, I now give notice that I will ask for an evening session when we go into the House.

DUNCAN MARR.

The next business on the Private Calendar was the bill (H. R. No. 2683) for the relief of Duncan Marr, a loyal citizen of Montgomery County, Tennessee.

Mr. RANDALL. I object.

Mr. ATKINS. I hope the gentleman from Pennsylvania will withdraw his objection.

Mr. RANDALL. I do withdraw the objection, and ask that the bill be read.

The bill was read.

Mr. BARBER. I object to that bill.

Mr. HAWLEY, of Illinois, moved that the committee rise.

The motion was agreed to.

The committee accordingly rose, and the Speaker having resumed the chair, Mr. MCNULTA reported that the Committee of the Whole House had the Private Calendar under consideration, and had directed him to report sundry bills, some with and some without amendments.

Mr. RANDALL. I move that the House do now adjourn.

The motion was disagreed to.

PRIVATE LAND CLAIMS.

The SPEAKER. The Clerk will report the bills in their order.

A bill (H. R. No. 719) to authorize the issue of patents to lands in cases of private land claims.

Mr. G. F. HOAR. That bill was passed in the committee without objection and without explanation. It seems to me to be an important bill.

Mr. RANDALL. It is an important bill, and should be referred to the Committee on the Judiciary.

Mr. G. F. HOAR. I move that it be referred to the Committee on the Judiciary, and on that motion demand the previous question.

The previous question was seconded and the main question ordered; and under the operation thereof the bill was referred to the Committee on the Judiciary.

Mr. G. F. HOAR moved to reconsider the vote by which the bill was referred; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

LEMUEL C. RISLEY.

The SPEAKER. The bill (H. R. No. 799) for the relief of Lemuel C. Risley, late a second lieutenant in the Eighty-fifth Regiment of Indiana Volunteers, has been reported from the Committee of the Whole House with the recommendation that it do pass.

Mr. HOLMAN. I ask that the bill be laid upon the table, with leave, by unanimous consent, to take it up for action hereafter; and I do so because we have not yet secured some testimony which has been sent for to the War Department.

There was no objection, and it was ordered accordingly.

BILLS PASSED.

The following bills, reported from the Committee of the Whole House favorably, were then severally passed:

A bill (H. R. No. 2205) for the relief of P. Hornbeck;

A bill (H. R. No. 420) to authorize the Secretary of the Interior to discharge certain obligations of the United States to the creditors of the Upper and Lower bands of Sioux Indians;

A bill (S. No. 204) for the relief of Robert Bent and Jack Smith;

A bill (H. R. No. 2207) for the relief of James M. True, late colonel of the Sixty-second Illinois Volunteer Infantry;

A bill (H. R. No. 2131) to authorize a promotion in the Inspector-General's Department;

A bill (H. R. No. 551) granting a pension to Alfred Bolder;

A bill (H. R. No. 1791) granting a pension to Augustus L. Yaeger;

A bill (H. R. No. 60) granting a pension to Josiah Brinard;

A bill (H. R. No. 2214) granting a pension to Ann Humphreys;

A bill (S. No. 317) for the relief of Henry C. Smith, of Indianapolis, Indiana;

A bill (H. R. No. 20) granting a pension to Almon Graves;

A bill (H. R. No. 2215) granting a pension to Elizabeth Brady;

A bill (H. R. No. 1832) granting a pension to Elizabeth Hackleman;

A bill (H. R. No. 2216) granting a pension to Cornelia A. Washburn;

A bill (H. R. No. 2217) granting a pension to Henry Bruckner, private Company F, Fifty-eighth Regiment Illinois Volunteers;

A bill (H. R. No. 2218) granting a pension to Sarah Summerville;

A bill (H. R. No. 2219) granting a pension to Patrick Hickey;

A bill (H. R. No. 2220) granting a pension to Andrew J. Baldwin;

A bill (H. R. No. 2221) granting a pension to Mary B. Triplett, guardian of the minor heirs of John A. Tomlinson;

A bill (H. R. No. 366) granting a pension to Hugh Wallace;

A bill (H. R. No. 2223) for the relief of Robert F. Winslow;

A bill (H. R. No. 2270) making an appropriation to pay Emanuel

Small and James Tate, of Atchison County, Missouri, for carrying the mails;

A bill (S. No. 366) for the relief of Oliver Powers;

A bill (S. No. 310) for the relief of W. W. Elliott;

A bill (H. R. No. 1297) for the relief of Thomas T. Crittenden, of Missouri;

A bill (H. R. No. 2345) for the relief of John Clinton, postmaster at Brownsville, Tennessee;

A bill (H. R. No. 2346) for the relief of W. A. Sayler, of Bryan, Texas;

A bill (H. R. No. 2348) for the relief of Rev. George Morrison, late of Kentucky;

A bill (H. R. No. 2349) for the relief of Burke & Kunkel;

A bill (H. R. No. 393) granting a pension to Rosanna Quinn;

A bill (H. R. No. 1305) granting a pension to E. Caroline Webster, widow of Lucius H. Webster;

A bill (H. R. No. 1907) granting a pension to Henry B. Havens, late a private of Company K, Twelfth Regiment Wisconsin Volunteers;

A bill (H. R. No. 1835) granting a pension to Mary A. Lowe;

A bill (H. R. No. 1414) granting a pension to Susan Bennett;

A bill (H. R. No. 2351) granting a pension to John B. Miller;

A bill (H. R. No. 196) granting a pension to Peter J. Cratzer;

A bill (H. R. No. 1719) granting a pension to Ezra H. Foster;

A bill (H. R. No. 2352) granting a pension to Lewis Hinely;

A bill (H. R. No. 2116) for the relief of Magdalena Docks;

A bill (H. R. No. 2353) granting a pension to Lucy Ann Cummings;

A bill (H. R. No. 2355) granting a pension to Ann R. Voorhees;

A bill (H. R. No. 2552) for the relief of John W. Massey, late consul at Paso del Norte, Mexico;

A bill (H. R. No. 1145) granting a pension to Martin Laffin;

A bill (H. R. No. 1673) granting a pension to Isaac Stevens;

A bill (H. R. No. 1439) granting a pension to John Folger;

A bill (H. R. No. 2668) granting a pension to William J. Uhler, minor child of Nelson M. Uhler, late a private in Company B, Twenty-first Ohio Volunteers;

A bill (H. R. No. 1843) granting a pension to Lucinda Jones, widow of Thompson M. Jones, late a private in Company G, Twenty-second Illinois Volunteers;

A bill (H. R. No. 2181) granting a pension to Jennet H. Nisbet;

A bill (H. R. No. 2969) granting a pension to Deborah A. Swan, widow of Levi Swan, late a private in Company D, Fifty-eighth Illinois Volunteers;

A bill (H. R. No. 2670) granting a pension to Mary S. Howe, widow of David Howe, late special agent of the provost-marshal's office of the district of Massachusetts:

A bill (H. R. No. 2672) granting a pension to Mary S. Loomis, widow of Colonel Gustavus Loomis, late of the United States Army;

A bill (H. R. No. 2673) to restore the name of Hannah B. Eaton, of Kingsville, Ohio, to the pension-roll;

A bill (H. R. No. 2674) granting a pension to John W. Wright, now at the National Military Asylum, near Dayton, Ohio;

A bill (H. R. No. 1866) granting a pension to Dennis McCarthy, a soldier of the Mexican war;

A bill (H. R. No. 580) granting a pension to Rosalie C. P. Lisle.

A bill (H. R. No. 2675) granting a pension to Mrs. Elizabeth J. King;

A bill (H. R. No. 2676) granting a pension to Thomas McKinster;

A bill (H. R. No. 1799) granting a pension to Angelica Hammond;

A bill (H. R. No. 1335) granting a pension to Guadaloupe Torres;

A bill (H. R. No. 2678) granting a pension to Charles Herbert;

A bill (H. R. No. 2679) granting a pension to George Dayspring;

A bill (H. R. No. 2680) granting a pension to Mrs. Jane Dulaney;

A bill (H. R. No. 870) to place the name of Mary E. Murphy on the pension-roll; and

A bill (H. R. No. 2682) for the relief of Martha A. Ashburn, widow of George W. Ashburn.

RELINQUISHMENT OF UNITED STATES RIGHTS IN CERTAIN LANDS.

The bill (H. R. No. 2539) relinquishing the rights of the United States in certain lands in the State of Michigan was reported by the Committee of the Whole on the Private Calendar, with the recommendation that it do pass.

Mr. RANDALL. I object to the passage of that bill, and ask that it be read.

The bill was read.

Mr. CLYMER. After very careful and long consideration the Committee on the Public Lands, by a unanimous vote, directed this bill to be reported by myself, and I think that when my colleague [Mr. RANDALL] understands the nature of it he will withdraw his objection. This little island is in reality a sand-bar, formed near the mouth of the Saginaw River. At the time the lands were surveyed in the neighborhood, it was not in existence. It is not marked upon any of the maps of the Department. It has risen since. Sir, it is so nearly a sand-bar even now, that only at low-water is there any land appearing above the surface of the stream. The object of this bill is to give to the riparian owners on either side the right to this sand-bar according to a line drawn through it, to which consent shall be given. On the main shore there are valuable improvements in the shape of saw-mills. The owners on either shore have gone on this sand-bar, and have, by means of wharfage put up at their own expense, effected large improvements on this sand-bar.

The committee, to see that the United States was not damaged by this bill, inquired of the Commissioner of the General Land Office as to any title the United States might be presumed to have in this sand-bar. He has answered that the Government cannot by any possibility have any title thereto, as at the time the surveys were made it did not exist. The island has appeared since.

Mr. RANDALL. If the United States owns no title it has none to relinquish.

Mr. CLYMER. I would say in reply to my colleague that this is done to quiet title. I trust that the House, understanding the matter, will pass the bill.

The bill was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

GENERAL A. C. VORIS.

The bill (H. R. No. 2671) granting a pension to General A. C. Voris, late colonel of the Sixty-seventh Ohio Volunteers, was reported by the Committee of the Whole on the Private Calendar with the recommendation that it do pass.

Mr. HOLMAN. I ask that the bill may be read.

The bill was read. It authorizes and directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of General A. C. Voris, late colonel of the Sixty-seventh Regiment Ohio Volunteers, and pay him a pension at the rate of thirty dollars a month, the same to commence from the date of his discharge from the service of the United States.

Mr. HOLMAN. The bill provides that the pension shall commence "from the date of his discharge." I ask that the report may be read in order that it may be seen whether the bill ought not to be amended.

The report was read, as follows:

The Committee on Invalid Pensions, to whom was referred the petition of General A. C. Voris, late colonel of the Sixty-seventh Regiment Ohio Volunteers, beg leave to report:

That General A. C. Voris entered the service in January, 1862, as lieutenant-colonel of the Sixty-seventh Regiment Ohio Volunteer Infantry; received promotion for gallant and distinguished service until he reached the rank of brevet major-general. He was severely wounded on the 18th day of July, 1863, in an assault on Fort Wagner, South Carolina, by a gun-shot wound in the abdomen. The ball struck his sword-belt ring and divided into unequal parts, the smaller part lodging in the muscles that support the abdomen, the larger portion passing downward and backward, and lodging in the upper surface of the bladder, where it remained until about the 1st of November, 1872, when it broke through the walls of the bladder, and there remained until removed by surgical operation, on the 24th day of November, 1873.

General Voris states that he was entirely deceived by finding the smaller piece of lead shortly after he was hurt, and did not know from what cause he was suffering until the bullet was found in his bladder. General Voris states that he has suffered great pain at times from the date of his wound up to the operation, and supposed he was suffering from paralytic rheumatism; further states that he has expended at least $500 for medical services, and asks that he be granted a pension; that he has never applied for a pension, for the reason that he could not determine his disease and did not know that he was so clearly entitled until after the surgical operation.

Dr. Thomas McEbright, of Acton, Ohio, United States pension surgeon, states that he has attended General Voris for some months, and assisted in the operation for stone in the bladder. He fully corroborates the statements of General Voris. His affidavit is herewith filed and made part of this report.

In view of all the facts in the case, the distinguished services of General Voris, his great suffering from the wound received in the service and in the line of duty, your committee report favorably, and recommend the passage of a special act granting a pension at the rate of thirty dollars per month, same to commence from the date of the discharge of General Voris from the service of the United States.

The bill was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

RECONSIDERATION.

Mr. RANDALL moved to reconsider the several votes by which the bills reported from the Committee of the Whole on the Private Calendar were passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

APPROVAL OF BILLS AND JOINT RESOLUTIONS.

A message from the President was communicated to the House by Mr. BABCOCK, his Private Secretary, informing the House that the President had approved and signed bills and joint resolutions of the following titles:

An act (H. R. No. 215) to exempt George M. Richard, of Pittston, in the State of Pennsylvania, from the payment of $881.29 for postage-stamps stolen from his office while postmaster;

An act (H. R. No. 476) to establish bonded warehouses for the storing and cleaning of rice intended for exportation;

An act (H. R. No. 485) to authorize the Secretary of the Treasury to issue an American register to the schooner Carrie, of Eastport, Maine;

An act (H. R. No. 1037) making appropriations for the construction, preservation, and repair of certain fortifications and other works of defense for the fiscal year ending June 30, 1875;

An act (H. R. No. 1213) for the relief of Willard Howe, of Massachusetts;

An act (H. R. No. 1223) for the relief of L. S. Campbell;

An act (H. R. No. 1573) for the relief of Reuel B. Fuller, of Wilton, Maine;

An act (H. R. No. 1756) to amend the act entitled "An act to withdraw from settlement and sale a certain section of land in Wyoming Territory," approved May 23, 1872;

An act (H. R. No. 1954) granting a pension to Henry B. Ryder;

An act (H. R. No. 2225) to amend the act entitled "An act to pre-

vent the extermination of fur-bearing animals in Alaska," approved July 1, 1870.

An act (H. R. No. 2422) to approve an act of the Legislative Assembly of the District of Columbia, relating to parishes of the Protestant Episcopal Church;

An act (H. R. No. 2451) to improve the mouth of the Mississippi River;

An act (H. R. No. 2547) to relieve from political disabilities Thomas Hardeman, jr., of Georgia;

An act (H. R. No. 2651) reappropriating certain unexpended balances of appropriations for removal of Indians;

A joint resolution (H. R. No. 29) authorizing the Secretary of War to detail a medical officer of the Army to inquire into and report upon the causes of epidemic cholera; and

A joint resolution (H. R. No. 52) explanatory of resolution approved January 31, 1868, entitled "A resolution limiting contracts for stationery and other supplies in the Executive Departments to one year."

HOMES FOR DISABLED VOLUNTEER SOLDIERS.

Mr. SPEER, by unanimous consent, submitted the following resolution; which was read, considered, and agreed to:

Resolved, That the Committee on Invalid Pensions be instructed to inquire whether the system adopted by the board of managers of the national military homes for disabled volunteer soldiers of deducting any fines and forfeitures imposed upon any of the beneficiaries of the institution for alleged breaches of discipline are in accordance with the spirit and meaning of the pension laws, and whether any such fines can legally be deducted from the monthly pay of the said volunteers, and report by bill or otherwise.

Mr. SPEER moved to reconsider the vote by which the resolution was adopted; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

WITHDRAWAL OF PAPERS.

Mr. DURHAM. With the assent of the Committee on Invalid Pensions, I ask leave to withdraw the bill and accompanying papers in the case of Oliver Marcum, of Russell County, Kentucky, for an increase of pension.

The SPEAKER. Is there an adverse report in the case?

Mr. DURHAM. There is not; the bill is before the Committee on Invalid Pensions.

The SPEAKER. It is not necessary for the gentleman to withdraw the bill. If there be no objection leave will be granted for the withdrawal of the papers. The Chair hears none.

LEAVES OF ABSENCE.

Mr. PRATT was granted leave of absence until the 8th of April.

Mr. TAYLOR was granted leave of absence for ten days.

Mr. SHOEMAKER, of Pennsylvania, was granted leave of absence for one week.

Mr. PARKER, of Missouri. I move that the House do now adjourn.

The motion was agreed to; and accordingly (at four o'clock and thirty-five minutes p. m) the House adjourned.

PETITIONS, ETC.

The following memorials, petitions, and other papers were presented at the Clerk's desk, under the rule, and referred as stated:

By Mr. BUTLER, of Tennessee: Papers relating to the claim of Thomas Hord, to the Committee on War Claims.

By Mr. CLEMENTS: The petition of Marmaduke F. Smith, late captain Company E, Eighty-seventh Illinois Volunteers, for a pension, to the Committee on Invalid Pensions.

By Mr. GUNCKEL: The petition of Morgan Ashford, for a pension, to the Committee on Invalid Pensions.

By Mr. HUNTON: The petition of Philip H. Hoof, to be compensated for supplies furnished to the United States Army during the late war, to the Committee on War Claims.

By Mr. KELLEY: The petition of Charles T. Parry and 32 others, of Philadelphia, for the repeal of the second section of the act of Congress of June 6, 1872 which made a reduction of 10 per cent. in certain duties, and in opposition to the imposition of a tariff duty on tea and coffee, and any increase in internal taxes, to the Committee on Ways and Means.

Also, the petition of 47 citizens of Philadelphia, of similar import, to the Committee on Ways and Means.

By Mr. PENDLETON: The memorial of the Rhode Island Medical Association, in favor of the passage of the bill to increase the efficiency of the Medical Department of the Army, to the Committee on Military Affairs.

By Mr. RANDALL: The petition of Anthony A. Laws, late of Company D, Second Pennsylvania Reserves, for increase of pension, to the Committee on Invalid Pensions.

By Mr. ROSS: The petition of Jason Bolton and others, of Liberty, Tioga County, Pennsylvania, for a commission of inquiry concerning the alcoholic liquor traffic, to the Committee on the Judiciary.

By Mr. SPRAGUE: The petition of E. H. Moore and others, of Athens, Ohio, for a commission of inquiry concerning the alcoholic liquor traffic, to the Committee on the Judiciary.

By Mr. VANCE: The petition of T. W. Vest and others, for a mail-route from T. W. Vest's, in Cherokee County, North Carolina, to Ducktown, Tennessee, to the Committee on the Post-Office and Post-Roads.

HOUSE OF REPRESENTATIVES.

SATURDAY, *April* 4, 1874.

The House met at twelve o'clock m. Prayer by the Chaplain, Rev. J. G. BUTLER, D. D.

The Journal of yesterday was read and approved.

ENROLLING AND LICENSING OF VESSELS.

Mr. NEGLEY. I am directed by the Committee on Commerce to ask unanimous consent to report for action at this time the bill (H. R. No. 2549) to amend the act entitled "An act for enrolling and licensing ships or vessels to be employed in the coasting-trade and fisheries, and for regulating the same," passed February 18, 1793.

The bill was read. It provides that the act to which it is a supplement shall not be so construed as to extend the provisions of the said act to canal-boats or boats employed on the internal waters or canals of any State; and that all such boats, excepting only such as are provided with sails or propelling machinery of their own adapted to lake or coastwise navigation, and excepting such as are employed in trade with the Canadas, shall be exempt from the provisions of the said act and from the payment of all customs and other fees under any act of Congress.

Mr. NEGLEY. If any gentleman desires information in regard to this bill, I will have read a letter from the Secretary of the Treasury on the subject. I will add that the bill has been very carefully considered by the Committee on Commerce, and has the unanimous approval of that committee.

Mr. CONGER. I wish to hear the clause read again in relation to Canada.

The bill was again read.

Mr. CONGER. I have no objection to that.

Mr. HALE, of New York. I wish to ask if this bill has been considered by the Committee on Commerce and is unanimously reported by them?

Mr. NEGLEY. It is the unanimous report of the committee, and it is also recommended by the Secretary of the Treasury.

Mr. SCHUMAKER, of New York. I do not wish to oppose this bill, but there have been various remonstrances sent here by the Chamber of Commerce of New York and by the pilot commissioners, and I would ask if the committee have considered their statements and arguments against the bill?

Mr. NEGLEY. This bill only relates to canal-boats and boats employed on internal waters.

Mr. PARSONS. This bill does not relate to the point to which the gentleman refers.

No objection being made, the bill was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

Mr. NEGLEY moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

INDIAN CONTRACTS.

Mr. ADAMS. I ask unanimous consent to offer the following resolution:

Resolved, That the resolution passed by this House on the 10th day of March last directing the Committee on Indian Affairs to investigate the matter of contracts for Indian supplies and transportation for the fiscal years ending June 30, 1873, and June 30, 1874, be so amended and enlarged as to require said committee to make a thorough investigation into all frauds, unfairness, or irregularity, if any, connected with the administration of Indian affairs for the years named, and that said committee make report thereon as required by the resolution aforesaid.

Mr. AVERILL. I would ask the gentleman if he desires to introduce that resolution for reference or for adoption?

Mr. ADAMS. I ask unanimous consent to have the resolution adopted.

Mr. AVERILL. As the Committee on Indian Affairs has been considering a resolution similar in character to this, I must object unless the resolution be referred to that committee. I have no objection to its reference.

Mr. ADAMS. I would remind the gentleman that yesterday in conversation with him and with the gentleman from Massachusetts, [Mr. HARRIS,] another member of the committee, they suggested that I had better introduce the resolution on my own account.

Mr. AVERILL. That was an individual conversation, and was not known to the committee.

There being no objection, the resolution was received, and referred to the Committee on Indian Affairs.

SUSPENSION OF OFFICERS IMPEACHED.

Mr. BUTLER, of Massachusetts. I ask unanimous consent to report from the Committee on the Judiciary a bill to prevent maladministration in the civil service of the United States by its officers against whom articles of impeachment have been presented. I desire its consideration at this time. It has been unanimously agreed to by the committee.

The SPEAKER. The bill will be read for information.

The bill provides that whoever, being a civil officer of the United States, except the President and Vice-President of the United States, shall be impeached for high crimes and misdemeanors by the House

of Representatives before the Senate of the United States, shall thereupon be suspended from the functions and authority vested in him by virtue of his office, and until he shall be discharged from such impeachment by the judgment of the Senate or by the withdrawal of such impeachment by the House of Representatives; and the duties, functions, jurisdiction, and powers of each such suspended officer during the term of such suspension may be exercised by any other officer authorized by law to exercise the functions of office in case of the resignation, death, or disability of any such civil officer of the United States, or in case no provision is made by law, the President is authorized to appoint an officer with like powers, jurisdiction, and authority to perform the duty of such suspended officer during the time for which he shall remain so suspended, who shall receive the salary, pay, and emoluments which belong to such offices.

Mr. SCOFIELD. I will raise no objection to this bill; but I give notice that after this I shall insist upon the regular order, a thing which I believe I have never done before.

Mr. HOLMAN. I reserve my right to object, until the gentleman from Massachusetts [Mr. BUTLER] has had an opportunity to explain the bill.

The SPEAKER. That requires unanimous consent.

No objection was made.

Mr. BUTLER, of Massachusetts. I desire to make a brief statement to the House, after which I think there will be no objection to this bill, which has been pretty carefully considered by the Committee on the Judiciary. It simply provides that where any officer of the United States, excepting the President and Vice-President of the United States, shall have been impeached by the House before the Senate, during the time of his trial he shall be suspended from the duties of his office, which shall devolve upon the person designated by law in case of a vacancy, or in case there is no provision of law to that effect, the President may appoint an officer *ad interim*.

Mr. G. F. HOAR. Does that include judges of the Supreme Court?

Mr. BUTLER, of Massachusetts. It does; and I will tell the gentleman why. That provision is made in view of certain cases of judges. We have before the Committee on the Judiciary now various charges against some three judges, involving their honesty, integrity of judicial administration, and rectitude of character. While they are impeached by the House, under an impeachment by the judgment of the House, they can still go on and discharge the duties of their offices, and decide important questions and cases. I have now in my mind one judge, whose name I will not mention, because I do not desire to prejudge the case of any one, against whom it is alleged that as soon as he can hold his court long enough to clear up all the business for his friends he will resign. That may or may not be true.

We have the case of the Kansas judge who was impeached before the Senate for drunkenness and incapacity for holding the office. The Senate had not time to try him during that session. He went on and incumbered his office, being, as the testimony afterward showed, beastly drunk, and held over until the beginning of this Congress, and when we began to move against him again he resigned. It is a great scandal that an officer impeached for want of integrity and for incompetency, especially a judge, should continue to hold office and discharge its duties. When the House of Representatives solemnly present to the Senate of the United States articles of impeachment against an officer for high crimes and misdemeanors, I think it should operate at least as much a suspension as the mere suspension by the President of an officer until the next session of Congress.

Mr. HALE, of Maine. Will the gentleman allow me to ask him a question right here?

Mr. BUTLER, of Massachusetts. Yes, sir.

Mr. HALE, of Maine. Is there any doubt in the mind of the gentleman about the construction of this bill as to when the office would be vacated?

The SPEAKER. As there was a mistake the other day, the Chair wants it distinctly understood whether this bill is or is not now before the House.

Mr. SPEER. I will object to the bill.

Mr. G. F. HOAR. I would suggest to my colleague to set this bill down for some future time; it involves very grave constitutional questions.

Mr. BUTLER, of Massachusetts. I am willing to do that.

Mr. HALE, of Maine. Fix some one day for its consideration.

Mr. BUTLER, of Massachusetts. I am willing to name any day that will be convenient, say two weeks from to-day.

Mr. SPEER. I have no objection to that; I simply want time to examine the bill.

Mr. MOREY. I object.

Mr. BUTLER, of Massachusetts. Well, that will not save Durell.

Mr. MOREY. If you want to impeach Durell do it directly, not indirectly.

Mr. BUTLER, of Massachusetts. I do not want to do it indirectly. You will have enough of it before we get through.

ORDER OF BUSINESS.

Mr. SCOFIELD. I insist on the regular order.

The SPEAKER. The regular order being called for, the morning hour now begins at twenty minutes before one o'clock. The call of committees for reports of a private nature will be resumed.

TITLE TO HOT SPRINGS RESERVATION, ARKANSAS.

Mr. BRIGHT, from the Committee on Private Land Claims, reported back, with a favorable recommendation, the bill (H. R. No. 608) extending the time for filing suits in the Court of Claims to establish title to the Hot Springs reservation, in Arkansas.

Mr. HYNES. I make the point that this bill must go to the Committee of the Whole on the Private Calendar.

The SPEAKER. The Chair sustains the point. The bill will be so referred.

M. H. PLUNKETT.

Mr. HAYS, from the Committee on Naval Affairs, reported a bill (H. R. No. 2801) to place on the retired list of the Navy M. H. Plunkett, late second assistant engineer of the regular Navy; which was read a first and second time.

The bill authorizes the President of the United States to nominate and appoint M. H. Plunkett, late second assistant engineer in the regular naval service, on the retired list of the Navy, with pay to begin from the passage of the act.

Mr. HOLMAN. Must not this bill go the Committee of the Whole on the Private Calendar?

Mr. HAYS. The bill does not appropriate one dollar. I hope the gentleman will allow the bill to be passed. It merely restores an officer to the retired list of the Navy.

The SPEAKER. The point of order, if made, clearly lies against the bill. It proposes to establish an office that does not now exist, and defines the date from which the pay shall begin. It will require an expenditure of money.

Mr. HALE, of Maine. Does the bill create an additional office?

The SPEAKER. The Clerk will again read the bill.

The bill was again read.

The SPEAKER. Could this man be appointed under existing law?

Mr. HAYS. He could not.

The SPEAKER. Then of course this bill involves an expenditure which would not otherwise be made.

Mr. HALE, of Maine. It proposes to place a new man in office, but it does not create a new office.

The SPEAKER. The man is not in office now, and this bill proposes to put him in office.

Mr. HAYS. I hope the gentleman from Indiana [Mr. HOLMAN] will withdraw his point.

The SPEAKER. If the gentleman withdraws the point, of course the bill can be considered.

Mr. HOLMAN. I have no objection to hearing the report read.

The report, which was read, states that M. H. Plunkett entered the regular Navy July, 1858, and served as a second and third assistant engineer until May, 1865. He was captured on board of the United States steamer Harriet Lane, off Galveston, January 1, 1863, by rebel gun-boats, and was imprisoned in a rebel prison for eleven months and two weeks, therein contracting disease of the heart and lungs, which physically disqualified him for service in the Navy. He was ordered for examination May, 1864, and was discharged without examination, as the medical board, composed of Surgeons Dillard, McClelan, and Gaugus, United States Navy, reported that he was physically disqualified for promotion or sea-duty. This entitled him to go on the retired list of the Navy. (See acts of August 3, 1861, section 22; also act of April 21, 1864, section 4.) He resigned May, 1865, on account of having been cut off from all prospects of promotion or advancement in the service, and in the hope that he might recover his health and not be an incumbrance on the Government. By his doing so there was saved to the Government the amount that would have been paid to him from the date of his resignation to the present time.

The medical certificate dated March 6, 1871, signed William Brodie, M. D., also medical certificate dated February 11, 1874, signed H. C. Fessenden, M. D., show that his physical disability is permanent, and disqualifies him from following his occupation. The letters from his commanding officers—Robert Townsend, commander, United States Navy; A. Reed, United States Navy; W. W. Wood, chief engineer, United States Navy; Eben Hoyt, chief engineer, United States Navy, and others, speak in the highest terms of his qualifications, gentlemanly deportment, attention to duty, and valuable services rendered to the Government and gallantry in action; all accompanying said memorial.

The committee therefore recommend that the President of the United States be authorized to place M. H. Plunkett upon the retired list of the United States Navy, as a second assistant engineer, or the rank now corresponding to that grade; pay to begin from the passage of the act.

There being no objection, the bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. HALE, of Maine, moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

ARMY AND NAVY PENSION LAWS.

Mr. CRITTENDEN, from the Committee on Invalid Pensions, reported a bill to amend section 1 of an act entitled "An act to revise, consolidate, and amend the Army and Navy pension laws," approved March 3, 1873.

Mr. HAWLEY, of Illinois. I make the point that this is a general bill.

The SPEAKER. It is a public bill, and is not in order under this call. It will be returned to the gentleman presenting it.

ORDER OF BUSINESS.

The SPEAKER. There happens this morning what does not often occur in the business of the House. The committees have been called through for reports of a private nature, and a portion of the morning hour still remains. In such a case the usage is to resume the call of committees for public business at the point where the call rests. If the House chooses to go forward with public business during the remainder of the morning hour, reports of a public nature are in order from the Committee on Freedmen's Affairs.

Mr. HAWLEY, of Illinois. Mr. Speaker, if there be no objection, I move to go into Committee of the Whole House on the Private Calendar. We will soon run through with the business on the Private Calendar, and I should like to do that first.

The SPEAKER. That may be well, because members may be taken a little unaware in regard to it. The Chair, however, calls the attention of the House to the fact that on Friday and Saturday, in the morning hour, if the private call is finished before the expiration of the hour, the usage of the House is, although not often put in practice, but it is still the usage, the call of committees for public business continues during what remains of the morning hour, beginning where the call previously rested.

CONTUMACIOUS WITNESS.

Mr. WILSON, of Indiana. I rise to a question of privilege.

Mr. MAYNARD. I should like to ask a parliamentary question. Suppose we should get through with the private business to-day early, will not the regular order of public business then come up?

The SPEAKER. The question of privilege which the gentleman from Indiana proposes to bring up relates to a witness who refuses to obey a subpœna, and will be settled in a moment.

Mr. WILSON, of Indiana. Mr. Speaker, I am directed by the Committee on the Judiciary to report for the adoption of the House the following preamble and resolution:

The Clerk read as follows:

Whereas George H. Patrick, of Montgomery, Alabama, was on the 28th day of March, 1874, subpœnaed by the Sergeant-at-Arms of this House to appear before the Committee on the Judiciary to testify in the matter of the impeachment of Richard Busteed, judge of the district court of the United States for the district of Alabama, and to bring with him certain papers, as appears by the return of said Sergeant-at-Arms on the subpœna; and whereas the said George H. Patrick has failed to appear before said committee, as commanded: Therefore,

Resolved, That the warrant of the Speaker of the House is hereby directed to be issued to the Sergeant-at-Arms of this House, commanding said Sergeant-at-Arms to attach said George H. Patrick and bring him before the bar of the House, to answer for his contempt of said process; and said Sergeant-at-Arms shall proceed to execute such warrant forthwith.

Mr. MAYNARD. Mr. Speaker, there will be some considerable expense attending the execution of such an order. About a week has elapsed since the party was summoned, but it does not show he refused to answer the summons. Neither the preamble nor the resolution shows there is any reason to suppose he refused to obey the subpœna. It may not be practicable for him to leave home upon a day's notice or upon a week's notice. I should like to have some evidence that this man intends to be contumacious before we go to all this trouble and expense.

Mr. WILSON, of Indiana. I will say to the House, Mr. Speaker, that the Committee on the Judiciary has been attempting to save all the expense possible in connection with this case, and the Sergeant-at-Arms has been subpœnaing witnesses by telegram. Mr. Patrick has had telegrams sent to him a number of times, and we have had assurance he would be here. Finally, failing to make his appearance, we sent a subpœna, which has been served upon him. I have the return of the Sergeant-at-Arms to the paper. He still fails to appear, and we have every reason to believe he will not appear until compelled.

Mr. MAYNARD. I am informed privately by a Representative from the State of Alabama, who is also a member of the Judiciary Committee, of the precise fact. He has made a statement to me privately which, if he will put upon the record and let it go into our debates, will settle the question.

Mr. WHITE. I stated to the gentleman from Tennessee that I know the fact this witness does refuse. The subpœna has been served and every legitimate influence has been brought to bear to induce him to come here, but he positively refuses to come.

The SPEAKER. The Chair thinks that fact ought to appear in the preamble to the resolution.

Mr. MAYNARD. It is conclusive on that point, and I hope the preamble of the resolution will be so modified.

The SPEAKER. If that modification be made in the preamble it will go upon the record, while the statements of members upon the floor do not go upon the record.

Mr. MAYNARD. I move to insert the words in the preamble that he fails and refuses to appear.

Mr. COBURN. Does the return of the Sergeant-at-Arms show that?

Mr. WILSON, of Indiana. It certainly does. Let the resolution be modified so it will read, "The said George T. Patrick has failed to appear and refused to appear before said committee," &c.

Mr. EAMES. I desire to inquire whether the time of service is stated?

Mr. WILSON, of Indiana. It is stated. It was the 28th day of March, 1874, one week ago this day.

Mr. MAYNARD. That does not matter; for, after being subpœnaed, if he refuses to appear we ought not to wait longer.

The preamble and resolution, as modified, were adopted.

Mr. WILSON, of Indiana, moved to reconsider the vote by which the preamble and resolution were adopted; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

ORDER OF BUSINESS.

Mr. MAYNARD. I wish to inquire of the Chair what will be the regular order after the Private Calendar shall be disposed of, if it shall be disposed of to-day before the adjournment?

The SPEAKER. If the House shall now go into Committee of the Whole on the Private Calendar, the currency bill will be in order. If the House shall go into Committee of the Whole and rise, the currency bill will then be in order.

PRINTING OF REPORT.

Mr. HOLMAN, by unanimous consent, submitted the following resolution; which was read, and referred to the Committee on Printing:

Resolved, That there be printed for the use of the Committee on War Claims three hundred copies of report No. 262 of the present session.

ARRANGEMENTS FOR LIGHTING THE HOUSE.

Mr. BUTLER, of Massachusetts. I desire to offer a resolution, to which I think no one will object. I send it to the desk to be read.

The Clerk read as follows:

Resolved, That the Committee on Public Buildings and Grounds be instructed to inquire as to the arrangements for lighting the House, and to ascertain and report to this House whether the quality of light can be improved and its cost lessened.

There was no objection, and the resolution was agreed to.

Mr. BUTLER, of Massachusetts, moved to reconsider the vote by which the resolution was adopted; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

RANK AND PAY OF ARMY MEDICAL CORPS.

Mr. EAMES, by unanimous consent, presented resolutions of the Rhode Island Medical Society, in aid of the memorial of the American Medical Association, relating to the rank and pay of the Medical Corps of the United States Army; and moved that they be printed, and referred to the Committee on Military Affairs.

The motion was agreed to.

PRIVATE CALENDAR.

Mr. HAWLEY, of Illinois. I now insist on my motion that the House resolve itself into Committee of the Whole for the consideration of the Private Calendar, and pending that I ask unanimous consent, objection having been made to some bills yesterday through misapprehension, that the committee shall go back to the House bill No. 2463. Of course in committee a single objection will prevent its consideration to-day.

There was no objection, and it was so ordered.

The motion of Mr. HAWLEY, of Illinois, was then agreed to; and the House accordingly resolved itself into Committee of the Whole on the Private Calendar, (Mr. MCNULTA in the chair.)

The CHAIRMAN. This is objection day, and the committee will resume the consideration of the bills on the Private Calendar, beginning the call, as instructed by the House, with the bill H. R. No. 2463.

JOSEPH S. READ.

The first business on the Private Calendar was the bill (H. R. No. 2463) for the relief of Joseph S. Read.

The bill directs the proper accounting officer of the Treasury to pay, out of any money in the Treasury not otherwise appropriated, to Joseph S. Read the sum of $395.72, the same to be received in full compensation for services of the said Joseph S. Read as an assistant door-keeper to the House of Representatives from the 1st day of August to the 10th day of November, in the year 1868.

Mr. HOLMAN. I ask that the report be read.

The report was read, as follows:

The Committee on Claims, to whom was referred the claim of Joseph S. Read for services as assistant door-keeper of the House of Representatives from August 1, 1868, to November 10, 1868, report:

That it appears from the statement of said Read, C. E. Lippincott, William Moore, M. C., and Edward McPherson Clerk of the House of Representatives, that said Read was discharged as assistant door-keeper on the 25th day of July, 1868, said discharge to take effect after the adjournment of the then session of Congress; that the said Congress took a recess on the 1st day of August, and again from time to time, and finally adjourned on the 10th day of November, 1868; and that the said Read remained at the House, in the actual discharge of his duty as assistant door-keeper, until said adjournment, and has received no pay therefor from August 1, 1868, to November 10, 1868, a period of three and a half months, an account for which Edward Spicer, superintendent of the House folding-room, certifies to be correct for $395.72, at the rate of $1,440 per annum; that the reason why said account was not paid is that the money appropriated for that purpose was exhausted.

The committee therefore recommend the passage of the accompanying bill, giving to said Read the said sum of $395.72 in payment of said services.

There being no objection, the bill was laid aside, to be reported favorably to the House.

PETERS & REED.

The next bill on the Private Calendar was the bill (H. R. No. 565) for the relief of Peters & Read, naval contractors at the Norfolk navy-yard, in the year 1860.

The bill and report were read.

Mr. HALE, of New York. I should like to inquire why it is that this claim comes before the House? It seems to me, from the report of the committee, that——

The CHAIRMAN. This being objection day, no debate is in order.

Mr. HALE, of New York. Then I object. It is a case which should go to the Court of Claims.

Mr. PLATT, of Virginia. I hope the gentleman will withdraw his objection, and allow the bill to be considered on its merits. If the committee will allow me, I will briefly state the nature of the bill.

Mr. HALE, of New York. I am willing that the committee should hear the gentleman from Virginia, but meanwhile reserve my right to object.

Mr. KELLEY. That is not in order.

The CHAIRMAN. Does the gentleman from New York insist on his objection?

Mr. HALE, of New York. I do.

Mr. PLATT, of Virginia. All right.

J. L. TEDROW.

The next bill on the Private Calendar was the bill (H. R. No. 955) for the relief of J. L. Tedrow, of Clarke County, Iowa. The bill authorizes the Auditor of the Treasury for the Post-Office Department, upon presentation of satisfactory evidence to him of the loss of postal stamps of the value of $34.50, or any less amount, by J. L. Tedrow, as postmaster at Ottawa, Clarke County, Iowa, by burglars, as alleged, to credit his account as postmaster with the amount so feloniously taken and not recovered.

There being no objection, the bill was laid aside, to be reported favorably to the House.

DUNCAN MARR.

The next bill on the Private Calendar was the bill (H. R. No. 2683) for the relief of Duncan Marr, a loyal citizen of Montgomery County, Tennessee.

The bill was read.

Mr. HOLMAN. I ask for the reading of the report which accompanies this bill.

The CHAIRMAN. The Chair is informed that the report has not yet come from the printer.

Mr. HAWLEY, of Illinois. There is a report accompanying the bill. I ask that the bill be laid aside temporarily.

There was no objection, and it was so ordered.

S. D. HICKS.

The next bill on the Private Calendar was the bill (H. R. No. 2332) for the relief of S. D. Hicks, administrator of R. M. Harvey.

The bill directs the Secretary of the Treasury to pay to S. D. Hicks, administrator of R. M. Harvey, deceased, $355.25, the same being an amount erroneously covered into the Treasury by the error of the register of the United States district court at Richmond, Virginia.

Mr. PLATT, of Virginia. I ask for the reading of the report.

The report was read, as follows:

The Committee on Claims, to whom was referred the bill (H. R. No. 2332) for the relief of S. D. Hicks, administrator of R. M. Harvey, beg leave to submit the following report:

In January, 1868, the United States seized a lot of manufactured tobacco, tools, &c., at the factory of Hicks & Crosby at Richmond, Virginia, for violation of the internal-revenue laws, and the same were sold by order of the United States district court for the eastern district of Virginia.

R. M. Harvey presented his petition to the court, showing that a part of the tobacco seized and sold was his property, having been stored by him in the factory of Hicks & Crosby, and it being satisfactorily proved to the court that said tobacco was not liable to seizure, the register of the court, by a decree dated June 19, 1868, was ordered to pay to R. M. Harvey $355.25, the proceeds of said tobacco thus sold. Harvey was taken sick and died, and never received the money due him under the decree, and the same was by error of the register paid into the Treasury of the United States with the balance of the money due the United States from the proceeds of this sale and an order of distribution dated May 26, 1869.

These facts are very clearly stated in a decree of said district court, dated Richmond, February 18, 1874, which makes the following order:

It is therefore adjudged, ordered and decreed by this court that the amount hereinbefore stated, to wit, $355.25, is justly and lawfully due to the said Samuel D. Hicks, administrator, &c., of the estate of R. M. Harvey, deceased, and is chargeable as against the funds covered into the Treasury of the United States by the said decree of distribution of May 26, 1869, and ought to be paid out of any money in the Treasury of the United States not otherwise appropriated, under and by virtue of the provision of the act of Congress approved July 23, 1866, section 12, United States Statute 14, page 208.

Under this decree the case was presented to the Treasury Department for payment, and payment refused by the First Comptroller on the ground that the case did not come within the law.

In view of these facts it is the opinion of your committee that the claim ought to be paid, and we therefore recommend the passage of the bill.

Mr. HOLMAN. I ask that the opinion of the First Comptroller referred to in the report may be read.

The CHAIRMAN. The Chair is informed that the papers referred to in the report are not here.

Mr. HOLMAN. I ask that the bill may be again reported.

The bill was again read.

There being no objection, the bill was laid aside, to be reported favorably to the House.

DANFORD MOTT.

The next bill on the Private Calendar was the bill (H. R. No. 2684) for the relief of Danford Mott.

The bill provides that there shall be paid to Danford Mott, of Alburgh, Vermont, the sum of $2,707.92, out of any money appropriated for the payment of judgments rendered against the United States; the same being the amount found due and allowed to the said Mott by the Court of Claims for expenses in defending a suit brought against him for acts done as an officer of the United States.

There being no objection, the bill was laid aside, to be reported favorably to the House.

JOHN ALDREDGE.

The next bill on the Private Calendar was the bill (H. R. No. 2685) for the relief of John Aldredge.

The bill was read.

Mr. HALE, of New York. I ask that the report also be read.

The report was read.

Mr. HALE, of New York. I object.

RELIEF OF LOYAL CREDITORS.

The next bill on the Private Calendar was the bill (H. R. No. 2686) to provide for the relief of certain loyal creditors whose moneys were confiscated by the confederate congress.

The bill was read.

Mr. HALE, of New York. I object.

SUPPLIES TAKEN DURING THE MORGAN RAID.

The next bill on the Private Calendar was the bill (H. R. No. 2687) making compensation for supplies taken by Union military forces during the Morgan raid.

The bill authorizes the commissioners of claims to receive, examine, and consider the justice and validity of claims for horses, and stores or supplies, taken or furnished during the Morgan raid in July, 1863, through Indiana and Ohio, for the Union military forces, whether under command of officers of the United States, or of either of said States; and directs said commissioners to make report of said claims as of other claims.

Mr. SPEER. I move to amend as follows, by adding after Ohio, in line seven, the words, "and during the invasion by the rebels into Pennsylvania in 1862 and 1863," so that the bill will cover also the losses sustained by the people of Pennsylvania.

Mr. WILLARD, of Vermont. I object to the present consideration of the bill.

Mr. SPEER. I regret that, under the rules, the objection of the gentleman from Vermont prevents me at this time from saying a word in behalf of the long-suffering but gallant people of my State.

Objection having been made, the bill went over.

ALBERT F. YERBY.

The next bill on the Private Calender was the bill (H. R. No. 2688) for the relief of Albert F. Yerby, administrator of Addison O. Yerby, deceased.

The bill was read.

Mr. HALE, of New York. I object.

EMILE LAPAGE.

The next bill on the Private Calendar was the bill (H. R. No. 2689) for the relief of Emile Lapage, surviving partner of the firm of Lapage Brothers.

The bill and report were read.

Mr. HALE, of New York, objected.

WILLIAM J. M'INTYRE.

The next bill on the Private Calendar was the bill (H. R. No. (311) for the relief of William J. McIntyre.

The bill directs the Secretary of the Treasury to pay William J. McIntyre, late a lieutenant in the Eleventh Illinois Infantry Volunteers, the sum of $199.20, the same being the difference between the pay of a second lieutenant of infantry and a hospital steward, from the 7th day of August, 1864, to the 30th day of October, 1864.

The report was read, as follows:

The Committee on War Claims, to whom was referred the bill (H. R. No. 311) for payment for services performed by William J. McIntyre, having had the same under consideration, ask leave to report:

That the claimant, William J. McIntyre, was on the 7th day of August, 1864, commissioned by the governor of Illinois a second lieutenant in Company C, Eleventh Regiment Illinois Infantry, and immediately assumed command of his company, the captain and first lieutenant being absent, and continued in command of the company for several months thereafter.

At the time he received his commission as second lieutenant, on the 7th of August, the mustering officer of his command was absent, and very soon thereafter his command was ordered to join that of Major-General Herron at Port Hudson, and participated in the campaign that followed in Western Louisiana, the claimant commanding his company and participating in as well as leading the advance at the battles of Jackson and Clinton. It was not until the 30th day of October that an opportunity presented itself to the claimant to be mustered.

The claimant is indorsed by Hon. GEORGE C. MCKEE, of Mississippi, and Hon. William T. Jones, of Wyoming Territory, as a gentleman of the highest character, both as a soldier and a citizen.

The committee finding that the claimant not only did perform the duties of second lieutenant as alleged during the time intervening between the 7th day of August and the 30th day of October, 1864, but that he was in actual command of his company, participating in several dangerous engagements, and that his failure to be mustered was through no fault or negligence of the claimant, are of the opinion that he has a just and equitable claim against the Government, which ought to be paid, and for that purpose report back the bill (H. R. No. 311) and recommend its passage.

No objection being made, the bill was laid aside, to be reported favorably to the House.

MARK DAVIS.

The next bill on the Private Calendar was the bill (H. R. No. 2690) for the relief of Mark Davis.

The bill and report were read.

Mr. HALE, of New York. I object to that bill, and I beg to say that in making the objections I do to these bills reported by the Committee on War-Claims I do not intend to make any captious opposition or to indicate my opposition to the claims; but I think that where they involve important principles they ought not to be passed without debate.

Mr. MAYNARD. I object to debate; it is in violation of the rules.

Mr. HALE, of New York. I objected to the bill, and I was only explaining my reasons for objecting.

Mr. MAYNARD. It is not necessary that the gentleman should explain his reasons; the rules do not permit it.

Mr. HALE, of New York. I object to debate by the gentleman from Tennessee.

Mr. MAYNARD. That point is well taken.

RANDALL BROWN.

The next bill on the Private Calendar was the bill (H. R. No. 633) for the relief of Randall Brown, of Nashville, Tennessee.

The bill and report were read.

Mr. GARFIELD objected.

Mr. HARRISON. I move that the committee do now rise.

Mr. HAWLEY, of Illinois. I hope the committee will not rise now.

Mr. HOLMAN. I hope we shall go through the Calendar.

The CHAIRMAN. The motion is not debatable.

The question was taken on Mr. HARRISON's motion; and it was disagreed to—ayes 31, noes not counted.

MRS. FLORA A. DARLING.

The next bill on the Private Calendar was the bill (H. R. No. 2691) for the relief of Mrs. Flora A. Darling.

The bill and report were read.

Mr. GARFIELD objected.

THOMAS DAY.

The next bill on the Private Calendar was the bill (H. R. No. 1283) for the relief of Thomas Day, of Indiana.

The bill and report were read.

Mr. HALE, of New York, objected.

LIEUTENANT SIDNEY TINKER.

The next bill on the Private Calendar was the bill (H. R. No. 1840) for the relief of Lieutenant Sidney Tinker.

The bill was read.

Mr. BUTLER, of Massachusetts. I object to that bill.

Mr. HOLMAN. I hope the report will be read.

Mr. BUTLER, of Massachusetts. O, no; I object. I do not want the report read.

Mr. HOLMAN. Very well; that is a game that several gentlemen here can play at with great effect.

BENJAMIN W. REYNOLDS.

The next bill on the Private Calendar was the bill (H. R. No. 2694) for the relief of Benjamin W. Reynolds.

The bill and report were read.

Mr. GARFIELD. I want to think of that case a little more, and therefore I object.

LIEUTENANT SIDNEY TINKER.

Mr. HOLMAN. I rise to a question of order, and it is that the reports accompanying bills must be read before objection is made. I call for the reading of the report accompanying the bill (H. R. No. 1840) for the relief of Lieutenant Sidney Tinker. The gentleman from Massachusetts [Mr. BUTLER] objected to its reading, and I insist that the report must be read before gentlemen can be advised of the merits of the case or can object.

The CHAIRMAN. The Chair thinks he was in errror in entertaining the objection of the gentleman from Massachusetts, which cut off the reading of the report in this case. The Chair now understands the rule to be that an objection cannot be sustained until after the reading of the report if any gentleman demands its reading.

Mr. HALE, of New York. I understand that this bill was objected to by the gentleman from Massachusetts, [Mr. BUTLER.]

The CHAIRMAN. The report in the case was about to be read when the gentleman from Massachusetts objected. The gentleman from Indiana [Mr. HOLMAN] still demanded the reading of the report, but the Chair held that the bill would retain its place on the Calendar under the objection made by the gentleman from Massachusetts. The Chair is now informed that the rule is to the contrary, and that a member cannot object to a bill until after the reading of the report. The Chair having been in error, now directs the report to be read.

Mr. HALE, of New York. Do I understand the Chair to decide that an objection is not in order until the bill and report have been read?

The CHAIRMAN. If the reading of the report is demanded an objection is not in order until it has been read, as the Chair now understands the rule.

Mr. MAYNARD. Will the Chair direct the rule to be read by the Clerk under which he now makes his ruling?

Mr. PLATT, of Virginia. I call for the regular order. The Chairman having made his decision, nothing is in order except the reading of the report, unless an appeal is taken from the decision of the Chair.

The CHAIRMAN. The report will be read.

The report was read.

Mr. MAYNARD. I still object to the bill.

Objection being made, the bill went over.

GEORGE FISHER.

The next bill on the Private Calendar was the bill (H. R. No. 1253) for the relief of the heirs of George Fisher.

Mr. HALE, of New York. I object to the bill.

Mr. PLATT, of Virginia. I call for the reading of the report.

The CHAIRMAN. The report will be read.

The Clerk began to read the report, but before concluding,

Mr. MACDOUGALL moved that the further reading of the report be dispensed with.

The motion was agreed to.

Mr. HALE, of New York. I persist in my objection to the bill.

The bill accordingly went over.

MAJOR C. S. UNDERWOOD.

The next bill on the Private Calendar was the bill (H. R. No. 1193) for the relief of the estate of the late Major C. S. Underwood, paymaster United States Army.

The bill directs the accounting officers of the Treasury to allow a credit of $3,060.48 in the settlement of the accounts of the late Major C. S. Underwood, being the amount stolen from him at Baltimore, Maryland, February 16, 1865, without fault or negligence on his part.

No objection being made, the bill was laid aside, to be reported favorably to the House.

JOHN F. WHEELER.

The next bill on the Private Calendar was the bill (H. R. No. 2696) for the relief of John F. Wheeler.

The bill directs the proper accounting officers of the Treasury to pay to John F. Wheeler, of Syracuse, New York, the pay and emoluments of a second lieutenant of infantry for the period from the 7th day of May, 1864, to the 20th day of May, 1865, deducting therefrom the pay and emoluments received by him for said period as an orderly sergeant of infantry in the One hundred and forty-ninth Regiment of New York Volunteers.

No objection being made, the bill was laid aside, to be reported favorably to the House.

CAPTAIN JAMES M. ROBERTSON.

The next bill on the Private Calendar was the bill (H. R. No. 2697) to create an additional major of artillery, and to promote Captain James M. Robertson.

The bill provides that an additional major be added to the Second Regiment of Artillery, to be filled by the nomination and appointment of Captain James M. Robertson, of said regiment, by the President of the United States; that the said Robertson take rank next after the junior major of artillery; that the office of additional major by this act to the Second Regiment of Artillery shall not hereafter be filled by any other officer; that the office shall expire whenever, by any casualty, the number of majors in each regiment of artillery shall be reduced to three, and that the pay of said Captain Robertson as major shall commence from the date of his confirmation by the Senate on the nomination by the President.

No objection being made, the bill was laid aside, to be reported favorably to the House.

CHARLES W. BERRY.

The next bill on the Private Calendar was the bill (H. R. No. 1219) for the relief of Charles W. Berry, late private of the Thirty-sixth Regiment Wisconsin Volunteers.

The bill directs the Adjutant-General of the Army to remove the charge of desertion from the name of Charles W. Berry, late private Company E, Thirty-sixth Regiment of Wisconsin Volunteers, in view of his wounds while in the service; and provides that the said Charles W. Berry shall be allowed and paid the back pay, bounty, and additional bounty under the act of July 28, 1866, due him, in the same manner and to the same extent as if the said charge of desertion had never been made, and his application therefor had been filed before the 13th day of January, 1873.

No objection being made, the bill was laid aside, to be reported favorably to the House.

LIEUTENANT ALONZO V. RICHARDS.

The next bill on the Private Calendar was the bill (S. No. 100) for the relief of Lieutenant Alonzo V. Richards.

The bill provides that the Paymaster-General be, and he is thereby, authorized and directed to pay Alonzo V. Richards, late second lieutenant in the Signal Corps, United States Army, the pay and allowances of a second lieutenant of said Signal Corps from the 22d day of March, 1864, to the 10th day of May, 1865, less the pay of a sergeant of said corps received by him during the said period, out of any moneys appropriated for the pay of the Army.

Mr. HOLMAN. I ask for the reading of the report.

The report was read, as follows:

The Committee on Military Affairs, to whom was referred the bill (S. No. 100) for the relief of Lieutenant Alonzo V. Richards, submit the following report:

The committee find that this claim was before this committee at the third session of the Forty-first Congress, and Report No. 16 of said committee at that session is full and complete, and warranted by the proof. This committee, therefore, adopt said former report as their report, and recommend the passage of the bill.

Mr. HOLMAN. I hope there is some report accompanying this bill.

The CHAIRMAN. The Clerk has read the report.

Mr. HOLMAN. That refers to some other report.

The CHAIRMAN. The report recommends the passage of the bill.

No objection being made, the bill was laid aside, to be reported favorably to the House.

JOSEPH C. BRECKINRIDGE.

The next bill on the Private Calendar was the bill (H. R. No. 2698) for the relief of Joseph C. Breckinridge, for services in the Army of the United States.

The bill directs the Paymaster-General to pay to Joseph C. Breckinridge the full pay and allowances of a first lieutenant of cavalry from the 30th day of August, 1861, to the 5th day of June, 1862, being the period during which he served as aid-de-camp on the staff of General William Nelson and General George H. Thomas, prior to his muster into the United States service.

No objection being made, the bill was laid aside, to be reported favorably to the House.

JOHN HEBERER.

The next bill on the Private Calendar was the bill (H. R. No. 1844) for the relief of John Heberer.

The bill directs the Secretary of the Treasury to pay to John Heberer, of the county of Monroe, in the State of Illinois, the sum of $1,042.78, out of any money in the Treasury not otherwise appropriated, for services by him rendered and expenses incurred as an enrolling officer of the United States, in the twelfth congressional district of the State of Illinois, in the years 1864 and 1865.

There being no objection, the bill was laid aside, to be reported favorably to the House.

CONTRACTORS FOR BUILDING VESSELS OF WAR, ETC.

The next bill on the Private Calendar was the bill (H. R. No. 217) for the relief of certain contractors for the construction of vessels of war and steam-machinery.

Mr. HOLMAN. There is a minority report from the Committee on War-Claims in this case, so that the bill will have to go over.

The bill accordingly went over.

ROBERT TILLSON & CO.

The next bill on the Private Calendar was the bill (H. R. No. 2699) for the relief of Robert Tillson & Co., of Quincy, Illinois.

The bill provides that the claim of Robert Tillson & Co., of Quincy, Illinois, for loss and damage growing out of the failure of the Government of the United States to keep and perform the contract or contracts as to time and manner of payment, under which certain horse equipments and infantry accouterments were manufactured, between the months of September, 1862, and July, 1864, by said Tillson & Co., for said Government, shall be referred to the Court of Claims, which is authorized and directed to investigate the same, and to ascertain, determine, and adjudge the amount equitably due said firm, if any, for such loss and damage.

No objection being made, the bill was laid aside, to be reported favorably to the House.

JOHN B. CHAPMAN.

The next bill on the Private Calendar was the bill (H. R. No. 2786) for the relief of John B. Chapman.

The bill directs the Secretary of the Treasury to pay to John B. Chapman, out of any money in the Treasury not otherwise appropriated, the sum of $1,500, in full for his services in counseling, directing, and sustaining the Osage tribe of Indians in Kansas in the years 1861 and 1862.

No objection being made, the bill was laid aside, to be reported favorably to the House.

KERRY SULLIVAN.

The next bill on the Private Calendar was the bill (H. R. No. 491) for the relief of Kerry Sullivan, of Company G, Fourteenth Regiment New Hampshire Volunteers; which was reported back from the Committee on Military Affairs with amendments.

The bill was read. It provides that the Secretary of the Treasury be authorized and directed to pay, out of any money appropriated or to be appropriated for the payment of the Army, to Kerry Sullivan, late private in Company G, Fourteenth Regiment New Hampshire Volunteers, commissioned a second lieutenant in said regiment, the pay and emoluments of a second lieutenant of infantry from the 24th day of September, 1864, the date of his commission, to the 19th day of August, 1865, the date of his discharge, as if said Kerry Sullivan had been mustered as a second lieutenant on the date of his commission, first deducting whatever sum may have been paid said Kerry Sullivan as a private soldier during the period for which he is allowed pay and emoluments as a second lieutenant of infantry.

The amendments were read, as follows:

Strike out the "24th day of September" and insert the "5th day of May, 1865, to the 8th day of July, 1865;" and strike out the "date of his commission" and insert the "5th day of May, 1865."

The amendments were agreed to.

There being no objection, the bill, as amended, was laid aside, to be reported favorably to the House.

Mr. HOLMAN. Inasmuch as the bills and reports on the Calendar have been gone through with, I should like to know if the bills and reports now reported have been printed?

Mr. RUSK. The bills and reports are printed.

H. P. INGRAM AND JOHN K. ASKINS.

The next bill on the Private Calendar was the bill (H. R. No. 2788) for the relief of H. P. Ingram and J. K. Askins.

The bill was read. It provides that the Secretary of the Treasury be, and he is thereby, directed to pay H. P. Ingram, captain Sixty-second Regiment Illinois Volunteers, and John K. Askins, second lieutenant Sixty-second Regiment Illinois Volunteers, the salaries of their respective offices from the 15th day of January, 1862, to the 10th day of April, 1862.

There being no objection, the bill was laid aside, to be reported favorably to the House.

JOHN S. DICKSON.

The next bill on the Private Calendar was the bill (H. R. No. 2789) for the relief of John S. Dickson, late captain of paroled prisoners.

The bill was read. It provides that the Secretary of the Treasury is thereby authorized and directed to pay to John S. Dickson, late captain of Company B, paroled prisoners of Wisconsin Volunteers, out of any money in the Treasury not otherwise appropriated, the full pay and allowances of a captain of infantry for the period of nine months and twenty days, the same being the time he served as captain of Company B, paroled prisoners, deducting therefrom the amount of pay received by said John S. Dickson as sergeant of Company C, Eighteenth Regiment Wisconsin Volunteers.

There being no objection, the bill was laid aside, to be reported favorably to the House.

GEORGE S. GUSTIN.

The next bill on the Private Calendar was the bill (H. R. No. 1322) for the relief of George S. Gustin, late a private of Company D, Seventy-fourth Regiment Illinois Volunteers.

The bill was read. It provides that the proper accounting officers of the Government be, and they are thereby, authorized and directed to pay George S. Gustin, late private of Company D, Seventy-fourth Regiment of Illinois Volunteer Infantry, the same additional bounty provided by the act of July 28, 1866, to which he would have been entitled had he been mustered out of the service with his said regiment.

There being no objection, the bill was laid aside, to be reported favorably to the House.

MRS. AMY A. HOUGH.

The next bill on the Private Calendar was the bill (S. No. 449) granting a pension to Mrs. Amy A. Hough.

The bill was read. It provides that the Secretary of the Interior be, and he is thereby, authorized and directed to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Amy A. Hough, mother of Daniel E. Hough, deceased, late captain of Company A, Eleventh Regiment Wisconsin Volunteer Infantry, to take effect from the passage of this act.

There being no objection, the bill was laid aside, to be reported favorably to the House.

JULIA A. SMITH.

The next bill on the Private Calendar was the bill (S. No. 217) granting a pension to Julia A. Smith.

The bill was read. It provides that the Secretary of the Interior be, and he is thereby, authorized and directed to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Julia A. Smith, widow of Charles B. Smith, late a first lieutenant in the Fifth Regiment Iowa Volunteer Cavalry, and to pay her a pension as such widow from and after the passage of the act.

There being no objection, the bill was laid aside, to be reported favorably to the House.

BENJAMIN FARLEY.

The next bill on the Private Calendar was the bill (S. No. 387) granting a pension to Captain Benjamin Farley, Company C, Fifth Indiana Cavalry.

The bill was read. It provides that the Secretary of the Interior be, and he is thereby, authorized and directed to place on the pension-roll the name of Captain Benjamin Farley, of Company C, Fifth Regiment of Indiana Cavalry, and that he be allowed a pension at the rate of $31.25 per month, on account of having lost the sight of both eyes in consequence of exposures and hardships while in the military service of the United States.

There being no objection, the bill was laid aside, to be reported favorably to the House.

CALEB A. LAMB.

The next bill on the Private Calendar was the bill (S. No. 42) grant-

ing a pension to Caleb A. Lamb, late a musician in Company E of the Forty-sixth Regiment of Indiana Volunteer Infantry.

The bill was read. It provides that the Secretary of the Interior be, and he is thereby, authorized and directed to place upon the pension-roll, subject to the provisions and limitations of the pension laws, the name of Caleb A. Lamb, late a musician in Company E of the Forty-sixth Regiment of Indiana Volunteer Infantry, to take effect from and after the passage of the act.

There being no objection, the bill was laid aside, to be reported favorably to the House.

NANCY ABBOTT.

The next bill on the Private Calendar was the bill (H. R. No. 2790) granting a pension to Nancy Abbott.

The bill was read. It provides that the Secretary of the Interior be, and he is thereby, authorized and directed to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Nancy Abbott, mother of Amos W. Abbott, a sergeant of Company A in the Ninth Regiment of Michigan Volunteers.

No objection being made, the bill was laid aside, to be reported favorably to the House.

FRANKLIN STONER.

The next bill on the Private Calendar was the bill (H. R. No. 2791) granting a pension to Franklin Stoner.

The bill was read. It provides that the Secretary of the Interior be, and he is thereby, authorized and directed to place the name of Franklin Stoner, late a private in Company G of the Eighty-fourth Regiment of Pennsylvania Volunteers, on the pension-roll, subject to the provisions and limitations of the pension laws, and that he be paid a pension from the passage of the act.

There being no objection, the bill was laid aside, to be reported favorably to the House.

JOHN G. PARR.

The next bill on the Private Calendar was the bill (H. R. No. 1616) granting a pension to John G. Parr, of Kittaning, Pennsylvania.

The bill was read. It provides that the Secretary of the Interior be, and he is thereby, authorized and directed to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of John G. Parr, late a lieutenant-colonel One hundred and thirty-ninth Regiment Pennsylvania Volunteers, and pay him a pension of fifty dollars per month from June, 1835, deducting the pension already paid.

No objection being made, the bill was laid aside, to be reported favorably to the House.

ELIZABETH CLARK.

The next bill on the Private Calendar was the bill (H. R. No. 2118) for the relief of Elizabeth Clark.

The bill was read. It directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Elizabeth Clark, mother of Isaac Clark, private of Company C, One hundred and nineteenth Regiment, Pennsylvania Volunteers, from the death of her son, Isaac Clark, who was killed in action at Spottsylvania Court-House, May 5, 1864.

No objection being made, the bill was laid aside, to be reported favorably to the House.

ELIZABETH F. THOMPSON.

The next bill on the Private Calendar was the bill (S. No. 316) granting a pension to Elizabeth F. Thompson.

The bill was read. It directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Elizabeth F. Thompson, mother of Moses Goodwin, late a private in Company I, Ninth Regiment of Maine Volunteers, to take effect from the passage of the act.

No objection being made, the bill was laid aside, to be reported favorably to the House.

LLEWELLYN BELL.

The next bill on the Private Calendar was the bill (H. R. No. 2792) granting a pension to Llewellyn Bell.

The bill was read. It directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Llewellyn Bell, late a private in Company C, Thirty third Ohio Veteran Volunteers, and pay him a pension from and after the passage of the act.

No objection being made, the bill was laid aside, to be reported favorably to the House.

ANNA BRASEL.

The next bill on the Private Calendar was the bill (H. R. No. 2793) to correct the date of commencement of pension to Anna Brasel, widow of David Brasel, late sergeant in Captain Gordon's company, Illinois Mounted Volunteers.

The bill was read. It directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Anna Brasel, widow of David Brasel, late a sergeant in Captain Gordon's company of Colonel Thomas N. Neal's regiment Illinois Mounted Volunteers, and pay her a pension at the rate of four dollars a month from July 4, 1841, to July 25, 1866, and at the rate of eight dollars a month from July 25, 1866, deducting all subsequent payments.

No objection being made, the bill was laid aside, to be reported favorably to the House.

SCIOTHA BRASHEARS.

The next bill on the Private Calendar was the bill (S. No. 361) granting a pension to Sciotha Brashears, late of the Seventeenth Regiment Kentucky Cavalry.

The bill was read. It directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Sciotha Brashears, late of the Seventeenth Regiment Kentucky Cavalry, and that he be allowed a pension of eight dollars per month from and after the passage of the act.

No objection being made, the bill was laid aside, to be reported favorably to the House.

ADE H. M'DONALD.

The next bill on the Private Calendar was the bill (H. R. No. 599) for the relief of Ade H. McDonald, of Nashville, Tennessee.

The bill was read. It directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Ade H. McDonald, to date from the death of her husband, on whose account she has been pensioned.

The amendment reported by the Committee on Invalid Pensions, to strike out "death of her husband, on whose account she has been pensioned," and insert "passage of this act," was agreed to.

No objection being made, the bill, as amended, was laid aside, to be reported favorably to the House.

LUCINDA SCHRUM.

The next bill on the Private Calendar was the bill (S. No. 566) granting a pension to Lucinda Schrum, widow of Jacob R. Schrum, late of Company A, Forty-ninth Regiment Missouri Volunteers.

The bill was read. It directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Lucinda Schrum, widow of Jacob R. Schrum, late of Company A, Forty-ninth Regiment Missouri Volunteers.

No objection being made, the bill was laid aside, to be reported favorably to the House.

CHRISTIANA BAILEY.

The next bill on the Private Calendar was the bill (S. No. 548) granting a pension to Christiana Bailey.

The bill was read. It directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Christiana Bailey, widow of David Bailey, deceased, late a private in Company B, Thirteenth Regiment West Virginia Volunteer Infantry.

No objection being made, the bill was laid aside, to be reported favorably to the House.

ELIZABETH WOLF.

The next bill on the Private Calendar was the bill (H. R. No. 2794) granting a pension to Elizabeth Wolf.

The bill was read. It directs the Secretary of the Interior to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Elizabeth Wolf, widow of John F. Wolf, late of Company D, Third Regiment Maryland Volunteers, and pay her a pension from and after the passage of the act.

No objection being made, the bill was laid aside, to be reported favorably to the House.

BUILDERS OF STEAMERS.

The next bill on the Private Calendar was the bill (H. R. No. 2795) for the relief of the builders of the steamers La Portena, Edward Everett, F. W. Lincoln, Azalia, and N. P. Banks.

The bill was read. It authorizes the Secretary of the Treasury to refund to the builders of the steamers La Portena, Edward Everett, F. W. Lincoln, Azalia, and N. P. Banks a sum not to exceed $6,574, being the amount of revenue tax found to have been paid by them to the Government on the hulls and engines of said steamers, said payment to be made out of any funds in the Treasury not otherwise appropriated.

Mr. HOLMAN. That is an unusual claim. Let it go over. I object to the bill.

RAFAEL MADRAZO.

The next bill on the Private Calendar was the bill (H. R. No. 2796) for the relief of Rafael Madrazo.

The bill was read. It directs the Secretary of the Treasury to pay Rafael Madrazo, owner of the bark Teresita, which vessel was illegally captured by the United States steamer Granite City on the 16th day of November, 1863, near the mouth of the Rio Grande, and restitution of which was ordered by the district court of the eastern district of Louisiana, (after sale of said bark, and the deposit of the proceeds of the sale thereof, under the order of the court in the First National Bank of New Orleans,) which said judgment of restitution was afterward at the December term, in 1866, of the Supreme Court of the United States affirmed, a sufficient sum, not exceeding $10,359.20, out of any money in the Treasury not otherwise appropriated, to restore to Madrazo, or to his lawful assigns, without interest, the proceeds of said sale, after deducting therefrom whatever sum may have been recovered from said bank, either before or after the failure thereof, said bank having failed shortly after the deposit of the proceeds aforesaid.

Mr. WILLARD, of Vermont. I object.

JAMES W. BOWEN.

The next bill on the Private Calendar was the bill (H. R. No. 1207)

for the relief of James W. Bowen, late provost-marshal of the tenth congressional district of Pennsylvania.

The bill was read. It recites in the preamble that Andrew B. Neugardt, a son of Jacob Neugardt, of Upper Mahantango Township, Schuylkill County, Pennsylvania, and within the tenth congressional district of said State, was drafted in the fall of the year 1864, to serve for the period of three years in the Army of the United States; that Jacob Neugardt procured Simon B. Neugardt, another of his sons, to be accepted and mustered into the service as the substitute for the said Andrew B. Neugardt; that Jacob Neugardt afterward induced his said son to desert from the Army, whereupon James W. Bowen, then the provost-marshal of said tenth congressional district, in pursuance of orders from the War Department, caused Jacob Neugardt to be arrested and detained for inducing his son to desert, and discharged him upon voluntarily depositing the sum of $625 to procure another substitute, and which substitute was procured and mustered into the service of the United States, and a certificate of discharge of Simon B. Neugardt issued and delivered to Jacob Neugardt; that Jacob Neugardt afterward repudiated the transaction, denied the deposit of the money for the purpose aforesaid, and brought suit and recovered judgment against the said James W. Bowen in the courts of Pennsylvania, and he (Bowen) was compelled to refund the sum out of his own private means. The bill therefore directs the Secretary of the Treasury to pay the said James W. Bowen the sum of $1,080, out of any money not otherwise appropriated, being the amount of the debt, interest, and cost due him.

Mr. HOLMAN. I call for the reading of the report.

The report was read, as follows:

The Committee on Claims, to whom was referred the bill (H. R. No. 1207) for the relief of James W. Bowen, late provost-marshal of the tenth congressional district of Pennsylvania, respectfully report:

It appears from the papers submitted in this case that while petitioner was acting as provost-marshal, in October, 1864, one Andrew B. Neugardt was drafted to serve in the United States Army. The drafted man procured his brother Simon to go as his substitute. The said Simon was duly mustered into the service, and was granted a furlough of ten days before joining his regiment. The said Simon failed to make his appearance at the expiration of his furlough, and was marked as a deserter on the rolls. The petitioner caused Jacob Neugardt, the father of said Simon, to be arrested on the charge of aiding and abetting the desertion, and detained him in the guard-house for one or two days. While thus under arrest Jacob Neugardt paid petitioner $625 to procure a substitute for Simon. The said Jacob afterward brought suit in the court of common pleas in the tenth district of Pennsylvania against petitioner for the sum so paid under duress, and recovered judgment for $800 and costs. As it is presumed all the facts in the transaction were before the court on the trial of the case, and that defendant had a fair trial on the law and the facts, your committee fail to see any reason why the judgment and costs should be paid out of the Treasury of the United States.

The committee therefore report back the bill, with the recommendation that the same do lie on the table.

Mr. HOLMAN. That is a very satisfactory report.

The CHAIRMAN. The bill will be reported adversely to the House.

WILLIAM PELHAM.

The next bill on the Private Calendar was the bill (H. R. No. 1370) to authorize the Secretary of the Interior to settle and pay the accounts of William Pelham, late surveyor-general of New Mexico.

The bill was read. It requires the Secretary of the Interior to settle and pay whatever amount may be found due and owing by the Government to William Pelham, as surveyor-general of the Territory; and appropriates for that purpose $518.90, or so much thereof as may be necessary.

No objection being made, the bill was laid aside, to be reported favorably to the House.

PAYMENT OF CLAIMS.

The next bill on the Private Calendar was the bill (H. R. No. 2797) making appropriations for the payment of claims reported allowed by the commissioners of claims under the act of March 3, 1871.

Mr. HOLMAN. That is a general bill, in relation to the report of the commissioners of southern claims. It is very voluminous, and I suppose it is hardly necessary to read the bill if any gentleman proposes to object to it.

Mr. COBB, of North Carolina. I object.

B. C. BAILEY.

The next bill on the Private Calendar was the bill (H. R. No. 488) for the relief of B. C. Bailey.

The bill and report were read.

Mr. HALE, of New York, objected.

JOHN J. HAYDEN.

The next bill on the Private Calendar was the bill (H. R. No. 2798) for the relief of John J. Hayden.

The bill directs the Secretary of the Treasury to pay to John J. Hayden $150 in full compensation for services rendered by him for the United States, in the year 1864, in the office of John H. Farquhar, Captain in the Nineteenth Regiment United States Infantry and mustering and disbursing officer at Indianapolis, Indiana, in relation to the draft accounts of said State.

The report was read, as follows:

The Committee on War-Claims, to whom was referred the petition and papers of John J. Hayden, asking compensation for services rendered by him to the United States in 1864, beg leave to report:

That it appears from the papers before the committee that Mr. Hayden was employed in January and February, 1864, by Hon. John H. Farquhar, late a member of the House of Representatives, and in 1864 captain in the Nineteenth United States Infantry, and mustering and disbursing officer, Indiana, to make up certain abstracts of draft accounts for Indiana, and preparing a book of twenty-seven hundred checks ready for the signature of the disbursing officer. Colonel Farquhar states that this service occupied the time of Mr. Hayden for thirty nights; that the entire service was rendered after office hours; that it was important for the public service that Mr. Hayden should perform this duty, as he was especially qualified for the same. Colonel Farquhar's certificate is as follows:

The United States to J. J. Hayden, Dr.

January, February, 1864. For services rendered Captain J. H. Farquhar, Nineteenth United States Infantry, mustering and disbursing officer, Indianapolis, Indiana, for thirty nights' services, after all other work of the day was finished in provost-marshal-general's office, in making up abstracts of draft accounts for Indiana for 1862, and preparing a book of twenty-seven hundred checks ready for his signature in payment of said accounts—30 nights, at $5 per night, $150.

The duty in the provost-marshal's office was entirely independent, and in all cases that duty was fully completed for each day and evening before the above work was prosecuted.

I certify that the above account is correct and just; that the services were rendered as stated; and that they were necessary for the public service. Judge Hayden was familiar with, and associated in, the work of the draft commissioner in 1862, and devoted night hours to the above work, entirely independent of the demands of other duty, to enable me to complete the work devolved upon me.

JOHN H. FARQUHAR,
Late Captain Nineteenth United States Infantry,
Mustering and Disbursing Officer, Indiana.

Received, &c.

J. J. HAYDEN.

Mr. Hayden was a clerk in the office of the provost-marshal-general of Indiana. Your committee would not deem it proper in a time of peace to permit a public officer to receive extra compensation for official services, but as this service was rendered under the pressure of urgent public necessity, and outside of office hours, and in a different employment from that in which Mr. Hayden was engaged, and under special employment of Colonel Farquhar, and was of special public value, as stated by Colonel Farquhar in a letter now before the committee, dated January 19, 1869, your committee think this claim is an unexceptional and meritorious one, and should be allowed, and are of the opinion that such allowance cannot give rise to any questionable precedent. Colonel Farquhar says, in the letter referred to, "Judge Hayden was under no obligation to perform the service, and undertook it at my earnest solicitation, with confident expectation of extra pay, and a desire to serve the Government. I know that his services were indispensable, and that the amount charged is reasonable and should be paid."

Under these circumstances your committee report the accompanying bill, and recommend its passage.

There being no objection, the bill was laid aside, to be reported favorably to the House.

WILLIAM ROOD.

The next bill on the Private Calendar was the bill (H. R. No. 1220) for the relief of William Rood, late private of the Thirty-sixth Regiment of Wisconsin Volunteers.

The bill directs the Adjutant-General of the Army to remove the charge of desertion from the name of William Rood, late private Company E, Thirty-sixth Regiment of Wisconsin Volunteers, in view of his death while in service; and that the father of the said William Rood shall be allowed and paid the back pay, bounty, and additional bounty, act of the 28th of July, 1866, due him, in the same manner and to the same extent as if the said charge of desertion had never been made, and application therefor had been filed before the 30th of January, 1873.

The Committee on Military Affairs reported the bill, with an amendment, to strike out the words "back pay, bounty, and additional bounty, act of 28th of July," and to insert in lieu thereof, the words "pay and benefits and advantages."

The amendment was agreed to.

There being no objection, the bill, as amended, was laid aside, to be reported favorably to the House.

DAVID W. STOCKSTILL.

The next bill on the Private Calendar was the bill (H. R. No. 2799) for the relief of David W. Stockstill, of Sidney, Ohio.

The bill was read.

Mr. HOLMAN. I desire to offer an amendment to make that bill conform with the practice of the House.

Mr. HAWLEY, of Illinois. I submit that that is in the nature of debate.

The CHAIRMAN. The gentleman from Indiana objects.

Mr. HOLMAN. I do not object, but it is certainly in order to move an amendment to the bill.

The CHAIRMAN. That is in the nature of debate.

Mr. HOLMAN. Then I shall have to object.

BENJAMIN CRAWFORD.

The next bill on the Private Calendar was the bill (H. R. No. 2800) for the relief of Benjamin Crawford.

The bill directs the Secretary of the Treasury to pay to Benjamin Crawford the sum of $5,000, which shall be in full compensation for the use by the Government of the said Crawford's patent steam-blower.

There being no objection, the bill was laid aside, to be reported favorably to the House.

Mr. HOLMAN. I believe we have now passed over all the bills upon the Calendar, and I ask that the bill (H. R. No. 1840) for the relief of Lieutenant Sidney Tinker be reported to the House. That bill was objected to before the report was read, by the gentleman from Massachusetts, [Mr. BUTLER,] and subsequently by the gentleman from Tennessee, [Mr. MAYNARD,] who afterward withdrew his objection. I now ask that by unanimous consent it be laid aside, to be reported to the House favorably.

There was no objection, and it was so ordered.

Mr. HAWLEY, of Illinois. I move that the committee do now rise.

The motion was agreed to.

The committee accordingly rose; and the Speaker having resumed the chair, Mr. MCNULTA reported that the Committee of the Whole House had had the Private Calendar under consideration, and had directed him to report sundry bills, some with and some without amendments.

BILLS PASSED.

The following bills, reported from the Committee of the Whole House favorably, were then severally passed:

A bill (H. R. No. 2463) for the relief of Joseph S. Read;

A bill (H. R. No. 955) for the relief of I. L. Tedrow, of Clarke County, Iowa;

A bill (H. R. No. 2332) for the relief of S. D. Hicks, administrator of R. M. Harvey;

A bill (H. R. No. 311) for the relief of William J. McIntyre;

A bill (H. R. No. 1193) for the relief of the estate of the late Major C. S. Underwood, paymaster United States Army;

A bill (H. R. No. 2695) for the relief of John F. Wheeler;

A bill (H. R. No. 2697) to create an additional major of artillery and to promote Captain James M. Robertson;

A bill (H. R. No. 1219) for the relief of Charles W. Berry, late private in the Thirty-sixth Wisconsin Volunteers;

A bill (S. No. 100) for the relief of Lieutenant Alonzo V. Richards;

A bill (H. R. No. 2698) for the relief of Joseph C. Breckinridge for services in the Army of the United States;

A bill (H. R. No. 1844) for the relief of John Heberer;

A bill (H. R. No. 2699) for the relief of Robert Tillson & Co., of Quincy, Illinois;

A bill (H. R. No. 2786) for the relief of John B. Chapman;

A bill (H. R. No. 49) for the relief of Kerry Sullivan, of Company G, Fourteenth Regiment New Hampshire Volunteers;

A bill (H. R. No. 2788) for the relief of H. P. Ingram and John K. Askins, of the Sixty-second Illinois Volunteers;

A bill (H. R. No. 2789) for the relief of John S. Dickson, late captain of paroled prisoners;

A bill (H. R. No. 1322) for the relief of George S. Gustin, late private Company D, Seventy-fourth Regiment Illinois Volunteers;

A bill (S. No. 518) granting a pension to Benjamin C. Skinner;

A bill (S. No. 449) granting a pension to Mrs. Amy A. Hough;

A bill (S. No. 217) granting a pension to Julia A. Smith;

A bill (S. No. 387) granting a pension to Captain Benjamin Farley, of Company C, Fifth Indiana Cavalry;

A bill (S. No. 42) granting a pension to Caleb A. Lamb, late a musician in Company E, Forty-sixth Regiment Indiana Volunteers;

A bill (H. R. No. 2790) granting a pension to Nancy Abbott;

A bill (H. R. No. 2791) granting a pension to Franklin Stoner;

A bill (H. R. No. 1616) granting a pension to John G. Parr, of Kittaning, Pennsylvania;

A bill (H. R. No. 2118) for the relief of Elizabeth Clarke;

A bill (S. No. 316) granting a pension to Elizabeth F. Thompson;

A bill (H. R. No. 2792) granting a pension to Llewellyn Bell;

A bill (H. R. No. 2793) to correct the date of commencement of pension to Anna Brasel, widow of David Brasel, late sergeant in Captain Gordon's Company Illinois Mounted Volunteers;

A bill (S. No. 361) granting a pension to Sciotha Brashears, late of the Seventeenth Regiment Kentucky Cavalry;

A bill (S. No. 566) granting a pension to Lucinda Schrum, widow of Jacob R. Schrum, late of Company A, Forty-ninth Regiment Missouri Volunteers;

A bill (H. R. No. 548) granting a pension to Christiana Bailey;

A bill (H. R. No. 2794) granting a pension to Elizabeth Wolf, widow of John F. Wolf, late of Company D, Third Regiment Maryland Volunteers;

A bill (H. R. No. 1370) to authorize the Secretary of the Interior to settle and pay the accounts of William Pelham, late surveyor-general of New Mexico;

A bill (H. R. No. 2798) for the relief of John J. Hayden; and

A bill (H. R. No. 2800) for the relief of Benjamin Crawford.

DANFORD MOTT.

A bill (H. R. No. 2684) for the relief of Danford Mott was reported from the Committee of the Whole, with a favorable recommendation.

Mr. POLAND. I desire to move an amendment to that bill. Mr. Mott, the claimant, is dead. I move, therefore, to insert the words "administrator of;" so that it will read "administrator of Danford Mott, deceased," &c.

The amendment was agreed to.

The bill, as amended, was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

ADE H. M'DONALD.

A bill (H. R. No. 599) for the relief of Ade H. McDonald, of Nashville, Tennessee, was reported from the Committee of the Whole with an amendment, to strike out the words "death of her husband, on whose account she has been pensioned," and to insert in lieu thereof "the passage of this act."

The amendment was agreed to.

The bill, as amended, was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

RECONSIDERATION.

Mr. HAWLEY, of Illinois, moved to reconsider the several votes by which the bills reported from the Committee of the Whole on the Private Calendar were passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

JAMES W. BOWEN.

A bill (H. R. No. 1207) for the relief of James W. Bowen was reported from the Committee of the Whole adversely.

The bill was laid on the table.

LIEUTENANT SIDNEY TINKER.

Mr. HOLMAN. Unanimous consent was given by the committee that the bill (H. R. No. 1840) for the relief of Lieutenant Sidney Tinker should be reported to the House favorably.

The SPEAKER. The clerks inform the Chair that the Chairman of the committee did not recognize that as the unanimous consent of the committee.

Mr. HOLMAN. It certainly was so understood; it was the last thing done in committee.

The SPEAKER. If there be no objection, the Committee of the Whole on the Private Calendar will be discharged from the further consideration of the bill.

No objection was made; and the bill was brought before the House.

Mr. HOLMAN. I move to amend that bill by adding the words "deducting any sum paid to him as a private or non-commissioned officer for said period."

The amendment was agreed to.

The bill, as amended, was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

AMENDMENT OF RULES.

Mr. SCOFIELD, by unanimous consent, submitted the following resolution; which was read, and referred to the Committee on the Rules:

Resolved, That Rules 128 and 129 be amended in the first line of each by striking out the words "and Saturday."

PRINTING OF REPORTS IN RECORD.

Mr. BURCHARD. I would like to inquire of the Chair if there is any necessity for printing in full in the RECORD all the reports that are made by committees in connection with bills which have been considered by them, especially the bills which have been reported from the Committee of the Whole to-day?

The SPEAKER. The practice is to print them only when they are read, being called for in explanation of pending bills.

Mr. BURCHARD. It seems to me an abstract would be sufficient.

Mr. SPEER. Is it the habit also to print the reports which have already been printed in connection with Senate bills?

The SPEAKER. The Chair thinks so, where they are read in the House. That practice might be corrected by a resolution of the Committee on Printing.

ORDER OF BUSINESS.

Mr. COX. I desire to offer a resolution for reference.

Mr. KELLEY. That resolution will be in order on Monday.

Mr. COX. I may not get the floor on Monday.

Mr. KELLEY. The resolution of the gentleman can live until Monday morning.

Mr. COX. I am not so certain the gentleman will live, if he does not get a chance to make his speech.

CURRENCY—FREE BANKING.

The SPEAKER. The House will resume the consideration of the bill (H. R. No. 1572) reported from the Committee on Banking and Currency; and the gentleman from Pennsylvania [Mr. KELLEY] is entitled to the floor.

Mr. KELLEY. Mr. Speaker, I desire to express, and I shall be grateful to the House if it will give me its ear while I do express, the reasons why I cannot support the bill No. 1572, reported from the Committee on Banking and Currency, and why at the proper time I shall move to substitute for consideration before the Committee of the Whole bill No. 539, presented by myself, and which I find by conversation with members is generally known as the three sixty-five interchangeable-bond bill.

I regard the bill of the committee as fraught with danger to the country and the revenues of the Government. The title, in so far as it speaks of proposing to establish free banking, is delusive. I am in favor of free banking, and therefore must oppose this bill, which proposes in terms, but under conditions that are almost impossible of fulfillment, the extension of the monopoly banking system which has become so odious to the country. It proposes to extend the provisions of existing laws, requiring whomsoever will organize a bank to deposit Government bonds in excess of the amount of currency to be received, as security for the redemption of the notes received. In this connection let me suggest that the bill would be well entitled were it called "A bill to increase the value of the estates of certain citizens of the United States and other countries by enhancing the market price of United

States bonds and promoting speculation therein." This would be the inevitable effect of its passage. I cannot imagine the circumstances that would justify Congress in subjecting itself to the animadversion such action would invite. But there is nothing to justify it, as the deposit of bonds as security for our circulating medium is not essential to banking, and is at war with and an obstruction in the way of the establishment of free banking.

What is banking? It is the borrowing and lending of credit; or, in other words, of purchasing power, and involves the use of but little money, whether of gold or paper. If gentlemen desire demonstration of these facts, I refer them to the remarks made the other day by the amiable and witty gentleman from New Jersey, [Mr. PHELPS,] to Bagehot's Lombard Street and to Bonamy Price's recent works, and essays in the British magazines and reviews. One per cent. of what Professor Price calls money, or gold as distinguished from bank notes, nay, $\frac{1}{4}$ of 1 per cent., he tells us, serves for the banking of all London; and 3 per cent., $\frac{1}{4}$ per cent. being in gold and the other $2\frac{1}{2}$ per cent. in "cash" or bank notes, is all the money that is now required to carry on the enormous banking system and trade of London.

As I have said, banking is the borrowing and lending of credit, of purchasing power, and I will detain you but for a passing illustration of the fact. If I have a thousand-dollar draft at my disposal, I send it to my bank in Philadelphia; and if I owe two sums of $500 each, I send checks for that amount to my creditors; and the chances are that the whole will be adjusted without the use of one penny of money. The draft will go to one institution, and the checks to two individuals, each of whom will deposit his check in his bank, and the three will meet and be exchanged in the clearing-house the next morning. I have named but a small sum, because I am not in the habit of handling much larger ones. But what is true of my poor $1,000 is equally true of operations involving tens of thousands or hundreds of thousands of dollars. In the clearing-houses of London and New York balances of hundreds of millions are settled daily without the use of money.

Having shown that money in great sums is not essential to banking, I proceed to add that the power to issue money does not inhere in banking; that this power constitutes no part of a just system of banking, but is dangerous to both the public and the banks that exercise it.

No system of banking in this country or in any other, in this age or in any preceding age, that involved the issue by the banks of paper, promising to pay gold or silver on demand, ever went through its career without insolvency; they have all involved ruin to the banks, loss to the note-holders, and general derangement of the industries and trade of the country. How government interposition has saved the banks of England and France I may show hereafter. The only banking systems that have maintained the integrity of their issues have been those which avoided the gold-basis theory and discarded the use of bullion as a security for the redemption of notes. They have been very few. Let me name them. The free-banking system, as it was called, of New York, under which bonds of the United States and of the State of New York were deposited to secure the notes. The next is the Bank of England, which, as we are assured by John E. Williams, an eminent banker of New York, in an interesting article in a recent number of Old and New, borrowed this salutary principle from the New York system. It may have $70,000,000 of notes afloat, which are secured by the deposit of £14,000,000 sterling of Government securities, and its notes have been interchangeable with money since 1844, with three brief intervals, when the system of promising gold redemption and of issuing notes based on gold deposits in excess of the £14,000,000 brought about crises, and the government intervened, and by order in council set aside the restrictions of the law and appealed to Parliament, then in session or when it assembled, to legalize the violation of law. The partial departure from the true basis has thus brought the bank to the verge of insolvency three times since 1844. The Bank of France has also been saved several times by the like interposition of the government, which relieved it from embarrassment by declaring its notes a legal tender, as they are at this time.

This was the process by which Thiers saved the bank, animated the industries, and increased the productive and taxable power of the people, and enabled conquered France to anticipate the date at which the enormous indemnity exacted by Germany was required to be paid. In adopting it he was not governed by speculative theory, but by the results of experience. The republic of 1848 found itself without revenue and the people without employment, and declared the notes of the bank to be legal tender.

Commenting on this act, the London Times, planting itself upon the doctrines of Hume, Ricardo, McCullough, Bastiat, and other bullionists, denounced it as the most disastrous incident of the revolution. But what was the result? The Times itself shall answer this question. On the 16th of February, 1849, within one year from the date of the article I have referred to, it said:

> As a mere commercial speculation, with the assets which the bank held in its hands, it might then have stopped payment and liquidated its affairs with every probability that a very few weeks would enable it to clear off all its liabilities. But this idea was not for a moment entertained by M. D'Argout, and he resolved to make every effort to keep alive what may be termed the *circulation of the life-blood* of the community. The task was overwhelming. Money was to be found to meet not only the demands on the bank, but the necessities, both public and private, of every rank in society. It was essential to enable the manufacturers to work, lest their workmen, driven to desperation, should fling themselves among the most violent enemies of public order. It was essential to provide money for the food of Paris, for the pay of the troops, and for the daily support of the *ateliers nationaux*. A failure on any one point would have led to a fresh convulsion. But the panic had been followed by so great a scarcity of the metallic currency, that a few days later, out of a payment of 26,000,000 fallen due, only 47,000 francs could be recovered in silver.
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> In this extremity, when the bank alone retained any available sums of money the government came to the rescue, and, on the night of the 15th of March, the *notes of the bank* were by a decree made *legal tender*, the issue of these notes being limited in all to three hundred and fifty millions, but the amount of the lowest of them reduced for the public convenience to one hundred francs. One of the great difficulties mentioned in the report was to print these one hundred franc notes fast enough for the public consumption; in ten days the amount issued in this form had reached eighty millions. No sooner was the bank relieved from the necessity of paying away the remnant of its coin, than it made every exertion to increase its metallic rest. About forty millions of silver were purchased abroad at a high price. More than one hundred millions were made over in dollars to the treasury and executive departments in Paris. In all, taking into account the branch banks, five hundred and six millions of five-franc pieces have been thrown by the bank into the country since March, and her currency was thus supplied to all the channels of the social system.
>
> Besides the strictly monetary operations, the Bank of France found means to furnish a series of loans to the government—fifty millions on exchequer bills on the 31st of March, thirty millions on the 5th of May, and on the 3d of June one hundred and fifty millions, to be paid up before the end of March, 1849; of this last sum only one third has yet been required by the state. The bank also took a part in the renewed loan of two hundred and fifty millions, and made vast advances to the city of Paris, to Marseilles, to the department of the Seine, and to the hospital, amounting in all to two hundred and sixty millions more. But even this was not all. To enable the *manufacturing* interests to weather the storm, at a moment when all the sales were interrupted, a decree of the National Assembly had directed warehouses to be opened for the reception of all kinds of goods, and provided that the registered invoice of these goods, so deposited, should be made negotiable by indorsement. The Bank of France discounted these receipts. In Havre alone, eighteen millions were thus advanced on colonial produce, and in Paris fourteen millions on *merchandise*—in all, sixty millions were thus made available for the purpose of trade. Thus, the great institution had placed itself, as it were, in direct contact with every interest of the community, from the minister of the treasury down to the trader in a distant outport. Like a huge hydraulic machine, it employed its colossal powers to pump a fresh stream into the exhausted arteries of trade, to sustain credit and *preserve the circulation from complete collapse*.

But to return from this instructive digression. The other case referred to is that of the United States. We were not taught by experience, but forced by that higher law, necessity, to issue notes based on the credit of the Government, pledged to no other form of redemption than their reception in payment of taxes and by making them a legal tender in payment of debts for all objects except—and the exception was an almost fatal error—for all obligations except duties on imports and interest on the public debt. The volume of currency of this character was supplemented by permitting certain banks to issue a limited volume of currency, on condition that they should lend their capital to the Government at 6 per cent. and deposit the bonds received therefor as security for the redemption of the notes the Government would prepare and permit them to issue.

Who ever lost a dollar by the note of one of the New York free banks? Who has lost a pound by the notes of the Bank of England, which are secured by the deposit of public securities? Who has lost a dollar by the failure of the United States Treasury note or a national-bank note thus secured to buy him a dollar's worth of wine, or wheat, or wool, or any other American production? No man; and I challenge all history for a parallel to any one of these, where the banks promised to redeem their notes in specie.

Mr. ELDREDGE. Does not every man to-day who takes a dollar of greenbacks or national banking currency take in the neighborhood of $12\frac{1}{2}$ per cent. less than one dollar in bonds, another promise of the United States?

Mr. KELLEY. Mr. Speaker, I have very brief notes from which to speak; and I propose to make my own speech, and not to discuss topics propounded by other gentlemen. I will listen attentively to the gentleman from Wisconsin when he gets the floor, and hear whatever he may have to suggest upon the question he has suggested. Should he then do me the honor to interrogate me, I will find pleasure in replying.

No, sir; there has been no parallel case, but on the contrary when our banks failed and refused to return the funds of their depositors, and when with the finest satire of all history they issued certificates of deposit and said they did it to prevent a further emission of irredeemable paper our paper issues retained their value. While proclaiming themselves bankrupt and unable to pay the checks of depositors, they issued certificates pledging the combined credit and assets of all the banks in the city of New York for the patriotic purpose of preventing a further emission of irredeemable paper. Could self-sacrifice have gone further than this? Now, sir, in three days from the issue of the first of these certificates it took $105 in a certificate backed by all the banks of New York to buy $100 in greenbacks or secured bank-notes; and it was months before depositors upon whose deposits these certificates received credit could get the notes of the very banks which held their deposits by any other means than by going to broker-shops and selling the depreciated substitute for irredeemable paper which the combined banks had created. Was there ever such heartless irony or such supreme impudence? Or could the correctness of my position be more clearly proven?

The bill is in its terms delusive, not only in promising free banking, but in promising to increase the volume of circulation by making it free. Sir, on the 12th of July, 1870—I would like the then chairman of the Committee on Banking and Currency [Mr. GARFIELD] to hear—on the 12th of July, 1870, this House forced through a bill, as to which I know not whether it was most of a blunder or most of a crime, or whether it was both blunder and crime.

There was at that time on deposit with the Government about $55,000,000, deposited by the American people, in the form of a temporary loan, at 3 per cent. interest.

Mr. GARFIELD. Will the gentleman be kind enough to point out what it was in the bill referred to which he regards as a "blunder" or a "crime?"

Mr. KELLEY. If the gentleman will allow me to proceed I shall be specific enough. I have it in my mind to run pretty directly to some ends. When we began the discussion of that bill we had somewhere from fifty-five to seventy million dollars, as my memory serves me, of 3 per cent. temporary loans. The American people were content to have 3 per cent. interest, with the certainty that when there came tight times in the money market they could carry their 3 per cent. certificates, which, being overdue, were payable on call, to the Treasurer or nearest assistant treasurer, and get greenbacks for them. That loan was the balance-wheel of our whole system of inconvertible paper money. So long as those millions of temporary loans lay there, greenbacks could not be locked up by speculators, a crisis could not be brought about; for there were $55,000,000 held by the Treasury, belonging to business men, which was payable on call in greenbacks; and it was the use and wont of the holders, when a tight money market came, to get their temporary-loan certificates exchanged by the Government.

Mr. BURCHARD. If I do not interrupt the gentleman, I would like to ask him what time he refers to.

Mr. KELLEY. I refer to the bill which was passed on the 12th of July, 1870. The gentleman will oblige me if he will defer any further questions till I shall have closed, when I will be glad to hear him.

The bill is, Mr. Speaker, as I was showing, delusive in promising an increase of the currency of the country. We withdrew the three per cents; we forced their surrender under the lead of the then chairman of the Committee on Banking and Currency, on the theory that the volume of currency was to be maintained without contraction. Pending the discussion of that bill, and after its suggestion, a large amount of these three per cents came in. The total amount outstanding, when we came to act on the bill finally, was $54,000,000; and it was provided that $54,000,000 national-bank notes should be issued in lieu of the $54,000,000 of three per cents to be called in. Gentlemen on the floor said it was to work a contraction. Men who saw the terrible influence of contraction upon the debtor class and the enterprise of the country warned the House against even that measure of contraction; but the answer of the eloquent gentleman from Ohio was, it does not mean contraction.

Now, what was the result? The three per cents were called in immediately and paid off. What, I am asked, were they paid in? They were paid by leaving that amount of 6 per cent. gold-bearing bonds, which ought to have been called home and redeemed, remain in foreign markets, and we made the marvelous economy of borrowing $54,000,000 of foreigners at 6 per cent. in gold as a substitute for that amount held by our own people at 3 per cent.

How about the $54,000,000 of bank currency going out to substitute the three per cents which had been counted in the reserve as greenbacks? Have they all been issued yet? No. They have come out slowly, at distant intervals—part of them have. Forty-nine million some hundred thousand have been issued, and the Comptroller of the Currency has this day informed me that there are still $4,390,693 of that $54,000,000 to be issued.

Now, I tell gentlemen that if they pass this free-banking bill, as it is called, they will have the same result again. The South and West are in no condition to buy bonds on a speculative market, such as they will have on the passage of this bill. They are in no better condition now to institute banks based on gold-bearing bonds than they have been in the intervening four years. If banks be established under this bill in the South and West, it will be done by capitalists and capital from east of the Hudson River. They may bear the name of a southern or western town or city, but they will be only a new facility granted to bankers and speculators residing east of the Hudson, where capital has accumulated to take new mortgages, not only upon current productions, but upon the farms and plantations of the West and South. They will give those sections currency shops; they will be of advantage to the people so far as they will make places in which they may deposit their money and thus increase commercial capital, but they will represent an absenteeism as fatal to local enterprise and the prosperity of those sections as English landlordism of Ireland has been to the prosperity of that unhappy island.

Is free banking possible? I have heard it said it is not. I think it is, sir. In the first place, let me say that the emission of money is an attribute of sovereignty, an attribute which cannot safely be delegated, which never should be delegated, and which the most enlightened opinion of Great Britain is now demanding shall be resumed by the British government for the benefit of the British people. I could cite many authorities on this subject, but I propose to refer simply to the closing paragraph of a paper entitled "The mint and the Bank of England," in the Westminster Review for October last. It says:

> In breaking this monopoly of the bank we should be taking a great stride toward the attainment of that ideal system of currency which Sir Robert Peel must have had in his heart when he passed his currency laws; a system under which the state shall be the sole fountain of issue, under which no money shall circulate on credit, or, if it does, shall circulate on the credit of the state, all bank-notes, as well as coins, bearing the image and superscription of the head of the state, and under which all profits upon the issue of money shall form part of the imperial revenue.
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> The power of issue is, and ought to be, a sovereign right. It was a sovereign right in the days of Athelstan, and as a sovereign right was exercised only by the king. It will be recognized as a sovereign right to be exercised only by the king in the days of Albert VI. But at our present rate of suppressing private coinage, the issue of bank notes, it will not be till the days of Albert VI, and it has not been since the days of Athelstan. The power of issue now exercised by the Bank of England, and by the English, Irish, and Scotch banks, is a relic of feudalism, and of those rough and rude times when every prelate and noble set up a mint under the shadow of his palace or castle, coined money in their own names as grantees of the king, and appropriated the profit of their mints as they appropriated the rent of their estates. The manufacture of coin has been suppressed long ago, but the manufacture of paper money still remains, and the profits of this manufacture are allowed to remain in private hands, the state taking upon itself the manufacture of the only part of the currency upon which there is or can be a loss. It is high time that this state of things ceased; that all rights of issue were gathered into the hands of the state; that the debt of the Bank of England was paid off; that all notes except those of the state were suppressed; that the powers of issue now exercised by the banks were vested in the hands of the royal mint: that gold coinage, like silver and copper, was made self-supporting, and that the profits upon paper currency were claimed by the state, and appropriated, like the profits of the post-office, to the reduction of taxation.

I have said that the power to emit money cannot be delegated without danger to the Government and the people, and especially to the current trade and commerce of the country. It involves the highest attribute of sovereignty, and cannot be parceled out among the people of the several States without such collisions of interest and opinion as must perpetually endanger trade and commerce. And, sir, I maintain the position that paper money emitted by the Government should be based on the credit of the Government, which rests on the taxable property and power of the country; that Government issues promising to pay specie, or any other mode of redemption than by their receipt in payment of taxes and all other pecuniary liabilities to the Government, would be fraught with the same delusive snare that bank promises to do an impossible thing are fraught with.

I know, sir, that this statement will envelop me with the tender emotion of pity, nigh akin to love, of the eloquent gentleman from the Hartford district of Connecticut, [Mr. HAWLEY,] of my eloquent friend from New Jersey, [Mr. PHELPS,] and, it may be, of my good friend from Illinois, [Mr. BURCHARD,] and the learned bullionists of the country generally. I should undoubtedly be overwhelmed by the consciousness of their loving condescension and pity were I not something of an egotist, and in the habit of thinking my own opinions just as good as those of other men, especially when I stand on a proposition taught me, and supported more ably than I can support it, by Benjamin Franklin, John Jay, (when presiding over the Continental Congress,) Thomas Jefferson, Alexander Hamilton, John Taylor of Caroline, James Madison, and John C. Calhoun, among the dead, and by Henry C. Carey, John A. Thomson of Summit Point, West Virginia, and Charles Sears, of Navasink, New Jersey, three as original and profound thinkers as God ever blessed our country with, and with a legion of men less worthy of distinction than they, but scarcely less worthy of it than my associates on this floor who do me the honor to pity my ignorance and credulity.

But let me say, and it would be well for the country to consider the proposition, that all talk of the resumption of specie payments at this time is a delusion, without a shadow of foundation in fact or theory sustained by fact; and they who not being bankers or of the creditor class who urge resumption are misled by the teachings of men who proclaim their science to be a science based on assumptions. This is like the oriental theory by which the earth is kept in its place; the earth it is assumed rests on an elephant; it is assumed the elephant rests on a tortoise, and the tortoise is assumed to rest on something; and if one of these assumptions is wrong, the possibility is that the theory is not exactly right. And so is it with this science based on assumptions; when assumptions are consistent with the facts of history and social life, we may prove the deductions from them. Let me illustrate one generally accepted assumption, before proceeding to another point.

This school of philosophers tell us that by an unyielding law the volume of currency regulates the prices of commodities, and that gold is the standard of prices, the measure of value. Now I find by reference to page 39 of a work published by Hon. W. A. Richardson, Secretary of the Treasury, entitled "Public debt and national banking laws of the United States," that—

> The amount of currency in actual circulation, including demand notes, reached its highest point about August 31, 1865, when it was $433,160,569. At the time of the proclamation of the President, April 2, 1866, declaring the rebellion ended in certain States therein named, it was $422,749,252. It was first reduced below $400,000,000 September 1, 1866, near the time of the President's proclamation of August 20, 1866, declaring the insurrection at an end throughout the whole of the United States, when it was $399,603,592, and has never been so high since that date.

This work was published in 1873, prior to the financial crash which occurred in September.

Now, sir, let us look at the irrefutable assumption which is dinned into our ears daily by the scholars of the House with such pitying condescension toward their unfortunate associates who have not been able to find evidence to sustain it.

According to these learned teachers and Mr. Secretary Richardson's facts we have a pyramid, starting from its base on the 1st of January, 1864, going to its climax on the 31st of August, 1865, and descending steadily but less rapidly to January, 1867. If their theory is true, that pyramidal form is an inevitable result. What I have to say on the subject is, that if that is the law we have been living in flagrant violation of it, for which we deserve the most condign pun-

ishment. But, sir, what are the facts of the case? They show that the pyramid was reversed, and that in August, 1865, the price of gold was lower than it had been in 1864, and than it was in 1866. I state the facts correctly, and if you will do me the honor to refer to my remarks when they shall appear in the RECORD, you will find a table prepared from the Bankers' Almanac of New York, which gives the price of gold every day, during the months of June, July, August, September, and October, for the three years of 1864, 1865, and 1866. The facts presented by this exhibit demolish these particular assumptions and repeal all laws which *a priori* reasoning has deduced therefrom.

Exhibit showing premium on gold at New York during the months of June, July, August, September, and October, for the years 1864, 1865, *and* 1866.

1864.

Date.	June.	July.	August.	September.	October.
1	87⅛- 89¼	122 -150	151 -159	143 -148½	90 - 93¾
2	89⅜- 91	130 -150	156 -158½	148½-154½	Sunday.
3	90¼- 92½	Sunday.	156½-158⅜	136 -143½	89 - 91¾
4	90⅜- 91	Holiday.	Fast-day.	Sunday.	90 - 92½
5	Sunday.	135 -149	157½-161¼	135 -143½	89½- 91¾
6	93½- 94½	148 -161½	159¼-161⅞	140½-142	92½- 97
7	92 - 94	162 -173	Sunday.	140⅝-142¾	98 -104
8	93 - 93½	166¾-176½	156⅜-159½	135⅝-141	96¾-103¼
9	95 - 98¾	160 -175	152½-155½	134⅞-136	Sunday.
10	98¼- 98¾	Sunday.	154½-155½	118 -128½	96 - 99
11	94½- 98	176 -185	153⅞-156¾	Sunday.	98⅜-103⅜
12	Sunday.	171 -182	155½-157½	113½-125	102½-104¾
13	95½- 96½	168¾-173	154½-156¾	117½-128	103⅞-109¾
14	96⅜- 98	158 -168	Sunday.	123½-128	108 -117¾
15	96¼- 97½	144 -156	155⅞-156⅞	128¼-129½	113¼-120
16	97 - 97½	148½-161½	155⅜-156¾	124½-128	Sunday.
17	96⅜- 96⅞	Sunday.	155¾-157	120⅞-123⅝	118½-122½
18	95¼- 95½	154½-161½	157 -158	Sunday.	106¼-115
19	Sunday.	158¼-168½	157 -157⅞	123⅞-126¾	107½-111½
20	98 - 98¼	161 -163¾	156½-157½	123 -126¼	106½-111¼
21	99 -108	156½-160	Sunday.	120 -122	107⅝-109
22	110 -130	150½-157¾	156⅞-157¼	116 -121¼	109⅛-113½
23	105 -123	153¾-156	157½-158¼	111 -117	Sunday.
24	113 -117	Sunday.	154½-157	100 -112	112½-116⅞
25	114 -120	155⅜-158⅜	154½-155¾	Sunday.	114¼-118½
26	Sunday.	157¾-159½	153⅜-156	95 - 98⅛	112⅜-117
27	121 -140	154 -157¾	145 -153	92¼- 95	114⅝-116
28	134 -140	144 -152	Sunday.	95 -105	115½-117½
29	135 -150	150 -153½	135½-145	94½-102	117¾-121¼
30	145 -150	153 -158	131½-136	91 - 94⅛	Sunday.
31	.....	Sunday.	134 -143	.....	121½-127¾

1865.

1	Holiday.	39⅜- 41	44 - 44⅞	44½- 45	Sunday.
2	37⅜- 38¾	Sunday.	45 - 45⅜	44½- 44⅝	44½- 44½
3	36⅜- 37	38 - 40½	44½- 44¾	Sunday.	44½- 44⅝
4	Sunday.	Holiday.	43⅝- 44¼	43¾- 44¼	44⅜- 46⅞
5	35⅞- 36½	39¼- 40¼	43⅛- 43⅝	34½- 44⅝	46⅜- 47
6	36½- 37⅛	38⅞- 39½	Sunday.	44½- 45	46½- 49
7	36⅞- 37½	39½- 39⅞	43½- 44	44½- 44⅞	46 - 46⅜
8	37¾- 38	39⅝- 40⅛	44⅜- 45⅛	44½- 44⅜	Sunday.
9	37⅛- 38	Sunday.	43½- 44½	44½- 44⅜	45⅜- 46⅜
10	37½- 37⅞	39⅜- 40½	42¾- 43⅛	Sunday.	44⅜- 45⅜
11	Sunday.	39¼- 40⅛	40¼- 42	44½- 44⅝	44½- 45⅛
12	38½- 40⅞	40⅞- 42	40⅝- 42	43¾- 44¼	45 - 45⅜
13	40¾- 42⅜	41⅛- 42½	Sunday.	43⅛- 43⅞	44⅜- 45
14	40½- 42⅜	42⅜- 43⅞	42½- 43½	43½- 43⅞	44½- 44⅞
15	43¼- 47⅜	41⅛- 42½	40⅜- 41⅜	42⅜- 43¼	Sunday.
16	42⅜- 45½	Sunday.	41⅛- 42½	42¼- 42¾	45 - 45⅞
17	43⅜- 45¼	42 - 43	41⅜- 42⅜	Sunday.	45⅞- 46½
18	Sunday.	43 - 43⅜	42¼- 43⅜	43½- 43⅞	46 - 46⅜
19	40½- 43⅞	42 - 43⅞	43⅜- 44¼	43⅜- 44	46⅜- 47
20	37¾- 39⅜	42⅜- 42¾	Sunday.	43⅜- 43⅞	46 - 46⅜
21	40 - 41⅜	42⅜- 42⅝	44⅛- 44⅜	43⅝- 44¼	45⅞- 46⅜
22	41⅛- 43½	42½- 42⅞	43¼- 43⅞	43⅜- 43⅝	Sunday.
23	40½- 42½	Sunday.	43¼- 43⅞	43¼- 43⅝	45⅞- 46¼
24	41⅜- 42¼	42⅜- 43¼	43⅜- 43⅞	Sunday.	46 - 46½
25	Sunday.	43 - 43¾	43½- 44	43 - 45⅞	45⅜- 46¼
26	39½- 41¾	42⅞- 43⅜	44 - 44⅜	43⅜- 44	44⅜- 45⅝
27	41⅜- 42¼	43½- 44⅜	Sunday.	43⅜- 44¼	45⅛- 45⅞
28	39⅞- 41⅜	44⅜- 46	43⅝- 44¼	43⅞- 44⅛	45¼- 45⅝
29	38¼- 39	44½- 45½	44⅛- 44⅝	44 - 44¼	Sunday.
30	33 - 41½	Sunday.	43⅞- 44⅜	43⅞- 44⅛	45⅛- 45⅞
31	.....	43½- 43⅝	44⅛- 44⅝	.....	45⅝- 46¼

1866.

1	No board.	Sunday.	48⅜- 49½	45¼- 47½	45⅝- 46⅞
2	40⅜- 41⅛	53⅞- 55¾	47½- 48½	Sunday.	47½- 48⅞
3	Sunday.	52⅜- 53½	47½- 48½	44⅜- 45⅞	47⅛- 48¼
4	40½- 44	Holiday.	46⅞- 48	45⅜- 46¾	48⅛- 48¾
5	43⅞- 46⅛	52½- 53⅜	Sunday.	46⅛- 47½	48⅛- 49⅜
6	44⅜- 45⅞	53¾- 54⅜	47½- 48	45⅞- 46¼	48⅞- 49¾
7	42⅞- 45½	53⅜- 54½	47⅞- 47⅞	45⅜- 46	Sunday.
8	38⅜- 41¾	Sunday.	48 - 49	46⅜- 47½	48⅜- 49⅜
9	39¼- 40	51⅜- 53½	48¼- 48⅞	Sunday.	48¼- 49⅜
10	Sunday.	48¼- 49¾	48⅛- 48⅜	46¼- 46¾	49½- 51⅞
11	37⅜- 39½	49⅜- 50⅜	48⅜- 49	45½- 46⅜	51 - 53⅜
12	41⅛- 43¼	49⅜- 51⅞	Sunday.	45⅜- 46¼	50½- 53⅜
13	42⅞- 45⅜	52¼- 53½	49½- 49⅞	45⅜- 46⅜	52⅜- 54⅜
14	45⅜- 47⅞	52 - 52¾	49½- 50¼	44⅞- 45½	Sunday.
15	47⅛- 49¼	Sunday.	50½- 52¼	44½- 45	50⅜- 53¾
16	54½- 60	48⅝- 49⅜	51⅜- 52⅛	Sunday.	47⅜- 50¼
17	Sunday.	49 - 51⅜	50⅜- 51¼	44⅛- 45½	47½- 48⅞
18	55½- 67¾	49 - 50½	48⅜- 51	44½- 45⅜	48 - 48⅞
19	49½- 54¾	50¼- 50⅞	Sunday.	45 - 45⅛	47 - 49⅛
20	51⅞- 53¼	49¼- 50⅜	48⅛- 48¾	44½- 45⅛	45⅞- 49

Exhibit showing premium on gold at New York, &c.—Continued.

1866—Continued.

Date.	June.	July.	August.	September.	October.
21	48⅛- 50½	49 - 50⅝	47½- 48½	43¾- 44	Sunday.
22	48⅛- 49⅝	Sunday.	47⅛- 49⅜	43½- 43⅞	45¼- 46⅞
23	51⅛- 53½	50⅜- 51½	49⅛- 51	Sunday.	45⅜- 47⅛
24	Sunday.	50 - 50⅜	48¼- 50⅜	43½- 44⅜	47 - 48½
25	52 - 53¾	49⅜- 50⅛	46⅞- 48	44⅛- 44⅜	46¼- 48
26	54⅛- 57	49⅜- 50	Sunday.	44⅛- 45½	47 - 48¼
27	54½- 56	49⅞- 50⅜	46½- 48¼	44⅞- 45⅛	45⅜- 46¾
28	51½- 54⅛	50 - 50⅜	48⅜- 49⅜	44⅞- 45⅜	Sunday.
29	53⅜- 55	Sunday.	48⅛- 48⅝	45⅜- 46½	45¾- 46¾
30	52½- 54	47 - 48	47⅜- 48⅛	Sunday.	46 - 46⅜
31	.....	48⅜- 59¼	47⅜- 48	.....	45⅞- 46⅜

Now, I insist that if we lived through those three years in such flagrant violation of known laws there ought to be some means of punishing us for it, and that the men who bought their goods so cheaply in 1865, when currency was so abundant, ought, by some equitable process, to be made to pay more, because this law required them to pay nearly twice as much in that year as they did in 1864, and considerably more than they did in 1866. What have the adherents of this supposed law, who have addressed us so touchingly on the moral aspect of the currency question, to say on this aspect of the case? I hope they will give us their views.

But it may be said that the war interfered with the operation of the law. If so, I reply by asking a question or two. Was not the war more remote from 1866 than it was from August, 1865; and pray what kept up the price of gold in 1866, when the work of contraction was going on so vigorously under the action of an enlightened Congress and Secretary of the Treasury? I know that well-read gentlemen will say these facts are very vulgar, and I admit it, but must also claim that they have much force.

Sir, I repeat, that all talk of the resumption of specie payments under the existing condition of affairs is idle, and state, as my next proposition, that bond resumption must precede note resumption. Let us look at this. Come, let us reason together as brethren. Is the question of immediate or early resumption a practical one? We owe on our gold-bearing bonds, in round numbers, $100,000,000—$99,000,000 and a little more. We owe on State and municipal and corporate bonds enough to increase the total largely and make the sum payable abroad in round terms about $100,000,000 annually. This is payable at various periods during the year, the Government interest is payable quarterly or semi-annually, but the date of the semi-annual payments is so arranged that the falling due of installments of interest may be regarded as quarterly. Seventy-three per cent. of our carrying trade of last year was done in foreign bottoms, and the balance of trade was against us well-nigh $100,000,000. Our people are much given to foreign travel, and many thousands of them reside abroad. In the little city of Dresden the last census found more than two thousand American residents; in Paris there is a much larger colony; and they are found in all the attractive cities of the Continent. It is estimated that the outlay by European travelers and residents is $60,000,000 a year. Take into account $100,000,000 of gold interest; take the balance of trade, a part of which is profit made by us, but a larger part of it is not profit, but results from the excessive importation through the resident agents of German, French, English, and other foreign manufacturers who put their old stocks on our market by auction at any price. I cannot make an accurate estimate of the carrying trade, and I throw off $30,000,000 of the estimated $60,000,000 for American travel and residence abroad, and that leaves a total of something over $180,000,000 a year to be paid to foreign countries in bullion or commodities. The fact that justifies the reduction of this estimate to the amount stated is the receipt of bullion in the hands of immigrants, of which no account can be taken by statisticians. But for this the annual balance against us would be largely over $200,000,000.

I pause here, and regret that my friend from the Hartford district of Connecticut is not here. I am very glad, however, that my friend from the Milwaukee district of Wisconsin [Mr. MITCHELL] is not here. You will remember the enthusiasm with which my friend from Connecticut shouted over the new discovery in political economy made by the gentleman from Wisconsin, the enthusiasm, expressed by gesticulation and emphasis of every kind, with which he hailed and proclaimed that new discovery in political science—so important did he regard it that he would fain have everybody know that it had been made and appreciate its value. "I will" exclaimed he, "quote his demonstration, lest some now listening may not have heard it." The demonstration was, that if a vessel sailed from an American port with $100,000 worth of goods on board, and went down in mid-ocean, there was no balance of trade against us, but it showed a favorable balance of exports. Well, sir, the demonstration was, I doubt not, really an invention of my friend from Wisconsin, and he deserves credit for originality; but I am sorry to say it was among the earlier things that Bastiat taught me, and I regarded it with almost as much favor as the gentleman from Connecticut did until, on investigating the history of Bastiat's works, I found that British writers, when they were less given to free trade than they are now, had suggested to

Bastiat that he would do well, in other editions of his works, to leave out this Joe Millerism, as it was a very venerable suggestion, and had long been known under that title to the English people. The idea of resting the science of political economy on the occurrence of accidents, and the assumption that such accidents do not happen under general laws and in equal proportions to all commercial nations, that no storm shall sweep from the ocean any ship that does not bear the flag of a particular country, while the fleets of other nations move safely through storms and tempests, is a Joe Millerism in political economy to the authorship of which few thoughtful persons would aspire.

Sir, there is an average liability to accidents among commercial nations, and a solid basis for scientific consideration of the laws involved in the settlement of the balance of trade remains, notwithstanding the sanction of the authority of Joe Miller, Bastiat and my friends from Wisconsin and Connecticut.

But the gentleman from Wisconsin, with more ingenuity than candor, proceeded to say:

> Of the same character with the balance of trade bugbear is that sometimes urged, to the effect that we can never return to a specie standard so long as we have so much interest to pay abroad. That objection is based on the exploded idea that we cannot pay our interest abroad in anything but specie, as if our wheat and corn, our cotton and petroleum, our pork and lumber, will not give us a credit balance in London just as readily as the gold of California.

This discovery is more ingenious than the other, and brings me to a point worthy of consideration by gentlemen about to legislate on banking and currency. I had the folly, when we were discussing the bill which became the act of July 12, 1870, to suggest that we were blessed in the fact that our currency was inexportable; and I now reaffirm the doctrine that our commercial salvation depends upon the fact that our currency is inexportable, although the distinguished gentleman from Ohio then the chairman of the Committee on Banking and Currency [Mr. GARFIELD] was so immensely surprised at my innocence that, forgetting that money is a creature of law, that it represents the sovereignty of the state by which it is emitted, that it is legal tender and can pay all a man's debts within the limits of the sovereignty by which it is emitted, he supposed it to be strictly analogous to eggs and butter and cheese; and learnedly said that we had addled eggs and moldy cheese, and odorous butter, and divers other things that were not exportable, and wanted to know whether I thought our country blessed in the fact that they were inexportable. Sir, when were addled eggs made a legal tender? What law of the United States ever made musty cheese a legal tender? When was the sovereignty of this nation stamped on musty flour, or moldy cheese, or addled eggs? It was a pleasant witticism, but it was slightly wanting in strict analogy, inasmuch as different effects ensue from the export of surplus commodities and of part of the life-blood of commerce—the legal-tender currency of a country, when that currency is not in excess of the legitimate demands of trade.

Now, sir, I come back to my argument. We owe abroad about $180,000,000 annually. Where do we get the gold with which to pay this annual charge? We mine about $60,000,000, and we import from nations that become debtors to us in the course of trade, and have gold to spare about $20,000,000, making about $80,000,000. How do we settle the rest? By virtue of our inexportable currency we settle the rest, to use the language of the gentleman from Wisconsin, [Mr. MITCHELL,] in our wheat and corn, our cotton and petroleum, our pork and lumber, and our gold from California. Foreigners, not being able to use our legal-tender currency in other lands leave our business to flow on undisturbed in its accustomed channels, and take their balances in the products of our soil, our mines, our fisheries, and workshops. And here is the point of my argument in favor of a currency that shall be of like value in every man's hands wherever the American flag floats as an emblem of sovereignty, and yet shall lose its money value when it leaves the limits of our country, and shall therefore serve us with a constancy that a gold currency which our creditors covet would not be permitted to.

Let us see what would probably be the effect of hastening by artificial means to the use of a convertible currency. I will not stop to discuss the method by which that end shall be attained, but will assume that it is possible that we may reach it, and will only discuss the probability of maintaining the position when we shall have reached it. We have $180,000,000 in gold annually to settle abroad, which our creditors now very gladly take in commodities. We resume specie payments; and the Treasury begins to redeem greenbacks and the banks begin to redeem national-bank notes. All might go on swimmingly for a month or six weeks, or a few months, when Germany might draw on France for gold, unexpectedly to France, or France draw on Germany, or both draw on England, or England draw on both. They are all creditors to us. There being a crisis such as recently happened at Berlin the other day, or as is now happening in London, and as is imminent in France; and, finding their specie drawn away from them they would avail themselves of the ocean cable, and telegraph their agents in this country and say, "Sell $5,000,000 of bonds, merchandise, or anything, and remit the specie."

Under these circumstances orders such as I have supposed would not come from a single banker or merchant, but from dozens or scores of them. Our stock of gold coin would be the bank on which their crisis would cause a run; greenbacks would be sent to the Treasury, and national-bank notes would be presented to the banks for redemption. Both might sustain the first shock; but when steamer day came and it should be announced that one steamer had taken out two millions of specie, another $1,500,000, and another two millions more, merchants would probably say to themselves, "If our gold is all to go abroad we must, though it may cause a suspension, take care of ourselves;" and a run on the banks and the Treasury would ensue, and both would be compelled to suspend specie payment in the midst of a financial crisis.

I pray gentlemen to note that I make a distinction between gold and currency. I have no objection to our gold going abroad. It is mined by American labor; it is wealth drawn from our mines; and is a commodity as much as iron, lead, copper, petroleum, tobacco, cotton, or wheat. It is one of the productions of our soil, gathered by the labor of the American people; and let it go as freely as any other commodity. But do not make it part of our currency just now; do not make every note, whether greenback or bank note, redeemable in it, until we shall have redeemed or converted half of our gold-bearing bonds and so far restored our commercial marine that we shall have a profit and not a charge in account with the carrying trade and our foreign exchanges.

But, say gentlemen, how can we redeem or convert our bonds? Appeal to and trust the American people and you can redeem your obstructive gold-bearing bonds with a rapidity that will be magical. Rely on the American people as England in her exigencies relies on her people; as France relies on hers, and as the German Empire trusts the people of that empire.

Appeal to and trust the American people again! In the name of God and humanity I appeal to you to lift the laboring masses of our people from their idleness and deep dejection by trusting them again, as you did during the days of the war, when from the results of their labor they loaned the Government $2,000,000,000 on various forms of temporary loan; on 3 per cent. certificates, on seven-thirties redeemable in three years, on compound-interest notes, a legal tender for the face value but not for accrued interest, on certificates of indebtedness, on certificates of deposit, and other evidences of debt, they gave you $2,000,000,000, while their productive power was stimulated and sustained by a volume of currency adequate to the business of the country. While educing this wealth from our abounding raw materials and lending it to the Government, they were paying for three successive years an average of $450,000,000 of taxes, without any contributions from the southern people. Give to the poor people who have been swindled in New York, in New England, and in my own city alone, to the extent of $2,000,000 by faithless savings-banks, a place in which they may make their deposits, with the assured faith they have in the Government that their money will be kept safely, that they can get it when they may require it, and that they shall have a rate of interest about as great or nearly as great as the savings-banks promised to give them—3.65 per cent.

Sir, one set of representatives of workingmen's associations in Philadelphia, little skilled in parliamentary law, wrote me letters last week imploring me to get through the three sixty-five loan bill. Some of them had been caught by the failure of Jay Cooke; more of them by the fail- of the Franklin Savings Institution, in whose vaults they and their class had put nearly $900,000. They had gathered their remnants, and in going through their affiliated societies found that they had a little over $100,000 among them; and their letter to me (I do not happen to have it by me now) begged me to get this bill through so as to save them from the risk of robbery and fire, and enable them to deposit their earnings where they would be safe—where they would remain at low interest but without the risks of such failures as have happened to so many of the savings-banks and private bankers of the country.

Gentlemen descant upon the danger of allowing banks to receive and pay interests on deposit. Sir, I have here the message of the President of the United States in which he recognizes both this evil and the importance of having a portion of our bonds convertible at the will of the bondholder. He suggests the deposit of bonds and the withdrawal of greenbacks, and the loss of interest on the bonds by the owner while they remain on deposit. I have here the report of the Secretary of the Treasury, in which he recognizes the popular demand for convertibility. He has no word to say for or against it, but asks that whatever measure be adopted may be well considered and guarded. I have here the report of the Treasurer of the United States in which he devotes seven pages to detailing the evils of the payment and receipts of interest on deposits by banks, and to trying to persuade Congress to authorize the issue of three sixty-five bonds, as the only means of breaking up the paying of interest on deposit and the accumulation of the funds of the country in great money centers for speculation at times when the interests of the people require absolute or nearly absolute quiet. And I have here the report of the Comptroller of the Currency, in which he presses these questions for the second time upon the attention of Congress. He does not rely upon the power of law; for he knows as we all know that laws do not control banks; that when the fact comes out that the banks have been living in violation of the laws provided for their government, they have the people under such embarrassments that those they have wronged are the first to rush to the Legislature or to Congress and ask that the penalties of the law may be repealed and the banks be not put into liquidation. He knows that no law can bind the confederated banks of the country; he knows that the charter of every New York City bank was forfeited last September. He knows that the only

power he has with which to threaten banks when they certify checks to pay which no money has been deposited is to do what he does in this report—say to them as affectionate mothers say to their troublesome sons, "Now, you have been a very bad boy; do not do it again; for if you do and I catch you alone, I will punish you." He knows that when they all transgress, and the enforcement of the penalty would break up the whole system, he cannot even threaten to punish them but must palter with their iniquity and lawlessness.

[Here the hammer fell.]

Mr. BURCHARD. If the gentleman from Pennsylvania [Mr. KELLEY] desires it, I move that his time be extended.

Mr. KELLEY. I thank the gentleman from Illinois and the House.

Mr. BRIGHT. I ask unanimous consent that the gentleman from Pennsylvania be permitted to proceed without limit.

There was no objection.

Mr. KELLEY. The Comptroller of the Currency enforces his recommendation of this year by citing what he said on the same subject last year, filling more than a page of his report. You profess to desire to stop the payment of interest on deposits. You cannot do it by the mere force of law. Suppose you prohibit the national banks from paying interest on deposits, you cannot extend your prohibition to State banks; and if you could, you cannot prohibit private bankers from borrowing money on interest. Here is a statement of the assets and liabilities of the Philadelphia house of Jay Cooke & Co., showing quite a large list of banks which lost their Philadelphia balances, at least for the time being, when this private banking house closed its doors.

If law will not restrain the powerful and confederated corporations, how can you prevent their indulgence in these practices so fatal to legitimate business? The remedy is simple and in our own hands. It will save the Government millions of gold annually and hasten the permanent resumption of the use of gold as currency. It is to enable banks, bankers, insurance, railroad, and other corporations, merchants, farmers, and laborers to hold their own balances by inviting them to take convertible bonds at 3.65 currency interest. When we shall be wise enough to thus restore to our inconvertible-paper system the element of temporary loans the power of Wall street will be broken, and the scepter will drop from the palsied hands of its money kings. Do this and you will find the people's reserve diffused over the whole country; inactive, save as the Government may use it in the purchase of gold six per cents, and waiting the day of active business, when the bonds may be presented to the nearest assistant treasurer for redemption, or be used as domestic exchange from the East to buy the grain of the West, and from the North to buy the tobacco and cotton of the South.

This derided but beneficent system of interchangeable loans was an inherent part of our system of paper money until, as I have said, we blunderingly or criminally eliminated it on the 12th of July, 1870.

Restore it! Restore the balance-wheel, the governor of the machine, and in doing it you will break up the power of Wall street to gamble with the wealth and industry of the country. But, sir, if we fail to do it and legislate at all this session, we will work disasters wider spread and greater than those from which we are now suffering. Twenty-six of the forty-four million dollars have already been issued. Shall we withdraw them? The business of the country is paralyzed. Men, women, and children who would gladly earn, and were earning last September, honest livelihoods and laying up money for the future, are to-day out of employ by hundreds of thousands, and are living in enforced idleness. Your machinery, wonderful in its ingenuity and more wonderful in its power, stands still, coated with dust or eaten by rust. Your water-power is running to waste and your mines are yielding but a small percentage of what they were accustomed to yield. Your revenues have run down, and the savings-banks, called upon by the laboring classes who are their depositors, are notifying mine and factory owners and business men to prepare to pay their mortgages, and the work of contraction thus goes on apace. What, in view of this condition of things, will be the result if you determine to recall the twenty-six of the forty-four million reserve which have been issued?

Mr. Speaker, we have voted to issue the remaining $18,000,000. Ah, sir, that way greater danger lies, if no means be provided by which the surplus may be absorbed in seasons of commercial inactivity, and kept from Wall street and its gambling speculators; and I therefore voted against the proposition, wild inflationist as I am said to be. Add $18,000,000 to the $26,000,000, with stagnant business, and what will there be for it to do? Why, it will go to Wall street, to Third street, to State street; it will go into the hands of the Goulds, the Vanderbilts, the Drews, whose existence is proof that man may exist without conscience, moral principle, or human sympathy, and by next August your hotels at the watering places around New York will swarm with speculators, and money will be easy; but when September shall come, and money be needed to move the crops of the West and South, we will have last September over again, but with a power increased in the double ratio of the increased volume of currency and the listlessness of the productive power and trade of the country. Let gentlemen who talk of *assignats* and continental money take heed while they may, and provide legitimate employment at all seasons of the year for the entire volume of our inconvertible currency.

Can you guard against this danger? Yes, gentlemen; I have shown you how, and have borrowed my suggestions from the illustrious men whose names I mentioned in the earlier part of my remarks. I ask you to consult the unimpassioned wisdom of Benjamin Franklin. I ask you to read the words with which John Jay, from his office as President of the American Congress, addressed the people. I ask you to turn to Jefferson, who in his letter to Mr. Eppes of June 24, 1813, said—

> And so the nation may continue to issue its bills as far as its wants require, and the limitations of the circulation will admit. * * * But this, the only resource which the Government could command with certainty, the States have unfortunately fooled away, nay corruptly alienated to swindlers and shavers, under the cover of private banks.

I ask you, gentlemen from the South, to listen to the voice of one whom your section once idolized as its best thinker, the friend and counselor of all your great statesmen, John Taylor of Caroline. I ask you to read the marvelous addresses—marvelous for the prescience with which they portrayed the present condition of the country—of John C. Calhoun, uttered in 1834, 1837, and 1838. I could take whole pages of Mr. Calhoun's addresses and read them here, and no man who had not read them would discover, except in their more finished style and choicer language, that I was not elaborating the thoughts I have drummed into your ears so often during this session. Turn to James Madison also. I know it is often said Mr. Madison when young, and Mr. Madison when old, were not the same man; that in the course of his long life he was on both sides of every question; but it so happens that on the question I am considering, especially that of Government using its credit as money, he was consistent, so far as I have been able to discover, throughout his long life.

Sir, such a system as my bill proposes will not only give consistency and steadiness to our business, not only give safety to depositors, not only create small money centers all over the country, but it will open the way to truly free banking. Charter no more banks; grant no more monopoly privileges; but substitute a greenback of like denomination for every bank-note which goes into the Treasury, and surrender the bonds by which these notes are secured to the banks as fast as they are redeemed by this process and let them sell them for greenbacks on which to bank. Then banking will be free; and why should it not be? Why should not men select the corporation or individual with which they will deposit their money as freely as they select their doctor, their lawyer, and their clergyman? Why should not the people select the banker with whom they will intrust their funds just as they do their grocer, their shoemaker, their tailor, and their drygoods merchant? Whence does the Government derive the paternal right to regulate these matters for them?

Banking, the borrowing and lending of credit, of purchasing power, is a mere matter of business between man and man, with which the Government has nothing to do. It should issue and be responsible for the money of the nation, and then no man could lose a dollar by using paper money so long as there was a tax to pay to the Government, or an article to purchase from his fellow-citizen. But more than this, sir; under this free system little money centers would organize themselves throughout the South and West; private and corporate balances would find use in the localities in which they were produced; bankers would receive deposits, and they would be able to show their depositors a reserve which was earning them 3.65 per cent., and which the credit and faith of the Government were pledged to redeem in greenbacks on presentation.

More than that, it would enable the Government to bring home the gold-bearing bonds from abroad; it would lessen our interest account, and change its character from gold to paper; for the money received from convertible bonds is by the provisions of my bill to be applied to the redemption of gold-bearing bonds. Ah! but, say gentlemen, you say the committee's bill will produce speculation in bonds; what would the process you propose do? Why, let me add, as I intend to do, a clause, "or to purchase gold wherewith to call bonds," and my bill would create no speculation in bonds. If the Secretary of the Treasury should receive ten millions or hundreds of millions in exchange for three sixty-five bonds and had the choice to buy either bonds or gold with which to call overdue bonds, he could restrain speculation in both. There could be no effective combination against him then. Let him reduce his gold indebtedness by issuing the greenbacks now in his possession in exchange for six per cents, and apply the interest thus saved with the proceeds of three sixty-fives to call in other 6 per cent. bonds, and our interest account will run down rapidly, while the assured elasticity given to the currency will reanimate our industries and all will go "merry as marriage-bells" throughout our country in less than six months, and our national credit will stand higher than it has ever done.

But other gentlemen say these bonds might come in unexpectedly to the Treasury. Well, my bill proposes to guard against this unlikely contingency. It proposes to restore the law to what it was in the beginning. It goes to the shades of the fathers of the system and asks them for guidance. They who instituted the system foresaw all such contingencies and provided for them by ordaining a redemption fund of $50,000,000, applicable to the redemption of temporary loans when presented in emergencies. An incident not likely to happen in these happier days compelled the invasion of that fund—an incident of war when troops had to be paid; when disaster dogged our steps, and the revenues fell off. At that time, when the confidence in the resources of the Government was briefly impaired, that fund was drawn upon, and $33,000,000 of it were out on the 31st of August, 1865. There are no contingencies like that pend-

ing now, and that fund could be held so that if these bonds came in at any day in excess of current income and resources that $50,000,000 could be drawn upon, and when the unusual demand ceased it could be replenished from current income.

Mr. BUTLER, of Massachusetts. Will the gentleman allow me to ask him a question?

Mr. KELLEY. Yes, sir.

Mr. BUTLER, of Massachusetts. What inducement would there be to any man owning a 3.65 per cent. bond to return it to the Treasury for redemption? Why would not they circulate as money just as well as the greenbacks with which they would be redeemed?

Mr. KELLEY. In reply permit me to say that I have alluded to the fact that convertible bonds would constitute domestic exchange, and that is why the banks and bankers dislike them so much; they make a great deal of profit out of buying and selling exchange. I can see no reason why these bonds under any circumstances should be rushed in for redemption; but assuming that there might be a conspiracy among bankers, bondholders, and other capitalists to corner the Treasury, I inserted the clause I have referred to out of what I believe lawyers call abundant caution, not because I saw any necessity for it, but to remove doubts from the minds of others. The soundness of my opinion has been proven by experience.

When the great Chicago fire took place which consumed so many million dollars' worth of merchandise and property, which lasted, I think, four days, and spread consternation throughout the banking, insurance, and commercial circles of the whole country, there were $70,000,000 of overdue 3 per cent. certificates outstanding; and what amount do you suppose went into the Treasury during the four days of that fire and two days thereafter? Why, $1,500,000. And I have no doubt that if $500,000,000 of these bonds were out, and a similar fire should occur, the fact that it was known there were so many out would protect the Treasury against a run for a single dollar.

Now, by way of drawing to a conclusion, permit me to say that I discover in the committee's bill a very ingeniously disguised system of contraction by the retirement of all existing issues of national currency.

You will find it in the latter sections of the bill. It is very simple and very plausible. It proposes that $2,000,000 of greenbacks, payable in gold twenty-four months after date, shall be issued monthly, and that $2,000,000 of the existing greenbacks shall be retired, having been substituted by the gold greenbacks, and that that process shall continue as long as there is a note of the existing issues outstanding. Let us see how this would work. At the end of twenty-four months there would be $48,000,000 of gold-bearing greenbacks out. Then the first $2,000,000 issued would have to be redeemed. Now let us follow it up. For twenty-four months it would be simply an exchange of one kind of greenbacks for another. But let us go into the twenty-fifth month. Then there will be issued $2,000,000 of gold-bearing greenbacks, and $2,000,000 of legal tenders will be withdrawn. The Treasury will pay off and cancel the $2,000,000 of gold-bearing greenbacks first issued. Gentlemen will now see where the little joker comes in. Each month $2,000,000 of gold-bearing greenbacks will be issued, $2,000,000 will be redeemed, and $2,000,000 of existing legal-tenders retired, until we shall come to a time when there will be but $48,000,000 of common greenbacks out; and then for each month thereafter, for twenty-four months, we will take up $2,000,000 of them; and then we will land where? There will not be a legal-tender greenback of the present issue in circulation; they will all have been redeemed, and if no mishap shall have occurred we will be in the happy land of specie payment.

And we will remain there how long? As I have already demonstrated, we will remain there until France, or Germany, or England determines that either for their convenience or from their jealousy of our prosperity and growth it would be well enough to trip us up and exhibit our weakness and dependence. Then they will sell a few million dollars' worth of goods or bonds, for gold-bearing greenbacks, which they will present for redemption, and ship the proceeds—the basis of our currency. Then we shall be just where we were in 1857, when the Old Lady of Threadneedle street needed, or thought she did, $7,000,000 of gold coin. Our currency was then on a specie basis. What did she do? She requested some of her customers to draw on us for that amount of specie, and they did. The notes were presented for redemption; and there was a terrible noise in Cincinnati, especially about the doors of the Ohio Life and Trust Company, and a noise equally as great, or perhaps greater, about the doors of the Pennsylvania Bank in Philadelphia. And the next day there was a *feu de joie* all over the country. Never did financial institutions explode more rapidly. There was scarcely a solvent bank in the country. The Bank of England had exhausted them, as she will do again if we venture on the ingenious expedient of substituting redeemable greenbacks for the legal tenders of to-day and redeeming them before we shall have brought home in exchange for temporary loans or otherwise at least the principal of $50,000,000 annual interest in gold-bearing bonds now held abroad and shall have put our carrying and foreign trade into such a condition as shall give us a steady balance against the gold-using nations of the world.

And, Mr. Speaker, I thank the great Disposer of events that that day is coming apace. The largest ship ever launched, except the Great Eastern, was launched the other day near the borders of my district. She was built of Pennsylvania iron. And her twin sister, of more than five thousand tons burden, lies in the same yard ready for launching. John Roach & Sons have other ships upon the stocks, the Cramps are actively employed, and the Wilmington and Camden iron-ship builders are all as busy as they can be constructing gallant vessels to again carry the Stars and Stripes over the commercial waters of the world. The orders for this work preceded the panic. Shall they have others? If such is to be the case, we must not paralyze them, must not contract their money and make them pay inordinate rates of interest, must not withdraw the medium of exchange by which they pay their laborers; and must not force those laborers to lend their money to recklessly managed savings-banks, national banks, or to private bankers, to be sent into Wall street to be speculated with until they themselves fail and then issue certificates of deposits in order, as they will modestly tell us, to prevent a further emission of irredeemable currency by the United States Government. The destinies of the present generation are in our hands, and our constituents will hold us responsible for the fidelity with which we execute the trust.

Mr. MERRIAM. As we are in the pursuit of knowledge under difficulties, I would like only five minutes to correct some impressions that the remarks of the gentleman from Pennsylvania [Mr. KELLEY] may have made upon the House.

Mr. KELLEY. The gentleman from Illinois [Mr. BURCHARD] said some time ago that he wanted to ask me some questions.

Mr. BURCHARD. I merely desired to correct a statement made by the gentleman from Pennsylvania [Mr. KELLEY] and to call his attention to it. He said that there were no temporary certificates; that the temporary certificates that were out in 1869 had been retired since that time. Now, I desired in all kindness to call his attention to the fact that in 1869 the temporary certificates, so called, had been retired, all excepting $180,000. I presume the gentleman referred to the 3 per cent. certificates which were then outstanding to the amount of about $55,000,000, which have since been retired under the act of 1870, that act permitting national-bank notes to be issued to take their place. As I stated, the amount of 3 per cent. certificates and paper currency extant and outstanding January 1, 1869, was from twenty to twenty-five million dollars less than is out at the present time. It was then about $752,000,000; a year ago it was about $751,000,000, and it is now about $776,000,000. If the gentleman from Pennsylvania will examine the Treasury reports which are here, he will find that the statement I made was correct. I merely desired at the time to correct the language the gentleman was using, and not to interrupt the thread of his argument.

Mr. MERRIAM. I wish to occupy only a moment. The gentleman from Pennsylvania [Mr. KELLEY] has used the argument that the South and the West would not want to establish banks, if they had the opportunity, under the free-banking system. He states that there are between four and five millions dollars of banking circulation now belonging to the West, and which it has not taken up. This is a fact, but there is no gentleman on this floor, especially none from the West or the South, who does not know that when applications have been made to the Comptroller of the Currency it has been impossible to get any currency, for this reason: As these applications were made to the Comptroller for the establishment of new banks he made an entry in each case, and only within the last thirty days has he given notice that unless those gentlemen in the West who have made application come forward within thirty days and take up the currency, he will give it to others who are applying and who do want it. This is the reason why the West has not taken up this currency; not because they would not take it if they could get it.

Now one other point. The gentleman has alluded to the value of greenbacks in the city of New York during the panic. I simply want to say that the national-bank notes at that time stood at the same price exactly as greenbacks did.

One question which was asked by the gentleman from Massachusetts [Mr. BUTLER] was not answered to my satisfaction by the gentleman from Pennsylvania, [Mr. KELLEY,] and I take the liberty of answering it. The gentleman from Massachusetts asked why there would be a rush on the Treasury for the payment of these three sixty-five notes? I will tell him. If these three sixty-five reconvertible bonds are issued, the banks in this country stand ready to-day to take $150,000,000 of them; that is, they are willing the Government of the United States shall pay them that interest, instead of their being obliged, as they are to-day, to take the legal-tender notes without interest. Now, suppose that the banks held $150,000,000 of three sixty-five bonds, which when a panic comes are loaded heavy with interest. Now they are not going to pay out those three sixty-five bonds to their customers, but they are going to demand of the Treasury the immediate payment of the $150,000,000 with interest; and I would like to know how the Treasury of the United States could successfully meet such a demand unless the greenbacks are held on hand all the time, without any benefit to the Government, while it is subjected to the expense of paying interest at 3.65 per cent.

Mr. BUTLER, of Massachusetts. If the gentleman from Pennsylvania [Mr. KELLEY] will allow me to answer the gentleman from New York, [Mr. MERRIAM,] I should be glad to do so. Why should a bank receiving interest at 3.65 on these bonds, go and return them to the Treasury, thus losing the 3.65 interest, rather than pay out the bonds to their customers, whereby they lose the interest to the same amount? Why would the banks prefer to pay expressage and incur the risk of

loss in order to send these bonds to the Treasury, (thereby losing the interest,) instead of paying out the bonds to their customers, when called on, for cash?

Mr. MERRIAM. I understand that on these bonds, as on every other bond, the interest for so long as the bond has been out is payable when the bond is presented.

Mr. BUTLER, of Massachusetts. It is payable when the bond is presented; that is true. But the interest stops when the bond is presented; and so it stops to the bank when it pays the bond to its customers. So that is an even thing.

Mr. MERRIAM. But the gentleman does not see the point.

Mr. BUTLER, of Massachusetts. I think I do.

Mr. MERRIAM. I am supposing the banks to hold $150,000,000 in three sixty-five bonds, loaded heavy with interest.

Mr. BUTLER, of Massachusetts. With what interest?

Mr. MERRIAM. Interest on the three sixty-five bonds.

Mr. BUTLER, of Massachusetts. How should they be loaded with interest? They collect their interest quarterly.

Mr. MERRIAM. Not quarterly, but every six months.

Mr. BUTLER, of Massachusetts. Very well.

Mr. MERRIAM. Now, suppose that the bonds have due upon them the interest for five months and twenty-nine days.

Mr. BUTLER, of Massachusetts. Yes, sir.

Mr. MERRIAM. Then instead of paying out these bonds to their customers, they of course send them to the Treasury and demand legal tenders with interest.

Mr. BUTLER, of Massachusetts. I think I see the gentleman's point. Now, why should the banks demand payment of the bonds in legal tenders except for the purpose of obtaining their interest? Hence it is of no consequence whether they send the $150,000,000 of three sixty-five bonds back to the Treasury or whether they pay them out to their customers. They will collect their interest undoubtedly. But they are not going to send the bonds to the Treasury for the sake of getting the greenbacks, and then paying the greenbacks to their customers. Their interest stops either way. If they return the bonds to the Treasury and get the greenbacks, the interest stops. If they pay them to their customers, the banks no longer receive the interest. They have not the slightest earthly inducement to go through the performance of sending the bonds to the Treasury, paying the expressage and running the risk of loss in transmission. All they would care for would be to collect the interest due them; and we do not expect them to pay out the bonds to their customers without calculating and collecting the interest due upon them. The very object of making the interest on these bonds exactly 3.65 is that weak-minded financiers may be able readily to calculate the interest—one cent a day on $100. The banks will pay out these bonds at their face value with accrued interest. You and I will take them, if we can get them, instead of certified checks, which we cannot use anywhere except through the clearing-house, and which are evidence of bank insolvency. Why should we not take these bonds with the accrued interest? Why should the banks be obliged to send them to the Treasury to get their interest when you and I would be glad to take the bonds at their face value with the accrued interest?

Mr. MERRIAM. That is just the point. We would not do it.

Mr. BUTLER, of Massachusetts. Why not? A three sixty-five bond would be just as good as greenbacks for the amount of the bond, with the accrued interest added. Why should we not take it at that valuation just as quickly as greenbacks for a like amount?

Mr. MERRIAM. The people want currency.

Mr. BUTLER, of Massachusetts. Why should they not use the bond for currency? But no man will want currency for it. I buy your ship and hand you a bond in payment. You buy this gentleman's farm and hand him a bond, and every day there is added to it one cent per hundred dollars interest per day, and I can calculate that without much expense of paper.

Mr. MERRIAM. That might be answered in one word.

Mr. BUTLER, of Massachusetts. Well, answer it in one word.

Mr. MERRIAM. Why do not the people of the United States pay United States bonds instead of legal tenders?

Mr. BUTLER, of Massachusetts. I can tell you that in one minute. Let me explain the matter, for I see you do not understand that part of it. I will tell you the reason for that. It is because United States bonds have a fluctuating value. Take the last panic, for instance. A man comes to me and asks me to lend him $50,000. I have $50,000 in five per cents. He offers me 10 per cent. interest for six months. I know he is good, and I am ready to take his note; but the difficulty is if I sell my ten-forty bonds—my five per cents.—and give him the money, six months hence, when he pays me back my money, I may have to buy back ten-forty bonds at an enhanced premium, and that premium may amount to more than 5 per cent.—5 per cent. more than I sold them for, which would altogether amount to more than the 10 per cent. which he paid me for the loan. But, on the contrary, if I had three sixty-five convertible bonds, then I would say, "Your note is good; I know it is good, and I will let you have the money; and at the end of six months you can bring me back the bond I gave you or one as good." The reason you cannot pay out five per cent. bonds is because you cannot get the greenbacks for them. The only way to get greenbacks for them is to sell them at depreciated rates when the panic comes, or else to sell them for gold and sell the gold in order to get greenbacks. That is the reason, let me tell the gentleman from New York, why they are not currency; they have not a fixed and stable value at all times. Any man who is not too stupid to be a bank clerk will see no trouble in that. Why, sir, it is settled in Euclid; for the first proposition in Euclid is that things equal to the same thing are equal to one another.

Mr. MAYNARD. There is one point in connection with the gentleman's remarks to which I would like to call his attention.

Mr. BUTLER, of Massachusetts. Very well; go on.

Mr. MAYNARD. We have heard a good deal of three sixty-five bonds. I am satisfied that a certain amount—the precise amount I have not settled in my own mind perhaps—of obligations bearing a low rate of interest would be in demand just as 3 per cent. certificates were in demand. There would be a use for them. They would be absorbed. People would be glad to get them. I have not been able to see—and I should like to have information, and for that information I claim the attention of the House—why, when we could put them out at 3 per cent., we should offer three sixty-five. The gentleman has intimated, and it is the only reason I have heard given for fixing the rate at three sixty-five, that it is one cent a day on one hundred dollars, and weak-minded capitalists could thereby compute their interest. Now there is not a boy in this land, from the pages at our sides to larger ones I see about here, who does not know instinctively how to count at the rate of six per cent. I think if there is no other argument than the argument addressed to weak-minded bankers in order to facilitate their calculations, I would suggest that three sixty-five seems to me to be somewhat of a humbug.

Mr. BUTLER, of Massachusetts. When a man starts off to look at a great financial problem as a mere matter of fancy or a mere matter of humbug, he is likely not to come to a right conclusion, even if he have the learning and ability of my friend from Tennessee.

Mr. MAYNARD. Very true, but that does not answer my question.

Mr. BUTLER, of Massachusetts. I will tell you why three sixty-five was chosen by me, four years and a half ago, when I brought forward that proposition to this House and elaborated it with more care and with more thought than I have ever bestowed upon any proposition, whether of law, finance, or politics; it is this: My proposition was to bring our currency not to be redeemable in gold, but to be equal to gold. I looked over all the investments of the world, and I found that the average interest paid on the investments of a gold dollar in government securities was a little rising 3 per cent. Take all the investments of the world, and you will find the average interest on a gold dollar, under all governments, is a little rising 3 per cent.

Mr. MAYNARD. I call the attention of the gentleman in this connection to the English consols which bear 3 per cent. interest, and I submit that the rate of our Government ought to be only as high, not higher.

Mr. BUTLER, of Massachusetts. Ah! pardon me; the gentleman does not apprehend the point at all. The 3 per cent. consols of England are not at par.

Mr. MAYNARD. They sometimes have been.

Mr. BUTLER, of Massachusetts. They do not remain at par; sometimes they are at 94, and at 92, and at 88, according to the fluctuations of the money market. I say again, the average interest a man can get in the world on Government security for a gold dollar is a little rising 3 per cent., as all 3 per cent. loans are more or less below par. Now, then, I propose that our greenback currency shall be as productive to the holder of it for investment as the average gold dollar of the world is to the holder of it, and at the same time, therefore, be a blessing and a convenience. I propose to put it at 3.65; sometimes it will be more than that average, sometimes less. The value of the dollar of the United States should always be, that a man can get 3.65 for it from the Government when he cannot get any more; that it shall always be to him an investment at the rate of 3.65—a little better investment than the average gold dollar of the world. And that is the way in which you can fix the value of money. It is not by gold, which fluctuates and always has fluctuated, depreciating from the time when the good Samaritan took compassion on the wounded man, and carried him to a first-class tavern in Judea, and gave the landlord a penny, saying, "I will call in a day or two, and pay what else is due"—it has fallen in value from that day to this. And if any of you wish to ascertain the difference in the value of gold between then and now take a wounded monk to Willards', and offer them a penny to take care of him there for a day or two, and you will find very soon how much gold has cheapened.

Sir, if the House will bear with me a moment, there are two theories upon which the value of money is regulated in the world. I heard my friend from New Jersey [Mr. PHELPS] say the other day that it is regulated by the value of gold, as if that of itself was a standard. Pardon me; how is the value of gold regulated? Did that ever occur to him?

A MEMBER. By the brokers.

Mr. BUTLER, of Massachusetts. Not the value of it; the use of it is regulated in that way. How do you estimate the value of gold? By saying that a certain cube of it is to weigh—how much? Twenty-four carats. What is a carat? An Abyssinian bean. Take twenty-four Abyssinian beans, and then you have a standard for gold. Well, you thereby fix the standard weight so that the standard weight does not change; but how does England fix the value of her money? She fixes it by making it redeemable in gold. But how does she fix the value of gold? By her bank running its rate of interest up and

down, so as to keep gold at a regular value. If you call for a million pounds sterling at the bank of England she instantly puts up her interest, and if the demand for gold continues she puts it up, up, sometimes as high as 12 per cent. She has done it four times since 1843, and if there is any irredeemable currency in the United States which works worse than that I should like to see it. I say, then, that there are two systems of regulating the value of money; one is to regulate the value of gold by changing the rate of interest at the great money centers, as England and France, and the other is to regulate the value of money by fixing the rate of interest—by having a fixed rate of interest for which you can always use a dollar. What do you want with a dollar? To buy a breakfast; to buy a coat; or—and that is the last thing you want it for—to pay your debts. If you have any surplus then left, if you wish to invest a dollar, how do you wish to invest it? Do you wish to invest it permanently, and then you want as high a rate of interest as you can get. If you want to leave it where you can get it at pleasure to invest permanently in some business, what do you do with it? You go to a savings-bank and invest it at 4 per cent., or you go to a trust company and invest it at 4 per cent. I propose that instead of going to a trust company or savings-bank, to invest your money at a low rate of interest while you are not using it in business, you should come to the United States and invest it in a three sixty-five bond; thus diminishing the interest the people are paying, and having your money where you can find it when a panic comes. That is the proposition which I had the honor to elaborate some five years ago, and, thank God! I believe the people of the country, and the good sense of the business men of the country, are gradually coming in to my view. And I am very glad that my friend from Pennsylvania has taken a step in the right direction.

Mr. MAYNARD. I would ask the gentleman whether, in his opinion, it is not better for the public that the rate of interest paid by the Government should be rather under than over the general average, because the rate of interest paid by the Government necessarily affects the rate paid in all private transactions?

Mr. BUTLER, of Massachusetts. Precisely; it should be under. And what is the average rate of interest in this country to-day? Upon bonded indebtment and bank loans it is 8 per cent; and I want to bring it largely under that rate. What is the average rate of interest paid by your Government, your States, your corporations, your railroads; by the great indebtment which is the greatest investment of the country? It is 5 or 6 or 7 per cent. in gold; it is 6 or 7 or 8 or 9 per cent. in currency.

What I desire is to have a low rate of interest for the Government to pay, say 3.65. To-day our 4 per cent. bonds payable in gold are almost ready to be taken at par; and that is about 5 per cent. in currency as gold stands now. Therefore I am endeavoring to fix a low rate of interest, easy of calculation, for that is an advantage; easy of understanding, because it is to be issued in fifties and multiples of fifty. The rate of interest will be a half a cent a day on each fifty dollars, a little better, let me repeat, than the average rate for the gold dollar of the world; so that our currency may come up to be equal with gold, be equal to gold; so that the man who has a United States dollar in his pocket may feel that he has a permanent investment as good as though he had a gold dollar in England. That is the ground upon which I put the currency of the country.

A word or two further on these general topics, as I am on my feet. I hear a great deal said about "an irredeemable paper currency." What is currency? It is an instrument of exchange, an instrument to work with, to use, to measure values, to carry on transactions. Why does not somebody get up here and make us an argument about an irredeemable yard-stick, or an irredeemable quart pot, or an irredeemable bushel measure, or an irredeemable Fairbanks scale? Why should we want to redeem this instrument of exchange, this measure of value? We want to use it all the time. What we want is this: we want in the spring, in the summer, in the winter, a place where we can invest or place at interest this instrument of exchange, so as not to be obliged to loan it out to trust companies. Those trust companies in order to make a profit on it must loan it out on long time, so that we cannot get it in the fall when we want it; it cannot be drawn out at once, certainly and surely, for the purpose of moving the crops in the fall, and thus causes a stringency in the market, a depreciation of all values, at the very time the money is most needed and when it should be as cheap as ever it can be.

The great advantage of the three sixty-five bond is that instead of lending it to a trust company or to a savings-bank, which will have to loan it at a high rate of interest to some one else in order that it may make a profit out of it, it will be lent to the Government. And every dollar thus loaned to the Government brings down our rate of interest which we now pay, 6 or 7 per cent., to 3.65. That will take the burden off the people, and relieve my friend, the chairman of the Committee on Appropriations, [Mr. GARFIELD,] from the necessity of paring down the appropriations to less than we need, thereby throwing workmen of the country out of employment in order to save a few dollars.

Mr. WILLARD, of Vermont. I would like to ask the gentleman a question just here.

Mr. BUTLER, of Massachusetts. Very well.

Mr. WILLARD, of Vermont. I wish to ask the gentleman why this paper money issued by the Government should be made legal tender between private individuals?

Mr. BUTLER, of Massachusetts. I will tell the gentleman why. It is because that has always been the office of money. All nations have had a fixed standard of value, which they make legal tender in private transactions, so that it may be the measure of those transactions. I heard my friend from Pennsylvania say that there was never anything but gold used for money by all civilized and barbarous nations.

Mr. GARFIELD. You mean the gentleman from New Jersey, not the gentleman from Pennsylvania.

Mr. BUTLER, of Massachusetts. Yes; did I say the gentleman from Pennsylvania? I beg Pennsylvania's pardon; no idea like that could come from anywhere except New Jersey.

Now let us search out that. In the first place I declare, and I am ready to maintain, that gold has rarely been the currency of any nation until very lately. Let us go back a little. What was the currency of the Athenian republic? Brass. Of Lacedæmon? Iron. Where do you get the idea of pecuniary value? From the Romans; from *pecus*, the sheep, which was used as the legal tender by the Romans.

Mr. MAYNARD. If the gentleman will allow me, there is another etymology of "pecuniary."

Mr. BUTLER, of Massachusetts. It comes from *pecus*, a sheep.

Mr. MAYNARD. It comes from the figure of a sheep stamped on the coin.

Mr. BUTLER, of Massachusetts. Pardon me; the figure of a sheep was stamped on the coin when government wanted to control its subjects. A piece of brass was substituted with a sheep stamped on it, which the poor man could not eat, for the sheep which the poor man could eat.

Mr. MELLISH. Will the gentleman allow me to ask him a question about the three sixty-fives?

Mr. BUTLER, of Massachusetts. In a moment. Now let me go on a little further. My New Jersey friend [Mr. PHELPS] also told us that his friend, A. A. Low, went abroad to China, and there they would not take from him "the best currency of the world;" they would take nothing but gold for their tea. To that I answer that the Chinese are not such fools as to take gold. They will take nothing but the Mexican silver dollar, and our silver trade dollar. And we have had to make a special trade currency in order to trade with China—a special currency representing a little higher value than any currency which we use ourselves, or than we would use in our own transactions.

Mr. BURCHARD. They take it according to weight and fineness.

Mr. BUTLER, of Massachusetts. Precisely; and they take our trade dollar because of that weight and fineness. That is just what I am coming to in a moment. If gentlemen will be quiet they will find that I will not leave out any part of this matter.

What next? Germany is just now demonetizing silver, and substituting gold. France has only within a few years used any substantial quantity of gold coin. The great increase of silver in amount has demonetized it in many countries. Now, then, my friend is right. What gives it its value as money? It is the stamp; it is nothing else.

Mr. BURCHARD. Will my friend allow me to suggest that the Government merely gives the name, not the value? The Government stamps the name upon the coin, and says "so much weight and fineness constitute a dollar;" and it goes as of that weight and fineness. If a guinea is less than the prescribed weight, it will circulate at its real weight.

Mr. BUTLER, of Massachusetts. Is there any doubt that gold, as far as regards intrinsic value, is among the least valuable of all metals, being put to the fewest uses, except for the purpose of ornament? The Spartan was right when he made iron the currency on its intrinsic value. The only trouble was, it took a great deal to carry on the business; and it would take a great deal in weight of gold to carry on business. We cannot carry on even the business of this country in gold without an amount of gold greater than that which exists in the world.

But what is money? *Moneta*—the stamp—the admonishment of the Government, saying, "This is of a certain value." Why, sir, take your nickel currency as an example. There is not seventy-five cents' worth of nickel in five dollars of that currency issued, if you go to the intrinsic value by weight. But we all take it as a matter of convenience upon the stamp of the Government.

Why should we put the "image and superscription of Cæsar" upon a piece of gold, if we can make an instrument of exchange which is of the value of gold and serves all the uses of gold as money; which passes between man and man and between the Government and the citizen as money; which can be invested as well as any other money? Why do you need anything better than that, whether it is stamped on leather or paper, gold, silver, or nickel?

But it is said you must have it stamped upon gold, because otherwise you cannot trade with other nations. Now, no man knows better than my friend of the Ways and Means Committee [Mr. BURCHARD] that no dollar of our gold ever crosses the ocean as gold money. In payment of our debts, and even of our interest, it crosses the ocean as so much buillion; worth so much by weight; and the moment it gets on the other side it goes into the melting-pot. So, if they send their gold coin here, the moment it arrives on this side it goes into the melting-pot. So it is between all nations of the earth.

Mr. WILLARD, of Vermont. Does not the Bank of England pay out guineas by weight and not by count?

Mr. BUTLER, of Massachusetts. Yes, sir, as a convenient mode of counting them.

Mr. WILLARD, of Vermont. The stamp does not count for anything there; it is the weight.

Mr. BUTLER, of Massachusetts. Pardon me; that is a convenient way of counting.

Mr. WILLARD, of Vermont. Is it not so that if one guinea should be under weight no person may be obliged to take it for more than what it weighs?

Mr. BUTLER, of Massachusetts. They weigh the coin because that is a convenient way of counting; and therein they only imitate the Chinese.

Mr. MAYNARD. The same thing is done at our custom-houses.

Mr. WILLARD, of Vermont. It is not, then, the stamp that counts for anything?

Mr. BUTLER, of Massachusetts. After the gold gets out of the Bank of England, it is the stamp that gives it its value, so that it passes as money.

Mr. GARFIELD. What gives it value when it gets into the smelting-pot, where the stamp is obliterated?

Mr. BUTLER, of Massachusetts. It has no value then as money; it gets a value as bullion, precisely as a bushel of wheat has a value when it gets into the oven and becomes bread, but not as money. It is good for something but not good for money.

Mr. BURLEIGH. Will the gentleman permit me to ask a question?

Mr. BUTLER, of Massachusetts. O, yes; I suppose on this matter I must meet all comers.

Mr. BURLEIGH. How much more purchasing power is there in the currency of the country to-day than there was before the last $25,000,000 were issued?

Mr. BUTLER, of Massachusetts. I have examined that and made a calculation. I am very much obliged to the gentleman for asking me that question.

Mr. BURLEIGH. Taking account of stock to-day, that $26,000,000 costs this country $61,000,000.

Mr. BUTLER, of Massachusetts. Let us examine that. If it is true, I will vote the other way.

Mr. BURLEIGH. Very well; take an account of stock, and see.

Mr. BUTLER, of Massachusetts. Yes, sir; let us take an account of stock. What part of the business of this country is done by our greenbacks or currency? I have heard numbers of our contractionists—I do not use the term invidiously, because they will be very much ashamed of the title one of these days—I have heard numbers of these gentlemen who want a gold-based currency say that only about 3 per cent. of our business is done with money. The rest is done by other instruments of exchange.

Let me formulate that for a moment. The business of the country at wholesale is done by the bank-book, the bill-book, the ledger, the check-book, promissory note, and bill of exchange, the currency of *wholesale*. The *retail* business of the country is done with money. They all say 3 per cent. of the whole buisness is done with money; but I am willing to make it five—that 5 per cent. is done by money. We, in other words, use $756,000,000 of currency, which is only 5 per cent. of the business of property-buying and property-selling in this country through the medium of exchange. I take 5 per cent.; very well, how much is the whole, then? Rising $15,000,000,000; and yet all the exchanges made in this country by money only equal a use of 5 per cent. Now we have injected into this business $44,000,000 by our vote.

Mr. MERRIAM. Twenty-six millions.

Mr. BUTLER, of Massachusetts. Forty-four millions by our vote; I am going to give you the full force of the inflation. I will not stop at $23,000,000. How much is $44,000,000 of the purchasing and exchanging currency of the country? Twenty-nine hundredths of 1 per cent. That is all. Fifteen billions, the sum of all business of exchange, of which $756,000,000 is 5 per cent. Men on the opposite side say it is only 3 per cent., but I will admit it is 5. What part, then, of the whole amount of exchange is $44,000,000? Twenty-nine hundredths of 1 per cent. Now, suppose we watered our instruments of exchange by throwing a perfectly useless medium into them. We shall then only have inflated it twenty-nine hundredths of 1 per cent. Twenty-nine hundredths of 1 per cent.! Now, then, does any man mean to say that watering is too much—twenty-nine hundredths of 1 per cent.? Let me use a simile which we can all understand. Would a man think his whisky very much watered if he only got twenty-nine hundredths of 1 per cent. of water put into it? Not much.

Let us go a little further. My friend behind me says that depends upon how many times it is used. I agree with him. Let me tell you how many times it has to be used. I have already said that this money currency is but the money of retail. Now there are two ways to show that we have too little currency. The first is this: The amount, $756,000,000, was fixed in 1868 as a matter of contraction, but we have grown at least 7 per cent. a year since that, and there is 40 per cent. more business and property in this country than there was then. Therefore, if only currency enough then, how much will we have to extend it now to get it up to the growth of the country? It would be 40 per cent. of $756,000,000, or $302,000,000, which is a trifle larger than $44,000,000.

But I do not stop there, if the House will allow me to bring their attention to it. There are five great retailers added substantially to the retail business of the country since the war, who had no business before and who do their business wholly with currency. In the first place, before the war, you had only thirty thousand miles of railroad, but to-day there are seventy-four thousand miles. The railroads, new and old, are doing now twice as much as they did before the war. All railroad business is done with currency day by day. You have to pay your fare in currency, and all this amount of currency is scooped up. Very well; another retailer is the express business, and all the ramifications of that business is done substantially by currency. Another retailer has come in, the telegraph, with its ramifications all over the country, requiring the use of money. Another retailer came in, the post-office, which has been very largely increased—at least four to one. Another still greater retailer has come in—four millions of people have been brought into this country to use our money who used nothing before 1860—not a dollar; they are all retailers, the four million negroes, and they have not a bank-book or a check-book. They have their wages and their wants, and those wants are all supplied by money, and their wages are all paid by money, and their savings are all hoarded up in money. So there are five great sources of retail business we did not have before the war substantially. And thus I reply to the question so well put as to how many times our currency has to be used?

Again, we have twelve million workingmen and women in the country who receive wages. Will you admit they earn, high salaries and low, on an average two dollars a day—sixty dollars a month? If you should pay their wages on a given and the same day in the month it would take $720,000,000, which is more currency than you have in circulation, deducting the bank reserves.

Mr. BURLEIGH. You do not answer my question at all.

Mr. BUTLER, of Massachusetts. Perhaps not.

Mr. BURLEIGH. I ask you to explain how much more purchasing power there is in the currency of the country now than there was before the $26,000,000 were issued.

Mr. BUTLER, of Massachusetts. Something less than one forty-second of 1 per cent.

Mr. BURLEIGH. No, that will not do. Take account of stock. In the panic, with the balance of trade in our favor, with gold being exported, the Secretary of the Treasury thought fit to issue twenty-six millions in amount of greenbacks, which were then at 107. There were more than seven hundred millions in the market. He reduced the value of those greenbacks 5 per cent. at once, which was $35,000,000, and run the Government in debt $26,000 in gold, and that is the way we stand to-day, if you take account of stock as you would do in your own private business.

Mr. BUTLER, of Massachusetts. Well, let us examine that. But, before I answer it, let me see if I understand your proposition and can state it correctly, because there is no use in attempting to answer anything that one does not thoroughly understand. The gentleman says that at the time of the panic greenbacks were down to within 5 per cent. or 7 per cent. of gold.

Mr. BURLEIGH. Seven per cent. before the panic, and we were going on smoothly.

Mr. BUTLER, of Massachusetts. Hold on a moment. At the time of the panic greenbacks were at 7 per cent., and now they are up to 12; and then the Secretary of the Treasury issued $26,000,000 of greenbacks, and that was a loss, and then he run in debt so much, and that was a loss.

Mr. BURLEIGH. No, no; you do not state it right.

Mr. BUTLER, of Massachusetts. How have we lost anything?

Mr. BURLEIGH. We ran in debt $26,000,000.

Mr. BUTLER, of Massachusetts. Yes.

Mr. BURLEIGH. And we have $35,000,000 less in our safe or pocket to pay it with; that makes $61,000,000.

Mr. BUTLER, of Massachusetts. Precisely. Very well, that is so, but——

Mr. BURLEIGH. All right; if that is so, that is all I want.

Mr. BUTLER, of Massachusetts. Wait a moment. How were we to get that money in our pockets? By taxing the laboring people.

Mr. BURLEIGH. We had it.

Mr. BUTLER, of Massachusetts. Hold on; it is my turn to figure now. How did we get it in our pockets? By taxing the people, and they have not paid so many taxes by $26,000,000, and thus we have grown a great deal poorer.

I have heard a great deal about this depreciated currency. What depreciated it? When the panic came every kind of property depreciated; and that is the curse and the wrong of attempting to contract in order to come down to specie payments. Let me give an illustration. I owed a note for $1,000 on the 1st day of September. I had of stock in the Eastern Railroad, of Massachusetts, a dividend-paying stock, one hundred shares. I could sell that stock for 108 on that day, and pay my note, and have $800 left. Your greenbacks had come down to within 5 per cent. of gold on the 22d of September, when my stock went down to seventy-six cents on the dollar, so that if I had sold it then to pay my note I would have been $2,400 short of

paying my note and lost my $800 besides; but my note did not grow any less. Every man had to suffer from the contraction who owed debts.

Mr. BURLEIGH. Will the gentleman tell the House that the Eastern Railroad in the mean time guaranteed the Maine Central?

Mr. BUTLER, of Massachusetts. Undoubtedly it had very good property down in Maine, but I only took that road as an illustration. Take the Lake-shore Railroad, or the Western Union Telegraph Company, or any other stock; they all run down in like proportion. Which was the most stable thing: this "depreciated, irredeemable rag currency," or the property of this country? The railroad property of the country melted away to the amount of $1,000,000,000; the value of mines, manufactories—everything that is accounted wealth—went down 30 or 40 per cent., while your irredeemable currency kept up within 5 per cent. of gold, and the people hugged it and kept it, and even kept your bank rags because they were redeemable in greenbacks, in preference to any other species of property.

What is the greatest item to-day of property in this country, save real estate? National, State, corporate, and individual indebtment. Is not that by far the greatest item of value? Does any man doubt that? Very well, whatever panic comes that does not go down; whatever depreciation comes, that does not depreciate; that is fixed and unalterable. Other property goes down; creditors can sweep away all other property, but this debt goes down never.

Now, Mr. Speaker, I am willing to contract. I am willing to come back to gold or any other standard, provided we can all come down alike and together; but to take my mill, and your mine, and your railroad, and your farm down, so that the mortgages will swallow them up, while you keep the mortgages up and the debt up for the poor man to pay, is what, under God, I never, never, never will consent to by my vote and by my action here or elsewhere.

Mr. BURLEIGH. General, will you let me ask you another question?

Mr. BUTLER, of Massachusetts. Certainly.

Mr. BURLEIGH. Is it or is it not desirable to have the money in your pocket as near the value of gold as possible?

Mr. BUTLER, of Massachusetts. Yes, it is.

Mr. BURLEIGH. And do you not believe, where you stand now, that if the Government was relieved of these demand notes it would resume and compel the banks of this country to resume specie payments?

Mr. BUTLER, of Massachusetts. No, sir.

Mr. BURLEIGH. Well, I do.

Mr. BUTLER, of Massachusetts. I agree to the first proposition. I want my money as near like gold in value as possible, and that is why I fix interest at 3.65. The other question is, if the country was relieved of all its demand notes would we not be able to resume specie payments? I do not know but what, if it were relieved of any debts on demand, it would be able to pay its debts on demand, if that is what the gentleman means. But if he means this, that there is gold enough now in the country, or that you can get gold enough in the country without breaking every bank or banker in Europe, to redeem our money circulation in gold, then I do not believe it.

Mr. BURLEIGH. Do you believe that if the banks had three years' notice that they would have severe penalties imposed upon them if they did not redeem their notes in specie, they would not redeem? You know they would.

Mr. BUTLER, of Massachusetts. I have no doubt they would.

Mr. BURLEIGH. They would fortify themselves with gold, and when they had the gold neither you nor I would want it.

Mr. BUTLER, of Massachusetts. Ah! that is the way they would redeem, because we would not want it. The difficulty is this: I agree that our banks would fortify themselves; I agree we should go into contraction; that we should strain ourselves in every way to get gold to redeem, if we made it highly penal not to redeem. But the difficulty would be this: while the banks are so fortifying themselves, while we are so getting gold together to redeem, all values must go down, all industries must be paralyzed, and the way the banks would fortify themselves in the end would be by issuing certified checks.

Mr. BURLEIGH. Can we not make a law to compel them to redeem?

Mr. BUTLER, of Massachusetts. Yes.

Mr. BURLEIGH. And then make laws that will allow the people to supply the demand for currency; they will do it.

Mr. BUTLER, of Massachusetts. How will they supply the demand for currency?

Mr. BURLEIGH. Give them the privilege, and they will do it.

Mr. GARFIELD. The gentleman is in favor of free banking.

Mr. BUTLER, of Massachusetts. Well, I am in favor of free banking, and I will tell you why. If you give unlimited free banking, in my opinion in three years it will destroy the whole banking system.

Mr. BURLEIGH. I did not say "unlimited;" that is a word that you put in.

Mr. BUTLER, of Massachusetts. It is not free banking if it is not unlimited, if I cannot bank as well as you.

Mr. GARFIELD. I desire to take the floor, not for the purpose of speaking at this time, but in order that I may have the floor when the consideration of this subject is again resumed by the House.

The SPEAKER. The gentleman would not be entitled to the floor when this subject is again resumed, but the gentleman from Virginia [Mr. PLATT] will be then entitled to the floor.

Mr. GARFIELD. Very well.

Mr. MERRIAM. I move that the House do now adjourn.

The motion was agreed to; and accordingly (at five o'clock and thirty minutes p. m.) the House adjourned.

IN SENATE.

MONDAY, *April* 6, 1874.

Prayer by Rev. E. D. OWEN, of Washington, D. C.

On motion of Mr. MORTON, and by unanimous consent, the reading of the Journal of the proceedings of Friday last was dispensed with.

HOUSE BILLS REFERRED.

The following bills from the House of Representatives were severally read twice by their titles, and referred as indicated below:

The bill (H. R. No. 1063) to restore Captain John C. Beaumont, of the United States Navy, to his original position on the Navy Register—to the Committee on Naval Affairs.

The bill (H. R. No. 2538) to legalize and establish a ponton railway bridge across the Mississippi River at Prairie du Chien—to the Committee on Commerce.

The bill (H. R. No. 2667) to enable the Secretary of the Treasury to gather authentic information as to the condition and importance of the fur trade in the Territory of Alaska—to the Committee on Commerce.

The joint resolution (H. R. No. 81) requesting the President to intercede with Her Majesty the Queen of Great Britain for the release of Edward O'Meagher Condon, now confined in prison in Manchester, England—to the Committee on Foreign Relations.

PETITIONS AND MEMORIALS.

Mr. FERRY, of Michigan, pesented a resolution of the Legislature of Michigan, urging upon Congress the propriety and wisdon of granting relief to certain persons whose certificates of homestead entry, obtained in the years 1867, 1868, and 1869, under the homestead law, have been canceled by the United States because of conflict with the land grant of the Grand Rapids and Indiana Railroad Company; which was referred to the Committee on Public Lands.

He also presented a petition of the school officers of the township of Sault Sainte Marie, Michigan, praying Congress to grant them for school purposes a certain portion of the military reserve, containing 1.26; which was referred to the Committee on Military Affairs.

Mr. WRIGHT presented the petition of Lehr Schooler, widow of Richard Schooler, a soldier of the war of 1812, praying an amendment of the act of February 14, 1871, granting pensions to soldiers of that war; which was referred to the Committee on Pensions.

Mr. MITCHELL. I present a memorial signed by 1,163 citizens of the State of Oregon, and Washington and Idaho Territories, in which they respectfully represent the importance of taking such action as will open the Columbia River to the commerce of the world, and secure an outlet for the surplus products of the great interior basin. They represent that the Columbia River and its affluents drain a country thousands of miles in extent, the lands on which are highly prolific, but owing to obstructions in the river, first at the Cascades, and next at the Dalles, it is impossible to send to market the products of this vast region; that to remove these obstructions, and open to settlement the country stretching from the Cascades on one side to the Rocky Mountains on the other, it is necessary to build a canal with suitable locks at the Cascades, and a similar one at the Dalles; that this is a work which, from its magnitude and importance, assumes a national character, and as such the memorialists ask Congress to make appropriations for preliminary surveys, and for such other action as will lead to the early removal of all obstructions to the free navigation of the Columbia River. I move that the memorial be referred to the Committee on Commerce.

The motion was agreed to.

Mr. HAMILTON, of Texas, presented the petition of Hugh W. Hawes, proposing for certain considerations to improve Matagorda bar and harbor and to build a canal commencing at and including the mouth of the Caney, in Matagorda County, Texas, to the mouth of the Rio Grande River, Texas; which was referred to the Committee on Commerce.

Mr. JOHNSTON. Mr. President, I present the memorial of G. W. Custis Lee, of Virginia, which sets forth that the estate in Alexandria County, Virginia, known as Arlington, was devised by Mr. Custis to his daughter, Mary Ann Randolph Lee, for life, and at her death to the memorialist, her eldest son; that Mrs. Lee has recently died, and the title is now vested in him; that during the war a direct tax amounting to $92.07 was assessed against the property in the name of Mary A. R. Lee, and the estate sold and purchased by the United States. The memorial further states that the tax and other charges were offered to the commissioners and refused by them because not tendered by Mrs. Lee in person, and that the commissioners had adopted a rule that the tax could not be paid by another person for the owner but must be paid by the owner himself, and it is insisted

that these circumstances, together with others also set forth, render the title of the United States to Arlington invalid.

Mr. Lee has been advised that his claim could be enforced in the courts, but he states in his memorial, and I now say for him, that he is not in the least inclined to disturb the purposes to which the property is devoted, and therefore he comes before the Congress of the United States and asks that the Government will cause his claim to be examined, and if found good pay him a fair and reasonable price for the estate.

To attain this end I have prepared, and will now offer with the memorial, a bill conferring upon the Court of Claims jurisdiction to hear the case, and if the title of Mr. Lee is found good, also to ascertain the proper compensation, and give either party an appeal to the Supreme Court. And I cannot but think that when it is suggested to Congress that the title of the Government is not good, and the reasons fairly given, the Congress ought not only to be willing but anxious to perfect the title.

In the Arkansas Hot Springs case, where the property was claimed both by the Government and by citizens, a law was passed referring the adjudication of the question to the Court of Claims, and in preparing this bill I have followed the precedent in that case.

I move that the memorial and bill be printed and referred to the Committee on the Judiciary.

The PRESIDENT *pro tempore*. The memorial will be referred to the Committee on the Judiciary. Bills are not yet in order. When bills are reached it will be read and referred.

Mr. BOGY. I present a concurrent resolution of the Legislature of the State of Missouri, in favor of an appropriation for the improvement of the mouth of the Mississippi River; and while I am up I will state the contents very briefly. The Legislature of the State desire that a large and adequate appropriation be made for this great object, stating that it is not local, but national, affecting the commerce of the whole western country, and furthermore expressing the desire that one of the mouths of the river be opened in opposition to a canal, they believing that a canal would not afford adequate facilities. I move its reference to the Select Committee on Transportation Routes to the Sea-board.

The motion was agreed to.

Mr. INGALLS presented resolutions of the Cawker City Board of Trade, of Mitchell County, Kansas, in respect to the memory of the late Hon. Charles Sumner; which were ordered to lie on the table.

Mr. CONKLING. I have a memorial, and hardly a memorial, as it is addressed to Senators and members of Congress, not to Congress technically. I state that in frankness. It is sent me by the board of harbor commissioners and pilots of the State of New York with the request that I shall present it, being the original memorial, which sets forth the need of appropriations to care for the harbor of the city of New York, the East River, Harlem River, and so on. I move its reference to the Committee on Commerce.

The motion was agreed to.

Mr. THURMAN. I presented the other day, in the form of a telegram, a preamble and resolution adopted by the Cincinnati Chamber of Commerce in relation to the Louisville and Portland Canal. I have now a certified copy from the president of that chamber of the same matter, which I ask leave to present, and as it is very brief, I ask permission to read it:

Whereas the effect of the Wheeler amendment, embodied in the House bill, providing for the control of the Louisville and Portland Canal by the Government of the United States, insures the continuance of the existing oppressive toll for two years at least; and whereas the charge of fifty cents per ton for passing through the canal is especially oppressive, in view of the fact that freights are carried by water from the city to New Orleans at two to four dollars per ton: Therefore,

Resolved by the Cincinnati Chamber of Commerce, That the United States Senate be, and it is hereby, respectfully requested, in behalf of the commerce of the Ohio and Mississippi Rivers and tributaries, and in advancement of the cause of cheap transportation, to reject the amendment ingrafted upon the bill on motion of Mr. Wheeler, and cause the same to be passed in such a shape as to insure the immediate control of the canal by the Government and a reduction of the tolls so as to place this improvement on an equal footing with other canals controlled by the United States.

I move that the preamble and resolution be laid on the table.

The motion was agreed to.

Mr. SCHURZ presented the petition of Herman Lamprecht, praying to be allowed a pension; which was referred to the Committee on Pensions.

Mr. BOUTWELL presented resolutions of a meeting of colored citizens of Savannah, Georgia, in respect to the memory of the late Hon. Charles Sumner; which were ordered to lie on the table.

He also presented resolutions of the Legislature of Massachusetts, in regard to the death of ex-President Fillmore; which were read as follows:

COMMONWEALTH OF MASSACHUSETTS, *in the year* 1874.

Resolutions on the death of Millard Fillmore, thirteenth President of the United States.

Resolved, That the Legislature of Massachusetts receives with profound sensibility and regret information of the death of Millard Fillmore, the thirteenth President of the United States.

Resolved, That as representatives of the people of the State, we deem it our duty to express in their name their regard for the various important public services, in the humblest as in the most exalted official positions, which distinguished his official life, and to mark with appropriate honors the purity of his character, the integrity of his administration, his firm adherence to his convictions of duty, and the calm, Christian dignity that attended the close of his earthly career, which entitle him to the affectionate remembrance of the American people and an honorable place in the long line of their illustrious servants.

Resolved, That his excellency the governor be requested to transmit copies of the foregoing resolutions to the family of the late President Fillmore, and to the Senators and Representatives of Massachusetts in the Congress of the United States.

The resolutions were ordered to lie on the table.

PAPERS WITHDRAWN AND REFERRED.

On motion of Mr. PRATT, it was

Ordered, That the papers of William W. Spiers relating to his claim for compensation as assistant surgeon United States Army be taken from the files and referred to the Committee on Military Affairs.

REPORTS OF COMMITTEES.

Mr. HITCHCOCK, from the Committee on Territories, to whom was referred the bill (H. R. No. 2450) to provide for the apportionment of the Territory of Wyoming for legislative purposes, reported it without amendment.

Mr. OGLESBY, from the Committee on Pensions, to whom was recommitted the bill (H. R. No. 1122) granting a pension to Mrs. Martha E. Northup, widow of First Lieutenant Edward B. Northup, late of the Seventeenth United States Infantry, reported it without amendment, and submitted a report thereon; which was ordered to be printed.

BILLS INTRODUCED.

Mr. JOHNSTON asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 661) to give jurisdiction to the Court of Claims to hear the claim of G. W. Custis Lee to Arlington; which was read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed.

Mr. WEST asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 662) for the relief of Mary C. Stirling, (tutrix of her minor children,) of Louisiana; which was read twice by its title, and referred to the Committee on Claims.

He also asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 663) for the relief of Julius Reinberg, of Louisiana; which was read twice by its title, and referred to the Committee on Claims.

He also asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 664) amendatory of an act to limit the liability of ship-owners, and for other purposes, approved March 3, 1851; which was read twice by its title, and referred to the Committee on Commerce.

Mr. PRATT asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 665) for the relief of William W. Spiers, late assistant surgeon United States Army; which was read twice by its title, and referred to the Committee on Military Affairs.

Mr. SARGENT asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 666) granting to the Nevada County Narrow-Gauge Railroad Company a right of way through the public lands for a railroad; which was read twice by its title, referred to the Committee on Railroads, and ordered to be printed.

He also asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 667) to release the government of Japan from the payment of the balance of the indemnity fund remaining unpaid, amounting to $375,000, under the convention of October 22, 1864; which was read twice by its title, and referred to the Committee on Foreign Relations.

Mr. ROBERTSON (by request) asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 668) to incorporate the Anglo-American Mutual Company; which was read twice by its title, referred to the Committee on Public Lands, and ordered to be printed.

Mr. CLAYTON asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 670) for the relief of certain officers named therein; which was read twice by its title, referred to the Committee on Military Affairs, and ordered to be printed.

CLAIM OF R. M. AND S. A. DOUGLAS.

Mr. MERRIMON. I desire to accompany the introduction of a resolation which I now offer by an explanatory remark.

The PRESIDENT *pro tempore*. The Senator from North Carolina asks unanimous consent to submit some remarks on a resolution which he proposes to offer. Is there objection? The Chair hears none.

Mr. MERRIMON. It will be remembered that the other day when I made a report in the matter of the claim of Robert M. and Stephen A. Douglas a resolution was passed by the Senate for the reference of the claim, so far as it related to cotton seized, to the Court of Claims. It was then suggested by the Chair that it was not proper for the Senate alone to make this reference, but on looking at the statute it was found that the court was so organized as to give it jurisdiction of any claim that might be referred to it by either branch of Congress. The counsel of Messrs. Douglas, on looking at the statute in view of which the Senate acted and the subsequent statute in reference to abandoned property, are of opinion that the subsequent statute is such as to require a joint resolution to give jurisdiction in a case like this. I therefore offer a resolution to rescind the resolution adopted the other day, and then I shall ask leave to introduce a joint resolution:

Resolved, That the resolution adopted April 1, 1874, referring the papers in relation to the claim of Robert M. and Stephen A. Douglas to the Court of Claims be, and the same is hereby, rescinded; and that the Secretary be directed to request that the papers in relation to the said claim be returned by the Court of Claims to the office of the Secretary of the Senate.

The resolution was considered by unanimous consent, and agreed to.

Mr. MERRIMON. I now ask leave to introduce a joint resolution to accomplish the purpose.

The PRESIDENT *pro tempore*. The Chair will suggest that under a former ruling it was directed or recommended that all legislation should be in the form of bills.

Mr. MERRIMON. I ask the Clerk then to change the title from joint resolution to a bill.

By unanimous consent, the bill (S. No. 669) referring the petition and papers in the case of Robert M. and Stephen A. Douglas, in so far as the same relates to cotton seized, to the Court of Claims was read, and passed to a second reading.

Mr. MERRIMON. I ask for the present consideration of the bill.

Mr. CONKLING. Those who sit in the portion of the Hall where I am located heard only imperfectly the remarks of the Senator from North Carolina. They relate, as I understand, to a claim large in amount and to which I want to interpose no objection now on the merits, but it belongs to a class of claims worthy of careful consideration, and I hope the Senator will not ask to put this bill on its passage now until we can know more about it than some of us at least do.

Mr. MERRIMON. As there is objection, I will not ask the Senate to consider the bill now, but I will ask that the report which accompanied the resolution I reported the other day be printed. That will be necessary for the consideration of the subject.

The motion to print was agreed to.

Mr. MERRIMON. On reflection I ask that the bill which I introduced a moment ago for the relief of Messrs. Robert M. and Stephen A. Douglas be referred to the Committee on Claims.

The bill was read the second time by its title, and referred to the Committee on Claims.

LOUISVILLE AND PORTLAND CANAL.

The PRESIDENT *pro tempore*. If there be no further morning business, the Secretary will report the Calendar.

Mr. SHERMAN. I am told by the Secretary that the bill in relation to the Louisville and Portland Canal is not the unfinished business; that the finance bill is the unfinished business. That being so, I move that the Louisville and Portland Canal bill be taken up now with a view to its disposition this morning.

Mr. ANTHONY. I hope we shall go through the morning hour as we have been doing for some time, by acting on the bills on the Calendar in order.

Mr. SHERMAN. I will state that the Senator from Kentucky [Mr. MCCREERY] has the floor on this bill and wishes to speak upon it for a few minutes, and after that I have no doubt that we can agree to a disposition of the bill.

Mr. ANTHONY. I would much rather have it done after the morning hour.

Mr. SHERMAN. I would prefer not to have further delay.

Mr. CONKLING. May I ask the Senator from Ohio and the Senator from Kentucky a question? Is there any serious objection to allowing the canal bill to be referred to the Committee on the Judiciary, of which one Senator from Ohio is a member? I think the committee could speedily and fully inform the Senate upon the question of law involved, and we could act at once. I make the suggestion, not in interest of delay, but in the interest of expedition in disposing of the bill.

Mr. SHERMAN. The Senator from Kentucky, who represents the State in which this work is, feels that it is due to him, as he had not the opportunity to say anything the other day, that he should be allowed to express his views.

Mr. CONKLING. I beg my friend to believe that I do not mean to interpose against the Senator from Kentucky; far from it; I wish to hear him. I only ask as to the ultimate disposition of the bill when the Senator shall have concluded his remarks.

Mr. SHERMAN. I will consult with Senators about the disposition of the bill.

The motion of Mr. SHERMAN was agreed to; and the Senate resumed the consideration of the amendment of the House of Representatives to the bill (S. No. 350) providing for the payment of the bonds of the Louisville and Portland Canal Company.

Mr. MCCREERY. Mr. President, I sought the floor on Friday last with a view of expressing a few thoughts on this subject; but the Presiding Officer recognized another Senator, who made the very popular motion for adjournment, and it was carried. I now propose to occupy the attention of the Senate only for a few moments.

Whatever obligation might have rested upon me in the beginning to speak upon a measure so deeply affecting the agricultural and mechanical interests of the West has almost faded away before the light which has been already thrown upon this question. I feel that it would be utterly impossible for me to add a particle to the force of the statements and arguments which have been submitted with reference to the Louisville and Portland Canal. No amount of ingenuity and sophistry could either exaggerate or diminish the importance of that great work. Kentucky has no more and no less interest in it than half a dozen other States whose borders are washed by the waters of the Ohio and Mississippi Rivers, and whose commerce has been taxed for the aggrandizement of a private corporation. From the day of its completion to the present time every western man, from the Lakes to the Balize, has realized the prime necessity of the free navigation of the Ohio. So imperious have been the demands of the people of Ohio, Kentucky, Indiana, and Illinois in that direction that the corporators, although their dividends varied from 10 to 15 per cent., generously sacrificed their private interests to the public good, and transferred their stock at par to the Government of the United States. Whatever may be the fate of the pending measure, the generosity and patriotism which prompted this action stand without a parallel and must be regarded as an earnest of perfect good faith in the transaction.

It is difficult to comprehend the ultimate object of those who are seeking by a reference to postpone action on the part of Congress. Kentucky passed precisely such laws as were deemed requisite and ample to divest that State and its citizens of all right and title in and to the canal, and to invest the same in the Government under the terms and conditions understood by the parties. It is in the nature of a solemn compact or agreement that neither party has any right to vary, modify, or change, without the consent of the other. These are the plain principles of law and of common sense applicable alike to contracts between individuals or between separate and independent States. It is therefore manifest to my mind that an attempt to levy a State tax on a canal after its cession to the General Government and its acceptance by the Government would be as inoperative as a similar attempt to tax a custom-house, a post-office, or any other public building; and so I believe it would be held and determined by the courts.

But this tender regard for the rights of the States has sprung from a quarter from which it might have been least expected; and however grateful the news may be to the people of Louisiana, it is still a matter of profound regret that its first development involved a merciless assault upon the honest sons of toil who vainly believed that the hour of deliverance was at hand.

But giving the broadest and fullest scope to the objection, and admitting that Kentucky not only asserts but maintains and enforces the right of taxation, what are you going to do? After expending millions of treasure in completing the work and when it is ready to meet the demands of commerce by securing safe and cheap transportation to the people, will you upon the pretense of a fear of an imaginary danger of taxation abandon the enterprise, leaving the industry of the Mississippi Valley a prey to the rapacity of the five shareholders who are willing for $500 to transfer their stock? Or will you embrace the alternative of the venerable Senator from Maine [Mr. HAMLIN] and fill it up and block it forever against the commerce of the country? If that Senator had the will and the power to consummate so great a wrong, the good deeds of a long life would be a poor offset to the ruin he had wrought. But I will not pretend to believe that the Senator was serious. His eminent public services and his love of justice would make him recoil with horror from dealing so deadly a blow. His very nature would prompt him to extend a helping hand to the honest laborer, to lighten his burdens, to send joy and peace to his home and his family, rather than to destroy all hopes of comfort by closing their approaches to a market.

Are Senators aware of the extent of the obstructions to commerce that we are seeking to remove? Have they studied the mineral resources of Pennsylvania and West Virginia and the agricultural and mechanical industries of Kentucky, Ohio, Indiana, and Illinois? Who will enumerate their productions and assign their values? And yet the producers and consumers of that extensive and fertile valley are to be perplexed by vexatious delays and catterwauled and plundered by exorbitant and oppressive tolls and charges until Kentucky does a thing which she has done already, and which she could not undo even if she desired it, and which, if carried out with all its force to the last extremity, would not justify this Government in assuming an attitude of neglect and indifference to so large and so respectable a portion of its citizens. Ascending boats bound to Louisville fail to go to Louisville, and their cargoes of grain, tobacco, and groceries are rolled out on the Portland wharf, and remain exposed to the damages of the weather and to the depredations of man and beast until they can be carted to their destination, while passengers find such conveyance as they may to the city. These multitudinous hardships and oppressions have built up four cities at the Falls of the Ohio—two in Indiana and two in Kentucky.

An embargo or a tax which would incumber and embarrass the foreign commerce of Boston would be a serious affliction upon the people of New England; but the injury would not be so great in amount nor so wide-spread in its operation as that which is here imposed upon the West.

In behalf, then, of the Commonwealth of Kentucky and those other great Commonwealths whose citizens have borne these grievances for years, I invite you to take your property and execute the important trust committed to your keeping. Nobody will interfere with your jurisdiction, and everybody will thank you for the benefits and blessings of free navigation.

I hope that the committee of conference will be ordered. I have asked little at the hands of this Senate, and I trust that this just demand will not be disregarded.

The PRESIDENT *pro tempore*. The Senator from New York moves that the bill, with the amendments of the House of Representatives, be referred to the Committee on the Judiciary.

Mr. CONKLING. I do, if the Senator from Michigan will accept that motion in lieu of his.

Mr. CHANDLER. Certainly; I accept it.

Mr. SHERMAN. I was in hopes that without further delay the Senate would consent to refer this matter to a committee of conference; but if there is to be any reference to a standing committee it ought to be to the committee that originated the bill, the Committee on Finance. That committee, representing all sections of the country, undoubtedly can consider the question which is now presented by what is called the Wheeler amendment; and if the Senator from New York has no objection, I will move to refer the amendment of the House to the Committee on Finance, which reported the bill. That is the usual course.

Mr. CONKLING. I have no wish to engage in a competition between committees, and certainly I have none to participate in the labor necessary to an investigation of these questions. The Senator from Ohio the other day showed, and again now shows, that his understanding is that the House of Representatives has adopted one amendment which he calls the Wheeler amendment. So the other day when the bill was considered I thought; and it shows how little advised we are on this subject. It turns out now that four or five amendments have been adopted by the House. It turns out that they were adopted with such disposition on the part of some of those having charge of the bill as led them to refrain from attempting to perfect it, and the bill as it now stands is quite incongruous, as the Senate will see if it shall be read at length with the amendments which have been introduced. Upon these four or five amendments and upon the original bill, I find on looking at it further several serious questions arise; I believe all of them questions of law. Had I known as well as I do now the situation of the case, I might on Friday have made a much fuller statement of the question than I did make. Beyond the question of taxation there are others equally grave, going to the ownership of the canal and the effect of the preceding legislation. My judgment is, I say to the Senator from Kentucky, who seemed to think that a motion to refer was made in the interest of delay, that the most certain, the most expeditious, and the most convenient mode of disposing of the measure is to allow the proper law committee of the Senate to investigate these questions and make report on them. I have no wish certainly to oust the Committee on Finance of the jurisdiction of this subject; but as the Senator from Maine [Mr. HAMLIN] said, in the distribution of the business of the Senate, this certainly did not belong to the Committee on Finance, although, as the chairman explained, some communications of the Secretary of the Treasury having been referred to that committee, the committee of course was not to blame for taking jurisdiction of it; but it belonged originally to the Committee on Commerce; it came from the Committee on Commerce of the other House. It comes here now with several questions which are substantially questions of law, and there being on the Judiciary Committee one of the Senators from Ohio, and he being a very eminent lawyer and being very warmly in favor of the freedom of the Louisville and Portland Canal and the commerce that passes through it, it seemed to me that that was a wise disposition, and therefore I asked the Senator from Michigan to yield his motion and allow this to be put in its stead, which he has consented to do. If the Senator from Ohio [Mr. SHERMAN] does not wish the question to be taken on that motion, I will release the Senator from Michigan from his promise to consent to my motion, and we will let it go back and vote on the motion to refer to the Committee on Commerce or to any other committee which Senators choose to name. I say in the interest espoused by those Senators that my belief is confidently that we shall get the best bill in the shortest time if we allow it to take the ordinary course of legal questions which arise in the Senate.

Mr. THURMAN. Mr. President, I do not think it has been usual in this Senate to take a bill out of the hands of the committee that reported it and send it to another committee. We had that subject up the other day in the Senate, and no instance was stated in which such a thing had been done, except where the committee reporting the bill itself requested it to be done. This bill was reported by the Committee on Finance; it was advocated by that committee in the Senate; it passed as reported by that committee; and when it comes back into the Senate with an amendment from the House of Representatives, according to the courtesy due to that committee and the usage of the Senate, if it should be referred at all, it ought to be referred to that committee in which it originated.

In respect to the suggestion of the Senator from New York that that was not the proper committee in the first instance, I beg leave to differ with him most materially in opinion. This not a question that properly belongs to the Committee on Commerce; it is more than anything else a question of finance. The question really is—the substantial question at the bottom of all this is; the question in relation to which all other qusestions are but mere machinery is—what shall be the amount of toll received on this canal. Is that not a financial question? The entire stock of the canal company with the exception of $500 is owned by the Government of the United States, and those $500, as I can show by the report of the Secretary of the Treasury, are only held by five individuals, because they were requested nearly twenty years ago by the then Secretary of the Treasury, to act as trustees for the United States. The question is, then, what tolls shall we levy on the passage of vessels through our own property? and that is very properly a question of finance. But whether that be so or not this subject has been before that committee and the bill originated in that committee, and courtesy to the committee and the usage of the Senate require that if there be a re-reference it shall be to that committee.

One word more and I will not occupy more time upon this subject, for although I have looked into this matter since last Friday, and believe I am now prepared to speak upon every statute that ever was passed in relation to it either by Congress or by the Legislature of Kentucky and am greatly confirmed in the opinion expressed by me last Friday and which I know I could express more fully to-day if we had the matter up, I do not want to take time. I have therefore only to reply to the other suggestion of the Senator from New York, that there are important legal questions involved in this bill. Why, sir, suppose there are, as was truly said by the Senator from Indiana the other day; is every bill involving legal questions, or even important legal questions, to be sent to the Judiciary Committee? If so, you will have to enlarge the Judiciary Committee three or four fold and allow it to do work by sections, for it would absorb nearly the whole business of the Senate. How many important legal questions come before the Committee on Claims? They come by the hundred—I might almost say by the thousand. How many come before the Committee on Private Land Claims? How many before the Committee on Commerce, relating to tariffs and the like? And so on with all the committees of this body; there is not one before which a legal question may not come; and therefore our committees are well constituted. Take the Committee on Finance; there are on it three or four of the ablest lawyers in the Senate, quite as competent to decide this question as any members of the Judiciary Committee. Here is my colleague, [Mr. SHERMAN,] the chairman of that committee. Here is the Senator from Pennsylvania, [Mr. SCOTT;] there is the Senator from Iowa, [Mr. WRIGHT,] who also belongs to the Judiciary Committee; and there is the Senator from Delaware, [Mr. BAYARD.] Where will you find any better lawyers? And what necessity is there to take from a committee containing such lawyers as these a bill which that committee originated, simply because there are legal questions involved in the bill?

Mr. President, if a reference is to be had now, which I do not think ought to be had, but out of deference to the opinions expressed by some Senators I am willing it may be had, I hope the usage of the Senate will not be departed from by taking the bill from the committee to which it belongs and which heretofore has reported it.

Mr. HOWE. Mr. President, I have never said in the course of my service in the Senate a word on the subject of this Louisville and Portland Canal, and I almost reproach myself that I have not said something about it. I have no doubt I should have been able, if I had ever known anything about it, to speak intelligently. I want to state now that I will vote for the first reference that is submitted for a vote, I do not care to what committee it is, whether to a committee of conference, to the Committee on Commerce, or the Committee on Finance. The one thing I want to avoid is any further delay in doing what seems to be the main purpose of the bill, and that is to require the United States to take possession of this great work and protect the enormous commerce which it was designed to benefit.

We have been told here a dozen times, which I am sorry to say the history of the country verifies, that ever since 1855 five men, with a vested interest of $500, have held control of this great work, in which there appears to have been invested some $10,000,000, and that they are collecting now annually from two to three hundred thousand dollars, and have been collecting for all these twenty years not so large a sum as that, but a sum constantly increasing. What they have done with that money we do not know and no one in this Chamber is prepared to tell.

I think under these circumstances, the United States itself having invested every one of those dollars except the five hundred, it is high time the United States took control of the work, if it can get control of it peaceably by paying the $500, or by ordering the Army and Navy to take forcible control. It is time to have control. It is said we shall buy a lawsuit. We paid for a first-class lawsuit, and I think it is time the dance commenced. It is said that the State of Kentucky is claiming the right to tax this work. Perhaps Kentucky has the right to tax the work; but I think we had better take possession and try the question whether she has the right to tax or not. It is said there are some heirs of somebody or other who claims title to this thing. I think we had better put ourselves in a position to try that claim of title. We can abandon the work next year or twenty years hence if we find we cannot hold it; but I think, having put so many millions into the work, we had better try the question whether we can hold it or not.

I would as soon this matter should go to a committee of conference as to any other committee. I am quite as willing it should go to the Committee on Finance. I want to say one word, however, having looked a little into the subject. I hope whatever committee takes jurisdiction now will provide as little machinery as possible. We have made an appropriation heretofore, I learn, for paying off a mortgage. Mr. President, think of that one feature in the legislation on this subject. In 1860 I am told—I have not looked at the act; I looked for it, but the volume of the Statutes in which that act is did not happen to be on my shelf—in 1860 I am told the Congress of the United States authorized these five men to put a mortgage on the canal, and they did it for the sum of $1,700,000 or thereabouts.

Mr. SHERMAN. Now reduced to $1,100,000.

Mr. HOWE. They mortgaged your work for which you paid every

dollar that had been paid, except $500.. They executed the mortgage; they sold the bonds. Who can tell what they got for them; who can tell what they did with the money? But you have now made an appropriation to pay off that mortgage. I think it ought to be paid off. I do not know of anything in our legislation which is worse than that one fact of your authorizing individuals to mortgage such a piece of public property as that. Why, sir, if you were to allow any five men in the District of Columbia to mortgage your Capitol to-day, I would not think one whit worse of that act than I do of this. But you made an appropriation to pay off that mortgage. That I think is enough. There is a clause in this bill, I believe, which contemplates authorizing the Secretary of the Treasury to settle outstanding indebtedness beyond that. I hope when the bill comes before us for final action there will be no such authority vested in the Secretary of the Treasury.

Mr. SHERMAN. I will state to the Senator that the whole amount is thirty or forty thousand dollars, made up of small balances on running accounts.

Mr. HOWE. I do not care if it is but three shillings and sixpence, I would not allow the Secretary of the Treasury to settle a claim of the kind. I do not know how much authority these five men have, besides mortgaging your canal, to contract indebtedness for which they have given no mortgage and to make the Treasury of the United States responsible. Let those who have claims against this work present them hereafter and we consider them. If they are honest and fair charges against the work, the United States will do right by them; but I would not allow any officer of the Government to settle up until the claims are preferred here and we know exactly what they are. I see that some edition of the bill also authorizes the Secretary of the Treasury to take possession. Clearly, it seems to me, the Secretary of War should do that.

Mr. THURMAN. The House bill is "the Secretary of War."

Mr. HOWE. I understand that the House changed that. The Secretary of War should do that. He has the only officers who are competent to manage it. The Engineer Corps should have charge of it, it seems to me. They are the only officers who can do it. I hope some such bill as that, containing as few provisions as possible, will be presented at the earliest day, and that we may agree to it.

Mr. CHANDLER. All similar bills to this have heretofore been referred to the Committee on Commerce, and I believe that every appropriation ever made for this work has been recommended by the Committee on Commerce. It is claimed that there are $1,000,000,000 of commerce passing through or by this canal in a year. If there is any measure specially belonging to the Committee on Commerce, I should suppose that this was the particular one, and how it ever got into the hands of the Committee on Finance I do not know; but it has now become purely a legal question. If the Committee on Commerce for the last five or six years has been under a misapprehension; if Kentucky has not yielded absolute right to the Government of the United States over this canal, I think we ought to know that. I accepted the suggestion of the Senator from New York because I want the legal opinion of our legal advisers, elected for that very purpose. When a matter of law as to some point in a bill before the Committee on Commerce arises, and the advice of the law committee is needed, we have always been in the habit of referring that particular point to the Committee on the Judiciary. I, for one, want their judgment, and their united judgment, on this point. Hence I think the bill ought to go to the Committee on the Judiciary.

Mr. SAULSBURY. Mr. President, I think this matter ought not to go to a committee of conference. In view of what I have heard, I think there is one question to be examined, and that is what property the United States has actually in this canal. It seems that the Louisville and Portland Canal was originally built by an incorporated company, and the Government of the United States purchased certain shares in the stock of that corporation. I have no doubt it was perfectly competent for the United States to do that; but the question may arise, what property the United States is competent to take in any corporation or in any work or enterprise within the jurisdiction of the States of this Union. It may acquire property for certain specific purposes enumerated in the Constitution of the United States, for the purpose of building forts, arsenals, dock-yards, and other needful governmental buildings; but the question may very gravely arise, is it competent for the United States, even by the cession of any State in this Union, to acquire property within the jurisdiction and within the eminent domain of a State for any other purpose than the purposes expressly designated and nominated in the Constitution itself? The provision of the Constitution to which I refer specifies that—

> The Congress shall have power to exercise exclusive legislation, in all cases whatsoever, over such district (not exceeding ten miles square) as may, by cession of particular States and the acceptance of Congress, become the seat of Government of the United States, and to exercise like authority over all places purchased by the consent of the Legislature of the State in which the same shall be, for the erection of forts, magazines, arsenals, dock-yards, and other needful buildings.

I say it may be a very grave question whether the United States can acquire property within the jurisdiction of a State of this Union for any other purpose than the purposes specified in that clause of the Constitution. This suggestion of mine is not novel; it has been held to be correct by eminent judges of the Supreme Court, or at least by one. In the case of Searight *vs.* Stokes *et al.*, which arose out of the cession by the United States of the Cumberland road to Pennsylvania and Ohio, Mr. Justice Daniel, who delivered an opinion, expressly declared that in his judgment the Federal Government could not acquire property in a State. He said:

> I hold, then, that neither Congress nor the Federal Government in the exercise of all or any of its powers or attributes possesses the power to construct roads, nor any other description of what have been called internal improvements, within the limits of the States. That the territory and soil of the several States appertain to them by title paramount to the Constitution, and cannot be taken, save with the exceptions of those portions thereof which might be ceded for the seat of the Federal Government and for sites permitted to be purchased for forts, arsenals, dock-yards, &c.—3 *Howard's Reports*, page 180.

There was the opinion of a very eminent judge as to the incapacity of the United States to take and hold property for any other purposes than the purposes specified and enumerated in the clause of the Constitution to which I have referred. Therefore I think this bill ought to go to some committee, and ought to be thoroughly investigated; and the question to which I have referred especially demands the consideration of some committee of this body, so that we may act intelligently before we attempt to take possession of property witbin the limits of the State of Kentucky, or to expend the money of the Government upon it.

I simply rose to call attention to this question as one which in my opinion proves the urgent necessity of a reference of this measure to some committee to investigate the question rather than that it shall go to a committee of conference.

Mr. CAMERON. Mr. President——

Mr. SHERMAN. I ask the Chair if my motion is pending to refer to the Committee on Finance?

The PRESIDENT *pro tempore*. The motion pending is the motion of the Senator from Michigan, as modified, to refer the bill and amendment to the Committee on the Judiciary.

Mr. SHERMAN. I move to amend by striking out "the Judiciary" and inserting "Finance."

The PRESIDENT *pro tempore*. The question is on that amendment.

Mr. CAMERON. I think this matter should go to the Judiciary Committee. The question now involved is altogether to my mind a question of law. This canal has cost the Government a great deal of money, mainly because the Government of the United States cannot manage economically any work of this kind. No canal, no railroad, no other public work can be managed by a Government like ours that has so many individuals in its employment. This canal was made originally by the subscriptions of individuals and by an appropriation I think of $500,000 by the Government. It was a part of Mr. Clay's great system of internal improvements, the same system which attempted to make a turnpike road from the Chesapeake to the Mississippi River, and which also intended to make canals all over the United States. Surveys were made by the Government about the same time all over the country, which ended with the surveys, but those surveys cost the Government a great deal of money. My experience in connection with works of internal improvement by the States is that they cost much more money than they would if constructed by individuals. Rather than have this canal owned by the United States, I would give it to the State of Kentucky, as in the case of the national road; after constructing it we ceded it to the States through which it ran. It would be their interest to keep the tolls at a proper rate, and they would not be allowed by public opinion to charge too much. We have paid since this canal was completed, I understand, something like $5,000,000 already for keeping it in repair. If you take the whole charge of it into the hands of the Government you will expend millions of dollars every year, and it will be a source of corruption as well as of expenditure.

I trust we shall have the bill sent to a committee that will investigate the affair properly; let us understand what rights we have in it; and that can only be done, as I believe, by the Committee on the Judiciary.

Mr. FRELINGHUYSEN. I should be very much opposed to this matter going to a committee of conference. That is a mode of legislation which will answer when you are in an exigency. I really suppose that the question here is the title of the United States to this property. That is the question; and it does seem to me that that question of title, being purely legal, ought to go to the Committee on the Judiciary; and I am confirmed in that opinion by the fact that I know the Judiciary Committee would at once refer this subject to a sub-committee, consisting of the Senator from Ohio, [Mr. THURMAN,] and probably the Senator from New York, [Mr. CONKLING,] who has taken some interest in this subject, and there would be no delay, but that reference could be made at once, and then we could be informed as to that question of title. I think that is the proper direction for this matter to take.

Mr. THURMAN. I must express my astonishment that a bill which originated in the Finance Committee should be taken out, or an attempt be made to take it out, of the hands of that committee, on the ground that there are some legal questions involved in it, when there are on that committee such lawyers as the chairman, [Mr. SHERMAN,] the Senator from Pennsylvania, [Mr. SCOTT,] the Senator from Iowa, [Mr. WRIGHT,] and the Senator from Delaware, [Mr. BAYARD.] What better lawyers do you want than they to consider this legal question? It does seem to me that it is not the business of the Judiciary Committee to sit as a high court of errors upon the other committees of this body.

The PRESIDENT *pro tempore*. The morning hour having expired,

the Senate resumes the consideration of the unfinished business of Friday last, which is the financial bill.

Mr. SHERMAN. My colleague gives way, and I hope we shall now have a vote and settle this matter one way or the other.

Mr. WRIGHT. If a vote can be taken at once, I shall make no objection, but if this matter is to be debated further, I must insist on proceeding with the regular order.

The PRESIDENT *pro tempore*. If there be no objection, the unfinished business will be laid aside informally.

Mr. CONKLING. Is the motion to refer to a committee of conference still pending?

The PRESIDENT *pro tempore*. The motion as it now stands is the motion of the Senator from Michigan [Mr. CHANDLER] to refer the bill with the House amendment to the Committee on Commerce, modified by his consent by adopting the suggestion of the Senator from New York, [Mr. CONKLING,] that it be referred to the Committee on the Judiciary. Thereupon the Senator from Ohio [Mr. SHERMAN] moves to amend the motion so as to refer to the Committee on Finance instead of the Committee on the Judiciary.

Mr. CONKLING. And what has become of the motion pending to refer to a committee of conference?

The PRESIDENT *pro tempore*. That was superseded by a motion to refer to a standing committee.

Mr. MORRILL, of Vermont. I hope the chairman of the Committee on Finance will allow this bill to go to the Committee on the Judiciary. I do not see that it will make a particle of difference; and there is some little idea on the part of many Senators that the matter was improperly referred in the first instance to the Committee on Finance.

Mr. SHERMAN. If there was an oppressive tax of fifty cents a ton on all the commerce of New England and New York, which my honorable friend was desirous to get rid of, I think he would take that course which he thought best calculated to get rid of it.

Mr. MORRILL, of Vermont. But I think we can get rid of it quite as quickly by referring it to the Committee on the Judiciary as by referring it to the Committee on Finance.

Mr. SHERMAN. But the bill was originated in the Committee on Finance, reported and considered there fully, and we have it here now with a substitute pending. I would be willing to refer it to any committee that would settle the matter quickest; but it seems to me it ought to be referred to the Committee on Finance, because they already understand it.

Mr. CHANDLER. Certainly two of the ablest lawyers in this body have expressed a difference as to where the title to this property lies. It is well known to every member of the Senate that you never expend one dollar in the erection of a light-house, a marine hospital, or a post-office until the State has given up the right of eminent domain. Do we, or do we not, own that right in this canal? That is the question, and it is the only question, and a purely legal question. Now I desire the opinion of the ablest lawyers we have here on that point, and it is presumable that those were selected and placed on the Committee on the Judiciary. I want their opinion on a legal point, and I hope the Senate will send the matter to that committee.

The PRESIDENT *pro tempore*. The question is on the amendment offered by the Senator from Ohio.

The amendment was agreed to.

The PRESIDENT *pro tempore*. The question now is on adopting the motion as amended, which is to refer this bill with the amendment of the House of Representatives to the Committee on Finance.

The motion was agreed to.

AMERICAN REGISTER TO PERUVIAN STEAMSHIP.

Mr. MORRILL, of Vermont. I was requested by a member of the House in the absence of the Senators from Massachusetts—the Senator now present [Mr. BOUTWELL] is unable to take any part in business—to ask the Senate to take up a bill merely changing the name of a vessel that has already passed the House and been reported back by our committee with a slight amendment.

Mr. WRIGHT. I think we had better go on with the regular order.

The PRESIDENT *pro tempore*. The Senator from Iowa objects, and the unfinished business is before the Senate.

Mr. MORRILL, of Vermont. I appeal to the Senator from Iowa to allow this little bill to pass. Under the circumstances I think he cannot object.

The PRESIDENT *pro tempore*. Does the Senator from Iowa insist on his objection?

Mr. WRIGHT. I will yield in this instance, but I give notice that I shall yield to nothing else. I withdraw the objection.

By unanimous consent, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. No. 2186) granting an American registry to the American-built Peruvian steamship Rayo, now rebuilt in the United States and converted into a sailing-vessel.

The bill proposes to authorize the Secretary of the Treasury to issue an American certificate of registry to the American-built Peruvian steamship Rayo, wrecked in foreign waters, and purchased, rebuilt, and changed into a sailing-vessel by citizens of the United States within the United States, to be registered by the name of Star of the West, or other proper name.

The Committee on Commerce reported the bill with an amendment to strike out the words "or other proper name" at the end of the bill.

The amendment was agreed to.

The bill was reported to the Senate as amended; and the amendment was concurred in.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. LLOYD, its Chief Clerk, announced that the House had passed the following bills; in which the concurrence of the Senate was requested:

A bill (H. R. No. 20) granting a pension to Almon Graves;

A bill (H. R. No. 491) for the relief of Kerry Sullivan, of Company G, Fourteenth Regiment New Hampshire Volunteers;

A bill (H. R. No. 60) granting a pension to Josiah Brinard;

A bill (H. R. No. 196) granting a pension to Peter J. Cratzer;

A bill (H. R. No. 311) for the relief of William J. McIntyre;

A bill (H. R. No. 366) granting a pension to Hugh Wallace;

A bill (H. R. No. 393) granting a pension to Rosanna Quinn;

A bill (H. R. No. 420) to authorize the Secretary of the Interior to discharge certain obligations of the United States to the creditors of the Upper and Lower bands of Sioux Indians;

A bill (H. R. No. 551) granting a pension to Alfred Bolder;

A bill (H. R. No. 580) granting a pension to Rosalie C. P. Lisle;

A bill (H. R. No. 599) for the relief of Ade H. McDonald, of Nashville, Tennessee;

A bill (H. R. No. 870) to place the name of Mary E. Murphy on the pension-roll;

A bill (H. R. No. 955) for the relief of J. L. Tedrow, of Clarke County, Iowa;

A bill (H. R. No. 1145) granting a pension to Martin Laffin;

A bill (H. R. No. 1193) for the relief of the estate of Cornelius S. Underwood, late major and additional paymaster United States Army;

A bill (H. R. No. 1219) for the relief of Charles W. Berry, late private of the Thirty-sixth Wisconsin Volunteers;

A bill (H. R. No. 1297) for the relief of Thomas T. Crittenden, of Missouri;

A bill (H. R. No. 1305) granting a pension to E. Caroline Webster, widow of Lucius H. Webster;

A bill (H. R. No. 1322) for the relief of George S. Gustin, late a private in Company D, Seventy-fourth Regiment Illinois Volunteers;

A bill (H. R. No. 1335) granting a pension to Guadaloupe Torres;

A bill (H. R. No. 1370) to authorize the Secretary of the Interior to settle and pay the accounts of William Pelham, late surveyor-general of New Mexico;

A bill (H. R. No. 1414) granting a pension to Susan Bennett;

A bill (H. R. No. 1439) granting a pension to John Folger;

A bill (H. R. No. 1616) granting a pension to John G. Parr, of Kittaning, Pennsylvania;

A bill (H. R. No. 1673) granting a pension to Isaac Stevens;

A bill (H. R. No. 1719) granting a pension to Ezra H. Foster;

A bill (H. R. No. 1791) granting a pension to Augustus L. Yaeger;

A bill (H. R. No. 1799) granting a pension to Angelica Hammond;

A bill (H. R. No. 1832) granting a pension to Elizabeth Hackleman;

A bill (H. R. No. 1835) granting a pension to Mary A. Lowe;

A bill (H. R. No. 1840) for the relief of Lieutenant Sidney Tinker;

A bill (H. R. No. 1843) granting a pension to Lucinda Jones, widow of Thompson M. Jones, late a private in Company G, Twenty-second Illinois Volunteers;

A bill (H. R. No. 1844) for the relief of John Heberer;

A bill (H. R. No. 1866) granting a pension to Dennis McCarthy, a soldier of the Mexican war;

A bill (H. R. No. 1907) granting a pension to Henry B. Havens, late a private of Company K, Twelfth Regiment Wisconsin Volunteers;

A bill (H. R. No. 2116) for the relief of Magdalena Docks;

A bill (H. R. No. 2118) for the relief of Elizabeth Clark;

A bill (H. R. No. 2131) to authorize a promotion in the Inspector-General's Department of the Army of the United States;

A bill (H. R. No. 2181) granting a pension to Jennet H. Nisbet;

A bill (H. R. No. 2205) for the relief of P. Hornbrook;

A bill (H. R. No. 2207) for the relief of James M. True, late colonel of the Sixty-second Illinois Volunteer Infantry;

A bill (H. R. No. 2214) granting a pension to Ann Humphreys, of Philadelphia;

A bill (H. R. No. 2215) granting a pension to Elizabeth Brady;

A bill (H. R. No. 2216) granting a pension to Cornelia A. Washburn;

A bill (H. R. No. 2217) granting a pension to Henry Bruckner, late a private of Company F, Fifty-eighth Regiment Illinois Volunteers;

A bill (H. R. No. 2218) granting a pension to Sarah Summerville;

A bill (H. R. No. 2219) granting a pension to Patrick Hickey;

A bill (H. R. No. 2220) granting a pension to Andrew J. Baldwin;

A bill (H. R. No. 2221) granting a pension to Mary B. Triplett, guardian of the minor heirs of John A. Tomlinson;

A bill (H. R. No. 2223) for the relief of Robert F. Winslow;

A bill (H. R. No. 2270) making an appropriation to pay Emanuel Small and James Tate, of Atchison County, Missouri, for carrying the mails;

A bill (H. R. No. 2332) for the relief of S. D. Hicks, administrator of R. M. Harvey;

A bill (H. R. No. 2345) for the relief of John Clinton, postmaster at Brownsville, Tennessee;

A bill (H. R. No. 2346) for the relief of W. A. Saylor, of Bryan, Texas;

A bill (H. R. No. 2348) for the relief of Rev. George Morrison, late of Kentucky;
A bill (H. R. No. 2349) for the relief of Burke & Kunkel;
A bill (H. R. No. 2351) granting a pension to John B. Miller;
A bill (H. R. No. 2352) granting a pension to Lewis Hinely;
A bill (H. R. No. 2353) granting a pension to Lucy Ann Cummings;
A bill (H. R. No. 2355) granting a pension to Ann R. Voorhees;
A bill (H. R. No. 2463) for the relief of Joseph S. Read;
A bill (H. R. No. 2539) relinquishing the rights of the United States in certain lands in the State of Michigan;
A bill (H. R. No. 2549) to amend the act entitled "An act for enrolling and licensing ships or vessels to be employed in the coasting trade and fisheries, and for regulating the same," passed February 18, 1793;
A bill (H. R. No. 2552) for the relief John W. Massey, late consul at Paso del Norte, Mexico;
A bill (H. R. No. 2668) granting a pension to William J. Uhler;
A bill (H. R. No. 2669) granting a pension to Deborah A. Swan;
A bill (H. R. No. 2670) granting a pension to Mary S. Howe;
A bill (H. R. No. 2671) granting a pension to General A. C. Voris;
A bill (H. R. No. 2672) granting a pension to Mary S. Loomis;
A bill (H. R. No. 2673) to restore the name of Hannah B. Eaton, of Kingsville, Ohio, to the pension-roll;
A bill (H. R. No. 2674) granting a pension to John W. Wright, now at the National Military Asylum, near Dayton, Ohio;
A bill (H. R. No. 2675) granting a pension to Mrs. Elizabeth J. King;
A bill (H. R. No. 2676) granting a pension to Thomas McKinster;
A bill (H. R. No. 2678) granting a pension to Charles Herbert;
A bill (H. R. No. 2679) granting a pension to George Dayspring;
A bill (H. R. No. 2680) granting a pension to Mrs. Jane Dulaney;
A bill (H. R. No. 2682) for the relief of Martha A. Ashburn, widow of George W. Ashburn, deceased;
A bill (H. R. No. 2684) for the relief of the administrator of the estate of Danford Mott;
A bill (H. R. No. 2696) for the relief of John F. Wheeler;
A bill (H. R. No. 2697) to create an additional major of artillery and to promote Captain James M. Robertson;
A bill (H. R. No. 2698) for the relief of Joseph C. Breckinridge for services in the Army of the United States;
A bill (H. R. No. 2699) for the relief of Robert Tillson & Co., of Quincy, Illinois;
A bill (H. R. No. 2786) for the relief of John B. Chapman;
A bill (H. R. No. 2788) for the relief of H. P. Ingram and John K. Askins;
A bill (H. R. No. 2789) for the relief of John S. Dickson, late captain of paroled prisoners;
A bill (H. R. No. 2790) granting a pension to Nancy Abbott;
A bill (H. R. No. 2791) granting a pension to Franklin Stoner;
A bill (H. R. No. 2792) granting a pension to Llewellyn Bell;
A bill (H. R. No. 2793) to correct the date of commencement of pension to Anda Brasel, widow of David Brasel, late sergeant in Captain Gordon's Company Illinois Mounted Volunteers;
A bill (H. R. No. 2794) granting a pension to Elizabeth Wolf;
A bill (H. R. No. 2798) for the relief of John J. Hayden;
A bill (H. R. No. 2800) for the relief of Benjamin Crawford;
A bill (H. R. No. 2801) to place on the retired list of the Navy M. H. Plunkett, late second assistant engineer of the regular Navy; and
A bill (H. R. No. 1220) for the relief of William Rood, late private of the Thirty-sixth Regiment Wisconsin Volunteers.

The message also announced that the House had passed the bill (S. No. 204) for the relief of Robert Bent and Jack Smith, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills:
A bill (S. No. 310) for the relief of W. W. Elliott;
A bill (S. No. 317) for the relief of Henry C. Smith, of Indianapolis, Indiana;
A bill (S. No. 366) for the relief of Oliver Powers;
A bill (S. No. 100) for the relief of Lieutenant Alonzo V. Richards;
A bill (S. No. 316) granting a pension to Elizabeth F. Thompson;
A bill (S. No. 361) granting a pension to Sciotha Brashears, late of the Seventeenth Regiment Kentucky Cavalry;
A bill (S. No. 566) granting a pension to Lucinda Schrum, widow of Jacob R. Schrum, late of Company A, Forty-ninth Regiment Missouri Volunteers;
A bill (S. No. 518) granting a pension to Benjamin C. Skinner;
A bill (S. No. 449) granting a pension to Mrs. Amy A. Hough;
A bill (S. No. 217) granting a pension to Julia A. Smith;
A bill (S. No. 387) granting a pension to Captain Benjamin Farley, of Company C, Fifth Indiana Cavalry;
A bill (S. No. 42) granting a pension to Caleb A. Lamb, late a musician in Company E, Forty-sixth Regiment Indiana Volunteers;
A bill (S. No. 548) granting a pension to Christiana Bailey; and
A bill (S. No. 512) to extend the time for completing the Wisconsin Central Railroad in Wisconsin.

CURRENCY AND BANKING.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. No. 617) to provide for the redemption and reissue of United States notes and for free banking; the pending question being on the substitute of Mr. MERRIMON.

Mr. WRIGHT. Mr. President, I understand that while there has been no final action, nevertheless the action of the Senate upon the bill thus far has indicated a purpose to retain the first section as it was adopted; that the second and fourth sections have been struck from the bill and also the third perhaps, and the amendment of the Senator from North Carolina has been substituted for that section of the bill that provides for bank circulation upon the basis of New York; and that the fourth and fifth sections of the bill as reported by the committee are retained. So that, substantially, the vote of the Senate indicates a purpose to have $400,000,000 of greenbacks, to add $46,000,000 to the bank circulation, to make provision for a retention of a portion of the reserve in the banks in gold, and a final provision that the debt of the Government shall not be increased by this bill or anything under it.

These conclusions, so far as they can be regarded as conclusions, have not been arrived at without a very great struggle and not a little discussion. On the first day of this session two resolutions were introduced, the one by the Senator from Vermont, [Mr. MORRILL,] and the other by the Senator from Michigan, [Mr. FERRY,] upon this subject of finance. Almost immediately thereafter the discussion commenced upon the general question. Soon thereafter a resolution was reported from a majority of the Committee on Finance, accompanied by a resolution by two members of that committee, and also by a third resolution from one member of the committee. Soon after that the chairman of the Committee on Finance reported a bill which led also to discussion, and thus the discussion continued until some two weeks since the bill now before the Senate was reported by the committee, and thus it has occurred that four months of our time have passed, and three-fourths of that time have been occupied in the discussion of this general question. I think some one said—last week perhaps—that if any one had said of us or of Congress that we would adjourn for the holidays without passing some bill upon this subject, he would have been regarded as a false prophet.

While I recognize the importance of the subject to the people, and the necessity for the very greatest and utmost care upon it, it seems to me that the discussion is about exhausted, if it can be said that discussion upon any subject in this Senate is exhausted. The chairman of the committee on Friday, about the time we were adjourning, asked for an adjournment until this morning, hoping that something might be agreed upon, so that we could all substantially come together and dispose of this question to-day. Whether he has framed anything that will tend to bring about this result I know not; but whether he has or not, what I want to say and what I want to appeal to the Senate to do is this: Every day that we have been in session there has been one appeal after another to Congress to settle this question. Everywhere the people feel it to be a matter of more importance that we shall settle it perhaps than the manner of settling it. We have had discussions here, and discussions have taken place all over the nation. At this time perhaps more than at any other since we met, the people throughout the country are demanding the settlement of this question. Men everywhere, North and South, East and West, are arranging for their business in the spring and the coming summer months. Everywhere they feel that it is important to the business interests of the country that the question should be settled. The chairman of the committee has appealed to us more than once to settle and determine it, and get it out of the way. Two-thirds of the session in all probability have passed, and still it is undetermined. Many and very grave questions remain to be determined by the Senate. There is no expectation that we shall be required to remain, or that we will remain, here beyond the first days of June. Certainly only three months at most remain of this session. Now I appeal to all Senators here, whether they be inflationists or expansionists, so called, or be contractionists, or whatever their names, whether they believe that our greenbacks belong to the so-called depreciated currency, the irredeemable currency, the non-convertible currency—I believe I have heard those terms used here—or whether they believe that it is the best currency we have had, to remain here and let us dispose of this question to-day. I can see no reason for delay. None occurs to me. I do not see how there is the least necessity for it.

If my good friend, the chairman of the committee, will lead us to-day to a disposition of the question, whether he be a friend to the bill or not, I shall be an humble follower, and with all the zeal that I can bring to bear upon the question I propose to stand by him. If he feels that the bill has assumed such a form, or shall assume such a form, that he cannot support it, then I trust that he will not interpose an objection to the disposition of the question.

I therefore say that so far as I am concerned, as a member of the Committee on Finance, while the bill in all its features as it now stands has not my approval, yet believing that the true philosophy of action here always demands of me, as it should of every one, if I cannot secure all that I desire, to come as near it as possible, I intend to support it. If the chairman of the committee shall not insist upon a vote to-day, I trust that the friends of the business of the Senate, those anxious to get this question out of the way, those anxious to get at something else, will at least agree with me upon the propriety and necessity for action to-day, and that our friends who believe that this measure is now in as nearly good form as we can probably get it will unite, feeling that they owe it to the country to dispose of this question in saying, "We will stand by it and remain here to-day

until the question is disposed of." I believe this is due to the business of the Senate to come; I believe it is due to us; I believe it is due to the people of the country.

The PRESIDENT *pro tempore*. The question is on the amendment offered by the Senator from North Carolina [Mr. MERRIMON] to strike out all after the enacting clause of the bill and insert a substitute.

Mr. CONKLING. I should like to inquire of the Senator from North Carolina the object of the first branch of this amendment, observing as I do that it stands in the precise words now making the text of the first section of the bill?

Mr. MERRIMON. The bill has been so amended as to adopt exactly the language of the two sections that I offer as a substitute; but the bill, as perfected, contains two sections more than the substitute. The purpose of my motion now is to wipe out the bill entirely and let the substitute take its place.

Mr. CONKLING. The Senator then considers his motion equivalent to moving to strike out the remaining sections of the bill.

Mr. MERRIMON. Yes, sir.

Mr. BAYARD. Mr. President, with due respect to the Senator from North Carolina, it seems to me his proposition is in a very unusual shape. Here is a bill, or rather what is left of a bill, now before the Senate of four sections; the first fixing a maximum amount of Treasury notes; the second providing for an increase of bank currency to be issued under the act of July 12, 1870, the intention of which is to provide a more equitable distribution of the banking currency; the third providing an exceedingly important restriction upon the operation of the national banks under the present system; and the fourth providing against any increase of the principal of the public debt of the United States. It seems so plain a way to reach the end desired by moving to strike out the last two sections of the bill, that I do not understand why the honorable Senator from North Carolina clings to his more roundabout, indirect method of inserting a substitute for the four sections, which substitute consists *ipsissima verba* of the language of the first two sections of the bill.

But, sir, whether the end shall be reached by striking out the last two sections of the bill, or by the other method of a substitute keeping in the first two sections only, I still trust it will not prevail. The amendment that I have proposed to the Senate, and which lies in printed form upon the desks of Senators, was intended to signify my opposition to a continuance or to an increase of the national banking system. I believe it to have been an expedient struck out in war times. I believe it to have been an expedient of very doubtful constitutional power on the part of the United States Government; and I have seen nothing in the world of the banking system that has made me believe that it is better for the banks and for the Government, and still more important for the people of the country, that the national system should be increased in its operations. Therefore it was that I proposed an amendment relieving the issues of the State banks from the destructive tax that was put upon them for the purpose of annihilating those institutions.

The reason for imposing a tax of 10 per cent. passed away when a sufficient subscription to the loans of the Government had been reached through the banks themselves. When they had once been compelled to call in or dispose of the basis of their banking capital and to renew it in the shape of subscriptions to the United States loans, the end had been reached for which the bill was designed, and it ought never to have been pushed further. It was taking from the States those rights of local self-government which are essential to them as the means of rectifying abuses to which from time to time they may be subjected, and was an invasion of that great principle of local self-government which I am satisfied is the very nursery of constitutional liberty in this country.

By taking this tax from the issues of the State banks I have no idea that inflation to any extent can follow, for this reason: In the first place, whatever may be said of the powers of the Federal Government, and however men may differ as to the construction to be given to the later decisions of the Supreme Court of the United States upon behalf of the power of Congress in time of war, much more than in time of peace, to make paper money a legal tender for the payment of debts, no one can doubt that the language of the Constitution is explicit and direct that no State can make anything but gold and silver a legal tender for the payment of debts, and therefore promissory notes issued by institutions created under State law can never surpass the power which originated them, and as the State cannot make anything but gold and silver a legal tender for debts, so no bank created by a State could make its paper money a legal tender for the payment of debts, but it must be convertible into gold and silver upon demand and at the request of the holder by the bank that issues it. Now, that a bank should issue its paper at the present time, redeemable in gold and silver, would be a solecism not to be expected, and I cannot suppose, therefore, that, except in that emergency in which the demand for currency shall be such as to make the value of currency exceed the difference between paper and gold, any institution wisely governed, governed by the common laws of self-preservation, would issue paper that it was not prepared to redeem in gold.

Nor do I believe that a currency issued by State banks would compare in usefulness, in value, to the currency issued by the United States Government. The one has an area of circulation and a value for purposes of exchange totally denied to the issues of the local institutions; but the local institution has this merit, the value of which I cannot shake from my mind, and which I confess I desire to see the rural population, whom I chiefly represent, have the benefit of at least attempting in case of necessity. It is that a note of circumscribed circulation issued by a bank will lose its credit as it leaves the place of its issue, and therefore losing credit will return again and will be kept within a narrow space of circulation that will enable those who do give it credit, to whom the credit of those who issue it is well known and established, to have the benefit of a circulating medium in those periods of panic and demand from the money centers when notes which will pass current at those money centers are called away either by the emergencies of speculation or of legitimate or illegitimate business.

I have said that I did not desire to see by act of Congress an extension of the national banking system, nor do I; but at the same time I am equally unwilling to disturb vested interests so important to the country as are now involved in the existence of the national banks. I propose to let those banks stand, but by the policy of the Government to force the Treasury of the United States from the system of distribution of this currency which has caused such results as we see. So long as these banks, however, are to exist, (and that shall be a question of their own pleasure, for I would not withdraw the charter or the facility which is given under existing laws to those already chartered,) I would simply allow an opportunity for issuing circulation to be restored upon due occasion to other banks under the old system under which our country was so prosperous, under which men were taught to govern themselves, and to govern themselves in this most important matter of controlling their own financial troubles.

One of the sections proposed to be stricken out, either directly or indirectly, by the motion of the Senator from North Carolina, [Mr. MERRIMON,] does contain wholesome restrictions upon present practices on the part of the national banks of the country, who are in the habit of considering in their reserves the entire balances which they have intrusted upon interest to the banks in the money centers. I consider the features of the third section of the bill exceedingly wholesome; they propose to abolish an abuse, which is the banks becoming the borrowers of money by paying interest on balances intrusted to their charge.

The PRESIDING OFFICER, (Mr. CLAYTON in the chair.) The time of the Senator has expired.

Mr. BAYARD. I shall have to take the occasion of some other amendment to express my views. The remarks I have just made have been on the motion of the Senator from North Carolina to substitute his proposition in place of the bill as amended.

Mr. CONKLING. I wish the Secretary would give us the number of the remaining sections of the bill which will be stricken out if the motion of the Senator from North Carolina prevails. I know what they are, but I want it to appear on the record. I do not care to have them read, but I want to have stated the sections upon which this motion is intended to operate, although it is not leveled at them ostensibly.

The PRESIDING OFFICER. The statement will be made.

The CHIEF CLERK. The sections in the original bill were numbered 5 and 6. In the bill as amended they are 3 and 4.

Mr. SHERMAN. I ask that they may be read, that we may see what it is proposed to strike out.

The Chief Clerk read as follows:

SEC. 3. That each national banking association now organized, or hereafter to be organized, shall keep and maintain as a part of its reserve required by law one-fourth part of the coin received by it as interest on bonds of the United States deposited as security for circulating notes or Government deposits; and that hereafter only one-fourth of the reserve now prescribed by law for national banking associations shall consist of balances due to an association available for the redemption of its circulating notes from associations in cities of redemption, and upon which balances no interest shall be paid.

SEC. 4. That nothing in this act shall be construed to authorize any increase of the principal of the public debt of the United States.

Mr. CONKLING. Now I inquire also whether it be true that the sections preceding those read, as they stand, are word for word the amendment of the Senator from North Carolina?

The PRESIDING OFFICER. They are.

Mr. SHERMAN. It does seem to me that in the consideration of so important a bill Senators under their responsibility ought to proceed directly and clearly to what they intend to do. The motion of the Senator from North Carolina is a motion to strike out the fifth and sixth sections of the original bill. That is all there is of it. All this attempt to obscure motions by offering substitutes or moving to strike out a whole section of the bill and to offer another section with a single word altered in lieu of it, or this proposition to offer a substitute for the whole bill merely to reach directly the question of striking out the fifth and sixth sections of the bill, it seems to me is something unusual, and it is practiced in this debate and as to this bill to an extent that I have never before seen. But, sir, we are not children here playing with toys. We know the motion of the Senator from North Carolina is a motion to strike out the fifth and sixth sections of the bill. That is all there is of it. The fifth section was reported by the unanimous vote of the Committee on Finance. It was agreed upon in pursuance of a universal demand both of contractionists and inflationists. It was reported to secure some little coin in each bank, with a hope that ultimately it might increase to an amount sufficient to maintain specie payments. That portion of

the section which permits only one-fourth of the reserve, instead of three-fifths of the reserve, to be deposited in the redemption cities, has been demanded in every city of the West, in every place where an inflation resolution has been offered. Everybody knows that the reason of the trouble in September was that three-fifths of all the reserve, both on deposits and circulation, of the banks of the Western States were in the city of New York, and being involved in the speculations of New York, by the panic were suddenly made unavailable for business purposes in the West and South. The proposition of the Senator from North Carolina is a proposition in the interest of the national banks, to enable them to deposit a large portion of their reserve in the city of New York, so that they may derive interest from it in the city of New York and disable themselves from loaning money in their neighborhood. I had always supposed that the Senators who were opposed to this bill, and especially that the Senators who desired to strengthen the West and South, were especially desirous to have the reserves held at home, so that the banks would be compelled, if they loaned them at all, to loan them to the people at home, and not to the bulls and bears of New York City.

I simply rose, because I do not wish to prolong this debate, to state to the Senate distinctly that this motion now is nothing but a motion to strike out the fifth and sixth sections of the bill, and that these sections were agreed to in committee *nem. con.* in accordance with a universal demand, with a view to strengthen the banks in their reserves at home and to substitute in the reserves a small modicum of gold, only $6,000,000 a year, with a view ultimately to a redemption in coin. But striking out the sixth section impliedly gives authority to increase the principal of the public debt.

Mr. MERRIMON. The Senator from Ohio will pardon me for saying that I am astonished at his declaration just made that there should be any insincerity in offering the substitute which is now before the Senate.

Mr. SHERMAN. I did not say "insincerity."

Mr. MERRIMON. The bill as it has been perfected is one proposition, and a proposition entirely and materially distinct from the substitute. It is true that the substitute is in precisely the same words as the first and second sections of the bill as now amended; but those two sections are materially affected by the third and fourth sections of the bill as it now stands before the Senate; and the bill, I repeat, makes a proposition entirely distinct from that which is contained in the substitute. The purpose of those who desire an increase of the currency to the amount fixed by the two sections embraced by the substitute is a plain and simple one, untrammeled by anything else; and if we can ascertain anything from the action of the Senate, the purpose of the majority is to have the proposition pass the Senate in this simple manner so that there can be no question or controversy about it in the other branch of Congress, here or elsewhere. When this bill shall have been passed in this shape, when the country shall have had the benefit of the increased circulation of United States notes and of bank-notes, then it will be time enough for those who desire amendments to the national currency law to propose them to the Senate, have them acted upon, and pass a bill which will accomplish those ends.

Mr. CONKLING. May I inquire of the Senator how that result will ensue from his motion any more than it would from the simple motion to strike out the two remaining sections of the bill?

Mr. MERRIMON. It will do it in this way: If the friends of an increase of the currency shall allow their proposition to be encumbered by the third and fourth sections of the bill as amended, and by the various amendments proposed by the Senator from Ohio and other gentlemen, it will bring on a discussion, it will excite a diversity of opinion that may defeat the whole bill. A majority are agreed on the substitute, and I desire for one that it shall be adopted, and thus put an end to the controversy so far as the increase is concerned.

Mr. CONKLING. Is it not undoubtedly true now under the rule adopted three or four days ago, that every motion which would be in order to perfect the remaining sections after a mere motion to strike out is in order now pending the amendment of the Senator from North Carolina, which is to strike out and insert? If that be true, how can the Senator contend that there is any substantial purpose in making a motion disguised—I do not say intentionally—in the form submitted by the Senator in place of the most palpable motion to strike out the two sections which he wishes to get rid of.

Mr. MERRIMON. My object, I state to the Senator frankly—and I did not suppose anybody could misunderstand that—is to have the bill pass the Senate with the two sections contained in the substitute.

Mr. CONKLING. Then why not simply move to strike out the others?

Mr. MERRIMON. I believe that what I have just stated is the desire of a majority of the Senate as indicated by the votes heretofore taken. In my judgment this is more convenient than the other way. It is the difference "'twixt tweedledum and tweedledee." It seemed to me this was the plainer manner of accomplishing the same end. I cannot see that anybody is prejudiced by this course. If the Senator from Ohio or the Senator from New York, or anywhere else, shall desire to offer measures perfecting the bill, it is perfectly competent for them to do it; they are not cut off from any right or privilege; but the substitute is a simple, plain proposition, the first section of which, unaffected by any other provision whatsoever in any other section in the bill which we propose to pass, increases the greenback circulation of the country to $400,000,000; and the second section authorizes an increase of the national-bank currency under existing laws to $400,000,000 if the country shall demand it. There are the two simple propositions. I state frankly that I desire that these two propositions shall pass the Senate unaffected by any other provision whatsoever, so that the country may have at once the benefit of this increased circulation. If anything has been ascertained by the long debate that we have had in the Senate and the various votes taken, it is that an increase shall be had, and to that amount. My proposition is simply to increase the circulation to that amount under existing laws, so that there can be no controversy here or elsewhere about it. I do not desire to see anything appended to it, nor do I desire to see anything further offered as an amendment to it, although I recognize the right of every Senator on this floor to offer amendments as long as he will. I claim the right, however, to vote against these propositions as they may be presented, one by one, and I trust those who actually desire a simple increase of the circulation will vote with me to reject every such proposition.

Mr. CONKLING. Mr. President, if it were polite and parliamentary to do so there would be no difficulty in assigning one explanation to this motion. If it could possibly be (which of course I do not mean to intimate) that Senators are acting in reference to what may take place when somebody shall be arraigned before some other tribunal, all this would be plain. If it could be that Senators hesitate to move or to vote to strike out distinctly and plainly, so that it may be seen of all men, a safeguard requiring a reserve, and that, therefore, they want to accomplish the same purpose by circumlocution, by indirection, not so manifest in its effect to the public eye, that would explain the proceeding in which we are engaged. I repeat that I do not feel at liberty to ascribe such motives or such purposes to any member of the Senate. Therefore, I am utterly at a loss to know why it is that when the Senate in Committee of the Whole has stricken out the first two sections of a bill and placed in their stead certain words so that those words constitute the entire bill, except that they are followed by two original sections still remaining, in lieu of the manifest and easy way of divesting the bill of all except the first two sections, a motion should be made to strike out the whole bill and to put back the very words which have been placed there already.

Mr. MERRIMON. Less two sections.

Mr. CONKLING. Had my honorable friend from North Carolina followed the statement which I made, he would not have interposed the qualification "less two sections." The aim of my statement was to bring to the notice of the Senate that the bill now contains two sections which have been put there by a majority vote in Committee of the Whole. It contains nothing else except two following sections. The Senator from North Carolina wishes to rid himself of those sections and dismiss them. In place of making that motion he moves to strike out the whole bill, thereby meaning those two sections, and two which precede them, and then to put back in the very words half of that which he strikes out.

I cannot refrain from saying again that if it were the purpose to obscure this proceeding, to cover it up, to obfuscate the general gaze, this would be plain if some Senator felt that he might ever in future need to say, "I did not vote to strike out the section requiring a reserve; the record shows no such thing as that; I merely voted to strike out the whole bill, be the same more or less, and to put in these two sections." If I could suppose that this was to pave the way to an immunity like that, that it was to furnish a door of escape from any responsibility hereafter for striking out or striking down the provision about reserve, as I say, it would all be plain. But as I am not at liberty to entertain such a suggestion, as I do not mean to impute it to anybody, this seems to me the most circular process that I ever happened to see in the Senate, the most curious way of going around and coming out precisely where you go in. I should be glad if without interfering with the convenience of others we might at some time get a vote on the simple question whether we shall dispense with all reserves and prostrate everything like safeguard in setting up these two sections.

Mr. SCOTT. Mr. President, I believe under the modification of the rule adopted a few days ago it is now in order to move to perfect as well the part proposed to be inserted as the part proposed to be stricken out. And as I desire with the Senator from New York to secure a direct vote upon the question of the amount of reserves that the national banks shall keep as well as upon the character of the reserves proposed in the section, I move to add to the section proposed to be inserted what is contained in section now numbered 3 in the bill, striking out the word "that" and inserting the word "and," so that it will read:

> And each national banking association now organized, or hereafter to be organized, shall keep and maintain, as a part of its reserve required by law, one-fourth part of the coin.

And so on as the section reads.

The PRESIDENT *pro tempore*. The Senator from Pennsylvania moves to amend the words proposed to be inserted. The words proposed to be added by him will be read.

The CHIEF CLERK. It is proposed to add to the second section of the matter to be inserted the following:

> And each national banking association, now organized or hereafter to be organized, shall keep and maintain, as a part of its reserve required by law, one-fourth

part of the coin received by it as interest on bonds of the United States deposited as security for circulating notes or Government deposits; and that hereafter only one-fourth of the reserve now prescribed by law for national banking associations shall consist of balances due to an association available for the redemption of its circulating notes from associations in cities of redemption, and upon which balances no interest shall be paid.

Mr. SCOTT. While that section does not entirely meet my view with reference to the amendments that ought to be made of the law requiring reserves to be kept by the national banks, still it is a step in that direction and a step upon which I desire to see a direct vote of the Senate. It will have the effect of requiring the national banks, if I may use that expression, to deposit a nest-egg in the way of accumulating gold, and will further have the effect of keeping in the neighborhoods of the national banks just so much of their reserve as that section prohibits them from sending to the redemption cities and getting interest upon; and this step is in the direction in which all those who have manifested a desire for an increase of local currency have spoken. I can see no objection whatever to this section in this form, and being now offered as an addition to the second section of the substitute proposed by the Senator from North Carolina, it will bring the Senate to a direct vote on that question.

Mr. BAYARD. The amendment of the Senator from Pennsylvania exhibits in an additional light the irregularity, the surprising nature of the mode pursued by the Senator from North Carolina to reach the object he desires. If he desires to disentangle this measure as contained in the first two sections from those that follow, why, in the name of all that is usual, does he not move to strike out the objectionable sections?

Mr. MERRIMON. May I ask my honorable friend a question?

Mr. BAYARD. Certainly.

Mr. MERRIMON. Was not the proposition I made legitimate?

Mr. BAYARD. Candidly, I do not think it was legitimate.

Mr. MERRIMON. Then I ask the Senator to make a question of order. If it is legitimate I cannot see that any one has a right to complain. If it is not legitimate let my honorable friend raise a question of order, and let us settle that.

Mr. BAYARD. I was about, ten minutes ago, to raise a question of order, but the truth is that the motion was so unusual that I was not aware that there was any precedent for it, and I did not know that there could be any precedent against it; but on the basis of that reason for which parliamentary rules were designed, it occurred to me that the amendment was grossly irregular. It is a proposition to amend by striking out and inserting, and it strikes out certain words and then inserts the very words stricken out. That certainly cannot be in order. Now, can that be cured by inserting less and striking out more? In other words, a bill contains, whether five sections or one, a certain number of words; the Senator moves to strike out all and insert say thirty of those words, and those thirty words are in the bill precisely *ipsissima verba*. He moves to put them in. That certainly would not be in order. Now, can you accomplish indirectly what you have perfectly regular methods of accomplishing directly? A motion to strike out the last two sections of the bill is simple, plain, appreciable. The motion to strike out the whole bill and put the first two sections back as they stand is, as I submit to the Senate, exceedingly inexplicable and awkward and unusual, and this is illustrated still more when you see the honorable Senator from Pennsylvania moving as an amendment to the proposed amendment of the Senator from North Carolina to combine two sections in one. The effect of that is plain, because there was no necessity, perhaps, except for the purpose of orderly consideration, to divide this bill into sections at all. There is nothing in it that could not be contained intelligibly in a single section. Now the motion of the Senator from Pennsylvania is to incorporate the third section with the second section so that they shall read as one. Now the effect of that upon the measure of the Senator from North Carolina we can understand; but it is not instantly obvious what would become of his motion after that. If the motion of the Senator from Pennsylvania is adopted, the third section of the bill becomes incorporated in its present language in the second section of the bill, and nothing therefore would be reached by this circuitous route proposed by the Senator from North Carolina but to strike out the fourth section of the bill, for that would be all the difference it would make.

But as the Senator from North Carolina has desired that the regularity of his motion should be considered, I do submit as a question of order that it is not in order to move to strike out and insert the same words in the same part of the same bill, and that that defect is not cured by the failure to insert the whole of the bill after it has been stricken out and a portion inserted. If it be true that it is in order to do so, then it is certainly a new way of accomplishing a matter which is recognized every day and followed every day under the usual practice of this body. A motion to strike out certain sections is perfectly plain and is constantly voted on. A motion to strike out the whole bill and insert the same words in part back again is certainly not in order, at least to my ear and it seems to be so in the ears of those much more experienced as parliamentarians than I am. The Senator from New York, it seemed to me, demonstrated not once, but twice, three times, four times, that there was no good end, no fair and palpable end, to be reached by the motion of the Senator from North Carolina that was not much more directly, usually, completely accomplished by moving to strike out the last two sections.

Mr. MORTON. Mr. President, the Senators on the other side are somewhat hard to please. In the first place they do not want anything that we want, and in the next place they insist upon prescribing the method by which we shall offer our own amendments. If they will take our amendments and put them through for us we should be very much obliged to them, but inasmuch as they will not do that I hope they will allow us the privilege, without so much complaint, of adopting the method which seems best to us in the way of proceeding. It seems to me it is perfectly legitimate for the Senator from North Carolina to offer these two sections as a substitute for the whole bill. It would appear to be a short way of getting at it. He, at least, has a right to determine that upon his own judgment. He might proceed in another way. There is no mystery about it. It does not deceive anybody; it puts nobody at disadvantage, and I know of no reason for these complaints.

So far as the amendment is concerned, the two sections contained in the substitute embrace the two propositions that have been the great theme of discussion in the Senate for months; and while other amendments might be offered to which there is little objection, yet for one I venture to express the hope that no amendment will be attached to these two main sections which embody the great subject of discussion that will at all endanger or hazard the final passage of the bill. What the country wants and what the country is looking to is not some minor amendment or some changes of details, but the two great propositions embraced in the two sections, and I hope the Senate will pass upon these propositions and not be diverted and turned aside by details or by amendments. After they have been secured, if it is the pleasure of Congress to amend or modify or change the national banking system—and there are many respects, in my judgment, in which it could be changed to advantage—I shall cheerfully co-operate with others in bringing about that measure. But after the long struggle we have had here, for one I do not propose to be diverted or turned aside from the main propositions by any attempt in the way of amendments.

Mr. HOWE. Mr. President, I am not at all familiar with parliamentary law, and I trust I never shall be; and indeed I have a great deal of confidence that that expectation of mine will be realized. [Laughter.] For myself, however, I do not share in the complaint which has been made against the proposition as submitted by the Senator from North Carolina. The Senator seems to prefer to submit at once, instead of a financial proposition, a financial plan. I do not know of anything in our rules which does or which should exclude a Senator from doing that. The only objection I have, therefore, to the proposition submitted by the Senator from North Carolina is not that he has not the right to make it, but I think it is about the worst financial plan I ever heard of.

The effect of his motion, as I understand it, is to require us to vote at once upon three propositions. One is to say that there shall be forced upon the country $44,000,000 more of irredeemable United States notes; secondly, that there shall be forced upon the country, or may be, $46,000,000 more of irredeemable bank-notes; and thirdly, that there shall be no provision in the bill which shall have any possible effect in securing a distribution of either of these sums over the country. Either of these propositions I think pretty bad; take them together, and it is an aggregation of financial ills that I have rarely seen embodied in any one motion, and I do not think it could have been invented by any one mind in any one month of the whole number of months which we have spent on this debate.

Mr. President, this debate has been inspired, and I think many of the views which have been given have been actuated and have been guided, by an impression created in September and October last that there was not currency enough in the country to do the business of the country. Over and over again Senators have been told that the trouble was not that there was not currency enough for the business of the country, but that the business of the country could not get the currency; that an illegitimate, fraudulent, gambling business, sustained and fed by the excess of your currency in one locality, absorbed that currency and so deprived the legitimate business of the country of it. Now all along it has been said that one of the great necessities of the country was to prevent the piling up of this money in that one locality, and the diversion of it from honest legitimate business to that dishonest and illegitimate business. There has been a proposition before the Senate intended to protect us against that. I am very strongly of the opinion that a very large portion of the charters held by the banks of New York ought to have been forfeited for the use they made of the money intrusted to them. That has not been done; but a great many Senators and the Committee on Finance have often called our attention to the necessity of guarding against such abuses hereafter. But now we are asked to say in one breath and by one vote, first we acknowledge that there are communities in the United States which need more banking facilities and ought to have them, but that they shall not have them except coupled by one condition, to wit, that the Treasury shall issue just as many of its notes as you provide for an increase of the bank-notes; the Treasury shall sit up and nurse every bank-note that you authorize to be put out, become responsible for its redemption; and secondly, that there shall be no precaution taken whatever to keep these bank-notes or any bank-notes in the neighborhood where they are issued whose capital provides for them, but they shall hereafter be tempted as heretofore they have been drawn into that old vortex into which you may pour bank-notes just as long as you can pour water into an abyss without filling it.

For myself, taking this view of the real significance of the proposition, the real merits of the plan that the Senator from North Carolina will have us vote upon, I never saw a proposition that I think I could vote upon with less personal embarrassment than this. I understand that I am very likely to be beaten upon it, in which case I shall have a very profound regret for my country, but for myself not an ounce.

Mr. MERRIMON. Mr. President, after what we have heard, I think it must be very manifest to the Senate that the honorable Senators who are complaining of the irregularity of my motion are simply laughing and jesting. I am very sure that they are not in earnest. I know, if I know anything about the rules at all, that the motion is perfectly regular; that there is nothing extraordinary about it, and I do not believe that there is anything of which any one can rightly complain. Now let us see how it works.

The bill, as reported from the Committee on Finance, was taken up by the Senate. It consisted of six sections. Very soon after the bill was taken up I offered this substitute for the whole bill, and the substitute has been pending from that time to this. In the course of perfecting the bill, the first section of my substitute was adopted substantially. In the further perfection of the bill the second section of it was adopted substantially. But the Senate, in perfecting the bill as it came from the Committee on Finance, did not see fit to strike out two other sections in the bill, so that the bill as it now stands before the Senate consists of the two sections embraced in the substitute and two other sections that stood in the bill as it originally came from the committee. Now, sir, in the regular order of business, I put it to the Senate to say whether or not, unless I choose to withdraw this substitute, the vote must not be taken on the substitute. I do not choose to withdraw the substitute. The substitute is a proposition entirely distinct from that which was perfected by the Senate as making up the bill. The two sections that stand in the bill, in addition to the words that make up the substitute, affect the first two sections very materially, and in a way that I do not now choose to vote for. I have the right to vote against them, and I shall claim to assert that right.

For one, I do not object to requiring the national banks to keep the whole of the gold they receive from the Government as part and parcel of their reserve. I am willing to vote for a proposition of that sort in a bill for the purpose of reforming the national-currency law. I do not know but I would agree to vote for an increase of the reserve, and for many propositions tending to strengthen the national banking system. But, sir, we have got to have the system for a considerable time to come. There is no use of talking about abolishing it now. There is no use in offering a proposition of that sort, for Congress is not in the temper to do it. By and by Congress will be, and then I shall be ready to vote for its abolition.

While I would be willing to see the proposition contained in the amendment offered by the Senator from Pennsylvania [Mr. SCOTT] incorporated into this bill, there are a number of Senators who are not willing to agree to it; and I repeat what I said a while ago, in order that the friends who desire an increase of the currency and an increase made under existing laws, and in a way so simple that nobody can mistake it and mistake what is meant, I do insist that the friends of increase ought to stand by this proposition and vote upon it at the earliest moment they can get to vote upon it, and be done with it, voting down every other proposition, however plausible it may be, or without regard to the source from which it comes.

Mr. MORTON. I suggest to my friend that after the great questions in the first and second sections are settled, it will not be difficult to amend the national banking law in other respects in regard to which perhaps it needs amendment.

Mr. MERRIMON. It will be very easy to do it then; and I shall then be ready to join Senators on the other side in making wholesome amendments to the national banking law. I will say to the honorable Senator from Ohio what I said in the remarks which I had the honor to submit in January last, that when this proposition to increase the currency goes through Congress, I shall be ready to join him with my humble ability in devising a plan to get back to specie payments. But I am not willing to incumber this proposition with any plan of that sort.

Mr. CAMERON. Mr. President, I shall vote for the bill as it now stands in the form of the two sections moved by the Senator from North Carolina. I vote, however, with great reluctance for that portion of the bill which increases the greenbacks. In the proposition which I had the honor to submit some weeks ago in regard to the national banking system my great desire was to relieve the country from the greenbacks, as they are called, from an irredeemable currency circulated by the Government itself. I am satisfied we shall never have specie payments until the Government itself is relieved from that currency. When the Government has no more irredeemable notes payable on demand, then we shall be ready at once to get to specie payments, and I trust that time will not be long; but it never can happen until the Government is first relieved.

I shall vote for this bill because I am satisfied the country needs relief. I speak for my own State. We are a great mining and a great manufacturing country. I know that everybody engaged in each of those branches of industry is paralyzed to a great extent, almost destroyed. More than half of our iron furnaces are now entirely stopped or greatly reduced in their business. All the founderies within my knowledge are doing nothing. The car factories all over the State are nearly stopped. One at Bellefonte, close to the neighborhood of my colleague, in which a very large capital was invested, is entirely out of business; and another at Williamsport, also in his neighborhood, is doing no business. Another one at Northumberland is in the hands of the sheriff. Another one at Middletown, in my neighborhood, is in the hands of the sheriff also. So it is with our iron establishments all over the State. A large establishment at Harrisburgh, which last September employed twelve hundred workmen, now has but one hundred employed, and they are kept employed because they are old employés, who have large families and whom the proprietors think it their duty to take care of out of their own funds.

Knowing these facts I shall vote for anything that gives relief; and the issue of greenbacks, while I dislike it very much, will give immediate relief.

Mr. SCHURZ. May I ask the Senator from Pennsylvania a question? Does he think that this bill will set all those establishments going again?

Mr. CAMERON. Yes; I do. I believe that the moment you do anything here which restores confidence to the people, you will have the manufactories started again. Confidence is the one thing that they need. They want currency when they get into operation. The cry was constantly—I know it myself from my intimate acquaintance with the large manufacturers and the small manufacturers too—that every one of them needed more currency than they had. They had capital, but could not get that which enabled them to pay off their hands. It is a fact which everybody knows, that while money is plenty in the large cities there is none in the country. In the large cities we have been told very often you can borrow money at 3, 4, or 5 per cent. per annum. It is true you can, but you must have some collateral which can be turned into cash in a day as security before you can get it at any price even in times of prosperity. The manufacturers of the country need a currency which will enable them to pay their weekly and daily debts. The people in cities employ checks, and they pay millions by checks; while in the country we have no such facilities.

I shall vote for this measure, believing that before we are through we shall have to come to a general free-banking system, and then we shall make it as perfect as it can be made. I have almost a dozen amendments that I would have offered to the bill if my own proposition had been carried; but I thought the proper and most sensible way was first to get the skeleton of the measure. Let us have a vote showing that we are going to adopt a system, and then we will go to work—at least I shall with others—and endeavor to make that system perfect. But, I repeat, I shall vote for this amendment now, because it is the best we can get at present.

Mr. FRELINGHUYSEN. Mr. President, I understand the proposition now to be that Congress shall pass a law increasing the United States notes to $400,000,000 and the national currency to $400,000,000, and then the Senator from North Carolina will give us his valuable aid toward perfecting what he considers a proper national banking system. I have little confidence in these promises. I have here before me the first act signed by Ulysses S. Grant as President of the United States. In it the law-making power declares that the United States will at the earliest practicable period make provision to pay our United States notes in coin. And that is not all. The act further provides that no part of the national debt which bears interest shall be paid before maturity unless the United States notes are convertible into coin, and the recent Secretary of the Treasury will not dispute that millions of the unmatured interest-bearing obligations of the United States have been purchased and canceled, while the United States notes have not been made convertible into coin.

Mr. BOUTWELL. Not in violation of the law, if the Senator will permit me.

Mr. FRELINGHUYSEN. Why not in violation of the law?

Mr. BOUTWELL. I am not in a condition to-day to argue the matter with the Senator from New Jersey. I can only say that before the purchase of bonds was undertaken, the subject was very carefully considered upon the very best information that could be obtained at the Department, and the practice of the Department was in conformity to that information, in which certainly I fully concurred; and I believe if I had time I could demonstrate its soundness.

Mr. FRELINGHUYSEN. I am very sorry that our friend from Massachusetts has not occupied even the little time that he has employed in giving us an inkling or a hint of the reason why the purchase of bonds was not a violation of the law referred to. Sir, the only distinction that is attempted to be made between the law and the practice alluded to is that, as is claimed, the Government did not redeem the bonds, but purchased and canceled them—a very technical difference. Millions on millions have been purchased and canceled while the United States notes were inconvertible, and this in violation of the law; and when I introduced an amendment that we should appropriate only the surplus revenue of the United States toward the fulfillment of that solemn obligation, my friend from Massachusetts voted against it. There is, sir, an honorary obligation resting on us, growing out of this violation, if my construction of that law is true, to supply by the sale of bonds some little part of the fund by law devoted to the redemption of United States notes. We have taken unlawfully from the revenues of the country a large amount and applied it to the purchase of interest-bearing securities, and should

hasten to do a little toward repairing the injury thus done to the country as the holder of the United States notes.

That is not all. Some here represent a political party to which we owe allegiance and fidelity, and one plank of the platform of that party to which attention has not here been called is this:

The annual revenues, after paying the current debt, should furnish a moderate balance for the reduction of the principal.

I introduced an amendment in accordance with the pledge of Congress and of our party to appropriate only the surplus revenues of the United States toward making the United States notes convertible into coin, and in disregard of all pledges it was voted down.

Mr. MORTON. Let us understand what that resolution was.

Mr. FRELINGHUYSEN. It reads thus:

The annual revenues, after paying the current debt, should furnish a moderate balance for the reduction of the principal.

Mr. MORTON. That has been the practice, has it not? I believe some $400,000,000 have been paid off in that way by applying it to the principal of the debt.

Mr. FRELINGHUYSEN. Yes, Mr. President, but here is an act which goes along with the party pledge, which says that the part of the debt of the United States which bears interest shall not be paid until that which does not bear interest has been paid. Therefore the platform applies to that principal debt which does not bear interest, and that is my point. The interest-bearing debt has been unlawfully paid off, and we are bound in all fairness to make good the fund from which it has been abstracted. This Congress refuses to do.

Mr. MORTON. Does my friend arraign the Administration for having paid off the public debt?

Mr. FRELINGHUYSEN. I am arraigning those who have given a solemn pledge that they would make the United States notes convertible into coin for refusing to do it, and for attempting, while they are increasing the currency $90,000,000, to amuse us with the assurance that after they have passed the bill for the increase they will render us their aid to get some law through Congress that may tend to fulfill those pledges. I will, sir, never vote for a law that increases by one dollar the currency of the country until there is with it at least some short step, some feeble measure, looking toward keeping the plighted honor both of the nation and of the republican party.

Senators say it is expensive to render the United States notes convertible into coin. Ah, yes; it generally is expensive to fulfill obligations and to pay debts. But the expense of keeping the pledge and of paying the debt is insignificant when contrasted with the expenditure not paying will entail on the country. The destruction of the credit of a nation that must for generations be in the market as a borrower can hardly be estimated. In 1881 we have $160,000,000 falling due in gold. In 1882 we have $260,000,000 falling due in gold. Of course we cannot raise the gold. All we can do is to maintain the credit of the country so that the confidence of the public in our obligations makes them the equivalent of gold, so that they will be received everywhere as gold.

Our friends here say that they are the friends of the laboring class; that they are interested in them; that they wish to start the founderies in Pennsylvania and elsewhere. Break down, sir, the credit of the nation and we must make our loans at an advanced rate of interest. Capitalists will seek the investments and will draw their capital from manufactures and the other industries of the country; and we will have two classes in the country: one the capitalists, drawing heavy interest and living on their wealth; the other a laboring class, borne down by oppressive taxation. That is the peculiar process by which you are helping the laboring men of the country.

Then, again, we are told that we cannot get the gold, and yet we have at the present time a surplus of $44,000,000 a year coming into our Treasury, and if we will take care of it we can save it. We know there is $150,000,000 of gold hoarded in the country, and we know that our mines yield $70,000,000 a year; we know, too, that our bonds are scattered over England and the Continent, and the people there are interested in maintaining the credit of our country, and we know that they will be but too happy to aid us in effecting loans or in any other measure which will secure the resumption of specie payments and make their securities good beyond all question.

[Here the hammer fell.]

Mr. SCOTT. Mr. President, the amendment which I offered has given occasion to some language about complaints in offering amendments. I have indulged in no complaints. I recognize the right of the Senator from North Carolina to offer any amendment he sees proper, and without classing myself either with the minority or majority, with one side or the other, I claim the right as a Senator to offer any amendment which I think will improve this bill; and I have offered my amendment because I believe it will improve the bill.

What is that amendment, Mr. President? I am told it is one that ought not to be offered now. The Senator from Indiana and other Senators say to me, "Vote this increase of legal-tender notes, vote this increase of national-bank notes, and after you have done that, then we will permit you to offer such amendments as will improve the national-bank system."

Mr. MORTON. I beg my friend's pardon; I did not use any such language; I did not complain about my friend offering the amendment at all. He had a perfect right to do so. I said that, so far as I was concerned, after we had carried the main propositions—I would not endanger them by any of these details—I would then consider any question of amendment of the national banking system.

Mr. SCOTT. That is what we are informed, if I understand it, that the majority of the Senate, assuming that they have the power to adopt these two sections, say to us, "No amendment, let it be as meritorious as it may, to the national-bank system shall be considered until these two sections are adopted by and of themselves."

Mr. LOGAN. We are considering an amendment now—your own amendment.

Mr. SCOTT. We are considering an amendment, but we are informed, "You may as well not offer it." Now, Mr. President, I never legislate in that spirit. I have not been here opposing the amendments offered by those who consider themselves the majority, nor do I offer this amendment in any desire to prolong the debate or to embarrass the question. I wish to see the best measure perfected that can be obtained, and I think when we are proposing an increase of $46,000,000 of national-bank capital this amendment ought to go with that increase.

We are complaining of the monopoly of the national-bank system. Why, sir, I concur in that complaint, and I would so much prefer the loosing of all shackles upon the right of banking as to make it absolutely free if accompanied with proper provisions for the redemption of the legal-tender notes, that I would not hesitate to vote for such a bill in preference to this increase of $46,000,000; indeed I would prefer it. But when we are proposing to increase the national banking capital $46,000,000, shall we not say to those who take that national-bank capital as well as to all others, "You shall no longer keep three-fifths of your reserves in eastern cities and get interest upon them; you shall only keep one-fourth of your reserves in those cities, and upon that one-fourth you shall not get interest?" And shall we not further say to those banks, "Out of the interest which you receive from the national Government you shall first pay your national taxes, and, second, your State taxes, and that will only leave you about 2 per cent., and that 2 per cent. in gold you shall keep in your vaults?"

Mr. LOGAN. Will the Senator allow me right there to make a suggestion? I do not care to enter into the debate.

Mr. SCOTT. I do not wish my time taken up.

Mr. LOGAN. I will make but one remark. The other day when the question of free banking on the basis of Pennsylvania was voted upon, with this very section in it which the Senator now proposes, I believe he was the only one of the Senators who have been opposing an increase of currency who voted for the section on the basis of Pennsylvania, and it was voted down by one vote, with this very section in it which the Senator now offers. The rest of us who were present at the time voted for it, and some were absent. Now the Senator proposes to renew it after it has been voted down.

Mr. SCOTT. The Senator then exonerates me from any attempt to delay legislation, for I voted for the proposition to which he refers.

Mr. LOGAN. That is what I say; I except the Senator. He voted with us on that proposition, but his friends did not.

Mr. SCOTT. I am not responsible for the sins of others on either side, but I intend to be answerable for my own; and I now propose this amendment in entire good faith, and I wish to see how those will vote on it who are clamoring against the monopoly of the national banks, and clamoring against this system of their hoarding the greenbacks in eastern cities and getting interest upon them, depriving the people in the localities of the various banks of the benefits of circulation which the law intended to give them.

Having said this much upon the amendment, I come to notice for a moment the statement made by my colleague. He has spoken of prostrate industries in our State, and there are many of them. He and I both wish to relieve them, but we may, perhaps, although equally sincere in our endeavor to do so, differ as to the means by which that end is to be accomplished. There are rail-mills lying idle. Why? Because the railroad enterprises that were giving them their orders have been crippled by the panic. There are founderies lying idle. Why? Because that is a cognate branch of industry, and running out into every branch of the iron industry, the great railroad enterprises, which were crippled by that panic, have crippled all these. And what was that panic? Does not everybody know that it was the want of confidence in banking institutions, brought about by the leading banking-house in the country using the deposits of its customers to build a railroad instead of in legitimate banking? It destroyed that confidence. The consequence was this railroad stopped, other railroads stopped; and in consequence of that want of confidence, which has not yet been restored, our industries are languishing.

Now suppose we pass this bill, to what extent are you going to relieve those industries? How much of the circulation proposed to be given by this bill will flow into the hands of the crippled railroad enterprises or crippled manufacturing industries? Take the bill itself, and how much relief will it give to Pennsylvania? Of the $44,000,000 of legal-tender notes proposed to be legalized $26,000,000 are already out, and they went into the savings-banks of New York and did not help one industrial enterprise in the country. There are but $18,000,000 more to issue. Issue the $46,000,000 of national-bank currency under this bill, and not one dollar of it goes to Pennsylvania; it goes to the West and South; so that every dollar of relief

that can come from this bill is the issuing of $18,000,000 more of legal-tender notes at the discretion of the Secretary of the Treasury. Whether it is to be in the redemption of bonds or in the payment of the current expenses of the Government is to depend upon the form which this bill shall take; but in any form in which you can put it $18,000,000 of legal-tender notes is all that can be added to the volume of currency under this bill which will in any manner help Pennsylvania. My idea about that help is this: We cannot by legislation here put money into the pockets of those who are thus crippled; they may get the incidental advantages of a revival of trade; but the great industries, the great enterprises which were paralyzed by the panic, which caused the suspension of the mass of industries to which my colleague has referred, are enterprises which, if we wished to face the question directly, would come here at once for aid. To speak plainly, Mr. President, these languishing industries would have to be revived by Congress voting directly, granting aid to the Northern Pacific and the Southern Pacific railroads and any of the others that are languishing; and when that direct proposition comes here, we will see who of those who are now most ready to increase the currency will come up squarely to the question when it is presented.

Mr. President, my idea is that by taking care of the credit of the Government, by increasing the credit of our bonds, by increasing the honor of the American name, we shall do best to revive our prostrate industries; and when our capitalists go abroad, if our own honor be maintained, railroad bonds, municipal bonds, State bonds, and all other bonds will find a much readier market and a better price than if by our legislation we fail to meet our pledges and to keep our commercial and national honor untarnished.

The PRESIDING OFFICER, (Mr. FERRY, of Michigan, in the chair.) The Senator's time has expired.

Mr. CAMERON. Mr. President, my colleague and myself do not seem to agree as to the proper remedy for our present troubles. If he had voted with me some time ago to extend the national-bank system, I think he would have given that relief which the country needed; but he thought differently.

It has become very popular of late to blame all the wrongs of the country upon the poor railroads. Sir, I started out with the railroad interest at its beginning, and I remember how glad everybody was to have a railroad come into their town or through their property; and so it was until the railroads became prosperous, and then until they got into trouble. Railroads are like individuals who have been prosperous for a long while; people get envious of them. The greater the prosperity of individuals, so much the greater is the envy of those around them; and so it is with railroads.

My colleague says very truly that we cannot vote money into the pockets of our constituents. I know that; but we can so legislate as to let our constituents have incidental advantages from the expenditures of the country, and so of all other legislation. We can so shape our legislation as to increase the prosperity of the country and give confidence to the people in trade. That is what I would do by my legislation here.

As I said before, I dislike an additional issue of greenbacks; and if my colleague had gone with me to make a general system of national banks, we should have needed no more greenbacks. I support the proposition of the Senator from North Carolina because it will in some degree give relief. I think it puts off the day when gold and silver shall be seen again in circulation, and therefore I shall vote for it with reluctance. Indeed, I have a belief that before this Congress adjourns we shall have a banking system which will make the national system a free system, and then we shall get clear of the greenbacks. I desire above all things that the Government shall be released from its promises to pay which so far we have been unable to pay; and I think that will only be done after we establish some other system which will give currency enough to the country. I am sure my colleague and I have the same object in view. I regret that he has not seen the road as I have. Perhaps he is right; but I think he is wrong.

Mr. SHERMAN. I should like to ask my friend, whose opinion I always listen to with respect, would he prefer to this system a system of practical free banking with a plan of redemption; a retirement of greenbacks, say, for that is the simplest form?

Mr. CAMERON. I prefer that certainly, and I will agree with any Senator who will bring forward a proposition making a free-banking system, with such restrictions as will bring gold and silver into circulation; but I have seen no such attempt on the part of gentlemen on the other side. In truth, we have been working here upon theories, without attempting to apply any theory to the practical affairs of life. It is very easy to say that you are in favor of the resumption of specie payments; but it is not so easy to show how it can be done. The country must be prosperous before you can do it. You must revive business, you must put the laboring man to work, and you must put the enterprising man in a position to make his enterprise available to the country and useful to himself before you can have specie payments.

But, sir, I did not intend to speak so long on this subject.

Mr. WRIGHT. Mr. President, the proposition now before the Senate I understand is the third section of the bill reported by the Committee on Finance. It is a proposition that has been offered here twice by the friends of the bill as it now stands and has been voted down. I suppose that in fact, so far as the principle involved in the section is concerned, there is perhaps scarcely a member of the Senate who is opposed to it. The objection that has been made to it here this morning, and very justly, as I think, grows out of the fact that notwithstanding the substitute of the Senator from North Carolina has been pending here for days, and it had assumed, finally, by the vote of the Senate the form that it has, and this proposition had been voted down twice, those who were opposed to the pending proposition sought to put on this amendment.

Mr. SHERMAN. When was this proposition voted down? I am sure I never voted against it except in connection with some other proposition.

Mr. WRIGHT. It may be very true that it was connected with something else. I do not remember whether the Senator voted for it or against it. I state the fact that it was voted down. I think it is essentially important that we get along with this business, and I therefore appeal to my friend from North Carolina to accept the amendment of the Senator from Pennsylvania. I do not know that any person would be opposed to it as an independent proposition. It came from the Committee on Finance, and the friends of the measure as it now stands before the Senate, it seems to me, can accept it. It will become a part of the substitute then, and we can have it as a whole. I appeal to my friend to accept the amendment, and thus get the question out of the way.

Mr. THURMAN. Mr. President, let us see what this third section is. It provides—

> That each national banking association, now organized or hereafter to be organized, shall keep and maintain, as a part of its reserve required by law, one-fourth part of the coin received by it as interest on bonds of the United States deposited as security for circulating notes or Government deposits.

Now, mark it; it does not require that the percentage of reserve shall be increased at all; it only requires that one-fourth of the gold received by those banks on their bonds which are deposited as security for their circulation shall be retained by the banks; and if this process goes on it can only result in accumulating in gold in the end an amount equal to the reserve, which is in most of the banks a reserve of 15 per cent. How much would it require a bank with a capital of $100,000 to lay up and accumulate year by year? Simply the sum of $1,500 in gold each year. If you make the calculation you will find that $1,500 is the one-sixtieth part of the circulation to which a bank with a capital of $100,000 is entitled; and so it would take sixty years, if this accumulation were to go on, before you would have as much gold as you had bank-notes out. But of course nobody would require that much in order to resume specie payments; and yet this measure, which only requires an accumulation annually of one-sixtieth part of the circulation, is resisted by some gentlemen who are in favor of inflation.

Mr. LOGAN. Did you not vote against the amendment making Pennsylvania the basis?

Mr. THURMAN. I do not care if I did. I voted against making Pennsylvania the basis, which was a wholly different proposition from this. Because I voted against what was then supposed by every Senator to be a greater inflation than that proposed by the bill, am I therefore to be told that I voted against this proposition? No, sir. But let no man say who opposes this section now that he is in favor of a resumption of specie payments any time this side of eternity. A man who will not vote to accumulate in a single year one-sixtieth part of the circulation of a bank need not talk to this people about being in favor of resumption either now or hereafter.

So much for that part. Now let us see what the rest of this section is:

> And that hereafter only one-fourth of the reserve now prescribed by law for national banking associations shall consist of balances due to an association available for the redemption of its circulating notes from associations in cities of redemption, and upon which balances no interest shall be paid.

I do not presume to speak for other States, but I can speak for Ohio, and I say that if the Ohio banks last September and October had been able to get their reserves that were in the city of New York, not one single one of them would have been cramped at all, not one single one of them would ever have issued a certified check; but simply because they could not get those balances, for a time they were in a state of *quasi* suspension and some of them were compelled to issue their certified checks. And now when it is proposed to put an end to that provision of the present law, which was the very cause why the western and southern banks were thus cramped, it is opposed by those gentlemen who represent everybody here who will not go for inflation as friends and advocates of the national banks. I hope after this exposition of their sentiments there will be nothing more of that kind said on this floor or elsewhere.

Talk about friends of a national-bank monopoly, forsooth! Who are the friends of a national-bank monopoly but those who are making it so utterly odious in this country by their ill-timed advocacy that in the end it will go to the wall because no people will sustain it? Why, how is it? Nine out of ten of all the national banks in this country are opposed to measures for the resumption of specie payments, and every Senator on this floor knows it, because it is much easier for them to pay when called upon, though they are never called upon, in the legal-tender notes of the United States, than to pay in good hard money.

But, sir, I do not see fit to repeat what I have said on this subject before. I wish to call attention to the fact that when it is proposed

that these banks shall be required to lay up annually in coin only one-sixtieth part of their circulation, that proposition is opposed on this floor by those who claim to be the particular friends of the people; and not only that, when it is proposed that the interior banks shall keep their reserves at home to lend to their own people, that proposition is opposed by those who profess to be the friends of the South and West!

Mr. LOGAN. Inasmuch as this proposition was reported by the Finance Committee, then offered by me, and as it has been before the Senate two or three times, I think it is a proper amendment to the bill, and I am very glad to see it come now from the other side, if I may use the expression. I hope that now our friends will accept it, and then I hope that the Senators who have advocated it this morning will vote for the bill when it is a part of it. I hope the Senator from North Carolina will accept the proposition, and then we shall see who will go on the record in favor of it.

Mr. MERRIMON. I have already said that I was not opposed to this measure *per se*. I only opposed it in the outset because I thought it might in some measure affect adversely the substitute that I offered. I am content not only to vote that the national banks shall be required to keep a third, but that they shall be required to keep all the gold they receive from the Treasury as part and parcel of their reserve. I think, however, this is a very poor measure with which to return to specie payments; I am not satisfied with it in that regard; but I did not want to incumber this substitute with any movement of that sort that would jeopardize it. I am content, at the request of the Senator from Illinois and the Senator from Iowa, to accept the proposition; and I trust that now my friend from Pennsylvania will support——

Mr. LOGAN. And my friend from Ohio, [Mr. THURMAN.]

Mr. MERRIMON. And my friend from Ohio, too, will support the substitute as amended.

The PRESIDENT *pro tempore*. The Senator from North Carolina accepts the amendment of the Senator from Pennsylvania as a part of his substitute.

Mr. CONKLING. I suppose there is no objection to the remaining section, section 6, providing that the principal of the debt shall not be increased. Has the Senator from North Carolina any objection to that?

Mr. MERRIMON. There are very serious objections to that.

Mr. CONKLING. Then I move to amend the substitute by adding the last section of the bill of the committee.

The PRESIDENT *pro tempore*. The Senator from New York moves to amend the substitute by adding the last section of the bill, as follows:

> That nothing in this act shall be construed to authorize any increase of the principal of the public debt of the United States.

Mr. MERRIMON. That would make the substitute and the bill itself absurd.

Mr. CONKLING. Why?

Mr. MERRIMON. Because we propose to increase the national debt to the extent at least of $18,000,000 of greenbacks not now in circulation.

Mr. SHERMAN. If it is understood that this is a bill to increase the public debt $18,000,000, that presents a still graver question. Within the last five years—yes, within the last nine years—nobody has ever proposed a bill to increase the public debt. The idea of increasing the public debt of this country since the close of the war has ever been resisted, and every financial bill that we have passed, so far as I can recollect, even the bill of 1869 to strengthen the public credit, has always contained this provision, that it shall not provide an increase of the public debt; and the committee reported this section to guard against the conclusion and the possibility of it.

Now, sir, is it understood that this $18,000,000 is to be issued to increase the public debt? I supposed that one of the claims was that this $18,000,000 was to be used to buy up some portion of the public debt; but if it is understood by the people of the United States that their debt is now to be increased to the extent of $18,000,000 by the issue of an inconvertible depreciated paper money, that presents a different aspect to this bill.

It seems to me, therefore, that this amendment ought not to be resisted by any one. How is this $18,000,000 to be used? How is it to be got out? I supposed that as a matter of course it would be in the payment of bonds or the ordinary current expenses of the Government. In this way there would be no increase in the public debt. But if it is understood that the $18,000,000 is to be paid out in the increase of the public debt, divided up so that each inhabitant of the United States shall get forty-six cents of this money, (because that is about the ratio,) or in some other way other than the payment of the public debt for the current expenses, that presents a very different question.

Sir, a provision similar to this has been in every financial measure that has passed since the close of the war that I can now recall. If there is any financial law in our statute-books that does not contain it, I should like to know it. If it is the purpose of this bill to increase the public debt by this most objectionable form of debt, inconvertible paper money, then we shall understand it more clearly and definitely.

Mr. MORTON. Mr. President, this part of the debate is really charming. The Senator from Ohio has just made a discovery that possibly the public debt might be increased by a new issue of greenbacks. After having advocated for days here a proposition to fund existing greenbacks into a 5 per cent. bond, to convert a non-interest-bearing debt into an interest-bearing debt, and then pay out those greenbacks for the current expenses of the Government, a direct increase of the public debt advocated by the hour here, the Senator now is inexpressibly shocked by a proposition to increase the public debt. Really the simplicity of this is charming.

Mr. BAYARD. Let me say to the Senator from Indiana that he certainly forgets that the proposition of this section preventing anything in the bill from authorizing an increase of the public debt was in it when it came from the committee and has been in it ever since, and was put on the very bill to which the Senator now refers.

Mr. MORTON. Yes, sir; and was exceedingly absurd on that account, because everybody knew that if the greenbacks were funded into a 5 per cent. bond, and the same greenbacks were then paid out for current expenses, the public debt would be increased to that amount, because then the greenbacks and the bonds would both be out. The proposition was simply absurd.

Now, Mr. President, if these greenbacks are issued, as I presume they will be, in the purchase of 6 per cent. bonds, there is no increase of the public debt; but there might be an interregnum between the two, there might be for a period some increase of the public debt, or possibly they might be paid out for current expenses as the $26,000,000 were, at a time when your revenues ran short, and you had no money to keep this Government going. So the $26,000,000 were paid out and the public debt was increased, when the Government must increase it in that way or go to protest. And yet the idea has suddenly burst on the Senator as something he had never heard of before! No, Mr. President, this proposition can only be added for embarrassment. I know of no way that the Secretary of the Treasury can get these greenbacks into circulation unless it be by purchasing up the old debt, which I hope he will do promptly, or if the revenues should run short then he might use them to carry on the Government as he did the $26,000,000.

Mr. FERRY, of Michigan. May I remind the Senator from Indiana that under this proposition now suggested by the Senator from North Carolina the $18,000,000 will reach the channels of business by the same process that the $26,000,000 have reached the public pockets, and I never before have heard the Senator from Ohio cry out against the increase of the public debt because the $26,000,000 have reached the channels of trade, running the issue of greenbacks from $356,000,000 up to $382,000,000. If I am not mistaken that Senator himself reported a bill by which it was proposed to declare that the maximum of greenbacks should be $382,000,000 instead of $356,000,000, thus recognizing through this very process the issue of the $26,000,000.

I did not mean to say one word to-day; I feel that we should come to a vote; but when the chairman of the Committee on Finance springs at an opportunity to frighten the Senate upon an amendment which says that the public debt shall not be increased, as though we advocated a measure here by which the public debt was largely to be increased, and this system of attaching amendment to amendment is resorted to and supplemented by threat and menace, I hope the majority of this Senate, who are looking to a measure which they are now perfecting through their substitute, will stand by and hear the threats and vote in silence.

Mr. SHERMAN. My friend from Michigan calls me to account because I did not denounce the Secretary of the Treasury as a criminal for issuing the $26,000,000. Mr. President, I have denounced the Secretary of the Treasury as performing an unlawful act over and over and over again in this Senate. I submitted to the Senate a formal report which denied his power to issue the $26,000,000, and from the beginning to the end of this controversy I have held that that $26,000,000 was unlawfully issued, and I now assert it again; but still it was out and we had to pay it, and as a matter of course, as one of the Senators from Ohio, I felt it our duty to make provision for its payment and recognize its validity, because we could not avoid it. But now, that being out, when the Secretary of the Treasury tells you that he has no occasion to issue any more of it; that the $18,000,000 is not necessary to meet the current expenses, why require him to do it? There is one way of putting out the $18,000,000 in the purchase of an interest-paying debt, but now it is proposed to issue that $18,000,000. How? By an actual increase of the public debt. When we proposed $382,000,000 as the maximum, and had the second section in the bill which provided for advancing the greenbacks up to the par of bonds, even with that section which, as I explained to the Senate, might, unrestrained by the sixth section, possibly in a given case lead to an increase of the public debt, we reported from the committee by a unanimous vote this section—perhaps not, I see my friend from Iowa [Mr. WRIGHT] shakes his head about it—but at any rate we reported from the Committee on Finance this section which declared that under the operations of this bill there could be no increase of the public debt. As a matter of course, if we authorize $18,000,000 to buy interest-bearing bonds, that is no increase of the principal of the debt; but if it is to be divided out, parceled out, issued for current expenses, and thus give to the House of Representatives and to the Senate and to Congress an excuse for not levying enough taxes to carry on the expenses of the Government and to provide for meeting deficiencies and carrying on the expenses of the Government by this $18,000,000 of paper money, it does present a question that has not been presented to us since the close of the war.

Sir, I do not threaten; I simply state a fact. I do not suppose with the temper of the Senate this bill will be put in such a position that I can vote for it; but that ought not to prevent me from doing all I can, and I certainly will do all I can whoever goes to the contrary, to perfect this bill; and I shall place my own opinion in writing by offering amendments and asking the vote of the Senate; having the same right to do it as any other Senator, no more and no less, I shall not be deterred from doing this by any observations that are made. I say here this proposition to increase the public debt by the issue of $18,000,000 of irredeemable paper money is a worse proposition than has been made in connection with our finances since the close of the war.

Mr. FERRY, of Michigan. I will say one word more. I desire to call the attention of the honorable chairman to the fact $26,000,000 of this same amount of $400,000,000 greenbacks have reached the public, and this proposition is simply to have $18,000,000, if necessary, reach the public through similar channels or through the purchase of the bonds of the Government. Now I say that where there was a doubt upon the maximum of the greenbacks the Senate proceeded to declare and the House have declared that $400,000,000 instead of $356,000,000 shall be the maximum of the greenbacks. Now this is not $18,000,000 in excess of that, but $18,000,000 within the $400,000,000; and I say to the Senator that so long as he maintained silence and never criticised the issue of $26,000,000 so far as it was an increase of the public debt, he cannot logically criticise the issue of $18,000,000 further to make up the maximum of $400,000,000. It is a part and parcel of the $400,000,000; and therefore this issue is not an increase of the public debt, but merely a putting into the hands of the public of the very maximum which you have declared by vote here is the sum which the greenbacks shall reach.

Mr. FRELINGHUYSEN. Will the Senator permit me to ask him whether it is a fact that the $26,000,000 did increase the principal of the public debt? I do not understand so. I understand that that amount of bonds was retired.

Mr. MORTON. No; the Senator is mistaken. It was paid out for current expenses. The $15,000,000 in the Treasury before were paid out for bonds, but not the $26,000,000.

Mr. FERRY, of Michigan. I understand that the $26,000,000 was paid out in the expenses of the Government, not in the purchase of the public debt; there was no retiring of the bonded debt of the Government; but that was an issue to meet the exigency of the panic and its results. We are seeking to continue up to the maximum which you and the House have declared shall be allowed, and to issue the $18,000,000 to meet this same exigency and results; and now it is charged upon us that in pursuing this example set by the report of the Committee on Finance we are seeking to increase the public debt! I say if it is good in one case, it is good in the other.

Mr. FRELINGHUYSEN. I have a statement of the month of February, 1874. That statement shows that the increase of the public debt since June 30, 1873, was $7,061,000.

Mr. SHERMAN. And that has been reduced to about four and a half millions.

Mr. FRELINGHUYSEN. That temporarily may have been an increase of the public debt, not $26,000,000, but $7,000,000, and that only temporarily; but I understand that has been reduced to $4,000,000.

Mr. FERRY, of Michigan. The Senator from New Jersey is too cautious a man to declare, but he says he thinks, that this may be the case. The Secretary of the Treasury is selling the coin, and may be, for that purpose, purchasing the public debt. He may be reducing the public debt or he may not. I declare here that the method in which the $26,000,000 has reached the public has been through the expenditures, the necessary expenditures of the Government, the same way by which this $18,000,000 will reach the public; and I say that if it was authorized in the case of the $26,000,000 it is authorized in the case of the $18,000,000 more, and I fall back upon the position taken by the Senator when, very earnestly, he attempts now to further trammel the proposition by a suggestion that we are here to increase the public debt. I, for one, am not to be frightened by that, and I shall vote against the amendment proposed by the Senator from New York.

Mr. MORTON. Mr. President, if this $18,000,000 is paid out in the purchase of the public debt, there is no increase of it; if it should be paid out for current expenses, there would be an increase. The Secretary of the Treasury has but the two ways to pay it out: in the purchase of the public debt, or for current expenses when the revenues of the Government run short. The adoption of the amendment therefore could have but one effect, to embarrass the Treasury when the revenues ran short and the money was required to carry on the Government. That is the only effect it would have.

Now, Mr. President, we understand, of course, the policy of all these amendments. I hope the friends of the two propositions embraced in these two sections will stand by them. There is no good to be attained, I am satisfied, by the adoption of amendments, and those who offer these amendments are not the friends of the bill, but seek to embarrass the bill by putting these amendments on it. I hope these two propositions will be carried, and if further legislation is required to amend the national banking system, or for any other purpose, there will be ample opportunity to do that. But I hope these two great propositions to which the country is now looking with most intense interest everywhere will not be hazarded by amendments offered by their enemies.

Mr. MORRILL, of Maine. It becomes a little interesting to know exactly what the effect of this bill in its present condition would be; and from the admission of my friend from Indiana it cannot longer be doubted what it would be as to the $44,000,000 of greenbacks issued and to be issued, and that is, that it adds $44,000,000 to the public debt. The Senator says that it is undoubtedly true that if the $18,000,000 not now issued is actually paid out for ordinary expenses of the Government, it adds so much to the public debt. Let us assume now that the $26,000,000, which it is said by the Senator from Michigan is paid out, is so much added to the debt——

Mr. THURMAN. Being, like Michael Cassio, something of an arithmetician, I should like to know how it would add to the public debt, if the Government owes a man money on an open account, to give him its promissory note for it. There is no addition to the public debt in such a case.

Mr. MORTON. That is an argument on our side; and if the Senator from Ohio thinks it good, all right.

Mr. MORRILL, of Maine. I should like to know whether the Senator from Ohio was interrogating me or the Senator from Indiana. I was arguing on the assumption of the Senator from Indiana. If his premises are false, the Senator can correct them.

Mr. THURMAN. If I am not disturbing the Senator, I will say this: The Secretary of the Treasury cannot pay money out except in discharge of some debt, whether it is a salary, whether it is wages, or what not. He cannot pay money out without paying a debt, unless he is to go around and make purchases of things that he may want.

Mr. MORRILL, of Maine. I can conceive, notwithstanding the interruption of my honorable friend from Ohio, that it is possible for a great Government like ours to pay its ordinary expenses out of its accruing receipts, and not be put to the necessity of issuing greenbacks for such a purpose.

But the object of my honorable friend from Indiana is that this money shall be paid out, shall go into circulation. That is the purpose; and no matter what are the receipts of the Government over its demands, this paper is to go into circulation; and my honorable friend will allow no amendment to be put on this bill which prevents that result; and the position he takes is evidence of that. Now if you put on this sixth section, it cannot go into circulation and you cannot by so much increase the national debt. There is the point; and no Senator here who thinks that the volume of currency by way of greenbacks ought to be increased to that extent can vote for it, I admit.

The obnoxious thing about this to me has been from the beginning that it does increase the national debt; and gentlemen who are proposing this measure will not be able to shirk the responsibility of it in any way. By adding $44,000,000 to the volume of currency in the shape of greenbacks, you add so much to the national debt of the country in any way you can fix it. My honorable friend admits that, and it is unquestionably true.

Mr. MORTON. No; if you pay off that amount of bonds, you do not add to the debt.

Mr. MORRILL, of Maine. No; but that is precisely what is not intended. The resistance to this sixth section shows clearly that gentlemen who vote for this bill intend that this $18,000,000 shall go into circulation, and there is no way of getting it into circulation except by paying it out for the ordinary expenses. How is that to be done? It is as easy to be done as possible, and in this way: Every man who votes against this sixth section will be bound to vote against taxes, no matter what the embarrassments of the Government are. There is no way you can force it into circulation except by making the burdens of the Government larger than its receipts, and then it will go out. And, sir, in my judgment, if this distempered notion about paper currency being a relief had not seized upon the public mind, and so upon its representatives when this Congress met, and we had had a salutary policy of taxing to meet the demands of the Government, this condition of things would have been rendered impossible and unnecessary. But as it is, with no provision for the current expenses of the Government and for the extraordinary liabilities of the Government for the payment of the interest on the public debt, and to prepare for the sinking fund, which will require $30,000,000 at the close of this fiscal year, how are you to prevent the issuing of the balance of these legal-tenders for the current expenses of the Government? The time is not far ahead on this legislation when it will become the necessity of the Government to do that very thing as matters are.

Mr. President, I voted against authorizing or establishing the volume of legal-tender currency at $382,000,000 on the ground that I maintain, that the $44,000,000 held as a reserve was actually redeemed, redeemed under the policy declared by Congress and under the policy practiced by the Treasury Department. I attach no importance to the fact that the Secretary of the Treasury called it and held it as a reserve. The reserve which was authorized by the act of 1865 had passed out of existence entirely anterior to the act of 1869. This $44,000,000 was redeemed in the sense of payment, and being paid could not be reissued, and on my theory, of course, it cannot be legalized; and therefore under no circumstances would I vote for the issue of the $44,000,000 for the ordinary expenses of the Government, because I do not believe that one single dollar of the legal-tender notes which had been under the policy of Congress absolutely redeemed and paid, and thus become extinguished, can by any power

we can exercise, short of the exigency of a great public war or some other equivalent exigency, be reissued under the authority of Congress. I shall vote for this sixth section.

The PRESIDENT *pro tempore*. The question is on the amendment of the Senator from New York, [Mr. CONKLING.]

Mr. BAYARD. I merely rise to call the attention of the Senate to the absurd position in which this body is placed. With the law of 1862, establishing a sinking fund for the diminution of the debt, a law that has been recognized in 1870, which has been carried, and more than carried, into effect by the Secretary of the Treasury who is now Senator from Massachusetts, [Mr. BOUTWELL]—with that law still remaining on our statute-books, requiring a sinking fund to diminish the debt, here is another bill proposed to become a law so much lauded, which proposes to increase it in a single year $44,000,000! The sinking fund by law is 1 per cent. upon the entire indebtedness, including also 1 per cent. upon the interest of the bonds which have been already retired under the process of the law creating the sinking fund, so that in round numbers by law the Secretary is bound to diminish the debt from the income of the country about $30,000,000 in 1874; and in the same year the Congress of the United States declare that it shall be increased $44,000,000! This is getting up two stairs and falling back three, according to the old negro song; and this is the legislation which is presented for the purpose of establishing the credit of the Government of the United States! Because it is plain that the legal debt in Treasury notes of the United States to-day as authorized by law is $356,000,000, the present bill increases it at one step to $400,000,000, an increase of $44,000,000, with a statute staring full in the face of every member of the body and of the whole world that we had promised to retire our debt under the policy of a sinking fund. It seems to me that the two acts are such commentaries upon each other and the latter so full of bad faith and absurdity that it ought to cause any man to pause before his assent can be given to such a measure as increasing the public debt, and that in the worst form, a form worse than doubtful under the limitations of the Federal Constitution.

Mr. President, the section which the Senator from New York desires to see retained, and I think with great propriety, has been, as the Senator from Ohio who sits in front of me [Mr. SHERMAN] has said, in every law we have passed on the subject of funding or dealing with the national debt since the close of the war, that nothing therein should be authorized to increase the public debt. It was to prevent any possible construction by reaching or overreaching by this newfangled word "reserve" which would allow the debt of the people of the United States to be increased, which means denying the right of their representatives to add heavier burdens upon them than existed.

But I have drawn the attention of the Senate to the fact that we are turning our sinking fund law into an absurdity by this proposition not to diminish the debt but to increase it and increase it in the most dangerous form known to our system.

The PRESIDENT *pro tempore*. The question is on the amendment of the Senator from New York [Mr. CONKLING] to the substitute.

Mr. CONKLING and Mr. SCHURZ called for the yeas and nays; and they were ordered.

Mr. ANTHONY. Let the amendment be read.

The PRESIDENT *pro tempore*. It will be again read.

The CHIEF CLERK. It is proposed to amend the amendment by inserting at the end thereof:

That nothing in this act shall be construed to authorize any increase of the principal of the public debt of the United States.

Mr. MORRILL, of Vermont. That is the same section as was reported by the Committee on Finance, as I understand.

The PRESIDENT *pro tempore*. It is the last section of the original bill reported by the committee.

The Chief Clerk proceeded to call the yeas and nays.

Mr. FLANAGAN, (when his name was called.) I am still laboring under the understanding of the Senator from Tennessee [Mr. BROWNLOW] that I would pair with him. I should vote most anxiously "yea," and he, I suppose, would vote "nay" if he were here.

Mr. MORRILL, of Maine, (when his name was called.) I am paired with the Senator from Rhode Island, [Mr. SPRAGUE.]

Mr. MITCHELL, (when his name was called.) I am paired with the Senator from Massachusetts, [Mr. BOUTWELL,] who, if present, would vote "yea," and I should vote "nay."

Mr. SPENCER, (when his name was called.) On this question I am paired with the Senator from Nevada, [Mr. JONES.] If he were here he would vote "yea," and I should vote "nay."

Mr. STOCKTON, (when his name was called.) I am paired on this question with the Senator from North Carolina [Mr. RANSOM] who is unable to be here. If present he would vote "nay," and I should vote "yea."

Mr. WRIGHT, (when his name was called.) My pair with the Senator from Vermont [Mr. EDMUNDS] still continues. I understand his colleague voted "yea." I should vote "nay" if at liberty to do so.

The roll-call being concluded, the result was announced—yeas 24, nays 28; as follows:

YEAS—Messrs. Allison, Anthony, Bayard, Chandler, Conkling, Cragin, Davis, Fenton, Frelinghuysen, Hager, Hamilton of Maryland, Hamilton of Texas, Hamlin, Howe, Kelly, Morrill of Vermont, Sargent, Saulsbury, Schurz, Scott, Sherman, Stewart, Thurman, and Wadleigh—24.

NAYS—Messrs. Bogy, Boreman, Cameron, Carpenter, Clayton, Dorsey, Ferry of Michigan, Goldthwaite, Gordon, Harvey, Hitchcock, Ingalls, Johnston, Lewis, Logan, McCreery, Merrimon, Morton, Norwood, Oglesby, Patterson, Pease, Pratt, Ramsey, Robertson, Tipton, West, and Windom—28.

ABSENT—Messrs. Alcorn, Boutwell, Brownlow, Buckingham, Conover, Cooper, Dennis, Edmunds, Ferry of Connecticut, Flanagan, Gilbert, Jones, Mitchell, Morrill of Maine, Ransom, Spencer, Sprague, Stevenson, Stockton, and Wright—20.

So the amendment to the amendment was rejected.

Mr. HOWE. Mr. President, encouraged by a hint that the senior Senator from Pennsylvania [Mr. CAMERON] gave just now, I offer an amendment which I think will meet his view, and I have reason to know it will meet the views of several other Senators. I move to amend the second section of the substitute by adding thereto the following:

That within thirty days after circulating notes to the amount of $1,000,000 shall be issued to national banking associations under the preceding section, it shall be the duty of the Secretary of the Treasury to retire an amount of United States notes equal to 70 per cent. of the circulating notes so issued, which shall be in further reduction of the volume of $400,000,000 fixed by the preceding section; and such reduction shall continue until the whole $46,000,000 of circulating notes shall be issued. And for that purpose he is authorized to issue and sell at public sale, after ten days' notice of the time and place of sale, a sufficient amount of the bonds of the United States of the character and description prescribed in the second section of this act for United States notes to be then retired and canceled.

Mr. CAMERON. I am very sorry to say that I cannot adopt the advice of the Senator from Wisconsin; but if he will make the banking system free I will agree to retire a certain amount of Government notes to meet a certain amount of national-bank notes that may be issued.

Mr. ANTHONY. What proportion?

Mr. CAMERON. It would take some time to think about that.

Mr. SCHURZ. The Senator from Pennsylvania says that if we will make banking entirely free, he is willing to vote for a bill containing such a proposition. I think there would be many here willing to do the same thing, if a provision were added which would plainly and distinctly put us on the way to specie payments. But how does the case stand now? The majority, who were first advocating free banking, have reconsidered their original intentions. To-day we were informed by the Senator from Indiana that the people wanted this bill and nothing else. A few months ago we were informed that "the people" wanted an addition to the greenback currency of about $100,000,000. Then we were very emphatically told that "the people" wanted free banking, the total abolition of the banking monopoly. Then the scene shifted again, and "the people" wanted banking on the basis of Maine. "The people" changed their minds once more, and then wanted banking on the basis of Pennsylvania; and now, finally, "the people" have come down to the exact bill which is before us, and will not admit any amendment at all. "The people" on this floor seem to be somewhat fluctuating as the currency will be fluctuating if we pass a bill like this.

Now, if the majority had shown a willingness to retire greenbacks in the same measure as national-bank notes are issued, thus opening an approach to specie payments, I think many of us would have been willing to entertain such a proposition. But, sir, the majority do not intend to admit any such thing. The majority want an inflation of the currency as such, under all circumstances, in any shape, and by every means they can obtain it, whatever may become of the finances of the country afterward; and I prophesy if the increase at present demanded of the currency is not sufficient for those purposes, then the majority will insist upon more and more; and there I see the principal danger of the policy here pursued. They would have insisted upon much more now had they thought it safe.

Mr. President, we have heard to-day assurances if we only pass this bill how good the majority would be then; how willing to reform the national banking law so as to meet our views. The Senator from North Carolina went even so far as to tell us if we only gave him $90,000,000 more currency now he would soon be the most enthusiastic advocate of specie payments among us. Inflation first and specie payments afterward! Why, gentlemen, do we not see how ridiculous all this is? We have sat here for three or four months listening to a debate upon the financial question. Have we learned nothing from it? Did not the inflationists advocate an inflation of the currency pure and simple, inflation for its own sake? What, then, can their contingent promises mean now?

Sir, after what we have heard, it is too late for gentlemen to tell us that they would do this and that and the other thing to give the country a sound financial system, if we only now let them have their own way. Let it be known to the country that the majority of the Senate is determined to reject everything that has the least tendency to bring us back to a sound basis; that the majority of the Senate is bent upon cutting loose for an indefinite time from every safe anchorage; and—mark what I say— that the majority of the Senate, with stubborn determination, is launching out upon a road that will lead to repudiation, unless the reckless movement be soon arrested.

Sir, that is the direction in which the legislation here proposed is tending, and the sooner the people open their eyes the better. Have we not heard here the doctrine preached even by those who want us to believe that they desire only a moderate expansion of the currency—the doctrine that an irredeemable paper money is after all the best thing the country can have? What does all this mean? It means that we are to be launched upon that sea which has no shores, in a ship which has no rudder. Whatever circumlocution may be used to disguise it, this is what the majority here wants and it is best for us and for the country to understand it.

Mr. HOWE. Mr. President, I am sadly disappointed at the result of my effort to meet the wishes of my honorable friend from Pennsylvania, [Mr. CAMERON.] I heard him lament on the floor this morning the necessity which seemed to compel him to vote for a bill which provided for an increase of irredeemable United States notes. I knew that that lamentation was sincere; I knew it had been the usage of his life not to issue a note of his own that he did not take up; and I knew that he thought as much of the honor of his country as he did of his own honor; and I knew, therefore, that he must feel that distress, that mortification which I think is felt by every other patriot in view of the fact that there still circulates over the country a large volume of national promises due, overdue, unpaid, and without an effort made to pay them. I therefore sympathized both with him and myself in a feeling of mortification at seeing a proposition here to add to that volume. I knew it was too late to hope to do much in the way of avoiding or correcting that evil. The necessity is upon us; we have got to swallow the dose, bitter as it is to my friend, bitter as it is to myself. We must swallow, I think, $44,000,000 more of this irredeemable paper. This expedient occurred to me: That we might provide in this simple way to throw up the dose gradually. I know, sickening as it is to my friend and to myself, it will be painful to carry it so long as we shall be compelled to carry it, even under the operation of my amendment; but I appeal to my friend if it is not better to provide for some way of getting rid of it. I agree with him that it would be a great deal better to incorporate in your bill a provision which should make these banking franchises free and unrestricted, and accompany that with some such provision as this, under the operation of which we should see the last greenback go out of sight. But then the friends who are acting with my friend from Pennsylvania will not consent to that. I hoped we could do so much as this: provide for getting rid of this additional quantity. I am almost induced to withdraw my amendment, seeing that my friend will not give it the support of his vote.

Mr. SCHURZ. I was about——

Mr. HOWE. No; I will not withdraw it. To accommodate my friend from Missouri I think I will let it remain and take the vote of the Senate upon it.

Mr. SCHURZ. I was merely going to suggest to the Senator from Wisconsin this: if the Senator from Pennsylvania was willing to vote for it in connection with free banking, is there any reason in the world why he should not vote for it in connection with that measure of free banking which is given here?

Mr. CAMERON. I am no prophet, as the Senator from Missouri a little while ago said he was, and therefore I cannot tell what will happen in the future. I believe now we want some more circulation, some more currency to enable our people to transact their business comfortably and prosperously, and therefore I take this bill as the best I can get. I have great faith in my friend from Wisconsin. I know he is a serious man. He hardly ever jests; he hardly ever smiles; and yet he is the cause of other men jesting and smiling. [Laughter.]

Mr. HOWE. It is so long since I have seen any occasion to smile that I hope my friend will pardon me. [Laughter.]

Mr. CAMERON. Now he gets on the other extreme; but he is not a despondent man I am sure. He does not believe the country is going to ruin headlong. I think he believes, as I do, that there is a great deal of good left in the country and a great deal of good left in mankind. Indeed, I believe, taking them generally, men are good. The exception is a bad man in a crowd. And, therefore, I am always hopeful. I do not believe this country is going to be destroyed by any legislation we shall enact here. There is too much good sense in this body to vote for anything that would at all tend to the destruction of the country. Every man here wants to do right. Some of us do not know as much as others, and, of course, may err. My friend—and I am glad to call him my friend—the Senator from Missouri frequently lectures me, and I listen with great attention because I have faith in his great ability; I admire his genius, and I honor his patriotism; but sometimes I think that even he is wrong—not often, I am sure, but sometimes. All this winter he has been arguing on abstract principles; he has not proposed a single practical thing that I have heard. Not anything at all has he done but talk about the dangers of inflation; I believe it was he who invented the word "inflation." What does it mean? There has been no inflation that I have seen; there can be none now. My friend from Wisconsin talks about our swallowing $44,000,000 and thinks we should have some antidote to relieve the stomach from it. Why, sir, there are only $18,000,000 that have not been gobbled up, to use a phrase that is employed here; all the rest has been used for the benefit of the country and to meet the needs of the country.

Now, I repeat, after we shall have passed this bill, when probably the gentlemen who have been urging so much on the other side will begin to reflect more seriously on the interests of the country, they will agree to unbend themselves a little and do something toward getting such a compromise as will be of service all around. For the present I vote for this bill, because I have started out with gentlemen who held in the main the same notions I have on this subject, and I never leave my friends when they need my services.

Mr. FLANAGAN. I thought I should not have made another observation, but I feel inclined to do so at this moment. The measure before us is apparently Senate bill No. 617, "to provide for the redemption and reissue of United States notes and free banking." I had understood it for months to be something of that order. To-day, however, the scales have fallen from my eyes. My distinguished friend, the Senator from Pennsylvania, [Mr. CAMERON,] whom I love for his good sense, his kind heart, and his much knowledge, has candidly to-day made known to the Senate the true object of this bill; it is stripped of its entire garb that it has been claiming to sail under from the introduction of it until this day. He says that he dislikes several of its features; so do I; but he will take them in the spirit of compromise, because it is the most substantial relief that the country can get. Therefore, simplified, it is nothing more nor less than a relief measure.

But to whom does the relief flow out as proposed in the bill, according to the arguments of different Senators here on this occasion, to-day more particularly than heretofore? It is for the debtor class; but there is no notice or observation, even remotely, of the other party who has an equal interest. The debtor is to be protected. Now I would rather meet my friend in a spirit of compromise and let him suggest A, B, or C, the corporations of the country if you please, that need relief, (for railroads have been lugged into the argument,) and "out of the abundance of the heart the mouth speaketh." Let them come and ask relief. Let us understand what we are doing. I am on their side. I am for speculation where it is legitimate, for it is that which develops this proud nation. I am no opponent to speculation on proper principles. Let us know, however, who it is that we are proposing this relief for. Let them tender their bonds if you will at one, two, three, five, or ten years; let the United States come forward and indorse them, yea, finally pay them if it should be necessary, rather than to compromise the faith, the honesty that is solemnly pledged by your laws that you will redeem the currency of the United States at the earliest practicable period. There is nothing here that tends to the point that you intend to do that, even at a remote period. You do not say that even at a future season you will do so; not a word of it.

True, it is said here *pro* and *con* that gentlemen are ready to do thus and so after the opponents of redemption perfect this bill to suit themselves. Then they may give the minority terms. They have the majority now; let the responsibility be upon them, and when we go to sea with an additional debt on the United States, where will they land us? My distinguished friend from Michigan says that he fears not the consequences of an increased debt of the nation. He does not deny it. It is understood that the debt is to be increased, and no provision directly or remotely referred to when we shall swing back to the solemn pledge that is found on our statute-books.

It has been said that it was a war measure that caused the greenbacks to come into existence. There is no war now, and now is the time in good faith to prepare for their redemption; and there is no way of redeeming them except you recognize coin in the transaction. I see no such idea here; it is entirely ignored, and it may go hence to every portion of this broad nation and to the civilized world that the day for redemption and for a coin currency is ignored. The examples of other nations of the earth are invoked from time to time, and it is said by Senators that they are using a paper currency, ignoring gold in every sense of the word. That will not do. The people will not be satisfied with that. The workingmen in their machine-shops, in your navy-yards, in the shoe-shops, and elsewhere, the plowman in his corn-field, in his potato-patch, in his tobacco-field, in his cotton-field, the bone and sinew of this mighty nation, will hold the Senate to a strict accountability at an early day; and they will not be satisfied with my distinguished friends who say they care not for assuming the responsibility of increasing this debt and making no preparation, either directly or remotely, to redeem the solemn pledge found on your statute-book.

The PRESIDING OFFICER, (Mr. BOREMAN in the chair.) The question is on the amendment offered by the Senator from Wisconsin [Mr. HOWE] to the substitute of the Senator from North Carolina, [Mr. MERRIMON.]

Mr. HOWE. I ask for the yeas and nays.

The yeas and nays were ordered; and the Chief Clerk proceeded to call the roll.

Mr. MITCHELL, (when his name was called.) I am paired with the Senator from Massachusetts, [Mr. BOUTWELL.] If he were here he would vote "yea" and I should vote "nay" on this amendment.

Mr. MORRILL, of Maine, (when his name was called.) I am paired with the Senator from Rhode Island, [Mr. SPRAGUE.] If he were present I should vote "yea" and he would vote "nay."

Mr. STOCKTON, (when his name was called.) I am paired on this question with the Senator from North Carolina, [Mr. RANSOM.] If he were here he would vote "yea" and I should vote "nay."

The roll-call having been concluded, the result was announced—yeas 25, nays 30; as follows:

YEAS—Messrs. Anthony, Bayard, Chandler, Conkling, Cooper, Cragin, Davis, Fenton, Frelinghuysen, Hager, Hamilton of Maryland, Hamilton of Texas, Hamlin, Howe, Jones, Kelly, Morrill of Vermont, Sargent, Saulsbury, Schurz, Scott, Sherman, Stewart, Thurman, and Wadleigh—25.

NAYS—Messrs. Allison, Bogy, Boreman, Cameron, Carpenter, Clayton, Dorsey, Ferry of Michigan, Goldthwaite, Gordon, Harvey, Hitchcock, Ingalls, Johnston, Lewis, Logan, McCreery, Merrimon, Morton, Norwood, Oglesby, Patterson, Pease, Pratt, Ramsey, Robertson, Spencer, Tipton, West, and Windom—30.

ABSENT—Messrs. Alcorn, Boutwell, Brownlow, Buckingham, Conover, Dennis, Edmunds, Ferry of Connecticut, Flanagan, Gilbert, Mitchell, Morrill of Maine, Ransom, Sprague, Stevenson, Stockton, and Wright—17.

So the amendment to the amendment was rejected.

Mr. MORRILL, of Vermont. I offer the following amendment to come in at the end of the first section of the substitute:

Provided, That no part of the increase of United States notes hereby authorized shall be held directly or indirectly to place any money in the Treasury of the United States which may or can be used for any future appropriation.

The Senate have already voted down the proposition that this bill shall not be so construed as to increase the public debt. I desire now a distinct vote upon the proposition whether this increase is to be used for any future ordinary appropriations that we may make. I do not propose to argue the question, but merely submit it so that we may know precisely what is intended.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Vermont to the amendment of the Senator from North Carolina.

Mr. MORRILL, of Vermont. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MITCHELL. On this question I am paired with the Senator from Massachusetts, [Mr. BOUTWELL;] otherwise I should vote "nay."

The question being taken by yeas and nays, resulted—yeas 22, nays 30; as follows:

YEAS—Messrs. Anthony, Bayard, Chandler, Conkling, Cooper, Cragin, Fenton, Frelinghuysen, Hager, Hamilton of Maryland, Hamilton of Texas, Hamlin, Jones, Kelly, Morrill of Vermont, Sargent, Saulsbury, Schurz, Sherman, Stewart, Thurman, and Wadleigh—22.

NAYS—Messrs. Allison, Bogy, Boreman, Cameron, Carpenter, Clayton, Dorsey, Ferry of Michigan, Goldthwaite, Gordon, Harvey, Hitchcock, Ingalls, Johnston, Lewis, Logan, McCreery, Merrimon, Morton, Norwood, Oglesby, Patterson, Pease, Pratt, Ramsey, Robertson, Spencer, Tipton, West, and Windom—30.

ABSENT—Messrs. Alcorn, Boutwell, Brownlow, Buckingham, Conover, Davis, Dennis, Edmunds, Ferry of Connecticut, Flanagan, Gilbert, Howe, Mitchell, Morrill of Maine, Ransom, Scott, Sprague, Stevenson, Stockton, and Wright—20.

So the amendment to the amendment was rejected.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment of the Senator from North Carolina [Mr. MERRIMON] as a substitute for the bill.

Mr. BAYARD. I offer the following amendment to be added to the substitute:

That the tax of 10 per cent. now imposed by law on the notes of State banks or State banking associations be, and the same is hereby, repealed.

I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MITCHELL. I am paired generally with the Senator from Massachusetts, [Mr. BOUTWELL.] I can hardly say, however, that if he were here he would vote for this proposition. I would vote against it; but for fear he might vote for it I shall not vote.

Mr. DAVIS. I am requested to announce the pair of the Senator from Kentucky [Mr. STEVENSON] with the Senator from Florida, [Mr. CONOVER.]

The question being taken by yeas and nays resulted—yeas 12, nays 38; as follows:

YEAS—Messrs. Bayard, Clayton, Davis, Gordon, Hamilton of Maryland, Jones, Kelly, McCreery, Patterson, Sargent, Saulsbury, and Thurman—12.

NAYS—Messrs. Allison, Anthony, Bogy, Boreman, Cameron, Carpenter, Chandler, Conkling, Dorsey, Fenton, Ferry of Michigan, Frelinghuysen, Goldthwaite, Hamilton of Texas, Hamlin, Harvey, Hitchcock, Howe, Ingalls, Johnston, Lewis, Logan, Morrill of Vermont, Morton, Oglesby, Pease, Pratt, Ramsey, Robertson, Scott, Sherman, Spencer, Stewart, Tipton, Wadleigh, West, Windom, and Wright—38.

ABSENT—Messrs. Alcorn, Boutwell, Brownlow, Buckingham, Conover, Cooper, Cragin, Dennis, Edmunds, Ferry of Connecticut, Flanagan, Gilbert, Hager, Merrimon, Mitchell, Morrill of Maine, Norwood, Ransom, Schurz, Sprague, Stevenson, and Stockton—22.

So the amendment to the amendment was rejected.

The PRESIDENT *pro tempore*. The question recurs on the amendment proposed by the Senator from North Carolina [Mr. MERRIMON] as a substitute for the bill.

Mr. CONKLING. Let us have the yeas and nays on that question.

The yeas and nays were ordered.

Mr. SHERMAN. I simply want to call attention to the fact that the only difference between the substitute and the bill as pending is in one section with regard to the increase of the public debt. That is the only difference between the two. They are *in hæc verba* the same except as to that one section. The substitute now pending offered by the Senator from North Carolina differs only from the text of the bill now before the Senate in omitting that one section.

Mr. CONKLING. So that those who vote for the amendment vote that there may be an increase of the public debt, and those who vote against it that there shall not.

Mr. SHERMAN. Certainly. In order to make that distinct, I ask the Secretary to read the only difference.

The CHIEF CLERK. The only difference is the insertion of section 4 in the bill, which is in the following words:

That nothing in this act shall be construed to authorize any increase of the principal of the public debt of the United States.

Mr. MORTON. We all understand it. We are not to be frightened.

The Chief Clerk proceeded to call the yeas and nays.

Mr. DAVIS, (when his name was called.) I desire to say that I cannot vote to increase the public debt.

The PRESIDENT *pro tempore*. Debate is not in order during the calling of the roll.

Mr. DAVIS. I only desire to say a word in explanation of my vote. The sixth section of the bill as reported by the Committee on Finance, declaring that the national debt shall not be increased, having been omitted in this substitute, I cannot vote for it. The friends of the substitute have voted down a proposition to insert that section. I cannot vote for any measure that will increase the debt of the United States. I therefore vote "nay."

Mr. MITCHELL, (when his name was called.) On this question I am paired with the Senator from Massachusetts, [Mr. BOUTWELL.] If he were here he would vote "nay," and I should vote "yea."

The roll-call having been concluded, the result was announced—yeas 29, nays 24; as follows:

YEAS—Messrs. Allison, Bogy, Boreman, Cameron, Carpenter, Clayton, Dorsey, Ferry of Michigan, Goldthwaite, Gordon, Harvey, Hitchcock, Ingalls, Johnston, Lewis, Logan, McCreery, Merrimon, Morton, Oglesby, Patterson, Pease, Pratt, Ramsey, Robertson, Spencer, Tipton, West, and Windom—29.

NAYS—Messrs. Anthony, Bayard, Chandler, Conkling, Cragin, Davis, Fenton, Frelinghuysen, Hager, Hamilton of Maryland, Hamilton of Texas, Hamlin, Howe, Jones, Kelly, Morrill of Vermont, Sargent, Saulsbury, Schurz, Scott, Sherman, Stewart, Thurman, and Wadleigh—24.

ABSENT—Messrs. Alcorn, Boutwell, Brownlow, Buckingham, Conover, Cooper, Dennis, Edmunds, Ferry of Connecticut, Flanagan, Gilbert, Mitchell, Morrill of Maine, Norwood, Ransom, Sprague, Stevenson, Stockton, and Wright—19.

So the substitute of Mr. MERRIMON, as modified, was agreed to.

The bill was reported to the Senate as amended.

The PRESIDENT *pro tempore*. The Senate, as in Committee of the Whole, having made one amendment to the bill, the question now is on concurring in that amendment made as in Committee of the Whole.

Mr. SHERMAN. I move to amend by substituting for the amendment what I send to the Chair.

The CHIEF CLERK. It is moved to strike out all after the word "that" in the first line of the amendment agreed to as in Committee of the Whole, and to insert:

The maximum amount of United States notes is hereby fixed at $400,000,000, at which amount it shall remain until reduced as hereinafter provided.

SEC. 2. That on the 1st day of January, 1877, the Secretary of the Treasury is authorized and required to pay on demand, at the office of the Treasurer of the United States, and at the office of the assistant treasurer in the city of New York, to any holder of United States notes to the amount of $1,000, or any multiple thereof, in exchange for such notes, an equal amount of the gold coin of the United States; or, in lieu of coin, he may, at his option, issue in exchange for said notes an equal amount of coupon or registered bonds of the United States, in such form as he may prescribe, and of denominations of fifty dollars, or some multiple of that sum, redeemable in coin of the present standard value, at the pleasure of the United States, after ten years from the date of their issue, and bearing interest, payable quarterly in coin, at the rate of 5 per cent. per annum. And the Secretary of the Treasury may reissue the United States notes so received, either to purchase or redeem the public debt, or to meet the current payments for the public service. And the said bonds, and the interest thereon, shall be exempt from the payment of all taxes or duties of the United States as well as from taxation in any form by or under State, municipal, or local authority; and the said bonds shall have set forth and expressed upon their face the above specified conditions, and shall, with their coupons, be made payable at the Treasury of the United States.

SEC. 3. That section 21 of the national-currency act, and the several amendments thereto, so far as they restrict the amount of notes for circulation under said act, be, and the same are hereby, repealed; and that section 1 of the "act to provide for the redemption of the 3 per cent. temporary-loan certificates and for an increase of national-bank notes," approved July 12, 1870, be amended by repealing the second proviso in said section contained. And all banks organized under this section shall be subject to, and be governed by, the rules, restrictions, and limitations, and possess the rights, privileges, and franchises, now, or hereafter to be, prescribed by law as to national banking associations, with the same power to amend, alter, and repeal provided by the "national-currency act," approved June 3, 1864; and section 6 of the act entitled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates, and for an increase of national-bank notes," approved July 12, 1870, be, and is hereby, repealed.

SEC. 4. That within thirty days after circulating notes to the amount of $1,000,000 shall be issued to national banking associations under the preceding section, it shall be the duty of the Secretary of the Treasury to retire an amount of United States notes equal to 50 per cent. of the circulating notes so issued, which shall be in further reduction of the volume of $400,000,000 fixed by the preceding section; and such reduction shall continue until the aggregate amount of United States notes outstanding shall be $300,000,000. And for that purpose he is authorized to issue and sell at public sale, after ten days' notice of the time and place of sale, a sufficient amount of the bonds of the United States, of the character and description prescribed in the second section of this act, for United States notes to be then retired.

SEC. 5. That each national banking association, now organized or hereafter to be organized, shall keep and maintain, as a part of its reserve required by law, one-fourth part of the coin received by it as interest on bonds of the United States deposited as security for circulating notes or Government deposits; and that hereafter only one-fourth of the reserve now prescribed by law for national banking associations shall consist of balances due to an association available for the redemption of its circulating notes from associations in cities of redemption, and upon which balances no interest shall be paid.

SEC. 6. That nothing in this act shall be construed to authorize any increase of the principal of the public debt of the United States.

Mr. SHERMAN. If the Secretary will send the amendment to me I will explain it briefly. Perhaps this is an ineffective attempt, which presents——

Mr. HOWE. If my friend will allow me, has he any objection to having the amendment printed and going into executive session, and taking the vote to-morrow?

Mr. SHERMAN. I should like to explain it first, and then I will not object.

This modification of the bill reported by the Committee on Finance is an attempt made, if possible, to get the consent of the Senate to accompany this measure of an increase of paper money with some plan of redemption. I need not say that, in many of its provisions, it does not meet my approval; but I have endeavored, after consulting with Senators on both sides who represent different ideas, to get, if possible, some plan, something that looks like a redemption of our paper money.

The bill as it now stands is simply an increase of greenbacks and

an increase of bank notes without limit, without restraint, without redemption——

Mr. LOGAN. Not without limit.

Mr. SHERMAN. It is true it is limited to $800,000,000; but there is no redemption; no fulfillment of our pledge or promise.

In the first section of this amendment I have adopted the language already adopted by the Senate fixing the full amount of United States notes at $400,000,000. In the second clause, which provides for the redemption in coin or bonds, I have adopted the amendment suggested by the Senator from Maine, [Mr. HAMLIN,] postponing this until the 1st of January, 1877, which is after the presidential election.

The third section of the bill, which was free banking upon the basis of New York, is stricken out in order to meet the sentiment of Senators like the Senator from Pennsylvania [Mr. CAMERON] who desired free banking, and also the Senator from Illinois, who seemed to be very anxious to secure free banking. As banking upon the basis of the State of New York is practically free banking, I have adopted that expedient, simply repealing all restriction upon the amount of bank-paper money that may be issued; so that this bill provides for free banking without limitation as to amount and only subject to the conditions that follow.

Then the fourth section provides that instead of 70 per cent. of greenbacks to be retired there shall be a reduction of 50 per cent. of greenbacks; so that whenever $1,000,000 of bank-notes are issued, $500,000 of legal-tender notes will be retired and canceled.

These are the only changes made in the bill reported by the committee; and I desire one single vote to test the sense of the Senate as to whether in connection with this plan of issuing $90,000,000 of paper money there is a disposition not to do anything whatever, however moderate and limited, however feeble and indirect it may be, toward the redemption of these promises.

That is all there is in the bill. The essential modifications are in the postponement of the time of the taking effect of the second section; also inserting free banking instead of qualified free banking, as originally proposed, and in reducing the amount of greenbacks to be retired from 70 to 50 per cent.

Again, without repeating the argument I have gone over, I do say that for the Senate at this period, after five years have elapsed since the act to strengthen the public credit, to increase to the extent of $90,000,000 our paper money without some promise of redemption it seems to me would be utterly indefensible. I feel that in resisting the inflation of our paper money I have stood by the position that we took during the war, when we issued this paper money only to save our arms from overthrow, when we resorted to it as a dire necessity, when the national banks were intended merely to supersede the State banks. Now, long after the war is over, after its necessity has ceased, an increase of this irredeemable paper money, without any plan or promise of redemption, seems to me not only indefensible, but I would use a much harsher and much stronger term.

This measure does not meet my approval in every respect. I will vote for it if a majority of the Senate choose to adopt it.

Mr. CONKLING. You mean your amendment?

Mr. SHERMAN. Yes, the amendment as it stands. I will vote for it, and join in the responsibility of increasing our paper money both in greenbacks and bank-notes if you will connect with that even the feeble efforts pointed out in this bill to make those promises at some time convertible into gold. Otherwise, having done all that I could at least to oppose an increase of paper money without some kind of redemption, I shall content myself with voting against the bill.

Mr. CONKLING. Let the amendment be printed, so that we may see what it is.

The PRESIDENT *pro tempore*. The question is on the amendment offered by the Senator from Ohio to the amendment made as in Committee of the Whole.

Mr. ALLISON. I wish to ask the Senator from Ohio a question with reference to his fourth section. I understand him to fix the maximum limit of United States notes at $400,000,000?

Mr. SHERMAN. Yes, sir.

Mr. ALLISON. Do I understand that the effect of this amendment will be to issue $36,000,000 of national-bank notes before any greenbacks shall be retired?

Mr. SHERMAN. No, sir; whenever any bank-notes are issued in excess of the present amount, there will be a corresponding reduction of the limit of United States notes.

Mr. MORTON. Commencing at $382,000,000.

Mr. SHERMAN. No, sir; the Senator is mistaken.

Mr. ALLISON. Then I submit the $400,000,000 is not necessary.

Mr. SHERMAN. The reduction commences upon the basis of $400,000,000 of greenbacks; but, as a matter of course, whenever bank-notes are issued from this time forth to the amount of $1,000,000 there will be a reduction of greenbacks to the amount of $500,000.

Mr. ALLISON. Then there will be a reduction at once from the $382,000,000 and not a reduction from the $400,000,000?

Mr. SHERMAN. Not at all; the limit is fixed at $400,000,000; and I will state that in the present condition of our currency, with $382,000,000 outstanding, under the operation of this bill $36,000,000 of increased bank-paper money may be issued before you will get down to the present volume of legal-tender notes, because $36,000,000 of bank paper may be issued under the operations of this bill before the limit of United States notes is reduced to $382,000,000.

Mr. ALLISON. That is, before any greenbacks are withdrawn, there is to be an issue of $36,000,000 of national-bank notes. If that is the intention, I submit to the chairman that it will be better to so provide in the substitute, that there may be no mistake about it.

Mr. SHERMAN. It is provided so clearly and distinctly that it cannot be misunderstood, and it is so understood at the Treasury; that is, you have fixed the limit at $400,000,000; the limit of greenbacks is reduced from $400,000,000 down—there is $382,000,000 outstanding now—and they may be issued to-morrow or the next day, whenever your bill passes; but the effect is to take the limit of $400,000,000 of greenbacks, and reduce that limit down, down as the bank-notes are issued. That is the effect of it, and is understood to be the effect of it, and it is distinctly so worded in language that I think cannot be mistaken.

Mr. LOGAN. Let us have it read again.

Mr. HOWE. Let us have it printed. ["No!" "No!"] Why not?

The PRESIDENT *pro tempore*. Is the Senate ready for the question?

Mr. HOWE. I move that the Senate proceed to the consideration of executive business.

Mr. MORTON and others. I hope not.

Mr. HOWE. I call for the yeas and nays.

The yeas and nays were ordered; and being taken, resulted—yeas 25, nays 30; as follows:

YEAS—Messrs. Anthony, Bayard, Chandler, Conkling, Cooper, Cragin, Dorsey, Fenton, Flanagan, Frelinghuysen, Hager, Hamilton of Maryland, Hamilton of Texas, Howe, Jones, Kelly, McCreery, Morrill of Vermont, Sargent, Saulsbury, Schurz, Sherman, Stewart, Stockton, and Wadleigh—25.

NAYS—Messrs. Allison, Bogy, Boreman, Cameron, Carpenter, Clayton, Ferry of Michigan, Goldthwaite, Gordon, Harvey, Hitchcock, Ingalls, Johnston, Lewis, Logan, Merrimon, Morton, Norwood, Oglesby, Patterson, Pease, Pratt, Ramsey, Robertson, Scott, Spencer, Thurman, Tipton, West, and Windom—30.

ABSENT—Messrs. Alcorn, Boutwell, Brownlow, Buckingham, Conover, Davis, Dennis, Edmunds, Ferry of Connecticut, Gilbert, Hamlin, Mitchell, Morrill of Maine, Ransom, Sprague, Stevenson, and Wright—17.

So the motion was not agreed to.

The PRESIDENT *pro tempore*. The question recurs on the amendment of the Senator from Ohio [Mr. SHERMAN] to the amendment made as in Committee of the Whole.

Mr. HOWE. On reflection I am very glad the Senate did not consent to go into executive session. I thought I should like to know what this amendment is; it is a pretty long one; and it would not be unreasonable to ask to see it in print before I voted for it; but on second thought, I am quite ready to vote for it without knowing what it is. [Laughter.] I can give the most satisfactory reason in the world for doing so. I think every Senator ought to vote for it. It will have one good effect: it will kill the pending bill.

Mr. MORTON. There is no doubt about that.

Mr. HOWE. That will be a happy murder, even if we have to turn around and hang the amendment for the murder afterward. I may participate in that operation; but I shall vote now for the substitute.

Mr. SAULSBURY. I shall vote for the amendment of the Senator from Ohio as a choice between two evils; but the amendment of the Senator from Ohio contains provisions which I cannot vote for if it shall be carried as a substitute for the bill reported by the committee. However, I shall vote for the amendment, and afterward vote against it if it be adopted.

Mr. MORTON. I thank the Senator for his statement.

Mr. MORRILL, of Vermont. I should be unwilling to vote for free banking until we reached the time of specie resumption. I should be unwilling to vote for free banking without retiring the greenbacks, commonly so called, as fast as we issue bank-notes. I shall therefore vote for this proposition as an amendment; but if it carries, I shall then vote against it.

Mr. HAMLIN. That is precisely my position. If any bill is going to pass, I should prefer to see this substitute passed. I will vote to adopt it as an amendment. I will not vote for it after it is adopted by the Senate.

Mr. SCHURZ. I suggest to the Senator from Pennsylvania [Mr. CAMERON] that there is certainly as much free banking in this substitute as he desires.

Mr. SHERMAN. And put in for his special benefit.

Mr. SCHURZ. Yes, put in to secure his vote. I will add there are several things in it which I do not approve of; but I shall vote for this amendment in preference to the substitute offered by the Senator from North Carolina.

Mr. CAMERON. I am very sorry that I do not see this matter in the same light that my friends do; but it has often been my misfortune that I could not see things exactly as other men did. I think this proposition offered by the Senator from Ohio is a mere delusion. There is no free banking in it, there is no currency in it, there is no addition to the banking circulation in it.

Mr. SHERMAN. There is free banking in it certainly.

Mr. HAMILTON, of Maryland. I shall vote for this amendment under the hope and expectation that if it be adopted we may move some amendments to it to make it more acceptable to us. There are some provisions in it which I do not fancy; but I prefer it to the original proposition, and shall vote for it with the hope and expectation that if it is adopted we shall arrive at something definite by which we can regulate our future conduct in framing some measure calculated to restore the credit of the country and resume specie payments.

Mr. CONKLING. The Senator from Maryland [Mr. HAMILTON] rather than the Senator from Vermont [Mr. MORRILL] and the Senator from Maine [Mr. HAMLIN] has expressed the idea with which I shall vote for this amendment. Should it carry now, whether in the end I shall vote for it or not will depend entirely upon the changes which it may undergo. Therefore, meaning to be perfectly frank about it, I cannot say I shall not vote against it in the end. I vote for it now as an improvement upon the pending proposition, as I think.

Mr. SCOTT. Had there not been such a number of avowals by Senators that they would vote for this amendment as a substitute, and then against it, I would not have deemed it necessary to say a word, but I shall vote for it, and if it is adopted I shall be content to vote for it in the end, and accept it as the best that can be obtained.

The PRESIDENT *pro tempore*. The question is on the amendment of the Senator from Ohio to the amendment.

Mr. SHERMAN. On that question I call for the yeas and nays.

The yeas and nays were ordered.

The Chief Clerk proceeded to call the roll.

Mr. BAYARD, (when his name was called.) On this question I have consented to pair with the Senator from Georgia, [Mr. GORDON.] He would vote "nay" if here, and I should vote "yea."

Mr. MITCHELL, (when his name was called.) On this question I am paired with the Senator from Massachusetts, [Mr. BOUTWELL.] I should vote "nay," and he, if here, would vote "yea."

Mr. MORRILL, of Maine, (when his name was called.) I am paired with the Senator from Rhode Island, [Mr. SPRAGUE.] I should vote "yea," and he would vote "nay."

Mr. STOCKTON, (when his name was called.) On this question I am paired with the Senator from North Carolina, [Mr. RANSOM.] I should vote "yea," and he would vote "nay."

I desire also to announce that the Senator from Florida [Mr. CONOVER] is paired with the Senator from Kentucky, [Mr. STEVENSON,] who was obliged to leave the city.

The call of the roll having been concluded,

Mr. MITCHELL. I have been informed that the Senator from Massachusetts [Mr. BOUTWELL] opposed a similar proposition of this kind; and for fear I might do injustice to him I make this statement at this time, as I said I was paired with him when my name was called.

The result was announced—yeas 23, nays 28; as follows:

YEAS—Messrs. Anthony, Chandler, Conkling, Cooper, Cragin, Davis, Fenton, Frelinghuysen, Hamilton of Maryland, Hamilton of Texas, Hamlin, Howe, Jones, Kelly, Morrill of Vermont, Sargent, Saulsbury, Schurz, Scott, Sherman, Stewart, Thurman, and Wadleigh—23.

NAYS—Messrs. Allison, Bogy, Boreman, Cameron, Carpenter, Clayton, Dorsey, Ferry of Michigan, Goldthwaite, Harvey, Hitchcock, Ingalls, Johnston, Lewis, Logan, McCreery, Merrimon, Morton, Oglesby, Patterson, Pease, Pratt, Ramsey, Robertson, Spencer, Tipton, West, and Windom—28.

ABSENT—Messrs. Alcorn, Bayard, Boutwell, Brownlow, Buckingham, Conover, Dennis, Edmunds, Ferry of Connecticut, Flanagan, Gilbert, Gordon, Hager, Mitchell, Morrill of Maine, Ransom, Sprague, Stevenson, Stockton, and Wright—21.

So the amendment to the amendment was rejected.

The PRESIDENT *pro tempore*. The question is, Will the Senate concur in the amendment made as in Committee of the Whole?

Mr. SCHURZ. Unless some one else desires to amend this bill I shall offer a last amendment. It seems we have now arrived at the end of the debate; but I would suggest to Senators of the majority that this bill is incomplete; it is by no means certain to accomplish the objects which they desire to reach. They will remember that at the beginning of this debate we had some discussion as to the manner in which the $18,000,000 should be set afloat so as to be sure to flow into the business channels of the country. The Senator from Michigan this afternoon said that the $26,000,000 already put into circulation had reached those business channels, on which I am sorry to disagree with him. Those $26,000,000 are in the vaults of the banks of New York, Boston, and Philadelphia. Now, you undoubtedly want this additional issue to go "where it will do the most good." You do not desire it to stay in the eastern banks; you do not want it to become mere food for the gamblers; you want it to accomplish something good; you want it especially to go to the West and South; and yet no way has been suggested in which the Secretary of the Treasury is so to issue this additional currency as to make sure the desired object. In order to cover this obvious and fatal deficiency, I shall now suggest an amendment to be attached to the last section of the bill. It is as follows:

And the Secretary of the Treasury is hereby directed, in putting into circulation the full maximum amount of $400,000,000 of United States notes, to take such measures as will not fail to prevent any additional issues of such notes from falling into the hands of the speculators and stock-gamblers of the country, and also from remaining in the Eastern States, [laughter;] but he will cause such additional issues of legal-tender currency to be fairly and impartially distributed among the people of the West and South; and then, when any community in the West and South desires to establish a national bank, the Secretary of the Treasury will furnish them an ample supply of United States bonds, on which they may obtain the proper proportion of national-bank currency.

And the Secretary of the Treasury is further directed to see to it that the currency be not depreciated by expansion, but that it be elastic in volume and strictly stable in value, [laughter;] or if that cannot be accomplished, he will so judiciously arrange the depreciation of the currency that the debtors of the country be relieved of as large as possible a part of their burdens, while the creditors shall not suffer any loss, [laughter;] but the Secretary will take care that among the debtors so benefited shall not be those who by overtrading or reckless speculation or gambling involved themselves in heavy liabilities, and who now desire to pay a less value than they owe.

The Secretary of the Treasury will take especial care that the laboring men and the men of small means, to whom the trust companies, savings-banks, national and State banks, and employers owe over $1,000,000,000 in deposits and unpaid wages, do not suffer any loss in the value of such debts due them, and that the two hundred and fifty thousand maimed soldiers and soldiers' widows and orphans, who receive $30,000,000 of pensions annually, be not robbed of any part of the value of such pensions through such depreciation of the currency.

And the Secretary of the Treasury is further directed to inquire on the first day of each month whether there is an equal distribution *per capita* of the currency, as between England and France and the United States, and also in the different States and Territories of this Union, [laughter,] and whether every citizen of the United States can get his notes discounted at a conveniently low rate of interest; and if he finds that such is not the case, the Secretary of the Treasury is hereby authorized to make further additions to the currency, until the circulation *per capita*, as above, is fairly equalized, and until every citizen of the United States can get his notes discounted at such rates of interest as he desires. [Laughter.]

And the Secretary of the Treasury will steadily continue such additions to the currency until every citizen of the United States has enough, and until the country is entirely relieved of its present public debt, and of any further necessity of borrowing money abroad for the construction of railroads and other public improvements, [laughter,] so that all the interest now paid on such debts may be kept at home; and when this is accomplished, the Secretary of the Treasury shall forthwith resume specie payments without any shock to the business of the country. [Laughter.]

Now I am sure that this embodies all the objects which the majority design to reach. I know it is not exactly in a legislative shape, but I throw it out as a suggestion to the majority, who may put it in better form.

Mr. WRIGHT. I ask for the yeas and nays upon that amendment. [Laughter.]

The PRESIDENT *pro tempore*. The amendment is not before the Senate. The question is, Will the Senate concur in the amendment made as in Committee of the Whole?

The amendment was concurred in.

Mr. SHERMAN. There is one defect in the bill that I wish to call the attention of the Senate to, and that is there is no clause repealing section 6 of the act of 1870, providing for the transfer of $25,000,000 of the national-bank currency. I wish to know whether the Senator from North Carolina desires that to be left to be carried into execution?

Mr. MERRIMON. I desire that the law shall remain just as it is.

Mr. SHERMAN. I simply call attention to the fact that section 6 stands unrepealed, and it will be somewhat embarrassing.

Mr. MORTON. It will be about as valuable in the future as it has been in the past.

Mr. SHERMAN. As the Senator himself drew it I suppose it will.

The bill was ordered to be engrossed for a third reading, and was read the third time.

Mr. CONKLING. On the passage of the bill let us have the yeas and nays.

The yeas and nays were ordered.

Mr. SAULSBURY. Mr. President, I had hoped when the discussion of this question first commenced that we would do something to meet the expectations of the country; that we would adopt some measure to place the financial condition of this country where the people might repose upon the idea that we would at some time arrive at specie payments. But, sir, any hope that was indulged upon that point I think has now disappeared. We have adopted in Committee of the Whole, and are about to pass in the Senate, a measure which increases the irredeemable circulation of this country $90,000,000, and without a single provision connected with it or annexed to it that looks to the redemption of that circulation at any time in the future. Every proposition which has been made by gentlemen desiring to perfect that bill, and to let the public mind have an idea that we would at some day return to specie payments, has been voted down by the friends of this inflation of the currency. Indeed there has been rebuke after rebuke administered to gentlemen who have sought to put the bill in such a shape, and the friends of inflation on this floor have claimed the exclusive right of perfecting the bill, and yet there is not a single provision connected with the bill to-day that looks to the redemption of the circulation which they are about to increase at any time in the future. If there is, such a provision has escaped my attention. To-day, when a proposition was made to restrict this matter, providing that the public debt should not be increased by reason of the legislation now about to be had, that was voted down.

The Senator from Michigan [Mr. FERRY] a few days ago very triumphantly said that the friends of this measure would take the responsibility of it. Sir, I want them to take the whole responsibility. When the cereals of the farming and agricultural interests of the West are being paid for in depreciated paper money I want him to meet the constituency of the West and take the full measure of the responsibility which he so valiantly assumes on this floor. I want my friend from Indiana, [Mr. MORTON,] the leader of this measure, who has marshaled his political friends so successfully in advocacy of it, to meet also the responsibility. I congratulate him that he had not only been able on this occasion to call around him his own republican friends, but he has invaded our ranks, and, I am sorry to say, has gathered recruits from the democracy. But while I congratulate him for his skill in marshaling the hosts of the inflationists on this occasion, I point him to the day of reckoning when the people of this country will demand to know why the paper currency of this country was inflated when it was already accumulated in the eastern banks. I want my friend from North Carolina, [Mr. MERRIMON,] who has so effectually assisted in this measure, which I believe to be ruinous to the best interests of the country, to take his full share of the responsibility which I know the

people of this country will hold the inflationists in the Senate to for their action in this matter. I want the gentlemen who have expressed their willingness to take the responsibility in this matter to take it. For one I wash my hands of it. I will vote against the measure. I would vote against it every day in the year to the latest day that I have a seat in this body.

I did not intend that this measure should pass without at least expressing my objections to it in every possible shape, even to the last stage in which it shall be before the Senate.

Mr. CONKLING. Mr. President, when the present session of Congress opened, the country had been visited with severe financial disaster. The causes of the panic, so called, are known to all observing and reflecting men, and there can, I think, be little doubt what its causes were. It did not happen because there was not currency enough to transact all the actual business of the country. On the contrary, with gold and silver virtually banished from circulation, the currency had nearly doubled in twenty years—doubled not merely in the total, but also in the rate counted by population. In 1850 the coin and note circulation of the country was ten dollars and a half *per capita;* in 1860 the coin and note circulation was eleven dollars and thirty cents *per capita;* in 1870 the note circulation alone was eighteen dollars and forty-two cents *per capita,* and gold at the same time paid duties and did other commercial offices.

Currency famine was not the disorder of which trade fell sick in September, 1873. The nature and state of the currency, not the lack of currency, explains the shipwrecks of last year in so far as they are due to paper money. No currency can be safe and sound unless it be stable. Currency cannot be stable unless its value be fixed and tangible; and if it be not exchangeable into coin, or exchangeable for anything coin will buy, currency must fluctuate with the vibrations of trade and speculation.

For years our currency has been infirm, for three reasons:

First. Because its value has ever been changeable and changing, it being not redeemable and not redeemed.

Second. Because it has been ever subject to the shifting will of Congress; and no currency ever can be steadfast or reliable which is tinkered or may be tinkered every year by congressional majorities or congressional combinations.

Third. Because the amount has been arbitrary, being fixed by Congress, instead of being fixed by the laws of trade as the laws of trade will ever adjust a promnissory currency which may be sent home for redemption to be refused and dishonored if it be not paid.

In view of these and other facts, I was ready to vote for free banking. I will vote now for free banking with needed safeguards. The contraction involved in a resumption of specie payments at once by force of legislation, I have not advocated. I know too well the stride the nation took away from the specie standard when the legal-tender policy was adopted, to suppose that stride may be suddenly measured backward now. Free banking, however, might be made, I think it should be made, an instrument for removing the currency from the arena of political and congressional agitation, and also an instrument for the gradual and ultimate return of specie payments. Many plans for such free banking have been proposed; some of them are before the two Houses now. None of them have been adopted. None of them can now it seems command a majority in the Senate.

In their stead the bill before us has now been "perfected," we are told—for such a bill I cannot vote.

It adds $44,000,000 to overdue and unpaid legal-tender notes, and $46,000,000 to irredeemable bank paper now outstanding; and it declares a permanent if not a final departure from honest and solvent principles. I say it adds forty-four millions to the legal-tender notes, because it requires all that sum to be put out and kept afloat. Twenty-six millions have already gone out from the Treasury, but not gone in fact into actual circulation, and it can all be gradually brought back where the residue still is. The payment out of legal-tender notes last September and October, amounting to thirteen millions or thereabout, was in purchase of bonds—the bonds came from savings-banks, and the legal-tender notes received for them were hoarded to provide against a "run." Since October the currents of enterprise have been too sluggish to take up the increased issue, or even to take up the amount which had been active before. In fact therefore nothing of the forty-four million reserve, and little of the legal-tenders paid out by the Treasury just before the reserve was encroached upon, has ever been felt in the channels of trade or exchange. This appears clearly from the large increase of bank deposits of late, and from the glut of money at money centers. Since December the increase of deposits in the banks of New York, Philadelphia, and Boston, is $62,630,070—and of legal-tender notes $41,160,070.

As to the issue by the Secretary of the Treasury of the twenty-six millions, I make one remark. I have denied that the Secretary stupidly or wantonly violated the law in paying out these notes. I deny it still. Two Congresses, with the fact brought to their notice, chose to leave open a door; and when, in 1872, $5,000,000 of the same reserve was issued, still Congress refused to close the door. Having myself insisted at the time that the Secretary would, by our non-action, be left to construe doubtful statutes, open to the construction since given them by two Secretaries in succession—having myself moved and urged an amendment to remove the doubt, I will not now turn round and blame the Secretary, instead of blaming Congress for an interpretation given in good faith and acquiesced in, negatively at least, by both Houses. I regret the use made of the reserve, or rather the action of which that use was a part. I think it was not wise or well; but that the law plainly forbade it I do not believe.

The action now proposed, however, puts out all the forty-four millions, and keeps it out permanently, and adds forty-six millions of bank paper besides, thus swelling the paper money $90,000,000. Coupled with this is nothing—nothing even in the distant future, insuring or tolerating any serious step toward final redemption and resumption.

This is inflation, utter and hurtful. Spasmodic relief may come from it, temporary and apparent prosperity may come from it, but it takes no heed of the future except to smooth the way to degradation, disaster, and distress.

Without necessity or even sore temptation to extenuate it, such a policy spurns the experience of all epochs, tramples on reason and right, and violates the pledged faith of the nation as attested by solemn and repeated acts of the American people in Congress assembled, by the avowals of every department of the Government, and by the declarations in national convention of the political party which chose most of us to the seats we hold, and chose also a Chief Magistrate bound by his word against every scheme and device of repudiation and dishonor. I mean so to vote that by my act the record of Congress shall not palter in a double sense, and shall not be stained by a trace of bad faith.

[Here the hammer fell.]

Mr. STEWART. I do not wish to prolong the debate; but I have been absent for some time on a committee, and have not been able to take part in it; perhaps I should not have done so if I had not been so engaged, because I do not profess to be an expert in matters of finance. But ever since the war, during these discussions, it has been stated that it was desirable to approach specie payments. In almost every debate and on all occasions it has been held out that that was ultimately to be done. It has been presumed that it could be gradually done. Now we find ourselves, after nearly ten years of peace, going in the other direction without a reason or a restraint. I have lost faith in a gradual approach to specie payments. I do not believe we shall ever do it. I do not believe it will ever be accomplished in that way. I believe it would be better to-day if we were issuing $20,000,000,000, to get to the point at once where the paper before it was printed upon would be more valuable than after it was printed on, so that we would have a bottom on which to do business. That would be more beneficial to the country than it would be to pass such a bill as this. This bill simply inaugurates a struggle—a struggle that will divide this country and absorb all other questions. It is the struggle on the one side of those who will seek to have good money—money that will measure values; who will seek to adopt the rules of political economy that the world has recognized from the beginning; and on the other side will be those who want irredeemable money, who want to avoid the payment of their debts, who want to avoid the obligation thatthe nation has incurred, whose road and whose aim is toward repudiation; and this is the greatest step ever taken by the American people toward repudiation. It cannot be justified on the ground of necessity; it cannot be justified on the ground of honesty. It is a step in the wrong direction, which we shall not have the fortitude to retrace gradually. It will go on in the wrong direction until it produces great disaster. An issue is now made that will last for years. The struggle will be severe; the loss to the commerce and business of this country will be immense during the time that is to come while we are getting back to first principles. The time has got to come when the universal measure of value will be established in America; the time has got to come when this country will be solvent; but before it comes we must pass through a period of irredeemable currency and through a long struggle to learn a lesson which we supposed we knew.

I can add nothing to this debate. I simply wanted to make these few remarks to indicate that this was the beginning of a struggle in which there is nothing but disaster until we finally get back to money that has a real purchasing value, a real measure of value that the world recognizes. Until we get back to solvency and honesty the struggle will be severe. It looks as if it would be protracted, because after ten years' talk of gradual resumption we find ourselves taking a leap—not a step, but a leap—in the other direction, refusing to say that we mean anything but expansion, refusing to say that we mean anything but repudiation of our solemn obligation that we would redeem the greenbacks at some time, refusing to say anything, but starting off in the direction of repudiation; and it will be hard to come back gradually. You will come back with a crash; you will come back with such a crash as this country has never seen. You will come back through struggle. The day will be long remembered by the American people when this vote is cast, taking the step we are about to take. I think this is the saddest vote I have ever known to be taken since I have been here; I have seen nothing that bore upon its face so much promise of evil as the step we are now taking.

Mr. SARGENT, (at five o'clock and thirty minutes p. m.) Mr. President, I move that the Senate do now adjourn. ["No!" "No!"]

Mr. FERRY, of Michigan, and others called for the yeas and nays.

The yeas and nays were ordered; and being taken, resulted—yeas 27, nays 31; as follows:

YEAS—Messrs. Anthony, Bayard, Chandler, Conkling, Cooper, Cragin, Fenton, Flanagan, Frelinghuysen, Hager, Hamilton of Maryland, Hamilton of Texas,

Hamlin, Howe, Jones, Kelly, McCreery, Morrill of Vermont, Sargent, Saulsbury, Schurz, Scott, Sherman, Stewart, Stockton, Thurman, and Wadleigh—27.

NAYS—Messrs. Allison, Bogy, Boreman, Cameron, Carpenter, Clayton, Davis, Dorsey, Ferry of Michigan, Goldthwaite, Harvey, Hitchcock, Ingalls, Johnston, Lewis, Logan, Merrimon, Mitchell, Morton, Norwood, Oglesby, Patterson, Pease, Pratt, Ramsey, Robertson, Spencer, Tipton, West, Windom, and Wright—31.

ABSENT—Messrs. Alcorn, Boutwell, Brownlow, Buckingham, Conover, Dennis, Edmunds, Ferry of Connecticut, Gilbert, Gordon, Morrill of Maine, Ransom, Sprague, and Stevenson—14.

So the Senate refused to adjourn.

Mr. ANTHONY. Mr. President, I have taken no part in this discussion, and I do not propose to delay this vote a moment. I have voted steadily according to my judgment, which accords with the judgment and the interests of those whom I have the honor in part to represent.

We are now about to do an act which has the quality of novelty. In a time of profound peace, with all the elements of prosperity and productiveness in as great abundance as they have ever been, with money exceptionally plentiful, with only that stagnation and hesitation of business which is caused by the apprehension of what we are now about to do, we are proposing to add largely to the paper currency of the country; and in doing that we refuse to take any, the slightest, measure looking to its present or its ultimate redemption or reduction at any time whatever. We are going against all the lessons of history, against all the teachings of experience, and against all the laws of political economy which have been evolved by the observation and the practice of life. I can only enter against it the protest of my vote.

Mr. THURMAN. I doubt very much, Mr. President, whether the history of this or any other country in which free institutions have existed ever presented such a spectacle as we behold here this afternoon. A great party is in power in every department of this Government, executive, legislative, judicial; a great question has arisen in the legislative body of this country, in which that party has a majority of nearly three to one, and the result of four months' deliberation on this question is, that the dominant party, in disregard of the recommendations of its Chief Magistrate, in disregard of the recommendations of its Secretary of the Treasury, in utter contempt of the recommendations of its experienced Committee on Finance, has agreed to adopt the measure of one of the minority of the body. The great republican party of the Senate of the United States has agreed to take the measure of a democrat and place it upon the statute-books of the country, in defiance of the recommendation of its President, in defiance of the recommendations of its Secretary of the Treasury, and in utter scorn and contempt of the recommendation of its Committee on Finance.

Sir, I can take no credit for this triumph that my democratic friend from North Carolina [Mr. MERRIMON] has achieved. The Senator from Indiana, [Mr. MORTON,] the Senator from Illinois, [Mr. LOGAN,] the Senator from Michigan, [Mr. FERRY,] were looked upon as that paper-money trinity which was to be exalted above all other gods in the country; but all their glories have gone and faded, and it was reserved for the pine woods of North Carolina to shape the financial destiny of this country. Disband your party, gentlemen. I cannot say that that to which I belong is very solid. [Laughter.] I regret very much that I should have to repeat what was so well said by my friend behind me, that we are nothing but a minority, and whether we are solid or whether we are not solid, we have no power to shape the legislation of this nation.

Mr. STEWART. Take your votes out and we will see how it is.

Mr. THURMAN. As a general rule we certainly have not any power to shape legislation. If you who are three to our one cannot govern the country, it is time for you to abdicate your power and let somebody try a hand at it who can. Mr. President, so much for that.

Upon the measure itself I have a word to say. It simply means that no man of my age shall ever again see in this country that kind of currency which the framers of the Constitution intended should be the currency of the Union; which every sound writer on political economy the world over says is the only currency that defrauds no man; it means that so long as I shall live, and possibly long after I shall be laid in the grave, this people shall have nothing but an irredeemable paper currency with which to transact their business, that currency which has been well described as the most effective invention that ever the wit of man devised to fertilize the rich man's field at the expense of the poor man's brow. I will have nothing to do with it, sir.

Mr. BAYARD. Mr. President, since the introduction of this measure before Congress, I can truly say I have never looked at it or thought of it in any way connected with party politics. I could not have done so. A measure so fraught with sorrow or with benefit to my countrymen could never find me walking by the light of party when I came to consider it. It would have been impossible. I shall not now disguise my great anxiety and my great sorrow for the result of the deliberations of the Senate. I have never begrudged the time that has been occupied by them. I have always thought the attempt to criticise the manner of Senators' debate or the length of the speeches they might make on a subject of this kind as something unwarranted when we consider the gravity of the subject they have before them.

I cannot now take any pleasure, I can gain no relief from my great regret that this has been done by one party or by another. I only thank God that no vote, no thought, no influence of mine at any stage, under any circumstances, has been given to aid in the perpetration of this great wrong upon the people of the United States. It wrongs their character; it wrongs their habits; and it is a dismal day for them when it is enacted. So far, personally, I am glad of the small share I have borne in this debate. I am glad also that of those who act with me generally, those known as democrats, the majority of them in this Chamber have voted, or will vote, in opposition to this measure. This is a matter to me of satisfaction. As I said, the effect of this measure so far transcends mere party questions that I have not thought of it at all in connection with party.

Mr. STOCKTON. Mr. President, as I have said nothing on this great subject, as I have felt it proper to pair with a member who is necessarily absent on this final vote, the importance of the vote and its effect upon the future history of our country seem to make it proper that I should occupy a moment or two in expressing my regret at the course the Senate has taken in reference to this question.

While I have said nothing, I have not been an inattentive listener, for none have listened so attentively to the debates on this question as myself. I have looked upon the question, as the Senator from Delaware well said, not as a party question at all. It seems to have divided itself, I regret to say, into something like a sectional question rather than a party question. That is unfortunate, and I think unwise, so far as those who are in favor of this measure are concerned.

The measure itself is an act of national bankruptcy; it is an act which, and much less than which, would have put any individual on this floor within the terms of the bankrupt act which you have recently re-enacted. It is an act of repudiation, and not only an act of bankruptcy and repudiation, but an act of bankruptcy and repudiation for the purpose of keeping in the coffers of this country and preserving to the people of this country money which they are well able to pay. In the history of all time there is no such example of national dishonor. There was an excuse to be made in old continental times when we had no money to redeem our issues with; and that paper, not redeemed at the time it was promised to be, has been kept as an honored memento in many a family, because with all their struggles and trials they were unable to meet it precisely when it was due. Look at the history of all countries; never has a country in prosperity, never has a country in the position in which the Administration and its friends have led the people to believe this country was, and have insisted that it was ever since the end of the war, proposed through its legislative body to say to its people, "We advise you to repudiate a debt which you are well able to pay." No, sir; it is dishonor without an excuse. The poor debtor who, owing to the trials of the panic, is unable to collect the money due by those who owe him, is thrown into bankruptcy, and what is called financial disgrace. Every man can feel kindly in such a case. Thousands and thousands of such men deserve no tone of reproach. But to a country that thinks its prosperity consists in expanding an irredeemable currency, that will make no effort and suggest no proposition to redeem the solemn promises it has previously made, it will be difficult to point in all history.

I simply desired, Mr. President, on my own account, and on account of the people I represent, so that I might not be misunderstood hereafter, to enter my most solemn protest against this day's business.

Mr. STEWART. Mr. President——

Mr. LOGAN and others. Let us vote.

Mr. STEWART. I think we might as well adjourn.

Mr. LOGAN. I never knew such a piece of filibustering in this Senate before.

The PRESIDING OFFICER, (Mr. ANTHONY in the chair.) Does the Senator from Nevada move an adjournment?

Mr. STEWART No, sir.

The PRESIDING OFFICER. The question is on the passage of the bill.

Mr. STEWART. If there is to be any further speech-making I should like to adjourn.

Mr. DAVIS. I have no speech to make, but wish to say a word——

Mr. STEWART. Then let us have an amendment to the rule to let gentlemen speak as long as they please.

Mr. CONKLING. You cannot injure the bill by speaking.

Mr. STEWART. No; because it cannot be amended.

Mr. DAVIS. Mr. President——

Mr. STEWART. If the Senator will give way to a motion to adjourn I will make that motion.

Mr. DAVIS. I give way.

Mr. STEWART, (at five o'clock and fifty minutes p. m.) I move that the Senate adjourn.

Mr. DORSEY. I call for the yeas and nays.

The yeas and nays were ordered; and being taken, resulted—yeas 28, nays 29; as follows:

YEAS—Messrs. Anthony, Bayard, Chandler, Conkling, Cooper, Cragin, Davis, Fenton, Flanagan, Frelinghuysen, Hager, Hamilton of Maryland, Hamilton of Texas, Howe, Jones, Kelly, McCreery, Morrill of Maine, Morrill of Vermont, Sargent, Saulsbury, Schurz, Sherman, Stewart, Stockton, Thurman, Wadleigh, and Windom—28.

NAYS—Messrs. Bogy, Boreman, Cameron, Carpenter, Clayton, Dorsey, Ferry of Michigan, Goldthwaite, Harvey, Hitchcock, Ingalls, Johnston, Lewis, Logan, Merrimon, Mitchell, Morton, Norwood, Oglesby, Patterson, Pease, Pratt, Ramsey, Robertson, Scott, Spencer, Tipton, West, and Wright—29.

ABSENT—Messrs. Alcorn, Allison, Boutwell, Brownlow, Buckingham, Conover Dennis, Edmunds, Ferry of Connecticut, Gilbert, Gordon, Hamlin, Ransom, Sprague, and Stevenson—15.

So the motion was not agreed to.

The PRESIDING OFFICER. The question recurs on the passage of the bill, on which the yeas and nays have been ordered.

Mr. DAVIS. I was in hopes that the bill would be amended in such a way that I should be able to vote for it; and had not the sixth section, which provides "that nothing in this act shall be construed to authorize any increase of the principal of the public debt of the Unites States," been stricken out I could have voted for it. I am not willing to give my vote to any bill which will allow any of the officers of this Government to increase the public debt. For that reason I shall vote against the bill. I know, however, that the bill will pass and that my vote will not change the result.

Mr. SARGENT. Mr. President, to those of us who look upon the passage of this bill as a great calamity to the country there is something in the reflection that there is yet a hope in another department of the Government. This Administration was elected upon certain principles and pledges distinctly announced and advocated before the people and distinctly accepted by them. This bill tramples upon nearly every one of the pledges which were given as financial propositions to the people. I say, sir, that for one I derive very much comfort from the belief that there is another department of the Government that may review our action and that may set right that which is done wrongly by us.

It has been said here that from this day a new division is drawn between the statesmen and the politicians of the country; that there is a new division of parties. I think that that is true. I believe that there are men in the East and in the West—I refer to the far West and the far East—men of power representing those large constituencies, speaking for large bodies of men who will see any party perish and any man perish who leads a party which lends itself to the destruction of the national credit, which floods this country with irredeemable paper, which reverses all the lessons—ay, sir, and all the pledges—of the past.

I do not believe there is any issue now before the American people growing out of the recent war now unsettled, if there have been such in the past, that is of the momentous consequence to this American people that the question is, shall we have a sound currency, shall we have a sound national credit, shall we preserve our honor in the eyes of the world, in the full blaze of this day, shall we preserve our honor, or shall we trample it under foot? That is the issue being decided at this moment, and as men shall range themselves upon that issue, I say to them, no matter what their ambition may be or what their expectations may be, there are men in their party and out of it who will scorn to follow a leadership which has once betrayed the pledges and principles of the party. Ay, sir, if there were anything binding me to allegiance to a banner led by such men, I would emancipate myself from it, for I do believe that high above all party organizations are the principles which are to be illustrated and enforced by those organizations, and high above all expediency is the question of national honor.

I shall vote against this bill knowing that it will pass. I shall vote against it as the last protest which I can make against it, and then, sir, my hope is elsewhere that it may fail.

Mr. SCHURZ. Mr. President, the few words I am going to say will, I hope, be the last speech delivered on this bill. Nobody can have listened to the speeches which followed the close of the general debate without being struck by the similarity which they bore to funeral orations, [laughter,] such as we are in the habit of hearing here when we celebrate the memory of some departed friend. Gentlemen speak of the two great political parties of the land as having so grievously sinned against common sense, against the best interests of the country, against their proclaimed policies, that they can live no longer, and that now the time of their final dissolution has evidently come. Be it so. As to that, I have no tears to shed. But, sir, I cannot, in the face of what is now to be done here, and which has been very nearly accomplished, refrain from speaking a word, not for a party, but for the country. Contemplating this legislation, I feel humiliated as an American citizen. To think that here in the light of the nineteenth century, with all the experiences of history before us, the American people, who have been so proud of standing in point of popular intelligence at the head of the nations of the world, should repeat an act of bad faith which at the same time is a blunder and a folly, and which never was attempted without resulting in disaster and shame—I say I cannot think of this without feeling that this country stands at this moment humbled before the world. Gentlemen of the majority may think they have achieved a triumph; but I tell them the time is not far when they will curse the hour which witnessed their alliance with so fatal a cause; and before many years have elapsed those who stood here true to the cause of justice and reason will point with pride to the votes they have given and to the words they have spoken. Although overwhelmed by numbers to-day, their triumph is sure. Nor do I think the day is far off when that portion of the American people who now give themselves up to so strange an infatuation will recover their sound senses and indignantly shake off the rule of that statesmanship which is now so busy to lead the country on toward ruin and disgrace.

Mr. CARPENTER. Mr. President, I ought to be the wisest man on finance that the country can afford. I have listened to some seventy-five speeches which have been made directly at my innocent ears. But I congratulate the Senate that they are in no danger that I shall pour back upon them what I have received, either in its crude form or in any digested style. I shall not discuss this great financial problem in the eight minutes that are now left of my time. I only rise to say to our friends outside of the Senate that the reason we sit here silently and are basted and roasted and turned to-day like chickens on spits, is that we are anxious to settle this question. We have resolved among ourselves to say nothing more about it, but confine ourselves to voting; that when smitten upon one cheek we will turn the other also, and always vote.

Mr. FLANAGAN. ["Vote!" "Vote!"] When my friends appeal to me to let them vote, I can tell them I am anxious to vote. It is a thing, however, that I have not been able to do for about two months, having foolishly paired off; but having the opportunity now to make a few remarks, I avail myself of the privilege. [Laughter.]

My distinguished friend who has just occupied the floor says he ought to be the smartest man here. Well, he is very smart, but that does not settle this question; nor have I the time to pursue him further. But, sir, there is one fact I recollect. Early in this session, in the first days of January, when my friends were after me and a few others who were similarly situated, who were too weak-kneed to continue to stand by me, I then asked them to bear in mind and I admonished them to get their wash-bowls ready and their clean towels, pure water, and beautiful soap that there would be no mistake in, that they would be called on to wash their hands, the eyes of this great nation being upon them for votes that they would be required to cast upon this very subject. The "salary grab," as it was termed, was a matter that could not be seen with the mightiest telescope that is known to the American nation in comparison with the question now presented to us; and the people will feel it and the legislators will realize it. There is a line, and it is a broad line; clear and unmistakable, as has been already stated by my distinguished friend the Senator from Ohio [Mr. THURMAN] of the democratic party, and by my distinguished friend on the other side of the question from California [Mr. SARGENT] representing the republican party. The Senator from California has seen proper to speak of that which we all knew, that there is a power which may yet interfere and save this nation. Upon that branch of the subject I am clearly convinced of a fact that I think is equally clear to the balance of the Senate, that that glorious achievement of the President of the United States which was consummated under the apple-tree at Appomattox will dwindle into a small matter when compared with the great effort if he will exercise the power that the Constitution has given him to veto this bill that we are about to pass. It will make him stronger in this nation than his mighty efforts when he led the valiant soldiers of the American nation to put down the rebellion. I have no hesitancy about saying this. This question is to be felt; and I am proud to know on this occasion, as has been well said, that it has been no party question. But what are the facts? The responsibility is still upon us as republicans. The democrats can take care of themselves. They have done it well; they have done it nobly; they have done it magnanimously; but what are the facts? In our Philadelphia platform we are bound by solemn pledge as well as the statutes of the United States declare that we should and would do a particular thing; and now to spread $90,000,000 broadcast over the country and repudiate everything that we have done heretofore on that branch of the subject—I say it will be hard for that to be explained satisfactorily to the people of this great nation. It cannot be done; it will be a foul slander upon them to say that it should be done. It cannot, nor will it be.

Mr. BOGY. Mr. President, I do not rise to make a speech, but I have listened to the speeches of some of the gentlemen with amazement. Senators speak to us as if we were unpatriotic, as if the majority that is to pass this bill knew not really what it was doing, as if it was composed of Senators unpatriotic and lacking in intelligence. They speak to us of an elevated position, as if we were about to bring this country into deep disgrace; and they express the great pain and sorrow under which they are laboring because we are about to inflict on this country this terrible calamity. I look upon this measure as one of enlightened policy, as one of great wisdom, as one of great statesmanship; and I believe the men who are voting for this measure are the men who realize to-day the terrible necessity under which the western country is now suffering. They are wise, intelligent, brave men in this body who, knowing the wrongs which my section of the country is suffering to-day, assume the responsibility here of voting for this measure. I feel that responsibility, and, without pretending to be deeply versed in finance, certainly without the pretensions of some of the gentlemen who have spoken on the other side, without any pretensions approaching to what they set up for on this floor, I believe I have some understanding on this subject.

I am not to learn to-day that gold is better than paper money. I am not to learn to-day that gold is the standard of the commercial nations of the world. These things are known to all the Senators on this floor; and if we had not known them before, they have been repeated and repeated here a hundred times during this debate. Grant all this to be so. Knowing it to be so myself, I still am aware of the condition of the vast section from which I come, and I am aware of the condition of the southern country, and I say that this measure is one of absolute necessity to relieve them from their prostrate condition. It is the only measure to infuse life into them again. It is the only measure by which and with which blood can again be put into their veins; and unless some measure of this kind be passed by this Congress at this session, the whole western country will be

brought to bankruptcy and to ruin. Knowing that to be the fact, I have been amazed that gentlemen coming from that section have been led off by the conviction that gold being better than paper money, they would afford us no relief whatever, knowing well that the section whence they come needed that relief. Whether we be right or whether we be wrong, such is our conviction, and we ought not to be charged with a want of patriotism. Nor are we to be called so ignorant as not to know what the country needs, and to be told that this measure is not one to relieve their wants.

Mr. President, I did not rise to make a speech at this late date. I felt that a few words at least were due to me and to my friends to vindicate ourselves from the position in which Senators have attempted to place us, as men ignorant and unpatriotic. I repel both charges.

Mr. MORTON. Mr. President, there will be an opportunity to reply to the most extraordinary speeches I have ever listened to in this body. They will go upon the record, and that opportunity will be improved hereafter. I forbear for the present, so far as I am concerned. I ask a vote.

Mr. FRELINGHUYSEN, (at six o'clock and twelve minutes p. m.) I move that the Senate do now adjourn.

["O, no!" "O, no!"]

Mr. FERRY, of Michigan. I ask for the yeas and nays. We might as well take them first as last.

The yeas and nays were ordered; and being taken, resulted—yeas 27, nays 28; as follows:

YEAS—Messrs. Anthony, Bayard, Chandler, Conkling, Cooper, Cragin, Flanagan, Frelinghuysen, Hager, Hamilton of Maryland, Hamilton of Texas, Howe, Jones, Kelly, McCreery, Morrill of Maine, Morrill of Vermont, Norwood, Sargent, Saulsbury, Schurz, Sherman, Stewart, Stockton, Thurman, Wadleigh, and Windom—27.

NAYS—Messrs. Allison, Bogy, Boreman, Cameron, Carpenter, Clayton, Dorsey, Ferry of Michigan, Goldthwaite, Harvey, Hitchcock, Ingalls, Johnston, Lewis, Logan, Merrimon, Mitchell, Morton, Oglesby, Patterson, Pease, Pratt, Ramsey, Robertson, Spencer, Tipton, West, and Wright—28.

ABSENT—Messrs. Alcorn, Boutwell, Brownlow, Buckingham, Conover, Davis, Dennis, Edmunds, Fenton, Ferry of Connecticut, Gilbert, Gordon, Hamlin, Ransom, Scott, Sprague, and Stevenson—17.

So the Senate refused to adjourn.

The PRESIDENT *pro tempore*. The question is on the passage of the bill, upon which the yeas and nays have been ordered.

The Chief Clerk proceeded to call the yeas and nays.

Mr. BAYARD, (when his name was called.) On this subject I regret to say that I have paired with the Senator from Georgia, [Mr. GORDON.] If he were here he would "yea," and I should certainly vote "nay."

Mr. FLANAGAN, (when his name was called.) I am paired with the Senator from Tennessee, [Mr. BROWNLOW.] If he were here he would vote "yea," and I should certainly vote "nay."

Mr. MITCHELL, (when his name was called.) On this question I am paired with the Senator from Massachusetts, [Mr. BOUTWELL.] If he were here he would "nay," and I should vote "yea."

Mr. MORRILL, of Maine, (when his name was called.) I am paired with the Senator from Rhode Island, [Mr. SPRAGUE,] who if here would vote "yea," and I should vote "nay."

Mr. STOCKTON, (when his name was called.) I desire to announce that on this question I am paired with the Senator from North Carolina, [Mr. RANSOM.] I should vote "nay" and he would vote "yea" if present. I desire also to announce that Governor STEVENSON, of Kentucky, is paired with the Senator from Florida, [Mr. CONOVER.] Senator STEVENSON would vote "nay" and the Senator from Florida would vote "yea" if present.

Mr. WRIGHT, (when his name was called.) I am paired with the Senator from Vermont, [Mr. EDMUNDS.] If present he would vote "nay," and I should vote "yea."

The roll-call having been concluded, the result was announced—yeas 29, nays 24; as follows:

YEAS—Messrs. Allison, Bogy, Boreman, Cameron, Carpenter, Clayton, Dorsey, Ferry of Michigan, Goldthwaite, Harvey, Hitchcock, Ingalls, Johnston, Lewis, Logan, McCreery, Merrimon, Morton, Norwood, Oglesby, Patterson, Pease, Pratt, Ramsey, Robertson, Spencer, Tipton, West, and Windom—29.

NAYS—Messrs. Anthony, Chandler, Conkling, Cooper, Cragin, Davis, Fenton, Frelinghuysen, Hager, Hamilton of Maryland, Hamilton of Texas, Hamlin, Howe, Jones, Kelly, Morrill of Vermont, Sargent, Saulsbury, Schurz, Scott, Sherman, Stewart, Thurman, and Wadleigh—24.

ABSENT—Messrs. Alcorn, Bayard, Boutwell, Brownlow, Buckingham, Conover, Dennis, Edmunds, Ferry of Connecticut, Flanagan, Gilbert, Gordon, Mitchell, Morrill of Maine, Ransom, Sprague, Stevenson, Stockton, and Wright—19.

So the bill was passed.

Mr. WRIGHT. I move to amend the title of the bill so as to make it read:

A bill to fix the amount of United States notes and the circulation of national banks, and for other purposes.

The motion was agreed to.

THE CALENDAR.

Mr. ANTHONY. With a view to make it the unfinished business, I move to proceed to the consideration of the first bill on the Calendar in order that we may give one day to the Calendar.

Mr. CONKLING. I do not know what that bill is.

Mr. ANTHONY. It is, I suppose, the bill for the relief of the heirs of Asbury Dickins.

The motion was agreed to.

Mr. CONKLING. Now I move that the Senate adjourn.

The motion was agreed to; and (at six o'clock and twenty-five minutes p. m.) the Senate adjourned.

HOUSE OF REPRESENTATIVES.

MONDAY, *April* 6, 1874.

The House met at twelve o'clock m. Prayer by the Chaplain, Rev. J. G. BUTLER, D. D.

The Journal of Saturday last was read and approved.

ORDER OF BUSINESS.

The SPEAKER. This being Monday, the first business in order is the call of the States and Territories, beginning with the State of Maine, for the introduction of bills and joint resolutions for reference to their appropriate committees, not to be brought back on motions to reconsider. Under this call memorials and resolutions of State and territorial Legislatures may be presented for reference and printing. The morning hour begins at three minutes after twelve o'clock.

ANGLO-AMERICAN MUTUAL COMPANY.

Mr. FRYE introduced a bill (H. R. No. 2802) to incorporate the Anglo-American Mutual Company; which was read a first and second time, referred to the Committee on the Judiciary, and ordered to be printed.

JAMES GILBERT.

Mr. BASS introduced a bill (H. R. No. 2803) for the relief of James Gilbert; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

GUSTAVUS A. SCROGGS.

Mr. BASS also introduced a bill (H. R. No. 2804) for the relief of Gustavus A. Scroggs, late provost marshal of the thirtieth district of New York; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

ALVAH W. HICKS.

Mr. MACDOUGALL introduced a bill (H. R. No. 2805) granting a pension to Alvah W. Hicks, of Cincinnati, Ohio; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

HENRY C. ECKSTEIN.

Mr. MYERS introduced a bill (H. R. No. 2806) to restore Passed Assistant Surgeon Henry C. Eckstein to his original position on the Navy Register; which was read a first and second time, referred to the Committee on Naval Affairs, and ordered to be printed.

INTERIOR DEPARTMENT AND DEPARTMENT OF JUSTICE.

Mr. SPEER introduced a bill (H. R. No. 2807) requiring the Secretary of the Interior and the Attorney-General to report annually to Congress a detailed statement of the expenditures of the contingent fund of their respective Departments; which was read a first and second time.

Mr. SPEER. I ask the reference of this bill to the Committee on Expenditures in the Department of Justice.

The SPEAKER. What relation have the expenditures of the Interior Department to the committee the gentleman names?

Mr. SPEER. The bill relates in part to the expenditures of the Department of Justice.

The SPEAKER. So far as regards the expenditures of the Interior Department, that subject is already under investigation by another committee of the House. The Chair, of course, has no objection to the reference indicated by the gentleman, if the House understands it.

Mr. SPEER. I want the bill to go to some committee that will report it, or one similar to it.

The SPEAKER. The Chair thinks the Committee on the Judiciary would be the appropriate committee.

Mr. SPEER. I have no objection to that reference.

The bill was referred to the Committee on the Judiciary, and ordered to be printed.

AMENDMENT OF PENSION LAWS.

Mr. SPEER also introduced a bill (H. R. No. 2808) to amend section 30 of an act to revise, consolidate, and amend the laws relating to pensions, approved March 3, 1873; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

PUBLIC BUILDING AT DANVILLE, VIRGINIA.

Mr. THOMAS, of Virginia, introduced a bill (H. R. No. 2809) to provide for the erection of a public building at Danville, Virginia; which was read a first and second time, referred to the Committee on Public Buildings and Grounds, and ordered to be printed.

DESTRUCTION OF COURT-HOUSE, LEXINGTON, NORTH CAROLINA.

Mr. LEACH introduced a bill (H. R. No. 2810) making an appropriation to pay for the destruction of the court-house at Lexington, North Carolina, by the Federal soldiers, by fire, while occupied as officers' quarters and barracks, in the month of November, 1865; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

CHEAP GAS IN THE DISTRICT OF COLUMBIA.

Mr. LEACH also introduced a bill (H. R. No. 2811) to authorize the National Gas and Iron Company to supply the public buildings

and grounds of the United States and the city of Washington, in the District of Columbia, with illuminating gas at greatly reduced rates; which was read a first and second time, referred to the Committee on the District of Columbia, and ordered to be printed.

MONEY-ORDER OFFICES.

Mr. VANCE introduced a bill (H. R. No. 2812) to provide for increasing the number of postal money-order offices; which was read a first and second time, referred to the Committee on the Post-Office and Post-Roads, and ordered to be printed.

APPRAISERS OF MERCHANDISE, SAVANNAH, GEORGIA.

Mr. SLOAN introduced a bill (H. R. No. 2813) regulating the compensation and appointment of appraisers of merchandise at the port of Savannah, Georgia; which was read a first and second time, referred to the Committee on Ways and Means, and ordered to be printed.

RAIFORD WATER-ROUTE.

Mr. SLOAN also introduced a joint resolution (H. R. No. 82) authorizing and requiring the Secretary of War to have a survey made over what is known as the "land-locked" or Raiford water-route, &c.; which was read a first and second time, referred to the Committee on Commerce, and ordered to be printed.

JAMES ATKINS.

Mr. SLOAN also introduced a bill (H. R. No. 2814) for the relief of James Atkins, late collector of internal revenue for the fourth district of Georgia; which was read a first and second time, referred to the Committee on Ways and Means, and ordered to be printed.

NORTH ALABAMA LAND DISTRICT.

Mr. SLOSS introduced a bill (H. R. No. 2815) to remove the office of the North Alabama land district from Huntsville to Cullman, Blount County, Alabama; which was read a first and second time, referred to the Committee on the Public Lands, and ordered to be printed.

BEXAR LODGE A. F. A. M.

Mr. SLOSS also introduced a bill (H. R. No. 2816) for the relief of Bexar Lodge, No. 230, of A. F. A. M., of Bexar, Marion County, State of Alabama; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

JAMES L. LEWIS.

Mr. CALDWELL introduced a bill (H. R. No. 2817) for the relief of the heirs of James L. Lewis, deceased, late of Alabama; which was read a first and second time, referred to the Committee on Claims, and ordered to be printed.

PAY OF TAKERS OF CENSUS OF 1860.

Mr. CALDWELL also introduced a bill (H. R. No. 2818) to amend an act making an appropriation for sundry civil expenses for the year ending June 30, 1874, and for other purposes, so as to secure pay to the United States marshal for taking the census of 1860; which was read a first and second time, referred to the Committee on Appropriations, and ordered to be printed.

JOHN C. DENT.

Mr. SHELDON introduced a bill (H. R. No. 2819) for the relief of John C. Dent; which was read a first and second time, referred to the Committee on Indian Affairs, and ordered to be printed.

ISAAC BLOOM.

Mr. SHELDON also introduced a bill (H. R. No. 2820) for the relief of Isaac Bloom; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

MOUTH OF THE MISSISSIPPI RIVER.

Mr. SHELDON also introduced a bill (H. R. No. 2821) for the improvement of the mouth of the Mississippi River and making appropriation therefor; which was read a first and second time, referred to the Committee on Commerce, and ordered to be printed.

WASHINGTON AND ATLANTIC RAILROAD COMPANY.

Mr. MOREY introduced a bill (H. R. No. 2822) to incorporate the Washington City and Atlantic Coast Railroad Company; which was read a first and second time, referred to the Committee on the District of Columbia, and ordered to be printed.

ELIZA J. FONT.

Mr. SPRAGUE introduced a bill (H. R. No. 2823) for the relief of Eliza J. Font; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

SILAS GRAHAM.

Mr. ROBINSON, of Ohio, introduced a bill (H. R. No. 2824) for the relief of Silas Graham and others, private soldiers Company F, Sixty-sixth Regiment Ohio Volunteers; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

A. W. HICKS.

Mr. BANNING introduced a bill (H. R. No. 2825) for the relief of A. W. Hicks; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

PROSECUTION OF OFFENSES.

Mr. SAYLER, of Ohio, introduced a bill (H. R. No. 2826) to authorize the prosecution of certain offenses upon information; which was read a first and second time, referred to the Committee on the Judiciary, and ordered to be printed.

DAVID SMITH.

Mr. BROWN introduced a bill (H. R. No. 2827) granting a pension to David Smith; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

NEWTON RICHARDS.

Mr. BUTLER, of Tennessee, introduced a bill (H. R. No. 2828) granting a pension to Newton Richards, late a private of First Tennessee Light Artillery; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

BENJAMIN YEAGER.

Mr. BUTLER, of Tennessee, also introduced a bill (H. R. No. 2829) granting a pension to Benjamin Yeager, late private in Company B, Twelfth Tennessee Cavalry; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

CAPTAIN PLEASANT STARNES.

Mr. BUTLER, of Tennessee, also introduced a bill (H. R. No. 2830) for the relief of Captain Pleasant Starnes; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

WILLIAM M. DRAKE.

Mr. WILSON, of Indiana, introduced a bill (H. R. No. 2831) granting a pension to William M. Drake; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

FREELAND HASTON.

Mr. WOLFE introduced a bill (H. R. No. 2832) authorizing and directing the Secretary of the Interior to place the name of Freeland Haston on the pension-roll; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

JOSEPH M'TAYLOR.

Mr. FORT introduced a bill (H. R. No. 2833) for the relief of Joseph McTaylor, late a private soldier in Company I, Eleventh Regiment Illinois Volunteer Infantry; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

THOMAS B. LARKINS.

Mr. FORT also introduced a bill (H. R. No. 2834) for the relief of Thomas B. Larkins, late a private soldier in Company B, Eleventh Regiment Illinois Volunteer Infantry; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

PRISCILLA GRIFFITH.

Mr. MARTIN introduced a bill (H. R. No. 2835) granting a pension to Priscilla Griffith, widow of Jonas B. Griffith, late a private of Company K, Sixty-first Regiment Illinois Volunteers; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

BENJAMIN F. REYNOLDS.

Mr. MARTIN also introduced a bill (H. R. No. 2836) for the relief of Benjamin F. Reynolds, late captain of Company K, Forty-eighth Regiment Illinois Volunteers; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

GEORGE A. BACON.

Mr. MARTIN also introduced a bill (H. R. No. 2837) for the relief of George A. Bacon, late lieutenant-colonel of the Fifteenth Regiment Illinois Cavalry; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

CHARLES L. ALLEN.

Mr. BLAND introduced a bill (H. R. No. 2838) for the relief of Charles L. Allen; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

IMPROVEMENT OF THE MISSISSIPPI.

Mr. WELLS presented concurrent resolutions of the Legislature of the State of Missouri, recommending the passage of House bill No. 2342, for the improvement of the Mississippi at its mouth.

Mr. WELLS. I ask that the concurrent resolutions be read.

The resolutions were read; and were referred to the Committee on Railways and Canals, and ordered to be printed.

CHARLES A. PERRY & CO.

Mr. PARKER, of Missouri, introduced a bill (H. R. No. 2839) authorizing the Court of Claims to hear and determine the claim of Charles A. Perry & Co.; which was read a first and second time, referred to the Committee on War-Claims, and ordered to be printed.

SETTLERS ON RAILROAD LANDS IN MICHIGAN.

Mr. BEGOLE presented a joint resolution of the Legislature of the State of Michigan, asking Congress to afford relief to certain homestead settlers on railroad lands granted to the State of Michigan for the construction of the Grand Rapids and Indiana Railroad in said State.

Mr. HALE, of Maine. I ask that the resolution be read.

The joint resolution was read; and was referred to the Committee on the Public Lands, and ordered to be printed.

FRANKLIN H. MORSE.

Mr. FIELD introduced a bill (H. R. No. 2840) for the relief of Franklin H. Morse, of Detroit, Michigan; which was read a first and second time, referred to the Committee on War-Claims, and ordered to be printed.

CAROLINE TREKLE.

Mr. McCRARY introduced a bill (H. R. No. 2841) granting a pension to Caroline Trekle; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

WILLIAM M. GRAHAM.

Mr. McCRARY also introduced a bill (H. R. No. 2842) granting a pension to William M. Graham; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

JOHN M. DAVIS.

Mr. DONNAN introduced a bill (H. R. No. 2843) granting a bounty to John M. Davis, late a private in Ninety-fourth Regiment New York Volunteers; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

FRANCIS DODGE.

Mr. HAZELTON, of Wisconsin, introduced a bill (H. R. No. 2844) granting relief to Francis Dodge, of Washington; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

JOHN L. WILLIAMS.

Mr. HAZELTON, of Wisconsin, also introduced a bill (H. R. No. 2845) granting relief to John L. Williams, of New York; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

ELECTION OF REPRESENTATIVES FROM CALIFORNIA.

Mr. PAGE presented a concurrent resolution of the Legislature of the State of California, asking for a repeal of the act of Congress fixing the time for the election of Representatives from that State to the Forty-fourth Congress.

Mr. HALE, of Maine. I ask that the resolution be read.

The resolution was read; and was referred to the Committee on the Judiciary, and ordered to be printed.

Mr. PAGE also introduced a bill (H. R. No. 2846) repealing the act entiled "An act fixing the time for the election of Representatives from the State of California to the Forty-fourth Congress."

Mr. DONNAN. I ask that the bill be read.

The bill was read *in extenso*.

The bill, having been read a first and second time, was referred to the Committee on the Judiciary, and ordered to be printed.

RAILROAD AND TELEGRAPH LINES TO THE PACIFIC.

Mr. PAGE also introduced a bill (H. R. No. 2847) to forfeit certain public lands granted to aid in the construction of railroad and telegraph lines from the States of Missouri and Arkansas to the Pacific coast; which was read a first and second time, referred to the Committee on the Public Lands, and ordered to be printed.

CALIFORNIA CENTRAL NARROW-GAUGE RAILROAD COMPANY.

Mr. LUTTRELL introduced a bill (H. R. No. 2848) granting to the California Central Narrow-Gauge Railroad Company certain rights upon the lands of the United States at Benicia, California; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

MARE ISLAND NAVY-YARD.

Mr. LUTTRELL also introduced a bill (H. R. No. 2849) to appropriate $163,597 for necessary improvements at Mare Island navy-yard, at Vallejo, California; which was read a first and second time, referred to the Committee on Appropriations, and ordered to be printed.

TARIFF ON QUICKSILVER.

Mr. LUTTRELL presented concurrent resolutions of the Legislature of the State of California, urging the abolition of the tariff on quicksilver; which were referred to the Committee on Ways and Means, and ordered to be printed.

PROPERTY DESTROYED DURING MODOC WAR.

Mr. LUTTRELL also presented concurrent resolutions of the Legislature of the State of California, urging the appointment of a commission to ascertain the amount of property destroyed during the late Modoc war and to whom it belonged; which were referred to the Committee on Indian Affairs, and ordered to be printed.

SOLDIERS' MONUMENT, MORGANTOWN, WEST VIRGINIA.

Mr. HAGANS introduced a bill (H. R. No. 2850) authorizing the Secretary of War to deliver condemned ordnance to Post No. 5, Grand Army of the Republic, district of West Virginia, at Morgantown, West Virginia, to aid in the erection of a monument to the memory of deceased soldiers; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

ANASTACIO SANDOVAL.

Mr. ELKINS introduced a bill (H. R. No. 2851) for the relief of Anastacio Sandoval for Indian depredations; which was read a first and second time, referred to the Committee on Indian Affairs, and ordered to be printed.

SALE OF TIMBER LANDS IN THE TERRITORIES.

Mr. HAILEY introduced a bill (H. R. No. 2852) for the sale of timber lands in the Territories; which was read a first and second time.

Mr. HAILEY. I move that the bill be referred to the Committee on the Public Lands, and ordered to be printed.

Mr. HALE, of Maine. I call for the reading of the bill.

The Clerk read the bill.

Mr. SHANKS. I believe that bill relates to timber lands on Indian reservations.

The SPEAKER. The Chair thinks it is general.

Mr. SHANKS. If it relates to timber lands upon Indian reservations, it ought to go to the Committee on Indian Affairs.

Mr. DUNNELL. The bill is a general one in relation to lands in the Territories.

Mr. SHANKS. What lands?

Mr. DUNNELL. Timber lands.

Mr. SHANKS. Timber lands on Indian reservations?

Mr. DUNNELL. No.

Mr. SHANKS. Does it except them?

Mr. DUNNELL. Yes, sir.

Mr. STEELE. I can tell the gentleman that it excludes all Indian reservations.

The bill was referred to the Committee on the Public Lands, and ordered to be printed.

MISSIONARIES TO THE INDIAN TRIBES.

Mr. MAGINNIS introduced a bill (H. R. No. 2853) for the relief of missionaries to the Indian tribes; which was read a first and second time, referred to the Committee on Indian Affairs, and ordered to be printed.

MILITARY WAGON-ROAD IN WYOMING AND MONTANA.

Mr. STEELE presented joint resolutions and a memorial of the Legislative Assembly of the Territory of Wyoming, praying for an appropriation to establish a military wagon-road from Green River City, Wyoming Territory, to the Yellowstone National Park and to Fort Ellis, in Montana Territory; which were referred to the Committee on Military Affairs, and ordered to be printed.

Mr. STEELE also introduced a bill (H. R. No. 2854) for the location and construction of a military wagon-road from Green River City, Wyoming Territory, to the Yellowstone National Park and to Fort Ellis, Montana Territory; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

JOSEPH W. FISHER.

Mr. STEELE also introduced a bill (H. R. No. 2855) for the relief of Joseph W. Fisher; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

The SPEAKER. The States and Territories having been called through, the Chair will now receive bills and joint resolutions from those gentlemen who were absent when their States were called.

JAMES MORRIS.

Mr. LOWNDES introduced a bill (H. R. No. 2856) granting a pension to James Morris, of Baltimore; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

CAPTAIN B. L. FLETCHER.

Mr. LOUGHRIDGE introduced a bill (H. R. No. 2857) for the relief of Captain B. L. Fletcher; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

POST-ROADS.

Mr. POLAND introduced a bill (H. R. No. 2858) establishing post-roads throughout the United States; which was read a first and second time, referred to the Committee on the Post-Office and Post-Roads, and ordered to be printed.

IMPROVEMENT OF THE MOUTH OF THE MISSISSIPPI RIVER.

Mr. BUTLER, of Massachusetts, introduced a bill (H. R. No. 2859) to improve the navigation of the mouth of the Mississippi River; which was read a first and second time, referred to the Committee on Commerce, and ordered to be printed.

NICHOLAS FOUQUÉ AND MARC ANTOINE FOUQUÉ.

Mr. BUTLER, of Massachusetts, also introduced a bill (H. R. No. 2860) for the relief of the heirs of Nicholas Fouqué and Marc Antoine Fouqué; which was read a first and second time, referred to the Committee on the Judiciary, and ordered to be printed.

CONDEMNED FIELD-PIECES.

Mr. BUTLER, of Massachusetts, also introduced a joint resolution (H. R. No. 83) authorizing the Secretary of War to deliver four condemned field-pieces to Post No. 89 of the Grand Army of the Republic; which was read a first and second time, referred to the Committee on Military Affairs, and ordered to be printed.

INTERNAL-REVENUE CLAIMS.

Mr. SMITH, of Virginia, introduced a bill (H. R. No. 2861) to provide for the adjudication of claims under the internal-revenue laws of the United States by the Court of Claims, and limiting the time for the presentation of the same; which was read a first and second time, referred to the Committee on Ways and Means, and ordered to be printed.

SOUTHERN CLAIMS COMMISSION.

Mr. SMITH, of Virginia, also introduced a bill (H. R. No. 2862) directing the southern claims commission to report on the claims of loyal citizens whether made for such articles as are issued by the Commissary Department or not; which was read a first and second time, referred to the Committee on War Claims, and ordered to be printed.

LIZZIE GRAHAM.

Mr. TOWNSEND introduced a bill (H. R. No. 2863) granting a pension to Lizzie Graham; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

UNION PACIFIC RAILROAD.

Mr. KNAPP presented a concurrent resolution of the Legislature of the State of Illinois, relative to rates of freight and passengers on the Union Pacific Railroad and branches; which was referred to the Committee on Railways and Canals, and ordered to be printed.

ORDER OF BUSINESS.

The SPEAKER. If there are no further bills for reference the morning hour has expired.

Mr. SAWYER. I desire to move a suspension of the rules, in order that the Committee on the Public Lands may be enabled to report back to the House for consideration and action at this time Senate bill No. 512 to extend the time for completing the Wisconsin Central Railroad, in Wisconsin.

Mr. DONNAN. I ask the gentleman to yield to me to report a resolution from the Committee on Printing, which will give rise to no discussion.

Mr. SAWYER. If it gives rise to no debate I will yield.

REPORT ON WAR CLAIMS.

Mr. DONNAN. I am instructed by the Committee on Printing to report the following resolution and ask its adoption at this time, as the type is wanted for use at the Government Printing-Office:

Resolved, That there be printed for the use of the Committee on War Claims three hundred copies of the report No. 262 of the present session.

Mr. SENER. Why do you report so small a number?

Mr. DONNAN. That is all that is asked.

The resolution was adopted.

CAPTAIN CHARLES F. HALL.

Mr. SAYLER, of Ohio, by unanimous consent, presented the following petitions; which were referred to the Committee on Invalid Pensions:

A petition of leading citizens of Cincinnati and certain members of the constitutional convention of Ohio, praying Congress to make an appropriation for the relief of the widow and children of Captain Charles F. Hall, late commander of the Polaris expedition; and

Petition of Professor Henry and other citizens of Washington, for the same.

ENAMELING MOLDING-MACHINE.

Mr. BANNING, by unanimous consent, presented the following memorial; which was referred to the Committee on Patents:

DEAR SIR: We, the undersigned, manufacturers of moldings and frames, of the city of Cincinnati, would most respectfully call the attention of your honorable body to the fact that vigorous efforts are made by certain speculators, before the Senate Committee on Patents, to effect the extension of a certain patent known as the Marcher patent, on a machine for enameling moldings.

Against the granting of an extension of said patent we, the undersigned, protest, for the following reasons, namely:

First. After the granting of said patent in 1851 grave doubts were entertained whether said Robert Marcher, to whom the patent was granted, really was the inventor of said machine, as it was shown in court at Philadelphia that the machine in question had been in use for many years previous to the issue of the said patent.

Secondly. Admitting that Robert Marcher was the inventor of the machine even in part, (which we do not admit,) then, and in that case, the invention was not the result of any series of experiments or the cause of any large expenditure of thought or money on his part, the former practical workings of other machines furnishing all the necessary basis by which to improve, complete, or perfect an apparatus which was an improvement only in the process of enameling moldings, they having been enameled or prepared with the same materials and results for over fifty years.

Thirdly. The original cost of the machine in question does not exceed the sum of three dollars, while Robert Marcher charged five dollars for the machine, besides a per annum royalty of $100 for the use of each machine: the machine itself being an apparatus which can be made by any ordinary mechanic, and did not necessitate the erection of any machinery on his part to produce it.

Fourthly. The said patent has been renewed twice, and for a period of twenty-one years has been a source of enormous income to said Robert Marcher and his heirs, who during the aforesaid period have collected said royalty from all the molding manufacturers throughout the country, and thereby received more than sufficient remuneration for what Robert Marcher claimed as his invention.

Fifthly. The extension of said patent is now sought by speculators, to whom the said patent was assigned in part after its second expiration by Mr. Marcher's widow, and who can claim no merit whatever in the matter of this invention.

Sixthly. The use of the machine in question, after having richly remunerated the so-called inventor and his heirs, now benefits the public at large; while if an extension of the patent should be granted many manufacturers directly, and the community indirectly, would suffer for the sake of benefiting a few speculators.

In consideration of all these facts we would respectfully request the Senate and House of Representatives to refuse an extension of the patent in question.

PAPE BROTHERS & KURGEMANN.
J. & A. J. NURRE.
L. A. STROBEL & BRO.
A. P. C. BONTE.

We, the undersigned, believe the representation made above to be true, and further believe that the refusal of the granting of the extension of this patent would not only be the relief of a burden to all manufacturers of moldings in the United States, but also indirectly a material benefit to the many workmen they employ.

WM. E. DAVIS.
R. H. STEPHENSON.
GUSTAV R. WAHLE.
WILLIAM GLENN & SONS.
THOS. H. FOULDS.
S. F. COVINGTON.
JOB E. STEVENSON.

Hon. H. B. BANNING,
Washington, D. C.

REDUCTION OF THE ARMY.

Mr. COBURN, from the Committee on Military Affairs, submitted a report upon the reduction of the military establishment, and in relation to fortifications and works of defense; which was ordered to be printed, and recommitted.

IMPROVEMENT OF HARBOR OF NEW YORK.

Mr. WOODFORD, by unanimous consent, presented the following memorial; which was referred to the Committee on Commerce:

To the Senators and Members of Congress representing the State of New York:

Your memorialists, the pilot and harbor commissioners of the port of New York, having in view the importance of preserving and improving, as far as practicable, the harbor of New York, at which the greater portion of the national customs is collected, and in the safety and convenience of whose navigation the commerce of the whole country is interested, respectfully ask that you will use your influence to obtain the appropriation by Congress of the amounts asked for by General John Newton, in his annual report, to be applied to the removal of impediments to navigation in the harbor, to wit:

For improvements of the East River	$600,000
For improvement of the Harlem River	170,000
Being a total of	770,000

Believing that the application of this amount, under the able direction of General Newton, will produce improvements of sufficient importance to amply compensate for the expenditure.

Dated New York, March 31, 1874.

By order of the board of commissioners of pilots.

AMBROSE SNOW,
President.
GEORGE W. BLUNT,
Secretary.

Approved by the Chamber of Commerce, New York, April 2, 1874.

GEORGE OPDYKE,
Vice-President.
GEORGE WILSON,
Secretary.

Atlantic Mutual Insurance Company, by
CHARLES DENNIS,
Vice-President.

Mercantile Mutual Insurance Company, by
A. H. MONTGOMERY, Jr.,
Vice-President.

Orient Mutual Insurance Company, by
ALFRED OGDEN,
Vice-President.

Union Mutual Insurance Company, by
F. S. LATHROP,
President.

New York Mutual Insurance Company, by
T. B. BLEECKER, Jr.,
Vice-President.

For improvement of the East River, Commercial Mutual Insurance Company, by
DANIEL DRAKE SMITH,
President.

For the objects named, Pacific Mutual Insurance Company, by
WILLIAM SECONEY,
Vice-President.

The Sun Mutual Insurance Company, by
J. P. PAULISON,
President.

Mr. WOODFORD, by unanimous consent, introduced a bill (H. R. No. 2864) to authorize the improvement of the harbor of New York, and appropriating moneys therefor; which was read a first and second time, referred to the Committee on Commerce, and ordered to be printed.

INDIANS TO TESTIFY IN UNITED STATES COURTS.

Mr. SHANKS, by unanimous consent, introduced a bill (H. R. No. 2865) to make Indians witnesses in the United States courts, and for other purposes; which was read a first and second time, referred to the Committee on Indian Affairs, and ordered to be printed.

DUTY ON IMPORTED FRUITS.

Mr. KASSON. I ask unanimous consent to report back from the Committee on Ways and Means, with an amendment, the amendment of the Senate to House bill 2191, in relation to the customs duties on imported fruits.

The amendment of the Senate was to add to the bill these words:

Except in cases where suits in court have been discontinued by instructions of the Secretary of the Treasury; and the error in the punctuation of the clause relating to fruit-plants in the fifth section of the act approved June 6, 1872, entitled "An act to reduce duties on imports and to reduce internal taxes, and for other purposes," by inserting a comma instead of a hyphen after the word "fruit," is hereby corrected; and said clause shall read as follows: "fruit-plants, tropical and semi-tropical, for the purpose of propagation or cultivation."

The Committee on Ways and Means recommend the amendment to be concurred in with the following amendment:

Provided, That the duties imposed by virtue of this amendment shall not be levied or collected upon fruits entered for consumption at any port of entry prior to July 1, 1874.

Mr. RANDALL. What is the effect of this bill in stopping suits?

Mr. KASSON. The Senate amendment provides that where suits have been discontinued by order of the Department, the amount due shall be paid, because parties have lost their remedy by agreement with the Department.

Mr. RANDALL. Now, Mr. Speaker, I would like to have the bill read as a whole, because I recollect that the House put an amendment upon it providing that a decision of the highest court should be had before any money should be paid out upon these claims.

The SPEAKER. The Clerk will first read the bill as it passed the House.

The Clerk read as follows:

Be it enacted, &c., That the Secretary of the Treasury is hereby directed to suspend the repayment of all duties heretofore paid on imported fruits until further legislation by Congress authorizing the same, or until the final decision of the Supreme Court.

The SPEAKER. The bill comes back from the Senate with an amendment, which will be read.

The Clerk read as follows:

Add to the bill the following:

Except in cases where suits in court have been discontinued by instructions of the Secretary of the Treasury; and the error in the punctuation of the clause relating to fruit-plants in the fifth section of the act approved June 6, 1872, entitled "An act to reduce duties on imports and to reduce internal taxes, and for other purposes," by inserting a comma instead of a hyphen after the word fruit is hereby corrected; and said clause shall read as follows: "Fruit-plants, tropical and semi-tropical, for the purpose of propagation or cultivation."

The SPEAKER. The Committee on Ways and Means recommend that the Senate amendment be concurred in, with the addition of a proviso, which the Clerk will read.

The Clerk read as follows:

Provided, That the duties imposed by virtue of this amendment shall not be levied or collected upon fruits entered for consumption at any port of entry prior to July 1, 1874.

Mr. RANDALL. I want to state that the House, by an overwhelming majority, inserted in this bill an amendment providing that no money should be paid out of the Treasury on this account until the highest court had determined that the United States Government must refund. Now, sir, the amendment of the Senate nullifies entirely that provision of the bill as it went from the House, and provides that a discretion shall be given to the Secretary of the Treasury to refund these duties where suits have been discontinued by him, perhaps under the advice of the Attorney-General of the United States.

Mr. KASSON. Will the gentleman allow me to explain? The amendment of the Senate is designed simply to cover cases where suits have been commenced by regular proceedings and the parties have acquired a vested right to have the duties returned, and by agreement with the Treasury Department, to save costs to the United States, the suits have been discontinued. These suits amount to $37,000 all told. By the discontinuance of those suits the parties have lost their rights unless they be preserved in the form here proposed. When this matter was presented to the Senate committee they saw at once that we could not repudiate that arrangement; for unless their rights be saved by the amendment these parties, who would have obtained decisions in their favor, will be deprived by our bill of the opportunity of recovering. I have a letter from the Secretary of the Treasury on this subject.

Mr. RANDALL. The gentleman from Iowa [Mr. KASSON] may be correct in stating that only $37,000 is involved in this case so far as the Treasury Department is aware. But, sir, the habit of these importers of fruits in New York and elsewhere is to deposit a large sum of money, leaving the question open as to how much the Government will claim on the fruits, because frequently fruits are so much damaged as to be worthless, and therefore duty is not chargeable upon them. Now of these large sums deposited in the sub-treasury at New York and elsewhere I am credibly informed, notwithstanding the statement of the Treasury Department, that $190,000 has been paid out on account of these fruits to a single firm. Now what I desire to have kept in the bill, without impairment, is the proposition requiring a decision of the Supreme Court of the United States in every case before duties shall be refunded; in other words, depriving the Treasury Department, either with or without the decision of the Attorney-General, of authority to make this refund.

Mr. KASSON. The House bill is unchanged; the Senate has not altered a word of the bill which we passed; the clause requiring a final decision of the Supreme Court is retained. The Senate has simply added the provision I have already stated, to preserve rights already vested. That is the only effect of the amendment. If any gentleman desires further information as to the figures I will have read the letter of the Secretary of the Treasury, showing exactly what they are; but it will save time to allow me to say that the amount already refunded is $70,607.52; the amount for which suits have been commenced and discontinued under agreement that the amount claimed should be refunded by the Secretary of the Treasury—the parties having lost their right of continuing the suits—is $37,282.81. The Secretary of the Treasury adds:

The suits in these cases were discontinued by direction of the Department upon the agreement that the Department would refund the amount of duty paid. It is possible there may be a few more claims where protests and appeals have been made, but not yet reported to the Department. I am informed the amount in such cases cannot exceed $10,000.

That is the statement of the Secretary of the Treasury.

Mr. MAYNARD. The point I wished to make to the gentleman from Pennsylvania in that connection was whether he was in favor of this further amendment practically making these fruits free until the 1st of next July?

Mr. RANDALL. No; I am in favor of getting all the duty we can, and am against paying out any refund of duty unless it be by decision of the highest court.

Mr. KASSON. I have yielded to my colleague on the Committee on Ways and Means, the gentleman from Kentucky.

Mr. BECK. I will occupy the floor but one minute. The gentleman from Pennsylvania is right in part, but the bill as now reported by the committee prevents any further refund of duty until all has been done which he desires to be done. But, sir, there are certain cases which have been dismissed by agreement of the Treasury Department that the refund should be made. The Treasury Department having decided that class of fruits came in free, and suits having been brought, it is only going to unnecessary expense to allow them to be carried on. The Treasury Department having decided in all cases they should be free, agreed, if those who had suits pending dismissed them, to refund duties to them. Parties did dismiss their suits under that agreement, and we are all compelled, whether right or wrong, to stand by that agreement.

A word about these fruits coming in duty free until the 1st of July next. After the decision of the Treasury Department, that those fruits came in free, men went on the faith of that decision and purchased cargoes which are now on their way; contracts were made for the season under the faith of that decision; and it would be oppressive, of course, when the Treasury Department decided their fruits should come in free, and they had made purchases on the ground that they were to come in free, now to impose a tariff on them.

Mr. MYERS. I brought this question up originally and I wish to be heard on it.

Mr. SPEER. Is this proceeding by unanimous consent?

The SPEAKER. It is proceeding by unanimous consent.

Mr. SPEER. I object.

Mr. RANDALL. I hope the gentleman will allow me to state one reason for my objection.

Mr. KASSON. I am holding the floor by the permission of the gentleman from Wisconsin, [Mr. SAWYER,] and agreed that if it gave rise to long debate I would withdraw it.

Mr. SAWYER. And I must insist on the agreement being carried out.

Mr. RANDALL. The gentlemen should not forget the ribbon cases, where $900,000 were paid out of the Treasury, taken out of the revenues of the country, upon the mere *ipse dixit* of the Attorney-General of the United States.

Mr. MYERS. I wish to be heard.

The SPEAKER. The gentleman from Iowa only holds the floor by permission of the gentleman from Wisconsin.

Mr. KASSON. And in accordance with my arrangement with the gentleman from Wisconsin that I would withdraw the bill if it gave rise to extended debate, I now withdraw it.

Mr. SPEER. Let it be printed.

Mr. RANDALL. Let the Senate amendment also be printed.

Mr. MYERS. And the amendment of the Committee on Ways and Means.

Mr. KASSON. They have all been read and will be printed in the RECORD.

Mr. RANDALL. This is a most important question, involving a large sum of money, and ought not to be disposed of hastily.

Mr. KASSON. The bill is not before the House at this time.

Mr. MYERS. As I introduced this subject first before the House, I hope I will be permitted to say a word or two upon it.

The SPEAKER. The bill is not before the House.

WISCONSIN CENTRAL RAILROAD.

Mr. SAWYER. I move to suspend the rules so as to allow the Committee on the Public Lands to report back a bill (S. No. 512) to extend the time for completing the Wisconsin Central Railroad, in Wisconsin, in order that it may be considered at this time.

The SPEAKER. The bill will be read.

The bill was read. It provides that the time specified in the ninth section of the act of Congress approved May 5, 1864, entitled "An act granting lands to aid in the construction of certain railroads in the State of Wisconsin," for the completion of the road mentioned

in the third section of said act, and for the reversion to the United States of the lands granted by said act to aid in the construction of said road, be, and the same is thereby, extended until the 31st day of December, 1876.

Mr. HOLMAN. Is the motion to bring it before the House simply for consideration?

The SPEAKER. That is all. The question is on seconding the motion for suspension of the rules.

The House divided; and there were—ayes 98, noes 30; no quorum voting.

Mr. RANDALL demanded tellers.

Tellers were ordered; and Mr. SAWYER and Mr. RANDALL were appointed.

The House again divided; and the tellers reported—ayes 121, noes 27.

So the House seconded the motion to suspend the rules.

The question recurred on the motion to suspend the rules in order to take up the bill for consideration.

The House divided; and there were—ayes 97, noes 31; no quorum voting.

Mr. HOLMAN demanded the yeas and nays.

The House divided; and there were—ayes 25, noes 111; not one-fifth voting in the affirmative.

Mr. RANDALL demanded tellers on the yeas and nays.

Tellers were not ordered.

So the yeas and nays were not ordered.

The SPEAKER. No quorum having voted on the motion to suspend the rules, is a further count demanded?

Mr. HOLMAN. Yes; I demand a further count.

The SPEAKER appointed Mr. HOLMAN and Mr. BRADLEY as tellers.

The House again divided; and the tellers reported—ayes 125, noes 28.

So the rules were suspended, (two-thirds voting in favor thereof,) and the committee reported the bill for action by the House.

The SPEAKER. The Clerk will again report the bill.

The bill was read again.

Mr. BRADLEY rose.

Mr. HOLMAN. I desire, before the argument begins, to inquire what is the purpose of the gentleman from Michigan as to the latitude of discussion to be allowed?

Mr. BRADLEY. I will say to the gentleman from Indiana that this is a question which in my judgment does not need any discussion more than a statement of the case, so that the members of the House may understand what its purport is. This is a Senate bill——

Mr. HOLMAN. Do I understand that the gentleman proposes simply to state the case himself and then to allow no one to be heard against the bill?

Mr. BRADLEY. That is what I intended to indicate.

Mr. HOLMAN. I trust the House will not allow that to be done. We ought to have some discussion on a bill giving away half a million acres of the public lands.

Mr. BRADLEY. After I have made a statement to the House I will then ascertain what is the desire of the House in regard to debate. As I have stated, Mr. Speaker, it is a Senate bill proposing to extend the time for the completion of the Wisconsin Central Railroad. It is a land-grant road, the grant having been made by act of Congress in 1864. Nearly one-half of the time allowed for the completion of the road by the State of Wisconsin elapsed before arrangements were made on the part of the State and any responsible company that would undertake the building of the road; so that the company was not organized and did not enter upon the building of the road until 1869, leaving but five years of time to do what has been done up to the the present time. From the figures that have been submitted to the committee we ascertained that the road is over half completed and in operation; that arrangements have been made and expenses incurred looking to the completion of the balance in a very short period of time. All the company ask in this bill is an extension of time of two years and a half. I will state to the House that before the grant of the lands or the franchises of the company were in any manner incumbered, $1,800,000 of subscribed funds on the part of the company were expended. Since that time four millions of money have been expended in the construction of the road. The company have stated to the committee, and have shown to their satisfaction, that up to the present time they have been acting in good faith, putting forth their best efforts to build the road; knowing, however, early during the past season, that it would be impossible to build it without an extension of time, still they went to work upon it in good faith, believing that a regard to the terms of the contract and good faith on the part of the Government would induce Congress to extend the time as asked in this bill.

Now, Mr. Speaker, I will state to the House that the only question revived in this bill at the present time is this: will the House extend the time for the completion of a land-grant railroad under any circumstances? The merits of the case are beyond question. There is no question about the good faith of the company that it will complete this road in the very best manner within the two years and a half of time asked. Under these circumstances, will this House pass this Senate bill and extend the time two years and a half?

The committee have submitted a report with this bill which explains the whole situation. It is indorsed by a memorial of the Legislature of Wisconsin, asking Congress to extend the time. If any gentleman desires to have it read I will send it to the Clerk's desk for that purpose. I do not care myself to have it read, unless there is some gentleman who desires it.

Believing there is no question about this except the one stated, and that it is useless to take up the time of the House in its discussion, I move the previous question.

Mr. RANDALL. I submit that that is not good faith. This House voted to consider this bill, and now for the gentleman having charge of it to call the previous question, so that we who stand here opposed to this land grant shall not be heard, is not in good faith.

Mr. ELDREDGE. I suppose the gentleman from Pennsylvania [Mr. RANDALL] will not claim that he has been deceived in the matter.

Mr. RANDALL. No, sir; for I have examined the question thoroughly. I desire to submit a letter from Mr. Drummond, Commissioner of the General Land Office, which will show that this is a land grant, and that those who vote for it must face that question directly.

Mr. BRADLEY. I yield to the gentleman from Pennsylvania ten minutes.

Mr. HOLMAN. I insist that, as a matter of common fairness, time for discussion should be allowed.

Mr. HAZELTON, of Wisconsin. We propose to divide the time with the other side.

Mr. SPEER. I have given some attention to what is sought here, and I hope the friends of the measure, those who have it in charge, will not deny to the House a reasonable opportunity to discuss it.

Mr. BRADLEY. I have offered the gentleman from Pennsylvania ten minutes.

Mr. RANDALL. I desire to precede what I have to say by submitting a letter from the Commissioner of the General Land Office; and while it is being read I ask the House to give it its careful attention.

The Clerk reads as follows:

DEPARTMENT OF THE INTERIOR, GENERAL LAND OFFICE,
Washington, D. C., April 3, 1874.

SIR: In reply to your letter of the 30th ultimo, requesting to be informed as to the number of acres granted, patented, &c., to the State of Wisconsin for the benefit of the Wisconsin Central Railroad, I have the honor to state the following:

		Acres.
The whole area of the grant under the act of May 5, 1864, is estimated to be		1,800,000
From which deduct the lands sold and otherwise appropriated prior to the date of the grant estimated as		1,050,000
Leaving as inuring under said grant		750,000
Patent No. 1 was issued to the company April 28, 1873, covering	33,708.12	
Lists of selections have been filed, embracing in the aggregate	373,408.88	
		407,117
Leaving		342,883

that the State and company would receive under an extension of the time as proposed by Senate bill No. 512.

Very respectfully,

WILLIS DRUMMOND,
Commissioner.

Hon. S. J. RANDALL,
House of Representatives.

Mr. RANDALL. Mr. Speaker, it will be observed that the bill making this land grant originally passed the Congress of the United States May 5, 1864, and that the grant, by the limitation of ten years, will expire in less than thirty days from this time. Now, sir, according to the opinion of the Commissioner of the General Land Office, which has been read, the amount of land actually donated—yes, freshly donated under this act of extension, as it is termed—is 342,000 acres of land. I am unable to say what this passage in the Commissioner's letter means: "Lists of selections have been filed, embracing in the aggregate," &c.; but I judge from it that patents have not been issued for 373,000 acres in addition; so that of patented and unpatented lands this bill actually hands over to this company 716,000 acres.

Mr. DUNNELL. I would like to ask the gentleman from Pennsylvania a question.

Mr. RANDALL. Certainly.

Mr. DUNNELL. It is whether he would have the Government seize that vast quantity of lands after these men have earned it under the original act?

Mr. RANDALL. No, sir; but I would have the Government, whenever it makes a gift to a corporation, compel that corporation to live up to the terms of the grant and keep within the restriction of ten years provided for by law.

Mr. DUNNELL. The company has lived up to it.

Mr. RANDALL. I find that the date when the first lands were patented under that law was April 28, 1873, so that during a period of nine years that land was excluded from homestead and pre-emption settlement. I think, for one, that the company in receiving the enormous grant which they have already received obtained enough from the General Government.

Mr. BRADLEY. Will the gentleman allow me a moment?

Mr. RANDALL. Certainly.

Mr. BRADLEY. The lands granted were not withdrawn from settlement and sale until November, 1869, only five years ago.

Mr. RANDALL. I stand corrected on that point.

Mr. ELDREDGE. And let me say further that more than one million acres of the original grant were selected and occupied by settlers.

Mr. RANDALL. That is to say, they were lands sold or otherwise appropriated by act of Congress to other roads.

Mr. SAWYER. No, no.

Mr. E. R. HOAR. I desire to ask the gentleman if he calls the State of Wisconsin a corporation?

Mr. RANDALL. No, sir.

Mr. E. R. HOAR. This was a grant, as I understand it, to the State of Wisconsin.

Mr. RANDALL. For the benefit of certain corporations.

Mr. E. R. HOAR. The State asks an extension of time, having employed a corporation to use the grant for the benefit of the inhabitants of the State.

Mr. RANDALL. The land was originally given to the State of Wisconsin for the purposes of certain corporations, if I recollect aright, and the State has in obedience to that law given this number of acres to this railroad company. The State of Wisconsin, as I said before, will have no claim whatever to these lands within thirty days from now, to wit, on the 5th of May.

Mr. DUNNELL. I would ask the gentleman whether he has read the memorial of the democratic Legislature of Wisconsin?

Mr. RANDALL. I have read everything in the report that comes from the committee with this bill. I have read and carefully considered every line of it, and I have been more pressed to vote for this bill than for any bill I have ever known in this Congress since I have been here; but I feel it my duty, consistently with my past course, and with the unanimous judgment of all the people of the land, to insist that we shall stop just here and cease giving the public lands away.

Mr. SAWYER. This is not giving lands away.

Mr. DUNNELL. Has the gentleman from Pennsylvania ever seen a juster or a better case than this?

Mr. RANDALL. I have never seen a land-grant case in the world that was clear to my mind, if that is what you mean.

Mr. DUNNELL. I do not mean that.

Mr. RANDALL. Mr. Speaker, it is time, in my judgment, for this House to halt in giving away the public domain, and I think that this is a fair opportunity, and I believe that it is the first that this House has had, to declare its policy in connection with land grants.

Mr. BRADLEY. The letter from the Commissioner of the General Land-Office, which was read at the Clerk's desk, states the amount of the land appropriated nearly correctly. I find from an executive document filed in the last Congress that the amount of land to which the grant would apply was over two million acres; that owing to the delay in the organization of this company the lands were all entered and taken up except about seven hundred and fifty thousand acres; so that this railroad company engaged to build over four hundred miles of road for a land grant of only seven hundred and fifty thousand acres. They have to-day completed one-half of it, and have incurred large expense toward the completion of the road, and they now ask an extension of time for only two years and a half.

I believe that the House now understands this question well enough. It is simply, will you extend the time under any circumstances in a most favorable and meritorious case? I now call the previous question.

The SPEAKER. The gentlemen from Michigan, Mr. BRADLEY, and the gentleman from Indiana, Mr. HOLMAN, will again act as tellers.

Mr. PLATT, of Virginia. Before the previous question is seconded, I would like to ask the gentleman having charge of this bill if he intends to yield any portion of the hour to which he will be entitled?

The SPEAKER. The gentleman will not be entitled to any hour. That is only when a report comes from a committee.

Mr. PLATT, of Virginia. I understood that this came from a committee.

The SPEAKER. Not under a regular call. This is under a suspension of the rules.

Mr. HOLMAN. I trust the gentleman will allow some time to the opponents of this bill.

Mr. BRADLEY. The friends of the bill seem to desire that something further shall be said, and I will yield ten minutes to the gentleman from Indiana, [Mr. HOLMAN.]

Mr. McDILL, of Wisconsin. A single statement before the gentleman proceeds. By the report of the Commissioner of the General Land Office of 1873 it appears officially that the entire amount of land withheld from market for the benefit of this company was seven hundred and fifty thousand acres. The amount which the company would have been entitled to had the grant been filled is the amount stated by the gentleman from Pennsylvania, [Mr. RANDALL.] But the selection was not made by the company until 1869, and the Commissioner, on page 283 of his report, says that the entire amount of land withheld from settlement by this road is only seven hundred and fifty thousand acres.

Mr. RANDALL. That is what is stated in the letter which I had read.

Mr. HOLMAN. Mr. Speaker, the belief has been confidently entertained by the people of this country that this policy of monopolizing the public lands by corporations and withdrawing them from homestead settlement had terminated. Even during the last session of Congress, under the pressure of public opinion, this policy practically ceased, and but a single measure was successful. A bill extending a grant made before that time was generally defeated, and such a measure is in fact a new grant. The reason is very obvious. The experience of the country has been that these land grants have been attended not simply by fraud upon the country, but they have drawn upon Congress the most severe calamity that a nation can suffer—the humiliation of the nation in the impeachment of the integrity of its public men, and inflicts a permanent injury upon the country in the monopoly of the public lands, to the permanent injury of the great body of our people, and the equally unjust building up vast fortunes at the public expense.

When Congress entered upon this policy in 1862 of direct grants to corporations every one knew that there was danger of the ultimate result; that credits mobilier were in the nature of things inevitable in connection with these grants. It was hoped in the last Congress that this policy had terminated forever; that the monopoly of the public lands had ceased; and that what remained of our public lands, and what might remain after the grants already made had expired, would go to the benefit of the people under the provisions of the homestead law.

This bill is more objectionable in all its features than any grant of the kind sought to be renewed for many years. This grant is subject to no limitation whatever, and in this renewal no limitation is imposed. This company is not bound to sell these lands to actual settlers and in limited quantities, as in the case of all other grants which have been renewed of late years. There is no limitation to the price of the land. The terms of the act of 1864, passed in the midst of public danger and when public men found it impossible to give careful attention to legislation, make no limitation either on the price or quantity to be sold to each purchaser or any provision for actual settlers. If this bill is carried through to-day—and I always fear when I see a powerful lobby in our halls such as has gathered around this bill—that right or wrong the passage of the measure is inevitable. If this bill shall pass to-day, it will simply give to these gentlemen of Boston—not citizens of Wisconsin, but a body of adventurous speculators from the city of Boston, with a few from New York—a monopoly of these public lands to the extent of three hundred and seventy-three thousand acres, land worth at this time, I am informed, four or five dollars an acre.

Mr. SAWYER. What will it be worth if this road is not built? This company has built two hundred miles of road, one hundred and forty miles in a dense wilderness. They commenced building at both ends of the road and have built to within fifty miles. If they cannot connect those ends of that road, what will this land be worth? It will be entirely worthless.

Mr. HOLMAN. This grant is on the verge of expiring; and this bill makes a new grant of the lands, at least to the extent of three hundred and seventy-three thousand acres. The Boston gentlemen have been upon us for two months pressing this measure. It is not a Wisconsin measure at all.

Mr. SAWYER. If it is not a Wisconsin measure I would like to know what could be a Wisconsin measure. Every foot of this road is in our State, and it is impossible for this company to raise the money to connect the ends of this road unless the Government acts in good faith, and renews this grant, as I believe it ought to and will do.

Mr. HOLMAN. Has my friend looked over this list of gentlemen from Boston and New York, who ask you to give them three hundred and seventy-three thousand acres of land? They are of course wealthy and respectable gentlemen. You do not give special privileges and subsidies to others than influential gentlemen. This is the list:

Gardner Colby, Boston, Massachusetts; R. G. Hazard, Peace Dale, Rhode Island; Moses Taylor, New York; Samuel H. Walley, Boston, Massachusetts; J. Wiley Edmands, Boston, Massachusetts; J. Warren Merrill, Cambridge, Massachusetts; Brewster, Sweet & Co., Boston, Massachusetts; E. F. Waters, Newton, Massachusetts; Albert Vinal, Boston, Massachusetts; R. C. Mackay, Boston, Massachusetts; Edwin H. Abbot, Cambridge, Massachusetts; C. D. Wood, New York; Ferdinand A. Crocker, New York; John C. Phillips, New York; J. Q. Preble, New York; Barney & Smith Manufacturing Company, Dayton, Ohio, by Preserved Smith, vice-president; Charles A. Gregory, Chicago, Illinois; Horatio Lyon, Monson, Massachusetts; Henry Ingalls, Wiscasset, Maine; J. W. Converse, Boston, Massachusetts; Leonard A. Jones, Boston, Massachusetts; D. Waldo Lincoln, Worcester, Massachusetts; Eff'm. H. Nichols, New York; Hilton, Weston & Co., Boston, Massachusetts; Charles W. Lord, Boston, Massachusetts; E. B. Phillips, Chicago, Illinois; Martin P. Stetson, Abington, Massachusetts; Page, Richardson & Co., Boston, Massachusetts; Frank W. Andrews, Boston, Massachusetts; George Howes, San Francisco, California; William T. Glidden, Nahant, Massachusetts; Edward D. Mandell, New Bedford, Massachusetts; Charles R. Tucker & Co., New Bedford, Massachusetts; Samuel Gould, Boston, Massachusetts; A. I. Benyon, Boston Massachusetts; George C. Lord, Boston, Massachusetts; Lee, Higginson & Co., Boston, Massachusetts; Alvin Adams, Boston Massachusetts; P. K. Randall Boston, Massachusetts; S. G. Rogers, Boston, Massachusetts; William Mackay, New York, by George H. Mackay; John A. Stewart, New York; George W. Simpson,

118 Wall street, New York; H. D. Brookman, New York; A. B. Capwell, New York; R. P. Buck, New York; E. E. Barney, Dayton, Ohio; John Davis Washburn, Worcester, Massachusetts; Benjamin Sewall, Newton, Massachusetts; William W. Crapo, New Bedford, Massachusetts; Charles C. Burr, Newton, Massachusetts; Mark Healey, Boston, Massachusetts; Richard Stone, jr., Boston, Massachusetts; Cambria Iron Company, Philadelphia, Pennsylvania, by E. Y. Townsend, president; George Lawton, Boston, Massachusetts; George Reed, Milwaukee, Wisconsin; J. K. Baker, Dennisport, Massachusetts; Royal E. Robbins, Boston, Massachusetts; Charles E. Ranlett, Newton, Massachusetts; Charles Deane, Cambridge, Massachusetts.

Mr. SAWYER. The Legislature of the State of Wisconsin, which is democratic at this time, asks unanimously for the renewal of this grant.

Mr. HOLMAN. We have heard all that before.

Mr. SAWYER. It is true.

Mr. HOLMAN. When gentlemen remember the power of the lobby here on our own legislation—even over so reputable a body as Congress—when I see the power of the lobby here, I do not doubt its power in Wisconsin or elsewhere.

I have submitted, for the benefit of the country, the names of the wealthy citizens of Boston and New York to whom these three hundred and seventy-three thousand acres of land are to be given and monopolized beyond the reach of laboring men. That these lands are valuable for homesteads, and would be taken up as homesteads, unless the curse of monopoly rests upon them, is shown by the fact that a million acres of the lands were taken for settlement, for it was not until these lands had risen in value to three or four dollars an acre by the industry of the whole country, by the labors of the pioneers who settled around them—it was not till then that these enterprising gentlemen of Boston and New York took hold of the enterprise and proposed to complete the road.

Now, sir, if the Representatives of Wisconsin, for the benefit of their own local interests, were asking the extension of this grant, there might be some apology for it; but the idea of allowing these lands to be used for purposes of mere speculation by direct monopoly should be condemned. Where are the friends of the homestead law? I would even regard this measure as better if the price of the land were limited to $2.50 an acre, and the company were required to sell it to actual settlers in quarter-sections at that price. During the last Congress the Atchison, Topeka and Santa Fé road, coming here under the unfortunate shadow of the Credit Mobilier affair, offered to limit the price of their lands to $2.50 per acre and to sell to actual settlers only, in quarter-sections; but even under those conditions you refused to grant an extension of time. The Credit Mobilier was fresh in the memory, and the measure failed. But here you are proposing to monopolize this land in the hands of a few wealthy gentlemen, to leave the settlers without any protection whatever, and curse the country by large landed estates. Although it is hoping against hope, I trust the House will here and now and forever put an end to this fatal policy.

Mr. BRADLEY. In answer to the remark of the gentleman from Indiana [Mr. HOLMAN] that this is not a measure in the interest of Wisconsin, I desire to say that the Legislature of that State has sent to Congress a memorial asking that this extension be made. I now yield for ten minutes to the gentleman from Pennsylvania, [Mr. TOWNSEND,] the chairman of the Committee on the Public Lands.

Mr. TOWNSEND. The gentleman from Indiana [Mr. HOLMAN] inquires "where are the friends of the homestead principle to-day?" I do not recognize in him one of them, for he is endeavoring to-day to take away from the homestead settlers along fifty miles of the line of this road the opportunity to make their lands available. This line of fifty miles has been located and work is now progressing upon it. Settlers have gone in there, and unless this grant of land be given so that the company may be enabled to fill out that gap of fifty miles, the homestead settlers will have no means of transporting their produce to a market, and the gentleman from Indiana will have proved himself their worst enemy.

What has been the policy of the Congress of the United States with regard to the public lands during the last three Congresses? In the Forty-first Congress we made land grants. The voice of the people came up to us against them; and in the Forty-second Congress we granted no additional lands to railroads; but in that Congress, wherever a company came to us showing that it had in good faith endeavored to comply with the law, we extended the time, so far as I now remember, in every case, with the single exception of one railroad.

This company comes here to-day and tells us that it has paid down through its stockholders, $1,800,000 toward the completion of the road; that it has invested in this work $4,000,000 additional in the shape of proceeds of bonds and other obligations, making in all almost $6,000,000 already invested in this road. By reason of the unfortunate state of pecuniary affairs during the last year, the men engaged in making this road have been unable to comply with their contract. Because of the financial condition of the country, they have been unable to carry out what they promised to perform; but in this matter they are no more unfortunate than the Government of the United States, in whose behalf my colleague [Mr. RANDALL] and the gentleman from Indiana [Mr. HOLMAN] speak; because the Government solemnly promised to pay $400,000,000 in gold coin, not one cent of which has been redeemed. The champions of the Government who ask for equity here should first do equity. While the Government of the United States is itself a defaulter because of the unfortunate state of pecuniary affairs during the last year, to which I have alluded, surely the Representatives of the Government here to-day will have a little forbearance toward this railroad, which has done all that could be done under the circumstances toward its completion. All that the company asks is an extension of time. Fifty miles of the road have been surveyed, and have been partly graded; and with the aid of this land grant the company can go into the market and borrow enough money to complete those fifty miles of road which are yet unfinished; and with that fifty miles of road completed they will have a market—they will have a connection between Lake Michigan and Lake Superior.

It will be not only an advantage to everybody along the road, but it will be of national advantage. This road runs through the heaviest timbered land of that State. It will bring the timber not only to the people of Wisconsin and to the people of Illinois, but to the people the gentleman from Indiana represents, and it will give them far cheaper timber than they can get now. I say it is not of local nor of sectional interest, but it is of national advantage; and I trust the Representatives of the people here, knowing the fact that these men have expended $6,000,000, that they have done their utmost, and that had it not been for the unfortunate financial crisis of September last they would have been in a fair way of completing the road in time—I say, in consideration of all these facts, I think it would not only be right and expedient, but simple justice, that we should extend this grant two years and a half to enable them to complete the road according to the conditions imposed by the law.

Mr. BRADLEY. I now yield to my colleague on the committee from Texas, [Mr. HERNDON.]

Mr. HERNDON. Mr. Speaker, this grant was made on the 5th day of May, 1864, to expire by its own limitation in ten years. The grant was made to the State of Wisconsin for certain railroads within that State. The State of Wisconsin, subsequent to the making of this grant, made sundry changes by chartering other roads and authorizing the consolidation of certain roads to which this grant was to inure. That action of the State of Wisconsin in regard to these roads was subsequently, in 1866, by joint resolution of Congress, recognized and approved. Up to this time not one mile of the road had been built nor had one acre of land been received. Under this joint resolution and under the authority of the original grant the State of Wisconsin made further legislation by which it authorized the further consolidation of certain roads which were to receive the benefits of this grant. On the 14th of June, 1869, these several roads, under the authority of that legislation, did consolidate and make one road. On the 5th day of November, 1869, these lands, for the first time, were withdrawn from market, and were withdrawn in order that these roads which were consolidated should receive the benefits of the grant. Thus, from the 5th day of May, 1864, to the 5th day of November, 1869, these lands had remained in the market and were taken up for homesteads or by other railroads which passed through that section. Virtually there was a period of five years of the limitation of ten years which Congress had recognized and the State of Wisconsin had recognized, and during all that time these railroads, which had been consolidated, had not received one acre nor had one mile of road been built.

Mr. HOLMAN. Were not these Boston men waiting until the lands had become more valuable, because of the industry of the settlers who had taken up homesteads?

Mr. HERNDON. I think not; I think they had nothing to do with it whatever. It was because of the legislation of Wisconsin and of the legislation of the Congress of the United States. When the grant was originally made for the four hundred and two miles of road the State of Wisconsin under that grant would have received two million two hundred thousand acres of land, but because of this legislation, and consequently because of the fact that the lands were not withdrawn from market until the 5th of November, 1869, a period of five years after the grant was made, a large portion of these lands were taken up by homesteads and in other ways.

Now these consolidated companies commenced their work in 1869, and on the 5th of November, as I have already stated, these lands were withdrawn from market. A period of only five years has elapsed since that period, and yet these consolidated companies have built two hundred miles of this road and built it in the most thorough manner. Thus they have actually had only five years, as recognized by the Congress of the United States and by the State of Wisconsin, in which to carry on this work, and they have already built one-half of the work in the most acceptable manner. Because they did not begin the work earlier than the 5th of November they will not be able to secure the whole of the two million two hundred thousand acres of land. They will hardly receive seven hundred and fifty thousand acres under this grant; and if we accord them this extension which they ask, until the 1st of December, 1876, still they will have but seven years in which to complete this work from the time they commenced, and which time was recognized both by the State of Wisconsin and by the Congress of the United States. Therefore, Mr. Speaker, it seems to me no stronger case in equity can be presented than the claim on the part of these consolidated roads.

As to what the gentleman from Indiana [Mr. HOLMAN] says about

certain men of Boston, I know not and care not. I do not know any of these men, and I believe they have not had any influence upon the Committee on the Public Lands. As far as I understand, the Committee on the Public Lands were unanimous in their conclusion that this extension of time ought to be made, and with a distinct understanding, too, that it was no new land grant but that it was the most equitable case that could be put.

[Here the hammer fell]

Mr. CLYMER. Will my colleague on the committee, the gentleman from Michigan, [Mr. BRADLEY,] yield to me one moment?

Mr. BRADLEY. I yield to the gentleman.

Mr. CLYMER. I beg leave to say in justice to myself, after what has fallen from my colleague on the committee, the gentleman from Texas, [Mr. HERNDON,] that he is in error in saying that the committee was unanimous. I think that it was admitted by all that if the time of any land grants should be extended, this case presented equities entitling it to such action. Therefore a large majority of the committee recommended the passage of a bill similar in nature to the Senate bill now under consideration. But, sir, speaking for myself, and I believe I speak for another member of the committee, [Mr. HEREFORD,] we reserved our right to vote against the bill on the ground that we were hostile to the original system of granting lands for railroad purposes, and we believed it to be the true policy of the Government, and in accordance with the general and almost unanimous will of the people, that the first and every opportunity should be embraced by Congress to bring to an end a system which has been so justly condemned.

Mr. BRADLEY. I now yield to the gentleman from Wisconsin [Mr. ELDREDGE] five minutes.

Mr. ELDREDGE. I do not know that I need five minutes to say what I desire to say, and I will try not to repeat anything that has been said.

The gentleman from Indiana [Mr. HOLMAN] has taken back most of the remarks he made when he was shouting at the top of his voice that this was a grant of millions of acres. All that will be taken by the company, if this land grant is extended, will be three hundred and seventy-one thousand acres.

Now, what does the State of Wisconsin ask? For I say this is a request from the State of Wisconsin rather than from the company. What is the request? It is that, after having spent on the railroad $6,000,000, and having been embarrassed by unforeseen and untoward circumstances, so as to be unable to complete the road within the time limited by act of Congress, they shall have that time extended. The trouble with England, the great Chicago fire, the Boston fire, and, finally, the panic, all conspired to prevent the company from completing the road within the time fixed by act of Congress.

What is asked here by the State of Wisconsin and by this company is nothing more than might be asked by an individual in any court of equity in the land. It is a case which would entitle any individual or party to relief in any court of equity where equity is administered. It is simply a question of time—time which is never considered of the essence of a contract, unless it is so expressly stipulated in the bond or the contract. I say it is simply a question of time, which is not of the essentials of this contract between the United States and the State of Wisconsin—time which was not much considered, which was not a thing the United States had much in view, in limiting the time to ten years.

What was essential was good faith, was the building of the road, was the accomplishment of the purpose that was sought, and that alone. And has not the company exhibited good faith? Have they not done all that could be expected of them? And have they not made a case that would entitle them to relief in any court in this land?

This is all I have to say in regard to it. An application is made here which addresses itself to the justice and the equity of every member upon this floor. The case has an equity so strong and so great that no court of equity would refuse to grant that relief which is asked here from this Congress.

Mr. BRADLEY. I will now yield a few minutes to the gentleman from Wisconsin, [Mr. WILLIAMS,] and after he has addressed the House I will call the previous question.

Mr. WILLIAMS, of Wisconsin. Mr. Speaker, I do not yield, nor do I think the people of the great West yield, to the gentleman from Indiana, [Mr. HOLMAN,] or the gentleman from Pennsylvania, [Mr. RANDALL,] in their opposition to despoiling the General Government of its lands and conferring them unworthily on great corporations, whether railroad or otherwise.

It is nevertheless true that, when Government exercises any of its functions to confer a grant or privilege which in turn is corruptly and wickedly abused, there is always a disposition to fly to the opposite extreme, and abandon the use of the function rather than attempt to correct the abuse. Such disposition has manifested itself more than once during the present session of this Congress. We have not only passed through a financial panic, but we are legislating to some extent in a political panic. This was natural, was inevitable, from the condition of things; but, Mr. Speaker, it will not always be so. The time is coming, and I trust speedily, when all abuses of power or privilege conferred by the Government, no matter by whom or where committed, can be dealt with candidly yet fearlessly, and disposed of according to the immutable laws of justice and the eternal principles of truth.

But I cannot dwell upon generalities in a ten-minute speech. Now, sir, what is the plain justice of this case, and what are the facts as presented by the memorial of our Legislature and fortified by the report of the Committee on the Public Lands of this House? On the 5th of May, 1864, Congress granted, by an act duly approved, two million two hundred thousand acres of land for the construction of railroads in the State of Wisconsin. The general route was defined. The grant, having ten years to run, expires on the 5th day of May next. In 1866 the Legislature of Wisconsin chartered the Winnebago and Superior Railroad Company and the Portage and Superior Railroad Company, and conferred the benefit of this grant on the latter company.

Now, standing at Stevens Point, formerly the entrepot for the supplies of the pineries in Northern Wisconsin, and looking eastward to Lake Michigan, you find Lake Winnebago, a beautiful inland sheet of water, intervening about half-way.

Starting from Menasha, the initial point of the Winnebago road, at the northern end of this lake, and going about sixty-four miles westward, you come to Stevens Point. Now, looking southward toward Chicago, you find Portage City about seventy-two miles away. This is the initial point of the Portage line chartered by the Legislature in 1866, which thereby received this grant These two lines converge at Stevens Point and pass thence in a northwesterly direction through the dense forests of Northern Wisconsin to Ashland, on Lake Superior, one hundred and seventy miles away. On the 21st of June, 1866, Congress by joint resolution ratified this action of the State Legislature, and relocated the route. On the 21st of May, 1869, the Legislature of Wisconsin consolidated these two lines under the name of the Wisconsin Central Railroad Company, and authorized it to build the road to Ashland and Superior City, on Lake Superior.

Now, what did this company do? It entered upon the work early in the spring of 1869. It has completed two hundred miles of the road in four years. How did it do it? Did it follow in the track of land-grant roads generally? No, sir. It had not forgotten all the old maxims of honesty, though engaged in building a railroad. Before one shovelful of earth was moved these stockholders and capitalists of Boston put in $1,800,000 in hard cash as the capital stock of that company. Then by the issue and negotiations of bonds they raised more money, and have expended upon this line about $6,000,000 in all, and we have now two hundred and two miles of the road constructed.

Against what external obstacles did they contend? The report tells you. They negotiated in London a loan of $8,000,000. The Alabama troubles came; the papers were to be signed on a certain day; on that very day an editorial appeared in the London Times dwelling upon the disturbed relations between the United States and England, and that day the negotiation was broken off and canceled. They then negotiated a loan of $6,000,000 in Germany; $1,000,000 of it had actually been paid, but owing again to these same troubles, that negotiation was canceled, the loan being optional. Yet against all odds they pushed forward their work until they were struck by the Chicago fire, which burned their western office, and spread consternation and dismay over the whole Northwest, and stayed almost every business enterprise. Still this company pushed on into the wilderness until they were struck by the Boston fire, which affected vitally and deeply those business men and capitalists, for Boston was their home. By these two fires a gold loan of $1,000,000 in Germany and $2,000,000 in London were both defeated. Still they went on with their work. This, sir, is what I call old-time business pluck and honesty. Finally the panic of last year, like a financial simoom, struck them as it did the country and swept all before it. Then they were *compelled* to suspend work. These are the external obstacles which they had to encounter. What were the internal ones?

Mr. G. F. HOAR. I desire to ask the gentleman a question right at that point. I want to ask him as a lawyer whether, if this were a contract between two private parties on precisely the same terms, a court of equity would not relieve the party which failed to complete the railroad?

Mr. WILLIAMS, of Wisconsin. Mr. Speaker, I know that question is put in the spirit of kindness, and I judge it must come from a friend of the bill. I can but regret that the eminent gentleman from Massachusetts [Mr. G. F. HOAR] did not occupy the floor for the purpose of answering his own question, for I feel sure that, with his ripe learning and fine judicial mind, he could tell us in fitter and far more forcible language than I can that no court under Heaven pretending to the common sentiments of justice or equity would ever think of allowing to be pleaded such a miserable pretense for estoppel as this short lapse of time caused by the misfortunes of this company.

But to return. What are the internal obstacles with which they have had to contend? Sir, go over this line west from Stevens Point, as I have done, see it as it pierces the wilderness for one hundred and seventeen miles through a forest so dense that the light at the end of the avenue seems almost like the light at the end of a great tunnel through a mountain. Here are trees two, three, and four feet in diameter, pine, oak, ash, hickory, beech, and maple, standing on one of the most arable soils in the world, and a district of country capable of being one of the richest sections in our State or in any other; but imagine the grubbing, grading, and excavating required through such a section as this. Have they built their road with what a manager of a rolling-mill once told me was "land-grant iron?" I asked him what that was. He replied that it was "anything that would reach."

No, sir; instead of using that they have put in iron that weighs fifty-seven pounds to the yard—fifty or fifty-two pounds being all that necessity required.

What kind of bridges have they built? When the line reached White River they might easily have cut down the pine, oak, and hemlock, brought in their portable mills, cut out their dimension-timbers, piked them into the form of a trellis, bolted them together, and sent their cars whirling over that. What if the timbers were green and unseasoned, did any construction company in the United States, especially in the West, ever pause on that account? But what did they do? Sir, they put up one of the most magnificent and durable iron bridges, I venture to say, on this continent, set in solid masonry, sixteen hundred feet in span, and ninety feet above the river. Go to the next considerable stream and there you find another iron bridge. All along the road you find Tyler's patent switches, over which the fastest lightning-express train can pass free of danger. My ten minutes only give me time to add that go along this road and you will find twenty-eight hundred and twelve ties to the mile when only twenty-six hundred are required; the road-bed is nine feet in width, when only seven feet were required. The road is finely ballasted throughout; a thing unusual on a new line.

And what does all this mean? Figure it up and you will find that they might have saved $20,000 on the ties. They bought American iron when they might have purchased English iron far cheaper. They did it because American iron was the best, and they wanted the best. They might have saved $400,000 on that single item. They might have saved $350,000 in grading and ballasting this road; for, as I have said, it is ballasted the whole length, which, as I understand, is not required under the grant. They might have saved on other items in the prosecution of this work nearly half a million dollars and still secured the grant.

Look at the other troubles they had to encounter. If they could keep their supply depot at the end of the line all they had to do was to run out over the road the materials for supplies and construction. They could extend the graveling five miles in advance and construct their road with economy. But, sir, they had but four years to do it all. What did they do? Go out into that country to-day and you will see where they took a circuit of twenty or thirty or even fifty miles around to the then settlements away from the road. Here they cut through the forests for fifty or a hundred miles, corduroyed the marshes, sent in their supplies on pack-mules, and finally in small loads on wagons, and in that way by great perseverance they got their supplies in for the construction of this road.

They have prosecuted the work until the road has reached one of the richest deposits of iron ore on the continent; iron which in its tensile qualities is far superior to any other in this country or England. This road, stretching through the interior of the State, and on to Milwaukee and Chicago, will bring out these ores, which are used in the rolling-mills of these two cities, at Cleveland, and, I understand, in Ohio and Pennsylvania. They have but fifty miles more to build to complete one through line to Milwaukee; and then, with the road built to Portage City, another great trunk line will run almost continuous to Chicago on the left and Saint Louis on the right, thus opening up an avenue to these great rival cities right from the forests and mines of Northern Wisconsin and Lake Superior. I have omitted to say, in answer to the gentleman from Pennsylvania, [Mr. RANDALL,] that these lands were covered by agricultural scrip, and subject to selection and purchase until November, 1869, and this company can now get no more than seven hundred thousand acres, one-third of the original amount.

[Here the hammer fell.]

Mr. WILLIAMS, of Wisconsin. I ask for but five minutes more.

The SPEAKER. If there is no objection the gentleman will proceed.

There was no objection.

Mr. WILLIAMS, of Wisconsin. When this company found these obstacles standing in their path did they stop pay? Were there any soldiers ranged along the line with bayonets to keep laboring men quiet when they clamored for the pay which they had earned by their sweat and toil, as there was in Pennsylvania the other day; and which, whatever the necessity, may well cause legislators and statesmen to pause and ponder? No, sir; these men were paid promptly and faithfully, and when the panic struck them last year, and there was no longer any hope, I understand that some of these capitalists mortgaged their own private fortunes, and brought fifteen hundred men out of the woods, paid them their wages, and sent them to their homes in the large cities, or out on the prairies, many of them with their families to suffer want. The snow fell and covered the track and graded lines, the forest was silent, and railroad building in Northern Wisconsin ceased for the winter.

Now will this House set its seal of condemnation upon such conduct as this, upon such honorable dealing, such maxims of business honesty, which we are all trying to bring railroad-men back to? Will we condemn it now because somebody heretofore has cheated the Government? Sir, my ancestry were from New England; and while I remember it with veneration, and while I respect the refinement, the culture, the thrift, and the genius of that section, I confess there is a little of the "finer-clay" feeling pertaining to Boston and its surroundings which I do not positively long for; yet I do respect the clean, pure blood of Boston and New England. True, Mr. Speaker, I do sometimes almost wish that they had just a little more of the geniality of the West injected into their veins. I believe when they became used to it they would be all the more comfortable for it, and I know it would not hurt them. But there is something which the generous West needs quite as much, and that is the careful economy, the substantial thrift, and the faithful performance of the Yankee of the East. They have come to us in our forests, and by the investment of their energy, labor, and capital there they have undertaken to give us what we so much need for our example, prosperity, and advancement. Will this House now rebuke them for it? I hope, in the name of reason and common justice, it will do no such thing, but will pass this bill.

Mr. BRADLEY. I ask that the report of the committee, containing the information upon which they formed their conclusions, be printed at length in the RECORD.

No objection was made, and it was ordered accordingly.

The report is as follows:

The Committee on the Public Lands, having had under consideration the bill (S. No. 512) to extend the time for constructing the Wisconsin Central Railroad, in Wisconsin, beg leave to make the following report:

In 1864 Congress granted lands to aid in building certain railroads in Wisconsin, by act approved May 5, 1864; said grant was ten sections on each side of said railroads, and to expire in ten years on May 5, 1874. (Statutes at Large No. 33, pages 66, 67, 68.)

By a joint resolution approved June 21, 1866, Congress amended the original act respecting the route over which the roads were to be constructed, and recognized the action of the Legislature of the State of Wisconsin in conferring a portion of said grant on the Portage and Superior Railroad Company. (Statutes at Large No. 14, pages 360, 361.)

Wisconsin, in 1866, chartered the Winnebago and Superior Railroad Company and the Portage and Superior Railroad Company, and conferred on said roads the benefits of said grants.

These roads were consolidated by said State of Wisconsin, June 14, 1869, as the Wisconsin Central Railroad Company.

The lands granted were not withdrawn from settlement or sale until November, 1869, by reason of inability of the original companies to benefit thereby, and settlements and sales were made of a large portion of the lands, and those also the most valuable.

There will be about seven hundred and fifty thousand acres, all told, which the present company can acquire after building its four hundred and two miles of road, while the grant contemplates twenty-two hundred thousand acres. (Executive Document No. 43 second session Forty-second Congress.)

The Wisconsin Central Railroad entered on their enterprise early in the year 1869. It has constructed and equipped two hundred miles of road. It has been completed in a superior manner, expended $1,800,000 of subscribed funds, and upward of $4,000,000 derived from the sale of or pledge of bonds.

The stockholders, whose petition is herewith attached and made a part of this report, marked A, contemplate furnishing fifty miles of road, which will close up a gap and give them a continuous line to the lake; thence eighty miles to Superior City. They also propose to build the line from Portage City to Stevens Point, seventy-two miles, making the total of four hundred and two miles.

The stockholders, during a period of very great difficulties, have furnished, equipped, and are now operating two hundred miles of railroad from November, 1869, and it is reasonable to think they will complete the two hundred and two miles within the time asked for. The stockholders are gentlemen of known character for wealth and enterprise.

From the facts placed before the committee, we are satisfied that the railroad company have labored hard to complete its road within the time prescribed by the act making the grant; and from the amount of money long since invested in the project, it would appear to have been for the company's interest to complete its lines of road at the earliest period practicable, so that the money invested might be earning something, as well as to avoid the necessity of coming before Congress asking for an extension of time. We see nothing to indicate that the company have been or that it would be their interest to be dilatory, but that the reasons were, as they claim, from great public calamities and beyond their control. They ask for no new grant of lands, but simply for an extension of the time for about two and a half years. The facts show that they have struggled hard and in good faith to complete their road, which will protect the many settlers who with their families have located along its line in the wilderness, with the full expectation and belief that the same would be completed at no distant day, thereby affording them communication with the outside world, and which will materially aid in the development of this part of the country. This extension, if granted, will enable the company to complete its lines of road and thereby fulfill all of its obligations and protect amply those parties who have furnished them money, and are willing to furnish more, depending largely upon the security these lands afford. The case seems to be one full of merits, and calls for special consideration in its favor. The committee are of the opinion that were the case pending between individuals, custom would demand that the time asked for be granted, and a refusal characterized as severe and unfeeling. The Legislature of Wisconsin have memorialized Congress to extend the time, and represent the building of the road to be of great national and State importance, and earnestly prays for a favorable action by Congress. The railroad company claim that by reason of the already enhanced price of the remaining sections of land the United States has or will receive full value for lands this company will receive. The committee beg leave to submit, as a further statement of the case, the memorial of the Legislature of the State of Wisconsin, marked B.

In view of the merits of the case, the committee ask leave to report the bill to the House, and recommend that the same do pass.

Mr. BRADLEY. I now call for the previous question.

Mr. HOLMAN. I rise to a parliamentary inquiry. If the previous question shall not be seconded, will it be in order to move to recommit this bill, with instructions to limit the price and quantity of the lands to be sold to actual settlers?

The SPEAKER. It will.

The previous question was then seconded, upon a division—ayes 102, noes not counted.

Mr. RANDALL. I ask for the yeas and nays on the passage of the bill.

The SPEAKER. The question is upon ordering the main question to be now put.

Mr. HOLMAN. Upon that I ask for the yeas and nays, for I desire to have an opportunity to move to recommit this bill with instructions to the committee to limit the amount to be sold to any one person to one hundred and sixty acres, and to fix the price to be taken by the company for this land.

The yeas and nays were ordered; there being 37 in the affirmative, more than one-fifth of the last vote.

The question was taken; and there were—yeas 133, nays 79, not voting 78; as follows:

YEAS—Messrs. Albert, Albright, Averill, Barber, Barrere, Begole, Bell, Biery, Bradley, Bromberg, Buffinton, Burleigh, Benjamin F. Butler, Roderick R. Butler, Cain, Clayton, Clinton L. Cobb, Stephen A. Cobb, Comingo, Conger, Cook, Corwin, Crounse, Crutchfield, Curtis, Darrall, Davis, Dawes, Dobbins, Donnan, Dunnell, Eames, Eldredge, Elliott, Farwell, Foster, Freeman, Frye, Gooch, Gunckel, Hagans, Eugene Hale, Robert S. Hale, Benjamin W. Harris, Harrison, Hathorn, John B. Hawley, Gerry W. Hazelton, John W. Hazelton, Hendee, Herndon, E. Rockwood Hoar, George F. Hoar, Hodges, Hooper, Houghton, Howe, Hubbell, Hunter, Hunton, Hurlbut, Kelley, Lamison, Lamport, Lawson, Leach, Lowndes, Lynch, McCrary, Alexander S. McDill, McJunkin, Mellish, Moore, Morey, Myers, Nesmith, Niles, O'Neill, Orr, Packard, Packer, Hosea W. Parker, Parsons, Pendleton, Perry, Phelps, Phillips, Pierce, Pike, James H. Platt, jr., Thomas C. Platt, Poland, Purman, Rainey, Ransier, Rapier, Ray, Rice, Richmond, Rusk, Sawyer, Isaac W. Scudder, Sener, Sheats, Sheldon, Sloan, George L. Smith, H. Boardman Smith, William A. Smith, Snyder, Stanard, St. John, Stone, Stowell, Strawbridge, Townsend, Tremain, Vance, Waldron, Wallace, Walls, Jasper D. Ward, Marcus L. Ward, Wheeler, White, Whiteley, Charles W. Willard, George Willard, Charles G. Williams, John M. S. Williams, William Williams, Wilshire, and Woodford—133.

NAYS—Messrs. Adams, Archer, Arthur, Ashe, Atkins, Beck, Berry, Bland, Blount, Bowen, Bright, Brown, Buckner, Burchard, Caldwell, Cannon, Cason, John B. Clark, jr., Clymer, Cox, Crittenden, Crossland, Danford, DeWitt, Durham, Eden, Field, Giddings, Hancock, Henry R. Harris, John T. Harris, Hatcher, Hays, Holman, Hyde, Kasson, Kendall, Knapp, Lamar, Lawrence, Luttrell, Magee, Marshall, James W. McDill, McLean, McNulta, Merriam, Milliken, Mills, Monroe, Neal, Niblack, O'Brien, Orth, Page, Pelham, Randall, Read, Robbins, Ellis H. Roberts, James W. Robinson, Milton Sayler, John G. Schumaker, Sessions, Sherwood, John Q. Smith, Southard, Sprague, Standiford, Swann, Christopher Y. Thomas, Tyner, Wells, Whitthorne, Willie, James Wilson, Wolfe, Wood, and John D. Young—79.

NOT VOTING—Messrs. Banning, Barnum, Barry, Bass, Bundy, Burrows, Cessna, Amos Clark, jr., Freeman Clarke, Clements, Coburn, Cotton, Creamer, Crocker, Crooke, Duell, Fort, Garfield, Glover, Hamilton, Harmer, Havens, Joseph R. Hawley, Hereford, Hersey, Hoskins, Hynes, Jewett, Kellogg, Killinger, Lansing, Lewis, Lofland, Loughridge, Lowe, Martin, Maynard, MacDougall, McKee, Mitchell, Morrison, Negley, Nunn, Isaac C. Parker, Potter, Pratt, William R. Roberts, James C. Robinson, Ross, Henry B. Sayler, Scofield, Henry J. Scudder, Shanks, Lazarus D. Shoemaker, Sloss, Small, Smart, A. Herr Smith, J. Ambler Smith, Speer, Starkweather, Stephens, Storm, Strait, Sypher, Taylor, Charles R. Thomas, Thornburgh, Todd, Waddell, Whitehead, Whitehouse, Wilber, William B. Williams, Ephraim K. Wilson, Jeremiah M. Wilson, Woodworth, and Pierce M. B. Young—78.

So the main question was ordered.

During the roll-call,

Mr. STORM said: On this question I am paired with the gentleman from Maine, Mr. HERSEY, who if here would vote in the affirmative, while I should vote in the negative.

The result of the vote was announced as above stated.

The bill was ordered to a third reading, and accordingly read the third time.

The question being upon the passage of the bill,

Mr. O'BRIEN called for the yeas and nays.

The yeas and nays were not ordered; there being ayes 23, noes not counted.

The bill was passed.

Mr. BRADLEY moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

RECONSIDERATION OF REFERENCES.

Mr. RANDALL moved to reconsider the various votes by which bills, resolutions, &c., were to-day referred or recommitted; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. SYMPSON, one of its clerks, announced that the Senate had passed a bill of the following title, with amendments, in which the concurrence of the House was requested:

A bill (H. R. No. 2186) granting an American registry to the American-built Peruvian steamship Rayo, now rebuilt in the United States and converted into a sailing-vessel.

CONTAGIOUS AND INFECTIOUS DISEASES.

Mr. BROMBERG. I move to suspend the rules so that the Committee of the Whole may be discharged from the further consideration of the bill (H. R. No. 1584) to prevent the importation of contagious or infectious diseases into the United States, and that the bill be brought before the House for consideration at this time.

Mr. PLATT, of Virginia. Will the gentleman yield to me for a moment on a motion to suspend the rules which will take no time?

Mr. BROMBERG. I cannot yield.

Mr. COX. I call for the reading of the bill.

The bill was read, as follows:

Be it enacted, &c., That the Surgeon-General of the Army, the Surgeon-General of the Navy, and the supervising surgeon of marine hospitals of the Treasury Department be, and are hereby, constituted, *ex officio*, a national board of health.

SEC. 2. That said board shall have power to establish and enforce such rules and regulations as it shall deem necessary to prevent the importation into the United States of infectious or contagious diseases.

SEC. 3. That within thirty days after the passage of this act the members of the board shall meet and organize, and shall draw up a system of quarantine regulations, and of regulations to prevent the importation of infectious or contagious diseases into the United States, which shall be approved by the President, and when approved shall have the force and effect of law until modified or repealed by said board, subject to the approval of the President. The same shall be laid before the Congress at its annual meeting.

SEC. 4. That there shall be detailed or assigned by the President, from among the commissioned medical officers of either the Army or the Navy, or from among the surgeons of the marine-hospital service of the Treasury Department, to be selected without regard to rank, but solely with reference to skill and experience in hygiene and sanitary science, one who shall be the secretary to the above national board of health. And said secretary shall, in addition, under the direction of the board, be charged with the execution and enforcement of the regulations of said board, and with the supervision of all matters pertaining to the maintenance and establishment of the system of quarantine prescribed by the board.

SEC. 5. That for the execution of the duties arising out of this act any medical officer of the Army or the Navy, or any surgeon of the marine-hospital service of the Treasury Department, may be detailed or assigned, according to the exigencies of the service, with especial regard to economy and efficiency.

SEC. 6. That no person in the employment of the Government, detailed or assigned to duty under the provisions of this act, shall receive any additional compensation therefor, but shall be allowed the same mileage as is now by law authorized to officers of the Army and Navy whenever traveling under orders in connection with duties arising under the provisions of this act, which shall be paid by the Department or branch of the service to which the person entitled to mileage may belong. The board may, however, employ temporarily citizen clerks for strictly clerical duties.

SEC. 7. That the President of the United States shall issue such instructions to the officers of the various Departments of the Government, not interfering with their peculiar duties, as shall secure to the board of health the aid and co-operation necessary to perfecting and enforcing its sanitary regulations.

SEC. 8. That any person willfully violating the rules and regulations prescribed by the board of health, and approved by the President, shall be deemed guilty of a misdemeanor, and, upon conviction, shall be liable to a penalty not exceeding $500, or to imprisonment for not more than two years, at the discretion of the court.

SEC. 9. That the provisions of this act shall not be so construed as to prevent the establishment and maintenance, by States or municipalities, of health regulations and quarantine measures, in addition to or furtherance of the system prescribed by the national board; and such local system and its appendages shall remain under the control of the respective local authorities; but any local law or regulation interfering with or obstructing the due execution of the national system shall be null and void.

SEC. 10. That the circuit courts of the United States shall have jurisdiction of all cases arising under the provisions of this act.

SEC. 11. That all laws and parts of laws in conflict with the provisions of this act be, and the same are hereby, repealed.

The question being taken on seconding the motion to suspend the rules, there were—ayes 73, noes 36; no quorum voting.

Tellers were ordered; and Mr. BROMBERG and Mr. COX were appointed.

Mr. BROMBERG. I hope the gentleman from New York [Mr. COX] will not insist on his opposition to this bill.

Mr. COX. The gentleman need not ask me to withdraw objection to a bill that makes——

The SPEAKER. The Chair does not appoint tellers for the purpose of debate.

The House divided; and the tellers reported—ayes 115, noes 42.

So the motion to suspend the rules was seconded.

The question recurring on agreeing to the motion,

Mr. COX called for the yeas and nays.

Mr. RANDALL. Mr. Speaker, is it in order to call for the reading of the bill?

The SPEAKER. It has been read.

Mr. RANDALL. I know that; but there has been intervening business. I do not understand the scope of the bill.

The SPEAKER. It would require unanimous consent to have the bill read again.

Several members objected.

The yeas and nays were ordered; there being—ayes 21, noes 87.

The question was taken; and it was decided in the affirmative—yeas 125, nays 77, not voting 88; as follows:

YEAS—Messrs. Albert, Barrere, Bass, Begole, Bell, Bowen, Bradley, Bright, Bromberg, Brown, Buckner, Burleigh, Roderick R. Butler, Cain, Caldwell, Cannon, Cason, John B. Clark, jr., Clayton, Clinton L. Cobb, Stephen A. Cobb, Coburn, Comingo, Conger, Crittenden, Crossland, Crounse, Crutchfield, Danford, Dobbins, Donnan, Dunnell, Durham, Eden, Elliott, Farwell, Fort, Freeman, Frye, Garfield, Giddings, Gunckel, Hagans, Henry R. Harris, Harrison, Hatcher, Hays, Gerry W. Hazelton, John W. Hazelton, Herndon, E. Rockwood Hoar, George F. Hoar, Hodges, Holman, Hooper, Houghton, Howe, Hunton, Hyde, Kasson, Kendall, Lamar, Lawrence, Leach, Lofland, Loughridge, Luttrell, Lynch, Magee, Alexander S. McDill, James W. McDill, McJunkin, McLean, Morey, Niblack, Niles, Nunn, Orth, Packard, Page, Isaac C. Parker, Parsons, Perry, Phillips, Pierce, Pike, James H. Platt, jr., Poland, Purman, Rainey, Rapier, Read, Rice, Richmond, Robbins, James W. Robinson, Rusk, Sawyer, Scofield, Isaac W. Scudder, Sener, Shanks, Sheldon, J. Ambler Smith, John Q. Smith, William A. Smith, Snyder, Sprague, Stanard, Standeford, St. John, Stone, Strawbridge, Christopher Y. Thomas, Vance, Walls, Jasper D. Ward, Wells, Wheeler, Whitthorne, George Willard, John M. S. Williams, Willie, Wilshire, James Wilson, and Woodworth—125.

NAYS—Messrs. Adams, Albright, Archer, Arthur, Ashe, Atkins, Barber, Beck, Berry, Biery, Bland, Blount, Buffinton, Burchard, Clements, Clymer, Cook, Corwin, Cox, Curtis, Davis, Eames, Gooch, Eugene Hale, Hancock, Benjamin W. Harris, John T. Harris, Hathorn, John B. Hawley, Hendee, Hereford, Hunter, Hurlbut, Knapp, Lamison, Lawson, Lowndes, Marshall, Martin, McCrary, McLean, Mellish, Merriam, Milliken, Mills, Monroe, Myers, Neal, O'Brien, O'Neill, Orr, Packer, Hosea W. Parker, Pelham, Pendleton, Phelps, Thomas C. Platt, Ray, Ellis H. Roberts, Milton Sayler, John G. Schumaker, Sessions, Sherwood, Southard, Speer, Storm, Swann, Townsend, Tremain, Waldron, Wallace, Marcus L. Ward, Whitehouse, Charles W. Willard, Wood, Woodford, and John D. Young—77.

NOT VOTING—Messrs. Averill, Banning, Barnum, Barry, Bundy, Burrows, Benjamin F. Butler, Cessna, Amos Clark, jr., Freeman Clarke, Cotton, Creamer, Crocker, Crooke, Darrall, Dawes, DeWitt, Duell, Eldredge, Field, Foster, Glover, Robert S. Hale, Hamilton, Harmer, Havens, Joseph R. Hawley, Hersey, Hoskins, Hubbell, Hynes, Jewett, Kelley, Kellogg, Killinger, Lamport, Lansing, Lewis, Lowe, Maynard, MacDougall, McKee, McNulta, Mitchell, Moore, Morrison, Negley, Nesmith, Potter, Pratt, Randall, Ransier, William R. Roberts, James C. Robinson, Ross, Henry B. Sayler, Henry J. Scudder, Sheats, Lazarus D. Shoemaker, Sloan, Sloss, Small, Smart, A. Herr Smith, George L. Smith, H. Boardman Smith, Starkweather, Stephens, Stowell, Strait, Sypher, Taylor, Charles R. Thomas, Thornburgh, Todd, Tyner, Waddell, White, Whitehead, Whiteley, Wilber, Charles G. Williams, William Williams, William B. Williams, Ephraim K. Wilson, Jeremiah M. Wilson, Wolfe, and Pierce M. B. Young—88.

So the rules were not suspended, (two-thirds not having voted in the affirmative,) and the bill was not taken up for consideration.

FITZHUGH LEE.

Mr. SENER. I move to suspend the rules for the purpose of passing a bill (H. R. No. 2866) relieving the legal and political disabilities of Fitzhugh Lee.

The bill, which was read, provides, two-thirds of the House concurring therein, that the legal and political disabilities imposed by the fourteenth amendment to the Constitution of the United States on Fitzhugh Lee, of Virginia, be, and are thereby, removed.

Mr. MAYNARD. I should like to hear what reason there is for passing bills of this character. We have already passed a general bill, including Fitzhugh Lee with all others, which bill has gone to the Senate.

Mr. SENER. But the Senate seems unwilling to pass that bill. The session is rapidly wearing away, and there surely can be no reason why, after this House by more than a two-thirds vote, at the suggestion of the gentleman from Tennessee, [Mr. MAYNARD,] has decided that all political and legal disabilities should be removed from all parties in the United States who are laboring under them—I say I can see no reason why political and legal disabilities should be allowed to remain upon General Fitzhugh Lee more than upon any other man. He has faithfully complied with all the requirements of the Constitution and laws, and is to day as good and as law-abiding a citizen as there is within the limits of the State of Virginia.

Mr. MAYNARD. I ask the gentleman to recollect what Dr. Franklin was told by his father about saying grace over a barrel of pork. We took that advice at the beginning of the session, and said grace in a lump. It is hardly necessary, therefore, we should now go over the whole work by piecemeal.

Mr. SENER. It appears that the Senate do not want to say grace in a lump, and as they propose to peddle it out, I am therefore compelled to introduce this bill for the relief of General Fitzhugh Lee.

The rules were suspended, (more than two-thirds voting in favor thereof,) and the bill was passed.

FANNIE LEHR.

Mr. PLATT, of Virginia. I move to suspend the rules so that the Committee on Commerce shall be discharged from the further consideration of the bill (H. R. No. 2124) authorizing the changing of the name of the steamer Fannie Lehr, and that it be passed.

The bill was read. It provides that the Secretary of the Treasury be, and he is thereby, authorized and directed to allow the owners of the merchant steamer Fannie Lehr, a vessel of American ownership and register, to change her name, and be hereafter known as the Cockade City.

The rules were suspended, (two-thirds having voted in favor thereof,) and the bill was passed.

AMENDMENT TO DEFICIENCY APPROPRIATION BILL.

Mr. WHEELER. I move to suspend the rules for the purpose of passing the following resolution:

The Clerk read as follows:

Resolved, Pending the bill making appropriations to supply deficiencies in the appropriation bills for the service of the Government for the fiscal years ending June 30, 1873 and 1874, and for other purposes, in the Committee of the Whole on the state of the Union, it shall be in order to offer for consideration an amendment providing that any violation of the provisions of section 7 of the act of July 12, 1870, by any officer of the Government, shall be deemed a misdemeanor and punishable in the manner provided for in section 3 of the act of July 25, 1868.

Mr. SPEER. What is section 7?

Mr. WHEELER. It provides that no officer of the Government shall expend, or contract to expend, beyond what is appropriated by Congress.

The rules were suspended, (two-thirds voting in favor thereof,) and the resolution was adopted.

AMENDMENT TO LEGISLATIVE, ETC., APPROPRIATION BILL.

Mr. BECK, by unanimous consent, submitted the following resolution; which was read, considered, and agreed to:

Resolved, That it shall be in order to move as an amendment to the legislative, executive, and judicial appropriation bill to strike out of the sixth section of the act of July 6, 1870, being an act entitled "An act making appropriations for the legislative, executive, and judicial expenses of the Government for the year ending June 30, 1871," these words: "without being drawn against in settlement of accounts."

Mr. GARFIELD. I have no objection to that.

Mr. COBURN. I think there should be some explanation. I object to this mode of drawing resolutions, the picking out the section by number and merely citing words without the context.

Mr. BECK. This applies to the case where appropriations have been passed more than two years ago and the Treasury is now drawing them out. The resolution is to make the amendment in order.

The resolution was agreed to.

OFFICERS UNDER IMPEACHMENT.

Mr. BUTLER, of Massachusetts. I desire to have a day fixed for the consideration of the bill which I desire to report from the Committee on the Judiciary, to prevent maladministration in the civil service of the United States by its officers against whom articles of impeachment have been presented.

The SPEAKER. The Chair will first recognize some gentlemen who have requests to make to which they believe there will be no objection.

EXPENSES OF INDIAN COMMISSIONERS.

Mr. LOUGHRIDGE, by unanimous consent, from the Committee on Appropriations, reported a bill (H. R. No. 2867) to authorize the use of certain unexpended balances in the United States Treasury; which was read a first and second time.

The bill authorizes the Secretary of the Interior to use for the payment of the expenses of the board of Indian commissioners for the year ending June 30, 1874, the unexpended balance of the appropriation made for said purposes by the act of May 29, 1872, said unexpended balance being $8,061.71.

The bill was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

FORT KEARNEY MILITARY RESERVATION.

Mr. ORR. I ask unanimous consent to report from the Committee on the Public Lands, for present consideration, the bill (S. No. 241) to confirm the title to certain lands on the Fort Kearney military reservation, in Fremont County, Iowa.

The bill in its preamble sets forth certain described entries at the Council Bluffs land district, in the State of Iowa, made on lands which had been reserved for military purposes for the use of Fort Kearney, by order of the President of the United States, dated the 9th of April, 1846, and therefore illegal; and further recites that the Secretary of War, by letter under date of the 11th of March, 1870, advised the Secretary of the Interior "that the United States military reservation at Fort Kearney, on the Missouri River, is no longer required for military purposes;" and that the register and the receiver at Council Bluffs, Iowa, have reported, under date of May 23, 1870, to the General Land Office that due notice having been given to all persons having any interest in the same to appear before them on the 18th day of May, 1870, and show cause why the above-named entries should not be confirmed by act of Congress, no adverse claimants appeared before them; the bill therefore proposes to confirm the said described entries and selections, and authorizes patents to issue for the same as in other cases provided for by law.

Mr. MAYNARD. Such a bill should not go through under a suspension of the rules unless we have an assurance that it has been examined by the committee and has the sanction of their report.

Mr. ORR. It has been examined by the Committee on the Public Lands. This bill has passed the Senate, and a bill exactly similar to it in its words is now on the Calendar, having been passed by the Committee on the Public Lands.

Mr. SPEER. Will the gentleman state what is the object of the bill?

Mr. ORR. The military reservation of Fort Kearney was abandoned as a military post twenty years or more ago. Supposing that it was public land, and that the military reservation could be sold as public land, the land officers at Council Bluffs, Iowa, sold the lands, or ordered them into market, and they were sold and bought up by purchasers. It was afterwards ascertained that the sale was illegal, for the reason that Congress had never relinquished its claim to this military reservation, and that the ordering it for sale was illegal. These lands are occupied by settlers, and nobody has any adverse claim. I hold in my hand a letter of the Secretary of War and a letter of the Commissioner of the General Land Office, who both concur in approving this bill.

Mr. SPEER. I desire to ask the gentleman whether the object of this bill is to quiet the titles of honest *bona fide* purchasers who paid their money?

Mr. ORR. It is.

Mr. MAYNARD. Does it conflict with any outstanding claim?

Mr. ORR. It does not.

Mr. HOLMAN. I ask to have the papers read which have been referred to by the gentleman from Iowa.

Mr. ORR. I send to the desk to be read the letter of the Secretary of War.

The Clerk read as follows:

WAR DEPARTMENT,
Washington City, March 11, 1870.

SIR: I have the honor to inform you, in reply to an inquiry under date of the 7th instant received from the Commissioner of the General Land Office, that the United States military reservation at Fort Kearney, on the Missouri River, is no longer required for military purposes, and a suitable recommendation for its relinquishment to the custody and control of the Department of the Interior will be made to Congress.

Very respectfully, your obedient servant,

WM. W. BELKNAP,
Secretary of War.

The honorable SECRETARY OF THE INTERIOR.

Mr. ORR. I now send to the desk to be read the letter of the Commissioner of the General Land Office.

The Clerk read as follows:

DEPARTMENT OF THE INTERIOR, GENERAL LAND OFFICE,
Washington, D. C., May 15, 1872.

SIR: In compliance with your request, made in person this morning, I have the honor to state that there appears to be no adverse claims to the lands described in H. R. bill No. 2196, which lands were embraced within the late Fort Kearney reservation.

These tracts were entered many years ago by the parties named in the bill, and being within said reservation they were illegal. There are very many persons who have an interest therein which has been derived from or under conveyances extending back to the original purchasers.

The War Department has relinquished all claim to said lands and the report of

the register and receiver at Council Bluffs, Iowa, shows that an investigation was duly had, and that there were no adverse claimants to any of said lands.

I have the honor to be, very respectfully,

WILLIS DRUMMOND,
Commissioner.

Hon. P. W. HITCHCOCK,
United States Senate.

Mr. MAYNARD. If the gentleman who represents the district is prepared to state from his personal knowledge that this bill is correct, I would pay more regard to that than to the representations of officials.

Mr. McDILL, of Iowa. In response to the gentleman from Tennessee [Mr. MAYNARD] I will say that this land is situated in my district. The bill is simply a proposition to confirm the title to actual settlers, the original purchasers of the land. They have lived there on that land for more than twenty years. There is a flourishing little village on this land. They have bought the land in good faith and have paid for it; and there is only this technical defect in the way of completing their titles.

Mr. MAYNARD. Are there no adverse claims?

Mr. McDILL, of Iowa. There are no adverse claims. I think the amount of land altogether is about three hundred acres. It is situated immediately opposite the Nebraska line.

Mr. CROUNSE. As the gentleman has just stated, this land is situated immediately opposite my State, and I am satisfied that there is nothing in this bill but what is correct.

The bill was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

BOUNTY FOR COLORED SOLDIERS AND SAILORS.

Mr. GARFIELD. I ask unanimous consent to report from the Committee on Appropriations, for consideration at this time, a bill to render available an unexpended balance of appropriation for collection and payment for bounty, &c., for colored soldiers and sailors.

The bill was read. It provides that the balance of the appropriation, or so much thereof as may be necessary, for the collection and payment of bounty, prize-money, and other legitimate claims of colored soldiers and sailors, unexpended at the expiration of the fiscal year ending June 30, 1873, may be expended under the direction of the Secretary of War for the payment of expenses incurred in the fiscal year ending June 30, 1874, in the collection and payment of bounty, prize-money, and other legitimate claims of colored soldiers and sailors.

Mr. SPEER. Is that legislation needed only in reference to colored soldiers?

Mr. GARFIELD. It is not legislation at all. The business of the Freedmen's Bureau was transferred to the War Department and with it the appropriations that had already been made to pay bounty and back pay due to colored soldiers. The appropriation for this year was entirely run out on the 1st of April, but the balance remaining over from last year, if made available for this year, will carry them through to the 1st of July next, and this bill simply makes available the balance of last year remaining over.

We have been very strongly urged by gentlemen from several States to ask the passage of this bill in advance of the regular deficiency bill, in order that these persons may be paid. The following letters from the Secretary of War explain the matter:

WAR DEPARTMENT, *January* 16, 1874.

The Secretary of War has the honor to inclose herewith, for the information of the United States Senate, a copy of a letter, dated the 9th instant, from the Adjutant-General of the Army, relative to the insufficiency of the unexpended balance of appropriation for collection and payment of bounties, &c., to colored soldiers and sailors, for current fiscal year, and recommending that if the deficiency appropriation ($35,000) asked for cannot be obtained, the estimate therefor be withdrawn, and that Congress render available the unexpended balance of appropriation made for the fiscal year ending June 30, 1873.

WM. W. BELKNAP,
Secretary of War.

WAR DEPARTMENT, ADJUTANT-GENERAL'S OFFICE,
Washington, D. C., January 9, 1874.

GENERAL: Of the appropriation, $50,000, for the freedmen's branch of your office, but about $22,000 remain to conduct the business until June 30 next.

The estimated expenses per month are, at the lowest limit, $5,500; therefore, at the end of April the entire appropriation will have been expended, and unless some provision is made, all work will have to stop and the clerks be discharged.

On the 4th day of September, 1873, you submitted to the Secretary of War an estimate for $35,000 to supply deficiencies for the current fiscal year. Should this estimate be accepted by Congress and the amount appropriated, no difficulty will be experienced in conducting the work of the office. In view, however, of the present financial difficulties, and the evident intention of Congress to reduce expenditures, &c., it is, in my opinion, extremely doubtful whether the appropriation asked for can be obtained, and I would therefore suggest that said estimate be withdrawn, and that Congress be asked to render available the unexpended balance ($41,549.94) of appropriation for collection and payment of bounty, &c., for the fiscal year ending the 30th June, 1873.

I submit herewith the draught of a joint resolution covering the matter.

I am, general, very respectfully, your obedient servant,

THOMAS M. VINCENT,
Assistant Adjutant-General.

The ADJUTANT-GENERAL *U. S. Army.*

MEM.—The estimate, duly made, for the year ending June 30, 1874, was for $100,000. It was reduced to $50,000, without consultation with the War Department.

ADJUTANT-GENERAL'S OFFICE,
January 10, 1874.

Respectfully submitted to the Secretary of War and strongly recommended, unless the deficiency appropriation asked for can be obtained. It is highly necessary that these claims should be settled as soon as possible, as every day vastly increases the difficulty of obtaining evidence to discriminate between good and fraudulent claims. It would be a miserable economy to discharge the experienced and reliable clerks now on the work, and to renew it after some months with new ones.

E. D. TOWNSEND,
Adjutant-General.

WAR DEPARTMENT,
Washington City, February 6, 1874.

SIR: Referring to my communication of the 16th ultimo, relative to the insufficiency of the unexpended balance of appropriation for collection and payment of bounties, &c., to colored soldiers and sailors, (see Senate Executive Document 20, Forty-third Congress, first session, copy inclosed,) I beg to again invite attention to the subject by inclosing a copy of the communication of January 9 from the Adjutant-General and to say that already is the work in question greatly obstructed in consequence of the want of funds.

The settlement of certificates received from the Auditor for the past month have doubled in number, and unless relief can be soon afforded the payments to claimants, which it was expected to average at least $80,000 per month, will necessarily be reduced, thus giving rise to clamor and complaint.

During the fiscal year ending June 30, 1873, the Adjutant-General, it will be remembered, transferred the late Bureau, re-established its business, paid 2,271 claims amounting to $424,228.28, and prepared 3,277 other claims amounting to $559,973.32 for payment; all this at an expense of $58,450.06; thus leaving an unexpended balance to be carried to the surplus fund of $41,549.94.

There is thus a most favorable showing in favor of the business under the present management; and if the necessary appropriations are granted, $400,000 at least of claims can be met between this time and the end of the present fiscal year.

If the appropriation be not granted, the business will be paralyzed, and by the end of April, if not sooner, entirely suspended, a result which would prove most disadvantageous to the public interest and one that would be much regretted.

I will be pleased if some one member, or members, of your committee will visit the freedmen's branch of the Adjutant-General's Office in order, if necessary, to a more complete understanding of the subject.

I have the honor to be your obedient servant,

WM. W. BELKNAP,
Secretary of War.

Hon. J. A. GARFIELD,
Chairman Committee on Appropriations, House of Representatives.

I presume there will be no objection to the passage of the bill.

There being no objection, the bill (H. R. No. 2868) received its several readings, and was passed.

Mr. GARFIELD. I move to reconsider the vote by which the bill was passed, and also move that the motion to reconsider be laid on the table.

Mr. SPEER. Is that motion in order in reference to a bill which is passed under a suspension of the rules?

The SPEAKER. The bill was not passed under a suspension of the rules, but by unanimous consent. There is already a motion pending to suspend the rules, and what goes on while that motion is pending is by unanimous consent.

The motion to reconsider was laid upon the table.

FORT STEILACOOM RESERVATION.

Mr. ORR. I ask unanimous consent to report from the Committee on the Public Lands the bill (S. No. 254) to donate the military reservation at Fort Steilacoom to the Territory of Washington for the use of an insane asylum.

The bill was read for information. It proposes to donate section 33 of township numbered 20 north of range numbered 2 east, of Willamette meridian, embracing a portion of Fort Steilacoom military reservation and the military barracks thereon, in the county of Pierce, Territory of Washington, to that Territory, for the use and purpose of an asylum for the insane of the Territory, and for no other purpose; but the act is not to be construed or have the effect to impair any rights of any person in or to any portion of the lands acquired under any of the land laws of the United States.

Mr. SPEER. Is that the unanimous report of the Committee on the Public Lands?

Mr. ORR. Yes, sir.

Mr. SPEER. How much land does it donate?

Mr. ORR. The gentleman from Washington Territory can answer that question.

Mr. McFADDEN. The bill proposes to donate six hundred and forty acres of land; but one hundred and sixty acres of the six hundred and forty acres are covered by adverse claims, which would leave but four hundred and eighty acres. It is barren, gravelly land.

I will state for the information of the House that during the Forty-second Congress a bill for this purpose passed both branches of Congress, but failed to receive the signature of the President for want of time. This bill has already passed the Senate, and is reported favorably by the Committee on the Public Lands of the House.

Mr. SPEER. Does the bill affect the titles of adverse claimants?

Mr. McFADDEN. It does not; it protects them.

There being no objection, the report was received and the bill was ordered to a third reading; and was accordingly read the third time, and passed.

ELECTION CONTEST—BURNS VS. YOUNG.

Mr. CROSSLAND. I present a unanimous report of the Committee on Elections in the contested-election case of Burns *vs.* Young, from the tenth district of Kentucky.

The SPEAKER. The Clerk will read the resolution accompanying the report.

The Clerk read as follows:

Resolved, That John D. Young, the sitting member, was duly elected a Representative in the Forty-third Congress from the tenth congressional district of Kentucky, and is entitled to his seat.

Mr. CROSSLAND. I ask that the report be laid upon the table and printed, and I give notice that I will call it up for consideration at an early day.

The report was laid upon the table, and ordered to be printed.

INDIAN DEPREDATIONS.

Mr. McCORMICK. I ask unanimous consent to offer the following resolution:

Resolved, That the Secretary of the Interior be, and is hereby, requested to furnish the House a list of all claims for losses through depredations committed by Indians presented to the Department of the Interior for ten years past, giving in each case the date, when and the place where the depredations were committed, the date of presentation of the claim, the name of the claimant or claimants, and the full amount of the claim; also the name of the tribe or band of Indians charged with depredations, and the action of the Department upon each claim.

Mr. DUNNELL. If that resolution is received, I ask that it be referred to the Committee on Indian Affairs.

Mr. McCORMICK. It simply asks for a list of claims.

Mr. SHANKS. I want to amend it so as to inquire as to the damages done by whites to the Indians.

Mr. McCORMICK. I have no objection to an amendment to that effect.

Mr. SHANKS. Very well; then I will not object to the resolution.

Mr. HAZELTON, of Wisconsin. Let it go to the Committee on Indian Affairs.

Mr. DUNNELL. I have no objection to that; but I should object to its adoption.

The resolution was referred to the Committee on Indian Affairs.

SEEDS, ETC., IN THE MAILS.

Mr. HAYS. I ask unanimous consent to submit the following for action at this time:

Be it resolved by the House of Representatives, (the Senate concurring,) That all seeds, cuttings, and plants sent by the Commissioner of Agriculture to any person or persons in the United States shall be transported through the mails free.

Mr. MAYNARD. That ought to be a joint resolution.

Mr. RANDALL. Let it go to the Committee on the Post-Office and Post-Roads.

Mr. HAYS. I move to suspend the rules and pass it.

The SPEAKER. That cannot be done, as the gentleman from Massachusetts [Mr. BUTLER] holds the floor on a similar motion.

STREET-CARS IN THE DISTRICT.

Mr. HAZELTON, of Wisconsin. I ask unanimous consent to submit the following resolution for action at this time:

Resolved, That the Committee on the Judiciary be, and the same is hereby, instructed to report with as little delay as practicable a bill amendatory of the several acts of incorporation under which street-cars are run and operated in the District of Columbia, so as to define what shall be a legal day's work for conductors and drivers, and reducing the same from sixteen hours, as now prescribed by the several companies, to a reasonable standard, and protecting such parties against a reduction of their wages below existing rates.

Mr. GARFIELD. Let that be referred to the Committee on the Judiciary without being adopted.

Mr. PLATT, of Virginia. I object.

CAPITATION TAX ON IMMIGRANTS.

Mr. SPEER. I ask unanimous consent to submit the following preamble and resolution:

Whereas the dimensions of foreign immigration to the United States have made it a measure of national importance and concern, and the bulk of such immigration passes through the port of New York, where by the operation of local laws it is made subject to a capitation tax ostensibly levied for the protection of the people of the State from the influx of foreign population, and to the more effectual guarding of the immigrants themselves; and whereas such capitation taxes coming, as they do, from the pockets of the immigrants, are regarded with suspicion and dislike by a large part of the country and by the commercial and business interests as oppressive to the immigrant and tending directly to check immigration, and should, if imposed at all, be imposed by Congress for the benefit of the whole country, and not of a single State; and whereas the present board of commissioners of immigration of New York is seeking to increase the capitation tax from one dollar and fifty cents to two dollars, although such increase is opposed by leading interests in that city, and the said board accused of culpable mismanagement and gross extravagance in the matter of salaries: Therefore,

Be it resolved, That the Committee on Commerce be directed to investigate the manner in which the State of New York provides for the immigrant and disburses the amount collected for capitation taxes, in rendering assistance restricted by State laws to the limit of the State, and that said committee be empowered to send for persons and papers, and be required to report without delay.

Mr. E. H. ROBERTS. Let that resolution go to the Committee on Commerce.

Mr. SPEER. It is simply a direction to the Committee on Commerce for investigation in behalf of immigrants.

Mr. BROMBERG. I ask the gentleman to accept an amendment.

The SPEAKER. The resolution is not before the House, objection being made to its adoption by the gentleman from New York, [Mr. E. H. ROBERTS,] who suggests that it be referred to the Committee on Commerce.

Mr. SPEER. Very well; let it go to this committee, and I trust they will do their duty.

The resolution was accordingly referred to the Committee on Commerce.

Mr. CONGER. I ask that the committee have leave to report at any time.

Mr. RANDALL. I object.

SUSPENSION OF OFFICERS IMPEACHED.

Mr. BUTLER, of Massachusetts. I now insist upon my motion that the bill which I have sent to the Clerk's desk, from the Committee on the Judiciary, to prevent maladministration in the civil service of the United States by its officers against whom articles of impeachment have been presented, be set down for consideration and made the special order on Tuesday of next week at half-past one o'clock, not to antagonize the currency bill or the appropriation bills.

Mr. SHELDON. I believe there is a bill already set down for that day.

Mr. BUTLER, of Massachusetts. Then this will come in after that. What bill is it?

Mr. SHELDON. For the improvement of the mouth of the Mississippi River.

Mr. BUTLER, of Massachusetts. Then I will say Wednesday of next week. I will get out of the mouth of the Mississippi.

Mr. CLYMER. Does that motion except other special orders ahead of that? I have one.

The SPEAKER. It could not interfere with the other special orders.

Mr. SHELDON. I was mistaken about the day when the Mississippi bill was made the special order.

Mr. BUTLER, of Massachusetts. Then I will renew my motion for a week from next Tuesday.

The question was taken on seconding the motion to suspend the rules; and upon a division there were—ayes 79, noes 21; no quorum voting.

Tellers were ordered; and Mr. BUTLER, of Massachusetts, and Mr. MOREY were appointed.

The House again divided; and the tellers reported that there were ayes 127, noes not counted.

So the motion was seconded.

The rules were then suspended, (two-thirds voting in favor thereof,) and the bill (H. R. No. 2869) was made a special order for Tuesday, April 14, at half-past one p. m., the currency bill and the appropriation bills excepted.

INDIANS IN UNITED STATES COURTS.

Mr. O'BRIEN, by unanimous consent, introduced a bill (H. R. No. 2887) to authorize nations and tribes of Indians in their corporate capacity, and individual members and citizens thereof, to sue and be sued in the courts of the United States of America; which was read a first and second time, referred to the Committee on Indian Affairs, and ordered to be printed.

Mr. HOLMAN. I move that the House now adjourn.

REORGANIZATION OF THE LAND OFFICE.

Mr. TOWNSEND. I am instructed by the Committee on the Public Lands to move that the Committee of the Whole on the state of the Union be discharged from the further consideration of House bill No. 760, to reorganize the clerical force of the General Land Office, and that it be made the special order for the 22d instant at half-past one.

Mr. GARFIELD. I must object to any more special orders.

Mr. TOWNSEND. I will except appropriation bills.

Mr. RANDALL. Is it proposed to increase or diminish the force of the Land Office?

Mr. WILLARD, of Vermont. This is a very important bill, and should be first considered in Committee of the Whole.

Mr. HOLMAN. I must insist on my motion to adjourn.

Mr. TOWNSEND. I move to suspend the rules for the purpose I have indicated, excepting the currency and the appropriation bills and previous special orders.

The SPEAKER. There is no necessity for excepting previous special orders.

Mr. HOLMAN. The bill proposes an increase of officers. I must insist on my motion to adjourn.

Mr. TOWNSEND. The gentleman agreed to withdraw his motion for me.

Mr. HOLMAN. If the gentleman insists upon it I will do so.

Mr. TOWNSEND. I do insist upon it.

Mr. HOLMAN. Then, as I promised to do so, I will withdraw the motion.

The SPEAKER. The gentleman from Indiana, [Mr. HOLMAN,] who has made a motion to adjourn, yields to the chairman of the Committee on the Public Lands, [Mr. TOWNSEND,] who moves that the rules be so far suspended that the bill (H. R. No. 1060) to reorganize the clerical force of the General Land Office may be taken from the Calendar of the Committee of the Whole and made a special order for the 22d day of this month at half-past one o'clock p. m.

Mr. WILLARD, of Vermont. What increase will this bill make in the expense of the Land Office?

Mr. TOWNSEND. It will enlarge the clerical force by the addition of about five clerks, and will perchance increase the expense of the office some $30,000. But the reasons for it will, I think, be sufficient to satisfy the House when I can have the opportunity to explain them. All I ask now is that the bill be made a special order.

The question being taken on seconding the motion to suspend the rules, there were—ayes 52, noes 51; no quorum voting.

The SPEAKER. Does the gentleman from Pennsylvania [Mr. TOWNSEND] insist on a further count?

Mr. TOWNSEND. Yes, sir; I call for tellers.

Mr. RANDALL. I move that the House adjourn. It is evident that my colleague [Mr. TOWNSEND] cannot get two-thirds in favor of his motion.

REVOLUTIONARY EXPENSES OF GEORGIA.

On motion of Mr. BUTLER, of Massachusetts, by unanimous consent, the Committee on the Judiciary was discharged from the further consideration of the bill (H. R. No. 2469) to refund to the State of Georgia certain money expended by said State for the common defense in 1777; and the same was referred to the Committee on War Claims.

REORGANIZATION OF CIRCUIT COURTS.

Mr. BUTLER, of Massachusetts, by unanimous consent, introduced a bill (H. R. No. 2871) to reorganize the circuit courts of the United States; which was read a first and second time, referred to the Committee on the Judiciary, and ordered to be printed.

DEBATE ON THE CURRENCY BILL.

Mr. MAYNARD. The gentleman from Pennsylvania [Mr. RANDALL] yields to me to say that I am instructed by the Committee on Banking and Currency to endeavor to close the debate on the currency bill by calling the previous question at the end of the day's discussion to-morrow. And I suggest that after the gentleman now entitled to the floor shall have concluded his speech the debate be continued in speeches of twenty minutes.

Mr. RANDALL. I am entitled to half an hour, as I understand. I desire to ask the chairman of the committee whether he means to call the previous question on the bill as a whole as reported by the committee.

Mr. MAYNARD. I have no instructions on that point.

JOANNA W. TURNER.

Mr. HAZELTON, of Wisconsin, by unanimous consent, introduced a bill (H. R. No. 2872) granting a pension to Joanna W. Turner, widow of William D. Turner, late surgeon of the Ninety-seventh Illinois Volunteers; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

Mr. BECK. I call for the regular order.

The question being taken on the motion of Mr. RANDALL that the House adjourn, it was agreed to; and accordingly (at four o'clock and thirty-five minutes p. m.) the House adjourned.

PETITIONS, ETC.

The following memorials, petitions, and other papers were presented at the Clerk's desk under the rule, and referred as stated:

By Mr. ALBRIGHT: The memorial of H. T. McAlister, of Juniata County, Pennsylvania, submitting a new plan devised by him for taking the yeas and nays in legislative bodies, to the Committee on the Rules.

By Mr. ARTHUR: The petition of Rosa Vertner Geffrey, of Lexington, Kentucky, for allowance for rent, repairs, and damage to her house and furniture while used as headquarters by several commanding officers during the rebellion, to the Committee on War Claims.

By Mr. ATKINS: The petition of tobacco manufacturers and dealers of the State of Tennessee, for the abolition of the import duty on mass or stick licorice, to the Committee on Ways and Means.

By Mr. BARRERE: The petition of citizens of Elmwood, Illinois, for enlargement of the volume of the currency and for a free-banking law, to the Committee on Banking and Currency.

By Mr. BUTLER, of Massachusetts: Papers relating to the claim of Nicholas José Merrimet, to the Committee on the Judiciary.

Also, the petition of citizens of Salem, Massachusetts, for an appropriation for the purchase of a site and erection of a new post-office building in Salem, to the Committee on the Post-Office and Post-Roads.

By Mr. BUTLER, of Tennessee. The petition of James White and William White, of Hawkins County, Tennessee, to be compensated for cotton illegally withheld from them by an agent of the Government, to the Committee on Claims.

Also, a paper relating to the establishment of certain post-routes in Tennessee, to the Committee on the Post-Office and Post-Roads.

By Mr. DONNAN: The petition of John M. Davis, of Calhoun County, Iowa, for relief, to the Committee on Military Affairs.

By Mr. DURHAM: The petition of citizens of Kentucky, for a post-route from Jamestown, Russell County, to Williams's Store, Casey County, Kentucky, to the Committee on the Post-Office and Post-Roads.

By Mr. FIELD: Resolutions of the Legislature of Michigan, in relation to certain homestead settlers on railroad land whose homestead certificates have been canceled because of conflict with the land grant of the Grand Rapids and Indiana Railroad Company, to the Committee on Private Land Claims.

By Mr. GARFIELD: Several petitions of citizens of the District of Columbia, for the passage of the bill (H. R. No. 2185) repealing the act granting to the Baltimore and Potomac Railroad the right to extend their tracks northward from Virginia avenue on Sixth street west to B street north, to the Committee on the District of Columbia.

By Mr. GIDDINGS: The petition of William B. Morrow, for remuneration for stores used by United States troops during the late war, to the Committee on War Claims.

By Mr. HAGANS: The memorial of Post No. 5, Grand Army of the Republic, department of West Virginia, for donation of condemned ordnance to aid in the erection of a monument to the memory of deceased soldiers who served in the armies of the Union, to the Committee on Military Affairs.

By Mr. HALE, of Maine: The petition of Cassius C. Roberts, for pay and allowances due him, to the Committee on Military Affairs.

By Mr. HUBBELL: The petition of 46 citizens of Leland, Michigan, protesting against any duty on tea and coffee and any increase in internal taxes, and asking for the repeal of the second section of the act of June 6, 1872, which reduced, by 10 per cent., the duties on certain imports, to the Committee on Ways and Means.

By Mr. HUNTON: The petition of Andrew Jackson, for compensation for services as a scout and guide during the late war, to the Committee on War Claims.

By Mr. LAMPORT: The petition of the Grand Temple of Honor and Temperance of the State of New York, for a commission of inquiry concerning the alcoholic liquor traffic, to the Committee on the Judiciary.

Also, the petition of the pastor and officers of the Methodist Episcopal church, of Homowack, New York, and others, of similar import, to the Committee on the Judiciary.

By Mr. LEACH: The petition of the National Gas and Iron Company of Chicago, Illinois, in relation to supplying the Government buildings at Washington and the city of Washington with illuminating gas, to the Committee on the District of Columbia.

By Mr. LUTTRELL: Resolutions of the Legislature of California, relative to the establishment of a mail-route from Reno, Nevada, to Quincy, California, with draught of a bill, to the Committee on the Post-Office and Post-Roads.

Also, resolutions of the Legislature of California, in behalf of Charles M. Blake, late chaplain of the United States Army, to the Committee on Military Affairs.

Also, resolutions of the Los Angeles Chamber of Commerce, requesting Government aid in the construction of the Southern Pacific Railroad, to the Committee on the Pacific Railroad.

By Mr. MACDOUGALL: Resolutions of the common council of Brooklyn, New York, protesting against any alienation by the General Government, to any persons or corporations other than to the city of Brooklyn, of the lands lying in the Wallabout, to the Committee on the Public Lands.

By Mr. MCCRARY: Papers relating to the claim of William M. Graham for a pension, to the Committee on Invalid Pensions.

Also, the petition of Alice L. Taylor, for a pension, to the Committee on Invalid Pensions.

By Mr. MCKEE: The protest of the Great and Little Osages against the establishment of a territorial government over the Indian country, to the Committee on the Territories.

Also, the petition of W. P. Adair, Cherokee delegate, in relation to the claim of Black Beaver, a Delaware Indian, to the Committee on Indian Affairs.

By Mr. NEAL: The memorial of Charles D. Everett, relative to amendment of the pension laws, to the Committee on Invalid Pensions.

By Mr. NEGLEY: Papers relating to the claim of Thomas B. Thornett, late first lieutenant Company I, Fifth Pennsylvania Cavalry, for arrears of pay and allowances, to the Committee on Military Affairs.

By Mr. ORR: The memorial of members of the Iowa bar, relative to certain proposed changes in the jurisdiction of the United States district courts, to the Committee on the Judiciary.

By Mr. ORTH: The petition of Hebrew citizens of the United States, in relation to the condition of the consulate of the United States at Bucharest, Roumania, to the Committee on Foreign Affairs.

By Mr. PARKER, of Missouri: The petition of Charles A. Perry & Co., of Weston, Missouri, for reference of their claim against the Government to the Court of Claims, to the Committee on War Claims.

By Mr. PHELPS: The petition of Margaretta H. Pittenger, for a pension, to the Committee on Invalid Pensions.

By Mr. PLATT, of New York: The petition of Moses B. Snider, of Ithaca, New York, for a pension, to the Committee on Invalid Pensions.

By Mr. E. H. ROBERTS: The memorial of the New York State Temperance Society, in relation to a commission of inquiry concerning the alcoholic liquor traffic, to the Committee on the Judiciary.

By Mr. RUSK: The petition of citizens of Pepin County, Wisconsin, that the mission to Sweden and Norway may be raised in grade from minister resident to envoy extraordinary and minister plenipotentiary, to the Committee on Foreign Affairs.

By Mr. SAWYER: The petition of certain citizens of Wisconsin, for an amendment of the law relative to the transmission of obscene literature through the mails, to the Committee on the Post-Office and Post-Roads.

Also, the petition of certain citizens of Wisconsin, for extension of the bounty-land laws to all soldiers and sailors of the late war, to the Committee on the Public Lands.

By Mr. SHELDON: Papers relating to the claim of Isaac Bloom, of New Orleans, Louisiana, to the Committee on War Claims.

By Mr. SMITH, of Ohio: The petition of Enoch Jacobs, for a pension, to the Committee on Invalid Pensions.

By Mr. TOWNSEND: The petition of Lizzie Graham, for a pension, to the Committee on Invalid Pensions.

By Mr. TYNER: The memorial of Williamson Wright, in relation to

the completion of the Washington monument, to the Select Committee on the Washington National Monument.

By Mr. WILLARD, of Vermont: The petition of Mrs. L. W. Rickard, of Woodstock, Vermont, for a pension, to the Committee on Invalid Pensions.

By Mr. WILSON, of Indiana: The petition of William M. Drake, for a pension, to the Committee on Invalid Pensions.

By Mr. WOODFORD: The memorial of the Washington Lodge of Good Samaritans and Daughters of Samaria, of Brooklyn, New York, in relation to a commission of inquiry concerning the alcoholic liquor traffic, to the Committee on the Judiciary.

IN SENATE.

TUESDAY, *April* 7, 1874.

Prayer by Rev. E. D. OWEN, of Washington, D. C.

On motion of Mr. CLAYTON, and by unanimous consent, the reading of the Journal of yesterday's proceedings was dispensed with.

HOUSE BILLS REFERRED.

The following bills from the House of Representatives were severally read twice by their titles, and referred to the Committee on Pensions:

The bill (H. R. No. 20) granting a pension to Almon Graves;
The bill (H. R. No. 60) granting a pension to Josiah Brinard;
The bill (H. R. No. 196) granting a pension to Peter J. Cratzer;
The bill (H. R. No. 366) granting a pension to Hugh Wallace;
The bill (H. R. No. 393) granting a pension to Rosanna Quinn;
The bill (H. R. No. 551) granting a pension to Alfred Bolder;
The bill (H. R. No. 580) granting a pension to Rosalie C. P. Lisle;
The bill (H. R. No. 599) for the relief of Ade H. McDonald, of Nashville, Tennessee;
The bill (H. R. No. 870) to place the name of Mary E. Murphy on the pension-roll;
The bill (H. R. No. 955) for the relief of J. L. Tedrow, of Clarke County, Iowa;
The bill (H. R. No. 1145) granting a pension to Martin Laffin;
The bill (H. R. No. 1335) granting a pension to Guadaloupe Torres;
The bill (H. R. No. 1305) granting a pension to E. Caroline Webster, widow of Lucius H. Webster;
The bill (H. R. No. 1414) granting a pension to Susan Bennet;
The bill (H. R. No. 1439) granting a pension to John Folger;
The bill (H. R. No. 1616) granting a pension to John G. Parr, of Kittaning, Pennsylvania;
The bill (H. R. No. 1673) granting a pension to Isaac Stevens;
The bill (H. R. No. 1719) granting a pension to Ezra H. Foster;
The bill (H. R. No. 1791) granting a pension to Augustus L. Yaeger;
The bill (H. R. No. 1799) granting a pension to Angelica Hammond;
The bill (H. R. No. 1832) granting a pension to Elizabeth Hackleman;
The bill (H. R. No. 1835) granting a pension to Mary A. Lowe;
The bill (H. R. No. 1843) granting a pension to Lucinda Jones, widow of Thompson M. Jones, late a private in Company G, Twenty-second Illinois Volunteers;
The bill (H. R. No. 1866) granting a pension to Dennis McCarthy, a soldier of the Mexican war;
The bill (H. R. No. 1907) granting a pension to Henry B. Havens, late a private of Company K, Twelfth Regiment Wisconsin Volunteers;
The bill (H. R. No. 2116) for the relief of Magdalena Docks;
The bill (H. R. No. 2118) for the relief of Elizabeth Clark;
The bill (H. R. No. 2181) granting a pension to Jennet H. Nislet;
The bill (H. R. No. 2214) granting a pension to Ann Humphreys, of Philadelphia;
The bill (H. R. No. 2215) granting a pension to Elizabeth Brady;
The bill (H. R. No. 2216) granting a pension to Cornelia A. Washburn;
The bill (H. R. No. 2217) granting a pension to Henry Bruckner, late a private of Company F, Fifty-eighth Regiment Illinois Volunteers;
The bill (H. R. No. 2218) granting a pension to Sarah Summerville;
The bill (H. R. No. 2219) granting a pension to Patrick Hickey;
The bill (H. R. No. 2220) granting a pension to Andrew J. Baldwin;
The bill (H. R. No. 2221) granting a pension to Mary B. Triplett, guardian of the minor heirs of John A. Tomlinson;
The bill (H. R. No. 2351) granting a pension to John B. Miller;
The bill (H. R. No. 2352) granting a pension to Lewis Hinely;
The bill (H. R. No. 2353) granting a pension to Lucy Ann Cummings;
The bill (H. R. No. 2355) granting a pension to Ann R. Voorhees;
The bill (H. R. No. 2668) granting a pension to William J. Uhler;
The bill (H. R. No. 2669) granting a pension to Deborah A. Swan;
The bill (H. R. No. 2670) granting a pension to Mary S. Howe;
The bill (H. R. No. 2671) granting a pension to General A. C. Voris;
The bill (H. R. No. 2672) granting a pension to Mary S. Loomis;
The bill (H. R. No. 2673) to restore the name of Hannah B. Eaton, of Kingsville, Ohio, to the pension-roll;
The bill (H. R. No. 2674) granting a pension to John W. Wright, now of the National Military Asylum, near Dayton, Ohio;
The bill (H. R. No. 2675) granting a pension to Mrs. Elizabeth J. King;
The bill (H. R. No. 2676) granting a pension to Thomas McKinster;
The bill (H. R. No. 2678) granting a pension to Charles Herbert;
The bill (H. R. No. 2679) granting a pension to George Dayspring;
The bill (H. R. No. 2680) granting a pension to Mrs. Jane Dulaney;
The bill (H. R. No. 2790) granting a pension to Nancy Abbott;
The bill (H. R. No. 2791) granting a pension to Franklin Stoner;
The bill (H. R. No. 2792) granting a pension to Llewellyn Bell;
The bill (H. R. No. 2793) to correct the date of commencement of pension to Anna Brasel, widow of David Brasel, late sergeant in Captain Gordon's Company Illinois Mounted Volunteers; and
The bill (H. R. No. 2794) granting a pension to Elizabeth Wolf.

The following bills were read twice by their titles, and referred to the Committee on Claims:

The bill (H. R. No. 1193) for the relief of the estate of Cornelius S. Underwood, late major and additional paymaster, United States Army;
The bill (H. R. No. 1297) for the relief of Thomas T. Crittenden, of Missouri;
The bill (H. R. No. 1844) for the relief of John Heberer;
The bill (H. R. No. 2205) for the relief of P. Hornbrook;
The bill (H. R. No. 2463) for the relief of Joseph S. Read;
The bill (H. R. No. 2332) for the relief of S. D. Hicks, administrator of R. M. Harvey;
The bill (H. R. No. 2346) for the relief of W. A. Saylor, of Bryan, Texas;
The bill (H. R. No. 2348) for the relief of Rev. George Morrison, late of Kentucky;
The bill (H. R. No. 2349) for the relief of Burke & Kunkel;
The bill (H. R. No. 2682) for the relief of Martha A. Ashburn, widow of George W. Ashburn, deceased;
The bill (H. R. No. 2684) for the relief of the administrator of the estate of Danford Mott; and
The bill (H. R. No. 2800) for the relief of Benjamin Crawford.

The following bills were severally read twice by their titles, and referred to the Committee on Military Affairs:

The bill (H. R. No. 311) for the relief of William J. McIntyre;
The bill (H. R. No. 491) for the relief of Kerry Sullivan, of Company G, Fourteenth Regiment New Hampshire Volunteers;
The bill (H. R. No. 1219) for the relief of Charles W. Berry, late private of the Thirty-sixth Wisconsin Volunteers;
The bill (H. R. No. 1220) for the relief of William Rood, late private of the Thirty-sixth Regiment Wisconsin Volunteers;
The bill (H. R. No. 1322) for the relief of George S. Gustin, late a private Company D, Seventy-fourth Regiment Illinois Volunteers;
The bill (H. R. No. 1840) for the relief of Lieutenant Sidney Tinker;
The bill (H. R. No. 2131) to authorize a promotion in the Inspector-General's Department of the Army of the United States;
The bill (H. R. No. 2207) for the relief of James M. True, late colonel of the Sixty-second Illinois Volunteer Infantry;
The bill (H. R. No. 2223) for the relief of Robert F. Winslow;
The bill (H. R. No. 2696) for the relief of John F. Wheeler;
The bill (H. R. No. 2697) to create an additional major of artillery, and to promote Captain James M. Robertson;
The bill (H. R. No. 2698) for the relief of Joseph C. Breckinridge for services in the Army of the United States;
The bill (H. R. No. 2699) for the relief of Robert Tillson & Co., of Quincy, Illinois;
The bill (H. R. No. 2788) for the relief of H. P. Ingram and John K. Askins;
The bill (H. R. No. 2789) for the relief of John S. Dickson, late captain of paroled prisoners; and
The bill (H. R. No. 2798) for the relief of John J. Hayden.

The following bills were read twice by their titles, and referred to the Committee on Public Lands:

The bill (H. R. No. 1370) to authorize the Secretary of the Interior to settle and pay the accounts of William Pelham, late surveyor-general of New Mexico; and
The bill (H. R. No. 2539) relinquishing the rights of the United States in certain lands in the State of Michigan.

The following bills were read twice by their titles, and referred to the Committee on Commerce:

The bill (H. R. No. 2549) to amend the act entitled "An act for enrolling and licensing ships or vessels to be employed in the coasting trade and fisheries, and for regulating the same," passed February 18, 1793; and
The bill (H. R. No. 2552) for the relief of John W. Massey, late consul at Paso del Norte, Mexico.

The following bills were read twice by their titles, and referred to the Committee on Post-Offices and Post-Roads:

The bill (H. R. No. 2270) making an appropriation to pay Emanuel Small and James Tate, of Atchison County, Missouri, for carrying the mails; and
The bill (H. R. No. 2345) for the relief of John Clinton, postmaster at Brownsville, Tennessee.

The bill (H. R. No. 2801) to place on the retired list of the Navy M. H. Plunkett, late second assistant engineer of the regular Navy, was read twice by its title, and referred to the Committee on Naval Affairs.

The bill (H. R. No. 2786) for the relief of John B. Chapman was read twice by its title, and referred to the Committee on Indian Affairs.

The bill (H. R. No. 420) to authorize the Secretary of the Interior to discharge certain obligations of the United States to the creditors of the Upper and Lower bands of Sioux Indians was read twice by its title.

Mr. RAMSEY. That bill is the same as one reported by the Committee on Indian Affairs of this body, and I understand it is the desire of the chairman of that committee to ask for its consideration without a reference.

Mr. HAMLIN. That may be taken up after we have done morning business. Let us get through with the morning business.

Mr. RAMSEY. Then let that bill lie on the table for the present.

EXECUTIVE COMMUNICATIONS.

The PRESIDENT *pro tempore* laid before the Senate a letter of the Secretary of the Interior, transmitting, in pursuance of the eighth section of the act approved 22d July, 1854, the report of the surveyor-general of New Mexico on the land grant to Juan de Mestas, being private land claim reported as No. 80 for land in Sante Fé County, New Mexico; which was referred to the Committee on Private Land Claims.

He also laid before the Senate a letter of the Secretary of War, transmitting a copy of the report of the board of engineers appointed to examine and report upon the James River and Kanawha Canal project; which was referred to the Select Committee on Transportation Routes to the Sea-board.

ROBERT BENT AND JACK SMITH.

The PRESIDENT *pro tempore* laid before the Senate the amendments of the House of Representatives to the bill (S. No. 204) for the relief of Robert Bent and Jack Smith.

The amendments of the House of Representatives were to insert after the word "each" the words "recommended to be;" after the word "persons" the word "or;" strike out the words "assigns or legal representatives," and add to the bill the following proviso:

Provided, That the provisions of this act shall not be construed or have the effect to interfere with or impair any rights of any persons to said lands which may have already been acquired under the homestead or pre-emption laws of the United States.

Mr. BOGY. I move that the Senate concur in the amendments of the House of Representatives.

The motion was agreed to.

PETITIONS AND MEMORIALS.

The PRESIDENT *pro tempore* presented the memorial of S. A. Harris and others, citizens of Milwaukee, remonstrating against restoring the tax on tea and coffee or reviving or increasing internal taxes; which was referred to the Committee on Finance.

Mr. CHANDLER presented a petition of citizens of Michigan, soldiers and sailors of the late war to suppress the rebellion, praying the passage of a law granting one hundred and sixty acres of public land to honorably discharged soldiers and sailors of the war of the rebellion; which was referred to the Committee on Military Affairs.

He also presented a joint resolution of the Legislature of Michigan, in favor of relief from the General Government to certain homestead settlers on railroad land whose homestead certificates have been canceled by the United States because of conflict with the land grant of the Grand Rapids and Indiana Railroad Company; which was referred to the Committee on Public Lands.

Mr. FERRY, of Michigan, presented the petition of Hannah, Lay & Co. and 158 other dealers of Michigan, praying for the conversion of the present *ad valorem* duty on tin plates into a corresponding and equivalent specific duty as a measure calculated to simplify and increase the collection of the customs revenue, facilitate the transaction of business, give stability to prices, and at once and forever render disagreements between the importer and the Government a practical impossibility; which was referred to the Committee on Finance.

Mr. INGALLS presented the petition of Edmund Harris and others, residents of Wyandotte County, Kansas, praying that the law of March 3, 1873, granting bounty under the act of July 22, 1861, to colored soldiers returned on the muster-rolls as slaves, may be so amended as to grant bounty to widows, parents, children, or brothers and sisters of deceased soldiers; which was referred to the Committee on Military Affairs.

Mr. SCOTT. I present a petition of business men of Philadelphia, praying that more currency circulation be secured for the country, together with a free-banking law guarded by such provisions and regulations as prudence and safety may require. I suppose that may now lie on the table.

Mr. ANTHONY. I think it had better be referred to the Committee on Finance. We shall probably have a proposition for a further increase before the session closes.

Mr. SCOTT. I shall not object to the reference if the Senator from Rhode Island proposes it.

The PRESIDENT *pro tempore*. The petition will be referred to the Committee on Finance.

Mr. SARGENT presented the petition of Fleet Surgeon J. A. Lockwood, praying to be placed upon the retired list of the Navy; which was referred to the Committee on Naval Affairs.

Mr. GORDON presented the petition of John Worthington, of Fairfax County, Virginia, praying payment for wood, &c., used by the United States Army; which was referred to the Committee on Claims.

Mr. LOGAN presented a petition of citizens of Illinois, praying for an increase of the volume of the currency sufficient to meet the requirements of business; which was referred to the Committee on Finance.

He also presented a petition of citizens of Elmwood and vicinity, Illinois, praying for an increase of the volume of the currency and for free banking; which was referred to the Committee on Finance.

Mr. COOPER presented the memorial of Arent B. Sorenson, of Memphis, Tennessee, praying compensation for property taken for public use by the military authorities of the United States during the late war; which was referred to the Committee on Claims.

Mr. BOUTWELL presented the memorial of Lucius R. Eastman, of Boston, Massachusetts, praying that arbitration be substituted for war as a means of settlement of international difficulties; which was referred to the Committee on Foreign Relations.

Mr. OGLESBY. I present concurrent resolutions of the General Assembly of the State of Illinois, relative to rates of freight and passage on the Union Pacific Railroad and branches. I move their reference to the Committee on Railroads.

Mr. INGALLS. I suggest in connection with that resolution that the Judiciary Committee have the same subject in charge, and therefore I think a reference to that committee would be proper.

Mr. OGLESBY. Very well; let the reference be changed accordingly.

The PRESIDENT *pro tempore*. The resolutions will be referred to the Committee on the Judiciary.

REPORTS OF COMMITTEES.

Mr. SHERMAN, from the Committee on Finance, to whom were referred the bill (S. No. 553) for the retirement of the national-bank notes, for the refunding of the non-taxable bonds into a 5½ per cent. interchangeable bond, and for the resumption of specie payments; the bill (S. No. 461) to amend the act entitled "An act to provide a national currency secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof," approved June 3, 1864; the bill (S. No. 421) to amend section 6 of the act of March 3, 1865, amended July 13, 1866, imposing a tax of 10 per cent. on the circulation of State-bank notes; the bill (S. No. 430) to provide for the redemption and reissue of United States notes and national-bank notes, and for free banking; the bill (S. No. 315) to provide for the gradual withdrawal from circulation of irredeemable national notes, and the substitution therefor of redeemable national-bank notes, to remove unjust restrictions upon banks of issue, and upon the amount of circulation; the bill (S. No. 301) to secure the resumption of specie payments without contracting the currency; the bill (S. No. 30) to provide for free banking, to secure an elastic currency, to appreciate national obligations, and to reach specie payments without commercial embarrassment; the bill (S. No. 3) to authorize compound-interest notes as a substitute for legal-tender notes; and the bill (S. No. 203) to facilitate assorting and redeeming national-bank note currency, and to authorize the issue of circulating notes to the amount of 92 per cent. in lieu of the 90 per cent. now authorized by law, asked to be discharged from their further consideration, the subject-matter having been covered by the bill passed yesterday; which was agreed to.

He also, from the same committee, to whom were referred various petitions of citizens of the United States on the subject of the currency, asked to be discharged from their further consideration; which was agreed to.

Mr. FENTON, from the Committee on Finance, to whom was referred the bill (S. No. 452) for the relief of John McHarg, late collector of internal revenue for the fifth collection district of the State of New York, reported it with an amendment; and submitted a report thereon, which was ordered to be printed.

Mr. KELLY, from the Committee on Military Affairs, to whom was referred the bill (H. R. No. 1768) for the relief of Ephraim P. Showalter, reported it without amendment.

He also, from the same committee, to whom was referred the bill (H. R. No. 2074) to amend an act entitled "An act to provide for the establishment of a military prison and for its government," approved March 3, 1873, reported it without amendment.

Mr. MORRILL, of Vermont. I regret very much to say that I am directed by the Committee on Finance, to whom was referred the bill (S. No. 124) providing for the resumption of specie payments and for free banking, to report it back adversely. Mr. President, you know, no one knows better, that we have no right to disclose what takes place in committee; but I may say that you are well aware that all committees are composed of odd numbers, and if a committee is made up of seven, and three are in favor of a bill and three against it, and the seventh man a little mixed, somewhat for it and somewhat against it, the bill has to be reported adversely; and although this bill seems particularly appropriate to be adopted now after the passage of the bill acted on yesterday, I am compelled to report this bill adversely; but I will ask to have it lie on the table.

The PRESIDENT *pro tempore*. It will be indefinitely postponed if there be no objection.

Mr. MORRILL, of Maine. Let it be placed on the Calendar in

order that I may hereafter offer it as a substitute for whatever may come up.

The PRESIDENT *pro tempore*. The bill will be placed on the Calendar with the adverse report.

Mr. SCOTT. I am directed by the Committee on Finance to report adversely the bill (S. No. 408) to provide for the refunding of internal-revenue taxes improperly assessed and collected. This is a bill in which the Senator from Tennessee [Mr. COOPER] not now in his seat is interested, and in his absence I will ask that it go on the Calendar with the adverse report of the committee.

The PRESIDENT *pro tempore*. That course will be taken.

Mr. LOGAN, from the Committee on Military Affairs, to whom was referred the bill (H. R. No. 1313) for the relief of Alexander Burtch, reported it with an amendment.

Mr. CAMERON, from the Committee on Foreign Relations, to whom was referred the bill (H. R. No. 526) for the relief of James DeLong, asked to be discharged from its further consideration, and that it be referred to the Committee on Commerce; which was agreed to.

Mr. WINDOM, from the Committee on Public Lands, to whom was referred the bill (S. No. 655) to enable the Mennonites from Russia to effect permanent settlement on the public lands of the United States, reported it with an amendment.

BILLS INTRODUCED.

Mr. BOREMAN asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 671) for the relief of Alexander Minor, of West Virginia; which was read twice by its title, and, with the accompanying papers, referred to the Committee on Military Affairs.

He also asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 672) for the relief of the trustees of the Baptist church at Charlestown, Jefferson County, West Virginia; which was read twice by its title, and, with the accompanying papers, referred to the Committee on Claims.

Mr. SPENCER (by request) asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 673) for the relief of the builders of the steamers La Portena, Edward Everett, F. W. Lincoln, Azalia, and N. P. Banks; which was read twice by its title, and referred to the Committee on Naval Affairs.

Mr. HAMILTON, of Texas, asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 674) to relieve C. D. Anderson of his legal and political disabilities; which was read twice by its title, and, with the accompanying papers, referred to the Committee on the Judiciary.

Mr. HAMLIN asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 675) to relieve ships and vessels from compulsory pilot fees in certain cases; which was read twice by its title, referred to the Committee on Commerce, and ordered to be printed.

Mr. PRATT asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 676) for the relief of Nicholas Whitehall, of Fountain County, Indiana; which was read twice by its title, and, with the accompanying papers, referred to the Committee on Patents.

Mr. LOGAN asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 677) to incorporate the First Presbyterian church, of Salt Lake City; which was read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed.

Mr. HITCHCOCK asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 678) granting a pension to Josephine D. Thomas; which was read twice by its title, and referred to the Committee on Pensions.

Mr. CLAYTON asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 679) to establish the boundary line between the State of Arkansas and the Indian country; which was read twice by its title, referred to the Committee on Indian Affairs, and ordered to be printed.

ASBURY DICKINS.

The PRESIDENT *pro tempore*. If there be no further morning business the Secretary will report the first bill on the Calendar.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. No. 1580) for the relief of the heirs of Asbury Dickins.

The bill was reported to the Senate as amended.

Mr. WRIGHT. The Senator from Pennsylvania [Mr. SCOTT] who reported this bill, or who at least made the report of the majority of the committee, is not in his seat at present; and I suggest to the Senator from Oregon, [Mr. MITCHELL,] who made the minority report, that he allow it to lie over until the Senator from Pennsylvania comes in.

Mr. RAMSEY. He was here a moment ago.

Mr. MITCHELL. While the Senator from Pennsylvania is coming in I will submit a few remarks. I do not desire to occupy the attention of the Senate long in regard to this matter; but I think it is no more than justice to the minority of the committee that a few words should be said in support of the minority report.

The honorable chairman of the committee has based his opposition to this bill principally upon the ground that the legislation in existence at the time these services were performed really prohibited the payment of such a claim as this; and in support of that position reference has been made to the act of 1818, and it is claimed that a fair construction of that act prohibits the payment of this claim. Without stopping to argue as to the proper construction of that act, I will content myself by referring very briefly to what other Senators in years gone by and other committees and other Senates and other Houses of Representatives have thought and said on this subject. I propose to refer to what Senator Brodhead, one of the predecessors of the honorable chairman of the Committee on Claims, said on this subject when this same case was before the Senate in 1856. I now quote from the Congressional Globe, Thirty-fourth Congress, first session, 1855–'56, part 3, page 1609:

The bill (S. No. 314) for the relief of Asbury Dickins was read the second time, and considered as in Committee of the Whole.

The bill, as reported from the Court of Claims, proposed to direct the Secretary of the Treasury to pay to Asbury Dickins $1,395.88 for his services as Acting Secretary of the Treasury at various times between the 24th of April, 1829, and the 31st of May, 1833; and also the sum of $3,693.37 for his services as Acting Secretary of State at various times between the 10th of August, 1833, and the 9th of November, 1836; also, the sum of $261.46 for his services as chief clerk in the Treasury Department from the 21st of June, 1831, to the 7th of August, 1831.

The Committee on Claims propose to strike out all after the enacting clause, and insert the following.

That was an amendment which provided substantially the same compensation that is provided by the bill now pending before the Senate. The Court of Claims, as the Senate will bear in mind, decided that Mr. Dickins was entitled to his full salary as Acting Secretary of State and Acting Secretary of the Treasury, although he had received his full salary as chief clerk of those Departments. The Senate committee proposed an amendment by which they would only pay him the difference between what he had received as chief clerk and what he was entitled to as an acting Cabinet officer. When this amendment was submitted, Senator Adams, of Mississippi, said:

I think the Senator from Delaware [Mr. BAYARD] desires to make a question on this bill, and discuss the proposed amendment. After having appointed a court, and authorized them to settle such questions, and provided for having their adjudications brought here as the judgment of a court, I am unwilling to revise and change and alter them. I think we ought either to repeal the law, or to abide by their decisions. As is known to the Senate, I have been as much opposed to claims of this character as any other Senator; but we have constituted a court, and we have provided an attorney to represent the Government, so that both sides may be heard there.

I call the attention of the Senate to this, as the minority report in this instance seems to be regarded by some as not supported by either law or fact.

Senator Adams said further:

This is an advantage which the Senate can never enjoy. The court hears both sides of a question; and whether they decide according to my judgment or not, I have agreed, by my vote for the bill constituting that court, to leave whatever claim a party may think proper to present against the Government to their decision, and I am unwilling to attempt to revise their decisions.

What they have decided I shall vote to confirm, unless it can be shown, not that they have been mistaken in their judgment, but that some fraud has been practiced upon them, or that there has been corruption in the court. Their judgment is the decree of a chancery court having investigated the question by authority of the Congress of the United States. Whether they have decided right or wrong, we have made them a court to settle the question, and by their decision I will abide or vote to repeal the law.

Mr. Brodhead, Senator from Pennsylvania, said this, and I call the attention of the chairman of the committee to his view in reference to the character of the existing law at that time:

I have confidence in the Court of Claims, though the committee have reported a substitute for the bill which the court recommend. I will briefly state the case. Mr. Dickins, and two other gentlemen who are mentioned in the bills which follow, were chief clerks in the Departments. They were appointed by the President of the United States at different periods to discharge the duties of the heads of the Departments. Under a decision of the circuit court of the United States, sitting in Baltimore, the Court of Claims determined that these gentlemen were entitled to both salaries—the salary of the head of the Department and that of the chief clerk. The Committee on Claims decided to give the claimants the higher salary, deducting the amount they had already received.

We did this without undertaking to say that the court had not decided the legal claim correctly, because I think that under the decision of the Supreme Court of the United States Judge Blackford, who delivered the opinion, was right in deciding as he did; but Congress, on such matters, is not bound by the decision of the Supreme Court or any other court governed by strict legal rules. Therefore, without impugning the decision of the Court of Claims, without saying that the court is not a useful institution, we have reported this substitute allowing the higher salary, and not giving both.—*Congressional Globe*, first session Thirty-fourth Congress, part 3, page 1609.

No Senator, during that whole discussion, ever pretended to claim that he was not entitled to the difference as a matter of compromise, if the Senate desired to compromise with the question at all. A part of the Senate insisted that he was entitled to the full salary; the other portion of the Senate that took part in the discussion insisted that he should only have the difference; but no Senator at that time was found to assert that the law prohibited the payment of one or the other; not one. Furthermore Mr. Hunter said:

Mr. HUNTER. I would ask the honorable Senator from Pennsylvania if a law has not been passed since that case arose which requires that only one salary shall be paid, and that the highest?

Mr. BRODHEAD. That is the law now; but at the time when this claim arose there was no such provision on the subject, and the parties had their claim adjudicated on the law as it stood at that time.

Mr. HUNTER. If that be the case, it seems to me that no great mischief can arise from sustaining the judgment of the Court of Claims. They have decided, as the Senator from Pennsylvania admits, according to the law of the case as the law then was. Although we may think, and I do think, it was improper to allow them both salaries, they were entitled to it if the law was such.—*Congressional Globe*, first session Thirty-fourth Congress, part 3, page 1610.

So say I, Mr. President. I will go with the honorable chairman of the Committee on Claims to the fullest extent in refusing to recognize any claim that may be made here, the payment of which rests in the grace of the Senate; but when a claim is presented, as in this

case, where the question is raised as to the liability of the Government under an existing law for services rendered by a party to the Government, then I do not consider that there is any grace about it; it is a matter of liability. All the Senators contended at that time that the Government was liable equitably under the law as it existed then to pay for these services. Senator Brodhead said: "That is the law now"—that is, since 1839 and 1843—"but before that time, at the time these services were rendered, it was not the law, and therefore the Government is liable" to pay for services rendered at that time in pursuance of the act of 1792.

Now, one other matter, and I shall not detain the Senate further, because I know how unwilling the Senate is to listen to these applications for the payment of private claims. I simply desire to call the attention of the Senate to the fact that this identical bill has passed the Senate of the United States three different times. It passed the Senate March 10, 1854, July 11, 1856, and June 6, 1860. There have been as many reports in favor of this claim from as many different Senate committees—one by Mr. Brodhead in 1854, one by Mr. Iverson in 1859, another by Mr. Davis in 1868. There have been four reports from House committees by such men as Mr. Fessenden, of Maine, Mr. MAYNARD, of Tennessee, and Mr. MARSHALL, of Illinois, all able lawyers—no less than eight different reports in the two branches of Congress identical with the report made in this case by the minority of the Committee on Claims.

I simply thought it right that I should say this much in support of the views taken by the minority. In the face of this record, if the Senate desire to repudiate the claim, (because that is what it amounts to,) I shall be content, of course.

Mr. WRIGHT. Mr. President, I have had hesitation in saying a word on this subject; and first, for the reason that I am pretty well satisfied that what may be said by us here upon a subject of this kind, in view of the engagements of Senators otherwise, and their conviction perhaps that it were well to leave these matters to the committee, and the little interest they feel in the case itself, will probably receive but little attention.

In the second place, I have had very great hesitation for the reason that I know it is a most ungracious task to undertake to contest what is termed "a small bill," a small demand against the Government. I know that Senators are apt to say this is only three or four thousand dollars, and it is not a very nice thing for the Senate here to be contesting the right of a claimant to three or four thousand dollars, and therefore the easier and better way to get rid of it is to dispose of it and allow the bill. Now, as I think this bill involves a vast deal more than that, I wish to state very briefly the reasons which influenced me in concurring with the majority report and which will influence my vote against this bill.

I say the question in this case involves more than the three or four thousand dollars; for if this claim coming in twenty years or thirteen years—I believe the claim was presented in the House first thirteen years after the services were rendered, and twenty years after the services were rendered the claim was first presented in the Senate—if there be no such thing as a statute of limitations, and we all concede that, then for all the services that were rendered by persons similarly situated to Mr. Dickins, the same claim can be made and the Senate will be bound in equity and in law to allow it. It is true that no statute of limitations applies here, and that a claimant can present his claim to one Congress after another and have it decided against him, and he can go to the courts of the country and there be decided against, and he can go to the Departments and there be decided against, and he can still come to Congress, and there is nothing to prevent such petitioning and such asking; but I have seriously thought whether it were not better in some way, by constitutional provision or otherwise, to cut off these claims and require that a claimant should come before Congress within a definite number of years or else be barred of his claim. These claims are growing in magnitude and in number; and I can safely say that one-half the time of the Senate and of its committees is taken up in the investigation of such claims. Now, let us see what is the nature of this claim.

The claimant insists that he is entitled to compensation for some three hundred and fifty days, commencing in April, 1829, and concluding in November, 1836, for his services when acting as Secretary *ad interim* of the Treasury and of the State Departments. I beg Senators to look at the nature of this claim. He claims, among other things, that from May 6 to May 9, 1833, he served four days, from May 29, 1833, to May 31, 1833, he served three days; and so there are nine days, eight days, and five days, and in some instances they amount as high as forty days that he says he was serving in this capacity, and therefore is entitled to compensation. And yet with a full knowledge, as we are bound to presume, that he was entitled to this compensation, he rested for thirteen years without making any claim upon Congress when he says he was entitled to between four and five thousand dollars for the services thus rendered, or until from thirteen to twenty years before he made any claim.

Mr. President, I was more than pleased the other day, as I always am, in hearing the glowing words and the flowing numbers of the Senator from Rhode Island now occupying the chair [Mr. ANTHONY] when he spoke of this petitioner, of his services as Secretary of this Senate, of his occupying a seat at the desk, and being a companion and friend of those who occupied places here at the same time; and yet when all was through, I could not help asking the matter-of-fact question, "What of it?" If this man was entitled to compensation for these services, it made no difference, as far as I can see, whether he was ever Secretary of this Senate or not; except this fact is important to be considered by the Senate that he was here in a position knowing what his rights were, here associating with those who knew of him and knew of his services and qualifications, and never one word was uttered with reference to his claim before this body until nearly twenty years after the services were rendered.

I submit that at the time these services were rendered there was no law of Congress that allowed this man any compensation. He rendered the service as by an appointment *pro tempore*. Notwithstanding the decision of the Court of Claims, it was immediately determined by the committee in the House that he was not entitled to such compensation; and while my friends from Oregon and Indiana talk about the sacredness and the binding force and effect of the judgment of the Court of Claims, it is to be borne in mind that there was a simple finding in that case, no judgment. And not only so, I submit that they themselves conceded that that judgment was wrong, because that court found that he was not only entitled to compensation for his services as Secretary *ad interim* in those places, but also for his services as chief clerk. No one pretends that that is right.

I suggest also to my friend from Indiana, who has such great respect for the judgments of courts, that I remember a case not more than a year since where there was a judgment of the Supreme Court of the United States expressly against a claimant, and where $112,000 was involved, and yet he found his way clear to allow that same claimant $39,000 in the face of that judgment of the highest court in this land.

Now here was a finding of the Court of Claims. The Court of Claims reached a conclusion that we all concede was erroneous. Immediately after that finding was presented to Congress——

Mr. MITCHELL. The Senator from Iowa says we all concede that the judgment or the award of the Court of Claims was erroneous. I do not concede it, for one. I do not believe it was erroneous. I believe it was in strict accordance with the decision of the Supreme Court of the United States. I do not think any Senator ever contended that it was erroneous. They all admit substantially that under the law as it existed at that time Mr. Dickins was entitled to the full salary, but the Congress of the United States, or rather the committees of the two Houses that had this matter under discussion, thought that inasmuch as he had received one salary, while he might be entitled to the full salary under the strict letter of the law and under the decision of the Court of Claims, yet it would be sufficient under the circumstances to pay him the difference between what he had received and the amount he was entitled to receive as Acting Secretary of the Treasury and of State *ad interim*.

Mr. WRIGHT. I understand the Senator from Oregon in the minority report finds in favor of this claimant not compensation for his services as chief clerk and also as Secretary, but he finds in his favor the difference between the two salaries.

Mr. MITCHELL. That is correct. What I mean is that, as a strict matter of law, he would be entitled to the whole.

Mr. WRIGHT. Then I understand that while the Senator is a stickler here, according to his argument, for this claim on the ground that the party is entitled to it as matter of strict law, he nevertheless yields that entirely when he surrenders one-third of the claim.

Mr. MITCHELL. I do it in deference to all that has been said on this subject by previous committees composed of the ablest men of both Houses of Congress.

Mr. WRIGHT. When a matter of principle is involved, no ground of deference can justify a departure from it. If this claimant is entitled as a matter of principle to the entire amount, the Senator from Oregon ought to stand there and not yield any portion of it. He puts the claim as to every portion of it upon strict law, and yet abandons one-third of it which he says the party is as much entitled to as the remainder. If there is any claim here, the Senator insists that it is a matter of strict law. Aside from the strict law, I do not think any Senator will pretend that this man ought to be paid, for the reason that no one contemplated at the time these services were rendered that such persons were to have compensation, and it was only after one or two persons had been allowed compensation that this claimant thought probably that he was entitled to such compensation also.

But, Mr. President, I regret having taken up so much time. I only desired to say that I shall vote against this claim. If, as some one suggested here the other day, this Government of ours were an eleemosynary institution, to give away money as a matter of charity, perhaps I should have no objection to voting for the bill; or if we held the funds of the Government not in strict trust, but to dispose of at our own pleasure and will according to our feelings in individual cases, I might be disposed to vote for the bill; but the trust that I accept here is a strict trust, and I have no right or power to vote a dollar from the Treasury for a claim that I do not believe to be just and right.

Mr. SAULSBURY. If the Senator will permit me, I wish to ask him a question for information: Was the service charged for in this account performed, and has it ever been paid for?

Mr. WRIGHT. Certainly, the services have been performed; but they were performed by a person who was at that time in the service of the Government and who was paid for his services as a clerk.

The fact that for a few days he may have been detailed to discharge other duties is no reason why he should have additional compensation by any means.

I was about saying, Mr. President, that in my judgment the trust we have to execute is a strict trust. We have no right and no power to vote the money of the people as we would vote our own money influenced and controlled by feeling or sentiment merely. The question we have to determine is whether this person is entitled to this money, whether we in our places have any right to take this money of the people and vote it to this man or to any one because we may think it is a hard case. Hard cases should never allow or justify the making of bad law.

Mr. PRATT. Mr. President, the questions which my friend from Delaware propounded to the honorable Senator who has just taken his seat were very pertinent questions. The first question was, Have the services been performed? and the next question was, Have they been paid for? and both of those questions must be answered, the first in the affirmative, and the second in the negative.

But, sir, were they services that the Congress of the United States ought to pay for? Were they legal services? If anything can be established by judicial authority, by the opinions of the highest law officer of the Government, this is not only a legal claim, but it is an equitable claim and ought to be paid.

My honorable friend says that Mr. Dickins was late in coming to Congress. Sir, he did not come to Congress until a court established for the purpose of adjudicating upon claims of this character had had this case under full consideration and determined that, under the law as it was, Asbury Dickins was entitled to be paid for three hundred and fifty-nine days of service rendered as Secretary of the Treasury and Secretary of State. When that decision was made, Mr. Dickins came to Congress, and during the whole residue of his life he was a suitor here for justice, and his legatees since his death have been here constantly up to the present time. They do not ask this compensation as a matter of grace, but as a matter of sheer justice under the law as announced not only by the Court of Claims, but by the Supreme Court of the United States.

When I had occasion to address the Senate on Friday last upon this question, I cited two opinions from Attorney-General Wirt where the same question was involved. I had not the time then to refer to subsequent opinions delivered by Attorneys-General Legare and Cushing. I have them before me, and I would cheerfully read them to the Senate if time allowed; but I prefer quoting to the Senate now, in concluding, the decision of the Supreme Court of the United States upon a question that involved the very principle that we are discussing here. I refer to the claim of Mr. White against the United States, decided by the Supreme Court of the United States in 1851, Chief Justice Taney pronouncing the opinion. This White was a Navy agent, and he had been designated by the Secretary of the Navy while he was Navy agent to discharge the duties of purser. The salary of purser at that time was $1,500 a year, and it was objected that he was not entitled to the compensation of Navy agent and purser at the same time. I have the opinion of Chief Justice Taney here before me, and if the Senate will pardon me I will read a brief extract from that opinion:

> The act of Congress fixes the salary of purser, when not otherwise provided for, at $1,500 a year. As the defendant performed all the duties of the office, and performed them in the name and in the character of purser, he is entitled to the compensation which the law has provided for such services. The circumstance that he held the office of Navy agent at the same time can make no difference. There is no law which prohibits a person from holding two offices at the same time.

I beg my honorable friend from Iowa to consider whether his opinion expressed a few moments ago can stand against that of the Supreme Court of the United States upon that question:

> As a matter of policy it would certainly be highly objectionable in most cases as a permanent arrangement; but in the absence of any legal provision to the contrary, this appointment was valid. Indeed, it often happens that in unexpected contingencies, and for temporary purposes, the appointment of a person already in office to execute the duties of another office is more convenient and useful to the public than to bring in a new officer to execute the duty. And if the duties of the second office are performed, and the law has fixed the compensation which it deems just for such services, it cannot be material whether they are rendered by one holding another office or not, provided they are faithfully discharged.

This opinion of the Supreme Court of the United States was cited by the Court of Claims, and their opinion rested in a measure upon the decision of the Supreme Court; and let me say to the Senator from Iowa that that rule has never been shaken to this day. No Senator who has spoken against this claim pretends that this opinion has ever been overruled, the opinion of either the Court of Claims or the opinion of the Supreme Court in the case of White *vs.* The United States.

If I had time, as I said before, I would be glad to read the opinion of Attorney-General Legare in the case of Mr. Young, who was chief clerk in the Treasury Department, and just like Mr. Dickins served as Acting Secretary of the Treasury, and which was referred to the Attorney-General for his opinion, whether Mr. Young could claim compensation for discharging the duties of both offices at the same time; and his opinion was clear and explicit that that was the law; and it continued to be the law down to 1839.

My honorable friend from Iowa is very much afraid that if Congress shall pass upon and allow this claim, other claims will spring up appealing to Congress for relief upon the same grounds upon which this is urged. Let me say that no such claim can arise and ask to be recognized which has been created since the year 1839; but until that year the authorities are unbroken, as I said before, that such claims were valid and that there was no escape from their payment.

Mr. President, if I comprehend the duty of Congress, it is to pay the debts of the United States. That is one of the reasons for which we may levy taxes, "to pay the debts of the United States;" and here is a debt that has been determined to be a valid claim against the United States by the very court instituted by Congress to pass upon such claims. That decision, as I have said before, has never been overruled. It is sustained by the Supreme Court of the United States. How can we then with clean consciences afford to deny this claimant this compensation resting upon such authority?

I will not detain the Senate longer. I had much more to say; but I observe that the morning hour is nearly expiring.

Mr. MORRILL, of Vermont. If this bill proposed merely to give the sum of $3,000 or $4,000 or even $5,000 as a mere act of benevolence, I do not know that I should object to it; but when the Senator from Indiana says that the precedents on this subject have been unbroken from the foundation of the Government until the passage of the act of 1839, I must controvert the assertion.

Mr. PRATT. I spoke of the judicial precedents.

Mr. MORRILL, of Vermont. And I ask the Senator to look at the supplement to the Congressional Globe of the second session of the Fortieth Congress, 1868, containing the impeachment trial. There he will find a list of such cases, covering six or seven pages, which would inevitably come up provided this claim should pass. Why, sir, the book contains pages of them, one after another, year after year; and the idea that we can pass this claim and not have any others come up is put forth here with more assurance than I should suppose was possible.

Mr. PRATT. Allow me one moment——

Mr. MORRILL, of Vermont. I undertake to say that there would be hundreds of them that would come up, and that this involves not less than half a million dollars, and perhaps much more. I move now to lay the bill on the table and have done with it.

The PRESIDING OFFICER, (Mr. ANTHONY in the chair.) The Senator from Vermont moves to lay the bill on the table.

Mr. MORRILL, of Vermont. I ask for the yeas and nays.

The yeas and nays were ordered; and being taken, resulted—yeas 18, nays 30; as follows:

YEAS—Messrs. Allison, Boreman, Boutwell, Chandler, Clayton, Conkling, Fenton, Ferry of Connecticut, Flanagan, Frelinghuysen, Hager, Ingalls, Morrill of Maine, Morrill of Vermont, Schurz, Scott, Tipton, and Wright—18.

NAYS—Messrs. Anthony, Bayard, Bogy, Cameron, Cooper, Cragin, Dennis, Dorsey, Gordon, Hamilton of Texas, Hamlin, Johnston, Kelly, Lewis, McCreery, Merrimon, Mitchell, Morton, Norwood, Patterson, Pease, Pratt, Ramsey, Ransom, Saulsbury, Spencer, Stewart, Stockton, Wadleigh, and West—30.

ABSENT—Messrs. Alcorn, Brownlow, Buckingham, Carpenter, Conover, Davis, Edmunds, Ferry of Michigan, Gilbert, Goldthwaite, Hamilton of Maryland, Harvey, Hitchcock, Howe, Jones, Logan, Oglesby, Robertson, Sargent, Sherman, Sprague, Stevenson, Thurman, and Windom—24.

So the motion was not agreed to.

Mr. SCOTT. Mr. President, notwithstanding the vote just taken, I consider it my duty not to permit the Senate to come to a final vote on this bill without one or two remarks more upon the effect of passing it. I need not disclaim what I have frequently disclaimed, any other feeling about this bill than that of the discharge of public duty. Standing where I do as chairman of the Committee on Claims and understanding how easy it is for those who represent such claims as this to find access to the hearts of Senators and how difficult it is to keep the doors of the Treasury barred against claims of this character where the hearts of Senators are enlisted, I still must ask them to consider whether they are willing, with this case as a precedent, to encounter the responsibility which its passage will involve us in?

The point upon which this case turns has been well stated by the Senator from Iowa. Let me ask the attention of the lawyers of the Senate to that point. The decision of the Court of Claims is invoked as establishing the justice of this claim. If it does establish the justice of this claim, then the Senate is doing a great injustice to these claimants in not voting every dollar which the Court of Claims awarded to him whom they represent. The Court of Claims decided that Asbury Dickins held two offices and that he was entitled to pay for both those offices. He was chief clerk of each of two Departments, and during a certain period he performed the duties of the head of each Department; and the effect of that decision was that he was both chief clerk and Secretary of State; that he was both chief clerk and Secretary of the Treasury Department; that as such he was entitled first to the salary of chief clerk, and second to the salary of the head of each Department, and having been paid in full for his services as chief clerk, that court made a report awarding him the salary of the head of the Department in full, in addition to his salary as the chief clerk of the Department.

If that decision had the binding effect which some Senators say it ought to have, why do they not follow it and vote the whole amount? Because it is conceded that the opinion of the court is not tenable on that ground. He did not hold two offices. He could not, as I argue, hold those two offices. There is a constitutional barrier against his being considered the Secretary of the Treasury or the Secretary of State. The act of 1792 simply authorized the President to appoint a man for the time being in case of certain disabilities to perform the duties of those offices; but the Secretary of the Treasury or the Sec-

retary of State cannot be made such without a nomination to the Senate and a confirmation by the Senate. Then the ground upon which the decision of the Court of Claims rested is abandoned.

When the bill passed the Senate in the first instance and went to the House of Representatives, the House sent it to the Court of Claims. When that report of the Court of Claims came to the House, the House refused to sanction it when everything was fresh before it; and now, and ever since for twenty years, this claim has been sent back from House to Senate and from Senate to House, playing battledore and shuttlecock with it all the time, and for the greater part of the time its advocates abandoning the ground on which the Court of Claims based their decision; and to-day those who claim that this bill ought to pass agree that it would be utterly inequitable to pay again the full salary of Secretary of State and the salary of chief clerk, but agree that all that ought to be demanded is the difference between the higher and the lower salary.

The ground, then, of the decision is abandoned, and what do we come to? If it is not true that he held two offices and that he can be paid the salary of both, then I quote the act of 1818 as a legal bar against his claim; and why do I do it? Because he was only chief clerk, and that act as a bar says distinctly you shall have no higher salary than that of chief clerk, and you shall have no other salary than that of chief clerk. He held but one office; true, by virtue of that he was detailed to perform for the time being the duties of the other; but so long as he was the chief clerk of either of these Departments the act of 1818 stood in the way of his being paid any other salary than that of chief clerk or any higher salary than that of chief clerk.

Mr. PRATT. Will the Senator from Pennsylvania allow me to ask him a question?

Mr. SCOTT. Certainly.

Mr. PRATT. Was not the act of 1818 before the Court of Claims at the time the decision was made in the case of Asbury Dickins *vs.* The United States? Was not that act before the Supreme Court of the United States at the time the case of White *vs.* The United States was decided, and must not both these courts in their decisions have ignored the act of 1818 as applicable to this question at all?

Mr. SCOTT. I would have answered that question in another form if my friend had delayed his inquiry. The question which the Supreme Court of the United States considered and decided, the question which every Attorney-General to whom such matters have been submitted has decided, has been not whether the person held two offices, but whether the two offices were incompatible with each other. The question of the purser in the Navy, I believe it was, and some other officer that was presented, was not did he hold two offices under the act of 1792; but were the two offices which he did hold incompatible with each other; and they decided that they were not. Now the ground upon which I am arguing this case is not that Mr. Dickins held two offices one of which was incompatible with the other, but that he held only one office, the office of chief clerk, and that holding only one office the act of 1818 is a bar right across his way to claim any greater or other salary than the one affixed to that office.

Mr. PRATT. Will my friend allow me to interrupt him again? How does he reconcile his present position with the opinion which Attorney-General Legare gave in the case of Mr. Young, who was chief clerk of the Treasury Department, and who preferred his claim for services similar to those performed by Mr. Dickins? Both of them were chief clerk in the Treasury Department and performed the duties of Secretary of the Treasury *ad interim*. Now what does Mr. Legare say?

In the matter of Mr. Young's claim, I am of opinion that the Secretary of the Treasury *ad interim*, appointed by virtue of an express law, has a claim upon the Government for the usual, or, if there be no usual, for a reasonable compensation for his services in that capacity.

Mr. SCOTT. I answer in this way: The sentence itself is a confirmation of the very position which I have taken. If he could hold the office of Secretary of the Treasury and the office of chief clerk, I ask the Senator from Indiana did not the law itself fix the salary of both; and yet this Attorney-General speaks of there being a usual compensation, or if there be not a usual, a reasonable compensation, showing that he did not himself pass upon the question of whether this man was Secretary of the Treasury and chief clerk or Secretary of State and chief clerk, but that he was considering it simply as an equitable claim. Had he been of the opinion that the claimant in that case was Secretary of the Treasury, the act of 1818 fixed the salary of the Secretary of the Treasury just as it did the salary of chief clerk. Had he been of opinion that he was Secretary of State and chief clerk, the act of 1818 fixed the salaries of both those officers, and there could have been no question whatever about their usual or reasonable compensation.

Mr. President, I have referred to the act of 1818, which I say stands as a bar across this claimant's right; but after 1818 on until 1839 claims of this kind began to multiply, and the question was presented to Congress, does such a case make an equitable claim? There were numbers of them; and right across the claims in such cases was thrown the act of 1839, which was not simply a declaration that in the future no such salaries should be paid, but was a declaration that as to the past no such salaries ought to be paid; and we there meet the question of an equitable claim just as decidedly as we do that of a legal claim by the act of 1818.

Mr. PRATT. Will my friend allow me to ask him a question? That act of 1839 was in force at the time the Court of Claims passed upon the claim of Asbury Dickins. It was likewise in force at the time the Supreme Court of the United States, at the April term, 1851, decided the case of the Navy agent, White against the United States. And yet neither of these courts pretended that the act of 1839 was retroactive so as to cut these claims.

Mr. SCOTT. Well, Mr. President, as to the case of the Navy agent, let me refresh my friend's recollection. The act of 1818 had no earthly application to the case of the Navy agent at all, for it applied only to the organization of the Departments of State, the Treasury, and War, so that the Supreme Court had nothing to do with the act of 1818, so far as that case of the Navy agent was concerned; and in the case which we are considering, as I have already shown, the Senator from Indiana himself abandons the decision of the Court of Claims and says it cannot be sustained. You get back to an equitable claim. The act of 1818 defeats your legal claim, and the act of 1839 is an expression of the policy of the Government against the equity of all such claims; and we are therefore brought to the question, will we open up the flood-gate to the claims which would pour in upon us as shown by the quotation I made the other day, and which was repeated this morning by the Senator from Vermont of six or eight pages of the Congressional Globe covered with just such cases as this?

Mr. MITCHELL. If the Senator will allow me——

Mr. SCOTT. I am nearly through.

Mr. MITCHELL. I wish to ask a question.

Mr. SCOTT. I will give way to a question.

Mr. MITCHELL. I want to inquire of the Senator from Pennsylvania whether he insists now—I understood him to insist the other day and I also understood the Senator from Vermont to insist this morning—that this case would set a precedent for some four or five hundred cases, and the Congressional Globe was referred to. I desire to know if it is insisted now that that is the fact?

Mr. SCOTT. I have looked in the record in the Congressional Globe referred to, and there are certainly some five or six pages covered with the names of persons who have been from time to time assigned under the act of 1792 to perform duties different from those which their offices required of them.

Mr. MITCHELL. Now, in answer to that, if the Senator will allow me, because I know he does not wish to convey a false impression to the Senate, I will say that at the time the impeachment of President Johnson was under consideration in the Senate the information was called for which has been referred to by the Senator from Pennsylvania and by the Senator from Vermont. There are contained on these four or five pages all the appointments of *ad interim* Cabinet officers made from the foundation of the Government up to that date; and nine-tenths of the whole list consist of cases of persons appointed since the act of 1839; and when you consider the list which would come under this precedent you will find that it only includes the appointments made by President Jackson and a portion of those in Mr. Van Buren's time. That whole list, instead of being four or five hundred cases, amounts to about ninety-five.

Mr. PRATT. Ninety-six.

Mr. MITCHELL. Ninety-six all told. Of these ninety-six eighteen are the appointments of Asbury Dickins, ten as acting Secretary of State and eight as acting Secretary of the Treasury.

Then, again, the act of 1792 only provided for temporary appointments or appointments *ad interim* for three of the Departments, not for all the Cabinet positions as I remember, but only for the three Departments, State, Treasury, and War. When you come to look over this list of ninety-six you will find that some thirty of them, I think—I have glanced over the list—were of officers in the other Departments, in the Departments of the Postmaster-General, of the Attorney-General, and of the Secretary of the Navy. So then when you come to deduct those who were appointed in these three different Departments that were not included in the act of 1792, and when you come to deduct the matter under consideration of eighteen appointments of Asbury Dickins, and when you come to deduct in addition to all that twenty-nine other cases that have already been paid by the auditing officers of the Government under the act of 1792, there is not a baker's dozen left, if any, that would come in under any precedent that might be established by the passage of this bill.

Now, Mr. President, I hope no Senator will be frightened by any such argument as that; and arguments of this kind only show, either that the Senators who make them here have not investigated the case, have not taken the trouble to look into it, or that for some other reason they are not as careful as they might be in regard to their statements about this matter, because it was broadly stated this morning by the Senator from Vermont, and just as broadly asserted the other day by the Senator from Pennsylvania, that we were now about to establish a precedent that would open the flood-gates and let in claims amounting to perhaps half a million dollars or more. That is not the case, I say in all candor and sincerity, as the Senate will see if they will examine this very record to which they have referred. I will send it to the Senator from Pennsylvania and ask him to look at it.

Mr. SCOTT. Mr. President, that is the most extraordinary question I ever yielded for, and if I could find out what it was, I would endeavor to answer it, [laughter;] but I can see very readily how the young ladies who have charge of this bill have gotten hold of

the honorable Senator who occupies the chair [Mr. ANTHONY] and many other honorable Senators to such an extent that I am perhaps engaging in a vain fight here for the purpose of guarding the Treasury against the sympathy which they have enlisted in the Senate for the passage of this bill.

Mr. MITCHELL. They seem to have controlled a majority of the Senate.

Mr. SCOTT. Perhaps they have. I have failed to remember the question which the Senator rose to propound to me. [Laughter.] I remember the argument about this list of cases, and it closed with a most extraordinary statement that those of us who had been using it had not been very careful about our statements in regard to it. Now, sir, I have not taken the trouble to count these cases, but I have looked at them, and found that on page 187 of the supplement to the Globe containing the impeachment trial this occurred:

THE CHIEF JUSTICE. Will the counsel state what he proposes to offer?

Mr. CURTIS. These are documents from the Department of State showing the removal of officers not only during the session of the Senate but during the recess, and covering all cases of vacancy, the purpose of the evidence being to show the practice of the Government coextensive with the necessity that arises out of the different cases—death, resignation, sickness, absence, removal. It differs from the schedule which has been put in by the learned managers, which covered certain heads of Departments only, because that applies only to removals during the session of the Senate. It includes that, but it includes a great deal more matter.

Mr. Manager BUTLER. I have prepared for myself the same list. In order that the Senate may see exactly what the character is, and may judge then how far this may be competent, I call the attention of the Senate to one, the first one that opens—not by any manner the first in order, but the first one that happens:

"I hereby appoint C. A. Harris to perform the duties of Acting Secretary of War during the temporary absence of the Secretary for the Department of War.

"ANDREW JACKSON.

"MAY 27, 1836."

And then, beginning on page 188, follows the list of appointments of this character; it runs to page 191, where there is a message from President Buchanan dated in 1861, showing the number of such appointments that had been made until that time under this act of 1792, and there any Senator can see how many there are, [holding up the book.] There may be numerous appointments of the same person, but here are three columns on page 192, as many on page 193, as many on page 194; and then, I do not know what the character of the succeeding list is, but I believe it runs on from 1860 up to the time of the trial over pages 195 and 196. I have not counted these cases; but here they are. I do not know how often the same name occurs.

Mr. MITCHELL. I have counted them.

Mr. SCOTT. I do not know how the Senator can find but ninety-five or ninety-six in all on all these four pages; but let that be as it may, I have never yet undertaken to see how many there were; I quoted the pages before, and the Senator has gone to the trouble to count them. The point in it is this: it is not simply a question of whether we shall pay the cases that occurred before 1839, but whether we shall establish a precedent which says that the act of 1839 ought to be blotted from the statute-books. This case is not simply one of law as to the time preceding 1839, but it is one of policy as to all time; and the very ground upon which this bill is passed will blot from the statute-book all the acts from 1839, 1842, and 1848, because——

Mr. FRELINGHUYSEN. Has the Senator got the act of 1818 there?

Mr. SCOTT. I have not got the act of 1818; but I have the section which bears on this matter.

Mr. FRELINGHUYSEN. That is all I wish.

Mr. SCOTT. I can quote it if the Senator desires.

Mr. FRELINGHUYSEN. If you please.

Mr. SCOTT. It reads as follows:

SEC. 9. That the compensation allowed by this act to clerks shall commence from and after the 31st day of March last, and it shall be the duty of the Secretaries for the Departments of State, Treasury, War, and Navy, of the Commissioners of the Navy, and the Postmaster-General, to report to Congress at the beginning of each year the names of the clerks they have employed respectively in the preceding year, together with the time each clerk was actively employed during the year, and the sums paid to each; and no higher or other allowance shall be made to any clerk in the said Departments and offices than is authorized by this act.

That is the section. I do not wish to take up time; I only rose to call the attention of the Senate to the effect of the passage of this bill, and I do it in no hostility to the bill itself. It is for the purpose of guarding the Treasury against the number of cases that will come in consequence of this precedent. Do not tell me that they are old cases, and that they will not come. Asbury Dickins is dead, but his legatees are here; and time will not keep away the legatees and the heirs at law and the administrators who will disinter all these claims from 1818 up until the present time if we give them encouragement.

I think I shall not be tempted again to speak upon this subject. I have been tempted to speak thus far by reason of the interruptions which have been made during the remarks I have now ventured to make in anticipation of the final vote on this bill. If the Senate, in full view of all that has been said, shall instruct the Committee on Claims to encourage these bills, to pay all that may be resurrected from 1819 down to the present time, to say that the policy of the laws of 1839 and 1842 is not founded in the public interest—if they see proper so to instruct us, very well; we shall have discharged what we deemed our duty upon the threshold of that instruction.

Mr. PRATT. I rise simply for the purpose of replying to two points made by the Senator from Pennsylvania. The first is as to the application of the act of 1818 to this question. Now, sir, if the Senate has any respect whatever for the opinion of Justice Blackford of the Court of Claims, that question is settled, and settled forever. He had this act of 1818 before him. It was cited then, as now, against the claim of Asbury Dickins, as barring it. That section has just been read in the hearing of the Senate. I will not read it over again, but I will read the comments of Judge Blackford upon the meaning of that section. He says:

The meaning of that part of the above section, relied on by the Solicitor, is only this: that no such clerk as there referred to shall receive any other compensation, as clerk, than what the act allows. It does not affect the question, whether the claimant is not entitled, besides his salary as clerk, to a compensation, and, if any, to what amount, for his discharge of the duties of the other offices conferred on him.

I could not, if I would, add anything which would strengthen that exposition of the meaning and application of the act of 1818.

Let me refer to one other point which the Senator has made, and then I shall have done. His attention had been called by my friend from Oregon to the list which has been mentioned as printed in 1868 during the impeachment trial. I call the attention of the Senator now to that part of the list found on page 192 of the Globe supplement. It is the beginning of the list. There are no cases before it. It commenced with March 4, 1829; but that part which I will quote extends down to the 3d of March, 1839, during Mr. Van Buren's administration The list contains all the cases where clerks or heads of Departments had served in other Departments during that entire period of time, and the number as stated by my friend from Oregon is ninety-six all told, and of that number who thus served in the capacity of Secretary *ad interim* I count up twenty-four, my friend makes it a little more; he makes it thirty—Cabinet officers who were discharging these duties and who were at the same time receiving in other Departments their legal salary of $6,000 a year. Of this entire number of ninety-six, there are, as my friend says, but a baker's dozen which remain that have not been settled; and a great many have been paid. In this list are seventeen cases where, like Mr. Dickins, the present claimant, parties had served in these capacities. I do not go further than March 3, 1839, because the act of Congress passed that year cut off forever claims of this kind; and none can ever come before Congress with any prospect of success that have originated since that time.

Mr. SAULSBURY. Mr. President, as I understand this case Mr. Dickins was chief clerk in the State Department and in the Treasury Department and was called upon to perform duties which did not pertain to his position as chief clerk in those Departments. He rendered that service, it is admitted, but he has never been paid for that service, as I understand. He made a claim. That claim was adjudicated in the Court of Claims, but they had no power to pay it and he came to Congress. Having died, his heirs now present it.

I am not governed in my views about this matter by any sympathies for the claimants, for I have not the pleasure of acquaintance with any of them; neither had I with Mr. Dickins. But I wish to say in connection with this case, in reply to what was said by the Senator from Pennsylvania, that the policy of this Government has been to pay the clerks of the Departments additional compensation for services rendered outside of their legitimate duties.

In the month of January last I introduced a resolution calling upon the Secretary of the Treasury to inform the Senate what had been done with certain moneys appropriated on the 8th of May, 1872, for the employment of additional clerks and for additional compensation to clerks in his office; and on the 26th of February, 1874, he made a reply to that resolution, and in that reply he states what he has done with that money, and as a justification for his course he says:

I desire to state that additional compensation has been paid to the clerks in the office of the Secretary of the Treasury since the year 1861 under the following appropriations.

He then specifies the different appropriations under which additional compensation had been paid to the clerks. On the 8th of May, 1872, $22,500 was appropriated to enable the Secretary of the Treasury to hire additional clerks and to pay additional compensation to the clerks in his office. He was called upon to state what he had done with the money, and he here gives a list of the employés in his office who received that compensation. Every dollar of that $22,500 was paid out by the Secretary of the Treasury as additional compensation to the clerks in his office. Not a dollar of it was used for the hiring of additional clerks; but there was paid to clerks already in his office under salaries the sum of $22,500.

Mr. CONKLING. What year was that?

Mr. SAULSBURY. That was for the fiscal year ending June 30, 1873. I have here the names of those clerks. Nine of them received $1,200 each, additional compensation, and they were clerks at a salary of $1,800.

Mr. CONKLING. That I believe was out of a special fund and under a special provision of law directing and enabling the Secretary thus to dispose of it.

Mr. SAULSBURY. Certainly; I do not say it was not authorized by law. I only show that it has been the policy of Congress as well as of the Department, for Congress has made appropriations for that very thing, appropriations to hire additional clerks and to pay additional compensation to clerks already in the Department, and it was under an appropriation of that kind that these moneys were paid

out. Here is a list of the officers. The chief clerk, who had a salary of $2,500, was paid an additional compensation of $1,000. The chief of the appointment division, who received a salary of $1,800, was paid $1,800 additional out of that appropriation. The chief of the warrant division, who received a salary of $1,800, was paid $1,200 additional compensation.

I will not go through the whole list of these officers. They will be found in the report of the Secretary in reply to a resolution which I had the honor to introduce in January last. Nor will I undertake to say that the policy which has been pursued was a wise policy. On the contrary, I do not think it was wise to make appropriations in advance and furnish to the Secretary of the Treasury or any other Secretary a sum of money to be disposed of in that way as he pleased. But I cite it for the purpose of showing that the policy of Congress has been to pay the clerks in the Departments additional compensation for services which they have rendered. I call attention to this matter in reply to the remark made by the Senator from Pennsylvania, that it was against the policy which had been pursued by the Government to pay additional compensation for services rendered. I rose more for the purpose of bringing this fact distinctly before the Senate than for anything else in reference to this question.

The PRESIDENT *pro tempore*. The question is on concurring in the amendment made as in Committee of the Whole.

The amendment was concurred in.

It was ordered that the amendment be engrossed and the bill read a third time.

The bill was read the third time.

Mr. WRIGHT. I call for the yeas and nays on the passage of the bill.

The yeas and nays were ordered; and being taken, resulted—yeas 27, nays 22; as follows:

YEAS—Messrs. Anthony, Bayard, Bogy, Cameron, Cooper, Cragin, Dennis, Dorsey, Gordon, Hamilton of Texas, Howe, Johnston, Kelly, Lewis, McCreery, Merrimon, Mitchell, Morton, Oglesby, Pease, Pratt, Ramsey, Saulsbury, Spencer, Stockton, Tipton, and Wadleigh—27.

NAYS—Messrs. Allison, Boreman, Boutwell, Carpenter, Chandler, Clayton, Conkling, Edmunds, Fenton, Ferry of Connecticut, Flanagan, Frelinghuysen, Hamilton of Maryland, Hitchcock, Ingalls, Morrill of Maine, Morrill of Vermont, Robertson, Schurz, Scott, Windom, and Wright—22.

ABSENT—Messrs. Alcorn, Brownlow, Buckingham, Conover, Davis, Ferry of Michigan, Gilbert, Goldthwaite, Hager, Hamlin, Harvey, Jones, Logan, Norwood, Patterson, Ransom, Sargent, Sherman, Sprague, Stevenson, Stewart, Thurman, and West—23.

So the bill was passed.

Mr. HOWE. I desire to enter a motion to reconsider the vote on the passage of the bill.

The PRESIDENT *pro tempore*. The motion to reconsider will be entered.

THOMAS B. WALLACE.

The next bill on the Calendar was the bill (S. No. 507) for the relief of Thomas B. Wallace, of Lexington, in the State of Missouri; which was read.

Mr. FRELINGHUYSEN. I object to that bill.

The PRESIDENT *pro tempore*. The Clerk will report the next bill on the Calendar.

Mr. SCOTT. Let me inquire so that we may understand the mode of procedure, now that we are proceeding regularly with the Calendar after the morning hour, does one objection take a bill over?

The PRESIDENT *pro tempore*. That has been the understanding under which the Calendar has been proceeded with thus far.

Mr. SCOTT. I only wish to understand it.

Mr. BOGY. I move to suspend the pending order and take up the bill which has just been read.

The PRESIDENT *pro tempore*. The question is on the motion of the Senator from Missouri to proceed to the consideration of the bill.

Mr. FRELINGHUYSEN. The reason of my interposing an objection here is because that bill would bring up a class of cases in reference to war claims. I understood the Senator from Pennsylvania to say that his committee had that subject under consideration and expected to make a report which would cover many of these cases, and therefore I think it better that this case should go over. At all events, this case would necessarily lead to a great deal of discussion.

Mr. SCOTT. The Senator misunderstood me if he supposed that the Committee on Claims expected to make a special report in reference to war claims in general. I did state a few days since that there were a number of claims of this character already reported and others in the committee under consideration, the character of which, from our past experience in the Senate, would necessarily excite discussion, and that I expected to ask the Senate to set apart a day before very long for the consideration of those cases. This is one of that class of cases.

Mr. BOGY. I will ask the Senator from Pennsylvania if the committee is preparing a report upon this subject? I did not fully hear what he said?

Mr. SCOTT. The committee is not preparing a special report apart from any case. They are considering the cases as they arise.

Mr. BOGY. I will then state that the committee of which the Senator from Pennsylvania is chairman have made a report, unanimous I think, in favor of this bill already—report No. 109. I therefore move that the bill be taken up.

Mr. WRIGHT. The determination of this question in favor of the motion will take up the rest of the day upon this bill, I have no doubt, if it shall come before the Senate, for it involves the whole question referred to by the Senator from New Jersey.

I have another reason why I shall vote against this motion. The Senator from Massachusetts is upon the Committee on Claims, and has some notions upon this general subject that I should like to have presented to the Senate when the question shall come before us; and without being at all authorized to say that he will discuss the question when it shall come up, I think it would be better that it should go over and at least give some time, some day, when we can take up these cases and have them all discussed together. There are some half-dozen or dozen cases involving the same question, and if we take up this case we shall spend the whole day upon it. I think it would be better to go on with the Calendar and take up those cases that are not objected to or that will elicit very little discussion. I shall, therefore, vote against the motion of the Senator from Missouri.

Mr. SCOTT. It is proper, perhaps, that I should say that while I am of course desirous for speedy action upon all cases reported from the Committee on Claims, this case is analogous to the case which the President vetoed, the case of J. Milton Best. My recollection is that a veto of this bill was sent in during the last Congress, the President referring to the veto message in the case of Best for the reasons for vetoing this bill.

I make this statement in justice to the Senate, because these cases will necessarily, if the Senate will again go over the ground that was traversed in them before, occupy considerable time.

The PRESIDENT *pro tempore*. The question is on the motion of the Senator from Missouri to proceed to the consideration of the bill.

The question being put, a division was called for; and the ayes were 14, and the noes 17; no quorum voting.

The PRESIDENT *pro tempore*. The Chair is satisfied there is a quorum of Senators present, and will put the question again. Senators are requested to vote.

The question being again put, the ayes were 19, and the noes 18.

Mr. FRELINGHUYSEN. I call for the yeas and nays.

The yeas and nays were ordered; and being taken, resulted—yeas 18, nays 21; as follows:

YEAS—Messrs. Bayard, Bogy, Cooper, Cragin, Flanagan, Gordon, Hamilton of Maryland, Johnston, Kelly, McCreery, Morton, Ramsey, Ransom, Robertson, Saulsbury, Schurz, Scott, and Stockton—18.

NAYS—Messrs. Anthony, Boreman, Boutwell, Cameron, Carpenter, Chandler, Clayton, Conkling, Frelinghuysen, Hager, Hamilton of Texas, Hitchcock, Ingalls, Morrill of Vermont, Pratt, Sargent, Sherman, Stewart, Tipton, Windom, and Wright—21.

ABSENT—Messrs. Alcorn, Allison, Brownlow, Buckingham, Conover, Davis, Dennis, Dorsey, Edmunds, Fenton, Ferry of Connecticut, Ferry of Michigan, Gilbert, Goldthwaite, Hamlin, Harvey, Howe, Jones, Lewis, Logan, Merrimon, Mitchell, Morrill of Maine, Norwood, Oglesby, Patterson, Pease, Spencer, Sprague, Stevenson, Thurman, Wadleigh, and West—33.

So the motion was not agreed to.

ANDREW JOHNSON.

The next bill on the Calendar was the bill (S. No. 508) for the relief of Andrew Johnson, of Logansport, Indiana, which was read a second time, and considered as in Committee of the Whole. It proposes to direct the Secretary of the Treasury to pay to Andrew Johnson, of Logansport, Indiana, $409.19, in full discharge of all claims and demands for taxes of all kinds overpaid, or otherwise improperly paid, on any account whatsoever.

Mr. WRIGHT. I ask that the report in that case be read, to present to the Senate the exact question that is involved in it.

The Chief Clerk read the following report, submitted by Mr. MERRIMON on the 18th of February:

The Committee on Claims, to whom was referred the petition, accompanying affidavits, certificates, and other papers of Andrew Johnson, of Logansport, in the State of Indiana, have had the same under consideration and beg leave to report:

The petitioner and one Dantler were distillers under the internal-revenue laws of the United States, in the county of Cass, in said State, at intervals from the 1st day of September, A. D. 1862, until the 23d day of October, A. D. 1866; the petitioner owned the still and fixtures and the land on which the same were situated; the distillery was a small one; the distillers were very simple business men, unaccustomed to accounts and business habits; they inadvertently but honestly failed to report to the proper or any internal-revenue officer, or authority, that they had made and sold, prior to the 1st day of January, A. D. 1865, 215.85 gallons of spirits, but they afterward so reported; the revenue officer insisted that because they made report after the last-mentioned day and date they were liable to pay a tax of two dollars per gallon on account of said spirits, besides the forfeitures imposed by law for such neglect; the petitioner insisted that he was not so bound, but paid such tax and forfeitures under protest, the whole amounting to $409.19.

If the said distillers were liable at all, their liability was technical, and it appears that they were very plain, simple business men, and the committee think they behaved honestly about the matter. They think, therefore, the said sum of money ought to be refunded to the petitioner, he having paid the same. The committee, therefore, report back the accompanying bill, and recommend that the same be passed.

Mr. WRIGHT. I wish to say but one word in reference to this case. I did not concur in that report. I understand the case to be put upon this ground, and upon this ground alone: There is no question as to the legal liability of these persons; but they assert that they made no report before the law increasing the tax took effect for the reason that they were not aware of the law, and it is said that they were simple, ignorant persons. There is no question but that under the law they ought to pay this additional tax; but it is said that because they were not aware of the law they should not be thus assessed. That, I think, is the question in a nut-shell.

Mr. FRELINGHUYSEN. Is there no penalty in this at all?

Mr. WRIGHT. Certainly; there is a penalty, too. I say so far as the question that is presented is concerned, if we can relieve these persons, then we can relieve all persons who may violate the law and claim that they were ignorant of the law at the time they violated it.

Mr. PRATT. I am very sorry that my friend from Iowa has felt it necessary to oppose the passage of this bill. This Andrew Johnson is a neighbor of mine. I know him very well; a simple-hearted countryman, who undertook to run a small distillery in the country. He manufactured, as the report shows, some two or three hundred gallons of whisky, but failed to report the fact before the 1st of January, 1865; and in the mean time the revenue tax was raised from fifty cents to two dollars a gallon, and when he came to make his report he was charged with a tax of two dollars a gallon. The poor fellow had sold all his whisky at a good deal less than a dollar a gallon, and he was charged not only the difference in the tax, $1.50 a gallon, but the penalties, &c. He raked and scraped up the money, four hundred and some odd dollars. He is as poor as poverty; and I hope the Senate will take compassion upon him and pass this bill.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

FORT SMITH MILITARY RESERVATION.

The next bill on the Calendar was the bill (S. No. 509) to withhold from sale a portion of the Fort Smith military reservation, in the State of Arkansas, and to prescribe the manner in which the remainder of said reservation shall be sold, and for other purposes; which was read a second time, and considered as in Committee of the Whole.

The bill directs the Secretary of the Interior to cause to be laid off a portion of the Fort Smith military reservation in Arkansas, described as follows: Commencing at a point where the southeast side of Wayne street, in the city of Fort Smith, produced westward intersects the southwest side of Garrison avenue; thence along the southeasterly side of Wayne street produced westward one hundred and forty feet; thence in a southerly direction parallel to the line of Garrison avenue to a point of intersection with the boundary line between the city of Fort Smith and the military reservation; thence along that boundary line in a northerly direction to a point where it intersects with the southeasterly side of Wayne street produced westward. And this strip of land is to be laid off into fractional lots, to conform with the general plan of the city of Fort Smith as near as may be; and when so laid off they are to be appraised separately and offered at public sale, at the city of Fort Smith, at such time and in such manner as the Secretary of the Interior may direct; but the persons owning fractional lots in the city of Fort Smith adjoining this strip of land are to have the option of purchasing the fractional lots at the public sale at the appraised value.

The second section proposes to donate all that portion of the Fort Smith military reservation embraced within the limits of Garrison avenue, in the city of Fort Smith, produced to the Arkansas River, as at present laid out and used by the city of Fort Smith, together with the wharf at the foot of Garrison avenue as so produced, to the city of Fort Smith for public use.

The third section directs the Secretary of the Interior to cause to be laid out a suitable road, not less than fifty feet in width, communicating from some public street in the city of Fort Smith to the main entrance of the national cemetery; and he is also to cause Wayne street, in the city of Fort Smith, to be produced westward and laid out to the western boundary of the Fort Smith military reservation in the State of Arkansas; the road and street to be public highways.

By the fourth section all that portion of the Fort Smith military reservation now used for a national cemetery, and that portion of the reservation bounded on the west and northwest by the original boundary of the reservation, and on the northeast by Garrison avenue produced to the Arkansas River, and on the southeast by Wayne street produced to the western boundary of the reservation, together with all the buildings and other improvements thereon, are to be withheld from sale and reserved for the use of the United States.

The fifth section sets apart and reserves the buildings on the reservation now occupied and used by the United States district court for the western district of Arkansas for the future use of the court.

The sixth section directs that the remaining portions of the Fort Smith military reservation shall be subdivided into forty-acre tracts and fractions thereof, in conformity with the public surveys of the United States, and appraised and sold in accordance with the provisions of the act entitled "An act to provide for the disposition of useless military reservations," approved February 24, 1871.

Mr. CLAYTON. Since I reported this bill by the direction of the Committee on Military Affairs information has come to me which I did not then possess, which makes it necessary in order to perfect the bill to make some amendments to it. These amendments do not interfere with the general purposes of the bill, but merely perfect it. I move to amend the second section, in line 5, by inserting after the words "together with" the words "so much of," and in line 6 by striking out the words "as so produced" and inserting "as may be included in said military reservation;" so that the section will read:

> That all that portion of said Fort Smith military reservation embraced within the limits of Garrison avenue, in the city of Fort Smith, produced to the Arkansas River, as at present laid out and used by the said city of Fort Smith, together with so much of the wharf at the foot of Garrison avenue as may be included in said military reservation, is hereby donated to the said city of Fort Smith for public use.

The amendment was agreed to.

Mr. CLAYTON. In section 3, line 5, after the word "cemetery," I move to strike out the following words:

> And he shall also cause Wayne street, in said city of Fort Smith, to be produced westward and laid out to the western boundary of the Fort Smith military reservation in the State of Arkansas.

The amendment was agreed to.

Mr. CLAYTON. In section 3, line 8, I move to strike out the words "and street," and in line 9 to strike out the words "public highway" and insert "a public highway."

The amendment was agreed to.

Mr. CLAYTON. In section 4, line 7, before the words "Wayne street" I move to insert the words "the south side of."

The amendment was agreed to.

The bill was reported to the Senate as amended; and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PORT OF SAN PEDRO, CALIFORNIA.

The next bill on the Calendar was the bill (S. No. 237) to change the name of the port of San Pedro, California, to Wilmington; which was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

SARAH F. LINCOLN.

The next bill on the Calendar was the bill (H. R. No. 517) for the relief of Sarah F. Lincoln, postmaster at Spencerport, Monroe County, New York; which was considered as in Committee of the Whole. It proposes to direct the Auditor of the Treasury for the Post-Office Department to credit Sarah F. Lincoln, in her account as postmaster, with the sum of $516.20, being the amount of postage-stamps stolen from the safe of the post-office by burglars on the night of the 3d of January, 1873, without fault or negligence on the part of the postmaster.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

GEORGE W. KEYES.

The next bill on the Calendar was the bill (H. R. No. 1222) for the relief of George W. Keyes; which was considered as in Committee of the Whole. It directs the Auditor of the Treasury for the Post-Office Department to credit George W. Keyes, postmaster at Olivet, Michigan, in his account as such postmaster, with the sum of $106.50, being the amount of postage-stamps burglariously stolen from the safe where the stamps were deposited, on the night of the 5th of May, 1869, without fault or negligence on the part of the postmaster.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

CHANGE OF NAME OF SCHOONER.

The next bill on the Calendar was the bill (S. No. 406) to allow the schooner Ocean Wave to take the name of Edith E. Wright, and be registered under that name; which was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

INDIAN RESERVATION IN MONTANA.

The next bill on the Calendar was the bill (H. R. No. 1922) to establish a reservation for certain Indians in the Territory of Montana; which was considered as in Committee of the Whole.

The bill proposes to set apart the following-described tract of country in the Territory of Montana for the use and occupation of the Gros Ventre, Piegan, Blood, Blackfoot, River Crow, and such other Indians as the President may, from time to time, see fit to locate thereon, namely: Commencing at the northwest corner of the Territory of Dakota, being the intersection of the forty-ninth parallel of north latitude and the one hundred and fourth meridian of west longitude; thence south to the south bank of the Missouri River; thence up and along the south bank of said river to a point opposite the mouth of the Maria's River; thence along the main channel of the Maria's River to Birch Creek; thence up the main channel of Birch Creek to its source; thence west to the summit of the main chain of the Rocky Mountains; thence along the summit of the Rocky Mountains to the northern boundary of Montana; thence along said northern boundary to the place of beginning.

Mr. BOGY. This bill is reported from the Committee on Indian Affairs. The subject has been examined by the committee. The establishment of this reservation is an absolute necessity, and the bill ought to pass.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

RELIEF OF NAVAL OFFICERS.

The next bill on the Calendar was the bill (S. No. 170) for the relief of certain officers of the Navy who were dropped, furloughed, or retired under the act of February 28, 1855; which was considered as in Committee of the Whole.

The bill provides that all officers now in the Navy, and the widows or heirs of those who have died while attached to the Navy, who were

dropped, furloughed, or retired under the act of February 28, 1855, and who were afterward promoted and restored to the active list of the Navy, under the operations of the act of January 16, 1857, or by the President under the operation of subsequent laws, shall be entitled to receive the difference between the pay respectively received by them and the pay at that time designated by law for officers on the active list of the rank to which they were respectively promoted, for and during the time they were affected by the operation of the acts of February 28, 1855, and January 16, 1857.

Mr. SHERMAN. I call for the reading of the report in that case.

The Chief Clerk read the following report, submitted by Mr. ANTHONY at the third session of the Forty-second Congress, (February 20, 1873:)

The Committee on Naval Affairs, to whom were referred petitions of several officers of the Navy, praying a modification of the act of January 16, 1857, that they may receive the pay of their actual rank, have had the same under consideration, and report as follows:

The petitioners, officers in the United States Navy, were, by the action of a board of naval officers, constituted under the act of February 28, 1855, placed on the retired list, furloughed, or dropped.

That in accordance with the act of January 16, 1857, and the joint resolution of March, 10, 1858, authorizing the President to restore certain officers to the active list where the records of the courts of inquiry "may render it advisable," these officers were placed on the active list, and were also promoted to date from the day they were placed on the retired list, furloughed, or dropped, by the naval board.

The sixth section of the act of January 16, 1857, provides "that all officers who may be restored to active service under the provisions of this act shall be entitled to draw the same pay they were drawing at the time they were retired or dropped, for and during the time of such retirement or suspension from the active service aforesaid."

By the construction given to this section by the accounting officers, these claimants only received the pay to which they were entitled at the time of their retirement, although their commissions on reinstatement to the active list gave them an advanced rank, to date from the time they were retired.

This act and the resolution of March 10, 1868, authorized the President, by and with the advice and consent of the Senate, to restore these officers to the position and rank in the Navy which they would have held had they not been retired, furloughed, or dropped, on the report of the naval board or court of inquiry, but by the interpretation of the sixth section above quoted, they were not allowed and have never received the pay of the rank they held upon restoration to the active list.

The committee have not deemed it necessary to inquire into the justice or injustice done by this naval board, for if a wrong was perpetrated on the officers who were ordered before it for examination, the President, in the exercise of his powers, reviewed the action and corrected the errors, in restoring these officers with the advice and consent of the Senate; and at the same time promoted them to the positions they would have held respectively, had it not been for the recommendations of the court of inquiry.

The committee have given this matter a most careful examination, and can see no good reason why an officer in either branch of our service should not receive the pay of his proper rank, withheld from the petitioners as before stated, and therefore report the accompanying bill and ask its passage.

Mr. ANTHONY. I desire to move an amendment to the bill. In line 4, after the word "Navy," I move to insert the words "including the widow of Captain Elisha Peck, relieved by special act of March 3, 1873." This is merely to bring this case within the same rule as those that were relieved under the general law.

The amendment was agreed to.

Mr. ANTHONY. In line 10, after the words "shall be entitled to receive," I move to insert the words "out of any money in the Treasury not otherwise appropriated." This is an amendment that the Comptroller thought proper. It is the usual form, I believe.

The amendment was agreed to.

The bill was reported to the Senate as amended; and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONTRACTORS FOR WAR VESSELS AND STEAM MACHINERY.

The next bill on the Calendar was the bill (S. No. 141) for the relief of certain contractors for the construction of vessels of war and steam machinery; which was considered as in Committee of the Whole.

The bill proposes to refer the claims for building vessels of war and constructing steam machinery, referred to and embraced in the act entitled "An act for the relief of certain contractors for the construction of vessels of war and steam machinery," approved March 2, 1867, to the Court of Claims, which is vested with authority and jurisdiction to hear and determine the respective claims of the several parties, upon the principles and rules laid down in that act. All such claims are to be presented to the court within one year after the passage of this act, not afterward. Any sums heretofore allowed to any of the claimants as additional compensation are to be deducted from any amount which may be found due to such claimants respectively.

Mr. MORRILL, of Vermont. I ask for the reading of the report.

The Chief Clerk read the following report, submitted by Mr. CRAGIN on the 20th of February:

The Committee on Naval Affairs, to whom was referred the bill (S. No. 141) for the relief of certain contractors for the construction of vessels of war and steam machinery, having had the same under consideration, submit the following report:

This bill proposes to allow certain contractors, who claim that they have sustained damage and suffered loss in the execution of their contracts in the building of vessels of war and the construction of steam machinery, to prove their claims in the Court of Claims, giving said court the authority and jurisdiction to hear and determine the individual cases upon the principles and rules laid down in the act of March 2, 1867.

These contracts were made with the Government during the years 1861, 1862, 1863, and 1864, and many of them before the war had produced any great advance in the prices of labor and materials, and when it was impossible to foresee its long continuance or its effect in the increasing of prices.

By the terms of the contracts the Government was required and bound to furnish plans and drawings as fast as required by the contractors during the progress of the work; and in many cases the officers of the Government failed in this regard, and in consequence thereof the work was suspended for longer or shorter periods of time. The building of these vessels was in a degree experimental, and the Navy Department in many instances ordered material and important alterations in the plans and specifications during the course of construction, which also caused delays in the fulfillment of the contracts. By reason of the delays thus caused by the omissions and action of the Government the contractors were delayed in many cases; and that they incurred great loss and hardship by reason of the advance in prices of labor and material, which was an incident to the delay directly occasioned by the action of the Government, your committee have no doubt.

The fact that these parties went on and fulfilled their contracts after it became apparent that to do so would involve them in loss, relying upon the justice and generosity of the Government to save them from financial ruin in completing vessels which were indispensable in prosecuting the war to a successful termination, is certainly laudable on their part, and worthy of commendation and the careful consideration of Congress. Although the Navy Department undertook to pay for extra labor and materials which entered into these alterations, the amount allowed in many cases is alleged insufficient to make good the loss of claimants, as allowances were only made for specific changes; and the damage to the contractors by reason of the delays occasioned by the Government and the advance in prices of labor and material was not considered. And while your committee do not express any opinion as to the sufficiency of awards made by the Department, (for this could only be ascertained by a full investigation of each case,) they can see no good reason or valid objection why these questions, which are eminently judicial, involving disputed facts and controverted questions of law, should not be referred to that tribunal of the Government created for the determination of cases of this very character; one that is familiar with all the laws and rules relating to Government transactions and contracts, possessing all the appliances for a full, complete, and just trial of all questions of law and fact, and its decision, whether for or against the Government, subject to revision by the Supreme Court. During the third session of the Forty-first Congress the joint resolution, No. 92, "for the relief of constructors of vessels of war and steam machinery," was passed, which gave the court the jurisdiction now contemplated by this bill; but the President vetoed it, upon the ground that there was no provision that the extraordinary advances could not have been avoided by the exercise of ordinary diligence and prudence on the part of the contractors; and that omission is now supplied, thus meeting the objection raised at that time and carefully guarding the Government against the payment a second time of any moneys already paid to the contractors by reason of these extraordinary outlays. In the act of March 2, 1867, Congress evidently intended that these contractors should be compensated—

First. For all the costs and expenses of the changes and alterations made during the progress of the work not required by the original contract.

Secondly. For the rise in material and labor used in and employed on said vessels, occasioned by the delay required to make such changes, at the order and direction of the Government, unless such increased costs could have been avoided by ordinary prudence and diligence on the part of the contractors.

Your committee think that these cases should all be investigated by the courts, and in this way justice will be done to both Government and claimants. The proposed relief is contingent upon the positive proof of claimants' allegations to the Court of Claims. Parties must show themselves within the law, and their evidence must be satisfactory on the questions at issue in order to entitle them to recover.

If they have been wronged, then will they have an ample remedy in the law which the bill proposes to enact; and if the Government by its action did not occasion them any hardship or loss, further than stipulated by the express terms of the contracts, it will be fully protected by the learned officers of a tribunal of its own creation. The investigation of these cases involves the examination of questions of law and fact which the Court of Claims can with most propriety hear and determine.

The right to relief by this class of claimants has several times been recognized by the Navy Department and by Congress; by the Department, in paying to most of the contractors sums of money over and above the contract price for extra labor and materials, and by Congress in the Senate resolution and the act of March 2, before cited; also in the passage of a bill for the relief of the heirs of George Bester, (*vide* Statutes at Large, volume 17, page 733,) and again in the act of March 3, 1873, granting the same relief to Miles Greenwood that is now proposed for those who assumed like responsibilities and sustained losses for like reasons.

The committee report the accompanying bill, and recommend its passage.

Mr. MORRILL, of Vermont. I do not know but that there may be some equity in having this matter submitted to the Court of Claims; but I should like to hear from the chairman of the Committee on Naval Affairs, that reports this bill, whether this bill does not authorize the readjudication of claims that have been passed upon by the Department, and also passed upon by a commission; and whether supplementary allowances have not already been made in a large number of these cases.

Mr. CRAGIN. The subject-matter of this bill has been before the Committee on Naval Affairs ever since I have been a member of it, now nine years and more, and that committee have never failed to report in favor of these claimants. This particular bill refers the claimants to the Court of Claims under the statute of 1867, which provided for the organization of a board of naval officers to examine these claims; and in that law, there are certain rules which are to govern the court. They are not authorized, in my judgment, to re-examine the whole case, but they are directed to proceed in a particular manner. Of course these contractors have received their contract price, and have, most of them or all of them, received certain allowances for extra materials and labor; but none of them have received any allowance in the way of damages for the losses occasioned by the delays and alterations caused by the Government. The main object of sending these contractors to the Court of Claims is that that court may examine into the whole question and see where they were damaged by delays and changes of plans. Many of them were delayed six months, and some a year, in consequence of the changes in the plans made by the Government. Of course, in the mean time labor increased in price and materials increased in price, and the contractors were otherwise damaged by having their employés thrown out of employment, and they were obliged, at the end of six months, when the new plans and specifications were furnished, to hire men again at largely increased prices.

This bill is precisely, word for word, like the bill we passed at the last session in favor of Miles Greenwood, one of these contractors. That case has gone to the Court of Claims. This is a general bill embracing all these contractors, and the bill provides that if the court

shall find anything due to these contractors it shall deduct all that they have received in the way of extra allowances or compensation, so that they are all put upon an equality. This application is very meritorious. Many of these contractors have lost thousands and hundreds of thousands of dollars, and will lose if this bill shall pass and the Court of Claims shall act upon the cases favorably to the extent of the authority the law confers. If the court goes that far under this bill, it will still do only partial equity; it will give to these contractors the actual additional cost of their labor and materials caused by the delays and by the orders of the Government, by the changes in the specifications and plans made by the Department during the progress of the work. For instance, a contractor took a contract to build his vessel and have it completed in six months; but in consequence of the action of the Government he was delayed eighteen months before he could complete his vessel. I know from many personal examinations of these claims that they are just and meritorious; and the way this bill is guarded, by stating the principles upon which the reference to the Court of Claims is based, is entirely favorable to the Government. These contractors must go there and make out their case; they must show that they used due diligence; they must show that they were prepared to do this work, and that they were damaged in consequence of delays or changes of plans on the part of the Government. If there was a contractor who had no facilities for performing the work which he had undertaken, who had not provided himself with materials and labor, and the delay caused by the action of the Government was no damage to him, then he will not get anything under this bill; but if he was prepared to go forward, if he was going forward, and was delayed for one month, six months, or more, in consequence of the failure on the part of the Government to furnish its plans or specifications, or of changes made by it, then he will be entitled to receive under this bill what those changes actually cost him. Alterations were made by order of the Government upon vessels which involved a cost of two or three hundred thousand dollars. After a vessel had been to sea, had been in action, and its defects were ascertained, then the Department went to work to remedy those defects; they said to the contractors at work on similar vessels, "Stop right where you are; we have alterations and changes to make;" and they did stop, stopped many months some of them; and this bill is simply to give them their actual loss in consequence of this action and delay of the Government, and nothing more. It does not give them anything for the increased prices of labor or materials caused by the condition of the country, the increase of the currency, and so on. They took all those risks, all those chances; but it does give them damages for the actual delays caused by the action of the Government, and nothing more. As a bill passed at last session sending one contractor, Miles Greenwood, to the Court of Claims, I hope this bill will pass, which covers all these cases.

Mr. OGLESBY. May I ask the honorable Senator a question?

Mr. CRAGIN. Certainly.

Mr. OGLESBY. I have made inquiries of several Senators near me and have been unable to ascertain a little bit of information that would be very desirable. If this bill shall pass, and these numerous claims shall be referred to the Court of Claims, I understand that evidence will be presented there of damages to these contractors in regard to the various ships on which they will claim damages. What officers of the Government are there at the Court of Claims to resist that evidence or to hunt up counter-proof or to meet these claimants before the Court of Claims?

Mr. CRAGIN. The Attorney-General and the force under him.

Mr. OGLESBY. Under the orders of the Court of Claims?

Mr. CRAGIN. Certainly.

Mr. OGLESBY. And they will have perfect liberty to produce counter-evidence if the cases go before that court?

Mr. CRAGIN. Undoubtedly. One of the Assistant Attorneys-General is specially assigned for that purpose. There is one case in the court already which the Government is contesting, and if these cases go there the same course will be taken.

Mr. PRATT. I wish to ask the Senator from New Hampshire whether this bill does anything more than simply to confer jurisdiction on the Court of Claims to hear and determine the merits of these claims?

Mr. CRAGIN. Yes, on the principles of the act of March 2, 1867.

Mr. PRATT. What were those principles?

Mr. CRAGIN. I will read that, if the Senator from Vermont who has it before him will hand it to me.

Mr. MORRILL, of Vermont. I was about to present that act. I have no disposition to resist any just claim against the Government of the United States, but these are claims ten or a dozen years old, and, of course, any rebutting proof on the part of the Government must be very difficult to obtain. There was a law placed on the statute-book in 1867 which gave the Secretary of the Navy authority to investigate all these claims of contractors for identically the same grievances that now the Committee on Naval Affairs report shall be reinvestigated and readjudicated by the Court of Claims. If these claims have been once before the Secretary of the Navy and these points all considered, I cannot, I confess, see any propriety in referring them again to the Court of Claims.

Now, the act of March 2, 1867, specially authorized the Secretary of the Navy—

> To investigate the claims of all contractors for building vessels of war and steam machinery for the same under contracts made after the 1st day of May, 1861, and prior to the 1st day of January, 1864. * * But no allowance for any advance in the price of labor or material shall be considered.

He was, however, to allow any additional cost which was necessarily incurred by each contractor in the completion of his work by reason of any changes or alterations of the plan and of the specifications required and delays in the prosecution of the work occasioned by the Government which were not provided for in the original contract. Now I beg to inquire of the chairman of the Committee on Naval Affairs why is it that these claims are here again if they have been once considered, adjusted, and paid by the Secretary of the Navy?

Mr. CRAGIN. Nothing was paid by the Secretary of the Navy. The whole matter was referred back to Congress again. That board simply made its report to Congress.

Mr. EDMUNDS. Did nobody take any pay under it?

Mr. CRAGIN. There were five or six awards, I think, by the action of that board, and Congress passed an act paying those five or six persons.

Mr. MORRILL, of Vermont. Paying according to the allowance made by the Secretary?

Mr. CRAGIN. The Secretary had nothing to do with it. They were made by the board.

Mr. MORRILL, of Vermont. A board appointed by him.

Mr. CRAGIN. That is true.

Mr. MORRILL, of Vermont. Then do I understand that all these claims are going before the Court of Claims again?

Mr. CRAGIN. The same claims.

Mr. MORRILL, of Vermont. Although they have accepted and received in full the amount that was allowed, they are to go before the court again, as well those that have been paid as those that have not?

Mr. CRAGIN. I did not expect this bill would come up to-day. I have many papers on the subject in my committee-room that are not at hand now; but I can state generally that this board construed the act of 1867 in so restricted a manner that very few of the claimants were before them at all. They held their sessions here at the Navy Department, and for a short time took the records there. The claimants did not come before them with their evidence, and they ruled out as a rule all those parties who did not get their vessels done before the close of the war, no matter for what reason; and they put such a construction upon this statute that many of the meritorious cases were not actually considered at all. They reported that some five or six were entitled to a certain sum.

Mr. EDMUNDS. Mr. President, this is an old subject. It has been investigated by the Navy Department more than once, and I think as to some of the claims which will fall under this bill, general as it is, you will find that there were some reports made under the statutes as they now exist to the Navy Department about one of these claims in particular that I have in my mind not altogether favorable in its nature, and which, if the Committee on Naval Affairs should have the advantage of seeing, I think would lead them to be extremely cautious (as perhaps they have been now) in allowing that claimant to reopen the subject in the Court of Claims. I think, therefore, that the wise thing to do is to allow this matter to go over until a future day, when we can get at these papers in the Navy Department, some of which I have seen about one claim, and in respect to which I should be sorry to have any Senator vote without knowing them. Very much has been done for the gentleman who has that claim; how much legislation has been had at his special instance and request as he wanted it, to all appearances, I do not know; but when he found out what was going to be the result about it, he suddenly became dissatisfied with that kind of legislation, if I am rightly informed. I do not wish to prejudge anything, and so I do not name the case; but I have had information of that character.

As my colleague says, we ought to be extremely careful after so great a lapse of time, after having provided for a reinvestigation of these contracts by a board of officers under the Navy Department, and after the most of these claimants submitted their claims to that reinvestigation and they have been passed upon, the most of these claimants having received money under the award and having signed acquittances.

Mr. CRAGIN. Not one in ten.

Mr. EDMUNDS. Then would it not be worth while to know who these claimants are, name by name, if their name is legion and we have been all these years in getting them through the Navy Department by this repeated legislation which is referred to, and their name is still so great that we do not know the situation? We do not yet know in any bill, it seems, who they are, how much their claims are, what vessels they built, why they were not settled with at the time. In this state of affairs ought we not to consider a little before we open the Court of Claims to them, when the defensive evidence is largely gone and when the asserting evidence is always preserved in the hands of the claimant by his affidavits and otherwise? We ought to be extremely cautious. Of course my friend from New Hampshire intends to be extremely cautious; perhaps he has been; but I do say the subject is so important that we ought not to act without the fullest information of the number of these people, and what has been the history of each man in his efforts to get what he considers to be justice, what he has proposed to do, and what has been done under the legislation that has been given in his behalf. If these were contracts to build ships, and the Court of Claims has always had jurisdiction

of contracts, why is it that these contractors have not sued in the Court of Claims at the proper time? You do not need an act of Congress to confer jurisdiction on the Court of Claims to try a claim under a contract for building a vessel of war for the United States. The Court of Claims has always had that jurisdiction. It has jurisdiction of all claims under contracts against the United States. That is not the matter. There is something else about it; and that something else led to the passage of the act of 1867, which provided for another tribunal, one that was satisfactory as I must suppose to these claimants, for certainly it was not volunteer legislation on the part of Congress; it was legislation brought about under the pressure of individual application; and it took place; and something happened in the Department in respect to some or all of these claims under the authority of that law.

Now, I pronounce no opinion upon the merits of these cases; I have only intimated a difficulty with one of them that I happen to have heard about; but ought we not to know with precision what is the definite and precise nature of every step that we are to take in respect to these claimants, what has been done in each case, how much money has been paid, what are the specific points upon which it is said these claimants have not yet each of them been paid, what he demands or expects? Besides, each one again submitted himself to the jurisdiction of a new tribunal, a board of officers; they acted upon these cases. If so, we ought to know how they acted, and upon what grounds their award, if any was made, has been paid, or has the claimant refused to receive payment. If it has been paid, has he in consideration of taking that amount of money signed a complete release to the United States? Do we know any of these facts? The chairman says he has not now his papers. I do not complain of that for the reason that my friend says the bill has come up unexpectedly.

Mr. CRAGIN. The case is stated pretty fully in the report which has been read.

Mr. EDMUNDS. I was here when this case came up on the report of the committee as it was printed. I had not the pleasure of listening to the speech of my honorable friend. I was necessarily absent at the time; but I take not the speech of the Senator from New Hampshire, as good as I have no doubt it was, but I take the authoritative report of the body of this body to whom the subject was committed; and I find that that report, which, as the parliamentary phrase is, I hold in my hand, I must be permitted to say is not altogether specific in respect to the points to which I have alluded. In fact I cannot find in this report an answer to one of the questions which I have suggested as being those which it would be our duty to be informed upon. It is a general sweeping statement, without naming persons or places, that these various contracts without name were made in 1861, 1862, 1863, and 1864. Then it states in general what were the terms of those contracts, and then it proceeds to state that the committee express no opinion on the merits of these claims. It does not undertake to say what was done upon them under the act of 1867, or upon any of them, in the Navy Department. It does not undertake to say whether the claim of A, if there be such a claimant, was considered by the new board or what were the reasons why it was not considered; but it finally says that the best way to get rid of the thing is to send them all to the Court of Claims, that has legal jurisdiction and legal competence to hear proofs, and there you can get justice. Undoubtedly you can, Mr. President, get justice in every court if you apply in season; but if you wait until the time of the statute of limitations has run on over and over again, and then get authority to bring a claim against the United States under the jurisdiction of that court, where do you leave the people who pay the taxes; where do you leave the evidence which, if the claim had been asserted in court in the time of it, might have been secured in a legal way which might mitigate or defeat entirely the claim which may be made? You cannot get it at all. Death, the operations of nature and of business, and emigration scatter men away, and you cannot bring back again the full force of the facts as they existed at the time.

These are to me serious considerations why we ought to exercise the utmost caution in reviving for a retrial claims which have grown to be stale, and which, instead of having been presented to a tribunal that had jurisdiction in the time when the facts were fresh and the witnesses were forthcoming, are suffered to hang along in the legislative department or are suffered by the consent of the parties to go before a board who either have or ought to have disposed of them, and are again brought forward at a late day for a consideration which cannot, as it respects the people who are to foot the bill, be a just and impartial one. I say this in general, and I only say it for the purpose now of asking (because I may vote for this bill myself) that it shall lie over until we can make a more critical inquiry into the nature of it. I see that the committee suggest that there is a precedent for this bill in the act for the relief of Miles Greenwood, passed on the 3d of March, 1873. That is a mistake. This bill is not at all like the Miles Greenwood bill. The Miles Greenwood bill, which I now have before me, provided in specific terms the principles upon which, and the rules by which, and the limitations under which, Miles Greenwood, one of the naval contractor claimants, should be authorized to go before the Court of Claims at all. It was not upon the principles of the act of 1867. They were thought to be too broad and too loose, after so great a lapse of time, even for him. Therefore the Committee on Naval Affairs thought it necessary, and with wise forethought I think, to make a special bill for Miles Greenwood and to state in precise and narrower terms than the act of 1867 provided, the principles on which he should be allowed to go there.

I have only said this, Mr. President, not by way of opposition to these claims, but by the way of asking for a temporary and reasonable delay until I can look at the papers in the particular matter that I had in my mind at the Navy Department, to refresh myself, and until Senators can be better informed on the subject. I move, therefore, if my friend will allow me——

Mr. CRAGIN. I want to make a statement.

Mr. EDMUNDS. I move to postpone the bill until to-morrow.

Mr. CRAGIN. I stated in the outset that the subject-matter of this bill had been before the Naval Committee for nine years at least, ever since I have been a member of the Senate, and that that committee had uniformly reported favorably in these cases.

In 1866 the matter was before the Naval Committee and was referred to a sub-committee, consisting of Senator Hendricks of Indiana, Senator Willey of West Virginia, and Senator Nye of Nevada. Prior to that the Senate of the United States, in the executive called session at the spring of 1865, passed a resolution requesting the Secretary of the Navy to appoint a board of officers to examine into these claims. He did appoint a board of officers, who held their sessions in the city of New York and in other cities for over eight months, making a thorough examination into each individual claim embraced in these contracts for vessels of war and steam machinery; and they made their report to the Secretary of the Navy. That report was sent to Congress. By that report that board found due to these naval contractors over $2,000,000 to cover the entire cost of their work. That report was referred to the sub-committee that I mentioned in 1866; and the Committee on Naval Affairs then reported a bill in conformity with the report of the board, paying to each contractor the exact sum found by the board, which, as I said before, amounted to about $2,000,000 in the aggregate. The subject was discussed in the Senate for several days, when Mr. Grimes, chairman of the committee, moved as a substitute for the bill then pending that each contractor be allowed 12 per cent. upon the contract price, which amendment prevailed and the bill passed in that shape. After having passed the Senate in that shape, it went to the House of Representatives; but instead of acting on the bill there they passed the act of 1867 which is referred to in this bill. It was not passed at the request of these contractors at all; it was offered in the House as an amendment to the Senate bill, went back to the Senate, and was finally concurred in here. Under that act the Secretary of the Navy appointed the last board, known as the Marchant board; the first board was known as the Selfridge board. The Marchant board, under instructions of the Secretary of the Navy, confined their action to very narrow limits; they construed the act as not authorizing them to go into the investigation of the entire case at all, and therefore they took simply such records as they had at the Navy Department, not notifying the contractors in many cases, if in any, to come before them, and they made up their minds upon such instructions as they received, and such construction as they gave to this act.

The Senator from Vermont refers to some individual case. I do not know to whom he refers or to what he refers. I am not disposed to press the bill to final action to-day, for I confess I am not prepared to meet all the questions that might arise in regard to it here. The Naval Committee understand all that these two boards have done. They understand what the Navy Department has done in these matters. The Navy Department has paid the contract price for these vessels and machinery; it has undertaken to pay for some of the extra work and materials which were occasioned by the changes and alterations made by the Department; but it has not paid in full. I will say to the Senator from Vermont that many of these cases are precisely like one which I will now put to him. If he should draw up a contract to build a house under a certain plan and specifications, and the contractor should sign it, and afterward he should decide to enlarge that house and to make changes and alterations that might amount to a sum equal to the original cost as contemplated by the contract and specifications, he would have a case precisely parallel to many of the cases embraced in this bill. I know that if the Senator had so varied his contract in the case of building a house—if he had asked the contractor to add fifty feet in length and twenty feet in width and a story more to his house not contemplated in the original specifications—he would not expect him to build it according to the price adapted to the specifications and contract as first entered into.

Mr. EDMUNDS. I should not have been able to pay in such a case. [Laughter.]

Mr. CRAGIN. In this case vessels were contracted to be built in three months' time for $500,000 say; and by the order of the Department making changes, ordering delays and additions, the contractors were eighteen months in building them; and the alterations and additions cost more in some cases than the original contract price. What this bill seeks to do is to give a remedy to these parties for the delay which the Government caused by its own action by changing the plans, by adding new material, increasing the thickness of the iron plates, telling them where they had put on plates three inches thick to tear them off and put on plates five or six inches thick, and so on. I have before me here now, but I will not take time to read them, the letters in some cases directing these changes to be made.

But, Mr. President, as it seems on all hands desirable that this matter should go over until to-morrow, I will give way now for the Senator from Vermont or some other Senator to make a motion to postpone.

Mr. EDMUNDS. I have made that motion.

Mr. HAMLIN. Mr. President, a year ago, when this matter was before the Senate, I had my attention drawn particularly to it. I gave to it what I thought a very careful attention; and from that investigation I can only state now generally that there are equities in these cases which I think will address themselves to the judgment of every Senator who will investigate the subject; but at this length of time I am not myself willing to state the case precisely as I then understood it, and as I now understand it, without refreshing my recollection from a reinvestigation of the matter. I therefore submit the motion that this bill be passed over informally so that it will not lose its place on the Calendar, but may be taken up at any time.

Mr. EDMUNDS. I shall not make any opposition to this being taken up after a reasonable time.

The PRESIDING OFFICER, (Mr. SCOTT in the chair.) The Senator from Maine suggests that the bill be informally passed over, retaining its place on the Calendar.

Mr. CONKLING. Does that leave it the unfinished business?

Mr. HAMLIN. No.

Mr. EDMUNDS. I will make a formal motion to postpone the bill until to-morrow, saying to the gentleman in charge of it that I shall have no opposition to taking up the bill after a little time.

The PRESIDING OFFICER. The Senator from Vermont moves to postpone the further consideration of the bill until to-morrow.

The motion was agreed to.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. MCPHERSON, its Clerk, announced that the House had passed the following bills; in which the concurrence of the Senate was requested:

A bill (H. R. No. 2124) authorizing the changing of the name of the steamer Fanny Lehr;

A bill (H. R. No. 2866) relieving the legal and political disabilities of Fitzhugh Lee;

A bill (H. R. No. 2867) to authorize the use of certain unexpended balances in the United States Treasury;

A bill (H. R. No. 2868) to render available an unexpended balance of appropriation for collection and payment for bounty, &c., for colored soldiers and sailors; and

A bill (H. R. No. 2716) granting a pension to Mrs. Mary C. Reno.

The message also announced that the House had passed the following bills:

A bill (S. No. 241) to confirm the title to certain lands on the Fort Kearney military reservation in Fremont County, Iowa; and

A bill (S. No. 254) to donate the military reservation at Fort Steilacoom to the Territory of Washington for the use of the insane asylum.

GEORGE A. ARMES.

The next bill on the Calendar was the bill (S. No. 249) authorizing and directing the Secretary of War to give to George A. Armes, late Captain Tenth United States Cavalry, an honorable discharge, to date the 7th day of June, 1870; which was considered as in Committee of the Whole.

Mr. CONKLING. Is there a printed report?

Mr. CLAYTON. There is.

Mr. CONKLING. I should like to hear it read.

The Chief Clerk read the following report submitted by Mr. CLAYTON on February 20:

The Committee on Military Affairs, to whom was referred the bill (S. No. 249) authorizing and directing the Secretary of War to give to George A. Armes, late captain Tenth United States Cavalry, an honorable discharge, to date June 7, 1870, having considered the same, beg leave to submit the following report:

It appears that the charges preferred against Captain Armes were four in number. Upon the first a *nolle prosequi* was entered; upon the third and fourth he was found not guilty; and upon the second charge, "conduct unbecoming an officer and gentleman," he was found guilty, and sentenced to be dismissed the service. These charges were preferred by Captain George W. Graham, against whom Captain Armes had previously preferred charges, upon which Graham was afterward tried, found guilty, and sentenced to be dismissed the service, fined and imprisoned in a penitentiary, and he is now in the penitentiary for highway robbery. It also appears that a considerable portion of the important testimony which was relied on was given by Captain Charles G. Cox, against whom Captain Armes had previously preferred charges, upon which, within two months thereafter, he (Cox) was dismissed the service, cashiered, and sentenced to be fined, and imprisoned in a penitentiary. His evidence was contradicted point-blank by another witness, and a portion of his testimony is conclusively shown to have been false.

There is nothing in the record, so far as can be judged from a careful examination thereof, that, according to military usage, justifies the sentence that was imposed by the court-martial.

Your committee are well satisfied that the charges were preferred through motives of jealousy and revenge, and the proceedings show that there was a determination on the part of those officers who instigated the prosecution to have Armes dismissed at any cost.

It has been shown beyond a doubt that Captain Armes was a brave and gallant officer. He was mentioned in general orders by General Philip Saint George Cooke, United States Army, and congratulated by letter by Major-General Winfield S. Hancock, recommended for promotion for energy and gallant and meritorious conduct on several occasions, both during the rebellion and in campaigns against the Indians, and was promoted captain from a second lieutenant, and made a major by brevet.

General C. C. Augur, General Nelson A. Miles, General N. B. Buford, General B. H. Grierson, and a number of other Army officers, bear testimony to the high character and efficiency of Captain Armes.

Numerous statements from responsible and well-known citizens also show that Captain Armes was considered an upright and honorable man by those who have known him longest and best.

Your committee report back the bill without amendment, and recommend its passage.

The bill was reported to the Senate without amendment, and ordered to be engrossed for a third reading.

Mr. SHERMAN. Does that bill appropriate money for pay?

The PRESIDING OFFICER. The Chair understands there is pay involved in it.

Mr. SHERMAN. Let it be read again.

The Chief Clerk read the bill, as follows:

Be it enacted, &c., That the Secretary of War is hereby authorized and directed to give to George A. Armes, late captain Tenth United States Cavalry and brevet major United States Army, an honorable discharge from the service of the United States, to date June 7, 1870; and that said George A. Armes be paid the same pay and allowances as if he had been discharged under the provisions of the third section of the act entitled "An act making appropriations for the support of the Army for the year ending June 30, 1871, and for other purposes," approved July 15, 1870.

Mr. SHERMAN. The title ought to be changed to show what it is.

The bill was read the third time, and passed.

J. MILTON BEST.

The next bill on the Calendar was the bill (S. No. 519) for the relief of J. Milton Best.

Mr. BOREMAN. That is one of the same class of cases about which we had some discussion this morning on the Wallace bill. I apprehend they had better be discussed together. I believe this is a bill that the President vetoed heretofore. I think it had better go over, and let the whole discussion come up together.

The PRESIDING OFFICER. The Senator from West Virginia objects to the present consideration of the bill. It will be passed over, and the Secretary will report the next bill on the Calendar.

WILLIAM STODDARD.

The next bill on the Calendar was the bill (H. R. No. 154) for the relief of William Stoddard, late assistant quartermaster United States volunteers, which was considered as in Committee of the Whole. It directs the Secretary of the Treasury to pay to William Stoddard, late assistant quartermaster United States volunteers, $360, that sum being the amount of private funds belonging to Stoddard which was seized by military authority and afterward covered into the Treasury.

The bill was reported to the Senate, ordered to a third reading, read the third time, and passed.

FRANK M. KELLY.

The next bill on the Calendar was the bill (H. R. No. 1932) for the relief of Frank M. Kelly, which was considered as in Committee of the Whole. By its terms the Paymaster-General of the Army is directed to pay to Frank M. Kelly, a private in Company F, First Regiment United States Cavalry, $30.39, that amount being the value of certain articles of uniform clothing purchased by him to replace a like number of articles consumed in the fire which destroyed one of the buildings at Camp Warner, Oregon, on the 27th day of January, 1873.

The bill was reported to the Senate, ordered to a third reading, read the third time, and passed.

VICTOR MYLIUS.

The next bill on the Calendar was the bill (H. R. No. 1405) for the relief of Victor Mylius, of Macoupin County, Illinois, which was considered as in Committee of the Whole. It proposes to direct the Secretary of the Treasury to pay to Victor Mylius, late sergeant in the Sixty-eighth Regiment New York Volunteers, the pay and allowances of a second lieutenant of infantry, from the 17th of April to the 16th of May, 1863, and the pay and allowances of a first lieutenant of infantry thereafter to the 6th day of June, 1865, less the amount received by him as a sergeant for the period named.

The bill was reported to the Senate, ordered to a third reading, read the third time, and passed.

SETH LAMB.

The next bill on the Calendar was the bill (H. R. No. 1585) for the relief of the heirs of Seth Lamb, which was considered as in Committee of the Whole.

It provides for the payment to Theodore L. Lamb, Mary M. Muldan, and Philena Kingsley of $490, in full of the claim of Seth Lamb, deceased, for boarding and quartering Captain Mott's Howitzer Corps, Second Regiment New York State Militia, from the 21st of May to the 1st of June, 1861.

Mr. HOWE. Is there a report accompanying that bill? If there is I wish to hear it.

The Chief Clerk read the following report, submitted by Mr. LOGAN on February 24:

The Committee on Military Affairs, to whom was referred the bill H. R. No. 1585, having had the same under consideration, would report as follows:

That Seth Lamb, the father of the claimants, at the commencement of the late war was proprietor of Saint Charles Hotel, Washington City; that he boarded and quartered Captain Mott's Howitzer Corps, Second Regiment New York State Militia, from May 21 to June 1, 1861, for which he charged the sum of $490, the sum now claimed.

The evidence in this case consists, in addition to that of the claimants, of the affidavit of Judge Underwood, which is positive and specific, covering the whole case; also the account of Seth Lamb, with the indorsement of the proper officers; proof that said company was then in the employ of the United States, defending

the city; also evidence from the War and Treasury Departments, showing that said claim has not been paid.

The evidence being conclusive as to the liability of the Government, we therefore recommend the passage of the bill.

The bill was reported to the Senate, ordered to a third reading, read the third time, and passed.

TERRITORIAL JUDGES.

The next bill on the Calendar was the bill (H. R. No. 1393) providing for the assignment of judges in the Territories, which was considered as in Committee of the Whole. It provides that the Legislature of each of the organized Territories of the United States (except the Territory of Utah) shall, at each regular session thereof, make an assignment of the judges to hold the courts in the several districts in such Territory; but if the Legislature of either of such Territories shall have failed, or shall hereafter fail, to make such assignment, the judges shall make an assignment, which shall continue in force until the close of the next regular session of the Legislature.

The Committee on the Judiciary reported an amendment, which was to strike out all after the enacting clause and insert the following:

That the judges of the supreme court of the respective Territories, except Utah, or a majority of them, shall, at the first regular or adjourned term of said supreme court after the passage and approval of this act, and annually thereafter, if expedient, fix the boundaries of the respective districts, and appoint the times and places of holding courts therein, and designate the judges respectively who shall hold the same: *Provided*, That in case of a failure in any of the said Territories so to fix the districts and make such assignments, the Legislature of said Territory shall fix said districts and make such assignment, to continue till the judges, or a majority of them, shall change the same.

Mr. BOREMAN. As far as I am advised on this subject I think the House bill is to be preferred to the amendment of the Senate Committee on the Judiciary. I do not know, of course, what was before the Judiciary Committee here that induced them to submit the amendment. Having been upon the Committee on Territories for some years, I have become somewhat familiar with the difficulties that arise in regard to judges and various other officers in the Territories, and it has been made manifest that the best of feeling does not always prevail among the judges. It seems to me that if this amendment, suggested by the Committee on the Judiciary, shall be adopted, we shall put the judiciary of the various Territories into a position to be in a constant quarrel.

It will be seen that the House bill authorizes the Legislatures of the several Territories, except Utah, to assign the judges at each session of the Legislature, which is once in two years. That is probably for the purpose of taking a judge who has had a hard district for two years and giving him an easier berth for a time, and so on, changing them around. It is thought just for them to do so that one man may not have a hard berth all the time. Now it occurs sometimes, I have been informed, that two of the judges in a Territory will combine and do injustice to the third. Sometimes under the organic law this matter is left to the governor of the Territory in the first instance, and, so far as I have examined the question, thereafter the Legislature of the Territory has invariably been allowed to fix the boundaries of the judicial districts, and to assign the judges, and I think that is the better course.

As I remarked, I do not know what moved the Judiciary Committee to propose this amendment. My experience upon the Committee on Territories would lead me to support the original bill unless the Committee on the Judiciary have some good reason for pressing this substitute. As I remarked, bad feeling sometimes exists and two of the judges may combine against the third. They cannot very well influence the Legislature to do that sort of injustice so as to banish one man into a remote part of the Territory and keep him there during his term. The Legislature, it seems to me, is the proper branch of the Government to do this thing. It is so in the States; there, where the constitutions do not fix the judicial districts, the Legislatures select them, and I apprehend that according to the constitutions of most of the States, where the districts are to be fixed thereafter, where there is to be a rearrangement of districts, it is provided that it shall be done by the Legislature. I cannot see why in a Territory the Legislature should not take jurisdiction and attend to this matter as well as in a State, and not leave it to the judges to be a subject of discussion and of injustice and wrangle from time to time, as I think it will be under this bill if amended as proposed.

I will state further that my attention has been called to this by some of the representatives from the Territories, not all of them, but some of them, and they prefer the House bill. They think it is better for the harmony of the Territories, better for the fair administration of justice, better for the equality of the labor of the judges in the Territories. They have spoken to me and asked me to make these suggestions to the Senate, and to say that they prefer the original bill as it came from the House to this substitute. I have thought it my duty, being a member of the Committee on Territories, to make these statements to the Senate for their consideration.

Mr. WRIGHT. Having reported this bill from the Judiciary Committee, I will state as briefly as may be the reason that influenced us in making this change. As I understand, by the laws of some of the Territories the assignment of the judges is left to the governor, and then by the laws of some of the Territories left to the Legislature, and then by others left to the judges themselves; and not a little confusion and difficulty have thus originated, and a question was made which was the preferable way. It was deemed advisable to settle it by some congressional action. The House bill provided that in the first instance the assignment of the judges and the arrangement of districts should be left to the Legislature, and if the Legislature failed to act, then the judges should act upon the matter and dispose of the districts and the assignment of judges.

The question before the committee was whether it were better that the judges should dispose of this matter in the first instance, and if they failed to make the arrangement leave it then to the Legislature, or whether the Legislature should first do it, and if the Legislature failed, then submit it to the judges; and in looking the whole ground over, anxious to have as much harmony and quiet and as little difficulty in the Territories as possible touching this matter of judicial districts, the committee concluded that it were better to leave it to the judges in the first instance. This is as a rule for all the Territories. While it may be that in some of the Territories the Legislature could arrange it better, and with but little if any difficulty, it has been found that in some of them there has been difficulty and great injustice done to the judges in that respect.

In view of the *esprit de corps* that obtains among the judges that are out in the Territories, we felt that there would be but little if any trouble on this subject, and there would scarcely be an instance where any two of the judges in a Territory would seek to combine against the third, or where there would be any effort to arrange the districts or make assignments so as to do injustice to any member of the court.

It will be seen that under this substitute the three judges can arrange it so that they can change the holding of the courts by alternating. It is not uncommon in the Territories that some portion of the Territory is more desirable to reside in, more desirable for holding courts, than other portions; and if it were left to the Legislature, it was presented and made known to us that frequently a designing judge might by importunity and by a system of log-rolling—if I may use such an expression in connection with judges—perhaps get himself assigned to the best portion of the country, while the others would have to go to those that are less desirable. It was believed that if this matter was left to the judges in the first instance, they would be more likely to arrange it in such a way as would be acceptable to the judges themselves and best for the administration of justice.

The Senator from West Virginia has suggested that the delegates from the Territories prefer the other arrangement. I think it but due to say that since this bill was prepared they have so suggested to me, but I think that it is upon grounds that, if they were investigated and the whole matter seen as it really is, they would not be very tenacious about. Some of them, perhaps, are a good deal so, but others not so much so. There has been not a little trouble in some of the Territories touching this very question, and it has been brought to our attention that very great injustice has been done to judges by assigning them to a portion of a Territory that was quite undesirable, sending them hundreds and hundreds of miles away, and seemingly for the very purpose of doing injustice to an individual judge, and benefiting the other members of the court.

Between judges themselves we have no thought that this would occur. We believe the judges themselves will always arrange it so as that they will be reasonably satisfied on the subject; while if you refer the matter to the Legislature, you will find that this trouble will continue and that we shall be called upon at the next session of Congress, or if not then soon thereafter, to re-examine this whole matter. The amendment as it is prepared, I may say, was in accordance with what we understood to be the wishes of the several Territories at the time it was prepared. The committee proposed this amendment after examining the whole subject, and I believe were unanimous in making the recommendation as it now stands.

Mr. SARGENT. In matters local in their character the opinions of those who are directly interested and who are consequently well informed with reference to the facts are most valuable to determine what our course should be. The Delegates from the Territories are not judges and they are not members of the Legislature. They can have no motives except those which make to the best interest of their people. They are unanimous upon this proposition. I have talked with most of them, and I understand from those with whom I have conversed that they have all one opinion. I have talked with the Delegates from Colorado, from Wyoming, from Arizona, and from Montana, and they all say that it is infinitely preferable that the Legislature shall create the districts, mark their boundaries, and fix the places where courts shall be held, and they further say that the judges themselves prefer that this should be done.

The Territories, of course, have very large areas; sometimes the different parts of the Territories are separated by ranges of mountains. On each side of a range of mountains there may be comparatively unimportant communities which need that courts should be held locally, while it is possible that on one side rather than on the other there may be places more pleasant for the judges to select as places of residence. The temptation is continually before them, if they have the disposal of the matter, to crowd to the center of the Territory, or some place where it is more pleasant for them to live, than to go across the mountains or go to the more remote parts of the Territory. The result is that suitors who have business before their courts are put to enormous expense for the travel of their witnesses to attend the courts at long distances from their homes. It is upon

a small scale a denial of justice. I might almost say to a minor extent it is a violation of that principle which is recognized in the fundamental law, that the people shall not be called to places remote from their homes in order to secure justice. As my friend from Delaware says, they shall have justice brought to their doors.

The Legislature can have no motive in a matter of this kind except to so arrange the districts as shall be for the greatest convenience of their people. I do not believe in wholesale charges against territorial Legislatures or against Congress; and I respect the purity of the majority of the body. I think that with public reasons to act upon, they will act upon public reasons. To put it in the hands of those who are directly interested, whose case is concerned, who may be disposed to locate themselves where it is easier to get through the year and draw the salary and have the most ease and be at the least trouble in performing their duties, seems to me to be reposing this power in the wrong hands. The Legislature which we create and authorize to make counties, to designate county seats, to perform all the local legislation of the Territories, ought to be the safest guardian for interests of this kind.

The Senator from Iowa says that it is thought sometimes that some judges are assigned to inconvenient districts and kept there, and some are not. Under which system does this take place? All three systems prevail. The judges in some of the Territories assign each other. Does the difficulty arise where they make the assignment? In Arizona, one of the Territories where the Legislature regulates this matter, they are perfectly satisfied; the judges are satisfied and the people are satisfied with the manner in which it is done. I do not think the complaint of injustice to any judges comes from either of those Territories where the matter is fixed by the legislative body.

I think that the wish, that the opinion of the Delegates ought to have great weight. It had weight with the House of Representatives, and they sent us the original bill. Now, without any specific or good reason it seems to me being given—I have answered the reasons given by the Senator from Iowa—we propose to change it and to put this question in the hands of the judges alone.

Mr. CONKLING. Has the Senator heard of any case where justice was not brought home to the doors of the people, as he expresses it, owing to the fact that districts have not been properly allotted?

Mr. SARGENT. I know there is a very great unwillingness on the part of the judges to go to places in the district which are remote from the centers. They prefer to live in the centers. There is a tendency to gravitate toward the center of the Territory, or the more populous part. Take Utah, for instance, although it is not covered by this bill. Salt Lake is the most desirable place in the whole Territory for judges to reside, and they will get as near Salt Lake as possible; while the other parts of the Territory are very important, have a large amount of legal business, and are apt to be overlooked under this system, unless there are men who take the interest of these localities to heart and who are in the Legislature to speak for their constituents, to protest against the growing costs of litigation, and to ask that there may be a fair assignment?

It seems to me that it is much better to leave it as the House has done, in the hands of the local Legislature, and if it is found subsequently that injury is done by this, that there is cause of complaint, we can soon remedy it. There certainly is more stability under the House bill than there is under the Senate bill in the assignment of districts, because the Legislature cannot make changes, even in view of any growth of the Territory, oftener than once in two years, whereas the judges themselves are authorized to do this annually, to change around like the figures of the kaleidoscope, and certainly there is not permanence enough in a judicial system or in a court or man who presides over a court under such a plan. I think for that reason, and speaking on the promptings of the intelligent gentlemen who represent the Territories, it would be much better to reject the amendment recommended by the Committee on the Judiciary.

Mr. CONKLING. The Senator from California does not discuss this case as it was understood by the Committee on the Judiciary. In the first place the committee did not understand, I had never heard before myself, that there was or had been any difficulty or complaint touching a failure to establish districts and locate courts properly in those districts. It was to such a difficulty or complaint that the Senator addressed a part of his argument. No such thing is in the case as it reached the committee. The whole subject was of a different character. It related to the matter to which the Senator adverted in another part of his remarks, namely, the choice which judges might have between district and district in a Territory. It was that and nothing else. The committee determined upon this substitute, not upon hearsay, not by guess-work, not by caprice, but upon an understanding which I think would be quite satisfactory to the Senator from California and every other Senator.

In the first place, the committee had before them statements made by the judges themselves, and from those statements it turned out that there was one difficulty which the Senator from Iowa forgot to mention in his statement; there was not only a diversity arising from the circumstance that in one Territory the Legislature assigned judges, in another Territory the governor, and in another the court, but there was difficulty in the fact that a majority of the judges in some cases could not do it; in other words, the statute was held to mean that the whole court with unanimity must act, or it was no action at all. Thus contrariety and thus difficulty had ensued; several of the judges, speaking for themselves in their own letters, said that if it could be done by the court or a majority of the court, if a member was absent, or could not act, or there was discord, the whole case would be provided for and the difficulty would be at an end. This was the opinion of other persons also; and when my honorable friend from California says that all the Delegates from all the Territories are adverse to this amendment, my impression is that he goes much too far. I have conversed with some of the Delegates in regard to it myself, and I think upon an understanding and discussion it will turn out that really no such thing exists as a unanimous opposition by the Delegates from the Territories.

Mr. SARGENT. Will the Senator allow me a moment?

Mr. CONKLING. Certainly.

Mr. SARGENT. I will state that the Delegates from Colorado, Wyoming, Arizona, and Montana came over to the Senate and told me that they were opposed to this provision, and I understood—I distinctly heard some of them state—that that was the unanimous opinion of the Delegates.

Mr. CONKLING. I so heard the Senator state before.

Mr. MITCHELL. I desire to state that the Delegate from Washington Territory also makes the same objection.

Mr. CONKLING. I listened to that statement before when the Senator from California made it; and I repeat my statement that I think he will find that the Delegates from the Territories are not unanimously opposed to this provision. Doubtless the Senator has reason for what he says. I think I have reason for what I say. However that may be, as between these conflicting modes of doing it, the Senate is brought to comprehend the merits of the proposition; and upon that I desire to say one word.

The Senator from California thinks it would be wise to set the Legislature at work in the first place, and if that fails, then we might take some other mode of doing it. The Committee on the Judiciary thought that a double chance and a double provision was better: first, to allow the judges to do it, and if they failed, then in the same bill to confer upon the Legislature the power to act.

Mr. SARGENT. That is also provided in the House bill; first, to confer the power on the Legislature, and if they fail, then to authorize the judges to act.

Mr. CONKLING. If my friend would listen to what I am saying he would see that I am addressing myself to that very fact; and I say that puts the cart before the horse; and if the Senator will hear me I am going to state why. I say the committee reversed that order; and they did it not at hazard, but because they thought it was wise to do so, to allow the judges, in the first place, to make satisfactory provision, if they could, without invoking any of the forces or opportunities which surround a legislative competition for a choice of districts, and if the judges failed or refused, then, without further legislation by Congress, to confer upon the Legislature the power, and enjoin upon the Legislature the duty, of setting the matter right. That seemed to the committee to be wise, and for several reasons, to one or two of which I will refer.

There is nothing exceptional in this case in committing such a power to the judges. The highest court in the land, sitting in the Capitol, does the same thing. Has there ever been any difficulty in allowing the Chief Justice, as the organ of the court, to distribute the judges in the various circuits? Not at all. It would be rather an odd thing to provide that Congress should do it, and if Congress failed to do it, then that the court might do it, and to assume, as this debate assumes, that there must necessarily be some impropriety or ill-motive in the court if they attempted to do it.

Mr. SARGENT. If my friend will allow me a moment, do I understand him to say that the power which he speaks of goes to the question of fixing the boundaries of the districts in the United States and fixing the times and places of holding courts therein?

Mr. CONKLING. I had not said that. It would not have been true if I had said it.

Mr. SARGENT. That is what this bill provides, and therein it differs from the illustration which the Senator gives.

Mr. CONKLING. I thought I had disposed of that element in the case by correcting a statement made by the Senator before, which I sought to do by saying that there is no complaint in respect of the boundaries of the districts or the places where the courts are held. That question is not up, as we should say in court, and therefore it is not necessary to consider it. On the contrary, I repeat again, and I ask the Senate to observe it, that the only matter in question upon this bill is as to the allotment of judges in these districts. There is no pretense of anything else.

Mr. SARGENT. The Senator dismisses everything else; but I wish to say that that is one of the objections made by the Delegates to the bill; one which they dwelt upon with me, and one which I urged in the few remarks that I made.

Mr. CONKLING. Will the Senator say to me that any Delegate told him that in any Territory there is complaint that the districts are not properly bounded and the courts properly located?

Mr. SARGENT. I say the Delegates claim that under the provisions of this bill there is danger of both these contingencies.

Mr. CONKLING. I have heard the Senator say that, and my answer to it is that in point of fact there is no such thing in the case. The phraseology of the bill does apply undoubtedly, as he says, to the districting of the Territories. The districts are made. There is no com-

plaint about it; there is no difficulty in regard to that, the whole question being as to which judge shall serve in the respective districts; and therefore I am addressing myself to the matter in difference, and not to that matter which might be in difference, but is not in fact a subject of controversy at all.

I was going therefore to say that it seems to me entirely unwarranted, and that I think was the judgment of the committee, to assume, as the Senator does assume in a portion of his remarks, that the bench of the Territories is likely to be composed of men so unworthy that they would sit down to jockey or cheat or impose upon each other in respect to a fair and equitable distribution of duties. It seems to me that when in the bill you have placed a supervisory power by the Legislature to act if the court does not act, that is enough, without assuming that the judges are to behave like rascals, or to sit down to pick each other's pockets. As far as I know the judges in the Territories, it would be quite unjust and quite unreasonable to assume any such thing; and I know that in some instances—I do not speak now of that unanimity which the Senator thought prevailed among the Delegates of the Territories; I have not canvassed all the judges; the committee have not letters from them all before it—but speaking of some of the Territories, I do know from letters which have been addressed to me that the judges say that all difficulty on this subject would disappear if the court was simply permitted in the first instance by a quorum of the court to fix the allotment in case they could do so, leaving the Legislature to intervene afterward and act if the court was unable or unwilling so to do. That was the view of the committee; and my impression is, from a somewhat careful consideration of the subject, if the Senate will just allow this to be tried, it will put an end to the whole matter. If it does not, I say to the Senator from California that when this courteous and reasonable opportunity has been given to the courts to dispose of this matter themselves, if they fail and if the plan fails, it will be very easy at the next session of Congress to correct it, and in the mean time no difficulty will have occurred.

Mr. FRELINGHUYSEN. Mr. President, the judges of the courts are generally men of intelligence and character, and they are well informed as to the necessities of the districts and as to the legal business which is to be done. It seems to me that they have the intelligence and the character making them the safest judges on this subject, and the general good feeling which exists among the members of the bench would secure impartiality and fairness; but if it does not, if they cannot agree, the whole subject under this amendment is to go to the Legislature. It certainly cannot be insisted that the Legislature of a Territory is a body having more information or higher character than the judges who are appointed in these courts Therefore I certainly think that the shape in which the bill is now amended is much better than that in which it came from the House of Representatives. The whole effect of the amendment is first to leave this matter to the judges, and if they fail, then to the Legislature. The bill as it came to the Senate left it first to the Legislature, and if they failed, to the judges.

Mr. MERRIMON. I have very great respect for the Committee on the Judiciary, and especially for their deliberately expressed judgment, but I must beg to dissent from the amendment which the committee propose. It provides that the judges of the Territory shall fix the districts and they shall do it annually; that they shall fix the times for holding the courts and the places for holding the courts, and that they shall allot the judges to hold them. With all respect to the committee, I think that is wrong. It seems to me that the fixing of the districts and the times and places of holding the courts is especially a legislative power, and one that ought to be exercised by the Legislature. The members of the Legislature certainly are more familiar with the wants of the people located all over the Territory than a judge who does not get close to the people or know much about their wants. My observation of the profession is, that the judges are the least qualified of all men to know where a court ought to be held or when it ought to be held. It is their business to hold the court and administer the law at the time and place designated by the legislative power. That is so in the States, and it seems to me it ought to be so in the Territories.

Besides, while ordinarily (I am glad to be able to say it) we have competent and able men upon the bench, it is not infrequent that we have lazy men upon the bench, men who do not busy themselves about looking after the wants and interests of the people. When the litigation of the country is brought before the judges in court, they hear the facts of the case and apply the law to it, and that is the end of it with them. It is not well that they should be too close to the people or too much among them. They ought to sit where they are disinterested; and I say therefore they are less qualified than the Legislature to determine the time when and the place where the court should be held, or the size of a district or how districts ought to be regulated. If I comprehend the proposed amendment, it provides that the judges shall arrange all these matters.

It often happens that the people are very jealous of the times of holding courts, the places of holding courts, and the compass and form of the districts. I think it would be placing the judges in a very unhappy situation as judges to have the people complaining of them that they have not laid off this district in a way that suits the convenience of the populace, or have not held court at the particular place to suit the convenience of a locality, or have not held it at a time to suit one portion of the community or another portion. It imposes upon them a labor that does not pertain legitimately to their office, and it imposes it in such a way as is calculated to engender prejudice against the judges. It seems to me that the Legislature is the appropriate power to fix the time and place of holding court and the form of the district, and the judges ought only to be charged to hold the courts, and they ought to be charged by the law and their oath of office to hold courts at the time and place designated by the Legislature.

Mr. BOREMAN. I did not mean by anything I said to convey the idea that the judges in the Territories were worse than other men; but we admit that they are human, and if you leave this matter to them, it will be nothing but what would result from the ordinary course of things that each judge would like to have a better place, and in these Territories there are great preferences. Some portions of a Territory are comparatively a wilderness, while in other portions they have cities, comfortable places for living, and so on. The assignment to a particular district in a Territory is sometimes almost a banishment for the time being, away from railroads and the ordinary conveyances of travel, and the other conveniencies that we have in the States.

Now, sir, this provision is anomalous. I do not know of any State where this is allowed to be done by the judges. As I remarked before, it is generally fixed for the time by a constitutional convention, and subsequently by the Legislature. Judges are elected for particular districts by the people. They are elected by the people for a particular territory. Here we propose to allow the Legislature of the Territory to set off the districts. Judges are human beings, as I remarked, and they are influenced just like any other men as to their own interests. We propose not to devolve upon them the necessity of taking action upon their own interests, but we propose, or the House proposes by this bill, to repose that power in an impartial body of men, to wit, the Legislature of the Territory, which, as has been well remarked by the Senator from California, must know the wants of the different portions of the Territory equally with the judges. They are sent up by the people to represent their interests. They understand better no doubt how these districts should be arranged, and they will understand the will of their people as to the quality and character and capacity of the judge to be assigned to a particular district. I cannot see from the various reasons which have been assigned by different members of the Judiciary Committee, why we should substitute what they have reported rather than take what the House has sent to us. I think the House proposition is the better one.

Mr. WRIGHT. I only wish to add one word. If I supposed, as is implied by what has been said on the other side of this question, that there was a necessary or probable antagonism between the judges and the people of a Territory, and that the judges would arrange the districts for their own interests and would not consult the interests of the people of the Territory, I should conclude just as those Senators do. But the result of my observation and experience is that the judges are in as hearty sympathy with the people of the Territory and as solicitous for the best interests of the Territory as any other officers who are sent there or who may be there. I have no idea that these judges when they come to arrange their districts will ever for one moment think of anything else than what they believe to be the best interests of the people over whom they have to preside as judges. I believe that there is such kindliness of feeling between these judges, men of character and intelligence, that when they come to determine this question they will have reference to the best interests of the people and the convenience of each judge as far as possible.

It is suggested by the Senator from West Virginia that he is not aware that in any State it is left to the judges to assign the times for the holding of courts and who shall hold such courts. I beg to say to him that in my own State we have a general law, under which the district and circuit judges, the territorial jurisdiction of each being the same, meet during the month of January each year and arrange the terms throughout that year when the courts are to be held, how many are to be held, and for what length of time. The places are fixed by the general law; that is of course at the county towns; but the judges themselves fix the time of holding the courts, how long they shall hold their terms, &c., and I have never heard a single suggestion of any trouble in connection with the power thus given to the judges. I doubt not it is the same in other States also.

Mr. CAMERON. I move that the Senate proceed to the consideration of executive business.

Mr. CONKLING. I ask the Senator to withdraw that for a moment while I make a remark. Indeed I think he ought to let us take a vote on this bill.

Mr. CAMERON. May I ask the Senator for what purpose he desires the floor?

Mr. CONKLING. I simply want to make a remark.

Mr. CAMERON. Will the Senator renew the motion afterward?

Mr. CONKLING. I wish the Senator would not insist upon his motion now, because this bill ought to be disposed of. It is a crying matter. We can vote in a moment. I do not think there will be any more debate.

Mr. CAMERON. I will yield for a moment.

The PRESIDING OFFICER, (Mr. SCOTT in the chair.) The Senator from Pennsylvania withdraws his motion.

Mr. CONKLING. Mr. President, a moment ago, when somewhat

inadvertently I said a word about this matter without having the bill before me, I did not venture to say what I recollected, as I thought, and what the bill shows. I want now to bring it to the attention of the Senate. The House bill contained not one word of that upon which my friend from North Carolina so eloquently discoursed, not one syllable touching the fixing of boundaries of districts, the places where courts should be held, or anything whatever of that sort. Let me read to the honorable Senator the House bill:

The Legislature of each of the organized Territories, except the Territory of Utah, shall at each regular session thereof make an assignment of the judges to hold the courts in the several districts of such Territories.

That is all.

Mr. MERRIMON. I think that is right.

Mr. CONKLING. That is another question, whether the Senator thinks that is right or not; but he went on to argue that the districts ought to be fixed by the Legislature; that the place of holding the courts ought to be fixed by the Legislature, and so on, and therefore he was in favor of the House bill. Now it turns out that the House bill has not one syllable or one letter on that subject, but is confined wholly to a provision authorizing the Legislature, hit or miss, to send every man where it pleases to the districts which have been constituted.

Now what is to be the effect of that practically? Either the Legislature is to go on without consulting with the judges and allot them, so that whether it is judicious and convenient or not is about either way equally probable, or else it is to do it in connection with the judges, they being, as every lawyer understands, far more able to do this, if they act sincerely, than anybody else can be. If it is to be done in consultation with the judges, then it becomes matter of favoritism, it becomes matter of legislative persuasion, it becomes matter in which members of the bar are asked to take part as friends of this judge or of that judge to the end that these questions of preference in districts may be settled to please them.

I say, Mr. President, that if it be true that such questions must be carried to the Legislature, it will be time enough to carry them there when judges have shown so little manhood, so little sense, so little fitness for their places that they cannot adjust that among themselves—a thing adjusted in all other courts and among all other men without difficulty.

But my purpose was simply to bring to the knowledge of the Senate the fact that the House bill conferred no power upon the Legislature to bound or fix districts or locate courts or do anything in the world save only to assign the judges to particular districts; that is all. Now, in lieu of that comes the amendment of the Senate committee. I see the Senator from Pennsylvania rising to renew his motion for an executive session; but before taking my seat I wish to say to the Senator that I think if he would withhold his motion so long as would be necessary to enable a vote to be taken on this subject, it would be useful, as I understand from the judges themselves that there is occasion for some expedition in this matter.

Mr. CAMERON. Before I renew my motion——

Mr. SARGENT. I ask the Senator to allow me to reply to a remark made by the Senator who has just taken his seat.

Mr. CAMERON. I only wish to say to the Senate that I believe if we adjourn upon this question the Calendar will come up to-morrow as a matter of course. I now renew my motion.

Mr. HAMILTON, of Maryland. Allow me to ask, if we adjourn now will the Calendar be in order to-morrow?

The PRESIDENT *pro tempore*. It will.

Mr. HAMILTON, of Maryland. I mean is there any arrangement or agreement about the Calendar to-morrow?

The PRESIDENT *pro tempore*. It will come up at one o'clock without a motion. The Senator from Pennsylvania moves that the Senate proceed to the consideration of executive business.

The motion was agreed to.

HOUSE BILLS REFERRED.

The following bills from the House of Representatives were severally read twice by their titles, and referred as indicated below:

The bill (H. R. No. 2124) authorizing the changing of the name of the steamer Fanny Lehr—to the Committee on Commerce.

The bill (H. R. No. 2866) relieving the legal and political disabilities of Fitzhugh Lee—to the Committee on the Judiciary.

The bill (H. R. No. 2867) to authorize the use of certain unexpended balances in the United States Treasury—to the Committee on Appropriations.

The bill (H. R. No. 2868) to render available an unexpended balance of appropriation for collection and payment for bounty, &c., for colored soldiers and sailors—to the Committee on Appropriations.

The bill (H. R. No. 2716) granting a pension to Mrs. Mary C. Reno—to the Committee on Pensions.

CREDITORS OF BANDS OF SIOUX INDIANS.

The bill (H. R. No. 420) to authorize the Secretary of the Interior to discharge certain obligations of the United States to the creditors of the Upper and Lower bands of Sioux Indians was read.

Mr. RAMSEY. I suppose the honorable Senator from Missouri who reported a bill of a like character from the Committee on Indian Affairs would wish to have this bill go on the Calendar. This bill from the House is just like the one he reported.

Mr. BOGY. Certainly; I ask that it go on the Calendar.

The PRESIDENT *pro tempore*. If there be no objection the bill will be placed on the Calendar.

EXECUTIVE SESSION.

The Senate thereupon proceeded to the consideration of executive business. After fifteen minutes spent in executive session the doors were reopened, and (at four o'clock and eighteen minutes p. m.) the Senate adjourned.

HOUSE OF REPRESENTATIVES.

TUESDAY, *April* 7, 1874.

The House met at twelve o'clock m. Prayer by the Chaplain, Rev. J. G. BUTLER, D. D.

The Journal of yesterday was read and approved.

JAMES A. DREW AND OTHERS.

Mr. DUNNELL, by unanimous consent, reported from the Committee on Claims a bill (H. R. No. 2873) for the relief of James A. Drew and others; which was read a first and second time, referred to the Committee of the Whole on the Private Calendar, and ordered to be printed.

MEMORIAL SERVICES OF PROFESSOR MORSE.

Mr. DONNAN. The Committee on Printing have instructed me to report the following resolution:

Resolved by the House of Representatives, (the Senate concurring,) That there be printed five thousand copies of the memorial services which were held in the House of Representatives, April 16, 1872, in commemoration and honor of the late Samuel F. B. Morse; thirty-five hundred of which shall be for the use of the House of Representatives, and fifteen hundred for the use of the Senate.

The Committee on Printing, having a resolution referred to them on this subject, have reported this concurrent resolution as a substitute; it being necessary from the fact that the cost of publication is beyond the authority of the House.

The resolution was agreed to.

CORRECTION.

Mr. BRADLEY. I rise to make an explanation. In the proceedings of yesterday I am reported as stating that the amount of land granted to the Wisconsin Central Railroad was two hundred million acres. I may have so stated; but I wish to say, by way of correction, that the amount is only two million two hundred thousand acres.

ORDER OF BUSINESS.

Mr. COBURN. I call for the regular order.

The SPEAKER. The regular order being called for, the morning hour begins at thirteen minutes past twelve o'clock. The call of committees for reports will be resumed.

COOLY LABOR.

On motion of Mr. MONROE, the Committee on Education and Labor was discharged from the further consideration of the following bills; which were referred to the Committee on Foreign Affairs:

A bill (H. R. No. 1497) to prohibit contracts for servile labor;

A bill (H. R. No. 1148) providing for a commission to collect information relative to the condition of the Chinese in the United States; and

A bill (H. R. No. 739) to prohibit the employment of cooly labor.

ADVERSE REPORTS.

Mr. MONROE. The Committee on Education and Labor have instructed me to report back adversely bills of the following titles; and I move that they be laid upon the table:

A bill (H. R. No. 1887) to promote education in the several Territories;

A bill (H. R. No. 380) granting one million acres of the public lands to the trustees of the Brown Institute, in the State of Florida; and

A bill (H. R. No. 382) donating the building formerly used as the United States court-house at Saint Augustine, Florida, to the State of Florida, for educational purposes.

Mr. DUNNELL. In reference to that first bill, Mr. Speaker, I move it be placed upon the general Calendar instead of being laid upon the table. It is an important measure, and of very great interest to the Territories, and I hope it will be put upon the general Calendar so it may come up for discussion hereafter.

The SPEAKER. Should the motion to lay upon the table not prevail, the Chair will then put the other motion.

Mr. MONROE. I suggest the question be first taken in reference to the other bills, as I presume there will be no dispute about them.

The SPEAKER. There being no objection, that will be done.

The bills were laid on the table.

The SPEAKER. The gentleman from Ohio [Mr. MONROE] has also reported back adversely from the Committee on Education and Labor a bill (H. R. No. 1887) to promote education in the several Territories, and moved that it be laid upon the table. The gentleman from Minnesota [Mr. DUNNELL] submits the motion that the bill be put upon the general Calendar. If the motion to lie does not prevail, the Chair will submit the other motion.

Mr. HALE, of Maine. The motion of the gentleman from Minnesota is one which is rarely made. Now suppose when a motion of that sort is made that the motion to lay upon the table is voted down, what would naturally become of this bill if the point of order be made against it that it makes an appropriation?

The SPEAKER. It would go there as a matter of course. A bill is read a first and second time when it is referred to a committee, and when it is reported back the question then recurs, Shall the bill be engrossed and read a third time? Pending that motion, the gentleman who reported this bill moves that it be laid upon the table. If the House refuses to lay the bill upon the table, the next question will be, Shall the bill be engrossed and read a third time? If then the point of order be made that it contains an appropriation of property, it must, of course, go to the Committee of the Whole on the state of the Union.

Mr. RANDALL. I hope the House will test the question on the motion to lay upon the table.

Mr. O'BRIEN. Let the bill be read.

Mr. G. F. HOAR. If the rule is strictly insisted upon, would not the bill go to the general Calendar before the vote is taken upon the motion to lay upon the table?

The SPEAKER. The Chair has so ruled heretofore when a bill is reported back adversely.

Mr. MONROE. I ask unanimous consent to offer a word of explanation in regard to this bill.

Mr. O'BRIEN. I should like to hear the bill read first and then we can hear the explanation of it.

Mr. DUNNELL. It is a long bill.

Mr. MONROE. I can state in a single sentence what the object of the bill is so the House will understand it.

The bill provides that the Territories, while in the territorial condition, may proceed to sell sections 16 and 36, which under the policy of Congress have heretofore been reserved for educational purposes until the Territories should be admitted as States. Heretofore always these sections have been reserved until the admission of the Territory. The proposition is that the territorial Legislature may sell these sections and invest the moneys arising therefrom, with the aid of the Secretary of the Interior, and the interest resulting from these investments may be applied for school purposes.

Mr. DUNNELL. Let the gentleman state the minimum price.

Mr. MONROE. The bill also provides those lands shall not in any case be sold for less than five dollars an acre in alternate sections bordering on railroads, nor for less than two and a half dollars when in any other portion of the Territory. Now, I only wish to say that the committee felt a great deal of sympathy with this bill, and at first some attempt was made in the committee to amend it so as to make it acceptable.

Mr. HALE, of Maine. Was the committee united in making this report?

Mr. MONROE. The report is made unanimously from that committee. On the whole the committee thought it best to pursue the policy which has been pursued in regard to these sections in the several Territories, but at the same time I wish to say we have had so much sympathy with any disposition in the House to aid anything to further the common education of the people, that I think the committee would not expect me to resist earnestly any proposition to send the bill to the Committee of the Whole on the state of the Union.

The SPEAKER. The gentleman will observe the necessity for the ruling the Chair has made. If the discussion which the gentleman from Ohio has been allowed to make had taken place on the question ordering the bill to be engrossed and read a third time, it would have been too late to make the point of order; but in order that there may be discussion, the Chair has ruled against any summary disposition of the bill by a motion to lay upon the table, allowing the point of order to take precedence. Therefore the bill goes, the point of order having been made, to the Committee of the Whole on the state of the Union.

Mr. RANDALL. Do I understand the Chair to decide that the question on this bill is not to be first taken on the motion to lay on the table?

The SPEAKER. The Chair has so ruled two or three times this session; because it is in the interest of free discussion that the bill should go to the Committee of the Whole on the state of the Union.

Mr. RANDALL. It is in the interest of free gifts.

The SPEAKER. The Chair thinks not; and the Chair wishes the House to understand that under this ruling, in his judgment, nothing can pass which has not two-thirds in its favor.

Mr. RANDALL. I move to reconsider the vote by which the bill goes to the Committee of the Whole on the state of the Union.

The SPEAKER. There is no necessity for that; because to bring it back makes it liable to the same point of order against it.

Mr. CHAFFEE. Would it be in order to move to refer the bill to the Committee on the Public Lands?

The SPEAKER. The motion to refer the bill to the Committee of the Whole on the state of the Union takes precedence; and if the Committee on the Public Lands reported it back the point of order would carry it there. The gentleman from Pennsylvania [Mr. RANDALL] will please give attention to this consideration in further support of the ruling of the Chair, that to permit the motion to lay on the table, as the only one which there was a right to make, would bring it before the House if that motion were negatived.

Mr. RANDALL. Certainly; but I took it for granted that the House would follow the recommendation of the committee; and the decision of the Speaker gives the right to have the bill considered if two-thirds of the House desire, and then a majority to lay it on the table.

The SPEAKER. But suppose the House did not follow the decision of the committee; the bill would then be before the House.

Mr. RANDALL. But I would have the sense of the House tested on the question of laying on the table, before the decision of the Speaker comes in.

The SPEAKER. But if the House does not vote with the recommendation of the committee, the bill is before the House for consideration.

Mr. RANDALL. I would like to have the sense of the House tested before the Chair's decision comes in.

The SPEAKER. The decision of the Chair does not depend on the sense of the House, but on the rules.

Mr. RANDALL. I would not have the point of order admitted by the Speaker until it was seen whether the House would follow the recommendation of the committee to lay on the table the bill.

The SPEAKER. If the Chair took that course he would be acting in an arbitrary sense, because he would be giving the full force of the rules on the friends of the bill, rather than to the decision of the committee.

Mr. RANDALL. It would be yielding to a single individual, who has the privilege of raising the point of order. In the other way, it would be testing the sense of the House, by a majority vote, whether it should go to the Committee of the Whole or not.

CIRCUIT COURTS IN ALABAMA.

Mr. E. R. HOAR, from the Committee on Revision of the Laws of the United States, reported as a substitute for House bill No. 2246 a bill (H. R. No. 2874) relating to the circuit courts of the United States for the districts of Alabama; which was read a first and second time.

The Clerk proceeded to read the bill at length. Before he had concluded,

Mr. HOLMAN. I believe this bill is subject to a point of order, and I desire to make it.

The SPEAKER. What is the point of order?

Mr. HOLMAN. The bill, I understand, creates a clerkship at least.

The SPEAKER. The Chair was not paying sufficiently close attention to the bill when the Clerk was reading it. The gentleman from Indiana will please point out the portion which he considers makes the bill liable to the point of order.

Mr. BUTLER, of Massachusetts. The bill has not been printed.

The SPEAKER. This is a substitute. The original bill is printed.

Mr. E. R. HOAR. I will state in a single word what the bill proposes.

Mr. BUTLER, of Massachusetts. The point of order meanwhile being reserved.

The SPEAKER. Of course.

Mr. E. R. HOAR. If the point of order lies against the bill I can tell the gentleman on what it must be based. In an act passed last year which abolished in Alabama the system, of which I believe one of the last remnants was in that State, of giving district courts circuit-court powers so that they do not come under the jurisdiction, therefore, of the circuit courts which have been established, it was provided that the circuit-court business pending in the northern and middle districts of Alabama should be transferred to the circuit court held at Mobile for the southern district. It was also provided that the circuit court should have revisory and appellate power over the district courts in the northern and middle districts. It also took away from the northern and middle districts the circuit-court jurisdiction. But by a singular omission it did not provide for circuit-court jurisdiction anywhere over those two districts for the future; and the circuit judge has delivered a learned and able opinion in which he held that there was no provision of law under which, in cases exclusively of circuit-court original jurisdiction, any inhabitants of the northern and middle districts of Alabama could be sued.

It is to remedy that that this bill is designed. Petitions have come from the bar all over the State asking for some remedy, and there were two forms in which it was asked. One was simply to extend the circuit jurisdiction of the circuit court established at Mobile over the whole State. The other proposed that there should be two additional circuit courts held, one at Montgomery and the other at Huntsville, for the northern and middle districts. Bills for both these purposes were referred to the committee. It was thought that it would be too many to have three circuit courts for that State; but that Northern Alabama was so separated in the way of railroad communication, the people having to go out of the State to get to the southern part of the State, that it was reasonable that there should be two circuit courts held in the State, and the committee have reported this bill simply to provide for original circuit-court jurisdiction for the people of Northern and Middle Alabama, providing that Northern Alabama shall have it at the circuit court at Huntsville, and that Middle Alabama shall have it at Mobile in connection with the present circuit court there.

The only thing that the bill provides in the way of expense is that

the term of the circuit court to be held at Huntsville shall have a clerk. If that be an objection under the point of order taken, it exists. The bill makes no other appropriation or provision for expense that I am aware of.

Mr. BUTLER, of Massachusetts. If my colleague will permit me, I will say that Judge WHITE, of Alabama, and Mr. RAPIER, of that State, whose district loses a court, are both absent. Mr. WHITE is sick in bed. If my colleague will propose to fix a time when this bill shall be considered, I have no doubt the House will agree to it.

Mr. E. R. HOAR. I would do so very cheerfully. I received a communication from Mr. WHITE containing a request, which I was very sorry not to be able to comply with, for delay, but I did not know that our committee would be called again for an indefinite period, and therefore I was compelled to report the bill. I have endeavored to see all the other gentlemen from Alabama that I could, and to have their views acceded to. The gentlemen whom I have seen could not state to me any objection to the bill that I could understand.

Mr. BUTLER, of Massachusetts. I would suggest that my colleague let the bill be recommitted and ordered to be printed, and then let him enter a motion to reconsider, so that he can bring it up at any time.

Mr. E. R. HOAR. The bill has been printed. The only alteration made by the substitute is to strike out the circuit court for the middle district of Alabama. That is all the change in the bill. I am willing to accede to the suggestion of my colleague.

The SPEAKER. The gentleman from Massachusetts [Mr. E. R. HOAR] suggests that the bill be ordered to be printed and recommitted to the Committee on Revision of the Laws, and what further?

Mr. E. R. HOAR. And that it be made the special order for Tuesday next.

The SPEAKER. There is already a special order for that day.

Mr. BUTLER, of Massachusetts. Let the gentleman ask leave to report at any time.

Mr. POLAND. I do not apprehend that the bill will occupy any time when it comes up.

Mr. PELHAM. I think it will.

Mr. BUTLER, of Massachusetts. I suggest that the bill be recommitted and ordered to be printed, and a motion to reconsider entered.

The SPEAKER. Is that arrangement acceded to by the House?

Mr. HOLMAN. I have no objection to that proposition. I understood at first that the effect of the bill was to increase not only the number of circuit courts, but also the number of the district courts of the United States. I find I was mistaken in that, and I have no objection to the arrangement proposed.

The SPEAKER. Then the bill will be recommitted to the Committee on Revision of the Laws and ordered to be printed, and a motion entered to reconsider, the bill to be brought back at any time for consideration in the House. As there has been some misunderstanding about other bills, it is distinctly understood that this bill may be called up for consideration in the House at any time. The Chair hears no objection.

POST-ROUTES.

Mr. POLAND, from the Committee on Revision of the Laws of the United States, reported a bill (H. R. No. 2879) revising and embodying all the laws authorizing post-routes in force on the 1st of December, 1873; which was read a first and second time.

The question was upon ordering the bill to be engrossed and read a third time.

Mr. POLAND. I desire to say a word in reference to this matter. About a year ago, just at the close of the last Congress, a bill was passed directing the Committees on Revision of the Laws, of the Senate and House of Representatives, to agree with some person or persons to take charge of the revision that had been made by the commissioners and prepare it in bill form to be brought before Congress, and they were also directed to contract with the person or persons so employed to prepare a bill revising and embodying in one act all laws authorizing post-routes in force at the expiration of the then session of Congress. This bill is a revision of all post-routes in the United States, making a volume of some six hundred pages, consisting entirely of a list of post-roads. The committee felt instructed by the act of last session to bring this bill before the House and ask its passage; but I hope something may transpire that will render it unnecessary that we should publish in our forthcoming volume of the revised statutes these six hundred pages of post-routes.

I have introduced a bill which is now pending before the Committee on the Post-Office and Post-Roads of the House declaring all public highways in the United States post-routes. If that bill shall become a law, as I hope it may, it will dispense with the necessity of publishing this list of post-roads.

Mr. COBB, of Kansas. I will state to the gentleman that the bill which he has introduced and which has been referred to the Committee on the Post-Office and Post-Roads was referred to a sub-committee of that committee of which I am chairman. I entertain the same views as the gentleman from Vermont [Mr. POLAND] relative to the validity and constitutionality of that bill. But I am told that the Committee on the Judiciary of the Senate have decided—how the question got before that committee I cannot say—that a bill of that kind would be in conflict with the Constitution.

Mr. POLAND. I have no knowledge of what the Judiciary Committee of the Senate may have decided in relation to this matter. I can hardly believe, however, that they have come to any such conclusion as the gentleman indicates. Even if they have, I am by no means prepared to come to the same conclusion myself. We have already upon the statute-book a law declaring that all railroads that are now built, and all railroads that hereafter may be built, shall be post-routes. We have also a statute declaring that all the navigable waters of the United States and all canals shall be post-routes.

I know it has been suggested sometimes that this power of establishing post-routes might be delegated to the Postmaster-General. To that it has been replied that the Constitution vested Congress with the power to establish post-routes. But the language of the Constitution is the same in relation to post-routes that it is in relation to post-offices: "Congress shall have power to establish post-offices and post-roads." From the beginning of the Government, ever since we have had a Post-Office Department, we have delegated to the Postmaster-General the power to establish post-offices. And why we may not with equal propriety and equal constitutionality delegate to him the power to establish post-routes is more than I know. The precedents which have been established by the legislation of Congress making railroads, canals, and navigable waters post-routes are abundant authority, if the action of Congress is any authority upon this subject, for making all highways post-routes.

Although I trust we may be able to get rid of this whole subject, I ask that this revision may be adopted, and we can determine hereafter whether it will be necessary to publish it or not. I trust such action will be taken as will render its publication unnecessary.

The bill was ordered to be engrossed and read a third time; and it was accordingly read the third time.

Mr. POTTER. I notice that in the copy of the bill sent to the Clerk's desk the first nineteen lines have been erased, and I suppose it is intended that they shall not be in the bill.

Mr. POLAND. They cover general provisions of law found in the revised statutes proper which we have already passed, and therefore they are struck out of this bill. This bill contains nothing but about six hundred solid printed pages of post-routes.

Mr. POTTER. Under these circumstances I do not think that I am called upon to make an objection to the bill not having been read in full. I merely want to call the attention of the House to this as an exceptional case.

Mr. POLAND. I believe it never has been the practice to read post-route bills in full.

Mr. GARFIELD. Does this bill go to the extent of making any general laws covering post-routes without naming them; or does it name specifically the different routes?

Mr. POLAND. It names specifically all the routes in the United States which were in existence previous to the commencement of this session.

Mr. GARFIELD. I desire to ask the gentleman one further question: whether, in the course of preparation of this bill, the committee did or did not notice that a very considerable number of roads declared to be post-routes have never been used as such?

Mr. POLAND. We had no means of knowing upon what routes mail service was actually performed.

Mr. GARFIELD. I think there is danger of our going too far and making too large a number of post-routes, and putting it out of the power and the discretion of the Postmaster-General to dispense with any of them.

Mr. POLAND. This bill makes no post-routes, but merely enumerates those which Congress has already established.

Mr. GARFIELD. Is not this in your regular revision already?

Mr. POLAND. It is not; it is a separate chapter.

The bill was then passed.

Mr. POLAND moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

Mr. POLAND. I now ask unanimous consent that the bill just passed may be engrossed upon a printed copy, containing as it does nothing whatever but the post-routes of the United States.

No objection was made, and it was so ordered.

EVIDENCE IN CLAIMS.

Mr. POLAND, from the Committee on Revision of the Laws of the United States, reported a bill (H. R. No. 2875) authorizing the use of certain evidence; which was read a first and second time.

The question was upon ordering the bill to be engrossed and read a third time.

The bill provides that where evidence was legally taken and filed in any case pending in the Court of Claims prior to the 4th day of July, 1864, which case was dismissed under the provisions of the act of said July 4, 1864, such evidence shall be legally admissible before any Department, committee, or commission before whom the same cause of action or claim may be brought or presented for adjudication.

Mr. POLAND. Mr. Speaker, it is proper perhaps that a word of explanation should be made in reference to this bill. By the act of July 4, 1864, among other things jurisdiction was taken away from the Court of Claims over all claims for the destruction or appropriation of property by the armies of the United States or property taken for the use of the Army. A very large number of cases of that

character which were pending in the Court of Claims were dismissed from the docket of that court in consequence of this taking away of its jurisdiction. The petitioners or plaintiffs in these cases filed a petition, which was referred to the Committee on Revision of the Laws, praying for the restoration of the jurisdiction of the Court of Claims over their cases. The committee, on consideration, thought it would be very unwise and unjust to restore jurisdiction to the Court of Claims over a given number of cases when there were thousands of others of the same character over which neither the Court of Claims nor any other tribunal to our knowledge has any jurisdiction to allow them. Therefore the committee came to the conclusion that it would not be right to grant the prayer of the petitioners and restore jurisdiction. But one of the principal arguments in favor of that measure was that these cases had been prepared for trial, that the suitors had gone to the expense of taking testimony and filing it, and that this testimony had become useless. In view of this the committee came to the conclusion that all the relief Congress ought to grant would be to allow these parties to use any evidence that had been legally taken and filed in support of these claims, when brought before any Department of the Government or before the southern claims commission or before any committee of Congress. Hence we have provided in this bill that when any of those causes of action for which these suits were brought in the Court of Claims shall be brought before any other tribunal for adjudication, any evidence that was legally taken and filed while those cases were in the Court of Claims may be used on the hearing. That is all there is in the bill.

Mr. LAWRENCE. Let me inquire (for I did not happen to be present at the last meeting of the committee) whether this bill enlarges the rights of any individual against the Government.

Mr. POLAND. Not in the slightest degree.

Mr. LAWRENCE. It does not give any right which does not exist already by law?

Mr. POLAND. It gives no jurisdiction to the Court of Claims or to anybody else to allow claims, but merely provides that in these cases, where the jurisdiction of that court was taken away, the parties, when they go before some other tribunal, may be allowed to use such evidence as they had legally taken and filed in the Court of Claims. This is all I desire to say, unless some gentleman wishes to make an inquiry.

Mr. SPEER. Is this bill similar to one which the House passed some time ago and sent to the Senate?

Mr. POLAND. No, sir.

Mr. SPEER. In the confusion of the Hall I was unable to hear the gentleman's explanation.

Mr. POLAND. The bill merely provides that as to a large class of cases in reference to which the jurisdiction of the Court of Claims was taken away by the act of 1864, the parties may use before any other tribunal the same evidence which they had taken and filed before the Court of Claims.

Mr. SPEER. That is right.

Mr. POLAND. That is all there is in the bill.

Mr. BUTLER, of Tennessee. The bill does not change the act of July 4, 1864, at all?

Mr. POLAND. Not at all.

The bill was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

Mr. POLAND moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

ZADOC WILLIAMS AND OTHERS.

Mr. POLAND. The same committee has instructed me to report back adversely the petition of Zadoc Williams and others, for the restoration of their cases, and to move that the petition be laid on the table. I have been at the trouble to write out a short report, which accompanies the petition.

Mr. LAWRENCE. Let the report be printed.

The petition was laid on the table, and the report ordered to be printed.

MINTS AND ASSAY OFFICES.

Mr. HOOPER, from the Committee on Coinage, Weights, and Measures, reported a bill (H. R. No. 2876) to amend the coinage act of 1873; which was read a first and second time.

The bill is as follows:

Be it enacted, &c., That the forty-seventh section of the act entitled "An act revising and amending the laws relative to the mints and assay offices and coinage of the United States," approved February 12, 1873, be, and the same is hereby, so amended that it shall read as follows: "That for the purpose of enabling the mints and assay offices of the United States to make returns to depositors with as little delay as possible, it shall be the duty of the Secretary of the Treasury to keep in the said mints and assay offices, when the state of the Treasury will admit thereof, such an amount of public money or bullion as he shall judge convenient and necessary, out of which those who bring bullion to the said mints and assay offices may be paid the value thereof, less coinage and other mint charges and a reasonable charge for transportation, as soon as practicable after the value has been ascertained; and on payment thereof being made, the bullion so deposited shall become the property of the United States, and may be transferred to any mint or assay office for coinage or conversion into fine bars. And the Secretary of the Treasury is hereby authorized to use, as far as he may deem it proper and expedient, for payment to depositors of bullion, coin certificates representing coin in the Treasury and issued under the provisions of section 5 of the act entitled 'An act to provide ways and means for the support of the Government,' approved March 3, 1863. But the Secretary of the Treasury may at any time withdraw the fund, or any portion thereof, and may also, from time to time, transfer to the office of the assistant treasurer at New York, from the bullion fund of any mint or assay office, refined gold bars, bearing the United States stamp of fineness, weight, and intrinsic value, or bars from any melt of foreign coin or bullion of standard equal to or above that of the United States, and may apply the same, at not less than par, to the redemption of coin certificates, or in exchange for gold coins at par, subject to such regulations as he may prescribe."

Mr. GARFIELD. There is one clause of this bill to which I wish to direct attention; and I would like the Speaker to rule whether the bill must not go to the Committee of the Whole, on the principle that it appropriates money to be deposited in the various assay offices and mints (places not now made depositories of money) to be paid out for bullion on its deposit and before it is coined.

Mr. HOOPER. In answer to the gentleman from Ohio, [Mr. GARFIELD,] I would say that the mints and assay offices are a part of the Treasury of the United States, and placing money on deposit there is not taking it out of the Treasury.

Mr. GARFIELD. The point I make is this: Under the present law a party presenting bullion receives the money for it after it is coined. This bill proposes that the director of the mint shall pay the money on the deposit of the bullion. The question is whether that is not a payment of money out of the Treasury?

Mr. HOOPER. Let me call the gentleman's attention to the law as it now stands:

That, for the purpose of enabling the mints and the assay office in New York to make returns to the depositors with as little delay as possible, it shall be the duty of the Secretary of the Treasury to keep in said mints and assay office, when the state of the Treasury will admit thereof, such an amount of public money or bullion to meet the payments immediately.

The bill merely extends that to the other assay offices. It does not take any money out of the Treasury.

The SPEAKER. It proposes to exchange an old dollar for a new one.

Mr. HOOPER. Yes, sir,

The SPEAKER. The Chair does not think that the point of order lies against the bill. It does not take money out of the Treasury, but rather tends to bring money into it.

Mr. GARFIELD. Let me inquire of the gentleman from Massachusetts [Mr. HOOPER] whether the existing law makes, for instance, the assay office at Boise City a public depository, a place where the Secretary of the Treasury may keep public money?

Mr. HOOPER. The existing law authorizes the Secretary of the Treasury to make deposits of public money at the mints and at the assay office in New York. This bill proposes to extend the provision to other assay offices.

Mr. GARFIELD. Does this bill properly guard the public funds on deposit in these different assay offices?

Mr. E. R. HOAR. Gentlemen carrying on conversation here might retire to the cloak-room.

Mr. GARFIELD. We will be glad to have the gentleman's company.

The SPEAKER. There are so many gentlemen carrying on conversation that the Chair thinks there must be a quorum listening.

Mr. WOOD. I suggest to the House thoroughly to understand the provisions of this bill before it attempts to act on it.

The SPEAKER. The chairman of the Committee on Coinage, Weights, and Measures has been endeavoring to explain the provisions of the bill.

Mr. HOOPER. Mr. Speaker, the law of 1873 confines the bullion fund to the mints and the assay office in the city of New York. This amendment of the law extends it to all the assay offices and authorizes payment for bullion to be made with coin certificates issued under the provisions of section 5 of the act of March 3, 1873. As the law stands now they would have, in the mints and assay offices, to pay in coin. This allows them to pay in coin certificates.

The object of the amendment is to enable the different assay offices to make returns to depositors with as little delay as possible, and to save miners much of the delay and expense to which they are now subjected.

It involves no additional expense to the Government, but, on the contrary, it is believed it will be a great saving of expense. While it will be of great convenience to the miners, I am assured at the Treasury Department it will cause no inconvenience to them.

Mr. WOOD. Mr. Speaker, as explained by the gentleman from Massachusetts, the object of this bill simply is to make the provisions of existing law in reference to deposits of bullion for which coin certificates are issued applicable to the mints and to assay offices outside of the city of New York, so as to afford to the Pacific coast and to other places the same advantage and facilities under the jurisdiction of the Secretary of the Treasury which are now possessed in the city of New York.

The gentleman has also said it will involve no additional expense. On that point, however, I am somewhat apprehensive. The gentleman will remember, when this subject was under discussion in the last Congress, I was among those who advocated the passage of the bill which was then reported from his committee. I did so at that time under the expectation that in the reorganization of the assay offices of the United States there would be involved no additional expense on the part of the Government. On the contrary, we find that the expense of the assay office department alone is increased to $1,300,000 as against $400,000 before that law was passed. And I am somewhat apprehensive, therefore, that this proposed change in the existing law will involve additional expense.

We understand the miners and others who have bullion desire to have it turned into money without delay. When they make their deposits of bullion at the mints or the assay office they receive coin certificates; and these coin certificates operate as bills of exchange, upon which they can make their deposits in bank and receive currency or coin as they may choose.

Mr. HOOPER. This bill allows them to realize without delay the money for their deposits of bullion.

Mr. WOOD. It enables them to realize at once instead of being subjected to long delay until their deposits are coined and they receive the coin itself. These mints and assay offices are allowed to give them receipts, and those receipts are operative in the money markets of the world, in Europe as well as in this country, as equivalent to so much coin. Giving this power to the subordinates of the Treasury who have control of the coinage of this money, and letting them act *ad libitum*, grant this privilege at their own pleasure, is a matter in reference to which I have some doubt. Under proper control of a proper Secretary of the Treasury, who would exercise vigilance and give personal inspection to the exercise of this great power in the hands of his subordinates, probably it would work to the advantage of some persons upon the Pacific coast as well as elswhere; and if the gentleman will say that it will not involve any additional expense, and that the interest of the Government will be protected against a false issue of these certificates over and above the amount of bullion deposited, I might be satisfied to support the bill.

Mr. HOOPER. In regard to what the gentleman has stated of increase of expenses under the bill of last year, I would reply that that bill required all balances, profits of the mints and assay offices, to be paid into the Treasury. Previous to that time most of their expenses were paid out of the funds on hand. None of these balances were paid into the Treasury, and then no appropriation was required, or only a small one, for the purpose of carrying on our mints. At the present time all the balances are paid into the Treasury, and the expense of the mints are provided for by appropriation. And the salaries of the different officers and the wages of workmen are paid by regular appropriation.

Mr. WOOD. Is it that which causes this large increased expense?

Mr. HOOPER. That is what causes the apparent increase of expense, as the expenses are no longer paid out of the funds of the mint, out of the profits accruing. I see no reason for apprehension in regard to extending this bullion fund. It carries it only, as the mints now exist, to three assay offices. It would extend it to the mint at Carson City, which is used as an assay office, and to those at Boise City, Idaho, and Denver.

Mr. WILLARD, of Vermont. Do those officers give bonds?

Mr. HOOPER. The officers give bonds at all these mints and assay offices; and I believe myself that under this present law the mints and assay offices were never so well managed as they are now. I move the previous question on the bill.

The previous question was seconded and the main question ordered; and under the operation thereof the bill was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

Mr. HOOPER moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

ESTABLISHMENT OF ASSAY OFFICES.

Mr. HOUGHTON, from the Committee on Coinage, Weights, and Measures, reported a bill (H. R. No. 2877) to establish assay offices at Saint Louis, in the State of Missouri; at Chicago, in the State of Illinois; and at Helena, in the Territory of Montana; which was read a first and second time.

The bill authorizes and directs the Secretary of the Treasury to establish an assay office at Saint Louis, in the State of Missouri; at Chicago, in the State of Illinois; and at Helena, in the Territory of Montana; the said assay offices to be conducted under the provisions of an act entitled "An act revising and amending the law relative to the mints and assay offices and coinage of the United States," approved February 12, 1873.

The bill, in its second section, authorizes and directs the Secretary of the Treasury to set aside such rooms, in the custom-house at Saint Louis, and in the custom-house at Chicago, for the use of said assay offices in those cities, as may be necessary for that purpose and not required for custom-house business, and to provide the said assay offices with the necessary fixtures and apparatus at a cost not exceeding $15,000 for each of said offices; and authorizes and directs the Secretary of the Treasury to cause to be constructed a suitable building at Helena, in the Territory of Montana, for the purpose of said assay office, and to provide the same with necessary fixtures and apparatus at a cost not exceeding $15,000.

Mr. SPEER. I raise the point of order that this bill contains an appropriation of money, and should have its first consideration in the Committee of the Whole House.

Mr. HOUGHTON. I think the gentleman is in error in supposing that the bill is liable to the point of order. I think that a fair construction of this bill will show that it does not call for any direct appropriation of money. It simply provides for the establishment of these assay offices and limits the amount of money which they shall respectively cost. It makes no direct appropriation whatever.

Mr. SPEER. It directs the Secretary of the Treasury to expend money.

The SPEAKER. The bill is clearly within the point of order. Under the old rule it would not have been, but the new rule was made specially for bills of this character. The bill requires an appropriation of money, and must go to the Committee of the Whole on the point of order being raised.

Mr. MAGINNIS. I hope the House will allow me to give a brief explanation of this bill. I would say to the House that the Territory of Montana, although one most isolated, is and has been our greatest gold-producing Territory. It has been organized ten years, and in those ten years it has produced $160,000,000 of gold and silver bullion, more than a million a month, and nearly enough to pay one-half of your greenbacks, and I believe that in the ten years to come it will produce enough to pay the rest. By the laws of the United States, and more than that, by the Constitution of the United States, every man that possesses or produces bullion is entitled to have it coined at a reasonable cost. But on all that magnificent contribution to the nation's wealth, the miners of Montana have had to pay from 4 to 5 per cent. to get their bullion to the Mint at Philadelphia, or the market at Wall street, New York. They have been obliged to pay to express companies 2½ per cent. to get their gold to the Mint, and often have had to pay in addition quite as much to get their greenbacks back in exchange, and this although they are as fairly entitled as any other citizens under the Constitution of the United States to reasonable facilities for converting that gold into coin.

We do not ask for any branch mint, although considering the amount of gold that we produce we might ask for that, but we do not; nor do we ask for any elaborate public buildings. All we want is that in the Territory which produces so much gold the Government shall put up the necessary machinery, so that the Government stamp can be put upon our bars, and that we may have some way of ascertaining their value.

Not only have our miners to stand this charge for the transportation of their treasure, and to risk the dangers of conveying it by lonely roads, often infested by banditti, but they are required to submit to the exactions of the gold-dust brokers who fix upon the gold-dust offered for sale such prices as they please; and at the private assay offices they are subjected to heavy charges, and sometimes complain that they do not get fair returns.

Mr. SPEER. Why does the gentleman not have a bill applying to Montana alone?

Mr. MAGINNIS. I did introduce such a bill, and would have liked the committee to report such a bill. This bill, so far as it relates to Montana, has passed the House three times. It has been considered in Committee of the Whole three times. It has passed the Senate twice. Once it failed through non-concurrence in a Senate amendment; and it failed in the last Congress because it reached the President too late for his signature. Secretary BOUTWELL has twice recommended it, Secretary Richardson has recommended it. And now, to have mints and assay offices in those Territories that do not produce nearly as much gold as the Territory of Montana does is an injustice to the people of that Territory, and makes a discrimination against them similar to what the case would be if there were custom-houses in Charleston, and New Orleans, and Portland, and Newport, and no custom-house at the principal port of entry of the country, at New York.

The SPEAKER. The gentleman from Montana [Mr. MAGINNIS] desires unanimous consent that this bill on which the point of order has been raised may be allowed to have its consideration in the House.

Mr. HOUGHTON. I hope there will be no objection to that. This is a unanimous report of the committee.

Mr. SPEER. I object.

The SPEAKER. The gentleman from Pennsylvania objects, and the bill goes to the Committee of the Whole House.

COINAGE ACT OF 1873.

Mr. HOOPER, from the Committee on Coinage, Weights, and Measures, reported a bill (H. R. No. 2878) to amend the twenty-fifth section of the act entitled "An act revising and amending the laws relative to the mint and assay offices and coinage of the United States," approved February 12, 1873; which was read a first and second time.

The bill was read. It proposes to amend the coinage act of February 12, 1873, so that the twenty-fifth section thereof shall read as follows:

That no charge shall hereafter be made for the coinage of gold, and the charge for converting silver into trade dollars, for melting, for refining when bullion is below standard, for toughening when metals are contained in the bullion which render it unfit for coinage, for separating the gold and silver when those metals exist together in the bullion, and for the preparation of bars, shall be fixed from time to time by the Director of the Mint, with the concurrence of the Secretary of the Treasury, so as to equal, but not exceed, in their judgment, the average cost at each mint and assay office of the material, labor, wastage, and use of machinery employed in each of the cases aforementioned.

Mr. HOOPER. The only change made by this amendment in the twenty-fifth section of the coinage act of 1873 is to strike out the charge for converting standard gold bullion into gold, which is now one-fifth of 1 per cent. This cuts off that charge of the mint.

Mr. RANDALL. Entirely?
Mr. HOOPER. Yes; for coinage.
Mr. RANDALL. Then we are to understand that the mints are in future to coin the bullion without cost to those who make the deposit of the bullion.
Mr. HOOPER. Without any charge for coinage; the depositors will still have to pay other expenses.
Mr. RANDALL. I am not asking these questions in any spirit of opposition to the bill, for I have long believed the policy of the Government should be to do what is provided for by this bill. It proposes what, I believe, is the English system.
Mr. HOOPER. This is the English system and that of most, if not all, the continental countries.
Mr. HALE, of Maine. How much does the Government now receive at its different mints from this source and which will be cut off if this bill passes?
Mr. HOOPER. From sixty to eighty thousand dollars a year.
Mr. HALE, of Maine. So that this will make a difference against the Government of from sixty to eighty thousand dollars a year?
Mr. HOOPER. Yes, sir, and a gain to the miner and a gain to the public and a gain in point of principle, because it makes the inducement stronger to coin gold in this country instead of sending it abroad to be coined.
Mr. HALE, of Maine. But undoubtedly next year, in keeping up the mint establishments, we shall be obliged to appropriate from sixty to eighty thousand dollars more for this branch of the public service than we do at present.
Mr. HOOPER. I should doubt if it would have precisely that effect, because the business of the Mint will be increased and the charges on the other operations, such as assaying, purifying, &c., I think would nearly make up the loss.
Mr. HALE, of Maine. That must be something problematical.
Mr. RANDALL. That its effect will be to keep gold in the country is, however, almost a certain proposition.
Mr. HOLMAN. Is the effect of this amendment that the coinage of gold is to be relieved of the charge of one-fifth of 1 per cent.?
Mr. HOOPER. That is all.
The bill was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.
Mr. HOOPER moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.
The latter motion was agreed to.

PROMOTION OF NEW INVENTIONS.

Mr. CLEMENTS, from the Committee on Patents, reported back, with the recommendation that it do not pass, the bill (H. R. No. 2512) to promote new and useful inventions in the United States.
Mr. CONGER. I ask that the bill be read.
The Clerk read the bill.
Mr. CONGER. I now ask that the report be read.

CURRENCY—FREE BANKING.

The SPEAKER. The morning hour having expired, the House now resumes the consideration of the special order, being the bill (H. R. No. 1572) to amend the several acts providing a national currency and to establish free banking, and for other purposes, reported from the Committee on Banking and Currency. The gentleman from Virginia [Mr. PLATT] is entitled to the floor for one hour.
Mr. PLATT, of Virginia. Mr. Speaker, after the long and exhaustive discussion that has been proceeding for three or four months both at this end of the Capitol and at the other, it is with great diffidence that I attempt to express here the ideas and opinions that I have myself formed after a careful examination of the financial questions now possessing so much interest for Congress and the country. Had any gentleman who has preceded me in the discussion of this important subject arrived at the same conclusions that I have myself reached, and had he presented them to the House and the country, I should have been content with that and should not myself have attempted to present them again.
We have had, sir, two classes of arguments from the various gentlemen who have given us their views on this subject. One class has been in favor of inflating the present currency of the country without regard to whether the additional amount which they desired to have issued of circulating notes had a fixed value and were convertible and redeemable or not; and another class has desired to resume specie payments without regard to the suffering caused to the country by the necessary contraction. In other words, we have had only two propositions before us; one for the resumption of specie payments by and through contraction, and the other an entire abandonment of any idea of return to a specie basis and the issue without limit of an irredeemable currency of greenbacks or national-bank notes.
I am one of the citizens of this country who feel a sense of humiliation that we should occupy the position that we now occupy. I believe it is perfectly practicable for us to get out of that condition and to resume specie payments in a very short time, and at the same time to have a circulating medium in this country to as large an amount as the most enthusiastic inflationist on this floor may think necessary. In other words, I believe it is entirely practicable to return to specie payments and at the same time increase the circulating medium of the country to the extent of $400,000,000, which I believe is as much as any gentleman on this floor thinks it necessary to increase it.
And I propose to do it, Mr. Speaker, in no untried way. I have no new experiment which I desire to ask Congress and the country to adopt. I am governed by what I find in the history of this and of every other country that has at any time been placed in the same position which we now occupy. I would not rob either the debtor or the creditor class; I would do neither of them injustice. I would not agree with my friend from Ohio, [Mr. SHERWOOD,] whose speech is a very good illustration of the ideas entertained by gentlemen who look at this subject from his stand-point. I read from his remarks:

> The creditor class was robbed in 1862, 1863, 1864, and 1865 through the necessities of war. But what can be the process to rob the debtor class in 1874, 1875, and 1876?

By inference, I suppose, the gentleman thinks that it is perfectly right that the creditor class should again be robbed, because they were robbed in the years which he mentioned. They probably have become used to it, and can bear it better than people who have never been subject to the infliction of that treatment.
He also gives us a medical illustration, to which I desire to call the attention of the House. He joins issue with gentlemen who desire to contract the currency for the purpose of reaching specie payments. He says that physicians do not prescribe bleeding for debility in patients when that debility has been caused by loss of blood. That is true, but there is an operation sometimes resorted to by physicians who have patients that are debilitated, in which operation the veins of the patients are opened and life-giving blood is injected therein. Did the gentleman ever hear of a physician proposing to open the veins of a debilitated patient, and to inject a large quantity of water therein for the purpose of strengthening that patient? Does he think that an operation of that kind would result in any benefit to him? If he does, I do not.
My friend from New Jersey, [Mr. PHELPS,] with whom to a great extent I agree, takes the opposite side. He would treat the patient not by injecting either blood or water, but, as my friend from Ohio indicates, he would draw from him a large portion of the blood which yet remains. He reminds me of the course of practice once advised by a man who was a professor of surgery in a medical college. It was at a time when the profession believed that consumption, or phthisis, was an inflammatory complaint. In lecturing to his class he said, "Gentlemen, phthisis is an inflammatory disease; when you have well-defined cases, and there is no mistake about the diagnosis, you will treat them with the utmost vigor upon the anti-phlogistic system; bleed them, and if that does not produce the desired result bleed them again, and continue to repeat the operation until the result is obtained?" The next day when he was propounding questions to the class in regard to the lecture of the day before, he asked one of the young gentlemen who had begun to believe that perhaps the old profession was in fault, what he would do in such a case. Said he, "Mr. Perkins, if you had a well-defined case of phthisis, how would you treat it?" Said the student to whom the inquiry had been addressed, "I would bleed him, and if he ever got over it, I would bleed him again." That is the way my friend from New Jersey would treat the patient.
I am in favor of a return to specie payments at the earliest possible moment; but I am not in favor of contraction. I believe we have twice in our country, when the circumstances were not so favorable as are the circumstances which now surround us, returned to specie payments, not only without contraction, but by adding largely to the volume of the currency. We can best judge of the present and future by properly studying what has occurred in the past.
In coming to the examination of this question, as a business man who feels in himself and the interests with which he is connected the circumstances now depressing the country, there are two or three ideas which I believe will meet with a general acceptance on the part of the members of this House. I do not believe that any man can say that they are not founded upon truth and experience.
First. In regard to the amount of the circulating medium, it is necessary that every community should have a sufficient amount of currency to enable all necessary or desirable business to be transacted conveniently, and all operations involving an interchangeability of products and commodities to be performed rapidly and easily; and every individual in such community who has earned or acquired visible property which he holds in his own right should be able at all times to obtain an amount of money bearing a reasonable proportion to the amount of property he is able to pledge for the repayment of the loan, which he ought to be able to obtain at a low rate of interest. This principle laid down by the great writers on finance will not be denied or attempted to be controverted by any gentleman on this floor.
Secondly. I believe we ought to experience no practical difficulty in now returning to a specie basis. I believe that a nation which can float $2,000,000,000 of indebtedness and have the evidence of that indebtedness better than gold at home and abroad, can float $1,000,000,000 of currency and have it as good as gold at home and abroad.
Sir, I believe that no nation that has ever had a place in history, no nation that to-day exists on the face of the earth, has ever issued its notes as money, and made them legal tender by law, without getting into precisely the position we are occupying to-day; and, sir, no nation on earth, our own or any other, has ever permanently recovered from that condition, except in one way. I challenge any gentleman on the floor to point out in the history of the world

one exception to this general statement. How has that been done? It has been done by the establishment of one grand, powerful institution that has united in itself the power and the influence of the Government with the credit and the capital of the country; never in any other way, and always in that.

Now, sir, the history of our country has not covered a very long period of time; it is all comprised within one hundred years, and I propose as rapidly as possible within the time allowed me to ask gentlemen who do me the honor to listen on this occasion to run with me over the financial history of the United States to see whether we cannot find somewhere in the past some wise principle that will point clearly to a way by which we may emerge from the difficulties that are now surrounding us. Going back to the period of the revolutionary war, we find that the very first glimmer of hope, the first chance of success that our forefathers had in that contest, came after they had recognized the principle which I have stated, and after they had taken the Bank of North America with its small capital of $400,000 and made it a national institution, obtaining in that way the notes and the credit which enabled them to carry the revolutionary war to a successful termination. I have not time to more than allude to this subject. I simply call the attention of the House to an extract which I find in Sparks's Life of Gouverneur Morris, alluding to the occasion in which that distinguished financier took a very important part:

This bank had an extraordinary effect in restoring public and private credit in the country, and was of immense utility in aiding the future operations of the financier, although it was begun with the small capital of $400,000.—*Sparks's Life of Gouverneur Morris*, volume 1, page 235.

We emerged from the revolutionary war, and the First Congress under the present Constitution met in the city of Philadelphia, with George Washington, the Father of his Country, occupying the presidential chair, with Jefferson as Secretary of State, Edmund Randolph as Attorney-General, and Alexander Hamilton, the greatest of our financiers, Secretary of the Treasury. The country was in a worse condition than we are in to-day. We had currency enough in the country, precisely such currency as the gentleman from Massachusetts [Mr. BUTLER] would have us issue now. He would do as I once heard a man in my own State say he thought this country ought to do. He said he would not belong to any party that went for taxing the people; that he did not want any taxes. He was asked how he would pay the expenses of the Government without taxes; and he replied, "I would pay the expenses of the Government out of the Treasury of the United States." So with my friend from Massachusetts. He would start the printing-presses in the Treasury Department and would pay the expenses of the Government out of the Treasury. In that way he would relieve us from the terrible burden of taxation. By precisely that process we had a currency at that day. There was no complaint that the quantity was not sufficient. Almost every house in the country had a barrelful of it in its garret. That currency was like the greenback of to-day, and it had at the back of it all the property and all the credit of the United States. But, sir, it was worthless; it could not be used as money. All the real money the people had was the small quantity of gold and silver in circulation at that time.

How did the statesmen of that day meet the question forced upon their early consideration? They met it by the establishment of the first Bank of the United States after an exhaustive discussion in both Houses of Congress. There were two classes of men at that day who were opposed to the establishment of this bank. There were two arguments, and only two, adduced against it—one by men who believed in having only gold and silver as a circulating medium, in having no bank-notes at all; the other by a class who opposed the measure because they said it was unconstitutional, that there was no warrant in the Constitution for the establishment by Congress of any such institution. In the debate on that question, which continued longer than the present debate has yet extended, a gentleman, alluding to the Bank of North America, said that by the establishment of that bank was recognized for the first time the principle of uniting the credit and capital of the country with the power and influence of the Government; and that measure was the most powerful of the operating causes which gave us the first dawn that led to the full meridian splendor which culminated in the freedom and prosperity of the whole United States.

The Congress of the United States passed a bill to charter the first Bank of the United States, with a capital of $10,000,000; one quarter of which the Government of the United States subscribed for and took. At once, sir, we had a return to specie payments; we had a return of prosperity, and for twenty years, without an exception, during the continuance of that first Bank of the United States, we had a currency which was as good as gold at home or abroad. We had specie payments; we had prosperous business; we grew in population; we grew in wealth; we grew in resources; we paid our national debt; and during the whole time commanded the respect of the world and of our own people.

When the question of signing that bill was presented to President Washington, he referred it, as to its constitutionality and advisability, to his advisors of the cabinet. He asked Mr. Jefferson, his Secretary of State, and Mr. Randolph, his Attorney-General, and Mr. Hamilton, his Secretary of the Treasury, to give him their opinions as to whether he should approve or veto the bill. Mr. Jefferson wrote a strong and exhaustive paper against it. Mr. Randolph gave his opinion against it because of its unconstitutionality and its inadvisability. Mr. Hamilton alone of all the advisers of the President, took strong ground in favor of it, and his argument prevailed, and Washington signed the bill and it became a law.

Daniel Webster, the great statesman, in his eulogy of Alexander Hamilton, described the effect of the establishment of this first Bank of the United States. He said:

He smote the barren rock of public credit and out gushed the living waters. He touched the dead corpse of public credit, and it sprung upon its feet.

As I have previously stated, for twenty years after the establishment of that bank, we had the condition of things which I have described to the House, and which is a part of the history of our country.

But, Mr. Speaker, in 1811 when the charter of this bank was about expiring, after a long and exhaustive discussion of the advisability of rechartering the bank, Congress refused to pass the bill to recharter it, and the bank expired by its own limitation.

What did we do between the years 1811 and 1816? State banks were established in every part of the United States. The currency was inflated to the extent of the circulation of these State banks. We went through the war of 1812 borrowing money. The Government of the United States borrowed money to carry on that war at from 35 to 40 per cent. discount on the bonds issued. We came out of that war in a worse condition than we are in to-day. Our currency was depreciated to a greater extent than it is now, and all the industries of the country were lying prostrate.

How did we get out of that condition of things? After another long and exhaustive discussion, lasting several months, Mr. Madison being President and Alexander J. Dallas Secretary of the Treasury, Congress chartered the second Bank of the United States, with a capital of $35,000,000, one-fourth of which was subscribed and taken by the United States Government. Precisely the same consequences that followed the establishment of the first Bank of the United States followed the establishment of the second, and for twenty years more, under the operations of that institution, we had a stable currency in this country. We had a condition of prosperity never exceeded. We had no panic; we had no suspension. We had all over the United States the revenues of the country collected cheaply and disbursed without expense. Our exchanges were carried on in the interest and not against the Treasury of the United States.

In 1833, when this condition of prosperity existed all over the country, the question of rechartering the Bank of the United States came up in Congress, and after discussion lasting almost the entire session, after hearing the report of the committee appointed for the purpose of examining the management of the bank, Congress passed a bill rechartering for twenty years more the second Bank of the United States. Andrew Jackson, then President, vetoed that bill. His Secretary of the Treasury, William J. Duane, refusing to carry out the policy of the President, he appointed Roger B. Taney as Secretary of the Treasury, and under executive direction Mr. Taney withdrew from the Bank of the United States and all its branches the deposits of the Government and placed them in State banks selected in different parts of the Union.

When these deposits were placed with State banks, they were placed there with the suggestion on the part of the Secretary that they should be as liberal as possible in their discounts, a suggestion to which they were only too ready to accede. What followed? State banks were established all over the United States with wonderful rapidity. Our discounts extended from 1833, when they were $234,000,000, until in 1837 they amounted to $570,000,000. There was a condition of fictitious prosperity in the country. Everybody seemed to be getting rich. Everybody seemed to be happy. The speculation of that day took the form of purchasing western lands, and the result was that the money of the State banks flowed into the Treasury as proceeds of these sales in very large amounts. When Andrew Jackson left the presidential chair in 1837, he congratulated the people of the country on the magnificent success of his policy, and the grand results which had followed his carrying it out in the manner in which he had. "I leave," he says, "this great people prosperous and happy." Why he had hardly got out of Washington when the crash came; he had hardly got out of his seat when there came the panic of 1837 and the suspension of that year, and the consequent depression of all the business interests of the country; that terrible panic, which has never been equaled in our day, and which is in the memory of many gentlemen now in this Congress from their personal recollection.

Sir, what happened then? The process of contraction commenced, and when we had contracted to within a few millions of where we started in 1833 we had specie resumption again. And the process began to be again repeated. They began again to establish State banks in every part of the United States, until in 1842, when the machine had become inflated to the greatest extent it could possibly bear, again we had a panic and suspension. We contracted again, and resumed, and went on until 1857. And then we had reached the point of inflation again beyond which it seems impossible to go, and we had panic and suspension and poverty and distress all over the United States. Well, sir, we got over 1857 in the same way, by contraction of the severest kind, and we resumed specie payments again; and we went on to 1862, when we suspended again, and we have been in suspension ever since.

Now, sir, I think that this rapid review of the financial history of

this country shows beyond the possibility of question or doubt that we have never in our history departed from specie payments, but it has had to be followed either by severe contraction, which has always been resorted to except in the two instances I have mentioned, or else by the establishment of such an institution as we had in the first and second banks of the United States of America.

Gentlemen say that we cannot establish a bank of that kind to-day; that the people will not permit such a huge monopoly to be established in our midst. But I find no gentleman who says that for himself. It is merely that somebody else will not permit it. And I think with the fact staring us in the face that one official has absolute control over two thousand national banks in the country, and another has had $44,000,000, a greater amount than the capital of the second Bank of the United States, at his absolute disposal to pay out and take in during the last six years, I think, in the face of this condition of things, that argument has no force whatever. And the arguments that were used against the old banks of the United States when they were established can have no force to-day. There are no advocates of the theory that there should be no circulating medium but gold, nor do I suppose there is one man who believes that Congress has not the constitutional power to establish such an institution.

Now, sir, I will not take up the time of the House, or use the limited time to which I am confined, by attempting to give the financial history of the other nations of the world. I suppose it to be as familiar to every gentleman who has given this subject any attention at all as it is to myself. I would simply call attention to the fact that we have had in the Bank of England an illustration of the manner in which an institution of the kind I propose works in that country. We have in the Bank of France another illustration. Every gentleman within reach of my voice knows that that bank, established to rescue France from a condition similar to that in which we are to-day, has carried France through a terrible war; and there was no period during that war that bills of the Bank of France would not bring within 1 per cent. of their par value in gold, and the Bank of France was ready at any time to pay its bills with gold over the counter when they were presented for redemption. It never suspended specie payment.

I have heard it stated in the course of this debate by several gentlemen of intelligence that the Bank of England has frequently within the last few years suspended specie payments. I say there has been no period since 1822 when a note of the Bank of England was not equal in value to gold. There has been no period since 1822 when a note of the Bank of England presented at its counter would not bring specie for its full value. At no time since that year has specie payment been suspended.

The bank which I ask Congress to establish by the bill which I have had the honor to present to Congress, and which is now before the Committee on Banking and Currency, (H. R. No. 1424,) for the establishment of an exchequer, is founded upon the principle of the old United States Bank, adopting the great feature of the Bank of England which combines in it two departments, the department of issue and the department of banking. I desire to call the attention of the members of this House to the bill, and my object will have been accomplished if I can induce members to look at the subject, to take up that bill and examine it in the light of the facts which I shall endeavor to present. I do not desire to antagonize the bill which has been presented to the House by the Committee on Banking and Currency.

I am in favor of free-banking as I understand it. I am in favor of letting men in any section of this country who have bonds of the Government, take those bonds, and, if they can make anything on circulation based on those bonds under a law carefully guarded and extended over them, I have no objection to their inflating the currency to any extent that the demands of the country warrant, provided they will have that currency based on a sound and substantial basis. The national bank currency of to-day is upon that basis, and were it not for the fact that it is only redeemable in greenbacks, it would be to-day as good as gold.

Sir, when a man holds in his hand a note of a national bank what has he got? He has, first, an evidence of a debt due to the bank. He knows that when the bank sent that bill out from its coffers its repayment at some specified time was secured by deposits in the bank as security of good mercantile paper, or some other satisfactory collaterals; and he knows that in case that fails to be available to meet the debt there is back of it bonds of the United States for 10 per cent. more than its face value, and those bonds are to-day better than gold.

Now, why is not that note as good as gold? It would be except for this fact that the holder knows that if he goes to the bank that issues the note and demands that it shall be redeemed, all he can compel the bank to give him for the note is a legal-tender note, which is not as good as gold, and never can or will be.

On the other hand, when he holds a ten-dollar legal-tender note in his hand, what has he got? He has simply an evidence of a debt due by the Government; when the Government paid it out they had nothing else; they could not pay their debts or obligations in any other way, and were compelled to give the holder of that note, or the person from whom he received it, an irresponsible, irredeemable note in payment of a just claim due by the Government. It is not payable anywhere on demand or at any specified date.

What is true of an individual is, in a larger sense, true of the Government, which is only an aggregation of individuals. There is precisely the same difference between a national-bank note or a legal-tender note and a bond payable at a certain time, that there is between two notes that may be given by an individual who is known to be responsible in the community in which he lives. Take for example A. T. Stewart, of New York, and I suppose any banker in New York would consider his note good for $500. But suppose a man presents himself at a bank with two notes signed by A. T. Stewart, one of which reads as follows: "Sixty days after date, for value received, I promise to pay John Smith or order, $500 dollars with interest, negotiable and payable at the Park National Bank, of New York;" and another note, also signed by A. T. Stewart, reading: "Some time or other when it is perfectly convenient and I have nothing else to do with my means, I will pay the man who happens to hold this note, $500;" which of those notes would the banker to whom they were presented give most for? And so it is precisely with the people in regard to the national-bank notes and the greenbacks. They may not stop to reason it out; they may not know why they are not willing to receive greenbacks at par; but if they do reason it out they will find that the difficulty lies where I have stated it, and that the analogy holds good between the Government and the individual.

Now, I have stated that I believe it is perfectly possible and practicable for us, through the establishment of a sound national system of this kind, to return to specie payments, and, at the same time, largely increase the loanable means of the country. I hold in my hand a statement in regard to the comparative amounts of circulation and loans of the banks of Europe and their capital as compared with the loans and discounts made by the national banks of our country and their capital. I find that the five chief European banks, operating with the countenance and support of their governments, the banks of England, France, Russia, Belgium, and the Netherlands, show an aggregate capital of about $376,000,000; discounts to individuals, $725,000,000; government bonds and advances, $400,000,000; and circulation at par, $1,250,000,000; while under our defective system of national banks the figures show that their capital is $421,072,656; individual loans, $944,220,116.34; Government bonds, $411,960,250; circulation, $339,081,799, at a discount to-day of 13½ per cent.

These foreign banks, it will be perceived, with a capital of only $350,000,000 have a circulation at par with gold the world over of $1,250,000,000, or a little more than four and a half times their entire capital. Our two thousand national banks, by the statement of the Comptroller of the Currency of the past year, have a capital of $490,000,000 and a circulation of only $340,000,000, or $150,000,000 less than the amount of their capital, which circulation is at a discount below gold of 13½ per cent. and every day changing.

The European banks lend to individuals and to governments nearly four and a half times the amount of their capital. Our banks lend less than twice their capital to individuals. Now, a consideration of these facts will show that the European banks loan to the people of the countries in which they exist three times as much in proportion to their capital as our national banks loan to the people of this country. And they maintain at par the circulation upon which they make those loans, while we in this country, with one-third less in proportion of discounts, are unable to maintain our circulation at par, but it is continually changing and fluctuating in the markets of the country and of the world.

Now I propose, as briefly as possible, to explain the provisions of a bill which I hope the Committee on Banking and Currency may see fit to report favorably at some future day, after Congress has adopted the bill which they have already reported, or something else which we hope may reach the desired result.

My proposition is this: that there may be incorporated a bank with a capital of $100,000,000. I do not wish to have it interfere in any way, shape, or manner with the national banks of the United States as at present organized. I do not propose to have it interfere with the free-banking institutions that may be inaugurated under the operation of a free-banking law, should Congress pass one. I believe that it will work in entire harmony with those banks, and will work very much better with our present system of national banks than the old Bank of the United States worked with the State banks then in existence. I believe it can be made to carry out and perform very important functions in connection with our national banks. It may be made to take the place, in relation to the national banks of the country, that the old Suffolk Bank of Massachusetts occupied in the history of the banks of that State, when it was the redemption agent of every sound bank in the New England States. I would, however, permit the national banks to receive the reserved 10 per cent. of circulation now withheld, and give them an amount of currency equal to the amount of bonds deposited. This would add forty millions to our circulation. I would also release them from the requirement of holding a reserve on their circulation.

The bill I propose provides for the incorporation by Congress of a national bank to be known as the Exchequer of the United States of America, with a capital of $100,000,000, in shares of $1,000 each, of which the United States shall subscribe one-fourth; that the chief office shall be in New York, with branches at Boston, Philadelphia, Baltimore, Charleston, (South Carolina,) Savannah, Mobile, New Orleans, Memphis, Galveston, Saint Louis, Louisville, Cin-

cinnati, Chicago, San Francisco, Portland, Richmond, (Virginia,) and such other points as may hereafter be determined upon, with an equitable distribution of the capital; that books of subscription shall be opened at such time as may be designated by the corporators at all of the principal cities of the country, under the supervision of three commissioners at each point, who shall be appointed by the corporators, the subscriptions to be paid three-fourths in legal-tender notes and one-fourth in coin of the United States, 10 per cent. to be paid at the time of making the subscription; that if after said books have been open a certain number of days the whole capital has not been subscribed, then any national bank now existing may subscribe upon the same terms the whole or any part of its capital, and consolidate and become merged into this corporation; provided that it thereby abandons its present organization and winds up its present existence, and its owners accept in lieu of their present shares in any such bank shares in this corporation of equal value. If more than one thousand shares are subscribed for upon the terms mentioned, then the number of shares to be divided *pro rata* among the subscribers. After thirty days' notice the stockholders shall meet in New York and elect a board of nine managers for the chief office in New York, and five for each branch, each share voting one vote. The board for the chief office shall elect the governor thereof, and the board for each branch to elect the governor thereof, each to hold office for one year.

The corporation thus created shall be divided into two departments, the one for the business of banking exclusively, including the discount of negotiable notes, bills of exchange, drafts, and other evidences of debt limited to twice the amount of the capital, except upon obligations of the Government of the United States, and to ¼ of 1 per cent. per month as the rate of interest for thirty days; the other department shall be the issue department, which shall consist of three commissioners for each branch and the chief office, one appointed by the President of the United States, with the advice and consent of the Senate, one by the governor of the State in which the office is located, and one appointed by the governor and managers of the office or branch for which he shall act; these commissioners to give such bond and security as the proprietors shall name. Whenever the banking department shall deliver gold coin of the United States to the extent of one-fourth of the amount required and the other three-fourths in the bonds of the United States bearing 4 per cent. interest, the commissioners of the issue department shall issue to the governor and board of managers of the banking department an equal sum in exchequer notes until the issue shall in the aggregate reach the sum of $200,000,000. After notes to this amount have been issued the commissioners of the issue department shall require one dollar in gold and two in United States bonds bearing 4 per cent. interest for every three dollars of notes issued above $200,000,000, until the sum of $400,000,000 shall have been issued; for the next $200,000,000 to be issued in notes the proportion must be half gold and half bonds; and if any more issues shall be made after reaching $600,000,000 there shall be one dollar in gold paid in to the issue department for every dollar of exchequer notes issued to the banking department.

Each note issued shall be for five dollars or some multiple thereof, and shall be a legal tender at any of the branches for all debts due the exchequer, and redeemable in gold at the chief office in New York, or at the branch where issued, and if not so paid when presented shall work a forfeiture of all the rights and privileges granted by the act of incorporation. The exchequer is not allowed to pay any interest on deposits or other evidences of debt. Loans may be negotiated for any of the States; but the charge for so doing may not exceed one-fourth of 1 per cent., and the Government of the United States may at any time sell through the exchequer any of its obligations or redeem them; but no charge shall be made for any sale, redemption, or transfers of credits or moneys of the United States so long as the deposits and disbursements of that Government is made through the exchequer.

Whenever the exchequer shall deliver legal-tender notes of the United States stamped "Canceled by the exchequer," or pass to the credit of the United States, payable in coin or exchequer notes at the option of the Government creditor, an amount not less than $——— at any one time, then the Secretary of the Treasury shall deliver 4 per cent. bonds of the Government for a like amount, provided the aggregate does not exceed $———, and if the bonds are not previously sold by the Secretary.

These are the main provisions of the bill. The minor details will be found in the bill itself, which I hope may be carefully examined by members of both the Senate and House.

Mr. Speaker, the accomplishment of two objects is absolutely essential to perfect relief from our present embarrassments. First, an increase of the loanable means of the country. Secondly, to improve our currency so that it may be on a par with specie at home and abroad. The exchequer will do both, as a similar corporation has twice in our history accomplished these ends under more unfavorable circumstances than those by which we are now surrounded. I do not hope to convince this Congress of the necessity of this measure, certainly not until after the fall elections; but that sooner or later it will be adopted I believe as firmly as I believe you and I are now living. We must return to the only correct principle which has never failed to give nations adopting it financial prosperity—a sound currency and substantial credit—and which has never been departed from without being followed by frequently recurring panics, depreciated currency, disturbance and uncertainty to the business of the nation, and poverty and distress among the people.

I will not now longer occupy the time of the House. When this subject comes properly before it for discussion I shall have more to say; for the present I am content if I have said enough to induce gentlemen who have listened to me so kindly to give it a careful examination, as I have done in the light of the experience of the past, confident that if they will do so history, precedent, and facts will point them irresistably to the conclusions I have myself reached. If any of the time allotted me remains I yield it to the gentlemen from Kentucky, [Mr. BECK.]

Mr. BECK. Mr. Speaker, how much of the gentleman's hour remains?

The SPEAKER *pro tempore*, (Mr. HAWLEY, of Illinois, in the chair.) Fifteen minutes.

Mr. BECK. I understand that the gentleman from Pennsylvania [Mr. RANDALL] has half an hour remaining, of which he was to give me a portion. As the gentleman from Virginia [Mr. PLATT] has been kind enough to give me the remainder of his time, I would like to have added to it whatever time the gentleman from Pennsylvania may be inclined to grant me.

Mr. RANDALL. My understanding was that I was entitled to thirty minutes immediately following the remarks of the gentleman from Virginia, I having yielded thirty minutes so as to give that gentleman an opportunity to come in. I understood this morning, however, from the Speaker that he had made a different assignment. Of course I would claim my thirty minutes now, if I am entitled to it.

The SPEAKER *pro tempore*. The present occupant of the chair does not know anything about the arrangement that the Speaker may have made.

Mr. BECK. My only reason for raising the question was that I would be obliged to hurry on much more rapidly if restricted to fifteen minutes than if I could have some of the time of the gentleman from Pennsylvania.

The SPEAKER, (Mr. BLAINE having resumed the chair.) The gentleman from Ohio [Mr. MONROE] is entitled to the floor.

Mr. BECK. The gentleman from Virginia, whose hour has not expired, has yielded to me fifteen minutes; and if the gentleman from Pennsylvania will yield a portion of his time——

The SPEAKER. That would disturb the entire arrangement of the floor for to-day. If the gentleman from Kentucky [Mr. BECK] will reserve his fifteen minutes to be added to his time to-morrow, the Chair can make an arrangement for him.

Mr. BECK. I would greatly prefer that if it can be done.

The SPEAKER. The Chair can arrange that for the gentleman.

Mr. MONROE. Mr. Speaker, having had the honor to serve upon the Committee on Banking and Currency during the Forty-second Congress, I have been kindly permitted to occupy a few moments in explaining my position in regard to this measure.

I shall give my vote for those sections of this bill which remove the limitations now imposed upon the amount of currency which may be issued under the conditions of the banking law, which repeal that portion of the act that requires a reserve to be kept on account of circulation, and which provide a system of practical redemption in Treasury notes.

But while I am in favor of free banking, I do not advocate this measure because I believe that anything but gold can be made the standard of value. I not only admit but heartily indorse all that has been said in regard to the importance and indispensableness of this standard. I do not say that nothing can ever be discovered which could take the place of gold as a measure of value, but it is evident that no such thing ever has been discovered, nor, so far as we can see, is likely to be. Whatever mediums of exchange any race may have employed, whether cattle, cloth, beads, feathers, shells, wampum, ivory, iron, or copper, all have been at once thrown aside when gold has been discovered. Indeed, the suitableness of gold for this use is as strictly providential, and carries with it as striking evidence of design, as most of the facts about us which are commonly quoted as belonging to that class. The uniformity of the relation of supply to demand has of itself been most remarkable. Upon the discovery of new mines which yielded gold in great abundance the prices of commodities have at times been increased; but this result has been local, or at most temporary, so that there has been but slight derangement to the business of the world from this cause. This steadiness in the relation of the supply of the precious metals to the wants of trade has been such as to attract the attention of nearly all writers upon political economy.

Then, in addition to these facts, we consider the other valuable properties of gold, when we remember—and remember is the only word that we of this decade can properly employ—when we remember that it is durable, incorruptible, readily divisible and beautiful, and that it has great value in small compass, we see how superior it is to everything else as a medium of exchange. I do not belong to that school who hold that paper can take the place of gold as a standard of value. I do not believe that the usefulness of gold for this purpose is found wholly in the stamp imprinted upon it by the Government, nor that such a stamp upon paper can make it answer the uses of gold. Paper may properly be employed as currency; all the most civilized nations use it as such, but none of them use it as the standard of value. Paper is never supposed to be, properly speaking, money, but only a promise

to pay money. We may enact a thousand times that paper is money and gold is not, but the laws of nature will still assert themselves. Paper has real value only so far as it represents gold, and to this standard finally all come—all producers, all merchants, all business men of all nations—to test the value of their commodities and of all their possessions. Hence, I do not think that the present condition of our currency is a normal or desirable one. We must ultimately return to the true standard, and we shall be liable to great and hurtful fluctuations in business until we do.

But while my confidence in these principles remains unshaken, I cannot vote for any attempt at resumption in the present Congress. This will strike many of you as very illogical. You will say, why advocate sound principles and then refuse to follow them to their logical consequences? This criticism would be unanswerable if the soundness of the principles of which I have spoken were the only thing to be taken into the account in reasoning upon this subject. We are also compelled to consider the safety of applying them to present conditions. You say to me, "You admit that the patient is afflicted with a tumor which is eating every day nearer to the sources of life. Delay is dangerous. Let the surgeon's knife be applied at once." I reply, must this be done without reference to the question whether the patient is fatigued from unusual exertion, or worn out from want of rest, or feverish from excitement? May there not be an unpropitious as well as a propitious time for strong remedies? Will not the wise surgeon choose the favorable hour when the constitution of the patient is in the best condition to endure and to resist? As regards our financial condition, there has not been in many years a time so unfavorable for enforced contraction of the currency. The panic of last autumn, and the unsettled state of confidence resulting from it; the feeling of uncertainty and uneasiness existing so generally; the common impression in many States of the Union, whether right or wrong, that they have not enough currency to meet the demands of business; the wide-spread restlessness among laborers during the past winter, and the want of employment and the destitution among many thousands of them; the painful apprehension in commercial circles that we may soon experience another season of scarcity in the money market—all these facts make it plain to me that any attempt of the present Congress to commence a system of contraction would produce general alarm and would ruin half the business men of the country. Men who are already rich, who have no debts to pay, whose lives are principally occupied with the agreeable duties of collecting rents from real estate, receiving interest upon Government bonds, dividends from railway stocks, and interest upon notes secured by mortgage, naturally look with no apprehension upon a policy which would enhance by a large percentage the value of their incomes. But the man who has embarrassing obligations upon him, who is in doubt how he shall make the ends meet at the close of the year; the young man who, without fortune, is just setting out in life; the man who is engaging in business with small capital—all these classes dread, as they never did before, any legislation in this body favoring contraction. But you will say, these classes are unduly alarmed; they are not properly enlightened; they are not philosophers. There may be some truth in this, but the stubborn fact remains, which statesmanship cannot overlook, that they constitute the great body of our business men, that their prosperity or their ruin is the prosperity or ruin of our financial condition, and that confidence and a sense of security on their part is essential to the success of the industries in which they are engaged. Surely we cannot afford to despise the wishes, the solicitudes, the prejudices even, of the great body of the people. I have the impression that even the advocates of redemption feel the force of these considerations, and are not, for the most part, disposed to press plans for contraction upon the House at the present session.

Evidently the proper thing for us to do at this session of Congress is not to inaugurate a new system in regard to our currency, but to make the best of the system we have. We should not attempt contraction nor to authorize any considerable expansion, but to remove such objections and inequalities as stand in the way of success. In a word, without making any radical changes we should endeavor to put our system of currency into such form as is fairest and most presentable, and will best command general confidence. The faith of the people in the financial policy of the Government is the most important single condition of its success.

I have time only to enumerate some of the reasons which commend a free-banking law to our favor as likely to answer the purposes named.

1. In the first place, this bill abolishes a monopoly which is odious to a large portion of the people. The limitation upon the amount of bank-note currency has been a fruitful cause of irritation in the South and West, and has been spoken of as confining the advantages of banking to a favored class. There is no doubt some unreasoning prejudice in this hostile feeling, but it is a most desirable thing to have it removed, unless it be thought an advantage that our banking system should be unpopular. I will venture to say that no friend of this system has addressed political assemblies in the West without finding it necessary to apologize for that feature of it which limits the enjoyment of its advantages. I shall vote, then, for free banking for this reason, among others, that it offers its benefits to all alike who are prepared to comply with the conditions of the banking law.

2. Again, I am in favor of this bill because it prepares the way for equalizing the distribution of currency over the whole country. From the last report of the Comptroller of the Currency we learn that the West and South have less than their share of bank-notes, upon a basis of wealth and population, by about $80,000,000. The law of July 12, 1870, undertook to remedy in part this inequality. This law requires the removal of twenty-five millions of currency from the East to those States where there is a deficiency. This removal has always been objected to in the East, and has been pronounced by the Comptroller, in one of his reports, to be nearly impracticable. To meet this difficulty I introduced into the last Congress a bill to give the States of the West and South twenty-five millions of new currency, and to repeal that section of the law which requires the withdrawal of that amount from the States having more than their proportion. Had that bill become a law, I thought then, and still think, it would have gone very far toward satisfying the demand for additional currency in the West. It met a generous support from this House, but not much of this came from the East, and during this session a paper has been laid upon our desks, signed by a large number of prominent bankers in that section, protesting earnestly against the removal of any portion of their currency. These facts have been the cause of some irritation of feeling in those sections where the deficiency exists. The fact that the law gives the people of those States twenty-five millions of currency which they cannot obtain, and which is tenaciously retained elsewhere, has no doubt had the effect to intensify their desire to secure it, and to produce an exaggerated estimate of its importance to their prosperity. Now, the bill before us removes at once all grounds for complaint of this kind, by offering freely to all sections all the currency which they desire to receive, upon the conditions provided by law.

3. I remark again, what I had nearly anticipated, that the very fact that this bill meets a demand of the people is of itself a reason in its favor. A desire to meet the wishes of the people is not demagogism. To satisfy such wishes is in itself most desirable. If the Government is always in need of the approval of the people it is never more so than in questions of finance, where the confidence of the public is the very ground of success.

4. I add one consideration more, which, if duly weighed would, I believe, remove the gravest objections that are urged against this bill. I have long been convinced that the passage of a law for free banking would not considerably enlarge the volume of our currency; that it would not enlarge it to such an extent as to be sensibly felt in the increase of prices. It has become evident of late that the business of banking, under the law of Congress, is no longer so profitable, as compared with other modes of investment, as to offer any very strong inducement, except in certain localities, to enlarge the number of banks. Members of the House must have been convinced of this who listened a few days since to the clear statement of the gentleman from New York [Mr. MERRIAM] who is a member of the Committee on Banking and Currency, showing how moderate a profit can be made from its currency by any honestly conducted bank after meeting the obligations imposed on it by law. The opinion is often expressed among sound business men of my own State that banking is not so remunerative as some other departments of business, and the Comptroller of the Currency will inform you that several banks have already gone into liquidation in order to find more profitable employment for their capital. Under these circumstances I have little fear of unwholesome expansion from free banking. There are towns here and there in the West and South where additional banking facilities would be a great advantage, and most of these towns would at once secure them. But the demand for new bank charters would not be general, and many communities which now feel aggrieved in not being allowed more currency would, on further examination, decline to accept it when freely offered. Many members of Congress are aware of the fact that it has not been uncommon during the past two years for the people of some thriving western town to petition earnestly for an additional bank, and when finally successful to decline to organize it, after experiencing the difficulty of raising, for example, $110,000 in cash to buy the bonds to be deposited as security for only ninety thousand in currency, and after becoming more thoroughly acquainted with the burdens and sharp limitations of the banking law. And it is no small advantage to have such a community discover where the difficulty really lies: that it is not in the Government, not in an oppressive monopoly, but in their own circumstances. The American people dislike to be told that they cannot have some advantage which others enjoy. They prefer to decide the question of possession for themselves; and the removal by the Government of all causes of disquiet from this source will always find abundant reward in the increased contentment, confidence, and consequent prosperity of the people. Let us remove all occasion of complaint in regard to currency by the passage of this bill, and we shall soon discover that while a few localities will gladly and profitably avail themselves of its provisions, most communities will discover that they have already as much bank-note currency as their business demands or they can profitably employ.

We have already voted to legalize the issue of $400,000,000 of Treasury notes. If we pass this bill the volume of bank-note currency may in time enlarge to the same amount. This aggregate of currency would, I believe, prove to be all that the business of the country demands, without sensibly affecting the prices of commodities. In other words, we should have only such moderate expansion as would re-

move the objections and inequalities of which I have spoken, and restore that general confidence which would be the basis of renewed prosperity, and finally, at a more favorable time, of a return to specie payments.

Mr. Speaker, I yield the remainder of my time to the gentleman from New York, [Mr. COX.]

Mr. COX. Mr. Speaker, he discussion upon this bill, as well as that to legalize and declare the limit of our currency at four hundred millions of greenbacks, involves the whole circle of our fiscal affairs. It is vindicated here by the stringency of the times and of the Treasury. It involves our own income and outgo, as a people and as individuals; for it involves the contraction and expansion of our medium of exchange.

1858 AND 1874—ENGLISH AND AMERICAN ECONOMY.

In 1858, while debating the budget of that year, when our expenditures were not eighty millions, I had occasion to refer to English taxation. It was compared with our own. I quoted Mr. Bright, who said then that England raised £50,000,000 sterling more than the same number of people in the United States. I adverted to the attractive forces of our economy; and asked the House to protest where they would not lop off, so as to secure the greatest saving with the least harm to just administration.

What a change, sir, since then. Now we outvie England in our expenditures. With all our resources, and in time of peace, our strong-box sounds hollow. Our credit is a mendicant. Look now at our rival! Mr. Gladstone recently dissolved Parliament, and his ministers boasted that by lessening taxes he increased the revenue. This, a gentleman from Connecticut, [Mr. KELLOGG,] when I mentioned it the other week, could not comprehend. But even that thrifty virtue did not save the ministry. A premier goes to the country and is beaten even with a surplus of five millions sterling, while we are groaning under deficiencies, miscellaneous funded debts, bad currencies, heavy taxes, paralyzed industries, and wasteful discredit. What then would be the fate of our Administration if it went to an intelligent country on the additional issue of irredeemable paper? Such issues are the fraud of the land—the swindle of ages. They have no defense in literature or science. Not a writer in Europe would hazard his name by apologizing for such economy; and yet the Secretary of the Treasury makes it a necessity, as if we were in war, of slipping out of the Treasury increased millions, forever withdrawn and canceled, of this same sort of printed unveracity and robbery; and the Committee on Ways and Means unanimously presents a bill, which the House passes, to sanction his conduct.

DISTRUST OF LEGISLATION.

Both Houses of Congress, after the most painstaking discussion of the history and effect of inflation, deliberately authorized the reissue of the forty-four millions, and relapsed into that barbarism which would create more paper symbols without real values. And this is to be provident for a day and reckless of all the future. We would add to the fuel of the hot-house, that the fungus growth may be more luxuriant and the fruitful ashes more abundant.

Do you wonder, then, that good men, fond of republican principles and institutions, forget even the value of legislative bodies; that they are willing to welcome personal power without legislative restraint? Do you wonder that the almost universal feeling of all who have anything to lose, and also have nothing to do with the games by which nations are fleeced for the benefit of unscrupulous intriguers through the forms of law, is one of anxiety, so long as these dangerous bodies continue their sessions, and of almost infinite relief when they disperse to their homes; and that they consider nothing bad in legislation which it is not feared that they may do, and nothing good that is any longer expected of them?

After this, what good can be attained by further debate here on this question? Has not Congress long since voted on the act to redeem this debt in coin? Did it not, when creating the debt, create a sinking fund, by the act of February 25, 1862, with a pledge to apply 1 per cent. to the payment of our entire debt? Are we not already recreant, and convicted of recreancy?

But, sir, for one I shall not be recreant to convictions often expressed here in speeches and reports through many years. I make again a protest against this fresh forerunner of further panic. As sure as the night follows the day, if these inflating bills pass, so sure will the disaster of last September be renewed. Meanwhile the abnormal exhilaration, revived by our action, leaps into the boisterous and crazy chambers of speculation, and buoyantly the balloon fluctuates and floats in the thin and unsubstantial air.

MESSAGES AND PLATFORMS.

Already, in speaking upon this question on the 7th of June, 1870, and on certain bills offered by me and sent to the committee of which I was then a member, I have quoted the message of the democratic predecessor of Governor Dix in favor of accomplishing an early return to the use of gold; and Governor Dix is himself true to his democratic education in his late message; for in no public utterance has such sound dialectics been taught. In vain are all utterances of platform and message. This House refused even to consider a resolution copied by me from General Grant's message on the 20th of December, 1870, for the earliest practical resumption.* He warned you then that no substitute could be devised for a medium of fixed and unvarying standard.

WILL THERE BE A VETO?

When the other day I incidentally interrupted my friend from Connecticut [Mr. HAWLEY] to remind him that his jubilee over the President's Message was without emphasis here, he more than intimated that it was because I had offered it, or rather had dressed it up. So then, if a member opposed to the dominant party happens to assert, along with the Executive, that two and two make four, all the wiseacres of that party insist that they make *five!* No; the truth is that had such a resolution come from any one, even from an angel, there is so much of the "foolishness of this world" here, that it would have been voted down with insane clamor. But since the gentleman espouses the President so heartily, and says that he will vote hereafter for no one who is for inflation, what will he do when General Grant signs the bill? Are his party cords strong enough to hold him? For myself I promise here that I will certainly oppose the Administration if it does not use the veto! Will the gentleman do the same? Or must he obey the master-will at the White House, and like a courtier,

> As their patron hints the cold or heat,
> Shake in dog days, in December sweat!

Gentlemen think this Congress will be popular for voting inflation! Let the Executive test it by a veto! Your President, with all his recommendations for specie resumption, is not now so popular in California, New York, Ohio, Iowa, Wisconsin, New Hampshire, and elsewhere as he was. "When mankind," said Cicero in his second philippic against Antony, "cannot endure Cæsar, will they endure thee?" We will see upon which side time will work, and who for, on this vexed question!

If Connecticut—all for resumption, of both parties—could not take the republican Congress, will they take this Congress on inflation?

I am aware that the vote on inflation has little party significance, either in Senate or House; but who is not sensible of the fact that the democratic people and platforms, especially the last democratic platform at Utica, on this topic contained no uncertain sound? My friend [Mr. HAWLEY] commended the Connecticut democratic platform. Let him read that of New York*; it demanded specie payments; repudiated repudiation; it denounced all schemes of speculation and taxation either by an increased irredeemable paper credit, or by bounties and monopolies in the shape of tariffs. It rested on the tried and historic principles of the democratic party.

Mr. HAWLEY, of Connecticut. Did not the gentleman say that he was outside of the democratic party?

Mr. COX. No, sir. I said that on this question I held my party relations in this House very loosely; but at the same time I remarked that I stood with the great body of the democratic party outside of this House in demanding specie payment, in demanding that there shall be no repudiation—repudiating it; asking for the restoration of the better money days of the democratic party, which are contemporaneous with the origin of the Government; which belong to all time; which are measured by the right line of truth. Am I outside of the democratic party of Connecticut? No. Am I outside of the democratic party of New York? No. Am I outside of the democracy,

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*You may tinker and tinker; you may expand or contract; you may crawl or jump; you may worry and work, but all your labor is in vain if you do not pursue the resolution which I had the honor to offer to an indifferent House on the 20th of December last. It is as follows:

"*Resolved*, That among the evils growing out of the late civil war is that of an irredeemable paper currency; that it is one of the highest duties of the Government to secure to the citizens a medium of exchange of fixed and unvarying value; and that this implies a return to a specie basis, and no substitute for it can be devised; that it should be commenced now and reached at the earliest practicable moment."

I do not consider this resolution as peculiarly emphatic because it is copied from General Grant's annual message. You have disregarded about all that he recommended, including this; but this is a solution, because it represents the solid sense of the nation, which Congress and the President, in their schemes and jobs, seem latterly to ignore.

The other side of this House owe it to the nation to resume specie payments. You promised, and you broke faith. You passed a law against expansion and for a contraction of $4,000,000 per month. You began well; Mr. McCulloch recommended and you approved. Yet you had not the courage to carry out your law. You quailed before the elections. Ah! you repealed the law.—*S. S. Cox's speech, June* 7, 1870.

*We demand specie payments; for, in the language of the Supreme Court before its bench was packed to reverse a righteous decision, an act making promises to pay paper dollars a legal tender in payment of debts previously contracted is prohibited by the Constitution, and the coinage power conferred upon Congress is an explicit denial of the power to curse the people with a currency inconvertible with coin.

We demand that the fiscal policy of paper inflation, protective tariffs, and Government subsidies shall be abandoned to the half-civilized nations and ages of which it is a relic, because it plunders the farmers of the United States both in the incomes and outgoes; it hamstrings our manifold industries; it converts our foreign commerce into an unsafe speculation, and our domestic trade into a game of chance; it breeds extravagance in our homes and dishonesty in public and private trusts; it fosters corrupt combinations of sectional interests, and is the prime cause of the late financial disasters in which fortunes have been wrecked, credit destroyed, labor deprived of employment and its savings of security.

In the midst of these wide-spread calamities and this general distress, we scout the President's pill for panics—more inflation, more subsidies, more ballooning—and we point the country to their true remedy and cure in the tried and historic principles of the old democracy, applicable throughout our national, State, and municipal life, which limit and localize most jealously the powers intrusted to public servants; which enforce honesty and frugality in public and private affairs; which prescribe equal taxation for all, and a currency as good as gold; and we hold out to the farmers of the United States the right hand of hearty fellowship in their just resistance to the exactions of monopolists, and their just demands for these great reforms. (New York State platform, 1873.)

as it declared itself in our last national convention? No. Where am I? In the very bosom of the democratic party, outside of this House, perhaps, and I am happy in that relation.

But, sir, I would not be kind to my friend [Mr. HAWLEY] if I pronounced the word "Connecticut" too emphatically. There was an election there yesterday. I would be as a zephyr to the fallen flower. Since the new rule as to "laughter" and what not, I do not desire to punctuate my speech with such parentheses. It is a part of magnanimity not to be ungentle on so just a gentleman as my admirable friend from Connecticut. Suppose the State has gone six thousand democratic plurality, (as a telegraph from Governor Ingersoll informs me,) may not the veto restore this? Who knows?

Mr. Speaker, the democratic organization of New York City, within a few days, representing the laboring men and merchants, the dominant element of the city, have reaffirmed, with philosophic calmness and earnest sense, these sound economies. Therefore, loose as are my party ties *in this House*, my affection for the principles maintained by the democracy—since the remark made by the gentleman, [Mr. HAWLEY]—leads me to refer, with some degree of pride, to my record on this subject.

PERSONAL.

My personal relations to the question began with my education in the hard money—"pot-metal"—days, when democratic prejudice ran high in Ohio against schemes of paper money. It is not my fault if the West or the democracy have changed since then. Believing that the Constitution was the same instrument in war and in peace, and having sworn to support it while a member here during the war, and feeling the sanctity of its provisions, I did not vote to sanction what it did not. Therefore I voted against the legal-tender bill. For stronger reasons, and recognizing the meaning of the cases in 12 Wallace, to which I referred in proposing my thesis here last month, and which has been so plentifully quoted since, I find no warrant in any decision, under war powers or otherwise, for this new issue, or for any issue.

On this question I know that I am in accord with the traditional ethics of the founders of the Government, and of the democratic character, as well as with the legal decisions, early and late, even to the last decision of the packed court which declared these issues not money, only promises to pay money.

My course here has been consistent. Shortly after taking my seat here as a member from New York, on the 16th of December, 1869, (Globe, volume 75, page 190,) an Ohio member made a speech favoring the repudiation of our bonded debt. Opposing that, I said:

> Our legal-tenders are to-day in a state of repudiation. I denounce this and all forms of repudiation. Gentlemen on the other side have not the courage and the skill to propose and carry a plan to redeem that part of the public debt.

In that debate I think the leader of the House, and the reporter of the four hundred million bill passed by us, [Mr. DAWES,] thought I was in a "mood for telling the truth."

I am sure the mood continued when I was called on to investigate the Black-Friday affair. The result of that investigation was fruitless in everything but one. It showed the danger we were in by our system. In closing the report I said:

> One of the minority, Mr. COX, desires to add for himself, in conclusion, that this investigation has no utility, unless it informs the public mind of the absolute necessity, even through temporary distress, and as the only prevention against the recurrence of such disastrous panics, and, further, as the only permanent relief for trade and commerce and business of all kinds, that we should return to gold and silver coin. If this is not taught by this investigation, then it has no lesson. The speculation, debauchery, profligacy, and extravagance incident to such a situation will go on, until it culminates in bankruptcy and poverty.

It is, perhaps, too late to discuss the proposition that legal-tenders in time of war may be justified by necessity. In giving the vote I gave, and which time has justified, I believed that the Constitution gave no power to Congress to emit bills of credit or make anything not coin a tender. There had been no inadvertence when the fathers left out of the organic law such grant of power. They knew what they were doing. Their experience as to paper was peculiar. Nor did I believe in war powers, or the exercise of Federal power, because not prohibited. Nor do I believe in it now. In the absence of all precedent for such issues, except those of the civil war, and for which I am not responsible, I would be perjured if I followed the speech of the fiend, who

> —— with necessity,
> The tyrant's plea, excused his devilish deeds.

Most especially so now, in time of peace, when no necessity exists, I cannot give a vote to add to the illegal issues already out. Nor has the Supreme Court, by their 12 Wallace cases, said or implied that an issue of tenders at this time is within the sphere of Congress. To-day, as in 1862, the same attempt, without the same pretext, is made to "torture" the Constitution. Sometimes such tortuous proceeding, like the crooked river Styx, leads through a political cemetery to a clime warmer than tropical. Uzzah put forth his hand to the ark of the Lord, and took hold of it, and the anger of the Lord was kindled, and he smote him. Let us heed the lesson. Pardon me if in the relict radiance of the past I find a better light to guide my footsteps than that which glares from below.

NEW YORK SENTIMENT.

In speaking of this light, I do not refer to the Will-o'-the-wisp which pursues my colleague [Mr. MELLISH] who spoke some days ago in derogation of the sentiment of the city of New York at the Cooper Institute meeting. Yet what did that meeting do or say not in the general interest? They thought a plethora of paper not redeemed in coin was dangerous. It would lead to speculation and disaster. It would lead to fresh clamor for new issues. They held that such issues were lies; that a promise was not money; that such issues would derange values and deter from legitimate business. They held especially that it would be injurious to the agricultural and laboring classes, as it would enhance the price of the commodities they need and buy, without compensating benefits. They disliked any free-banking system not founded in safeguards and on coin.

In these phrases my colleague wiped out of the universe, by his shorthand method, the luminous financiers of New York.

> I read in utter amazement the speeches delivered at the Cooper Institute, New York, at the meeting on the 24th instant; and witnessing so much folly, ignorance, and fatuity there, I said to myself, Where, then, shall we look for wisdom? But on scanning the list of speakers put forward it was evident that the affair was engineered mainly by free-traders, who we all know are working with might and main to promote British doctrines and British interests on this continent; they constitute, indeed, a class of men who, consciously or unconsciously, are the enemies of the country, in that they are the enemies of the American policy advocated by Clay, Webster, Greeley, Carey, Webb, and a long line of earnest patriots.

The amazement of this gentleman is doubtless reciprocated. The British free-traders—enemies of their country, fools, and ignoramuses—doubtless said, if they observed this gem of polite learning, "Where, indeed, shall we look for wisdom?" except we look up to this seraph, whose wings flap so awfully over our chaotic world of finance, distilling celestial fiscal fragrance. Where else shall we look for wisdom, except to one so adept in figures as my colleague? Why he comes here through a neat device of partisan arithmetic. He has its addition and division without its silences. In view of the fact that he received 7,841 votes in a district where there were 12,925 democratic votes given for two democrats, on an unfortunate division not possible again, my colleague ought not to be overbold in challenging or deriding the fiscal ignorance of unspeculative and republican metropolitans. It may provoke inquiry, if not a smile, to the Bryants, Stewarts, Lows, Coopers, Taylors, Hunts, Astors, Belmonts, Cowdins, and others, mostly republican merchants of the metropolis, when they ask after my colleague's right, politically or otherwise, to call them to account. These British fools and tools, as he would call them, were not my supporters. I was elected by no aid of theirs, although, if they believe in the right of each individual to employ his labor innocently to his best advantage, (which is free trade,) I should have been happy in their support; but I was elected by the workingmen, in whose interest my humble labors are directed here. However, as an observer, and faithful to the city, I am happy to know that without dissent the immense circle of varied and substantial interests of New York are representative of something in legislation, and especially on this topic, not yet apparent in our action here.

It may be, however, that in talking to the jury after the verdict I am one of their fatuous class. Yet I presume to discuss the following propositions:

1. That the law stands three hundred and fifty-six millions, and that the Secretary has knowingly violated it.

2. That Congress has not the constitutional power to authorize the issue of a dollar, even if it were wise to do so, and that if it had the power and it were wise, it should not be done in a manner that excuses the Secretary for an assumption of power.

3. That in no event would it be wise.

THE LAW ONLY FOR THREE HUNDRED AND FIFTY-SIX MILLIONS.

First. There can be no doubt that the law stands to-day for an issue of only $356,000,000. Congress, by the act of February, 1866, authorized the Secretary to retire and cancel, at a certain rate, legal-tenders from the surplus funds of the Department. This was discontinued by the act of February, 1868, after the forty-four million reserve had been canceled. It was so reported by the Secretary. No person in or out of Congress ever before October, 1872, made a claim to the contrary.

Mr. MAYNARD. I wish to ask the gentleman why he calls these notes a "reserve" if they can never be called into action.

Mr. COX. I call them a "reserve" because that is the general technical terminology of the subject. "Reserve!" There is no such word as that in any of the laws. These notes were never known as a "reserve" except when they were wanted to be reissued in October, 1872, just before the election. Then they were called a reserve. Our present Secretary of the Treasury says that their reissue was in accordance with the interpretation of the law from the beginning. That is not the fact. Years had passed without any such interpretation. If gentlemen will examine the matter they will find that at that time no defense of that action of the Secretary of the Treasury was made in this House.

Mr. DAWES. While I agree entirely with the gentleman from New York [Mr. COX] in the legal construction he states in regard to this $44,000,000, I know he does not want to do an injustice to anybody. The gentleman says, as I understand him, that until the action of Mr. BOUTWELL, as Secretary of the Treasury, there was never any attempt by the Treasury Department to exercise this authority over that $44,000,000. Now, if the gentleman will go into the Treasury Department with me, I can show him by the book that these notes were brought back into the Treasury and reissued under Mr. McCulloch, over and over again.

The unfortunate construction of the law was by Mr. McCulloch. Instead of following that branch of the law which required him to refund, and thereby cancel them, he kept them in the Treasury, and from time to time reissued the indentical notes. The books of the Treasury Department show it. In my opinion, Mr. Speaker, he was wrong in the law. Mr. McCulloch was wrong, Mr. BOUTWELL was wrong, Mr. Secretary Richardson was wrong; but that they were honest I have no doubt.

The gentleman from New York could not get the House up to the point of declaring it was unlawful to issue them. In spite of the Committee on Ways and Means, in spite of the Senate, notwithstanding the report of the majority of their Committee on Finance, the Senate refused to indorse that report, and the Attorney-General of the United States gave his official opinion to the contrary; and therefore my friend from New York does him injustice when he says he is not entitled to be considered honest in his administration. That he was mistaken, I am just as clearly of the opinion as the gentleman from New York.

Mr. COX. The gentleman will confess, after Mr. BOUTWELL had acknowledged his wrong and after the matter had been thoroughly examined, the present Secretary reissued this reserve. It made no excuse for him because it was done by his predecessor. As to the motive I will not undertake to impute wrong; I will give facts known to all merchants and others, as given to me.

Mr. DAWES. The gentleman misunderstands me. I say he is wrong; but the law officers of the Government, the judges of the Supreme Court, and others say he is right. A majority of both branches agreed with him and disagreed with the gentleman from New York.

Mr. COX. I know it is the general impression of some of the best merchants in the city I in part represent, that when this panic broke out there were various little games of fluctuation. But, Mr. Speaker, I will give the facts as to that, as given to me. But first let me say this: There is not an act on the books that has the word "reserve" in it, as applied to a sum of $44,000,000. Congress never had before created or permitted a reserve that it did not at the same time stipulate a *specific* purpose for which the reserve was to be held. There is no precedent even to base such an idea upon. There is nothing to base it on except incapacity or something worse.

DEFIANCE OF THE LAW.

The Secretary has knowingly assumed a power by the issue of legal-tenders which, instead of being pardoned, should rather be punished. In the case of the present Secretary it amounts to a bold defiance of law and of Congress. Had he not the report of the Senate Finance Committee last year? Did they not examine into the legality of the issue made in October, 1872? Did not that committee hear Mr. Secretary BOUTWELL, in his own defense? And although it excused him on the ground of honesty of purpose, it declared that the issue was without warrant of law; and in effect, that no further legislation could make the law plainer. How, then, can his successor be excused on the ground of honesty of purpose?

The present Secretary of the Treasury, in his last report, says:

> On February 4, 1868, Congress passed an act suspending the further reduction of the currency when the amount outstanding was $356,000,000, and that sum is now the minimum limit of issue. But the law authorizing the issue of the maximum of $400,000,000 has never been repealed, and has uniformly been held by the Treasury Department and the law officers thereof to be in full force.

Did he not know that Congress was aware that the law had not been repealed? Perhaps he will advise us whether the laws authorizing the issue of the seven-thirty Treasury notes, the compound-interest notes, the 6 per cent. notes, the 4 per cent. notes, and a variety of other issues, which were authorized to meet a great trial, were also repealed. Wherein do they differ from the act of 1866, directing the Secretary to retire and cancel certain legal-tenders at a certain rate?

The act suspending the further "retiring and canceling" of legal-tenders became a law in February, 1868. The first annual report thereafter was in December, 1868. Secretary McCulloch, in his report of December 1, is silent upon the subject except in expressing regret that the authority to continue to contract had been withdrawn, and that the act of Congress in this feature was unwise.

Whatever was thought by others, however, there was one officer who expressed himself clearly. It was the Comptroller of the Currency. In his report, contemporaneously, he says:

> If the Treasury of the United States could hold in reserve a certain amount of legal-tender notes in excess of the amount of money in regular circulation, to be advanced to banking institutions at a specified rate of interest upon the deposit of United States bonds as collateral security, a source of relief would be established which would effectually prevent, &c. * * * In time of severe pressure the Bank of England has been authorized by the chancellor of the exchequer to issue its notes in excess of the limitations prescribed in its charter. This was done in violation or without authority of law, upon the pledge by the government of an act of indemnity. In our Government no power to make such pledges exists, and therefore any extraordinary provision of the character suggested must be authorized by law.

Between the times the two laws were passed, 1866 and 1868, no one authoritatively hinted at the possibility of a "reserve." In December, 1869, Mr. BOUTWELL did not. He urged upon Congress, as a step toward specie payments, the restoration of the law of 1866, or rather for the authority to retire and cancel a sum of legal-tenders not exceeding $2,000,000 per month. Surely he did not expect to reach resumption by contracting only for a reissue.

Where, then, is the evidence that the Department held that "reserve" and "cancellation" were convertible terms? O, yes; in October, 1872, just before the elections, the power to issue and retire was assumed. It was an enormous stretch of power, compromising every value in the United States. Then we begin to learn that the four hundred million law is in full force. Six years after the retiring and canceling law was enacted we have this monstrous assumption! This "uniformity" of interpretation seems to peep out first in the Secretary's report of 1872.

No one can doubt that the issue of some $10,000,000 was the cause of the panic of 1873. It begot reckless gambling; and gambling begot disaster, not merely upon the gamesters, but upon the innocent and solid merchant, farmer, and workingman.

In the report of December, 1871, Secretary BOUTWELL is silent upon the subject; but Mr. Comptroller Hulburd, in his report to the Secretary, comes to the front, and in writing upon the subject of specie payments says:

> So prevalent was this view of the case at one time that in 1866 Congress, in obedience to what was regarded as a sound and correct principle of political economy, provided by law for a gradual withdrawal and "cancellation" of United States notes, &c. * * * To the people this stringency seemed to be produced by the contraction, though it is now evident that other causes conspired to aid and produce the result. * * * This opinion had all the force of conviction in the public mind, and found its appropriate expression in an act of Congress which became law in February, 1868, prohibiting any further reduction of the currency; and so the matter now stands.

Further on, in the same paper, he urges the policy of the "repeal" of the act of 1868—the act suspending the further retiring and canceling of United States notes.

It is established, therefore, by the acts of the fiscal officers and the provisions of law that the Secretary has knowingly assumed unlawful powers. It would be only an extenuation to show that there was an apparent necessity for the act, that it was done honestly, and not from incapacity or dishonesty. But is there such extenuation?

INCAPACITY—OR DISHONESTY?

On the 18th of September, 1873, the Treasury held over $15,000,000 in currency balances. This was not reserve. The panic, which was then commencing, culminated on the 20th. Now it was clear to every man of ordinary judgment that what had occurred in Wall street would sweep the whole country, and so reduce the receipts of the Government as to render certain that the Secretary of the Treasury would require all his balances to meet his ordinary expenses, even if there had been an attempt to stop all unnecessary works. This was not done, but should have been done. Notwithstanding, however, this certainty, and after the panic in Wall street had spent itself, the Secretary deliberately violates the law of March 18, 1869, by the purchase of $13,000,000 of bonds, until the balance was reduced to about three millions. All the money thus paid out went to New York, and it has not to this day been of any service to the legitimate business of the country. The consequences of this were soon discovered to be an empty cash-box, a result probably foreseen by every one but our astute Secretary. Then comes the "reserve." No man in the country would ever become a bankrupt if he had the right or power to pay his debts by the issue of "due-bills," yet this is what the "Department" considers the highest pinnacle of financial wisdom! There are no calculations tending to keep expenses down to receipts, or reserving from receipts to meet a certain want in the near future.

LITTLE GAMES UPON THE STREET.

Has the "reserve" been issued with a single eye to the requirements of the Departments, or has speculation had her finger in the manipulation of the daily changes in outstanding legal-tenders?

It is well known that the Department has not had a settled policy in transferring from the "reserve" to the balance either a large sum at once, and then another when that was gone, or that it has drawn from time to time as the necessary payments for the day exceeded the receipts. Its policy, on the contrary, has been a fluctuating issue, up and down, put out one day and taken partly back the next. One example will answer as illustrative: During the whole of December the Treasury balances were less than $2,000,000, and on the 30th of December were down to only $429,000, and outstanding legal-tenders were $376,244,000.

	January 8.	January 9.	January 10.
Currency balances	$2, 821, 000	$4, 250, 000	$4, 500, 000
Legal-tenders	379, 681, 000	381, 231, 000	381, 891, 000
Revenue receipts	226, 000	535, 000	239, 087

Thus after having run the Department with a balance ranging from half a million to two millions, it suddenly became necessary on the 9th of January to increase the balance to $4,250,000 by a transfer of legal-tenders of $2,500,000; and again on the 10th still further enlarge the balance by another transfer of $660,000.

These daily changes are reported in Wall street generally about two o'clock p. m. On the 9th and 10th of January the reports of increased outstanding legal-tenders were there by half-past one o'clock. Why were these large amounts of legal-tenders withdrawn from the reserve only to enlarge the balance? Will the following help to explain it? and if so, when gentlemen say that the Secretary acted from

honest motives and ought not to be impeached, I am tempted to ask, What, then, is the power behind the throne?

On the 8th of January, the market at the New York Stock Exchange had been heavy and declining, and closed at the lowest point of the day with a downward tendency. Now mark the prices of a few of the leading stocks:

Stocks.	January 8.	January 9.	January 9.	January 9.
	Closed.	*Opened.*	2 *p. m.*	*Closed.*
New York Central and Hudson	100½	100⅝	101	101
Lake Shore	81¾	82	82¾	82¾
Chicago and Northwestern	60½	61½	62	61½
Saint Paul	47⅛	47⅝	48¼	49⅛
Western Union Telegraph	76½	76½	78	79
Ohio and Mississippi	33	33⅜	34⅜	34⅜

Who in New York knew what was going to happen before the day was over? Who knew it so well, that they were willing to give orders to pay from ¼ to ⅜ per cent. higher at the opening on the 9th than the same were offered at at the close of the 8th instant.

This may be chance; but there are several instances of like nature during the periods this $27,000,000 has been dropping out of the "reserve." At any rate, Mr. Speaker, one jealous of the exercise of such enormous powers has a right to be fiercely critical when anything even seems suspicious.

The offense should not have been condoned until this matter was satisfactorily explained. It should not have been condoned, as it was by our votes last Monday week, for the gross incapacity displayed in the management of the funds of the Department, even if there had been no evil intent.

Nay, further; there is no power to condone. It cannot be condoned, for even Congress has not the power to issue notes as legal-tenders. Under no circumstances should a precedent be established of permitting the executive officer *to transgress the law*. For one, I desire that my vote on the proposition of Mr. E. H. ROBERTS for the $382,000,000 shall not be so considered. That was a customary vote for the lesser of two inevitable curses.

CONGRESS NO POWER TO ISSUE.

Second. Congress has not the power to pass the bill we sent to the Senate legalizing the reserve issue, and making the legal-tenders four hundred millions, if it were wise or expedient.

Do you want ancient or recent authority for this statement? Read the debates on the legal-tender bill which Mr. Spaulding, of Buffalo, has collected. The contemporary interpretation of this law is uniform that it was a forced loan. On December 9, 1868, Mr. Spaulding wrote Mr. McCulloch that it was introduced as a war measure—a measure of temporary relief. As a peace measure he held it to be unconstitutional. I append an extract from his letter as a note.*

CONTEMPORARY EXPOSITION.

Those who supported the project did it with an acknowledgment that the measure was extraconstitutional, and could only be supported on the plea of an overpowering necessity.

Need I refer to the speeches of CONKLING, Lovejoy, Pendleton, and others in the House at the time the act of 1862 was passed? Need I go to the Senate debates of February, 1862? Need I go further back than Mr. Lincoln's administration and to the legal-tender act of February 25, 1862? Mr. Chase, who was Secretary of the Treasury, had despaired of being able to raise any more money by loans to carry on the war, then in progress for nearly a year, and he suggested to Congress the issue of United States notes, the same to be made legal-tenders for all public and private debts, and that he firmly believed that without this legal-tender clause there was no hope of saving the Union. He therefore urged the measure upon Congress. Before its passage the constitutional questions involved were fully discussed, but even some of the warmest friends of the Administration could not be induced to vote for it.

Mr. SHERMAN said, "I agree that this measure can only be justified on the ground of necessity. Is there such a necessity?" and so on. Those who supported the measure at all did so, as stated by Mr. Fessenden, on the ground of "absolute, overwhelming necessity."

Mr. Collamer could not bring himself to vote for any measure which was unconstitutional—admitted to be so by its friends—on any plea of necessity.

Mr. Cowan was surprised that such a question would even enter the American Senate. "Surely if anything in the world is settled—settled by the fathers, by contemporary history, painful experience, and the total absence of all precedents for the exercise of these powers—it is that they were never delegated, nor intended to be delegated." "I have never," he said, "until now heard it doubted. If this is not settled, then nothing is settled, and we are all at sea."

On the motion to strike out the legal-tender clause, under this immense pressure of "absolute, overwhelming necessity," it was saved only by a vote of 22 to 17. On its final passage the vote was 30 to 7, Mr. Collamer's and Mr. Cowan's making two of the seven votes.

What said Secretary Fessenden in December, 1865?

The right of Congress to borrow money and to issue obligations for loans in such form as may be convenient is unquestionable; but the authority to issue obligations for a circulating medium as money, and to make these obligations a legal tender, can only be found in the unwritten law, which sanctions whatever the representatives of the people, whose duty it is to maintain the Government against its enemies, may consider, in a great emergency, necessary to be done.

The present legal-tender acts were all of them war measures only. These were the opinions of the men who legislated with the enemy's guns almost threatening the very Halls in which they were. Their unwillingness to take the step is painfully evident; as plainly evident as the judgment of the tribunals of justice which have been passed on these acts.

What new light has since been cast upon the constitutional power of Congress? The learned chairman of the Committee on Banking should either be able to inform us or stand convicted of offering to us the poisoned cup of perjury.

The greatest constitutional statesman this country ever produced used language in the Senate that should never be forgotten. I refer to Daniel Webster, who on December 21, 1836, in the Senate of the United States, said:

Most unquestionably there is no legal tender in this country, under the authority of this Government, or any other, but gold and silver, either the coinage of our own mints or foreign coins, at rates regulated by Congress. This is a constitutional principle, perfectly plain, and of the highest importance. The States are expressly prohibited from making anything but gold and silver a legal tender in the payment of debts, and although no such express prohibition is applied to Congress, yet as Congress has no power granted to it in this respect but to coin money and to regulate the value of foreign coins, it clearly has no power to substitute paper or anything else for coin as a tender in payment of debts and in discharge of contracts. Congress has exercised this power fully in both its branches. It has coined money, and still coins it; it has regulated the value of foreign coins, and still regulates their value. The legal tender therefore, the constitutional standard of value, is established and cannot be overthrown. To overthrow it would shake the whole system.

SUPREME COURT DECISIONS.

With this opinion the latest decision of the Supreme Court is not antagonistic. That decision only confirms the *extraconstitutional* powers of Congress in seasons of great emergency. Thus said Justice Strong, who delivered the opinion of the majority of the court, (Knox *vs.* Lee, 12 Wallace, 457:)

It is not to be denied that acts may be adapted to the exercise of lawful power and appropriate to it in seasons of emergency, which would be inappropriate to it at other times.

What is meant by "other times," if not the present? Is there any war? Is there compulsion? Is retrenchment or profligacy the emergency? If there is an "unwritten law of necessity," certainly there are no surroundings now for its execution!

I have not referred to the first decision as to legal tender, (8 Wallace, 603, Hepburn *vs.* Griswold.) The court held in that case that the legal-tender act was unconstitutional so far as it made greenbacks legal tender in payment of debts contracted before the date of the law. Three dissenting judges made the act a war measure. But why should I refer to the first or last decision further? It is enough to say, while it is not the general judgment of the bench or bar that the first decision should have been overruled; while we may be permitted, for certain reasons, to spurn the last decision, yet in the present emergency I may quote Justice Bradley, who expresses the views of the majority when he says:

It follows as another corollary from the views which I have expressed that the power to make Treasury notes a legal tender, while a mere incidental one to that of issuing the notes themselves and to one of the forms of borrowing money, is nevertheless a power not to be resorted to except upon extraordinary and pressing occasions, such as war or other public exigencies of great gravity and importance.

Suppose, then, you reissue these "reserves," new notes as they are, and the question of their constitutionality again arises, what may not the court decide?

The outstanding legal-tenders at the time of this decision were only three hundred and fifty-six millions. This was the sum total known to the law. Now, if Congress has the power to issue forty-four millions which had once been paid and canceled by authority of Congress, why does it not have the same power to issue the whole four hundred millions after it shall once have been paid off and passed out of existence? Why? Simply because it did issue four hundred millions in a time of overwhelming necessity. This is the ridiculous legal logic of inflation!

*In the imminent peril in which we were then placed by a gigantic rebellion, Congress decided that the legal-tender act was a measure necessary and proper to carry into effect those powers expressly granted in the Constitution to maintain the Army and support the Navy. Secretary Chase relied at this time mainly upon the passage of the national-currency act to furnish the means; but it appeared to me that it would be wholly inadequate, and besides it could not be made available quick enough. I therefore introduced the legal-tender bill early in January, 1862, immediately after the suspension of specie payments. In this great crisis I advocated the bill as a war measure—a measure of temporary relief to the Treasury; and, on the ground that it was an imperative necessity to preserve the life of the nation, I conceded that it was a forced loan, and could only be justified on grounds of necessity.

As a war measure, passed during the war, continuing during the war, and as long as the exigency lasted, I believe it was necessary and proper to successfully carry on the war, and was therefore constitutional. I am equally clear that as a peace measure it is unconstitutional. No one would now think of passing a legal-tender act making the promises of the Government (a mere form of credit) a legal tender in payment of "all debts, public and private." Such a law, passed while the Government is on a peace footing, could not be sustained for one moment. I think now that it is unfortunate that we did not have incorporated into the original legal-tender act, at the time of its passage, a provision that the legal-tender clause should cease to be operative in one year after the close of the war. In that case all parties would have shaped their business accordingly, and the law would have served its purpose as a war measure, and would not have been continued (as I think unnecessarily) so long after the close of the war.—*E. G. Spaulding, December* 8, 1868.

Suppose, therefore, that this bill should become a law, will it not meet with an adverse decision at the hands of the court? Will not that add to the confusion worse confounded—fresh chaos, litigation, and trouble?

IS IT WISE TO ISSUE MORE LEGAL-TENDERS?

Third. If Congress had the power—and it is wise to condone an illegal act of the Secretary—would it not still be adverse to the best interest of the country to add to the present volume of legal-tenders?

GOLD AND ITS INTRINSIC VALUE.

In discussing this question it is necessary to understand why gold and silver have been such factors in the business of our star. Some have said that gold and silver had only an extrinsic value, and that intrinsically its value was less than iron per pound. This is attributed to a factitious value early given through religious worship of the sun and moon—gold and silver! But I can call upon the members from the mining States for a better solution. Never a dollar of gold or silver came from the earth, went through the stamp-mill, and through the quicksilver and furnace, but cost more than dollar for dollar! Do you wonder that it is a medium? All disputation would cease if men would only remember that a dollar is not an abstraction; but that it is 412.5 grains of silver, or 25.8 of gold. A piece of printed paper not convertible with gold, if it were plastered with all the imagery of the ages and the superscriptions from Cæsar down to Grant, would only be a dishonored promise to pay.

Moreover, preciousness, cohesiveness, and divisibility belong to gold as to no other element. Separate color from the prism, or extension from matter; but you cannot separate the utilities which belong to gold as a medium for men. God has hardened it in millions of years, in which the mountains come and go like the rainbow. It is as true as its burnished source, the sun. Its silent power, like that of the dial, measures our height of prosperity or our depth of adversity.

MONEY OR CURRENCY?

Again, it is necessary to draw a line between money and currency. While money may be currency, it does not follow that currency is money. Money is only that which is a legal tender in payment of debts; it is the unit in which other currencies—be they bank-notes or bank-checks—are redeemable or payable.

In this country, by statute, the only legal-tenders are certain United States notes, while national-bank notes are simply the representatives of money because they are redeemable in legal-tenders. Take away the redeemable feature from them and they might be secured by deposits of double the amount in United States bonds; they would immediately be at a discount, and soon draw out of circulation.

In this discussion we are only treating of money. Currency and its elasticity might safely be left to commerce. Government does its whole duty when it provides for a proper security for the certain payment of the circulation of the banks.

EFFECT ON CAPITAL AND LABOR.

An irredeemable paper money is an unequal tax upon the working classes. To the capitalist who pays his taxes from his surplus income the burden is light compared to that of the man who pays it off his dinner-table. It is not an exaggerated estimate to say that the tax paid in this manner by the classes who live on their daily earnings, simply by the average enhanced price of their living, caused by an irredeemable paper money, is yearly greater than the interest on the public debt. Webster once said:

> Of all contrivances for cheating the laboring classes of mankind, none has been more effectual than that which deludes them with paper money. Ordinary tyranny, oppression, excessive taxation, these bear lightly on the happiness of the masses of the community, compared with a fraudulent currency and the robberies committed by depreciated paper. Our own history has recorded for our instruction enough, and more than enough, of the demoralizing tendency, the injustice, and the intolerable oppression, on the virtuous and well-disposed, of a degraded paper currency authorized or in any way countenanced by Government.

Have we not proved the truth of Mr. Webster's words? Have we not in the past ten years seen built up fortunes whose colossal proportions threaten to swallow up all the branches of industry, while at the same time the poor have grown poorer and the middle class growing daily less in numbers and influence?

Capital refuses to engage in legitimate enterprises under an irredeemable paper money, because so long as that is the money of the country it is at the mercy of an ever-changing policy and of a Protean Congress. You may issue a thousand millions of legal-tenders; it must at last, if not at first, fall into the hands of capitalists. Those who have something to part with for it will either directly engage in speculations themselves, or will keep their capital well in hand by loaning it on call for speculative purposes. Our history proves this. The very issue under examination proves it; it has been paid out all over country, but where is the largest portion of it to-day? In the speculation markets of the country, and that portion which is not there already will be as soon as it can make the circuit and get there. Is not money now abundant in the moneyed centers?

Gentlemen say that the mills all over the country are at work again; and they point to that fact as an argument for the good this issue has done. Do they imagine that the mills would never have started again except for the printing-press of the Treasury Department? How long were the mills suspended in the crisis of 1857? We have had panics and crises before, and the country has always recovered before, and will now, at least for a time, although we probably are still to suffer. But, sir, the issue of more legal-tenders will not hasten the day of total recovery, although in some few instances it may save some individual who happens to be the holder of worthless securities or depreciated property, which depend upon wild speculation for a market price.

EFFECT ON TRADE.

Do the gentlemen who cry so loud for this forty-four millions or more of paper money expect to see it result in times like 1862 to 1865? If so, they must add to it another great war, or they will be disappointed. Those were busy times, when everybody in trade made money, and they only had to buy an article of merchandise one day and see the market price advance the next. But were they caused alone by the issue of legal-tenders? Had the immense orders given by the Government for army supplies nothing to do with it? It was not an issue of four hundred millions which they spent, but that four hundred millions borrowed and reborrowed, until they had spent three thousand millions nearly. Repeat that, and money will be easy and enough to go around with only three hundred and fifty-six millions legal money—and you can buy and sell at a profit to your heart's content. It would be easy now to prove that it was a great error—the issue of notes with the legal attributes of money; that it would have been less expensive to the Government to have borrowed money by sale of bonds even at fifty cents on the dollar; that on an average Government paid more than two prices for everything it purchased, besides the extravagance and waste which would have been saved if money had been obtained at what would have appeared such a high rate; for it has been reckoned that it cost us $1,500,000,000 more to fight down the civil war because of this paper money. And, what is of more consequence, it would have saved the country from a demoralization which has turned and still turns the whole capital of the country into enterprises that are purely speculative. In a word, capital might as well, and with equal benefit to the country, be engaged in a faro-bank as the operations of the stock and gold market.

RICH AND POOR.

Congress, since it took its backward step in February, 1868, has legislated for the benefit of the rich. It has bought bonds not due, which were sold at a large discount in gold, and has taken care to sustain the prices in the markets of the world of these bonds, belonging exclusively to the rich, and *held by choice*, who were not asking for their money, and were content with the payment of the interest, while it has taken no step to protect that portion of its debt which is the only portion in which the laboring classes are interested. Its greenback unredeemed is nothing less than a *forced loan* payable on demand. The people were compelled by statute to take it. This has been permitted to drift up and down in its value at the will of speculators. If there is any portion of the debt of the United States more sacred than another, any portion of a debt which should be first paid or appreciated in value, it is that portion which promises to pay on demand, and which does not pay interest. It would be well for gentlemen to understand that the people are beginning to see through the one-sided operations of the Government in the management of its debts. The people understand that a paper dollar which they are compelled to accept in payment of their hard earnings shall be made as good as the rich man's on whose bond you pay 6 per cent. interest.

DEBTOR AND CREDITOR.

Again, it is said that inflation helps the debtor and contraction the creditor. If so, who is benefited? There is (as the money writer in the New York Herald estimates) $1,200,000,000 now due by savings-banks and for wages, &c., to workingmen. This is represented now by a depreciated currency only worth eighty-eight cents on the dollar! In other words, this class is out of pocket over two hundred millions as the result of bad fiscal policies!

BACKWARD OR FORWARD?

Again, let me say that in my opinion the country is better prepared for steps toward specie payments than it has been since 1868. The crisis has come. Trade is slowly recovering, and although it may be healthy, it will be reduced fully one-third, if not one-half, below what it has been in past years. Is not, therefore, the actual need for money for legitimate business purposes largely reduced? At least it is for some time to come. Capital has been sunk, and must be reproduced; it cannot be printed into existence by printing evidences of debt and stamping them legal-tenders. Now is the time to take the first step successfully toward doing our duty; and yet now is the time we are taking the backward step! When will we go forward?

The House may recollect a bill introduced by me to recall and stamp as not legal-tenders the portion of the reserve already out. My colleague [Mr. E. H. ROBERTS] thought this to be impracticable. Why? Because there is no record by numbers or otherwise of the issue. The old issue even is not abroad. As it turns out, it was burned, and new issues made. My bill therefore could give, if passed, no practical help toward the great desideratum. Who is to blame for this? Was this done for a purpose and "on purpose?"

This reserve currency has been paid out and is a just debt of the United States, although not a "legal tender." But no action can or will be taken. If it could be found and marked, it should be declared to be illegal. Acknowledge the debt and provide for its funding; and for any further deficiencies in the Treasury which are immediate, and

which retrenchment cannot stop, we might in great need provide for by a temporary loan.

The banks are daily pressing their loans upon Wall street, so little are the mercantile interests in want of money, or rather so few are the collaterals to deposit for the same. What good will this new issue do? Will it add one dollar to the collaterals in the pocket-books of the merchants, so that they can obtain any additional bank credit? Will not Wall street and the produce exchange swallow the whole of it up in a ten, twenty, or thirty days' advance of prices?

What the country is demanding through its chambers of commerce and its boards of trade from one end to the other, and what the laboring classes are demanding, as yet in feeble tones, is not quantity but quality, not bulk but kind.

No measure like this, which, as the prophet describes, makes "the ephah small, and the shekel great, and falsifying the balances by deceit," will last. We must build by the plumb-line of right.

TAXES BY TARIFF AND IRREDEEMABLE NOTES.

I had occasion to speak here during the war against the tariff and its connection with an irredeemable paper currency. As the customs are due in gold, Mr. Speaker, you can readily understand why all imported commodities which come in competition with those produced here should be enhanced in price as well by the cost of the gold premium for the duty as for the price paid for the foreign product. The hundreds of millions which since, our bad paper money, have been thus paid by the poor laborer and industrious farmer are simply incalculable. I calculated last fall that, taking the imports for the past four years and the average price of gold, the people had to pay $400,000,000 and more to buy the gold to pay for our imports and the customs dues. They paid so much extra—added to the price of commodities imported—as tribute to administrative stupidity and congressional selfishness. They paid $8.50 *per capita*, because we did not make our standard that of commerce and the world, the Constitution and the Almighty. Since then a friend, Mr. J. S. Moore, has printed in the Capital some significant figures, abundantly confirming the enormous cost of irredeemable paper to the people since the war. How does he reach it? From 1865 to 1869 the average gold premium was 40 per cent.; the imports were, total, $1,857,524,417; duties, in gold, $690,977,486; freight, paid in gold, $100,000,000; making a grand total of $2,648,501,903, on which the gold premium of 40 per cent. is $1,059,400,076. From 1869 to 1873 the premium on gold has only averaged 15 per cent.; the goods imported, gold duty and gold freight, altogether, were $3,180,931,481; and the premium was $477,139,722. Mechanics! Farmers! Consumers all! Victims each! Have ye no eyes to see the causes of your impoverishment by tariffs and rag money? Is this billion and a half but the idle cloud of statistics, above which your gas-distended falsehood swells and floats? Believe not these trimmers, who tell you that they have the wonderful lamp. Their Aladdin is a liar. There is no magic to make "more money" honestly, except by moil and toil. Why will not Congress respond to just calculations and principles? Cannot we tell corpulence from health; bloat from real flesh? When we plucked the rose of paper money, did not the people feel the thorn? Are they crying to get rid of the infamous tariffs? What is the meaning of the clamor? Let them cry then for coin as the universal standard! Until that is responded to we will have from all quarters the report which Judge Pierrepont makes of his western observations as to the causes of the depression of farm products.* We will have a verification of Mr. Amasa Walker's deductions as to the high prices of all articles the farmers buy and the low prices they receive.

To increase the currency in the face of the great abundance of money and low rates of interest and prices greatly inflated, is to increase the difficulties now resting upon the nation. What the country and people want is cheap productions to enable them to compete successfully in our exchanges with the world. It costs 50 per cent. more to produce wheat, corn, cotton, and tobacco than before the great rebellion. We produce under inflations, dispose of our supplies in the Liverpool market in competition with the cheap countries of the world, and the price obtained regulates the price at home. Thus we buy dear and sell cheap. Increasing the currency thus increases the cost of production without increasing the value in the European markets.

If we had ten times as much real money, gold, in the country, and if it came here legitimately in response to our productions and industries, there would be no redundancy, for we would have earned it. But, sir, $1,000 of money which is not what it professes to be is a redundancy of the kind, and only tolerated because of our poverty.

A NICE PLAN, AND SO ECONOMIC! THREE FOR ONE!

I had the honor the other day to have an amendment read—that every dollar of greenbacks out should count three as legal-tenders. This amendment was offered in the interest of economy, to save the expenses of printing. Some of the rural members with inflation proclivities thought it a foolish amendment; in fact one of them—it would be invidious to name where the majority is of equal intelligence—thought my amendment economically intended but quaintly applied. Perhaps it would be better to argue the economies on an appropriation bill; but in view of the payment of salaries, in the printing and issuing of currency, in view of the trouble Congressmen have in the proper selection and ardent recommendation of girls for the Printing Bureau, in view of the time required for the manufacture of new bills, the dangers from altering and counterfeiting, of overissuing and duplicating, and from the spurious notes issued from the genuine plates, and from the fact that there must be several establishments, which, by doing portions of the work, act as checks on each other, on the Government paper-mill and the Printing Bureau, there is much saving knowledge in my simple suggestion. Do you know the skilled labor required? The specific recommendations for appropriations in the Treasury is half a million; for the bank-note companies more. Certainly no one would object to my proposition on the score of saving money.

Why, then, may not the blessed results of inflation be reached in a less disastrous way by my suggestion? Let me illustrate: If we make our paper currency three times greater in amount than it is at present, would it then be worth one-third less than it is now? In fact, experience shows that it is worse than this. Excessive issues of irredeemable paper, as all history shows, create a depreciation beyond the ratio of its amount. In fact, it soon becomes entirely worthless. Like the circle in the water it enlarges itself, till by spreading it is dispersed into nothing. Need I refer to China, Denmark, Austria—to France, to Law, to the *assignats*, to the continental, to the confederate currencies! Must I rehearse axioms, or prove them *a posteriori*? Have not the debates here shown this? If not, let me refer you to Hildreth's volume on "Banks, banking, and paper currencies," 1840. Law's Mississippi scheme had the entire province of Louisiana, to say nothing of the Senegal, India, and China companies, as its basis. Somebody realized richly at first, though the coin left the kingdom; the notes began to go down; edicts were issued in vain; credit was shocked; no safe standard existed; poverty and distress came; rebellion threatened; the notes were stopped by a prohibitory edict; and was France happy? Read the last fiction of Victor Hugo, "Ninety-three," and you will find what the *assignats* did for her. He copies an English novelist in the fullness of his terrible truths told in fancy, which not only occurred in Law's time, as depicted by Ainsworth, but in all times and lands where irredeemable overissues are made. Go to Saint Domingo to-day, where two hundred dollars does not equal a thousand, and you will have a recent illustration of an inevitable law. As in France in the time of the Mississippi bubble, a lingering decline would have been more fatal, so now and here a prompt resumption would be less fatal to our people. If we must have such disasters, we might as well at once have everybody feel three times better off in pocket by simply stamping on each note, "This is three dollars instead of one." Would not the somber image of Daniel Webster on our ten-dollar greenback smile at such an economic device? And General Jackson, whose image is on our five-dollar notes, that old bank-hater; why, his very hair would rear on end like his bronze horse by Mills!

Let me illustrate further the benefits of this wonderful forced loan called inflation, which would be more cheaply secured by my amendment. It will not be denied that changes in the prices of merchandise, land, and labor, whether effected by means of taxation or by means of the currency, do not occur at the same moment of time to these three classes of things. For example, treble the currency to-day and in a month's time you will find the price of merchandise trebled, but it will be six months' time before the price of land trebles, and it will be a year's time before the price of labor trebles. Eventually all these things would become alike trebled in price, but they will not treble in price at the same time. Now, the effect of this is, that while in a month's time the merchant's stock of goods will have trebled in price, he will, for the currency for which he sells his goods, be still obtaining your labor at the old rate: and while by the end of six months the price of land will have trebled, and consequently the price of house rents, the landlord for three times the amount of currency for which he will now be able to let his house will be still buying the labor of the hard-toiling, deluded workingman—if he wants him to build more houses or to clear more land—at the old rate of wages current before the trebling of the currency.

What is the fate of the workingman, looking at it from his point of view? Why, that for a year after the trebling change in the currency, while he continues to obtain for his labor no more than he did before the change, he must pay, after the first month, treble for all that he eats, drinks, and wears; and, after the sixth month, treble the rent for every room he occupies.

Hence, by my amendment, you will have, minus the expense of new issues, little or no delay, such as the old and slow processes of inflation require, and the same left-handed benefits to all parties, and

* In traveling through the West lately my attention was called to the condition of the farming interests, which are much depressed; and I find with some surprise that their great agricultural products, beef, pork, lard, corn, and wheat, in the aggregate, brought quite as much in gold in January, 1861, as the same products brought in paper promises in January, 1873, while all the articles which the farmer consumes were very much higher in 1873. During the first six months of 1860 the average price of mess pork was $17.69 per barrel in gold, and during the first three months of 1861, before the war, it averaged $17.16, gold, while the average for the same period in 1873 was but $13.60, inflated paper. Lard followed pork, and corn was higher during the gold period of 1861 than during the same period in 1873 with only paper afloat. Comment is superfluous. Add another hundred millions of irredeemable paper, and in three years the farmer will be no better paid than a serf. Increasing the legal tender without provision for redemption is sure to bring disaster upon the country and certain destruction to the party which forces such measure. We are brought face to face with this question, and it requires no prophetic vision to foresee that financial chaos will come before another presidential election if we persist in expanding an irredeemable currency.—*Judge Pierrepont's letter to Senator Sherman.*

especially to the laboring man, which such legislation helps least of all.

CIRCULATION NOT IN SAME RATIO AS WEALTH AND POPULATION.

Mr. Speaker, I confess that I read with interest the admirable remarks of my friend from Wisconsin, [Mr. MITCHELL.] He has exemplified by his remarks that canny and careful sense by which he has honestly acquired and justly administered large means. His interest, like that of mine, is not that of speculation. When he says that circulation should not increase in the same ratio with wealth or population, he lays down a proposition which heretofore I endeavored to elaborate. We have now $7.12 more *per capita* circulation than we had in 1860, and $7.92 more than in 1850. The circulation in England has decreased since 1819 by fifty millions; it is now only $6.50 per head. England's money for circulation is about one-half of ours. Her total money-medium is $400,000,000. In 1873 her import and export trade was $3,210,000,000. If she could thus flourish on this small amount of currency, why cannot we? Why, then, does England act as the great exchange mart of the world, the busy broker of all races? Because there is progress in the arts of using money. Drafts, checks, bills of lading, warehouse receipts, due-bills, deposits, clearing-houses, postal and telegraph facilities, and other civilizing elements have come to be in use. They are substitutes for money, they are instruments of commerce, as much so as bank-notes. They are memoranda of credits, and serve as much as Treasury notes for transactions. Deposits even form a part of our currency. If that is doubted, I refer to Carey's Social Science, volume 2, page 386, and Amasa Walker's Science of Wealth, page 148, and to other authorities referred to in my notes. When these credits have become redundant, as in the money crises in this country, panic follows. Therefore it is not in the money issues alone that exchanges are made or values measured. But for these purposes, as well as for currency itself, there must be a fixed standard that is not exceptional or provincial. If the paper dollar ought to be worth so many grains of pure gold, which is the legal and commercial standard, something must be done; and that something is to raise the value of that paper dollar by making the quantity less, and thus secure the quality we require.

PLANS.

Again and again have I urged resumption by some gradual method. I have had votes in committee, and have always been alone in my little affirmative. If it is said that I must present a plan, I ask is it for the minority to do this? No. If the majority cannot do it, let them abdicate; give way to a new party, or to a new order. What has this Administration done? O, yes; I had forgotten. They began a plan on silver dimes and quarters! How much was redeemed? A few sacks of quarters paid out, to debtors of the Government over a certain amount. A few hundred dollars out of the hundred millions to be redeemed. How long before redemption would be complete at this rate? The centennial 2076! Yet, when the panic occurred last fall, the whole country looked to the President for a policy, and that functionary, after due consideration, said that he *wondered* why the silver had not already made its appearance in circulation. I would like to ask whether there has any change come over the executive mind since on this point, and whether Congress in voting down my resolution for specie, couched in his language, did not do him and his great Secretary injustice?

THE ENGLISH PLAN.

Is there no way of resuming except by resumption? I think not. Certainly the House is not on the way now. We used to say of slavery that the wise policy was to place it "in the hope of its ultimate extinction." Even that is not done on this subject here. England, after her Napoleonic wars, sought specie by a plan we might copy with profit. It involved—

1. That a resumption of specie payments must be surely determined;

2. That the time of resumption must be fixed at a day not unreasonably distant; and

3. That the approach to it should be by regular steps upon which all business interests could calculate.

She accomplished it by providing that at the end of five years from the date of the act coin payments should be fully resumed; that in the mean time a scale of rates should be established at which the currency should be redeemed in uncoined bullion, at prices by weight which should distribute the currency values as nearly as possible evenly over the intervening time.

In so far as the bill of the committee would redeem the legal-tenders in coin, it is entitled to respect, even though the redemption is prospective and remote; but in so far as it would supplant the greenbacks with bank-notes—irredeemable—it is faulty and needs safeguards and provisions against the excesses of free banking. England moved otherwise to the goal of resumption. What was the result? Confidence was restored. Trade began to know its rules and to regulate itself to statutory certainties, and paper reached par in advance of the time fixed by a year. No, sir; your bills now may give a temporary lull to the perturbations of trade; but your tinkering makeshifts are not a permanent settlement. There is no way to resumption, except through honest faith in your promises.

DISASTERS OF BROKEN FAITH.

Seeing, then, that these unredeemed and irredeemable notes are out; that they are the disturbing elements in our material advancement; that the "necessity" which pressed their issue has gone by; that their substitution for lawful money has unavoidably tended to inflate prices, beget speculation, foster extravagance, enrich the few, impoverish the many, discourage labor, derange trade, intimidate enterprise, and damage public credit at home and abroad, thereby producing innumerable evils in the management of private business and public affairs; and seeing further that the faith of the United States was solemnly pledged, on the 18th day of March, 1869, to pay said notes "in coin or its equivalent," and "to make provision for the redemption thereof in coin at the earliest practicable period;" we are bound as honest legislators to prevent a perpetuity of mischief, to keep faith with all, by retracing our steps and resuming our onward march to prosperity through fair-dealing.

There is no compromise in this matter. You cannot reach specie, except you bring the currency down to a smaller sum. Your fiscal Halifaxes may howl for gradual contraction or a little inflation, or the safe mean between; but this situation, even if through sacrifice, is to be reached by grasping the principles which experience has determined with logical precision.

Have we no political ethics? Is there no commercial and public honor left? Will the opinion of the world register our recent votes here to deny our just promises to pay, to praise or condemn? Is credit nothing?

A STAINLESS NAME.

There is only one way, Mr. Speaker, to retrieve the public credit, to promote the national name, to restore to all properties their legitimate value, to furnish new and safe resources both to trade, agriculture, and commerce, and to keep sacred the provisions of our obligations; and that is to return to the constitutional coin, as the basis and standard of all wages and values. Public debts are not blessings, nor are panics, as the President said they were, blessings in disguise. They invite to prodigality, they destroy the public morality, they take away from the State its immortal part, its conscience; they lay the foundations whereon improvidence, selfishness, and scoundrelism build to the general hurt. More precious than gold or rubies is the stainless name of a nation. Since our civil war and its demoralizing tendencies, we have enough to cure and avoid. The duration of our institutions depends on the observance of obligations, as well as upon the avoidance of sectional asperities and official prostitution. In such times the metallic currency, by reason of its intrinsic value, becomes of moral value; excessive issues require more than ever salutary checks, and it is the first duty of the State to guard against the mercenary elements which sap the foundations of social honesty and order.

PAPER WINGS.

Gentlemen are familiar with Pope's Essay on Man. Read the opening of his third epistle. Why did Heaven hide the "shining mischief underground?" He does not give the answer in full, nor the answer of the economist. It was not hidden, merely because the sunny metal entered into fraud as well as into luxury; not because it enlarges the sphere of lust and hires the assassin, lures the pirate and corrupts the friend, bribes a senate and betrays a land; not that the captive Cleopatra should wear it in chains, or for it that Judas should sell his Master; not because it plays its part in Ashantee subsidies or in Wall street gambling-bourses; not because, as my eloquent friend from New Jersey so well said, "Abraham counted shekels in the first recorded bargain; or William extracted from France a coin-subsidy; or the Pacific islander clamors for gold; or the poet laureate of England sells his muse;" not because it is the token for those values which give luxury its cup and society its surfeit. Heaven hid it in the earth to be delved after, to make it precious, steadily precious, to be stamped and milled, as a measure and standard, to help the interchanges of men in their interdependence on one another. No wonder the same satirist, drawing from contemporaneous policies, and seeing the future as if it were before him in Merlin's magic mirror, gave his sarcastic benediction to the inflationists of his and our time:

> Blest paper credit! Last and best supply
> To lend corruption lighter wings to fly!

For one, I will by no vote add to the scandalous prodigality of the times. By no vote will I add another feather to the wing of paper credit. Rather let us strip the plumage from these airy presumptions, and fix our future on the solid foundations of public credit and the obligations of commercial honor.

MESSAGE FROM THE SENATE.

A message was received from the Senate by Mr. SYMPSON, one of its clerks, notifying the House that that body had agreed to the amendments of the House of Representatives to the bill (S. No. 204) for the relief of Robert Bent and Jack Smith.

It further announced that the Senate had passed, without amendment, bills of the House of the following titles:

An act (H. R. No. 154) for the relief of William Stoddard, late assistant quartermaster of United States volunteers;

An act (H. R. No. 1405) for the relief of Victor Mylius, of Macoupin County, Illinois;

An act (H. R. No. 1585) for the relief of the heirs of Seth Lamb;

An act (H. R. No. 1932) for the relief of Frank M. Kelley;

An act (H. R. No. 1922) to establish a reservation for certain Indians in the Territory of Montana;

An act (H. R. No. 1222) for the relief of George W. Keyes; and

An act (H. R. No. 517) for the relief of Sarah F. Lincoln, postmaster at Spencerport, Monroe County, New York.

It further announced that the Senate had passed bills of the following titles, in which the concurrence of the House was requested:

An act (S. No. 170) for the relief of certain officers of the Navy who were dropped, furloughed, or retired under the act of February 28, 1855;

An act (S. N. 405) to allow the schooner Ocean Wave to take the name of Edith E. Wright, and be registered under that name;

An act (S. No. 377) to change the name of the port of San Pedro, California, to Wilmington;

An act (S. No. 508) for the relief of Andrew Johnson, of Logansport, Indiana; and

An act (S. No. 617) to fix the amount of the United States notes and the circulation of national banks, and for other purposes.

CURRENCY—FREE BANKING.

The House resumed the consideration of the bill (H. R. No. 1572) to amend the several acts providing a national currency and to establish free banking, and for other purposes.

Mr. ORTH. Mr. Speaker, the financial question is at this time engrossing the attention of our people to a greater extent than ever before known in our history. It is the topic of discussion not only in the counting-rooms of the merchant and the parlors of the banker, but also in the workshops of the artisan and the home of the farmer; it will be debated in these Halls, and in the school-houses of the country as well, until a result will have been reached which shall prove acceptable to the public mind; and such a result will be the permanent establishment of a financial system commensurate with the wants of our people, and adapted to and in harmony with the circumstances surrounding them, irrespective of any systems or theories having their origin in other lands, and applicable to conditions of commercial affairs differing widely in many respects from ours.

The American mind is not theoretical; on the contrary, it is eminently practical, and it will not be wedded to theories, however plausible or attractive, which it finds on examination to be incompatible with the development, the growth, and progress of the varied material interests of our country.

It may be taken for granted that our people, however they may differ in detail or the mode of accomplishing the result, substantially agree *that we need a currency of uniform legal value, resting upon a basis of unquestioned security, and of a volume sufficient to meet all the requirements of the agricultural, manufacturing, and commercial interests of the country;* to which I might add the additional quality of *adaptability* to those interests, as at different times a greater or lesser amount is required by the exigencies of business.

The best methods for creating such a currency, of regulating its security and volume, and imparting to it a proper flexibility, are questions upon which the public is now divided, but for which the discussions to which I have referred will sooner or later provide a solution. What, then, constitutes a currency of uniform legal value? It is that which possesses among our people the same purchasing power in all parts of our country. Our dollar is a conventional unit of value, whether that dollar is composed of gold or silver metal, or a paper dollar issued, or authorized to be issued, by the legislative power of the country.

The term "money" is variously defined. I hold *that* to be "money" which the law declares to be money, without reference to the material of which it is composed. Money or currency, therefore, issued by and under the authority of the United States, will possess a uniform legal value among our people so long as the people have confidence in the faith and stability of the national Government; and this position is abundantly verified by our history.

We are constantly told by the contractionists that, to have a currency of uniform legal value, it must consist of gold and silver exclusively, or be based upon gold and silver. The former is totally impracticable, because the precious metals do not exist in sufficient quantities to be used for such a purpose, and hence do not, in reference to values, possess a representative capacity, unless you shrink, or dwarf, or contract your commercial values to a point that would produce universal and permanent stagnation in all the industries of the country. The amount of gold and silver coin now in our country is estimated at less than $200,000,000, and hence, with an exclusive metal currency, all the vast commercial, manufacturing, and agricultural interests of the country must accommodate themselves to that comparatively insignificant sum. The idea is preposterous, and will not for a moment be entertained by a rational people. The assumption that gold and silver possess a special value as a basis for a paper currency is equally fallacious and untenable. A base, to have any value or to give proper support to its superstructure, must be as broad as the superstructure itself. This is an axiom in architecture, and when we use the same term to denote the purposes of a specie basis for a paper currency we must use the term in its architectural sense. How then can you erect a superstructure represented by the figures 6 or 8 upon a base represented by the figures 3 or 4? Your base is altogether too narrow, too contracted, to sustain the superstructure, and the result is that the first gales of a financial storm will tumble your fabric to the ground. It does very well so long as you have calm weather, a spirit of generous confidence, no disturbance in the financial world, because your paper currency, resting upon an insufficient specie basis, leans for a very large portion of its support upon public confidence. When such confidence becomes impaired or is withdrawn, your paper currency fails to respond to the requirements of the public, and, going down step by step, soon reaches the point where it is utterly worthless. And this result will follow, as is abundantly shown in all our past financial history, whether one dollar in gold is the base of five dollars in paper or whether the five dollars in paper are based on two or three dollars of gold.

I speak of paper currency having nothing to recommend it to the public beyond the insufficient basis of coin upon which in ordinary banking systems it usually rests, and which in the nature of things must always be insufficient so long as you have not as many gold dollars as you have paper dollars resting on them; for the difference in numbers between the gold dollars and the paper dollars in such a system must be made up by generous confidence or the individual liability of stockholders, neither of which is of much avail when the holders of such paper desire its payment in coin.

My second proposition is closely allied to the first—indeed the two might with propriety be said to be coexistent; for if a currency rests upon a base of unquestioned security, a security which is accepted by the entire community, and which challenges such acceptance by its universally acknowledged sufficiency, it will inevitably follow that such currency will be of uniform value throughout the country.

In what manner, then, can you provide a currency having such unquestioned security? I have already shown that it cannot exist exclusively of gold and silver; for if there were no other objection to an exclusively metallic currency, the fact that we do not possess it in such quantity as to meet the demands of business generally, or even one-fourth part of such demands, would be an insuperable objection against it.

No banking system, State or national, which this country had prior to the late war ever possessed either of the requisites which I hold are essential to a good and acceptable currency, for no such banking system ever furnished to our people a currency of uniform value based on unquestioned security. Even the best of our State-bank currency lost its par value as it wandered beyond the shadow of the banking house whence it was issued, and the holder of the currency, before he could use it in the ordinary channels of trade and commerce, had to submit to a reduction from its face value in the shape of exchange, frequently to such an extent as to seriously impair the profits of his business.

I have stated that prior to the late war we never had any system of banking, State or national, which furnished a currency possessing either of the requisites of uniform value or unquestioned security, and if our present system of bank currency possesses either or both of these requisites, it is because it is based upon the bonds of the Government, and all the property and resources of the United States have been most freely pledged for the payment of these bonds.

The national-bank currency derives but little, if any, of its value from its purely bankable character; nor does it obtain the confidence of the people on account of any supposition of being based upon coin in their vaults, for it is not based upon coin, nor do the banks have a dollar in their vaults with which to redeem their circulation. Nor does the individual liability of stockholders give to that currency any perceptible value, for such liability is of no immediate avail in times of financial distrust and disaster. It is safe to say that but for the fact that the United States stands as the indorser for the ultimate payment of every dollar of national-bank currency, it would not rank in value with the best of our bank currency prior to the war. How, then, can we obtain a currency for the people which shall possess this basis of undoubted security? My answer is, *to utilize our national indebtedness, or so much thereof as may be necessary, in that direction,* and to that extent make our national debt a national blessing. By doing so you have as a pledge for every dollar of your currency the energy, the industry, the resources, and more than all these, the united patriotism of forty millions of people. You will thus have a currency created by the people, for the people, and in which the people will have undoubted and unlimited confidence, because it is theirs, and because they love the Government which will protect it as it protects them.

We come next to inquire as to the volume or amount of currency required by the business interests of this vast Republic. Who will arrogate to himself the ability to answer this question? Who can say that just so many dollars are required, and that the amount thus arbitrarily assumed shall not be increased, notwithstanding the continual increase in our population, the opening up of new settlements, and the development of new industries? Just as the growing man requires more food and raiment than the youth, so does our nation in its developing progress require daily and yearly more currency to meet the constantly increasing demands of business.

Immediately upon the close of the war the amount of all kinds of currency in actual circulation, or serving indirectly that purpose, was but little less than $2,000,000,000. At the close of the fiscal year, June, 1868, the amount of currency was one-half of the foregoing amount. This was the amount when the country had fairly settled down to a peace basis, and had adjusted its commerce and industries to a peace standard; which amount should not have been changed except to increase with the increasing wants of the people. And yet, taking the years between July 1, 1868, and June 30, 1873, we find from the official reports of the Treasurer an absolute contraction and reduc-

tion of currency to an amount not less than $300,000,000. Is it any wonder that the crash of last September came upon us? The only wonder is that it did not come sooner, and with still greater devastation in its train.

And yet in these intervening years the Southern States have in a great measure recovered from the desolating effects of that war, and are entering upon a career of material prosperity greater than they ever enjoyed before. During that time our territories have been rapidly filling up with an industrious and enterprising population; the other portions of the Union changing from a state of war to a state of peace, with industries of all kinds reviving and multiplying. All these causes are creating demands for increased monetary facilities, and yet when we ask in behalf of the great body of the people for a commensurate increase of currency, we are told that we are "expansionists," "inflationists," and that we are asking for that which will be of positive injury instead of positive good.

Cast your eyes over this broad land; see the number of honest laboring men ready and eager to earn their daily bread by daily toil, with willing hearts and willing hands; but, alas! with no demands for their labor. Look at your vast and, until recently, thriving manufacturing interests. The forge-hammers ring out no merry sound; the furnace-fires have ceased to glow. Turn to your commercial and agricultural interests, and they lie prostrate as if stricken by paralysis, no vitality, no energy anywhere; and looking thus over the whole ground, let me ask this House whether the people have not ascertained the true cause which has produced this state of affairs when they assert that currency, which is the life-blood of all our industries, does not exist in sufficient quantities to afford the necessary vitality. I grant you there are exceptions among our people to this general proposition, but in this, as in other cases, exceptions only prove the rule. The man who is fortunate enough to have accumulated his "pile;" who is a money-lender instead of a borrower; who lives upon incomes from his permanently invested capital; whose coupons bring him with unceasing regularity his semi-annual interest in gold; whose bonds and mortgages yield him their annual supply with the regularity of the returning seasons, and that too at high and often exorbitant rates of interest—this class of our fellow-citizens does not feel the oppression which is bearing so heavily upon the active men of business and the toiling millions, whose labor properly employed and properly encouraged would make this land prosperous beyond the prosperity of any other nation.

That class of our fellow-citizens, exceedingly small numerically but exceedingly powerful financially, favors contraction, well knowing that contraction will add a large percentage to their bonds and increase the purchasing power of their dollars.

But, sir, this Government must be administered upon the principle of the "greatest good to the greatest number," and the people will see to it that it is thus administered.

It is frequently urged here and elsewhere that we have now a redundancy of currency; that it should be reduced to a point which will leave no margin in the market value between paper money and gold, but to what point that reduction must be carried to produce the foregoing result is not very clearly demonstrated. A very correct test of the question whether we have a redundancy of currency can be had by comparing the amount of money in circulation *per capita* in our country with the money in circulation *per capita* in some of the principal nations of Europe.

The actual circulation in this country at present is about $16.75 to each individual. In England the amount is about $24.25 to each individual. In Germany it is about $26.80, and in France within a fraction of $34.75 to each individual. It thus appears that while the amount in this country is only $16.75 to each individual, the average amount of circulation in the three foreign countries I have named, and which stand in the front rank of civilization, commerce, and manufactures, is $28.60, being $11.85 to each individual more than the amount of circulation in this country.

Let this Congress by its legislation place our people on an equal footing in this respect with the people of these three great nations of Europe, and you will hear no further complaint in reference to a scarcity of currency. And is there any reason why our people cannot use profitably the same amount of money we find circulating in the nations I have named? On the contrary there is every reason why the amount should be greater here than there. We are comparatively a new country, in process of rapid development; our people are spread over the entire continent, from the Atlantic to the Pacific, covering an extent of territory far greater than either England, France, or Germany, and hence lacking that facility of rapid concentration of currency to points where most needed at specified periods which a country of less territorial extent possesses.

I come back, then, to the proposition, how can you determine what precise amount of currency is needed by our people. Can you fix the amount by law? Will a procrustean theory answer? Is there sufficient wisdom among men to fix the amount by legislation? I answer all these questions in the negative. There is only one law which can fix this amount, *and that is the great law of supply and demand.* This law must not be restricted or shackled by unwise legislation. Leave it free and unfettered to be determined by the wants and operations of our people in all their vast and varied business interests. As well might you regulate by law the amount of wheat or corn or cotton which our people shall annually produce, as to attempt by law to determine the amount of currency required by the people. Leave this matter to their own sound practical judgment and experience, and, my word for it, they will take care of themselves without the intervention of your assumed guardianship over them.

This law of supply and demand will impart to our currency its flexible character, regulating its volume and adopting such volume to the wants, I may with propriety say the changing wants, of traffic; for there are periods of the year, more especially in our agricultural regions, when the movement of our immense surplus productions to a market will require a much larger portion of currency than in those periods of the year when the agriculturist is engaged in the cultivation of those productions.

I shall not stop here to enter into a discussion of the details by which this flexible character of currency shall be inaugurated and regulated, but the interconvertible bond system, so ably urged upon the country by its friends, could very readily be made an agent in this process of increasing or diminishing the volume of currency and adapting it to the actual wants of business without producing on the one hand an overissue or redundancy, and on the other an undue contraction of the currency.

In passing, permit me here to say a word in reference to our present system of national banking. I make no war upon those banks nor have an unkind word to utter against those of our citizens who in good faith accepted the invitation of the Government thus to engage in banking.

This system was the outgrowth of the financial troubles which beset the Government in the midst of the late war. The State banks had suspended, and could afford no relief to the Government or people—a resort to the issue of a Government currency exclusively was an untried experiment—and hence Congress adopted the twofold plan of national-bank currency and Government currency.

To my mind there are very serious objections to the longer continuance of national banks as banks of issue.

Among these we find that the system is a monopoly, granting to a very few of our people privileges which are denied to others. Our Government should under no circumstances grant a right to one citizen which it denies to another. Monopolies are always more or less odious, and will not long be tolerated by a free people. While the burdens of the Government fall equally upon all, its benefits should equally be extended to all our people.

Again, under this system the national banks never can redeem their currency in coin, as I have more fully shown in another portion of these remarks.

Again, the Government pays to these banks a heavy annual interest, amounting to about $20,000,000 on the bonds which they pledge for their currency. This should be avoided, and this large amount of interest saved to the people, or, what would be still better, let the Government issue its own money and exchange it for its bonds, and thus convert to that extent an interest-bearing debt into a non-interest-bearing debt.

Again, there is annually a considerable amount of currency lost and destroyed by the casualties of fire, water, and other agencies, all of which inures now to the benefit of the bankers, while it justly belongs to the people, for the Government is responsible for the redemption of this money, and hence should have the benefit of such loss or destruction. Did time permit I could urge other objections which readily suggest themselves.

It is hardly necessary to argue the proposition whether the States can authorize the issue of currency by banks created by State authority, for the simple reason that no one doubts the power of the Government to levy a tax upon such currency, and the power to tax, as is well known, is the power to destroy. Hence the assumed or granted right of a State to authorize the issue of currency becomes nugatory, from the fact that the Government by its taxing power can at will destroy State action on this subject.

We are told that for the last eight or ten years our people have had a redundancy of currency, and a consequent inflation of prices, and that such a state of things is injurious to their best interests.

I deny the proposition, and confidently appeal to that period of our history when, as is alleged, inflation has been injurious as the most prosperous we have ever witnessed. During that period our people have opened up new fields for settlement and cultivation; have developed our mineral resources, and demonstrated to the world that in all the elements of national wealth we are without a superior. During that period internal improvements have been projected and completed in every portion of the Union. Manufacturing establishments of every description have dotted almost every neighborhood, the farmer has realized remunerative prices for his products, the laboring man has found abundant employment and at prices that have enabled him to procure a home for his family, to feed, clothe, and educate them, and place him and them in a state of comparative independence; hamlets, villages, and cities have sprung up as if by magic, while the wealth which has flowed into your Treasury in consequence of this prosperity has enabled the Government to reduce our national debt since the close of the war, from the 1st of July, 1866, to the 1st of July, 1873, the enormous sum of $540,000,000, of which the sum of $370,000,000 was paid during the first term of the present national administration.

Here you have a picture, imperfectly drawn, but which shows deeds done of which every citizen has reason to be proud, and all

this under the so-called inflation of the currency. If this be ruinous, our people are doubtless willing to continue such ruin for at least the next ten years to come.

But while the business of the country was enlarging and expanding in all directions, requiring an increase of currency to meet its demands, your volume of currency was undergoing contraction; and what is the result? The general prostration of business, the unemployed thousands of our mechanics and laboring men, the almost universal stagnation of trade and commerce which has hung like a pall over the land since last September, and which still hangs over it, furnish a more eloquent answer than human lips can utter. And in addition to this baleful effect upon the individual interests of the country, your national debt instead of being reduced has actually been increased; the increase for the month of November alone being not less than $9,000,000. A policy of contraction will never pay our national debt, or lift its heavy burdens from our shoulders.

How is this currency to be provided for the people? My emphatic answer is, by *the direct action of the Government.*

Among the highest duties of a government toward its people is the duty of providing for them a circulating medium with which to carry on their trade and commerce. This is an attribute of sovereign power, and cannot with propriety be transferred by the Government to any of its citizens whether in an individual or associated capacity; it should be exercised by the Government itself as it exercises other of its attributes, and the currency which is used by the people, whether of coin or paper, should bear upon its face the pledge of national faith and the impress of national authority. This attribute of our Government, and its resulting duty, has so recently received judicial sanction at the hands of our Supreme Court that I cheerfully present a few extracts from the opinion of the late Chief Justice Chase, in the case of the Veazie Bank *vs.* Fenno, (8 Wallace, 533:)

It cannot be doubted that under the Constitution the power to provide a circulation of coin is given to Congress. And it is settled by the uniform practice of the Government and by repeated decisions that Congress may constitutionally authorize the emission of bills of credit. It is not important here to decide whether the quality of legal tender, in payment of debts, can be constitutionally imparted to these bills; it is enough to say that there can be no question of the power of the Government to emit them; to make them receivable in payment of debts to itself; to fit them for use by those who see fit to use them in all the transactions of commerce; to provide for their redemption; to make them a currency uniform in value and description, and convenient and useful for circulation. These powers, until recently, were only partially and occasionally exercised. Lately, however, they have been called into full activity, and Congress has undertaken to supply a currency for the entire country. * * * * * * *

Having thus in the exercise of undisputed constitutional powers undertaken to provide a currency for the whole country, it cannot be questioned that Congress may, constitutionally, secure the benefit of it to the people by appropriate legislation. To this end Congress has denied the quality of legal tender to foreign coins, and has provided by law against the imposition of counterfeit and base coin upon the community. To the same end Congress may restrain by suitable enactments the circulation as money of any notes not issued under its own authority. Without this power, indeed, its attempts to secure a sound and uniform currency for the country must be futile.

Our highest judicial tribunal has here recognized the full power of Congress under the Constitution "to provide a currency for the whole people," and to do this by emitting a paper currency directly by the Government; to make such currency uniform in value and description, and convenient and useful for circulation.

And the same court in a prior case (9 Howard, 560) declared, in consonance with a long line of judicial decisions, that—

Whatever functions Congress are by the Constitution authorized to perform, they are, when the public good requires it, bound to perform.

I am aware that the power of Congress to attach a legal-tender character to such issue is denied or seriously doubted by many of the best legal minds in the country. An equal diversity of opinion was entertained with reference to the exercise by Congress of other powers within the last ten or twelve years, but the exercise of which has been sanctioned by judicial decisions or the general acquiescence of our people.

But conceding the right and duty of Congress to provide a circulating medium for the people, and recognizing the undeniable fact that such circulating medium cannot possibly consist of coin alone, and that a resort to paper for the larger portion of our circulating medium is a positive necessity, it follows beyond cavil that it is the duty of Congress to give to such paper a character that will make it available to the people for the purposes intended; for in this respect "Congress has the power to use all appropriate means for legitimate ends."

In furtherance of this view the opinion of a majority of the Supreme Court in the "Legal-tender cases" may be aptly quoted:

The Constitution was intended to frame a government as distinguished from a league or compact, a government supreme in some particulars over States and people. It was designed to provide the same currency, having a uniform legal value in all the States. It was for this reason the power to coin money and regulate its value was conferred upon the Federal Government, while the same power as well as the power to emit bills of credit was withdrawn from the States. The States can no longer declare what shall be money or regulate its value. Whatever power there is over the currency is vested in Congress. If the power to declare what is money is not in Congress, it is annihilated.

And again, in the same opinion, we find the following:

In view of this it might be argued with much force that when it is considered in what brief and comprehensive terms the Constitution speaks, how sensible its framers must have been that emergencies might arise when the precious metal (then more scarce than now) might prove inadequate to the necessities of the Government and the demands of the people; when it is remembered that paper money was almost exclusively in use in the States as the medium of exchange, and when the great evil sought to be remedied was the want of uniformity in the current value of money, it might be argued, we say, that the gift of power to coin money and regulate the value thereof was understood as conveying general power over the currency, the power which had belonged to the States and which they surrendered.

And this power of Congress to give to its currency a legal-tender character is still more strongly asserted in the following language, taken from the opinion in said cases:

How, then, can the grant of a power to coin money and regulate its value, made in terms so liberal and unrestrained, coupled also with a denial to the States of all power over the currency, be regarded as an implied prohibition to Congress against declaring Treasury notes a legal tender, if such a declaration is appropriate and adapted to carrying into execution the admitted powers of the Government?

Justice Bradley, in his opinion in said cases, adds the following emphatic language:

Another ground of the power to issue Treasury notes or bills is the necessity of providing a proper currency for the country, and especially of providing for the failure or disappearance of the ordinary currency in times of financial pressure and threatened collapse of commercial credit. Currency is a national necessity. The operations of the Government as well as private transactions are wholly dependent upon it. The State governments are prohibited from making money or issuing bills. Uniformity of money was one of the objects of the Constitution. The coinage of money and regulation of its value is conferred upon the General Government exclusively.

That Government has also the power to issue bills. It follows, as a matter of necessity, as a consequence of these various provisions, that it is specifically the duty of the National Government to provide a national currency.

Mr. TREMAIN. Justice Bradley intimated in his opinion that this power could never be exercised by Congress except in case of war or similar necessity.

Mr. ORTH. I grant that Justice Bradley intimates that in his opinion. But the gentleman from New York [Mr. TREMAIN] will also recollect that the majority of the court, in delivering their opinion, made no such intimation, but on the contrary claimed it as a right to be exercised by Congress at all times under the Constitution.

Mr. WILLARD, of Vermont. If Justice Bradley had not gone with the majority there would have been no majority on that side.

Mr. ORTH. That may be. It takes only one with God to make a majority.

In confirmation of these views let us glance a moment at some of the express grants of power by the Constitution to Congress and see what necessary implications of power attach to them, and which are so self-evident as to admit of no serious doubt, and in view of which implied powers Congress has frequently acted, and exercised them without challenge.

Under the power "to regulate commerce with foreign nations, and among the several States," Congress has erected light-houses on the sea-coast and lake-coast, has built marine hospitals, has enacted that steam-vessels shall have certain requisites to insure the safety of passengers, &c.

Under the power "to establish post-offices and post-roads," Congress has provided for our vast system of transporting the mails, and for punishing the robbing of the mails.

The power to declare war carries with it the right to *carry on war*, and all the manifold rights and privileges almost innumerable incident to a state of war; and the power to declare war necessarily carries with it the right to make peace, and with peace even to acquire the territory and people of a foreign nation.

These are a few of the reasons which present themselves to my mind in favor of the proposed action of Congress and its power under the Constitution. But let us, for the sake of the argument, waive the question of the right of Congress to give to such currency a legal-tender character, although such right, both in times of war and peace, is clearly maintained by the Supreme Court.

I do not regard it as absolutely essential to the value of such currency or its entire acceptability to our people that it should be a legal tender in payment of debts. If Congress provides that such currency shall be receivable for all national taxes and for all dues to the Government, except duties on imports, it will have ample circulation. And the day is not far distant when, by converting portions of our bonded debt into this currency and thus reducing our interest, we shall be able to receive such currency in part payment of our import duties.

We have now outstanding legal-tenders to the amount of about $380,000,000, of whose legal-tender character there is no doubt, and which amount is amply sufficient to serve the purpose of coin in paying debts between individuals where lawful money is demanded by creditors. But I will not detain the House by further argument to prove what really needs no proof, that if the Government will issue its currency even without attaching to it a legal-tender quality it will be gladly received and used by our people as a circulating medium. It may be asked, how will this currency be brought into circulation among the people should Congress authorize its issue? On this occasion I content myself by simply advocating the great principle, not having the time to discuss the necessary details connected with bringing it into circulation. Details readily adjust themselves after principles shall have been settled and accepted.

No difficulty need, however, be apprehended, for the Government pays out annually in its various operations, exclusive of interest on the public debt, not less than $180,000,000; and this amount is annually increasing with the increasing growth of the country.

In making these payments the Government must use coin or paper currency. It has no coin to use for such purposes, hence must use

paper currency, and would of course use the currency which is thus issued directly by the Government.

Another agency for its introduction into the channels of trade would be for Congress to provide for retiring the present national-bank currency, with permission to existing banks, if they desire it, to surrender to the Government the bonds now hypothecated with the Treasurer, and obtain in lieu thereof the notes or currency of the Government thus to be issued.

Would the banks consent to this surrender and exchange? Self-interest is a strong motive-power among all men, and especially so among bankers. Their self-interest would prompt them to accept such an arrangement with alacrity, because it would enable them to obtain currency for the face-value of their bonds, instead of 90 per cent. only, as under the present law.

In the next place, they would be enabled to use all their currency in their business, dispensing with the reserve of 15 or 25 per cent. which they are now compelled by law to retain in their vaults, and not being responsible for the redemption of this currency no portion of their capital would lie dormant; all of their means could be utilized. Again, let Congress authorize a system of free banking, under proper restrictions, of which all persons can avail themselves who will take from the Government a specified amount of such currency in exchange for the bonds of the Covernment; and, thirdly, authorize the bonds of the Government to be converted into currency at the will of any holder of such bond or bonds, and, at the like will of the holder of such currency, its reconvertibility into Government bonds bearing a low rate of interest.

An objection urged against this Government currency is, that you will have more than is needed for the legitimate purposes of the business. I have already, in part, anticipated this objection by showing that the law of supply and demand will regulate and control, as it regulates and controls every other pursuit or vocation. Does any person pretend that we should regulate the number of bushels of wheat or corn that shall be produced, or the number of pounds of cotton, or beef, or of pork? Does any one pretend that the number of merchants or manufacturers, or that the quantum of their business, should be restricted and limited by law? Clearly not. All these matters are left, and wisely left, to free competition, which is but another phrase for supply and demand. Then why should the amount of currency be thus arbitrarily limited and restricted? No man engages or continues in the business of farming, of merchandising, or of manufacturing unless he finds that the business is remunerative. Why not apply the same principle to this question of currency? No man will exchange his Government bonds for Government currency unless he finds it to be his interest to do so; and he will certainly not exchange his bonds for a greater amount of currency than he can use to advantage.

I cannot appreciate the position which, while it permits trade, commerce, business of whatever nature to be perfectly free and untrammeled, places shackles upon currency which is the very life-blood of such business.

This brings me to another objection which is urged with much persistency to this currency, and that is its irredeemable character; and here let me add, if only by way of parenthesis, that our people have not had a dollar of redeemable currency since the year 1862. Twelve years of irredeemable currency and yet not a word of complaint from our people as to the character of their money for that long period of time! Is there another instance on record of such patience and moderation?

Mr. HAWLEY, of Connecticut. I would ask the gentleman whether the resolutions of the republican national convention, and the resolutions of the democratic national convention, calling a return to specie payments are not in the nature of a complaint of the insufficiency of paper money?

Mr. ORTH. I am not discussing party platforms.

Mr. HAWLEY, of Connecticut. The gentleman said there was no complaint.

Mr. ORTH. And that is a complaint, if at all, not of the people, but of the politicians who make the platforms generally.

Mr. HAWLEY, of Connecticut. I refer the gentleman also to the legislation of Congress and the repeated pledges to return to the specie standard.

Mr. ORTH. Twelve years without gold and silver as a circulating medium, and yet universal satisfaction and universal prosperity, until the vast business interests outgrew the limited and restricted amount of currency, and the crash came—a crash that would not have occurred under a system of finance such as I have indicated in these remarks. The law of supply and demand would have come to the rescue of our people; for it is generally conceded that a timely increase of so small an amount even as fifty millions of currency would have saved the country from the calamity which overtook it, and would have saved the farmers of the West and South from the heavy sacrifices they could not avoid in the sale of their products because of the insufficiency of currency.

We have had twelve years of an "irredeemable currency." This may seem a long time, but in my judgment more than twelve years will yet intervene, under our present imperfect financial system, before we have a redeemable currency.

Suppose you pass a law requiring specie payments to take place at any time in the near future, with our foreign trade showing annual balances against us, and your law will be a dead-letter upon the statute-book, both as regards the Government greenbacks and the national-bank notes. The Government cannot redeem. The Secretary of the Treasury tried that recently; fortunately for the Treasury he tried it on a very small basis and continued it for a very short period of time.

But small as were the operations and short as was the time, it demonstrated the futility of the enterprise. The national banks cannot redeem, and would not make the attempt even if required to do so. In fact I doubt very much whether it was ever contemplated that the national banks should pay specie for their notes. If such ever was the intention, time has clearly demonstrated their inability to do so. If such a law were passed and its execution persisted in, the result would be to wind up every national bank in the country and throw upon the Government the duty of redeeming their paper, a duty which the Government could perform only so long as such a financial crisis would not bring the Government bonds to less than 10 per cent. below par. Whenever the bonds dropped below that figure, as they assuredly would, the Government would find itself as helpless as the banks, and then we should have an irredeemable currency, with this added disadvantage, that faith in the financial ability of the Government would also be impaired. Why this clamor for specie payment in certain sections of the Union and among a certain class of our people?

In this commercial age gold possesses but little if any value as a currency in the ordinary transactions of life. As a standard for the settlement of balances of trade between the different nations of the earth it alone possesses any real value, because those balances can only be adjusted by what the world recognizes as the standard of financial value. The debtor nation on the day of settlement must provide this standard for the liquidation of its balances; and hence, to avoid the ruinous effect of such adjustment of balances, it is the part of prudence in every nation so to conduct its commercial affairs as to avoid the balance of trade being against it. In other words, that nation acts most wisely which purchases of another such an amount of commodities only as it can pay for by an exchange of its own productions.

The nation which constantly, or for a long series of years, buys more than it sells, will be crippled, harassed, and eventually bankrupted. I see no other road to specie payments, or rather assimilation in value between gold and paper money, than for our people to buy from foreign nations only to the extent that such foreign nations receive in payment our own products. When this is done, then resumption becomes an accomplished fact; for when there is no foreign demand for our gold, it will possess no greater value as a circulating medium among our people than a paper currency in which they have confidence; and need I add, in the light of our experience for the last twelve years, that a paper currency based upon the faith and credit of this great Republic possesses to the utmost extent the confidence of our people, and to a greater extent than any other system of paper currency which has yet been devised.

Let us so shape our policy, both by legislation and the concurrent action of our people, as to avoid foreign indebtedness; go to our own workshops in preference to the workshops of Europe; patronize our own laboring men in preference to the laboring men of the Old World; furnish to our people a currency of uniform value, of undoubted security, and of sufficient volume to meet their demands, and we shall be wiser, happier, and more prosperous, both in our individual and national capacity.

Mr. MAYNARD. If the gentleman from Indiana [Mr. ORTH] will allow me before he sits down, I wish to direct his attention to a question in regard to the loss of national-bank notes. As I understand the law it is this: that a national bank returning its own notes to the Treasury for cancellation, or an equal number of legal-tender notes, can take up its bonds, but not otherwise. The practical effect, the gentleman must see as the law now stands, is this: that whatever bank-notes are lost, the law must inure to the benefit of the Treasury.

Mr. ORTH. I thank the gentleman from Tennessee for calling my attention to this point. In reply I would say that he is aware the percentage of loss is very considerable. Bankers put it, I believe, at about 1 per cent. per annum. But whether the percentage is greater or less, I grant that as the law now stands the banks cannot receive their bonds so long as there is any portion of their currency outstanding, but only the interest on such bonds. But if at the end of fifteen, ten, or five years, after the termination of the present national-bank system, you will find still such an amount of bank-notes unpresented it will eventually be a question for Congress to say whether the bank shall have the benefit of that loss or not. And I think every fair-minded man will give the answer that, having taken the risks and chances of loss in banking, the banks are entitled to their legitimate profits, and this is one of the legitimate profits of the banks. At all events, without any action on the part of Congress, the banks will continue to draw interest on the bonds which are hypothecated for the unredeemed or lost notes, and hence practically the banks receive the benefit of such loss.

Mr. MAYNARD. If the gentleman and I should live that long, which is hardly probable, or if we should both happen to be then in this House, which is far less probable, I infer from what he has said that when that question comes up he and I will be found on different sides of the record. My opinion is that the Government,

and not the banks, ought to have the benefit accruing from this loss of bank-notes.

Mr. ORTH. I would ask the gentleman from Tennessee this question: Would the Government, so long as the notes are unredeemed and unpresented at the Treasury, if the banks have gone out of existence, refuse to pay the interest on the bonds; and at what period of time in the far distant future could the Government undertake to stop the interest on the banks' bonds?

Mr. MAYNARD. When the Government closes the bank system, that question will of course be disposed of on equitable principles according as the facts may then be.

Mr. SMITH, of Ohio. The bank owns the bond after it is wound up. Can the Government confiscate that bond?

Mr. MAYNARD. The Government will pay it when it is due, I suppose.

Mr. SMITH, of Ohio. To whom?

Mr. MAYNARD. To the holder.

Mr. COBURN obtained the floor, and yielded five minutes to Mr. PACKARD.

Mr. PACKARD. I desire to speak but a very few minutes. I have not taken the floor for the purpose of delivering a speech on the pending bill. I do not wish to swell the huge volume of financial literature which has been written and spoken and printed and scattered to the four quarters of the nation during the last two months; a mass of "green and gold" literature which, if bound together in one book and opened, with its back resting on the center of the continent—Saint Louis or Du Luth—would extend over the entire land and lave its shining leaves in the waters of both oceans. If I should make my contribution to that volume it would be utterly lost to the world; for who among mortals would ever turn the pages of the ponderous book?

Some months ago, before this debate began, I did intend to make a speech, in defiance of the warning "O that mine enemy would write a book!" But I had no plan. I confess it, sir; I had no financial plan. But there was an advantage in this; I could bring to the study of the subject a mind free from prejudice. I began to read; and I read until I appreciated as never before the words of the wise man, "Of the making of many books there is no end." Then I studied the country. I went over it step by step and foot by foot. I looked into all the banking-houses, the counting-rooms, the grain-elevators, the stock-yards, the sheep-folds, the barns and separators of the whole country. I visited and interviewed the broker of Wall street, the husbandman hauling his grain to the railroad depot, and all the middlemen of every sort that come between the two; and I collected a mass of material for a speech which would alarm the House if I had not already said that I was not going to make one. These materials would be in my hands like clay in the hands of the potter. But I do not know that the country will miss my speech much in the ages that are to come; I do not know that the country will lose much if I do not mold and fashion this wealth of materials into the usual form of twenty-seven columns in the RECORD; but I do know that it would lose a great deal during the hour and ten minutes; for I should of course ask to have my time extended, which I should occupy in preventing by so much a speedy settlement of this question to the relief of the depressed business interests of the country. And for that reason I refrain from making the speech. But I want to say very earnestly and very seriously, and I say it reluctantly, for I love all beautiful things, and true eloquence is my especial delight; hence I should rejoice to listen to my fellow-members; but it seems to me now that the eloquence of silence, varied by the roll-call, would be the sweetest music in the country's ears. It seems to me that we should best serve the country and our constituents if we should say at once what we intend to do, so that the depressed business interests of the country may be relieved, and have a firm foundation on which to rest and feel secure.

I only want to add now, in conclusion, that my researches have not been in vain. I have found food for reflection, thought-germs which have developed into principles, which I shall endeavor to embody in my votes, that they may be felt rather than heard.

Briefly, I name a few of the points, which like finger-boards will guide my action:

First. Inflation is dangerous, and so is contraction. Just enough currency to make the hinges of business turn smoothly is the amount the country needs.

Secondly. The country, especially the West and South, has now less than the necessary amount of currency; and there is contraction seriously crippling business interests. A moderate increase to the level of business wants is not inflation; beyond that would be.

Thirdly. No man, or class of men, ever was or ever will be wise enough to determine just how much currency the country needs.

Fourthly. The amount of currency necessary varies with the times and seasons; hence its volume should have the quality of elasticity.

Fifthly. It would be wise to set our faces goldward, and move on our way carefully and circumspectly; not running or hastening, lest we stumble and fall.

Sixthly. We ought to embody these principles in law as speedily as possible. I am ready to vote at once for any measure that will come nearest to doing this.

That is all I desire to say.

Mr. HEREFORD. Mr. Speaker, several weeks have been occupied during this session in the discussion of the various financial theories; some favoring expansion and others contraction. The whole of this discussion has arisen out of the financial panic of last fall.

All that I shall attempt on this occasion will be to give some of the causes of the depressed condition of the South, Southwest, and West. And in doing this I hope I shall indulge in no spirit of acrimony. Nor is it my wish that anything I shall say shall in the least stir up any sectional feeling—far be it from me. We have had enough of that, and my whole course in life has been to allay any such feeling. But the South, Southwest, and West are beginning to be very restive under our present system of legislation, and they now appeal to you to stop before it is too late; before the people become too much aroused to allow their reason and better judgment to control. I fear that this session is to pass away without anything being done for their relief.

The sections that I have alluded to desire an equal distribution of the national-bank circulation, an increase of the volume of legal-tenders, and free banking with proper restrictions. All they ask is *fair dealing*, and that in *all things* the legislation of Congress shall treat all sections alike. The national-bank circulation authorized by law is $354,000,000; of this sum the six New England States have $110,489,966, nearly one-third, of which sum Massachusetts alone has $59,523,671, over one-sixth. Is this equal and just legislation? The five Middle States, New York, New Jersey, Pennsylvania, Delaware, and Maryland, have $124,608,139. So that the six New England States, with a population of 3,487,924, have nearly as much as these Middle States, with a population of 10,716,715.

These eleven States have $235,098,105, leaving only $118,901,895 for the remaining twenty-six States and ten Territories. In fact the New England States alone have nearly as much of the national-bank circulation as all of these twenty-six States and ten Territories. The New England States, as shown heretofore, have a population of 3,487,924, and these twenty-six States and Territories a population of 24,353,732.

No wonder New England is rich and the South *poor*. No wonder New England is rich and prosperous, and the teeming millions of the great West, almost begging for bread, unable to pay their taxes—asking at the hands of Congress an extension of time in which to make payments upon lands purchased from the Government at nearly nominal prices. Massachusetts alone has more of this bank circulation than all of the fourteen Southern States, including the District of Columbia, together with the great States of Michigan, Wisconsin, Iowa, Minnesota, and Nebraska. Is it surprising the South should complain? Are you astonished that the grangers of the West are aroused and that the mighty tramp of that great army of husbandmen is heard all over their rolling prairies? These figures are taken from the Report of the Comptroller of the Currency for 1873, page 7.

Again, in the same report, page 11, we are told that in the New England States the circulation per head is $31.68. In the Western States, including the great State of Illinois, the circulation is only $7.09 per head. Well may that great State join in this procession. But the most startling disclosure is yet to be made. In the Southern States the circulation per head is only $2.91; in Massachusetts $40.84 per head. Is not all this unwise, unequal, and unjust legislation? Is it not sufficient to render these people of the West and South discontented? Is it not enough to irritate? Is it any wonder these States demand a change?

But some say, "O, it would make no difference if you of the South and West had more banking capital; your condition would not be bettered; the capital would find its way to the East." We ask you to let us be the judge of that. If increase of bank circulation does not benefit, why do you cling to it with such tenacity?

The people of the South, Southwest, and West demand a fair, just, and equal distribution of this circulating medium, and they will have it. If the Forty-third Congress will not give it to them, and also an increase of legal-tenders, they will rise in the might and majesty of their power, and send men to the Forty-fourth Congress that will give it to them, that will do equal and exact justice to all, North, South, East, and West. This is in part what these people want. You may call it by whatever name you please, whether it be contraction, expansion, or inflation. Let the New England States give up a part of their excess of $70,000,000, and supply as far as is needed the deficiency of $51,000,000 that exists in the South and of $21,000,000 that exists in the West.

But we are told the bank circulation of the United States is larger now *per capita* than before the war. Grant it as applied to the whole country; it is not true when applied to the oppressed and downtrodden South. By this same report we are shown that in 1862 in the Southern and Southwestern States the circulation was $71,098,408; in 1873 only $38,160,308. By the census of 1860 these States had a population of 12,071,694; in 1870 a population of 13,543,347. The figures speak for themselves; they constitute my argument and my appeal for justice, just and equal legislation.

These facts, figures, and comparisons constitute some of the reasons why this section of our country are so clamorous; why they are in such financial distress. But these are not all the reasons, this is not all of the unequal and sectional legislation of which we complain. As dark as the picture is that I have presented our wrongs do not stop there.

Turn with me now from the report of the Comptroller of the Currency to that of the Commissioner of Internal Revenue of the same year. According to the theory of our Government and of all just governments, taxation should be equal and uniform; that is, the people of one State should not be made to pay more to support the General Government than another, their wealth being the same. The Secretary of the Treasury estimates that for the year ending June 30, 1875, the revenue received from all sources will be in round numbers $305,700,000. One hundred and eight millions, or more than one-third, is derived from internal revenue; of that the State of Virginia paid last year the enormous sum of $7,343,799, while the whole of the New England States only paid for the same period the sum of $5,515,554.03; and the great State of Pennsylvania only paid $7,826,275. Now, notwithstanding Virginia is compelled to pay this amount of $7,343,799.29 annually into the national Treasury, yet that same Government, after having taxed her State banks out of existence, will only furnish her, as we have before seen, in national-bank currency the sum of $3,902,342. So that we have presented to us the spectacle of a government forcing $7,000,000 of revenue from a State, and only furnishing or allowing the same State one-half of that amount in currency with which to meet the demand. And that same State also has to pay her State, county, and municipal taxes. How can a State prosper under such government? The States of Florida and Mississippi are in about the same condition; the State of Illinois in nearly as bad a condition. She is only allowed a bank circulation of $17,824,209, and has to pay the General Government annually as internal-revenue tax (or did in 1873) the sum of $16,493,169.34. If the grangers of Illinois will cast about them they will see that there is some other cause for their financial paralysis than the railroad monopoly—there is a congressional legislative monopoly, unequal legislation.

It is urged by some that we need no more circulation; that we have an abundance. This cry comes principally from New York and the other large cities—the same parties who besieged the parlors of President Grant in New York last September, urging that there should be issued the $44,000,000 of reserve; but now that these parties have had time to call in from the interior their many millions, they desire contraction. One day they demand increase of circulation, the next contraction.

Let us very briefly examine the question as to whether we have a sufficient circulation. We have already seen that the amount required for the purposes of the National Government alone for the ensuing fiscal year is $305,700,000; by the census of 1870 the amount of tax to be raised annually by the States for State, county, and municipal purposes is $280,591,521, making as the total of the national, State, county, and municipal taxes to be raised and paid by the people the next fiscal year the enormous sum of $586,291,521.

Now, the whole national-bank circulation, fractional currency, and legal-tenders on November 1, 1873, was only $759,161,230; deduct from that amount the proportion to be held in reserve, and it only leaves us a circulating medium of $631,020,512.

The chairman of Banking and Currency places our *actual available* circulation down as low as $400,000,000; but I think I am safe in saying that our *whole* circulating medium is not more than the above sum; so that every year every dollar of our circulation is used in paying our taxes, national, State, county, and municipal; and every dollar of this has to be paid in money. It is true it is not all drawn out of circulation at the same time; it is true it is all paid out again during the year; but a considerable portion of it lies in these vaults a good portion of the year. I mention this as one of the great demands for money. The greater the demand for anything the more we ought to have. In 1861, before the war, the national, State, county, and city taxation per annum only amounted to $175,000,000; now, nearly $600,000,000. But these constitute only a small part of the demands of the people for a circulating medium. The people of this country, when the tax-gatherer makes his annual visit, could use the scriptural language of the one to whom was given the one talent, "I knew thee that thou art a hard man, reaping where thou hast not sown, and gathering where thou hast not strewed."

It seems to me that the simple statement of these facts and figures is a sufficient proof that we need more circulation. We certainly need it in the South and West.

But let us pass on. I said in the commencement that in all just governments the burdens and benefits of government should be equally distributed. I have shown you that Virginia alone paid into the national Treasury last year for internal revenue alone the enormous sum of $7,343,799, while all of the New England States only paid for the same purpose the sum of $5,575,554.03. I might continue these comparisons between the different sections of the country, but I will not trespass on your patience. We have heretofore seen the unequal distribution of the national-bank circulation; now let us see the character of the distribution, the expenditure of the public money.

In Senate Executive Document No. 12, on page 18, we find that the Secretary of the Treasury tells us that there have been expended for public works from June 30, 1865, to June 30, 1873, in the six New England States, $12,186,602.32; in the five Middle States, $21,189,318.24; while during the same period there was only expended in the States of Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, Arkansas, Missouri, Kentucky, and Tennessee the sum of $9,784,506.51. There has been expended in my own State, West Virginia, the small sum of $5,094.25, while during the same period she has paid into the national Treasury for internal revenue the sum of $6,255,606.16. Is such legislation just and equal? O, but we are told that this internal-revenue tax is upon the luxuries, such as tobacco. This is a great fallacy. It is a direct tax upon the labor, the industry of the people. Go out into the tobacco-fields on a hot, broiling day and ask the tobacco-raiser if he thinks the labor in which he is engaged is a luxury. But this unjust legislation does not stop here. The tobacco-raiser is not even permitted to sell his tobacco in the leaf to his country merchant for the necessaries of life unless the tax is first paid; he cannot sell it to the sheriff to pay his taxes!

Nor is this all. We find by the report of the Commissioner of Intenal Revenue for the year 1868, page 321, that there was collected from the cotton-growing States as a tax upon raw cotton for the years 1866, 1867, and 1868, the enormous sum of $64,679,681.53 by a law as oppressive, tyrannical, and unconstitutional as ever passed a legislative body.

There is also now lying in the Treasury of the United States the sum of $14,410,429.17, the proceeds of the sales of captured and abandoned property to which the Government lays no claim.

There is now due from the United States and passed to the credit of the various southern contractors for carrying the mails before the war the sum of $341,078,52, and there is as much more due that has not as yet been examined. This amount of nearly $700,000 thus far has been virtually confiscated. In view of all these facts that I have thus hurriedly grouped together, is it any wonder the South is in an impoverished condition? Are you any longer astonished that there should be such a universal demand for relief; for more money; for inflation, if you please?

One more instance of this partial and oppressive legislation. We have heretofore shown that during the years 1866, 1867, and 1868, when the South was impoverished almost to starvation, a tax was imposed on raw cotton, by which in those three years there was collected from the southern people the enormous sum of $64,679,681.53! Yet by the same law, when the northern manufacturer had manufactured this same cotton into fabrics and exported it out of the country, he was allowed a drawback equal to the amount of this tax imposed. Yet no drawback was allowed the producer if he exported. The practical operation of such a law was simply to transfer this $64,679,681.53 from the pockets of the impoverished southern producer to the plethoric pockets of the northern manufacturer.

It seems to me that the present contest stands thus: The moneyed power holds in its clutches the national-bank circulation and the legal-tenders—they owe no one; they have nothing to sell; no lands, wheat, corn, cotton, tobacco, or cattle. On the other hand we have the landed interest; those who have lands, wheat, corn, tobacco, cotton, and cattle for sale.

If we have greater circulation, more money, the landed power and the agricultural interest will be benefited; they will receive more for everything they have to sell. The contractionist, the moneyed power, wishes to increase the value of their dollar; to make a given amount buy more land, cotton, tobacco, wheat, and corn, and to compel the debtor to give more of these articles to them to pay their debts; and they denounce all as corrupt who will not aid them.

The contest which we now witness is no new struggle. It took its rise immediately after the formation of our Constitution—the moneyed power under the leadership of Hamilton, and the landed interest headed by their noble and trusted leader Thomas Jefferson. The contest is most truthfully and graphically described by ex-President Van Buren in his work entitled Political Parties in the United States.

No one is more desirous of returning to a specie or hard-money standard than I am; but that is impossible at this time and under the present system of national legislation. A very radical change must take place; and no one will more cheerfully assist than myself in inaugurating a system of legislation that will hasten that period when the General Government shall be entirely and forever divorced from the control of the moneyed power of the country; when this overshadowing power of national-bank monopoly will be destroyed.

Mr. MCNULTA. I ask unanimous consent to have printed in the RECORD an amendment which I shall desire to offer when in order.

There was no objection, and it was so ordered.

The proposed amendment is as follows:

Amend the bill by inserting after the proviso at the end of section 3, limiting outstanding notes at $400,000,000 the words:

Provided further, Whenever any person shall deposit with the Treasurer bonds of the Government bearing not less than 5 per cent. interest, in sums of $1,000, or any multiple thereof, for not less than thirty days nor more than two years, such person shall receive therefor an equal amount of non-interest-bearing legal-tender notes of the Government, commonly called greenbacks. The interest on such bonds shall cease for the whole time they may remain in the custody of the Treasurer, and such person, or his assignee or legal representatives, may at any time within the time for which they were deposited withdraw such bonds in sums of $1,000 by returning to the Treasurer an equal amount of legal-tender notes, which, when so returned, shall be destroyed; and whenever any bonds are not withdrawn within the time for which they were deposited, the Treasurer shall, after giving ten days' notice in some newspaper of general circulation published in the city of Washington, sell the same for legal-tender notes, an amount of which equal to the amount of bonds sold shall be destroyed; the residue, after paying all expenses of such sale, shall be held subject to the order of the person who deposited such funds, or his legal representatives.

Mr. ELDREDGE. Mr. Speaker, on the 1st day of April, when the gentleman from Connecticut [Mr. HAWLEY] was making a speech, I

addressed to him some interrogatories, and those interrogatories and the answers made to them I now ask the Clerk to read.

The Clerk read as follows:

[Mr. HAWLEY, of Connecticut, addressed the House. His speech is withheld for revision.]

Mr. ELDREDGE. Before the gentleman sits down, let me ask him a question. I understood him to say there was no man so near or dear to him that, if he opposed him on this doctrine which he has been endeavoring to illustrate, he would support for office. I wish to ask the gentleman from Connecticut if he does not know, after the Supreme Court had decided against the validity of the legal-tender notes, that General Grant before his last election reconstructed that court? I ask him if, after all that which he pronounced against it, he did not support General Grant himself when he ran the last time for the Presidency?

Mr. HAWLEY, of Connecticut. I do not see any conundrum in that at all.

Mr. HEREFORD. And that, too, in order to give validity to greenbacks, which the gentleman from Connecticut has denounced as a thing to which he was opposed.

Mr. ELDREDGE. I do not think the gentleman is so ready to repudiate his party, or any man who stands so near to him, because he differs from him in opinion on a subject of this sort.

Mr. E. R. HOAR. If the gentleman from Connecticut will allow me I will answer, and I will do it in one word.

Mr. ELDREDGE. Let the gentleman from Connecticut answer. He has declared that, for himself, he would support no man who does not square with him on this question of finance, as he enunciated it to-day.

Mr. HAWLEY, of Connecticut. I do not know exactly what the gentleman is driving at, but he seems to charge me with inconsistency in supporting General Grant for the Presidency at the last election. General Grant has declared himself uniformly, from beginning to end, in favor of resumption of specie payment. I do not make the issue upon the constitutionality of greenbacks in time of war. I say there was great doubt, even under the war necessity, that we had a right to issue them, but I regard that question as settled. I regard the Supreme Court as having decided we had the right under the pressure of the great calamity of war to issue them. At all events the discretion rested with Congress, and Congress having exercised it, it remained only for the Supreme Court to say we had that power. I am not fighting on the constitutionality of the original issue.

Mr. ELDREDGE. Let me ask the gentleman to answer my question. He has not yet come to the point. It is well known to the country that the Supreme Court, as organized before the appointment of the new judges, had come to the decision that "greenbacks" were unconstitutional as a legal tender. General Grant, for the purpose of reversing that decision, or having them declared valid, reorganized the Supreme Court, when a new decision was made. Yet the gentleman from Connecticut supported with all his power and influence General Grant for the Presidency after the occurrence of these events.

Mr. HAWLEY, of Connecticut. I could go on for some considerable time to explain that reorganization of the Supreme Court, but I do not know that I could commit the question to better hands than to the gentleman from Massachusetts, [Mr. E. R. HOAR,] to whom I yield the floor.

Mr. E. R. HOAR. The fact is not as the gentleman from Wisconsin states it.

Mr. ELDREDGE. I have put the question to the gentleman from Connecticut and I want him to answer.

Mr. E. R. HOAR. That slander has been repeated from the stump until it has once or twice been put squarely down. I published a letter, under my own hand, giving the dates, which contradict it perfectly, and the gentleman is utterly mistaken about it.

Mr. ELDREDGE. I do not wish the gentleman from Connecticut to appear by counsel. [Laughter.] I wish him to answer it himself.

Mr. E. R. HOAR. I am stating a fact. It is not a matter of ability, it is a matter of truth; and I say the gentlemen who were put upon the bench of the Supreme Court were nominated before the first legal-tender decision was given. Their nomination was sent in to the Senate on the morning of the very day on which that decision was given and reached the Senate before the decision was given in the Supreme Court, and when it was reported in Washington that the decision of the court was going to be the other way. There was no more reason to believe those two gentlemen would give a different opinion on the legal-tender question from that which the court first gave than there was that Chief Justice Chase would give a different opinion—nor half so much at the time they were nominated.

Mr. ELDREDGE. The gentleman from Massachusetts knows and the country knows very well the decision would have been one way if there had not been added two other judges, and he knows very well the decision was finally a different way with these two other judges.

Mr. E. R. HOAR. But the gentleman said that these gentlemen were put there to reverse the decision.

Mr. ELDREDGE. I did not say any such thing.

Mr. E. R. HOAR. I understood the gentleman to say so. He said General Grant reorganized the court "for that purpose."

Mr. ELDREDGE. I stated that it was very well known to the country that the decision was against the validity of the greenbacks as a legal tender, and that after that two judges were added to the bench, and then there was a different decision.

Mr. E. R. HOAR. They were not; and there is where I differ from the gentleman. I say that their nomination was sent in before that decision was given.

Mr. ELDREDGE. They took part in the decision, but if the decision had been given before it would have been different from what it was, and the gentleman knows it.

Mr. E. R. HOAR. They were appointed before the decision was made.

Mr. ELDREDGE. That makes no difference. That does not alter the case. The Supreme Court had considered the question, and two judges were added afterward, and a different conclusion was come to.

Mr. E. R. HOAR. But they were appointed before.

Mr. ELDREDGE. I do not care when they were appointed. They did sit in the case, and the gentleman knows it.

Mr. RICE. I move that the House do now adjourn.

The SPEAKER. The gentleman has not the floor for that purpose.

Mr. ELDREDGE. I appreciate the courtesy of the gentleman from Illinois very much.

Mr. RICE. Is my motion in order?

The SPEAKER. It is not, because the gentleman from Wisconsin has the floor.

Mr. ELDREDGE. It will be perceived by the House that in what was said in answer to the questions I put to the gentleman from Connecticut I was charged with slander, and an insinuation was made that what I said was untrue. Now I have taken the pains to look up this matter, and what I shall say now is in vindication of the facts of history. I hold in my hand 12 Wallace's Reports, in which there is a note appended on page 528 to the case of Hepburn vs. Griswold, which was the legal-tender case in which a decision was come to by the court and afterward changed by additional judges being put upon the bench. That note is to the following effect:

Hepburn vs. Griswold, it is stated in the opinion of the court in the case, was decided in conference November 27, 1869, (8 Wallace, 626,) there being then eight judges (the Chief Justice and seven associates) on the bench, the lowest number to which the court had been reduced. One of them, Justice Grier, resigned February 1, 1870. The judgment in Hepburn vs. Griswold was announced from the bench and entered February 7, 1870. Mr. Justice Strong was appointed February 18, 1870, and Mr. Justice Bradley March 21, 1870, and the order for the present argument was made by, and the argument itself heard before, the court of nine, as constituted by the act of April 10, 1869.

Now, I have taken pains to send to the Senate and ascertain what the record there shows. The gentleman from Massachusetts [Mr. E. R. HOAR] says that the nomination of these two judges, Justices Strong and Bradley, was made before the decision was announced; but he added, on the same day. Now, I find that the decision was announced on the 7th day of February, 1870, and that both nominations were made and sent to the Senate on the 8th day of February. The confirmation by the Senate of the nomination of Justice Strong was on the 18th of February, 1870, and that of Justice Bradley on the 21st of March, 1870.

Now, there is the record as it stands in the Senate to-day, as I understand it. It shows that the nominations of those two justices were sent in on the 8th of February, the decision having been announced on the 7th, one day previous. But the point which I made was that the decision was known before the nomination of these judges. In 8 Wallace I find this statement:

It is proper to say that Mr. Justice Grier was a member of the court when this cause was decided in conference, (November 27, 1869,) and when his opinion was directed to be read, (January 29, 1870,) stated his judgment, &c.

So that the Supreme Court, as it was organized before the appointment of these two judges, came to their decision on the 27th of November, 1869, and ordered their decision to be promulgated and read on the 29th of January, 1870.

Mr. MAYNARD. Will the gentleman when he reads from a volume of Supreme Court reports have the goodness to indicate, so as to get into our reporters' notes whether he is reading from the opinion of one of the judges or from the notes of the Supreme Court reporter?

Mr. ELDREDGE. I indicated the note when I read it.

Mr. MAYNARD. I did not so understand it.

Mr. ELDREDGE. And I find still further in connection with this matter, upon examining a file of the New York Tribune, that on the 1st of February, 1870, the Washington correspondent of that paper wrote that the Supreme Court had come to a decision, which was ordered to be rendered, and that it would unquestionably be against the validity of the greenbacks as a legal tender. That letter is dated January 29, 1870. It was stated in that letter that the decision would be rendered one week from that time; and it was, in fact, rendered one week from that time.

At the time I was making my remarks in interrogation of the gentleman from Connecticut [Mr. HAWLEY] I said that I had no dates by me, that I spoke only from general recollection. My general recollection is, and I think that is the recollection of a majority of the members of this House, that from the time the Supreme Court came to its decision in its consultation-room and ordered its decision to be read, on the 29th of January, 1870, it was generally understood in the country that a decision had been come to, and that it was against the validity of the legal-tenders. It was certainly announced in the New York Tribune by its regular correspondent one week before the decision was actually read and promulgated what it would be.

Now I leave the facts to the country to determine whether I slandered anybody, or stated that which was untrue. I submit, not my motives, but that the facts justify the position which I took on that day. I think they do not justify the gentleman from Massachusetts [Mr. E. R. HOAR] in saying that it was a slander, when I simply stated the facts.

Mr. E. R. HOAR. If I have said anything uncourteous regarding the gentleman from Wisconsin [Mr. ELDREDGE] I should most deeply regret it, because in the debates in this House I propose to treat every gentleman with respect.

I said the other day that that was a slander which had come from the stump. I said that the gentleman from Wisconsin was misinformed as to the facts, was mistaken. I supposed that was courteous, and imputed nothing derogatory to him individually. I said that the charge against the President of the United States of reorganizing the Supreme Court for the purpose of reversing its decision upon the legal-tender question—and that is what the gentleman said; that is what appears in the RECORD as his statement, and it was to that I was replying—I said that statement was based upon a misapprehension of the facts, which I knew and which I stated to the House.

The gentleman now says to the House that he has sent to the Senate and obtained information that the nominations of the two judges in question were made on the 8th of February, 1870. Now, wherever he may get his information, I repeat again that he is misinformed, and that such information is not true. I have myself to-day shown the gentleman a copy of the Washington Chronicle, published on the morning of the 8th of February, 1870, which contains the legal-tender opinion delivered the day before, Monday, (the day on which the court delivers opinions,) with an editorial statement that it was delivered the day before. The same paper contains an announcement of the nominations sent to the Senate by the President the day before, the 7th of February, 1870, of these two judges; and it contains biographical notices of them, and an editorial stating the regret of the editors that the court should have announced their decision without waiting until the court was full, or at least consulting the two new judges that had

been added to the court. And I have no doubt that if the gentleman from Wisconsin [Mr. ELDREDGE] will look up a copy of the Evening Star of Washington of Monday, February 7, 1870, he will find in it the announcement of the appointment of both of those judges.

From my relations to the Administration at that time, and I may say from some relation to the question of filling those vacancies which is not likely to make me forget it——

A MEMBER. The nominations went through your office.

Mr. E. R. HOAR. Yes; they went through my office; and therefore I know those nominations were made out and sent to the President before the legal-tender decision was made, before I knew or had any reason to know what it was to be. I suppose the court kept their own counsels; they do about their decisions. I suppose the correspondents of the papers sent off their guesses as to how that question was to be decided. And the gentleman would probably find, upon examination, that in the New York Tribune the guess of the correspondent was one way, in the World another, still a third way in the Herald, and so all over the country.

I know it was reported in this city on the morning of the day on which the decision was given that it was to be the other way. And with my knowledge of Chief Justice Chase, I must say that I gave him the credit of sharing in that opinion until it was delivered. Now the charge is that the appointment of those two judges was made to secure a reversal of a decision already made.

I presume, of course, the gentleman from Wisconsin is correct in saying that he obtained his information from the Senate; but in that case the person sending him the information was mistaken. I can suggest how the mistake may have happened. When nominations are sent to the Senate, if that body does not at once go into executive session they may be laid on the table; and thus, although these nominations went in on the 7th, they were not perhaps put on the record of the Senate until the 8th. That they went in on the 7th I know to be the fact. But the selection of those gentlemen as judges had been made weeks before; their nominations were actually made out before that time in the office of the Attorney-General.

It is a gross injustice to those eminent and honorable men to say that they were put upon the bench at that time for the purpose of reversing an opinion of the court. Mr. Justice Strong's nomination had been agreed on, as was understood, for weeks before. That of Mr. Justice Bradley was recommended, as I understand, by the whole bench and bar of New Jersey without distinction of party.

Mr. ELDREDGE. Was it not known to the gentleman and to the whole country that Justice Strong's opinion on this subject was what he afterward declared from the supreme bench?

Mr. E. R. HOAR. I decline to be interrupted by the gentleman; I ask him not to do it; I am coming to the point he suggests.

That Mr. Justice Strong, whose nomination had been for some weeks talked of and understood to be agreed on, was of the opinion that the legal-tender act was constitutional is undoubtedly true. He had, as judge of the supreme court of Pennsylvania, given an opinion—one of the ablest, if not the ablest, delivered by any State judge—in favor of the constitutionality of that act. But was that a reason why he should have been excluded from the nomination, or why it should be said that he was picked out for a particular purpose and not on account of his eminent professional record, the purity of his character, and his marked fitness for the office which he now adorns? If such a rule had been adopted, I can only say that the judges of every State court in the Union that had passed upon the question, with the exception of the State of Kentucky, (and in that State the chancellor, the ablest of the highest judges there, gave a dissenting opinion,) would all have been excluded, because every State court before which the question had arisen (with the single exception I have indicated) had sustained the constitutionality of the legal-tender act. If such a rule had been followed, the President must have gone around groping to find somebody adverse to the general sentiment of his party and the general sentiment of his country to take a position on the supreme bench.

I say to this House and to the country that the selection of those two gentlemen was made on character, on professional eminence, on fitness for the office; and whether the slander was originated by one man or another, it is a slander upon them to attribute their appointment to their subserviency upon a particular question or for a particular interest. Their appointment was sent to the Senate before the decision on the legal-tender act was announced.

As to Mr. Justice Bradley I will make only one further remark. I did not know at that time what his opinions were on this question; I supposed they were those of the great mass of the republican party to which he belonged. I said to a friend of his, "I suppose Mr. Justice Bradley agrees with the republican party on this legal-tender question." The answer was, "I do not know whether he does or not; I never heard him say anything about it. All that I do know is that he was the attorney of a corporation that had issued before the war bonds that were still outstanding; and he advised them that both honor and honesty required them to pay the principal and interest in gold." That remark, concurring very much with the views I had entertained, satisfied me that I should be willing to take his judgment on one side or the other, as that of an honest and upright man, upon the constitutionality of the legal-tender act in time of war.

The SPEAKER. The gentleman from Indiana [Mr. COBURN] is entitled to the floor, and yields to a motion to adjourn.

Mr. MAYNARD. I gave notice yesterday that I had been instructed by the Committee on Banking and Currency to move the previous question at the close of the debate to-day. As matters now stand I cannot make the motion. If the House, desiring to bring the debate to a close, will vote down the motion to adjourn and hear the gentleman from Indiana to-night, I will then make the motion; or if the House decides to adjourn, I will accept that as an indication of the sentiment of the majority, and will allow the debate to go on awhile to-morrow before moving the previous question.

Mr. RANDALL. I call for the regular order.

ENROLLED BILLS SIGNED.

Mr. PENDLETON, from the Committee on Enrolled Bills, reported that the committee had examined and found truly enrolled bills of the following titles; when the Speaker signed the same:

An act (S. No. 42) granting a pension to Caleb A. Lamb, late a musician in Company E of the Forty-sixth Regiment of Indiana Volunteer Infantry.

An act (S. No. 100) for the relief of Lieutenant Alonzo V. Richards;

An act (S. No. 204) for the relief of Robert Bent and Jack Smith;

An act (S. No. 217) granting a pension to Julia A. Smith;

An act (S. No. 310) for the relief of W. W. Elliott;

An act (S. No. 316) granting a pension to Elizabeth F. Thompson;

An act (S. No. 317) for the relief of Henry C. Smith, of Indianapolis, Indiana;

An act (S. No. 361) granting a pension to Sciotha Brashears, late of the Seventeenth Regiment Kentucky Cavalry;

An act (S. No. 366) for the relief of Oliver Powers;

An act (S. No. 387) granting a pension to Captain Benjamin Farley, Company C, Fifth Indiana Cavalry;

An act (S. No. 449) granting a pension to Mrs. Amy A. Hough;

An act (S. No. 512) to extend the time for completing the Wisconsin Central Railroad in Wisconsin;

An act (S. No. 518) granting a pension to Benjamin C. Skinner;

An act (S. No. 548) granting a pension to Christiana Bailey; and

An act (S. No. 566) granting a pension to Lucinda Schrum, widow of Jacob Schrum, late of Company A, Forty-ninth Regiment Missouri Volunteers.

SENATE CURRENCY BILL.

Mr. BUTLER, of Massachusetts. I desire to move that the Senate bill No. 617, being the currency act, be printed, and I desire further to give notice that after the morning hour to-morrow morning I will move to go to the business upon the Speaker's table for the purpose of taking up this bill for consideration.

Mr. MAYNARD and Mr. MERRIAM objected.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to Mr. WOLFE for two weeks; to Mr. LAWRENCE for two weeks from to-day; to Mr. STORM for one week; and to Mr. COBB, of North Carolina, for the remainder of this week.

SARAH FOX.

On motion of Mr. BUTLER, of Tennessee, by unanimous consent, leave was granted for the withdrawal of the papers from the files of the House in the case of Sarah Fox, no action having been had on the case.

WAR CLAIMS.

Mr. SENER, by unanimous consent, introduced the following resolution; which was referred to the Committee on Printing:

Resolved, That there be printed for the use of the House three thousand copies of Report No. 262, of the present session, on War Claims.

And then, on motion of Mr. MERRIAM, (at ten minutes after five o'clock p. m.,) the House adjourned.

PETITIONS, ETC.

The following memorials, petitions, and other papers, were presented at the Clerk's desk, under the rule, and referred as stated:

By Mr. BROWN: A paper relating to the establishment of certain post-routes in Kentucky, to the Committee on the Post-Office and Post-Roads.

By Mr. BUTLER, of Tennessee: The petition of T. H. Colvin, guardian, for pension to the minor children of Daniel G. Noble, deceased, to the Committee on Invalid Pensions.

Also, the petition of Lucinda Storms, for a pension, to the Committee on Invalid Pensions.

By Mr. CASON: The petition of William Cook, of Lebanon, Indiana, for a pension, to the Committee on Invalid Pensions.

By Mr. CREAMER: The memorial of Allen B. Wilson, of Waterbury, Connecticut, for extension of letters-patent, to the Committee on Patents.

Also, the petition of Jasper M. Whitty, late captain Sixty-ninth New York Volunteers, for a pension, to the Committee on Invalid Pensions.

By Mr. LYNCH: The petition of freedmen employed in hospitals at Natchez, Mississippi, for compensation, to the Committee on Claims.

By Mr. MAYNARD: The petition of Phelps, Dodge & Co. and others, of New York City and Boston, merchants, importers, dealers

and workers of tin-plates, that the *ad valorem* duty on tin-plates be changed to a specific duty, to the Committee on Ways and Means.

By Mr. PENDLETON: The petition of merchants, importers, dealers and workers of tin-plates, in Rhode Island and elsewhere, of similar import, to the Committee on Ways and Means.

By Mr. SLOAN: The petition of 3,500 citizens of Georgia, for the establishment of a polling place for every five hundred voters, to the Committee on the Judiciary.

Also, the petition of James Johnson, late collector of the port of Savannah, Georgia, for relief, to the Committee on the Judiciary.

By Mr. WELLS: The petition of Martha G. Roady, widow of Hugh L. Calloway, deceased, late private Second Tennessee Cavalry, for a pension, to the Committee on Invalid Pensions.

By Mr. WOODFORD: The petition of John E. Burke, late lieutenant One hundred and sixty-second New York Volunteers, to be placed on the pension-rolls, to the Committee on Invalid Pensions.

IN SENATE.

WEDNESDAY, *April* 8, 1874.

Prayer by Rev. E. D. OWEN, of Washington, D. C.

The Journal of yesterday's proceedings was read and approved.

PETITIONS AND MEMORIALS.

Mr. FRELINGHUYSEN. I present a petition, numerously signed by manufacturers of New Jersey, asking that a specific duty of one cent per pound on tin may be adopted; thus doing away with the conflicting appraisements between market value and cost prices. Tin must be contracted for some months beforehand; so there is always a conflict between the actual cost and market value at the time of shipment. If an importer contracts for tin in January at thirty cents a pound and in March it sells at twenty-five cents, the contractor must invoice the tin at thirty cents; if it rises to thirty-five cents he must invoice the tin at thirty-five cents, while the foreign commission merchant invoices his goods at the time of shipment, thus giving him a great advantage over the American importer; and any advantage given to the commission merchant is also an advantage given to foreign commerce. I call the attention of the Committee on Finance to this numerously signed petition.

The PRESIDENT *pro tempore*. The petition will be referred to that committee.

Mr. INGALLS presented a letter from the Secretary of the Interior, addressed to the chairman of the Committee on Indian Affairs, transmitting a copy of a letter from the Commissioner of Indian Affairs and one from Enoch Hoag, superintendent of the central superintendency, protesting against the passage of House bill No. 1725, providing for the sale of the Black Bob lands in Kansas; which was referred to the Committee on Indian Affairs, and ordered to be printed.

Mr. JOHNSTON presented petitions of manufacturers and dealers of Christiansburgh, Virginia; Charlottesville, Virginia; Alexandria, Virginia; Danville, Virginia; Dublin, Floyd Court-House, Virginia; Farmville, Virginia; Lynchburgh, Virginia; Norfolk, Virginia; Portsmouth, Virginia; Petersburgh, Virginia; Richmond, Virginia; and Staunton, Virginia, praying for the conversion of the present *ad valorem* duty on tin plates into a corresponding and equivalent specific duty; which were referred to the Committee on Finance.

He also presented the petition of Bernard Pitzer, of Roanoke, Virginia, praying compensation for property taken and destroyed by troops of the United States in 1863; which was referred to the Committee on Claims.

Mr. CLAYTON presented additional papers in the case of the claim of Cane Hill College, for compensation for the loss of a church destroyed by fire; which were referred to the Committee on Military Affairs.

Mr. CONKLING presented the petition of the International Ocean Telegraph Company, praying to be allowed a register for the steel-clad steamship Suffolk; which was referred to the Committee on Commerce.

Mr. LEWIS presented the petition of G. H. Bernhard, praying compensation for subsistence and lodging furnished to recruits for the Fourth New York Cavalry; which was referred to the Committee on Military Affairs.

Mr. SARGENT presented a petition of citizens, dealers, and manufacturers, citizens of California, praying that an import duty of one cent per pound on tin plates, including the boxes, may be substituted in lieu of the present *ad valorem* duties; which was referred to the Committee on Commerce.

Mr. LOGAN presented the petition of citizens of Elmwood and vicinity, Illinois, asking an increase of the volume of currency and for free banking; which was referred to the Committee on Finance.

He also presented a petition of citizens of Clinton and Madison Counties, Illinois, for the passage of a law preventing the manufacture, sale, and importation of intoxicating liquors; which was referred to the Committee on Finance.

He also presented the petition of Robert McDonald and others, soldiers of Company G, Forty-eighth Regiment Illinois Volunteers, praying that the charge of desertion may be removed from their record; which was referred to the Committee on Military Affairs.

Mr. GOLDTHWAITE presented the petition of William G. Jones, of Mobile, Alabama, praying the removal of his political disabilities; which was referred to the Committee on the Judiciary.

PAPERS WITHDRAWN AND REFERRED.

Mr. DAVIS. I ask that E. M. Dennison, upon whose claim an unfavorable report was made a few days ago, be allowed to withdraw his petition and papers.

The PRESIDENT *pro tempore*. If there be no objection that order will be made, the Secretary retaining copies.

REPORTS OF COMMITTEES.

Mr. PRATT, from the Committee on Claims, to whom was referred the petition of Alexander Kennedy, praying compensation for cotton taken and used by United States troops, under command of General A. E. Burnside, in November, 1863, submitted an adverse report thereon; which was ordered to be printed, and the committee was discharged from the further consideration of the petition.

Mr. MITCHELL, from the Committee on Claims, to whom was referred the bill (H. R. No. 1271) for the relief of John T. Watson, of Cincinnati, Ohio, reported it without amendment.

Mr. WRIGHT, from the Committee on Claims, to whom was referred the petition of Charles W. Adams, praying compensation for certain stores sold to officers of the United States for the use of the army at Brownsville, Texas, in January, 1864, submitted an adverse report theron; which was adopted and ordered to be printed.

Mr. OGLESBY, from the Committee on Indian Affairs, to whom was referred the memorial of John Beeson, asking the appointment of a delegation composed in part of women to visit the Indian tribes and devise means to improve their condition, reported adversely thereon; and the committee was discharged from the further consideration of the memorial.

Mr. SARGENT, from the Committee on Naval Affairs, to whom was referred the memorial of certain surgeons of the United States Navy, asking for the rearrangement of the dates of their commissions, submitted an adverse report thereon; which was ordered to be printed, and the committee was discharged from the further consideration of the memorial.

Mr. BOREMAN, from the Committee on Claims, to whom was referred the petition of William B. Matchett, praying payment for clerical services in the Treasury Department, submitted an adverse report thereon; which was adopted and ordered to be printed.

Mr. LOGAN, from the Committee on Military Affairs, to whom was referred the bill (H. R. No. 2093) for the relief of General Samuel W. Crawford, United States Army, reported it with amendments.

Mr. CONOVER, from the Committee on Naval Affairs, to whom was referred the bill (S. No. 134) for the relief of Daniel S. Mershon, jr., reported it without amendment, and submitted a report thereon; which was orderd to be printed.

Mr. SCOTT, from the Committee on Claims, to whom was referred the petition of Isaac H. Morris, of Arkansas, praying compensation for machinery sold by the Government as abandoned property, amounting to $10,000, and interest from March 1, 1864, to January 1, 1873, submitted an adverse report thereon; which was adopted and ordered to be printed.

Mr. SCOTT. I am also directed by the same committee, to whom was referred the bill (S. No. 669) referring the petition and papers in the case of Robert M. and Stephen A. Douglas, in so far as the same relates to cotton seized, to the Court of Claims, to report it back with a recommendation that it pass. I make this report in the absence of the Senator from North Carolina [Mr. MERRIMON] who had it in charge.

SHELVES BETWEEN DESKS IN SENATE CHAMBER.

Mr. FERRY, of Michigan. I am directed by the Committee on the Revision of the Rules, to whom was referred a resolution in relation to the placing of shelves between the desks in the Senate Chamber, to report it back without amendment. I ask for the present consideration of the resolution.

There being no objection, the Senate proceeded to consider the following resolution, heretofore submitted by Mr. MORRILL, of Vermont:

Resolved, That no shelves shall be allowed to be placed between any desks in the Senate until the Senate shall take some action in relation thereto.

Mr. BAYARD. Why should this matter take the shape of a resolution? If it be the desire and for the convenience of two Senators to have a shelf between their desks upon which books and papers may rest, why not allow them to do it? Gentlemen who do not desire to have these shelves between their desks need not have them there. The other day the Senator who sits on my right was suggesting to me the great convenience of having a little shelf placed between our tables, which might hold the bills and papers that are constantly accumulating. I do not see why a stringent resolution should pass the Senate on this subject. The Senators who desire to have a thoroughfare between their tables can preserve it; no one will have a right to put a shelf there; but where Senators sitting next each other desire for mutual convenience that a shelf should be placed between their desks, I really can see no objection to it. I submit it is a great deal better to leave these matters to the individual predilections of members as to one side of their own desks. It would not of course form

a continuous bar in either the outer or inner circle of desks; but I have found (if I may give my own experience) so much convenience from having a bench between my table and the adjoining one that I should be sorry to be deprived of the right to have one, and indeed I was about to ask leave to have it done or give directions to the Sergeant-at-Arms to have it placed there. For that reason I should be sorry to see a resolution prohibiting such a convenience if Senators desire it. Unless there be some better reason given for it than I can think of, I shall vote against the resolution.

Mr. FERRY, of Michigan. The resolution did not originate with the Committee on the Revision of the Rules, but was referred to the committee, and they have unanimously reported in favor of its adoption. If the Senator from Delaware will remember, it is but a short time since the railing surrounding the outer seats of the Senate has been removed; and one objection to that railing was because of the passages that were made in order to accommodate the railing to the seats of Senators. It compelled Senators who were sitting interiorly, between the passages, to move either foward or in the rear to allow the outer members to reach the seats of members on the interior. The Senator from Delaware and others who are seated on the outer row do not meet the inconvenience that Senators find who occupy interior seats. The difficulty in passing by or passing in does not affect them, but it does other Senators.

If two Senators sitting together have a shelf between their desks we cannot well prevent other Senators from having the same accommodation, and I have found in several instances that it has been a serious inconvenience in getting in and out of the seats. The Senator who introduced the resolution saw that if one Senator had a shelf placed for his convenience, it would lead to other shelves being placed, and the space being once broken in upon, there could be no objection to shelves being put between all the desks; and if that were done, Senators will see how difficult it would be to reach the seats. The only way then would be to go around and pass through and interrupt Senator after Senator until the seat was reached to which the Senator might be entitled. I hope the resolution will pass.

Mr. DAVIS. I wish to add to what the Senator from Delaware so well said about shelves, that the Senator from Virginia [Mr. LEWIS] and myself had agreed to have one on the left-hand side of my seat to be jointly used, leaving the right-hand on either side of us open. I hope Senators who do not want shelves will not deprive those who do wish them of the privilege. It seems to me to be out of the regular order.

Mr. TIPTON. On this side of the Chamber we have a left hand, and if each one would fill up his left hand, the rows would be filled up and no one could get out. That is our difficulty.

Mr. STOCKTON. I am not aware that any serious difficulty has yet arisen between any Senators in this body in reference to ingress or egress from their seats. I think in the Senate of the United States the individual members of it can arrange these things among themselves so satisfactorily that the Senate will not be required to pass any law on the subject. I am sure that the gentlemen sitting on my side of the Chamber are so amiable that no shelf will be put up that any Senator will object to. In regard to those gentlemen who sit on the inner circle objecting to those who are unfortunate enough to be on the outer circle having shelves between their desks, I have only to say that I think, being in the inside ring, they ought not to complain too much of those who have the misfortune to be away off where we find it so difficult sometimes to attract the attention of the Presiding Officer, and where we often cannot hear, and are unfortunate enough sometimes not to be able to make ourselves heard. The inside seats are considered the choice seats, and if a Senator in getting to them should have to pass around one desk and pass between the next two, I do not think it is a hardship that requires the action of a law; at least until there is some complaint made. I think that this will be a very proper resolution when any Senator or any number of Senators shall find themselves incommoded by the method in which such shelves shall be put up.

Mr. HAMLIN. When this resolution was offered to the Senate my impressions were that it was not called for and that it might perhaps be unwise to adopt it. On reflection, however, I have changed my opinion, and as a member of the committee I agreed to its report. I think it ought to be adopted, and I will state in a very few words why I think so.

In the first place Senators who sit upon the outer row of seats are not troubled in getting to or retiring from their seats. They do not labor under the same difficulty that we do who have interior seats. The rule would not, therefore, apply to them as it would apply to other members of the Senate not situated as they are.

It is said that as the seats were formerly arranged I could not approach my seat without disturbing the Senator upon my right or upon my left. I think it was an annoyance to them. If it was not, I know it was an annoyance to myself to be obliged every time I took my seat or left it, if those Senators were occupying theirs, to ask them kindly to remove. I was obliged to do so. The Senate ordered the seats to be changed. They are now changed, and I can approach my seat without difficulty. I can reach the seat of every other Senator in this body with whom I wish to confer without disturbing anybody.

Now, if the Senator from New York [Mr. CONKLING] who sits next me and myself shall agree that we will put a shelf between his desk and mine, it might be very agreeable to us; but I do not know the rule that the Senate could apply by which my esteemed friend on my right [Mr. HOWE] should not put a shelf between his desk and mine as well. Now, as the seats are, each Senator can approach and leave his seat undisturbed, each Senator can approach every other Senator without disturbing anybody. Put in your obstructions in one case, and it leads to putting them in in another, and I do not see how you are going to draw distinctions. Where two Senators agree to have a shelf, the next may want one in the same way, and you thus lead to the difficulty of creating a great trouble, the same trouble that existed before in the case of Senators going to and from their seats, or you enforce a rule that will allow a part of the Senators to have these benefits and the others not.

With these views I thought it wise to adopt the resolution, and I think so now.

The resolution was agreed to; ayes 26, noes not counted.

BILLS INTRODUCED.

Mr. BUCKINGHAM asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 680) for the relief of certain persons of African descent resident in the Choctaw and Chickasaw Nations on the 28th day of April, 1866; which was read twice by its title, and, with the accompanying papers, referred to the Committee on Indian Affairs.

Mr. SARGENT asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 681) to secure anti-monopoly cable communication between Europe, America, and Asia, by W. Cornell Jewett and his associates; which was read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed.

Mr. SARGENT. I wish to say, in introducing this bill, that I do not indorse the statements in the preamble of it.

DELINQUENCIES OF GOVERNMENT OFFICERS.

The PRESIDENT *pro tempore*. If there be no further morning business the Secretary will report the Calendar.

Mr. DAVIS. A few days ago I offered a resolution calling upon the Secretary of the Treasury for information as to the indebtedness of paymasters, quartermasters, collectors of internal revenue, collectors of customs, and officers of the Freedmen's Bureau. As I do not desire to call for any information but what is deemed proper, I ask that that resolution be now taken up for the purpose of having it referred to the Committee on Finance.

There being no objection, the Senate proceeded to consider the following resolution, submitted by Mr. DAVIS on the 27th of March:

Resolved, That the Secretary of the Treasury be, and he is hereby, requested to furnish the Senate a statement in detail showing the amounts due and yet unpaid to the Government from January, 1865, to the present time from paymasters, quartermasters, commissaries, collectors of internal revenue, collectors of customs, officers of the Freedmen's Bureau, or any other officer or set of officers whose accounts are under his supervision; that he further inform the Senate how such of the delinquencies as have been arranged have been settled, whether by compromise, dismissal, or otherwise; and that he further inform the Senate the names of all of said delinquents, and from what States they were appointed, and whether there are any suits now pending for the recovery of such moneys, and, if so, against whom and for what amount.

Mr. DAVIS. I move the reference of the resolution to the Committee on Finance.

Mr. WEST. I offer an amendment to the resolution, which I also ask to have referred to the Committee on Finance. It is to strike out all after the word "resolved" and insert:

That the Secretary of the Treasury be directed to furnish the Senate a statement in detail showing the amount of defalcations to the Government from March 4, 1853, to March 4, 1873; what amounts have been paid, and what amounts are due and yet unpaid, from paymasters, quartermasters, commissaries, collectors of internal revenue, collectors of customs, officers of the Freedmen's Bureau, or any other officer, or set of officers, whose accounts are under his supervision; that he further inform the Senate how such of the delinquencies as have been arranged have been settled; whether by compromise, dismissal, or otherwise. And that he further furnish the Senate the names of all said delinquents, and from what States they were appointed; and whether there are any suits now pending for the recovery of such moneys, and, if so, against whom and for what amount. And the Secretary of the Treasury is further directed to tabulate the information herein required, throughout the several Administrations since the 4th of March, 1853, so that the relative collections and disbursements of public money and the percentage of defalcations during each period of four years shall be exhibited.

The PRESIDENT *pro tempore*. The resolution and amendment will be referred to the Committee on Finance.

ASBURY DICKINS.

Mr. ANTHONY. The Senator from Wisconsin [Mr. HOWE] entered yesterday a privileged motion, to reconsider the vote on the passage of the bill for the relief of the heirs of Asbury Dickins. I suppose of course the Senator does not wish to delay action on the bill; and as it has been discussed so much and the discussion is now fresh in the recollection of Senators, if he is prepared to take up that motion now, it seems to me it would be better for all concerned to have it disposed of. I wish to consult his convenience about it.

The PRESIDENT *pro tempore*. Does the Senator move to proceed to consider the bill?

Mr. ANTHONY. Yes, sir; I make that motion if the Senator from Wisconsin is ready to go on with it.

The motion was agreed to; and the Senate resumed the consideration of the bill (H. R. No. 1580) for the relief of the heirs of Asbury Dickins.

The PRESIDENT *pro tempore*. The question is on the motion of the Senator from Wisconsin [Mr. HOWE] to reconsider the vote by which the bill was passed.

Mr. HOWE. Mr. President, I entered that motion to reconsider not because I felt any assurance that I could present to the Senate any argument upon the question of law involved which had not already been presented, but several Senators said to me before the vote was taken that I ought to say something upon the question, because I had served for a very long time upon the committee from which this bill comes, and I noticed that the majority in favor of the passage of the bill was not large.

Mr. MORRILL, of Vermont. The committee reported against it.

Mr. WRIGHT. The majority of the committee were opposed to the passage of the bill.

Mr. HOWE. I am speaking of the majority of the Senate. The majority of the Senate in favor of the passage of the bill was not large, and I thought I would enter the motion to reconsider and submit two or three observations to the Senate.

In the first place, Mr. President, I must say that I concur entirely in the views urged here so forcibly by the majority of the Committee on Claims. To my mind there is no principle of law and there is no sentiment of equity which calls for or will justify the payment of this claim. I understand precisely how ardently a Senator like my honorable friend from Rhode Island, [Mr. ANTHONY,] who knew the father of these claimants, and cherishes still for him that warm personal regard that I understand is felt for him by all who ever knew him, may be induced to favor the appropriation of a small sum of money to the heirs of that very excellent gentleman. But that Senator will admit, and every Senator will admit, that the dictates of our personal sympathy are not a safe guide for the appropriation of public money.

The first question the Senate ought to consider is, have these claimants a legal claim on the United States? I agree that if they have, the mere lapse of time since the claim originated is very far from being a reason why it should not be paid now. It is an additional reason why it should be paid. So far as that, I concur entirely with what was said by the Senator from Oregon, [Mr. MITCHELL;] but I respectfully submit that the long period which has elapsed since this claim is said to have originated is a very strong circumstance to show that the claim is not well founded. It is astounding, Mr. President, that the Congress of the United States should have refused for year after year and for a quarter of a century, obstinately refused, to pay such a man as Asbury Dickins a few thousand dollars, when by the laws of his country and of your country he was entitled to those thousands.

Mr. ANTHONY. Will the Senator allow me to make a suggestion to him?

Mr. HOWE. Yes, sir.

Mr. ANTHONY. The Senate did not refuse, but the Senate, time after time, passed the bill, and the House of Representatives passed it also; only they did not pass it at the same session.

Mr. HOWE. I say, Mr. President, it is astounding that, not the Senate, but the Congress which represents this country, should have refused for year after year and for a quarter of a century to pay to such a man as Asbury Dickins a few thousand dollars which by the law of this country Asbury Dickins was entitled to. I think my friend from Rhode Island, I think any Senator on this floor will concede that Congress was and is much more likely to pay a few thousand dollars to such a man as Asbury Dickins was, to which he was not legally entitled—pay it to him as an act of grace, an act of courtesy, an act of kindly consideration, of favoritism if you please, than to withhold from him a dollar which was legally his.

It is not only astounding that the Congress should have refused to recognize this claim, but it is astounding that Mr. Dickins himself should not have known of it for a great many years; I do not remember just now how long after the claim arose. Upon the theory pressed here, here was a citizen entitled to several thousand dollars out of your Treasury, and the Government did not know it, and he did not; and yet the Government knew every fact on which the claim rested, and he knew every fact on which the claim rested. What were those facts? Ashbury Dickins held an office. He held office, I believe, all his life, or all the latter part of his life. He held a specific office, which entitled him to a specific salary, but did not charge him with specific duties. He was a chief clerk in some one or more of the Executive Departments of the Government. What were his duties as chief clerk? The Senator from Oregon cannot tell us; the Senator from Rhode Island cannot; the Senator from Indiana cannot.

Mr. MITCHELL. I can tell the Senator that it was no part of his duties as chief clerk to act as Secretary of State or Secretary of the Treasury and perform the duties of head of those Departments *ad interim*.

Mr. HOWE. I said the Senator from Oregon could not tell what were his duties as chief clerk. He undertakes to tell me what they were not. My honorable friend on my left [Mr. HAMLIN] says that he can tell. I will listen with a great deal of pleasure.

Mr. HAMLIN. That was a remark which I made to my friend; but if he calls on me I will tell why this claim has not been allowed before. It is for the very reason that such minds as my friend from Wisconsin possesses have been possessed by other men who have been here before us, and they have attempted to satisfy the Senate that we should not pay a just claim because there are other claims like it that should be paid if we paid that; and if they did not have that argument on which to reject it, there would be some other. I insist that these old claims mainly grow stale by objections that do not address themselves to my mind as substantially sound; and that is the reasons claims grow old here. That is my judgment.

Mr. HOWE. The Senator may have answered some question remarkably well; but he has not answered the question I put. Instead of showing that he was capable of answering it, he simply shows that he did not know what the question was. I did not submit the question why this claim had not been paid. I asked the simple question what were the duties of chief clerk of one of your Executive Departments.

Mr. HAMLIN. I thought my friend asked, and I thought he asked it of the Senator from Rhode Island, why has not this claim been paid; and he said it was astounding that Congress had not passed it long before, and I gave the reason why they had not done it.

Mr. HOWE. The Senator undertook to give a reason. I had passed that point in the discussion a good while. I do not accept his reason as a conclusive reason why Congress should pay this claim now. I turn to my friend from Oregon; he does not say what are the duties of the chief clerk of one of your Executive Departments. He does undertake to say with considerable confidence that it was not one of his duties to discharge the functions of a Secretary of State or a Secretary of the Treasury. How does he know? Who told him it was not his duty? What statute says it was not his duty? I undertake to tell the Senator that it was his duty at that time. Why? Because he held an office which subjected him to the control of his superior, which charged him with this one duty of doing what he was told to do by his superiors in accordance with law.

Mr. PRATT. Will the Senator allow me to interrupt him for a moment? Mr. Dickins did not discharge these duties under the direction of his superior in office, but under an appointment made by President Andrew Jackson, made in conformity with the act of 1792.

Mr. HOWE. Was President Jackson the superior in office of the chief clerk or was he the inferior?

Mr. PRATT. I supposed the Senator referred to his immediate superior.

Mr. HOWE. No; I said his superior in office. In accordance with law his superior in office assigned to this chief clerk on some day certain duties in the office of the Secretary of State, on other days certain duties in the office of the Secretary of the Treasury, instead of discharging any duty in the office or in the room of the chief clerk. That was all. He was transferred from one room in an Executive Department to another room in that Department. That was all. He filled just one office, no more, no less. The law entitled him to just one salary, no more, no less. He spent so many hours, no more, no less. He ought to have compensation for it. He did have compensation for it, the very compensation for which he had agreed to work for the country. When he was discharging the duties of Secretary of State he was not discharging the duties of any other office. He could do but one duty at a time.

Mr. PRATT. Will the Senator allow me to interrupt him at that point?

Mr. HOWE. Certainly.

Mr. PRATT. The Senator says that when he was discharging the duties of Secretary of the Treasury he was not at the same moment discharging the duties of chief clerk, unless he was able indeed to perform both duties at the same time. Now the purport of the bill before us is to give him the compensation of the Secretary of the Treasury during the time he was discharging the duties of Secretary of the Treasury; not to pay him double for duties performed at the same time as chief clerk and as Secretary of the Treasury, but simply the compensation which the law provided at the time for the Secretary of the Treasury.

Mr. HOWE. The law provided a compensation for the Secretary of the Treasury, provided a Secretary of the Treasury, and paid a Secretary of the Treasury. This man never filled the office of Secretary of the Treasury. He sat there in his room some hours and some days when a Secretary of the Treasury was not needed, when he could be absent from his room, when there were mere clerical duties to be discharged, and this man was designated under authority of law to discharge those clerical duties, and he received for his labor precisely the compensation for which he had agreed to work for the United States.

Now what becomes of either the legal or the equitable claim? He received all the money which he asked for, all the money which he expected, all the money which upon his own judgment his services entitled him to, all that the Government could afford to pay, for it paid a Secretary of the Treasury and a Secretary of State their full salary.

It is said that this case went before the Court of Claims, and the Court of Claims decided that he was entitled to this money. What did the Court of Claims know about it? I have heard it argued that we referred it to the Court of Claims and we ought to be bound by their adjudication. Not at all; we never agreed to be bound by their adjudication at that time, as the court was then constituted. We sent it to them to get facts and to report a decision, requiring their decision to come here for confirmation or for rejection, as the case might be. We never did agree to refer it to the Court of Claims. The Court of Claims did decide, however, that he was entitled to certain money. What money? The money provided for in this bill? By no manner

of means. The Court of Claims decided that he was entitled to the pay of chief clerk because he was chief clerk, and that he was entitled to the pay of Secretary of State because he sat in the place of the Secretary of State, the double compensation of the two offices. You cannot quote the authority of the Court of Claims. You set your heel on it as you ought to do. There was never any law in it. The Committee on Claims all of them reject it as authority. Whatever the opinion of Mr. Blackford and his associates is worth, you may receive it as such, but not as authority. It is not authority.

Mr. PRATT. If the Senator will allow me, I will adduce another authority right in this connection, which has not been brought before the Senate at all. It is the authority of the First Auditor in the Treasury Department, his certificate dated August 11, 1849, in which he certifies that he has "examined and adjusted the account between the United States and Asbury Dickins," and finds "that the sum of $3,976.19 is due from the United States to said Dickins for his salary as acting Secretary of the Treasury, acting Secretary of State, and chief clerk of the Treasury Department, under previous decisions of the First Comptroller and approved by the Secretary of the Treasury, as follows," and then he gives the particulars. This is dated August 11, 1849.

Mr. HOWE. Why was it not paid?

Mr. PRATT. It was not paid at that time because there was no appropriation applicable to it.

Mr. HOWE. O, there was plenty of appropriation. These officers had lots of money under appropriations for all your civil service rendered in pursuance of law. This Auditor was put there for the very purpose of adjusting all these accounts. There was money in the Treasury to pay them. That is not the reason. That decision was undoubtedly overruled by the Comptroller, or he revoked it—one of the two. It was not paid, simply because somebody who stood between the Auditor and the Treasury said that that decision was not just, was not right.

Mr. President, a decision of Judge Taney's has been cited here. It was cited, I noticed, several times yesterday as a judgment rendered in the Supreme Court of the United States. I had an indistinct recollection of the case. My impression was that it was not a judgment rendered in the Supreme Court of the United States, but was rendered by the circuit judge of the Maryland circuit. Upon looking for the case this morning I find that my impression was correct. It was rendered by Judge Taney in the circuit court. What was the case? A Navy agent was sued for a balance due the Treasury. He filed a set-off, and among the items in his bill of particulars was a salary which he claimed while he performed the office of acting purser of the Navy. What did Judge Taney say about that? Three things. First, that the law authorized, or did not forbid a man to hold two offices. In that he was right. Second, that the Secretary of the Navy had authority—he does not say what it was—but he had authority to appoint not merely pursers, but acting pursers where there was a public exigency calling for them. Third, that there was an exigency calling for the appointment of an acting purser at Annapolis, and that he appointed this man White acting purser, and the law, Taney said, affixed the salary of $1,500 for the services of a purser or an acting purser; and therefore since White held the office of Navy agent by a regular appointment, and held the office of acting purser by a regular appointment, and since the law appended to the office of Navy agent a certain salary and to the office of acting purser another salary, he was entitled to the pay of the acting purser. There is no analogy between that case and this. Nobody but White was paid for doing the duties of an acting purser at Annapolis; all your pursers were employed on other duty; somebody must be appointed outside, some new man must be appointed acting purser; this man was appointed. He held two offices; so Taney said.

Mr. MITCHELL. If it will not interrupt the Senator I should like to ask a question.

Mr. HOWE. Very well.

Mr. MITCHELL. I presume the President of the United States had the power under the act of 1792 to have appointed a Secretary of the Treasury *ad interim* who was not chief clerk. Could he not do that?

Mr. HOWE. Yes, sir.

Mr. MITCHELL. Suppose he had done so and that person had performed the service, would he have been entitled to pay?

Mr. HOWE. That question is pertinent. If the President had called upon my friend from Oregon to perform the duties of Secretary of State while the Secretary of State was absent, the Senator could have accepted that commission or declined it, as he pleased.

Mr. MITCHELL. Suppose I had accepted and rendered the service?

Mr. HOWE. If the Senator had accepted he would have had fair ground for asking compensation; but he could point to no law which called on the Treasury to make compensation. Congress could have awarded him pay as Congress can award pay in this case.

Mr. MITCHELL. Under the principles of the common law would I not have been entitled legally to my pay for the services rendered?

Mr. HOWE. No, sir; not to a dime legally, simply because there was but one law which provided for a Secretary of the Treasury or Secretary of State, and that office was filled, and there was but one sum of money awarded by law to pay for those services, and another man got that money who was entitled to it.

Mr. PRATT. Suppose the Secretary of the Treasury was dead at the time, and his office was vacant and this appointment was made *ad interim*?

Mr. HOWE. Then it would be under entirely a different law.

Mr. PRATT. This law of 1792 provides for three cases: first, the Secretary being dead; or second, absent from his post of duty; or third, sick.

Mr. HOWE. The Constitution having said to the President that in case of vacancy, which would be that case, the Secretary having died, "You shall appoint a Secretary," and the law having said, "You can designate a person in that identical case," I do not know but that the President could have disregarded the Constitution and acted under the law. Instead of filling the vacancy as the Constitution called on him to do, possibly he might have turned his back on the Constitution and have designated some outside person to act like a Secretary under the statute. That case, I take it, never has occurred. I guess while we remain here it never will occur. When the office is vacant I guess it will be filled just as the Constitution requires that it shall be filled. But, Mr. President, I have not got through with replying to my friend from Oregon.

The case he suggested is not this case. I said in that case the man who was drawn from his usual avocations which he pursued for his own profit to act like a Secretary of State or like a Secretary of the Treasury might have an equitable ground for some compensation, not for the salary which the law attaches to the office of Secretary of State or Secretary of the Treasury, but for some compensation; and Congress would undoubtedly in such a case award such compensation as the man was entitled to for sitting in the chair of the Secretary and doing such clerical duties as might be performed under those circumstances.

Mr. MITCHELL. And in that event two persons would be paid as Secretary of the Treasury at the same time.

Mr. HOWE. No, sir.

Mr. MITCHELL. I cannot see why.

Mr. HOWE. One person would be paid as Secretary of the Treasury; another person would be paid by a special appropriation made by Congress for sitting in the chair of the Secretary of the Treasury acting like one while he was gone and while there was no need for one—not paid the salary of the Secretary of the Treasury, but paid so much as his services were worth. This man was paid that sum. How? By being relieved from the ordinary duties of a chief clerk.

Mr. MITCHELL. Not at all. The evidence shows that he performed both, and that he sat up when he ought to have been in bed in order to be able to perform the duties of both.

Mr. HOWE. That is a feature in the case which has just come to my attention.

Mr. MITCHELL. That is the evidence.

Mr. HOWE. That is the evidence, is it, that he sat up nights to discharge the duties both of chief clerk and of Secretary of the Treasury? I am requested to ask how it was about Sundays? Sir, neither the duty of a chief clerk nor the duty of a Secretary of the Treasury is one that can very well be discharged——

The PRESIDENT *pro tempore*. The Senator will suspend his remarks. The morning hour having expired the Senate resumes the consideration of the unfinished business, which is House bill No. 1393.

Mr. ANTHONY. The question that is now under consideration relates to the Calendar, which is made the order for to-day, and I hope the Senator from Wisconsin will be allowed to go on with his remarks. I understand that he would prefer to do so.

The PRESIDENT *pro tempore*. Is there objection to the further consideration of the bill which was under consideration at the expiration of the morning hour?

Mr. SARGENT. If we could have a vote without further discussion on the bill, I would not object; but we have already occupied a good many days upon it, much more than its importance would seem to justify, and we are making good progress with the Calendar, and I think we had better proceed with it.

Mr. ANTHONY. This is one of the bills that came up on the Calendar and passed in its regular order, but the Senator from Wisconsin entered a motion to reconsider.

Mr. SARGENT. I know it comes up on a motion to reconsider, but not regularly on the Calendar. The motion to reconsider, I suppose, carries it to its appropriate place on the Calendar. I think we had better proceed with the Calendar unless we can have a vote on the bill.

Mr. ANTHONY. There are several bills on the Calendar, I think, that will give rise to considerable discussion, and we have not passed over bills because they required discussion, but only passed them over by vote. I think we had better go on with this matter for the dispatch of business.

The PRESIDENT *pro tempore*. Is there objection to the further consideration of the bill?

Mr. SARGENT. Can it be proceeded with subject to objection by and by?

The PRESIDENT *pro tempore*. No.

Mr. SARGENT. Then I shall have to object.

The PRESIDENT *pro tempore*. The Senator from California objects. The first bill on the Calendar will be read.

Mr. ANTHONY. Where does this motion to reconsider stand on the Calendar? It attaches to the bill, does it not? The motion to recon-

sider belongs to the bill when the bill comes up. It does not go to the foot of the Calendar, does it?

The PRESIDENT *pro tempore*. It does not. If objection is made, and the Chair understands the Senator from California to object, the unfinished business is House bill No. 1393.

Mr. HOWE. Let me appeal to my friend from California to withdraw his objection until I get through with my remarks, which will be in the course of ten minutes.

Mr. SARGENT. At the personal request of the Senator, for that purpose, I will withdraw the objection.

Mr. HOWE. I suspect that I am occupying more time than I had any intention of occupying. I did not mean so much to discuss the question of law or the question of justice involved here as to call the attention of the Senate to another consideration. I think (and I hope the Senate will allow me to so say in all frankness) the Senate owes some consideration in cases of this kind to the action of the Committee on Claims. The Senate knows that I have served a very long time on that committee. I am no longer upon it. The things that I am about to say I can say now without having any personal interest in them. I have reason to thank my God every day for that sparing mercy which has saved me from the further infliction of the very disagreeable duties discharged by that committee. But, sir, the solemn fact is this: that committee is constituted of very able men, very honest men, very just men; they have to struggle hand to hand with these claimants; they have to stifle their own sympathies, their own generous and charitable impulses, every day in order to do justice to the Treasury, to the Government, and to the people of the United States; and when they have crucified their own better impulses, their own generous instincts, in order to be just and to be honest, and have come in here with a report, especially a report adverse to a claimant, the Senate should have good, sound, tangible grounds for overruling the decision of that committee. I do not find those grounds in this case. It is a sort of reflection upon the committee. When the Senate voted that this money is due to these claimants from the Treasury, it struck me yesterday—and it was that consideration which emboldened me to move the reconsideration—it sounded like a judgment of the Senate that the majority of your Committee on Claims are deaf to the appeals of justice, even when presented and urged by the heirs of such a man as Asbury Dickins. That is a judgment which this Senate does not mean to pronounce and ought not to pronounce. I know the majority of this committee have as much sympathy, as much kindness, and as much generosity as any one of us.

I have no doubt these claimants are individually very deserving. What is the sum that you propose to award? Thirty-one hundred dollars or thereabouts. If they are really needy let us pay them $3,100. We can contribute it out of our own pockets. I will join with my friends on the other side and make up that sum any day, in the morning before breakfast, or in the evening after dinner. That sum is very easily made up. You will thus satisfy your charitable inclinations, you will satisfy their claim, you will save the Treasury from a precedent which I think is altogether unsafe, and you will save the feelings of your Committee on Claims. That is all I desire to say.

Mr. MITCHELL. Inasmuch as so much has been said in regard to this matter, and in view of the fact that the minority report has never been read, I now call for the reading of that report.

Mr. SARGENT. I insist on the regular order.

The PRESIDENT *pro tempore*. The Senator from California calls for the regular order, which is now before the Senate.

TERRITORIAL JUDGES.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. No. 1393) providing for the assignment of judges in the Territories.

Mr. WRIGHT. Inasmuch as objection has been developed to this bill which was not expected, especially on the part of the committee, I trust it will be acceptable to our friends on the other side if I move that the bill be recommitted to the Committee on the Judiciary.

The PRESIDENT *pro tempore*. The Senator from Iowa moves to recommit the bill. Is there objection?

Mr. SARGENT. I do not make any objection, but I ask that an amendment which I have proposed to the original bill may accompany it back to the committee and may be printed.

The PRESIDENT *pro tempore*. If there be no objection, the bill will be recommitted to the Committee on the Judiciary, and the proposed amendment will also be referred to that committee and ordered to be printed.

PLACERVILLE AND SACRAMENTO VALLEY RAILROAD COMPANY.

The next bill on the Calendar was the bill (H. R. No. 971) to forfeit to the United States certain lands granted to the Placerville and Sacramento Valley Railroad Company, to aid in constructing a railroad from the town of Folsom to the town of Placerville, in the State of California; which was considered as in Committee of the Whole.

The bill proposes to declare forfeited to the United States all lands which were granted by Congress in the year 1866 to the Placerville and Sacramento Valley Railroad Company, to aid in constructing a railroad from the town of Folsom to the town of Placerville, in the State of California, and which have not been patented by the United States to the company under that grant, which has expired by limitation, and these lands are hereafter to be disposed of as other public lands of the United States.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

RICHARD H. DUTTON.

The next bill on the Calendar was the bill (H. R. No. 1574) for the relief of Richard H. Dutton, postmaster at Cavendish, Vermont; which was considered as in Committee of the Whole. It directs the Auditor of the Treasury for the Post-Office Department to credit Richard H. Dutton, postmaster at Cavendish, Vermont, in his account as such postmaster, with $128.68, being the amount of postage-stamps stolen from the safe of the post-office by burglars on the night of the 21st of October, 1873, without fault or negligence on the part of the postmaster.

Mr. MORRILL, of Maine. Is there a report in that case?

Mr. HAMLIN. There is a report from the House adopted by the Senate committee.

Mr. MORRILL, of Maine. Let it be read, if it is short.

The PRESIDENT *pro tempore*. The report will be read.

Mr. MORRILL, of Maine. I understand that this is an ordinary case of this sort, and I withdraw the call for the reading of the report.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

JOSEPH R. BLACKWELL.

The next bill on the Calendar was the bill (H. R. No. 676) for the relief of Joseph R. Blackwell, postmaster at Litchfield, Illinois; which was considered as in Committee of the Whole. It directs the Auditor of the Treasury for the Post-Office Department to credit Joseph R. Blackwell, postmaster at Litchfield, Illinois, in his account as postmaster, with the sum of $535.85, being the amount of postage-stamps, stamped envelopes, and money stolen from the safe of the post-office by burglars on the night of the 13th of August, 1873, without fault or negligence on the part of the postmaster.

Mr. PRATT. Let the report be read in that case.

The Chief Clerk read the following report, made to the House of Representatives by Mr. J. B. HAWLEY on the 16th of January:

The Committee on Claims, to whom was referred the bill (H. R. No. 676) for the relief of Joseph R. Blackwell, postmaster at Litchfield, Illinois, present the following report:

It appears from the evidence in this case that, on the night of August 13, 1873, the post-office at Litchfield, Illinois, was broken and entered by burglars, who forced open the iron safe in which the money and postage-stamps and stamped envelopes belonging to the Government were kept, and stole therefrom stamps and stamped envelopes to the value of $482.19, and money-order funds to the amount of $53.85. It appears from the statements of a special agent of the Post-Office Department, made in his report of this case to the Post-Office Department, under date of August 22, 1873, that he had thoroughly examined it; that the amount of postage-stamps and money-order funds above mentioned was stolen from the safe of the post-office, and without any fault or neglect of the postmaster. In a letter of the Third Assistant Postmaster-General, dated January 7, 1874, that officer estimates the probable amount of stamps and stamped envelopes on hand at the post-office at Litchfield, Illinois, August 13, 1873, at $675.84.

The committee find that Joseph R. Blackwell was postmaster at said office at the time of said burglary, and recommend the passage of bill H. R. No. 676 for his relief.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. MCPHERSON, its Clerk, announced that the House had passed the following bills; in which the concurrence of the Senate was requested:

A bill (H. R. No. 2875) authorizing the use of certain evidence;

A bill (H. R. No. 2876) to amend the coinage act of 1873; and

A bill (H. R. No. 2878) to amend the twenty-fifth section of the coinage act of 1873.

ENROLLED BILLS SIGNED.

The message further announced that the Speaker of the House had signed the following enrolled bills; and they were thereupon signed by the President *pro tempore*:

A bill (S. No. 310) for the relief of W. W. Elliott;

A bill (S. No. 317) for the relief of Henry C. Smith, of Indianapolis, Indiana;

A bill (S. No. 366) for the relief of Oliver Powers;

A bill (S. No. 100) for the relief of Lieutenant Alonzo V. Richards;

A bill (S. No. 316) granting a pension to Elizabeth F. Thompson;

A bill (S. No. 361) granting a pension to Sciotha Brashears, late of the Seventeenth Regiment Kentucky Cavalry;

A bill (S. No. 566) granting a pension to Lucinda Schrum, widow of Jacob R. Schrum, late of Company A, Forty-ninth Regiment Mississippi Volunteers;

A bill (S. No. 518) granting a pension to Benjamin C. Skinner;

A bill (S. No. 449) granting a pension to Mrs. Amy A. Hough;

A bill (S. No. 217) granting a pension to Julia A. Smith;

A bill (S. No. 387) granting a pension to Captain Benjamin Farley, of Company C, Fifth Indiana Cavalry;

A bill (S. No. 42) granting a pension to Caleb A. Lamb, late a musician in Company E, Forty-sixth Regiment Indiana Volunteers;

A bill (S. No. 548) granting a pension to Christiana Bailey;

A bill (S. No. 512) to extend the time for completing the Wisconsin Central Railroad in Wisconsin; and

A bill (S. No. 204) for the relief of Robert Bent and Jack Smith.

ERRORS IN PRIZE-LISTS.

The next bill on the Calendar was the bill (S. No. 229) authorizing

corrections to be made in errors in prize-lists, the consideration of which was resumed by the Senate as in Committee of the Whole.

The bill was reported to the Senate as amended; and the amendments heretofore made as in Committee of the Whole were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INDIANS OF NORTHERN SUPERINTENDENCY.

The next bill on the Calendar was the bill (S. No. 154) to amend the act entitled "An act for the relief of certain tribes of Indians in the northern superintendency," approved June 10, 1872.

Mr. HITCHCOCK. I object to the consideration of that bill.

The PRESIDENT *pro tempore*. Objection being made, the bill will be laid aside.

PASSAIC COUNTY NATIONAL BANK.

The next bill on the Calendar was the bill (H. R. No. 1892) authorizing the Passaic County National Bank of Paterson to change its name; which was considered as in Committee of the Whole.

The bill provides that the name of the Passaic County National Bank of Paterson shall be changed to the Second National Bank of Paterson whenever the board of directors of the bank shall accept the new name by resolution of the board, and cause a copy of such resolution, duly authenticated, to be filed with the Comptroller of the Currency; but such acceptance is to be made within six months after the passage of the act; and all expenses of such change, including that of printing and engraving, are to be paid by the bank.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

CANADIAN TUG NOAH P. SPRAGUE.

The next bill on the Calendar was the bill (S. No. 541) to grant an American register to the Canadian tug Noah P. Sprague; which was read a second time and considered as in Committee of the Whole. It directs the Secretary of the Treasury to issue an American register to the American-built Canadian tug Noah P. Sprague, owned by Edward Evans, of North Towanda, Niagara County, New York, the tug having been rebuilt in the city of Buffalo, in that State.

The bill was reported to the Senate, ordered to be engrossed for a third reading, read the third time, and passed.

The PRESIDING OFFICER, (Mr. MORRILL, of Vermont, in the chair) subsequently said: The Chair will take the liberty to call the attention of the Senate to the fact that the bill (S. No. 541) to grant an American register to the Canadian tug Noah P. Sprague is identical with House bill No. 519, of the same title, that has already passed the House of Representatives and is recommended favorably by the Committee on Commerce, to which it was referred. The Chair will therefore ask unanimous consent of the Senate to the substitution of the House bill for the bill that has already been passed by the Senate. If there be no objection, the Chair will take that to be the pleasure of the Senate, and the House bill will be considered as passed.

BUTLER, MILLER & CO.

The next bill on the Calendar was the bill (S. No. 542) for the relief of Butler, Miller & Co., of Ohio.

The Chief Clerk read the bill.

Mr. CONKLING. Let us hear the report in that case.

The Chief Clerk proceeded to read the report submitted by Mr. PRATT from the Committee on Claims.

Mr. CONKLING. The Secretary has read far enough I think to enable us to infer that this bill is like two or three others which have been postponed in order that they may be considered together. I suggest that this go with them.

Mr. SHERMAN. As I understand this bill is not a bill for damage done in war, but for actual property taken and used.

Mr. CONKLING. So I understand, and so the other bills were.

The PRESIDENT *pro tempore*. Objection being made, the bill will be laid aside.

BEDS OF UNSURVEYED LAKES.

The next bill on the Calendar was the bill (S. No. 281) ceding to the several States within whose limits they respectively lie the beds of unsurveyed lakes and other bodies of water; which was read.

Mr. CONKLING. From what committee does that bill come?

The PRESIDENT *pro tempore*. From the Committee on Public Lands.

Mr. CONKLING. Who reported it?

The PRESIDENT *pro tempore*. The Senator from Indiana, [Mr. PRATT.]

Mr. PRATT. I ask that the report be read.

Mr. SARGENT. I object to the consideration of the bill.

The PRESIDENT *pro tempore*. The bill will be laid aside.

A MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. MCPHERSON, its Clerk, announced that the House had passed the following bills; in which the concurrence of the Senate was requested:

A bill (H. R. No. 440) to amend the act entitled "An act transferring the control of certain territorial penitentiaries to the several Territories in which the same are located," approved January 24, 1873;

A bill (H. R. No. 2541) giving the consent of the United States to the erection of a bridge across the Arkansas River at Pine Bluff, Arkansas;

A bill (H. R. No. 2880) to enable William H. Ward, of Auburn, in the State of New York, to make application to the Commissioner of Patents for an extension of letters-patent for an improved bullet-machine; and

A bill (H. R. No. 2787) to provide for the sale of the present United States marine hospital and site and the purchase of a new site and erection thereon of a new marine hospital in the city of Pittsburgh, Pennsylvania.

RAILROADS IN THE TERRITORIES.

The next bill on the Calendar was the bill (S. No. 378) to provide for the incorporation and regulation of railroad companies in the Territories of the United States.

Mr. HAMILTON, of Texas. I see that the chairman of the Committee on Railroads is not in his seat.

Mr. SARGENT. I have just sent him word that this bill was likely to come up.

Mr. SCOTT. While the bill is being read the chairman will come in.

The PRESIDENT *pro tempore*. The bill will be read subject to objection.

The Chief Clerk proceeded to read the amendment reported by the Committee on Railroads, to strike out all after the enacting clause, and in lieu thereof to insert a substitute.

Before the reading was concluded,

Mr. SAULSBURY. This is a bill of too much importance to be taken up here without proper consideration. It is a provision for railroads throughout all the Territories of this country.

The PRESIDENT *pro tempore*. The bill will be laid aside, objection being made.

Mr. MORRILL, of Vermont. If the Senator from Delaware will permit me, I will suggest an amendment which I think will remove all difficulties. Let a provision be inserted that it shall have no application except in places that are deficient in railroads, and providing that they shall be removed from those States that have an excess. [Laughter.]

The PRESIDENT *pro tempore*. Debate is out of order. The next bill on the Calendar will be read, the Senator from Delaware objecting to the consideration of this bill.

Mr. STEWART. I move to postpone all other orders for the purpose of considering this bill.

The PRESIDENT *pro tempore*. That motion is in order.

Mr. STEWART. And I wish to say one word before the vote is taken, in order to discharge my duty, and then the Senate can do as it pleases. In the Territories they undertook to build railroads under territorial legislative acts. Many of the acts are very irregular; some of them authorizing counties to render local aid——

The PRESIDENT *pro tempore*. The Chair thinks this debate is out of order.

Mr. STEWART. Just one word of explanation. Great confusion now exists. This bill has been under consideration for two sessions; it has been twice considered by the Committee on Railroads, and twice considered by the Committee on Public Lands. Attention has been invited to it on all hands.

The only objection to it now is that it is rather restrictive in its provisions. It provides a general incorporation law for the Territories that will save great confusion and prevent them becoming unnecessarily involved in debt. This cuts all that off. I believe it is a bill that ought to be considered and that this is the proper time to consider it. There has been a great deal of labor bestowed on it. I therefore move to postpone all other orders and take up this bill. I think if the Senate will pay attention to it, they will all approve it.

The PRESIDENT *pro tempore*. The question is on the motion of the Senator from Nevada.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the bill (S. No. 378) to provide for the incorporation and regulation of railroad companies in the Territories of the United States, the question being on the amendment reported by the Committee on Railroads to strike out all of the original bill after the enacting clause and insert the following substitute:

That any number of natural persons not less than five may become a body-corporate for the purpose of locating, constructing, maintaining, and operating a railroad in the Territories of the United States, except the Indian Territory, with all the rights, privileges, and powers conferred by, and subject to all the restrictions of, this act.

SEC. 2. That any number of persons as aforesaid, associating to form a corporation for the purposes named in the first section of this act, shall, under their hands and seals, make a certificate which shall specify as follows: First, the name of such corporation, by which it shall be known; secondly, the name of the county or counties and Territory or Territories where the termini of said road are to be located, and the county or counties and Territory or Territories through which such road shall pass, and the general route of said road; thirdly, the amount of capital stock necessary to construct such road, which amount so specified shall not be increased without the consent of Congress. Such certificate shall be acknowledged before the judge of a territorial court of record, and certified to under seal by the clerk of said court; and a duly certified copy of such certificate shall be filed with the secretary of each and every Territory within or through which the line of road as described in the certificate will pass, and the original shall be filed with the Secretary of the Interior. A copy of said certificate, duly certified by the Secretary of the Interior under the seal of the Department, shall be evidence of the existence of such corporation.

SEC. 3. That when the foregoing provisions have been complied with, the persons named as corporators in said certificate are hereby authorized to carry into effect the objects named in said certificate, in accordance with the provisions of this act; and they and their associates, successors, and assigns, by the name and style pro-

vided in said certificate, shall thereafter be deemed a body-corporate, with right of succession, with power to sue and be sued, plead and be impleaded, defend and be defended, contract and be contracted with, acquire and convey such real and personal estate as may be convenient and necessary to carry into effect the objects of the incorporation, to make and use a common seal, and the same to alter at pleasure, and do all needful acts to carry into effect the objects for which it was created; and it shall possess all the powers and be subject to all rules and restrictions provided by this act; and the charter of such corporation shall be limited to fifty years from the date of its certificate.

SEC. 4. That such corporations shall be authorized to locate, construct, maintain, and operate a railroad, with a single or double track, with such side-tracks, turnouts, machine-shops, offices, and depots as they may deem necessary, between any points they may select upon the designated line of such road.

SEC. 5. That the capital stock of such corporation shall consist of such sum as may be named in the certificate; and the shares of stock shall be regarded as personal property, and shall be subject to execution at law. An installment of 10 per cent. on each share shall be paid in money at the time of making the subscription, and the residue thereof shall be paid in such installments, not exceeding 10 per cent. on each share of stock, as the directors may prescribe; which installments shall not be called for more frequently than once in three months, and shall be payable at the principal office of the corporation to such person or persons as may be designated by the directors.

SEC. 6. That if any installment of stock shall remain unpaid for sixty days after the time specified for payment thereon, whether such stock is held by the original subscriber, or his assignee, trustee, successor in interest, or purchaser under the provisions of this section, the same may be collected by an action at law, or the directors may sell the stock so unpaid at public auction for the installment then due thereon, first giving thirty days' public notice of the time and place of sale in some newspaper in general circulation in the Territory where the principal office of the corporation is located, and by written notice sent by mail within five days after default made to each stockholder who is in default, and whose name appears upon the books of the corporation, directed to him at his address as last reported by him to the secretary of the corporation; and if any residue of money shall remain after paying the amount due on said stock, the same shall, on demand, be paid over to the former owner

SEC. 7. That the persons named in said certificate of incorporation, or a majority of them, shall be authorized to order books to be opened for receiving subscriptions to the capital stock of said corporation, at such time or times, and at such place or places, as they may deem expedient, after having given at least thirty days' notice, in a newspaper of general circulation in each Territory through or within which such road will pass, of the time and place of opening books; and as soon as 10 per cent. on the capital stock shall be subscribed and paid, they may give like notice for the stockholders to meet at such time and place as they may designate, for the purpose of choosing five or more directors, who shall continue in office until the time fixed for the annual election, which time shall be within six months from the date when such directors were chosen, and until their successors are chosen and qualified. At the time and place appointed directors shall be chosen by ballot by such of the stockholders as shall attend for that purpose, either in person or by lawful proxies in writing; each share shall entitle the owner to one vote, and a majority of votes cast shall be necessary for a choice; but, after the first election of directors, no person shall vote on any share on which any installment is in default by reason of the non-payment thereof, after the expiration of the thirty days' notice of sale hereinbefore provided for. The persons named in such certificate, or such of them as may be present, shall be inspectors of such election, and shall certify what persons are elected directors, and appoint the time and place for holding their first meeting; a majority of said directors shall form a board, and be competent to fill vacancies in their board, make by-laws, and transact all business of the corporation. A new election shall be annually held for directors, at such time and place as the stockholders at their first meeting shall determine or as the by-laws of the corporation may require; and the directors chosen at any election shall, so soon thereafter as may be convenient, choose one of their number to be president, and shall appoint a secretary and a treasurer of the corporation. The directors, before entering upon their duties, shall each take an oath or affirmation faithfully to discharge his duties; and they may, from time to time, make such dividends of the actual net profits of said corporation as they may think proper, and shall hold their offices until their successors are elected and qualified.

SEC. 8. That the right of way through the public lands is hereby granted to any railroad corporation incorporated under this act to the extent of one hundred feet in width on each side of the center of such railroad; and the right and authority are hereby given to such corporation to take, from the public lands adjacent to the line of said road, material of earth, stone, timber, and water necessary for the construction and maintenance thereof; and ground for station-buildings, workshops, depots, machine-shops, switches, side-tracks, turn-tables, and water-stations is hereby granted to such corporation, not to exceed forty acres for every ten miles of road.

SEC. 9. That for the purpose of securing private lands and premises on the line of such road, which may be necessary and proper for the construction thereof, such corporation be, and is hereby, empowered to enter upon, purchase, take, and hold any lands or premises that may be necessary and proper for the construction and working of said road, not exceeding in width one hundred feet on each side of its center line, unless a greater width be required for the purpose of excavation or embankment; and also any lands or premises that may be necessary and proper for turnouts, standing places for cars, depots, station-houses, or any other structures required in the construction and operating of said road; and such corporation shall have the right to cut and remove trees or other material that might, by falling, incumber its road-bed, though standing or being more than one hundred feet therefrom; and in case the owner or claimant of such lands or premises and such corporation cannot agree as to the damages, the amount shall be determined by the appraisal of three disinterested commissioners, who shall be appointed upon application by any party to the territorial district court, or the judge thereof, in the district in which the lands or premises to be taken lie; and said commissioners, in their assessments of damages, shall appraise such premises at what would have been the value thereof if the road had not been built; and upon return into court of such appraisement, and upon the payment to the clerk thereof of the amount so awarded by the commissioners for the use and benefit of the owner thereof, said premises shall be deemed to be taken by said corporation, which shall thereby acquire full title to the same for the purposes aforesaid; and either party feeling aggrieved by said assessment may, within thirty days, file an appeal therefrom, and demand a jury of twelve men to estimate the damage sustained; but such appeal shall not interfere with the rights of said corporation, after having paid to the clerk the amount of the award or given such security as the court may prescribe, to enter upon the premises taken, or to do any act necessary in the construction of its road; and said party appealing shall give bonds, with sufficient surety or sureties, for the payment of any costs that may arise upon such appeal; and in case the party appealing does not obtain a more favorable verdict, such party shall pay the whole cost incurred by both parties. And the payment into court, for the use of the owner or claimant, of a sum equal to that finally awarded shall be held to vest in said corporation the title of said land, and the right to use and occupy the same for the construction, maintaining, and operating of the road of said corporation. And if the lands to be taken as aforesaid shall be held by a person residing without the Territory or subject to any legal disability, the court may appoint a proper person, who shall give bonds, with sufficient surety or sureties, for the faithful execution of his trust, and who may represent in court the person disqualified or absent as aforesaid, when the same proceeding shall be had in reference to the appraisement of the premises to be taken, and with the same effect as has been already described. And the title of the corporation to the lands taken by virtue of this act shall not be affected nor impaired by reason of any failure by any guardian to discharge faithfully his trust. And in case it shall be necessary for such corporation to enter upon any lands which are unoccupied, and of which there is no apparent owner or claimant, it may proceed to take and use the same for the purpose of its said railroad, and may institute proceedings, in manner described, for the purpose of ascertaining the value of, and acquiring a title to, the same; and the court may determine the kind of notice to be served on such owner or owners, and may, in its discretion, appoint an agent or guardian to represent such owner or owners in case of his or their incapacity or non-appearance. But in case no claimant shall appear within six years from the time of the opening of said road across any land, all claim to damages against said corporation shall be barred.

SEC. 10. That any such corporation whose right of way, or whose track upon such right of way, extends through any cañon, pass, or defile, shall not exclude any other such corporation from a passage through the same upon equitable terms; and in case of disagreement, upon application of either of the parties, the same shall be adjusted by the Secretary of the Interior, after hearing, upon reasonable notice to the parties, whose decision may be enforced by a court of competent jurisdiction; and if the passage of any such railroad through any cañon, pass, or defile causes the disuse or change of location of any public wagon-road, damages shall be awarded therefor as provided by this act.

SEC. 11. That every railroad corporation organized under the provisions of this act shall be required to commence operations on the line of its road within one year from the filing of its certificate with the Secretary of the Interior, and thereafter to grade at least ten miles each year, and to complete the whole line of its road within ten years from the date of the filing of said certificate; and if it shall fail to comply with any of the requirements of this section it shall forfeit its charter and all the rights and privileges conferred by this act as to any uncompleted portion of its line of road. Upon the written application of any party interested, made to the Secretary of the Interior, setting forth the alleged cause of such forfeiture, it shall be the duty of the Secretary, after notice to the corporation, to examine the case; and if, in his judgment, sufficient cause exists for such forfeiture, he shall notify the Attorney-General of the United States; whereupon it shall be the duty of the Attorney-General, or of the United States district attorney of any Territory in which any part of the line of said road is situated, to commence proceedings to enforce the forfeiture.

SEC. 12. That whenever any corporation organized under this act shall find it necessary, for the purpose of avoiding dangerous or difficult curves or grades, or unsafe or unsubstantial grounds or foundations, to change the location or grade of any portions of its road, such railroad corporation is hereby authorized, with the consent of the Secretary of the Interior, to make such changes, not departing from the general route prescribed in the certificate of such corporation; and for the purpose of making such change as aforesaid such corporation shall have all the rights, powers, and privileges granted by sections 8 and 9 of this act.

SEC. 13. That any corporation organized under this act shall have power to borrow money on the credit of the corporation to an amount not exceeding its authorized capital stock, at a rate of interest to be agreed upon by the respective parties, and may execute bonds therefor in sums of not less than $100, and secure the payment thereof by mortgage or pledge of the property and income of such corporation.

SEC. 14. That such corporation may acquire, by purchase or gift, any lands in the vicinity of its road, or through which the same may pass, so far as may be convenient or necessary to secure the right of way, or such as may be donated to aid in the construction of such road, and convey the same in such manner as the directors may prescribe; and all deeds and conveyances made by such corporation shall be signed by the president under the seal of the corporation.

SEC. 15. That it shall be lawful for such corporation, whenever it may be necessary, in the construction of such road, to cross any road or stream of water, to divert the same from its location or bed; but such corporation shall, without unnecessary delay, place such road or stream in such condition as not to impair its former usefulness, and shall pay any damages to private property resulting therefrom, the amount to be ascertained as provided in section 9 of this act. And in case it shall become necessary and proper for any such railroad corporation to build a bridge on the line of its road over a navigable stream, said bridge shall be built under and subject to such regulations for the security of the navigation of the stream as the Secretary of War shall prescribe; and such bridge shall be at all times so kept and managed as to offer reasonable and proper means for the passage of vessels; and such bridge shall not be built or commenced until the plans and specifications shall have been submitted to and approved by the Secretary of War; and such bridge shall be known and recognized as a post-route, upon which, also, no higher charge shall be made for the transmission over the same of the mails, the troops and munitions of war of the United States, than the rate per mile paid for their transportation over the railroads or public highways leading to said bridge. Should any change be made in the plan of said bridge during the progress of the work thereon, such change shall be subject to the approval of the Secretary of War; and all changes in the construction or any alteration of said bridge that may be directed at any time by Congress shall be made at the cost and expense of the owners thereof; and in case of any litigation or alleged obstruction to the free navigation of said river the cause may be tried before the district court of the Territory in or opposite to which any portion of said obstruction or bridge may be; and all railroad companies desiring to use any bridge constructed under the provisions of this act shall have and be entitled to equal rights and privileges in the use of the same and in the use of the machinery and fixtures thereof, and of all the approaches thereto, under and upon such terms and conditions as shall be prescribed by the Secretary of War, upon hearing the allegations and proofs of the parties in case they shall not agree.

SEC. 16. That such corporation shall, as soon as convenient after its organization, establish a principal office at some point on the line of its road, and may change the same at pleasure to any other point on said road, giving public notice in one or more newspapers in the Territory having the largest circulation and notice to the Secretary of the Interior of such establishment or change.

SEC. 17. That each and every railroad corporation incorporated under this act shall annually, in the month of January, make a full report, under the oath of the president and treasurer of said corporation, of the condition of its affairs to the Secretary of the Interior, showing the amount of the capital stock of such company subscribed and the amount actually paid in; the gross amount of receipts, and the respective resources thereof, during the previous year; the amount of road graded, the amount constructed, the cost of construction per mile, and of repairs and incidental expenses; the net amount of profits, the dividends made, and the debts and liabilities, with such other facts as may be necessary to a full statement of the affairs and condition of such road.

SEC. 18. That any railroad corporation heretofore organized under the acts of the Legislature of any Territory shall, upon filing with the Secretary of the Interior its original articles of incorporation, or a certified copy thereof, and its acceptance of this act, be recognized from and after the date of such acceptance for all the objects and purposes of this act, and shall be entitled to all the privileges and benefits and shall be subject to all the restrictions herein granted or imposed.

SEC. 19. That any corporation under this act is hereby authorized to construct, maintain, and operate a telegraph on the line of its road. The provisions of this act concerning the grant for station-buildings, workshops, depots, machine-shops, switches, side-tracks, turn-tables, and water-stations shall not apply to mineral lands of the United States, nor to any lands reserved to the United States by any

act of Congress, nor to lands upon which any homestead or pre-emption claims may exist at the time of filing the certificate of incorporation under the provisions of this act.

SEC. 20. That nothing in this act shall be construed to make the United States responsible for any debts or obligations of any character which may be contracted by such corporations. And it shall not be lawful, without the consent of Congress, for any Territory, or any county or municipal corporation within any Territory, to subscribe to the stock of any corporation authorized by this act, or that may accept its terms, or in any manner to loan its credit to such corporation. Congress may at any time, having due regard for the rights of such corporations, add to, alter, amend, or repeal this act.

SEC. 21. That the right of way through the unoccupied public lands of the United States in any State is hereby granted to any railroad corporation incorporated under the laws of such State to the extent of one hundred feet in width on each side of the center of such railroad; and the right and authority are hereby given to such corporation to take, from the public lands adjacent to the line of said road, material of earth, stone, timber, and water for the construction and maintenance thereof; and ground for station-buildings, workshops, depots, machine-shops, switches, side-tracks, turn-tables, and water-stations is hereby granted to such of said corporations as have not received aid in lands or bonds from the United States, not to exceed forty acres for each ten miles of road hereafter to be constructed, subject to the restrictions of section 19 of this act.

Mr. STEWART. The object of this bill is to afford an opportunity for persons residing in the Territories who desire to build railroads on their own money and for their own use to do so without the necessity of going to a territorial Legislature or to Congress to ask that privilege.

The territorial Legislatures in legislating on this subject passed some laws that Congress thought so objectionable that a few years ago an act was passed prohibiting the Legislative Assemblies of the Territories from passing any more laws in regard to it. Some years later it was modified so as to legalize those acts to some extent. It was alleged as against those laws that they gave extensive privileges which monopolized cañons and defiles where roads must necessarily go to companies having no legitimate basis and having invested no funds. After Congress passed the prohibitory law, those desiring to build railroads in the Territories and those desiring to sell charters for railroads to somebody else to build came to Congress; and during the last Congress there were several hundred bills introduced granting privileges to individuals to build railroads with all sorts of provisions. They were scattered around through the various committees of both Houses. Some of them passed. Now the Committee on Railroads has undertaken to revise and digest the system of general railroad laws that have been adopted in the States and to select such portions of those laws as they thought proper. It was at the last session referred to the Committee on Public Lands. That committee reported it twice and had it re-referred for further examination, and at this session it was referred to the Committee on Railroads, and we have gone through it again. It has been examined by the lawyers who happen to be on each of those committees as carefully as it could be, and I think we have come as near as we can to getting a railroad bill that will allow persons who desire to build railroads on their own money to do so without being blackmailed. We have made it as difficult as we could for speculative or kiting operations. We have required *bona fide* capital to be paid in, we have required *bona fide* work to be done yearly, and we have accompanied it step by step with such limitations as we thought would bring it within the principles of square dealing.

Now, that we need general legislation on this subject, and should be relieved from special bills, is evident. There are many cases in the Territories where persons desire to build railroads for the purpose of opening mines, and they cannot afford to be taxed for procuring special legislation, nor will Congress give sufficient attention to special legislation to see that justice is done to the Government, to the Territories, and to individuals. Special bills are exceedingly dangerous.

Mr. BAYARD. May I ask the Senator from Nevada what he means by railway companies being taxed for special legislation? When for an enterprise so beneficial to a community as railroads are now understood and confessed to be, individuals make application to the local Legislature for the franchise of building a road and for an act declaring a number of individuals a body-corporate, what can be the tax to which they are subjected?

Mr. STEWART. I will explain to the Senator exactly what I mean by a tax. As will be seen by the records of the Senate, not to go further, by looking at a number of bills introduced here, the persons making the application are not the parties who intend to build the road; but wherever you see a mining camp, wherever you see a place where a railroad will be likely to be required, somebody comes to get a charter by special legislation, and those who do seek to fix that charter so that they will hold it themselves; they will lobby for it, and it requires watchfulness here to prevent their getting it through, especially where they can hold it for years over those who really desire to build roads. The expense of coming here, several hundred miles, and spending months before legislation can be had to enable a company to build a road is something of a tax.

Mr. BAYARD. Why should they come to Congress for acts of incorporation? Has not the territorial Legislature the right to grant such franchises?

Mr. STEWART. Congress has prohibited the territorial Legislatures from enacting these laws, and very properly too; for the territorial legislation has been very improvident and inexpedient. I know some cases—I do not care about enumerating them—where counties have been entirely bankrupted by territorial legislation. I know of other cases where enterprises have been kept back by improvident franchises being granted. There is no reason why persons who put up *bona fide* capital—and this does not allow anything else—and who wish to build a road on their own money, should have to get special legislation. Special legislation is always to be avoided where you can accomplish the purpose by general legislation.

This bill may not be the wisest that can be devised; but it is the best that two committees after two sessions of investigation have been able to get up. It prohibits, without the consent of Congress, any aid from Territories or counties to railroads, which is very proper. It provides for a system of condemning private property for public use, adopting the best system known, and putting it under the jurisdiction of the highest courts in the Territories. Many States have put this jurisdiction in probate courts or in boards of supervisors; a very irregular way, by which private property was liable to be confiscated by railroads. This provides a system of condemning private property in the way that is most approved by the States having the largest experience. The acts have been examined, and the jurisdiction is placed where it will protect all parties. So on throughout. The bill grants the right of way simply. There is no grant of lands except for stations and depots and the right of way over the public lands. This is the minimum of what is in any bill that has been proposed to Congress. It is a bill under which there can be no speculation in getting charters to sell out. Nobody will want a charter under this bill unless he intends to put his own money in to build a road.

I could go through in detail the different provisions. The more this bill is studied, the better I would like it. I see the absolute necessity of general legislation, and this session is probably better than any other for it, because there is less pressure here now, and it is time to give them a general law, and let the parties who want to build railroads in the Territories understand that they must build them with their own money; and they are not allowed to borrow any money beyond their capital stock, and are not allowed to water their capital stock by fictitious increases. These provisions are in the bill. I think it can be well trusted as a bill that will answer the purposes intended.

Mr. WRIGHT. I do not know that I am opposed to the general purpose of this bill; but I think it is a measure of such importance that the attention of the Senate should be called to some matters in connection with it. I have no amendment to suggest, but I wish to call the attention of the chairman of the committee to some of the objections to the bill which occur to me. The bill has just been read here, and this is the first time I have had my attention directed to it. I am not certain that the points which occur to me are well taken, but nevertheless I beg to call the attention of the chairman of the Railroad Committee to them.

Mr. STEWART. Now that the bill has been read and attention called to it particularly, I would prefer that we should have some day set for its consideration, if Senators desire to consider it further, because I want to get the views of everybody upon it and to get it as perfect as I can, as it is a very important bill.

Mr. SARGENT. Let us go on with it now.

Mr. STEWART. Very well; I should like to have it disposed of now.

Mr. WRIGHT. I want to call attention to the fact that, as I understand the bill, it is provided that not only the right of way of one hundred feet in width, but forty acres of land for every ten miles can be condemned and the title vested absolutely in the company.

Mr. STEWART. No; that is not it. They can have not exceeding forty acres for every ten miles for depot and side-track purposes where the road goes through the public land, where it is free from reserve or pre-emption. They can only condemn what is absolutely necessary for the right of way.

Mr. WRIGHT. I wish to direct attention to the point I was referring to.

I read from section 9, page 21:

That for the purpose of securing private lands and premises on the line of such road which may be necessary and proper for the construction thereof, such corporation be, and is hereby, empowered to enter upon, purchase, take, and hold any lands or premises that may be necessary and proper for the construction and working of said road, &c.

That is under an agreement between the parties. I read now from line 16:

And in case the owner or claimant of such lands or premises and such corporation cannot agree as to damages, the amount shall be determined by the appraisal of three disinterested commissioners, who shall be appointed upon application by any party to the territorial district court, or the judge thereof, in the district in which the lands or premises to be taken lie.

The prior part of the section refers to the taking of land by agreement, and points out the purposes and objects for which the land can be taken; that is, for the road-bed and also for turnouts and for depot grounds, as I understand. But if they cannot agree, then the lands are to be appraised by persons appointed by the district judge.

And said commissioners, in their assessments of damages, shall appraise such premises at what would have been the value thereof if the road had not been built.

I have very great question of that as a rule of damages; but waiving that—

And upon return into court of such appraisement, and upon the payment to the clerk thereof of the amount so awarded by the commissioners for the use and benefit of the owner thereof, said premises shall be deemed to be taken by said corporation, which shall thereby acquire full title to the same for the purposes aforesaid.

Now they acquire full title to these premises, not a mere easement; and therefore if the road shall be abandoned at any time, the title is gone from the parties, as I shall show from another part of this section. The company do not acquire a mere easement over the land for the purposes indicated, but they acquire a full title.

And either party feeling aggrieved by said assessment may, within thirty days, file an appeal therefrom, and demand a jury of twelve men to estimate the damage sustained; but such appeal shall not interfere with the rights of said corporation, after having paid to the clerk the amount of the award or given such security as the court may prescribe—

That is to say, after they have paid the money the title becomes absolute in the railroad company, whatever may be the result of the appeal in the court to which the case may be taken.

And said party appealing shall give bonds, &c. And the payment into court, for the use of the owner or claimant, of a sum equal to that finally awarded shall be held to vest in said corporation the title of said land—

It vests in them the absolute title of said land—

And the right to use and occupy the same for the construction, maintaining, and operating of the road of said corporation.

Not merely the right to use and occupy it for that purpose, but it vests in them the title to the lands. Then it goes on and says:

And if the lands to be taken as aforesaid shall be held by a person residing without the Territory or subject to any legal disability, the court may appoint a proper person, who shall give bonds, with sufficient surety or sureties, for the faithful execution of his trust, and who may represent in court the person disqualified or absent as aforesaid, when the same proceeding shall be had in reference to the appraisement of the premises to be taken, and with the same effect as has been already described.

It occurs to me that under this section, if the owner is a non-resident, without notice to him, they can appoint some person to act for him and thus sequester his estate and vest the title in the railroad company—not the mere easement, but the absolute title—and that too after they have entered upon the work merely and have had a condemnation. The title at once vests on the payment of the money; and though the road should be abandoned the next day, the title is absolute in the railroad company. Certainly it was not the intention of the committee to do this thing, and yet that is what they have done, as it seems to me from this language. It is certainly a most objectionable thing, that if I happen to be a non-resident of the Territory, you can go to work and condemn my land by appointing some person to act for me and without notice to me. I never heard of such a proceeding before. You provide in another place in this bill that after six years from the time of the judgment of condemnation there shall be no application to set it aside; and so, though the owner may be a minor only one year old, if his land is thus condemned, and six years elapse, his title is gone.

Now I wish to call attention to another thing.

Mr. STEWART. Before you leave that point I wish to say one word.

Mr. WRIGHT. If I am mistaken in this, I shall be very glad to have it pointed out.

Mr. STEWART. This is a proceeding *in rem.* to get the right of way for a railroad, and if a child six years old owns land on that right of way, I do not suppose the Senator will think it necessary to wait fifteen years for the child to come of age before you can build the railroad. I never heard of such a proposition as that. It seems to me that would not be right. They must go right along and build the road at that time, and the provision is that they shall pay for the land before they have it. They are to have it for the purpose of a right of way and the use of the railroad, when they pay for it, and not until then. I believe that is according to the Constitution, that it shall be paid for before it is taken.

Now what is it that may be condemned in this way by the court?

That for the purpose of securing private lands and premises on the line of such road, which may be necessary and proper for the construction thereof, such corporation be, and is hereby, empowered to enter upon, purchase, take, and hold any lands or premises that may be necessary and proper for the construction and working of said road, not exceeding in width one hundred feet on each side of its center line, unless a greater width be required for the purpose of excavation or embankment.

It does not allow them even to contract to get more than one hundred feet on each side unless it is going through a gorge where one hundred feet would not be sufficient for the purpose of excavation or embankment.

And also any lands or premises that may be necessary and proper for turnouts, standing places for cars, depots, station-houses, or any other structures required in the construction and operating of said road; and such corporation shall have the right to cut and remove trees or other material that might, by falling, incumber its road-bed, though standing or being more than one hundred feet therefrom; and in case the owner or claimant of such lands or premises and such corporation cannot agree as to the damages, the amount shall be determined by the appraisal of three disinterested commissioners, who shall be appointed upon application by any party to the territorial district court, or the judge thereof, in the district in which the lands or premises to be taken lie; and said commissioners, &c.

It goes on to provide for assessing these damages and for payment previous to taking the land. They only have the right of way, and they take the land for this purpose, and are to pay for it before taking it. If anything else can be taken than is described here, if any limitation should be put on the land they shall take, if there is anything in this enumeration that is not necessary for the construction of the road, then let the bill be amended in that respect, and I will agree to the amendment. I simply want them to have the right to condemn enough land to build the road and to pay for it before they take it, and then that they shall have the absolute title to it; that is, the absolute title to the right to do so.

Mr. WRIGHT. I do not think the Senator from Nevada has answered the objections that I have pointed out to this bill. There can be no doubt that the railroad company and the owner of the land have a right, by convention or agreement between them, to settle the value or what shall be paid for the one hundred feet in width; nor is there any trouble or difficulty about the proposition that they can also agree as to what shall be paid for "any lands or premises that may be necessary and proper for turnouts, standing places for cars, depots, station-houses, or any other structures required in the construction and operating of said road."

With reference to all these matters, if they cannot agree, then this bill provides that there can be a condemnation for all such purposes, not alone for the one hundred feet in width, but for all the purposes they might agree upon and enter into a contract about. When that condemnation is made and the money paid, the title vests in the railroad company. There is not any question about that. The Senator from Nevada does not pretend to insist that his bill is otherwise. What I want to know is, whether the Senate is willing to pass a bill that shall give to railroad companies in the Territories the power not alone to condemn, in virtue of the right of eminent domain, one hundred feet in width, but also lands for all the purposes that are contemplated in this bill, and about which the parties might contract, and vest the title at once in the railroad company upon the payment of the money, whether they build a mile of the road or not.

Mr. HAGER. Will the Senator allow me to make a suggestion at this point?

Mr. WRIGHT. Yes, sir.

Mr. HAGER. I should like to call the Senator's attention in this connection to section 12. It not merely gives an easement, but it gives absolute title, and with the power to change the route of the road at any time the company see fit. Section 12 says that under certain circumstances they may change the line of their road:

And for the purpose of making such change as aforesaid said corporation shall have all the rights, powers, and privileges granted by sections 8 and 9 of this act.

So that they may locate their line of road through different sections of country, and thus acquire title to each line, and although they abandon the road the title does not revert. They acquire title to the old road and the title to the new road. I think it ought to be limited to merely an easement, instead of acquiring absolute title. That was the ancient rule in regard to all corporations, turnpikes, &c., and it would be much better in a case of this kind, especially as it relates to the Territories.

Mr. STEWART. There is a limitation in section 12 as to that right to change the location of the road.

Mr. WRIGHT. I had intended to refer to section 12.

Mr. STEWART. If the Senator from Iowa thinks there is any danger of too much land being condemned or more than is necessary, that can be obviated by confining the power of condemnation to the right of way exclusively; and I will suggest an amendment to him to see if it will meet his view. I am not particular about it. Instead of saying "and in case the owner or claimant of such lands or premises and such corporation cannot agree as to damages" suppose you make it read: "and in case the owner or claimant of the right of way for one hundred feet in width and such corporation cannot agree," &c.

Mr. WRIGHT. I was suggesting to the chairman of the committee some objections to this bill that occurred to me; and my object was simply to point them out to him. I am satisfied if the objections I suggest are well taken that we cannot perfect the bill at this time, and I thought he might wish to have the objections pointed out and then take time for the perfection of the bill. If the objections that I have pointed out do not obtain, then I shall regret to have made them; but it seems to me they do obtain.

I was about to say that section 12, which has been referred to by the Senator from California, had occurred to me also as an additional argument in favor of the proposition that I have stated. The leading principle that I think there is in this bill, and to which the objection obtains, is that it vests the title to the land in the company upon the payment of the money; whereas I understand in all of the States, almost without exception, there is a mere easement in the lands vested and not the title, and that when the road is abandoned, or if the company fail to build it, the title reverts to the owner. I am unwilling to pass a law here that gives the right to organize a corporation in any of the Territories of the United States, and to have as many corporations as can be organized under this general law, and allow them to go to work and survey lines of railroad from one portion of a Territory to another, and as many as they see proper, and then condemn lands and pay the money for them, abandon their road, and thus after a man has line after line run through his farm and he gets his money the railroad is abandoned, the title is gone from him, and he has no power to get it back except at the mere will of the railway company. I do not think that was contemplated by the framers of this bill, and I do not think it is right.

If you pass this bill as it stands the consequence will be this: Any company can organize and lay out their line of road and condemn forty acres of land for every ten miles for depot purposes, if so much be necessary; and then they can get town sites at any and every place they think desirable, have the land condemned, pay the money, abandon the road, and have towns everywhere. They have got the title,

not for purposes of the railway merely, but for any and every purpose.

Now, I desire to call attention to the fact that while this is a bill apparently to provide for the organization of railroad companies in the Territories, the last section of the bill provides for something that is in no way connected with territorial organizations. I will read it:

SEC. 21. That the right of way through the unoccupied lands of the United States in any State is hereby granted to any railroad corporation incorporated under the laws of such State to the extent of one hundred feet in width on each side of the center of such railroad; and the right and authority are hereby given to such corporation to take from the public lands adjacent to the line of said road material of earth, stone, timber, and water for the construction and maintenance thereof; and ground for station-buildings, workshops, depots, machine-shops, switches, side tracks, turn-tables, and water-stations is hereby granted to such of said corporations as have not received aid in lands or bonds from the United States, not to exceed forty acres for each ten miles of road hereafter to be constructed, subject to the restrictions of section 19 of this act.

We do not want in a bill of this kind to make a provision that all the corporations organized for railroad purposes in the States shall have the right to go over the public lands of the United States that may be therein, and take one hundred feet, and not only one hundred feet but lands for depot and station-house purposes as contemplated here. I do not see any necessity for it in this bill.

These are some of the objections that occurred to me in looking at the bill as it was read, and others have also occurred to me that I will not take time to point out now; but I suggest to the chairman of the committee whether it would not be better that the bill should go over and he consider these and other matters that may be suggested.

Mr. STEWART. I think I can satisfy the Senator from Iowa that his first objection, and each one of his objections, is not well taken. His first objection is that this is not the right of condemnation, but he says the company acquire title. That is the great objection. If they do not build the road, if they do not grade at least ten miles every year and complete the line in ten years from the time of their organization, if they do not put up 10 per cent. in cash and go on in good faith, they forfeit all their rights.

Mr. WRIGHT. Will the Senator tell me where that part of the bill is?

Mr. STEWART. Yes, sir; that is section 11. But not only that, the title that the Senator speaks of is only "for the purposes aforesaid;" that is, the right of way for a railroad. If they do not build the railroad, they forfeit the whole thing by section 11. There cannot be any harm in that. Section 11 provides:

That every railroad corporation organized under the provisions of this act shall be required to commence operations on the line of its road within one year from the filing of its certificate with the Secretary of the Interior, and thereafter to grade at least ten miles each year, and to complete the whole line of its road within ten years from the date of the filing of said certificate; and if it shall fail to comply with any of the requirements of this section, it shall forfeit its charter and all the rights and privileges conferred by this act as to any uncompleted portion of its line of road.

And they only acquire title "for the purposes aforesaid;" and notwithstanding they had paid the money, I submit, as a lawyer, that they would not have title to the property unless they built the road.

Mr. WRIGHT. Will my friend from Nevada answer me whether they get title to this land under the act or in virtue of the condemnation?

Mr. STEWART. In virtue of the condemnation for the purposes of this act; that is, for the purposes of the railroad. If they do not build a railroad and do not use it for that purpose, they do not have it at all. The title is for this purpose.

Mr. HOWE. If my friend will indulge me, some of the difficulties which have been suggested by the Senator from Iowa occurred to my own mind before. I ought to have considered this bill with the Senator from Nevada in committee, for I am on his committee; and I tried to do so, and at his instigation I did look at it outside of the committee, and meant to have submitted to him some suggestions before it was reported; but it so happens that the committee of which I have charge meets ordinarily on the same day that this committee does; so I lost that opportunity.

Reading first the eighth section it occurred to me that whatever franchises are granted by the bill are granted to any five men who may associate together and merely say what they want to do, without having any sort of ability to do it, without paying a dollar——

Mr. STEWART. O, no; that is not the section. They have got to put up 10 per cent. before they can proceed to do anything.

Mr. HOWE. I wish the Senator would see whether that is so or not. I think the five men can get the franchise, and when they want to do what they propose to do they do it by selling stock, opening books of subscription to the capital stock.

Mr. STEWART. They have got to subscribe themselves before they can do anything.

Mr. HOWE. How does that appear?

Mr. STEWART. By the language of the bill if you will read it. Section 7 provides:

That the persons named in said certificate of incorporation, or a majority of them, shall be authorized to order books to be opened for receiving subscriptions to the capital stock of said corporation, at such time or times, and at such place or places, as they may deem expedient, after having given at least thirty days' notice in a newspaper of general circulation in each Territory through or within which such road will pass, of the time and place of opening books; and as soon as 10 per cent. on the capital stock shall be subscribed and paid, they may give like notice for the stockholders to meet at such time and place as they may designate, for the purpose of choosing five or more directors, who shall continue in office until the time fixed for the annual election, which time shall be within six months from the date when such directors were chosen, and until their successors are chosen and qualified.

Mr. HOWE. Now will the Senator read the first section?

Mr. STEWART. The first section reads thus:

That any number of natural persons, not less than five, may become a body-corporate for the purpose of locating, constructing, maintaining, and operating a railroad in the Territories of the United States, except the Indian Territory, with all the rights, privileges, and powers conferred by, and subject to all the restrictions of, this act.

Mr. HOWE. Precisely. The five persons become the body-corporate and secure all the franchises granted by the act, whatever they are.

Mr. STEWART. That is the preliminary step until the corporation is organized.

Mr. HOWE. That is the step which creates the body-corporate, the artificial person, the grantee under the act. Now, the section which the Senator read seemed to me to provide only the way in which this body-corporate may get money, to wit, they may, if they see fit, open books of subscription. They may not; they may pay in all the money themselves if they choose. They may open books of subscription. If they do open books of subscription and get the capital stock subscribed and 10 per cent. paid in, then these stockholders may elect directors who will supersede the five persons undoubtedly; but if they do not open such subscriptions the five persons will not be superseded in authority. That was my idea about it.

Mr. STEWART. Suppose they take all the stock and put up their own money.

Mr. HOWE. Suppose they do; then they will not only be the directors of the company, but they will own the stock; they will own it all, and they should, undoubtedly. I am calling the attention of the Senate to the fact that all the franchises are granted in the first section; not under the section which the Senator has read. The franchises are described in the eighth section. What are they? The right to build a road between any points named by themselves; in addition to that, the right of way over the public domain not exceeding a certain width. Another one is the right to depot grounds not exceeding forty acres for every ten miles. These are absolute rights vested in this company, the five persons, if they are never superseded. The eleventh section prescribes that they are to commence work within a year, to grade ten miles every year, and finish the road in ten years; and if they do not do each one of these things they shall forfeit something. What?

Mr. STEWART. Forfeit the road they have not built.

Mr. HOWE. Forfeit the right to complete so much of the road as they have not completed already.

Mr. SARGENT. Will the Senator allow me to ask him a question for information?

Mr. HOWE. Certainly.

Mr. SARGENT. I will ask whether in Wisconsin corporations are created by special act of the Legislature or under a general incorporation law?

Mr. HOWE. Under a general law.

Mr. SARGENT. I think the Senator will find by reference to the general law—I know it is certainly so under the statutes of California and some other States—that the corporation is formed by a few individuals who are authorized to organize a company, and in all such cases, the case of railroad corporations and manufacturing corporations, they open the books and exercise a certain supervisory power. They are rather directors to see that the thing starts right, and then the real subscribers, the stockholders, subsequently come in and elect their own directors and afterward manage the whole affair. The power of a corporation is in them, and not in the first individuals who may organize it.

Mr. HOWE. I cannot undertake to say from recollection what the general law of my own State is in reference to that. If it is as the Senator from California suspects it to be, of course I should make the same criticism in reference to it.

Mr. SARGENT. I asked for information on that point. That is the statute of California; and I know that the statute of Nevada is the same as that of California; and I think the State of Oregon has a similar provision to that of California. I have sent for our statutes to show that they are of the same nature.

Mr. HOWE. It will not relieve my mind of the difficulty I now labor under.

Mr. STEWART. I think I can relieve it if the Senator will allow me. The first section provides—

That any number of natural persons, not less than five, may become a body-corporate for the purpose of locating, constructing, maintaining, and operating a railroad in the Territories of the United States, except the Indian Territory, with all the rights, privileges, and powers conferred by, and subject to all the restrictions of, this act.

Five persons may become a body-corporate for this purpose. How? That is provided by section 7:

That the persons named in said certificate of incorporation, or a majority of them, shall be authorized—

To do what? Not to build a road, but—

to order books to be opened for receiving subscriptions to the capital stock of said corporation, at such time or times and at such place or places as they may deem expedient, after having given at least thirty days' notice in a newspaper of general circulation in each Territory through or within which such road will pass of the time and place of opening books.

That is all this act authorizes those five persons to do.

And as soon as 10 per cent. on the capital stock shall be subscribed and paid, they may give like notice for the stockholders to meet at such time and place as they may designate for the purpose of choosing five or more directors—

The only authority given by the act to this corporation is through directors—

who shall continue in office until the time fixed for the annual election, which time shall be within six months from the date when such directors were chosen and until their successors are chosen and qualified. At the time and place appointed, directors shall be chosen by ballot by such of the stockholders as shall attend for that purpose either in person or by lawful proxies in writing; each share shall entitle the owner to one vote, and a majority of votes cast shall be necessary for a choice; but, after the first election of directors, no person shall vote on any share on which any installment is in default by reason of the non-payment thereof, after the expiration of the thirty days' notice of sale hereinbefore provided for.

Mr. HOWE. Let me restate to the Senator my difficulty. I refer to the section which points out the way in which the corporation which I think is created by the first section may proceed to get money if it wants to. That is one of the things which it is compelled to do. In addition to the existence of the corporations——

Mr. STEWART. How is it going to get directors?

Mr. HOWE. It may get directors if it please through that section.

The PRESIDING OFFICER, (Mr. WEST in the chair.) The Chair will suggest to Senators that perhaps the business of the Senate would be expedited by having them address the Chair.

Mr. WRIGHT. I was about to suggest that. I am very anxious to hear what the Senator from Wisconsin says. I know it is interesting to the Senator from Nevada; but those who sit around me would like to hear it also.

Mr. HOWE. I beg the Chair to consider itself addressed. I wanted to make myself especially understood by the Senator from Nevada, because he has charge of the bill, and I am so constituted that I cannot talk to the whole Senate at once.

The company may get directors undoubtedly in the way provided by the section which the Senator has read. If it does not choose to get directors in that way, it has directors under the first section of the bill. I may be wrong, but my idea was—and it is that idea to which I wish to call the Senator's attention—that the first section created a full-blooded corporation, not much blood to be sure, but a full-blown corporation.

Mr. STEWART. Now if the Senator will look at the third section he will see that he is mistaken.

Mr. SCOTT. Having devoted some attention to this bill in the Committee on Railroads, I will try to meet, if I can, the objection of the Senator from Wisconsin, for I think I apprehend it. His objection is that the first section of the bill creates at once a corporation out of the five persons who may file this certificate, and that if they see proper to go no further, those five persons constitute and continue to be the corporation. I understand he carries his objection one step further, and says that by filing their certificate and designating the route of the road they acquire a franchise at once to build the road upon that route without having paid any money, and that thus they have acquired, as it were, a pre-emption or a lien upon that designated route without having given any assurance that the road will be completed upon it. These, I understand, are the objections which strike him.

Mr. HOWE. Yes; those are my ideas.

Mr. SCOTT. Now let me call his attention to two points fixed in this bill. The first is the filing of the certificate as embraced in the first section; the second is the point fixed in section 11, which I will read:

SEC. 11. That every railroad corporation organized under the provisions of this act shall be required to commence operations on the line of its road within one year from the filing of its certificate with the Secretary of the Interior, and thereafter to grade at least ten miles each year, and to complete the whole line of its road within ten years from the date of the filing of said certificate; and if it shall fail to comply with any of the requirements of this section it shall forfeit its charter and all the rights and privileges conferred by this act as to any uncompleted portion of its line of road.

We have those two periods of time designated, first the filing of the certificate, and second one year from the time of filing that certificate, within which now let us inquire what is to be done. If it were a special act of incorporation, the usual proceeding would be to authorize commissioners who within three months would open books and receive subscriptions, and the stockholders must within designated periods after that, thirty or sixty days, pay the installments of those subscriptions as they might be demanded by the commissioners. Unless they do these things and procure the stock for the purpose of building the road, then under this eleventh section at the end of a year their rights will be forfeited. Now look at the seventh section.

SEC. 7. That the persons named in said certificate of incorporation, or a majority of them, shall be authorized to order books to be opened for receiving subscriptions to the capital stock of said corporation, at such time or times, and at such place or places, as they may deem expedient, after having given at least thirty days' notice in a newspaper of general circulation in each Territory through or within which such road will pass of the time and place of opening books, &c.

Here is the same machinery provided for the purpose of procuring stock to this road as is usually provided either in a special act of incorporation or in any general act which I have ever seen in any of the States for the purpose of enabling parties associated together to form corporations. Now, I ask, is it an unreasonable provision that these five corporators shall have the same length of time within which, either by their own money if they see proper to go on and do so, they may take all this stock and begin operations, or by giving the notice required by the seventh section bring in other capitalists with them to subscribe their stock and enable them thus to commence their operations within the year?

Mr. HOWE. Now will my friend allow me to point out the distinction between the two cases as it occurs to me?

Mr. SCOTT. Certainly.

Mr. HOWE. Under the general law which the Senator says is common in the States, and I guess he is right, the statute says to half a dozen or a dozen individuals "You may be our agents to organize a company which shall have certain franchises; therefore you may dispose of stock, and when a certain amount of stock is secured and a certain amount of it is paid up, those men who have put up that money shall be the corporation and shall be entitled to the franchises." This act, as I understand it, dispenses with all that, and says that five men may get together and say they want to build a road from Dan to Beersheba. and file a certificate of that in the Interior Department, and having said that, signed it with their names, then they have the right to build a road between those two well-known localities, and they have the right of way over all the public lands between those two localities, and have forty acres of land for depot grounds for every ten miles between the two points. Those five men hold these franchises until they are forfeited. When are they forfeited? As I understand it under the eleventh section, so far as there is any forfeiture, not until a year has expired, and not then if they commence operations, strike a spade in the ground. If they do, if they commence operations, whatever is a commencement of operations, then they cannot forfeit anything unless they fail to complete ten miles in the next year; and they must complete the road within ten years. But suppose there is a forfeiture at all, as I conceive under the eleventh section they forfeit the right to complete the uncompleted portion of the road and all the rest of the franchises, which is the right to complete the road and the right of way over the public domain. As it seems to me, the title to the forty acres of land is saved to them absolutely. I may be wrong. The Senator can tell me if I am.

Mr. SCOTT. "It shall forfeit its charter and all the rights and privileges conferred by this act as to any uncompleted portion of its line of road." That is, as I understand it, it would forfeit the right to build the rest of the road and forfeit the forty acres designated upon every section of that road uncompleted. It would retain—I take it for granted that is the intention of the act—the right of way to that portion of the road which was completed and so much of the public lands as should have been designated and occupied upon that portion of it in pursuance of the act.

Mr. HOWE. The forty acres?

Mr. SCOTT. It ought to retain them. As the Senator from Wisconsin and myself have a common interest in securing the object of this bill, I suggest whether the only objection he makes does not grow out of the nature of the country to which this legislation is intended to be applicable. I can see that if this were intended to facilitate the construction of railroads through a thickly populated portion of the country, there might be serious objection to permitting parties to designate a very long line of road and set apart forty acres of land if the Government had land in such sections of the country; but the purpose is here to encourage the investment of actual capital in those portions of the country that are without very much population and where the Government has large bodies of unoccupied and unappropriated lands; and therefore, if the objection of the Senator has very much force in it, it seems to me that it lies in just this one point, namely, that instead of permitting it to be optional with these five persons who may have filed their articles of association to retain the whole stock and build the road so as to exclude all other parties from participating in the enterprise, it should be made obligatory upon them within a certain period to open books of subscription and they should be prohibited from subscribing more than a certain proportion of that stock. If it be deemed advisable that that feature should be incorporated in the bill, I for one should not feel that it was objectionable; and if that were incorporated, it would do away with every other objection than the one which I have stated, namely, that the Senator thinks it is impolitic to permit these five persons to acquire a right to continue for one year over such a long line as they might designate under this bill. That objection, it strikes me, is inseparable from the nature of the country in which it is proposed this bill shall operate, and has not the same pertinency and force in that country that it would have in an older settled and more populous country. I may perhaps not meet the whole view the Senator has, but it strikes me that the objection which he has made is answered to some extent by the suggestions which I have made.

There could hardly be any act of incorporation, even a special act of incorporation, there could hardly be any corporation organized under the general laws of a State which would not require several months for the purpose of organizing—notice to the public, notice by the commissioners of the organization, notice for the purpose of the election of directors; and I do not think that one year is an unreasonable time for permitting the persons who may file this certificate to complete the organization and take measures for securing the capital to construct the road.

Mr. STEWART. There is a provision to which I would call the notice of the Senator from Wisconsin, the fifth section—

That the capital stock of such corporation shall consist of such sum as may be named in the certificate; and the shares of stock shall be regarded as personal prop-

erty, and shall be subject to execution at law. An installment of 10 per cent. on each share shall be paid in money at the time of making the subscription, and the residue thereof shall be paid in such installments, not exceeding 10 per cent. on each share of stock, as the directors may prescribe; which installments shall not be called for more frequently than once in three months, and shall be payable, at the principal office of the corporation, to such person or persons as may be designated by the directors.

No one can come in, the original parties or others, without paying in advance 10 per cent. The first section says they may be a body-corporate. The next section provides how they shall perfect the corporation by filing articles; and then it is provided that each year they have to do a certain amount of work; and before they can elect directors they have got to take stock and pay for it. Nobody is allowed to be a stockholder without first paying 10 per cent. on the stock. The foundation for it is the Ohio law. It is much more restrictive than that. It has more restrictions than there are in any general law on the statute-books of any State.

Mr. WRIGHT. It seems to me very evident that we cann ot perfect this bill at this time. I suggest to the chairman that the bill be either recommitted or passed over.

Mr. STEWART. I think that after the bill has been here two sessions and been referred four times, and been brought back, and Senators have been invited to consider it, it having been on the desks of Senators, they ought to be prepared with their amendments now. This bill is certainly better than the crude legislation the Territories now have. It is better than to allow a Territory like Colorado to have counties in debt three or four times their whole value. It is better than to have one hundred special bills here and to be passing them through, not half so well guarded as this. It is better not to have the Territories involved in special legislation and special privileges until legitimate enterprise is entirely paralyzed. I know plenty of men who have been here year after year to get the right to build a road to a mine. I have one in mind in Utah, where they built the road with their own money, and they had to keep agents here for two sessions before they could get the right of way because of men opposed to it who wanted to levy blackmail on them; and I do not know that they have got it through yet. It was reported at this session. It is better that we should have general legislation, and I submit that Senators ought to be ready with their amendments after this length of time.

Mr. WRIGHT. I suggested in the interest of the bill that it be recommitted or passed over. Now, if the Senator from Nevada proposes to go on before the Senate with this bill as it is and take his chances, let him do so. If the Senator wants to pass this bill in its present form, I have suggested to him objections that have not been answered, and I am certain that the Senate so feels now. If he wants to put this bill to the Senate now and try to pass it, let him do so.

Mr. STEWART. I most certainly do. I have no more interest in the bill than the Senator from Iowa. If the Senator wants to take the responsibility of defeating general legislation and leaving the Territories involved in their present difficulties, he assumes it the same as I do. I have no more responsibility in the matter than any other Senator, and care no more about the bill than any other Senator. I believe it is in the interest of good government that they should have a decent incorporation law in the Territories under which railroads may be built, and it is a matter of enough importance to secure the attention of the Senate. I have tried to get the attention of members of the committee to it. I have labored hard to get the bill right. I have had the bill printed repeatedly and put on the desks of Senators. Now, do not recommit it again in view of the utter impossibility of getting special consideration to it again. I want to have it either carried or defeated, and let those who defeat it take the responsibility. I have no responsibility in the matter.

Mr. WADLEIGH. Mr. President, in addition to the objections which have already been made, it occurs to me that there is another objection which may be made to the provisions of the fourteenth section, which is more weighty than any that has hitherto been brought to the attention of the Senate. The fourteenth section is:

That such corporation may acquire, by purchase or gift, any lands in the vicinity of its road, or through which the same may pass, so far as may be convenient or necessary to secure the right of way, or such as may be donated, to aid in the construction of such road, and convey the same in such manner as the directors may prescribe; and all deeds and conveyances made by such corporation shall be signed by the president, under the seal of the corporation.

Mr. President, I am in favor of legislation for the purpose of this bill; I am in favor of a general railroad law for the Territories; but I think that that law should be very carefully guarded. I take it for granted that although there may be many men in this body who, like myself, are in favor of such a law and in favor of giving a railroad company the right to take and purchase lands which are necessary for the construction, the use, and the operation of its line of road, there is no member of the Senate who desires to create, under the guise and under the cover of a railroad corporation to operate a railroad, a gigantic corporation with power to speculate in lands. It seems to me that this section gives to railroad corporations such powers, and for this reason: it gives the corporation the power and the right to purchase such land as may be convenient to secure the right of way. That land is not to be purchased simply when the route of that road is located so that the courts may decide that when it was purchased it was a matter of convenience to purchase it for the purpose of securing the right of way. The purchase may be made at any time. Therefore, before the road is located, that corporation may consider that it may desire to build a road through any part of several counties, and before it is located, for the purpose of securing the right of way anywhere it may choose to build, it may go and buy up land anywhere between its two termini. It strikes me that that will be the operation of this section, that lands can be purchased in that way; because it may be fairly urged that inasmuch as the corporation has not located its road it is a matter of convenience for it to secure land wherever it may finally decide that the road shall be built; and in that manner this section will allow it to purchase and hold a large extent of land through the territory where it may be supposed the road will go when it is located. Thus this corporation, which is created as a railroad corporation simply, may become a gigantic speculator in lands, having great advantages over the people of the Territory in which it is located in that respect.

Further, Mr. President, it is provided by this bill that, without the consent of the owner of land, his property may be taken by this corporation and damages assessed to him by certain commissioners. It provides further, that before he shall have the right to a trial by jury, the prescriptive right, the inalienable right of American citizens, he shall give bond to pay all the costs upon both sides. I will note vote for any such provision. It may operate with extreme injustice and hardship in many cases. The settlers in the Territories, who go there in a great many instances on account of their poverty, when their lands are taken for this railroad may not be able to procure there among strangers sureties who will guarantee to the railroad company that all the costs of the proceeding, no matter what the railroad chooses to make them, shall be ultimately paid. And for these reasons, as well as for the reasons urged by the other Senators who have spoken, I am opposed to this bill.

Mr. WRIGHT. I have no wish on earth to antagonize the bill of the Senator from Nevada. My purpose and object is to have it as perfect as possible, and, if we can, to obviate the objections that have been pointed out to it. I have suggested objections to the bill and others have which I do not think have been answered. Now we, being upon the Calendar, and being anxious to dispose of the business before us, it occurred to me that the Senator would expedite the passage of his bill and probably get it into such a position as that it could pass through without trouble if he would take it back to his committee and consider the objections that have been pointed out. It may be these objections are not well founded, but I am certain that if he will take the bill into the committee and consider some of them he will find that they are well founded, and then he can report the bill, and it having been considered now, and we understanding its general features, perhaps there will then be no difficulty.

Mr. STEWART. I will state to my friend from Iowa that these objections have been considered over and over and over again; and it is impossible to do anything more in committee. This bill was gone through in the last session by the Committee on Public Lands; and Mr. Casserly spent days on its provisions.

Mr. WRIGHT. I have heard enough from the Senator to know that he does not propose that the bill shall go back to the committee, for the reason that these objections have all been considered.

Mr. STEWART. I do not.

Mr. WRIGHT. Then we will proceed with the consideration of the bill.

Mr. STEWART. That is the way. If Senators are really in earnest about perfecting the bill let them propose amendments. There is no pride of authorship about this bill. The only desire is to get the legislation.

Mr. WRIGHT. I have suggested to the Senator from Nevada several times that this bill coming up at this time these objections have just occurred to me, and I have had no opportunity to perfect amendments. I have suggested the objections, but he insists that the bill shall go on without any time to consider these amendments.

Mr. STEWART. I do not. There is time here now.

Mr. WRIGHT. There is not time to prepare them.

Mr. STEWART. I undertake to say that this measure is of sufficient importance, and the evils to be remedied are sufficiently glaring, to require that the bill should have its day in court after it has been before two committees four times and had all the consideration that can be given to it. I undertake to say that the condition of things in the Territories demands legislation of this kind, and that if it is put back to a committee it will be impossible to get it through at this session.

Mr. WRIGHT. For the purpose of testing the sense of the Senate, I move that the bill be recommitted.

Mr. SARGENT. If the objections to the text of the bill stated by the Senator from Iowa are seen clearly by himself, he certainly can offer amendments obviating the difficulties which he objects to; and the Senate can dispose of the bill and the amendments at the same time. I for one am opposed to the recommittal of this bill, because I know that the evils which it is designed to cure have lasted from year to year, and have been aggravated by the crude local legislation of the Territories. I know that they are running in debt; that their municipalities, their counties, and even the Territories themselves, are running in debt on account of crude legislation in this matter, until Congress was compelled to step in and stop all operations, all enterprises in this direction. Consequently there is no law in the Territories now for the organization of any railroad company. No mat-

ter how much a Territory may be growing, or how much it may need these facilities, and how much the local capitalists may be willing to put their hands into their pockets and build a road, there is no power for them even to have the ordinary privileges of an incorporation for this purpose.

I have tried to listen to the best of my ability and to appreciate the objections which have been made to the bill. The objections made by the Senator from Wisconsin [Mr. HOWE] seem to me to be objections which would exist to all the general incorporation laws of all the States of the Union, so far as I have been able to understand them. Every one of them starts with what is equivalent to a board of commissioners or a few directors who have reposed in them the duty and power to organize the corporation, to open books of subscriptions, to let those who desire to put their money into the concern become stockholders therein, which stockholders meet within a certain limited time to assume the power before that time conferred by law on their predecessors, and their predecessors have no right whatever thereafter in the corporation unless they become stockholders by investment of their own means. This is the ordinary manner in which corporations are organized by general law; and the Senator could have taken up the laws of his own State, the laws of Ohio, from which this bill is principally copied, following them more closely than those of other States, and he could have discovered perhaps in every section difficulties in the way that he might say never would work smoothly. But what is the actual experience? We may say of the great State of Ohio that it is carrying on its railroad system and its corporations are organized upon laws similar to the plans which our committee, after so much consideration, have recommended to the Senate.

I know that an astute lawyer like my friend from Wisconsin can build up a fabric of objections upon almost any premises. It is the duty of the profession to be able to do so, and my friend is learned in his profession. It is within the ability of a sharp, acute man to find objections to that which, if he were considering the other side of the question with as much care, he would perhaps say was faultless. I know what human ingenuity may do, and I know what my friend's ingenuity can do; but I say that this bill is modeled on corporation laws which have been tested by experience, and that, furthermore, those laws are very extensively copied in their principles in his own State, in mine, and in several other States of the Union.

The Senator from New Hampshire [Mr. WADLEIGH] objects to the fourteenth section of the bill. He thinks there here is not the intention, but certainly the opportunity for these corporations to become gigantic land speculators, and he deduces it from the fourteenth section. The first provision of the fourteenth section is:

> That such corporation may acquire, by purchase or gift, any lands in the vicinity of its road, or through which the same may pass, so far as may be convenient or necessary to secure the right of way.

That is the end of that provision. A company does not become a great speculator, I trust, by having the power to acquire, by purchase or by gift, a right of way. There certainly is a very limited opportunity for speculation in that. Is that what the Senator objects to?

The other provision is:

> Or such as may be donated to aid in the construction of such road.

Is it supposed that in their enthusiasm upon the organization of a railroad company the people of a Territory are going to rush in and donate all the land adjoining it and all the lands in the Territory in order that the corporation may become a great speculator in lands? Is that the impulse of the human heart? Do men who own real estate part with it so readily? If the only hope of the corporation becoming a real-estate speculator will be upon that which people give them of their lands, the Senator's fears cannot be very well founded; and yet that is all there is in the fourteenth section upon which the Senator says this great and serious objection is founded.

It seems to me these objections, so much in matters of detail, really ought not to arrest this legislation; but if they are good, let Senators who now sit at leisure at their desks with their attention drawn to this matter prepare apt amendments; and certainly if they have the merit which is claimed for them they will be accepted most readily by the friends of the bill. But I say to you, having observed for some years past the difficulties under which the Territories are laboring, the inconsistency of their laws, the imperfectness of the corporations now existing, the fact that we have cut off any power from them even to create decent ones hereafter, in view of the experience of the past, Congress ought to do something in regard to this matter. We have tried it a number of sessions, and the Committee on Public Lands have been attending to it for two or three sessions, and this is the result of their wisdom now supplemented by the labors of the Committee on Railroads. I think they have done well with a difficult subject, and I trust the Senate will dispose of it, because if the bill is referred again to a committee it will come back again and go on the Calendar, and a single objection will carry it over. This bill was only taken up to-day by a vote, after the objection of a single Senator had stopped it. We are approaching the busy portion of the session. We are now comparatively at leisure. The appropriation bills are not here. The House has not yet sent us the revision of the laws, or sent us back the bankrupt bill. We have an interregnum, I may say, in the business of the Senate; we are rid of the finance question; and now is the time, if any, when we may dispose of business like this; and this is of interest enough to occupy five or six hours. I trust, therefore, Senators will present such amendments as they think the bill ought to have, and that we shall proceed to dispose of it.

Mr. HAMLIN. I think we often run from one extreme in legislation to another, and I think the discussion of to-day gives evidence of that proposition. It has not been long since we were in the habit of granting to all our States in which public lands were situated and to the Territories liberally of the public lands to aid them in the construction of railroads. I have never seen yet the period of time when I have regretted that I gave the votes I have given in aid of those various roads. We thereby opened up a distant and wilderness country and made it productive and valuable, and the Government did not contribute one farthing toward it, because it received from its remaining lands all that it would have received if the roads had not been built. Now the policy is changed, and here to-day we are debating whether we will give the Territories a law that will grant them a simple right of way. That is running into the other extreme pretty hard.

Objections are raised to this bill, and as my friend from California has well said objections raised by technical legal minds, and objections that ought not to control our better judgment here. We have had, I believe, a class of philosophers in the world who denied their own existence and proved it satisfactorily, at least to themselves. You will find legal men who will prove any proposition of that same kind.

Now, sir, I have an objection to this bill, and it is a very strong one with me. It is too restrictive. You ought to have been more liberal in the bill toward these Territories than you have been. I would say, if I could address the committee, though probably they have acted more wisely than I would, that there is a broad difference between an old-settled and cultivated State, where there are wealthy populations to build roads, and a struggling infant Territory. They are as far apart almost as the heavens from the earth. In any Territory the people will struggle and struggle hard for the ability to build roads, not enter into speculation.

The Senator from New Hampshire suggests an objection to the fourteenth section. I do not feel the force of that objection; but if there be force in it, that Senator can prepare an amendment in one minute that will make that section conform to his own judgment. There are a good many matters along on this Calendar that I should like very well to see acted on, and there are many which will be acted upon without discussion in which I feel an interest; but I do feel that this bill, now being before us and having been acquainted with it for the last four years, if we do not act upon it now those who will be here four years to come will be vexed with it. I think we owe it to the Territories to dispose of it now. I certainly have heard no objection yet that the Senators making it cannot prepare an amendment to obviate in two moments. I do not myself regard the objections made as important. They do; very well. Then it is not only their right, but I hold it to be their duty, to offer amendments which would be right in their judgment, whether they meet the judgment of the Senate or not. Following that rule, I believe in a very few hours we can complete this bill so that it will meet the approval of the Senate. I hope, therefore, it will not be recommitted.

Mr. SCOTT. I hope this bill will not be recommitted, because if it is, when it comes back again the probability is that many Senators will again have objections raised in their minds, and there will be as much reason for recommitting it again as there is now. I am very glad that objections have been made, and I shall endeavor, having participated in the framing of the bill, to meet them as they are raised, so that we may, if they are well founded, incorporate other provisions in the bill, and if they are not well founded may answer them.

The Senator from New Hampshire objects to the fourteenth section of the bill, for the reason that he thinks it would authorize these railroad companies to become speculators in lands. I understand that to be the point of his objection. Now let me read that section:

> SEC. 14. That such corporation may acquire by purchase or gift any lands in the vicinity of its road or through which the same may pass, so far as may be convenient or necessary to secure the right of way, or such as may be donated to aid in the construction of such road, and convey the same in such manner as the directors may prescribe; and all deeds and conveyances made by such corporation shall be signed by the president under the seal of the corporation.

His objection seems to be that the company may designate, before they have actually located their road, various lines, and may purchase or procure to be donated to them lands upon these lines, and thus become the proprietors of large bodies of land. If the Senator will turn to the second section of the bill he will find that that objection is entirely obviated by the provisions of that section, for it requires, in prescribing what is to be contained in the certificate:

> First, the name of such corporation, by which it shall be known; secondly, the name of the county or counties and Territory or Territories where the termini of said road are to be located, and the county or counties and Territory or Territories through which such road shall pass, and the general route of said road.

It is impossible for a corporation under this section to do what the Senator from New Hampshire feared it might do, lay down lines through two or three counties and select lands upon those lines, because they must not only fix the termini of their road but they must name

the very counties through which the road is to pass; and in the twelfth section, to which reference was made for another purpose, even where they change the line of the route with the consent of the Secretary of the Interior they are restricted in that change from going away from the general route of the road. This effectually prevents this corporation from spreading itself all over the country and procuring land; and all that they can procure in any event on any route that they may select, under the fourteenth section, is land "in the vicinity of its road." It can have but one line, and that must be designated. "Or through which the same may pass, so far as may be convenient or necessary to secure the right of way, or such as may be donated to aid in the construction of such road."

I take it there can be no objection, if parties were found to be so liberal as to donate their lands and give them away for nothing to aid in the construction of the road in the first instance, that the company should receive them. I know it was not the intention of the committee to invest these corporations with power of dealing in lands generally; and if the Senator thinks the section is so broad as that such power might lurk under it, certainly the committee would only be too glad to obviate his objection; for their purpose has been not to enlarge but to restrict the powers of these corporations, so that there shall be no objectionable powers exercised.

He makes another objection, and that is under the eighth section the owner of land is required to give bond before he can have a jury trial. I have never met, according to my recollection, any provision with reference to railroads, either in States or Territories, in which after an appraisement had been made of damages by a board of viewers or assessors, and either party was dissatified, he was not required to give bonds if he appealed from the decision of the viewers; and this provision is just as much for the protection of the land-owner as it is for the convenience of the corporation, because it will be observed that the provision of the bond is that unless the party appealing procures a more favorable award than that from which he appeals he is to pay the costs. If the Senator's objection is a valid one, it ought to apply to both sides, and he would permit the railroad company to appeal from an award without giving bond, and thus an insolvent railroad corporation might mulct the land-owner in costs and he would have no remedy. This is a provision looking to the interest of both parties, and one to which no reasonable man certainly will object if he looks at all the bearings of it.

Now, as to the objection made by my friend from Iowa as to the appraisement of the value of the lands of non-resident owners. His objection seems to be that the court may appoint some person to represent a non-resident owner; and that the owner is given only six years to come in and ask that such an appraisement shall be opened; that after the lapse of six years his remedy is gone, and all he can get is the damages that have been assessed and paid into court for him. If the Senator thinks that is not sufficient, if the court should be required to give notice by advertisement, let him offer an amendment of that kind. There will be no objection to that. The intention of the committee was, upon the assumption that the courts would act in good faith, to give the non-resident owners a better opportunity of being heard in the court. The usual provision is in the case of a non-resident owner where notice cannot be served upon him that the court shall be authorized to give such notice as they may deem most likely to meet his eye by publication; but here it is required, not that the proceeding shall go on simply by a notice by publication, but that the court shall provide a party, who shall give bond for the faithful execution of his trust, to represent this absent owner. Now, unless it were to be assumed that the court would be in collusion with the railroad company and appoint some man of straw and accept straw-bail for the purpose of representing an absent owner, it seems to me that this is as good a provision as could be made for the protection of the absent owner; but if the Senator from Iowa thinks there ought to be superadded to this provision a notice by publication, let him propose to add it and there will be no objection in the world.

Mr. HOWE. I want to say right here that I shall not vote for the recommittal of this bill to the Committee on Railroads. I do not want to delay the passage of the bill an hour. I do not want to throw an obstacle in the way of the passage of a proper bill. I do not want to throw an obstacle in the way of the passage of this bill if those who have it in charge really think it is the bill that ought to be passed.

The suggestion thrown out by the Senator from California and enforced by the Senator from Maine that I was urging legal and technical objections to this bill is not called for at all. I must confess I do not think it any disgrace to any objection that it is a legal objection; but I am not here in a captious spirit. I am a little surprised that the Senator from Pennsylvania does not see any more merit in the objection I started than he seems to see. I am very certain that when the Senator from Pennsylvania and myself differ upon a question of law I am in error, or else he is. I think those Senators are mistaken in supposing that this bill is quite analogous to the ordinary general railroad incorporation laws of the States, because my impression is that under those laws nothing is vested in any persons except those who have subscribed to a certain amount of stock and paid up a certain amount of money, whereas in this case I think all the franchises are granted to five men who have not paid a dollar and who are not compelled to pay a dollar. They have simply expressed a wish and put that on record; but even that I do not particularly object to. I think it is pretty loose; I think the ordinary laws as I have stated them are rather loose; but I can grant a little more freedom in a Territory than I can in a State.

If the Senator from Pennsylvania is entirely sure that under the eleventh section, if the conditions prescribed in the preceding sections are not complied with, everything is taken away from the company which by the first section is granted to the company, I will be content with his assurance upon that point. But my impression very strongly is that the franchises granted by this act are not merely the right to build a road, not merely the right of way for a road, but the fee to forty acres of land on every ten miles of the route prescribed for the road; and that in case of forfeiture only the right to complete the road is forfeited, and the fee of the lands granted still continues to the corporation or its assignees, and that before that forfeiture has operated a mortgage may have been placed upon it by the five men, or the forty acres or any portion of them may have been alienated. That is my impression. If the Senator says I am wrong, I acquiesce. I will not propose an amendment. I am not here to oppose the bill captiously.

I did want to say one word more in the hearing of my honorable friend from Maine, whom I do not see in the Chamber, but I will say it in the hearing of the Senate. He complains that we seem to have drifted from one extreme to another. He points us to a time when we were willing not only to grant to States the right of way for railways, but the right to a certain portion of the lands on the line of the roads. He says he participated in that sort of legislation. He says he does not repent himself of that legislation. Well, I wish I could tell him that I glory in his spunk. I wish I could tell him that I am another just such man. I wish I could tell him that I never failed to vote for such a proposition when I had an opportunity to vote for it. I will tell other Senators about me that I never shall fail to vote for such a proposition when I have an opportunity. I do not care what the temper of the day is; I do not care what the last State convention says here or there; I say that where the United States owns a body of public lands within any State and will not give to the State one-half of those lands within five or ten miles of the line of a road to put a great public iron highway through the land—when Congress will not do that Congress does not know its interests. I say no human being who found himself owner of such a body of lands and who should refuse to give one-half of them to have a road put through them ought to be put under guardianship at once. He is not fit to manage an estate. I do not repent myself of any of this legislation, therefore. This is no such proposition. This does not propose to give anything to a State or to a Territory. It takes from the Territories, as it seems to me, the right to build roads and allows five men to run all over the Territories everywhere and secure the right to build roads in every direction; and not only that, but allows them, as I think, to secure forty acres of public land in every distance of ten miles without building any road at all. If I am mistaken on this point I acquiesce in the bill, loose as I think it is in other particulars; and if the Senator from Pennsylvania is quite sure I am mistaken, I shall acquiesce in his judgment. He has thought of this measure more than I have. I was particularly anxious not to be misunderstood upon this other point, that I am going back on my record in reference to railway grants one inch.

Mr. SCOTT. The Senator from Wisconsin has stated the proposition that where he and I differ on a legal point certainly one of us must be wrong. That may be true; but I wish—as I have so much respect for any opinion he entertains—to see whether I cannot obviate the objection which he has to this section by inserting in the ninth line of the eleventh section, between the words "rights" and "and," the word "property;" so as to read:

It shall forfeit its charter and all the rights, property, and privileges conferred by this act as to any uncompleted portion of its line of road.

So that if it were to construct a portion of its road and leave uncompleted a portion and a forfeiture occurred, then the road-way and the forty acres on the uncompleted portion would be carried with the forfeiture.

Mr. HOWE. That would obviate the difficulty provided the previous sections are so drawn that the company cannot mortgage or alienate the forty acres or any part of it and so take it from under the subject of forfeiture.

Mr. SCOTT. I suggest that that amendment be put in.

The PRESIDENT *pro tempore*. The Senator from Pennsylvania moves to amend the amendment reported by the committee by inserting between the word "rights" and the word "and," in line 9 of the eleventh section, the word "property."

Mr. WRIGHT. I have no objection to that being taken by consent, but I have a motion pending to recommit, and during the pendency of that motion it is not in order to amend.

The PRESIDENT *pro tempore*. The Senator from Iowa is correct. The amendment is not in order if objection is made.

Mr. WRIGHT. I do not object as to matter of form.

The PRESIDENT *pro tempore*. The Chair then will entertain the amendment. The Chair hears no objection to it, and the amendment is agreed to. The question now is on the motion to recommit.

Mr. HAGER. I do not rise to favor the motion, but I wish to call the attention of the committee to a section of the bill that I presume

is intended to cover a class of cases in regard to which a great many bills are pending now. I introduced a bill myself for the purpose of obtaining the right of way for a railroad from a point in the State of California to a point in the State of Nevada. The twenty-first section, as I understand, is intended to apply to cases of that kind; at least I was informed by one of the members of the committee, to whom I applied for information in regard to the bill I introduced, that they intended to present a general law which would cover the kind of case that my bill was intended to meet, and I presume that this twenty-first section is intended to be that general law to meet those cases; but it is not sufficiently comprehensive to meet the kind of case that I referred to. It reads:

That the right of way through the unoccupied public lands of the United States n any State is hereby granted to any railroad corporation incorporated under the aws of such State.

The true construction to be put upon that is, that a railroad incorporated, say, in the State of California, can only obtain the right of way under this section in that State, and not beyond the borders of the State of California.

Mr. STEWART. I will ask if a railroad corporation in California have the right to construct a road beyond that State by virtue of that incorporation?

Mr. HAGER. The Central Pacific Railroad Company is chartered by the State of California and it runs through Nevada——

Mr. STEWART. But that was by legislation of Congress when Nevada was a Territory. I do not understand that one State has any power to authorize a corporation in another.

Mr. HAGER. A corporation has extra-territorial powers as a general rule——

Mr. STEWART. For certain purposes——

Mr. HAGER. Certainly, for the purpose of operating a railroad.

Mr. STEWART. That is by mere comity.

Mr. HAGER. They may get the right of way, and the corporation may acquire property rights.

Mr. STEWART. But a corporation for the purpose of constructing a railroad is always within the limits of the State granting the charter, and it is confined to the State chartering it. It exercises the right to condemn private property for public use. It exercises part of the sovereignty of a State. A railroad company chartered by California cannot condemn property in Nevada under the laws of California.

Mr. HAGER. I admit that. But I ask the Senator whether he intends to say that a railroad company incorporated in California must be reincorporated in Nevada in order to get through?

Mr. STEWART. You cannot by general law authorize one State to organize corporations and get land in another.

Mr. HAGER. But here is the supreme power granting the right of way, and it grants it to a corporation formed in any State. A corporation formed in the State of California wants a right of way through a Territory adjoining, and no power but Congress can grant it, and that power is not given here. That is the point.

Mr. STEWART. It is in another State.

Mr. HAGER. Let it be another Territory or State.

Mr. STEWART. A State has no right to organize a corporation to build a railroad in a Territory, and it has no right to organize a corporation to build a railroad beyond its State line. Consequently this is a case where the powers of the State do not apply.

Mr. HAGER. I do not agree with the Senator in that respect. A corporation in the State of California has certain rights in another State. It may not have the power to condemn land, but it has certain corporate rights by virtue of its incorporation in the State. It may sue in other States besides the State in which it was incorporated to enforce its rights; but when it comes to acquiring territorial rights by way of property, which affect the domain, the sovereign power, then of course it must apply to that sovereign power for that authority.

Mr. STEWART. I suggest to my friend that if he is going to build a railroad through two States he must get the consent of both States, and then this section will apply. A corporation cannot build beyond its own State under that State's authority. Of course, the comity of States will allow a corporation in one State to do business in another.

Mr. HAGER. I wish to bring the Senator's attention to the precise case that I stated. I introduced a bill in order that a corporation incorporated under the laws of California might obtain the right of way from a point in the State of California to a point in the State of Nevada. That is the very object I had in view in introducing that bill. I applied to the Senator in regard to it, and he said the committee intended to introduce a general law which would cover that particular case; and as I understand this is the general law that is intended to cover that case, which I say it does not.

Mr. STEWART. I understood the Senator's road to be all in the State of California.

Mr. HAGER. Not at all.

Mr. STEWART. I thought it went to Truckee.

Mr. HAGER. It is intended to connect with the iron mines in the Sierra Nevada, and to run to a point on the Central Pacific Railroad in the State of Nevada.

Mr. STEWART. Is that point Reno?

Mr. HAGER. Yes.

Mr. STEWART. Then that is a special case and will require special legislation, but this bill will not interfere with it at all. I apprehend, however, that in order to build that road you will have to get a charter from the State of Nevada.

Mr. HAGER. I wanted to know whether this was intended to take the place of that kind of legislation. If it is not, then I would respectfully ask the committee to report back that bill, and I hope it will not be delayed by this legislation.

Mr. STEWART. If a case arises where a road extends through more than one State, and it should turn out that the State organizing the charter has power to go beyond its own State line, so that the corporation could exist beyond that, that would be a case for special legislation. I presume before you build in that other State you must have legislation in that State, and having previous legislation in the other State, then it would be a corporation of both States, and this section would cover it.

Mr. HAGER. If this section is not intended to cover that kind of case, I have nothing more to say; but I supposed it was intended to cover that particular case, and I wished to call the attention of the committee to show that it was not sufficient to meet the difficulty.

Mr. STEWART. I apprehend it will cover it when there is power given by both States, because the right of a corporation to act in two States must emanate from both States. Suppose you build the road referred to over the line of Nevada to Reno, and you want to condemn private property, you cannot do that under the California charter; you must have a charter from Nevada. Then it will be a corporation of Nevada, and this section will apply.

Mr. HAGER. I understand that lands cannot be condemned in one State under a charter from another; but suppose all the territory through which it passes is public land of the United States. Then it would not be necessary to reincorporate the company in Nevada in order to condemn lands, but the United States could grant the right of way over them, and then the company would have the entire roadway through to the point, the terminus they wish to reach. It would not be necessary in that case to apply to the State of Nevada in order to get the right of way; they would have it already from the United States.

Mr. CAMERON. We can scarcely get through with this bill to-day. Therefore I move that the Senate now proceed to the consideration of executive business.

The PRESIDENT *pro tempore*. Before submitting that motion the Chair will lay before the Senate certain House bills for reference.

HOUSE BILLS REFERRED.

The following bills from the House of Representatives were severally read twice by their titles and referred as indicated below:

The bill (H. R. No. 2875) authorizing the use of certain evidence—to the Committee on the Judiciary.

The bill (H. R. No. 2876) to amend the coinage act of 1873—to the Committee on Finance.

The bill (H. R. No. 2878) to amend the twenty-fifth section of the coinage act of 1873—to the Committee on Finance.

The bill (H. R. No. 440) to amend the act entitled "An act transferring the control of certain territorial penitentiaries to the several Territories in which the same are located," approved January 24, 1873—to the Committee on Territories.

The bill (H. R. No. 2541) giving the consent of the United States to the erection of a bridge across the Arkansas River at Pine Bluff, Arkansas—to the Committee on Commerce.

The bill (H. R. No. 2880) to enable William H. Ward, of Auburn, in the State of New York, to make application to the Commissioner of Patents for an extension of letters-patent for an improved bullet-machine—to the Committee on Patents.

The bill (H. R. No. 2787) to provide for the sale of the present United States marine hospital and site, and the purchase of a new site and erection thereon of a new marine hospital, in the city of Pittsburgh, Pennsylvania—to the Committee on Appropriations.

STATE OF LOUISIANA.

Mr. CARPENTER, (Mr. CLAYTON in the chair.) Several days ago I introduced a bill providing for a new election in the State of Louisiana. It is important to all parties that that matter should be disposed of. I have consulted with the Senator from Louisiana, [Mr. WEST,] who desires to speak upon the bill. Next Monday will be agreeable to him, and I therefore desire to give notice that on Monday next, after the expiration of the morning hour, I will move that the Senate proceed to the consideration of that bill. I hope that the Senate will pass upon the bill without a reference to a committee I do not see any necessity for its going there, and I shall hope that the Senate will dispose of the bill as soon as possible.

Mr. HAMLIN. I hope the Senate will lay it on the table when it is called up.

Mr. CARPENTER. Very well; that will be for the Senate to say.

EXECUTIVE SESSION.

Mr. CAMERON's motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at three o'clock and forty-five minutes p. m.) the Senate adjourned.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *April* 8, 1874.

The House met at twelve o'clock m. Prayer by the Chaplain, Rev. J. G. BUTLER, D. D.

The Journal of yesterday was read and approved.

BRIDGE AT PINE BLUFF, ARKANSAS.

Mr. NEGLEY, by unanimous consent, from the Committee on Commerce, reported back a bill (H. R. No. 2541) giving the consent of the United States to the erection of a bridge across the Arkansas River at Pine Bluff, Arkansas, with the recommendation that it do pass.

Mr. RANDALL. Let that bill be read.

The bill was read, as follows:

Be it enacted, &c., That the consent of the United States is hereby given to Henry B. Morse, Met L. Jones, James F. Vaughn, Richard A. Dawson, William H. Bush, James M. Holcombe, Gabriel Meyer, George W. Prigmore, John L. Buck, Ira McL. Barton, John M. Clayton, William N. Portis, Benjamin Twombly, Hugh H. Kenyon, and Richard H. Stanford, and their associates, first having obtained an act of incorporation by the State of Arkansas, to build a railroad-transit and wagon-bridge across the Arkansas River, at or near Pine Bluff, in Arkansas; and that the company or corporation herein authorized to construct said bridge shall give notice for one week in two newspapers having a wide circulation in cities situated on the river near the locality of the proposed bridge, and shall submit to the Secretary of War, for his examination, a design and drawings of the bridge and piers, and a map of the location, giving, for the space of at least one mile above and one mile below the proposed location, the topography of the banks of the river, the shore lines at high and low water, the direction of the current at all stages, and the soundings accurately showing the bed of the stream, the location of any other bridge or bridges, and shall furnish such other information as may be required for a full and satisfactory understanding of the subject by the Secretary of War; and if the Secretary of War is satisfied that the provisions of the law have been complied with in regard to location, the building of the piers may be at once commenced; but if it shall appear that the conditions prescribed by this act cannot be complied with at the location where it is desired to construct the bridge, the Secretary of War shall, after considering any remonstrances filed against the building of said bridge, and furnishing copies of such remonstrances to the board of engineers provided for in this act, detail a board composed of three experienced officers of the Corps of Engineers, to examine the case, and may, on their recommendation, authorize such modifications in the requirements of this act, as to location and piers, as will permit the construction of the bridge; not, however, diminishing the width of the spans contemplated by this act.

SEC. 2. That any bridge under the provisions of this act may, at the option of the company or association building the same, be built as a draw-bridge, with a pivot or other form of a draw, or with unbroken or continuous spans: *Provided*, That if the said bridge shall be made with continuous and unbroken spans, it shall not be, in any case, of less elevation than fifty feet above extreme high-water mark, as understood at the point of location, to the bottom chord of the bridge; nor shall the spans be of less than two hundred and fifty feet in the clear; and the piers of said bridge shall be parallel with the current of said river at that stage of the river which is most important for navigation; and that no ripraps or other outside protection for imperfect foundation will be permitted in the channel-way of the high span, or of the draw openings; and that the main span shall be over the main channel at low water: *And provided also*, That if the said bridge be constructed as a draw-bridge, the same shall have a pivot draw, giving two clear openings of one hundred and sixty feet each, measured at right angles to the current at the average stage of water in the river, and located in a part of the bridge that can be safely and conveniently reached at that stage; and that said draw shall be opened promptly, upon reasonable signal, for the passage of boats whose construction shall not be such as to admit of their passage under the stationary spans of said bridge, except when trains are passing over the same; but in no case shall unnecessary delay occur in opening the said draw before or after the passage of trains; and the next adjoining span to the draw shall not be less than two hundred and fifty feet, and said span shall not be less than thirty feet above low-water mark, measuring to the bottom chord of the bridge, and the piers of said bridge shall be parallel with the current of the river.

SEC. 3. That the said bridge, according to its limitations, shall be a lawful structure, and shall be recognized and known as a post-route, upon which no higher charge shall be made for the transmission over same of the mails, the troops, and munitions of war of the United States than the rate paid per mile for their transportation over the railroads or public highways leading to said bridge.

SEC. 4. That all railway companies desiring to use said bridge shall have and be entitled to equal rights and privileges in the passage of any State in which any portion of said obstruction or bridge touches.

SEC. 5. That the United States shall have the right of way for postal-telegraph purposes across said bridge.

SEC. 6. That all parties owning, occupying, or operating said bridge shall maintain, at their own expense, from sunset to sunrise throughout the year, such lights on said bridge as may be required by the Light-House Board for the security of navigation; and all persons owning, occupying, or operating said bridge shall, in any event, maintain all lights on said bridge that may be necessary for the security of navigation.

SEC. 7. That said corporation or association may execute a mortgage and issue bonds, payable principal and interest in gold or United States currency, and may at any time transfer their charter under the provisions of this act of association or incorporation.

SEC. 8. That the right to alter or amend this act so as to prevent or remove all material obstructions to the navigation of said river by the future construction of bridges is hereby expressly reserved, without any liability of the Government for damages on account of the alteration or amendment of this act, or on account of the prevention or requiring the removal of any such obstructions; and if any change be made in the plan of construction of any bridge constructed under this act, during the progress of the work thereon or before the completion of such bridge, such change shall be subject to the approval of the Secretary of War; and any change in the construction or any alteration of any such bridge that may be directed at any time by Congress shall be made at the cost and expense of the owners thereof.

Mr. SPEER. As I understand the first section, it provides for publication of notice of one week only. Should not that be one month?

Mr. NEGLEY. It requires notice to be published in two papers.

Mr. SPEER. But for only one week. Should not that be one month?

Mr. NEGLEY. I do not object to the amendment.

The amendment was agreed to.

The bill, as amended, was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

Mr. NEGLEY moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

SPECIFIC DUTIES ON TIN PLATES.

Mr. SWANN, by unanimous consent, presented memorials numerously signed by merchants, importers, dealers, and workers of tin plates in New York, Boston, Philadelphia, and Baltimore and other cities of Maryland, praying for the conversion of the present *ad valorem* duty on importation of tin plates into a corresponding and equivalent duty; which was referred to the Committee on Ways and Means, and ordered to be printed in the CONGRESSIONAL RECORD.

The petition is as follows:

To the honorable Finance Committees of the Senate and House of Representatives of the United States:

Your memorialists—merchants, importers, dealers, and workers of tin plates—respectfully request that you will consider the expediency and recommend to Congress the conversion of its present *ad valorem* duty on the import of tin plates into a corresponding and equivalent specific duty, as a measure calculated to simplify and increase the collection of the customs revenue, facilitate the transaction of business, give stability to prices, and at once and forever render disagreements between the importer and the Government a practical impossibility.

Tin plate was taxed for the first time in our tariff history in 1842, at the rate of 2½ per cent. *ad valorem*. In 1846 the duty was increased to 15 per cent., which in 1857 was reduced to 8 per cent. In 1862 the duty was raised to 25 per cent., and in 1872 it was reduced to 15 per cent., which is the present law.

As a raw material, constituting the basis of great branches of domestic industry; as an important element in the cost of a large class of articles, especially used by the very poorest of the people, as well as for its use in building, for machinery, and for the preparation of products largely exported, or which require domestic transportation in air-tight metal packages as a condition of sale and consumption, tin plate has a strong claim to be exempted from all direct taxation. Thus millions of dollars' worth of fruit, green corn and other vegetables, as well as oysters and other shell-fish, are annually put up in tin cans for exportation or for domestic markets. Refined petroleum, also, is shipped to all parts of the world almost exclusively in tin cans, while the census of 1870 returns 30,524 persons whose occupation is that of working upon tin.

In the present financial condition of the country your memorialists, however, prefer no claim for any reduction or exemption of taxation in respect to this article; but they do claim, that so long as it is considered expedient to impose a duty upon its importation, the substitution of an equivalent specific for the existing *ad valorem* duty would be in the highest degree beneficial to both the Government and the merchants. That such a specific duty can, moreover, be easily substituted without loss to the Treasury, will be made evident from an examination of the following tables:

The importations of tin plates during the last two fiscal years were in value as follows:

1872—Amount in value imported	$12, 312, 428
1873—Amount in value imported	14, 993, 650
Total value	27, 306, 078

That with an *ad valorem* duty of 15 per cent. the accruing revenue would have amounted on this importation to $4,095,761.70.

But the actual weight imported during the above two years was:

	Pounds.
1872—Gross weight, including boxes	209, 671, 640
1873—Gross weight, including boxes	214, 069, 374
Total pounds	423, 741, 014

Which import, at a specific duty of one cent per pound gross weight, (or including the weight of the packages,) would have yielded a revenue of $4,237,410.14. The difference in two years' revenue receipts, therefore, between the present *ad valorem* and the recommended specific rate of duty would have been only $141,648.44, or about $70,000 per annum, and that $70,000 in favor of the revenue.

The assessment of a specific duty of one cent per pound on tin plates, including boxes, would do away forever with any uncertainty in respect to valuations, and the conflicting appraisements of market value and cost price; for it should be understood that tin plates are not kept in stock in England in large quantities, but have to be contracted for months ahead. Hence, it invariably happens that the actual cost of this article conflicts with the market value at the time of shipment. Thus, for example, A, who lives in New York or Boston, and contracts in Wales in January for tin plates, to be delivered in March at thirty shillings per box, is obliged to invoice them at thirty shillings, although the price in Liverpool in March has actually fallen to twenty-five shillings per box. If, on the other hand, the price in March in Liverpool is thirty-five shillings, A is by law bound to add five shillings to the actual cost, in order to make it market value at the time of shipment in Liverpool. B, on the other hand, living in England, and contracting in January for tin plates at thirty shillings per box, to be delivered in March, if he sends his tin plates on consignment to New York, can invoice them at twenty-five shillings, if that is the then market value in Liverpool, and pay only duty on twenty-five shillings. The present law, therefore, discriminates against the American importer and in favor of the foreign commission merchant.

Your memorialists would also recommend a provision of law in connection with the proposed substitution of duty, to the effect that all tin plates imported into the United States shall have the gross weight branded on the box. This would be an additional safeguard, and facilitate and expedite the passing of this very important product of our importation through the custom-house.

J. EARL AND T. W. DEXTER.

On motion of Mr. PAGE, by unanimous consent, the Committee on the Post-Office and Post-Roads was discharged from the further consideration of the bill (H. R. No. 3296) for the relief of J. Earl and T. W. Dexter; and the same was referred to the Committee on Commerce.

PUBLICATION OF LAWS IN THE DISTRICT OF COLUMBIA.

Mr. DONNAN, from the Committee on Printing, reported back adversely a bill (H. R. No. 1730) relative to the publication of laws in the District of Columbia; which was laid upon the table, and the report ordered to be printed.

PROMOTION OF NEW INVENTIONS.

Mr. BUTLER, of Massachusetts. I call for the regular order of business.

The SPEAKER. The regular order being called for, the morning hour begins at twenty-six minutes past twelve o'clock, and the House resumes the consideration of the bill (H. R. No. 2512) to promote new and useful inventions in the United States, which was reported back adversely from the Committee on Patents.

The bill was laid upon the table, and the adverse report ordered to be printed.

Mr. RANDALL moved to reconsider the vote by which the bill was laid upon the table; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

INVENTORS AND PATENTEES.

Mr. SMITH, of North Carolina, from the Committee on Patents, reported back adversely the bill (H. R. No. 872) for the encouragement and relief of inventors and patentees; which was laid upon the table, and the accompanying report ordered to be printed.

WARD'S IMPROVED BULLET-MACHINE.

Mr. PARKER, of New Hampshire, from the Committee on Patents, reported as a substitute for the bill H. R. No. 1605 a bill (H. R. No. 2880) for the extension of the patent known as Ward's improved bullet-machine; which was read a first and second time.

The bill provides that William H. Ward, of Auburn, in the State of New York, have leave to make application to the Commissioner of Patents for an extension of the letters-patent granted to him on the 10th day of November, 1857, for an improved bullet-machine for the term of seven years from and after the expiration of the original term of fourteen years for which said letters-patent are granted; such application to be made in the same manner and to have the same effect as if the same had been filed not less than ninety days before the expiration of the aforesaid original term of said patent. And upon such application so filed the Commissioner of Patents shall be authorized to consider and determine the same in the same manner, upon giving the same notice, and with the same effect, as if the application had been duly filed within the time prescribed by law, and as if the original term of said patent had not expired; provided no person shall be held liable for the infringement of said patent, if extended, for making use of said invention since the expiration of the original term of said patent and prior to the date of its extension.

The bill was ordered to be engrossed for a third reading; and being engrossed, it was accordingly read the third time, and passed.

Mr. PARKER, of New Hampshire, moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

SUSPENSION OF WORK ON PUBLIC BUILDINGS.

Mr. PLATT, of Virginia, from the Committee on Public Buildings and Grounds, reported back, with the recommendation that it do pass, the bill (H. R. No. 2653) authorizing the Secretary of the Treasury to suspend work upon the public buildings.

The bill was read. It authorizes and directs the Secretary of the Treasury to defer operations on any public buildings that are authorized by existing laws but not actually commenced, or to proceed with the same, as may in his opinion be for the best interests of the public service; provided that all moneys heretofore appropriated for the construction of public buildings and now remaining to the credit of the same on the books of the Treasury Department, or which may hereafter be appropriated for such buildings, shall remain available until the completion of the work for which they are or may be appropriated; and upon the final completion of each or any of said buildings, and the payment of all outstanding liabilities therefor, the balance or balances remaining shall be immediately covered into the Treasury.

Mr. GARFIELD. I make the point of order that that bill should go to the Committee of the Whole on the state of the Union.

Mr. PLATT, of Virginia. I do not see how the point of order can be sustained. The bill makes no provision of money or of property.

Mr. GARFIELD. It makes provision in regard to unexpended balances of appropriations already made, and appropriates them in perpetuity.

Mr. PLATT, of Virginia. It makes no change in the law except so far as it provides for unexpended balances being covered into the Treasury.

The SPEAKER. The Chair thinks that the members of the House are a little rusty upon the new rule, and will direct it to be read again.

The Clerk read as follows:

All bills making appropriations of money or property, or requiring such appropriations to be made, or authorizing payments out of appropriations already made, shall be first discussed in Committee of the Whole.

The SPEAKER. The bill has this proviso:

Provided, That all moneys heretofore appropriated for the construction of public buildings and now remaining to the credit of the same on the books of the Treasury Department, or which may hereafter be appropriated for such buildings, shall remain available until the completion of the work for which they are, or may be, appropriated, &c.

The Chair thinks that the bill is very clearly liable to the point of order under the rule which has been read. The bill goes to the Committee of the Whole on the state of the Union.

ALLEGED VIOLATION OF THE EIGHT-HOUR LAW.

Mr. KILLINGER. I am instructed by the Committee on Public Buildings and Grounds to report back the following resolution:

Resolved, That the Committee on Public Buildings and Grounds be, and they are hereby, required to investigate the alleged violation of the eight-hour law in the work on the New York post-office, and to send for persons and papers if necessary.

The committee report back this resolution, accompanied by a report in writing and certain testimony, and ask to be discharged from the further consideration of the subject.

Mr. COX. I would like to hear the conclusions of the committee.

Mr. KILLINGER. Let the report be read.

The Clerk read as follows:

The Committee on Public Buildings and Grounds, to whom was referred the following resolution:

"*Resolved*, That the Committee on Public Buildings and Grounds be, and they are hereby, required to investigate the alleged violation of the eight-hour law in the work on the New York post-office, and to send for persons and papers if necessary,"

Respectfully report:

That they have carefully considered all the statements submitted and testimony produced before them bearing upon the subject-matter of the above resolution. The material question is one of fact, whether the eight-hour law, passed June 25, 1868, which declares that eight hours shall constitute a day's work for all laborers, workmen, and mechanics employed by or on behalf of the Government of the United States, has been violated in the work done on the New York post-office building. No time is designated when the alleged violation of the law took place, and we may assume that the complaint embraces all the work done from its commencement to the present time.

It will be observed that the inquiry does not involve the expediency or inexpediency of the law itself, and we do not propose to go beyond the instructions of the House in this regard. It appears that the law was not observed in all cases and at all times prior to May, 1872, so far at least as the work on the New York post-office building was concerned. It required a peremptory order from the Secretary of the Treasury to the superintendent of said building, directing its enforcement in all such work. From that time forward it does not appear that the superintendent of said building, or any one acting under his orders, employed any laborer, workman, or mechanic to do a day's work, otherwise than in accordance with the law referred to, and the direction of the Secretary of the Treasury. And it is but just to add that no laborer, workman, or mechanic employed on the building since the date specified has appeared before the committee to substantiate any alleged violation of the law.

The labor unions of New York, however, appeared in the persons of recognized representatives, and complained that the law was being violated by indirection. They allege, and the evidence sustains the allegation, that the Government agent, Mr. Mullett, has employed Marshall J. Davidson, a prominent machinist of New York City, to design and construct the heating and ventilating apparatus to be used in the said building. Under the contract thus assumed by him, Mr. Davidson employs his own workmen, and on his own terms, without consulting the United States authorities, and without a reference to the eight-hour law. Mr. Davidson says in his testimony that the Government reserves the right, and has the option, to pay him the contract price or the actual cost of the materials and labor, increased by a percentage. This reservation would seem to be a sufficient protection to the Government against excessive charges, but the question here is not so much the price to be paid by the Government, as the right of the Government agents to contract for the performance of work on Government buildings in the manner here specified.

It is claimed that such percentage contracts are subversive of the eight-hour law in its true intent and meaning. And, on the other hand, it is asserted that machinery like that referred to cannot be manufactured outside of machine-shops, and by other than scientific men with the aid of skilled labor. In addition to this consideration it appears that the question raised here has been considered by the Attorney-General of the United States, and his opinion is regarded by the Treasury Department, as expressed by Mr. Mullett, as conclusive upon it. In the opinion of the Attorney-General, filed May 2, 1872, in the case of certain stone-cutters employed near Richmond, Virginia, in getting out granite for the building in course of erection for the State Department, the following language occurs:

"The letter of the act of Congress limits its operations to laborers, workmen, and mechanics employed by or on behalf of the Government of the United States, and I am aware of no reason to suppose that the act was intended to have operation beyond the immediate employés of the Government."

In that case, as in the present case, the contractor employed the men, and the Attorney-General was of opinion that he, the contractor, "would have just cause of complaint if the Government should undertake to interfere between him and his employés by prescribing regulations for their labor."

We simply cite this opinion of the Attorney-General, which seems to rule the action of the Treasury Department and its Supervising Architect, and not with a view to discuss its terms. Until reviewed or reversed by higher authority it must be admitted to have force and effect upon those who are bound by it. Its conclusions are understood to be of binding force by the Government agents; and it is manifest that if Congress desires to bring within the eight-hour law such cases of alleged infraction as we have been considering, some means must be found to overcome the difficulty suggested. The friends of that law will have to secure a judicial construction of the law as it now stands in the statute-book or additional legislation. Until one or the other remedy is sought and applied, the Secretary of the Treasury will probably feel himself justified in following the instructions of the highest law-officer of the Government in this regard. The committee offer the following resolution.

Resolved, That the committee be discharged from the further consideration of the subject.

Mr. KILLINGER. I move the previous question on the adoption of the resolution reported by the committee.

Mr. COX. I desire to say just one word. I introduced the resolution with reference to this investigation. I believed that the eight-hour law ought to be carried out or repealed, and that an investigation ought to be made as to its effect. It has not been carried out either in New York or in other works on public buildings. The report of the committee of course tells the truth, so far as that committee could understand it; but there is jugglery toward workmen on that and on all other public buildings, and I say to this House and to my friend from Pennsylvania that the eight-hour law ought to be repealed or enforced. And now let this House take action on the subject. I have brought it to the attention of the House, and that is all I can do in the presence of this adverse report.

Mr. KILLINGER. I wish to state that the committee do not think it necessary that the testimony submitted with the report should be

printed. It is of course in the power of the House to order the printing if they see fit.

Mr. COX. I would like to have it printed.

Mr. KILLINGER. I have no objection, and I think the committee have none.

Mr. PLATT, of Virginia. I think it necessary for me to notice for a moment the statement of the gentleman from New York that the eight-hour law is being habitually violated in the construction of public buildings. I state here that it is not being violated on any public buildings in the United States, and that the gentleman can bring forward no evidence to substantiate the broad statement he has made. I assert on the contrary that the eight-hour law is being enforced on every public work in the United States under the express orders of the Secretary of the Treasury, and there is not now nor has there been any violation of it since 1872.

The previous question was seconded and the main question ordered; and under the operation thereof the resolution reported by the committee was agreed to, and the report and accompanying testimony ordered to be printed.

BUREAU OF ARCHITECTURE.

Mr. PIERCE, from the Committee on Public Buildings and Grounds, reported back, with the recommendation that it do not pass, the bill (H. R. No. 1682) to provide for a Bureau of Architecture; and the same was laid on the table, and the accompanying report ordered to be printed.

MARINE HOSPITAL AT PITTSBURGH.

Mr. SESSIONS, from the Committee on Public Buildings and Grounds, reported back, with the recommendation that it do pass, the bill (H. R. No. 2787) to provide for the sale of the present United States marine hospital and site and the purchase of a new site and erection thereon of a new marine hospital in the city of Pittsburgh, Pennsylvania.

The bill authorizes and directs the Secretary of the Treasury to dispose of at public sale, to the highest bidder, the United States marine hospital building, and grounds pertaining thereto, in the city of Pittsburgh, Pennsylvania; and to procure by purchase a site in or convenient to the said city of Pittsburgh, which shall be eligibly and healthfully located and shall be ceded to the United States Government by the State of Pennsylvania, and erect thereon a suitable building for use as a United States marine hospital, the same to be of such dimensions as shall be sufficient to accommodate all such mariners as would be likely to seek asylum at that point. The cost of site and construction of the new building are not to exceed the sum realized from the sale of the present building and site, and the new site is not to be purchased or the construction of the building commenced until the sale of the present building and site is concluded. The Secretary of the Treasury is further authorized to provide for the care and maintenance in private hospitals of such patients as are entitled to admission to a United States marine hospital during the construction of the new building, provided the terms of sale of the present building will not admit of their remaining therein until the new building is ready for occupancy.

Mr. WILLARD, of Vermont. I make the point of order that that bill requires an appropriation of money, and must have its first consideration in Committee of the Whole.

Mr. SPEER. Is that point of order good? The bill provides simply that the money arising from the sale of the present building shall be reinvested in a new one. It provides that the building of a new hospital shall not cost a dollar more than is realized from the sale of the present building.

The SPEAKER. Suppose the gentleman should move to knock out that provision by way of amendment; the Chair could not rule it out.

Mr. SPEER. The House might not knock it out.

The SPEAKER. Still such an amendment would be in order. *Non constat* that the House might not agree to it. The rule is so very strict that the Chair advises the House that it is very difficult in any way to get an appropriation of money or of public property through except in Committee of the Whole. If the gentleman from Vermont insists on the point of order, the Chair must sustain it.

Mr. WILLARD, of Vermont. I have no objection to the bill being considered in the House as in Committee of the Whole.

Mr. SPEER. Did the gentleman from Vermont hear the proviso to the bill?

Mr. RANDALL. I find that the restrictions that you put upon the cost of public buildings are never adhered to.

Mr. SPEER. That is the fault of succeeding Congresses and not of the one that passes the bill.

The SPEAKER. The gentleman from Vermont does not object to the bill being considered in the House as in Committee of the Whole under the five-minute rule. The bill has been read twice and the question now is upon ordering it to be engrossed and read a third time.

Mr. WILLARD, of Vermont. I would like to hear some explanation of the bill.

Mr. SESSIONS. It is ascertained that the old marine hospital at Pittsburgh, Pennsylvania, is entirely inadequate for the accommodation of the inmates of that hospital. This bill provides that the present hospital, which is old and insufficient for the purposes for which it was constructed, shall be sold to the highest bidder at public auction, and that the avails of it shall be invested in new grounds and in the construction of a new hospital, and that no money shall be expended for the purpose of purchasing grounds and the construction of a new building beyond what shall be realized from the sale of the old building and grounds. The bill simply authorizes the Secretary of the Treasury to cause a new building to be constructed out of the proceeds of the sale of the old one suitable for the purposes for which it is to be built.

Mr. GARFIELD. I desire to ask the gentleman from New York whether the committee have considered a proposition that has been a good deal discussed in the Treasury Department and elsewhere as to the propriety of selling these hospitals and providing by arrangements with the city authorities for the keeping of such persons as the United States would otherwise keep, without any building. In the case of the Cleveland marine hospital, we are in favor of selling or leasing perpetually that building and making arrangements with the city authorities to keep such persons as would otherwise go to the marine hospital. It has seemed to me, from what study I have given to the subject, that a general policy applicable to nearly all cases where we have marine hospitals would be a wise one; a policy that would make arrangements with the city authorities, by paying a reasonable sum, for the keeping of such persons.

Of course I have no special knowledge as to the situation in Pittsburgh; but it seems to me that a city so far remote from the sea-coast and having to do only with the river marine could very easily make an arrangement, the United States paying a reasonable sum, for keeping and caring for such persons as ought to go into the marine hospital, which would be a very economical and wise arrangement for both parties. It would help the city in the maintenance of such persons as they needed to keep, and it would help the United States by avoiding the necessity of buying more property and building a new building. I have had some conversation with the gentleman in charge of the marine hospitals, a very intelligent gentleman indeed, especially in relation to our Cleveland hospital, and I understood him to say that he believed this arrangement could be made in most if not all of the cities of the United States. I desire to ask the gentleman from the Pittsburgh district [Mr. NEGLEY] whether, in his judgment, such a modification of the system might not be especially wise in the case of the marine hospital in his city?

Mr. NEGLEY. I have no doubt that it could be made to apply to the marine hospital at Pittsburgh, if the plan should be applied to all the marine hospitals under the control of the Government. I object to a trial of an experiment at the expense and inconvenience of the patients in the hospital at Pittsburgh. The United States Government owns a very valuable tract of land, upon which is located an old and expensive building; but being in the vicinity of railroads and manufacturing establishments it has become unsuitable for hospital purposes. By disposing of this land at the market value the Government can obtain the requisite means to purchase another piece of land and erect upon it a suitable building, with all the modern improvements, at a less cost than the amount the Government will receive for this piece of property. I will state that it is not intended to erect an expensive building, but to construct one under the rules and regulations suggested by experience and adopted latterly by the officials in charge of this service.

Mr. GARFIELD. I desire to move to amend, so that the Secretary of the Treasury may in his discretion either build a hospital, as provided by this bill, or make arrangements with the authorities of Pittsburgh for keeping the patients in the hospital.

Mr. RANDALL. That will make another hospital in Cleveland; I can see through that.

The SPEAKER. The gentleman from Ohio [Mr. GARFIELD] will reduce his amendment to writing.

Mr. SESSIONS. I now yield to the gentleman from Michigan, [Mr. CONGER.]

Mr. CONGER. I desire to call the attention of the House to this fact in regard to marine hospitals, which should not be overlooked in the consideration of this question. By the revised law of 1870 and 1871 the tax which was formerly twenty cents per month upon every sailor employed in the mercantile marine of the United States was increased to forty cents per month, or doubled, solely that mariners might have hospitals in the United States where they could be taken care of when sick, or when they had received injuries. The fund from that source is enough to build hospitals of the modern pavilion style, not the old-fashioned castle hospitals with battlements reaching up to heaven and of no use here below, but the modern style of plain, simple, airy, pavilion hospitals—to build such hospitals in every sea-port in the United States where they are needed to take care of every sick, wounded, or injured sailor in our marine service.

This is a self-sustaining institution. It is not a question for the economy of gentlemen here whether the money which the sailors give, forty cents a month from their own wages, shall be appropriated to their comfort and for their support and relief. The question is for Congress to devise a proper way and the proper means in which the sailors' own money shall be expended for their own benefit. I make these remarks because, judging from other motions which have been made in relation to marine hospitals, it has been looked upon as a drain upon the Treasury.

Mr. G. F. HOAR asked a question which was not audible to the reporter.

Mr. CONGER. I cannot tell how it is about this hospital. But since the reorganization of the marine service, three or four years ago, the amount of tax upon the sailors, as I have said, was increased from twenty to forty cents per month for every month of service of every sailor employed in our mercantile marine. Under the new system which has been adopted there have been and are being made these pavilion hospitals, under the direction of the Secretary of the Treasury, and especially under the direction of the very efficient officer who has charge of this marine service. Wherever there are but a small number of patients they are provided for by contracts with private physicians or at private boarding-houses, as that seems to be the better way. But in the large centers, where many vessels arrive, it is thought desirable to have permanent hospitals.

The House will perhaps remember that by one resolution or bill and another, for some two or three years past, we have given away for educational purposes and for other purposes these old useless castle hospitals as they are called. They are utterly useless for the benefit of sailors; and the Government may as well give them away at one time as another, and build cheap, plain, airy hospitals, such as our experience during the war suggested as best adapted for the wounded and sick. That is the system now adopted, and it is working admirably. I hear of no complaint made to the Committee on Commerce or to myself, or to any one who has heretofore had charge of these matters, that that system is not performing its work well.

In my judgment it is very desirable that this old building should be given away or sold or disposed of in some way, and its place supplied by a proper pavilion hospital. Not only should this be done in Pittsburgh, but wherever these old bastile structures have been erected, nominally for the benefit of sailors, but really more like dark, gloomy prisons—they should be disposed of in some way and other hospitals erected in their stead. In that connection I advocate the passage of this bill as I would of any other bill which shall remove these old structures from actual service and build in their stead cheap, airy hospitals which are so desirable.

Mr. NEGLEY. I would state again to the House that it is not the intention to ask any appropriation from the Government. The proposition is merely to sell so much of this land as will enable the authorities to locate and build a suitable hospital elsewhere. It is merely a change of location from a low and unsuitable piece of ground to another and better.

Mr. GARFIELD. I move to amend the bill by adding to it the following:

Provided, That the Secretary of the Treasury, if in his judgment the public interest would be better subserved, may, instead of building a hospital, contract with the authorities of the city of Pittsburgh to care for such persons as are now cared for in the marine hospitals of the United States.

Mr. SESSIONS. I hope that amendment will not be adopted.

Mr. GARFIELD. That will enable the Secretary of the Treasury, if he finds the facts to be as I think them to be, to avoid the necessity of building a new hospital.

Mr. SPEER. If it is the intention of Congress to adopt that policy, then let a general bill for that purpose be introduced and passed. But why should Congress attempt to ingraft general legislation upon a bill providing for the erection of a single hospital in a single city?

Mr. CONGER. The power contemplated by the amendment now exists by law in regard to every hospital.

Mr. SPEER. This bill does not provide for the expenditure of a single dollar of public money in addition to what shall be received from the sale of the old property. By reason of the improvement and development of the city of Pittsburgh, the ground upon which the present hospital is located can be sold for a great deal more money than will suffice for the purchase of suitable grounds elsewhere for a new building; and the difference between the price of the present grounds and the sum necessary to purchase new ground can be devoted to the erection of a more suitable building, better fitted for the use to which the Government intends to devote it. This is a bill which appeals to the humanity and justice of this House, and I am surprised that any gentleman, especially one who does not live in the city of Pittsburgh or the State of Pennsylvania, should attempt for any reason to thwart the passage of a measure so laudable in its objects.

The amendment of Mr. GARFIELD was not agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. COX. In the confusion prevailing in the Hall, I doubt whether the bill just passed was properly understood. I move to reconsider the vote by which it was passed.

Mr. SPEER. Did the gentleman vote with the majority?

The SPEAKER. The Chair does not know whether he did or not; the vote was *viva voce*, and any member has the right to make the motion to reconsider.

Mr. COX. Is it in order to have the bill read?

The SPEAKER. It has been read twice; but if the gentleman so desires it can be read again.

The bill was again read.

Mr. COX. May I say one word on this subject?

Mr. NEGLEY. I move to lay the motion to reconsider on the table.

Mr. PLATT, of Virginia. Is not that the motion of the gentleman from New York, [Mr. COX?]

The SPEAKER. No, sir; the gentleman from New York has moved to reconsider the vote by which the bill was passed, and he intimated, as the Chair thought, that it had not been understood by the House. The bill was very fully debated, and gentlemen should not make their own inattention to business a matter of reproach upon the House.

Mr. NEGLEY. The gentleman was in his seat when the bill was passed.

The SPEAKER. The bill was quite fully discussed; and the Chair never relishes an intimation of that kind.

Mr. COX. The Chair is always very just to me—more so than I deserve. I wish to say one thing upon this subject. Secretary McCulloch once said that the maintenance of these marine hospitals cost more than it would cost to board each of the inmates at the Fifth Avenue Hotel, New York. If we had time to examine the matter, we might abandon our policy in respect to these hospitals. I have been through some of them myself, and I know what they are.

Mr. NEGLEY. Was the gentleman in the hospitals during the war?

Mr. RANDALL. I want to direct attention to the fact that the funds by which these hospitals are supported come from the sailors themselves, not from the Government.

The question being taken on the motion of Mr. NEGLEY to lay on the table the motion to reconsider, it was agreed to.

TERRITORIAL PENITENTIARIES.

Mr. WELLS, from the Committee on Public Buildings and Grounds, reported back with a favorable recommendation the bill (H. R. No. 440) to amend the act entitled "An act transferring the control of certain territorial penitentiaries to the several Territories in which the same are located," approved January 24, 1873.

The bill was read. It provides in the first section that the act entitled "An act transferring the control of certain territorial penitentiaries to the several Territories in which the same are located," approved January 24, 1873, be amended by striking out the words Montana, Idaho, and Wyoming wherever the same occur in said act, and the said act shall hereafter have no applicability to the Territories of Montana, Idaho, and Wyoming. The second section provides that the penitentiaries in the Territories of Montana, Idaho, and Wyoming shall continue under the care and control of the marshal of the United States for said Territories, under and pursuant to the provisions of the act entitled "An act in relation to certain territorial penitentiaries," approved January 10, 1871; which said last-mentioned act is thereby revived and re-enacted so far as the same applies to the Territories of Montana, Idaho, and Wyoming.

Mr. HOLMAN. If there is a report accompanying this bill I should like to hear it.

The report was read. It states that the facts in reference to this bill are that on the 10th day of January, 1871, an act of Congress was approved whereby the United States penitentiaries of Montana, Idaho, and Wyoming were placed under the charge of the United States marshals who were charged with the care and control of persons convicted of offenses against the laws of the United States; and which act further authorized the Attorney-General to contract with the several authorities of the Territories to maintain therein all persons convicted of offenses against territorial laws, at the cost of keeping and maintaining the same. The Territories thereupon, repealing their prison laws, authorized their respective governors to enter into contract with the Attorney-General to keep the prisoners with those of the United States; and such contracts, at the prices stipulated by Mr. Hoar, then Attorney-General, were entered into in good faith by the several Territories and all territorial prison systems, wardens, and officers, being no longer needed in said Territories, were abolished, and the laws creating the same repealed.

On the 24th day of January, 1873, an act of Congress was passed which transferred the use and control of these United States penitentiaries to the territorial authorities, the United States retaining the ownership and title of the buildings, and so far modifying the original act as to reverse the positions of the parties—the United States marshals being directed to surrender their control of the United States prisoners to the territorial authorities and to contract with them for their care and maintenance; in short, that the United States should now pay the Territories for keeping their prisoners, whereas under the old law the Territories paid the United States.

It appears that in most instances the United States had the greater number of prisoners, and that the marshals and their deputies took care of the same and of the territorial prisoners. The Territories have now no wardens or other officers to receive these prisoners, nor any prison system, nor can any such be created without calling special sessions of the territorial Legislatures, which would cost the United States from thirty to fifty thousand dollars, one Legislature having been already convened to make these laws at an expense of $15,000 to the United States; whereas under the old law the United States marshals maintained these prisoners without any greater cost to the Government than would now be required to pay the Territories to keep the same, even if the Territories should agree to accept the prisons and take charge of the United States convicts at all.

Under these circumstances the Attorney-General could not, nor has he enforced the law, but has merely awaited the action of Congress. The committee plainly perceives that to call special sessions of the Legislatures to transfer these prisons would be a loss to the United

States, while it would injure the Territories to maintain a prison organization to perform duties which can as well be performed by the existing officers of the United States, who will keep their prisoners for the exact cost of their maintenance and control, and probably at better terms than they can keep them themselves.

The bill was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed.

Mr. WELLS moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

UNITED STATES CUSTOM-HOUSE, LOUISVILLE, KENTUCKY.

Mr. MILLIKEN, from the Committee on Public Buildings and Grounds, reported back a bill (H. R. No. 2029) for the protection of the United States custom-house in the city of Louisville, Kentucky, with the recommendation that it do pass.

The bill, which was read, provides that the Secretary of the Treasury be empowered and directed to purchase from the owner or owners thereof, at a price not to exceed $12,500, all that certain piece of ground in the city of Louisville, county of Jefferson, and State of Kentucky, situate west of and adjoining the United States custom-house, fronting twenty-five feet on Green street, and extending back one hundred and fifty feet, parallel with and the same depth as the custom-house property; and for that purpose the sum of $12,500, or so much thereof as shall be necessary, be and is thereby appropriated, out of any money in the Treasury not otherwise appropriated; provided, however, that no part of the money thereby appropriated shall be paid or expended until a clear, perfect, and absolute title in fee-simple to the ground shall have been secured and conveyed to the United States by a good and sufficient deed of general warranty.

Mr. COBB, of Kansas. I make the point of order that the bill makes an appropriation, and therefore must have its first consideration in the Committee of the Whole on the state of the Union.

The SPEAKER. The Chair sustains the point of order, and the bill goes to the Committee of the Whole on the state of the Union.

THE CITADEL ACADEMY, SOUTH CAROLINA.

Mr. MILLIKEN, from the same committee, also reported back a bill (H. R. No. 835) authorizing and directing the rebuilding of the west wing of the building in the city of Charleston, South Carolina, occupied by United States troops, known as "the Citadel Academy," and making an appropriation for the same, and moved that it be referred to the Committee on Claims.

The motion was agreed to.

HOUSE LIBRARY.

Mr MILLIKEN. I am instructed by the Committee on Public Buildings and Grounds to report the following resolution for action:

Resolved, That the Supervising Architect of the Capitol building be, and is hereby, authorized and directed to convert the space over the colonnade at the south end of the old Hall of Representatives into a room for the extension of the House Library and fit up the same with shelves for books; and he is further authorized and directed to fit up with shelves a sufficient number of rooms in the basement story of the east wing of the Capitol building to accommodate all of the House library books not shelved after filling the colonnade as aforesaid; and for this purpose the sum of $2,000, or so much thereof as may be necessary, is hereby appropriated out of the contingent fund of the House of Representatives.

Mr. RANDALL. I make the point of order on that resolution that it makes an appropriation.

Mr. PLATT, of Virginia. Let it be considered in the House, as in Committee, under the five-minute rule, and with the consent of the House I will state my reason for it. The evil which the passage of this resolution is asked to correct is one growing greater every day. Every gentleman of the House who will step up to the House Library will see for himself the absolute necessity for more room to store books. They are daily accumulating, and already they are piled up in such confusion that it is almost impossible for the librarians to properly perform their duty. The Committee on Public Buildings and Grounds have carefully considered this whole matter, assisted by the officers of the House and by the architect of the Capitol, and the means suggested here are the cheapest and most feasible for the purpose of securing necessary accommodations. This is a necessary thing to do, and I hope the gentleman from Pennsylvania will allow the resolution to be considered now as in the Committee of the Whole under the five-minute rule.

The SPEAKER. The point of order made by the gentleman from Pennsylvania, that the resolution makes an appropriation, is well taken.

Mr. PLATT, of Virginia. I make the request of the gentleman from Pennsylvania to allow it to be considered in the House as in Committee of the Whole.

Mr. RANDALL. We have rules, and let us live up to them. I was willing to yield to hear the gentleman from Virginia make his statement, but I do not withdraw my point of order.

The resolution was referred to the Committee of the Whole on the state of the Union.

CIVIL-SERVICE REFORM.

Mr. WOODFORD. I am directed by the Committee on Reform in the Civil Service to report back a bill (H. R. No. 1540) to prevent officers of the United States receiving or being paid any money beyond their fixed salaries, with a substitute.

The SPEAKER. If there be no objection the substitute will alone be read.

Mr. O'BRIEN. What is the bill for which it is a substitute?

Mr. HOLMAN. I ask for the reading of the original bill.

The SPEAKER. It is always in order to call for the reading of the original bill.

The Clerk read the original bill, as follows:

Be it enacted, &c., That no officer or employé of the United States shall receive or be paid, directly or indirectly, any money or property under the name of contingent expenses, or any other name or form, beyond his legally established salary, except in cases of customs informers; and that no public property shall be used by officials for private purposes.

SEC. 2. That this act shall not be so construed as to prevent the payment from the Treasury of all actual and necessary traveling expenses of United States officials when performing the legitimate and necessary duties pertaining to their offices.

The substitute was read, as follows:

That no officer of the United States shall, directly or indirectly, receive, or be paid to or for his own use or benefit any money or property whatever of the United States, except a salary to be fixed by law; and that no public property shall be used by officials or by any persons for private purposes.

SEC. 2. That this act shall not be so construed as to prevent the payment from the Treasury of the actual and necessary traveling expenses of United States officials when performing the legitimate and necessary duties pertaining to their offices.

Mr. GARFIELD. I desire to suggest to the gentleman from New York who has charge of the bill to add after the word "salary" the words "or compensation." A large number of officers are paid by fees, or are paid in ways which cannot be properly described as a salary. There are those who receive a per-diem pay. If the gentleman will add the words "or compensation," the language will be broad enough to cover them all.

Mr. WOODFORD. I accept the amendment of the gentleman, which I understand is to insert after the word "salary" the words "or compensation."

Mr. G. F. HOAR. Would the gentleman from New York allow the bill to be further amended by inserting the words, "or make any private profit or use of the labor or services of any person employed by the United States?"

Mr. WOODFORD. He would personally be willing to.

The SPEAKER. The gentleman from Massachusetts will please reduce his amendment to writing.

Mr. DAWES. I ask that the substitute may be again read.

The substitute was again read.

Mr. MAYNARD. I desire to ask the gentleman who has charge of this bill how it will affect a class of officers who have hitherto been paid very largely by the emoluments of the office aside from the salary? I mean the collectors at our ports. Does he intend to restrict them hereafter to their salaries *eo nomine* as they are established by law?

Mr. WOODFORD. He does.

Mr. BUTLER, of Massachusetts. I call the regular order. It is now half-past one.

Mr. WOODFORD. I have no objection to that if the bill can go over till the morning hour to-morrow.

The SPEAKER. The bill necessarily goes over; but the Chair will first have the amendment of the gentleman from Massachusetts [Mr. G. F. HOAR] read.

Mr. CONGER. Is the bill liable to the point of order that it requires an appropriation and must have its first consideration in Committee of the Whole?

The SPEAKER. It would have been. But it has been discussed by half a dozen gentlemen.

Mr. CONGER. The discussion was in regard to what the bill was, and I was waiting patiently to make my point of order.

The SPEAKER. The Chair did not observe the gentleman making any motion that way.

Mr. WOODFORD. Amendments have been offered, and I accepted one with consent of the House, and intimated my willingness to accept another. That certainly is equivalent to a partial consideration, because the fullest debate and a vote thereon could have accomplished no more.

The SPEAKER. The Chair naturally supposed that some gentleman would make the point of order, and looked round, but observed no gentleman rising for that purpose.

Mr. G. F. HOAR. I send to the desk the amendment which I desire to offer.

The Clerk read as follows:

After the words "fixed by law" insert "or make any private profit or use of the labor or service of any person employed by the United States, which labor or service is paid for by the United States."

Mr. KASSON. I ask that the bill and the amendments which have been suggested may be printed.

The SPEAKER. The Chair hears no objection to the substitute being treated as an original bill. It will be printed; the amendment of the gentleman from Massachusetts [Mr. G. F. HOAR] will also be printed, and the bill will go over in the morning hour with that amendment pending.

Mr. O'BRIEN. I send to the desk an amendment which I desire may also be printed.

The SPEAKER. The Chair understood the amendment of the gentleman from Ohio, [Mr. GARFIELD,] to insert the words "or compensation," to be agreed to by unanimous consent.

Mr. CONGER. I desire to insist on my point of order on the bill. I think any gentleman who takes the earlist opportunity to get the attention of the Chair to make a point of order should be allowed to make it.

The SPEAKER. How early did the gentleman seek the attention of the Chair?

Mr. CONGER. As soon as the Chair determined that the substitute was the bill before the House. I made the point of order before there was any discussion on that.

The SPEAKER. The gentleman will observe that the bill was read. The substitute was then read. The gentleman from Ohio who offered an amendment discussed it. The gentleman who had charge of the bill discussed it briefly, admitting the amendment, which was agreed to. Then the gentleman from Massachusetts offered an amendment verbally, which the Chair said had better be reduced to writing. The gentleman reduced it to writing. And after all that transpired the gentleman from Michigan comes and insists on the point of order, which as the Chair thinks was too late.

Mr. CONGER. The Chair decided that the substitute should be considered, and that was the first time there was an opportunity to make a point of order.

The SPEAKER. The gentleman is in error; the Chair did not decide that point.

Mr. CONGER. The Chair said so.

The SPEAKER. The Chair said he understood there was no objection to the substitute being considered as an original bill.

Mr. CONGER. And at that moment I raised my point of order.

The SPEAKER. If the gentleman objects to its being so treated, that point of order is good.

Mr. CONGER. I will object, then, to its being so treated.

The SPEAKER. That point of order is good. The gentleman from Michigan insists that the substitute shall not be treated as an original bill, but that there shall be a vote whether it shall be put in the place of the original bill. That point of order is good; but the Chair thought that the gentleman was making a point of order that the bill should go the Committee of the Whole.

Mr. DAWES. The gentleman's present point of order will not help him to get the bill into Committee of the Whole?

The SPEAKER. Not at all. The Chair thought there was a general agreement that the substitute should be treated as an original bill.

Mr. CONGER. The Chair suggested a substitute for my point of order which partly misled me. I am not responsible for the Chair's misleading me or any other member by his suggestions.

The SPEAKER. The Chair cannot always understand what is in the mind of the gentleman from Michigan. He only knows what he speaks. The Chair distinctly remembers that the gentleman did not rise to make the point of order. He may have intended to do so; but good intentions are not always valuable in the House.

Mr. CONGER. I wish to say this, if the Chair pleases, for myself and other members of the House. I am not speaking of this particular case, but I have repeatedly addressed the Speaker without being able to catch his attention to a motion which I have wished to make or to remarks that I have wished to make, because the attention of the Speaker was directed to those who are larger bodies in this House.

The SPEAKER. Generally on account of the noise which the gentleman's associates on the floor are making around him.

Mr. CONGER. If the Speaker pleases, if I had control of the noise I would be responsible for it.

The SPEAKER. The Chair finds it impossible to control all the members, and oftentimes equally as impossible to control the gentleman from Michigan as any other.

Mr. GARFIELD. I demand the regular order.

Mr. WOODFORD. Will the Chair kindly state to the House the position of the bill?

The SPEAKER. It is in the morning hour, and will come up tomorrow as soon as the morning hour begins. The first question will be on the amendment of the gentleman from Massachusetts, [Mr. G. F. HOAR.] The Chair understands that the bill and the substitute and the amendments will be severally printed.

Mr. O'BRIEN. I desire to have an amendment printed.

Mr. WOODFORD. The gentleman from Maryland asked permission to offer an amendment for the purpose of having it printed, and I understood the Chair to recognize him.

The SPEAKER. Does the gentleman admit the amendment?

Mr. WOODFORD. I am willing that it shall be offered and printed.

The SPEAKER. The amendment will be printed.

Mr. CONGER. I rise to ask a question. The Chair often intimates to members of the House that it may be necessary to mention them by name. I desire to ask the Chair whether there has ever been anything in my conduct in this House that required him to suppose me to be more disorderly than other gentlemen, as he said just now it was impossible to keep the member from Michigan in order?

The SPEAKER. No; the Chair only stated that he found it equally impossible; he only put the gentleman from Michigan on the same level with other members.

Mr. CONGER. The member from Michigan has endeavored to so conduct himself in this House as not to be liable to such censure.

The SPEAKER. The Chair did not make any censure in any shape or form; it was the furthest from his thought to do any such thing.

Mr. RANDALL. I call for the regular order of business.

CURRENCY—FREE BANKING.

The SPEAKER. The regular order being demanded, the House now resumes the consideration of the special order, being the bill (H. R. No. 1572) to amend the several acts providing a national currency and to establish free banking, and for other purposes, reported from the Committee on Banking and Currency. The gentleman from Indiana [Mr. COBURN] is entitled to the floor for one hour.

Mr. COBURN. I yield for a moment to my colleague, [Mr. CASON.]

Mr. CASON. I desire to submit an amendment for the purpose of having it go into the RECORD and be printed. It is in the nature of an amendment to the motion to recommit. It proposes to recommit the bill with instructions to report a substitute.

Mr. MAYNARD. Is that in order?

Mr. G. F. HOAR. As the substitute has not been read I desire to reserve points of order upon it.

The SPEAKER. All the gentleman from Indiana desires is to have his amendment printed as an expression of what he would desire to offer. It is in the form of an amendment to the motion to recommit, and if the gentleman from Tennessee [Mr. MAYNARD] should withdraw the motion to recommit, the amendment itself would be withdrawn. The Chair hears no objection to the printing of the amendment.

The proposed amendment is as follows:

Resolved, That the motion to recommit bill No. 1572, the same being a bill to amend the several acts providing a national currency and to establish free banking, and for other purposes, be amended so that said bill be recommitted to the Committee on Banking and Currency with instructions to report a bill incorporating the following principles as a substitute for the bill now before the House:

1. That all national banking shall be free, upon the following basis:

2. The Government to issue bonds bearing a rate of interest at 3.65 per cent. per annum, to be deposited by banks with the Secretary of the Treasury as security for the redemption of their currency, and shall be payable in — years in gold and silver coin.

3. That all banks heretofore organized shall upon their incorporation be required to deposit with the Secretary of the Treasury said 3.65 per cent. bonds at the ratio of the amount of $60,000 for every $50,000 of currency furnished to any such banks, as hereinafter provided.

4. That the national banks now organized shall be required in a reasonable time to give up all bonds now held by them on deposit with the Government as security for the redemption of their circulation which bear a higher rate of interest than 4 per cent. per annum, and deposit in place thereof said bonds bearing a rate of interest of 3.65 per cent. per annum.

5. That all banks hereafter incorporated, before completing their organization, shall be required to take up the outstanding bonds of the Government which bear a rate of interest not less than 5 per cent. per annum and deliver the same to the Secretary of the Treasury for cancellation and destruction to an amount equal to the 3.65 per cent. bonds which such bank may desire to deposit with said Secretary of the Treasury as security for its circulating medium.

6. That the Secretary of the Treasury shall cause to be issued certificates of circulation, as money, of different denominations, which shall be payable by some national bank, and shall bear no interest, but which certificates the Government will guarantee the payment of in the event that the bank in which any such certificates shall be payable shall be unable to redeem the same, the Government to indemnify itself by the sale or cancellation of the 3.65 per cent. bonds held by the Secretary of the Treasury from such bank as security for the redemption of its circulation. And which certificates of circulation shall be furnished to each national bank in the ratio of $50,000 for every $60,000 in 3.65 per cent. bonds deposited by any such bank with the Secretary of the Treasury. Each bank receiving said certificates to reimburse the Government the cost of the issue of the same, and be required to redeem the same in gold or silver coin, legal-tender notes, Treasury notes, or 3.65 per cent. Government bonds.

7. That the national banks now organized shall be required within a reasonable time to take up their present circulation and deliver the same to the Secretary of the Treasury to be canceled and destroyed, and in lieu thereof receive, as hereinbefore provided, certificates of circulation.

8. That the Secretary of the Treasury shall be authorized to exchange said certificates of circulation, bank-notes, Treasury notes, or bonds bearing a higher rate of interest for said 3.65 per cent. bonds. And when said exchange may have been made for bonds bearing a higher rate of interest than 4 per cent. the same shall be canceled and destroyed by the Secretary of the Treasury. And when the Secretary of the Treasury shall receive certificates of circulation, bank-notes, legal-tender, or Treasury notes not bearing interest in exchange as aforesaid, he shall from time to time, with the same, redeem such outstanding bonds that are by law redeemable and which bear a higher rate of interest than 4 per cent., and cause said bonds to be canceled and destroyed.

9. That the Secretary of the Treasury be required to issue a portion of said 3.65 per cent. bonds in denominations of $5, $10, $20, $50, and $100 bonds, and that he and all national banks that are depositories of public moneys shall be authorized to exchange the same for certificates of circulation, legal-tender notes, or Treasury notes not bearing interest, and the Secretary of the Treasury shall cause from time to time to be redeemed therewith United States bonds bearing a higher rate of interest than 4 per cent. per annum, and cause said bonds to be canceled and destroyed. And that said Secretary of the Treasury and said banks of deposit may in like manner exchange said certificate of circulation, legal-tender, or Treasury notes for said 3.65 per cent. bonds: *Provided*, That said 3.65 per cent. bonds shall not draw interest while in the hands of said Secretary of the Treasury, or in the hands of said banks of deposit for the use of the United States: *And provided further*, That the Secretary of the Treasury shall require from all banks of deposit satisfactory security for the safe-keeping, accounting for, and the prompt payment of said moneys and bonds.

10. That hereafter national banks shall pay no interest on deposits except when there is a direct loan of a specific sum of money for a definite time and a written obligation given at the time of the loan specifying the rate of interest to be paid.

11. That the Secretary of the Treasury shall at all times retain the overplus of all bonds in his hands, or the proceeds thereof, until after the circulation of any bank may have been redeemed; which overplus shall be used if necessary to secure and pay any deposits that may remain unpaid by such bank after its circulation has been fully redeemed. Also, the Secretary of the Treasury shall retain all interest that may become due on the bonds of any bank deposited with said Secretary of the Treasury to secure the redemption of its circulation, until said interest so reserved shall amount to one-fifth part of the par value of all such bonds so deposited with said Secretary of the Treasury: *Provided*, That such banks may from time to time pay out of their reserves, now by law required to be kept on hand by said banks, a sum equal to that of the interest so retained by said Secretary of the Treasury.

12. That the Secretary of the Treasury shall be required and directed to so control the redemption and payment of the bonded debt of the Government as at all

times to have in the Treasury of the United States a sufficient sum of money to carry out the foregoing provisions; that section 12 of an act to provide a national currency secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof, approved June 3, 1864, be so amended as to require all shareholders of any bank failing and winding up its business to be responsible to the depositors of such bank, after its assets may have been exhausted, in a sum not exceeding double the amount of the par value of the capital stock held by each shareholder.

Mr. COBURN. Mr. Speaker, after what has been said in this masterly discussion of all matters pertaining to our currency, I hesitate to proceed. I feel that I can add but little to what has been already said, and that I may only prolong the hour when decisive action shall take place The whole nation has waited anxiously for the day when the conclusion shall be reached; and as month after month has been consumed in legislation upon other subjects, the loud and impatient cries of many thousands for prompt and radical action swell upon every breeze.

DOES THE WEST LACK CAPITAL OR CURRENCY?

It has been said in debate, and re-repeated by the opponents of additional circulation, that we in the West and South do not need currency so much as capital; that we are destitute of capital and have no right to currency. We are disposed to contradict this assumption, and if we had a less respectable source of evidence than the census tables might feel some hesitation in doing so, in view of the positive and arrogant manner in which the assertion is made. These tables show that we have wealth and capital in abundance; perhaps not in as great abundance as the older and more boastful States, but quite enough to command respect and to silence those who so insolently make the declaration. I will read a statement from the census tables showing what I say is true. The following figures indicate the values of all property in 1870 in the States named:

Connecticut	$774,631,524
Rhode Island	296,965,646
Massachusetts	2,132,148,741
Illinois	2,121,680,579
Indiana	1,268,180,543
Missouri	1,284,922,807
Iowa	717,644,750
Michigan	719,208,118
Ohio	2,235,433,300
Wisconcin	702,307,329

The national banking facilities of the three States first named are *per capita* about fourfold those of the States last named. Capital seems to be in sufficient quantities in those Western States, while currency is lacking.

The cool effrontery of this assertion of the lack of capital is only equaled by that of him who would reason with the man who was athirst to convince him that he was not dry instead of giving him water, or with another who was shivering and freezing to convince him that he was not cold instead of giving him clothing. The man who has water and clothes may argue till doomsday but he can produce no effect. A want was never supplied by an argument, much less by a threat or a sneer. The man who has land, but who has no plows, hoes, harness, or teams, is in want of them when he goes to cultivate the soil. The land is one kind of capital, the implements of husbandry are another. Suppose the owner of these latter would refuse to sell them to the farmer because he did not need them and ought in his opinion not to have them; and suppose in addition he added the sneer that the landholder had no capital and could not cultivate a farm even if he had the tools. That would be regarded both as impudence and nonsense. But that seems to be the way the opponents of western and southern banks talk.

The soil needs cultivation, the country needs the currency, the tools of business; must the land lie idle when the implements of the farm can be had? Must business stand still or perish because the tools are locked up? This is the question. This is what is before us. The legal-tender note, the bank-note, the bank-check, the draft, the bill of exchange, these are the ready tools of business; shall they be placed where they can be honestly and handily obtained for value by the people?

Let nobody spring up and say that it is proposed to give them away, or to shuffle them off to speculators. Let no one say that we do not intend to allow them to go fairly into the clean hands of honest men for full value. The people demand more of the circulating medium, and it becomes a grave question whether it is really needed; if needed, in what form; and if that be settled, to what extent?

I need not enter into an argument or discussion to show the nature of the legal-tender notes. It does become a matter of some importance to have distinct views as to the origin and uses of our national banks. I prefer to look at the practical rather than the legal aspects of the iscussion.

We have now a vast national banking system, in which the entire business of the country is interwoven, involving all the interests of the nation, and to overthrow it would prove disastrous in the extreme. The loans of these banks average more than double their circulation; their deposits are counted in a still greater sum. To withdraw their bonds, to call in their loans, and to pay out their deposits preparatory to going out of business would exhaust the means of the banks for a time, and so cripple and convulse business as to bring on incalculable misfortunes. We must deal with them as they are, and take things as we find them. I once favored a redistribution of these banks, and had it been done some of the ills we complain of might have been averted. But the older States remonstrate against redistribution; prophesy that it will bring bankruptcy upon them, and contend so stoutly for what they have that for one I am willing to adopt another line of policy, and favor the equalization of banks by allowing to the newer portions of the country an equivalent share. This will satisfy all parties who are disposed to be reasonable.

To those who have already more than their share, and who are unwilling that the States unsupplied shall have their complement, I have only to commend the reading of the fable of the dog in the manger. I have no argument other or longer than that for such gentlemen.

If abundant banking facilities are a benefit to those who have them, why shall they be denied to those who have them not and desire them? Will it be unsafe to trust the unsupplied States? What is there in them that leads to a doubt as to their ability to do a safe banking business? Surely the West and South have had in former years a surfeit of bad currency and bad banks, and now know by experience that the present paper currency is as much better than their old circulation as gold is better than greenbacks. This money is good everywhere; is not subject to the ruinous rates of exchange that attached to local bank paper. It can be sent or carried to the remotest points, and incurs no discount.

FORMATION AND USES OF BANKS.

An inquiry into the nature of banks in this country may prove profitable. How is a bank originated and established? Is it a growth, like that of an oak? Is it a natural object, like a mountain? Is it even a fortune, a mass of wealth, like the fortune and the wealth of Girard, Astor, or Stewart? It is not. A bank is not necessarily composed of the money of one rich man or more. A bank is a mere accumulation of means; it may be established where wealth has no existence and luxury is a mere name. A bank is made up of the contributions in a business way of its stockholders. Take an agricultural district, composed of comfortable, well-to-do farmers; a large number, say five hundred, put in on an average a thousand dollars each, and you have a very respectable bank; let them put in two thousand each, and they have a strong, a powerful bank. The farmers in many a county in Ohio, Indiana, Kentucky, Illinois, and other States can do this, and in some measure do it. Numerous banks, ranging from fifty to two hundred thousand dollars capital, are thus formed. They need not stint or strain themselves to do so. If banking is profitable to them, why should they not make this investment? If they can put in the security, why shall they not have the image and superscription of the Government put on their notes?

Certainly there is no danger that practical men as they are will embark in the business of banking if it is unprofitable. They are less likely to do so than the crowded denizens of cities. They need no guardian in this respect. They only need that freedom to choose and to invest that men in the older States have. These sound-headed, cool men are not in danger of flooding the country with useless notes. They need banks in their communities to do the local business, which at times is quite large. They can thus help each other by a common accumulation, to which all may resort and obtain help. Sound management will teach them how to obtain and retain the supply for common use. The nation may lend them her name, and for this attach some wholesome provisions, some judicious restraints, some safeguards in administration; but the great object is obtained when the circulation is secured beyond all possibility of a loss to the bill-holder. There is a sphere of business management into which the Government cannot enter, which is essentially private, and in which the stockholders and their customers take mutually the risk of profit or loss.

A bank is a center of business for a community. It enables the people to obtain accommodations without the inconvenience of travel; it enables a man of limited acquaintance to borrow money who could not go abroad and do so; it gives to the neighborhood the profits on all the loans; it is a hive for the circulation of surrounding business mens it localizes a certain amount of it, and holds it ready for use. The idea of the distribution of the currency by the distribution of bank; is not a myth, is not a fallacy. True enough, the establishment of i bank does not at once create wealth or capital; but it organizes at. It is like the recruiting of an army; it does not make men, but it assembles them; it puts them into form and order, where they exercise tremendous power. And when it is said that to allow banking in the regions where it is not does not of itself make a dollar more, nobody will contradict that; but if it be said that the result of a bank so organized is nothing, I dispute it. Just as well tell me that because recruiting does not create men, an assembled army has no power and will do nothing.

Put a bank into operation in any rich and populous county where there is not now one, and the result is soon seen. It never fails to appear in just one way, and that is that business is greatly aided. Nobody is so silly as to argue or expect that capital will spring up where it is not because a law is passed. The trouble is banks are by law prevented from springing up where capital is already. That is what redistribution of the currency means. The man who lives in Massachusetts, Rhode Island, and Connecticut, who has all around him these banks, knows this, and holds on to his bank-stock and refuses to let his western and southern neighbor have any. He hoots and sneers at them as having no capital, nothing to make a bank

with, but takes good care not to let him have a chance to do so. This may be good financiering, but is not good neighborship; it is not decent; it is greediness; it is shabby selfishness. The man that does so will suffer for it in some way at some time, and be taught that to live and let live is the best policy.

It is said if more banks are established and they are distributed ever so widely the money will, after all, float to the great centers; that it will circulate, that it will find its way from the banks of issue, and be absorbed into the general mass of currency. This may be, and no doubt is, true, and yet does not meet the case, which is this: that other currency of equal value fills its place; that a receptacle, a reservoir, for instance, has been created into which this money flows, and it makes no difference from what bank it comes, it is just as available as if it were the issues of the local bank. No man pretends that the circulation can be localized, but an equal amount is, and the effect is just the same.

The expansion produced by the use of mercantile paper is what every healthy business community wants, and should not be denied. The amount of business done by checks, drafts, and bills of exchange is much greater than that done by currency itself. In the great cities the proportion of currency is very small, not over 5 per cent.; in others, 10 to 15 per cent.; in others, a still greater proportion, up to 40 or 50 per cent. This rate increases in the rural districts, where experience shows the need of more currency to do the same amount of business.

The whole country has come to understand the uses of banks and their convenience just as well as they understand the uses of steam machinery, and the thousand labor-saving devices of the last fifty years. The bank is not a mere place from which circulating notes issue, but a higher, wider, much more extensive use for them is demanded and obtained; a use which will at no distant day largely dispense with the handling of currency, and enable the people, through checks, drafts, and the clearing-house, in all wide-awake communities, to transact the greater part of their business. Banks may be badly managed, and so may railroads, steamboats, telegraphs, and the art of printing, but they stand among the essential features of the modern business world.

Whether the United States shall furnish the circulation composed of her own notes, or notes secured by her bonds, or allow private corporations to do so, as before the war, is a question yet to be settled, and one about which there is very serious doubt and question in the minds of many men. My belief is that the best paper circulation is that issued by the United States based on her own credit; that it is cheaper, safer, and just as convenient as any other; that ultimately the Government will be the true center of paper redemption, and can do it to better advantage than individuals can, and under safe management will be the only constant, reliable, and competent existence that can meet all runs, defy all panics, and overthrow all rings. I believe that the Treasury of the United States, if this nation is worthy to live as an honorable and progressive Government, will be the sole instrument that can strike down all financial combinations and give to the people security in trade and regularity in monetary transactions. Without some such agent we must drift to and fro under the influence of the great corporations that have grown into such enormous proportions and are yet but in their infancy.

I believe that the time will come, if a policy of United States notes is adopted, when the Government will be able to have on hand such a reserve fund of specie as will place beyond question the efforts of speculators to tamper for one moment with the price of gold.

Just now there seems to be a dread in the minds of many that to issue United States notes is the certain way to bankruptcy; that to begin is to embark in an unlimited course of expansion which will end in the depreciation and dishonor of our paper currency. I have no dread of such consequences. I participate in no such lack of confidence in my fellow-men. I sympathize with no such contemptible opinion of those who shall succeed me in public life. That mankind is endowed with ordinary discretion, that our people are not ready to commit monetary suicide, that they have some little business sagacity left, I have no earthly doubt. But this whole theory of horror at the embarkation into an illimitable sea of irredeemable promises goes upon this presumption. I prefer rather to presume that our nation will at present and in the future act with a fair amount of common sense.

IT IS SAFE TO INCREASE BANKS.

At present the public mind seems turned away from the issue of United States notes to a system of national banks more or less free. This currency is safe, is better than any other paper circulation we ever had before, except the greenbacks, and is acceptable to the people. It will not be harmful to enlarge it if the demands of business require it. The addition of fifty-four millions to this kind of currency since 1870 has had no effect to depreciate it, and in my judgment as many dollars more would, instead of weakening, strengthen the credit of the country and give aid to all business enterprises.

I would not favor the policy proposed by some to allow absolute free banking. The Eastern and Middle States have now more than their due proportion of national banks, and it is but fair to restrict all new banks to those States that have not their due proportion. When something like equality is established it will be time to talk about free banking, not till then. The result of the step now would be to induce too many persons to go into the business; inflation would be the consequence; banking would grow unprofitable, and then contraction would follow, and the fluctuations consequent upon expansions and contractions would be inevitable. The evils of redundancy would probably be felt in a short time, and the complaints of the past year as to an unsettled currency would be doubled. A gradual increase of currency in the States not in excess seems to be the most advisable plan, giving relief in such a shape as to give no sudden start to speculations. If $50,000,000 additional bank circulation were allowed to the newer States, to be taken by them during the next twelve months, and if not all taken by them at that time, the remainder to go to the older States, this, it seems to me, would operate so gradually that business could easily adjust itself to it. Twenty-five millions more might be allowed the second year in case the $50,000,000 were an insufficient supply.

An unlimited circulation is to be avoided, and has no demand in the business of the country.

A RESERVE NEEDED.

We are now laboring under the effects of a panic which arose not from a depreciation in currency or a lack of confidence in it, but in its scarcity. The breaking up of a great banking-house was the signal; and when dealers in currency, bankers, and business men began to look about and count up their currency, they found that there was a remarkable scarcity of the article. Where it was no one could tell; the pulses were felt all around, and the same condition was found everywhere. "No money!" "No money!" was the cry. There was the same property, the same business, there were the same men; but the public brain was stunned by the inquiry for currency. A man in health drops down with apoplexy. An engine with full power suddenly stops. Men stand aghast, as they did when the money panic occurred, and no one can tell why it is. Perhaps the very force of the man and the machine was the cause of death and ruin. So it seemed in our panic. No one can say that business was generally in an unhealthy state. The crops were good; the factories, shops, and mills were at work; the demand for all articles of trade, commerce, and merchandise was fair; railroads, banks, insurance companies, and foreign trade were in a flattering condition. There had been no fire, no famine, no pestilence, no war, no drain upon the resources of the people. The alarm sounded and the whole machinery of society stopped—stopped not because it had broken, but simply the little supply of water had been cut off or diverted. Had there been a little tank, a little reservoir, a little streamlet, to have added to the supply, this would not have happened. But that little supply had been nowhere provided, that little reserve had not been thought of by the workmen who planned and put up the ponderous machinery that drove the nation through the waves of the most tremendous civil war mankind ever witnessed. It was a slight omission; but at last the day came when its use was essential, and then for the want of it the machinery stopped. There was no legitimate reserve to which the people could resort. There was a miserable make-shift called one in the hands of an alarmed Secretary, which was in dispute, and which had none of the true attributes of a reserve—a fund to be let out at the discretion of that officer, a fund only to be had when the panic was a fixed fact, a fund which ought to be intrusted to no mortal man to distribute, but which should come out only on the imperative and overbearing demands of business and business men, to be drawn upon at their discretion, and only when they felt the grinding and pinching of scarcity upon them.

If the panic taught one lesson it was that there should be a reserve of currency in the hands of the Government to be used not at the discretion of any officer, but at the discretion of him who would deposit ample security for it. This was the lesson of the hour above all other things; a lesson which I fear has not been learned, which had no part in the four hundred million bill we passed last week, and has not a notice in the bill now under consideration. The nation wanted temporary relief, and only temporary relief, just as the engine out of steam and out of water soon can be put in motion by the simple supply of a little of the things needful. Had this supply been furnished promptly it is questionable whether the effects of the panic would have been felt beyond those having business connections with Jay Cooke and Company.

There were thousands of people in the land who had bonds with which to draw money from the Treasury when the interest rose upon legal-tenders to such a degree as to justify it. The currency could have been brought out; there was no lack of security, there was no lack of confidence in the Government; there was simply no way by which that currency, which would have kept the channels of business open, could be reached by any amount of security.

The question for us to decide now is will we let this occasion pass, so full of warnings, and fail to provide against a similar emergency? Can we do it safely? Is there any obstacle in the way? I see none. The amount of fifty millions might be provided in the Treasury to be drawn upon at the option of the bondholder, the sum drawn to be held by him for a limited time, say six months, he surrendering the interest during deposit to the Government, and when the time fixed for the redemption of his bonds expires the same to be redeemable by any other person. This would insure their being taken up and would effectually retire the reserve after an emergency.

But it is said that we ought to go down to specie payments in order to be able to draw on the world for currency when a panic recurs. This

is a sure way to provide a reserve in coin, it is true, but it would be after such a period of collapse, bankruptcy, contraction, and financial ruin as would leave few business men to take advantage of this dear-bought reserve. We could get such reserve by bringing all of our paper circulation within the compass of $200,000,000, but not before that time, for there is but little over half of that amount of gold in the country according to the best calculators. Such a reserve could only be reached by a thousand-fold worse panic than the one recently passed, and which one can hardly conceive a lover of his country could propose.

The plan of convertible bonds will cost the people and the Government for every dollar that is drawn out 3.65 per cent. The plan that I propose is just 8.65 or 9.65 better than that, according as you issue 5 or 6 per cent bonds. I propose to save interest to the United States. In the other instance the Government loses 3.65. Why shall the people of this country be taxed to make a reserve? Why shall they be taxed to pay interest on the deposits of idle and lazy money-holders? I can conceive of no proposition more impracticable.

But it is said that we have too much currency; that we have more now in proportion than we had fifteen years ago, and before the war, and that then the full limit of expansion was reached by State and local banks. Now, why is it said that we had enough of circulation before the war? Such men fail to tell the House, and I venture to say they never will.

No man can say we had a sufficiency of good currency before the war. A sufficiency of currency never existed in the West or South. It is very well known to every one from those sections that we had a lot of the most miserable shin-plasters that human ingenuity, and I might almost say devilish ingenuity, could invent. There was not at any period of five years from my earliest recollection down to the war a time when there were not great fluctuations in the value of all our money. Take the most respectable banks, the State Bank of Indiana, for instance, which paid gold when no other State bank in the Union paid it, and you could not take a ten-dollar note of its issue as far as the State of Tennessee, or Missouri, or Pennsylvania, without its depreciation and without having to submit to a shave. No man, then, need tell me that we ever had a currency in this country up to the true amount of necessary circulation, for our money was depreciated the very moment you began to travel from home and lost its value as you proceeded. Eastern money that was good at home was constantly shaved, and when depreciated was bought up by eastern agents at a discount and taken home where it was at par. We had an enormous amount of discredited stuff, composed of individual shin-plasters, plank-road notes, private-bankers' promises, insurance-company notes, free-bank notes, and State-bank notes. Nothing could exceed the varieties of our paper money coming from all quarters and ranging over all prices from par to 1 per cent. This currency was in the main confined to the immediate locality of its issue, for it could not find the least credit at any distance from home. Even a good State-bank bill had little currency beyond its borders. This paper then had not sufficient credit to give it an opportunity to become a test of the quantity of circulation needed by the people; it lost all ability to travel almost before it started on its journey. The amount of paper circulation before the war was no test whatever of the demands of business and every man who reflects one moment will say so.

The comparison is then made with England to show that they have less circulation than we have to the man. This, in the first place, is a mistake. They have more, if I am not misinformed. And in the next place there is a great difference in situation, extent of country, distance from cities, mode of life, and independent employment of our people, that puts them in a position to demand more money than Englishmen. All of our real estate is in market in addition to our personal property. This doubles the material for trade and traffic. This is not the case in England or in Europe generally. There a system of entail ties landed estates up for ages. We may not need an increase of money in proportion to the increase of property and business, but we do need a considerable addition. Common sense teaches this, and he who seeks to cut short a reasonable supply of currency to meet the demands of business shuts his eyes to the great facts in the progress of the nation, if indeed he ever had the capacity to see them. A reasonable addition is consistent with the growth and true progress of the country, and is not to be feared. The nonsense about confederate money, and wild-cat shin-plasters, and *assignats*, all based on the folly or dishonesty of the projectors, is thrown in by some as an argument against a currency founded on the faith of the nation, made secure by its solemn pledge, given in time of war and reiterated after its close, and made perfectly reliable by the unexampled ability and cheerfulness of the people in supplying the revenues and paying the taxes as they fall due. And right here rests the true basis of all of our currency. *While the people cheerfully and readily pay taxes the currency can never be discredited*, notwithstanding public men decry it as lies, mockery, repudiation, and shame; thus doing more to blast the reputation of their country and befoul its fair name than they could by any device of wickedness short of rebellion and treason.

These notes are currency, not gold; and everybody knows it. The man who takes them is not deceived or cheated as to what they are; they pay debts, and answer every purpose that currency can between our people. Those who take them do not expect them to be exchanged at par for gold; and in no sense, either in law or morals or even good manners, is there any excuse for this often-repeated cry of "printed lies."

HOW TO RESUME.

That every one would be glad to see these notes equal in value to gold is certain. That they will be is certain. How to bring this about is the problem on which men honestly disagree, and which deserves not the sneers and gibes of either side, but a fair and candid comparison of opinion. The method of contraction will do it, no doubt. Will any other process? In my judgment the true way to enhance the value of our currency is to enlarge it in a moderate degree to meet the growing business of the country. The rate of interest is too high; a larger supply of currency will reduce this. The unequal system of national banking has deranged the proper condition of the country financially and needs adjustment. The system ought to be equalized or abolished. It is a good one, were its operations equitably distributed throughout the land. But unless this is done the whole system would work better if supplied by notes furnished directly by the Government, based on its credit, and payable in gold when resumption is possible. I believe that if we had to-day nothing but a legal-tender currency of $730,000,000 instead of $382,000,000, and $349,000,000 of bank-notes, we would be in better condition than we are. The banks, then, would require no reserves for circulation; they would only have to take care of their deposits; they could stand on an equal footing everywhere; there would be no assorting of currency, no discriminations, and the faith of the people in the ability of the Government to pay its debts would not be diminished one jot or tittle.

But this is mere matter of opinion, and perhaps should not be expressed in this discussion.

One small class of clamorous and half-mad people fill the air with denunciations of our paper circulation. They have the ear of the great sea-coast editors; they have the ring in the nose of the sea-coast politicians; they swarm about the halls of legislation; they connive together in the back parlors of banks; they are the importers, the men who deal in foreign goods, the men who must have gold to pay their debts with, the men who desire to bring all things to a gold standard. They would prostrate every interest to secure their ends; they deal upon the plane of the currency of the world, and we must expect them to clamor for every advantage; we must expect them to strike down all interests but their own; we must expect from them a policy half-foreign, unnational, and unpatriotic. We must expect them to forget, or overlook, or to be ignorant of the true interests of the vast majority of the people who dwell in the interior. But we do not expect reasonable men to be frightened by their denunciations or hoodwinked by their sophistry. The wonder is that their influence extends beyond the narrow circle of their half-foreign business, and that their Old-World policy is not more distasteful than it is to sensible Americans. Their policy is to destroy home industries and import all things possible.

GOLD IS AN ARTICLE OF TRADE, NOT CURRENCY.

There is one advantage that our present currency possesses that liberates us from the panics of the Old World; it is non-exportable. They cannot drain us as they formerly did in times of distress there. Our currency is fixed in volume, is confined to our national limits, and is therefore subject to none of the fluctuations which the financial management, the revolutions, the wars, the dearths, the failures, or the combinations of the Old World may occasion. I am not certain but that this very attribute of non-exportability is more than a compensation for all the inconveniences brought on by the margin between gold and paper money; for, as I said before, these inconveniences are confined mainly to a class, and that a small class. The vast mass of the people know and care nothing for the little margin between the gold of to-day and the gold of last week. Gold, like wheat or pork or iron, is an article of merchandise or traffic; is not a standard of value; is not in any sense a currency. The article is too scarce for any such purpose, and is not likely to increase in volume until we adopt some method of digging larger amounts from our mines. Gold is a practical, substantial, common-place material that can only be obtained by hard work, or by selling something for which it is paid. Legislation will not create it. Congressmen cannot dig it by enactments, nor bring it from foreign countries by any contrivance of law. To get gold we must procure it from our own mines, or receive it from other people's in exchange for our exports. At present the mines yield no surplus worth naming, and the balance of trade is against us, so that our store of gold cannot possibly increase. To contract the currency will not make one more gold dollar, not one. You may go on contracting a hundred millions and it will not put one more pick in the miner's hands, it will not enable us to export one more cent's worth of surplus. You may reduce the paper currency to on equal volume with that of gold (the Director of the Mint estimates it at $140,000,000) till both together amount to only $300,000,000, and all this will not produce one more gold dollar.

On the other hand, the effect will be to paralyze industry and cut down the surplus for export. The miners will cease to work, the farmers will grow slothful in their fields, the mechanics will abandon their shops, the whole land will languish, and the supply of gold grow less and less as your work of contraction goes on.

To show the amount of gold and silver produced, I submit the cal-

culations of R. W. Raymond, United States commissioner of mining statistics:

	Gold.	Silver.	Total.
1866	$48,000,000	$11,000,000	$59,000,000
1867	41,000,000	16,000,000	57,000,000
1868	41,000,000	14,000,000	55,000,000
1869	33,000,000	14,000,000	47,000,000
1870	35,000,000	12,000,000	47,000,000
Annual average	39,500,000	13,500,000	53,000,000

Estimated for 1872	$62,236,915
Estimated for 1873	70,139,860
The annual average is	57,000,000

The following will show approximately the resources and wealth of the country, according to the statistics of 1870:

Total estimated value of all farm productions, betterments, and additions to stock, according to official returns	$2,447,538,658
Manufacturing industry	4,232,325,442
Mining industry	152,598,994
Fisheries, so far as returned	11,096,522
Grand total of productions	6,843,559,616

The assessed valuation, according to official returns, 1870, was as follows:

Personal property	$4,264,205,907
Real estate	9,914,780,825
Total assessed valuation	14,178,986,732

The total valuation, according to official returns, of the wealth of the country was—

1870	$30,068,518,507
1860	16,159,616,068
1850	7,135,780,228

This increase is over all that was destroyed in the rebellion, and the value of the slaves.

I very well remember that from the State of Connecticut there were annually shipped to our country boxes of their currency, of the notes of the Hartford County Bank, of the Hartford insurance companies, and of other New England banks, with the agreement that it was to be loaned out and kept in circulation so many days before it was returned. That was lent in small sums to our people, and we had to get along with that currency, distant from us and often discredited. And yet they talk of our people having had before the war the very best kind of currency. Sir, it was not a currency; it was a miserable humbug, and you cannot say that there was any true element of currency about it. It was miserable stuff, that would not travel beyond the borders of the State and keep for any time its face value.

Mr. HAWLEY, of Connecticut. Will the gentleman name any Hartford bank that ever failed to pay every dollar it owed?

Mr. COBURN. I am not talking about the failure of the Hartford banks; but I said that this miserable stuff was sent to our country, and that it had only a local reputation. For the lack of a sufficient currency of our own we were obliged to take it and keep it afloat so many days, often become depreciated, and then it went back to the regions where it belonged.

Mr. HAWLEY, of Connecticut. If every dollar was paid, why was it miserable stuff?

Mr. COBURN. I am talking now about this matter as the test of the amount of circulation which the country needed. The circulation I named was not redeemable there; it was liable to depreciation away from home; besides, our citizens could not go to Hartford and borrow the money, but the banker borrowed it, and agreed to put it in circulation and keep it afloat for a certain number of days, and as we needed circulation we had to take it, to borrow it second-hand from our bankers.

Mr. POTTER. Was not that as good as currency that is not redeemable at all?

Mr. COBURN. The gentleman does not understand what I am talking about. The very point that I make is that this was stuff which had no currency beyond the limits of the State. The trouble with it was that it was no test as to the amount of circulation which we needed.

Mr. POTTER. It was redeemable only in one State, the gentleman says. Even so, was it less valuable than United States notes which are not redeemable anywhere?

Mr. COBURN. It was not a legal tender anywhere, as United States notes are. But what I am talking about is that we are entitled to bank accommodations as well as bank circulation; not to mere bank-notes issued a thousand miles from us.

Mr. G. F. HOAR. Why did you not establish State banks under State laws?

Mr. COBURN. We had banks there, a multitude of banks of every kind, giving us the circulation which I am now complaining of. We had a good State bank of limited capital; we also had in 1854, 1855, and 1856 more than $7,000,000 of free-bank circulation in Indiana; much of it miserable stuff that depreciated down to 5 per cent. of its face, and ranged from that up to par. We had the most tremendous inflation of such currency in Ohio, Illinois, Missouri, Michigan, Indiana, until the old saying was verified that you could take a market-basket full of such stuff to market and buy a bushel of potatoes paying for it bushel for bushel. We were suffering for the want of good currency such as we have now. We had a currency then that depreciated, while that which we now have depreciates in no man's hands. Some of it was based on bonds, and some of it was not; and tens of millions of dollars in the Western and Southern States were lost by it. We never will return to that system while we can get legal-tenders or national-bank notes that are always good everywhere.

The policy of gentlemen here seems to be to break down the legal-tenders, and get them out of the way, so that you will have no basis for banking except gold and silver. When you get that how much circulation will you have in the country? You may have perhaps $200,000,000, perhaps not that much. The policy that these gentlemen advocate sweeps away not only the legal-tenders, but the national-bank currency largely also; and we will then have to resort inevitably to the wretched system of local and State banks. These gentlemen say that they want to get back some day to specie payments, and those banks would be compelled to keep a little gold in their vaults and to have but little more paper in circulation than they have of gold. I hope that day may be far off if we have no greater supply of gold than we have now. It will be, in my judgment, a day of sorrow, of disaster, and bankruptcy.

We are in an abnormal condition. An immense drain is upon us constantly for over $100,000,000 a year to pay the interest on the public debt. How can you, in view of this, draw the line of distinction now as you did in former times, and say that the banks must pay gold for their issues? According to the calculations of the commissioner of mining statistics, we have in all in this country about $130,000,000 of gold; outside of the Treasury perhaps not more than $60,000,000. How are you going to redeem with that? The notes of the banks to be redeemed in gold would not have half the credit that the old Hartford County money had. They could not travel as far or be credited as long.

HOW TO GET GOLD.

The only way to arrive at a gold standard is by the prosperity of the country. Then the mines will be developed, the surplus will be large, exports will call for specie, and we can accumulate a store of gold ready for use as a currency. Nothing else will do it. We had as well attempt to legislate sunshine and showers as to legislate gold into the hands of our people. Give them room for improvement, an equal race, an American policy, home industry, a home market, protection for the laborer, good wages, plenty of work, and imperceptibly the growth of the country will carry us to specie payments. We will be able to pay off our national debt thus; the annual drain for interest will be less. This alone will put down the price of gold. This it is which now keeps it up. But for the sum required each year for interest gold would be on a level with paper. This is the secret of the margin. When the debt is removed, or in a great measure paid, the regular demand for it will be so small that the price will fall. This rule must apply as much to specie as to iron, or lead, or any other commodity. When the demand is small, the price falls. There is no more mystery about gold on this point than there is about pork or wheat or whisky or cotton.

In all of our legislation upon this subject one point should never be forgotten, and that is the constant demand for gold to pay the interest on our public debt. We are by reason of this thing in an abnormal condition. We are prone to forget this fact. Keeping it in view, it is easy to see that really the price of gold is for this reason above par, if I may be pardoned the expression. It is above the true standard of money value. It is not, and cannot be, considered as money. As the debt is paid, it will gradually lose its value as an article of prime necessity, and assume its natural condition in business. This, added to the development of our country, will in a few years restore our currency to an equality with specie. It is questionable whether anything else can do so.

After all the real payment of specie is a myth. Baron Rothschild, in the monetary convention held in France in 1870, said that England was not and never had been a specie-paying nation. In other words, whenever a panic came specie payment was suspended and some other remedy was resorted to. England could not pay specie to-day from her great bank in case of a continued run, nor could the Bank of France. In England the note circulation, over and above the coin reserves, is about $200,000,000. In France it exceeds the coin reserves over $400,000,000. A panic, a run upon either, must prostrate their credit at any time. We can never, while our debt is large and consequently our demand for interest heavy, think of paying specie even if the values of gold and paper approach and become identical. We would be constantly liable to runs for gold to meet the regular demand.

MODERATE EXPANSION NOT DANGEROUS

The question constantly recurs, how is this nation going to bring the legal-tender notes to par? If any one could answer this question satisfactorily he would be the master-genius of the hour. I can answer it, and I think no one will say the plan will not succeed. It is this: Contract the paper currency until it approaches the quantity of gold in the country. That will be sure to bring about specie pay-

ment. Now the trouble is this is not a satisfactory answer. So I get no credit for genius. I think all will admit that it is a sure way to bring the result.

If this is done all will admit that such radical and enormous contraction would be ruinous, would prostrate business, and bankrupt good men everywhere. The policy of contraction, then, to a degree that will be effectual, is nobody's policy.

Then why contract at all? Why pinch yourself, diet yourself, and prepare to take the medicine if it kills you to take it in the end? Why meddle with it at all? Why adopt a remedy that never can be used, and praise a nostrum when you know it is certain death to take it? That is this quack physic called contraction.

But, say some, take it in broken doses. Why do so, when every time we try it it makes us worse? We tried it in 1866, and could not stand the remedy. We tried it again from 1870 to 1873, and almost perished. Both these periods of contraction brought on disasters, directly traceable to a scarcity of currency.

How, then, can we bring these legal-tenders to par? How does a man who has a large real estate, who has good health, energy, and business capacity, but is in debt, bring up his credit? Certainly not by quitting business, certainly not by taking his working capital and paying off a small part of his debts. On the other hand he continues business; he puts forth all of his energies; he takes advantage of the rise in property, of the prosperity of his neighbors, of the growth of the country. With good management, with active exertion, with determined purpose, with strict economy, and by the help of time he is sure to succeed. This is seen every day in real life. Great debts are thus paid; great fortunes are thus made. The leaders of the financial world do this very thing.

This plan will bring specie payment by the mere growth and development of the country; the debt at last will be a mere bagatelle as compared with our ability to pay and will then soon be disposed of.

Another plan is to continue to pay off the debt regularly and gradually. This increases our present burdens, checks our growth, embarrasses our business, and prolongs the ultimate extinguishment of the debt. But this plan will bring us to specie payment at no very distant day; the margin between paper money and coin being kept up by the constant demand of a large sum of coin to pay the interest on the public debt. When the interest ceases, the demand ceases almost entirely. Both of the latter plans can be accomplished without contraction; both, I think, can be aided by a reasonable expansion.

What shall we do? Contract and bring on bankruptcy? Stand still and struggle under self-imposed restraints? Or expand and grow beyond the limits of our debts and liabilities so far that their yoke shall be easy and their burden light?

But it is said that the method of expansion is the sure way to ruin. That we have already too much currency, and ought not to have any more. This is mere declamation. We have had a very much larger currency than we have now, and under adverse circumstances we prospered and paid our debts. In the period just after the war, in 1865 and 1866, our currency ranged as follows:

1865.	
National-bank notes outstanding	$171, 321, 903
Legal-tender and other notes	698, 918, 800
State-bank notes, (estimated)	58, 000, 000
Total	928, 240, 703
Seven-thirties of 1864 and 1865	830, 000, 000
Total	1, 758, 240, 703
1866.	
National-bank notes	280, 253, 818
State-bank notes	9,248, 025
Legal-tender and other notes	608, 870, 825
Total	898, 872, 668
Seven-thirties	830, 000, 000
Total	1, 728, 872, 668

Since which time contraction has gone on until the whole amount of currency of every kind now outstanding is $742,000,000.

1873.	
National-bank notes	$339, 081, 799
State-bank notes	1, 188, 853
Legal-tender and other notes	401, 527, 267
Total	741, 797, 919
Seven-thirties outstanding	274, 100
Total	767, 072, 019
Add twenty-five millions of reserve issued	25, 000, 000
Total	767, 072, 019
Amount of currency in 1865	928, 240, 703
Amount of currency in 1873	767, 072, 919
Amount of contraction	181, 778, 784
Add the seven-thirties	839, 725, 000
Total contraction	1, 018, 167, 784

The expansion of 1865 and 1866 did not ruin us, but enabled the nation to pay enormous debts and taxes, and come out of the war without bankruptcy.

But another equally significant fact is made manifest, and that is that by reason of this enormous contraction which occurred almost entirely between May, 1865, the close of the war, and May, 1869, the value of gold did not increase. Gold was at 128 in May, 1865, at 125 in April, 1866, and at 144 in May, 1869. This is enough to show that any amount of contraction, until the quantity of paper is reduced almost to that of gold, will fail to be effectual to restore them to equality. I insert the table showing these facts:

Table showing the decline in the price of gold and appreciation of greenbacks from January, 1865, to January, 1874.

Date.	Price.	Difference, per cent.	Date.	Price.	Difference, per cent.
1865—January	234½		1869—May	144⅜	Rise 12⅝
May	128½	Fall 106	December	119½	Fall 24½
October	149	Rise 20½	1870—January	123½	Rise 4
1866—March	136½	Fall 12½	March	110½	Fall 13
April	125	Fall 11½	July	122⅝	Rise 12⅛
May	141½	Rise 16½	November	110½	Fall 12⅛
June	167⅜	Rise 26½	1871—September	115⅝	Rise 5⅛
September	143½	Fall 24½	December	108⅜	Fall 7
December	131½	Fall 12	1872—August	115⅝	Rise 7¼
1867—September	146⅞	Rise 15½	December	111⅛	Fall 4½
December	133	Fall 13⅞	1873—April	119¼	Rise 7⅛
1868—August	150	Rise 17	September	114	Fall 5¼
November	132½	Fall 17½	October	108	Fall 6
			1874—January	111	Rise 3

There has been a most remarkable expansion or inflation of business in Europe and this country within the last nineteen years. The New York Bulletin of a recent date published the statistics, compiled from official sources, showing the growth from 1855 to 1872, a period of seventeen years. These data prove that the whole commerce of the principal European and North American nations has increased from $4,241,700,000 to $9,276,000,000, being on increase of 118 per cent., while population in the same countries has for that period gone up from 271,443,000 to 311,620,000, a gain of 40,177,000, or about 14 per cent. These great commercial nations have doubled their exports. This surplus is not the only evidence of their prosperity. Ten thousand improvements have been made everywhere in buildings, roads, bridges, factories, mills, machinery, cities, boats, and railroads. It is estimated that the increase in railroad property is $10,000,000,000 alone.

This marvelous growth has no parallel in history, and is to every reflecting mind an ample warrant for the increase of currency. The average common-sense man believes that an increase of wealth and business in a country requires an increase in the currency. The man of Wall street cannot see it in that light, the importer cannot see it, the man who has money to lend cannot see it very plainly; but the man who embarks in business does, the merchant, the manufacturer, the laborer, the farmer, the middle-man, does. All these men see and feel the importance of keeping currency on a pace with business. To them the rate of interest is a consideration of importance; so is the possibility of making loans. These men in our country and in every civilized country do business largely upon the credit system, and they look anxiously to the question of accommodations in bank to bridge over occasional gaps in their supply of funds.

The world does move and change, but those who quote Webster and the old statesmen who died before these astounding steps of progress do the grossest injustice in their attempts to apply their mere arguments as to the policy of their times to ours. The Webster of to-day would not be found among the pinching and grinding contractionists; his grand soul would have risen to the height of the great argument for progressive financial management. He would have seen and appreciated the grand march of events, and lent his own powerful eloquence to plead the cause of true national advancement. He spoke for no day and no occasion like the present. He was laid in his honored grave before the great events I have named had their inception.

A PLEDGE TO CONTRACT BUT TO RESUME.

But gentlemen say we are pledged to the policy of contraction by national conventions and by the law. There never was a greater mistake. These resolutions looked to a resumption of specie payments. But not necessarily by the road of contraction. There may be other methods than that; better, wiser, safer, more speedy. I think the shortest one is by moderate expansion. I am not so uncharitable as to call those who differ with me either fools or repudiators. They may be both; but for the purposes of the argument I will call them neither. Nor will I make any threats that I will fight them forever and never vote for them hereafter. They may be as honest as I am, they may be as sensible. I think they fail to comprehend the situation, and would be glad to see them enlightened.

Mr. HAWLEY, of Connecticut. As the gentleman seems to refer to me, will he allow me to ask him a question? If those who differ with him, according to his sincere belief, no matter how honest they are——

Mr. COBURN. Please ask the question.

Mr. HAWLEY, of Connecticut. If they are advocating measures which in his conscience the gentleman believes to be hostile to the good faith and honor of his country, would he not feel bound to fight them, and would he not do it? I say to him that if I am so far wrong

as he seems to think me to be, I beg him to fight me, as I certainly shall him.

Mr. COBURN. I do not expect to scare anybody by any threats I may make on this floor.

Mr. HAWLEY, of Connecticut. Not at all.

Mr. COBURN. We are reasoning here, not fighting.

Mr. HAWLEY, of Connecticut. It will be a good-natured fight, but a fight to the end.

Mr. COBURN. These pledges are as wide as the world from contraction; they are silent upon the method of securing resumption, and gentlemen, when they lift the lash and utter their threats, had better pause before they strike. They may hit men whose sense of honor is as keen as they proclaim their own to be; they may hit men who can outstrip them in the road to resumption; they may hit men who do not set themselves up as the champions of political sanctity, and walk into the House with an air of self-righteousness, delivering long lectures on political decency. I doubt not the members who favor an expansion of the currency are as honest, are as faithful to their promises, are as true politically, as they who virtually proclaim them repudiators. They desire to have gold the standard and a part of the circulating medium. They will find very few to differ with them about that. How to get to that point is the difficulty upon which they give us no light. To prove that he is right in his opinion, the gentleman from Connecticut reads the opinion of the rich men of Boston, New York, Hartford, and other cities, who own national-bank stock. Now, if expansion is disastrous and these men believe it to be so, why do they not retire their own circulation? While they themselves keep millions of this irredeemable stuff afloat and protest against anybody else putting any more afloat their word is not worth much. They become objects of contempt and ridicule—are guilty of hypocrisy and shameless assumption. When they retire the millions they hold in circulation let them speak; not till then.

The men of Boston who have twenty-six and a half millions of this circulation; the men of Connecticut who have eighteen millions of this circulation; the men of Rhode Island who have thirteen millions of this circulation; the men of New York City who have twenty-seven and three-quarter millions of this circulation; the men of Philadelphia who have twelve millions of this circulation—these are the men who loudly protest against the present redundant currency, who denounce those who want to increase it, and yet hold on with the grip of death to every dollar they can get, and have the sublime effrontery to send petitions to Congress to prevent people who have not one dollar where they have ten from obtaining a cent. Let such hypocrites cry war, let such financial charlatans cry repudiation, let such Shylocks lecture on political morals.

They want gold. Why do not they set the example, and retire their paper and do their business on as little paper as possible? Does any one force the shin-plaster national banks upon them? Are they compelled to submit to this infliction? Are they tied hand and foot by some tyrant, and forced to support these odious banks in their midst? One would think from the horror with which their Representatives talk about inflated bank paper that it was an object of dread or detestation to them. No, sir; they roll it all as a sweet morsel under their tongues, and denounce every other man who desires a taste.

And yet these very men, not six months ago, pale, shivering, and demoralized by the panic, with frantic haste clamored for the President and the Secretary of the Treasury to issue the forty-four million reserve. They have gathered together their little piles now, and after a disgraceful suspension and repudiation of their contracts with their own friends and depositors come here and lecture honest men who never broke faith with mortal man as repudiators. Let such pretenders be silent till the echoes of their clamors for expansion have died out, till the ink is dry upon the ledgers which record their own repudiation and their own shame, while they locked up the all of the man of wealth and of the humblest poor alike in their coffers, and stopped by their cowardice the wheels of industry and the flying feet of trade. Let these bankers of the East be still for a season, and not insult the representatives of the people by their shameful clamor.

The argument of the gentleman from New Jersey [Mr. PHELPS] is good for nothing if it does not prove that the use of legal-tender currency destroys the real progress of a people and creates an artificial and hollow prosperity which must vanish. He attempts to show that it is adverse to the interests of the laborer first, and then of all legitimate business men. I quote from his remarks to show his position, which is the position of those who oppose expansion, as fairly stated as it can be:

> The promises issued by the consumer, whether it be the Government or the laborer, are not from their nature currency, and any effort to force their circulation produces only confusion and loss. But this is what our Government did when, in the stress of war, it issued its promises against property which it consumed or destroyed. Hence came the greenback; fruitful source of all our woes. This increased the currency beyond its natural limits. It was in excess.
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> There was more currency than there was property for it to represent, and
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> THERE WAS A DEPRECIATION.
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> Let me not waste time to chronicle the now familiar effects of a depreciated and irredeemable currency. It is always in excess. This excess stimulates extravagance and speculation. There is constant temptation to be rid of a currency whose value is uncertain. Use it now, it is worth something; retain it until to-morrow, it may be worth nothing. And so the spirit of the gambler enters into the heart of the nation, and after extravagance comes speculation, crime, moral and material ruin. To chronicle what of this moral and material ruin is general, I do not pause. I pass this to show that the worst evils of an unsound currency fall upon the poor. The harm of wrong legislation in finance, as in taxation, falls and rests at last upon them. As a direct consequence of depreciated money, prices fluctuate, so the man who buys cannot tell for what he will sell, or what his money will be worth when he gets his pay. Against this uncertainty the rich man who sells can insure himself by adding a percentage to his price. The poor man who buys, buys to consume not to sell again, and pays this percentage out of his poverty. The rich man adds to the price of his commodities the premium on gold at each rise, and by continual exchanges adjusts or shifts the loss. The poor man has but one thing to exchange—his labor—and does not know the hourly, daily, or weekly rise of gold; and does he, he cannot daily, hourly, weekly, or even monthly, add it to his wages. He cannot readily make new contracts for his labor, and, unfortunately, it is the only contract he can ever make. So the premium on gold reaches his wages last of all.
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> Certainly, then, an
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> IRREDEEMABLE CURRENCY IS NOT FOR THE POOR MAN.
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> If it is for the benefit of any, it is for the rich man and for the speculator. The more rich the man, the more desperate the speculator, the more easily he avoids the losses; the more certainly he profits by the fluctuations. Increase the number and variety of transactions, and you increase the opportunities to adjust or shift the burdens of a fluctuating currency. The poor man, who has nothing to sell but his labor, and who has everything to buy—lodging, food, clothing—finds his labor receiving only the premium on gold. This is bad for him at one end, and it is equally bad at the other; for, for his support, he pays, in each case, something beyond the premium. And this brings us to the general principle, that the premium on gold does not accurately measure the advance of prices, except in those articles that we export. In all other articles, prices rise beyond the gold premium, and this rise is due to the percentage added on each exchange to insure the seller against subsequent depreciation of the money in which he shall be paid.
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> LEGAL-TENDERS THE LIFE OF THE NATION.
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> In the first place this declaration is unpatriotic. The greenback saved the nation; it was one of the essential links in the chain of forces that held us together; just as important in its place as the Army or the Navy. In the next place it has no foundation in truth and fact. The banks early in the war failed to pay specie, could not do it, and could not supply the country with currency. The greenbacks became the currency, together with other United States notes and obligations. It was a question of life or death to business. That is the wellknown fact, and answers all he says. The greenback grew out of the necessities of the war, and was the staff of life at that time. It is idle to say that it begot speculations. If the Government could have got gold it would have done so; but it was not to be had, nor was bank paper. It was compelled to issue its own notes. He says the issue of greenbacks increased the currency beyond its natural limits. What were its natural limits but the necessities of the times?
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> In the next place the mistake is that the greenback begat or begets speculation. No paper circulation below par in specie was ever so steady, had ever so few fluctuations, was ever so reliable. No State banks, no free banks, no company banks, no private banks, as a rule, had so fully the qualities of steadiness, reliability, and held public confidence so well. The gentleman is young, but possibly his recollection runs back beyond the war, when we had all sorts of local banks whose credit reached rarely beyond a State and often not beyond a county or neighborhood. This was the sound currency he wants and praises; this is the stuff that his dreams are made of. This paper was begotten by the natural laws which he defines for creating bank-notes. He desires, if his desires are founded on his arguments, to go back to the old days of individual banks, set up like stores wherever men need money, and brought out by the natural laws of business, as he expresses it. The country has long been sick of that kind of local financial management. It is ante-diluvian; it is buried beneath the mud of a revolution in business that sunk these little contemptible local banks where the eyes of men of sound views will never reach them. We must have a national currency forever hereafter, based in part on the public credit and controlled by its regulations; such a currency as all recognize and respect. Not the puny little bank-notes the gentleman so much admires, which have neither credit nor respectability beyond a narrow limit, and many not even there. We will have no return forever to the fluctuations, the depreciation, the bankruptcy, the worthlessness, the speculations, the poverty, the woe begotten by these local banks. Untold tens of millions will not account for all the losses heaped upon society by these worthless banks. Banks that were established in the days of specie payment, banks that rested on gold, banks that, like all other banks that do pay specie, never pay it when it is most needed.
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> LEGAL-TENDERS THE POOR MAN'S CURRENCY.
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> But the gentleman says that "irredeemable currency is not for the poor man; if it is for the benefit of any it is for the rich man, for the speculator." Is this true? How are wages now as compared with wages before we had this currency? I quote from the report of the Hon. Edward Young, on the cost of labor and subsistence. On an average blacksmiths get 45 per cent. more now, bricklayers and masons 48 per cent., cabinet-makers 41 per cent., coopers 42 per cent., carpenters 53 per cent., painters 45 per cent., plasterers 50 per cent., shoemakers 40 per cent., stone-cutters 43 per cent., tailors 37 per cent., tanners 45 per cent., tinsmiths 41 per cent., wheelwrights 43 per cent.; total average increase 45 per cent. The rate of increase of wages of farm laborers is 49 per cent. without board, and the percentage of increase with board is 48 per cent., showing conclusively that the cost of living in that respect has increased for such men but 1 per cent., while the price of labor has increased 49 per cent.
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> CONTRAST OF AMERICAN AND EUROPEAN WAGES.
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> This attempt to bring everything to a gold standard, if successful, will be the death-blow to the mechanics and others who work for wages. The inevitable effect is to place the price of work about on

an average with that of the gold-using civilized nations of Europe. We must, if our currency flows in a common channel, settle down to a level with them in prices. This is as necessary a result as that the waters of lakes draining into each other will constantly settle down to the lower levels and at last find a common level in the ocean. The wages of the civilized specie-paying nations of Europe vary somewhat, owing to local causes; but in the main there is but a small percentage of difference as compared with those of this country. The American blacksmith gets at a gold standard $16.40 a week. The English blacksmith gets $7, the Irish blacksmith $8, the German blacksmith $6, the French blacksmith $5.34 a week, the Austrian $7.20. These are the average highest wages, and in Europe all the trades are classified with three, four, or five grades of wages. American masons get on an average $21.33 a week, while the English gets $9.04, the German $8.37, the French $6.60, the Austrian and Swiss $6 a week. American plasterers get $21.33 a week. English $9.04, Irish $8.71, German $8.64, French $8.40, Swiss $7.20. American carpenters get $16 a week, English $9.04, Irish $8.90, German $9.25, Prussian $10, French $12, Russian $9.60, Austrian $7.20. American painters get $15.11 a week, English $8.71, Irish $9.44, Prussian $10, French, Italian, and Swiss, each $6. American machinists get $18.66 a week, English $9.60, German and French $6, Prussian $10.80, Swiss $9. American cabinetmakers get $17.33 a week, English $8.22 a week, Irish $7.26 a week, German $5.04 a week, Prussian $10.80 a week, French and Swiss $6, Russian $7.80. American tailors get $31.11; English get $9.20, Scotch $6.78, German $7.92, Prussian $6.48, French $7.20, Swiss $6, Russian $9. American heaters in iron-works get $21.33 a week; English get $12.10, German get $4.32. American puddlers get $24 dollars a week; English get $10.89 a week, German $8.74, Prussian $9.36. American printers, compositors on daily papers, get $33.78 a week, English $9.68, Scotch $13.31. American curriers get $16 a week; English get $9.12. American tanners get $11.33 a week; English get $7.68, German $5.04, Prussian $5.76, Austrian $7.20, French $8. American woolspinners get $12 a week, English $7.75, German $7.20, Prussian $4.32, Austrian $4. The American day-laborer in building gets $12.44 a week, the English $5.93, the German $3.04, the Irish $4.36, the French $2.52, the Prussian and Dane $3.60.

The above rates are for first-class workmen in either country, and the statistics are taken from the report of the bureau of statistics and labor, for 1874, of Massachusetts—probably the very best authority on the subject. These data show that the American mechanic gets in many instances double, and in others an increase of from 75 to 90 per cent. of wages over his European brother in the same branch of employment. The facts thus furnished cover forty different trades which, themselves, are in many instances divided into many classes and grades.

WE CANNOT LIVE ON THE EUROPEAN PLAN.

We are not prepared to bring our nation to these gold-price standards. We live on a different plane. We propose to make every man independent, and to do so as a reward of his industry. We must support schools and charities; we must improve our highways in the country, and the streets and public grounds of our cities. We cannot wait three or four hundred years to do it. We must raise great sums by taxation to carry on these public works and enterprises. We cannot do it if wages and prices go down to what they are in the Old World. The surplus will be too small. With a currency of our own non-exportable, and yet sound, we have made and are making this progress successfully. If our people were reduced to the low rates of Europe we could never pay our private debts, provide public funds, pay our public debts, or make anything but slow progress. The dull and sluggish nations of Asia who do labor, such as the hundreds of millions of Hindoos and Chinese, are fair samples of low wages and low prices of food and clothing. They have a gold standard and little or none of the facilities of banks and the credit system.

AMERICAN WAGES, PRICES, AND CREDIT.

The vast frame-work of our society is imbedded in a system of high prices, high wages, and commercial credit, and cannot be withdrawn from it unless by an utter anhiliation of all of our prosperity. To divorce our people from them would prostrate all business, all values, all progress, and leave them hopeless and helpless bankrupts, ready for revolution, for plunder, for self-destruction, for despotism and barbarism.

This is the feast the contractionist and the specie-payer invite us to sit down to. Their policy is working well in Hindostan and China, has too much supremacy in Central and Southern Europe, and partial sway in Northern Europe. This country, largely divorced from it, is an instance of what a people may do that is lifted above the fluctuations of the business of hundreds of millions beyond their borders, who have no common interest with them. We stand alone, high above and far out beyond them all in the great ways of progress, and we do so in a great measure because our currency is not regulated by the condition of the currency of the world. We do so because wages, prices, labor, food, clothing, building; in a word the rewards of industry, are twofold here what they are elsewhere. This it is that gives nerve, vitality, energy, perseverance, boldness, grasp, to the human will and intellect, and carries men over all obstacles to progress. How enormous this advantage is becomes apparent at once when we look at the difference between the raw material and the finished article, between the ore and the polished tool, between the sand and the speaking mirror, between the tree and the elegant cabinet, between the fleece and the glossy cloth. It is almost all labor. In some cases nine-tenths of the difference is labor, in some ninety-nine hundredths. The raw material and the laborer stand face to face; with high wages he, first of all, gets the benefit; the price of the article is higher, but the laborer gets it; nobody else can, nobody else does. This makes the difference between the comfortable mechanic living in his own house here and his poverty-smitten brother beyond the ocean. Make our currency equal to gold by making it scarce and you inevitably put the rate of wages where theirs belongs. Put down wages, dry up the very fountains of prosperity, and all prices must fall; provisions, merchandise, stocks, and real estate, all will sink together. They cannot remain as valuable as they were when the million little demands of the humble laborer are cut off. As well expect to have rivers without showers or snows; as well expect to have an abundant harvest without ten million nodding heads of wheat; as well expect great casks of glowing and fragrant wine without the myriad clusters of purple grapes, nestling on many a sunny hillside, as to expect a nation to be great, powerful, prosperous, and happy, without millions of comfortable homes, made so by the abundant rewards of honest toil.

[Here the hammer fell.]

The SPEAKER. The time of the gentleman has expired.

Mr. BRIGHT. I ask unanimous consent that the gentleman may be permitted to proceed.

The SPEAKER. If there be no objection.

No objection was made, and leave was accordingly granted.

Mr. COBURN. But it is said the cost of living has increased under the present currency in proportion to price of wages. It is admitted all around, more than that, made the basis of argument, that the prices of all the great staple articles of consumption are regulated by the prices in Liverpool and London, without regard to our currency, so those articles are disposed of. The opponents of expansion put them at once out of the question. Next as to clothing, the great staple articles of cotton and woolen goods are, on an average, as cheap now as before the war. The labor in making up these goods into wearing apparel has principally enhanced their value.

THE FARMERS PROFIT BY OUR SYSTEM.

But it is said that the farmer at last derives no profit from the expansion of the currency; that all that he raises is valued at Mark Lane, in London, and at gold rates. This is a very great mistake. In the first place, the great majority of farmers cultivate but small tracts of land, have but a small surplus, and derive but a portion of their livings from the amount obtained from the sale of exportable articles. Their living, in a great measure, comes from the soil and is not bought or sold. In the next place, they produce a large amount of non-exportable articles, such as horses, mules, work-cattle, hay, oats, potatoes, turnips, and other vegetables, besides fruits, poultry, and many articles consumed daily in immense quantities in every community. The prices of these are all fixed at home and have no relation to commerce. They constitute a large part of the surplus of farmers.

The secret of a home market seems to have been overlooked by the gentleman; a home market which puts the laborer, the mechanic, the manufacturer, the middle-man, side by side with the farmer. This home market, in the shape of towns and cities, is growing rapidly, and has grown more rapidly than ever, before under the influence of this contemptible irredeemable paper, so much despised by some gentlemen. The increase in manufactures in the West since we have adopted this hated currency has had no parallel in our history. In fact, but a small part of our farm products find a foreign market.

Nothing better illustrates this than the size of the farms. The fact is that more than four-fifths of all the farmers of the United States own and live upon farms of less than one hundred acres. Their families obtain a subsistence on these small farms and but a small surplus is produced. Almost half of the farmers in the country live on farms of less than fifty acres. Now, only a portion of this land is cleared, so that at once it will be seen that the great thing done by these farmers is not to produce articles for foreign export but for home consumption.

I present to the House a statement prepared from the census tables of 1871, showing the whole number of farmers and the number living on farms of less than fifty acres, and the number on farms of less than one hundred acres. It confirms what I have said:

Michigan, 98,786 farms:	
Under fifty acres	58,862
Between fifty and one hundred acres	11,078
Total under one hundred acres	69,940
Illinois, 202,803 farms:	
Under fifty acres	77,064
Between fifty and one hundred acres	68,130
Total under one hundred acres	145,194
Indiana, 161,289 farms:	
Under fifty acres	78,162
Between fifty and one hundred acres	52,614
Total under one hundred acres	130,776

Ohio, 195,953 farms:	
Under fifty acres	76,166
Between fifty and one hundred acres	71,166
Total under one hundred acres	147,458
Missouri, 148,328 farms:	
Under fifty acres	84,223
Between fifty and one hundred acres	38,505
Total under one hundred acres	122,728
Kentucky, 118,422 farms:	
Under fifty acres	62,421
Between fifty and one hundred acres	29,731
Total under one hundred acres	92,152
Iowa, 116,292 farms:	
Under fifty acres	44,419
Between fifty and one hundred acres	41,382
Total under one hundred acres	85,801
Wisconsin, 102,904 farms:	
Under fifty acres	56,924
Between fifty and one hundred acres	30,060
Total under one hundred acres	86,984
New York, 216,253 farms:	
Under fifty acres	86,104
Between fifty and one hundred acres	73,956
Total under one hundred acres	160,060
Pennsylvania, 174,041 farms:	
Under fifty acres	74,348
Between fifty and one hundred acres	63,268
Total under one hundred acres	137,616
Tennessee, 118,141 farms:	
Under fifty acres	71,086
Between fifty and one hundred acres	27,778
Total under one hundred acres	98,864
Georgia, 69,956 farms:	
Under fifty acres	32,170
Between fifty and one hundred acres	18,371
Total under one hundred acres	50,541
Mississippi, 68,023 farms:	
Under fifty acres	46,032
Between fifty and one hundred acres	11,967
Total under one hundred acres	57,999

What the farmer wants to know in matters of trade is, whether he will have ready sale at a fair price for his produce and live stock. If business is prosperous he can dispose of his horses and mules, his marketing, his hay, grain, and hogs. If it is dull, he cannot. He knows that when bank accommodations are scarce, when the rate of interest is very high, when currency cannot be had for any interest, he must suffer, no difference what the price in London may be. He knows very well that a high price in London is worth nothing to him unless the traders in such staples as grain, pork, whisky, flour, and cheese can get bank accommodations. He knows that business is largely done on credit and by the aid of the banks, and that the dealers in these articles anticipate the market as far as they can by this means. This is the course of business which he cannot help or change.

In my country last fall men who made contracts for hogs could not comply with them, and hundreds and thousands of contracts were violated because there was not currency enough in the country to meet the demands. It was not a question of the wealth of individuals or of the price of the article, but a simple question whether or not the currency could be raised to meet the contract. The result was a panic in hogs. The farmer lost largely; the prices went down and they sold. Since then the price has gone up, and the speculator has made the profit.

When the crops are to be moved, if currency is scarce, the price goes down, the market is glutted, the surplus goes off slowly. If the price in London were high, the effect would be the same. It is not a question of the quality now, but of the quantity. The quality he is satisfied with, and so is almost everybody else but the importers. The farmer never complains at the fair market price, but he does complain justly and loudly when his way to the market is obstructed and he is shut off and shaved simply for the lack of current money.

So he reasons that it would be wise to have a greater supply. If there are not cars enough to carry off his produce, he is shut off in the same way, and naturally says let us have more cars. Currency is the carrier of business; it is like the cars—more are needed as business increases. The number of dealers, the amount dealt in, the frequency of business transactions, all add to the demands for currency. Business in agricultural regions is not and cannot be done by clearing-houses upon a 5 per cent. supply as in New York, or on a 3 per cent. supply as in London. Pockets and pocket-books are yet in vogue, especially in the rural districts. People since the currency suspension last fall are getting a little shy of the banks. They will hold on to a little personally. If the currency were gold, the people would treat the subject in the same way if the banks were located and restricted as they are now. They see this inequality and insist that there shall be more banks, more accommodations, more clearing-houses, more commercial paper as well as more currency. And they reason in this simple way: that if there is more currency all these other things will be added unto it. Are they wrong? Are they barking up the wrong tree, as the hunters say? It is not impossible to organize more banks, and they think that will increase banking facilities. An extension of these privileges will give an extension of all the currency attending banks. They desire a reasonable increase of currency and bank facilities. They are not mad inflationists, unreasoning levelers, hot-headed experimenters. It may be well to see what inflation is; what expansion is; what increase is. They are not convertible terms.

To add largely to that which has its natural size may be called inflation; to add in a moderate degree to such an object is expansion; to add to that which has not arrived at its full volume or extent is an increase. If our currency is up to its full extent, any considerable addition will be inflation; a small addition would be expansion; but if it is not at present in sufficient volume, then a large addition is neither inflation nor expansion.

DO WE WANT INCREASE OR INFLATION?

This question is argued as if it was a measure of expansion, of inflation, of undue enlargement. That depends upon another thing, and that is, whether the currency is already out in sufficient quantities. In other words, is exactly the right amount issued? If so, how was this found out? Who estimated that just this amount was the right one? How did we arrive at it? Was it the result of calculation or accident? Once, and that not long ago, we had a much larger paper circulation than we have now—more than double the quantity. We have been retiring in one form and issuing in another; and the whole matter is the merest experiment, founded upon no definite plan or reason as to amount.

We have literally drifted by accident, by merest chance, to the present amount. Now, but one thing is certain, we have in circulation about three hundred and eighty-two millions of legal-tender notes, and about three hundred and fifty millions of bank-notes. If this was just the amount we needed, an increase would be inflation. If the cup is full, to pour in will cause an overflow; if a sack is full a little pressure will expand it and make it inconveniently hold more or burst. Is the vessel full? Is the sack full? If the vessel is not, you can safely pour in more; if the sack is wrinkled and empty you can risk filling it also. How much currency the nation needs before the amount becomes superfluous no opponent of this measure has shown. If we find the vessel dry, if we find the sack empty, the most of us would say that it would be safe to replenish. Nobody would dread an overflow or a bursting. Last fall we found the vessel empty. Where the contents had gone no one could tell. The nation was athirst for currency, and not a drop to cool the parching tongue. Inflation was impossible then. The result was a collapse, distress, bankruptcy, poverty, ruin to very many good men in regular business. A general derangement has taken place. A general dissatisfaction prevails. A general apprehension exists, and yet men say, "Let us do nothing; let us stand still; let us diminish the supply." Is this reasonable? Is this the way men act in other emergencies? The evil seemed to be in scarcity. Shall we intensify it? We have waited too long already. Prompt action was our plain duty if possible. I can see no safety in contraction, none in standing still. We ought to provide against a recurrence of the evils of last fall, in so far as we can promptly.

We need a more elastic currency, one that may adapt itself to the demands of the country. I prefer a reserve of United States notes in the Treasury. This saves for all the money used in an emergency 5 or 6 per cent. The loan is secured and is made expressly temporary. The other plan, to deposit notes in the Treasury first and draw out bonds, is more expensive than the one just named. It, instead of saving, costs 5 or 6 per cent., just as the bonds rate, for the bonds must first come out before the reserve is created. This reserve will then cost at least 10 or 12 per cent., according to the bonds, more than the other plan; one saves interest to the Government, the other loses it.

The plan of the convertible bonds at an interest of 3.65 per cent. is similar to this, and loses 8.65 or 9.65 per cent. more than the one I suggest. The plan first named costs nothing, and saves the interest on the bonds deposited. It is a simple provision, and can work no harm. This reserve will be drawn upon but rarely, and for a short time.

In the bill before the House the principle of free banking gives elasticity. The provision as to the reserves may endanger the value of the bills. I would not dispense with it entirely, but reduce the proportion one-half.

The section as to the issue of gold notes is a measure of contraction, and will undo all we have recently done to authorize the issue up to $400,000,000. These notes will be hoarded and the legal-tenders retired, a sure way to contract the currency. As the legal-tenders are contracted, the bank-notes must ultimately follow. We cannot redeem in gold, and it is unsafe to fix a day of redemption, as this section proposes to do.

We do not need another kind of currency in addition to the legal-tenders and bank bills. Gold notes are more valuable than ordinary paper; they will not be a part of the circulation; they will be hoarded just as gold is, and they, taking the place of greenbacks, the effect will be the same as if we destroyed them and put gold dollars in their place; in other words, gold dollars and gold notes can never form a part of the currency till specie payment is reached. The note that calls for gold is as good as gold.

The gold note—what is it? Is it a greenback legal tender? One would think these terms were identical, while we listen to hours and days of argument that the greenback legal tender is a "printed lie," is a "broken promise to pay gold." Perhaps it is. But then this eighth section sounds singularly if that is so. The provision of the law of 1870 in relation to national banking which authorizes gold notes has a very strange sound if the legal-tender note promises gold. Legislators have a singular way of putting things, if these provisions are identical in style and meaning.

The fact in legislation is that gold notes are one thing and legal-tenders another. Business men understand this, and politicians who expect to be regarded as candid men ought to acknowledge it.

What, then, shall we do? Certainly make no promises to pay out the pittance of gold we now have and impoverish the scanty store we are compelled to hold to meet emergencies. Fix the legal-tender circulation at $400,000,000 for a permanent issue, with $50,000,000 additional for a reserve of United States notes. To this add a provisio n for free national banking on the present basis up to the present sum *per capita* allowed to the State of New York. This will give more privileges to the States not in excess than they will need for some years to come. If they do not take this circulation within a given time I would allow any citizen to do so. This, I believe, will give such relief in the direction of currency as the people need. And this will not postpone for a day the return of the time when there will be no question made as to the difference between specie and paper.

The bill of the Senate is on our table, having just passed. It is not all we want. It lacks the important feature of a reserve, but it is, as far as it goes, a measure of relief.

It is a practical question as to what to do. My advice will be to adopt this measure without amendment, as the best that can be done at present. The growth of business and the effect upon the country will no doubt serve as valuable guides to future financial management.

Mr. TOWNSEND obtained the floor.

Mr. ALBRIGHT. With the consent of my colleague, I desire to give notice of an amendment which I shall offer whenever I may have an opportunity.

Mr. HARRIS, of Virginia. I also have an amendment.

Mr. HOLMAN. Are these amendments to be printed in the RECORD?

The SPEAKER. The Chair understands it to be the desire that the several amendments which members may send to the desk to-day may appear in the RECORD to-morrow morning.

Mr. HOLMAN. Yes, sir.

Mr. MAYNARD. These are amendments, as I understand, which gentlemen indicate they would offer if they had an opportunity.

The SPEAKER. Of course the amendments cannot in the present stage attach to the bill. They are only an indication of what gentlemen desire to offer whenever they may have a parliamentary right to do so. These several amendments will be published in the RECORD.

[The amendments sent to the desk by members under the foregoing arrangement are as follows:

By Mr. ALBRIGHT:

Amend section 5 by inserting after the words "carried on," in the fifth line, the following:

Provided, however, That said associations may invest their reserve in a 3.65 per cent. interest-bearing currency bond, which the Secretary of the Treasury is hereby authorized and directed to issue; said bonds are to be convertible into currency at the pleasure of said associations: *And provided further,* That associations organized under the law or the law to which this is supplementary shall be, and are hereby, prohibited from paying interest to each other or receiving interest from each other upon deposits.

By Mr. BIERY:

Amend by striking out sections 7 and 8, as follows:

SEC. 7. That associations without circulation may be organized under the provisions of the said act, upon the deposit, with the Treasurer of the United States, of not less than $10,000 of United States registered bonds, as provided in section 16 of said act; and associations already organized without circulation are authorized to withdraw their bonds in excess of $10,000.

SEC. 8. That the Secretary of the Treasury is hereby authorized and directed to issue, at the beginning of each and every month from and including July, 1874, two millions of United States notes not bearing interest, payable in gold two years after date, of such denominations as he shall deem expedient, not less than ten dollars each, in exchange, and as a substitute, for the same amount of the United States notes now in circulation, which shall be canceled and destroyed, and not reissued. And any excess of gold in, or hereafter coming into, the Treasury of the United States, after payment of interest on the public debt, and supplying any deficiency in the revenues provided to meet the current expenses of the Government, shall hereafter be retained as a reserve for the redemption of such notes.

By Mr. CORWIN:

Strike out all of the bill after the enacting clause, and insert:

That so much of the twenty-second section of the act entitled "An act to provide a national currency secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof," approved June 3, 1864, and of the several acts supplementary thereto and amendatory thereof; and such of the provisions of the act entitled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates, and for an increase of national-bank notes," approved July 12, 1870; and so much or such parts of any other act or acts of Congress as limit, or as may be construed to limit or restrict, the entire amount of notes for circulation to be issued under the said act of June 3, 1864, and the several supplements thereto, be, and the same are hereby, repealed; and that hereafter all associations organized, or that may be organized, for carrying on the business of banking under the provisions of said act shall be free to establish and organize national banks, with circulation, at any place within the several States and Territories of the United States, upon the terms and conditions and subject to all the limitations and restrictions now provided by law, except the limitation upon the entire amount of circulation, which is hereby repealed.

By Mr. FARWELL:

Strike out the eighth section and insert the following:

That so much of the fifth section of the act entitled "An act to authorize the issue of United States notes, and for the redemption or funding thereof, and for funding the floating debt of the United States," approved February 25, 1862, as relates to the purchase or payment of 1 per cent. of the entire debt of the United States annually, and the setting the same apart as a sinking fund, be so amended that said purchase of 1 per cent. as therein prescribed shall be applied solely to the non-interest-bearing debt of the United States known as United States notes, which said notes, when purchased, shall be canceled and forever retired from circulation. The first application of said 1 per cent. to the purposes aforesaid shall be made after the 1st day of July, 1874, and within that fiscal year.

By Mr. HARRIS, of Virginia:

Add to the bill the following as new sections:

SEC. —. That the act entitled "An act to exempt wrapping-paper made from wood or corn-stalks from internal tax, and for other purposes," approved March 26, 1867, be, and the same is hereby, so amended that any national banking association, State bank or banker, or association may pay out the notes of any State bank, town, city, or municipal corporation without paying any internal tax thereon.

SEC. —. That the entire amount of circulating notes authorized by this act, and by the acts which this act amends, shall be apportioned to associations in those States and Territories which have not their proportion of such bank circulation, until said States and Territories are made equal with the rest of the States; and to ascertain such equality, said apportionment shall be on the basis of representative population.

By Mr. HOLMAN:

Strike out all after the enacting clause and insert the following:

That it shall be the duty of the Secretary of the Treasury to prescribe rules and regulations requiring the several national banking associations and their redeeming agencies to forward to the Treasury of the United States for cancellation all worn and mutilated bank-notes; and the Secretary of the Treasury shall cause the same to be canceled and destroyed. And it shall be the duty of the Secretary of the Treasury to cause to be canceled and destroyed all such notes of the national banking associations as may come into the Treasury; and he shall, from time to time, in lieu of such notes so canceled, issue United States notes of like denominations with the notes so canceled, which United States notes shall be of like tenor and effect, and in like manner lawful money and legal tender with the United States notes now authorized by law; and such United States notes shall be covered into the Treasury and applied, with other moneys in the Treasury, toward the liquidation of the national debt.

SEC. 2. That it shall be the duty of the Secretary of the Treasury from time to time to deliver to each of said national banking associations an amount of the bonds deposited in the Treasury to secure the circulation of such banking association equal to the par value of the notes canceled and destroyed under the provisions of this act.

SEC. 3. That no interest shall be paid by the Secretary of the Treasury, after the passage of this act, on the bonds which have been or shall be deposited in the Treasury to secure the circulation of any banking association, except on the excess of the par value of such bonds over the average circulation of such association during the current year, while such bonds shall remain on deposit in the Treasury to secure such circulation.

By Mr. LAMISON:

That whenever it shall appear, at the end of any quarter in any fiscal year, that the net receipts from customs exceed the amount necessary for the payment of the interest of the public debt of the United States, it shall forthwith be the duty of the Secretary of the Treasury to so reduce the rate of duties on imports as that no more shall be collected from customs than shall be necessary for such purpose; and that such reduction shall be made *pro rata* upon the schedule of duties required to be paid by existing law at such date.

By Mr. MITCHELL:

Add to section 2 the following:

Provided, That in case any increase of national-bank note circulation beyond the present authorized limit of $354,000,000 shall take place, the Secretary of the Treasury is hereby authorized and directed to retire and cancel legal-tender notes to the extent of such increase until the outstanding and unpaid legal-tender notes shall be reduced to $300,000,000; and for this purpose he is authorized to use any existing surplus revenue, or, in default of any such surplus, to sell 5 per cent. bonds of the Government.

By Mr. E. H. ROBERTS:

Add as an additional section the following:

SEC. —. That the Secretary of the Treasury shall, commencing with the 1st of July, 1874, with the coin set apart as a sinking fund, according to the provisions of section 5 of the act of February 25, 1862, purchase, in the open market, legal-tender notes on the first Wednesday of every month, except September, October, and November, to such amount that the aggregate purchases for the year shall be equal to 1 per cent. of the entire debt of the United States. And the Secretary shall continue such purchases until the legal-tender notes remaining in circulation shall be and remain at par with gold when said purchases shall cease. And whenever said legal-tender notes shall again fall below par in gold such purchases shall be resumed and continued until the legal-tender notes remaining in circulation shall be and remain at par with gold, when said purchases shall cease. And whenever legal-tender notes shall have been so purchased, such legal-tenders shall be canceled and destroyed, and shall not be reissued, nor shall any other United States notes be issued in their stead; but the total amount of United States notes shall be permanently reduced to the extent of such purchases.

By Mr. TOWNSEND:

Substitute the following for the bill:

A BILL to provide for an increase of national-bank notes and the withdrawal and cancellation of an equal amount of United States legal-tender notes, and for the withdrawal and cancellation of the so-called "reserve."

Whereas by section 6 of the act entitled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates, and for an increase of national-bank notes," approved July 12, 1870, it was provided that $25,000,000 of the national-bank notes should be withdrawn from banking associations organized in States having an excess of bank-note circulation, and distributed among States having less than their proportion of such circulation; and whereas it has been found to be impracticable to withdraw said circulation from States having such excess without greatly disturbing the financial, commercial, and other business interests of the country: Therefore,

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Comptroller of the Currency is hereby authorized to issue to national banking associations organized, or that may be organized, in States and Territories that have not received the proportion of national-bank note circulation to which such States and Territories are entitled under the act entitled "An act to provide a national currency secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof," approved

June 3, 1864, and the several amendments thereto, circulating notes to an amount not exceeding $750,000 per month, until the aggregate amount of such circulating notes so issued shall have reached the sum of $25,000,000 and no more.

SEC. 2. That at the end of each month after the passage of this act the Comptroller of the Currency shall report to the Secretary of the Treasury the amount of circulating notes issued under the provisions of the preceding section to national banking associations during the month so ended, whereupon the Secretary of the Treasury shall cause to be redeemed, canceled, and destroyed an amount of United States legal-tender notes equal to the amount of circulating notes so issued, and there shall not be thereafter any legal-tender notes issued to replace those canceled and destroyed as above mentioned: *Provided*, That the legal-tender notes so canceled and destroyed shall not be considered as any part of the $44,000,000 withdrawn under the provisions of the act of April 12, 1866, entitled "An act to amend an act entitled 'An act to provide ways and means to support the Government,' approved March 3, 1865," and a portion of which legal-tender notes has been reissued and is now in circulation.

SEC. 3. That when the $25,000,000 above mentioned shall have been issued and an equal amount of United States legal-tender notes redeemed, canceled, and destroyed, or sooner at the discretion of the Secretary of the Treasury, it shall be the duty of the said Secretary to withdraw, cancel, and destroy, in addition to the said $25,000,000, as rapidly as the exigencies of the public service will allow, so much of the issue of the $44,000,000 of legal-tender notes withdrawn under the provisions of the act of April 12, 1866, hereinbefore mentioned, and subsequently reissued, as may then be in circulation, and when they shall have been withdrawn, canceled, and destroyed, it shall not be lawful to replace the legal-tenders so canceled and destroyed without the consent of Congress shall have been first obtained.

SEC. 4. That so much of section 6 of the act entitled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates, and for an increase of national-bank notes," approved July 12, 1870, as authorizes the withdrawal of $25,000,000 of national-bank-notes from banks in States and Territories having more than their share of national-bank note circulation, be, and the same is hereby, repealed.

Mr. MAYNARD. Several gentlemen around me request me to renew the proposition I have made on more than one occasion during this discussion, that hereafter debate shall be limited to fifteen-minute speeches.

The SPEAKER. The gentleman from Pennsylvania, [Mr. TOWNSEND,] who is on the floor, is entitled to an hour; and the gentleman from Kentucky [Mr. BECK] is, by previous assignment, entitled to one-half hour.

Mr. MAYNARD. Let my proposition operate after those gentlemen have spoken.

The SPEAKER. The gentleman from Tennessee [Mr. MAYNARD] asks unanimous consent that after those gentlemen have spoken and until the final disposition of the bill, the debate may proceed in fifteen-minute speeches. Is there objection?

Several members objected.

Mr. MAYNARD. I give notice, then, that whenever I can obtain the floor I shall call the previous question.

The SPEAKER. That notification had better be understood by the House. The Chair has been inquired of very often to-day what arrangement the gentleman from Tennessee proposes in regard to voting.

Mr. MAYNARD. My statement is this: After the gentleman from Pennsylvania [Mr. TOWNSEND] and the gentleman from Kentucky [Mr. BECK] shall have spoken, and the unused time of my associate on the committee [Mr. RANDALL] has been occupied, then, as the House will come to no agreement, I shall be obliged to test the sense of the House by calling the previous question.

Mr. GARFIELD. There are a few gentlemen here who do not wish to weary the patience of the House by speeches, but who would each like a few minutes merely to state their positions on this question. If the House would allow a few ten-minute speeches, an opportunity would be afforded for members briefly to put their views on record. This arrangement would facilitate business. I therefore ask the gentleman from Tennessee to renew his proposition. I think that when understood it will not be objected to.

A MEMBER. Say ten minutes.

Mr. MAYNARD. I will then renew the proposition, with the modification that speeches be limited to ten minutes instead of fifteen.

Mr. HOSKINS. Gentlemen can hardly give proper expression to their views in ten-minute speeches. If the limitation were fifteen minutes I do not know that I should object.

The SPEAKER. Is there objection that after the gentleman from Pennsylvania shall have spoken one hour, the gentleman from Kentucky one-half hour, and after the other gentleman from Pennsylvania [Mr. RANDALL] shall have occupied the time to which he is entitled, speeches shall proceed under a fifteen-minute limitation?

Mr. CLEMENTS. For how many weeks?

The SPEAKER. The Chair does not know what limit the gentleman from Tennessee assigns to the continuance of debate. If the bill goes over to-morrow, it must of course be carried over into next week.

Mr. KASSON. The gentleman from Tennessee [Mr. MAYNARD] will allow me to suggest that his proposition happens to hit exactly where my assignment comes in. If there should be an opportunity for me to speak to-day I would accept the disposition of the House, and I should not object to the proposition taking effect to-morrow, if it be the pleasure of the House.

The SPEAKER. The Chair understood the arrangement to be objected to, and the gentleman from Pennsylvania [Mr. TOWNSEND] will proceed.

Mr. MAYNARD. I will say to the gentleman from Iowa that it does not affect his assignment.

Mr. GARFIELD. Is there objection to the proposition?

The SPEAKER. The Chair understands there is.

Mr. E. R. HOAR. The gentleman from Iowa, as I understand, did not make objection.

The SPEAKER. The Chair understood him to make objection unless his rights were preserved.

Mr. KASSON. The Chair misunderstood me; I made an appeal to the gentleman from Tennessee to reserve the remainder of the day, because I believe the House will probably adjourn after the gentleman from Kentucky has concluded his speech.

The SPEAKER. The gentleman from Pennsylvania will proceed, and at the conclusion of his remarks an arrangement can be made if there be unanimous consent. Arrangements by unanimous consent are not matters for debate, and gentleman should agree among themselves before bringing them before the House.

MESSAGE FROM THE SENATE.

A message was received from the Senate, by Mr. SYMPSON, one of its clerks, notifying the House that that body had passed without amendment bills of the House of the following titles:

An act (H. R. No. 676) for the relief of Joseph R. Blackwell, postmaster at Litchfield, Connecticut;

An act (H. R. No. 971) to forfeit to the United States certain lands granted to the Placerville and Sacramento Valley Railroad Company, to aid in constructing a railroad from the town of Folsom to the town of Placerville, in the State of California;

An act (H. R. No. 519) granting an American register to the Canadian tug Noah P. Sprague;

An act (H. R. No. 1892) authorizing the Passaic County National Bank of Paterson to change its name; and

An act (H. R. No. 1574) for the relief of Richard H. Dutton, postmaster at Cavendish, Vermont.

It further announced that the Senate had passed bills of the following titles; in which the concurrence of the House was requested:

An act (S. No. 509) to withdraw from sale a portion of the Fort Smith military reservation, in the State of Arkansas, and to prescribe the manner in which the remainder of said reservation shall be sold, and for other purposes;

An act (S. No. 229) authorizing corrections to be made of errors in prize-lists; and

An act (S. No. 249) authorizing the Secretary of War to give to George A. Armes, late captain Tenth United States Cavalry, an honorable discharge, to date the 7th of June, 1870.

CURRENCY—FREE BANKING.

Mr. TOWNSEND. Mr. Speaker, I rise to oppose this bill. Although I have a high regard for the eminent ability and the great congressional experience of the gentleman from Tennessee, [Mr. MAYNARD,] yet I cannot agree with him in his views concerning this bill. To me it is a bill which provides for unlimited inflation of the currency, with all its mischievous consequences. To me it is a measure which authorizes free banking; and I do not know that I have ever heard a more convincing argument against the evils of free banking than that which was uttered by the gentleman from Indiana [Mr. COBURN] who has just taken his seat, and who occupied the place where I now stand. He has given us the experience of his native State with regard to it. He has told us that although the banks of that Commonwealth had the security of the whole of the State, and although their currency was based upon the bonds of that Commonwealth which were at that time, as I am informed, at par, yet it appears that the currency of the free banks of Indiana so secured was at a discount of from 5 to 75 per cent. And it happens to me to know, in my own business experience from 1857 to 1861, that the notes of the banks of Indiana were so depreciated, based though they were on free-banking principles and the credit of the State, that the business men of that State went to Vermont, went to Massachusetts, to Connecticut, and to Rhode Island for a more reliable currency. And I myself have paid a heavy premium in order to get the notes of New England to replace the notes of the free banks of the State of Indiana.

I am opposed to this bill, sir, because it allows unlimited inflation. There are but four hundred millions of United States bonds deposited by the banks as security for their circulation. That leaves thirteen hundred millions outside of the banks, and the only limitation there may be to the currency expansion under this bill, upon the establishment of free banks, will be the amount of that bonded debt which can be taken up and put into the hands of associations anxious to carry on the business of free banking, and that can be forced into the channels of circulation and of the trade and business of the country.

I object to this bill again because it is a surrender of the rights and duties of the Congress of the United States. I oppose it because it is a surrender of that great principle of sovereignty—under that provision of the Constitution which requires the Congress of the United States to provide a sound and safe currency for the people and to regulate the value thereof. I say, then, that it is a surrender of that great right and power to comparatively irresponsible associations to change the value of the money of the people from day to day. This body, representing the people of the United States, would not dare to give to any man the right to debase the gold coin of the nation. And if any man outside of this House, or within it, were to endeavor to coin gold dollars that should have but twenty grains of gold instead of twenty-five, if any man should undertake so far to debase that coin as to take away 20 per cent. of it, and strive to pass it upon the people as a dollar of the nation, he would be sent to the penitentiary. And yet here, to-day, the gentlemen who represent the inflation side of this question are asking that we shall give into the hands of irre-

sponsible corporations, the hundreds and thousands of them that will start up under this bill, the right to debase the currency of the people not only 5, but 10, 20, or perhaps 50 per cent., according to the extent of the currency inflation that they may authorize.

The debasement of the currency in the one case would be against the law; in the other, it would be under the forms of the law, but the evil consequences to the people in both cases would be the same.

I repeat that we will be recreant to the duty that we owe to our constituents if we fail to hold our hands, and that with a stern grasp, upon the currency of the country, and to keep it from overflowing its bounds and swelling into that inflation which will sweep everything before it into universal ruin.

Now, sir, this bill, and all the free-banking bills here, are founded upon a great and fundamental error. They are founded upon the erroneous idea that the currency of the banks, when it goes out of the banks and performs its functions, will return to them again for redemption. Sir, the history of the world is all against it. You cannot find, from the time of John Law, one hundred and fifty years ago, down to the present hour, anything in any system of banking institutions that will show that when the paper currency of a country begins to expand, and gets beyond that point where the ordinary and legitimate wants of the people require it, but that it goes onward and upward, increasing outward all the time, and never brought back for redemption unless by the hard hand of a panic and a suspension of payments.

I need only refer you casually, as I go along, to the fact that at the death of Louis XIV he left the French nation deeply impoverished. I refer you to the fact that John Law, a Scotch adventurer, at that time went over to France and got into the confidence of the Regent of Orleans. The nation was deeply in debt; the currency was debased. John Law inaugurated the Mississippi scheme with the plausible pretense of working the mines of Louisiana. In connection with that he was allowed to establish the Bank of France, and that bank was authorized to issue some fifty or sixty million dollars of paper currency. It was found that that small addition to the money circulation gave a large impetus to the commerce of the nation; and men, reasoning then, as they do here now, that if a small amount of currency will do a great good a larger amount of currency will do an amount of good proportionately greater, urged upon the Regent to expand the loans of the bank, and they were expanded several hundred million livres. The result of all this was to increase the operations of trade; to give great activity to manufactures; to agriculture, and to commerce. Everything seemed prosperous, and as this seeming prosperity progressed, the shares of the Mississippi bubble advanced in price; and as they went up they required more currency to float them along and to deal and trade in them. The result of it was that there was a larger demand upon the bank for currency; and more money was issued until there were 2,700,000,000 livres afloat among the people.

Then it was that one man, a little more sagacious than the rest, the Prince of Condé, took it into his head to see whether or not this was all a sound prosperity, or whether it was only a bubble. He applied to the bank for the redemption of some of their bills. He obtained money for them in gold and silver, but immediately thereafter distrust began to arise; and the Regent, in order to back up the falling credit of the bank, required him to send back the specie. He did it under compulsion; but afterward, he and others of the same mind who knew of the hollowness of affairs in the bank withdrew quietly their money, sent it abroad in order to be safe; and the result of the great inflation was that a panic ensued and the whole fabric of the prosperity of the nation fell into one indiscriminate mass of ruin. Thousands upon thousands of men were overwhelmed, and the whole trade of the nation stagnated thereafter for years. The bubble had burst, it had dissolved into thin air, and disappeared from view as rapidly as the glittering ice palace of Potemkin, reared in honor of his imperial mistress, disappeared before the summer sun.

I need not speak, in continuation of the subject, with regard to our continental currency, any further than to say that although at first when we issued it it was at par, yet as our fathers put issue upon issue till they had three hundred and fifty-seven millions of it afloat, it collapsed and sank down to nothing. It fell so low that one dollar in silver in 1781 would buy seventy-five dollars of the currency.

Coming down in the track of time, let us take a passing glance at the history of France during her revolution. She was encircled by the banded nations of Europe anxious for her destruction because she was then a standing reproach to the monarchical principle, and in her mighty struggle she issued forth *assignats* to the amount of thousands of millions of dollars. But the consequences were that in the end it became so depreciated that the butcher and the baker and all the tradesmen of the city of Paris would not bring their products to market nor take a dollar of that currency, notwithstanding that the government stood behind it pledged with all the revenues of the nation, with all the confiscated lands of the nobility, with all the lands of the church and nation, with everything that the nation possessed, in order to sustain it. Behind all these were laws that made it criminal to refuse to take the currency; yet it became so utterly worthless that the people of Paris were brought to the verge of starvation; bread riots ensued, men were crushed to death while waiting at the butcher and the baker shops for their turn to get that food which was denied them, and the government had to step in and confiscate by force, wherever it could, provisions wherewith to feed the starving multitude; for confidence in the currency and between man and man was utterly destroyed.

This, sir, is the history of inflation in other countries as well as our own. I say, then, Mr. Speaker, that it is the experience of the world that there is no kind of elasticity in a paper currency with the single exception of an elasticity outward. It never decreases its volume unless with the hard gripe of a panic and with the suspension of payment, unless with the utter ruin of thousands and tens of thousands of individuals who may have trusted in its promises.

Sir, during the holidays last Christmas it occurred to me to make for my own satisfaction a chart or diagram from the official tables whereby I might see for myself, according to the plan adopted by statisticians, the progress of the currency and banking and the commerce of the United States for the last forty years; and as we can more readily take in great facts by the eye at a glance than we can take them in by long words of explanation, I will exhibit this diagram and show that the experience of our country for the last forty years has been precisely the experience of all other countries. [Mr. TOWNSEND here held up at the Clerk's desk the diagram referred to.] Here, Mr. Speaker, is an illustration of the upward movement of the currency and of the foreign commerce of the nation for the period mentioned.

Mr. BIERY. I rise to a question of order. I ask that gentlemen shall keep their seats.

Mr. DAWES. I ask the Chair to request gentlemen to take their seats.

The SPEAKER *pro tempore*, (Mr. LOUGHRIDGE in the chair.) The House will come to order and gentlemen will resume their seats.

Mr. TOWNSEND. It will be remembered that in 1832 the President of the United States vetoed the charter of the Bank of the United States. You will remember that in 1833 Mr. Taney removed the deposits. You also remember he encouraged all the banks of the country thus favored with the deposits to lend as freely as they could to the people of the United States the deposits belonging to the United States. The result was that they began in 1834 expanding the currency from the amount of ninety-five million dollars to one hundred and forty-nine millions in 1837; and the combined circulation and deposits from one hundred and seventy-one to two hundred and seventy-six millions; and that they expanded the loans and discounts from three hundred and thirty millions up to five hundred and twenty-eight millions while the specie decreased from forty-four to thirty-eight millions. The result of this great expansion was that there was a panic, a suspension of specie payments, and the whole business of the country collapsed and came down to ruin. So we proceeded onward in our downward course.

The banks suspended in 1837. They resumed in New York in May, 1838, and in Pennsylvania in August, 1838. Then again they suspended on October 10, 1839; and the State of Pennsylvania, believing that this matter o' currency and resumption of specie payments was a mere matter of legislation, in 1840 ordered the banks of the State to resume specie payments on the 12th day of January, 1841. They did resume specie payments according to the order, because they were under the necessity of doing it upon the penalty that if they did not resume the charters of all would be taken away. But it was a commercial question rather than a legislative one. They remained in resumption only about four weeks, when they suspended in 1841 and did not resume till March 22, 1842. It took till 1843 to make a sufficient reduction of circulation and deposits, and it was not till that line had fallen from two hundred and seventy-six to one hundred and fourteen millions that a permanent resumption took place. Now, I have said that there is no voluntary contraction of the currency by the banks. You will notice the currency and deposit line going up here all the way regularly enough from 1843 to 1857. In that period the circulation and deposits expanded from one hundred and fourteen to four hundred and forty-five millions, and the discount line from two hundred and eighty-three to the enormous amount of seven hundred and forty-four millions, the specie only increasing in that time from fifty-six to fifty-eight millions.

This outstretching of the credit system was far beyond the wants of legitimate commerce, and a panic ensued with the usual disastrous consequences. Those who choose to read the Bankers' Magazine of October, 1857, will find that precisely the same influences that brought on that panic brought on the panic of 1873.

Mr. MERRIAM. Is that on a gold basis?

Mr. TOWNSEND. Yes, sir; it was on a gold basis. This was the result of the expansion of the currency, the onward and upward movement of the circulation and deposits.

Then again we resumed in 1858, and went onward and upward till the war came on in 1861, having in that time increased the circulation and deposits from three hundred and forty-one to four hundred and eighty-one millions, and the discount line from six hundred and forty-three to seven hundred and seventy-one millions when a suspension of payment took place again, because of the action of the Government of the United States in requiring the loans to the Government to be made in gold, instead of their notes. Had it not been for that action, the banks would have held out much longer and the country would have been saved many millions, lost by depreciation of the currency, under the sub-treasury system. The condition of the currency was abnormal during the war. But after the new banking system was established inflation commenced again. From Janu-

ary, 1866, to the panic in 1873 the bank-note circulation increased from two hundred and fifty-nine to three hundred and forty millions, the legal-tenders receded from four hundred and fifty-one to four hundred and twenty-six millions, the deposit line went up from five hundred and fifty-two to six hundred and thirty-nine millions, and the discount line from five hundred and one to nine hundred and forty millions, while the specie in the banks advanced from nineteen to thirty-four millions only. This was enormous inflation, more rapid and more extensive than any heretofore known in our history.

The argument that currency returns after "movement of the crops" is refuted in the report of the Comptroller of the Currency, which shows by the quarterly returns that the currency was regularly expanding with but few exceptions during the whole of this period.

When the touchstone of payment came to be applied to one or two great banking-houses, the hollowness of all this seeming prosperity was made manifest, and the whole fabric of false credit went tottering to its fall.

From this statement it will be seen that we have been drifting steadily and rapidly away from specie payments; for in 1861 we had one hundred and two millions of specie in our vaults to meet the demands of four hundred and eighty-one millions of circulation and deposits, with two hundred millions more among the people, while in 1873 we had but thirty-four millions of specie in the banks, eighty millions in the Treasury, or about one hundred and forty millions in banks, Treasury, and with the people, against three hundred and thirty-four millions of bank circulation, four hundred and twenty-six millions of greenbacks, and six hundred and thirty-nine millions of deposits; or thirteen hundred and ninety-nine millions of immediate liabilities in all. In the first instance the proportion of specie to immediate liabilities was as one to four and seven-tenths, while in the latter it was as one to twelve and three-tenths dollars. Thus has the breach been widening, and now we propose to make it wider. Is it wisdom so to do?

But this exhibit conveys a still more important lesson to the manufacturer and mechanic and every laborer in the country. This onward and upward movement of the currency has a direct influence upon foreign trade, and you will find that accordingly as the currency expands imports will be coming into the country and exports will not go out in proportion. The reason is that this inflation of the currency makes this country the best market in the world. Everything is brought here for sale; commodities of all kinds come here, and you will find by this diagram that as the currency goes upward the line of imports also expands until suspension comes when it comes down again. The exports also decrease under inflation, for the high prices here caused by an inflated currency render the prices of our manufactured products so high that they cannot compete with the products of foreign nations. And here is a remarkable instance of the fact that the withdrawal of the currency brings the balance of foreign commerce in our favor.

In 1866 we passed the contraction act. From 1866 to 1868 we reduced the legal-tenders $44,000,000, and during the same time we reduced the imports of the country from $431,000,000 to $349,000,000 per annum; so that the movement of the currency affects not only the internal commerce of the country, but it affects all the foreign commerce as well, and consequently and directly it affects the interests of every man throughout the land.

Now, Mr. Speaker, I want to say with regard to the effect of an inflated currency upon foreign imports and upon our own exports that during the highest period of inflation, the seven years from 1865 to 1873, our exports in merchandise amounted to $2,891,000,000, and our imports in merchandise to $3,731,000,000, and our import of coin and bullion was $84,000,000, against our export of coin and bullion of $539,000,000.

The excess of merchandise imported was therefore $840,000,000, to pay which we exported of our own home-produced gold $455,000,000, leaving to be settled by bonds, or in some other way, $384,000,000.

But take the whole period for forty-three years and we find a still more remarkable state of affairs. In that period of time we imported in merchandise $9,707,000,000, and we exported in merchandise $8,026,000,000, making the excess of imports of merchandise over the exports of the products of our labor $1,681,000,000; and for that great indebtedness we paid $1,019,000,000 in coin and bullion, raised out of the bowels of the earth, leaving us to pay in bonds $661,000,000 in order to settle the balances. From this unfortunate balance of trade against us we are suffering to-day.

Now, my friend from Connecticut [Mr. HAWLEY] the other day said that he had very little faith in this matter of the balance of trade. I have, sir; it is a very important element in our political economy. He put the case in this shape: That if we exported $100,000 worth of produce, and with it bought $120,000 worth of commodities, although the custom-house will show $20,000 against us, yet in reality we were the gainers; but he forgot to state the fact that while we were trading in that way, merchants on the other side might be trading in precisely the same manner, and that if England sent over to our country $100,000 worth of dry goods or cutlery, and got from us $120,000 worth of flour or other commodities for it she would gain $20,000, although the custom-house might show $20,000 against that country, so that the several transactions would thus balance each other. Now these exchanges are going on all the time. The true balances of trade are those which we have to pay in hard coin and in bonds or securities beyond the amount of produce we can furnish. What that amount was I have just shown.

Mr. Speaker, the inflation from 1865 to 1873 was that which brought about the recent panic. The Comptroller of the Currency in his last very able annual report ascribes largely the effects of the panic to the railroad extension of the country, and tells you that in the last five years $1,700,000,000 have been invested in railroads, at a rate of $340,000,000 a year, and that that was one of the great producing causes of the panic, aided, however, by the operations of the banks acting in sympathy with the stock boards, making loans on call, paying interest on deposits, certifying checks without deposits to meet them, and thus inflating the currency and credit system of the country in various ways. Its disastrous effect upon the people through the railroads may be seen in the fact that on the 1st day of January, 1874, one hundred and fifteen railroads of the nation whose coupons and dividends were payable in New York defaulted to the amount of $27,000,000, then due and payable. I will read from the North American of February 26, 1874, a statement of the condition of Minnesota, which has been brought about by the late inflation of the national currency:

> The State of Minnesota is one immense railroad cemetery. Her new State reports show that her seventeen hundred miles operated last year did not earn enough to meet the interest on the funded debt and the running expenses by $3,840,000. The gross earnings were $5,535,000, the net $1,111,000, or less than a quarter of the interest on the bonds. Seven roads, operating two hundred and twenty-four miles, do not pay their running expenses. Every mile of the road is covered by nearly $15,000 of stock and $41,000 of bonds. The unpaid and overdue coupons amount to $3,740,000, most of them of recent date.

As it is with Minnesota so it may be, perhaps to a less extent, with other Western States.

And yet gentlemen say that all is lovely and prosperous among the railroads of the West. Sir, it was this great inflation of the currency that brought about the bankruptcy of Jay Cooke & Co., and brought down with that company ruin to thousands of people. In looking over the list of creditors of Jay Cooke & Co., which I hold in my hand, I find them of every kind, character, and condition, from the poor laborer, the depositor of twenty-five dollars, the widow, and the clergyman with their small accounts, to the banker, the depositer of $25,000, no one of whom, so far as I have heard, has yet received a single dollar by way of dividends. They owe two thousand people or more, and their indebtedness amounts to nearly $9,000,000. I do not want again to see an inflation of the currency that will make it possible for one firm to get so much in debt as to draw into its coffers the money of the multitude and to carry so much ruin and despair to so many individuals of this country.

We see the effect of this inflation of the currency still further in the number of bankruptcies that have taken place throughout the country in the last three years. In 1870 they amounted to 3,551, with an indebtedness of $88,000,000. In 1872 there were 4,069, with an indebtedness of $121,000,000. In 1873 the number had increased to the enormous amount of 5,183, with $228,500,000 of indebtedness that they were unable to pay.

The great inflation of the credit system, by the increase of bank and national circulation between 1866 and 1873 from seven hundred and ten to seven hundred and sixty-six millions and of loans and discounts from $501,000,000 to $940,000,000, was one of the greatest financial bubbles we have ever blown.

Beautiful to the eye of the child is its bubble of soap and water, and as it expands, its prismatic colors racing over the surface reflect all surrounding objects and become more brilliant and more charming as the bubble enlarges, and most dazzling when at its greatest tenuity until it finally bursts leaving but a drop of water.

Just so do the financial bubbles of men, the boys of larger growth, charm, beguile, and deceive the eye, as prices rise, as profits are realized; as stocks go up, as business increases under the expansion of a plethoric currency and an increasing credit system, until the rough hand of demand of payment grasps them, when they shatter into ruined fragments, like the bubble of the child, leaving but fragmentary remains to show their former existence.

Notwithstanding all this ruin and despair throughout the land, my colleague, [Mr. KELLEY,] the gentleman from Indiana who so eloquently spoke here yesterday, [Mr. ORTH,] and his colleague who has addressed us to-day, [Mr. COBURN,] say that all is prosperous and serene throughout the country. They point us to the railroads that have been laid down and the furnaces, forges, and rolling-mills that have been set up. They point us to the cities that are being built up around us. But they forget, Mr. Speaker, to tell you that these improvements have been made at a fearful cost, leaving a heavy permanent indebtedness. They forget to tell you that the country in its national capacity owes $2,000,000,000. They forget to tell you that for these railroads which they speak of the country owes $4,000,000,000. They forget to tell you that the municipal debt of the country is $1,000,000,000. They forget to tell you of the other indebtedness of the people, amounting in all to more than $10,000,000,000, or 30 per cent. of the whole real and personal estate of the nation, which the people lie under today. Every year $600,000,000 of interest is grinding out the faces of the poor; $600,000,000 is working against the capital and against the industry of the nation.

Mr. Speaker, this matter of interest is a thing that never sleeps; it works all the time. It is hard at its task while we are sleeping. It grows with what it feeds on and is ever accumulating. It follows us

in our midnight dreams and in our busy hours. It is with us at the festal board and at the marriage feast. It follows us to the open grave of our friends. Always, everywhere, wherever we may be, it cries out in our ears, "Pay me that thou owest." It is thus crying out to-day everywhere, wherever these improvements as they are called have been made. Everywhere throughout the land there is no man exempt from this cry of interest. We all have to answer it in one capacity or another. If we pay a single penny of tax to the Government, if we purchase anything at all that comes within the reach of railroad influence by transportation, or of municipal improvements, we have to answer that cry, "Pay me that thou owest," and contribute our share.

This is where we are brought. Gentlemen point us to these improvements as the evidences of the great prosperity of the country brought about by the inflation or the expansion of the currency. Yet they forget to tell us that in my own State of Pennsylvania as well as elsewhere there are some furnaces, forges, and rolling-mills that are idle and some working only half time. They forget to tell us that throughout the great West there are railroads half finished and abandoned. They forget to remind us that to-day in New York there are fifty thousand people walking the streets of that great city not one of them knowing in the morning where he will get his evening meal. And they call this the evidence of the great prosperity of the country brought about by the large amount of circulating medium issued by the banks and the Government. The workingmen whose children are crying for bread do not share in their enthusiasm.

This condition of affairs it is to which we are brought by the inflation of the currency. It is the condition of the people of the country during the old continental times. These gentlemen want to circulate great masses of money freely throughout the country; they want to have cheap money and in great abundance; they want to have it so expanded that it will raise the price of everything, as it did during the revolutionary war; they want to bring us back to the colonial currency which was used by our forefathers, of which there was great abundance in that time, and although it was made legal tender for the payment of debts, and although penalties were denounced against those who refused to take it, it depreciated until at last it went down so low that a single dollar of specie would buy seventy-five dollars of that kind of paper. I have a lot of it here; and "thereby hangs a tale." An ancestor of mine, in the latter part of the revolutionary war, sold a farm for £1,200, and took his pay in this kind of money. Although it was then depreciated, he thought it would come up again. He kept it, relying upon the faith of the Government that it would eventually be made good, until finally it sank down to nothing. About a bushel of this paper came down to his descendants; and in the general distribution of it I received a couple of quarts for my share; and here is a portion of it—the "cheap money" of the ancient times.

Mr. BIERY. Will my colleague allow me one question?

Mr. TOWNSEND. No, sir.

Mr. BIERY. I only wanted to ask the gentleman how much he would take for that money now?

Mr. TOWNSEND. A dollar a quart.

Now, Mr. Speaker, that is the condition to which we are likely to be reduced by the passage of this bill. There will be no escape from it. There is no financial panacea whereby you can escape from the payment of your debts. My friend from Tennessee is endeavoring to devise a means whereby the Government can evade the payment of its obligations. I want to remind him that he is endeavoring to drive us on to repudiation; and, as he is a classical scholar, I want him to remember that this state of affairs was described two thousand years ago. I want him to remember the oft-quoted sentiment of Virgil, "*Facilis descensus Averni, sed revocare gradum, hic labor, hoc opus est;*" which means, when liberally translated into our vernacular, that the Government may easily issue a large batch of shin-plasters, but it will be hard work and hard labor to redeem them.

Now, Mr. Speaker, as the waning minutes of my hour are fast passing away, I can only say that if we want to have a sound and stable currency there is but one way to accomplish it, and that is to have a currency redeemable in specie. There is no other method. We are drifting away from that basis. The breach between paper and gold is widening. As you saw by the diagram I showed you, we are going further and further away from the specie touch-stone. So long as we have an irredeemable paper currency we shall have a currency that no man can trust for twenty-four hours. In making a contract to-day, payable ten days hence, you can never know what you will either have to give or to receive in a paper currency; you can never know how to make your contracts; you can never know whether you will gain or lose by its fluctuations. Consequently, all values will be disturbed and all contracts will be of a very unsafe and unsatisfactory character.

Mr. Speaker, who is it that asks inflation? Is it the man engaged in the legitimate business of the country? Is it the laboring man? Is it not the speculator, the broker, the man who reaps his harvest out of a fluctuating currency? the speculator, who, holding depressed stock, wants a large amount of paper currency afloat in order that his stock may rise, and that by means of the rise he may get out of the unfortunate situation in which he stands?

Mr. BIERY. If my colleague will go home with me I will show him plenty of furnace-men who are asking for an increase of currency.

Mr. TOWNSEND. I have gone home to my own constituents; I was there last week. I talked to the mechanics; I talked to the farmers; I conversed with the citizens of the town. I talked to a hundred people, all of whom said, "What is Congress going to do? We hope and trust that they are not going to inflate the currency." I did not hear a single man, from the humblest mechanic to the richest banker, who was not opposed to any inflation of the currency, who was not opposed to the $400,000,000 bill and the bill of the gentleman from Tennessee, [Mr. MAYNARD.] The party is against it. We have pledged ourselves repeatedly that at the very earliest period we will bring about a redeemable paper currency; that we will come back to specie payments. We have solemnly pledged ourselves—republicans, democrats, all of us have pledged ourselves—to the people that we will give them a redeemable currency in which they may safely deal, so that when they make a contract to-day to be paid or consummated next week or next month they may know what they will have to pay or to receive.

Mr. MAYNARD. Will the gentleman allow me to ask how many national banks there are in his town?

Mr. TOWNSEND. There are two national banks in my town. Both of them are willing and anxious that the currency should be made redeemable. I say that the republican party and the democratic party alike stand pledged to the redemption of all the currency of the country, national-bank and greenback, in specie. We stand face to face with our constituents with that pledge upon us. If there be any faith at all in politicians, if any faith is to be placed in platforms, if we have not willfully deceived the people, we are pledged to do our utmost to bring about the resumption of specie payments.

When Secretary McCulloch, in 1865, spoke of the evils of our then inflated currency, we pledged ourselves, in John B. Alley's resolution, that we would contract it. We followed up our pledge by the act of 1866, and abandoned it in 1868, after only forty-four millions of contraction. When General Grant came into power we again pledged ourselves to a redemption of the greenbacks in coin at an early day. We reiterated that pledge in our national platform of 1872, and yet we are here at this hour preparing to violate those pledges by the passage of a bill that admits of indefinite inflation, and the postponement of resumption perhaps forever.

The people are as yet forbearing, but they begin to speak out. They have spoken through their National Board of Trade; through their clearing-houses; through great meetings in New York and Boston; and the State of New York, through her governor, joins in the great demand that we should prepare for resumption.

That voice is too powerful to be allowed to pass unheeded. As a party we are responsible for the financial measures of the Government; and if we do not respond to the great and swelling voice of the multitude, but persist in measures that must lead to insolvency and repudiation, our party will be swept from power and the places that know us now will know us no more forever.

A government that has gone so far in the issue of a depreciated currency that it is troubled to redeem it, and seeks to evade its obligations, is on the high road to repudiation. I fear that we are on that high road now. We have not the courage to stand here and say that we are determined to bring about the resumption of specie payments, because we have introduced a bill that will indefinitely postpone it. We are afraid of the speculators. We are afraid of the men whose interest it is to inflate prices and lift them up so they may unload their worthless stock in Wall street, and put it off on unsuspecting purchasers.

Mr. Speaker, it becomes more difficult every day to resume. It will be more difficult to-morrow than to-day if we issue another dollar. It will be more difficult next week than it is this if we continue expansion. There is nothing will bring us down to the resumption of specie payments but a curtailment of the currency of the nation. We must face the music now or soon hereafter. Let us do it now.

We are endeavoring to find out some financial nostrum whereby we can get out of the difficulty in which we are. There is but one way to do it, and that is to retrace our steps. Just as we got into our difficulties by expansion we have to come out of them by contraction. There is no other way under heaven and known to men. Gentlemen may bring bills in and make all sorts of arrangements to pay at a distant time, but unless we begin now, to-day, with the right kind of a bill to resume specie payments at a reasonably early period, we will never be able to pay the bills which are out, and they will only be discharged by panic and eventual repudiation and ruin.

We lost a golden opportunity not long ago, when the currency of the country was within 7 per cent. of gold. We lost it when we began to agitate here for an inflation of the currency, and induced the people to believe we intended to inflate. And when the $400,000,000 bill was passed here, without opportunity of debate, when it was passed through under a pressure, and without a chance for a single sentiment for or against it to be expressed in this House, the bankers, brokers, and speculators of Wall street saw there was a chance for them there. Stocks and gold went up immediately because of our action, and they are to-day 1 or 1½ per cent., and some of them 2 or 3 per cent., higher than they were before our action.

Now, Mr. Speaker, I have no financial panacea to offer; but I propose to offer a bill, which I ask to have printed, as an amendment to be offered to this bill, and which will have a tendency toward resumption of specie payments. It is a bill whereby I propose to satisfy the people of the South and West in their demands for the currency to which they are entitled under the act of 1870. Under that act they

were entitled to $54,000,000 to take the place of the 3 per cents, and $25,000,000 more to be taken from existing circulation; but it has been found impossible to wrest from the bankers of New England and New York the excess of $25,000,000 they have on hand.

Mr. MAYNARD. In Pennsylvania?

Mr. TOWNSEND. Some perhaps in Pennsylvania. I now propose a bill which will give to the gentlemen of the South and West who want bank capital that $25,000,000. I propose in this bill that the Comptroller of the Currency shall issue to those States which have not had their amount of currency $750,000 a month until the $25,000,000 shall have been exhausted.

The SPEAKER. The gentleman's time has expired.

Mr. MYERS. I hope my colleague will be allowed to continue until he concludes his speech.

Mr. HOLMAN. I hope there will be no objection to that.

There being no objection, it was ordered accordingly.

Mr. TOWNSEND. I have provided in my bill that the Southern and Western States who have not got their amount of currency shall have $25,000,000 more, in $750,000 monthly installments, and at the end of every month the Comptroller of the Currency shall report to the Secretary of the Treasury the amount of currency thus issued, and there shall be then canceled of greenbacks of the Government an equal amount, so that the currency will not thus be inflated. I provide in another section that as much of the $44,000,000 as may be out shall be withdrawn, so that the whole currency of the country when the bill takes effect shall be precisely what it was before the excess of greenbacks was issued. There will then be $331,000,000 of greenbacks afloat, being $51,000,000 less than now; making the Government that much nearer resumption, and adding $25,000,000 to the national-bank currency. That is as far as the people will go to-day. I submit it as my judgment to the House. Then, at the next session of Congress, if we think right, we can cause a reduction to be brought about by the issue of 3 per cent. notes to a certain but reasonable extent, and payable at a future time, to take the place of legal-tenders, and bring the greenback circulation eventually down so low the nation could redeem without any disadvantage or trouble, and the banks could follow in its wake with ease.

Thanking the House for the attention given me, I conclude my remarks.

Mr. MAYNARD. I give notice unless an agreement is come to, when the speeches are through which are now contracted for, to limit debate to ten-minute speeches I shall call the previous question.

Mr. BECK. Mr. Speaker, some time ago I introduced and had referred to the Committee on Banking and Currency a bill which I had hoped would receive its favorable consideration, my special object being to substitute United States notes having all the qualities of national-bank notes for the notes of the banks, and to make banking practically free by a system which, while it would prevent undue inflation of the currency, would give the people and not the banks the benefit of the credit of the Government and enable the Government to furnish a basis for banking on its own convertible bonds at a low rate of interest, instead of putting, as is now done, the whole credit of the country into the hands of a favored set of bondholders, or of simply extending it, as the bill presented by the committee does, to the present holders of our bonds. I desire to read its provisions for the information of the House, as I intend, if the previous question can be voted down on the committee's bill, to offer mine as a substitute and have it referred to the Committee of the Whole for amendment, being very well aware that it is far from being perfect. I want to amend it by making one-half of the customs duties (all ought to be) payable in currency.

The bill reads as follows:

A bill to provide a uniform currency by the retirement of national-bank notes and substitution of Treasury notes and 3.65 per cent. bonds, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he is hereby, authorized to issue, in manner as hereinafter prescribed, on the faith and credit of the Government, $400,000,000 of Treasury notes, payable on demand in United States legal-tender notes, at the Treasury and at such United States depositories as the Secretary of the Treasury may designate. Said notes shall be similar in form and appearance to the said legal-tender notes, and may be of denominations not less than one dollar, nor more than $10,000, and shall be receivable in payment of all taxes, claims, and demands due to the United States, and of all claims and demands against the United States, to the same extent that national-bank notes are receivable and no further.

SEC. 2. That the Treasury notes authorized herein to be issued shall only be issued to the extent that national-bank notes shall be returned by national banks for cancellation and destruction, as provided in section 9 of this act, and shall only be used in the purchase of the United States bonds commonly called "five-twenties."

SEC. 3. That the Secretary of the Treasury is hereby authorized and directed to issue from time to time, on demand, in exchange at par for legal-tender notes of the United States, the bonds of the United States in denominations of fifty dollars or any multiple thereof; said bonds to be called United States convertible bonds, to bear interest at the rate of 3.65 per cent. per annum, and principal and interest payable on demand in legal-tender notes of the United States.

SEC. 4. That the Secretary of the Treasury is hereby authorized and directed to redeem said bonds on demand at the Treasury of the United States, at the offices of the assistant treasurers of the United States, and at such other convenient places within the United States as he may designate for that purpose, and under such regulations as the Secretary of the Treasury may prescribe; and whenever said bonds are presented and paid as aforesaid, the same shall be immediately canceled and stamped with the word "paid" on the face thereof, and the same shall be forwarded to the Treasurer of the United States. The Secretary of the Treasury shall, monthly, cause the bonds so paid to be destroyed in the presence of the Treasurer of the United States and Register of the Treasury, of which destruction a record shall be made showing the date, denomination, number, and date of payment of each bond, in a book to be provided for that purpose, and signed by the officers aforesaid.

SEC. 5. That the $50,000,000 of legal-tender United States notes, authorized by existing laws to be issued in addition to the $400,000,000 contemplated for permanent circulation, shall be prepared and held as a reserve for the redemption and payment of the Treasury notes authorized to be issued by section 1 and of the convertible bonds authorized to be issued by section 3 of this act.

SEC. 6. That the money received in exchange for convertible bonds shall only be used in the purchase of the bonds of the United States called five-twenties, and in keeping a reserve for the payment of the principal and interest of the convertible bonds when demanded, which reserve shall be of such an amount as, in addition to the $50,000,000 mentioned in section 5 of this act, shall be sufficient, in the opinion of the Secretary, to insure their prompt redemption. Whenever any portion of said $50,000,000 shall have been used in the redemption of Treasury notes or convertible bonds, the Secretary of the Treasury is hereby authorized and directed to sell to the highest bidder, for United States legal-tender notes, any of the bonds now authorized by law to be issued for funding the public debt, to an amount sufficient to restore to the Treasury all of said $50,000,000 that shall have been used as aforesaid. Such sale of bonds shall be made upon due notice by advertisement and upon biddings made by sealed proposals.

SEC. 7. That all further issue of national-bank notes to national banks by the Comptroller of the Currency, whether for the renewal of defaced and torn bank-notes or for any other purpose, is hereby prohibited.

SEC. 8. That in lieu of the tax of 1 per cent. per annum now imposed by law on the outstanding circulation of national banks, a tax of 3 per cent. per annum, payable semi-annually in gold, shall be collected upon the circulation which has been issued to each national bank which has not been returned for cancellation. This tax shall be collected by withholding one-half of said tax semi-annually from the semi-annual interest upon the registered bonds deposited by said banks as security for their circulation; and if the interest of said registered bonds is payable in currency, there shall be retained of said currency the equivalent of said tax at the market premium on gold, which premium shall be fixed by the Secretary of the Treasury.

SEC. 9. That each national bank may withdraw any part of its United States registered bonds deposited as security for the redemption of its circulation by paying into the proper department of the Treasury $900 of its circulation for each $1,000 of bonds so withdrawn, and may withdraw all of said registered bonds by paying a sum equal to its whole circulation, in its own bank-notes, and United States legal-tender notes, or wholly in either of them; and thereupon the United States shall be bound to redeem, on demand, the whole of such circulation of said bank which shall be outstanding. When such circulation is redeemed or paid into the Treasury as provided herein, it shall be destroyed in the manner now provided by law.

SEC. 10. That the United States legal-tender notes paid into the Treasury under the provisions of section 9 shall only be used, first, for redeeming the circulation for which it was paid into the Treasury, for doing which promptly a sufficient reserve shall be kept in aid of the fund provided in section 5; and, secondly, in purchasing United States five-twenty bonds.

SEC. 11. That whenever the Secretary of the Treasury may think it expedient, he may use any coin in the Treasury not required for the payment of demands against the United States payable in coin, in redeeming any United States five-twenty bonds that have become payable at the pleasure of the Government, the market value of which coin, as fixed by said Secretary, shall be substituted by Treasury notes issued by authority of this act, or by legal-tender notes received under the authority of this act, which shall thereupon become subject to be used in the Treasury for the payment of all claims and demands against the United States.

SEC. 12. That no purchases of United States five-twenty bonds shall be made under the provisions of section 2 or sections 6 and 10 of this act when the price demanded shall be at a greater rate of premium upon the bonds than 10 per cent. above their par value of principal and accrued interest; nor shall any redemption of said bonds be made in pursuance of section 11 while the premium on gold is above 10 per cent. in lawful money.

Mr. Speaker, I will not attempt to discuss this bill in detail now; if the previous question is sustained on the bill of the committee the House will not be able to consider it. If the previous question is not sustained I will have opportunity to explain it under the debate in Committee of the Whole; and as I am limited to thirty minutes, I propose, first, to consider specially an amendment which I have offered to the bill of the committee; that done, I will devote my remaining time to advocating the general principles of my bill, and in stating my objections to the bill of the committee.

Last Saturday week, when the bill was being considered, I submitted the following amendment:

Add as an additional section:

Be it further enacted, That from and after the passage of this act, there shall be levied, collected, and paid, a tax of $\frac{1}{4}$ of 1 per cent. per month upon the average amount of circulation issued by any bank, association, corporation, company, or person, including as circulation all certified checks and all notes and other obligations calculated or intended to circulate or to be used as money, but not including that in the vault of the bank, or redeemed and on deposit for said bank; and all provisions of existing law in conflict with the foregoing provisions are hereby repealed.

I followed the language of the present law literally except in the change of rate from $\frac{1}{12}$ to $\frac{1}{4}$ of 1 per cent. per month, which I propose to show is not more than a fair rate of charge for the money loaned to the banks by the Government. I know the bankers and their advocates will raise a clamor against it, and cry aloud as to the oppression and destruction which such a proposition, if entertained, would bring upon all their interests; indeed, I have been told that it is too absurd to be seriously considered. I hear so much of that almost every day before the Committee on Ways and Means from the protected monopolists that it has ceased to make any impression on me. I have yet to see the first man, or combination of men, who did not resist bitterly all attempts to curtail his special privileges or to free the people from his extortions.

Let us look at the matter fairly. Men who hold bonds of the United States which they bought and paid for with legal-tenders at par, many of them having sold gold for the greenbacks they bought the bonds with when one gold dollar was worth at least two in paper, will hardly stand up here and claim that they have either been oppressed or neglected when they alone of all the creditors of the Government have succeeded in having laws passed paying the principal of their bonds in gold while other public creditors, no matter how meritorious, have to receive their pay in the currency of the country.

I presume three-fourths of all the bonds now held by national bankers were bought with legal-tenders at par; but as I cannot prove that, and want to present the question fairly, I am willing to concede that the bonds cost them on the average 10 per cent. premium. Upon that assumption, which is certainly all the bankers can claim, and assuming 7 per cent., which is the legal rate of interest in the State of New York as the average value of money, let us apply the test. It requires $110 to buy a hundred-dollar bond of the United States; the interest on the money invested is $7.70 per annum; the bond bears 6 per cent. interest in gold. Put the premium on that down to 10 per cent.; the interest on the bond (payable semi-annually) is $6.60. In addition to that, the Government loans to the bondholder, as a national banker, ninety dollars on every hundred-dollar bond he deposits as security, requiring him to hold in reserve (which I will assume he does, though we all know that to be a fiction,) 15 per cent. of the ninety dollars so loaned, leaving him for his own use $76.50, the interest on which, at 7 per cent., is $5.35. How does the account stand?

United States, Dr.

To $110 invested, worth 7 per cent.		$7 70
United States, Cr.		
By $100 United States bond, interest	$6 60	
By $76.50 loaned by United States, 7 per cent	5 35	
	11 95	
Deduct 3 per cent. tax on $90 circulation to United States	2 70	
Leaves		9 25

Or a clear profit of $1.55 per cent. to the banker after paying the tax I propose on the whole currency loaned by the Government, while the increase of the tax from 1 to 3 per cent. would add annually $7,000,000 to the revenues of the country.

I would like to know from what source that amount of revenue can be so justly and equitably raised as from the national banks, if we are to be cursed by their continuance. I would like some gentleman to explain why a bondholder should be entitled to borrow money from the Government at a lower rate of interest than any other citizen; or why the national banker should have the money of the people put into his hands at the rate of 1 per cent. per annum to be loaned to the men from whom it was taken by taxation at the rate of (say) 7 per cent. per annum, to enable the bondholding banker to pocket the other 6 per cent.

If a bondholder with $1,000 or $100,000 of bonds which he was willing to deposit as security wanted to borrow $900 or $90,000 from any banker, corporation, or individual, he would have to pay 7 per cent. interest for it, just as I would have to do if I held and offered to deposit State bonds, railroad bonds, or other undoubted securities. Why should the Government, the people's banker, furnish him $900 or $90,000 on his securities at 1 per cent. interest per annum, when the money it furnishes is worth 7 per cent., and when it would not let me have a dollar though I might pile up other securities mountain high to secure the repayment of the loan?

The whole system is an odious monopoly, an unjust and iniquitous waste of public money and public credit to enrich the pets and partisans of the Administration, or to debauch political opponents who often become quasi radicals when they get to be national bankers.

Why should not 3 per cent. be charged for the money furnished? Is it not true that even then these men get the money they want either to loan or use in their business cheaper than they could obtain it anywhere else and cheaper than private bankers or other business men can get money? The figures I have furnished prove it; they are simple and easily understood.

Is it said that other taxes are imposed on national banks? I answer, none except what State banks and private bankers, who get no money from the Government, have to pay. Surely it is privilege enough, even after a tax is imposed equal to the value of the money furnished, that Congress grants them charters which protects their private property from responsibility for banking liabilities, makes them Government depositories, and exempts them from many burdens and responsibilities which other men engaged in like business, without Government patronage, have to bear.

However plausible the pretext may be under which our tariff-protected pets are enriched at public expense, it will hardly be pretended that banking is an infant industry that needs the fostering care of the Government. The men who engage in that are able to hold their own with the people. They are the hawks among the small birds; they need no guardians. They have, I fear, a majority of the members on this floor personally interested in defeating all efforts to impose just taxation upon them.

Perhaps it will be contended that the bank-notes furnished by the Government, not being legal tenders in payment of private debts, are not money in the ordinary sense, and therefore the banks ought not to pay the Government for its use what they might properly be required to do otherwise. For answer to all such suggestions I will ask the Clerk to read the portion of the letter I send to him which I have marked; it is from one of the ablest lawyers and best financiers in the country, Madison C. Johnson, esq., president of the Northern Bank of Kentucky; it expresses what I want to say much better than I can say it:

The most obvious truth in the whole matter is the very insufficient consideration received by the Government for the monopoly given to the national banks of the national currency, and for the guarantee of that currency by the Government. It is that guarantee which gives to the national-bank notes their uniform, universal, and even unquestioned currency and circulation as money. The national-bank notes are in substance the notes of the Government; practically as much so as the legal-tenders. It would be, consequently, just as proper for the Government to lend to the national banks legal-tenders at an interest of 1 per cent. per annum upon the security of the national bonds bearing 5 and 6 per cent. in gold as to lend as it does national-bank notes at that interest. The Government pays the national banks the same interest it pays to other holders of its bonds, but lends to those banks 90 per cent. in its guaranteed currency equal in value to legal-tenders at 1 per cent. in currency.

In addition the Government spends a large part of this 1 per cent. interest in the salaries and other expenses in watching over, examining into, and otherwise keeping in good credit these national banks, besides being at the whole of expense of the bank-notes.

It cannot be said that the reserves which the banks are required to keep are of any benefit to the Government or to the holder of the national-bank notes. The holder looks to the Government to redeem under its guarantee, without reference to the bank, its capital, or reserves.

It seems to me that these facts are so obvious that elaboration or attempt at elucidation would only obscure them.

Another fact is equally apparent, that our legal-tender notes could be made equal to gold in a day if Congress would only pass a law making them receivable for customs dues, and it is equally clear that even without that legislation they would long ago have been at par with gold but for legislation by Congress hostile to their appreciation, piling new burdens upon them and on the people for the benefit of the very men who are now so clamorous for a return to specie payments. I refer, of course, to the body of laws creating national banks and providing a national currency.

The effect of those laws is almost to double the circulation. Instead of being $400,000,000, as it would be without the bank-notes, it amounts to over $750,000,000, consisting of legal-tenders, national-bank notes, and postal currency, all of really equal value, and constituting *a money* of such perfectly uniform value that no one gives the slightest preference to one over the other in the transactions of business or in the receipt of money.

Substantially the national-bank notes are United States notes and substantially "legal-tenders," the faith of the Government being pledged to give legal-tenders for them if the national banks do not. Nearly doubling as they do the total circulation, they more than double the depreciation of that circulation below coin, rendering it at least doubly as difficult to bring our circulation to a par with gold.

If, instead of issuing these bank-notes to banks, the Government had issued its own Treasury notes payable on demand in greenbacks, placing those notes on the exact footing of national-bank notes, such as being payable and receivable for all public dues as legal tenders, and only different from greenbacks in not being legal tenders for private debts, there can be no doubt that these Treasury notes would circulate equally well with national-bank notes, and equally well as greenbacks. To issue such Treasury notes would no more violate any pledge, express or implied, of the Government not to issue more than four hundred millions of "legal-tenders," than is the issue of national-bank notes with the pledge of the Government to redeem them in greenbacks if not redeemed by the national banks.

The pledge of the Government to redeem such Treasury notes in greenbacks on demand would for the purpose of their circulation be equivalent to their actual redemption, and make them for purposes of circulation the equivalent of greenbacks just as national-bank notes now are their equivalent.

I consider the Government bound to take care that the circulation, that which constitutes the money of the country, is always sound and of uniform value everywhere. The community has no choice as to receiving whatever constitutes the circulating medium. Whatever it may be, they are compelled to receive it in exchange for their productions or their labor. It is otherwise as to all other parts of banking, which is simply an exchange of credits. Depositors can take care of themselves; borrowers can also. It is the general public, and especially the poor and ignorant, who cannot guard themselves against an unsound circulation. The General Government can give that sound circulation of uniform value at cheap rates, without partiality or favoritism, and can by proper penalties forbid any other. Having done this, the Government may well dismiss banking to the class of other pursuits to take care of itself.

Cheap, sound, and uniform currency is, as I have said, a special necessity to the poor and the humble. They hold most of it in some form or other; they are not complaining of it though its depreciation falls on them, while the bonds of the rich are made the special objects of Government protection. In the great transactions of commerce the check, the draft, the bill of exchange, the clearing-house certificates, and the other modern inventions to facilitate trade, reduce the use of currency to a very small percentage. If Government should forbid or tax these substitutes, the clamor for currency would be heard from all the contractionists. These devices are unknown to the laborer. At the market-house, in the retail shop, everywhere he has to pay for all he buys in currency; it is the money of retail, and is used now in that way to an extent proportionate to the magnitude of the country, its development, and its resources.

All railroad fares, express and post-office charges, as well as all wages for day labor and expenditures by the laborer, are paid in currency. Surely forty-three million of people covering such a continent as this, traversed by railroads, canals, stage-coaches, and street-cars, and filled with retail dealers, public and private, must need more currency to

supply their wants than any like population in the small countries of the Old World, a majority of whose people never were twenty miles from the spot where they were born, and when they make such a journey almost invariably walk, and in a majority of cases receive as wages for their labor farm products for the support of their families; yet we have less than most of them, and half of what we have we get from national banks at exorbitant rates of interest, the Government having furnished it to them at 1 per cent. to enable them to plunder their neighbors.

Under our system Government has the exclusive power to furnish the people with money and regulate its value. It is the only species of property it can supply. The people get all else they possess as best they may. Men who undertake to interfere with this Government monopoly are sent to the penitentiary. A nickel worth one cent., when so ordered by the Government, is made five cents. A bond, greenback, bank-note, certificate of indebtedness, or other obligation, is worth whatever the Government says it shall be worth, and is receivable only for such dues or demands as the sovereign power prescribes. No set of bankers or bondholders can rightly intervene between the Government and the people in the supply of money made by its authority. Every citizen should obtain it on equal terms, and no Secretary of the Treasury nor any subordinate under him should have the right to say who should and who should not have it, when each offers equal security for its use. Congress might as well delegate its power to declare war and maintain armies to the Secretary of War as to delegate the control of the currency of the people to the Comptroller of the Currency and the national bankers. I had almost added, as well delegate its power to regulate commerce, and would have done so but for the fact that this House had in a moment of insane delusion transferred all its sovereign power over that great subject to a commission of nine partisans, for no other purpose that I can imagine than to enable the great railroad corporations to nominate or purchase five of them, as an easier and cheaper way to obtain authority to do what they please than the present somewhat complicated and expensive process of controlling the Congress of the United States and the Legislatures of thirty-seven States.

But I will not digress on that line further than to say that the grangers to whom they were pandering cannot be caught with such chaff, especially after the insincerity of the whole movement was so clearly developed by the refusal to remove the obstacle to cheap transportation at the Falls of the Ohio, in which fourteen States and their commerce are so immensely interested.

Returning to the question, why, I ask, should Congress fix a limit to banking or currency? If made free and limited only by the wants of the people, the demand will regulate the supply, as it does in all else. What is required at one season of the year is too much, or too little at another; if the highest amount required at any season is fixed and required to be kept at all seasons, gambling operations must supply the absence of legitimate business. The limited amount of fractional currency has never been all taken, because the demand never reached the limit of the supply. Men would not purchase bonds and exchange them for currency to an amount exceeding what they could make profitable, no matter what authority Congress gives. Up to that point I see no reason for limiting the use of money; the demand would regulate the amount.

With a fixed limit, combination can create scarcity by locking money up when it is most needed; panic and disaster follow. It would be impossible to do so if no limit is prescribed. Why should Congress arbitrarily determine, without knowledge of the wants of the people, or if you please with knowledge that at different seasons a different volume of currency is needed, to make a procrustean bed on which to torture a whole people? The true volume needed is the quantity business requires; let it contract or expand with the necessities of the time. Men's interest will furnish what we hear so much about—an elasticity, stability, and soundness, which a fixed quantity destroys.

Why, I ask, should Congress specially seek to encourage the business of the money-changers? These men produce nothing, add nothing to wealth; they toil not, neither do they spin. They live on the necessities or misfortunes of productive labor. They are the drones in the hive of industry. It might not be polite to say that they are the buzzards who batten and fatten on the corruptions of the body-politic. Moses, by divine authority, prohibited their business, and Christ drove them from the temple because under them it became a den of theives.

Whatever may be said as to money-lenders, one thing is clear: they need no protection, and should have no control of the money of the people.

I think if Mr. Calhoun was now alive he would advocate, in the present condition of the country, some such bill as I have offered. I judge so by reason of the following:

Mr. Calhoun, in his speech on the bill authorizing an issue of Treasury notes, September 19, 1839, said:

> It is, then, my impression that, in the present condition of the world, a paper currency in some form, if not necessary, is almost indispensable in financial and commercial operations of civilized and extensive communities. In many respects it has a vast superiority over a metallic currency, especially in great and extended transactions, by its greater *cheapness*, lightness, and the facility of determining the amount. * * * * * *
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> It may throw some light on this subject to state that North Carolina, just after the Revolution, issued a large amount of paper, which was made receivable in dues to her. It was also made a legal tender, but which of course was not obligatory after the adoption of the Federal Constitution. A large amount, say between four and five hundred thousand dollars, remained in circulation after that period, and continued to circulate for more than twenty years at par with gold and silver during the whole time, with no other advantage than being received in the revenue of the State, which was much less than $100,000 per annum. * * * * *
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> No one can doubt but that the Government credit is better than that of any bank—more stable, more safe. Why, then, should it mix it up with the less perfect credit of those institutions? Why not use its own credit to the amount of its own transactions? Why should it not be safe in its own hands, while it shall be considered safe in the hands of eight hundred private institutions, scattered all over the country, and which have no other object but their own private profit, to increase which they almost constantly extend their business to the most dangerous extremes? And why should the community be compelled to give 6 per cent. discount for the Government credit blended with that of the banks, when the superior credit of the Government could be furnished separately, without discount, to the mutual advantage of the Government and the community? Why, let me ask, should the Government be exposed to such difficulties as the present, by mingling its credit with the banks, when it could be exempt from all such by using, by itself, its own safer credit? It is time the community, which has so deep an interest in a sound and cheap currency, and the equality of the laws between one portion of the country and another, should reflect seriously on these things, not for the purpose of oppressing any interest, but to correct gradually disorders of a dangerous character, which have insensibly, in the long course of years, without being perceived by any one, crept into the state. The question is not between credit and no credit, as some would have us believe, but in what form credit can best perform the functions of a sound and safe currency.
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> Believing that there might be a sound and safe paper currency founded on the credit of the Government exclusively, I was desirous that those who are responsible and have the power should have availed themselves of the opportunity, &c.
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> We are told the form I suggested is but a repetition of old continental money—a ghost that is ever conjured up by all who wish to give the banks an exclusive monopoly of Government credit. The assertion is not true; there is not the least analogy between them. The one was a promise to pay when there was no revenue, and the other a promise to receive in the dues of Government when there is abundant revenue.
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> We are also told that there is no instance of a Government paper that did not depreciate. In reply, I affirm that there is none, assuming the form I propose, that ever did depreciate. Whenever a paper receivable in the dues of Government had anything like a fair trial, it has succeeded. Instance the case of North Carolina, referred to in my opening remarks. The drafts of the Treasury at this moment, with all their incumbrance, are nearly at par with gold and silver; and I might add the instance alluded to by the distinguished Senator from Kentucky, in which he admits that as soon as the excess of the issues of the Commonwealth Bank of Kentucky were reduced to the proper point its notes rose to par. The case of Russia might also be mentioned. In 1827 she had a fixed paper circulation, in the form of bank-notes, but which were inconvertible, of upward of $120,000,000, estimated in the metallic ruble, and which had for years remained without fluctuation, having nothing to sustain it but that it was received in the dues of the Government, and that, too, with a revenue of only about $90,000,000 annually. I speak on the authority of a respectable traveler. Other instances, no doubt, might be added, but it needs no such support.
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> It has another and striking advantage over bank circulation, in its superior cheapness as well as greater stability and safety. Bank paper is cheap to those who make it; but dear, very dear to those who use it, fully as much so as gold and silver. It is the little cost of its manufacture, and the dear rates at which it is furnished to the community, which give the great profit to those who have a monopoly of the article. Some idea may be formed of the extent of the profit by the splendid palaces which we see under the name of banking-houses, and the vast fortunes which have been accumulated in this branch of business; all of which must ultimately be derived from the productive powers of the community, and of course adds so much to the cost of production. On the other hand, the credit of Government, while it would greatly facilitate its financial operations, would cost nothing, or next to nothing, both to it and the people, and of course would add nothing to the cost of production, which would give every branch of our industry, agriculture, commerce, and manufactures, as far as its circulation might extend, great advantages both at home and abroad.

Later still, in his speech on the sub-treasury bill, Mr. Calhoun said:

> I now undertake to affirm positively, and without the least fear that I can be answered—what heretofore I have but suggested—that a paper issued by Government, with the simple promise to receive it in all its dues, leaving its creditors to take it or gold and silver at their option, would, to the extent that it would circulate, form a perfect paper circulation, which could not be abused by the Government; that would be as steady and uniform in value as the metals themselves; and that if, by possibility, it should depreciate, the loss would fall not on the people but on the Government itself; for the only effect of depreciation would be virtually to reduce the taxes, to prevent which the interest of the Government would be a sufficient guarantee. I shall not go into the discussion now, but on a suitable occasion I shall be able to make good every word I have uttered. I would be able to do more—to prove that it is within the constitutional power of Congress to use such a paper in the management of its finances, according to the most rigid rule of construing the Constitution; and that those at least who think that Congress can authorize the notes of private State corporations to be received in the public dues are estopped from denying its right to receive its own paper.

I confess, Mr. Speaker, that I have no sympathy, and very little patience, with gentlemen who now seek to return to a gold basis. Their theories may be all right, and if the question was an original one whether we ought to adopt and maintain a gold or paper currency, being in a condition to do either without injury to our people, I would contend for the basis adopted by the commercial nations of the world; but all men know that we are not in that condition. A great debt was contracted during the war. Legislation was had under republican auspices which flooded the country with paper money, converted gold into an article of merchandise, and drove it not only from the currency but out of the country. Our imports now exceed our exports largely, so that no gold can be obtained from the sales of our surplus products to foreign nations. None but the bondholder can now obtain a gold dollar for any debt or demand, public or private, while the Government is pouring gold into the laps of the bondholders in the shape of interest on their bonds and in the payment of principal, to the whole amount of the customs duties, which have for five years averaged over $200,000,000 a year.

When those of us who think that the currency of the people should be sustained and made valuable by putting it to more extended uses

proposed to pay one-half or one-third of the customs duties in legal-tender notes, every bondholder and monopolist raised the cry of "bad faith," and clamored that all the customs duties were forever pledged to them, and while they could not honestly absorb them they played the rôle of the dog in the manger, and would not allow the people to have the benefit even of what they could not use. Now they clamor for a return to specie payments, because they know that nobody but themselves either has or can possibly obtain gold, while they have and will continue to obtain all that the Government can coerce from the tax-payers. Having obtained a monopoly of the gold and the bonds, and having by outrageous legislation, which, by a court constituted for the purpose, has been declared constitutional, deprived the people of gold, and not only forced them to take greenbacks for debts contracted to be paid in gold, but caused the Government to repudiate its legal-tender notes by refusing to receive them for customs duties, and to appropriate all the gold it can obtain to pay their own interest on their bonds, now they have the assurance to declare their own legalized offspring a bastard by pretending that the Constitution contains provisions which in time of war they have a right to construe one way, and in time of peace must be construed in another. Each construction, however, is intended to oppress the masses; in short every appliance is urged and every device is resorted to which these monopolists think will enrich them at the expense of the people. They know that every turn of the contracting screw is depreciating the value of the property of the debtor classes and adding to the purchasing power of their gold. If they succeed they will reduce to beggary and vassalage all those who were induced or compelled, by the legislation of ten years ago, to buy property at such prices as they could, with what those nabobs now call worthless greenbacks.

Paper money was good enough for *the gold shriekers* when it would buy United States bonds at par; it enabled them to take a first mortgage on all the property of the country for over $2,000,000,000, which they are now seeking to foreclose long before it is due, because they see the opportunity to extort more now from the toiling millions than they will probably be able to do at any future time. They suspect, rightly I trust, that a betrayed and impoverished people will no longer send to these halls Representatives and Senators who will violate their trusts and sacrifice all their interests to still further enrich a shoddy aristocracy based on banks and bonds.

If the gentlemen who are so clamorous for contraction would contract the debts which the great mass of the people owe instead of contracting their means of payment, they would afford substantial relief to the class which most needs protection; if in their desire to return to a just standard of values they would—as a court of equity would decree in private transactions between citizens—scale their own demands against the Government, so that we should only be required to pay them the gold value of the money they invested in our bonds at the time of the investment with legal interest thereon, we might agree to come to a general settlement of debts in gold, for there would be very little, if any, of our great national debt left; but while they are demanding the pound of flesh it is our duty to see that they do not draw the life-blood of their victims.

Expansion, which is held up as a bugbear to frighten the timid, will, if it hurts at all, only hurt those who cannot be seriously injured. Contraction ruins those who cannot rally from the blow inflicted.

I hope the day is not far distant when the wealth, and not as now the labor of the country, will be taxed to support the Government; when the incomes of the rich and the interest they are extorting from toil will bear their share of the public burdens. As a step in that direction, one which will produce $7,000,000 of revenue annually, I have asked the House to impose the tax of 3 instead of 1 per cent. per annum on the money loaned by the Government to the bond-holding bankers. Even that would enable us to give free coal, free salt, free matches, and free medicines to the people, and have more money in the Treasury than is now derived from all these sources combined, without doing any injustice to anybody. I would not be unjust to these gentlemen, but I see no reason for continuing the burdens which now oppress the whole people to enrich them at the public expense.

I have never been able to comprehend how upon principle—I readily understand how from interest—gentlemen who cry out against inflation when the legal-tender circulation is sought to be increased are entirely content to see the national-bank note circulation expanded.

I am opposed to the whole national-bank system as an unjust monopoly, and only propose to amend the bill of the committee by increasing the tax upon circulation as the best means I could think of to obtain some compensation for the vast privileges conferred on the bankers, if the system is to be perpetuated.

What the committee in their bill call free banking is to my mind in no sense free banking. Only the present bondholders can engage in it. If the bill becomes a law it extends the right, it is true, to all the present bondholders, but it stops with that class, and the Government has no power to authorize a single man outside of that circle to bank on any terms whatever. We are not proposing to increase our bonded debt. Of course all the bonds representing our present debt are held by private parties. What the committee call free banking gives not only the preference but the monopoly to these who have the bonds now outstanding to deposit for the currency.

If my bill, or the principles it asserts, prevails the Government can enable any man or set of men, whether they now hold bonds or not, who see fit to purchase the new low-interest bonds I propose to have issued, to become bankers. This would make banking not only free to all, but enable the Government without partiality and without placing one man at the mercy of another in procuring bonds to furnish them with currency and bonds supplied by the Government to the people at low rates. Not only could our present bonds bearing a high rate of interest be retired and many millions thus annually saved to the tax-payers, but the low rate of interest charged by the Government will necessarily reduce the rate which private individuals can charge, thus indirectly as well as directly releasing the industries of the people from the grasp of the money-changers.

The object of every representative of a free people should be to make the medium of exchange cheap and easily obtained when business requires it. Money is not property in any true sense; it is useless, except to dispose of; it never aids its owner till he parts with it; it is the yard-stick, the pound weight, the bushel measure. Government gives it all its value; it ought to supply, protect, and make it uniform. No class of men should be allowed to control it, or come between the Government and the people in the circulation of it. I regard the national-bank monopoly as a most unwarranted perversion of the powers and duties of Government in that regard; hence my opposition to the system.

If a fair vote can be had, I have no doubt the principles advocated by me will prevail, notwithstanding the power and the numbers of the national-bankers on this floor. One thing is certain, those who to enrich themselves, vote to oppress their constituents by voting millions of money into their own pockets at 1 per cent., to loan to the tax-payers at 8 and 10, will find their places occupied hereafter by men who will so legislate as to deprive them of their ill-gotten gains.

Poverty has brought reflection to the people and has sharpened all their senses; they can neither think nor look around them without feeling and seeing that the proceeds of their toil have in some way been transferred to the pockets of the bankers. Their palatial residences are everywhere; every prominent corner on every principal street in their cities is a bank Taxation is so arranged that the bonds and the incomes of the rich go free while half the daily wages of labor is taken away, under pretense of protecting it, by taxation on everything that is worn, used, or consumed, I had almost said that is seen, tasted, heard, touched, or smelled by the laborer and his family. He is looking into these things at last, and the result of his investigation will be to fill these Halls with a new and a very different order of men. He is beginning to see the folly of throwing his sweaty cap in the air and shouting for men who are secretly picking his pocket during his blind enthusiasm.

The claim of transcendent wisdom and profound statesmanship so long and so loudly claimed for the Administration because of the reduction of the national debt since 1869 has not only lost its charm but is now admitted to have been a scheme to plunder the people and enrich the bondholder. Over $40,000,000 has already been paid as premium in the purchase of the bonds redeemed, and the process is still going on. Even Senator SHERMAN had to admit that if half the effort had been made and half the money expended to make the legal-tenders good, they would be equal to gold to-day.

What makes the paper money of France, notwithstanding its volume, as good as gold? Simply because the state receives it for all taxes. How did North Carolina, Kentucky, and other States make the paper of their States as good as gold even when it was not a legal tender? Solely by receiving it for all taxes due to the State. Let these legal-tenders of the United States be made receivable for all taxes, customs as well as internal revenue, and they will be equal to gold at once. The bondholders know it; the gold-gamblers understand it; all the monopolists oppose it. Why, I ask, should they longer rule this Congress? They have obtained legislation whereby all the gold received goes into their pockets, and therefore demand specie payments.

Let us so legislate as to require the Government at least to take the only money we can get for the taxes we are required to pay, before we can land the goods we have to buy from other nations, in exchange for the products which we must sell to them, and the farmer will then be on something like terms of equality with the bondholder. So long as the people must buy gold from the bondholder to pay their debts to the Government, it is an insult to require them to curtail the value of the only money they can get to the gold standard, shrinking the value of everything they own, except the debts they owe to these gentlemen who have all the gold.

It is said that Mr. Greeley once went to Mr. Lincoln and urged him to cause specie payments to be resumed, showing how it could be done. Mr. Lincoln saw that the plan would soon exhaust the gold in the Treasury, which when gone he could not replace, and of course the scheme would prove a failure. He illustrated, as he could so aptly, by telling Mr. Greeley that in Illinois a terrible disease broke out among the dogs. Many of the most valuable died, all seemed likely to, when a Yankee came along, and for a reasonable fee agreed to cure them. His remedy was to cut their tails off as close to the body as possible. It worked like a charm. The dogs got well, and the Yankee got his money. All were delighted. But, unfortunately, the disease broke out again among them. The means of cure was gone. The operation could not be repeated, and the remaining dogs all died.

A like result, said Mr. Lincoln, would follow after the Treasury was once emptied; and he was wise enough not to attempt it. It would be as great folly now as then, until the bondholder will allow the people's money to be taken by the Government for all its taxes, just as his gold is taken.

I desire to say a few words before I close to gentlemen who represent the old and wealthy States of the North and East. When your press, your lecturers, your public meetings, and your combinations of protected wealth and monopoly undertake to threaten and denounce the West and the South because we do not do your bidding in regard to this question, calling us semi-barbarians and hinting strongly at resistance if we outvote you, your people make a great mistake. We can be led a great way, but we are hard to drive. Our people know their rights, and are not easily frightened. It will be a dark day for your people when politically you force a separation on the line of the Potomac and the Alleghanies.

There are empires yet almost untouched in the valley of the great Father of Waters. You know how few of the fifty Representatives added to this Congress came from your section. The disproportion will continue to increase with each succeeding census. In ten more years we will send full two-thirds of the Representatives to this Hall. These are facts it would be well to heed.

But waiving all these considerations, I ask, is it fair, is it fraternal, to seek to curtail our circulation now, when the six little New England States hold, in plain, palpable violation of law, and resist all efforts and demands to have its provisions complied with, almost three times as much banking capital as the fifteen States of the South and Southwest, and nearly as much as the whole twenty-five States of the South and West? The figures furnished by the Comptroller, showing the distribution of banking capital, are, in round numbers, as follows: The six New England States have $110,500,000; the fifteen Southern and Southwestern States have $38,160,000; the eleven Eastern States have $235,000,000; the twenty-six other States have $116,000,000.

This is the distribution made and maintained under a law which requires the banking capital to be distributed one-half according to population, and one-half according to wealth. Kentucky, Tennessee, and Virginia have a population exceeding by 316,770 that of the six New England States, as the last census shows, and have a wealth-producing power far greater, yet they have only $14,881,978 of banking capital; while New England has $110,500,000, and all her Representatives steadily resist all efforts to have the law complied with, and with one exception, the gentleman from Massachusetts, [General BUTLER,] demand from us further contraction of our circulation and means of payment.

I am bound to say for that gentleman, with whom I have antagonized as sharply in most things as with any member on this floor, that he has denounced the banking monopoly, the discriminating taxation in favor of wealth, and the repudiation of our national currency by refusing to receive it for customs dues, as unsparingly as any man in this House. Perhaps his course on that question may account for the hold he evidently has on the middle and poorer classes of his people. The following extract from his speech in 1869 may well be repeated, and the attention of the House and the country called to the truths contained in it. He said:

> Let me briefly sketch another illustration of this inequality of taxation which actually happened in my own neighborhood. There is a farmer owning a farm worth $10,000, upon which he does hard work enough every year to earn the support which he is able to give his family from his farm were he a mechanic. That farmer pays a tax to the State of $180, in various forms of State, county, and town taxes, to support schools and highways; and to the Government he pays, directly and indirectly, a tax of $200 more. His net returns from his farm are less than $1,000. He has a neighbor living near by him owning $100,000 of the bonds of the Government, on which he receives as interest $9,000 a year, on which no dollar of State, county, town, school, or highway taxes is paid. The farmer as he toils under the burning sun to earn the money to pay his taxes sees his neighbor riding luxuriously by in his carriage over the highway which farmers' taxes only have built and maintained. His neighbor's children and his own go to the same school supported by his taxes alone. He ponders, as he labors, upon the system of laws, which thus compels him to work to pay for the education of his wealthy neighbor's children, and as he reflects he will convince himself that he is suffering a bitter, burning wrong, and no argument will convince him to the contrary. If, then, you expect that farmer to vote for any man or party that retains a system of taxation which works such results, you expect what never has happened, what never will happen, and what ought never to happen in any civilized land. Change it how you will or can; but it must be changed. If you do not give relief by law the people will relieve themselves without you. The arguments by which you justify and sustain it, however specious or however sound, will fall unheeded on unwilling ears. You may cry out "good faith" till you are hoarse. You will be answered that there is no good faith which works injustice and wrong to a whole people. There is this alternative, no other; ponder it well—*equalized taxation or repudiation.*

Gentlemen, you have steadily refused to allow your bonds to be taxed, while all else bore the burden of supporting the Government; you have succeeded in passing laws to relieve your incomes, your manufactures, your accumulated wealth, and even the immense currency you illegally hold from taxation, while you load down our western products and industries till on distilled spirits, in which form alone we can transport our corn, and on our tobacco, we have to pay an annual tax to the Government of $86,000,000; largely more than double the amount of all the currency which the fifteen States of the South are, by the illegal extortion of the East, permitted to have.

You know that less than 7 per cent. of the bonds of the United States are owned west of the Alleghenies or south of the Potomac, so that it is impossible for us, as you have it now arranged, to get gold except at your price, with nearly all the gold interest paid to you and three-fourths of the amount of currency taken from us annually by the Government for internal taxes distributed by it among your people.

Is it fair, I repeat, to denounce us because we are opposed to being sold out of houses and homes to gratify your avarice?

It must not be forgotten that in 1868, when Congress with unparalleled unanimity ordered further contraction of the currency to cease, because of the oppression it was producing on the industries of the country, we had $1,030,000,000 in circulation. If it was unsafe and unwise to contract it below that point then, how is it possible, when all our wants, industries, and necessities have increased over 45 per cent. since that date, that we are to be denounced as inflationists when we ask for less than $800,000,000 of currency now?

Gentlemen, your avarice has overthrown your judgment. We will unite with you to make legal-tenders as good as gold, by requiring them to be received in payment of customs dues. I have a bill pending for that purpose now. We will cut down expenditures; we will do all that men can do to maintain honest and economical administration in all the affairs of Government. We will not ask you even to scale your bonds to the gold value of the greenbacks you bought them with; but you must excuse us if we decline to allow you to sell us out under the hammer, because at this time you happen to have all the gold in the country, and in that commodity we are at present poor.

We have all the elements and sources of wealth in abundance. We are able and willing to work. Against our will you forced us to take the paper which your laws made a legal tender. In spite of hostile and class legislation under which our people have suffered grievously and are still suffering—we are rapidly, even in the States of the South, building up our waste places and restoring our desolated homes. Thousands of our people lost all by a war which the people of the East never felt, or felt only as they fattened on our misfortunes, and we do not feel that we ought now to be deprived of or curtailed in our means of paying our debts, which, of course, are owing largely to the rich men of the East, men made rich by the very causes which made us poor.

The great cities along the Atlantic coast have been built up and are still being made more magnificent because their people are and have been our factors and brokers, our silent partners, *and have taken all the profits.* Your magnificent cities and your palatial homes have been built and paid for by our toil and our sweat. You may force us to seek other channels and other agents. The Mississippi and the Saint Lawrence can be made available means of reaching the sea with our products. Great lines of water transportation can be made to reach the ocean without touching your now great cities. Legislation had here may draw upon your wealth to construct them. We will ere long have the power to enact it whether you like it or not. It may be the part of wisdom to give us a chance now when we ask only what is reasonable, and to allow us the same right to determine what is best for our people that you claim to do for yours.

One thing is certain, abuse will not forward your views, hard words will not change votes. Whenever the western Representatives are satisfied that they are wrong they will put themselves right. Till they are, they will pursue the course which in their judgment will best promote the interest of the people they represent. I may be compelled, as I cannot do what I want, to vote for some such bill as the Senate has sent us, or as the committee presents, perpetuating the national-banking system. I shall do it with great reluctance, and only after I have made all the efforts in my power to tax them to the full value of the money furnished to them by the Government.

[Here the hammer fell.]

Mr. RANDALL obtained the floor.

DELTA OF THE MISSISSIPPI.

Mr. LAMAR, by unanimous consent, introduced a joint resolution (H. R. No. 84) to appoint a commission to examine into the subject of reclaiming the delta of the Mississippi River; which was read a first and second time, referred to the Select Committee on the Mississippi Levees, and ordered to be printed.

CURRENCY AND FREE BANKING.

The House resumed the consideration of the bill (H. R. No. 1572) in relation to currency and free banking.

Mr. MAYNARD. My associate on the committee, the gentleman from Pennsylvania, [Mr. RANDALL,] has fifteen minutes of his own time which I understand he desires to use himself. Before my colleague proceeds, I desire to make this proposition to the House: that if, after the gentleman from Pennsylvania has occupied his fifteen minutes, the debate by general consent can be permitted to go on in ten-minute speeches until after half-past three o'clock to-morrow, I will then call the previous question. If that arrangement cannot be made, I shall under the pressure brought for a vote attempt to have the previous question seconded when the gentleman from Pennsylvania gets through.

Mr. TYNER. On that understanding on the part of the gentleman from Tennessee [Mr. MAYNARD] I shall object to his proposition, for the purpose of bringing the House to a vote to-night.

The SPEAKER. The gentleman from Tennessee, who has charge of this bill, desires to submit this proposition: The gentleman from Pennsylvania, [Mr. RANDALL,] as a member of the Committee on Banking and Currency, is entitled to the floor for fifteen minutes re-

maining of his hour. And the chairman of the committee proposes that after his colleague shall have concluded, the debate be continued in speeches of ten minutes each until half-past three o'clock to-morrow, when he will demand the previous question. The Chair understands the gentleman from Indiana [Mr. TYNER] to object to that arrangement.

Mr. TYNER. I have objected on the understanding that the gentleman from Tennessee would demand the previous question immediately after the gentleman from Pennsylvania shall conclude his remarks. If that is the understanding in regard to the course he proposes the House shall take, then I will object to the ten-minute debate in order to bring the House to a vote to-night. But if it is the gentleman's intention to let the debate run in hour speeches, then I will withdraw my objection; my purpose being to get the House to a vote as speedily as possible.

Mr. MAYNARD. I will explain the theory on which I made the proposition. From the temper of the House and the evident desire to dispose of this question it is manifest that the House will become exceedingly impatient if every gentleman who has intimated a wish to be heard on this question shall consume an hour. The proposition I have made, that after the gentleman from Pennsylvania is through the debate be continued in ten-minute speeches until half-past three o'clock to-morrow, will give an opportunity to every gentleman who has placed his name on the Speaker's list, and to every gentleman who has spoken to me privately, to be heard, not in an argument, to be sure, but in a statement—for we all understand what ten-minute speeches are—and it is to accommodate, I believe, every gentleman who has intimated a wish to be heard to that extent that I made the proposition.

Mr. KASSON. I desire to say that if the gentleman from Tennessee does not intend to allow any amendments to be offered to the bill, I see no use myself in a ten-minute debate. If the temper of the House indicates anything, as we have had it exhibited to-day, it indicates a desire to test the sense of the House on some amendments to the bill. I regard some portions of the bill as operating with unnecessary hardship on the region of country I represent; and I want at least the opportunity, if no more time for lengthened debate is allowed, to ask the attention of the House for five minutes to the amendments which I think are called for. If the previous question is to be demanded and the gentleman wishes to take the sense of the House on this bill without amendment, I see no reason why he should not do it to-night as well as next week.

Mr. BUTLER, of Massachusetts. I understand that the gentleman from Tennessee proposes to allow a vote on amendments.

Mr. MAYNARD. I have said nothing about amendments. I have merely proposed to bring the debate to a conclusion.

Mr. BUTLER, of Massachusetts. I was about to suggest that if the gentleman proposes to allow amendments he should allow ten minutes debate on each amendment by the gentleman offering it and then call the previous question at once.

Mr. TREMAIN. It seems to me, whether amendments are allowed or not, that it is no more than fair to gentlemen who desire to put themselves right on the record on this proposition, the most important measure before Congress, that they should have at least ten minutes for that purpose. The eleven members of this committee who had preference under the rules of this House have uniformly, I believe, spoken in favor of this scheme. The debate has been substantially monopolized by gentlemen on that side of the question, and no doubt they are in harmony with a majority of this House; but I do ask whether it is not fair, whether it is not just and proper, that gentlemen who regard this bill and this whole scheme of inflation as dangerous in the extreme should at least be permitted to utter a protest in some form, and I wish that the gentleman who is chairman of the committeee, instead of saying ten minutes, would allow at least fifteen minutes. In ten minutes one can scarcely do more than record his purpose as to the vote. The State of New York has only been heard through one of her members on this floor.

Several MEMBERS. That is a mistake.

Mr. TREMAIN. No matter how that may be, at all events the debate has been substantially on one side, and I ask whether it is not fair to the minority of this House that they should at least have an opportunity to be heard? "Strike, but hear," is all we ask.

Mr. CLEMENTS. I call for the regular order.

Mr. MAYNARD. I would remind the gentleman from New York [Mr. TREMAIN] that his colleague who occupies the seat where he now stands [Mr. MELLISH] has been heard on this question several times.

Mr. HALE, of New York. I wish to know if I have not the floor for the purpose of moving to adjourn, and if not, by what right any other gentleman claims it?

The SPEAKER. By the right of discussing the pending measure. The gentleman from Pennsylvania, [Mr. RANDALL,] a member of the Committee on Banking and Currency, is occupying the floor; but has yielded in order that some arrangement might be made about the future conduct of the bill.

Mr. HALE, of New York. I did not understand that the gentleman from Pennsylvania had taken the floor at all.

The SPEAKER. The Chair is merely allowing some conference to be had to see if an agreement cannot be made as to the disposition of the bill.

Mr. HALE, of New York. May I ask if the time of the gentleman from Pennsylvania has been running for the last eight or ten minutes?

The SPEAKER. It has, if the gentleman insists on it.

Mr. MAYNARD. I hope the gentleman from Indiana [Mr. TYNER] will withdraw his objection. A ten-minute debate would oblige a number of gentlemen who desire to place themselves on the record.

Mr. BUTLER, of Tennessee. Would it be in order to have Governor Dix's message read?

Mr. MAYNARD. I will make another proposition. If gentlemen are willing to come here to-night I will ask for an evening session, and we will continue the discussion then; and at the request of the gentleman from New York [Mr. TREMAIN] I will modify my proposition so as to propose that the discussion to-night shall be in fifteen-minute speeches; no vote to be taken.

The SPEAKER. The gentleman from Tennessee asks that there may be a session this evening for the purpose of discussing this bill, no vote to be taken thereon and no other business to be transacted, and the speeches to be limited to fifteen minutes.

Mr. TYNER. Will the gentleman from Tennessee indicate what time to-morrow he will ask for a vote?

Mr. MAYNARD. I have stated that if we could come to an agreement like that which I indicated I would extend the discussion until half-past three o'clock to-morrow, and that otherwise I would make no agreement on the subject.

The SPEAKER. Does the Chair understand that the arrangement suggested by the gentleman for an evening session will continue during to-morrow's session from half-past one until half-past three?

Mr. MAYNARD. Yes, sir.

The SPEAKER. Then the gentleman suggests that the evening session and the session of to-morrow from half-past one until half-past three be devoted to the discussion of this bill in fifteen-minute speeches, intimating that at half-past three o'clock he will call the previous question.

Mr. TYNER. That involves the consumption of only two hours in debate to-morrow, and I therefore will not object.

Mr. SHANKS. I object, if the speeches are to be fifteen minutes long to-morrow. A man who cannot say what he knows about this question in five minutes ought not to say anything.

The SPEAKER. The rules do not require that a gentleman shall give a reason for his objection.

Mr. SHANKS. I will double the time, and agree to ten-minute speeches.

Mr. MAYNARD. The House doubtless recollects the fable of the man who was going to market, accompanied by his son, with a certain animal; the rest of it will be remembered. I do not propose to make any further proposition.

The SPEAKER. The Chair will state the proposition again so that the House may understand what is objected to and what is not objected to. The gentleman from Tennessee asks that there shall be a session this evening, at half-past seven o'clock, which shall be devoted entirely to the discussion of the pending bill in fifteen-minute speeches, no vote to be taken thereon and no other business to be transacted, and that to-morrow, when the bill comes up under the order at half-past one o'clock, the discussion shall be continued, also in speeches of fifteen minutes, until half-past three, when he will ask the House to second the demand for the previous question. It will then be for the House to determine, of course, whether they will second that demand, and that will bring up the question whether the bill shall be open for amendments or substitutes. The gentleman having charge of the bill has a right to frame his own proposition and to ask the House to agree thereto. If there be no objection to that arrangement the Chair will consider it agreed to.

There was no objection, and it was so ordered.

The SPEAKER. The House, under the order just made, will meet this evening at half-past seven o'clock for discussion of the pending bill, no other business whatever to be transacted, and the gentleman from Wisconsin [Mr. MCDILL] will be in the chair, as Speaker *pro tempore*.

Mr. HALE, of New York. I move that the House do now take a recess.

The motion was agreed to; and accordingly (at five o'clock p. m.) the House took a recess until half-past seven o'clock.

EVENING SESSION.

The recess having expired, the House reassembled at half-past seven o'clock p. m., Mr. MCDILL, of Wisconsin, in the chair as Speaker *pro tempore*.

CURRENCY—FREE BANKING.

The SPEAKER *pro tempore*. By order of the House the session this evening will be for debate only, in speeches not to exceed fifteen minutes each, upon the bill to amend the several acts providing a national currency and to establish free banking, and for other purposes. The gentleman from Ohio [Mr. BUNDY] is entitled to the floor.

Mr BUNDY. I do not know really whether I want to make a speech or not.

Mr. MYERS. I have no doubt there are other gentlemen who are ready to speak.

Mr. BUNDY. There is only one part of the bill to which I wish to

call attention, and I suppose I can do that in fifteen minutes, and may as well do it now as at any other time.

Mr. MAYNARD. Now is the accepted time.

Mr. BUNDY. I refer to that part of the bill which looks to a resumption of specie payments by the force of law. I know that those of us who are in favor of a proper amount of currency are stigmatized by the name of "inflationists." We do not accept that designation at all. As I understand it, at least so far as I am concerned and those who sympathize with me, we simply want a sufficient quantity of circulating medium to do the ordinary business of the country; and whatever that may be in amount, we want to have it made just as good as it is possible to make it.

It is also reported that we are in favor of inflation and against what they call resumption of specie payments. I do not understand that to be so. The only matter of difference between us, between those who favor resumption in their way and we in ours is this: We think that the best mode, and perhaps the speediest mode of getting to specie payments is through a proper expansion of the currency, so as to start off the business and the industries of the country; theirs is by contraction and the consequent destruction of the business of the country.

Now the reason why I am opposed to having anything in this bill that provides a time, I do not care when that time is fixed, for a forced resumption of specie payments, is because that at once makes the western country and the whole business of the West tributary to the East. If we can get at specie payments by the natural order of things, through the natural course of business, so that the paper currency comes up in value to gold, we will then have a resumption that will be worth something to the whole country.

Now I undertake to say, and I believe I am right in saying, that the gentlemen in the East, in New York especially, if you please, who are clamoring so loudly for specie payment, would not accept it through our plan. If we had the power to-day to tender them specie payment, if we had the power to bring up the circulating medium of the country, the paper currency, to gold, they would not be satisfied with it. If every dollar of paper was equal to a dollar in gold, without enforced resumption, they would not be satisfied with it. And why?

Some of us are old enough to remember the days of 1857, 1858, 1859, and 1860. In Ohio from 1856 to 1860 we had resumption of specie payments. With that resumption we had perhaps the most perfect system of carpet-bagging that has ever been seen in this country, not even excepting the Southern States. And with that we also had this: every person who got money at our banks, upon business or accommodation paper, was compelled to pay for it, in addition to the interest allowed by law, the cost of transporting gold from Ohio to New York City. That was a condition precedent to any bank accommodation. The cost of that transportation, including the charges of the middle-men, was about 1 per cent.; and 1 per cent. on a ninety days' discount was equal to 4 per cent. per annum. The reason we had to do that was because we had what was then called specie payments enforced by law.

Now, if we can have a resumption of specie payments under the plan that I have indicated, our paper currency would be just as good as it is now in paying debts in all parts of the country. Therefore the New York broker could not say to the western merchant, "Although your paper is good, yet because the law provides that you shall pay specie, you must pay the cost of transporting specie from the West to New York City." That is the reason why I do not wish to have forced resumption of specie payments by law; and I hope that before we get done voting upon this bill we will have it put in some such form that there shall not be forced resumption of specie payments by law.

Mr. FIELD. That is right.

Mr. BUNDY. Our currency now, whatever may have been said of it by gentlemen here, is the best currency this country ever had. There has been less fluctuation in prices while it has been a medium of exchange than there was in the best days of specie payments. And allow me to say that that constitutes the objection that these men have to it—it is because they cannot shave us every time we go to pay a debt in bank in the East or in the West.

Why, sir, I remember that in those days of specie payments I was once at Pittsburgh, and they would not take their own paper in payment of my hotel bill because Ohio money was worth then about 3 per cent. premium.

We have been characterized here as those who are heavily laden with articles of merchandise of some description and that we want to unload. The gentleman from Pennsylvania, [Mr. TOWNSEND,] a very fair-minded man indeed, made that charge directly to-day, that because we are in favor of a proper increase of the currency, that which the business wants of the country indicate, we want to speculate upon that which we have to sell. Why, Mr. Speaker, I hope no gentleman here legislates upon any such theory as that. I hope no one takes into account any personal advantages that are to accrue to him because of any legislation we may accomplish here. But it is not true that the speculators in produce, the speculators in substances to be sold in the market, are responsible in this matter. Why, Mr. Speaker, the resumptionists in the East are the very men that have brought this difficulty upon us. The long list of names that were sent us (and I presume I have a copy in my desk) comprised those Wall street men, those men who say, "We do not wants any more paper money." They are the men who undertook to do a pretty large thing, and they to-day are asking us to help them to unload. They undertook to corner all the currency of the country and hold it until this Congress should be compelled by the straitened circumstances of the country to resume specie payments. They are asking us now to help them unload; they want action immediately.

Now, Mr. Speaker, I do not propose to characterize the attitude of any gentleman here on this question as being unworthy of his position in this House. I do not know that we are obnoxious to the charge they make against us, that we want an indefinite inflation of irredeemable currency. We do not ask any such thing. But we do ask that the people of this country shall be the judges of their own matters concerning them personally. We have never yet delegated all these subjects to a comparatively few gentlemen in the eastern part of the country. Our theory is that the people of this country are capable of taking care of themselves. We take it for granted that they are until we come to this question of finances, and the very moment you come to that we are to be told here that the people have not the ordinary discretion to take care of their own interests; that if we give them an opportunity to establish a banking system which shall be free, they are going to lose all their discretion and adopt such a system, and extend it in such a way that it will break down of its own weight.

I take it the people will do no such thing. I take it that we are just as much interested as they in having a currency that shall be good, of uniform value all over the country, that shall approximate as nearly as possible to the precious metals; and I take it that the people of the West have just as much sense, as much judgment, as much virtue, as much honesty in managing their financial matters as those gentlemen in the East have. Are we afraid to trust the people on any other subject? It seems we are not. But the very moment we come to this subject, it seems we are not to be trusted at all; we cannot be trusted in Ohio or Illinois or Indiana or anywhere else with saying how much money we want to do our business with and what the quality of that money shall be.

Now, I do not know but that I have said all I want to say about this matter. I will add, however, that a good many comparisons which have been instituted here are, it seems to me, very far-fetched. I will allude to one or two. The gentleman from Pennsylvania [Mr. TOWNSEND] paraded this afternoon a quantity of the old continental money, to show the dangerous tendency of the times in regard to our greenbacks and our national-bank notes. Why, Mr. Speaker, is there any parallel between the two cases? Gentlemen have also referred to the French *assignats*. But they were founded upon what? Upon nothing, as it turned out. They had no government support, as our currency has. They were founded upon the confiscation of the property of the church, and the property of the emigrant nobles. Not only that, but the government that issued those obligations undertook to confiscate man of his immortality, the universe of its God.

[Here the hammer fell.]

[Mr. HYDE obtained leave to have printed in the RECORD remarks upon the pending bill.] (See Appendix.)

Mr. PENDLETON. Mr. Speaker, the subject of the currency seems to be the all-absorbing theme at the present time; it has been well said the country is looking to Congress for relief; but there is a great variety of opinions in regard to the duty of Congress upon this question, but judging from the vote in this House on the legalizing of the $44,000,000 of United States notes we may conclude that the cry for more paper money will prevail. Now, if we are to have more currency, in my judgment it should be of national-bank notes instead of legal-tenders, for I do not think we ought to break any pledges of the Government; and the act of June 30, 1864, which authorizes the issue of $200,000,000 Treasury notes, contains this provision:

> Nor shall the total amount of United States notes issued, or to be issued, ever exceed $400,000,000, and such additional sum, not exceeding $50,000,000, as may be temporarily required for the redemption of temporary loan.

This temporary loan spoken of was redeemed, so that $400,000,000 was the limit. Soon after this the Secretary of the Treasury commenced canceling and retiring the legal-tenders, but Congress, evidently fearing he might be contracting too fast, passed the act of April 17, 1866, which provided:

> That of the United States notes not more than $10,000,000 may be retired and canceled within six months from the passage of this act, and thereafter not more than $4,000,000 in any one month.

The Secretary of the Treasury had this authority until February 4, 1868, when it was suspended, he having retired $44,000,000.

Now, if these notes were *retired* and *canceled*, was not this the end of them? If this language means anything it must mean this. There was no necessity of passing this act of April 17, 1866, if it simply meant that the Secretary of the Treasury might be authorized to cancel these notes and issue new notes instead, for I doubt not he had been so doing before this act was passed.

If this House thought the Secretary of the Treasury had the authority to reissue these notes which had been canceled and retired for about six years, why were we called upon to pass an act to legalize this reissue?

I voted, reluctantly, to legalize the reissue of $26,000,000 United States notes, because this amount had already been paid out. I would however have much preferred that the Secretary of the Treasury should have been authorized to sell bonds, if necessary, and retired the amount of notes which he had felt compelled to reissue during the panic through which we have passed.

I could not vote to increase the circulation of the United States

notes to $400,000,000, for that is going *from* instead of *toward* specie payments; but if we must have more currency, I prefer that we pass a free-banking law and give all a fair chance; indeed, I do not object to free banking, if we provide for *redemption in New York City* and for a proper *reduction of the United States notes.*

There is no mystery in banking; it is like any other business, simply a matter of debit and credit. If banking associations make promises to pay, they should pay them promptly according to agreement, just the same as business men are required to pay their notes, and when they stop paying they should be treated as failures. In short, if banks will pay their debts it is all we can ask of them. But I do object to the unlimited issue of paper money, without any wholesome restrictions requiring the redemption of the same. We have at this time more legal-tenders in circulation than national-bank notes, and one class of these notes is no better than the other; therefore the paying of a bank-note by exchanging it for a legal-tender note is like the man who paid his obligation by giving his note therefor, and then thanking God he had paid that debt!

For the purpose of improving this bill I propose the following amendment:

At the end of section 2 add the following:

Provided, That the Secretary of the Treasury is hereby authorized and directed to fund United States notes, known as legal tenders, into 5 per cent. bonds to an amount equal to three-fourths of the amount of the increase of the national-bank circulation, and shall cancel and destroy said United States notes.

Mr. Speaker, this amendment provides for funding an amount of legal-tenders equal to 75 per cent. of the increase of the national-bank circulation into a 5 per cent. bond, known as the ten-forty bonds, namely: for every $4,000,000 of additional bank-notes issued, $3,000,000 of United States notes, known as legal-tenders, are to be funded, canceled and retired.

This does not propose to contract but rather to increase the volume of circulation; but at the same time it will prepare the way for resumption of specie payments, it may be slowly, but it will be surely a step in that direction, and I think all will admit that the amount of United States notes must be reduced before the Government can resume specie payments.

This process will not interrupt the business of the country, because it gives increased facilities; this House having already added $44,000,000 to the volume of legal-tenders, which, with the increase of national-bank currency over the proposed destruction of legal-tenders, will probably increase the currency of the country some sixty to seventy million dollars within one year, which will surely be ample for the business wants of the country. This amount is upon the expectation of an increase of the national-bank circulation, say sixty-four millions the first year, and a reduction of legal-tenders of $48,000,000, which transaction will increase the volume of the currency $16,000,000, in addition to the aforesaid $44,000,000 of legal-tenders; so that at the end of the year we would have out of legal-tenders $352,000,000 and national-bank notes $418,000,000, making $770,000,000, besides the $48,000,000 of fractional currency, which, added, makes $818,000,000 in circulation. It seems to me this amount of currency ought to be sufficient to satisfy the demand for more currency, and the amount will continue to increase as the demand for banks increase, but the legal-tenders will decrease three-fourths as much as the bank-notes increase.

While I do not think we need any increase of the currency, I am willing to vote for the bill with this provision, because I think we will, as I said before, be moving in the direction of specie payments, and it will give elasticity to our currency and satisfy the cry of the masses for more money,

These 5 per cent. bonds would sell to-day above par in gold, or say 114 in legal-tenders, and if the Government should be prepared to retire them within fourteen years it would cost less than 4 per cent. interest; while the taxes of the banks paid the Government on circulation and deposits would be more than 2 per cent. on the amount of the circulation, as will be seen by the following table taken from the last annual report of the Comptroller of the Currency:

The national banks, prior to May 1, 1871, paid to the Commissioner of Internal Revenue a license or special tax of $2 on each $1,000 of capital, and an income tax on net earnings to December 31, 1871. The special or license tax from May 1, 1864, to May 1, 1871, amounted to $5,322,688.43; the income tax from March 1, 1869, to September 1, 1871, amounted to $5,539,289.17. The national banks also pay the following taxes to the Treasurer of the United States: One per cent. annually on circulation outstanding; ½ of 1 per cent. annually upon deposits, and ½ of 1 per cent. annually upon capital not invested in United States bonds. These taxes are payable semi-annually.

The following table exhibits the amount of taxes collected by the Treasurer annually from the organization of the system to January 1, 1873:

Year.	Circulation.	Deposits.	Capital.	Aggregate.
1864	$287,740 45	$412,953 99	$55,631 63	$756,326 07
1865	1,371,170 52	2,100,480 74	316,829 01	3,794,480 27
1866	2,638,396 35	2,668,674 72	350,545 29	5,657,616 36
1867	2,934,685 63	2,518,780 65	314,899 42	5,768,365 70
1868	2,955,394 60	2,657,235 91	299,126 21	5,911,756 72
1869	2,956,168 02	2,525,571 87	349,147 97	5,830,887 86
1870	2,941,381 51	2,694,480 26	381,598 67	6,017,460 34
1871	3,092,797 56	3,027,767 58	385,247 07	6,505,812 21
1872	3,282,597 46	3,144,839 45	418,883 75	6,846,320 66
Totals	22,460,332 00	21,756,785 17	2,871,909 02	47,089,026 19

This tabular statement shows that the national banks have paid taxes to the Treasurer of the United States, without any expense for collection, on their circulation, deposits, and capital, from the year 1864 to January 1, 1873, the sum of $47,089,026.19. It will also be seen by this table that the banks paid to the Commissioner of Internal Revenue prior to May 1, 1871, the sum of $10,861,977.60 for license and income tax, making the handsome sum of $57,951,003.79 paid by the banks to the Government since their organization.

Mr. FIELD. Will the gentleman allow me a question?

Mr. PENDLETON. Certainly.

Mr. FIELD. For what did the national banks pay this large amount of money?

Mr. PENDLETON. They paid it as taxation in the same way as the gentleman paid his tax on manufactures or whatever other business he may have been engaged in.

Mr. FIELD. Did the banks receive anything in return?

Mr. PENDLETON. No, sir; banks continue to pay their taxes semi-annually.

Mr. FIELD. No benefits?

Mr. PENDLETON. No, sir.

Mr. FIELD. Then I do not see why they should have paid this taxation.

Mr. PENDLETON. Did not the gentleman pay his taxes? And did he receive any benefit from paying those taxes?

Mr. FIELD. I think I did.

Mr. PENDLETON. What benefit?

Mr. FIELD. I enjoyed the benefit of the protection of the Government.

Mr. PENDLETON. Would not the gentleman have enjoyed that benefit without paying taxes?

Mr. FIELD. Did not the banks get something more than anybody else?

Mr. PENDLETON. No, sir.

Mr. FIELD. That is all.

Mr. PENDLETON. The banks have received franchises.

Mr. FIELD. O, have they?

Mr. PENDLETON. But not for the purpose of paying taxes.

Mr. FIELD. Well, the banks do receive franchises?

Mr. PENDLETON. Certainly they do.

Mr. FIELD. That is the point I wanted to bring out.

Mr. PENDLETON. Yes, sir; the banks have received the franchise of being enabled to do business for twenty years. This was given to them by the law.

And yet there are gentlemen on this floor who want to increase the tax of the banks until they will be compelled to surrender their franchises, and yield their business to private bankers, in some places; in the larger cities and towns they could live and prosper without issuing bills, but in the smaller towns and villages they would be obliged to wind up their business, for a country bank without circulation cannot do a profitable business.

To show how profitable these banks have been to their stockholders, I insert another extract and tabular statement from the last annual report of the Comptroller of the Currency, as follows:

The national banks are required by the act of March 3, 1869, to make semi-annual returns to this office of their dividends and earnings. From these returns the following table has been compiled, exhibiting the aggregate capital and surplus, total dividends, and total earnings of the national banks, with the ratio of dividends to capital, dividends to capital and surplus, and earnings to capital and surplus for each half-year, commencing March 1, 1869, and ending September 1, 1873:

Period of six months ending—	No. of banks.	Capital.	Surplus.	Total dividends.	Total net earnings.	RATIOS.		
						Dividends to capital.	Divid'nds to capital and surplus.	Earnings to capital and surplus.
						Per cent.	*Per cent.*	*Per cent.*
September 1, 1869	1,481	$401,650,802	$82,105,848	$21,767,831	$29,221,184	5.42	4.50	6.04
March 1, 1870	1,571	416,366,991	86,118,210	21,479,095	28,996,934	5.16	4.27	5.77
September 1, 1870	1,601	425,317,104	91,630,620	21,080,343	26,813,885	4.96	4.08	5.19
March 1, 1871	1,605	428,699,165	94,672,401	22,205,150	27,243,102	5.18	4.24	5.21
September 1, 1871	1,693	445,999,264	98,286,591	22,125,279	27,315,311	4.96	4.07	5.02
March 1, 1872	1,750	450,693,706	99,431,243	22,859,826	27,502,539	5.07	4.16	5.00
September 1, 1872	1,852	465,676,023	105,181,942	23,827,289	30,572,891	5.12	4.17	5.36
March 1, 1873	1,912	475,918,683	114,257,288	24,826,061	31,926,478	5.22	4.21	5.41
September 1, 1873	1,955	488,100,951	118,113,848	24,893,029	33,129,006	5.09	4.09	5.46

From the foregoing statement I cannot see the propriety of increasing the taxes of the national banks, for out of these dividends, in most cases, the local taxes have to be paid. Stockholders of banks ought to get larger returns from bank stock than from mortgages, for their is a greater risk.

Mr. Speaker, I introduced a bill some time since to provide for the repeal of the sixth section of the act of July 12, 1870, which provides for transferring national-bank circulation from the East to the West and South.

Mr. MAYNARD. This bill repeals that section.

Mr. PENDLETON. I am glad to hear it.

Much has been said against the eastern banks for holding more currency than their proportion. They took up this currency not until they were urged to do so by the late Secretary of the Treasury, Hon. S. P. Chase, and not until the West and South neglected to take it, and our banks expected to retain for twenty years as the law provided. Almost every bank that was organized became an agent to sell the bonds and seven-thirty notes for the Government, and these banks sold more than their proportion, I presume, of those securities; but, nevertheless, they sold no more than the Secretary of the Treasury wanted them to sell. Nor did they take any more of the circulation than he was willing to furnish.

I have incorporated as a part of my remarks an extract from the last annual report of the Comptroller of the Currency showing the difficulties of transferring this currency. He says:

These requisitions will be made upon the banks located in the following States and cities:

Four in the city of New York	$5,018,000
Thirty-seven in the city of Boston	13,320,000
Twenty-one in the State of Massachusetts	2,659,000
Seventeen in the city of Providence	2,818,000
Fifteen in the State of Connecticut	1,185,000

This will reduce to $1,000,000 the circulation of all banks in the city of New York having an excess over that amount, and the circulation of all banks in Massachusetts and Rhode Island to $300,000. If these banks do not return the amount of circulation within one year after the requisition is made upon them, it is made the duty of the Comptroller of the Currency to sell at public auction, upon twenty days' notice, the bonds deposited by such associations as security for said circulation equal in amount to the circulation to be withdrawn, and not returned in compliance with the requisition. With the proceeds of the bonds the Comptroller is required to redeem the notes of these banking associations as they come into the Treasury. The notes of these banks are so scattered through the whole country that it will be impracticable for them to return their circulation without an expense not contemplated by the act; and it will, therefore, be for the interest of the banks to provide the Comptroller of the Currency with the requisite amount of legal-tender notes with which to redeem their circulation as it comes into the Treasury. To this extent the act may be executed; but the notes to be redeemed will not come to the Treasury for redemption to any considerable amount, and therefore but a small proportion of the twenty-five millions will be placed at the disposal of the Comptroller for redistribution to the banks of the South and West. The result will, therefore, be great embarrassment to the banks to whom the currency has already been issued, without providing any relief for organizations elsewhere, as contemplated by the act. The Comptroller, therefore, repeats the recommendation contained in his previous report, that section 6 of the act of July 12, 1870, be repealed, and that twenty-five millions additional circulation be authorized to be issued and distributed among the States, as heretofore provided.

Now, Mr. Speaker, let us see what will be the effect of withdrawing $25,000,000 currency from the East.

This $25,000,000, less 15 per cent. reserve deducted, namely, $3,750,000, leaves $21,250,000 loanable funds for business interests at the East from this circulation. Let us look at the other side:

These banks will have to furnish in legal-tenders $25,000,000 to the Comptroller, which will call for $27,778,000 bonds; these will sell in market on an average for $117 per $100—some being 5 per cent. and some 6 per cent. bonds—which would amount to $32,500,000. Therefore we see that these banks will have to withdraw from the circulation of the country $25,000,000 of legal-tenders and deposit for their bonds, and then take $32,500,000 of legal-tenders from New York City, where they would sell their bonds and replace the $25,000,000 that was withdrawn, thereby giving them $7,500,000 more capital. To this we will add the amount of reserve, namely, $3,750,000, which will make $11,250,000 more working capital. In other words, these banks, with their bank circulation, before withdrawal, could loan from it, as before shown, $21,250,000. After withdrawal they can loan $32,500,000 to their customers, being more than 50 per cent. increase. Surely this will be no damage to their patrons, but it would be a contraction of the currency of the whole country from the time the $25,000,000 of legal-tenders were deposited in the United States Treasury until the bank circulation could be called in and reissued to banks in the West and South. The time it would take to accomplish this result we have no means of ascertaining, but I doubt if it can be done within five years at least.

From the foregoing we can see that the withdrawal of this currency will interrupt the business of the East during the time they are changing the legal-tenders from the East to the Treasury and obtaining the bonds and converting the same into legal-tenders; also, that the banks will lose the profit on this circulation, say about 2 per cent. per annum. At the same time, as I have shown, the banks will be able to increase their loans to their customers.

I trust this bill may be so amended as to remove some other objections which my time will not allow me to point out.

Mr. ALBRIGHT. Mr. Speaker, I do not know I should have attempted to speak on the important question before the House if it had not been for the remarks made this afternoon by my distinguished colleague from Pennsylvania, [Mr. TOWNSEND.] I understood him to say the people of the section of the country he represented are in favor of contraction; that they do not desire any more currency, but are in favor of some process by which specie payments shall speedily be resumed. I come from a section of Pennsylvania where the people are largely engaged in the mining of coal and in the manufacture of iron. I was home but a few days ago, and while there I did not find a single operator in coal-mining or a single manager of furnaces, rolling-mills, factories, or machine-shops who did not say to me, "Give us more currency, because during the last five years with the currency the country had we were prosperous; we were developing our mines and building up our furnaces and rolling-mills and extending railroads." The laborers say the same thing; that before the war, when they were paid at the end of the month, they had eight dollars, but now they have twenty-two dollars above current expenses, and that they can buy more goods and do more for their families with twenty-two dollars in currency than with eight dollars of specie before the war. That is what the laboring men say in the section of the country from which I come.

And this matter of coal, Mr. Speaker, is not an unimportant item in Pennsylvania. In the three counties adjoining the one where I live there are mined twenty-two million tons of anthracite coal every year, which, when put into New York and Philadelphia, and to the furnaces, rolling-mills, &c., is worth five dollars a ton and upward, thus requiring over $100,000,000 annually to move this coal to market.

But it was not on that particular point I wished to speak. Specie payment of course is desirable. Everybody looks forward to the day when specie payments will be resumed. But can we resume specie payments by legislative enactments? Can you pass laws by which you can put gold and silver into the pockets of the people, except as you pass protective laws to employ the labor of the country in order to develop the mines of the country and build up furnaces and other establishments that will put the raw material of the earth into marketable form?

There are at this time in my judgment three insuperable objections to specie payments. The first is that we have not gold enough in the country to-day; the next is that we are importing more than we are exporting; and, in the third place, because we are paying $125,000,000 in gold to Europe upon our bonded indebtedness, I mean upon the bonded indebtedness of the United States as well as of our various corporations.

England and Germany hold the best of our bonded securities, that is, those bonds which pay the highest rate of interest. When you get your bonds home, we will then be on the way to specie payments. When you can get the balance of trade in favor of the United States, specie payments will soon follow, and without any legislation at all.

But we are told by gentlemen that England is paying specie; that France also is paying specie although France has just emerged from a great and exhaustive war. They say that England, Germany, and France are paying specie, and why cannot we do the same thing in this country? In the first place, I answer that, while the debt of England is as great as that of this country, it is held by the English people. The people of England hold the bonds or consols of England, and the interest paid on that indebtedness is paid at home. And the same is true in regard to Germany. Instead of our holding the bonded indebtedness of the nation ourselves, one-half of it is held abroad; and all the great railroad enterprises and developments which have been built up in this country during the last ten or fifteen years have been built mainly with capital borrowed in Europe.

These are the reasons, Mr. Speaker, why, in my judgment, we cannot now resume specie payments. Make the country prosperous; develop our great agricultural regions; open up the coal mines; cultivate the cotton-fields; encourage in fact all the vast industries of this country; build up wealth; fill our country with a busy population, and then there will be no trouble about specie payments.

I desire to say further, Mr. Speaker, we have not the amount of money England has with which to resume specie payments; we have neither the same amount in the aggregate nor *per capita*. And I have a statement here to which I call attention:

Total currency volume of the United States	$869,000,000
Less gold and paper reserves	200,000,000
Total actual circulation	669,000,000
Circulation *per capita*, $16.72.	
Total currency volume of England	$884,943,000
Less reserves	112,259,000
Total actual circulation	772,684,000
Circulation *per capita*, $24.28.	
Total currency volume of Germany	$1,296,000,000
Less reserve	205,000,000
Total actual circulation	1,091,000,000
Circulation *per capita*, $36.80.	
Total currency volume of France	$1,650,000,000
Less gold and silver reserve in bank	540,000,000
Total actual circulation	1,250,000,000
Circulation *per capita*, $34.72.	

It will be seen from this statement that while the United States has $869,000,000 of volume of currency circulation, England has $884,000,000. We have sixteen dollars and a fraction *per capita*; England has twenty-four dollars, Germany has twenty-six dollars,

and France has thirty-four dollars. Now, if we had currency in the United States equal to what England has *per capita*, or Germany, or France, we would have, according to the *per capita* of England, $971,000,000 in currency: or if we had what France has *per capita*, we would have $1,488,000,000; or if we had what Germany has we would have $1,072,000,000.

Now, does anybody pretend to say that a country new and vigorous, such as this is, and desiring to be developed, does not need more money than England or Germany or France? We have a greater area of territory. We have seventy-six thousand miles of railroad, while England has but fourteen thousand miles. As I have said, we are largely indebted for our railroads and public improvements to Europe, while England has paid for the whole of hers. Now, is it possible that a new country, which must be built up in every direction, does not need more money than an old country, whose houses and railroads and public improvements are almost finished?

If you have not gold enough to do the business of the country, what do you intend to do the business of the country with? What better can you get than the promises of a government; because a government note is a mortgage upon every farm and upon every workshop in the country, and the people believe that the government will at last pay these promises? Because of the waste and prostration which a great and wonderful war produced, this country for the time being was and is crippled. The Government, however, is lending its credit to the people that its great resources may be developed. That is the idea which a great many men in Pennsylvania and in other portions of the country entertain upon this question.

But gentlemen say that if you increase the currency you inflate it. Not necessarily; because forty-two million people need more money than thirty-five millions or thirty-two millions. By some statistics which I have here, and which I understand have been very carefully collated, it appears that the currency of the United States in 1865 was over two billions; made up of United States notes, fractional currency and national-bank notes, compound-interest legal-tender notes, temporary-loan certificates and certificates of indebtedness, Treasury 5 per cent. legal-tenders, Treasury notes and legal-tenders past due and not presented, State-bank notes, and three-year Treasury notes, which in the aggregate amounted to $2,111,678,689. To-day you have but one-fifth of that. While you have some eight hundred millions of money, two hundred millions of it is tied up by reserves and gold, while, as I understand the distinguished chairman of the committee which has this bill in charge, a large quantity of money is in the hands of poor people who are hoarding it, so that the country at this time perhaps has not more than four hundred millions of money with which to do the great business of the country.

Now, sir, I do not believe that an expansive, developing country like this is to be tied down to a certain sum of money, and that you say you have reached the ultimate point and that there is no use of going any further. I believe that as we are growing and expanding we must provide some ways and means by which the people can grow and prosper, too. If you have not gold, what better substitute can you find than United States notes and national-bank notes?

Mr. MAYNARD. If the gentleman will allow me to interrupt him, I would remind him that in those parts of the country where there are no banks—and there are whole regions of country where there are no banks for a hundred miles—all the money people have they hold in their pockets, and a number of amounts of fifty and a hundred dollars come to a great deal in the aggregate.

Mr. ALBRIGHT. I have no doubt of that. The same is true of the mining districts of Pennsylvania. The county commissioners of the county in which I live desired to borrow money. Though they had banks there they could not borrow from the banks, and they went to the miners, and in a few days they raised from twenty to thirty thousand dollars which the miners were willing to loan the county on the county bonds. And what is true of one county is no doubt true of others.

I have not time to discuss this question as I would like, but the opportunity to speak at length does not present itself, and therefore I desired to say what I have said so that I might be understood upon this question when I shall vote.

I offered an amendment to-day to the fifth section of this bill, in which I propose that the reserve of banks may be invested in a 3.65 per cent. currency bond which the banks may hold and convert at pleasure. Of course they would hold that bond. Gentlemen say to me, "Why, the Government does not want to give the bond when it has no need for the money." That would be true if the Government were not a debtor. But the Government would take that money and buy the gold-bearing bonds, and fund or float a hundred millions of currency bonds which the banks would absorb; so that the Government would be actually saving and making money by that process, and would in a great degree prevent the contraction which happens at certain seasons.

And then I propose in this amendment another thing; and that is that the banks shall not pay interest to banks upon deposits. That was one of the great reasons why there was a panic last year. Money was hoarded in the cities. It was to the interest of the banks in the country to get as large a deposit in the cities as possible, because they were getting interest at the rate of 4 per cent. The banks in the cities desire to make still more, and lend that money at rates of perhaps 8, 10, and 12 per cent., so that the money became scarce in the country and plentiful for speculative purposes in the cities.

The amendment I propose will prevent that. There will not be such a desire on the part of the banks to send their money to the cities, because they get no interest on it; but it will enable them to get very nearly that amount of interest from the Government, and it will enable the Government in that way to get afloat a currency bond and redeem an equal amount of gold-bearing bonds.

[Here the hammer fell.]

Mr. HOSKINS. Mr. Speaker, in the short time allowed me I shall not attempt an extended essay on political economy or theoretically discuss the subject of finance, but in a plain, practical manner, as a practical man, give my views upon the pending bill.

The subject-matter of the bill reported by the Committee on Banking and Currency and now under consideration is one of vital interest and importance to every section of the Union; for the least disturbance of values, either by increasing or decreasing the purchasing power of money, is at once felt in every department of business, alike by producer and customer. We should therefore approach the consideration of this subject not with reference to advantages likely to accrue to sections or localities, but with an eye single to the ultimate good of the whole country.

Gold and silver are made the standard of values the world over, and by which all other values are measured; and any other medium of exchange adopted by the Government in its place should be based upon this standard or its equivalent. Irredeemable paper money, although at present perhaps a necessity, is not the kind of currency demanded by the wants of the people. Therefore any legislation had upon the question of the currency should be in the direction of increasing its value and bringing it nearer to the gold standard; and any legislation looking in the opposite direction, however well intended and however greatly clamored-for by sections of the country, is not the work of wise statesmanship, and in the end will prove deceptive and unsatisfactory.

I am aware that to a certain extent the industries of the country are embarrassed, and that there is distress among the working classes. But this does not arise from the want of sufficient currency to meet the demands of business. This distress and embarrassment spring mainly from illegitimate and reckless speculations on the part of people who are not satisfied to continue in the regular and safe channels of trade and commerce receiving a reasonable compensation for their investments, but who desire suddenly to become rich, and to accomplish that object are willing to take all kinds of risks; and when the bubble bursts wide-spread disaster is the result not only to themselves, but to the laboring man as well.

Now, then, we are asked to do something to better this condition of things; to do something to revive business and prevent the recurrence of disturbances and panics like that of last autumn. The practical solution of this problem is the work before us. Will the measure now under consideration accomplish the purpose?

Section 2 provides—

> That section 22 of the said act (the national banking act) and the several amendments thereto, so far as they restrict the amount of notes for circulation under said act, be, and the same are hereby, repealed.

Under this section what is known as free banking is authorized, any man being permitted to start a national bank who can furnish and deposit with the Comptroller of the Currency the necessary United States bonds. Now the term free banking sounds well, and under certain conditions may be both right and proper; but if free banking means the unlimited issue of irredeemable paper money, to go to swell the amount of irredeemable currency now in circulation, it is in my opinion a delusion and a snare and can only work disaster to the people.

I know it is often said that *free banking* is not intended as a measure of inflation, but only to supply the demands of commerce and to furnish the people with banking facilities suitable to their necessities. Now this is all very nice to say, but why do you want more banks, except to put in circulation more currency. Individual banks are and can be established all over the country; and these banks are doing all kinds of banking business, the same as national banks save in this one matter of circulation; so the people are accommodated with banking facilities where a bank can be made profitable.

Should this bill become a law, every bank with circulation established under it will increase the volume of currency to the amount of its circulating notes; and this increase may go on until the national-bank notes outstanding may reach $500,000,000 or $1,000,000,000. No man can tell to what extent this irredeemable currency may expand, as there is no limit, no control, as to amount, by the Government. All history and experience teach that as you increase the volume of irredeemable currency in the same proportion you enhance the nominal price of all commodities, thereby encouraging wild schemes of speculation and visionary enterprises. And this is what is called *stimulating* the industries of the country. This policy renders a fixed standard of values impossible. And while this condition continues the wise and prudent man must stand near the shore, because when this volume of irredeemable currency is liable to fluctuate from day to day, thereby increasing or decreasing its purchasing power, no man is safe. If I purchase a piece of property to-day I cannot tell what it will be worth to-morrow, because the value of currency is constantly changing, and our best calculations may prove deceptive.

There is nothing that works greater injury and damage to the masses, to the producer and the consumer, to the merchant and the manufacturer, to the man of wealth and the laboring man, than this constant changing and unfixedness of values brought about by the unlimited issue of irredeemable currency. That great and learned statesman, Daniel Webster, when speaking upon this subject once, said that "it is one of the greatest of political evils;" that "it is against industry, frugality, and economy, and fosters the evil spirits of extravagance and speculation; and that of all the contrivances for cheating the laboring classes of mankind none has been found more effectual."

Mr. Speaker, in my judgment legislation by this Congress should be with a view to remedy and prevent these fluctuations in the value of our currency, and so far as possible place it upon a firm basis, a basis recognized by all nations in the civilized world. When we attain to this business will stand on an equally sound basis, and all branches of industry will be healthy and the people prosperous.

The exact amount of currency required for the business interests of the country cannot be determined by legislation. Neither is the amount material, when it is based on the standard of the world; as it then becomes redeemable, and for all the purposes of life is as good as gold.

But we are often told, on this floor and elsewhere, that the "panic" was brought on by the contraction of the currency, and that more is needed to prevent any sudden revulsion like that of September last. Now I utterly dissent from this idea, believing the facts do not warrant this conclusion. By reference to the annual report of the Treasurer of the United States, made to the Secretary of the Treasury, for the fiscal year ending June 30, 1873, we find that since the year 1869 there has been no contraction whatever, but rather a small increase in circulation.

On page 329 of this report we have a comparative statement of total outstanding legal-tenders for the last twelve years. But for my purpose I shall only take the years 1869 and 1873, and we shall see how this matter stands. This report shows that there was outstanding of legal-tenders, including fractional currency, on the 30th day of June, 1869, $391,649,558.61, while on the 30th day of June, 1873, there was outstanding, also including fractional currency, the sum of $401,527,267.94, showing not a contraction during this time, but an absolute increase of $9,877,709.33. During this interval of four years, from 1869 to 1873, the country as a whole was prosperous and all branches of industry were remunerative and apparently healthy, when all at once, and to the casual observer without warning, the crisis came and the country was shaken to its very center. Banks, insurance companies, and merchants failed or else suspended, and for a time everything seemed on the very verge of ruin.

Now, then, can this revulsion, sudden and unexpected, be accounted for on the theory that there had been a contraction of the currency, when in fact there had been no contraction; or upon the other equally fallacious one, the want of sufficient currency to meet the legitimate business of the country, when the people had never been more prosperous than during the four years immediately preceding the panic? In view of the history of the times, and the facts to which I have briefly referred, it seems to me no sane man can successfully maintain this position.

No, the panic came upon us from other causes and for other reasons. Paper money had become plenty, and stimulated by a desire to increase profits faster than regular legitimate business would permit, large investments had been made, involving great risk and hazard; credits had been unduly extended to corporations engaged in enterprises requiring the expenditure of millions before any return could be made, and being unable to meet obligations as they became due, a collapse was inevitable. The failure of one or two large concerns of course carried with them many smaller ones. Like a mill upon a stream giving way all below feel the shock, and wide-spread disaster to the whole country followed.

The Committee on Banking and Currency, evidently apprehensive that free banking without redemption would be disastrous to the best interests of the country, provide by the third section of the bill—

> That every association organized, or to be organized, under the provisions of this act, and of the several acts in amendment thereof, shall at all times keep and have on deposit in the Treasury of the United States, in lawful money of the United States, a sum equal to 5 per cent. of its circulation, to be held and used only for the redemption of such circulation.

In my judgment this section practically will be found of very little utility as a preventive of the almost unlimited issue of national-bank notes, and consequently a large inflation of the currency. This Congress has fixed the amount of legal-tenders that can be issued at $400,000,000; and it is the opinion of practical bankers that upon this basis $600,000,000 or more of national-bank notes can be put in circulation, and redemption as proposed by this bill easily maintained, without increasing the relative value of greenbacks. This would give a circulation of $1,000,000,000, sufficient to again unsettle the price of all commodities and set everything kiting.

Again, what is the object of or what is to be gained by this kind of redemption? Legal-tenders are worth no more than national-bank notes. Both are irredeemable, and for all practical purposes are of the same value. You redeem one kind of irredeemable currency with another kind of irredeemable currency of like value, and what does it amount to in a business point of view? It is like taking a dollar from one pocket and putting into the other, thinking that by the operation you have saved something to yourself, or else accomplished some public good. By this system of redemption, with the volume of legal-tenders at $400,000,000, you can never appreciate them so they will be worth more than national-bank notes, and hence this kind of redemption will be no check upon inflation. I look upon this bill as throwing the door wide open to an unlimited issue of irredeemable currency without practical redemption, *inflation* almost *pure* and *simple;* a policy to which I am unalterably opposed, believing, as I do, that a single step in this direction is fraught with danger to the best interest of the whole country, and especially to the poor laboring man, who earns his scanty living by daily toil.

While I am opposed to the bill now under consideration in its present form, I desire to say that I am not opposed to the principle of free banking, nay, would favor it, provided we could at the same time reduce the volume of greenbacks in the same proportion we increase the national-bank note circulation. With free banking, I would retire and cancel legal-tenders as national-bank notes are issued, until the whole amount outstanding should not exceed $200,000,000. This slow but gradual retirement of greenbacks would so appreciate them that before this point is reached they would stand at par with gold, while the aggregate amount of currency in circulation would not be changed a dollar. By this slow and almost imperceptible process the industries of the country would not be disturbed; because, knowing the policy of the Government, every man would shape his business relations to meet this order of things.

When the legal-tenders stand at par with gold no one wants the precious metals; and then more than $150,000,000 of gold, now locked up and only known as merchandise, would at once enter into circulation, increasing the volume of the same to that amount—a truth nearly lost sight of by our friends on the other side. Redemption would then mean something, because it would be made in gold or its equivalent, legal-tenders, and a redundancy of currency by way of national-bank notes under the operation of a free-banking law could not then be maintained, for the reason that, when more was issued than demanded for the wants of trade and commerce, they would immediately be sent home for redemption.

A free-banking law standing upon the basis here suggested I would favor; but a free-banking law with a system of redemption of no practical value to stand as a check against the unlimited issue of irredeemable paper currency, I repeat, can never meet my approval.

I do not favor the plan of the extremists on either side of this question. I am not in favor of any violent contraction, because that would tend largely to a shrinkage of values, and thereby unjustly oppress the debtor class and produce a general derangement and stagnation of business. Neither do I favor any kind of inflation, because in proportion as you increase the volume of irredeemable currency you depreciate its value, thereby working injury to the creditor class. If the increase be very considerable, this depreciated currency becomes plenty, and the nominal price of everything is increased, all sorts of extravagance are indulged by the people, reckless speculations are stimulated, extended credits are given on doubtful security, and the country well on the high road to another financial crash like the one just past. If this is not so, then history is a farce and experience a solemn mockery.

What the country needs is not more currency, but a better one; a currency that can at all times be converted into coin. I have no sympathy with that class of extremists who constantly denounce the legal-tenders as dishonored notes. They are not dishonored notes, for behind them stands the accumulated wealth of the nation pledged to their redemption at the earliest practicable moment. And yet to carry out this solemn pledge, made over and over again by the law-making power of the land and to keep good faith with the people, all legislation should be with a view to an appreciation of these notes and to their ultimate redemption in coin. Any legislation in the opposite direction is a step backward, in violation of good faith and against the judgment of mankind.

When we can make the greenback of to-day what it was when the first $150,000,000 were issued, to wit, convertible into gold-bearing bonds, or when it stands at par with gold, then can we remove all restrictions and establish absolute free banking, because redemption will then regulate the volume of currency required.

Mr. Speaker, the country needs rest, needs certainty, needs stability. As legislators, we should keep in mind this great central thought that it is our solemn duty to give to the people a currency good alike for the rich man and for the poor man; a currency equal in value to the standard of the world. This desirable end cannot be reached in a day nor a year, perhaps not in many years; but any step taken should be forward, and anything less than this will in my judgment work evil, and only evil, to the national interests of the country.

Mr. WHITEHEAD. I desire to submit a few remarks on this question; not, however, that I claim to be a financier, and if I were I do not think I should put myself to the trouble to commence with the beginning of the English government and come down to the present day either upon maps, as was done by the gentleman from Pennsylvania, or otherwise to show what was the proper currency of the people of *this* country.

I do not think that I could be convinced, though one rose from the dead, that our people have currency enough. How gentlemen have confused this matter I know not; but one thing I do know, that there

has been a confusion, whether produced by argument or whether it proceeds from causes that have never heretofore been discovered in the currency Department I am unable to say.

I intend to speak only for my own section of country; for I suppose on this subject, from the number of speeches that have been made, every man can take care of himself. I propose, then, to speak only in regard to my own people. Now gentleman have tried to persuade me of the truth of a great many things I never heard of before. I have understood loyalty to mean a very different thing from what I have heard spoken of as being loyalty on this floor. I have understood capital always to be a very different thing from what it has been asserted to be here.

My friend from Indiana [General COBURN] said to-day very truly that we did not want capital. If you mean by capital property, valuable property, why, sir, in my own State we have iron mines enough, if the iron was made into money, to redeem the entire public debt. But we cannot get the money to pay anybody to work to dig the iron out of the ground. We have this year fifty million pounds of tobacco, and it is now being crowded on the market, and there is not enough money in the banks there to buy one-fourth of it.

I understand, sir, very well the key-stone of this arch of returning to specie payments which gentlemen talk of. They do not want to return to specie payments; they never intended to return to specie payments; I do not believe there is anybody here who really wants to return to specie payments; and when gentlemen talk of returning to specie payments they have no more idea of going *there* than they have of going to heaven.

Mr. BARBER. We all want to go *there*.

Mr. WHITEHEAD. Perhaps you do all want to go there, and your hope to get there is a good deal stronger and your faith better founded than that of these gentlemen who talk about returning to specie payments. I have heard a story of a gentleman who heard that a bank was getting a little into trouble; it was in the days of the old State banks. He put a great roll of notes on the counter and told the cashier he must have the specie for them. There was a little run on the bank and the cashier tried to pursuade him that the bank was perfectly solvent, that the notes would pass quite readily, and nobody would refuse them, as nobody now refuses greenbacks. And, by the way, I am loyal on this subject. I never refused a greenback since the war. I do not know that I would have refused one during the war if I could have gotten hold of it. The gentleman, however, insisted on getting specie, and had $2,000 worth of silver paid over to him. He tied up that large amount in his handkerchief, and as he was taking it away the handkerchief burst open, the silver was scattered everywhere, and the boys gathered around to pick it up, and he had to beg the cashier to take it back. And so it is with greenbacks now. You do not want specie. The greenback buys everything you need to buy. And I, at least, am not here to say that the faith of this Government is not pledged for its redemption if any man wants it. I shall not say, like some gentlemen who hardly consider it right to call me loyal, that the money of this Government is a printed lie. I will not say that the money issued by this Government, with the faith of the Government pledged on its face for its redemption whenever it is proper to redeem it and best to redeem it, is a falsehood, and known to be a falsehood. I will not say I believe that when this Government in its day of trial to you and of trial to me, too, issued this money and pledged its faith for its redemption, that it was a fraud on the part of the Government when they issued it, and it was bought up by the men who now hold it and depreciate it. I, at least, do not say that the Government intends to commit a fraud.

These gentlemen are more loyal than I am! I should like to see them show it here now. These men claim to have more faith in this Government than I have! Let them show it, then, in some other way than by branding the money of their own Government.

Well, sir, I do not intend to be scared either. Gentlemen from New York tell us that this is not democracy. We have been told by several gentlemen that because we say we want more of this money, and that greenbacks are good enough for us in old Virginia, and that we are not suffering particularly, and are not anxious to get rid of the national-bank notes that we have, that we are not democratic. Now I rather think, sir, I have suffered about enough for what is called the democratic party down my way to have made these gentlemen take to their heels and into the republican party, if they had suffered it. These gentlemen vaunt their democracy when their pockets are touched. The New York Herald and other papers threaten war. There is going to be another rebellion up that way, and I suppose it will commence in New England or in New York. Well, I have not much to say on the subject of war. The Lord willing, I do not want to see any more of t; but if it does come from that quarter, I will be on the loyal side and I will help to see that they are whipped back into this Union in the quickest time ever made.

Sir, there seems to be a great deal of difficulty here as to what caused the panic, and gentlemen persist in saying that it was too much paper money. Well, I do not pretend to controvert their sources of information; but one thing I say, that we were perfectly satisfied in my section of the country that what caused the panic was a scarcity of money. There are plenty of United States bonds down there, bankers tell me; but if they had sold them they would have had to sell them at a sacrifice, and if they had tried to hypothecate them they colud not have gotten a cent even in New York. It was not, then, a plethora of paper money, it was a scarcity of paper money that caused the panic.

Now I think I can give a better reason for what caused the panic than this inflation of paper. If things had been as they were in the days of the confederacy when the paper got so low that forty dollars were worth only one, and when a man who went to market carried a basketful of money and brought back the marketing in his pocket, if it had so depreciated that every one had so much paper that you could not buy anything with it and a panic had taken place, then there would have been some show for saying that a plethora of money was the true reason. But when it is remembered that the depositors in the banks of the city of New York formed in line like an army before the doors of the banks and could not get their money out, because the banks did not have this "irredeemable paper" to pay them with, how was that a plethora of money? These gentlemen get very brave when they come here, but a greater set of cowards were never seen than they were, shivering in New York before the doors of banks and clamoring to the President to let out the $44,000,000 of reserve, and when they were bringing a pressure to bear upon the Secretary of the Treasury to do that which the gentleman from Rhode Island says was a violation of law, which his conscience will not let him sustain. Who made the Secretary of the Treasury violate the law? Who begged him to let out the $26,000,000? The gentlemen who appeared before the Committee on Banking and Currency, the distinguished chairman of which sits before me, who besieged the door of his committee-room to get him to report a bill here contracting the currency now, which they begged the Secretary to inflate then, and do it illegally, against law and against the business interests of the country. They inflated themselves by issuing their certified checks to keep their banks from breaking, and pledged each other to take those certified checks as money. They issued near $40,000,000 of certified checks in and around New York, and by organizations all over the country made an agreement that every bank should take the certified checks of another bank as cash, when the people stood at the doors of their banks begging them to pay their debts in these "irredeemable lies" of the General Government.

And now they talk about inflation. They come here and preach to us that we are dishonoring the country; they come here and preach through their Representatives and through the press that we are dishonoring the Government of our country, because we say in answer to the cries of the farmer, the laborer, the manufacturer of this country that to carry on their business there must be more of this irredeemable paper, as they call it, which the laborers, the farmers, and the manufacturers all take so gladly. They threaten us through the press, and upon this floor, with the consequences that must ensue to the country. They seem to think that they have the honor of the country in their keeping. They have got it in their pockets; that is the honor they are afraid of hurting. They know they bought that paper at three for one when the country was flooded with paper money, from 1861 to 1865, when in the North and South there was a flood of paper money; and when in April, 1865, the paper held by these men here—who furnished the officers while the West furnished the men for your Army—these men who made the money on shoddy contracts, these men who made money by the war, while the South was destroyed and the West was injured, when on that memorable day in April, in tears and sorrow, our money turned to ashes and theirs to gold—they come here now and say you shall make that gold even if it grinds the faces of the poor.

As the gentleman from Kentucky before me [Mr. BECK] said to-day, "Is that fraternal love?" Our paper money turned to ashes; theirs turned to gold. Now they come here, having conquered us in the South, having taken control of us by military authority and reconstructed us when we stood submissive as lambs; having brought us back kindly by the hand they said—but they had a thundering big switch in the other hand—they said that they had brought us back and intended to take care of us. They brought us back into the Union; and now they say, "Well, your money turned into ashes, you lost all your property, while our money turned into gold, and we made a great deal of it by the war, and by the help of Providence and the Congress of the United States we are going to keep ours gold, and we do not care whether you have any or not." And you call that fraternal love, kindness, and charity!

Is that the way to take care of a poor neighbor? I verily believe, Mr. Speaker, that I am like the man in the Bible who went down from Jerusalem to Jericho and fell in a certain place among a certain class of people, wounded and sick, and was left on the bank. Here comes one of these Samaritans from New England and passes away off on one side. Then comes a Levite from Connecticut—I expect he had a nutmeg with him—and he passes by.

We are told that we do not want any money; that we are mistaken; that the people in Virginia have made a mistake; that it is capital they want and not money. Well, what sort of capital? We have lands; we have tobacco and a plenty of it; we have good brandy and a great deal of it; we have fine iron mines, and we are trying to work them. A few northern men have come down there among us, with what? With capital? With money, and have put a few of these mines to work. We have not enough of what we call money. We have a plenty of property as a basis for money, and if it could be turned into money we would have money enough. But it is not the sort of thing that you can turn into money. We want money. They

say we want capital. I do not care whether you call it capital or not. What we need is a circulating medium, a sufficient amount of currency for the wants of the people of the State.

We pay into the Treasury of the United States Government every year $7,353,000 internal revenue, and we pay into the treasury of the State and for county taxes upward of $4,000,000, making a total of $11,992,000 which we pay each year for taxes. Our circulating medium is but $3,900,000. Now, how can we pay our taxes of $10,000,000 with $3,000,000? We have to get it from somewhere. Where do we get it? We have to borrow money as a State to pay our taxes. Now, when you have to borrow money to pay your taxes do you think that you have money enough? And when a State has to borrow money to pay its taxes to the General Government, do you mean to tell me that that State has money enough? We have crops there which would pay ten times that amount, yet the currency is not there to buy those crops. What are we forced to do then? We are forced to ship our crops to New York. There is the cat in this meal-tub.

[Here the hammer fell.]

The SPEAKER *pro tempore*. The time of the gentleman has expired.

Mr. MYERS. I hope the gentleman will be allowed to proceed.

Mr. WHITEHEAD. I will close up in a minute or two. I believe I was about to make a speech, but I will change my mind. We have to ship our crops to New York, Philadelphia, and Baltimore for the purpose of selling them to get money to pay our taxes. There is the tobacco of the manufacturer. Twenty cents a pound is more than the average cost of the original leaf article in most instances. Now, to put the stamps on his tobacco he must send somewhere to get the money to pay for the stamps in order to be able to get it out and sell it, and he must borrow money. Where does he get it? He hypothecates his tobacco in order to borrow the money. And so it is with the leaf tobacco and with all the other crops. And what do they in New York get? They get all the profit of the transportation; they get all the commercial profits, the brokerage, the insurance, everything of that kind goes there finally. All the profits of the crops of my State now land in these great cities, except the poor profit which the land-owner and the laborer makes.

Mr. MAYNARD. They do not charge you any interest, of course.

Mr. WHITEHEAD. They do not! In other words, under the operation of the currency system of the United States, as now executed upon the South and West, we are "hewers of wood and drawers of water" to these capitalists, having left to us the bare labor of our hands, while they take all the profits that make States great commercially. If our crops were sold in the city of Richmond and the currency circulated there in the hands of our merchants, the profits of the crops would inure to our State except what the consumer pays when the article is retailed out. This profit made from the West on the one hand and the South on the other by the exchange of these commodities through the influence of the currency system in these cities has made these cities rich and left the West and South poor.

The recent panic was caused simply by the fact that men had bought more than they could pay for with the currency that was on hand. There was not currency enough. Though the credit of the people was good, though the credit of the banks was good, though the credit of the merchants was good, there was not enough currency to move the crops and distribute them to the country. This was not found out until the crash came. Then it was discovered that there was not currency enough in the banks to meet the wants of the country; and that deficiency produced the panic.

One thing is certain: we have not in my State currency enough. That is shown to be so by the fact that our taxation is more than twice the amount of our circulation. But gentlemen say, "If you had the means there you could get currency." We could get it there if we had some better system than the present. There ought to be some system of relief under which a single set of men would not have a controlling monopoly. Why, sir, as to this system of national banks, I never in my life heard of but one man who considered it sound philosophy; I never heard of but one man who considered this principle on which the national banks are organized as a fair thing; and that was "Beau Hickman." He spoke of a gentleman "living upon the interest of the money he owed." That is just what the national banks do. The national bank buys up we will say $100,000 of United States bonds, bearing 6 per cent. interest in gold; and upon the deposit of those bonds in the Treasury it gets $90,000 in bank-notes, printed without cost to it. Now, while it is drawing interest on the $100,000 of bonds, it turns around and lends out $90,000, getting in my State until lately 8½ per cent. interest. Now there must be a "screw loose" in that operation. By that means the capitalist gets 14 per cent. on his money. This, I reckon, is a part of the "franchise" of which my friend from Rhode Island [Mr. PENDLETON] spoke. The negroes down in my country used to speak of a "franchise," which they regarded as some heavenly kind of a benefit. Now I want to know whether the gentleman from Rhode Island considers that one of the "franchises" of a national bank is the right to shave the people of Virginia at 14 per cent. That is the result of the operation. In other words, the bank lends out the $90,000 that it owes. Such a thing is not right; it is a monopoly. In whose hands is this monopoly chiefly centered? In the hands of people who have forty or sixty dollars *per capita* of circulation—the New England States. The result is that this system is a grind-stone in their hands, with the faces of the southern and western agriculturists against the stone.

Gentlemen say, "Why do you not establish banks, if you wish them?" We hear that now; we did not hear it a year ago. It was then said that there was not enough currency to establish any more banks down there. The Eastern and Middle States have drawn more than their proportion, and they do not want to give up the excess. Why? Because it is a good thing to have plenty of currency in New York and Philadelphia and Boston, but it is not a good thing to have it in the South and West. A curious state of affairs and bright example of Christian justice!

Upon this question I want to put myself upon the record for my State; and I speak for all parties down there, black and white, republican and democratic. The people of Virginia know that they have not currency enough to manage their affairs—to move their crops and carry on their other business. They want more. If you want to know what sort of currency we prefer, I say that we are truly loyal and will take the genuine legal-tender greenbacks, if it is the same thing to gentlemen of New England, who until lately claimed to have all the loyalty. Lately they have changed their minds about this paper money of the Government, which they say is a "printed lie." But we will take it in the State of Virginia at par, as equivalent to gold. More of this currency is what we say is necessary to give us prosperity.

Mr. Speaker, when you reduce the production of tobacco and cotton you will hear something in regard to the balance of trade which the distinguished gentleman from Wisconsin [Mr. MITCHELL] spoke about the other day. The balance of trade against us will be increased just as the exportation of cotton and tobacco is decreased.

Let me finish this point and I will conclude. The effect of a contraction of the currency upon the planting interests of the South amounts to this. There is plenty of land, plenty of the most productive land for cotton and tobacco; but if you narrow the facilities of the men who were brought up and thoroughly understand that interest, who know exactly how to plant and raise profitable crops of cotton and tobacco if they have a fair opportunity to do so, you will to that extent contract and shorten those crops. There will be a continual decrease in the production of cotton and tobacco in the country just as the currency is contracted. That will necessarily be so, because in the South those who raise cotton and tobacco are many of them in debt and have been relying on the borrowed capital of the banks for the purpose of carrying on the planting industries. Many are in debt now, and for the purpose of raising crops must have credit. If, therefore, you should seriously contract the currency and refuse to allow them facilities for raising their crops, you will compel them to give up the raising of large crops of cotton and tobacco, and force them to plant corn and raise their own meat instead of buying it from the West. In that way it will react upon the productive interests of the West; and it will be an injury not only to the South and West but to the whole country, because if we produce less cotton and less tobacco there will be less for the purpose of exportation, and when there is less cotton and tobacco exported we will receive less gold and silver in return, or a less quantity of goods in exchange, and the balance of trade will be against the United States and increased every succeeding year.

Now, in order that the people in the South may raise increased crops of cotton and tobacco it is necessary that the people who are engaged in that interest should have sufficient currency to successfully carry on their operations. You cannot take new men and carry on the planting interest. If you wish to increase the crops of tobacco and cotton, it is better to retain the men who understand the business. Our people in the South are in debt. There are judgment liens upon their lands, as we are told in the West; there are mortgages upon their farms. It is not an inflation of the currency therefore to enable them to procure the means by which they can pay off these debts. And it is for the purpose of relieving the working, the laboring people not only in the South but in the West and all over the country, that we ask for an increase of the currency and greater facilities for its distribution.

It is not an injury to the people of New England if we in the South and West are willing to raise our crops and receive payment in legal-tender currency. If they want to sell their crops for gold and silver we do not object to it, provided they allow us to sell ours for currency when we choose to do so. They are largely the creditor class, and of course they may wish to have gold and silver, but for us who are largely the debtor class paper money is the best. We do not object to the people of New England and the Middle States raising their crops and manufacturing their commodities and requiring gold and silver when they sell them; but we want the privilege of selling ours for paper in our own market towns, in order that we may pay our debts and the State get the benefit of the trade in its own productions.

Mr. EAMES. Mr. Speaker, on the 9th of last February I introduced a bill which was referred to the Committee on Banking and Currency, to the provisions of which I desire very briefly to call the attention of the House.

In any legislation by Congress upon the finances of the country it is desirable, if possible, to accomplish two things:

First, to take a step in the direction of resuming specie payment; or, in other words, to bring the currency to the standard of gold; and,

Second, in accomplishing this not to reduce or contract the present volume of currency, but rather, if possible, to increase this volume

for the business purposes of the country, if this may be done without any additional issue of legal-tenders or national-bank notes.

The bill to which I have referred will increase to a considerable extent the volume of currency without any change in the present limit of legal-tenders and national-bank notes, and will gradually place both on a par with coin.

It provides that the coin received and not required for the obligations of the National Government shall be kept in the United States Treasury, and it requires the national banks to retain as a reserve, instead of the legal-tenders, a portion of the coin which they receive from the United States for interest on the bonds deposited as security for their circulation.

This bill is in the direction of keeping the solemn pledge of the National Government to make provision at the earliest practicable period for the redemption of United States notes in coin, and it proposes to place the national banks in a position which will enable them to resume specie payments. This can be done only by accumulating gold and silver, without which no step toward resumption can be taken; and there is no difficulty either on the part of the National Government in reserving its surplus of coin, or on the part of the national banks in retaining a part of their interest in coin.

The national banks will only be required to retain a portion of what they receive in coin from the National Government as interest on their bonds, and the only loss which they will sustain will be the premium on gold, which will be but a small amount. The effect will be to put the banks in a position which will enable them to redeem their notes in coin. The gold thus retained will take the place of the legal-tenders now held as a reserve, and they will pass into and become a part of the circulation for the purposes of trade and commerce. This will make a large increase of legal-tenders in circulation.

There is now deposited in the United States Treasury upward of four hundred millions of bonds as security for the circulation of the national banks; some bearing interest at 6 per cent. and others at 5 per cent.

This increase or addition to the circulation, if all these bonds were at 6 per cent., would be twenty-four millions per annum, and if all were at 5 per cent. would be twenty millions per annum; and if only one-half of this interest was reserved in coin by the national banks the addition to the circulation would be twelve millions per annum at 6 per cent., and ten millions per annum at 5 per cent.; or even if only one-quarter of this interest should be reserved the addition to the present circulation would be increased, if the bonds were all at 6 per cent. six millions, and if 5 per cent. five millions per annum; a larger annual increase than would be secured by the bill proposed at the last session of Congress by the Comptroller of the Currency to increase the national-bank circulation to the amount of twenty-five millions at the rate as proposed of five millions per annum for a period of five years.

The bill also proposes to retain in the United States Treasury any surplus of coin not required to meet the national obligations in coin. It may be in the present condition of the Treasury that the national Government will require its surplus coin to meet its present obligations in coin; but it is unreasonable, as it appears to me, to suppose that the Treasury in the near future may not be able to reserve, without injury to itself or the business interests of the country, an amount of coin which in a few years would enable it to pay upon demand in coin its legal-tenders. There is now in the United States Treasury gold to the amount of about eighty-six millions, and by the last statement of the Secretary of the Treasury two millions of the public debt have been paid during the last month. With the return of prosperity to the business interests of the country there can be no reasonable doubt but that the National Government may be able to reserve an amount in coin which will restore the legal tender in its purchasable value to par with gold.

Since March, 1869, over three hundred millions of the public debt have been paid. If for a few years to come the receipts are applied simply to the current obligations of the National Government and the interest on the public debt, including such amount as may be necessary to keep intact the sinking fund, there will be no difficulty in retaining sufficient gold in the United States Treasury to answer the purposes of this bill and to enable the United States to keep its pledge to the country and the world to redeem in coin the outstanding legal-tenders.

With this reserve in gold in the United States Treasury and in the vaults of the national banks, the legal-tenders and the national-bank notes would soon be at par, and when once the public confidence in this respect is restored, both legal-tenders and national-bank notes will be preferred to gold as a circulating medium for all the purposes of supplying the capital which is required to develop the industrial and commercial interests of the country.

Practically it requires but a small amount of gold and silver to place the legal-tenders and national-bank notes on a par with coin, and to restore the confidence which is necessary to keep them at this point in their purchasable value.

This is true of every specie-paying country in the world, and it has always been true in this country, whatever may have been the nature of the currency used as a circulating medium, whether issued by banks under State or national laws.

It may be said that the accumulation of gold in this way in the United States Treasury and in the vaults of the national banks will raise the premium on gold, depreciate the purchasable value of the legal-tenders and national-bank notes, and thus prove injurious to the business interests of the country.

But why should this be the effect if the accumulations are gradual and comparatively in small amounts, as is provided by this bill? The product of the mines of the country is from fifty to sixty millions per annum. This amount is sufficient to meet any balance of our indebtedness to foreign countries, which for years past has not exceeded if it has averaged this amount. The interest on the public debt as well as the amount required for the sinking fund will hereafter as heretofore be met by the duties on imports; and this small retention of gold, it seems to me, would not disturb the business of the country, nor would it appreciably affect the price or premium on gold.

The proposition of the bill to which I have referred is plain. It seems to me that it is practicable, and if so it ought to be adopted, because it will result in an increase of the currency without any additional issue of either greenbacks or national-bank notes. It is a step in the direction of resumption of specie payment. It keeps the pledge of the National Government and of the republican party, and it accomplishes these ends without disturbing the existing relation of the circulating medium to capital, labor, trade, or commerce. It leaves the legal-tenders at the present limit of three hundred and fifty-six millions; it leaves the national banks to their present issue of three hundred and fifty-four millions. It keeps, I repeat, the solemn promise of the National Government to provide as soon as practicable for the redemption of the legal-tenders in coin; and it leaves the national banks the privileges to which they are justly entitled under existing law, and upon the faith of which, as secured by existing law, they invested their capital in the time of the nation's great peril.

Having thus called the attention of the House to the provisions of this bill, I desire, Mr. Speaker, to reply to the complaints which have been made in the course of the debate of the inequality and injustice of the distribution of the national-bank circulation. Nearly every member of the House who has favored an increase of circulation has presented tables exhibiting how much *per capita* in proportion to population, how much per square mile in proportion to territory, and how much in proportion to revenues derived by the National Government, the Middle and New England States have received of the national-bank circulation, and comparatively in these respects how small a part the Western and Southern States have received.

These tables, upon such comparisons, no doubt show that the larger part of this circulation is in the Middle and New England States, and upon such comparisons this inequality is made the occasion of charging the national banks in these States with a great wrong and injustice to the other States, and also is made an excuse for increasing the present limit of the circulation of legal-tenders and national-bank notes either by free banking or by other schemes of inflation indefinitely, or to a fixed limit beyond the present issue.

This complaint, in my judgment, is without just cause, whether considered with reference to the necessities of the country when the national banks were established or in the light of the equitable distribution of this circulation under the provision of the law, or the direction which it must have taken if left to the inevitable laws of trade and commerce.

The national system of banking was organized in June, 1864.

Mr. MAYNARD. Was not the original national-bank act passed in 1863?

Mr. EAMES. The act of 1863 was in force for a very short time, and was repealed by the act of 1864. Very few of these banks were organized under it. I know that in the section of country where I reside there were few of them organized under that act. It was not until after the act of March 3, 1865, these banks commenced to organize under this national system.

Mr. MAYNARD. Eighteen hundred and sixty-four?

Mr. EAMES. March 3, 1865, I mean.

Previous to that time the capital which was then invested in the national banks was employed for the purposes of trade and commerce under the laws of the several States. Under the State laws a system of banking existed which supplied the circulation which was required under regulations which made the bills of the State banks safe to the holders and sufficient for the business purposes of the States in which they were located. It was a safe, convenient, and reliable mode of supplying circulation based upon specie payment, and with limitations and restrictions which made these banks safe, and guarded them against any excess of issue by a system of redemption under which in case of excess the bills were returned to the banks of issue for redemption either in specie or its equivalent.

But the necessities of the National Government in its struggle for the life of the Republic suggested the present system of national banking. The revenues of the national Government were rapidly diminishing; its expenses were daily increasing; its legal-tenders, Treasury notes with and without interest, and its bonds were depreciating in the market and had reached their limit either for sale or circulation; its credit was seriously impaired, and it could neither pay nor borrow what was necessary to meet the enormous daily expenditures incurred in defense of the Republic.

At this period, and as a means of restoring the national credit, the national banks were established, requiring the purchase and the deposit in the United States Treasury of a very large amount of national

bonds. The States were not inclined to make the change in their existing system of banking, and comparatively few did make the change until by the act of March 3, 1865, a tax of 10 per cent. upon their circulation left them no choice, and in fact compelled them to organize under the national banking law. By this act of March 3, 1865, the State banks were taxed out of existence and forced to accept the provisions of the national law with all its restrictions, limitations, and burdens.

The circulation was limited under the act of June 3, 1864, to 90 per cent. of the bonds deposited, and under the act of March 3, 1865, was to be furnished to each association in proportion to its paid-up capital, if the capital was $500,000 or under 90 per cent. of the par value of the bonds; to each when the capital exceeded $500,000 but was not over a million, 80 per cent.; to each where the capital exceeded one and was less than three millions, 75 per cent.; and to each whose capital was over three millions, 60 per cent.

They were required to keep as a reserve in lawful money 25 per cent. in banks of redemption in certain cities named in the act, and 15 per cent. in the other banks organized under the act. Before declaring a dividend they were required to carry one-tenth of their semi-annual net profits to a surplus fund, until it amounted to 20 per cent. of their capital stock.

The stockholders were made individually liable for all debts, contracts, and engagements of the bank to the extent of their stock, in addition to the amount invested in the stock.

A tax of 1 per cent. was imposed upon the circulation; ½ per cent. on the deposits; ¼ per cent. on the capital in excess of the bonds; 5 per cent. on the dividends and surplus earnings; and a license tax of ⅛ of 1 per cent. on their capital; from which sources since their organization millions of revenue have been derived to the National Government annually, of which, derived from the tax on circulation alone, upward of $15,000,000 are in the national Treasury to meet and defray the expenses incurred under this system of banking.

It was under these circumstances that the State banks were forced to accept the provisions of the national banking law and to invest their capital in and organize under the national system of banking then established. Complying with all these provisions, they became entitled to such proportion of the circulation, as then limited, in accordance with the provisions of the law then in force for its distribution. And that is now all they have, and that I venture to assert they are in justice entitled to hold without just cause of complaint from any part or section of the country.

One hundred and fifty millions were distributed according to representative population, and one hundred and fifty millions according to existing banking capital, resources and business, and under these provisions the national banks received only what they were justly entitled to receive. The additional fifty-four millions were reserved for such parts of the country as had not applied for any part of the three hundred millions. This distribution was made under the law. If there was anything unjust or unequal, the injustice or inequality was of the law under which the distribution was made, and upon the faith of which the investments were made by the State banks which organized under it.

The rule of distribution was just and equitable. It can hardly be claimed that the distribution should have been made according to the number of square miles of territory within the limits of a State, or solely upon the basis of population. Based as it was under the law on population, banking capital, resources and business, it was perhaps as equitable and equal a distribution as could have been devised, and if redistributed now the principle which was then adopted would not probably be changed.

Upon this basis the circulation, within the limits fixed by law, was open to the States then in the Union, without distinction, and all the States which desired to make the investment of their capital in United States bonds and organize under the law had a fair and equal opportunity to secure their just and equal proportion of the circulation.

The Southern States were then out of the Union, and had no desire to make any investment in the direction of defending the integrity of the Union or saving the life of the Republic.

The Western States did invest, no doubt, to the extent of their wants or ability, or declined to do so because they could employ their capital in more profitable investments, and some of these States, even after having organized under the law, were not inclined to avail themselves of its privileges, as is evident from the fact that they voluntarily relinquished the circulation which they had received, and went into liquidation.

The other States needing the capital took their just portion, and they retained and used it, and this is the only ground upon which the complaints against them rest. They hold only what is justly their own, and what they have fully paid for. This complaint ought not to have been made, or the comparison between the States should extend to the differences which exist in the wealth of the people *per capita*, and it would be as just in this respect as is the charge of inequality and injustice in the distribution of the national-bank circulation. And yet this alleged inequality is made the occasion for increasing the currency irrespective of whether the business interests of the country demand such increase or not.

There seems to be a misapprehension of the real profits which are derived from banking under the national system. These national banks hold as actual capital for loan and discount only about seventy-five dollars for an investment in United States bonds that are worth $120 for each $100 of their face. They are subject to onerous taxes upon their capital, circulation, deposits, and earnings.

Their average dividends have not exceeded 10 per cent. on their capital and surplus earnings for the last five years under the existing laws. The purchase of United States 5 per cent. bonds, at a premium of fifteen dollars on the hundred, in exchange for 90 per cent. of their par value in national-bank notes, from 15 to 25 per cent. of which is required to be kept as a reserve, apparently does not offer a very strong inducement for the investment of capital with a reasonable expectation of deriving from it a very large profit.

But, Mr. Speaker, the investments made by the national banks in 1864 were made upon the faith of the provisions of the national banking law then in force. The banks which now hold the circulation which they then received ought in justice to retain it for the twenty years for which their charters were granted.

The act of 1864 under which the national banks organized and received the circulation which they now have provides in the eighth section as follows:

> Such association shall have power to adopt a corporate seal, and shall have succession by the name designated in its organization certificate, for the period of twenty years from its organization, unless sooner dissolved according to the provisions of its articles of association, or by the act of its stockholders owning two-thirds of its stock, or unless the franchise shall be forfeited by a violation of this act.

To withdraw any portion of it now, or in any way to legislate so as to prejudice their rights and privileges under the law on the faith of which the original investments were made, before one-half of this period has expired, is a wrong and injustice; and the law requiring the withdrawal of any part of their present circulation ought to be repealed, whether it be wise or not to increase the existing circulation or to restrict it to its present limits. The withdrawal of this circulation will be an injury to these banks. It is doubtful if any other portion of the country will derive any benefit from it.

It is true, Mr. Speaker, that a national bank is a convenience to any locality where it is established; but aside from this it makes no difference practically where these national banks are located. Their circulation will be employed wherever the interests of business demand it. And I venture to assert that if a new distribution should be made of the national-bank circulation upon the principles of the distribution under the act of March 3, 1865, or upon any sound financial principle, the result would be between different sections of the country as great an inequality as now exists.

Upon any such principle the State which I here in part represent would get more than if the distribution was made according to the square miles within her limits; more than if distributed in proportion to her population; perhaps as much as she now has, and then no more than her just proportion according to the demands of her industries and the capital employed in them, and her ability to purchase the bonds required as security for the circulation issued.

Her present circulation is less now compared with her wealth than it was before the national banks were established. In 1862, as appears by the last report of the Comptroller of the Currency, the ratio of her circulation to wealth was 4.7 per cent. In 1873 it was 4.5 per cent. This inequality, therefore, is neither a just cause of complaint against the existing national banks, nor does it furnish any excuse for increasing the limit of circulation as now fixed by law.

It is not my purpose, Mr. Speaker, to discuss the merits of the other plans which have been presented as a remedy for existing evils in the finances of the country. To retire the national-bank notes and issue in their stead legal-tenders, or to issue three sixty-five bonds as currency or as a medium of exchange and thus make the National Government the money agent of the country, is, as it seems to me, a step in the direction of uniting the purse and the sword. It would be far better to retire the greenbacks and issue an equal amount of national-bank notes, and thus divorce the National Government from its unnatural position of acting as the financial agent of the country in furnishing a circulating medium. Free banking is an experiment, and unless based on specie redemption it cannot be foreseen with any reasonble certainty to what extent it will increase the circulation of national-bank notes. In the present financial condition of the country and its industrial and commercial interests, it is no time to enter upon untried experiments.

The bill which I introduced, and to the provisions of which I have called the attention of the House, makes no radical change. It is the suggestion of one of my constituents, a successful business man, familiar with the principles of banking under the State and national systems, and possessed in an eminent degree of that rare quality known as good, sound common sense. It appears to me that no better plan has been suggested. It requires but one thing, the retention by the national banks and the National Government of a small amount of gold, without which under any plan which may be proposed there is no hope of resuming specie payments. I have brought it to the attention of the House in the hope that it will receive its careful consideration, and meet with its approval. Although it is a step in the direction of resumption, it increases the volume of currency without adding to the present issues of legal-tenders or national-bank notes.

[During the delivery of Mr. EAMES'S speech, his time having expired, Mr. DUNNELL yielded him a portion of his time.]

Mr. DUNNELL. Mr. Speaker, I do not rise to discuss the currency

question, nor have I had the purpose to do so. I should have said nothing at all during this discussion but for some remarks which were made to-day by the gentleman from Pennsylvania, [Mr. TOWNSEND.] I may say, however, before alluding to his remarks, that my constituents expect me to vote for some increase of the currency. They would be glad to have a properly guarded system of free banking. In that direction I shall vote if I am able to do so with the bills and amendments which are before the House.

The gentleman from Pennsylvania [Mr. TOWNSEND] in his remarks to-day gave some data in regard to the railroads of the State which I have the honor in part to represent upon this floor. I have feared those remarks would be open to a wrong construction and do dishonor to my State. Hence I am inclined to make reference to them.

He said the net earnings of the seventeen hundred miles of railroad in Minnesota in the past year had not been paying the running expenses within more than $3,000,000. It should be here stated that there were expended in that State during the past year much more than $3,000,000 in the construction of new roads or in the extension of roads already in existence. It could not be expected, therefore, that these would give a return upon the money thus expended during that year.

It should also be stated that the roads which have been built in Minnesota for the last two or three years have been built on the frontier of the State; many, many scores of miles built out beyond any inhabitants, out on the vast prairies which we expect very soon to see occupied and well cultivated. Those roads do not now pay. The gentleman might have stated that fact, and not left the impression that the young State of Minnesota was at all in a condition of bankruptcy, or that she was not indeed in a highly prosperous condition. My State was never more prosperous than it is to-day.

One sentence in that extract which the gentleman says he took from the North American Review does injustice to my State. The covert allusion is made there to certain State indebtedness. With our seventeen hundred miles of railroad, our State rapidly filling up, with an increase of twenty, thirty, or forty thousand inhabitants each year, we do not look upon any indebtedness of ours as at all crushing our industries, or at all blighting our fair and brilliant prospects as a State.

I felt that I was called upon, therefore, to make the remark that it should be remembered that in our State, not yet fourteen years old, as a State, we have seventeen hundred miles of railroad; that we have between twenty and thirty million bushels of wheat to send to market this year; that we have made these rapid strides during this time. And I may say here, Mr. Speaker, that not a decade will pass by before these roads will pay good dividends; before all along their lines there will be thrifty towns and well-settled farming communities. I have made these remarks simply in reply to the gentleman from Pennsylvania. I know he did not intend to do injustice to my State. But the extract, unexplained, would seem to imply that Minnesota had been unmindful of her obligations, or was indeed in a very bad financial condition.

We want a little more currency out there. Under the Senate bill we are to get some $200,000 more. That probably will meet our demands for the present. We are willing to accept the action of the Senate in this respect. But gentlemen from the East must remember that we of the West need somewhat more of currency. I hope they will concede it to us cheerfully. We need it and can use it in the development of the new West and so help augment the wealth of a common country.

Mr. THOMAS, of Virginia. I do not propose to inflict a speech on the House at this late hour of the night, but wish to state one or two conclusions at which I have arrived in listening to the lengthened and protracted debate on this currency question. There are some facts, sir, which stand out so apparent that we would have to close our eyes and shut our ears not to see and hear them. From some sections of the Union comes the cry of "more money" almost with a unanimous voice upon this floor. From other sections the cry is, "No more money, but the quality of money improved." Why, sir, is this difference of opinion on this great question? It can be narrowed down still further when we come to scrutinize this question with a little more accuracy and look into it more closely. You may go into a community and there you will find among members of that community the same divergence of opinion that we find here among different sections of the Union. You will find the citizen who is in difficulty there by extravagance, unfortunate speculation, or in consequence of some calamity that may have overtaken him, wants more currency. His cry is he wants more money. He has not got money enough to pay his debts, and he thinks the volume of currency ought to be expanded, that he may be enabled in some way to realize some portion of the currency for his share in the event of the expansion that he hopes to take place. When, on the other hand, you see the prosperous man, the man of energy and activity, the man who is thriving in his trade and in his pursuits, who is out of debt, you find that he does not want any more currency; he is satisfied to let things remain just as they are now. But this he does want, this he asks—and I state it as the opinion I believe of the entire trading community that I have the honor to represent here—that this question shall be finally settled; that we shall cease to agitate it and discuss it; that we shall bring it to a vote, and do what we are going to do, so that the capital now locked up may go into circulation and supply that very deficiency of which so many gentlemen now complain.

I ask, sir, has it been shown by any man on this floor that there is less currency in the United States now than there was in the summer of 1873? Was there any complaint of scarcity of money then? No, sir. Every branch of industry then throughout the entire land was prosperous. The mines were being fully developed, machinery of all kinds was in active operation. Commerce was flourishing. Agricultural pursuits were being rapidly invigorated. This was the state of things until the panic of September, 1873, came on. Since then this cry of scarcity of currency has been raised. Why has that cry gone up? Has it been because the currency has been contracted? Has it been drawn in since then? Has any of it been burned up or destroyed? No, sir. Beyond the ordinary casualties of trade and the destruction of small amounts of currency by fire or the sinking of steamboats, or something of that kind, not a dollar of this currency has been destroyed. It is now in the hands of our people. Why does it not go into circulation? It is because we want confidence restored. The business men, sir, of the country want to see and to know what is to be the result of all this financial agitation, all this speaking and talking upon the banking question of the country. When that question is settled the man who has the money now will put it into circulation that he may realize the whole benefit of the profit resulting from proper and legitimate trade. That is what we want to put money into circulation.

I listened, Mr. Speaker, with a great deal of pleasure to the interesting and amusing speech of my colleague on the other side of the House, [Mr. WHITEHEAD.] In some things I agreed with him and in others I wholly disagreed with him. I was really a little surprised at one position he took. He told us correctly that we paid about $7,000,000 of revenue to the National Government under the internal-revenue laws. We pay about two and a half millions to our State under our system of State taxation, and we pay some three millions annually for county and township taxes. He asks the question how we can pay that out of about three and a half millions of bank circulation that we have in the State; and his answer was that we make up the difference by borrowing the balance. In that last proposition I totally disagree with my honorable colleague.

Mr. WHITEHEAD. I see that my colleague misunderstood me.

Mr. THOMAS, of Virginia. Of course I am willing to be corrected.

Mr. WHITEHEAD. I know from what my colleague says that he supposed I meant by the word "borrowed" that men borrowed individually to pay their taxes. I did not mean that. I meant and said that it was borrowed by the State of northern capitalists, not that individuals borrowed it.

Mr. THOMAS, of Virginia. I accept with pleasure the explanation of my colleague and it comes to what my observation is, and I think his observation will confirm me in it. You may go into the State of Virginia, and in the district I have the honor to represent here, in the midst of the tobacco region, and look at the currency of the United States in circulation there, and nineteen dollars out of every twenty of it I undertake to say come from beyond the limits of Virginia, and has not been issued by the banks in our own State. That is where our money comes from.

Go to the town of Danville, the leading tobacco market in my district, and there you will find capitalists from Saint Louis, from Louisville, Kentucky, from New Orleans; and you will see one from New York, and another from Philadelphia, and some from Canada, coming with money in their pockets to buy the leaf-tobacco, for which that region is celebrated, for fancy chewing-tobacco. There is where the money comes from; there is where we get our circulating medium. It is not based on the capital of the banks within our limits. If it was so it would not be adequate to the payment of half our debts. That money is not borrowed; we give our produce for it. It is paid to us for our tobacco and all the surplus produce of that country which we put in market, and for which we receive in the main fair and remunerative prices.

Sir, I say here now that I do not claim that the people of Virginia are so very poor as we are sometimes told we are. It is true we suffered the calamity of war. We lost our slave property. We are now passing through the transition from slave to free labor, and all the incidental disadvantages of that transition have been upon us for the last ten years. But I am happy to say that we are rapidly passing through; that we are seeing ahead of us brighter and better days; and all our people want is stability in the currency, to know what kind and amount of currency we are to have, so that the capitalist may arrange his plans and his schemes of investment; so that the agriculturist may rear his products with a view of knowing the amount of money he will probably receive for it, and its purchasing value when he has received it for his surplus products.

Sir, it is not the amount of money so much as that we want to know whether it is to be more or less, that we may put our house in order and be ready for the change when it comes upon us.

Sir, suppose we increase the banking capital; suppose we put it at any amount we think proper; suppose you increase the national-bank circulation up to $500,000,000, how can we of the South get capital there unless we have means to purchase bonds, upon the faith of which these notes are issued? We must rely upon capital; and it will be idle to talk about an increase of the currency with a view of bet-

tering our condition financially if it is to be bettered by expanding the currency for us.

We can only get banks by having capital with which to buy bonds to place on deposit in the Treasury, upon which the national-bank notes are issued at the rate of ninety dollars in currency for one hundred in bonds. And when we have money to buy the bonds, we have all the money we want, and there is no necessity for laying it out in banking capital, which actually diminishes the amount of currency in our midst; for the money must be used to buy the bonds, and we get but ninety dollars in currency for one hundred in bonds.

Mr. WHITEHEAD. Will my colleague allow me to ask him a question?

Mr. THOMAS, of Virginia. Certainly.

Mr. WHITEHEAD. I would ask my colleague if he regards the two leading republican papers in the State of Virginia, the State Journal and the Lynchburgh Press, as expressing properly the opinion of the republican party?

Mr. THOMAS, of Virginia. I think they represent the men who are in debt, and not those who are out of debt and want to keep out of debt.

Mr. WHITEHEAD. The gentleman does not answer my question. Do they represent the general sentiment of the republican party in Virginia?

Mr. THOMAS, of Virginia. I will answer that question. In my judgment, the great body of the republican party in Virginia are not in debt, because they have not had the credit which would enable them to get into debt. Those who are in debt constitute but a small fragment of the entire republican party in the State.

Mr. WHITEHEAD. My colleague still does not answer my question. I ask him if in Virginia the State Journal and the Lynchburgh Press are in favor of expansion of the currency, of more currency?

Mr. THOMAS, of Virginia. I understand that they are. I see the State Journal daily, and that is the conclusion I deduce from its editorials. But I say in that respect it does not represent what I believe to be the true interests and sentiments of the great majority of the republican party in Virginia.

Mr. WHITEHEAD. That is not my question. I will ask another. Is there more than one paper of the opposite side in the State of Virginia that is not in favor of an expansion or an increase of currency; that is, the Petersburgh News?

Mr. THOMAS, of Virginia. I will answer the question of my colleague, and I will even go further and say that every paper in the State of Virginia might ask for a greater volume of currency. I will not dispute the fact that there are a large number of papers and a large portion of our citizens who want more currency, as they say. But when you come to examine the reason, and ask them why they want more currency, it is because they want to pay their debts in a currency that costs less than that for which they gave their notes and bonds. I consider this the true standard; when I give my bond for $100, either in currency or in property to be measured in currency, no act of legislation should release me from paying the last cent I contracted to pay not nominally in currency, but actually in currency of the same purchasing power that was in existence at the time I entered into the contract.

So, on the other hand, I hold it to be demoralizing if you permit a man to contract a debt and stimulate him with the idea that you will so inflate the currency as to enable him to pay that debt with less than he received. That is discouraging to industry. I hold that the true doctrine is this, in relation to the industries of our country of all kinds: Let the currency be sound, free from fluctuations; let every man be able to deposit a dollar in a bank or elsewhere with the confident assurance that it will not diminish in value, that he will not be stimulated to speculate upon it, for fear it may become less valuable by depreciation; let him be encouraged to accumulate his gains day by day, and add to his earnings until his savings are sufficiently large in amount to enable him to buy something of value to himself or to his family.

Money, it is true, may at times be easily acquired. But money so acquired is spent with the same kind of ease, and it is not accumulated in our hands. This complaint of a lack of currency, in my judgment, and as far as my observation goes, rests upon the fact that there are many persons in this country who want to make money but are not willing to wait the slow, regular, consistent course of honest industry. They want to make it by speculation of some kind or other, and what they want is more money to go upon, and they think if you will swell the volume of the currency by some indefinable process a portion of it will find its way into their pockets when they have nothing to give for it, and thus they will be enabled to engage in some wild speculations that may or may not inure to their benefit.

[Here the hammer fell.]

[Mr. FIELD addressed the House. His remarks will appear in the Appendix.]

Mr. MELLISH. Mr. Speaker, I find that thoughtful men judge that no currency measure is likely to be adopted that will do any good. The chances are that any change likely to be made will work mischief. If currency matters should grow worse, as they certainly will with the adoption of the report of the committee, at the next session mine or some similar plan will come up with invincible strength. But it seems to me to be scarcely less than an insult to the intelligence of the House to suppose that, looking through the vision of unprejudiced intellectual operations, members will not fail to discern that the committee's bill is framed in the interest of the bank monopoly and will be disastrous in its effects upon the business and industry of the country.

I believe I have presented the true plan for a national currency. Will it not pay off at once about $380,000,000 of the national debt, or about 20 per cent. of the total? That is not a small matter, but it *is* among the least valuable features of the plan. It will relieve the people forever hereafter from the fears of a possible suspension of bank redemptions and from the fearful mischiefs of actual suspensions. It would secure the people from the manifest and manifold ills which grow out of a changing volume of currency; and inasmuch as the currency could not pass out of the country, it would always have the same purchasing power in the country; and finally, and best of all, the currency would be of the same value in every town in the Union and in the purse of every inhabitant of our broad land. If it were once established and in general circulation the people would never give it up. Industry would thrive, production would increase, commerce would flourish, and wealth accumulate, so that within a few years the balance of trade would be in our favor, and we should very soon become the money-lending instead of a money-borrowing people.

I call the attention of the House to the circumstance that our fractional paper currency amounts to nearly $50,000,000; that it is approved and preferred to metallic currency by everybody; and that it is very nearly identical with "the money of the United States" provided by the bill I have advocated. It contains no promise to pay; is redeemable in paper money which is itself irredeemable; is receivable in payment of certain dues to the United States in sums less than five dollars, but is not a tender in payment of debts. Yet it is popular, and it is believed would be at full par with silver coin if it had the quality of legal tender. And it is said over $10,000,000 of fractional currency has been lost or destroyed—so much clear gain to the Government.

An amount equal to nearly the whole volume of greenbacks each year passes into and out of the public Treasury in public dues and in liquidation of the debts of the country. And a currency thus steadily redeemed every year by the party issuing it will have a better redemption than any currency yet known in this country.

Of course the question of the currency is and always will be a great theme, one very difficult to treat, and one which I do not now for lack of time propose to discuss in even a cursory manner. Fortunately the popular mind is no longer under the spell of gold, and can think of money other than of the metallic type. But, as I said, I do not propose to discuss the general subject at this time, and shall have accomplished all that I desire in obtaining the floor when I have stated that I heard and read the speech of the gentleman on the committee from Michigan, [Mr. HUBBELL,] and found that in his reference to my remarks on the bill to provide the money of the United States and to regulate its value he satisfied himself with irony instead of trying to satisfy the House with sensible argument. If he is content with that I have no doubt the House is. If an opponent's arguments are not worthy of *candid* response they are not worthy of any notice. I will merely add that a debater who resorts to irony, ridicule, or denunciation does so because he cannot afford to allow the positions of his antagonist to remain unanswered, and does not feel competent to refute them.

My colleague [Mr. COX] yesterday in a carefully elaborated speech—the commas and semicolons being duly set in their places in print before it was read in the House—having paid his respects to me, albeit in a left-handed manner, I take the first opportunity to repay the obligation. It is eminently Coxian and good natured, and I do not complain of it at all. I hope my response will not be construed in any different spirit. The gentleman from New York City, my colleague, [Mr. COX,] is a phenomenon. In his case the sun rose in the West, and he had a splendid career for a while. His unexampled wit, his extraordinary erudition and altogether resplendent eloquence, had been heard in the prairie country so much, so often, and so long, that, like a redundant currency, it fell off in value as it increased in volume. And having a sharp insight to the main chance and a pretty clear apprehension of surrounding circumstances, he concluded to seek new fields of enterprise, and took up his carpet-bag and emigrated to New York. Having proved not altogether a success among the clear-headed independent population of the West, he set himself down and selected a constituency in the city of New York. He offered himself to Tammany Hall—to the Tammany Society (which, by the way, is an eminent charitable organization in the city of New York, made up of wise sachems and extraordinary braves, such as Matt. Brennan, who is just out of jail, John Morrissey, the statesman-prisoner Tweed, and like characters) just at the time when, by an exposure of its financial enterprises, most all of its leading men had been convicted of felonies or escaped conviction by prompt emigration. Tammany had the sense to see that the young and versatile orator of the West would be a brilliant trump-card. They were not mistaken. Though a carpet-bagger, they adopted him and embraced him, and sent him here; and here he is, in his own language, "fresh as a dew-drop glittering on a rose," and quite as weighty in the counsels of the House.

It will not be denied that he is possessed of a versatility of talent, a keen faculty of party management. He contested the speakership with his veteran colleague on the basis of opposition to the

salary-grab. Having ascertained that "that cock would not fight," he received his pay, it is alleged and has not been denied, for the first month of his service in this Congress at the rate of $35,000 a year. Having accomplished this financial achievement, "honors were easy" between him and the "back-pay" men. Though he was evidently yesterday confused on financial matters, he was clear-headed enough when he was drawing his pay at the rate of $36,000 a year. And it is to be hoped that this treasure is laid up where his famous "moths" do not corrupt. I claim for my colleague great versatility of talent. Who doubts it? Not only an orator, a financier, he is also the funny man of the House. Though he has not donned the motley, it is evident enough that he has proved himself entitled to wear it. If not by "the adamantine necessity of nature," certainly by "the eternal fitness of things," "motley's his only wear."

He unblushingly boasts, if I understand him, that he voted against issuing greenbacks when the exigencies of the country were such that it was indispensably necessary they should be issued in order to carry forward the war. Probably if the gentleman's record were to leap to light it would be found that this was but one of a long line of unpatriotic votes during the war.

A gentleman having built and ensconced himself in so fragile and unsubstantial a political house of glass can hardly expect to be allowed to sit in his open window and throw stones at passers by with impunity. To uncover his record would be to expose him to criticisms which a wise prudence would shun, even though in a case where "shame being lost, all virtue is lost."

The gentleman charges me with the atrocious crime of having beaten two Democrats in my district in the congressional canvass. I hope I do not exceed the modesty of nature when I say that I am confident I could have beaten six. I prefer to have been sent here from having run upward of a thousand ahead of the republican ticket, to have been sent here as the accident of an accident, and that accident the accident of death. At least I trust I should not have attempted to profit by a dispensation of Providence at the rate of $36,000 a year.

Now, my colleague is in the habit of introducing nursery rhymes in his speeches. Following his precedent, I venture to present him one upon which he is at liberty to practice in his leisure moments, (it may be sung to the tune, "Mary had a Little Lamb:")

My colleague had a little month,
A little month, or so;
He seized a pile of good greenbacks,
Shouting, "Reform! Heigh-ho!"

And then, on motion of Mr. DUNNELL, (at ten o'clock and fifteen minutes p. m.,) the House adjourned.

PETITIONS, ETC.

The following memorials, petitions, and other papers were presented at the Clerk's desk, under the rule, and referred as stated:

By Mr. ADAMS: The petition of John Mitch, late private Fourth Kentucky Volunteers, for arrears of pension, to the Committee on Invalid Pensions.

By Mr. BARRERE: The petition of Seth W. Freeman and 66 others, of Brimfield, Peoria County, Illinois, for increase of currency and free banking, to the Committee on Banking and Currency.

By Mr. BECK: The petition of C. D. Carr, John T. Miller, of Lexington; Woodford & Tablatt, of Owensborough; H. Johnson & Son, of Lebanon; T. M. Jenkins & Co., of Henderson; W. B. Belknap & Co., Bridgeford & Co., J. S. Lithgow, George W. Chamberlain, of Louisville, and a large number of others from various cities and towns in Kentucky, praying that the duties on tin plates may be changed from *ad valorem* to specific, to the Committee on Ways and Means.

By Mr. BUTLER, of Massachusetts: The petition of citizens of Salem, Massachusetts, for the erection of a new post-office building in that city, to the Committee on Public Buildings and Grounds.

By Mr. CLAYTON: Resolutions of the Legislature of California, relative to cheapening telegraphic facilities, to the Committee on the Post-Office and Post-Roads.

By Mr. DAVIS: The petition of Linton A. Andrews, of Harper's Ferry, West Virginia, for payment of rent for use of his property for hospital purposes, to the Committee on Claims.

By Mr. FRYE: The petitions of J. Winslow Jones and others, of Portland, Maine; Bion & Stetson and others, of Lewiston; Aiken & Co. and others, of Ellsworth; Wood, Bishop, and others, of Bangor; S. S. Brooks & Co. and others, of Augusta, in favor of a specific duty of one cent a pound on tin plates; also, that all tin plates hereafter imported into the United States shall have the gross weight branded on the box, to the Committee on Ways and Means.

By Mr. HANCOCK: The memorial of the Chamber of Commerce and of citizens of Indianola, Texas, for an appropriation to create a greater depth of water upon the bar at Pass Cavallo, to the Committee on Commerce.

Also, the memorial of citizens of Bee County, Texas, of similar import, to the Committee on Commerce.

Also, resolutions of the Legislature of Texas, asking an appropriation to improve the navigation of Soda Lake and Cypress Bayous, to the Committee on Commerce.

By Mr. KELLEY: The petition of sundry dealers, importers, and workers in tin plates in New York, of similar import, to the Committee on Ways and Means.

By Mr. ORR: The petition of certain citizens of Iowa, for a mail route from Rolfe, Pocahontas County, to Spencer, in Clay County, Iowa, to the Committee on the Post-Office and Post-Roads.

By Mr. PARSONS: The petition of certain messengers of the Supreme Court, for an appropriation to cover balance of compensation due them, to the Committee on Appropriations.

By Mr. PIERCE: The petition of Rev. E. P. Marvin and others, of Boston, Massachusetts, for a commission of inquiry concerning the alcoholic liquor traffic, to the Committee on the Judiciary.

By Mr. POLAND: The petition of E. and T. Fairbanks & Co. and others, of Vermont, for the substitution of specific for *ad valorem* duties on tin plates, to the Committee on Ways and Means.

By Mr. PURMAN: The memorial of the city council of Pensacola, Florida, for the enactment of national quarantine laws and for the better protection of the harbor of Pensacola, to the Committee on Commerce.

By Mr. SENER: The petition of Noah Fairbank, of Caroline County, Virginia, for a pension, to the Committee on Invalid Pensions.

Also, the petition of Louisa C. Goffigan, of Northampton County, Virginia, for compensation for supplies furnished United States troops during the late war, to the Committee on War Claims.

By Mr. YOUNG, of Kentucky: The petition of Elizabeth Hull, for a pension, to the Committee on Invalid Pensions.

IN SENATE.

THURSDAY, *April* 9, 1874.

Prayer by Rev. E. D. OWEN, of Washington, D. C.

The Journal of yesterday's proceedings was read and approved.

EXECUTIVE COMMUNICATION.

The PRESIDENT *pro tempore* laid before the Senate a letter of the Secretary of the Treasury, transmitting, in answer to a resolution of the Senate, information in relation to receiving and disposing of revenue stamps and public moneys; which was referred to the Committee on Finance, and ordered to be printed.

PETITIONS AND MEMORIALS.

Mr. EDMUNDS presented a petition of citizens of Franklin County, Vermont, praying that Uriah Bundy may be granted a pension; which was referred to the Committee on Pensions.

Mr. PATTERSON presented the petition of Frank Arnim, of South Carolina, praying for compensation for capturing the lost ledger of the southern confederacy; which was referred to the Committee on Claims.

Mr. SARGENT presented a resolution of the Legislature of California, praying for an appropriation by Congress for the improvement of the harbor at Oakland, in the San Francisco Bay; which was referred to the Committee on Commerce.

Mr. BOGY presented the petition of the administrator of John A. Stevens, deceased, praying compensation for property destroyed by United States troops; which was referred to the Committee on Claims.

Mr. HAGER. I present a petition of sundry citizens of California, praying for the sale of grazing lands in the mineral sections of that State, which is a prayer substantially for the passage of a bill introduced by my colleague for the purpose indicated. I move its reference to the Committee on Public Lands.

The motion was agreed to.

Mr. HAGER presented a concurrent resolution of the Legislature of California, instructing the Senators and requesting the Representatives from that State to use their earnest endeavors to procure the passage of a law to so reduce the charges for transmitting messages by telegraph as to pay only a fair profit over working expenses and a reasonable rate of interest on the appraised value of the lines now in operation throughout the Union; which was referred to the Committee on Foreign Relations.

Mr. WEST presented the petition of William Moses, of New Orleans, Louisiana; Felix Halff, of Galveston, Texas; and Leon Rouff, of Indianola, Texas, praying that jurisdiction may be given the Court of Claims to hear and determine their claims for cotton seized by the Government of the United States, and to render final judgment thereon; which was referred to the Committee on Claims.

REPORTS OF COMMITTEES.

Mr. RAMSEY, from the Committee on Post-Offices and Post-Roads, to whom was referred the bill (H. R. No. 955) for the relief of J. L. Tedrow, of Clarke County, Iowa, reported it without amendment.

Mr. INGALLS, from the Committee on Pensions, to whom was referred the bill (H. R. No. 2452) to equalize pensions in certain cases, reported it without amendment.

He also, from the same committee, to whom was referred the bill (H. R. No. 735) to increase the pensions of soldiers and sailors who have been totally disabled, reported it with an amendment.

Mr. WRIGHT, from the Committee on Finance, to whom was referred the bill (H. R. No. 2081) to facilitate the exportation of dis-

tilled spirits and amendatory of the acts in relation thereto, reported it with amendments.

Mr. PRATT, from the Committee on Claims, to whom was referred the petition of the trustees of the Methodist Episcopal church at Arlington, Virginia, praying compensation for the use of their chapel by the military authorities of the United States, submitted a report, accompanied by a bill (S. No. 682) for the relief of the board of trustees of the Methodist Episcopal church at Arlington Heights, known as Hunter's chapel.

The bill was read and passed to a second reading, and the report was ordered to be printed.

Mr. PRATT, from the same committee, to whom was referred the petition of Mary Blanton, widow of Burrill Blanton, of North Carolina, a soldier in the revolutionary war, praying to be allowed a pension, submitted an adverse report thereon; which was ordered to be printed, and the committee was discharged from the further consideration of the petition.

He also, from the same committee, to whom was referred a resolution of the Legislature of Minnesota, in favor of an investigation of the affairs of the Pension Bureau, asked to be discharged from its further consideration; which was agreed to.

Mr. CRAGIN, from the Committee on Naval Affairs, to whom was referred the bill (H. R. No. 1942) authorizing the President of the United States to appoint Albert Ross to the active list of the Navy, reported it with an amendment.

Mr. GORDON, from the Committee on Commerce, to whom was referred the bill (H. R. No. 2549) to amend the act entitled "An act for enrolling and licensing ships or vessels to be employed in the coasting trade and fisheries, and for regulating the same," passed February 18, 1793, reported it without amendment.

He also, from the same committee, reported a bill (S. No. 683) to authorize the use of gilt letters for the names of vessels; which was read, and passed to a second reading.

Mr. SARGENT. What is the meaning of that?

Mr. GORDON. I will simply state for the information of the Senator from California that the law now requires that the names of all vessels shall be painted in white letters on a black ground, and there are certain objections to that which it is not necessary to explain to the Senate at this time. This bill is simply to authorize the use of gilt letters or yellow letters.

Mr. OGLESBY, from the Committee on Pensions, to whom was referred the petition of Mary W. Jones, widow of the late Commodore Thomas C. Jones, praying that she may be restored to the pension-list at the rate of fifty dollars per month, asked to be discharged from its further consideration; which was agreed to.

Mr. CONKLING, from the Committee on Commerce, to whom was referred the bill (H. R. No. 2350) authorizing the Secretary of the Treasury to issue certificate of registry and enrollment to the schooner Almina, and changing the name to Minnie Davis, reported it without amendment.

STEAMER FANNIE LEHR.

Mr. DENNIS. I am directed by the Committee on Commerce, to whom was referred the bill (H. R. No. 2124) authorizing the changing of the name of the steamer Fannie Lehr, to report it back without amendment. It is a very short bill, and I will ask for its present consideration.

By unanimous consent, the Senate, as in Committee of the Whole, proceeded to consider the bill. It authorizes and directs the Secretary of the Treasury to allow the owners of the merchant-steamer Fannie Lehr, a vessel of American ownership and register, to change her name, and that she be hereafter known as the Cockade City.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

PRINTING OF BILLS.

Mr. ANTHONY. I wish to call the attention of the Senate to one practice which has become exceedingly inconvenient, and that is the ordering of bills to be printed when they are introduced. It cumbers up our bills enormously. I hold in my hand a private bill for the relief of somebody, which has been printed three times; first when it was introduced, second when it was referred to committee, and then when it was reported. There have been five thousand copies of that bill printed, and I do not suppose it has been read by any one. I do not see why private bills should be printed at all until they are reported from the committee to which they are referred. Then I think every bill should be printed. Our files are very cumbersome. The other House is exceedingly liberal to us. They have sent us over about three thousand printed bills, and we have a quarter of that number on our own files. It is very discourteous to object when a Senator desires to have a bill printed; but I hope Senators will be considerate and not ask to have bills printed when introduced unless there is some special reason for it.

Mr. EDMUNDS. The Senator from Rhode Island has not been quite ingenuous on this subject. Two of the prints of the bill alluded to by him are at the other end of the Capitol, for which we are not responsible.

Mr. ANTHONY. Certainly.

Mr. EDMUNDS. But I should suppose that so fine a parliamentarian as he is would not undertake to influence the action of the Senate by what that august body over there does. Of course where a bill has been printed in the other House, it ought not to be reprinted here unless there be some change which makes it necessary; but I believe there is economy in printing bills when they are introduced, particularly private bills. Senators ought to see private bills, which always involve claims upon the Treasury; and if you send a manuscript bill to a committee and have it reported in manuscript and not printed then, as sometimes it might not be, the first we should know we should find that we had been egregiously mistaken, to use a very soft phrase, about some bill that we had passed for somebody, that it meant a great deal more and proposed to pay a great deal more than would have been deemed useful or desirable had we known more about it and seen it in print.

I hope, therefore, we shall not enter upon the mistaken economy of saving at the spigot and wasting at the bung by refusing to print bills which involve the claims of people upon the Treasury, and the careful scrutiny of which is indispensable to the public interests, and which cannot be had unless we can see them in print.

Mr. MORRILL, of Maine. Allow me to ask the Senator whether these remarks apply to bills on their introduction?

Mr. EDMUNDS. Certainly; that is one of the very times. A bill goes to a committee in the first place. If the work of the committee is divided up, all the committee cannot know what the bill is properly if it is in manuscript, because only one member can have it at a time, and only one person can see it at a time. If an amendment is proposed, it is extremely inconvenient to a committee that all its members should not see exactly what the amendment is going to be and where it comes in; that is, if we go on the assumption that a committee is going to do its duty and really scrutinize a bill that is before it. If you are to take everything for granted, have attorneys and claim agents draw up bills (as I understand they frequently do) and slip them through committees; and if the Senate is to take for granted what a committee does, then of course printing is a useless expense. But if, on the other hand, the committee is to take a bill and look at it as a partnership of gentlemen would look at a claim upon them, and see that every line and every word of it is so scrutinized that it will mean exactly and no more than that which you understand it to mean, then I say the printing of a bill when it is introduced is a wise and useful expenditure of money.

Mr. MORRILL, of Maine. I hope I may be permitted to make a single remark. I do not know that I disagree with the Senator from Vermont, except as to the printing of bills on their introduction. A great portion of the bills here are private bills of four or five lines. So far as the convenience of the committee is concerned, I certainly cannot see any convenience in printing a bill of that sort. Of course it can be comprehended at a glance. Besides, sir, this printing involves a considerable expense. Sixteen hundred copies of each of these bills are printed upon their introduction. Then, when the bill is reported, if there is the slightest amendment, sixteen hundred more are printed.

Mr. ANTHONY. And printed whether there is an amendment or not. Here are three copies of a bill that are identical. One printing certainly would be sufficient for all purposes of publicity in such a case.

Mr. MORRILL, of Maine. I took occasion at an early period of the session to examine and see the amount of expenditure for this purpose, and it was very large. It amounts to many thousands of dollars for the printing of bills, which to a very great extent is useless. I make this suggestion, and I think it is entirely practicable, and one that would meet the objection the Senator from Vermont raises: that the rule should not be to print all bills on their introduction; but if the bill be of a character to justify its printing, it might be an exception to the general rule.

The PRESIDENT *pro tempore*. The Chair will remark that since the attention of the Senate was called to the subject no private bills have been printed by direction of the Clerk, except those so illegibly written that it was very difficult to read them. The other bills printed have been by order of the Senate. The Chair repeately called for objections, but never heard one, and for a long time has not formally called for objections to motions to print bills.

Mr. ANTHONY. When a bill is printed upon its introduction in the other House and then sent over here, as it is always, that gives us all the publicity that we require for an ordinary private bill, and the subsequent printing is an entire waste of money.

Mr. DAVIS. Let me inquire of the Senator from Rhode Island, could not this matter be remedied at the printing office? If it is not necessary, why strike off these copies a second time?

Mr. ANTHONY. The printing office obeys the orders of the Senate. Nothing is printed unless it is ordered by the Senate or the other House.

Mr. SARGENT. Mr. President, the printing of bills is the most useful printing that is done for Congress. Upon the text of those bills and its carefulness depends of course the accuracy of the laws we subsequently publish. In the haste in which many of our proceedings are transacted it is almost impossible, especially sometimes as bills are read in confusion at the Clerk's desk, to hear the text and know exactly the phrase; and yet upon a critical construction of the phrase of those laws depend the most valued rights of individuals and frequently those of the Government. It seems to me we ought to retrench in printing almost in any other direction than in the manner of printing bills. There are many documents that we print to the number of hundreds and thousands of volumes that are not read after-

ward, that become mere useless lumber, that we hardly care to send to our constituents, that might well be dispensed with; but a file of bills, showing how a particular measure stood originally and the amendments that were subsequently made to it, is invaluable, it seems to me, to every Senator for a matter of reference.

I trust there will not be a restriction in the mere matter of printing bills. I think, however, our bills could be printed in a different form. Instead of having these wide margins and great spaces between the lines, they might be printed more in document form; but that they should be printed for the information of the Senate in every stage of the bill where it is possible I am satisfied is entirely useful for correct legislation.

The PRESIDENT *pro tempore*. There is no motion made.

BILLS INTRODUCED.

Mr. BOGY asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 684) for the relief of the widow and heirs of John A. Stevens, deceased; which was read twice by its title, and referred to the Committee on Claims.

Mr. FRELINGHUYSEN asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 685) to authorize the Librarian of Congress to send books to the governor of Iceland, and for other purposes; which was read twice by its title and referred to the Committee on the Library.

BRIDGE OVER WILLAMETTE RIVER.

Mr. CHANDLER. I ask unanimous consent to reconsider the motion by which the bill (S. No. 482) to authorize the construction of a bridge across the Willamette River, at Salem, in the State of Oregon, was indefinitely postponed, and that the bill be recommitted to the Committee on Commerce.

The PRESIDENT *pro tempore*. It is moved to reconsider——

Mr. CONKLING. When was the bill indefinitely postponed? Certainly a motion to reconsider cannot be in order now.

The PRESIDENT *pro tempore*. The Clerk will examine the record and ascertain.

Mr. CHANDLER. I asked unanimous consent that it might be done.

Mr. CONKLING. Does the Senator want the bill recommitted?

Mr. CHANDLER. Yes, sir.

The PRESIDENT *pro tempore*. Is there objection? The Chair hears none, and the motion will be entertained.

The motion to reconsider was agreed to; and the bill was recommitted to the Committee on Commerce.

DISBURSEMENTS BY ARMY OFFICERS.

The PRESIDENT *pro tempore*. If there be no further morning business the Secretary will report the first bill on the Calendar.

The first bill on the Calendar was the bill (H. R. No. 912) to provide for the inspection of the disbursements of appropriations made by officers of the Army; which was considered as in Committee of the Whole.

The bill makes it the duty of the Secretary of War to cause frequent inquiries to be made as to the necessity, economy, and propriety of all disbursements made by disbursing officers of the Army, and as to their strict conformity to the law appropriating the money; also to ascertain whether the disbursing officers of the Army comply with the law in keeping their accounts and making their deposits; such inquiries to be made by officers of the Inspection Department of the Army or others detailed for that purpose, but no officer so detailed is to be in any way connected with the department or corps making the disbursement. The reports of such inspections are to be made out and forwarded to Congress with the annual report of the Secretary of War.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

MENNONITE SETTLERS ON PUBLIC LANDS.

Mr. WINDOM. I ask unanimous consent of the Senate to take up Senate bill No. 655, which I think ought to be acted upon.

Mr. SAULSBURY. I object.

Mr. WINDOM. If it be in order I move to postpone all prior orders and take up that bill.

The PRESIDENT *pro tempore*. The Senator from Minnesota moves to postpone the Calendar and proceed to the consideration of the bill indicated by him.

Several SENATORS. What is it?

Mr. WINDOM. The bill is reported back with a substitute. Let the substitute be read.

The Chief Clerk read the substitute as reported from the Committee on Public Lands by Mr. WINDOM for the bill (S. No. 655) to enable the Mennonites from Russia to effect permanent settlement on the public lands of the United States.

The PRESIDENT *pro tempore*. Is there objection to the present consideration of the bill?

Mr. EDMUNDS. I object. I think it ought to go over and be considered. It involves a very important question.

The PRESIDENT *pro tempore*. Then the Chair will put the question on the motion of the Senator from Minnesota to take up the bill.

Mr. WINDOM. On the appeal of the Senator from Vermont, who desires to examine this bill, I will permit it to go over until to-morrow. I would desire him and other Senators to examine it as early as possible. If the bill is to pass at all, it is important it should pass very soon; and I hope it may be considered at an early day.

Mr. EDMUNDS. I have no disposition to delay it, but it involves a very important question as to the propriety of this species of legislation in a republican country like ours, and I think Senators ought to consider it.

The PRESIDENT *pro tempore*. The Secretary will report the bills on the Calendar regularly.

ROSE HILL CEMETERY.

The next bill on the Calendar was the bill (H. R. No. 911) to relinquish title of the United States in certain real estate near Columbia, Tennessee, to Rose Hill cemetery; which was considered as in Committee of the Whole.

Whatever title the United States may have acquired in and to a portion of the ground held and owned by Rose Hill cemetery, a corporation so known under the laws of the State of Tennessee, by virtue of a contract and agreement made and entered into in May, 1866, by the officers of the cemetery on behalf of the corporation, and G. W. Marshall, captain and assistant quartermaster-general United States volunteers, on behalf of the United States, is by the bill released, quit-claimed, and set over to the president and directors of the corporation, and their successors in office, to be by them held as though the agreement and conveyance dated in May, 1866, had not been made.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

JOHN LAUBE DE LAUBENFELS.

The next bill on the Calendar was the bill (H. R. No. 1003) to authorize and direct the Secretary of War to change the name of John Rziha, captain in the Fourth Regiment of Infantry of the Army of the United States, on the register, rolls, and records of the Army, to John Laube de Laubenfels; which was considered as in Committee of the Whole.

The preamble recites that John Lauben de Lanbenfels, being of foreign birth, and holding a title of nobility, desiring to become a citizen of the United States, renounced his title of nobility; that being informed that it was also necessary for him to renounce his name, he assumed the name of John Rziha, under which name he entered the Army of the United States, and now holds the rank and commission of a captain in the Fourth Regiment of Infantry, under the name of John Rziha; and that he is desirous of resuming his own name. The bill therefore directs the Secretary of War to change, on the register, rolls, and records of the Army, the name of John Rziha, captain in the Fourth Regiment of Infantry of the Army of the United States, to John Laube de Laubenfels.

The bill was reported to the Senate without amendment.

Mr. STOCKTON. I should like to ask what committee that bill comes from?

The PRESIDENT *pro tempore*. The Committee on Military Affairs.

Mr. CLAYTON. There is a report from the House committee which expresses the views of the Committee on Military Affairs. If any information is required further, that report can be read.

Mr. STOCKTON. I do not wish the report read, and I have no objection to this gentleman's name being changed; but the preamble strikes me as a very improper one. Those reasons ought not to have been set out in the preamble commencing with "whereas so and so has a title of nobility." I really do not know whether he has a title of nobility or not, and I should like to ask whether the committee who reported this bill know the fact that this gentleman had a title of nobility, and if so what the title is. It seems to me that it is not necessary for the Congress of the United States to pass an act asserting that this man has a title of nobility. If he comes here to have his name changed, let us vote to change the name. I do not mean to obstruct the passage of the bill, if the committee are in favor of it, by making any motion; it is too small a matter; but I think it would be better if the preamble were stricken out.

Mr. FRELINGHUYSEN and others. Make that motion.

Mr. STOCKTON. I move to strike out the preamble.

The PRESIDENT *pro tempore*. The question is on the amendment of the Senator from New Jersey to strike out the preamble.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. O. E. BABCOCK, his Secretary, announced that the President had this day approved and signed the following acts:

An act (S. No. 100) for the relief of Lieutenant Alonzo V. Richards; and

An act (S. No. 512) to extend the time for completing the Wisconsin Central Railroad, in Wisconsin.

ARMS FOR SETTLERS IN NEBRASKA.

The next bill on the Calendar was the bill (S. No. 490) to authorize

the issue of a supply of arms to the authorities of the State of Nebraska; which was considered as in Committee of the Whole. It proposes to instruct the Secretary of War to cause two thousand effective breech-loading rifled muskets and four hundred thousand cartridges to be forwarded to and placed at the disposal of the governor of the State of Nebraska, for distribution among the settlers of the exposed localities in that State, for home defense against Indian raids; and the governor of the State, in making the distribution, is to take, from the parties to whom they may be distributed, good and sufficient security for the return of the arms to the United States after the necessity for their use has ceased.

Mr. INGALLS. I move to amend the bill by inserting in line 7, after the word "Nebraska," the words "and the same number of muskets and cartridges to be forwarded to and placed at the disposal of the governor of the State of Kansas;" and also by making the necessary grammatical corrections in lines 8 and 9 by striking out the word "governor" and inserting "governors," and striking out "State" and inserting "States."

Mr. WEST. I merely call the attention of Senators who favor this bill to the fact that they propose an issue of ammunition and ask for it to be returned.

Mr. LOGAN. I think the Senator is mistaken. If he will read the bill he will see the security is for the return of the arms, not of the ammunition.

Mr. WEST. Then I was wrong.

The PRESIDENT *pro tempore*. The question is on the amendment offered by the Senator from Kansas.

Mr. LOGAN. I was about to remark that after consultation with some of the Committee on Military Affairs in reference to the bill I am willing that that amendment shall be placed on the bill; but I wish to state to the Senate, so that they may not misapprehend it, the intention of the bill. We have been in the habit heretofore of giving arms to the Territories for this purpose, and this is an exact copy of the law that provided muskets for the Territory of Dakota. The governor of Nebraska himself appeared here and made a statement to me of the necessity of this measure, and upon the evidence he furnished the committee reported the bill for that State, copying it from the law for Dakota, providing the same number of arms and the same kind of security for the return of the arms to the Government of the United States. On the representation of the Senators from Kansas that there is a necessity on the borders of that State for the same thing, I have no objection to the amendment that is now offered, so that the bill shall provide for both of those States.

Mr. MORRILL, of Maine. Allow me to inquire, is this an addition to the usual distribution of arms to the several States?

Mr. LOGAN. There is no distribution of arms to the several States. There has been a bill before Congress for several sessions providing for it, but it has never passed.

Mr. MORRILL, of Maine. There has been in former years.

Mr. LOGAN. Heretofore.

Mr. WEST. And there is now.

Mr. MORRILL, of Maine. Does the Senator understand that this measure is recommended either by the War Department or the Interior Department as a public necessity?

Mr. LOGAN. No, sir; we have not asked the Secretary of War or the Secretary of the Interior in reference to it. This is a matter that has been done heretofore for the protection of settlers on the frontier, and upon the same principle we reported this bill.

Mr. MORRILL, of Maine. We have done this thing in regard to the Territories, but I had not supposed that we had been in the habit of doing it in reference to the States. If there is a precedent for it I should like to see it.

Mr. LOGAN. The principle upon which these bills have been passed heretofore has been for the protection of the settlers on the frontier; and it makes no difference, so far as that is concerned, whether they be in the States or in the Territories. There is as much necessity for the protection of the frontier settlers in the States as in the Territories.

Mr. RAMSEY. The Territories always got arms under the old distribution.

Mr. LOGAN. Of course they did, just the same as the States.

Mr. MORRILL, of Maine. I suggest to the Senator that there is an obvious distinction between the Territories and the States, because the Territories are very much under our own direction and protection, while in the States——

Mr. LOGAN. The Territories, under the law of distribution heretofore, have had the same right as the States precisely, if I understand the matter correctly.

Mr. MORRILL, of Maine. The Senate will see that this measure will necessarily involve the Government in very considerable expense. Whether the Government has these arms to distribute or not I do not know; perhaps the Senator does. If not, it will involve the necessity of a purchase of the arms at a very large expense. I doubt very much whether it is within the power of the Government to furnish these arms out of the armories at present. I do not know how that is; perhaps the Senator does.

Mr. LOGAN. There is always on hand a large surplus of arms that are generally sold for almost nothing. That is about the result of it. Instead of letting the arms go to where they can be useful, they are generally sold and bring about $2.50 a piece Guns that it cost from $20 to $25 to make are sold at from $2.25 to $2.40 and $2.50. That is the average price when they are sold at auction. I think it would be better to let them go where they will be of benefit to the frontier people than have them sold at auction, for they do not bring enough to pay expenses when sold in that way, after being condemned.

Mr. CONKLING. With but a moment to look I find in 1808 an act providing—

That the annual sum of $200,000 be, and the same hereby is, appropriated for the purpose of providing arms and military equipments for the whole body of the militia of the United States, either by purchase or manufacture, by and on account of the United States.

SEC. 2. All the arms procured in virtue of this act shall be transmitted to the several States composing this Union, and Territories thereof, to each State and Territory respectively, in proportion to the number of the effective militia in each State and Territory, and by each State and Territory to be distributed to the militia in such State and Territory under such regulations as shall be by law prescribed by the Legislature of each State and Territory.

Then I find that the act of 1816 provided that—

The annual sum of $200,000, as appropriated for the purpose of providing armies and military equipments for the militia, either by purchase or manufacture, according to the act of the 23d of April, 1808, entitled "An act making provision for arming and equipping the whole body of the militia of the United States," shall be paid for each year, respectively, out of any moneys in the Treasury not otherwise appropriated.

And this is followed by some other provisions which I will not stop to read on this subject. I inquire of the Senator from Illinois whether these acts have ever been repealed?

Mr. LOGAN. I do not know that they have been repealed. I have not examined for the purpose of ascertaining, but I know that there has been no appropriation for years for the purpose of carrying out those laws.

Mr. WEST. I think the Senator from Illinois is mistaken. There is a standing appropriation of $200,000 per annum, which I will show in a few moments as soon as the Book of Estimates comes in, to enable the Secretary of War to distribute arms to the militia in the different States annually.

Mr. LOGAN. I do not know any State in my part of the country that has any organized militia; there may be some in New England.

Mr. CONKLING. Certainly there is an appropriation for this purpose, unless the act to which I have referred has been repealed.

Mr. SHERMAN. It has not been.

Mr. CONKLING. The provision in terms is that "the annual sum of $200,000 be, and the same is hereby, appropriated." That makes a standing appropriation.

Mr. MORTON. That is simply for the purpose of providing arms, not ammunition.

Mr. CONKLING. It provides for more than arms.

Mr. MORTON. I never knew any ammunition to be sent to a State. I have known arms to be sent.

Mr. CONKLING. The act of 1816 provided "that the annual sum of $200,000, as appropriated for the purpose of providing arms and military equipments for the militia, either by purchase or manufacture," "shall be paid for each year respectively out of any moneys in the Treasury not otherwise appropriated."

Mr. MORTON. That does not provide for ammunition.

Mr. CONKLING. Let us see about that. I find in the Book of Estimates handed me by my friend from Louisiana [Mr. WEST] this item among the permanent specific appropriations.

Arming and equipping the militia:
Specific appropriation of $200,000 annually for the purpose of providing arms and military equipments for the whole body of the militia of the United States.

The Senator from Louisiana, a member of the Committee on Appropriations, tells me, I do not know the fact, that they do take it in ammunition and other things as they please. Am I right in that?

Mr. WEST. Yes, sir.

Mr. MORTON. I will say practically from my knowledge of the administration of that law, that ammunition is not furnished to the States, but simply arms, accouterments, and equipments.

Mr. WEST. This $200,000 is a permanent appropriation made annually to the several States according to their population, and it is discretionary with the governors of the States to take the value of that amount that may be appropriated to their particular locality or particular State according as the necessities of the military service in that State require. That is to say, if a State needs Gatling guns, the governor can call for them; if he needs sabers, he can call for them; if he needs ammunition, he can ask for it; but it must all be computed at a certain valuation and they get so much. That is the fact.

Mr. INGALLS. I would call the attention of the Senator from New York and also of the Senator from Louisiana to the fact that this bill does not provide and is not intended to provide for the distribution of arms to the militia, but is simply for the purpose of meeting a temporary exigency that is supposed to exist on the frontier. It does not provide for the distribution of arms or for their donation to the State, but that they shall be placed at the disposal of the governor, and that a bond shall be taken from each person to whom they are furnished providing for their return to the Government whenever the exigency has ceased. A difficulty is supposed to exist upon the frontier both of Kansas and Nebraska from incursions apprehended from the Sioux upon the northwest and from the Comanches and Kiowas upon the southwest. The settlers are apprehensive of difficulty; and this bill

merely provides for a temporary disposition of arms to be placed at the control of the executive to meet that supposed exigency at present.

Mr. HITCHCOCK. Mr. President, the Senator from Louisiana is quite right in regard to the law as it now stands for the distribution of arms; but he will notice that this distribution is in proportion to the population, and if he will look still further he will find that the annual quota of my State is ninety-six. That of course is a very small number, and the State is now practically without arms while the Indians themselves are well armed. This is simply an advance of that quota to meet the present exigency. I trust, therefore, that there will be no further opposition to the bill.

Mr. CONKLING. Replying to my friend on my right, [Mr. LOGAN,] he will remember that the Senator from Maine inquired whether these arms were to be in addition to the distribution of arms to the militia, and he was answered that there was no distribution of arms to the militia; and it was to settle that doubt that reference was made to existing statutes. Now, the Senator from Kansas is quite right in saying that this distribution is not to be to the militia of the State. I confess, with my limited knowledge of this subject, I wish it were to be to the militia of the State. On the contrary, "two thousand effective breech-loading rifled muskets and four hundred thousand cartridges" are "to be forwarded to and placed at the disposal of the governor" "for distribution among the settlers of the exposed locality in said State." That speaks of border war; it speaks of unorganized and undisciplined war; it speaks of an employment of these arms and the firing away of this ammunition in modes by no means as well guarded and limited as we might suppose they would be if the arms were to be handled by militia or organized troops.

I call attention to this not to say that it is a sufficient reason for refusing to pass this bill. I do not know enough about it to venture to take such a responsibility; but I say that I wish the facts were such that an issue of arms to militia, to known military men amenable to the rules and responsibilities applicable to them, was all that the case required, rather than a distribution at hap-hazard, upon application to the governor, to settlers, and settlers in regions exposed to Indian hostilities.

Mr. LOGAN. As far as this bill is concerned, it was not considered in committee in connection with the distribution of arms. That was the reason I made the answer I did in reference to that point. I had not examined it. The question of distribution is one that never comes before us at all, and therefore I did not examine it. This is entirely outside of that. It is following a precedent which has been set heretofore for the protection of the settlers. Under the law of distribution, as read by the Senator from New York, the arms are distributed to the militia of the various States according to population. There are some of the States, especially the Western States, that have no organized militia at all, and under this law would have no distribution of arms whatever.

But the objection made to this bill by the Senator from New York is not an objection, in my mind, at all. He says he prefers that arms should be distributed to the militia. Now, what is the militia? The militia is a mere organization of the citizens of a State. They elect their own officers to control them. They are not soldiers; they are not officers; they belong to no army organization, get no pay, but are mere citizens organized together for the purpose of learning the drill of the soldier, and that is all there is to it. This is a distribution of arms to the settlers for their protection by the governor of the State. They are to be distributed in his discretion, of course, to parties whom he has confidence in that they will use them in a discreet and proper manner. On the frontier we generally find it the case that in different neighborhoods they have organizations for protection, organizations for the protection of person and property, organizations for the purpose of defense against raids made by the savage tribes of the plains. These organizations are of the character of militia, but they are not militia. They are mere neighborhood organizations for self-protection.

Now, is not the discretion of the governor sufficient to distribute arms where good security is taken? Is a man who is worthless and not to be trusted one who will be likely to give security for the arms distributed so as to hold the Government harmless and safe? The bill leaves the discretion in the hands of the governor to distribute the arms to men who are discreet and proper men for the purpose of using them in defense, and not for any other purposes. I do not live on the frontier, but I know enough about it to be thoroughly convinced that if the border settlers were armed by a discreet governor to protect themselves the protection would cost much less money than the money you expend every year for the benefit and protection of the people against the Indians. There is no doubt in the world about it. Arm the frontiermen—discreet men—with muskets and with ammunition, and you will save a great deal in the way of the expense of soldiery. They better understand the Indian character than your soldiers. I do not profess to say that I know anything about Indians. I was once, when I was much younger than I am now, on the plains where Indians were, and, by being chased into camp by them, I learned a little of their character. But if I was to-day to undertake to provide for a defense against the Indian, I would rather arm the settlers who have their life and property at stake and have a greater interest in it than any soldiery. I would rather provide them with arms for defensive purposes than provide a soldiery with arms for that purpose.

RAILROADS IN THE TERRITORIES.

The PRESIDING OFFICER, (Mr. ANTHONY in the chair.) The morning hour having expired, it becomes the duty of the Chair to call up the unfinished business of yesterday, being the bill (S. No. 378) to provide for the incorporation and regulation of railroad companies in the Territories of the United States. That bill is before the Senate as in Committee of the Whole, the pending question being on the motion of the Senator from Iowa [Mr. WRIGHT] to recommit the bill to the Committee on Railroads.

Mr. SARGENT. I have just sent word to the Senator from Nevada, who is detained upon special committee business confided to him by the Senate. I presume he will be here in a moment or two. I trust no vote will be taken adverse to the bill in his absence.

Mr. WRIGHT. I was about to say that I made the motion yesterday for the purpose of getting time to examine the bill, and as the bill went over I shall withdraw the proposition to recommit at this time.

The PRESIDING OFFICER. The motion to recommit is withdrawn. The question is on the amendment reported by the Committee on Railroads as a substitute for the original bill.

Mr. WRIGHT. I yesterday called the attention of the Senator from Nevada to some portions of this bill that I thought were objectionable and I thought needed amendment. I am not certain that the Senator really opposed the suggestions that I made in connection with some portions of his bill, but suggested that if I had any amendments to offer I should present them and the Senate would consider them. I have had but a short time to refer to this bill, but there are some amendments that I wish to suggest which I think will tend to perfect the bill. I want to say in advance that I am not very strongly in favor of the bill even if it shall be amended, and yet if it shall be amended as I believe it should be I am not here to say that I shall oppose it. For one I cannot see the necessity for such a general bill as this; but the Committee on Railroads have examined the bill very carefully; and in view of the Senators composing that committee, on the assurance from them that they have examined it very carefully, I am disposed to withdraw any general objections I may have to such legislation.

I first direct the attention of the Senator from Nevada, the chairman of the committee, and also of the Senate, to sections 8 and 9 and to some amendments which I think ought to be made in those sections. In connection with section 8 I suggest whether there is any necessity that there should be one hundred feet on either side of the track of the road for the right of way, whether there is any necessity or any reason for having a greater width in the Territories than ordinarily is given in the States, and whether it is not better to limit that to fifty feet on either side. I believe that is the provision which is found in most of the States, and I believe it would be better to do that.

Mr. STEWART. Very well.

Mr. WRIGHT. I suggest then in section 8, line 3, to strike out "one hundred" and insert "fifty," and the same in line 7 of section 9.

Mr. STEWART. I have no objection.

The PRESIDING OFFICER. These amendments will be considered as agreed to if there be no objection. The Chair hears none, and they are agreed to.

Mr. WRIGHT. I suggest also, in line 19 of section 9, whether it would not be better to increase the number of commissioners. It says "three commissioners," and I would increase it to six.

Mr. STEWART. It ought to be an odd number. I will make no objection to five.

Mr. WRIGHT. I have no objection to make it "five" instead of "three." I move then to strike out "three" and insert "five" in line 19 of section 9.

The amendment to the amendment was agreed to.

Mr. WRIGHT. I call the Senator's attention to this clause, beginning in line 16 of section 9:

> And in case the owner or claimant of such lands or premises and such corporation cannot agree as to the damages, the amount shall be determined by the appraisal of five disinterested commissioners—

As it now stands—

> who shall be appointed upon application by any party to the territorial district court.

What necessity for these words, "by any party?"

Mr. STEWART. Either party ought to have the right to apply.

Mr. WRIGHT. So it would be if these words were stricken out.

Mr. SARGENT. It might read "any party interested."

Mr. STEWART. I do not think those words are very material.

Mr. WRIGHT. I merely make the suggestion. I will not offer the amendment just now. There are other matters that I think are more important. In line 30 of section 9 I move to strike out the words "full title to" and insert after the word "aforesaid," in line 31, the words "and none other;" and then it will read:

> Which shall thereby acquire the same for the purposes aforesaid and none other.

Mr. STEWART. Very well; I have no objection to that.

Mr. WRIGHT. I move that amendment, then, to strike out the words "full title to," in line 30, and insert after "aforesaid," in line 31, the words "and none other."

The amendment to the amendment was agreed to.

Mr. WRIGHT. In lines 36 and 37 of the same section, I move to

strike out the words "or given such security as the court may prescribe." As it now reads it is:

But such appeal shall not interfere with the rights of said corporation, after having paid to the clerk the amount of the award, or given such security as the court may prescribe, to enter upon the premises.

The effect of the amendment is to require that they shall pay the money.

Mr. STEWART. I have no objection to striking out those words.

Mr. SCOTT. Let me suggest to my friend from Iowa whether he does not impair the right of the land-owner by that amendment. I simply suggest it to him. Unless the corporation is required to give security before entering upon the land, if there be an increased award of damages upon the appeal, then the land-owner would have no security for those damages, and the company would be in possession. I submit that before the company should be permitted to enter upon the premises, on taking an appeal, they ought to give security.

Mr. EDMUNDS. And the land-owner ought to have a specific lien besides.

Mr. WRIGHT. The difficulty about the suggestion of the Senator from Pennsylvania is that this is in the alternative, and they may, either by paying the money or giving the security, enter on the land.

Mr. SCOTT. But the Senator will see that in the case of an award from which the company appealed, all they would be required to do would be to pay the money. If the land-owner should appeal, then all the company has to do is to pay him the money, and if the land-owner got a larger award than that from which the company has appealed he has no security for the additional amount.

Mr. WRIGHT. He certainly has under the subsequent provision which requires them to pay the additional award before they acquire this easement. This provision relates alone either to paying money or to giving security before they enter on the land. The object of my amendment is that they shall be required to pay the money, and that giving security shall not be a substitute for paying the money.

Mr. SARGENT. I think I can suggest an amendment that will meet the ideas of both of the Senators, and perhaps make the bill better. I should strike out the word "or" and insert the word "and," and then let what follows read thus:

After having paid to the clerk the amount of the award and given such security as the court may prescribe for any further damage that may be ascertained on appeal.

Mr. WRIGHT. I have no objection to that.

Mr. SARGENT. It requires them to pay the money and give security for further damages.

Mr. WRIGHT. I believe there is no objection to the amendment suggested by the Senator from California.

Mr. STEWART. That certainly covers it.

The PRESIDING OFFICER. The Senator from Iowa accepts the amendment suggested by the Senator from California; and the question is on the amendment to the amendment.

The amendment to the amendment was agreed to.

Mr. WRIGHT. I also suggest an amendment to the fortieth line of the same section. It is to strike out all after the word "costs" to and including "parties," in line 43, and insert other words. The section as it stands now reads thus:

And said party appealing shall give bonds, with sufficient surety or sureties, for the payment of any costs that may arise upon such appeal; and in case the party appealing does not obtain a more favorable verdict, such party shall pay the whole cost incurred by both parties.

I move to strike out all after the word "costs," in line 40, to the word "parties," in line 43, and insert:

Or sum that may arise and be adjudged on such appeal, and if the owner of the land shall not recover a larger amount than was awarded by the commissioners, he shall pay the costs of such appeal.

The chairman of the committee will see that as the clause stands, if the railroad company shall appeal, they only give security for the payment of any costs that may arise on the appeal, and there is no security for any increased judgment. Now I propose to insert "or sum" after "costs," so as to read, "for the payment of any costs or sum that may arise and be adjudged;" so as to require them to give surety not only for the costs but for the judgment recovered also.

Mr. STEWART. There is no objection to that.

Mr. WRIGHT. Then, instead of reading as it stands, "in case the party appealing does not obtain a more favorable verdict, such party shall pay the whole cost incurred by both parties," my proposition is, "And if the owner of the land shall appeal and shall not recover a larger amount than was awarded by the commissioners, he shall pay the costs of such appeal." I suppose there will be no objection to that.

Mr. SARGENT. That seems to be right.

Mr. STEWART. I make no objection. Let the amendment be reported.

The CHIEF CLERK. It is proposed in section 9 to strike out the following words, from line 40 to line 43:

That may arise upon such appeal; and in case the party appealing does not obtain a more favorable verdict, such party shall pay the whole cost incurred by both parties.

And in lieu thereof to insert:

Or sum that may arise or be adjudged upon such appeal, and if the owner of the land shall appeal and shall not recover a larger amount than was awarded by the commissioners, he shall pay the costs of such appeal.

The amendment to the amendment was agreed to.

Mr. WRIGHT. I suggest also in line 34 of section 9, between "sustained" and "but," to insert:

The manner of taking such appeal and the time of hearing the same to be governed by the laws of the Territory regulating appeals from justices of the peace.

The language of that part of the section, as it stands, is this:

And either party feeling aggrieved by said assessment may within thirty days, file—

That is the way it is here. I suppose it should be "take"—

an appeal therefrom, and demand a jury of twelve men to estimate the damage sustained; but such appeal shall not interfere with the rights of said corporation.

There is no rule here regulating the manner of taking the appeal or when it is to be heard, and I think there ought to be some provision on that subject.

Mr. STEWART. The Senator's amendment might not operate. There might be a difficulty in the Territories in taking an appeal from the justices of the peace. To what court? The district court. They do not appeal from the justices' courts directly to the Supreme Court. Analogous cases go up to the Supreme Court; and let the matter be regulated the same as it is in other cases. They have similar appeals from the district court to the Supreme Court. An appeal from the justice's court does not get up to the Supreme Court. It goes first to the district court.

Mr. WRIGHT. I understand that. I am providing for an appeal from this tribunal to the district court. You provide here for appeals from the district court, and now I only provide that it shall be taken under the same rules and regulations as an appeal from a justice's court to the district court, and no rules or regulations are provided in the bill as it stands now.

Mr. STEWART. Very well; that may answer.

Mr. SARGENT. I should like to hear the amendment reported.

The Chief Clerk read the amendment to the amendment.

Mr. STEWART. In some of the Territories they may have no laws that will answer the purpose; for instance, in Utah. They may have no law there by which you can get up a case from a justice's court directly to the district court. I believe it goes to the probate court. There is a good deal of machinery about an appeal there, and this amendment might not operate.

Mr. WRIGHT. I suggest to the Senator from Nevada that I do not change his section at all. He provides here for an appeal from these commissioners to some tribunal, either the probate court, as in Utah, if that is so, or the district court, or whatever it may be termed in any Territory; but he does not provide how the appeal shall be taken, upon what notice, or at what term of the appellate tribunal it shall be heard. I provide simply that it shall be based exactly on the same ground, the same position as ordinary appeals from a justice's court as to the manner of giving the notice of appeal and the time when it shall be heard.

Mr. STEWART. Very well; that might do.

The amendment to the amendment was agreed to.

Mr. WRIGHT. In order to carry out the amendment that has already been adopted by the Senate in lines 45 and 46 of section 9, I move to strike out the words "the title of said land and;" and in line 48, after the word "corporation," to insert "and for no other purpose;" so that the clause will read:

Shall be held to vest in said corporation the right to use and occupy the same for the construction, maintaining, and operating of the road of said corporation, and for no other purpose.

A similar amendment has been adopted in another section, and I presume there will be no objection to it here.

The amendment to the amendment was agreed to.

Mr. WRIGHT. I now move to strike out all of section 9 after the word "disability," in line 50, and to insert in lieu of the residue of the section the following:

Or in case it shall be necessary for such corporation to enter upon any lands which are unoccupied, and of which there is no apparent owner or claimant, the court may determine the kind of notice to be served on such owner or owners, conforming in all respects, as near as may be, with the laws of said Territory regulating proceedings in real actions; but in all cases it must appear by affidavit or otherwise that notice of said proceedings was sent by mail to such non-resident owner or an excuse shown for not sending the same. In case no claimant shall appear within two years from the time of the opening of said road across any land, all claim to damages against such corporation shall be barred: *Provided*, That infants, insane persons, and married women, not appearing by themselves or guardians in the proceedings of condemnation, shall have one year after the removal of their disabilities within which to make claim for damages.

Mr. STEWART. I have no objection to that.

The amendment to the amendment was agreed to.

Mr. WRIGHT. Section 11 now reads thus:

That every railroad corporation organized under the provisions of this act shall be required to commence operations on the line of its road within one year from the filing of its certificate with the Secretary of the Interior, and thereafter to grade at least ten miles each year, &c.

I move to strike out the word "grade," in line 5, and insert the words "put in operation."

Mr. STEWART. That is too severe. I do not think that will do. That particular point was considered at great length by the committee. For instance, in Montana it was suggested that they could commence grading the roads and do the heavy part of it long before it would be practicable to iron the road; that they could prepare for grading in the cañons, &c., and then make arrangements to get branch roads built. If this ten miles of grading is kept up each year,

the committee thought it would be sufficient to prevent a kiting operation, and at the same time give these people an opportunity to maintain their franchise if they continued to do ten miles of that kind of work each year. To put in operation ten miles each year would be almost too much to require of a road organized in that way. Sometimes they do not build more than four or five miles in a year; sometimes the whole length of the road will not be more than four or five miles in the mining districts. It is not desirable to place such restrictions on them as will prevent these enterprises proceeding at all. At the same time I want such requirements as to the work to be done as will show the good faith of the enterprise. If they grade ten miles each year, and have the whole done and laid out in ten years, and do it all with their own money, and with the restrictions in this bill, the committee thought that would be sufficient. The committee discussed this subject a good deal, and that was the deliberate judgment of the committee. However, it is for the Senate to determine.

Mr. WRIGHT. If it is intended by this bill not to provide for the organization in the several Territories of corporations that shall give to the people of the Territories railroads, but merely for the organization of corporations to enter upon the work and do grading without anything more, and allowing them thus to keep in life the corporation, then the provision as it stands is all well enough. But I supposed the committee had in view some practical result; that they expected that these companies would build the roads and give to the people of the Territories railroad facilities, and not that it was intended that they might grade ten miles of road each year and keep on with the grading without ever tieing the road or putting upon it iron or rolling-stock, and thus keep their corporation in life. I supposed they really expected the roads would be built in these Territories. You will see that by this section it is provided:

That every railroad corporation organized under the provisions of this act shall be required to commence operations on the line of its road within one year from the filing of its certificate with the Secretary of the Interior, and thereafter to grade at least ten miles each year, and to complete the whole line of its road in ten years from the date of the filing of said certificate; and if it shall fail to comply with any of the requirements of this section, it shall forfeit its charter and all the rights and privileges conferred by this act as to any uncompleted portion of its line of road.

A company can organize and grade ten miles of road this year, ten miles next year, and ten miles the year after; and there may be another company standing there ready and willing to go on and put down the ties and iron and construct the road actually, and yet this first road stands in the way and prevents their entering upon the enterprise.

Mr. STEWART. We do not want anything of that kind to occur. That point was considered at great length in the committee, and their conclusion will be found in this section. I myself would have preferred all the time that there should be some road built each year. I think ten miles, considering the country where these roads are to be built, is too much. Remember the provision is that you have got to build ten miles each year. You cannot build ten miles one year and then build seven the next; but the work has got to be done each year. I would be willing to say that five miles should be built each year. They might be able to do that. If you would say that they should build "at the rate of ten miles a year," or something of that kind, I would not object to it. I want something done each year until the road is completed. Of course they can build as much more as they please. But I do not wish it to be left so that they may go to a certain distance and stop—go to where the road would pay and then hold the balance without building a portion of the road each year. It would satisfy me to say that five miles shall be built and put in operation each year. To require ten miles would be pretty severe in a mountain country. If they build five miles each year, the road is not going to be held for mere buncombe.

Mr. HAGER. I think the amendment proposed would be rather too harsh, and I would suggest a modification which perhaps will be accepted. In line 5 after the word "grade" I suggest to insert the words "and complete," and in line 6 after the word "complete" to insert the words "and put in operation;" so that it will read:

And thereafter to grade and complete at least ten miles each year, and to complete and put in operation the whole line of its road within ten years.

Mr. STEWART. Ten miles a year! That is rushing it pretty fast.

Mr. HAGER. Not to put in operation, but to grade and complete ten miles a year. It is impossible to put a road in operation unless there is a terminus reached, some point where it is necessary to have commerce. But a road running through an uninhabited Territory at the end of ten miles might have no point where it could do anything. There would be then no object in putting it in operation, but still they could grade the road and lay the rails to that extent. The object of this amendment is to require the building of the road, but not to require it to be put in operation until the whole is completed.

Mr. STEWART. It must be remembered that if they fail to do this work within the time named, there is a forfeiture of the charter as to the uncompleted portion of the road. It seems to me that to require ten miles each year is too much.

Mr. HAGER. The Senator does not understand the amendment proposed. I propose that they shall grade and complete ten miles a year, so far as the road is concerned; that is, grade, put down the superstructure, iron, and so on; but not to put it in operation.

Mr. STEWART. It costs nothing to put it in operation if they have it done, except for a little rolling-stock and a few engines.

Mr. HAGER. I think they ought to forfeit the charter if they do not go on and complete the road.

Mr. SARGENT. I think the Senate should understand the condition of the country in which most of these roads will be built. It is far beyond the plains. Of course, the Territories are mostly mountainous. The passes are very difficult. The mountain ranges, &c., through which these roads have to be built require stupendous engineering. I suppose the passage of the Sierra Nevada Mountains by the Central Pacific is not more difficult in its ordinary features than the character of the mountains in Montana, Wyoming, Arizona, and other places where these roads will be compelled to pass. The re stupendous engineering operations and will cost immense amounts of money. The grading of ten miles across the Sierra Nevada Mountains required all the resources, all the subsidies of the Government, all the assistance given by the State, and all the capital of the individuals engaged in the undertaking. It was really a very heavy operation. Walls of granite were blown down there as tall as this Capitol, tunnels made a mile in extent, and frequently made; so that the traveler passing along the cars goes through one tunnel, emerges for a short time in the snow-sheds and the sunlight, and rushes into another. All these difficulties are liable to be encountered in the extremely mountainous region which we now call the Territories, and to require them to complete ten miles of line each year would require the company to have enormous capital and very great energy, and to be very exceptional in both respects.

It seems to me that the requirement to grade even ten miles a year is too much; that the bill of the committee requires too much of the companies that will be likely to organize and avail themselves of this provision. Perhaps this matter might be compromised, and also the proposition of the Senator from Iowa be adopted, by requiring a completion say of six miles in each year. The cost of laying the iron is almost nothing compared with the average of grading. The grading must be the very great expense in most of this railroad building, and of course a certain amount of rolling-stock must be put on in order to carry the iron, the ties, or even the workmen after they have built out from some small business center; and then, as they build an additional ten miles, some portion of rolling-stock would be necessary. That would be an operation of the road, and come probably within the spirit of the amendment of the Senator from Iowa. Of course, if there was business there requiring the operation of the road at a point short of completion, the company would set it in operation for its own profit and benefit. I would suggest an amendment to the amendment of my colleague, that they shall build and complete six miles of road in each year.

Mr. WRIGHT. I cannot see why there should be an objection to my amendment. Here is a proposition providing for the organization of corporations in Territories for the building of railroads, long roads as well as short ones. When the railroad company build ten miles they have got to a point—as every person would presume, because the demands of business would require it—where they ought to run their cars; but to leave the bill so as to require them merely to grade the road and to do nothing until the expiration of ten years in the way of running the road and keeping it in life all the time, seems to me to be a most extraordinary proposition. As this bill stands, if they grade ten miles this year, ten miles the next, and ten the year after without putting on a tie or a bar of iron, without running any rolling-stock over it at all, they can keep it in life for ten years. They are required, it is true, to complete their road in ten years, but my proposition is that they shall be required to put in operation ten miles of road each year. Is that an extraordinary amount? It is suggested that they have mountains to go through, that there will be deep cuts and tunnels to be made. Yes; and so there will be places where they can go over plains, where they could build twenty or thirty miles a year.

Mr. STEWART. That would not count. They have got to do so much each year, you know.

Mr. WRIGHT. Exactly; but they can make more than ten miles a year without any trouble in the world in such places as those, and I think ten miles is a very short distance indeed to require them to put their road in operation if they shall hold the line of the road, and thus exclude all other companies who may want to come in and build upon it.

I cannot conceive how it is possible that any person would be content with the building of five miles a year. That seems to me to be trifling with the thing. Then if they put in operation five miles each year they can get the line of road and exclude everybody else, and however much the people may demand that that line shall be occupied by another company, they cannot occupy it. Take the States over and you will find in all the provisions with reference to the organization of railroad companies that they require them to build much more than ten miles of road every year. The Union Pacific Railroad, I believe, was required to build at least twenty miles, and I do not know but more than that. It is true that that was a large and wealthy corporation, but if these organizations are to be for any practical purpose, they ought to be required to do something, and not merely to go there and grade the road and leave it for ten years and at the end of ten years complete their road. It seems to me that ten miles is a very short distance, and that to require them to put in operation that distance every year is very reasonable. I shall, therefore, insist on the a mendment as it stands.

Mr. STEWART. I hope the amendment will not be adopted in its present form. It will be observed that it requires them to build this amount in each year, and when they get to the plains, although they might build fifty miles in one year there, they have got to build ten miles the next year and keep it up each year. I would prefer it in that shape, to require something to be done each year, because if something is not required to be done each year, they might build to a good point and then reserve the rest of the road. If you require them to build ten miles each year, very frequently there will be ten miles that they cannot very well build in a year without distressing themselves, and by making the provisions of your bill so hard, you will discourage these enterprises altogether. I would be willing to say five miles; but if you go beyond that, the bill will be of no use except they happen to get upon a level line where they can build ten miles in a year.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Iowa to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. SHERMAN. I should like to propound an inquiry. I have been listening to this debate for a few moments. When a road is partially constructed, is there anything in this bill that will prevent any other company, in case the first company do not progress rapidly enough, from organizing and placing a road alongside in the same direction?

Mr. STEWART. Not at all. On the contrary, there is a provision in the bill directly providing for that; a provision that where they go through defiles, the other road may come along and have the right of way to go through also, to prevent anything of the kind the Senator seems to apprehend.

Mr. SHERMAN. It seems to me that answers the fear suggested by the Senator from Iowa. If they had a monopoly or got any exclusive privilege, so that another company, if they unnecessarily delayed the building of the road, could not step in and construct alongside of them, then I should think there was force in the objection of the Senator from Iowa.

Mr. WRIGHT. The trouble about that is this: in the country through which many of these roads will run, the first company that is organized and has the right of way will of course get through the passes and defiles that are most desirable.

Mr. STEWART. No; that is provided for.

Mr. SHERMAN. I have not read the bill, but I understand that is provided for; that in that case both companies have the same right. I do not want a monopoly.

Mr. HAGER. The Senator will find that provided for in section 10.

Mr. STEWART. Here it is:

SEC. 10. That any such corporation whose right of way, or whose track upon such right of way, extends through any cañon, pass, or defile, shall not exclude any other such corporation from a passage through the same upon equitable terms; and in case of disagreement, upon application of either of the parties, the same shall be adjusted by the Secretary of the Interior, after hearing, upon reasonable notice to the parties, whose decision may be enforced by a court of competent jurisdiction; and if the passage of any such railroad through any cañon, pass, or defile causes the disuse or change of location of any public wagon-road, damages shall be awarded therefor as provided by this act.

Where one company is formed there is nothing to prevent another company being formed over the same line, leaving them fifty feet wide on each side for the right of way; and if they come to a cañon and it is necessary to get the same right of way, they can do it.

Mr. WRIGHT. Does the Senator understand this section to authorize the new company that may be organized to pass over the line of road through the cañon that may be constructed by the first company?

Mr. STEWART. If it becomes necessary in order to get through it.

Mr. WRIGHT. Then the language ought to be changed.

Mr. STEWART. No; it is right as it is.

Mr. WRIGHT. In section 19, line 7, I move to strike out the following words:

To the United States by any act of Congress, nor to lands upon which any homestead or pre-emption claims may exist at the time of filing the certificate of incorporation under the provisions of this act.

And to insert in lieu thereof:

For any purpose by any act of Congress; nor shall lands upon which pre-emption or homestead claims exist at the time of the actual location of the road be included in such grant.

Mr. STEWART. There is no objection to that.

The amendment to the amendment was agreed to.

Mr. WRIGHT. In section 13, line 5, after the word "parties," I move to insert the words "not to exceed 10 per cent. per annum." As it is now these corporations may borrow money at a rate of interest to be agreed upon by the respective parties, and I propose to add "not to exceed 10 per cent. per annum."

Mr. STEWART. I will not object to that limitation; but I do not suppose they would build a railroad on money as high as that. I suggest to the Senator that perhaps it would be better not to put it in as high as 10 per cent. To pay that rate of interest would ruin any road. If there is to be any limitation, I would suggest 8 per cent.

Mr. WRIGHT. I have no objection in the world. I will say "not to exceed 8 per cent. per annum."

Mr. STEWART. I prefer that.

Mr. WRIGHT. Very well; I am very glad to do it.

The PRESIDING OFFICER. The amendment will be so modified.

The amendment to the amendment was agreed to.

Mr. WRIGHT. In section 16, line 6, after the words "notice to," I move to insert the words "and with the approval of;" so that the section will read:

Giving public notice in one or more newspapers in the Territory having the lagest circulation, and notice to, and with the approval of, the Secretary of the Interior, of such establishment or change.

Mr. STEWART. I have no objection to that.

The amendment to the amendment was agreed to.

Mr. WRIGHT. I now move to strike out the twenty-first section.

The Chief Clerk read the section proposed to be stricken out, as follows:

SEC. 21. That the right of way through the unoccupied public lands of the United States in any State is hereby granted to any railroad corporation incorporated under the laws of such State to the extent of one hundred feet in width on each side of the center of such railroad; and the right and authority are hereby given to such corporation to take, from the public lands adjacent to the line of said road, material of earth, stone, timber, and water for the construction and maintenance thereof; and ground for station-buildings, workshops, depots, machine-shops, switches, side-tracks, turn-tables, and water-stations is hereby granted to such of said corporations as have not received aid in lands or bonds from the United States, not to exceed forty acres for each ten miles of road hereafter to be constructed, subject to the restrictions of section 19 of this act.

Mr. STEWART. Before the question is put on striking out the section, I will move an amendment to perfect the section. I think we certainly ought to give them a mere right of way fifty feet in width over the stray sections of public land that may happen to be in the States. There cannot possibly be any reason for their coming here to get bills of that sort passed. Since they have quit begging land grants, they come here asking for the right of way to build over sections belonging to the Government of the United States. I would suggest, in the fourth line of the section, to strike out "one hundred" and insert "fifty," so as to make it correspond with the other portions of the bill, and then I would strike out all of the section after the word "railroad," in the fifth line.

Mr. WRIGHT. I cannot accept that amendment; and if it should be adopted I shall still object to the section and still insist on striking it out. I do not propose that on this bill providing for the organization of corporations in the Territories we shall attach a section that shall give to any and every railroad company that may be organized, without any reference whatever to their ability to construct or work the road, the right and power to go through the public lands in the States. I do not propose to do any such thing, and I see no necessity for having that in this bill. If the Senator from Nevada has prepared his bill with a view of obviating special legislation here from time to time on the subject of railroads in the Territories, let him adhere to that, and not put a provision here that extends the power of a railroad company in reference to public lands, and when we ought to be required to act upon each individual case. I think it would be better for the Senator's bill to strike out that section entirely. It is not at all material to, or connected with, the general purpose of the bill.

Mr. STEWART. That section is not a favorite of mine; but I see no harm in giving the right of way over the public lands of the United States. I care very little about the section.

The PRESIDING OFFICER, (Mr. ANTHONY in the chair.) The question is on the motion of the Senator from Iowa to strike out the twenty-first section.

The motion to strike out was agreed to.

Mr. BAYARD. I presume the object of this bill is what is stated—a general act for the purpose of permitting railway companies to become incorporated in the Territories of the United States, and that is all. I take it for granted that there is no other object in the bill. It is simply meant to provide for the association of capital for the construction of railways. Section 14 of the bill, as was pointed out yesterday by the honorable Senator from New Hampshire, [Mr. WADLEIGH,] contains capacities for the formation of land companies upon an unlimited scale. That is in no way necessarily germane to the professed object of this bill. Section 14 provides:

That such corporation—

And you are aware that "such corporation" means any body of five men—

such corporation may acquire by purchase or gift any lands in the vicinity of its road or through which the same may pass, so far as may be convenient or necessary to secure the right of way, or such as may be donated to aid in the construction of such road, and convey the same in such manner as the directors may prescribe; and all deeds and conveyances made by such corporation shall be signed by the president under the seal of the corporation.

There can be little doubt under the language of this section, constructed as it is in the disjunctive in every case, that an unlimited power to acquire and dispose of real estate is granted to any corporation which may be organized under the very broad terms of this act. I cannot conceive that the country is prepared to establish these *crédits fonciers*, these real-estate associations, in the Territories of the United States; nor is there anything in the language of this section which is not superfluous when the other sections of the bill are considered. The right of way is given; the right of purchasing, for the purpose of construction, stone, land, other materials, and all matters necessary to the road on the line is given by previous sections, and this section 14 would, I think, at the hands of any court, receive the construction which I have stated.

Mr. STEWART. I do not attach the slightest importance to that section.

Mr. BAYARD. If there is no importance attached to it, I move that section 14 be stricken out.

Mr. STEWART. This section was inserted at the suggestion of some of the territorial Delegates. The idea of it was that the people might desire to donate land to a road in order to aid it. I do not think there is any importance in the section. I think perhaps it would be as well to strike it out.

The PRESIDING OFFICER, (Mr. RAMSEY in the chair.) The Senator from Delaware moves to strike out the fourteenth section.

Mr. HAGER. I move to amend the motion to strike out the whole section by striking out so much as follows the word "way" in line 4, so that it will read:

That such corporation may acquire by purchase or gift any lands in the vicinity of its road, or through which the same may pass, so far as may be convenient or necessary to secure the right of way.

That portion of the section the Senator may not object to. The latter clause, I presume, is that which is objectionable; but lines 1, 2, 3, and part of the fourth line to the word "way" cannot be. I move to amend by striking out all after the word "way" in line 4, instead of striking out the entire section. If the Senator will look at the section, perhaps he will accept the amendment.

Mr. BAYARD. No, sir; I consider that the section, if it has any meaning, has the meaning and effect which I have indicated. The power here given is not essential for the construction of a road; it is a power of taking title and conveying title to real estate, of dealing in real estate, which is in no way germane to the objects of the corporation. This is a bill of vast scope. I did not propose in moving this amendment to express my views on the bill at large; but it is a bill of vast scope, affecting a territory almost equal in extent to the present organized States of the Union; and this by a single act is to affect the policy of those future States, and affect their internal policy in a manner that I consider exceedingly questionable. If it shall be found to be the pleasure of the Senate to pass any general law authorizing the incorporation of railway companies through this vast extent of land, let them at least confine it to railway purposes, and not under the guise of creating railway corporations or facilitating the creation of those corporations, set up great landed associations.

If the amendment of the Senator from California, so far as I could understand it owing to the distance from which he spoke, would be to confine this section to mere rights of way, I have to say that all that is provided for by other sections; and the section either is entirely superfluous or it is in the wrong direction, and, therefore, I prefer to insist upon my original motion that the entire section be stricken from the bill. If that is voted down, perhaps amendments may follow that may bring it nearer to the sense of the Senate; but as the Senator from Nevada has stated it was not his intent, and I do not believe it was his intent, to do more than have a general act authorizing the creation of railways and not to have land companies in the Territories, I trust my motion may remain undisturbed and unaffected by the amendatory motion of the Senator from California.

Mr. WADLEIGH. Mr. President, it seems to me that this section 14 is open to the objections stated by myself yesterday and by the Senator from Delaware to-day; and it strikes me further that the words proposed to be stricken out by the Senator from California would all be supplied by the common law. I understand now that the Senator proposes to withdraw his amendment; if so, I have nothing more to say.

Mr. HAGER. On reflection I will withdraw the amendment I proposed. I think the section had better be stricken out. It really constitutes a corporation with powers to buy and sell lands; in fact making one corporation within another, a land corporation within a railroad corporation. I think in that respect the section is objectionable. It is not a necessary part of this bill, and it ought not to be a part of the bill. It is unnecessary to the construction of a road, and so far as the Government is concerned this is but a concession on the part of the Government of the right of way through the Territories to certain parties to build railroads.

Mr. STEWART. I would suggest to my friend from California that I think in the ninth section all the power he suggests is granted. They have there the right to purchase the right of way.

Mr. HAGER. I see that that is so, and I withdraw my amendment.

Mr. STEWART. I think all the Senator requires is in the ninth section. The real object of this was to allow persons to donate their private land to aid a corporation in building a railway, but I do not think it is well to mix up that question with the bill.

Mr. HAGER. The object of the bill, as I understand it, is simply to obtain a concession from the Government of the right of way to construct railroads in the Territories. It is no part, and ought not to be a part, of this law to create a corporation to buy and sell lands.

Mr. STEWART. Not at all.

Mr. HAGER. Therefore I think the whole section had better be stricken out, and I withdraw the amendment I proposed, and will favor the amendment of the Senator from Delaware.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Delaware, to strike out the fourteenth section.

The amendment to the amendment was agreed to.

Mr. PRATT. I move to amend the eighth section in the last line by substituting "ten acres" for "forty acres." If the grant of forty acres is intended as a subsidy, it is too small. If it is intended for the purposes specified in the section, namely, for "station buildings, workshops, depots, machine-shops, switches, side-tracks, turn-tables, and water-stations," it is too large. If the forty acres chance to be very valuable, the Government ought not to give it to the corporation; if it is not specially valuable the corporation can afford to buy it. I therefore move to substitute "ten" for "forty."

Mr. STEWART. I do not think it is too much once in ten miles to allow a railroad company to have the least legal subdivision, forty acres, for the purposes of depots, turn-outs, &c., in these Territories where four-fifths of the land is a desert. I am sure such a grant will not injure this country particularly. I do not think it will do any great harm. If anybody thinks it will, I am willing he shall vote it out.

Mr. PRATT. I should be glad if my friend from Nevada will state whether ten acres is not as good as forty for the purpose specified in this section, namely, the use of station-buildings, workshops, depots, &c.

Mr. STEWART. Ten acres in each ten miles? I should think not. These local roads through a mining country will want perhaps two or three depots in the course of ten miles. I do not think forty acres will be of any great value to the railroad; but still it is the lowest amount that has been in any bill. It is the amount that was finally adopted in both Houses. We took the lowest amount, forty acres, and all the special bills have had at least this much.

Mr. CLAYTON. I concur with the amendment of the Senator from Indiana. It seems to me that ten acres is amply sufficient for the purposes of any railway company in carrying on its business, and that this forty-acre donation in every ten miles would result in the major portion of the forty acres being laid out into town lots and the railway company would in that way enter into the business of a town-lot speculator. I am satisfied from my experience in railroad transactions that ten acres is amply sufficient for all the transactions of any railroad. It may not be at the termini, but along the line of the road, I think that much land is amply sufficient.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Indiana to the amendment.

Mr. BAYARD. I think ten acres is ample, and rather more than ample.

Mr. STEWART. Put it "ten" then.

The amendment to the amendment was agreed to.

Mr. CLAYTON. I move to amend in section 7, line 6, by striking out the word "thirty" and inserting "sixty." That is the notice necessary to be given for the opening of books of subscription to the stock. It seems to me that in the distant Territories sixty days is little enough.

Mr. STEWART. There is no objection to that.

The amendment to the amendment was agreed to.

Mr. CLAYTON. I move also to amend the bill in the same section, line 19, by striking out the words "each share shall entitle the owner to one vote, and a majority of votes cast shall be necessary to a choice," and inserting:

In all elections for directors of any corporation organized under the provisions of this act each shareholder shall be entitled to cast for each director to be elected one vote for each share of stock held by him, or may, at his option, cast the whole number of his votes for one candidate or distribute them upon two or more candidates, as he may prefer; and the candidates corresponding in number to the directors to be elected receiving the highest number of votes shall be declared elected.

Mr. President, this amendment speaks for itself. The object of it is to allow minority representation in the board of directors. It is well known that under the ordinary provisions of these incorporation laws a bare majority of the stockholders are enabled to obtain possession of the organization, and once having obtained possession of the organization, by issuing to themselves stock in various ways, by making contracts, &c., they are able to perpetuate themselves forever. It seems to me that the minority of the stockholders ought to be protected; that we ought to throw guards around their interests, for the majority can protect themselves. It seems to me no more than fair that we should enable the minority to have at least one director upon every board of directors to watch the proceedings of the majority of the board. I do not see why any objection can be made to this amendment. Certainly a respectable minority ought to be enabled to ascertain through a director what is going on in the board of directors.

Mr. STEWART. I do not think it worth while to try this experiment of minority representation in corporations in the Territories. The committee have attempted to guard against issuing of fraudulent stock and all sorts of kiting. In the first place they cannot increase the capital stock, and no stock can be issued except on money paid in. Then before issuing stock an installment of 10 per cent. on each share must be paid in money at the time of subscription, and the residue paid in such installments not exceeding 10 per cent. on each share of stock as the directors may prescribe. The stock must be paid in in money, not by contracts or anything else.

Mr. CLAYTON. I am aware that the corporation under this act cannot increase the capital stock, but it does not necessarily follow that they shall issue the entire capital stock on their organization. They are only required to have subscribed 10 per cent. of the stock, and they may from time to time continue to issue this stock. They can organize on 10 per cent., and, if I am correctly informed, they

can go on with their organization from year to year. Then they may continue, by making contracts, &c., to issue this stock. It is a well-known fact that the great objection raised against these incorporations all over the country is, that a bare majority of a few men on the inside, a combination, may obtain possession of the organization and perpetuate their possession by issuing to themselves, or to some other parties with whom they have an understanding to vote for their directors, stock under contracts. All this amendment provides for is that a respectable minority of the stockholders may be enabled to have at least one director in the board who may watch their interests and see that they are not "squeezed out," to use a common term.

This is not an idea of my own, Mr. President. I am very free to confess that I have obtained this idea from the constitution lately adopted by the people of Pennsylvania. This whole question of railroad corporations is one that has excited a great deal of public interest; the legislation in regard to it is being perfected day by day in the States that have had reason to put these corporations into existence. The State of Pennsylvania in its recent constitution has provided for this very thing, and I think very wisely too. If we are going to pass this bill—and I think we ought to pass it; I sympathize with its general provisions—we ought to throw all the safeguards we can around the stockholders who are to pay their money and subscribe to the stock of these companies. I did not expect that the Senator who had charge of the bill would make any objection to the amendment.

Mr. STEWART. I do not intend to make any. The question is for the Senate.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Arkansas to the amendment of the committee.

The question being put, there were on a division—ayes 15, noes 8; no quorum voting.

Mr. MORRILL, of Vermont, (to Mr. STEWART.) Give it up; and try the question in the Senate.

Mr. STEWART. No; I cannot. I think this system of cumulative voting is an experiment which as yet has not worked anywhere. I should like to see some place where it has worked well. In Pennsylvania they have got into confusion by it. I do not want to destroy this bill by a machine that will not work. I am afraid it is an element of discord, without any practical good.

Mr. CLAYTON. I think this simply affords an opportunity to the minority to watch the majority; and if they find them through fraudulent contracts issuing to themselves stock, they can then go into the courts and stop it. The difficulty is, as corporations are nowadays managed, a majority of stockholders, with their own men in the directory and no person there to watch them, do illegal acts in the way of issuing stock; and no one knows it until it is too late to check it.

Mr. STEWART. But we have provided that there shall be a statement each year setting forth all the items with great elaboration in this bill.

Mr. CLAYTON. You have not even provided that the books shall be open for the inspection of the stockholders. There is not a word on that subject. You have not even provided that the books of the company shall be open to the inspection of the stockholders.

Mr. SCOTT. The Senator from Arkansas says he has obtained this idea of introducing minority representation in corporations from the new constitution of Pennsylvania. I would suggest to him that so far as that is a practical question, that constitution went into effect only in January last——

The PRESIDENT *pro tempore*. The Chair will suggest to Senators that the vote last taken disclosed the want of a quorum, and the Chair by count ascertaining that to be the fact, no further business can be done, and debate is not in order.

Mr. SCOTT. If there is nobody present in the Chamber I have nobody to talk to.

The PRESIDENT *pro tempore*. The Senator from Pennsylvania is entitled to a full Senate when one can be had.

Mr. WRIGHT. I suggest to the Senator from Arkansas that he demand the yeas and nays upon his amendment, and that will disclose whether we have a quorum or not.

Mr. CLAYTON. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDENT *pro tempore*. The Secretary will call the roll.

Mr. SCOTT. If the roll-call shall disclose a quorum present, will further debate then be in order?

The PRESIDENT *pro tempore*. The only way debate could proceed then would be on a motion to reconsider the vote adopting the amendment if it should be adopted. The roll will be called.

The question being taken by yeas and nays, resulted—yeas 19, nays 19; as follows:

YEAS—Messrs. Anthony, Bayard, Clayton, Davis, Flanagan, Goldthwaite, Hitchcock, Ingalls, McCreery, Morrill of Vermont, Norwood, Oglesby, Pease, Ransom, Saulsbury, Stockton, Tipton, Wadleigh, and Wright—19.

NAYS—Messrs. Bogy, Boreman, Boutwell, Buckingham, Carpenter, Chandler, Conkling, Cooper, Cragin, Hager, Hamilton of Texas, Hamlin, Mitchell, Pratt, Ramsey, Sargent, Scott, Spencer, and Stewart—19.

ABSENT—Messrs. Alcorn, Allison, Brownlow, Cameron, Conover, Dennis, Dorsey, Edmunds, Fenton, Ferry of Connecticut, Ferry of Michigan, Frelinghuysen, Gilbert, Gordon, Hamilton of Maryland, Harvey, Howe, Johnston, Jones, Kelly, Lewis, Logan, Merrimon, Morrill of Maine, Morton, Patterson, Robertson, Schurz, Sherman, Sprague, Stevenson, Thurman, West, and Windom—34.

So the amendment to the amendment was not agreed to.

Mr. CLAYTON. I move to amend in section 16 by striking out the following words, commencing in line 1:

That such corporation shall as soon as convenient after its organization establish a principal office at some point on the line of its road.

And in lieu thereof inserting:

Every railroad corporation organized under the provisions of this act shall maintain an office at some point on the line of its road, where transfers of its stock shall be made, and where its books shall be kept for inspection by any stockholder or creditor of such corporation, in which shall be recorded the amount of capital stock subscribed or paid in, and by whom; the names of the owners of its stock; and the amounts owned by them respectively; and transfers of said stock, and the names and places of residence of its officers.

This amendment speaks for itself.

Mr. STEWART. I have no objection to that.

Mr. BAYARD. I am disposed to approve of the amendment now offered; and it affords me an opportunity of pointing out to the friends of this measure a difficulty which is to my mind insuperable. Here is a general law proposing a scheme of railway incorporation for all the Terrjtories of the United States. The language used in the bill is "that any number of natural persons not less than five may become a body-corporate for the purpose of locating, constructing, maintaining, and operating a railroad in the Territories of the United States."

That means within any and all of those organized communities known to the laws of this country as Territories. The organized Territories of the United States are now ten in number. They embrace an area superior, or, if not superior, fully equal to the territory within the constituted States of the Union. In due course of time, in the progress of settlement, these Territories will be carved into States, and will apply for admission as sovereign and independent States into the Union. What then is to become of this general law, and what is to be the effect of its operations when that which is intended for a whole comes to be applied separately to each part? Do not Senators perceive the necessary confusion of attempting to legislate for this body of fellow-citizens whose communities now are in a territorial condition and to legislate for them as a whole, when presently they will be subdivided into States, the jurisdiction of each State being confined to its own territorial limits?

Mr. STEWART. Will the Senator allow me to make a suggestion there?

Mr. BAYARD. Certainly.

Mr. STEWART. The question has frequently arisen in the organization of new States as to what should be done with existing corporations within their limits, and it has been solved by provisions in their constitutions generally. There is no difficulty about that. These companies will be in no worse condition than corporations organized under territorial laws, which were liable to great abuse.

Mr. BAYARD. Well, Mr. President, there will be very great and there are very apparent difficulties in the way. There is a difficulty in my opinion insuperable in considering this measure. Such a law as this cannot, in my opinion, be draughted without creating the jurisdictional difficulties to which I have referred, which must arise hereafter when those communities assume the autonomy of States and control their questions of taxation. Other kindred questions must necessarily be decided by themselves.

Mr. STEWART. The Pacific Railroad bill raised the same question. That road was built under a charter from Congress through Territories two of which have since become States, and the jurisdiction of the States over the railroad is the same as if it had been organized in any other way.

Mr. BAYARD. No such law as this has ever passed Congress, and I think that the radical defect of the bill is in attempting to make a general law for a class of territorial governments which are States in embryo, soon to become States, and when they are States to necessarily assume the functions of sovereignty belonging to States.

There are in several States of this Union, and notably in the State of Pennsylvania—and having the statutes of that State before me I will make reference to them—general laws providing for railway incorporations. In Pennsylvania their general law is guarded expressly; first, by the provisions of the State constitution. Now what does the constitution of Pennsylvania provide in respect to all corporations? That the charter shall be revocable at the will of the Legislature. It is a provision of the late constitution of Pennsylvania so overwhelmingly adopted by her people; and it is one of those provisions which the spirit of the times and which the sense of the people of Pennsylvania, shared by them in common with the sense of all the other peoples in this country, demand, that there should be a limit put upon legislative power for the perpetual creation of corporations. In the State in which I live there has always been a restrictive power upon the Legislature in regard to corporations; that, in the first place, no corporation not for public improvement should have a longer charter than for twenty years, and it required a two-thirds vote of the Legislature; and that no corporation, whether for public improvement or otherwise, should ever have a charter granted that should not be revocable by any succeeding Legislature. This is the constitution of Indiana, as I understand; it is so in Pennsylvania; and it should be so in every State. It certainly should be so in this law; and yet we are legislating for communities which, as I stated, are as yet but States in embryo, without having the power to fix their policies in respect to this most important matter.

Mr. President, we have had enough and more than enough of corporate power in the United States. Its shadows are seen in every Legislature in the land; and they are seen oftentimes in the Halls of Congress. I do not desire to see any further permission given for their extension over these new communities whose people have no voice whatever in the distribution of the powers which we propose to make for them. Why, sir, this bill contains no restriction, no requirement as to the citizenship of any of the five men who are to form a railroad corporation in any or in all the Territories of the United States.

Mr. President, the theory originally was that these franchises granted to corporations were part of the public property; and that the only justification for granting them to individuals, many or few, was the public benefit, not the benefit of the adventurers who chose to put their money in the schemes of improvement; but the theory of public grants is public benefit; you make the grant to benefit the public, and not to benefit those to whom you carve out a portion of the eminent domain of the State and intrust public power. That theory seems to have been totally lost sight of by those who assume these franchises and undertake to operate under them until the contrary opinion seems to prevail, that grants of public franchises are for the benefit of those who take them. That is a sad error; and it is one which I think has brought much trouble upon this country; and I am glad that our judicial decisions now are beginning to return to the great fundamental principle that these being public franchises must be granted for public benefit and carried out for public benefit alone.

Where in this bill is provided the protection which every community ought to have that the corporators, the directors, the trustees of these franchises so granted, shall be citizens or residents of the community where the work is to be carried on? There is not a prudent Legislature known to me which in granting charters to railroad companies or any other desirable association does not provide that a number of directors, sometimes a majority, sometimes the whole, always a considerable part, shall be residents and citizens of the State. Why? Because the bestowal of such a franchise is a grant of public trust. The character of a State is oftentimes involved in the use made by parties of the franchises of the State. Take the question in old times of the chartering of a bank. Did you give it to any adventurer, some characterless fellow whose only idea was to get the name of a bank, issue paper, get circulation out, and then pack up his trunks and run away, leaving no one to answer? Such things are not granted by careful and cautious Legislatures. They have been venally granted, and the result has been disgrace to the public franchises of States. When a Legislature undertakes to part with part of the public power in the shape of public franchises, it is in my opinion the bounden, conscientious duty of the men who vote for those laws to know into what manner of men's hands those powers are going. And yet this bill does not provide for any citizenship or residence. These five men may live in Turkey; they may live in Asia Minor; they may live on the coast of Congo; you may get five names and you may have a railroad five hundred miles long incorporated by them with all the vast powers contained in this bill; and then what else arises? It is not simply necessary that you have that guarantee which personal character does and ought to give to enterprises; not simply that you have the grantee of this power living in your midst and subject to your laws and amenable to your jurisdiction but this bill nowhere provides any means by which process shall be served upon these corporations or what shall constitute a service upon them.

Think of so loosely drawn a bill on so very important a subject, not affecting a single State like Pennsylvania, but affecting that which may become the seat of twenty States like Pennsylvania, each her equal in extent, in wealth, and in population, as compared with the Pennsylvania statute of which I have spoken! What safeguard is there given by this bill that is given by the statute of Pennsylvania? In 1868 an act was passed by the Legislature of Pennsylvania permitting the free incorporation of railways in that State. First, it provided that—

Any number of citizens of Pennsylvania, not less than nine—

There is the first important provision; it is confined to her own people—

may form a company for the purpose of constructing, maintaining, and operating a railroad for public use in the conveyance of persons and property, or for the purpose of maintaining and operating any unincorporated railroad already constructed for like public use; and for that purpose may make and sign articles of association, in which shall be stated the name of the company—

There is no such provision in this bill—

the number of years the same is to continue—

I believe that is stated here at fifty years.

Mr. SCOTT. The Senator from Delaware has overlooked the fact that section 2 requires the certificate to state "first, the name of such corporation, by which it shall be known."

Mr. BAYARD. Then I was mistaken as to that detail. I only have been able to read the bill in a cursory manner; but in looking over the Pennsylvania statute I became aware of many safeguards in which the present bill is totally deficient. Let me go on. It requires:

The number of years the same is to continue; the places from and to which the road is to be constructed or maintained and operated; the length of such road as near as may be, and the name of each county in the State through or into which it is made or intended to be made; the amount of the capital stock of the company, which shall not be less than $10,000 for every mile of road constructed or proposed to be constructed, and the number of shares of which said capital stock shall consist; and the names and places of residence of a president and not less than six nor more than twelve directors of the company, who shall manage its affairs for the first year and until others are chosen in their places. Each subscriber to such articles of association shall subscribe thereto his name, place of residence, and the number of shares of stock he agrees to take in said company. On compliance with the provisions of the second section of this supplement, such articles of association shall be acknowledged by at least three of the directors before some officer competent to take acknowledgments of deeds in the county where the principal office is designed to be located, and may be filed in the office of the secretary of the commonwealth, who shall indorse thereon the day on which they were filed, and record the same in a book to be provided by him for that purpose; and thereupon—

It provides they shall become invested with "the powers and privileges following, to wit."

It then proceeds to give them the usual corporate existence and powers for the purpose of the transaction of the business of a railroad company. Section 2 provides that—

Such articles of association shall not be filed and recorded in the office of the secretary of the commonwealth until at least $9,000 of stock for every mile of railroad proposed to be made is subscribed thereto, and 10 per cent. paid thereon, in good faith and in cash, to the directors named in said articles of association; nor until there is indorsed thereon or annexed thereto an affidavit, made by at least three of the directors named in said articles, that the amount of stock required by this section has been in good faith subscribed, and 10 per cent. paid in cash thereon as aforesaid; and that it is intended in good faith to construct or to maintain and operate the road mentioned in such articles of association, which affidavit shall be recorded with the articles of association as aforesaid.

Note how many of these safeguards were required by the State of Pennsylvania, where I am sure it will not be doubted that the railroad companies have their full share of influence, before this general law was permitted to pass. We can amend the present bill, and I do not know that objection would be made to providing that the capital stock shall not be less than $10,000 per mile. That is the minimum at which any road could be built anywhere, and in the average of these Territories that would be very far below the necessary average cost of a railroad. See how differently this bill is drawn. In the first place, it permits five instead of nine to form a company; no citizenship, no residence, no actual identity is even required of these five anybodies who may become a corporation. It does not confine them to any Territory, but lets them roam at large through all the Territories of the United States, leading, as I said, hereafter to inevitable collision as to jurisdiction of taxation between these Territories when they shall have grown into States. Further:

That any number of persons as aforesaid, associating to form a corporation for the purposes named in the first section of this act, shall, under their hands and seals, make a certificate, which shall specify as follows: First, the name of such corporation, by which it shall be known; secondly, the name of the county or counties and Territory or Territories where the termini of said road are to be located, and the county or counties and Territory or Territories through which such road shall pass, and the general route of said road.

The length of the road is not there stated, and yet that is essential in order to ascertain, as will be presently seen, the proper amount of subscription, and also to affect a subsequent section of this very bill, which requires so much to be built a year, and the whole road to be completed within a certain time.

Thirdly, the amount of capital stock necessary to construct such road, which amount so specified shall not be increased without the consent of Congress.

"The amount of capital stock" I suppose is another phrase for "the number of shares of capital stock;" but there is no mode fixed there of the amount of capital stock for each mile of road. The difference necessarily is very essential. My friend shakes his head. If it be not essential what is the use of talking about your per centum? How can you know what to subscribe to obtain a per centum on until you know what is to be the whole cost? If you have at least $10,000 per mile and your road is one hundred miles long, then you know it will require $1,000,000 for the capital stock, and you must have upon that a cash subscription actually paid in of 10 per cent.; but if you have not these data in your law of incorporation, how can you know the amount that shall be subscribed or how shall you know the number of shares of capital stock unless you shall have what this law does not reqnire to be stated?

I confess, Mr. President, that I do not see how this bill can be amended to avoid the objections that I have stated. I do not see how Congress can pass a law creating these single corporations which are to exist in independent jurisdictions, each of which necessarily ought to have control over the works within its midst. We all know that we have railway companies running through two or three or more States and subsisting in each State under the separate authority of that State, and yet by permission of all the States consolidated and existing, for all intents and purposes, as a single corporation; but when those corporations come before the courts of the United States or before the courts of the States, they are treated as separate corporations in each State. The power of taxation by each State has been lately and most distinctly and frequently affirmed by the Supreme Court of the United States. Corporations, such as are here proposed, would be an anomaly in our system—corporations created by Congress and running through two, three, four, or perhaps half a dozen different communities, now called Territories, but which we may soon expect to become States.

Mr. EDMUNDS. Does not this bill provide that when these Territories become States all these charters shall be subject to State legislation?

Mr. BAYARD. That is the difficulty with the present act. It pro-

poses by a single charter to enable a company to be formed of any five persons which shall operate in all the Territories of the United States. Now I say that hereafter, when these present Territories, which I have termed States in embryo, shall come to be admitted into the Union, they will find corporations in their midst which will be beyond their control, having been pre-existing under congressional authority, and with no power of revocation vested in the State.

Mr. EDMUNDS. My inquiry was whether this bill—I have not looked at it—did not contain a provision which declares that whenever any of these Territories shall become a State, that State shall have supreme control over the corporation to the extent of its total abolition if it likes?

Mr. BAYARD. That would do, and that would create separate corporations in each State. But this bill contains no such provision.

Mr. EDMUNDS. It ought to.

Mr. BAYARD. Although I state most frankly that I cannot see how we can now under this bill create a practical, useful corporation which shall be subject hereafter in that way, I will propose to change the phraseology. I recognize the argument of convenience of thus blessing the whole barrel of pork at once instead of saying grace over every single meal which my friend from Nevada so objects to, by passing this wholesale system of incorporation without any regard to the wishes or the feelings or the interests of these Territories. I only say, and I say it in a very friendly spirit and not desiring to interfere with legislation, that I do not see but this bill can be made practically to work beneficially.

Mr. EDMUNDS. I wish to suggest to my friend from Delaware, if I do not interrupt him, that it is within my recollection that within a year or two we had exactly this question up, not as to a sweeping corporation but as to some railway corporation, some right that was to be granted to a corporation in a Territory of some kind, where it was suggested and agreed to on all hands that we ought to provide that when that Territory should become a State we should not saddle upon her a corporation that should be paramount to her sovereignty, and that the corporation should take whatever right we should give to it, subject to the supreme power of the State when there should be one.

Mr. BAYARD. That was precisely the provision; and it illustrates my idea in a single case. But here is something that far surpasses anything that has heretofore been proposed; and I say most frankly that this is to me an insuperable objection. With constant objections arising I do not see how a practicable bill can be framed out of this.

Mr. STEWART. Will the Senator allow me a minute at that point? Or I will wait until the Senator gets through.

Mr. BAYARD. I am stating quite unpremeditatedly my objections to this measure. I say frankly that although I shall probably vote against this bill for broad and general reasons which I have not yet adverted to, I am quite willing to give any aid I can to make it as unobjectionable as possible. If it is to become a law, I prefer it to be as guarded as we can make it. Therefore I do not wish to be misunderstood in what I say. I do not propose to amend it in a way to make it objectionable; on the contrary, I propose to make it more acceptable to my views and bring it as near right as I can, although I fear in the end it will not be sufficiently so to enable me to vote for it. Now if in the first section——

Mr. STEWART. Before you go on proposing amendments, I should like to reply to the main difficulty of the Senator.

Mr. BAYARD. Very well.

Mr. STEWART. The difficulty that the Senator from Delaware suggests (and it is very proper for consideration) I wish to invite the attention of the Senate to. Here is a general system of railway incorporation for the Territories; that is, a free railroad law allowing the people to incorporate themselves and build railroads with their own money. That is the intention. It is said that difficulties may arise when they become States on account of the jurisdiction. Now, in the first place, we have prohibited the Territories from passing acts incorporating railroads. In 1867 we passed an act, one section of which is as follows:

> The Legislative Assemblies of the several Territories of the United States shall not, after the passage of this act, grant private charters or special privileges; but may, by general incorporation acts, permit persons to associate themselves together as bodies-corporate for mining, agricultural, and industrial interests.

Not including railroads.

Mr. BAYARD. Is it the construction that not being mentioned they are therefore excluded?

Mr. STEWART. It has been so construed. Some attempted to incorporate railroad companies, but capitalists would not invest, and the opinions of the best lawyers are that that permission does not include railroads.

Mr. BAYARD. The construction is that the expression of certain things excludes all others.

Mr. STEWART. Yes, sir. Now it will be admitted in the first instance that it is not desirable to prevent people in the Territories from building railroads. I believe my friend from Delaware will go with me thus far, that they ought to have in some way the privilege of building railroads. Then we come to the question if there is any possible way of allowing them to build railroads at all without raising the identical point suggested by him, to wit, that the railroad may be found hereafter to be partly in two or more States. Suppose you should authorize the territorial Legislature to grant these charters, would not the same thing happen? The States are seldom formed of the same exact boundaries that the Territories are. The railroad would be very likely to be found in two States when the Territories become States, if it was built under a territorial charter. Suppose Congress itself should by a special act grant a charter to a railroad within a Territory and subsequently should admit it as a State, the same question would be raised. So there is no possible way of framing a law to build railroads, not knowing where the future State lines will be, so that they may not be in two different States, whether those acts are passed by the territorial Legislature or by Congress.

The act of 1867 prohibiting the Territories from organizing railroad corporations was certainly wise, for they were granting franchises most improvidently, and if their laws had been sanctioned every cañon and defile in the country would have been monopolized; there would have been somebody without capital standing there in the way of legitimate enterprises. Almost all of their charters had exclusive privileges. The legislation was such that Congress felt called upon to stop it altogether, and not only to stop it but to prevent any special grants of any kind. After we did that, what was the result? They came to Congress with their bills. Of the bills presented nearly nineteen-twentieths of them—and there were several hundred presented—were for roads going through several Territories; and some have been passed going through a good many Territories; for instance one goes from Ogden, or the neighborhood of Ogden, through to Oregon. It goes through the Territories of Utah and Idaho; I do not know whether it crosses the line of Montana or not; and then it goes into Washington Territory and through it to the State of Oregon. We passed that the last session. There you have got one under a special charter which will raise the same question when there shall be different States ultimately on that line. You have all the vice in that of special legislation and getting privileges here that are unguarded. The Senator talks about the want of guards in this bill. He ought to look at the special bills which go through every day without notice. It is to prevent this special legislation which is so injurious that we have attempted to frame this bill.

Mr. BAYARD. My friend from Nevada constantly refers to the phrase "special legislation."

Mr. STEWART. I mean special legislation in such cases as I have just cited.

Mr. BAYARD. But then there is in the nature of incorporations always special legislation. It is not a subject, in my opinion, for general legislation. Special legislation is vicious where it is legislation varying from general principles, being not a general law affecting the whole community, but a special law affecting a part. I think that is the explanation of the term "special" or "general," but an act of incorporation cannot be termed special legislation. It is an exercise of power which in its very nature must be single; it is not to be made by a general rule; it is the delegation of a certain portion of the public power and right.

Mr. STEWART. That is just where we differ. I call it special legislation, and of the most vicious character, to come here for charters and slip them through without having them particularly guarded, to be sold out, which is the necessary result of this whole thing if you do not provide for the subject by general law. I say where general laws can effect the purpose, it ought to be accomplished by general laws, and the building of railroads ought to be as free as air; and every man who is willing to put in his money should have the same right that any other man has; and Congress should let them all build. This is easily susceptible of general regulations. There is no difficulty about it. The States have adopted general regulations, and they are avoiding a great deal of this special legislation. In every State where a general law has been tried it has been regarded as a great deal better than getting through particular bills for particular railroads with special privileges. Every State that has tried the plan of having it done by general laws, finds it a great deal better than by special laws.

Now as to the point that there will be trouble on account of these Territories becoming States hereafter. I say that point is not well taken. Take the Pacific Railroad. When that charter was granted it went through Nebraska and Nevada, which are now States and were then Territories. They have become States since, and the Supreme Court, in a case that went up from Nebraska, held that Nebraska had the same rights of taxation as if that road had not been organized under a law of Congress.

Mr. BAYARD. Was there not a special act passed by Congress, which the Senator from Vermont referred to in regard to that very railroad?

Mr. STEWART. Nothing as to State jurisdiction.

Mr. BAYARD. At the time of the organization of that road was there not an express reservation of this power over it?

Mr. STEWART. No special reservation about it. In this bill Congress does make a special reservation:

> Congress may at any time, having due regard for the rights of such corporations, add to, alter, amend, or repeal this act.

When a State applies for admission this arrangement can be made if anything be necessary; or I do not object to putting in this bill the provision suggested by the Senator from Vermont, that when the Territory is organized into a State the corporations shall be subject to the State laws. I think it would be so in any event—it has been so

held; but if anybody here thinks that the State sovereignty, when organized, might not have full rights over them, let us make it clear by putting in this bill a full reservation on that subject. I think it is not necessary, because without that the same state of law would exist.

Now it has come to this, that there shall be either no railroads in the Territories, or some authority by which railroads can be created. Any authority by which a railroad can be created may find that railroad in two different States when the States are organized, and consequently the question suggested by my friend from Delaware may arise in any event under any machinery that we may devise for the building of roads. Our allowing everybody to build that will comply with this law does not complicate that matter at all. Take the Salt Lake, Portland and Dalles road, from Ogden to Portland, Oregon; what is the difference whether that has been organized under a general law or a special law? That is organized under a law of Congress, and that road will be in different States when you come to organize the Territories into States. So by your special legislation you do not avoid these questions, but they apply to every bill that comes up. The advantage of this bill is that it throws the matter open and we get safeguards. We ought to make this bill a good bill. I admit that. If there is any objection to the bill on account of the want of safeguards, let them be put on it.

Now I propose to look further into the suggestions of the Senator from Delaware. He says there is no provision of citizenship for the directors. I would suggest to him that the difficulty is not as to where the directors reside. It was considered by the committee whether it was necessary to require them to reside in the Territory, and it was suggested and well maintained by several members of the committee that that was not the difficulty; that the real thing was to have a place of business in the Territories. If the directors had to go there to do the business of the company, it matters not where they live. If you provide that the directors shall be citizens of the Territory, they may go off to the city of New York and put up jobs; but we require the office to be along the line of the road, and there the books are to be kept and the company's business transacted. That was considered by the committee as a better safeguard than any residence or citizenship of the directors. We make the corporation itself a citizen of the Territory; that is the citizenship we want. Its books are to be open there; its business is to be done there; the directors come there to do business. That is the only citizenship that is important. It does not make any difference if the directors are all citizens of Boston or New York, or anywhere else, if they come into Montana to build a railroad they must be there to do business. I want the real parties in interest to be directors, I want them on the ground, and they have to be there under this bill, for the corporation itself resides there. That is the great point to secure.

Then it is objected that there is no mode of serving process on them. We do not want to point out in our law the mode of serving process on corporations. The general laws of the States and of the Territories and of the United States, where the matter is within the United States jurisdiction, provide for that. When you point out a particular way you exclude all others. That would be granting a special privilege to a corporation, not to have it sued as individuals are. Corporations are liable to be sued. The principles laid down in every general work are that where there is no specific mode pointed out the general practice applies. It is well understood. It is inconvenient to provide a specific mode of service of process on a corporation. Let it be left to the laws of the Territories and they will provide for it. We do not wish to do that here. They say what is service upon a natural person; and why not upon a corporation?

The limitations in this bill you will find much more for the protection of the stockholders and the people than in the Pennsylvania law. In the first place we deny them the right to increase their capital stock; we require them to pay in 10 per cent. in money on subscribing; we require them with the amendment proposed by the Senator from Arkansas, which I think adds to the bill, that the books shall be kept open in the locality; and then we require them furthermore (so that the Congress of the United States shall have a view of what is going on) to make an exhibit each year, which we think will tend to honesty in the management of these roads. We provide—

That each and every railroad corporation incorporated under this act shall annually, in the month of January, make a full report, under the oath of the president and treasurer of said corporation, of the condition of its affairs, to the Secretary of the Interior, showing the amount of the capital stock of such company subscribed, and the amount actually paid in; the gross amount of receipts, and the respective sources thereof, during the previous year; the amount of road graded; the amount constructed; the cost of construction per mile and of repairs and incidental expenses; the net amount of profits; the dividends made; and the debts and liabilities, with such other facts as may be necessary to a full statement of the affairs and condition of such road.

We have endeavored to throw as many safeguards around the people as we could, but we do dissent most emphatically from the proposition that there is no way of authorizing these new Territories to be opened by railroads. They are worthless without railroads. They are mostly mineral Territories. Transportation is the question of existence. As you add to transportation you add to their production. The gold and silver mines of the United States are practically inexhaustible; a thousand years will leave them comparatively untouched; but the great mass of ore is of a low grade, and it becomes a question of practical economy as to how to work it where it is of low grade. Railroad transportation is essential. In my State individuals have built some considerable railroads and are building more with their own money to open and develop these mines. There should be nothing thrust in the way of persons who will do this. They will add to your national wealth. I submit that it is unsafe to leave it to the Territories, because their legislation will be incongruous and crude. We tried it, and Congress found it necessary to stop it. I submit it is not a good way to have them come here and ask for special charters, for we have not time to consider them; they go through in a crude manner and individuals get monopolies and sell out at a great advance to those who desire to build, and it is a practical embargo on building railroads at all. I say that the only way in which this object can be reached honestly and fairly is by a general law, which shall be free to all and give all an equal chance; and it seems to me that we are able here with the aid of my friend from Delaware, my friend from Iowa, and others, to give them such a law that those who desire to build may do so under it without injuring anybody. If being all anxious to protect them we have not the capacity to do it by a general law, we have not the capacity to do it in any other way. We will not do it by special laws, or will not do it by special charters; they get through in the morning hour without discussion; and you find your Territories covered with charters and persons having them to sell; and persons desiring to build are unwilling to build on those terms; and you practically exclude railroads from the Territories where they are the most needed. I say it is the duty of the Senate to perfect a general law; and it is the only way in which this question can be met and fairly met.

Mr. BAYARD. I move to amend the bill on page 16——

Mr. CLAYTON. I wish to inquire what has become of my amendment?

The PRESIDENT *pro tempore*. The question is on the amendment of the Senator from Arkansas [Mr. CLAYTON] to the amendment of the committee.

Mr. BAYARD. I beg pardon.

The amendment to the amendment was agreed to.

Mr. WRIGHT. I have one other amendment that I wish to offer to this bill. In section 10, line 4, after the word "same," I move to insert these words, "or over and upon the track of the constructed road;" so as to read:

That any such corporation whose right of way, or whose track upon such right of way, extends through any cañon, pass, or defile, shall not exclude any other such corporation from a passage through the same or over and upon the track of the constructed road upon equitable terms.

The amendment to the amendment was agreed to.

Mr. PRATT. I move to amend the bill by adding at the end of section 8, the following:

But no more than that quantity shall be located at any one station—

So that that portion of the section will read:

And ground for station-buildings, work-shops, depots, machine-shops, switches, side-tracks, turn-tables, and water-stations is hereby granted to such corporation, not to exceed ten acres for every ten miles of road; but no more than that quantity shall be located at any one station.

The amendment to the amendment was agreed to.

Mr. HAGER. I wish to move an amendment to section 1, line 6. The bill applies to all Territories except the Indian Territory. I move to insert after "Indian Territory" the words "and the District of Columbia."

Mr. STEWART. That is right.

Mr. HAGER. I do not know exactly what the status of the District of Columbia is. It is not a State and is not exactly a Territory, perhaps; at all events the exception had better be put in the bill, I think.

Mr. CLAYTON. I should like to ask if there is such a Territory as the "Indian Territory?"

Mr. STEWART. It has been named in that way in a good many bills excluding it from their operation. That is the ordinary way of referring to it.

Mr. CLAYTON. I think it is generally called the "Indian country."

Mr. STEWART. It is called the Indian Territory when it is excluded from the operation of general laws.

Mr. CLAYTON. I think not. I have never seen that designation, and under the provisions of our treaties with those Indians territorial control cannot be extended over them. It seems to me that the Indian country does not come under this bill at all, and that might be stricken out.

Mr. STEWART. The Senator does not think it is a Territory?

Mr. CLAYTON. I think not.

Mr. STEWART. I do not think it will do any harm to keep the words in.

Mr. SARGENT. I do not think the words will do any harm in the bill. I think it will do some harm to strike them out.

Mr. CLAYTON. I move to amend by saying "Indian country."

Mr. EDMUNDS. What is the pending amendment? Let it be reported.

The PRESIDENT *pro tempore*. The question is on the amendment of the Senator from California, in line 6 of section 1, to insert "and the District of Columbia;" so as to read—

That any number of natural persons, not less than five, may become a body-corporate for the purpose of locating, constructing, maintaining, and operating a rail-

road in the Territories of the United States, except the Indian Territory and the District of Columbia, with all the rights, privileges, and powers conferred by, and subject to all the restrictions of, this act.

The amendment to the amendment was agreed to.

Mr. CLAYTON. I move to amend, in section 16, line 6, by inserting after the word "circulation" the words "at least sixty days before making such change;" so that it will read—

And may change the same at pleasure to any other point on said road, giving public notice in one or more newspapers in the Territory having the largest circulation at least sixty days before making such change.

The amendment to the amendment was agreed to.

Mr. BUCKINGHAM. After the word "Territory," in the sixth line of the first section, I move to add the words "and Indian reservations in the Territories."

Mr. STEWART. What sense will that make? Let the section be read as it will stand with that amendment.

The CHIEF CLERK. The section, if amended as proposed, will read as follows:

That any number of natural persons, not less than five, may become a body-corporate for the purpose of locating, constructing, maintaining, and operating a railroad in the Territories of the United States except the Indian Territory and Indian reservations in the Territories, and the District of Columbia.

Mr. BUCKINGHAM. Has the Senator from Nevada any objection to the phraseology of the amendment?

Mr. STEWART. Yes; I have some objection to the phraseology of it. These Indian reservations are such a moonshine concern that I do not want to block up the Territories by one of them. They are not going to build any railroads in the Territories to hurt the Indians or affect the Indian Territory. Nobody is going to hurt the Indians by putting their own money into these railroads. They will not hurt any Indians or kill any Indians or do any harm.

Let me give you an illustration of this reservation business. In the eastern portion of my State there is a nice little valley, only about sixty or seventy miles in any direction, known as the Muddy Valley. It is the only place from which the people in that region can draw any supplies. The Indians in that country used to live about the springs and herd stock, and were getting along first rate. If they could be let alone, they were becoming civilized. Every Indian agent reported them more advanced than any others. Now, sir, the Indian Department has taken the whole of that valley, settlers and all, and put it into an Indian reservation. They have taken the Indians away from their homes and employment in different parts of the State, and are pauperizing them in that valley. I do not know the extent of that reservation; I have a resolution drawn up in my desk to find out the extent of it. I suppose if this valley had been in a Territory, the making of that reservation would stop the building of a railroad in the eastern part of Nevada.

These reservations are the veriest humbug that ever emanated from the brain of man. I do not know how many there are; I do not know but that the whole of the Territories are covered with these reservations.

Mr. BAYARD. The pleasant little valley of which the Senator speaks is in the State of Nevada, I believe?

Mr. STEWART. Yes, sir.

Mr. BAYARD. Then it is not affected by this amendment.

Mr. STEWART. No; but probably there are other valleys in the same situation all over the Territories. Do you want to stop the building of railroads there because there may be an Indian reservation in the way? I am willing to make a provision that they shall not cross an Indian reservation without the consent of the Secretary of the Interior. I am willing to agree to anything that is reasonable. But suppose an Indian agent goes out there full of high hopes, and then comes here to the Department, as they always do, and gets a big reservation fixed up, which lies between a settlement and a mining camp, cutting off the people from communication with their homes, are they to be told that they cannot build a railroad across there because of this reservation? I am willing that this right shall be guarded. I am willing to say that these roads shall not cross an Indian reservation without the consent of the President or Secretary of the Interior. In that case surely there will be no harm done, no Indians killed by building a railroad through the reservations.

Mr. BUCKINGHAM. It may be that these Indian reservations are all a humbug.

Mr. STEWART. No; I did not say that.

Mr. BUCKINGHAM. It was pretty near it; perhaps "moonshine" was the word.

Mr. STEWART. That is about it.

Mr. BUCKINGHAM. It is undoubtedly very true that they have been treated by the Government as of very little importance; and yet it is a fact that many of those reservations have been set apart for different tribes of Indians; and this Government has pledged itself to protect the Indians from the presence of the whites. There are many instances in which there have been treaties entered into in the most solemn manner, by which the Government has agreed to protect the Indians from any who might trespass upon their rights; indeed, to keep them out of their territory. Now here is a bill that proposes to enter their territory in violation of these treaties. I ask you if that is moonshine? I ask you if it is not a measure which the Senate ought to oppose? It appears to me that it is; and I do not see how we can stand here and undertake to defend our own views and our own sense of justice, when we repudiate our treaties or attempt to set them aside by a statute of this kind. I think the Indians have rights, and I think they should be guarded more thoroughly and strongly than they have been by the American people. They are, as my friend from Nevada will admit, the wards of the Government. Are we to treat them as though they were the enemies of the Government? Are we to treat them as though they were to be driven from civilization and exterminated? No, sir.

Mr. STEWART. Your heart is in the right place, but your head is all wrong on this subject.

Mr. BUCKINGHAM. My head has been wrong a great many times; there is no doubt about that.

Mr. STEWART. Your heart is all right.

Mr. BUCKINGHAM. Let us go according to the heart then; I think it is quite as good a guide as a misguided head. I hope we shall act in accordance with the heart.

Mr. STEWART. Mr. President, I undertake to say that there have been more cold-blooded, miserable, disgraceful outrages committed under the name of humanity to the Indians than under any other name or cloak in any age or nation. Nothing can be found so disgraceful as the mode of treating Indians in America. In the first place, we deny to them the common privileges of humanity, to be men. You treat them as paupers. You herd them together like hogs. In the next place, you have no machinery by which you can tell whether your agents steal the money voted for the Indians or not; and humanity is so weak that you do occasionally find men, when there is no possible means of detecting them, who will steal.

Mr. President, my own State affords the best illustration of the fact that if the Indians are let alone they are inclined to become civilized. They will become civilized if you will take some means of extending education to them, if you will aid them in any humanitarian way, the same as you would aid the poor negro or the poor white, instead of getting up a grand reservation for them and putting them together and pretending to feed them and pauperize them and denying them the privilege of becoming civilized, as your system does. You have got no civilized Indians under your system. You have had the system in operation since the foundation of the Government, and it does not civilize the Indians.

Now, we are told that if there happens to be an Indian reservation on the line of a railroad in this enormous region—for the bill applies only to the Territories—the railroad must stop. You do not stop it for a white man's farm; you do not stop it for a miner's cabin; you condemn that and take it. Although a white man may have his house on the line of a road, you will not let him stay in it if it is needed for a railroad; you condemn it, and you provide in this bill for its condemnation. You go through his house and garden; you tear down his house, if necessary, to build a railroad or a canal or any public work that is needed for public use. But you say if an Indian agent comes here with a view of making a good speculation and gets the land between a mining camp and a railroad reserved, you cannot put a railroad through it. Let that fact be known and every Indian agent will want to establish a reservation right on the line of where there is going to be a railroad, and then he will go to the railroad men and say, "You cannot get over this unless you get my reservation out of the way; I will put a reservation here." The reservations are generally established on their recommendations, and there is no machinery by which the thing can be investigated.

I am perfectly willing to say that these railroads shall not be extended through Indian reservations except under the sanction of the Department; but to say that the mere fact of declaring a reservation shall cut off a settlement from communication, and that done in the name of humanity, is too absurd. Humanity is promoted by developing the mountains, by developing that country, by making it the home of white men. The humanity that aids the Indian is that which treats him as a man, gives him work, teaches him to work. If there is such sacredness in an Indian reservation that there is no way to get over it, if a mining settlement is to be cut off from railroad communication because the road would have to run through one of these imaginary reservations, I should like to know it. I am willing to do anything that is reasonable; and I declare again that I am willing to say that the railroad shall not go through an Indian reservation without the consent of the Secretary of the Interior. Then certainly the thing will be properly guarded. He has charge of the Indians, and will not give his consent without having the proper guards. Besides, they cannot take any land in reservation, because the bill prohibits them from doing that.

Mr. RAMSEY. They might tunnel under the reservation. [Laughter.]

Mr. STEWART. Yes; if it was not more than fifty or sixty miles long. They can take no land on the reservation even for right of way or anything of that kind; but I am willing to say that they shall not go through a reservation if one of them happens to skirt along a Territory unless the Secretary of the Interior gives his consent; and I will suggest an amendment to the amendment if it is in order.

Mr. PRATT. I should be glad to ask my friend from Nevada a question that arises in my mind from the amendment offered by the Senator from Connecticut. It is this: If there be, as the amendment contemplates that there are, reservations in these Territories belonging exclusively to a tribe of Indians, and depending upon treaties executed between the Indians and the United States, I beg

to know by what authority Congress can violate any treaty stipulations?

Mr. STEWART. In the first place, the difficulty about the question is that the bill does not contemplate any such thing.

Mr. EDMUNDS. Yes; it does.

Mr. STEWART. No; it does not. These reservations are not by treaty at all vesting the right in the land. They are set apart by the Secretary of the Interior without treaty. The treaty does not give them the title to the soil any way.

Mr. PRATT. Does it not give them the exclusive right of occupancy of that body of land?

Mr. STEWART. No, sir.

Mr. PRATT. And provides that without a license from the Indian superintendent no white man shall be allowed to enter the reservation?

Mr. STEWART. The Indian superintendent has the exclusive privilege to trade and speculate and do anything he pleases, and he generally does. There is no doubt about his exclusive rights and privileges; but the Indians have no rights that an Indian agent will respect. That has been shown in my own State. We had there Natchez, one of the best Indians in the United States, a man who was worth four times as much as the Indian agent. Natchez commenced telling about the agent's rascality, and the agent got General Schofield to arrest him and take him down to San Francisco the other day; but General Schofield found out from the citizens there who Natchez was and discharged him, and he is now back again. An Indian agent would not respect the rights of Natchez or anybody else. But, sir, the Indians have no title in the land. It is merely set apart for their temporary occupancy, except in the Indian Territory, where you have those treaties.

Mr. PRATT. One further question. Are their rights in those reservations of such a loose character that Congress may at any time take their rights away?

Mr. STEWART. Certainly.

Mr. PRATT. I was not aware of that.

Mr. STEWART. Congress may take them away, and Indian agents, Indian speculators and traders around the reservation take all their pretended rights away. I should like to have the amendment of the Senator from Connecticut read, so that I may suggest an amendment to it, which perhaps my friend will accept.

Mr. BUCKINGHAM. I think it is right as it is.

Mr. STEWART. Well, I should like to suggest an amendment to it.

The CHIEF CLERK. The amendment is to insert after the words "Indian Territory" in line 6 of section 1, the words, "and Indian reservations in the Territories."

Mr. STEWART. I would amend by adding a proviso something like this:

Provided, That no Indian reservation in the Territories shall be crossed without the consent of the Secretary of the Interior.

The PRESIDENT *pro tempore*. The Senator can offer that as a substitute for the amendment of the Senator from Connecticut.

Mr. STEWART. Then I offer this as a substitute:

Provided, That no Indian reservation shall be crossed by a railroad without the consent of the Secretary of the Interior previously had.

Mr. SARGENT. Let me suggest to my friend from Nevada this form, which I had drawn up:

Provided, That nothing herein contained shall authorize any railroad company to enter any Indian reservation or have the right of way over the same without the written permission of the Secretary of the Interior.

Mr. STEWART. I will accept that.

The PRESIDENT *pro tempore*. The Chair understands that that is offered as a substitute for the amendment of the Senator from Connecticut.

Mr. SARGENT. But it ought to come in at the end of section 8, which deals with the question of right of way. I offer it as a substitute to come in at the end of section 8.

Mr. BUCKINGHAM. I do not see how Congress can allow the Secretary of the Interior to set aside a treaty made by the Government of the United States. We certainly have treaties now in force with different Indian tribes by which we have set apart reservations for them, and although the Senator from Nevada may claim, as he does that they have no right to the soil, yet if they have only the right of occupancy, they are to be protected in that right according to the treaty, and the treaty does provide that this Government will protect them against the intrusion of white men and that white men shall not enter into or occupy places within those reservations, except certain persons defined by law.

But the argument which the Senator from Nevada makes is substantially that there are agents who will steal, and therefore it is right for the Government of the United States to violate its treaties. I do not see precisely the relation which the one bears to the other. I do not understand the strength of the argument. When one party does wrong that does not justify another in doing wrong, to my mind. I cannot see anything that would be reasonable or right in this Government forcing a railroad through reservations which are set apart and pledged with all the power of the Government to protect the Indians upon.

Mr. STEWART. Mr. President, this Government organized Territories and invited its white settlers to settle them, and they have gone out into the wilderness and developed the mines and lands and endured all the hardships that pioneers necessarily endure. They are the same class of men that have made America all that it is to-day, not the Indians. Those men, upon the invitation of the Government, have gone into these far-off regions. Can my friend see any right or propriety in allowing a mere Indian reservation to lie between them and the settlements, and prevent the right of way? Can he see any propriety in allowing these Indian reservations, gotten up falsely or fairly, as you please, to lie in the path of progress, so that the pioneer settlers shall be deprived of communication with the rest of the world? He would allow a line of railroad to pass through a church or a city, or anywhere if the higher conveniences of the public required it; he would condemn the miner's property and the settler's property for the purpose of a railroad; but he would not allow any one to cross the imaginary line of a sage-brush reservation, where nobody lives, which is only occupied by lizards and rabbits and a few prairie-hens, with no Indians within a thousand miles of it. That imaginary line is to be allowed to stand between the settler and his home! That is the effect of the amendment. Nobody has the right to remove that barrier because, forsooth, at some time there has been an Indian reservation there, in pursuance of a treaty made. Why, sir, the Supreme Court have held that Congress may abolish treaties, may modify treaties. They decided it in the Cherokee case. Congress can abolish a treaty with England, if they choose to do so. There is no doubt about the power of Congress over the subject.

Then comes the question of right. Now, I do think there must be very sacred property attached to those alkali, sage-brush regions of Nevada, Montana, Idaho, and Arizona, when a mere imaginary line, never surveyed, drawn by some Indian agent, pointing out the extent of country he wants upon which to speculate if it happens to run between the settler and the miner and his home or his base of supplies, cannot be crossed by a railroad. Why? Not because it will injure the Indian, not because it will injure any human being; but because it is an Indian reservation—and there is something sacred about an Indian reservation. Nothing else is allowed to stand in the way of progress. The home of a man in civilized life is not allowed to stand in the way; nothing can stand in the way but an Indian reservation; a reservation made without the expenditure of a dollar; a reservation made without you knowing what you were doing; a reservation made and removed constantly by the Secretary of the Interior, set apart for the Indians temporarily. That is to prevent the construction of a railroad; and even if the Secretary gives his consent it is not to be done. Let that be known, let it be understood that if these agents can get these projected lines of road surrounded by Indian reservations, they can cut them off, and you will find plenty of them. In that way you will isolate the settlements as effectually as if there were an army surrounding them.

My friend from Connecticut may take his compass and his eyeglasses, and every other machinery that he can find to assist him, and he may go into that country where there are these Indian reservations, and if he finds one in ten years he will be smart. They are only on paper. If he finds an Indian who lives on a reservation in traveling for months he will be smart. I have lived in that country for twenty-five years, and I have seen magnificent reports of vast amounts of Indians, but I have seldom seen the Indians. I know some of them in my State. I have cultivated the acquaintance of some of them, and have talked with them, and they say it is all humbug, there are no such numbers. That is the way Natchez and this agent Bateman got into a dispute. Bateman returned too many. Natchez could read a little, and his friends read along with him, and he could not stand it. Said he: "This is not so; he has not fed that number; there are only four hundred of us, and he has got four thousand," I believe it was, and he commenced exposing the agent, and consequently was arrested. Natchez came out best, however, because the white people there knew him very well, and the matter has been discussed in the papers all winter.

The only question here is whether there shall be an imaginary line put into this bill, whereby you shall not be allowed to go through an Indian reservation to a mining claim with a railroad.

Mr. BUCKINGHAM. I cannot answer the argument of the Senator from Nevada; it is too much for me; and I shall not attempt it; but I will say this: I have sometimes seen ahead an object which was very desirable and which I should like to obtain, but between me and that object lay the rights of some other party or parties, and whether I should secure that object or not would depend upon one of two things: whether I should trample upon the rights of those who had rights between me and the object I should like to secure, or whether I should go around them. Here the claim is that there are certain objects to be obtained, desirable on the part of the Senator from Nevada, but between him and those objects is an Indian reservation, the rights of the Indians, the rights which are guaranteed to the Indians by this Government. Now the Senator proposes by this bill to ride roughshod over those rights instead of going around them or doing without them.

Mr. EDMUNDS. I only wish to say in reference to the amendment of the Senator from Connecticut that I hope it will be adopted, and I think my friend from Nevada himself ought to agree to it. The bill as it stands, without that, certainly authorizes any association of gentlemen, without any further consent of Congress or anybody else, to build a railroad into any of the Territories, as distinguished from the Indian Territory, in the United States, to pass over the reservations

which we expressly made by treaty with the Sioux under the General Sherman treaty of a few years ago, where within a few months you know it has been touch and go whether we could keep the peace with those warlike tribes and preserve the settlers on the borders from the havoc of war and preserve the Indians in peace.

The people who are going to build these railroads are not the settlers who take their lives and their pickaxes in their hands and build a railroad for themselves. They are people who build them specially for money—a perfectly proper thing to do. I am not quarreling with those who build railroads; but they build from self-interest, as entering into business. It is not enterprise that builds a railroad; it is the desire for private gain.

Now the question is whether, without reserving to Congress the right to determine in a special case whether there is a paramount public necessity which should lead us to treat with the Indians to pass a reservation to which we have already pledged our faith, we are to say in advance to everybody who chooses to organize a railroad corporation to go to a mine that he has, or whatever may be the motive, that he may violate every treaty we have with the Indians; he may disturb every hunting-ground to which we have sent those Indians, and where they are to subsist, and by which alone as it stands they can be expected to preserve the peace and to keep within the reservations where we have agreed with them they shall stay, and where they have agreed to stay, and open up the country to the vast number of people who are necessary in railway building, the operatives, the laborers, and the disturbance which drives away the game and fills up the country with sutlers and speculators and grocers and rum-sellers and everything else; because we all know what attends the building of a railroad through a country.

We are now in advance, without saying there is a paramount public necessity in this particular case which shall lead us to ask the Indians to modify or to assent, to say that in every case any association of citizens of the United States may go where they will with a railroad over these reservations, when, as I say, in the case of 1866 with all those warlike tribes we have made the most solemn stipulations that the country reserved to them shall be held immaculate from the tread of the white man's foot, and that they shall stay inside of it on their own part. The result is, of course and necessarily, a war, and who is to blame the Indian? Where is he to get his buffalo if ten thousand men are to drive them away? Where is he to hunt the deer and the antelope or whatever else he feeds upon in the pursuit of his methods of getting his living, if these operations of civilization that are spoken of are carried into his midst? It is not a good place to hunt where men are blasting rocks, at least in my country. Of course it is unnecessary to dwell upon this, because everybody can see how it would be. All I wish to call the attention of the Senate to is that we regard our faith and our honor pledged to white men and to white governments and to white societies who are able to maintain their own rights, as sacred; but I think if there is any higher duty in a civilized and honorable government than any other, it is to preserve its faith toward the weak, the ignorant, and the defenseless. That is the condition of the Indian; and if we are to break our faith, let the last occasion be that where we break it with those who are too weak, too poor, or too ignorant to defend their own rights.

The Senator from Nevada says that there are no reservations by treaty, that they are all humbugs. Does the Senator mean to say that the statute-books are not full of treaties with various Indian tribes, dozens, twenties, thirties of them, where specific reservations are set apart and into which it is declared that the faith of the United States is pledged that the white citizen shall not go? He certainly does not mean to say that, because my honorable friend is intelligent.

Mr. STEWART. I thought I was until I heard this speech of yours.

Mr. EDMUNDS. Very well; if my friend was intelligent before and is not now, let us see. Here I open the statutes at random and I find the treaty of 1865 with the Comanche and the Kiowa tribe of Indians.

Mr. STEWART. That is in the Indian Territory, is it not?

Mr. EDMUNDS. Let us see where it is.

Mr. INGALLS. It is in the Indian Territory.

Mr. EDMUNDS. The whole of it?

Mr. INGALLS. Yes, sir.

Mr. EDMUNDS. Very well; then these railroads are not to be allowed to go there.

Mr. STEWART. Certainly not.

Mr. EDMUNDS. Then I will turn to another. We have got one reservation where they are not allowed to go now. If the railroad is such a necessity for civilization, if you are to say that the railroad must go through a reservation, why should it not go through this one?

Mr. STEWART. It ought to.

Mr. EDMUNDS. But the Senator has not proposed that. He is perfectly willing to leave this out, but the moment you get out of the Kiowa and Comanche reservation, the moment you find a Sioux or a Crow or whatever he may be in Montana, he has rights which every white man is bound to disrespect, as the old-fashioned phrase used to be. Sir, that will not do; it is *felo de se*. If this particular treaty which I happened to come upon at random is one where by statute as he leaves it the railroad has no right to go, then I say it furnishes a conclusive argument why every other reservation ought to stand upon the same ground. But I need not turn to another, because my friend knows full well in relation to the great bands of tribes of Sioux in the Northwest, which cover the whole territory from the Missouri to the Rocky Mountains and beyond almost, there are treaties after treaties, especially those of General Sherman and his party in 1867, and another one still later, or before, I have forgotten which, which goes along into the borders of the North Pacific Railroad, into which I had occasion to look a few years ago where these reservations exist and in express terms—it is not by implication but in express terms—it is declared that nobody shall be admitted for any purpose, except that in some of them it is provided, as in this Kiowa treaty which I was going to read, that the United States itself may build a road through the Indian reservation if the public necessity shall require it, in its judgment, and in that case shall pay the Indian the amount of damage and discomfort that is made to him. No right even in that case is reserved to the United States to delegate in general to any corporation that may spring into existence any such right, but it is the right of the Government acting for itself to build a public highway for itself, for which it shall pay the Indian in that reservation.

Mr. STEWART. Does the Senator deny the power to pass this act?

Mr. EDMUNDS. I do. I deny the power of this body to do an act of dishonor to itself under any circumstances.

Mr. STEWART. That is begging the question. Does the Senator deny the legal power, the constitutional power?

Mr. EDMUNDS. Yes, Mr. President; I deny the constitutional power of the Senate of the United States and of the House of Representatives to declare that a treaty with Indians, any more than a treaty with a foreign power which reads one way shall be made to read another. I do not deny the power of the Congress of the United States to violate a treaty in the legal sense. If we make a treaty with Her Majesty's government of Great Britain, providing for the submission of claims to arbitration or for paying certain prices for rights of fisheries, I do not deny the power of Congress to violate that treaty by refusing to carry it into effect. I do not deny the power of Congress, if it makes a treaty of extradition, to refuse to extradite. I do not deny the power of Congress to violate any treaty by an act of war when it is a treaty of peace, and to abolish the treaty. Therefore I admit we have the legal power to make war upon the Indian, to invade the sovereignty that by treaty we have confided to him and have declared shall be sacred, and say we will override it; but I deny the moral power of this body; I deny its power in honor and justice, and of every member of it, if the Senator will pardon me, to do any such thing. My friend loves honor as well as I do; he loves to keep faith as well as I do; and if he individually had made one of these treaties with these Indians, he being the sovereign, as the United States is, upon one side, and the Indian upon the other, his right hand would fall from his arm, his eye would burn in its socket, and his tongue would freeze to the roof of his mouth before he would allow such a thing as this to be done. I know him too well not to know that.

But because it is a great nation that has pledged its faith in this way it is very easy to override it. No, Mr. President, it will not do. It will not do ethically; it will not do morally; it will not do in that political sense of the propriety of things as a practical question, because it will give you a dozen Indian wars the moment any of these territories that are preserved as reservations are invaded under the bill.

Mr. STEWART. Mr. President I did not suppose that such a speech as we have just heard could be made in this body. I am astonished at my friend from Vermont and his plea in favor of the Indian, as he supposes it to be, extending to the exclusion of the white man from the ordinary right of way in a Territory. The right of way to his home is to be cut off by an Indian reservation, whether there is an Indian upon it or not.

The Senator says in a legal sense we have the constitutional power to do this, but morally we have not; morally we are going to commit an outrage that is bringing tears to his eyes; an outrage which we ought not to commit. How is that outrage to be committed? By men building a railroad across an Indian reservation, with the consent of the Secretary of the Interior. That is to rob the Indian of his sacred rights and violate solemn treaty stipulations! Outside of the Indian Territory which you have dedicated to barbarism, the people in Montana and Idaho will be a little astonished at any such idea as a violation of human rights being connected with this bill.

The Senator talks about the rights of the Sioux on the plains. Why, sir, nobody is going to organize to build railroads there for the present. Besides, whenever they have found it necessary to build a road in such a region, Congress has always passed a law to build the railroad.

He says all this country is bound up by treaty stipulation——

Mr. EDMUNDS. If the Senator will allow me, he says that Congress has passed laws, notwithstanding these treaties, to build railroads through an Indian reservation. If the Senator will be kind enough to point out such a statute I shall be very much obliged to him.

Mr. STEWART. If your Indian reservations extend across those plains the Northern Pacific Railroad would cut into them.

Mr. EDMUNDS. The Northern Pacific Railroad, the Senator will find, is specially excluded as it now lies.

Mr. STEWART. They have fixed it now so that they have got it out of the way. But it does not make any difference. The Senator says some great harm is going to be done, some sacred right is going to be violated; and although we have the legal power we should not do it. He tells us we are going to commit a great outrage by building railroads and disturbing Indian barbarities; that we are going to establish railroads in the Sioux country so as to disturb the Sioux. Why, sir, there is nobody living there, and there would be no object in making railroads there. The only place where this exception could be made available would be in the mining country, where they would want to build to the mines, and where the Indian agent would lay out a reservation across the road to levy blackmail. That is all there is of it. It would never be used to protect the Indians, but to levy blackmail in order to get it out of the way. That is all there is of this thing. If you cannot trust the Secretary of the Interior to say when this shall be done, whom can you trust? The Secretary of the Interior will regulate this whole matter.

You talk about keeping faith with the Indians. You do not keep any faith with Indians; you let your agents make bargains with them that you cannot fulfill. If you would treat the Indians as you treat other men, subject them to your laws, let them become civilized, you would get along a great deal better with them. But here there is no conceivable chance for anybody to injure them.

You talk about these reservations of Indians outside of the Indian Territory. They never have observed the reservations. They stay as long as they choose, and no longer than you keep them there by your military power or by feeding them. They do not know where the bounds of the reservation are, and care less. Why should that reservation stand in the way of building a railroad or any other kind of road, or tramping across it? You have dedicated the Indian Territory, and we except that.

Mr. STOCKTON. I should like to ask the Senator from Nevada a question. I understand the amendment now to be that the railroads shall not cross an Indian reservation without the consent of the President, or, as amended, without the consent of the Secretary of the Interior.

Mr. STEWART. I agree to that.

Mr. STOCKTON. I listened with great pleasure to the Senator's discourse, in which he objected to special charters. He was in favor of general laws for all the people of this land. Now, I desire to ask him——

Mr. STEWART. I should like to ask one question myself. In the name of all that is good and great, how can you have any general legislation for the Indians when you have got a thousand special speculators to get up tricks that rob the Treasury all the while, and where you have Indians returned that do not exist, and where you have a system that you have no responsibility in, and where you have a system that every intelligent man in that region knows is a farce? But the testimony of all the people in that country weighs for nothing as weighed against an Indian agent who has a little speculating scheme. What general rules can you apply to that?

In my own State I have fought appropriations to build up monopolies and to have a large surplus to buy up newspapers and keep politics running. I have fought the reservations. I have fought taking these people from their homes and pauperizing them in herds; and to-day every report from that country says the Indians are in a better condition in Nevada than any other Indians in the United States; and they undertake to say that they are a different breed of men. They have been treated a little differently; but if I could have had my way and given them such aid as to enable them to be educated, and given money to the Indians for proper purposes without helping to pauperize them, and let the people there deal with them, give them work if they are inclined to work, it would have been a great deal better than it now is. But the idea of talking about a general rule that shall apply to a system that no man can comprehend, a system that induces larceny, is absurd.

Mr. SARGENT. I move that the Senate proceed to the consideration of executive business.

Mr. STOCKTON. I should like to have a chance to put my question. [Laughter.]

Mr. SARGENT. I will yield for a moment.

Mr. STOCKTON. I am certainly amused at the Senator from Nevada continuing to answer a question which he would not listen to hear. He was talking so much all the afternoon about the Indians that it occurred to me two or three times to suggest to him and to the Senator from California to discuss also the Chinese question on this bill. [Laughter.] I think the Senator from Nevada has managed his bill admirably to-day. I thought of saying something about it two or three times when the bill was really before the Senate, and when he got to the Indian question I thought of discussing the Indian question, and then I had a notion toward the end of discussing the Chinese question or of suggesting to him to do so. What I rose for a few moments since was in the hope of bringing him back to the object he had in view; that was, to pass his bill. I wished to ask him whether it was not special legislation whereby the whole power of five natural persons, as they are called in the bill, to make a railroad or not, is to depend upon the Secretary of the Interior or the President?

Mr. STEWART. Allow me to answer that now.

Mr. STOCKTON. Very well.

Mr. STEWART. It is special to a certain extent. The only question is whether we shall decide that a railroad shall be stopped because there is a little sage-brush within the limits of an Indian reservation over which it must pass, whether the particular alkali where the Indian has a reservation that the Government knows nothing of shall prevent the road going through. I believe I could trust that to the Secretary of the Interior or anybody else; I would even trust it to the Senator from New Jersey.

Mr. STOCKTON. I understand the gentleman. This bill provides for a company being formed by five "natural persons." What "natural persons" means I do not know exactly. I suppose it means the aborgines of the country. It certainly may mean the Modoc Indians. It possibly also means the Digger Indians, and they will not be deprived of their food, as was suggested by the Senator from Vermont, because they live, I think, upon dirt. It probably embraces the Chinese. These five natural persons, certainly not necessarily citizens of America, not described, as in the Pennsylvania law, as citizens of the State, are to form a corporation. This bill is much wider; it is not contracted as these miserable State bills are. It permits the Digger Indians, the Chinese, and the whole world to come in, provided they come up to the standard of "natural persons." The courts will have to decide what are "natural persons."

The Senator from California reminds me that I am speaking by his courtesy, that he waived his motion for an executive session; which I had really forgotten for the moment. The Senator from Nevada having interrupted me in the remarks I was about to make, I forgot that I was speaking by the courtesy of the Senator from California. I rose simply to put this question seriously to the Senator from Nevada, whether this is not the worst special legislation in the world? Here, when there is a doubt as to whether the Territories themselves should, as the States do, charter companies to do the work that is necessary in making common highways, the Congress of the United States by a bill, however carefully perfected, undertakes to do that thing for the Territories. In despite of his argument against special legislation, the Senator from Nevada proposes that the Secretary of the Interior or the President of the United States may decide whether these five natural persons when they make their application shall be allowed to construct a railroad or not. That amendment is nothing but a proposition to take the power from the territorial governments, to take it from the Congress of the United States, and give the absolute power to the executive authority of this country. The absolute power of what? The absolute power, as the bill says in one of its sections, to run through all the public domain of this country and to take private property not for public purposes under the act but for private purposes, a proposition that violates not only the Constitution of the United States, which forbids that thing to be done, but is so loosely guarded that the citizen who is deprived under the bill of his property has no remedy or place to seek redress; and that power under that bill, not sufficient yet it seems, is to have added to it an amendment which gives the permission for these five natural persons to do it or not to do it to the executive power.

Mr. President, I did intend during the day and have two or three times attempted to get the floor to speak against this bill, the whole bill, the principle of the bill, as violative of every system of general railroad laws as well as special railroad laws ever adopted in this country, and one which will be regretted more than any bill that has passed Congress this session, if it shall be passed; but remembering that I am speaking by the courtesy of the Senator from California I will reserve my remarks to some other occasion.

EXECUTIVE SESSION.

Mr. SARGENT. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After four minutes spent in executive session the doors were reopened, and (at four o'clock and sixteen minutes p. m.) the Senate adjourned.

HOUSE OF REPRESENTATIVES.

THURSDAY, *April* 9, 1874.

The House met at twelve o'clock m. Prayer by the Chaplain, Rev. J. G. BUTLER, D. D.

The Journal of yesterday was read and approved.

MOIETIES.

Mr. ELLIS H. ROBERTS. The Committee on Ways and Means have had the subject of moieties, fines, penalties, and forfeitures before them; and I am directed to report a bill bearing upon one portion of the subject, and to ask that it may be printed and recommitted to the committee.

Mr. BUTLER, of Massachusetts. Not to be brought back by a motion to reconsider.

Mr. WOOD. I desire to say, as one member of the committee, that this bill has not received any vote of the committee. It is merely reported for the purpose of having it printed and recommitted. In my judgment it is entirely insufficient to meet the requirements of the case.

The bill (H. R. No. 2881) to repeal all moieties, and for other purposes, was received and read a first and second time.

Mr. HALE, of Maine. I ask that the bill be read at length.

Mr. HOLMAN. Perhaps the gentleman's purpose will be served if the bill be printed in the RECORD. I ask that that order be made.

There was no objection, and it was so ordered.

The bill was recommitted to the Committee on Ways and Means, and ordered to be printed, not to be brought back by a motion to reconsider.

It is as follows:

A bill to repeal all moieties, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all provisions of law under which moieties of any fines, penalties, or forfeitures, or any share therein, are paid to informers, or officers of customs, or other officers of the United States, are hereby repealed; and from and after the date of the passage of this act the proceeds of all fines, penalties, and forfeitures shall be paid into the Treasury of the United States.

SEC. 2. That it shall hereafter be the duty of the Secretary of the Treasury, out of any moneys specifically appropriated by Congress, to make suitable compensation to informers and other persons aiding in the detection of smuggling and other offenses against the custom-revenue laws, or aiding in convictions for the same; and he shall annually report to Congress, in detail, all payments by him for such purpose. Whenever any officer of the customs, or other person, shall detect and seize goods, wares, or merchandise in the act of being smuggled, or which have been smuggled, he shall be entitled to such compensation therefor as the Secretary of the Treasury shall award, not exceeding one-half of the net proceeds, if any, resulting from such seizure, after deducting all costs and charges connected therewith. And whenever any person, not an officer of the United States, shall furnish to a district attorney, or to any chief officer of the customs, original information concerning any fraud upon the customs revenue, perpetrated or contemplated, which shall lead to the recovery of any duties withheld, or of any fine, penalty, or forfeiture incurred, such compensation may, on such recovery, be paid to the informer as shall be just and reasonable, not exceeding in any case the sum of $10,000, which compensation shall be paid, under the direction of the Secretary of the Treasury, out of any moneys appropriated for that purpose.

SEC. 3. That no payment shall be made to any person claiming as informer in any case wherein judicial proceedings shall have been instituted, unless his rights as such informer shall have been established to the satisfaction of the court or judge having cognizance of such proceedings and the value of his services duly certified by said court or judge for the information of the Secretary of the Treasury. And when any fine, penalty, or forfeiture shall be collected without judicial proceedings, the Secretary of the Treasury, shall, before directing payment to any person claiming as informer, require satisfactory proof that such person is justly entitled thereto.

SEC. 4. That whenever any district attorney shall receive notice of any application before the judge of the district court for the mitigation or remission of any fine, penalty, or forfeiture, he shall immediately notify the collector of customs for the district in which such fines, penalty, or forfeiture was incurred, who shall thereupon notify the person or persons who may be interested in the prosecution of the case, in order that he or they may attend and show cause why the prayer of the petitioner should be refused; and such collector shall also furnish to the district attorney all practicable information necessary to enable him to protect the interests of the United States.

SEC. 5. That no officer, informer, or other person entitled to or interested in a part or share of any fine, penalty, or forfeiture incurred under the customs-revenue laws of the United States shall be thereby disqualified from becoming a witness in any action, suit, or proceeding for the recovery, mitigation, or remission thereof, but shall be subject to examination and cross-examination in like manner with other witnesses, without being thereby deprived of any right, title, shares, or interest in any fine, penalty, or forfeiture to which such examination may relate: *Provided*, That in every such case whenever the officer, informer, or person entitled to any share in the fine, penalty, or forfeiture shall appear as a witness, the defendant or defendants shall also be entitled to testify and to be examined and cross-examined in like manner.

CLAIMS OF UNITED STATES TO LANDS IN VIRGINIA.

Mr. SENER, by unanimous consent, introduced a bill (H. R. No. 2882) releasing the claims of the United States to certain lands in the counties of Accomac and Northampton, in the State of Virginia, owned by the United States; which was read a first and second time, referred to the Committee on Revision of the Laws of the United States, and ordered to be printed.

PRINTING OF A REPORT.

Mr. PARKER, of Missouri, by unanimous consent, from the Committee on Appropriations, presented a report to accompany House bill No. 2189; and the same was recommitted to the Committee on Appropriations, and ordered to be printed.

HARRIET W. WILKINSON.

Mr. NEGLEY, by unanimous consent, introduced a bill (H. R. No. 2883) granting a pension to Harriet W. Wilkinson; which was read a first and second time, referred to the Committee on Invalid Pensions, and ordered to be printed.

ARKANSAS VALLEY RAILWAY COMPANY.

Mr. WELLS, by unanimous consent, introduced a bill (H. R. No. 2884) granting the right of way through the public lands to the Arkansas Valley Railway Company; which was read a first and second time, referred to the Committee on the Pacific Railroad, and ordered to be printed.

PROPOSED CHANGE OF THE PENSION LAWS.

Mr. KELLEY. I present for reference to the Committee on Invalid Pensions the memorial of 2,432 pensioners of the city of Philadelphia, protesting against the proposed change of the pension laws. I simply desire to invite the attention of the House to the fact that there is such a memorial.

The memorial was referred to the Committee on Invalid Pensions, and ordered to be printed.

PERSONS ACTING IN THE INTEREST OF THE UNITED STATES.

Mr. BUTLER, of Massachusetts. I ask unanimous consent to report back from the Committee on the Judiciary the bill (H. R. No. 2443) to protect persons acting in the interest of the United States, with a substitute to be treated as an original bill, for present consideration.

The substitute was read. It provides that when any person has been or may be prosecuted, either at law or in equity, in any court, by any party, for any act done or omitted to be done to any captured or abandoned property, or property claimed to belong to the United States, or because of any act concerning such property, or injury thereto or loss thereof, if it shall be made to appear to the Secretary of the Treasury that the acts done or omitted to be done by the person so prosecuted were done or omitted to be done by him in good faith in order to deliver up or preserve the property for the use of the United States, the Secretary of the Treasury may direct the district attorney of the proper district to defend such suit in behalf of the United States. And if said suit shall have been brought in any State court, the district attorney shall file a petition in that court to have the same removed to the circuit court for the district in which such suit is pending, setting forth the order or direction of the Secretary of the Treasury, and that the district attorney believes and has reasonable cause to believe that the subject-matter of said suit is for or concerning property hereinbefore described. And thereupon all further proceeding in said State court in said suit shall cease, and the process and all papers in or concerning the same shall be transferred to the circuit court, and the same shall have day and hearing therein the same as if brought within the said circuit court with like effect to the defendant as is provided in case of suits against an officer appointed or acting under or by any revenue law of the United States, or a person acting under authority of such officer.

Mr. BECK. I object to the present consideration of that bill.

Mr. BUTLER, of Massachusetts. I think the gentleman will not object if he will hear me explain it for a moment.

Mr. BECK. It is in substance the old *habeas corpus* law of 1862.

Mr. BUTLER, of Massachusetts. It is the unanimous report of the Committee on the Judiciary. I hope the gentleman will allow me to make a statement in explanation.

Mr. BECK. I have no objection to the gentleman making a statement, but I object to the bill.

Mr. BUTLER, of Massachusetts. The purpose of the bill is only to allow the United States to transfer suits which they ought to defend. It is made to cover this class of cases. There was certain property undertaken to be dealt with by parties for the United States. The law now allows the officer to have his suits tried in a United States court, but any person acting with him or under his direction may be tried in a State court and may not be defended by the United States. This provision, after full argument before the Committee on the Judiciary, was unanimously agreed to; and I feel certain that if the gentleman from Kentucky [Mr. BECK] had heard the argument he would have agreed to it. Now I only desire that the bill shall be brought up for consideration.

Mr. BECK. I make no captious objection to the bill.

The SPEAKER. If the gentleman intends to persist in his objection there is no use in debating the bill.

Mr. BECK. I only desire to say that I object to the bill because I am opposed to the principles it asserts. There were in my State many who were not officers, but who pretended to be, and they would get out of the State courts; and in my State, where, upon a line of seven hundred miles, there is practically only one United States court, that at Louisville, it was a virtual abandonment of the whole prosecution.

The SPEAKER. Objection being made the bill is not before the House.

Mr. BUTLER, of Massachusetts. Very well; then I call for the regular order.

CIVIL SERVICE REFORM.

The SPEAKER. The regular order being called for the morning hour begins at twenty-two minutes past twelve o'clock, and the House resumes the consideration of the bill (H. R. No. 1540) to prevent officers of the United States receiving or being paid any money beyond their fixed salaries, which was reported yesterday from the Committee on Reform in the Civil Service, with an amendment in the nature of a substitute.

Mr. KELLOGG. I desire to make a suggestion before the gentleman from New York [Mr. WOODFORD] takes the floor. I understand that the Committee on Reform in the Civil Service obtained the floor yesterday only two or three minutes before the expiration of the morning hour, and I desire to know if the committee cannot have one more morning hour besides to-day.

The SPEAKER. That would require unanimous consent.

Mr. KELLOGG. I hope there will be no objection. Unless that permission be granted the committee will have no opportunity to present their business to the House.

The SPEAKER. The question need not be settled now.

Mr. BUTLER, of Massachusetts. I think that it would be better that it should be settled now, as its decision would control the order of business.

The SPEAKER. The gentleman from Connecticut asks that the Committee on Reform in the Civil Service may have the morning hour of Tuesday next.

Mr. BUTLER, of Massachusetts. We had only three minutes yesterday.

The SPEAKER. The committee had thirteen minutes yesterday.

Mr. BUTLER, of Massachusetts. We had only three minutes after the bill was read.

The SPEAKER. If there be no objection the Committee on Reform in the Civil Service will be entitled to the morning hour of Tuesday next.

There was no objection, and it was so ordered.

The SPEAKER. The Clerk will now report the original bill, which was pending at the expiration of the morning hour yesterday.

The Clerk read the original bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That no officer or employé of the United States shall receive or be paid, directly or indirectly, any money or property under the name of contingent expenses, or any other name or form, beyond his legally established salary, except in cases of customs informers; and that no public property shall be used by officials for private purposes.

SEC. 2. That this act shall not be so construed as to prevent the payment from the Treasury of all actual and necessary traveling expenses of United States officials when performing the legitimate and necessary duties pertaining to their offices.

The SPEAKER. The Clerk will now read the substitute reported by the committee.

The Clerk read the substitute, as follows:

That no officer of the United States shall, directly or indirectly, receive or be paid to or for his own use or benefit any money or property whatever of the United States, except a salary or compensation to be fixed by law; and that no public property shall be used by officials, or by any persons, for private purposes.

SEC. 2. That this act shall not be so construed as to prevent the payment from the Treasury of all actual and necessary traveling expenses of United States officials when performing the legitimate and necessary duties pertaining to their offices.

The SPEAKER. The gentleman from Massachusetts [Mr. G. F. HOAR] offers the amendment to the substitute which the Clerk will now read.

The Clerk read as follows:

Insert after the words "fixed by law," in section 1, line 6, the following:

Or make any private profit or use of the labor or services of any person employed by the United States, which labor or service is paid for by the United States.

Mr. WOODFORD. Mr. Speaker, in order to perfect the pending substitute I desire to offer two amendments. I move first to add at the close of the first section the following:

Except that the President of the United States and officers of the Army and Navy may occupy residences provided for them by law.

The SPEAKER. These amendments are admitted by consent.

Mr. WOODFORD. I also offer as a second section what I send to the Clerk's desk.

The Clerk read as follows:

That hereafter no officer or employé of the United States shall, directly or indirectly, as fee, perquisite, or otherwise, receive to his own use and benefit any moiety or share of any fine, forfeiture, or penalty imposed for any violation of the revenue laws of the United States.

Mr. SPEER. Was the first of these amendments adopted by consent? I object to it. I mean the amendment providing for the Government furnishing residences for officers.

The SPEAKER. The Chair said that the amendments would be admitted by unanimous consent to be pending; not that they were agreed to by unanimous consent.

Mr. SPEER. O! very well.

The SPEAKER. The condition of the bill is such that no additional amendment could be offered except by consent. The amendments are not assented to by the House; they are merely considered as pending.

Mr. WOODFORD. Mr. Speaker, the pending bill which is reported by direction of the Committee on Civil Service Reform, and as further amended by myself, is very brief. So concise and direct are its provisions that they need but to be read to arrest the attention and I trust to command the support of this House. The first section declares two ideas in regard to official administration and seeks to destroy two evils.

One word as to each.

Public officials should be fairly recompensed, but office-holding should not be made so lucrative as to be sought for the purpose of gain. The honor of public service should be in large degree its own high reward. The official should be so paid as to be able to keep himself and family in moderate, simple, republican manner of living. But whatever may be said as to rate of salary, the compensation should be fixed and certain. If the purpose of extra allowances, shares or moieties in fines and forfeitures, be to keep from the people at large accurate knowledge of the actual emoluments of the office, it can only be to deceive the people. It must be from fear lest if they knew the total profit the pay would be reduced. If this be the object, the method of payment is a practical deceit. The simple statement is surest demonstration of the evil, and should be strongest argument for its abolition.

If the purpose of allowing the official to share in fines and forfeitures be to stimulate him in the detection of fraud, then such a system also and in equal degree stimulates cupidity and avarice. It is fatal to the high-toned, absolute integrity and judicial fairness which should mark the relations between a free government and its officials on the one hand and free citizens upon the other. He who sits in the seat of customs, who collects the revenue, who pleads the civil cause of the Government in our courts of law, who prosecutes the offender against good order and morals in the name of the people, should not be tempted by thought of private gain to that kind of prosecution which becomes practically persecution. He should be fairly paid for fair and equitable service. He should seek to do absolute justice between the Government on the one side and the citizen on the other, without hope of personal gain, without fear, favor, or reward.

Secondly. It has been frequently charged during the debates of this session that officials are in the habit of employing public property for private purposes. It has been openly suggested upon this floor that the enlisted men of our Army are doing duty as ushers, waiters, and servants in private mansions; that the horses and carriages, ostensibly kept for departmental use, are in fact employed for family and social purposes, and generally that the scant salaries of Washington officials are thus eked out by private use of public property. I know not how these things may be. The alleged abuses, if such exist, are, doubtless the gradual growth of a long-continued system, and probably had their root in those days which we call the purest as certainly they are the oldest of the Republic. But be these things as they may, we want no little lies, no petty pickings about official administration. This is good time to open the doors and windows, let in the sunlight and air, dust down the ancient cobwebs and garnish anew the chambers of our state. If the alleged evils do not exist, then the second clause of this first section of the bill can do no harm. If they do exist, it is far better to stop them here and now. Practical prevention will do more good than idle criticism. Let us cease scolding and simply but squarely stop the abuse.

The second section of this bill directs that the proposed law shall not be so construed as to prevent the payment from the Treasury of all actual and necessary traveling expenses of United States officials when performing the legitimate and necessary duties pertaining to their offices. This section explains and, I presume, enforces itself. The evils which we seek to cure are wide-reaching. They demoralize the consciences of our officials. They demoralize the public sense and the public virtue. Men are seeking office to get gain, not to serve the State. Let us do what we can to restore the simplicity, the integrity, the high sense of official honor which should illustrate and dignify the administration of this Republic.

The people ask at our hands practical reform. I think that I do not mistake the public temper when I simply say that the people have resolved that they will have practical reform. Let me appeal to my brother republicans to meet the duty of this hour manfully and firmly. Let me appeal to the gentlemen of the opposition for one brief hour to forget party policy and party criticism and unite with us in giving to the people the assurance and substance of practical improvement which this bill embodies. No man can be prouder than myself of the great record which the republican party has made in the past. Let that record be the pledge and the prophecy of what its members and leaders shall do in the present and in the future.

But let us never forget that parties are means and instruments, not ends; that even the great party so long in control, with all its glorious history of partisan and national achievement, with all the popular love and honor which cluster around it, can only endure in strength and power so long as it shall secure to the people good government, wise and honest administration. I believe that it shall thus continue long in power by thus bravely deserving power. But of this let all of us be assured, that if it does not deserve success it ought not and will not long continue to achieve success.

Let us who to-day sit in the places of the fathers, and are charged with the law-making power of the Republic, do all that we justly may to accomplish these desired ends of honesty and efficiency in the public service. If we do not fulfill the duty of the hour, then others shall come with larger faith in the right, with surer knowledge of the right, with braver will to do the right. As the state is higher than party; as principles are more enduring than men, so an intelligent and virtuous people will themselves accomplish practical and needed reforms; if not through us, then against us and over us.

I now yield to the gentleman from Massachusetts, [Mr. DAWES.]

Mr. DAWES. Mr. Speaker, I do not seek the floor to make any opposition to this bill or to the amendments proposed by the gentleman from New York to his own bill. I desire for a moment the attention of the House to the condition of the question before the House. The bill proposes to cut off all compensation to any officer of the Government which is not derived from a fixed and established law either in the name of salary or compensation. To that, Mr. Speaker, I give my hearty assent. The amendment to the bill offered by the gentleman from New York [Mr. WOODFORD] proposes to cut off all moieties paid to custom-house officers. To that, at a proper time, I shall also give my hearty support; but I desire to call the attention of the gentleman from New York to this bill. If we pass this bill and stop there, we shall deprive a large portion of the public service of the country of any compensation whatever, and therefore, while the law should be passed as he has it, there should come along with it a provision establishing compensation. If the gentleman will look into the matter as the Committee on Ways and Means, charged by this House with that duty, have been doing for the last six weeks, he will ascertain that a large portion of the official service of the United States depends for its pay upon fees. Take for instance the collectors of the ports of Boston and New York and Philadelphia. It is generally understood that the salary of the collector of the port of New York is $6,000. That is not so. If you look into the law establishing his compensation you will find that he derives his whole compensa-

tion from fees arising from the collection of revenue and the amount which he takes out of those fees is limited to $6,000. He keeps an account with the Government of all his customs duties and charges the fees on one side, all of the fees, just precisely as if he were to take them as his compensation. Then he takes out of those fees $6,000 for his salary, and the rest goes into the Treasury. As of him so of them all. Some of them have a fixed salary of two or three hundred dollars, and the rest of their compensation is derived from fees. If the gentleman had gone into an examination of the law with my distinguished friend from Vermont [Mr. POLAND] and my colleague [Mr. E. R. HOAR,] who are members of the Committee on Revision of the Laws, he would have found that to a great extent the compensation of the officers to which I have referred depends upon fees.

Mr. BUTLER, of Massachusetts. And so with districts attorneys.

Mr. DAWES. Yes. That should not be so; their salaries should be established by law. Yet the gentleman proposes by this bill to cut off all these fees and provide afterward for their salaries. That will not do.

As to moieties, I want to call the attention of the House to the fact that in the first week of the session the House called for information in reference to moieties, and charged the Committee on Ways and Means to investigate that subject. And we have been meeting at ten o'clock every day during the session and nearly every day during the recess and devoting the most of our time to this investigation. We are now about prepared to report. While I do not wish to antagonize this bill at all, I would suggest to the gentleman from New York [Mr. WOODFORD] that he himself move to commit this bill to the Committee on Ways and Means, and in a few days we will report it back with such provisions as we deem necessary with reference to moieties and salaries, so far as custom-house officers are concerned. We will not attempt to fix salaries for any officers not connected with the revenue.

Mr. WOODFORD. I now yield to the gentleman from Massachusetts, [Mr. BUTLER.]

Mr. BUTLER, of Massachusetts. I desire to call the attention of the House to this bill reported from the Committee on Reform in the Civil Service and to its various amendments. The object attempted to be reached by the bill will meet the approbation of every one. I think one of the greatest wrongs in our present system of compensation of officers is the inequality growing out of unfixed salaries. But while attempting to reach that wrong, this bill will work a great degree of wrong in another direction. Under the bill as it now stands all officers paid by fees will suddenly find themselves without any salary whatever. While I am in favor of the principle of the bill, I think it is substantially unconsidered.

Now take this provision of the bill, that no public property shall be used by officials for private purposes. That would take away the quarters provided by Government for its soldiers.

Mr. WOODFORD. The gentleman from Massachusetts is in error. An amendment was moved to this bill this morning in regard to the President and Army and Navy officers, but not in regard to private soldiers. Their use of tents, quarters, and the like, when in the military service, is in no sense the private use of public property.

Mr. BUTLER, of Massachusetts. I do not know what amendments you have moved; I am dealing with the bill as reported. Whatever amendments you may have proposed they have not yet been adopted. This bill as reported would cut off every commandant and every officer employed in our navy-yards from using the quarters provided by the Government. It would cut off every professor at West Point and at Annapolis from living in the houses provided by the Government. It would cut off every possible use by an officer of a horse belonging to the Government. I do not see that under this bill the President could continue to occupy the White House, because he must use it for private purposes, unless eating, drinking, and sleeping are public purposes. Therefore, I say that, in my judgment, this subject has not been well considered.

I know what is meant to be reached. I desire to state to the House that when the gentleman says he wants to go back to the purity of our fathers in this regard, he certainly has not well considered the history of the country. Would he offer an amendment preventing any public officer from dressing up his coachman in such a coat as he chooses, and providing that he shall not have such buttons as he may select, that he shall not put on such colors as he pleases, and directing the form and make of the band about his hat? Pardon me; this is a land of liberty I take it. I hope we shall not go into that. If we are to go back to the fathers, I will go back to the Father of his Country. I have heard a great deal said in these latter days about public officials of the republican party riding in public carriages. Sir, George Washington never traveled a rod in the public service without he made a requisition on the Quartermaster-General's Department for a coach and six horses for himself, and a coach and four horses for his secretary. And these requisitions can be found on the records of your War Department. He never came to Congress unless he came in a coach drawn by six white horses, and the servants of the Quartermaster-General black-balled the hoofs of these horses for ornaments.

Mr. WOODFORD. Allow me to make a suggestion. I yielded to the gentleman for five minutes. I have no objection to his occupying what time the House will give him; but I must, as a matter of justice to all, attempt to have the hour fairly divided among those who desire to speak.

Mr. BUTLER, of Massachusetts. I will not be half as long as the gentleman was; I will get through in a moment. As with George Washington, so it was from the beginning of the Government. John Adams, a purer man than whom in public office never lived, rode in a public carriage. Thomas Jefferson, not liking the poor old horses that were returned by John Adams's inventory as the property of the public for the use of the President, and being a horse fancier and having good horses of his own, had the public horses sold, and used his own horses and took commutation for the use of them, properly and rightly. That is what the fathers have done. Yet, to-day, if the Attorney-General of the United States happens to buy a carriage which is in good taste, of a style for which newspaper reporters can get a French name, then the whole country is convulsed; while George Washington could ride in a six-horse coach, with Cupids at each corner holding up wreaths of flowers, and painted yellow at that, and his secretary rode in a four-horse coach. And that was the purity of our fathers; and to that gentlemen want to go back. I rather think the President of the United States would like to go back to that kind of purity. Some persons object now to his driving his own horses. I have seen some criticisms in the newspapers against the President driving his own horses.

Now, sir, it seems to me, (I may be wrong, and I speak with great deference to everybody else,) it seems to me that for a great party in the Congress of the United States to be engaged in a matter of this kind is attending to the "tithe of mint and anise and cummin," while neglecting "the weightier matters of the law." I hope therefore that the bill will either be recommitted to the Committee on Civil Service Reform or will be referred to the Committee on Ways and Means. If the latter committee has this whole matter under consideration, perhaps the bill had better go to that committee.

Mr. WOODFORD. I yield five minutes to my colleague, [Mr. MERRIAM.]

Mr. MERRIAM. Mr. Speaker, my colleague [Mr. WOODFORD] has anticipated in his own eloquent way nearly all that I desired to say; hence I will at this moment give only a brief statement of a matter in my personal experience, as showing that the time has come when the republican party must take care not only of the weightier matters but also of the smaller ones. The morning after I introduced into the House the bill for which this is a substitute, a Government official pressed himself on this floor and in an excited manner approached me, saying, "This bill will ruin me; it will take away the Government carriage which I use, and it is impossible for me to get along without it." I investigated the facts, and I have found that this Government official travels no more in any day of the year than every member of this House in going from Department to Department; and we are democratic enough either to go on foot, to ride in the street-cars, or, if we use carriages, to pay for them from our own pockets. He said that the bill would be very hard upon him; that he saw no objection to his wife's riding in the Government carriage when *he* did not want it! Never before did I feel the importance of one feature of this measure so much as then. I thought it time that Congress should probe these abuses to the bottom and root them out altogether, because the people of this country are not willing to pay the private family expenses of officials of this Government. I said to him, what I say here to-day, that the republican party cannot afford longer to carry the wives of public officials.

Mr. WOODFORD. I now yield to the gentleman from Massachusetts, [Mr. G. F. HOAR.]

Mr. G. F. HOAR. Mr. Speaker, I had the honor to introduce some time ago a proposition, which I had very carefully considered, for the disposition of this subject; and this will be my excuse for mingling in the present debate. I do not agree with anybody who thinks that the question whether a Government official deals with the public property as his own, or with exact integrity gives to the public use what the people provide for that purpose, confining himself rigidly to his own salary for his compensation, is a trifling matter or a matter of "mint and anise and cummin." I think that the confidence which the American people shall entertain in the personal purity of the men whom they elect to serve them, from the President of the United States down to the humblest official, is the very "weightiest matter of the law."

But I think that the bill which has been introduced by the distinguished gentleman from New York is liable to the objection that while it breaks up an abuse it would also destroy what has been the necessary policy of the law from the beginning. For instance, it would be utterly impossible and ridiculous to compensate the deputy United States marshals by fixed salaries. They do certain special duty in the services of writs and processes; and from time immemorial in England and in the United States, under State jurisdiction as well as that of the General Government, officers serving civil and criminal process have been paid by fees, graduated according to the trouble and expense of the service. Now, that policy, which experience in our most economic State administrations shows to be a necessity, this bill would cut up by the roots.

Early in the session it was said in the hearing of this House by a gentleman [Mr. DAWES] who had formerly held the position of chairman of the Committee on Appropriations and who knows as much about the expenditures of this Government as anybody in the House, that the President of the United States, in addition to his salary of $50,000, receives what is equivalent to $50,000 more in perquisites and

other matters which are not imputed to his salary in the public knowledge or in the public account. Now, in my judgment, instead of reducing the salary of the President of the United States to $25,000, leaving untouched this $50,000 of perquisites, it would be wiser and more satisfactory to the people to fix a generous and liberal salary in terms for the President and let that be his whole compensation. I think such a mode of payment would be much more satisfactory to any gentleman who might hold the great office of President of the United States.

Mr. Speaker, this bill is also liable to the objection made by my colleague, [Mr. BUTLER,] who has addressed the House this morning. The gentleman from New York cannot have considered how the measure would affect, for instance, officers of the Army and Navy.

Mr. WOODFORD. The amendment which has been read from the Clerk's desk this morning, but which neither the gentleman nor his colleague can have heard, if I may judge from their remarks, provides that Army and Navy officers shall be allowed the use of the residences now provided by law, and that the bill shall not interfere with the occupancy of the White House by the President of the United States.

Mr. BUTLER, of Massachusetts. Allow me to ask my colleague a single question?

Mr. G. F. HOAR. The House will have to extend my time a single minute if I do.

Mr. BUTLER, of Massachusetts. Certainly. I have heard it stated once or twice that the President gets $50,000 additional in perquisites. Will the gentleman have the kindness to specifiy how he gets it—wherein?

Mr. G. F. HOAR. I did not say so.

Mr. BUTLER, of Massachusetts. I understood you to say so.

Mr. G. F. HOAR. Nothing of the kind. I said a gentleman who knew as much about such matters as any one in the House, and who had been chairman of the Committee on Appropriations, had stated the fact early in the session. It was a statement I was surprised to hear. I have not investigated it for myself. What I did say was this, that supposing the fact to be so I was sure it would be much better and more agreeable to the President of the United States, and more consonant to sound policy, that he should have a liberal salary—any sum—rather than to have his salary cut down to a low figure, leaving this charge to remain against him of receiving uncounted perquisities in addition.

Mr. BUTLER, of Massachusetts. I quite agree with my colleague.

Mr. G. F. HOAR. Mr. Speaker, I drew up some weeks ago a proposition on this subject which is very carefully guarded. It leaves the matter of moieties altogether to the committee who has that special subject in charge and can report at any time. The House ordered that proposition should be in order when the appropriation bill was again before the House. So whatever the House chooses to do on that subject can be put into the appropriation bill under this proposition of mine. It cuts out vigorously and thoroughly this abuse, and it seems to me it is carefully guarded, not going further than is intended. I ask the Clerk to read what I have marked, and if the House will be good enough to listen carefully to that proposition I will not trouble them with any explanation of it.

The Clerk read as follows:

That no civil officer of the Government shall hereafter receive any compensation or perquisites, directly or indirectly, from the Treasury or property of the United States, or shall make any private use of such property, or of the services or labor of any person in the employment or service of the United States, which service or labor is paid for by the United States: *Provided*, That this shall not be construed to deprive any officer of the United States of such fees as are or may be expressly provided by law in addition to the salary of such officer, or of the use of such property as may be expressly by law appropriated to the use of such officer.

Mr. G. F. HOAR. Now, Mr. Speaker, I hope the gentleman from New York [Mr. WOODFORD] will allow the sense of the House to be tested on that proposition. It provides that no officer of the Government shall receive any compensation or perquisites or property of the United States, or service or labor of any person paid by the United States, for his own private use, except where it is so expressly provided by law. It excludes West Point and the White House, and other cases where the property of the United States is expressly provided by law for the private use of the official, and there he is at liberty to use it. The amendment is carefully drawn up, and is well guarded.

Mr. WOODFORD. I now yield for three minutes to the gentleman from Maine.

Mr. G. F. HOAR. Does the gentleman from New York agree to let me offer that amendment?

Mr. WOODFORD. I will answer the gentleman in a few minutes.

Mr. HALE, of Maine. Mr. Speaker, I think this bill is in the right direction, and as such I am glad to see it here, although I agree fully with gentlemen who have made objections to certain details that it should be elaborated and perfected before it is passed.

I think few men here will fail to agree with me that it has come about not this year nor last, not during the administration of the Government by the republican party, but in the course of the history of the Republic, that offices are sought because of advantages outside of the regular and fixed salaries that appear to the people as the compensation attending an office whenever an officer is appointed. That is a thing that ought to be corrected.

Take for instance what this bill aims at in reference to large sums of money received by certain civil officers in the service of the Government under the name of moieties. I do not believe in moieties myself. The policy which permits them is radically wrong, and works evil. Take for illustration the customs service of the Government. Nowhere is it so true as in this service, that if you take care of the minutes, the hours will take care of themselves. But the system of moieties works the reverse of this. The Government will never collect its revenues well unless its regular force, down to the lowest officials, whose duties lie nearest to the point where infractions of our revenue laws occur, are sufficiently paid to do their duty. It is of great importance that the regular inspectors and deputy collectors on our coast and frontier who watch for smugglers shall be amply paid; that the clerk in the appraisers' office, who looks to the invoices, shall be amply paid; that the entry-clerk, who, if underpaid, may be seduced from his duty by a small sum, shall be amply paid—much more important than that an immense compensation shall be rolled up for the collectors and surveyors and naval officers of the great ports of the country through this source of moieties. Such swollen salaries do not tend to the bettering of the collection of the revenues of the Government. And in the direction of limiting this the bill is right. But it does need elaboration. It does need perfecting. And I do not see how we can vote for it as it is now. The objection made by the gentleman from Massachusetts [Mr. G. F. HOAR] on my left, as to deputy marshals, is a pertinent one; not very important in itself, but showing imperfections.

Now, further, in reference to the other feature of the bill, the restriction upon Government officials as to the use of Government property. Sir, I have never believed that the public officers of to-day in this regard have gone beyond what has been done in times past. As the gentleman from Massachusetts [Mr. BUTLER] has said, this practice has come down to us from the beginning of the Government; and I believe a careful scrutiny would show that to-day the practice is less than it was fifteen, twenty, twenty-five, fifty, or seventy-five years ago. There is no reflection made upon officials of to-day. But granting all this, still public attention has been called to the matter, public discontent has been to some extent raised, and the people are many throughout the land who are exercised and aroused in regard to it, and believe there should be limitations. And to me there is no abatement of dignity in our respecting any honest hearty sentiment when we find it out, and legislating in accordance with it. I would not move in this direction if I thought it would operate as an unfair censure; but no officer can object to proper limitations. And I would say, let it be fixed for the future, by the passage of a law, how much property may be used by a public officer, more or less, or none; so that when each man gets into office he shall know what he may depend upon.

[Here the hammer fell.]

Mr. WOODFORD. I yield five minutes to the gentleman from Vermont, [Mr. WILLARD.]

Mr. WILLARD, of Vermont. Mr. Speaker, I had the honor early in the session of introducing a resolution, which was adopted by the House, instructing the Committee on Civil Service Reform to inquire and report as to the expediency of paying all Government officers salaries to be fixed and determined by law. And I am very glad that the committee, unanimously I believe, have agreed to the principle, although there is some difference as to the extent to which that can be made applicable covering the whole field of Goverument officers.

But every one who has paid any attention to the expenses of the Government of the United States that are paid independent of and outside of salaries, outside of any specific and fixed commissions, outside of any sum or amount determined by law in any sense of the word, sums that are paid wholly and entirely at the discretion of some officer of the Government, must have seen that some legislation, something in addition to existing law, should be adopted, which would fix and establish by law the amount to which any officer of the Government should be entitled as a salary or compensation.

As I have but five minutes, I desire to call attention here to a particular instance—and I would especially ask the attention of the chairman of the Committee on Ways and Means—a particular instance in which it seems to me that legislation is expressly needed in this direction. I hold in my hand a statement with respect to the expenses of the several internal-revenue collection districts in the United States. It appears from the summary at the conclusion of this statement that in the first, second, eighth, ninth, and thirty-second collection districts of New York, and the first Louisiana district, there are special allowances for salaries and expenses of offices; while in the other districts the expenses of collection are paid by the collectors out of their commission, which is fixed and established by law. Now, in the eight districts, where these expenses are paid by collector's commission fixed and established by law, the expenses have been $27,250.47—the office expenses to collect $12,483,808.47; while in six districts where the office expenses have been paid by special allowances, these office expenses amounted to $40,360.13, to collect $7,812,192.55—nearly twice as large a sum for office expenses to collect only about half as much revenue. These collection districts selected were city districts, where the comparison could be as well instituted as between any other districts.

Now, the provision of law upon which this special allowance which has run up to this large sum was based was this: the internal-revenue officers have a salary of $1,500 per annum, and then certain com-

missions on their collections fixed by law; but after a variety of such provisions are recited in the statute determining how the salaries of these internal-revenue officers shall be ascertained, there follows this provision:

The Secretary of the Treasury may make such further allowance from time to time as may be reasonable in cases where by reason of the territorial extent of the district, or the amount of internal-revenue taxes collected, or other circumstances, it may seem just to make such allowance.

Under that provision there is no limitation whatever except the discretion of the officer in the Treasury Department who makes these allowances. There is no limitation whatever upon the amount which he may pay as special allowance.

Mr. Speaker, an examination of the books of the Treasury Department will show that these special allowances have been made over and over again to the same collector running back and covering twice or three times the same period of service, and will show that this has been done, I venture to say, in many instances, as a matter of favoritism almost wholly on the part of the officer of the Treasury Department who has it in charge. I call the attention of the Committee on Ways and Means to that particular subject.

[Here the hammer fell.]

Mr. WOODFORD. I yield three minutes to the gentleman from Connecticut, [Mr. KELLOGG.]

Mr. KELLOGG. Mr. Speaker, I certainly do not wish to prolong this debate, and I should have objected to its going on half an hour ago if there was not to be another day allowed for the Committee on Reform in the Civil Service to report. Inasmuch as the Committee on Ways and Means have made a thorough investigation of this subject, and as the Committee on Reform in the Civil Service are not willing to conflict with them, I think that in this particular case our committee would be willing that this subject shall be referred to the Committee on Ways and Means instead of being recommitted. I really think that this session the Committee on Ways and Means intend to accomplish something in this matter.

The reorganization of the custom service has been before Congress through the recommendations of the Secretary of the Treasury ever since I have been here, and bills have been sent here by the Secretary of the Treasury for the purpose of dispensing with moieties and making a fixed salary for the different officers; but ever since I have known much about Congress every chairman of the Committee on Ways and Means, as soon as he took charge of the committee, has considered it his duty to spend at least the long session of Congress in revising the tariff and unsettling the business interests of the country generally by a complete revision of it from beginning to end. That has been done every Congress since I have been here; but as the distinguished gentleman from Massachusetts [Mr. DAWES] who is at the head of that committee has gone through that work in the Forty-second Congress, I think he will be apt to report a good bill on this subject during the Forty-third Congress. There are objects designed to be accomplished by this bill which I think most of the members of the House will agree to; but the bill is certainly inartistically drawn and does not meet some of the objections which have been raised to it here. For that reason, speaking in behalf of the Committee on Reform in the Civil Service, I shall, unless the gentleman from New York in charge of the bill objects, consent that it shall go to the Committee on Ways and Means for action. At the same time allow me to say that that committee and the Committee on Appropriations are very much in the habit of taking charge of the work of reform in the civil service and taking it away from our committee. Even the question relating to the celebrated eight-hour law has been undertaken by the chairman of the Committee on Appropriations, but, nevertheless, we are willing that this particular bill shall go to the Committee on Ways and Means.

Mr. WOODFORD. Mr. Speaker, not desiring to divide those who are intent upon practical reform; recognizing that some of the suggestions this morning made are practical; believing in the assurance of the distinguished chairman of the Committee on Ways and Means that he and his committee will promptly act upon the questions and principles involved in the pending bill and promptly report their action to the House, and respectfully but very earnestly reminding him and his committee that the country will hold them responsible for the early fulfillment of that pledge, I now move that the pending bill, with the amendments, be referred to the Committee on Ways and Means and printed, and on that motion I call the previous question.

Mr. O'BRIEN. I desire to ask the gentleman a question. It is this: whether or not this morning, as I had offered an amendment to this bill which it is true was not in order, but which has been printed, he did not agree to allow me ten minutes in this discussion? And I will ask him the further question, whether he has not purposely and deliberately confined the debate of nearly one hour upon this question entirely to his own side of the House?

Mr. WOODFORD. My friend from Maryland [Mr. O'BRIEN] asks a purely personal question which it will be more courteous and parliamentary for me to answer in private conversation outside this Chamber. With regard to the division in the House, let me simply suggest that I had presumed upon these questions of reform there was no party division. If the gentleman be opposed to it, I am sorry.

Mr. O'BRIEN. The gentleman knows perfectly well——

Mr. WOODFORD. I must with courtesy, I trust, but with firmness, insist on my motion for the previous question.

Mr. SPEER. I hope the House will not sustain the motion for the previous question.

Mr. O'BRIEN. A single word in answer to the gentleman from New York.

The SPEAKER. The gentleman from New York has a right to test the sense of the House upon his motion.

Mr. G. F. HOAR. I am sure the gentleman will be willing to have the proposition I had read just now considered as an amendment to go with his bill.

Mr. WOODFORD. My motion is that the bill and all pending amendments and those suggested be referred to the Committee on Ways and Means. I desire that committee to have the entire subject before them.

Mr. SPEER. Will the gentleman allow me to offer an additional section?

Mr. O'BRIEN. I desire to ask another question.

[Cries of "Regular order!"]

The SPEAKER. The gentleman calls the previous question.

Mr. WOODFORD. I will yield to the gentleman from Pennsylvania [Mr. SPEER] to offer an additional section to be referred with the bill.

Mr. SPEER. I move the following as section 4:

Any person violating the provisions of this act shall on conviction be liable to a fine not exceeding $5,000 and to imprisonment not exceeding five years.

Mr. WOODFORD. It is understood that the gentleman from Maryland [Mr. O'BRIEN] has permission to offer the amendment about which he is so anxious, and that it shall go to the Committee on Ways and Means.

Mr. O'BRIEN. The amendment I intended to offer is substantially covered by that just offered by the gentleman from Pennsylvania, [Mr. SPEER.]

The question was then taken on seconding the previous question; and upon a division there were ayes 105, noes not counted.

So the previous question was seconded, and the main question was then ordered.

The question was upon the motion to refer the pending bill with all the amendments to the Committee on Ways and Means, and that the same be printed.

Mr. SPEER. On that question I call for the yeas and nays.

Mr. MAYNARD. I hope the gentleman will not do that.

Mr. SPEER. I do it because I believe the reference of this bill will be its defeat.

Mr. WOODFORD. If I believed that, I should oppose the reference. But I have entire faith in the good faith and pledges of the Committee on Ways and Means, as so clearly given through their distinguished chairman this morning.

The yeas and nays were ordered.

The question was taken; and there were—yeas 160, nays 70, not voting 60; as follows:

YEAS—Messrs. Albert, Albright, Averill, Barrere, Begole, Biery, Bradley, Bromberg, Buffinton, Bundy, Burchard, Burleigh, Burrows, Benjamin F. Butler, Cain, Cannon, Cason, Cessna, Amos Clark, jr., Clayton, Clements, Stephen A. Cobb, Coburn, Conger, Corwin, Cotton, Crutchfield, Curtis, Danford, Dawes, Dobbins, Donnan, Dunnell, Eames, Elliott, Farwell, Field, Fort, Foster, Frye, Garfield, Gooch, Gunckel, Hagans, Eugene Hale, Harmer, Benjamin W. Harris, Harrison, Hathorn, Havens, John B. Hawley, Joseph R. Hawley, Hays, Gerry W. Hazelton, John W. Hazelton, Hendee, E. Rockwood Hoar, George F. Hoar, Hodges, Hooper, Hoskins, Houghton, Howe, Hubbell, Hunter, Hurlbut, Hyde, Hynes, Kasson, Kelley, Kellogg, Kendall, Lamport, Lansing, Lawson, Lofland, Lowe, Lowndes, Luttrell, Lynch, Martin, Maynard, Alexander S. McDill, James W. McDill, MacDougall, McJunkin, McNulta, Mellish, Merriam, Monroe, Myers, Negley, Niles, Nunn, O'Neill, Orr, Orth, Packard, Packer, Page, Isaac C. Parker, Parsons, Pelham, Pendleton, Phelps, Pierce, Pike, James H. Platt, jr., Thomas C. Platt, Pratt, Purman, Rainey, Rapier, Ray, Rice, Richmond, Ellis H. Roberts, James W. Robinson, Ross, Rusk, Sawyer, Scofield, Henry J. Scudder, Isaac W. Scudder, Shanks, Sheldon, Sherwood, Lazarus D. Shoemaker, Smart, A. Herr Smith, George L. Smith, H. Boardman Smith, William A. Smith, Snyder, Sprague, Stanard, Starkweather, St. John, Strawbridge, Christopher Y. Thomas, Townsend, Tremain, Tyner, Waldron, Wallace, Walls, Jasper D. Ward, Marcus L. Ward, Wheeler, Whiteley, Charles W. Willard, George Willard, Charles G. Williams, John M. S. Williams, William Williams, William B. Williams, Wilshire, James Wilson, Woodford, and Woodworth—160.

NAYS—Messrs. Archer, Arthur, Ashe, Banning, Barnum, Beck, Bell, Berry, Bland, Blount, Bowen, Bright, Brown, Buckner, Caldwell, John B. Clark, jr., Clymer, Comingo, Cook, Cox, Creamer, Crittenden, Crossland, Davis, DeWitt, Durham, Eden, Eldredge, Giddings, Henry R. Harris, John T. Harris, Hatcher, Herndon, Holman, Killinger, Knapp, Lamar, Lamison, Leach, Marshall, McLean, Milliken, Mills, Neal, Nesmith, Niblack, O'Brien, Hosea W. Parker, Perry, Potter, Randall, Read, Robbins, James C. Robinson, Sheats, Sloss, Southard, Speer, Standiford, Stone, Swann, Vance, Wells, Whitehead, Whitehouse, Whitthorne, Willie, Ephraim K. Wilson, John D. Young, and Pierce M. B. Young—70.

NOT VOTING—Messrs. Adams, Atkins, Barber, Barry, Bass, Roderick R. Butler, Freeman Clarke, Clinton L. Cobb, Crocker, Crooke, Crounse, Darrall, Duell, Freeman, Glover, Robert S. Hale, Hamilton, Hancock, Hereford, Hersey, Hunton, Jewett, Lawrence, Lewis, Loughridge, Magee, McCrary, McKee, Mitchell, Moore, Morey, Morrison, Phillips, Poland, Ransier, William R. Roberts, Henry B. Sayler, Milton Sayler, John G. Schumaker, Sener, Sessions, Sloan, Small, J. Ambler Smith, John Q. Smith, Stephens, Storm, Stowell, Strait, Sypher, Taylor, Charles R. Thomas, Thornburgh, Todd, Waddell, White, Wilber, Jeremiah M. Wilson, Wolfe, and Wood—60.

So the motion was agreed to.

Mr. WOODFORD moved to reconsider the vote by which the motion was agreed to; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

Mr. SPEER. Will the committee have leave to report this bill at any time?

The SPEAKER. They would not under the rules.

Mr. SPEER. Then I ask unanimous consent that the committee have leave to report this bill at any time for the consideration of the House.

Mr. WOODFORD. In that request I cordially unite.

The SPEAKER. That requires unanimous consent.

Mr. MAYNARD. I object, and call for the regular order.

CURRENCY—FREE BANKING.

The SPEAKER. The regular order being demanded, the House now resumes the consideration of the special order, being the bill (H. R. No. 1572) to amend the several acts providing a national currency and to establish free banking, and for other purposes, reported from the Committee on Banking and Currency. The gentleman from Pennsylvania [Mr. RANDALL] is entitled to the floor.

Mr. RANDALL. All here admit that resumption is desirable, in fact imperative, within a few years. The time for such resumption is the question now at issue. An irredeemable currency, with constant fluctuations in value, because of the continued fluctuations in the price of gold, is a great injury to the people. This condition of the monetary affairs of the country stimulates speculation, utterly destroys confidence, prevents honest business transactions, and paralyzes every industry.

The evil of an irredeemable currency we all recognize, and we all do or think we insist upon a return to specie payments. So far as I am concerned I would have this done with the least possible injury to the debtor class. I would not hasten to specie payments, and yet I would provide a not too far distant day for resumption. A resumption by the Government necessitates redemption by the banks of their circulation. By fixing a day I believe the people can in all their business relations work up to such time, and so place their credits and so assume liabilities as to be ready at the stated period. The Government can in a like manner by careful, prudent, and sagacious legislation go hand in hand with the people in reaching this auspicious result. The proposed legislation goes in an exactly opposite direction.

An increase of the volume of currency is demanded. This, as every one will admit, is a postponement of a practical return to specie payments for an indefinite time, with sure result and with aggravated and increased injury, to wit, partial, perhaps wide-spread, bankruptcy. To my mind, all classes and pursuits suffer by an increased volume of currency; but those that all experience has shown to have suffered most at such times are the middle and the poorer classes, and the weaker and smaller industries. The cost of maintaining a family with the necessaries of life is in due proportion increased as money is made cheap. An increased volume is nothing but lowering the value and cheapening the currency, thereby reducing its purchasing power.

Believing, as I do, that an increase of currency at present, whether of greenbacks or of the national-bank notes, to be injurious and as straying away from the defined road to specie payments, I shall, in the future as I have in the past, vote against any and every proposition having this purpose in view. I think our western and southern people will be made aware in the early future that all their hopes in the supposed and proposed remedies for their distressed condition by the legislation now under consideration will prove but a dream.

There are indications, both in the South and in the West, that even in these sections there are thinking and business men who look with great apprehension on such make-shifts as those proposed here. Mr. Forsyth, through the columns of the Mobile Register—one of the old and accepted organs of the democracy of the South—speaks in unmistakable language against an increased irredeemable currency, and urges the leaders of his party and his section, that is, the democracy and the South, to maintain its lifelong principles and adhere now, at the moment of their alleged distress, to the only anchor of safety, a hard-money basis; imploring that the democracy of the nation, through its chosen representatives in Congress, shall not desert its time-honored history. So in the West. The Chicago Board of Trade, representing men of all parties and every character of business in that section, has spoken within a day or two against every resort to an inflated currency.

Before entirely leaving the question of increasing the currency, I want to read short extracts from two letters from well-informed gentlemen of Philadelphia, addressed to me a short time ago:

> The country does require more money in the fall and winter to move the cereal, wool, pork, and cotton crops; but I cannot see how any provision can be made by Congress to meet the question without the Government agrees to move the crops, which of course is impossible. I do not believe in this stuff about an "elastic" currency. Money, in all countries, is more in demand at some seasons of the year than at others, and always will be. It is now beyond doubt that the recent panic was caused by want of confidence and the consequent hoarding of money by the people withdrawing their balances from savings institutions and banks. No remedy can be devised to prevent such occurrences. SHERMAN was exactly right when he said so the other day.

Again:

> We want no more currency. Money is getting easier daily, and we only want a restoration of confidence to set things in motion again.
>
> It is worth while to reflect that nobody thought we wanted more currency until the recent panic, which, being caused by the people putting the currency in their pockets, when they take it out again there will be as much and more than is wanted.
>
> If one hundred millions more currency is issued, in three months prices will be inflated two hundred millions, and instead of money being cheaper it will be dearer.
>
> I should think the present easy condition of the money market all over the country, and at a season of the year when money is generally scarce, would be a sufficient argument against any inflation of the currency. The panic is over, and money will sell very easy for some time to come to those who have good credit or good securities. It is those who have neither who are clamorous for more paper. It is worthy of remark that the recent panic did not reach California at all, simply because they were on a gold basis.
>
> I think the ceasing of building new railroads will greatly lessen the demand for money. Heretofore these enterprises absorbed constantly an immense amount of money coming from dividends and accumulated profits or income which sought investment, and, seduced by false and reckless advertising, went into the bonds of these new roads. This element being now out of the way, the money will soon find its way into more legitimate channels, to the benefit of the trade and commerce of the country. The late panic was a railroad panic, and hardly affected or broke any concern except those who were connected in some way with new and ill-projected railways.

I have recommended a return to specie payment at a not too far distant day. The question can naturally be asked of me what relief I would propose and what character of legislation I have to suggest to reach so desirable a result.

1. For immediate relief, I would diminish greatly the amount of legal reserves now required by law both as to circulation and as to deposits.

I will state why I would release the reserves and add them to the circulation in active use. The security for the notes is ample, being fully provided for by bonds of the United States on deposit with the Treasurer of the United States. So far as the reserves have been intended as a protection for the depositors, I do not believe it really the duty of the Government to protect depositors in the national banks any more than depositors in the State banks or savings institutions. Those deposits should depend and rely on the confidence between man and man and between corporation and corporation. Thus I would at a single step, and immediately, give relief by making practically an immense increase in the usefulness of the volume of the circulation without any increase in the aggregate amount of the currency.

2. I would permit the payment of one-half, at least, of the customs dues with legal-tenders. The effect of this would be at once to narrow the margin between the current price of gold and the current price of the legal-tenders. I think they would soon reach par. Just after the recent panic they did approach to a value within 5 per cent. of each other in New York and Philadelphia. Nor would one-half such payment of customs dues in legal-tenders endanger the receipt of sufficient gold by the Government to meet all interest dues payable in coin. The gold interest on our present gold interest bearing debt is about $98,000,000. The amount now in the Treasury is $86,000,000. The estimate by the Secretary of the Treasury of gold receipts during the next fiscal year is $180,000,000. One-half would be $90,000,000; only a deficiency of $8,000,000; with, as I have shown, gold enough in the Treasury to meet a like deficiency for ten years to come. This would be a firm and fixed step to a specie basis.

This plan was originally suggested in this House by the gentleman from Massachusetts, [Mr. BUTLER,] and I have always wondered why he did not press that plan; for others, like myself, have felt a delicacy in forcing this question when we had a right to expect its originator in this House to do it.

It has been suggested by some that we should receive all the customs dues in gold. This would meet with two objections. First, those who consider the pledge alleged to have been made to the bondholders of the gold-bearing interest bonds, that dedicated the gold receipts from customs dues to the payment of the interest on said bonds; second, the objection would be made that this would throw the Government into the market as a purchaser each year of the amount of gold necessary to meet the interest, to wit, $98,000,000.

This to my mind would, however, be preferable to the present condition of our transactions in gold, the Government being a constant seller, and a promoter in fact of the gold speculations of Wall street. One good effect would come from this change of the attitude of the Government from a seller of gold to a purchaser, to wit, a complete breaking up of the common practice in New York of "cornering" gold.

3. There is another remedy which I would suggest, and that is an entire repeal of the warehousing system of the Government. This system was an outcrop of the tariff of 1846, and was urged by Mr. Robert J. Walker, then, I think, the Secretary of the Treasury, who wanted an additional revenue, and to get it he offerred inducements for importations. Our main revenue then came from customs duties. We had at that time no system of internal taxation by Federal authority.

This system is an unnatural inducement to importation; and I believe that if it were abolished the imports which are brought here to interfere directly and at favorable times with the sales of our own products would be about $60,000,000 less. If the warehousing system be abolished, there will be no occasion for the repeal of the enactment recently passed whereby the tariff was reduced 10 per cent.

Mr. Speaker, even under the system to which I allude, the current of trade between this and foreign nations during the last calendar year has been in favor of this country. If we should repeal the warehousing system, we would certainly do away with one source of immense corruption, as instanced in the management of the custom-house in New York, with its Leets, its Stockings, its Jaynes, and their like. At the same time in the $60,000,000 of gold per annum which would remain in this country instead of going abroad, to pay for unnecessary imports under the inducements of this system, we should have so much more gold each year to go upon toward resumption.

Time prevents but a hasty allusion to the present national banking system of the country. I propose, however, at no distant day, and when an appropriate opportunity occurs, to review in all their bearings the present laws in respect thereto. I must in brief now state, in behalf of the democracy I represent, and which I believe is in full accord with the sentiment of the democrats of all the States and Territories of this Union, that the national banking system, as at present organized, is a monstrous monopoly, from which all other monopolies, corporate and private, draw their sustenance, thus leading to the corruption of all political power, and draining the life-blood from the agricultural, manufacturing, and commercial interests of the country.

Instead of giving additional power under the sanction of law to the present associations, and instead of creating more of these center monopolies, the people demand at our hands that Congress shall place some limit on the centralizing power and enormous corporate advantages of the beneficiaries of the present system. This, if not the feeling of all the people, surely it is the almost sole opinion of the democracy; and yet I find Representatives here who are ready to vote such increase with spirit and alacrity. I say this with respect, but with no less surprise. Gentlemen on this side of the House, in my judgment, who favor an increase of currency should confine it to the greenback, and not aid directly or indirectly in fostering, promoting, and augmenting the great evils of the present banking system.

For myself, I believe the currency of the country should be of but one character, and that made to inure to the benefit of all by a withdrawal of the notes of the national banking associations and the substitution in equal amounts therefor of Government greenbacks. Whether this should be done prior to a resumption of specie payments by the Government when the greenback will be the representative of gold, may, in the minds of some, be a question in controversy, but that this substitution should be provided for immediately thereafter cannot and should not be in doubt.

"The Government wisely monopolizes the right to *create* money. No State, corporation, or individual can do so legally. What we want is that the Government should use that monopoly for the benefit of the whole people, and not transfer the exclusive right to a few, as has been done by the national-bank act."

The radical republican party of the nation have been the creators, promoters, and supporters of every species of corporate monopoly of which the country complains, and their leaders and representative men, notwithstanding their loud professions to the contrary, are *to-day* the opponents of any abridgment or repeal of this injurious legislation, destructive alike of private enterprise and individual exertion.

This fact is beyond controversy, and I say to the people their only relief, in my judgment, is in a complete change of administration. The greatest of all of these monopolies is our national-bank system. Let us as a party have no lot or parcel with men of such views and actions. Rather let us go to the front of our future battles with this inscription on our banners: "A resumption of specie payments, hard money, and a repeal of every species of monopoly," and proclaim this as our purpose in our effort to secure the administration of the Government. If we, as Representatives, localize ourselves, and separate from the well-settled principles of the party, we must measurably denationalize the party we represent.

Mr. KASSON. Mr. Speaker, I desire in the very brief time allowed at this stage of the debate to address a few words to the judgment especially of my associates on this floor from the West and from the South. To gentlemen from the East also, who regard the entire western country as given up to the idea of inflation, unconditional inflation, I desire to show that there are some reasons of good sense to be attributed to the West which those gentlemen have totally failed to recognize in their discussion of this bill.

First, upon the question why the people of the West wish to establish banks when it costs them one hundred and ten or one hundred and fifteen dollars of good money already belonging to them to gain ninety dollars of circulation through the banks. We have been met continually with that allegation, as showing a want of sense in the demand of the West. Sir, we do not demand banks for the sake of the few bank-notes they issue to us. We want banks to establish local money centers which shall gather up and utilize and make movable every dollar that is owned in the tributary district of which the bank is the center. If there were time, I would read from books and authorities showing that it was this very establishment of money centers in the form of banks which created commerce, as it is known to modern times, and gave rise to great industrial enterprises. There is no time to read authorities; but you cannot fail to perceive that the moment you establish a bank of $50,000 capital in the center of a district in Iowa, you have, with the sanction of Federal law, established an institution which has the confidence of that community; and from all the private hoards of that district the money is poured into the vaults of the bank. What becomes of it then? The bank commences loaning it to men of enterprise in sums adapted to the magnitude of their enterprises. Thus capital is mobilized, and the movements of commerce and active industry go on in that country as they would never go on if each man held his own little purse in his pocket, where the men of industry and commerce could not reach it.

Our banks in the West uniformly, if they succeed, have more deposits than they have circulation. They could not sustain themselves without the deposits; and I state frankly that we should not want banks if it were not for the deposits which they gather together and utilize. So much for the argument that we propose to exchange more dollars for the circulation than we get dollars of circulation in return.

Secondly, upon the question of free banking, I tell our friends from the East we do not want free banking *for you* if you do not want it. We want to establish what banks *we* can utilize. You do not want any increase of the currency. Give us the increase *we* want. If you had given this to us by subtracting it from the hoards you have accumulated, and which remain with you because the last law of distribution is not executed, you would not have heard our demand on this floor for free banking-enforced as it has been at this session

You say you do not want to inflate. Then I say to gentlemen, if they will give us simply what we in the West and South can use, that will content us. In the moment which I have to speak on this point, let me say that for myself, representing as well as I know how the interests of the West, I believe that the Senate bill in this respect will be more beneficial to the people of the West than the House bill. I believe it for this reason: that if you have an excess of capital in the Eastern and Middle States, that capital will overflow. If you cannot use it in banking facilities in the East, it will come from the East to the West and the South, where it is needed and where the securities are equally good; and thus it will tend to promote the advancement and development of that portion of the country.

I call the attention of my western colleagues, therefore, to this question, whether it is not best for us to take, exclusively for the States that have a deficiency, the $46,000,000, which is all we can use for a few years to come, instead of adopting the free-banking system generally. This *is* free banking for the West and the South until this circulation is taken up; and if it inures to our benefit in tempting eastern and northern capital to the West and South in the form of banks, so much the better for the West and the South.

Again, Mr. Speaker, the House bill provides that there shall be an emission of the reserves in all the banks of the country; it takes off the restrictions in this respect in existing laws. In the East and the North there is no necessity for taking off those restrictions. You have enormous deposits; they come from all parts of the United States to those institutions; and you need more reserves there than we need in the smaller banks of the West and South. I do not want the restrictions taken off from these wealthy banks with enormous lines of deposits and enormous calls upon those deposits. Let them be taken off from our country banks, with their limited deposits, but leave them, as now, upon your great central banks in the redemption cities, which must be kept strong for the safety of the whole country. I do not, therefore, like that feature of the House bill as connected with western interests.

Then they also provide in the House bill that the 5 per cent. reserves you do keep are to be taken away from the home banks, and are to be deposited in the sub-treasuries of the United States, and not left in the regions of country where the demand is made. I cannot see to my satisfaction the beneficial effect of this change in the system of the reserves. That feature which prohibits them from keeping any large amount of their reserves in the redemption cities I like. That feature is in the Senate bill also, which reduces to one-fourth the reserves they may keep in the redemption cities. I do not, therefore, think in that the House bill presents an advantage over the Senate bill.

The only remaining point in the bill to which I have time to call the attention of the House is the last section, which has commended itself to the judgment of the financially conservative members of the House as a leaning toward specie payments. I ask the attention of the gentleman who particularly advocates that feature. I do not see him in his place, but I ask, if within hearing, his attention to it. It is that clause which proposes to create a new kind of greenbacks, a greenback which shall be worth gold two years from the time of its issue. It does not provide (and I ask the attention of the chairman of the committee to it) the manner in which the new semi-gold greenbacks can be got into circulation. It does not say to whom or how they shall be issued. We do not know how they can be got out of the Treasury. They are not gold, they are not currency, and they will have a value between gold and currency. But this eighth section does not tell you how they are to get into the circulation of the country. I cannot find out from the bill either how they are to be issued, or in what way their market value will be ascertained.

Now, sir, on the question of going back to specie payments, I say, as a western man, we do want to go back to specie payments, but not with a rapidity oppressive to the debtor class. We have no confidence in irredeemable paper money except the confidence that is based on the public pledges to redeem it in gold at some time, a pledge that you have repeated over and over again. I have no confidence in the argument occasionally used on this floor which attempts to convince me or the people whom I represent that an irredeemable paper dollar is just as good as a gold dollar, and that all you have to do is to declare by United States law that the paper dollar is as good as the gold dollar. There is a short argument on this question. Suppose I owe to the most prominent unredeemable inflationist on this floor ten dollars. I go to him with this ten-dollar "greenback" in one hand, with all the property of the United States behind it, with all the laws of the United States guarding it, with all the unexecuted pledges of the United States to make it as good as gold; and in the other hand I

take this golden "eagle," which has got merely the mint stamp of the United States on it, no mortgage or land or public pledges or financial theories behind it, which is yellow, not green in color, and which contains for every dollar named on it twenty-five and eight-tenths grains of gold; and I ask him to take his choice in payment of the debt I owe him. Will he take the paper that has all the laws of the United States behind it, all the billions of the Federal census to support its value, and all the pledges of the Government faith for its redemption? or will he take this metal which has no security or pledge behind it, but which contains simply a certain number of grains of gold? My friend in front of me, which will he take if he has his choice?

A MEMBER. Both.

Mr. KASSON. Let him have his choice, and which will he take? He will take the gold every time.

Now, sir, that argument you may take into every district in these United States, and put it against all your fine-spun theories of the inherent beauty of an irredeemable paper currency. You may take it to the farmers and laborers of any district between the two oceans. I will meet you on any stump with it. We will take a vote to learn which money, so called, the people of the United States most approve; and, Mr. Speaker, they will prefer the gold every time, always, everywhere, until in some way, by your legislation or without your legislation, that paper can be exchanged at *their* will, not at *yours*, but at their own will for gold.

I have received a letter from a farmer in my district, recommending me not to vote for a single measure that looks to the depreciation of paper. I ask the Clerk to read a few sentences of it. It is from a farmer who works with his own hands and who also employs others who work upon his farm; who is not only a farmer himself but the son of a farmer, married a farmer's daughter, and has lived on a farm from the day he first saw land.

The Clerk read as follows:

* * * * * * *

Now I suppose that it is a foregone conclusion that the Senate will, as a sort of compromise, concur in the reissue of the forty-four millions retired by McCulloch. I do not like such compromises. I do not like the theory of the expansionists. Aside from the constitutionality of the act, it seems to me unwise to increase an irredeemable currency. The world's money is the only true basis. The result will be slightly enhanced prices all around. So far as I am individually concerned I do not object, as manual labor, which I buy, is the last commodity to feel the inflation. You may retort that every quarter-section in the Union is virtually mortgaged for the payment of this issue of paper. I should as soon think that in the future the paper might become as worthless as continental rags. Suppose that the next Congress should be (and it is not improbable) of a parti-colored and many-hued complexion politically, and succeeding Congresses likewise incongruous; man may not fathom their doings, nor may one say that they will not go even to the length of repudiation.

Pardon me for lecturing you in this forward manner, but you must remember that I am one of the sovereign people, and public servants feel the popular pulse with renewed watchfulness this winter.

Mr. KASSON. Producers by labor want good money, and they want more of it; but in demanding more of it, they demand that you shall by your legislation guard it in such a way that you do not depreciate it, and that guard is to be found in what you do with your greenbacks. The danger is not in giving us the banking facilities we want. We need those banking facilities and demand them. But what is wanted is, that you shall guard your greenbacks as the center of the whole system, and that you shall prepare to redeem your pledges, that you shall do something to bring us back in the future to specie payments, and to make your paper money as good as your gold money. That is the want of the producers and laborers, on whom the losses from depreciated paper ultimately and fatally fall.

Now, Mr. Speaker, this bill proposes to do that only by issuing a new kind of paper, just as is done in San Domingo or Hayti, and in some other countries, where, when one kind of paper money gets depreciated too much, another is substituted; and by and by that is depreciated also. Observe the statements officially sent to me, as follows, of which I have no time to speak in detail:

TREASURY DEPARTMENT,
Washington, D. C., April 8, 1874.

DEAR SIR: I send you herewith a copy of the statement to which I referred, prepared from examination of late quotations and authentic reports.

In San Domingo it will be seen that there are three different depreciated currencies at the present time in circulation, the latest having a discount of but from 10 to 20 per cent.; the next earlier being so depreciated that thirty dollars in currency are worth but one dollar in silver; and still earlier the paper so depreciated that four hundred dollars of it are fixed by decree as equivalent to one dollar of silver, the tendency of the successive issues of irredeemable currency being to gradually and rapidly diminish in value and their place to be supplied by new issues, for the time being, current at rates nearer to the normal.

Very truly, yours,

E. B. ELLIOTT.

Hon. JOHN A. KASSON, M. C.,
House of Representatives.

Paper money of different countries; late quotations.—United States, 10 to 12 per cent. discount; Austria, 10 per cent. discount; Greece, 12 per cent. discount; Italy, 11 per cent. discount; Russia, 16 per cent. discount; Cuba, 44 per cent. discount; Hayti, 99⅔ per cent. discount. The Republic of Hayti has 300,000,000 piasters or dollars of paper money. The rate of exchange is authoritatively established at 300 paper dollars for 1 coin dollar. The value in the market is 250 paper dollars for 1 coin dollar. San Domingo, (see report of the United States commission, 1871,) 10 to 20 per cent. discount on the new paper money, latest issue. "Credit notes," so called, an earlier issue, are received by the government at the rate fixed by decree, of thirty dollars for one dollar silver, 96⅔ per cent. discount. "Treasury notes," so called, a still earlier issue, are received by the government at the rate fixed by decree, of $400 to $1 silver, (99¾ per cent. discount.)

Paper money issued by former governments of San Domingo is valueless.

E. B. E.

The proposition in the eighth section of the bill is honest, but extremely timid, and leaves the great volume of greenbacks still unstable in value, and is itself unstable. But there is a mode in which the legal-tender currency can be guarded and strengthened as I have urged. I have time to point it out only by a brief explanation.

To-day the value of the greenback is less than gold because its purchasing power is less. It represents now eighty-eight cents of the gold dollar. If I owe $1,000 to be paid to-morrow, I pay it with a real value of $880 computed in gold. The gold dollar has 25.8 grains of gold. The greenback represents only about 22.5 grains of gold. To-morrow you resume specie payments. I then pay 2,580 grains of gold on my debt, instead of 2,250 grains which it would cost me to pay it to-day. This is the element of hardship to the debtor class in so speedy a resumption as to put too large an advance in value on the debtor at once.

Can we then advance the value of the currency so as not to oppress the debtor, and yet arrive at specie payment by a slow process, and by steady steps?

In my judgment it is practicable, and needs only an act of legislative duty, in pursuance of the pledges you have now in your statutes.

The amount of gold now in the country is only enough to meet the demand for it. Gold goes where it is wanted, and leaves the country which does not want it. California uses it and keeps all she wants. Iowa does not use it, and consequently keeps none of it. As soon as additional gold is wanted here for any purpose it will come here by inevitable laws of trade. At present its chief uses, east of the Rocky Mountains, are to pay customs duties and the interest on the public debt—a movement into and out of the United States Treasury, with growing reserves in the Treasury.

Suppose the value of gold (in currency) on the 1st of July next is 112. You direct the Treasurer for four months from that date to exchange, on request, gold for legal-tender at that rate; for the next four months at the rate of 111½; for the next four months at 111; and so on, increasing the amount of gold exchanged for greenbacks by ½ per cent. every four months. Of course you arrive at equal values in eight years. The annual advance is so moderate as not to be equal to the difference in rates of interest easily paid by debtors. It does not, therefore, oppress them. But, if practicable, its great benefit to industry and commerce will be found in the absolute stability of value given to the currency from this time on. Gold speculations will cease, because the values will be stable, and the Government will supply the wants of legitimate trade. One-half the advantages of resumption will be gained at once. The other half of the advantage is steadily approaching, and will arrive with par values.

Assuming that both these results are desirable, I ask now, is the system practicable?

The first objection occurring arises from fear that parties will run upon the Treasury gold for speculative purposes on the street.

1. The amount of the surplus coin in the Treasury, which may be safely taken to guide our judgment, will appear from the following tabular statement of the amount of gold, currency, and certificates of deposit in the Treasury at the end of each month, for the past fourteen months, compiled from the Treasury monthly reports:

Year and month.	Coin.	Currency.	Certificates.
1872—December	$74,359,275 74	$9,876,573 67	$23,263,000 00
1873—January	62,342,604 38	7,007,454 01	24,246,500 00
February	65,930,781 57	4,600,902 54	24,024,980 00
March	69,537,376 59	2,653,840 43	24,141,000 00
April	76,976,440 00	2,997,871 25	24,787,400 00
May	75,588,316 16	6,065,799 40	30,448,600 00
June	87,507,402 68	9,783,529 77	39,460,000 00
July	80,144,185 98	9,316,689 48	42,831,800 00
August	87,190,846 05	12,063,690 96	44,493,000 00
September	80,246,757 54	3,289,032 04	33,935,400 00
October	82,313,581 43	4,312,155 99	27,569,880 00
November	83,709,987 44	1,296,440 28	30,220,600 00
December	91,479,109 45	4,277,851 98	37,543,300 00
1874—January	85,359,369 34	4,781,208 68	48,004,600 00
Total	1,102,686,034 35	82,323,037 48	451,969,460 00
Average	78,761,859 59	5,880,216 46	32,283,532 85

These resources are very large, much beyond any probable, if not possible, combinations of individuals to control.

2. But you further provide that in any possible emergency of the Treasury a certificate may be issued in lieu of coin, which shall be receivable by the Government for all purposes where coin is required by law. And as these certificates will serve for customs duties, they would equally supply the chief demand of legitimate commerce.

3. Speculators could not gain by drawing gold in advance of the immediate needs of commerce; for by waiting they gain ½ per cent. in gold over the rate of the previous period.

4. As regular commerce can supply its wants at the Treasury it will not go to the speculator at all. The gold exchange is no longer of use.

These considerations seem to me to fully meet this objection.

The following bill shows in legal form the necessary provisions:

A bill to enhance the value of the legal-tender notes of the United States until their value shall be equal to gold, and providing for future resumption of specie payments.

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That from and after the —— day of ——, 1874, the Secretary of the Treasury shall cause gold coin to be exchanged for legal-tender notes of the United States, at the rate of $100 in coin for —— dollars in notes, whenever the same shall be presented for that purpose at any sub-treasury of the United States, in sums of fifty dollars, or any multiple thereof, and said rate of exchange shall continue for four months thereafter; and thenceforward said exchanges shall be made at a rate ½ of 1 per cent. less for each successive period of four months, until the exchange shall be made at par, dollar for dollar. The legal-tenders thus received into the Treasury shall be held and disposed of as other general funds in the Treasury.

SEC. 2. That the Secretary of the Treasury shall, in like manner, cause legal-tender notes in the Treasury to be exchanged for coin when such coin shall be presented for that purpose in sums of fifty dollars, or any multiple thereof, at the rate of ½ of 1 per cent. less than the rate for the time being, as established by the preceding section for the exchange of gold in the Treasury for legal-tender notes. The coin thus received shall be held and disposed of as other coin in the Treasury.

SEC. 3. That whenever at the Treasury, or at any sub-treasury of the United States, there shall not be proper funds on hand sufficient to meet all demands that may be made upon it for either of the funds named in the two preceding sections of this act, certificates shall be given to the applicant for exchange, redeemable at the treasury from which it issued, which certificate shall be receivable in payment of all dues to the Government which are payable in the funds called for by such certificate. And in all cases where such certificates shall be issued, the value paid therefor shall be set apart and retained on deposit for the purpose of redeeming such certificates when they shall be, respectively, presented for that purpose.

SEC. 4. That whenever, under the operations of this act, legal-tenders shall become exchangeable at the Treasury for gold at par, it shall be the duty of all the national banks of the United Stases having currency issued by them outstanding, to redeem the same in gold upon demand therefor by the holder.

The bill also provides for receiving gold into the Treasury in exchange for legal-tenders, but at a rate lower than the other exchangeable value, in order to prevent speculation near the time of changing rates at the end of any one period.

Mr. Speaker, I present this proposition for the consideration of the House, as preferable to the eighth section of the bill. This creates a new paper money of unstable value, and will only confuse the transactions of commerce—still instability of money value; still something new to speculate in. When we move for the redemption of our pledges, let us do it boldly, steadily, perseveringly, and without contraction. The purchasing power of gold, the most stable of standards, is slowly diminishing, nearly at the rate of ¼ per cent. per annum, for the last twenty years. The regular demands for currency for our increasing business are steadily enhancing its value. Both causes help us to the point of resumption. Let us adopt a steady policy and keep to it, slowly advancing the value of the legal-tenders, and both the honor of the Government and the prosperity of our people will be maintained.

Mr. FORT. I desire to ask the gentleman from Iowa [Mr. KASSON] a question.

The SPEAKER. The time of the gentleman from Iowa [Mr. KASSON] has expired, and the gentleman from Michigan [Mr. WILLIAMS] is entitled to the floor.

Mr. WILLIAMS, of Michigan. Mr. Speaker, I do not agree with the gentleman from Iowa. I am not in favor of the Senate bill for precisely the reason which he has advanced in the last part of his argument. I am in favor, sir, of a return to specie payments. I am in favor of making such legislation here as will look toward stability, as will not necessarily have to be changed by the next session of Congress. I am, therefore, in favor, if a proper amendment can be made to it, of the House bill for free banking, and opposed to the Senate bill. I do not believe in this parceling out from time to time a little more currency.

I think we should stop now and fix the rule by which Congress should be governed in the future in regard to this class of legislation. There can be nothing more dangerous than that the business interest of the country, in each succeeding session of Congress, should be at a stand-still, waiting to know what Congress is to do about the finances. Whatever legislation we enter upon here, let us enter upon it with a determination to move in that direction and to follow it steadily until we reach a specie basis.

Mr. Speaker, the importance of the proper settlement of the question under consideration, the vital interests involved, the necessity for stability in laws regulating the currency of the nation, demand at our hands careful and critical examination of the bill under consideration, in order that the rights and interests of all—of the debtor and the creditor, of the rich and the poor, of the producer and the consumer, of the employer and the employé—may be fully and justly protected.

As legislators, in discussing or voting upon questions of finance we should always have in view the rights of the debtor and creditor class, and within our constitutional power endeavor to so legislate as to hold the scales of justice evenly balanced between them and not by undue expansion aid the debtor to the injury of the creditor, or by undue contraction ruin the debtor for the benefit of the creditor.

THE FOUR HUNDRED MILLIONS.

I voted for the bill fixing the limit of the United States Treasury notes at $400,000,000, but by so doing I did not intend to indicate that I was in favor of inflation, or that I was necessarily committed to the idea that that amount of legal-tender notes should be kept permanently in circulation until we should reach a specie basis; but, on the contrary, I was then, as I am now, in favor of a gradual retirement of these notes, and allowing the place filled by them now to be occupied by the national-bank note, secured by the gold-interest bond of the United States; and, either by direct law, or by the necessary result of the retirement of the legal-tenders, compelling the banks, in the not distant future, to redeem in coin.

The Secretary of the Treasury has held that the limit fixed by the law was $400,000,000; that has been the holding of that Department since the withdrawal of the legal-tenders under the act of August 20, 1866, and the suspension of such withdrawal by the act of February 4, 1868. This holding of the Department was well known and understood, and while the correctness of it has been frequently discussed in and out of Congress, no legislative action was taken to determine the true construction to be given to the past legislation, thereby leaving the course to be pursued entirely under the control of the Secretary of the Treasury, and subject only to the judicial interpretation of the courts as to the true construction of his power, or compelling Congress to remedy the action that might be taken by a curative act.

The Secretary of the Treasury under the power which he claimed to be vested in him had, during the pressure of the financial emergency last fall and winter, issued $26,000,000 of the $400,000,000, or of the reserve of $44,000,000, as claimed by the Secretary.

If the construction of the Secretary was correct, then we were simply declaring the law to be as claimed by him, and not in fact increasing the amount authorized by existing laws. If incorrect, the effect of our action is to cover the irregularity of the issue of the $26,000,000 and prevent the deplorable consequence that could not but result from the illegal, because unauthorized, issue of that amount of paper purporting to be money and a legal tender, paid out as such by the Government and floated with the currency of the country by innocent parties in good faith. I did not feel authorized by my vote thus to taint the whole legal-tender currency of the country, and therefore I voted as I then thought, and still think, and will so vote on the pending bill, to cure the evil and legalize the act if unauthorized.

This still leaves $18,000,000 of what has been denominated the reserve in the Treasury, and unless there should be another emergency it will remain there. I have no desire to call it out, but if it should be called out I should object to its being rapidly and unnecessarily withdrawn. I am not in favor of this emergency power vested in any man, and therefore am opposed to the *reserve power*.

CONSTITUTIONAL POWER.

With the decisions of the Supreme Court in Hepburn *vs.* Griswold, 8 Wallace, and the Legal-tender cases in 12 Wallace, as my guide, and my oath here as a legislator to support the Constitution of the United States, I could not, if I would, vote for any issue of legal-tender notes in excess of the $400,000,000 issued to maintain the credit, support the armies in the field, preserve the Government, and maintain its unity and integrity. The power to issue legal-tenders was essentially a war power, a forced loan upon the creditor class, and cannot exist, for the necessity cannot exist in times of peace.

THE VALUE OF THE LEGAL-TENDERS.

It has been said upon this floor, sir, that the legal-tender note represents no value, that it is a bastard note. That if A sells a house and lot to B, and takes B's note, that note represents value. If A, getting hard up, goes to his bankers and deposits it with them and receives therefor the notes of his bank, those bank-notes represent value, because, forsooth, they represent the value of the house and lot paid for by B's note in the safe of the bank. If the house was sold for twice its real value, then the bank-notes would on that line of argument be seriously inflated; if it should burn down the notes would be worthless. I want no bank-notes liable to such fluctuations and changes.

I had supposed that the United States Treasury notes did represent value. As surely as that flag represents, not only here but through the world, the unity of these States, just so surely, sir, do the United States Treasury notes represent the cost of life and blood and treasure, the priceless value of that unity of States. Do not let it be said on this floor that the United States Treasury notes do not represent a value of a far higher, far greater nature than the paltry price of a house and lot. There is no comparison between the two values.

I would, however, appreciate the market value of these notes by receiving them for duties on imports; but I am met with the act of February 25, 1862, providing for the sinking fund, containing a pledge on the part of the Government to maintain its credit. I would not, sir, violate this pledge; but as it does not now require all of the duties collected on imported goods to pay the coin interest, I would provide that so much of the duties on imported goods as are not required to pay the coin interest on the public debt might be received in the Treasury notes.

The amount estimated as receivable for customs for the year ending July 1, 1875, is $180,000,000. If one-fourth of this amount was paid in Treasury notes we would still receive in the Treasury coin to the amount of $135,000,000. The estimate for the interest on the coin debt is $98,000,000, thus paying that interest and leaving in the Treasury the sum of $37,000,000 coin annually.

We have also of Treasury notes $45,000,000; I would retire of this sum the amount of the sinking fund. The amount estimated for that purpose for the year ending July 1, 1875, is $30,000,000, thus meeting the provisions of the act of February 25, 1862, both as to the sinking fund and the coin interest, and leaving in the Treasury $37,000,000 of coin and $15,000,000 of Treasury notes to be applied to the public service.

By so doing the Government would be treating its own promises to pay as money, would be compelled to cease making gold a commodity, and would enhance the value of the Treasury note by

placing both it and gold on the same basis, and by retiring each year of the Treasury notes an amount equal to the appropriation to the sinking fund, provided there shall be an equal amount of bank-notes issued.

I believe it to be the duty of the Government to avoid contraction; that the Treasury notes should not be withdrawn until something else in the line of currency as well secured can be provided to take its place, and therefore I am in favor of the national-bank currency.

I would make it free to all, not only for the purpose of avoiding monopoly, but for the further reason that I do not believe that Congress can well ascertain and properly determine the quantity of money required for the business interests of the country. I would provide a safe currency for the bill-holder, with redemption in legal-tenders, and then leave the matter to the business demand.

I cannot vote for the bill under consideration as it now stands. Section 8 with its gold-coin note is subject to many objections. It is an acknowledgment that the legal-tender note is not payable in coin. It introduces a third class of paper into our currency if those golden promises can or will be used for such purposes. It opens the door to favorites or rings to make monthly fortunes. There can be no question that the gold notes will be worth at least 5 per cent. above gold as soon as issued—a small profit of $100,000 to the fortunate one who has drawn the golden prize. It will tend to enrich the Wall street operator at the expense of the people, and will place $24,000,000 of these golden promises a year in the hands of the gold operators.

It has but one desirable feature, and that is it retires legal-tenders, and I desire to retain that feature; and have introduced an amendment to the bill in the nature of a substitute to section 8, involving the propositions I have heretofore referred to; that is, it makes it the duty of the Secretary of the Treasury to receive 25 per cent. of the duties on imported goods in Treasury notes, and provides for retiring into the sinking fund the amount of the annual appropriation for that purpose.

I desire to glance briefly at two objections that I have heard urged to this course.

First. That it will, by making a less demand for coin, have a tendency to reduce the quantity retained in the country.

Second. That it will reduce the tariff by receiving a depreciated currency in lieu of coin in payment of duties.

These are all the objections I have heard from any of those who favor a retirement of the legal-tenders to the amendment proposed. I think these objections are not sound. The amount of gold required for customs duties will not be diminished by the course proposed. The Government supplies more than one-fourth of the demand by the sale of gold. That sale would not be made; and that amount of gold would simply avoid being turned over and passed through the custom-house twice instead of once.

The second objection assumes as a fact that the difference between gold and Treasury notes will not be reduced; if not, the object of the proposition will fail; if it is reduced, as I believe it will be, the effect of the reduction will be slight, indeed, and constantly diminishing.

I consider the proposition that the tariff should be based upon the rise and fall of gold, and that the tariff will be increased by enhancing the price of gold, as seriously objectionable. It is not altogether an evil resulting from the legal-tenders or paper currency; but largely from the fact that the Government has been interested in keeping up the distinction between legal-tenders and gold—selling gold and buying bonds not matured; letting the floating debt stand and retiring unmatured obligations. The floating debt should be retired first. Every principle of justice and equity requires it; and let us set about doing it. Adopt here some uniform, settled course that will look toward solid ground; toward specie payment. And having adopted a course let us adhere to it steadily and uniformly, and thereby arrest the constant fluctuations and depressions that will necessarily result from the changing moods of Congress. Stability in the laws relating to finance we must reach, or there will be no certainty in contract obligations or business enterprise.

Mr. CONGER. Mr. Speaker, I have been a quiet listener for long and weary days to the conflict in this House between capital and labor, between wealth and poverty, between the few thousand favorites of fortune who possess more than half of the entire wealth of my country and the million sons of toil whose labor and frugality produce that wealth.

Sir, of the forty million citizens of the United States represented on this floor far less than one million have surplus capital, have money to loan. Thirty-nine millions, in some form or other, must operate with borrowed capital.

One million creditors: thirty-nine million debtors! Debtors for the time being; debtors till they coin the sweat of their brows into gold wherewith to pay their debts; debtors till seed-time and harvest transform the golden grain into currency; debtors till the felled forest, transformed in a thousand mills and conveyed in a thousand vessels, supplies the ever-increasing necessities of civilization; debtors till the earth from its myriad subterranean passages has rendered to toil its infinite wealth, hidden away since the foundations of the world; debtors till the ceaseless manipulations of human skill and labor have converted the crude material into the endless forms of beauty and utility which our humanity requires.

Mr. Speaker, while we deliver profound dissertations upon political economy and finance, millions of our fellow-citizens are lacking employment. Hundreds of thousands know not where to look for work. Thousands are fed day by day from charity. Want is creeping through the land. Hunger is reaching out its skinny fingers for bread. Business everywhere paralyzed, except in the money-lender's office and beneath the *three balls*.

And what are we doing in the mean time? We, the sworn Representatives of these toiling millions of confiding citizens, what do we propose in this hour of their trial, of their want, of this paralysis of our country's industry and prosperity? What panacea do these representatives of hoarded wealth propose and urge and grow frantic about? Listen, ye toiling millions of my countrymen, to the remedy offered. Legislation which tends directly to add 12 per cent. to your indebtedness and 12 per cent. to the hoarded wealth of your creditors, by forced resumption of specie payment, and even then would force further from your reach the means of liquidation of that accumulated indebtedness. Sir, the conflict between hoarded wealth and patient industry comes early to this new nation in this New World. I doubt if the people will quietly submit. They have not yet ground long enough in the prison-house of the Philistines to bear these burdens unmoved. They are not sufficiently accustomed to make sport in the temple of Dagon for the golden-robed lords and princes. Even in their alleged blindness they may bow themselves upon the pillars of the money-changers and overwhelm all in a common ruin.

Sir, capital is cautious; wealth is wary; Dives is crafty. Let not their representatives presume too much upon the patience and long-suffering of the millions whom they would force into idleness and want. From every quarter come ominous signs of warning! All around we hear low murmurs of dissatisfaction.

Scarcely had the distinguished Representative of the richest city of its size on this continent proclaimed in this House that he would hold no more companionship with those who would vote to give more currency to the people, than the citizens of his own State took him at his word, and, with sorrow, withdrew from his communion and hid senatorial honors from his longing vision. Even the sturdy citizens of the Granite State cast off a party whose leaders in this House have forgotten the grand mission of the republican party to care for the poor and lowly and protect the toiling millions from the encroachments of monopoly and wealth.

Mr. Speaker, everywhere industry is paralyzed; everywhere there is stagnation of all business enterprises; everywhere is enforced idleness and approaching want; everywhere are heard murmurs of fear and discontent.

I solemnly believe that wise legislation in the direction indicated by the votes of a majority in this House and the Senate will restore confidence, will revive business, will bring prosperity and not adversity, will avert calamities whose coming will cause the ears of men to tingle and their hearts to shudder. With this belief, I refuse to yield to the demands of the money-changers. I will cast my vote in the interest of the innumerable sons of labor and toil in whose ranks I was born, in whose hardships I have shared, to whose homely but generous heart-beats every pulsation of mine responds, and to represent whose interests worthily, however feebly, would be the crowning glory of my humble ambition.

Sir, let the governors of States dictate to subservient Legislatures their high-sounding manifestoes, in not overelegant language, of instructions to this Congress in furtherance of the memorials of merchant princes and millionaires. I cannot tell how submissive others may become, but for me, I will await with confidence the verdict of that loyal, enterprising, intelligent host of toilers and laborers of the earth whose confiding trust may indeed be outraged, but whose avenging wrath will be terrible if once aroused.

Mr. E. R. HOAR. Mr. Speaker, I do not rise to contribute anything to the financial theories of this House. I rise for a single purpose, and that is to make a protest in the name of the public integrity and the public faith against what it is proposed to do on this floor. I have no time or inclination to discuss with any gentleman the question whether whatever the Government chooses to call money is money; whether by putting a Government stamp upon a piece of paper you can make it money. I believe that you might just as well say that you make a man an honest or sensible man by giving him a certificate that he is elected to Congress. I have nothing or very little to say to gentlemen who speak of the excellence and absolute superiority of a currency that is based upon the credit of this great Government or of this great nation. All I have to say about that is that you do not give the credit of the Government to promises which the Government steadily refuses to take any measures to perform or keep. We have not any currency with the credit of the Government attached to it, unless the Government keeps its faith with its creditors.

I believe, Mr. Speaker, that you may just as well talk about making more time as of making money, unless you give it substantial value. We had the other day a misprint in a bill by which it was made to read the 32d January, and it was amended by making it the 31st. And it seems to me more time was very much needed by the people of this country; that this House has hardly time to transact its business, and that Congress should be enabled to add a few days to its year by legislation. And if Congress should do so, as when the new style was substituted for the old there were some ten days dropped I suppose the Secretary of the Treasury would bring forward those days, which he would be pleased to call his reserve, and add it to the number of days in the year.

In what I say I speak merely on behalf of my constituents, and not for any section; for I trust I shall never appeal to any sectional feeling in this House. I hope our late civil war has forever destroyed and abolished that, and I recognize no relation except to my constituents and my State and the people of the whole United States. And to any measure from Louisiana, Nebraska, or California I shall give as thorough and firm a support, if I believe it an honest and just measure, as to a measure that is favored by Maine, Vermont, or Rhode Island. I believe that the people of my section of the country are willing and desirous that the people of every other section shall have all the facilities, all the benefits which the legislation of the country can give them. What we want is to have money, to have money which has solid value; and the protest which I wish to make here is against issuing in any form any species of paper promises in lieu of money till the Government keeps its faith by making those promises equal to gold. That is the whole substance of it.

Now I wish to ask this House, are you not yielding to a temporary newspaper clamor, or to a mere popular ripple, the result of a financial panic? Burke once said in regard to such a clamor, that the grasshoppers in the field made a great deal of noise while the great British oxen lay and chewed their cuds, wondering what all the row was about. The people of this country, Mr. Speaker, will not long sustain anything but the faithful performance of public promises and the keeping of the public faith.

I tell my friends on the other side of the House that the democratic party of this country—I was trained a whig but I became converted later in life to the soundness of their financial theories—I tell them that they will, if they find a part of their Representatives on this floor betraying the old democratic faith, be crying out for one hour of Andrew Jackson. I ask my republican friends and associates, are you prepared to go to the country again upon a record which shows that you have not kept and have repudiated the solemn pledge of your party? Is this House, as a part of the American Legislature, willing to put upon itself the stigma of repudiating the pledged public faith?

Mr. Speaker, the first act signed by the present occupant of the Executive chair pledged the faith of this nation to the holders of its promises that measures should be taken for redeeming those promises in gold at the earliest practicable period. Both political parties have promised it again and again to the people who sent us as their Representatives here. Every man on this floor knows that to add in any form to our currency irredeemable paper, or paper for the redemption of which no provision has been made, postpones and puts off the day of keeping that sacred pledge of the public faith. We on this side of the House and the people whom we represent have elected to the office of President of the United States upon this basis the present incumbent. We have passed that act, the first which received his signature, pledging the United States to its creditors to redeem at the earliest practicable period their promises to pay dollars. He has in every message that he has sent to Congress given in his full adhesion to those acts. Are you going—Mr. Speaker, is this House going to send him up a bill to sign, by signing which he is to abandon, renounce, and break every pledge which his party and which the people of the country have required of him? Are we going to break that pledge for ourselves?

My protest is simply this for myself, that I will vote for no bill that adds one dollar more to the currency for any purpose that is not accompanied by such means taken for its redemption in specie as to bring us nearer to specie payments. We have no moral right to do it. It is a very questionable proposition, much discussed, whether we have a constitutional right to do it. It is a breach of good faith to do it. You may take away all banking facilities from New England and put them where you please, rather than do it with my consent.

Mr. Speaker, with provision for the redemption in specie of any currency issued I have no objection to free banking. I have no objection to anything which will increase the circulation to any extent that it can be maintained in the country and in any part of the country, provided it is to be an honest circulation that is worth what it professes to be; and I solemnly ask the House to pause, and not to pass, in advance, a bill for increasing the amount of paper money, while the promises to pay of the Government are still unprovided for and when it simply adds to the broken promises with which the atmosphere is hazy.

[Here the hammer fell.]

Mr. NEGLEY. It is clearly apparent that it is the desire of the House, as it is certainly the desire of the whole country, that we should reach a speedy solution of this question by a vote. I therefore simply ask permission of the House to print my remarks; and yield the remainder of my time to the gentleman from New York, [Mr. TREMAIN.]

There was no objection, and the leave to print was granted. (See Appendix.)

Mr. TREMAIN. Mr. Speaker, it is not of course possible, in the fifteen minutes allowed by the special order of the House for debate, to discuss at large the merits of the bill before the House. All that I can expect to do, therefore, during that short time will be to vindicate in a general way the opinions that I have formed, after careful deliberation upon the important measure before us and kindred measures connected with it.

No man can have participated in the proceedings of this House for the last fortnight without discovering that the doctrine of increasing the irredeemable paper currency of the country is the popular cry and order of the day. The mania for inflation seems to have taken possession of both branches of the National Legislature. Inflation has pentrated the rooms of the committees of this House; it has presided over their deliberations; and the spirit of inflation has been plainly stamped upon the principal measures that have been introduced either by committees or individual members for the consideration and action of this House. We hear everywhere throughout these halls and upon the floor of Congress the cry "Give us more currency; give us more greenbacks; give us more national-bank notes." Under such circumstances it would be far more agreeable to me not to struggle against an adverse current, but to remain a passive spectator of events which I am powerless to resist, or if my convictions of duty and the sentiments of my constituents permitted it, to jump into the stream and swim along with the wind and tide in my favor, leaving the future to take care of itself. But, sir, on this most important occasion my own conscientious convictions of duty are in entire harmony and accord with the sentiments of the people whom I have the honor to represent upon this floor, and these require that I should enter my earnest protest and remonstrance against all measures tending to postpone a return of specie payments, and to increase the volume of irredeemable paper money in every form.

I have been sorry to hear sneering allusions made on this floor to the action of the chief magistrate of the great State of New York, a distinguished, venerable, and patriotic statesman, whose name is a pass-word to confidence and regard wherever it is known. And I trust that my friend from Michigan [Mr. CONGER] thoughtlessly alluded to the Legislature of New York as a "subservient" body of men. Sir, the governor and the Legislature of New York may not be popular with certain gentlemen on this floor. But I tell them that their interests and the interests of the people of New York are the interests of the West and of the South. We are one people and must share one destiny. Our misfortune is their misfortune; any breach of the national honor that reflects discredit upon us reflects discredit upon them also; and I will add that the members of that Legislature are independent, fearless, honorable men, the peers of any gentleman on this floor.

I have observed with regret that the divisions upon this financial question have been not according to old party lines, but that they have been marked with those ominous indications, divisions according to sectional and geographical boundaries. I am not at liberty to doubt as to the wishes of my constituents on the questions relating to the currency. In the great commercial emporium, which has the deepest interest in having a sound financial policy established by this Government, the business men, the merchants and commercial men, have spoken with an emphasis and unanimity scarcely ever paralleled. The voice of my constituents comes to me in petitions numerously signed by the merchants, bankers, and business men, from large and enthusiastic meetings, from resolutions of chambers of commerce and boards of trade, from the expressions of leading organs of public opinion, and in every way in which public sentiment is accustomed to make itself manifest.

Only the day before yesterday the people of my State, so sneeringly alluded to, the four millions of New York, spoke in the only way they could speak, in time to be heard by Congress through their representatives. The chief magistrate, influenced by what he regarded as the exigencies of the case, in language earnest and dignified called upon the Legislature to do what it might to arrest the progress of measures which it was believed would bring discredit upon the country. He condemns in energetic and emphatic language all measures pending before Congress looking to an increase of legal-tender notes, or irredeemable notes of national banks, as violating the national faith, and compelling creditors to receive their pay in a depreciated currency contrary to the principles of justice. The Legislature at once responded; and how did they respond? With most signal unanimity; in the assembly there was not a single dissenting voice, and in the senate there were but three.

I call attention to the message of the governor and the resolutions of the Legislature, as follows:

STATE OF NEW YORK,
Executive Chamber, April 7, 1874.

To the Legislature:

I deem it due to the interest and honor of the State to call upon you, as its chosen representatives, to take into consideration the propositions before Congress in regard to the currency. Though yet immature, and requiring the concurrent action of both Houses to give them the validity of law, they have, nevertheless, received in each such partial sanction as to excite serious alarm as to the result. In my annual message in January last I expressed the earnest hope that the paper circulation issued by the Government would be curtailed, and that early steps would be taken to resume specie payments.

I did not anticipate that so extraordinary a proposition as that of inflating the currency by adding to outstanding legal-tender notes, or by authorizing further issue of national-bank paper, would be seriously made. In view of the purpose which has been indicated to enlarge the volume of paper of both descriptions, and to repudiate all attempts to re-establish the standard of specie—a policy, as I sincerely believe, fraught with wide-spread ruin to the industry of the country and with imminent danger to its credit—I invoke your interposition to contribute all in your power to prevent its adoption. Your opinion, representing as you do more largely than the Legislature of any other State the financial and commercial interests of the Union, should carry with it great weight.

The flagrant injustice of the proposed measure will be the more apparent when you consider that, if adopted without repealing the legal-tender act, the results will be not only to depreciate the paper currency still further, but to compel its acceptance in payment of debt, thus openly violating the solemnly proclaimed pledges of

the Government five years ago to redeem its notes in specie at the earliest practicable period, impairing the obligation of contracts, and consummating what the Constitution prohibits to the States as an act of moral and political turpitude. To degrade the currency, and at the same time to compel the people to receive it as equivalent to specie, would be the most tyrannical exercise and abuse of financial power of which civilized government has ever been guilty in time of peace. It differs in no essential respect either under its moral or its practical effects from a degradation of the standard of specie by an adulteration of the national coin.

Five years ago the sense of rectitude would have revolted at the suggestion of such an act of perfidy; but a persistence in wrong and injustice rarely fails to reconcile further wrong to the thought first and to the purpose afterward. If, spurning away all the teachings of history and trampling under foot all the maxims of political justice, we adopt a policy as fraudulent as it is demoralizing, our successors will look back on our conduct with humiliation and shame. The millions of depreciated and irredeemable paper, if issued as proposed, will, by a law of distribution which no human power can control, be poured into the city of New York to uphold and stimulate stock-gambling; to glut the channels of industry, embarrass all honest transactions of business; to cause reactions in the various departments of labor by which the working classes are thrown out of employment, and to shake to its foundations the fabric of the public credit. Against the introduction of such an instrument of dishonor and calumny we should enter our solemn protest as we would against any other flood of contamination. I speak with a clear understanding of the force of my words. I believe and trust you will concur with me in the opinion that the emergency demands the plainest and most emphatic language. I therefore recommend such an expression on your part as may comport with the dignity of the Legislature and as you may deem due to the interest of your constituents. I am not without hope that a timely declaration of your views to be presented to Congress through the Senators and Representatives from this State may arrest the torrent of disgrace and disaster with which the country is threatened from this source. If your protests and warnings are unheeded you will have the consolation of reflecting when the evil comes upon us that no effort on your part has been spared to avert it.

JOHN A. DIX.

Whereas his excellency the governor of the State of New York has this day transmitted to the Legislature a special message relating to the inflation of the currency by the General Government, calling attention to the disastrous effect of such action upon the welfare and prosperity of the country: Therefore,

Be it resolved, (*if the assembly concur,*) That we fully approve and heartily indorse the sentiments expressed in such message; and in view thereof, and of the act of Congress, approved March, 1869, which affirmed that the faith of the United States was solemnly pledged to the payment in coin of all the obligations of the United States not bearing interest, (known as United States notes,) and that the United States also solemnly pledged its faith to make provision at the earliest practicable period for the redemption of the United States notes in coin; and as this pledge has been repeatedly given, it is the judgment of the Legislature of the State of New York that it is the duty of the Administration of the General Government at Washington and of Congress to stay the pernicious and ruinous policy of increasing the volume of irredeemable paper currency.

And be it further resolved, (*if the assembly concur,*) That our Senators and Representatives in Congress be, and they are hereby, requested to resist, by all efforts in their power, any inflation of the currency through the further issue of circulating notes by the Government or by national banks, and that they be, and are also hereby, requested respectively to promote by all proper measures an early return to specie payments.

And be it further resolved, (*if the assembly concur,*) That his excellency the governor be requested to transmit these resolutions, with a copy of his message appended, to the President of the United States, and to each of our Senators and Representatives in Congress.

The Legislature thus confirmed the recommendations of the governor, and called, as they had a right to do without being reproached for it, upon their Senators and Representatives to do what they could to prevent an increase of irredeemable legal-tender notes, or of national-bank notes in any form where no provision is made for redemption in coin.

The bill establishing a legal-tender currency at $400,000,000 was passed without an opportunity for debate. I complain not of that, for the chairman of the Committee on Ways and Means [Mr. DAWES] thought it was proper to have an early and speedy disposition of the question. Gentlemen have very properly regarded that bill as a kindred measure to the one now before the House, and they have therefore discussed and considered them together. The Senate bill that lies upon the Speaker's table blends the two together, and therefore they are necessarily and reasonably to be considered together.

Mr. LAMAR. Mr. Speaker, if the gentleman will allow me——

Mr. TREMAIN. I cannot be interrupted. I have no time. If I had a half hour I would yield to the gentleman, but I cannot in the fifteen minutes allowed me.

The bill before the House to a certain extent also blends the two measures, but the provision regulating the amount of legal-tender currency has been anticipated by the bill already passed upon by this House. I voted against the bill increasing the legal-tender currency to $400,000,000 because it was an exercise by Congress of the power to issue such currency in time of peace, because I regarded it as a measure of inflation, and tending to violate the pledges given by the Republican party and by Congress.

If I had had time to elaborate the propositions which I maintain, and consider sound and just in connection with this bill and with that relating to the currency, I should have endeavored to show by authority and by reason the truth of the following positions:

1. That under the solemn pledge made to the public creditors and the nation by Congress immediately after the commencement of General Grant's administration, as contained in the act of March 18, 1869, provision should be made at the earliest practicable period for the redemption of all obligations of the United States notes in coin or its equivalent.

2. That the only contingency which will justify the issue of legal-tender notes, on the part of the Government of the United States, arises from the existence of war; that a resort to such an extreme exercise of constitutional power in time of peace, if the power exists except in war, would be not merely a violation of all sound principles of political economy, but dangerous to the welfare and prosperity of the nation.

3. That the republican party has been placed in possession of supreme political power in this country upon its deliberate pledges to bring about a restoration of specie payments at the earliest possible moment, and any departure from its plighted faith in this regard would call for the stern rebuke of the people, and be attended with the most disastrous results.

4. That when forty-four millions of the notes of the United States had been redeemed in pursuance of the policy of contraction which had been deliberately sanctioned by Congress, the power to reissue the same by the Secretary of the Treasury was a power so great and so capable of abuse that it ought to find support in plain and explicit expressions of the legislative will; whereas in truth it can only be sustained by implication, after resorting to provisions of the statutes that are not explicit or free from ambiguity; that as to that portion of the so-called reserve which has already been issued, the same having been issued in good faith by the financial agent of the Government under the pressure of a supposed necessity, and the Treasury having received the benefit thereof from the public creditors, the honor and good faith of the Government require that the same should be recognized and redeemed; but the issue of any further amount thereof under the sanction of law cannot be justified.

5. That all pending bills, schemes, or proposals to obtain relief from existing embarrassments in commercial affairs by expanding the volume of the currency through the issue of irredemable notes should receive no favor at the hands of Congress, for the reason that they are at war with the sound principles of finance, recognized and acted upon for centuries by the civilized nations of the earth, that they would unsettle all values, postpone a return to specie payments, and would result, inevitably, at no distant day, in wide-spread embarrassments, losses, and bankruptcy.

6. That at the close of the war the nation was spared the humiliation of seeing its credit dishonored by the adoption of the schemes proposed of paying the national debt in mere paper promises, and has steadily reduced its debt and upheld its credit. So now, by firmly adhering to its pledges and pursuing the ancient and well-trodden paths it will outride the storm, and reviving business and trade will speedily bring back our accustomed prosperity and activity in commerce, trade, and business.

7. That nothing is so essential to the welfare of the country as stability on the part of Congress in reference to its financial policy; and for this reason a prompt and speedy determination of this policy on the part of the national Legislature, upon sound and correct principles, is demanded by every consideration of patriotism, statesmanship and duty.

But, sir, I have been somewhat pained to see the attempt made by my distinguished colleague [Mr. COX] on the floor of this House, to give this question a partisan or political aspect. I concur in the main in the able argument made by him, so far as it complains of the tendency to issue an irredeemable paper currency, and would bring us back to the old-fashioned standard of gold and silver. But I do not think that gentlemen on the other side have any right to make any political issue upon this question. My friend and colleague [Mr. COX] seems himself to have been seized by the spirit of inflation so common here. He was inflated by the intelligence of the result of the election in Connecticut. He was so inflated that he seemed to be ballooning around us in such joy, with such exhiliration and inflation of spirits, that we might have suspected that he had been taking a little laughing gas, if we did not know that he never dealt in gas to any extent.

When my friend alluded to the election in Connecticut as an anti-inflation victory, I thought it was exceedingly proper, exceedingly appropriate on his part, that he should say that he could not mingle his congratulations with his political associates and colleagues on the floor of this House, and that, to use his own language, he would have to go outside and find his place in the bosom of the democracy of the country. It is true that upon the $400,000,000 bill, which is the only measure that can be considered a measure of inflation that passed this House before the Connecticut election, our democratic friends upon the other side are found recorded in this wise: yeas 55, nays 22, not voting 9.

I therefore can understand why my colleague [Mr. COX] desired to find other more congenial society in which to mingle his congratulations upon the anti-inflation victory of Connecticut. But would my friend find the "bosom of the democracy" of the country any more congenial and attractive than his present associates? When has the bosom of the modern democracy heaved with hatred of greenbacks? When has it been inspired with love for the gold and silver standard? It seems to me it was but a few years ago that the democracy proposed to pay off all the debt of the country in greenbacks. If my memory serves me, only a few years have elapsed since Mr. Pendleton, a distinguished leader of that party and a Representative from the State of Ohio, which my colleague [Mr. COX] then represented with credit, proposed in numerous speeches that the gold-bearing bonds of this Government, yea, that every obligation of the Government that had been incurred for the great and sacred purpose of preserving the integrity and honor of this nation in the time of its supreme peril, should be paid off in greenbacks issued by the Government, costing nothing except the paper and ink with which they were

manufactured. To that proposal the Democracy responded with great unanimity. I fear that my friend would find the "bosom of the democracy" that he speaks of like the bosom of the historic virgin in the subterranean dungeon of Europe, fair perhaps externally, but fitted with dirks and daggers for him by reason of his love of a specie-paying basis and hatred of greenbacks.

Let not our friends on the other side delude themselves by supposing that the republican party is going to be buried on this question. I hope that my own fears and apprehensions as to the effect of these measures of expansion will be found to be unwarranted in the future. I know the energy of my countrymen. I sympathize with the honest feelings of the West and the South in their desire for more currency. We differ with them honestly as to the effect of this policy of expansion, as proposed in this bill. It is a bill intended to carry out the scheme of increasing the irredeemable paper currency. It is a bill which removes the restrictions imposed upon existing banks by the present law. That law requires that these banks shall keep on hand, at all times, a reserve upon their circulation and deposits equal in the large cities to 25 per cent. upon such circulation and deposits, and in the country equal to 15 per cent. This bill only requires from these banks and from new banks a reserve of 5 per cent. upon the amount of circulation. This releases at once their reserves to the amount probably of $50,000,000, which will be immediately introduced into the circulation of the country. This bill imposes no limits upon the amount of additional circulation which it authorizes. It does not provide for the withdrawal of an amount of greenbacks equal to the new national-bank notes nor any portion of such greenbacks. In short, it appears to me to sanction a deliberate departure from the policy of resumption of specie payments and to launch us upon the ocean of paper money redeemable only in a depreciated currency, from which I fear we shall never return except through panics, commercial embarrassments, bankruptcy, national dishonor, and financial ruin. It has been sustained by my able colleague, [Mr. MERRIAM,] one of the members of the committee; and certainly in alluding last evening to those who had spoken on this bill no one can suppose that I intended to ignore one of the ablest and best-considered speeches that has been delivered on this subject. But I say that gentlemen on the other side must not flatter themselves with the idea that the event so ardently longed for by them, the destruction and death of the republican party, will grow out of this question. I do not wonder that they are prepared to rejoice over the news from Connecticut; for during the last fourteen years they have been, like Nebuchadnezzar, turned out to grass. It is not strange that they should rejoice over every hap-hazard victory, even though it turns out that their governor in Connecticut receives about eight hundred majority less than he did a year ago. It is in these off-years when the republicans are drawn off on such issues as temperance, prohibition, and reform, and do a little business in politics on their own account, that the democracy occasionally slip into power. But let me assure my friends on the other side that the day is not far distant when national issues will come up, when the people will recognize the notes of the old bugle, when you will find the old republican guard coming forth. Then the party that sustained the flag of this country in time of peril, and which saved us from the infamy and eternal disgrace of repudiating the national debt by paying it off according to the Pendletonian scheme with greenbacks, will sweep before it all the opponents of republicanism with the same ease with which the lion aroused shakes the dew from his royal mane.

Mr. ELLIS H. ROBERTS. Mr. Speaker, the time has come to eliminate every subordinate feature in this long debate, and to rally thought about the flag assailed. That is, redemption. The currency presents, above all questions of how or how much? the demand, *what?* The State of which I am one of many Representatives has by its Legislature made an appeal to Congress. The message of the governor, himself of broad experience in national politics, is hardly less direct and significant than his famous order which flashed like forked lightning in the gloom of 1861: "If any man attempts to haul down the American flag, shoot him on the spot." Then there was danger to the Union; now its honor and its credit are in peril. Is regard for credit a sentiment? So is patriotism, so was the devotion which saved the Republic. Trample on sentiment, on principle, on honor, and nationality rests upon quicksand.

The bonds of the United States are a first-class security in all the markets of the world. They bear gold, principal and interest. The Treasury has for years been demonstrating the purpose and the ability of the nation to pay them in gold. The Government has issued $26,000,000 in legal tenders since September, but it has paid since July $21,127,986 of the bonded debt. These bonds are a pledge to pay in the future. They cannot always be better than your sacred promise for to-day.

Nor does the case change if you claim that the greenback is not a promise at all, repudiating its plain words, and insist that it is a dollar. For if your legal-tenders are not to be paid, but are money themselves absolutely, the conclusion is not remote that they will serve every purpose of gold, including the payment of bonds and their interest.

Your whole financial structure depends on your treatment of the greenback. Clip off its edges, deny your pledge, interpret it against your creditor, and no euphemism can conceal your dishonor and your shame. Haste has not been required of you. The burden of your obligation has not been crowded on you in war nor in the long years of prosperity since peace returned. Even now no one demands impossibilities. Only be honest. Admit your promise. Do not insult your creditors. Do not brand upon your promise to pay, *Never.*

Whatever else we can afford, we cannot afford to destroy the faith of our own people in the monetary obligations of the Government. We can get along without borrowing abroad. We can never avoid dependence on our own citizens. Our Government is the creature of law; it must act by law, above all classes and all interests. Superstition in the olden time at every disturbance of nature, said "It is a god." It has changed its object, and now at every disaster cries "It is the Government." It is ignorance or prejudice which regards the Government as Ormuzd or Ahriman, the infinite power of good or the infinite power of evil. But woe betide the day when the Government shall become the undoubted embodiment of pledges deliberately violated, of faith, boldly and without pretense of excuse, trampled upon.

Against the rebellion all that the country had was melted upon the altar of patriotism. The legal-tenders were as much a war measure as the call for troops. So long as that paper money remains afloat and at a discount below gold, it so far exhausts resources which should be husbanded for possible conflict. Every refusal to meet the obligations of those legal-tenders, to stamp them as less than gold, as mere counters without claim for real payment, is a blow at the vital power of the nation. It is less than treason, but akin to it.

Can it be true that the men of the Mississippi Valley, the heirs of empire, celebrate their accession to power upon this floor by this distrust of the resources of the nation, by this infidelity to its solemn pledges? No, no. They have not yet acted. They have not announced their purpose. They have not even finally deliberated. They will not by their votes degrade the nation. They will act bravely. They will recognize the obligations of their own future. Whatever financial policy they may approve, it shall rest only on the rock of absolute fidelity to plighted faith.

For the South and West need to lure capital. The East will keep it if they reject it. Works begun may go forward. The gold premium is an obstacle to new schemes. It is an element of risk and danger, and of assured greater cost. It warns capital and locks it up. It handicaps the South and West in the race. Enterprise struggling and aspiring has now no enemy so fatal as the gold premium. It is upon every improvement a mortgage in excess of the legitimate investment. Will Representatives here impose it upon every growing State, upon every enterprising citizen?

Production hesitates while you have been discussing the finances. Forty million people cannot be idle. They must work; they must produce. Production looks always to the future. Its market is never yesterday, seldom to-day, almost always to-morrow. Thus the gold premium always threatens to be taken out of its reward. That appears on the adverse side of the balance-sheet in every calculation of possibilities. The raw material bought to-day will appear in merchandise months hence, including the gold premium and interest thereon. You may aggravate that premium, but the popular conscience rises higher than legislation, and is confident that at some time your currency will be equal to gold. This discount stops the speed of every spindle, dulls the edge of every tool, and gives a minor key to all the music of industry.

Gentlemen represent industry as wanting more currency. On the contrary, it asks to be relieved from this gold premium, which discourages, burdens, paralyzes. It wants stability; it demands that Congress shall place it upon the natural basis of gold values, and then cease to meddle.

I plead for poverty, which is taxed by this gold premium, and has no means to get a return. I plead for thrift, which finds on all its savings a threat of shrinkage equal to the gold premium. I plead for every person who saves something every year, for he is interested to the extent of that favorable balance in having a better currency. I plead for all who rely on their future, and in their name protest against tainting all the streams of prosperity by the poison of deliberate, inexcusable neglect of justice.

But, argues the advocate of reckless issues of paper money, "We must make it easy for the debtor; let the Shylock creditor look out for himself." Who is this debtor on behalf of whom honor and interest are to be sacrificed? To the front, O debtors, and receive the sympathy of the national legislators! First is the national Government, with obligations of $2,295,058,559.07. But $1,800,000,000 of that is a gold indebtedness. The States, counties, and cities owe $868,676,738; and these, first of all, are the recipients of the sympathy of the tender-hearted here. But over and above them are the railroad companies, whose indebtedness is $1,511,578,944 above their capital. Deduct from these aggregates the amount we owe abroad, about $1,250,000,000, and we find public and corporate indebtedness, not going beyond railroads, over $3,400,000,000 due our own people. Plead for the debtor, O eloquent legislators, but here are your greatest debtors.

The other debts, large as they are, stand for a credit to some persons if for a debit to others. And your brown-stone front is debtor more frequently, and to a larger extent, than the cottage. For debt implies a certain amount of wealth. The pauper can borrow nothing. The day-laborer is not a borrower; the mechanic and artisan are not generally debtors. All of these demand a better currency; all of these have given hostage to the future.

I do not forget the other side, the debtor whose homestead bears a mortgage. Nor do I forget the debtor who owes for the money used in his business. But all of these, who save something of real profit every year, require not sympathy, but justice—an improving currency and a return toward the only measure of value.

No sympathy has been expressed for the borrower, who is crushed by our inflated currency He must pay interest not only on the dollar which he needs, but also upon the gold premium which is worse than useless to him, and all the while the unstable currency disturbs every operation of his business. And who are the borrowers? The young men entering upon production and trade for themselves; the farmers seeking to establish homes for themselves, the driving, creative classes who construct our prosperity. What sections are borrowers? The South and the West. They want more capital. They do not expect to pay their debts for years to come. They will owe more five years hence than now, for their activity all the while demands more of the sinews of trade and production. Every dollar they borrow now will be made dearer to them by the extent of the gold premium. Every western vote here refusing to provide for the return at some time to a specie basis adds to the burden of debt, makes every dollar borrowed cost more, and renders it more difficult to borrow for any purpose, however legitimate. Every southern vote here warns capital away from cotton-fields and sugar plantations, repels loans, and extorts a large share of the savings of the soil for every dollar of borrowed capital.

What is the demand we make? Only *not* repudiation. If you must have more currency and will make it, provide for paying it in due season. Name your own time and fix your own terms. Set apart your sinking fund, or even one-half of it, to redeem the legal-tenders by purchase until they become at par in gold. Is that too much? Record in any practical, direct way that you will now begin to meet your overdue obligations. As you will, only do it.

What is the alternative? Turkish peasants have built their hovels on the classic soil of Asia Minor. For centuries semi-barbarism has reveled under the shadow of Mount Ida. Goats and wild asses have roamed where fragments and ruins failed to perpetuate buried grandeur. Two thousand years have elapsed, and Schleiman disentombs golden vessels and costly treasures, which illustrate the still more precious story of Troy and of the Greeks. Beware lest you follow the example of the Turkish peasants, and suffer the dust and rubbish of the present to hide from you the wealth on which you tread, the glory which you disregard.

Men of the South and of the West! Do not trample on your opportunities; do not be infidel to your future; do not turn your backs on plighted faith; do not refuse in some way and to some extent to provide for the redemption of the nation's pledges, the legal-tender notes. That will bring out finally $135,000,000 of gold now demonetized. So you may get more money, and we will gladly be your allies. In such an inflation God speed you

The gentleman from Pennsylvania [Mr. KELLEY] fears lest France or England or Germany may sell us wares and demand coin therefor. They cannot sell to us unless we choose to buy. They cannot force even our own bonds upon our markets unless we are willing to take them. As the champion of three sixty-five bonds he argues that by them we can make our loans at home. Is it, then, poverty we plead? Do we sue *in forma pauperis?* Is it necessity which excuses our dereliction, our failure to protect our credit? Our resources, our capacities, our productions repel the imputation. This nation can be honest. It cannot afford longer delay in maintaining the national credit upon obligations past-due.

The West and South claim to be the seat of real power in the future. They, above all, are interested in the national credit. Will they refuse deliberately and without reservation to provide in any way and to any extent for the redemption of the United States notes?

[Here the hammer fell.]

Mr. GARFIELD. Mr. Speaker, the hour for argument has passed. Four months of debate in the Senate and nearly three weeks of debate in the House have demonstrated that this Congress has determined to reverse the policy of its predecessors, and to enter upon a path new to our recent history, but well known as an old path of disaster and disgrace. I have sought the floor to put on record my protest against the step about to be taken. My opinions may be of but little consequence to others, but I should be untrue to myself, untrue to my deepest convictions, did I not take the occasion to warn the House and the country against what I firmly believe to be the most dangerous and fatal legislation I have known during my service in this House. This legislation is framed to answer a demand for what several gentlemen have called "cheap money." I hope they will take no offense if I say they would more fitly characterize the thing they are aiming at if they would apply to it the old, homely epithet of "*cheap and nasty.*" I hope they will take no offense if I quote in this connection from a late essay of Thomas Carlyle a paragraph which strikingly exhibits my opinion of the result of this measure.

In his essay entitled "Shooting Niagara and after," Carlyle says that one of the three things which are visibly before us is free racing, ere long with unlimited speed, in the career of cheap and nasty:

> Cheap and nasty; there is a pregnancy in that poor, vulgar proverb, which I wish we better saw and valued! It is the rude, indignant protest of human nature against a mischief which, in all times and places, haunts it or lies near it, and which never in any time or place was so like utterly overwhelming it as here and now. Understand, if you will consider it, that no good man did or ever should, encourage "cheapness" at the ruinous expense of unfitness, which is always infidelity, and is dishonorable to a man.—*Carlyle's Miscellaneous Works*, volume 6, page 373.

I cannot better characterize my opinion of the policy that seems to have been fixed upon by the late votes of the two Houses, than to say that we are proposing now to make a surrender of reality for the sake of an apparent good—to grasp at empty shadows and lose the substance. In discussing the questions which now confront us it is not always easy to find the path of duty. The conditions of the problem before us are so complicated, the subject is so many-sided, that men may well differ in methods. But we ought to follow our measures out to their inevitable consequences, and confront results as well as methods. It was easy to see and to follow the path of duty, when citizens were called upon to decide by the wager of battle between the destruction of the nation and its salvation.

Next to the great achievements of the nation in putting down the rebellion, destroying its cause, and reuniting the Republic on the principle of liberty and equal rights to all, was that series of financial achievements by which the enormous charges of the war were paid, the debt funded, the public credit maintained, and the nation launched upon its career of prosperity. The financial perils through which we have passed were almost equal to the direst perils of the war. Trace the steps by which the nation came up through its dangers to the basis of safety and peace.

There is a fellowship among the virtues by which one great, generous passion stimulates another. When the patriotism of the people had arisen to the height of the sublime in their purpose to put down the rebellion, they manifested an equally noble purpose of meeting all their obligations incurred in the sacred work. Under the pressure of an overmastering necessity, and upon that plea alone, the nation issued its Treasury notes, and made them a legal tender in payment of debts; but by the most solemn sanctions they gave their pledge to the world that the volume should never exceed $400,000,000, and that at the earliest possible moment they would redeem their promises and restore the currency to the standard of the Constitution.

Scarcely had the echoes of their cannon died away when they set about the work of redeeming these pledges. In 1866, by the almost unanimous voice of both Houses of Congress, the work was commenced for the redemption and cancellation of these notes. The great revenues of the nation were applied to this purpose and to the reduction of the interest-bearing debt.

Hardly had the great cost of the war been stated when the nation was menaced with the formidable threat of repudiation. The worst elements of American politics were appealed to, and the passions of selfishness and cupidity were summoned to the aid of those who joined in the assault on the public faith.

The autumn of 1867 and the spring of 1868 were days of darkness and gloom; but during the summer and fall of 1868 the republican party appealed with confidence to the American conscience to put down repudiation in every form, to keep the public faith, and pay the sacred obligations of the war to the uttermost farthing.

No issue was ever more sharply defined than that on which the presidential canvass of 1868 was made. That issue was declared in the national platform of the republican party, and the victorious results were announced in the first message of Grant, wherein he stated that—

> To protect the national honor every dollar of Government indebtedness should be paid in gold unless otherwise expressly stipulated in the contract. Let it be understood that no repudiator of one farthing of our public debt will be trusted in public places, and it will go far toward strengthening a credit which ought to be the best in the world.

This victory was sealed by the first act of Congress to which President Grant gave the approval of his signature, and which has been so often quoted in this debate. It was a victory won in the name of the public conscience, the public honor, the public faith—in the name of truth. From that moment the public credit was enhanced, month by month, and the national faith met no shock until the great struggle of 1870, when a most formidable attempt was made to break down the barriers of public confidence and launch the nation again upon a career of irredeemable paper-money expansion.

I believe no argument has been advanced during this debate that was not presented in the debate of 1870. I have now in my possession nearly fifty bills introduced into the two Houses of Congress in that year on this question, in which every shade of opinion now entertained in this House was expressed and advocated; bills to abolish the national-bank system and issue greenbacks in place of national-bank notes; and bills to authorize the reissue of the forty-four millions of greenbacks already retired and canceled. No one then ventured the opinion that the Secretary of the Treasury had power to reissue those notes without further authority from Congress.

The result of that debate was that the banking facilities of the South and West were increased, and additional notes were issued to the extent of fifty-four millions; but to prevent the inflation of the currency and the derangement or values it was provided that the 3 per cent. certificates, which were used as bank reserves and clearing-house certificates, should be retired and canceled *pari passu* with the increase of national-bank notes.

Those who favored a great enlargement of the currency at that time denounced the measure as wholly insufficient to meet the wants of the country. The *fifty-four millions* were said to be wholly inadequate to the demands of business. We were told that that amount

would be taken up so soon as speedily to demonstrate its insufficiency. But, sir, the most significant possible answer to that opinion was the fact that the *fifty-four millions were issued so slowly that even to-day four and one-third millions of that amount have not been taken by the national banks in the States that had less than their proportion of circulation.* Let gentlemen explain this significant fact before they ask us to follow their lead.

And now, Mr. Speaker, in a time of profound peace, eight years after the last hostile gun was fired, we are called upon to reverse all this policy of the past; to break down the dikes and let the sea roll in upon us. We are asked to declare that it was a mistake to take any steps toward the resumption of specie payments; that it was a mistake to redeem our solemn promises to pay; that it was a mistake even to keep our faces turned toward the solid ground of stable values.

How many years of disastrous experience are needed to enforce the lesson that there are immutable laws of nature which no Congress can safely ignore and which no legislation can overturn? Underlying all exchange, all trade, all active industry, there are three elements which cannot be ignored, elements that enter into every contract and are of the essence of every exchange; elements that are recognized in the national Constitution.

They are the measure of extension, whether of length, breadth, depth, or capacity; the measure of weight, which is intimately related to that of extension; and the measuro of value, which is closely related to both. The Constitution empowers Congress to fix the standards of weights, of measures, and of value. But Congress cannot create extension, nor weight, nor value. It can measure what exists, it can declare and subdivide and name a standard; but it cannot make length of that which has no length, it cannot make weight of that which has no weight, it cannot make value of that which has no value.

With what care has our Government protected its standards! The gentleman from Massachusetts [Mr. BUTLER] sneeringly asked, why does not some one argue in favor of redeeming the yard-stick, the quart-pot, or the Fairbanks scales? In that paragraph he uses words without significance. We do not *redeem* these standards, but we do in regard to them what is analogous to the redemption of our standard of value. Our yard-stick is a metallic bar copied from the standard yard of England, which is nearly three hundred years old. It is deposited in the office of the Coast Survey and is sacredly guarded from diminution or injury. The best efforts of science have been brought to bear to make the yard-stick as little liable as possible to mutilation or change.

Two methods have been adopted by science to test the accuracy of the standard and preserve it from loss. One is to find a pendulum which swung *in vacuo* will make one vibration a second at a given altitude from the level of the sea; the other was a method adopted by France, when in the last century she sent her surveyors to measure six hundred miles of a meridian line, from Dunkirk to Barcelona. Thus she made her meter a given aliquot part of the earth's circumference, so that should her standard be lost the measure of the globe itself would furnish the means of restoring it. Both these standards are deposited in the Coast Survey, and together with the standard measures of capacity are furnished to the several States as the standards to which all our State and municipal laws refer. Every contract for the sale and delivery of anything that can be weighed or measured is based upon these standards, and the citizen who changes the weight or the measurement commits a misdemeanor for which he is punished by the law. The false weight and balance are still an abomination.

Sir, we do not redeem our yard-stick, but we preserve it, and by the solemn sanctions of the law demand that it shall be applied to all transactions where extension is an element. Let us with equal care restore and preserve our standard of value, which must be applied to every exchange of property between man and man. An uncertain and fluctuating standard is an evil whose magnitude is too vast for measurement. Let me call attention to a few features of the bill now before the House. Its first section abolishes all the reserves by which our statesmen have hitherto protected the circulation of banks and kept them in readiness to redeem their notes. This great safeguard is to be thrown away. The ballast is to be tossed from the boat of the balloon, the cables are to be cut which held it to the earth. But the section will operate unequally and unjustly. For example, it requires five and a half millions less of reserve to be held by the banks of New York, and five and a half millions more by the banks of Boston, than is now required by law. Inflation in New York—contraction in Boston.

Section 5 works a revolution in the system of bank balances. It requires 5 per cent. of the circulation of every national bank to be kept in New York and Washington. This takes twenty millions of greenbacks away from the sixteen redemption cities of the United States and places it in Washington and New York, for the purpose of making the officers of the Treasury assort and redeem the mutilated currency of the banks and issue new notes in their place.

By the third section forty-four millions are added to the greenback circulation. By this we are to lose all we have gained in the way of redeeming the promise of the nation to pay its long overdue paper. This is a permanent postponement of specie payments; it hopelessly cripples the machinery by which that result is to be reached. To this is added an unlimited increase of national-bank notes.

By this measure we invite two dangers. With one hand we throw overboard the ballast; with the other we spread the sails, and thus commit the ship of our public credit

> ——To the god of storms,
> The lightning and the gale.

I believe, Mr. Speaker, that the proposition before us is fraught with measureless mischief. If you will authorize free banking coupled with some wise restriction, something that will lead us slowly but surely toward specie payments; if we can reach the two great results, specie payments and free banking, we shall preserve the quality of our currency and shall leave its quantity to be regulated by the demands of trade. There never did exist on this earth a body of men wise enough to determine by any arbitrary rule how much currency is needed for the business of a great country. The laws of trade, the laws of credit, the laws of God impressed upon the elements of this world, are superior to all legislation; and we can enjoy the benefits of these immutable laws only by obeying them.

I desire, Mr. Speaker, that all the real wants of the great West and of the whole country shall be fully supplied; but let them be supplied by that which is reality, and not by broken and dishonored promises. Let us not offer to people of this country the apples of Sodom that shall turn to ashes on their lips.

I believe, sir, that if this legislation prevails the day is not far distant when the cry will come up from those who labor in humblest fields of industry, denouncing those who have let loose upon them the evils enveloped in this bill. It has been demonstrated again and again that upon the artisans, the farmers, the day-laborers falls at last the dead weight of all the depreciation and loss that irredeemable paper money carries in its train. Let this policy be carried out, and the day will surely and speedily come when the nation will clearly trace the cause of its disaster to those who deluded themselves and the people with what Jefferson fitly called "legerdemain tricks of paper money."

I was greatly surprised to hear gentlemen quote the fathers of the Republic as supporters of irredeemable paper money. The gentleman from Pennsylvania [Mr. KELLEY] has referred to Franklin to support his opinions. I appeal from the Franklin of 1729 and 1764 to the Franklin of riper experience.

I have been, if not a thorough, yet a reverent reader of those great men whose names illuminate the pages of our history, and I affirm that they are almost unanimous in their condemnation of any standard of value except that of the Constitution, or any kind of paper money except such as is redeemable in gold at the will of the holder.

From the days of Washington to the present hour no President, no Secretary of the Treasury, and scarcely a statesman whose name is enrolled among the illustrious dead, has failed to make his protest against the weak and wicked policy of issuing and permanently maintaining an irredeemable paper currency. I should be false to history, false to the past of our nation, if I did not refer to this instructive fact.

I ask leave to put on record a few paragraphs on this subject from some of the great men who have adorned the records of our country. All are Americans save one. I quote one paragraph from an illustrious author, which exhibits the truth so well attested by the Americans whose testimony follows.

MILL.

Although no doctrine in political economy rests upon more obvious grounds than the mischief of a paper currency not maintained at the same value with a metallic, either by convertibility or some principle of limitation equivalent to it; and although, accordingly, this doctrine has, though not till after the discussions of many years, been tolerably effectually drummed into the public mind; yet dissentients are still numerous, and projectors every now and then start up with plans for curing all the economical evils of society by means of an unlimited issue of inconvertible paper. There is, in truth, a great charm in the idea. To be able to pay off the national debt, defray the expenses of Government without taxation, and, in fine, to make the fortunes of the whole community, is a brilliant prospect, when once a man is capable of believing that printing a few characters on bits of paper will do it. The philosopher's stone could not be expected to do more.—*Mill's Political Economy*, volume 2, book 3, chapter 13, section 3.

BENJAMIN FRANKLIN.

It is true that Franklin, in a juvenile essay written in 1729 at the age of twenty-two, warmly advocated the paper-money delusion which was generally in vogue at that period. And he also in 1764 wrote a reply to the British Board of Trade in which the same views appear. But paper money had not yet borne its bitterest fruit. But we may well appeal from his doctrines in 1729 and 1764 to the maturer counsels of 1779, when he wrote to James Lovell as follows:

I am glad to understand that you are taking measures to restore the value of your money by taxing largely to reduce the quantity. I believe no financier in the world can put you upon a more effective method.—*Franklin's Works*, volume 8, page 368, lines 14-17.

And in a still later letter, addressed to Josiah Quincy, under date of Passey, September 11, 1783, he gave this emphatic testimony:

I lament with you the many mischiefs, the injustice, the corruption of manners, &c., that attended a depreciating currency. It is some consolation to me that I washed my hands of that evil by predicting it in Congress, and proposing means that would have been effectual to prevent it if they had been adopted. Subsequent operations that I have executed demonstrate that my plan was practicable; but it was unfortunately rejected.—*Franklin's Works*, volume 10, page 9, paragraph 2.

LEE.

Richard Henry Lee, President of Congress, addressed a letter to

George Washington on the 19th of November, 1785, in which occurs the following paragraph:

Is it possible that a plan can be formed for issuing a large sum of paper money by the next Assembly? I do verily believe that the greatest foes we have in the world could not devise a more effectual plan for ruining Virginia. I should suppose that every friend to his country, every honest and sober man, would join heartily to reprobate so nefarious a plan of speculation.

WASHINGTON.

To it Washington replied:

I have never heard, and I hope never shall hear, any serious mention of a paper emission in this State; yet such a thing may be in agitation. Ignorance and design are productive of much mischief. The former is the tool of the latter, and is often set to work suddenly and unexpectedly. Those with whom I have conversed on the subject in this part of the State, reprobate the idea exceedingly. (*Spark's edition Washington's Writings*, volume 9, page 120.)

In writing to Thomas Jefferson from Mount Vernon, under date of August 1, 1786, Washington says:

Some other States are, in my opinion, falling into the very foolish and wicked plans of emitting paper money. I cannot, however, give up my hopes and expectations, that we shall ere long adopt a more just and liberal system of policy.

In the course of the same letter he refers to the death of General McDougall, and says:

He belonged to the Legislature of his State. The last act of his life was (after being carried on purpose to the Senate) to give his voice against the emission of a paper currency. (Volume 9, page 186.)

In a letter dated Mount Vernon, February 16, 1787, addressed to Thomas Stone, a member of the Maryland senate, who had written to Washington that the house of representatives of that State had passed an act to authorize the issue of bills of credit to the amount of £350,000 at 6 per cent. interest, payable annually, and the principal redeemable in ten years, Washington says:

I do not scruple to declare that if I had a voice in your Legislature it would have been given decidedly against a paper emission upon the general principles of its utility as a representative, and the necessity of it as a medium.

To assign reasons for this opinion would be as unnecessary as tedious. The ground has been so often trod that a place hardly remains untouched. In a word, the necessity arising from a want of specie is represented as greater than it really is. I contend that it is by the substance, not with the shadow of a thing, we are to be benefited. The wisdom of man, in my humble opinion, cannot at this time devise a plan by which the credit of paper money would be long supported; consequently depreciation keeps pace with the quantity of the emission, and articles for which it is exchanged rise in a greater ratio than the sinking value of the money. Wherein, then, is the farmer, the planter, the artisan benefited? The debtor may be, because, as I have observed, he gives the shadow in lieu of the substance; and in proportion to his gain, the creditor of the body-politic suffers. Whether it be a legal tender or not, it will, as has been observed very truly, leave no alternative. It must be that or nothing. An evil equally great is the door it immediately opens for speculation, by which the least designing, and perhaps most valuable, part of the community are preyed upon by the more knowing and crafty speculators.

But, contrary to my intention and declarati .s, I am offering reasons in support of my opinion; reasons, too, which of all others are least pleasing to the advocate for paper money. I shall therefore only observe generally, that so many people have suffered by former emissions, that like a burnt child who dreads the fire, no person will touch it who can possibly avoid it. The natural consequence of which will be, that the specie which remains unexported will be instantly locked up. (Volume 9, page 231.)

JOHN ADAMS.

I cannot but lament from my inmost soul that lust for paper money which appears in some parts of the United States. There will never be any uniform rule, if there is any sense of justice, nor any clear credit, public or private, nor any settled confidence in public men or measures, until paper money is done away—*John Adams*, 1786.

PELETIAH WEBSTER.

Peletiah Webster, a merchant of Philadelphia, and an uncle of Noah Webster, the lexicographer, published a series of articles on the currency, which were collected in a volume in 1790. In 1781 he had published an able pamphlet, urging a convention for enlarging the Constitution. In one of his papers, written in 1780, on the effect of paper money, he says:

We have suffered more from this cause than from every other cause of calamity; it has killed more men, pervaded and corrupted the choicest interests of our country more, and done more injustice than even the arms and artifices of our enemies. * * * If it saved the State, it has also polluted the equity of our laws; turned them into engines of oppression and wrong; corrupted the justice of our public administration; destroyed the fortunes of thousands of those who had the most confidence in it; enervated the trade, husbandry, and manufactures of our country, and gone far to destroy the morality of our people.—*Gouge, History of Paper Money*, pages 30, 31.

After quoting this paragraph Mr. Gouge says, writing in 1833, on page 31:

Many who are yet living can attest the truth of the statement.

THE CONSTITUTIONAL CONVENTION OF 1787.

The history of the convention that framed the national Constitution is full of significance in its relation to paper money. There can be no doubt that the founders believed they had drafted an instrument that made the evils of paper money impossible. After expressly prohibiting the States from emitting bills of credit, they proceeded to strike out from the first draught of the Constitution a clause which gave that power to Congress. I quote from the Madison Papers:

Mr. GOUVERNEUR MORRIS moved to strike out "and emit bills on the credit of the United States." If the United States had credit, such bills would be unnecessary; if they had not, unjust and useless.

Mr. BUTLER seconds the motion.

Mr. MADISON. Will it not be sufficient to prohibit the making them a *tender*? This will remove the temptation to emit them with unjust views, and promissory notes in that shape may in some emergencies be best.

Mr. GOUVERNEUR MORRIS. Striking out the words will leave room still for notes of a *responsible* minister, which will do all the good without the mischief. The moneyed interest will oppose the plan of government, if paper emissions be not prohibited.

Mr. GORHAM was for striking out without inserting any prohibition. If the words stand they may suggest and lead to the measure.

Mr. MASON had doubts on the subject. Congress, he thought, would not have the power unless it were expressed. Though he had a mortal hatred to paper money, yet, as he could not foresee all emergencies, he was unwilling to tie the hands of the Legislature. He observed that the late war could not have been carried on had such a prohibition existed.

Mr. GORHAM. The power, as far as it will be necessary or safe, is involved in that of borrowing.

Mr. MERCER was a friend to paper money, though in the present state and temper of America he should neither propose nor approve of such a measure. He was consequently opposed to a prohibition of it altogether. It will stamp suspicion on the Government to deny it a discretion on this point. It was impolitic also to excite the opposition of all those who were friends to paper money. The people of property would be sure to be on the side of the plan, and it was impolitic to purchase their further attachment with the loss of the opposite class of citizens.

Mr. ELLSWORTH thought this a favorable moment to shut and bar the door against paper money. The mischiefs of the various experiments which had been made were now fresh in the public mind, and had excited the disgust of all the respectable part of America. By withholding the power from the new Government, more friends of influence would be gained to it than by almost anything else. Paper money can in no case be necessary. Give the Government credit and other resources will offer. The power may do harm, never good.

Mr. RANDOLPH, notwithstanding his antipathy to paper money, could not agree to strike out the words, as he could not foresee all the occasions that might arise.

Mr. WILSON. It will have a most salutary influence on the credit of the United States, to remove the possibility of paper money. This expedient can never succeed while its mischiefs are remembered; and, as long as it can be resorted to, it will be a bar to other resources.

Mr. BUTLER remarked, that paper was a legal tender in no country in Europe. He was urgent for disarming the Government of such a power.

Mr. MASON was still averse to tying the hands of the Legislature *altogether*. If there was no example in Europe, as just remarked, it might be observed, on the other side, that there was none in which the Government was restrained on this head.

Mr. READ thought the words, if not struck out, would be as alarming as the mark of the beast in Revelation.

Mr. LANGDON had rather reject the whole plan than retain the three words "and emit bills."

On the motion for striking out—

New Hampshire, Massachusetts, Connecticut, Pennsylvania, Delaware, Virginia, North Carolina,* South Carolina, Georgia, ay—9; New Jersey, Maryland, no—2.

To this vote is appended the following note by Mr. Madison:

* This vote in the affirmative by Virginia was occasioned by the acquiescence of Mr. Madison, who became satisfied that striking out the words would not disable the Government from the use of public notes, as far as they could be safe and proper; and would only cut off the pretext for a *paper currency*, and particularly for making the bills *a tender*, either for public or private debts.

ALEXANDER HAMILTON.

In answer to a resolution of the House of Representatives, requiring the Secretary of the Treasury to report what may be necessary for the establishment of the public credit, Hamilton made his report to the House on the national bank, December 13, 1790, in which he said:

The emitting of paper money by the authority of the Government is wisely prohibited to the individual States by the national Constitution; and the spirit of that prohibition ought not to be disregarded by the Government of the United States. Though paper emissions, under a general authority, might have some advantages not applicable and be free from some disadvantages which are applicable to the like emissions by the States separately, yet they are of a nature so liable to abuse—and it may even be affirmed, so certain of being abused—that the wisdom of the Government will be shown in never trusting itself with the use of so seducing and dangerous an expedient. In times of tranquillity it might have no ill consequence; it might even perhaps be managed in a way to be productive of good; but in great and trying emergencies there is almost a moral certainty of its becoming mischievous. The stamping of paper is an operation so much easier than the laying of taxes that a Government in the practice of paper emissions would rarely fail in any such emergency to indulge itself too far in the employment of that resource to avoid, as much as possible, one less auspicious to present popularity. If it should not even be carried so far as to be rendered an absolute bubble, it would at least be likely to be extended to a degree which would occasion an inflated and artificial state of things incompatible with the regular and prosperous course of the political economy.

Among other material differences between a paper currency issued by the mere authority of Government, and one issued by a bank payable in coin, is this: That, in the first case, there is no standard to which an appeal can be made as to the quantity which will only satisfy or which will surcharge the circulation. In the last that standard results from the demand. If more should be issued than is necessary it will return upon the bank. Its emissions, as elsewhere intimated, must always be in a compound ratio to the fund and the demand, whence it is evident that there is a limitation in the nature of the thing, while the discretion of the Government is the only measure of the extent of the emissions by its own authority.—*Works of Alexander Hamilton*, volume 3, page 125.

JEFFERSON.

Few of the revolutionary fathers made a more careful study and enjoyed a wider range of experience on questions of political economy, than Thomas Jefferson. His writings abound in striking passages, setting forth the evils of paper money.

Writing from Monticello, June 24, 1813, to John W. Eppes, he says:

Every one knows that although not literally it is nearly true that every paper dollar emitted banishes a silver one from the circulation. A nation, therefore, making its purchases and payments with bills fitted for circulation, thrusts an equal sum of coin out of circulation.

In this letter he complains that the States "have unfortunately fooled away, nay corruptly alienated to swindlers and shavers, under the cover of private banks, the power of issuing bills in time of war." He holds that Congress ought to take control of this subject and not allow it to the States. Toward the close of the letter he says that we have unfortunately copied from Great Britain the idea of giving paper in exchange for discounted bills, and says (page 142) of Great Britain:

The unlimited emission of bank paper has banished all her specie, and is now, by a depreciation acknowledged by her own statesmen, carrying her rapidly to bankruptcy as it did France, as it did us, and will do us again, and every country permitting paper to be circulated other than that by public authority, rigorously limited to the just measure for circulation. Private fortunes in the present state

of our circulation are at the mercy of those self-created money-lenders, and are prostrated by the floods of nominal money with which their avarice deluges us.—*Jefferson's Works*, volume 6, page 139.

In another letter to John W. Eppes, dated Monticello, November 6, 1813, he says:

It is a litigated question whether the circulation of paper, rather than of specie, is a good or an evil. In the opinion of England and of English writers it is a good; in that of all other nations it is an evil; and excepting England and her copyist, the United States, there is not a nation existing, I believe, which tolerates a paper circulation. The experiment is going on, however, desperately in England, pretty boldly with us, and at the end of the chapter we shall see which opinion experience approves; for I believe it to be one of those cases where mercantile clamor will bear down reason until it is corrected by ruin. * * * * * *

The adequate price of a thing depends on the capital and labor necessary to produce it. * * * Two things requiring the same capital and labor should be of the same price. * * * The comparative prices of things being thus to be estimated and expressed by a common measure, we may proceed to observe that where a country so insulated as to have no commercial intercourse with any other, to confine the interchange of all its wants and supplies within itself, the amount of circulating medium as a common measure for adjusting these exchanges, would be quite immaterial. If their circulation, for instance, were of a million of dollars, and the annual produce of their industry equivalent to ten millions of bushels of wheat, the price of a bushel of wheat might be one dollar. If then, by a progressive coinage, their medium should be doubled the price of a bushel of wheat might become progressively two dollars, and without inconvenience. * * * But where a nation is in a full course of interchange of wants and supplies with all others, the proportion of its medium to its produce is no longer indifferent. To trade on equal terms, the common measure of values should be as nearly as possible on a par with that of its corresponding nations, whose medium is in a sound state; that is to say, not in an accidental state of excess or deficiency. Now one of the great advantages of specie as a medium is, that being of universal value, it will keep itself at a general level, flowing out from where it is too high into parts where it is lower. Whereas, if the medium be of local value only, as paper money, if too little, indeed, gold and silver will flow in to supply the deficiency; but if too much, it accumulates, banishes the gold and silver not locked up in vaults, and hoards and depreciates itself, that is to say, its proportion to the annual produce of industry being raised, more of it is required to represent any particular article of produce than in the other countries. (Volume 6, page 232.)

And again, (*ibid.*, page 241:)

The truth is, that capital may be produced by industry, and accumulated by economy; but jugglers only will propose to create it by legerdemain tricks with paper.

He then discussed the proposition pending at that time in Congress for more circulation, and says:

The overbearing clamor of merchants, speculators, and projectors will drive us before them, with our eyes open, until as in France, under the Mississippi bubble, our citizens will be overtaken by the crush of this baseless fabric, without other satisfaction than that of execrations on the heads of those functionaries, who, from ignorance, pusillanimity, or corruption have betrayed the fruits of their industry into the hands of projectors and swindlers.

He then argues the necessity of bringing our money to specie values, and says:

That specie is the most perfect medium because it will preserve its own level, because, having intrinsic and universal value, it can never die in our hands, and it is the surest resource of reliance in time of war; that the trifling economy of paper as a cheaper medium, or its convenience for transmission, weighs nothing in opposition to the advantages of the precious metals; that it is liable to be abused, has been, is, and forever will be, abused in every country in which it is permitted; that it is already at a term of abuse in these States which has never been reached by any other nation, France excepted, whose dreadful catastrophe should be a warning against the instrument which produced it; that we are already at ten or twenty times the due quantity of medium, insomuch that no man knows what his property is now worth, because it is bloating while he is calculating, and still less what it will be worth when the medium shall be relieved from its present dropsical state; and that it is a palpable falsehood to say we can have specie for our paper whenever demanded.

Instead, then, of yielding to the cries of scarcity of medium set up by speculators, projectors, and commercial gamblers, no endeavors should be spared to begin the work of reducing it by such gradual means as may give time to private fortunes to preserve their poise and settle down with the subsiding medium; and that for this purpose the States should be urged to concede to the General Government, with a saving of chartered rights, the exclusive power of establishing banks of discount for paper.

MADISON.

In a letter to Jefferson dated August 12, 1786, Mr. Madison, says:

These fruits of the Revolution do great honor to it. I wish all our proceedings merited the same character. Unhappily there are but too many belonging to the opposite side of the account. At the head of these is to be put the general rage for paper money. Pennsylvania and North Carolina took the lead in this folly. In the former the sum emitted was not considerable, the funds for sinking it were good, and it was not made a legal-tender. It issued into circulation partly by way of loan to individuals on landed security, partly by way of payment to the public creditors. Its present depreciation is about 10 or 12 per cent. In North Carolina the sums issued at different times have been of greater amount, and it has constantly been a tender. It issued partly in payments to military creditors, and latterly, in purchases of tobacco on public account. The agent, I am informed, was authorized to give nearly the double of the current price; and as the paper was a tender, debtors ran to him with their tobacco, and the creditors paid the expense of the farce. The depreciation is said to be 25 or 30 per cent. in that State. South Carolina was the next in order. Her emission was in the way of loans to individuals and is not a legal-tender. But land is there made a tender in case of suits, which shuts the courts of justice, and is, perhaps, as great an evil. The friends of the emission say that it has not yet depreciated, but they admit that the price of commodities has risen, which is evidently the form in which depreciation will first show itself.

New Jersey has just issued £30,000 (dollar at 7*s.* 6*d.*) in loan to her citizens. It is a legal tender. An addition of £100,000 is shortly to follow on the same principles. The terror of popular associations stifles, as yet, an overt discrimination between it and specie; but as this does not operate in Philadelphia and New York, where all the trade of New Jersey is carried on, its depreciation has already commenced in those places, and must soon communicate itself to New Jersey. New York is striking £200,000 (dollar at 8*s.*) on the plan of loans to her citizens. It is made a legal tender in case of suits only. As it is but just issuing from the press, its depreciation exists only in the foresight of those who reason without prejudice on the subject. In Rhode Island, £100,000 (dollar at 6*s.*) has lately been issued in loans to individuals. It is not only made a tender, but severe penalties annexed to the least attempt, direct or indirect, to give a preference to specie. Precautions dictated by distrust in the rulers soon produced it in the people. Supplies were withheld from the market, the shops were shut, popular meetings ensued and the State remains in a sort of convulsion.

The Legislature of Massachusetts, at their last session, rejected a paper emission by a large majority. Connecticut and New Hampshire also have as yet forborne, but symptoms of danger, it is said, begin to appear in the latter. The senate of Maryland has hitherto been a bar to paper in that State. The clamor for it is now universal, and as the periodical election of the senate happens at this crisis, and the whole body is unluckily by their constitution to be chosen at once, it is probable that a paper emission will be the result. If, in spite of the zeal exerted against the old senate, a majority of them should be re-elected, it will require all their firmness to withstand the popular torrent. Of the affairs of Georgia I know as little as of those of Kamtchatka.

Whether Virginia is to remain exempt from the epidemic malady will depend on the ensuing Assembly. My hopes rest chiefly on the exertions of Colonel Mason, and the failure of the experiments elsewhere. That these must fail is morally certain; for besides the proofs of it already visible in some States, and the intrinsic defect of the paper in all, this fictitious money will rather feed than cure the spirit of extravagance which sends away the coin to pay the unfavorable balance, and will therefore soon be carried to market to buy up coin for that purpose. From that moment depreciation is inevitable. The value of money consists in the uses it will serve. Specie will serve all the uses of paper; paper will not serve one of the essential uses of specie.—*Madison's Works*, volume 1, page 243.

In a letter to C. D. Williams, of February, 1820, he says:

It cannot be doubted that a paper currency, rigidly limited in its quantity to purposes absolutely necessary, may be made equal and even superior in value to specie. But experience does not favor a reliance on such experiment. Whenever the paper has not been convertible into specie, and its quantity has depended on the policy of the Government, a depreciation has been produced by an undue increase, or an appreciation of it.—*Madison's Works*, volume 3, page 166.

WEBSTER.

In 1816 Daniel Webster said in this House:

Wars and invasions are not always the most certain destroyers of national prosperity. They announce their own approach, and the general security is preserved by the general alarm. Not so with the evils of a debased coin, a depreciated paper currency, or a depressed and falling public credit. Not so with the plausible and insidious mischiefs of a paper-money system. These insinuate themselves in the shape of facilities, accommodation, and relief. They hold out the most fallacious hope of an easy payment of debts, and a lighter burden of taxation.

In 1833 Mr. Webster said in the Senate:

We are in danger of being overwhelmed with irredeemable paper, mere paper, representing not gold nor silver; no, sir, representing nothing but broken promises, bad faith, bankrupt corporations, cheated creditors, and a ruined people.

And again, in 1836, he said:

If we wish to restore the public credit and to re-establish the finances, we have the beaten road before us. All true analogy, all experience, and all just knowledge of ourselves and our condition, point one way. A wise and systematic economy, and a settled and substantial revenue, are the means to be relied on; not excessive issues of bank-notes, a forced circulation, and all the miserable contrivances to which political folly can resort, with the idle expectation of giving to mere paper the quality of money. These are the inventions of a short-sighted policy, vexed and goaded by the necessities of the moment, and thinking less of a permanent remedy than of shifts and expedients to avoid the present distress. They have been a thousand times adopted, and a thousand times exploded as delusive and ruinous, as destructive of all solid revenue, and incompatible with the security of private property.

GOUGE, 1833.

Speaking of the system of bank paper as a circulating medium, Mr. W. M. Gouge, who published his able work entitled a Short History of Paper Money and Banking in the United States in 1833, says:

As in the case of all public evils, the system bears with the most hardship on the poor. The rate of wages is, as we have seen, the last thing that is affected by an expansion; and one necessary consequence of a contraction is to deprive some men of employment. If a rich man cannot sell his merchandise to-day, he can sell it to-morrow; and if he cannot sell it for full price, he can sell it for half price. But labor is the poor man's only commodity. If he cannot sell it to-day, it is lost to him forever.

The substantial capitalist is a frequent loser, though sometimes a gainer, by these fluctuations. If his capital is small, and his credit in proportion, it is with difficulty he escapes from total ruin in times of contraction.

The reckless speculator who has no capital of his own, but who operates extensively on the capital of other people, has much cause to be well pleased with this system. If a loss is sustained by a fall of prices the loss falls on his creditors, for he has nothing to lose. If there is a gain through a rise of prices, the gain is all his own.

CALHOUN, 1837.

The currency of a country is to the community what the blood is to the human system. It constitutes a small part, but it circulates through every portion, and is indispensable to all the functions of life. The currency bears even a smaller proportion to the aggregate c: pital of the community than what the blood does to the solids in the human system. What that portion is has not been, and perhaps cannot be, accurately ascertained, as it is probably subject to considerable variations. It is probably between twenty-five and thirty-five to one. I will assume it to be thirty to one. With this assumption, let us suppose a community whose aggregate capital is $31,000,000, its currency would be, by supposition, one million, and the residue of its capital thirty millions. This being assumed, if the currency be increased or decreased, the other portion of the capital remains the same, according to the well-known laws of currency; property would rise or fall with increase or decrease; that is, if the currency be increased to two millions, the aggregate value of property would rise to sixty millions; and if the currency be reduced to $500,000, it would be reduced to fifteen millions. With this law so well established, place the money-power in the hands of a single individual, or a combination of individuals, and, by expanding or contracting the currency they may raise or sink prices at pleasure; and by purchasing when at the greatest depression, and selling at the greatest elevation, may command the whole property and industry of the community and control its fiscal operations. The banking system concentrates and places this power in the hands of those who control it, and its force increases just in proportion as it dispenses with a metallic basis. Never was an engine invented better calculated to place the destiny of the many in the hands of the few, or less favorable to that equality and independence which lie at the bottom of all free institutions.—*Calhoun; Debates in Congress*, volume 14, part 1, 1837, page 476.

CALHOUN, MARCH 22, 1838.

I now undertake to affirm positively, and without the least fear that I can be answered—what heretofore I have but suggested—that a paper issued by Govern-

ment, with the simple promise to receive it, in all its dues, leaving its creditors to take it or gold and silver at their option, would, to the extent that it would circulate, form a perfect paper circulation which could not be abused by the Government, that it would be as steady and uniform in value as the metals themselves.

BUCHANAN, 1837.

The evils of a redundant paper circulation are now manifest to every eye. It alternately raises and sinks the value of every man's property. It makes a beggar of the man to-morrow who is indulging in dreams of wealth to-day. It converts the business of society into a mere lottery; while those who distribute the prizes are wholly irresponsible to the people. When the collapse comes, as come it must, it casts laborers out of employment, crushes manufacturers and merchants, and ruins thousands of honest and industrious citizens.—*Buchanan; Debates in Congress*, volume 14, part 1, 1837, page 355.

S. P. CHASE.

Mr. Chase, in his annual report of December 9, 1861, discusses two financial plans; one for issuing greenbacks as currency, the other for establishing national banks. After stating the advantages of the first, he says:

These advantages are, doubtless, considerable; and if a scheme can be devised by which such a circulation will be certainly and strictly confined to the real needs of the people and kept constantly equivalent to specie by prompt and certain redemption in coin, it will hardly fail of legislative sanction.

The plan, however, is not without serious inconveniences and hazards. The temptation, especially great in time of pressure and danger, to issue notes without adequate provision for redemption; the ever-present liability to be called on for redemption beyond means, however carefully provided and managed; the hazard of panics, precipitating demands for coin, concentrated on a few points and a single fund; the risk of a depreciated, depreciating, and finally worthless paper money; the immeasurable evils of dishonored public faith and national bankruptcy; all these are possible consequences of the adoption of a system of government circulation. It may be said, and perhaps truly, that they are less deplorable than those of an irredeemable bank circulation. Without entering into that comparison, the Secretary contents himself with observing that, in his judgment, these possible disasters so far outweigh the probable benefits of the plan that he feels himself constrained to forbear recommending its adoption.

In the Finance Report for 1862, page 16, Mr. Chase says:

A circulation composed exclusively of notes issued directly by the Government, or of such notes and coin, is recommended mainly by two considerations—the first derived from the facility with which it may be provided in emergencies, and the second from its cheapness.

The principal objections to such a circulation as a permanent system are, first, the facility of excessive expansion when expenditures exceed revenue; second, the danger of lavish and corrupt expenditure, stimulated by facility of expansion; third, the danger of fraud in management and supervision; fourth, the impossibility of providing it in sufficient amounts for the wants of the people whenever expenditures are reduced to equality with or below it.

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If these reasonings be sound little room can remain for doubt that the evils certain to arise from such a scheme of currency, if adopted as a permanent system, greatly overbalance the temporary, though not inconsiderable, advantages offered by it.

It remains to be considered what results may be reasonably expected from an act authorizing the organization of banking associations, such as the Secretary proposed in his last report.

The central idea of the proposed measure is the establishment of one sound uniform circulation, of equal value throughout the country, upon the foundation of national credit combined with private capital.

Such a currency, it is believed, can be secured through banking associations organized under national legislation.

It is proposed that these associations be entirely voluntary. Any persons desirous of employing real capital, in sufficient amounts, can, if the plan be adopted, unite together under proper articles, and, having contributed the requisite capital, can invest such part of it, not less than a fixed minimum, in United States bonds, and having deposited these bonds with the proper officer of the United States, can receive United States notes in such denominations as may be desired, and employ them as money in discounts and exchanges.

I yield the remainder of my time to my colleague, [Mr. SMITH.]

The SPEAKER. The time of the gentleman from Ohio [Mr. GARFIELD] has expired. The gentleman from Tennessee [Mr. MAYNARD] is entitled to the floor.

Mr. MAYNARD. I yield to the gentleman from Ohio, if I do not thereby lose the floor.

Mr. SMITH, of Ohio. Mr. Speaker, the prosperity of a people is not indicated by the nominal amount of the wages or wealth of each citizen, but by the real amount. It is the purchasing power of wages that gives wages their value. If a dollar will buy as many of the necessaries of life under one set of circumstances as two dollars will purchase under other circumstances, it is of equal value with the two dollars for every purpose except the payment of debts already contracted. Now, sir, we have had a great many definitions of money during the progress of this debate. I believe it is universally conceded that its office is that of a measurer of values and an instrument of exchange, and I think no one will deny that it is desirable that its value should be as nearly stable and as little liable to fluctuation as anything we can obtain can be. There is no article in this world of absolutely determined and fixed value. There is no article in this world, as compared with any different sort of article, of determined and fixed value. But the article that approaches more nearly the abstract idea of perfect excellence than any other, as a measurer of values, in the opinion of all men, in every age, is gold. It is an article of universal desire, and the amount in use changes from decade to decade very slowly. It is nearly indestructible; it is divisible; it is beautiful; and its fineness and purity can be ascertained with absolute exactness. It is honest; there is no fraud about it. For these reasons it has been selected and adopted by every nation in which commerce has flourished, either internal or external, as the article best calculated to measure the value of every other article. I am stating nothing new. I assume even the wildest inflationist in Congress will neither give me credit for a new discovery nor deny the truth of my statement.

Now, sir, what is paper money? It is a promise to pay gold. It is a promise to pay on demand, or at some future day, a given amount of gold. Without that promise what is it? Nothing. Worthless, utterly worthless. Its value depends wholly on faith in the promise. In proportion as you destroy faith in that promise, you depreciate the value of the promise. If all faith is destroyed the promise is of no value. But, on the other hand, if the promise is to pay gold on demand and that faith is kept, the promise to pay is held to be equal, or nearly equal, to the gold itself in value. But the moment it becomes apparent that the pledge to pay gold will not or cannot be kept, that moment the pledge itself loses a part or all of its value. The Government of the United States, a dozen years ago, issued a large amount of promises to pay money—that is, gold coin, and made those promises legal-tenders for the payment of debts. In the darkest hours of the war it solemnly pledged itself by act of Congress that the amount should never again be increased. Congress did that for the purpose of inspiring confidence in their ultimate payment. Again, sir, when the war was over Congress reduced the amount $44,000,000, and solemnly pledged the honor of the nation that at the earliest practicable day they should be redeemed in coin. Shall we take steps to violate our sacred promise? Shall we turn away from the fulfillment of our solemn obligation?

Mr. Speaker, I believe that the path of honor is always the path of true policy. It is frequently hard to pay debts. I know what it is, sir. The wife and children may have to be deprived of many comforts. The home may be poorer. But that man who will not pay his honest debts, if in order to do so he has to live more poorly than his tastes or his supposed necessities may demand, deserves the contempt of all upright men and women. If this be true of a man, how much more of a State? The man dies in a few years and is forgotten. The State lives through the life of many generations. If honesty is the best policy for the individual, how much more is it the best policy for the State?

I read on this subject from Macaulay's Life of Clive:

That honesty is the best policy is a maxim which we firmly believe to be generally correct, even with respect to the temporal interest of individuals; but with respect to societies, the rule is subject to still fewer exceptions, and that for this reason: that the life of societies is longer than the life of individuals. It is possible to mention men who have owed great worldly prosperity to breaches of private faith; but we doubt whether it be possible to mention a State which has on the whole been a gainer by breach of public faith. The entire history of British India is an illustration of the great truth, that it is not prudent to oppose perfidy to perfidy, and that the most efficient weapon with which men can encounter falsehood is truth. During a long course of years the English rulers of India, surrounded by allies and enemies whom no engagement could bind, have generally acted with sincerity and uprightness; and the event has proved that sincerity and uprightness are wisdom. English valor and English intelligence have done less to extend and preserve our oriental empire than English veracity. All that we could have gained by imitating the doublings, the evasions, the fictions, the perjuries, which have been employed against us, is as nothing when compared with what we have gained by being the one power in India on whose word reliance can be placed. No oath which superstition can devise, no hostage, however precious, inspires a hundredth part of the confidence which is produced by the "yea, yea," and "nay, nay," of a British envoy. No fastness, however strong by art or nature, gives to its inmates a security like that enjoyed by the chief who, passing through the territories of powerful and deadly enemies, is armed with the British guarantee. The mightiest princes of the East can scarcely, by the offer of enormous usury, draw forth any portion of the wealth which is concealed under the hearths of their subjects. The British government offers little more than 4 per cent.; and avarice hastens to bring forth tens of millions of rupees from its most secret repositories. A hostile monarch may promise mountains of gold to our Sepoys, on condition that they will desert the standard of the company. The company promises only a moderate pension after a long service. But every Sepoy knows that the promise of the company will be kept; he knows that if he lives a hundred years his rice and salt are as secure as the salary of the governor-general; and he knows that there is not another state in India which would not, in spite of the most solemn vows, leave him to die of hunger in a ditch as soon as he had ceased to be useful.

Now, Mr. Speaker, I want it distinctly understood that this question is not a question of section with me. It is the honor and glory of my country in which I am interested. It is for its fair fame, its veracity, its honesty, that I plead. I will not teach my children that the path from the fulfillment of a promise is the path that duty requires me or them to follow. Let it be to the advantage or disadvantage of those whom I represent, my path is marked out. It is the path of duty and the path of honor. It is in the direction of the performance of all our national obligations. Sir, I know that before we reach specie payments we have a hard and perhaps a long road to follow. I admit that it may not be well or wise to attempt at a single stride to reach the desired goal. But, sir, I would resolutely set forward; at each step the journey will grow shorter and the task easier.

I have said, Mr. Speaker, that this question is in no sense a sectional one with me, so far as my action is guided. But, sir, I confess that the duty of voting as I shall becomes more agreeable in view of the fact that it happens to conform to the interests of my constituents. We hear a great deal said about protection to industry on this floor. Sir, I am in favor of protecting industry. But I have yet to learn why it is less incumbent on us to protect the industry of the millions who toil in the grain-fields of the West or the cotton-fields of the South than it is to protect the industry of those who labor in the manufactories of New England or the iron mines of Pennsylvania.

For many years we of the West and South have been taxed for the benefit of less favored portions of the country. We have sold our agricultural products at the prices which they would bring in the great markets of the world, less the cost of getting them there. But we have been compelled to pay not only the prices of those things we

buy in the great markets of the world, but large additional sums in many cases to add to the profits of our own fellow-citizens. Prices, consequently, of all we have had to sell have for years been meager and low. Prices of everything we have had to buy have been extravagantly high. No wonder, sir, that trade is dull in New York and Boston. The secret is a plain one, if you would only see it. We of the West are your customers. We are too poor to buy your goods. We have been selling at low prices and buying at high prices, until we have no longer the means to take our usual supply. What are the consequences? Trade is dull in the great manufacturing and distributing centers; and, as a consequence of that, prices of manufactured goods are coming down. We of the West and South are at last able to purchase our iron and cotton cloth at a more reasonable rate than we have done for years. We have been selling our products low for years. Now let us try buying our goods low for a while.

I have taken the trouble to examine with some care the market reports at Cincinnati, the great central market of the continent, for some years past; and, on the whole, it has had the effect of convincing me that it is not for the interests of those I represent that the currency should be inflated. I have arranged in tabular form a statement of the prices of a number of the great articles of western production, as taken from the Cincinnati Gazette for the 6th of April, 1872, the 6th of April, 1873, and the 6th of April, 1874. I have also arranged in tabular form the prices of a number of manufactured articles which we largely purchase in the West, taken from the same paper for the same dates. I presume that other manufactured articles would bear about a proportionate price with those I have selected. The following is the table:

PRODUCTIONS.

Articles.	April 8, 1872.	April 6, 1873.	April 6, 1874.
Wheat	$1 69	$1 60	$1 33
Corn	47½	38	64
Oats	40	38	54
Barley	78	87	1 60
Mess pork	12 75	16 50	17 00
Live hogs	4 20	5 75	5 40
Cattle	4 75	5 00	5 25
Whisky	83	85	92

MANUFACTURES.

Pig-iron, charcoal	$50 00	$55 00	$38 00
Nails, eightpenny and ninepenny	6 00	5 25	4 25
Salt, Kenhawee	*36	33	28
Brown sheetings	13½	13½	10½
Bleached sheetings	22	21	18
Sugar, Demarara	11½	11¼	†9½
Coffee, Rio	.....	24	29

* Per bushel. † Refined.

Now, Mr. Speaker, if any one will examine the foregoing tables he will see that at this date each one of these eight great western products, except wheat, is worth largely more than it was two years ago. Corn is worth about 33 per cent. more; oats about 33 per cent. more; barley 100 per cent. more; mess pork 33 per cent. more; live hogs 25 per cent. more; cattle 10 per cent. more; whisky 10 per cent. more. Wheat is worth about 20 per cent. less.

Now, of such manufactured articles as I have been able to obtain prices of, iron is 30 per cent. cheaper than it was a year ago; nails about 25 per cent. cheaper than one year ago, and about 30 per cent. cheaper than two years ago, and I think about the same relation holds good of all grades of iron; salt is about 20 per cent. cheaper than two years ago; brown sheetings are more than 20 per cent. and bleached sheetings more than 20 per cent. cheaper than two years ago.

I have no doubt, sir, that if any one will take the trouble to verify the fact he will find that manufactured articles are at this date much cheaper than they have been on the 9th day of April for many years. It may be that there are articles that are exceptions; but it may be said generally, and with great certainty, that the products of the West will bring more money than the same amount of products would have brought for years past, and that the money we are getting for our products will buy more goods than for years past.

Now, what does inflation mean? What is the result that must surely follow. The prices of all the great products of the West are regulated by the prices which obtain for them in Europe; and in the very nature of things, as long as we have a surplus of any one of them to sell abroad, no amount of inflation can affect the price any further than it depreciates the value of the currency paid for the products. But not so, sir, with manufactured articles. Inflate the currency and every product of the shops of New England and of the mines of Pennsylvania goes up largely in price.

Mr. Speaker, I may stand alone from the West on this floor in advocacy of not only the honor of the Government but of the just and equitable pecuniary interests of the great bulk of the population of my section. I know not how that may be, sir. All my friends from Indiana, as well as the rest of the West, may make haste to make living more costly in every cabin on the prairies of the West; but I will not. The great bulk of the farm products of the West for the year 1873 was sold under all the depressing influences of the financial convulsion of the last fall. Our people have reaped their full share of the harvest of distress consequent on the panic. Many homes have been sorely stinted not only of the comforts but of the necessaries of life. It has been the first, but always inevitable, bitter experience of an irredeemable paper currency. I doubt not you may again by inflation of the currency stimulate into feverish excitement all the channels of speculation. But, sir, that is not prosperity. You may again crowd your hotels and railroad-cars with gaily dressed men and women; you may send stocks up like a balloon, and fill the streets of your cities with the equipages of fortunate speculators; you may enable reckless adventurers to unload property purchased on baseless credit on the innocent and the ignorant. But all this is not prosperity.

When this great national Legislature shall say to the people of this country, in words which cannot be mistaken, that impartial justice shall be done to every interest and every pursuit, that the public credit shall be inviolate, that the last cent of public indebtedness shall be sacredly paid, that the national currency shall be, slowly perhaps, but surely, brought to the specie standard, that no step in respect to that shall be taken backward; when every man in this broad land shall go to work with the absolute certainty that no meddling or tinkering of the currency shall interfere with any contract he makes or any business in which he engages; when you have pursued this policy long enough for it to be distinctly understood that it will be adhered to, all the industries of the land will be set in healthy and unceasing motion. Then, and not until then, will activity and intelligence, thrift and economy, join hands in creating a prosperity in this new country such as this world has not hitherto known.

I would like, Mr. Speaker, to vote for a modification of our laws in relation to banks and currency. I would like to get rid, by some practicable provision, of the monopoly feature of our banking law. If that be not practicable, I think it but simple justice that the West and the South should have equal banking facilities, according to their population and needs, with the North and East. If a portion of the superabundant circulation furnished by the Government to the eastern banks should be gradually withdrawn and given to banking associations in the West and South as they may require it, it would allay a source of irritation, it would do justice between the different portions of the country, and practically it would be "free banking" in those portions of the country where free banking is, or seems to be, regarded as such a necessity. But, sir, mere inflation, a new provision of law to force the people of this country to accept and use as money in the prosecution of their business millions on millions more of money that is not money—of promises disregarded—without any provision looking even in the far-distant future to veracity, to solvency, to redemption—never, sir, never by my vote.

I beg of gentlemen to pay some heed to the moral aspect of this question. The air is foul with accusations of dishonesty, with charges of official and general corruption. I trust the half of what we hear is not true. If they are true, our whole social system must be rotten to the core. That, sir, I do not believe. Truth and honor, virtue and morality, are deeply planted in the American mind and conscience, and are the solid foundations of our national character. High personal character is the most priceless possession that any man can have. High national character is the richest heritage any people can possess. Nothing should be guarded so jealously. Wealth, reputation, seeming prosperity, fade into insignificance beside exalted character. Now, do gentlemen ever reflect on the lesson that our irredeemable paper promises to pay money is ceaselessly inculcating on the mind of every boy and man in all this land? Our legal-tender notes were issued during the dark days of the war. They were a war measure. The universal understanding was that they were a temporary measure. They were a forced loan to be paid back at the earliest practicable moment. Every one so understood them. Congress has with every circumstance of solemnity so declared. That great party which has so long and on the whole so wisely governed this country, that party which elected General Grant President and sent a large majority of us to this Hall, has everywhere, on every occasion, repeated the pledge. Now how is it? Nine years have passed since the war. Every stump orator has exhausted all the resources of rhetoric to demonstrate that there never was under the sunshine of heaven such marvelous and unprecedented material prosperity as that which we have experienced since the close of the war. But, sir, notwithstanding all that, and if that be true, there is no man to-day who has a one-dollar greenback in his pocket who does not carry about with him a violated promise of this great nation—an obligation disregarded. Are we not teaching the people that there is no dishonor in a violated promise, in an obligation unfulfilled?

Mr. Speaker, if I were in sore pecuniary distress, if my fortune and that of all my family were in extreme jeopardy for the lack of a sum of present money, and you were kind enough to lend me what I should need and should thereby save me from ruin, and I should give you my note to be paid as soon as I was able, that ability to be judged by myself, what would you think, what would any honorable man think, if after many years of wonderful prosperity, if after investing great sums in railroads, in manufacture of iron and cloth, and city property, I should still insist not only that I could not pay you, but should coolly ask you for a larger loan with an absolute refusal to give you any

promise that I would ever at any time pay you what I owed you? Would you employ me to teach your children morality? How does that differ from the position this nation occupies to-day? Is public example less important as a teacher of virture than private example? May we not in this ignoble public violation of implied faith find a fruitful and potent source for much of the public corruption and private immorality which stains and darkens our country?

It is said that public sentiment demands these measures of inflation; that it demands that the day of the fulfillment of our sacred obligations should be indefinitely postponed; that no man from the West can ever return to the pleasant seats and agreeable company found in this Hall if he votes against these schemes. Well, if that be so, so be it. I have not been here long, but I have been here long enough to love my fellow-members very much, and I almost adore you, sir, since you were kind enough to give me the floor, and no doubt it would be very pleasant to come back again; but, sir, there are some things I prize far more than a seat in Congress: my own self-respect and the honor and fair fame of my country.

Pass this bill, sir, and you set out on a voyage over a stormy sea of financial uncertainty, without a rudder and without a compass. No man living can predict with any certainty whether we shall in the life-time of any one of us ever see a stable currency. The same causes which demand inflation now, will demand inflation again and again. Values will be as unstable as water. The shrewd and cunning will grow rich at the expense of the ignorant and the honest. The good will suffer, the bad will prosper.

Mr. Speaker, I trust the House will pause and not pass this bill. I think it is a false assumption that the people demand it at our hands. The evidence in favor of that assumption certainly is far from conclusive—so far as I have able to observe, it is not true. It ought not to be true. It would be a step toward shame and disgrace and disaster; a step difficult to retrace, and which will be long deplored.

Before Mr. SMITH, of Ohio, completed his remarks the hour of half-past three o'clock arrived, when

Mr. CREAMER called for the regular order.

The SPEAKER. The gentleman from Tennessee [Mr. MAYNARD] rose and was recognized as having charge of the bill, to close debate. But several members have called the attention of the Chair to the order under which the House was instructed to proceed to-day, and have desired to have it read. The Clerk will read the announcement which was made by the Speaker last evening on the request of the gentleman from Tennessee.

The Clerk read as follows:

The SPEAKER. The Chair will state the proposition again so that the House may understand what is objected to and what is not objected to. The gentleman from Tennessee asks that there shall be a session this evening, at half-past seven o'clock, which shall be devoted entirely to the discussion of the pending bill in fifteen-minute speeches, no vote to be taken thereon and no other business to be transacted, and that to-morrow, when the bill comes up under the order at half-past one o'clock, the discussion shall be continued, also in speeches of fifteen minutes, until half-past three, when he will ask the House to second the demand for the previous question. It will then be for the House to determine, of course, whether they will second that demand, and that will bring up the question whether the bill shall be open for amendments or substitutes. The gentleman having charge of the bill has a right to frame his own proposition and to ask the House to agree thereto. If there be no objection to that arrangement the Chair will consider it agreed to.

There was no objection, and it was so ordered.

Mr. MAYNARD. Mr. Speaker, I desire to say that just before the hour of half-past one to-day, as gentlemen will recollect, the yeas and nays were ordered on the then pending question, which accordingly ran over beyond that hour. I thought, therefore, that as a matter of fairness, if no objection was made to it, I might yield a few minutes to the gentleman from Ohio [Mr. SMITH] beyond the hour of half-past three o'clock.

Several members called for the regular order.

Mr. DAWES. I would call the attention of the gentleman from Tennessee [Mr. MAYNARD] to the fact that he is himself to some extent responsible for this difficulty. He has had charge of this whole matter under an implied agreement on the part of the House that he would confine speeches to fifteen minutes, so that all of us who desire might have an opportunity of speaking. I waited very patiently three or four days for my turn to come, but I lost the opportunity through the indulgence which the gentleman from Tennessee extended to other gentlemen in allowing them to exceed the fifteen minutes.

Mr. MAYNARD. I desire to say that I have not attempted, as the Speaker will bear in mind, to control the floor. Gentlemen spoke, and the House was listening to them, and it was proposed that their time should be extended. No gentleman was heard to object, and I inferred—all of us would naturally infer—that gentlemen preferred hearing those distinguished speakers on this question to occupying the time themselves.

Mr. SPEER. I ask unanimous consent that any gentlemen who have not had the privilege of speaking may be allowed to print their remarks in the RECORD. There are several gentlemen who desired to get the floor but could not do it.

The SPEAKER. Is there objection?

Mr. PAGE. I object.

Mr. BUTLER, of Massachusetts. I call for the regular order of business.

Mr. SMITH, of Ohio. I ask leave to print the balance of my remarks.

The SPEAKER. The gentleman from Ohio was interrupted midway in his speech. Is there objection to allowing him to finish his remarks?

Mr. CREAMER. I object.

The SPEAKER. The Chair hears no objection to the gentleman being allowed to print the balance of his remarks.

Mr. KASSON. I desire to ask, as I commenced a sentence which I did not complete, in stating the value of greenbacks, that I may add to what I said so as to complete the sentence.

Mr. SPEER. I object to anything being added, unless consent is given to gentlemen to print their speeches. I shall insist on that objection unless the gentleman from California [Mr. PAGE] withdraws his objection to the printing of speeches.

Mr. KASSON. I wish to know if there is objection to my completing that sentence?

The SPEAKER. The gentleman from Pennsylvania [Mr. SPEER] objects.

Mr. SPEER. Unless the gentleman from California withdraws his objection to allowing those who have not been able to get the floor to print their remarks.

Several members called for the regular order.

Mr. O'BRIEN. I ask that any gentleman who will file his speech to-day shall have the privilege of printing it.

Mr. BUTLER, of Massachusetts. I call for the regular order of business.

The SPEAKER. The bill is before the House, with a motion to recommit pending. The gentleman from Tennessee is entitled to the floor, and will state upon what he desires the previous question to operate.

Mr. MAYNARD. I withdraw the motion to recommit. I desire to say that there are three amendments, not affecting the principle of the bill, but perfecting the bill, that I will now offer, and if there be no objection, as I presume there will be none, for they are formal in their character, I will ask that they be adopted at this time. The first amendment is to come in at the close of section 2. I ask the Clerk to read it.

The Clerk read as follows:

Add to section 2 the words:

And the act entitled "An act to amend an act entitled 'An act to provide a national currency secured by pledge of United States bonds, and to provide for the circulation and redemption thereof,'" approved on the 3d day of March, 1865, be, and the same is hereby, repealed; and section 21 of the original act to which the act last aforesaid is an amendment be, and the same is hereby, re-enacted.

The SPEAKER. Does the gentleman desire his amendments to be assented to now?

Mr. MAYNARD. Yes, sir.

Mr. SPEER. I object, unless we have the sections read which are referred to in that amendment.

Mr. MAYNARD. I will state in a word what the amendments are which I propose to offer.

Mr. SPEER. I desire to have the sections read.

The SPEAKER. That is in the nature of debate. The gentleman has no right to demand it. The gentleman from Tennessee is on the floor and has a right to have a vote on the amendment on his own presentation of it.

Mr. MAYNARD. I presume there will be no objection to this amendment, because if the bill is right this amendment is right, and if this amendment is wrong this whole bill is wrong. The act of March, 1865, altered section 21 of the act of 1864 by limiting the amount of notes that should be issued to the larger notes, and also apportioned the circulation allowed to the different States in accordance with their population and business. The object of this bill is to establish unrestricted, unlimited banking, and the amendment I propose is a provision that by inadvertence was left out in the draught of the bill.

The amendment was agreed to.

Mr. MAYNARD moved to reconsider the vote by which the amendment was adopted; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

Mr. MAYNARD. The next amendment I have to offer is to section 3 in lines 10 and 11. The bill provides that the money sent for redemption shall be sent to the Secretary of the Treasury or to the assistant treasurer in the city of New York. The amendment that I am instructed to offer is to substitute the words "Treasurer of the United States," for "Secretary of the Treasury," and to strike out the word "the" before the words "assistant treasurer," and to substitute "any," and also to strike out the words "in the city of New York," and insert "of the United States;" so that it will read:

And when the circulating notes of any such association or associations shall be presented, assorted or unassorted, for redemption, in sums of $1,000 or any multiple thereof, to the Treasurer of the United States, or to an assistant treasurer of the United States, the same shall be redeemed in United States notes.

The amendment was agreed to.

Mr. MAYNARD. I also offer an amendment in the thirteenth line of the same section, to which my attention has been called by a gentleman within the last few moments. I move to strike out the words "Secretary of the Treasury," and to insert in lieu thereof "Comptroller of the Currency;" so that it will read:

All notes so redeemed shall be charged by the Comptroller of the Currency to the respective associations issuing the same, and he shall notify them severally, on

the first day of each month, or oftener, at his discretion, of the amount of such redemptions.

The amendment was agreed to.

Mr. RANDALL. Before the gentleman leaves the third section I would like to ask him to consent that the first proviso, commencing at the end of the twenty-third line, be stricken out, and a substitute therefor adopted, which I have prepared, providing for the same object, only going more into detail in the manner of accomplishing it.

Mr. MAYNARD. I will hear it read, and then decide whether I will admit it or not.

The portion of the bill proposed by Mr. RANDALL to be stricken out was as follows:

That each of said associations shall reimburse to the Treasury the costs of redemption and supplying new notes in place of those redeemed. And the associations hereafter organized shall also severally reimburse to the Treasury the costs of engraving and printing their circulating notes.

The substitute therefor was a follows:

That hereafter the cost to the Government of engraving and reprinting of circulating notes to replace the worn, mutilated, and counterfeited circulating notes of national banking associations now organized, and of such as may be organized under the authority of this or any subsequent act, shall be paid for *pro rata* by all the national banking associations, respectively, in proportion as the said cost shall relatively bear to the circulation of each association; and, in case of default of any national banking association to reimburse the Government for the cost thereof by the payment of the amount which the Secretary of the Treasury may determine as the share of payment by such association, then the Secretary of the Treasury is authorized to retain from time to time sufficient of the interest falling due on the bonds of such defaulting association on deposit in the United States Treasury to secure the circulation by law allowed to such association until the sum due has been realized and the same covered in the Treasury: *And provided further*, That the full cost of engraving and printing of all circulating notes which may be awarded to new associations organized under this act shall be reimbursed to the Government by such new association before such association shall be entitled to receive said notes; the cost to be determined in all instances heretofore stated by the Secretary of the Treasury.

Mr. MAYNARD. That is in substance the provision of the bill as it now stands, but it endeavors to incorporate some Treasury regulations for which I do not see the necessity; and therefore I must decline to admit it. I now move to strike out the seventh section of the bill.

The section was read, as follows:

SEC. 7. That associations without circulation may be organized under the provisions of the said act, upon the deposit, with the Treasurer of the United States, of not less than $10,000 of United States registered bonds, as provided in section 16 of said act; and associations already organized without circulation are authorized to withdraw their bonds in excess to $10,000.

Mr. HOLMAN. I object to striking out that section.

Mr. KELLOGG. We should have some reason for striking it out.

Mr. MAYNARD. The committee thought upon further consideration that to provide for banks that had no circulation, with only $10,000 deposit, would tend to convert every broker's office in the country into a United States bank, and thus derogate from what they regarded as a proper provision of law.

Mr. KELLOGG. I think this is a good section; there is no expansion in it.

Mr. MAYNARD. I ask for a vote on the motion to strike out.

The question was taken; and upon a division there were—ayes 126, noes 85.

Before the result of the vote was announced,

Mr. HOLMAN called for the yeas and nays.

The yeas and nays were ordered.

Mr. MAYNARD. I withdraw the amendment.

Mr. BUTLER, of Massachusetts. Was it not agreed that the previous question should be called at this time?

The SPEAKER. The gentleman in charge of the bill has a right to submit amendments, but not to have any discussion thereon. And the rule if strictly insisted upon will confine the amendments to those which are strictly in order.

Mr. BUTLER, of Massachusetts. I insist upon the rule.

Mr. MAYNARD. My colleague on the committee, the gentleman from New York, [Mr. MERRIAM,] has a substitute which he proposes to offer for the bill.

Mr. MERRIAM. I move an amendment in the nature of a substitute for the bill, that which I send to the Clerk's desk. I will state that the first five sections of the substitute are the same as of the bill.

The substitute was as follows:

That section 22 of the act entitled "An act to provide a national currency secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof," approved on the 3d day of June, in the year 1864, and the several amendments thereto, so far as they restrict the amount of notes for circulation under said act, be, and the same are hereby, repealed; and the act entitled "An act to amend the act entitled 'An act to provide a national currency secured by pledge of United States bonds, and to provide for the circulation and redemption thereof,'" approved on the 3d of March, 1865, be, and the same is hereby, repealed; and section 21 of the original act, to which the act last aforesaid is an amendment, be, and the same is hereby, re-enacted; and that section 1 of the act entitled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates, and for an increase of national-bank notes," approved July 12, 1870, be amended by repealing the second proviso in said section contained.

SEC. 2. That section 31 of the said act approved on the 3d day of June, in the year 1864, be so amended that the several associations therein provided for shall not hereafter be required to keep on hand any amount of money whatever by reason of the amount of their respective circulations; but the moneys required by said section to be kept at all times on hand shall be determined by the amount of deposits, in all respects as provided for in the said section.

SEC. 3. That every association organized, or to be organized, under the provisions of the said act approved June 30, 1864, and of the several acts in amendment thereof, shall at all times keep and have on deposit in the Treasury of the United States, in lawful money of the United States, a sum equal to 5 per cent. of its circulation, to be held and used only for the redemption of such circulation; and when the circulating notes of any such association or associations shall be presented, assorted or unassorted, for redemption, in sums of $1,000, or any multiple thereof, to the Treasurer, or to any assistant treasurer in the United States, the same shall be redeemed in United States notes. All notes so redeemed shall be charged by the Comptroller of the Currency to the respective associations issuing the same, and he shall notify them severally, on the first day of each month, or oftener, at his discretion, of the amount of such redemptions; whereupon each association so notified shall forthwith deposit with the Treasurer of the United States a sum, in United States notes, equal to the amount of its circulating notes so redeemed, under penalty of forfeiture of charter. And when such redemptions have been so reimbursed, the circulating notes so redeemed, or, if worn, mutilated, or defaced, new notes in stead, shall be forwarded to the respective associations: *Provided*, That each of said associations shall reimburse to the Treasury the costs of redemption and of supplying new notes in place of those redeemed. And the associations hereafter organized shall also severally reimburse to the Treasury the costs of engraving and printing their circulating notes: *And provided further*, That the entire amount of United States notes outstanding and in circulation at any one time shall not exceed the sum of $400,000,000, now authorized by existing law.

SEC. 4. That sections 31 and 32 of the said act be amended by requiring that each of the said associations shall keep its lawful money-reserves within its own vaults at the place where its operations of discount and deposit are carried on. And all the provisions of the said sections requiring or permitting any of the said associations to keep any portion of its lawful money-reserves elsewhere than in its own vaults, or requiring or permitting the redemption of its circulating notes elsewhere than at its own counter, except as provided for in this act, are hereby repealed.

SEC. 5. That upon all circulating notes hereafter issued, or hereafter to be issued, whenever the same shall come into the Treasury, in payment, or deposit for redemption or otherwise, there shall be printed, under such rules and regulations as the Secretary of the Treasury may prescribe, the charter-numbers of the associations by which they are severally issued.

SEC. 6. That any national bank desiring to withdraw a portion of its circulation may, upon deposit of United States notes in sums of not less than $9,000 with the Treasurer of the United States, withdraw bonds pledged to secure a like amount of its circulation; and the Treasurer shall redeem, cancel, and destroy an amount of the circulating notes of such association equal to the amount issued upon such bonds: *Provided*, That the bonds on deposit with the Treasurer shall not be reduced below $50,000.

Mr. MAYNARD. I will allow that amendment to be offered and be pending. The gentleman from Illinois, [Mr. FARWELL,] also a member of the committee, desires to offer an amendment.

Mr. FARWELL. I move to strike out the eighth section of the bill and to insert that which I send to the Clerk's desk.

The Clerk read as follows:

That so much of the fifth section of the act entitled "An act to authorize the issue of United States notes, and for the redemption or funding thereof, and for funding the floating debt of the United States," approved February 25, 1862, as relates to the purchase or payment of 1 per cent. of the entire debt of the United States annually, and the setting the same apart as a sinking fund, be so amended that said purchase of 1 per cent. as therein prescribed shall be applied solely to the non-interest-bearing debt of the United States known as United States notes, which said notes, when purchased, shall be canceled and forever retired from circulation. The first application of said 1 per cent. to the purposes aforesaid shall be made after the 1st day of July, 1874, and within that fiscal year.

Mr. MAYNARD. My colleague on the committee from Wisconsin [Mr. MITCHELL] desires to offer an amendment to the original bill.

Mr. MITCHELL. I move to add to section 2 the following:

Provided, That in case any increase of national-bank note circulation beyond the present authorized limit of $354,000,000 shall take place, the Secretary of the Treasury is hereby authorized and directed to retire and cancel legal-tender notes to the extent of such increase until the outstanding and unpaid legal-tender notes shall be reduced to $300,000,000; and for this purpose he is authorized to use any existing surplus revenue, or, in default of any such surplus, to sell 5 per cent. bonds of the Government.

The SPEAKER. That exhausts the power of amending the bill.

Mr. MAYNARD. I now call the previous question upon the bill and pending amendments.

Mr. NEGLEY. It is impossible for the House to understand the present condition of the bill.

The SPEAKER. The Chair will state the precise attitude of the bill. As the bill now stands there are two amendments pending; one offered by the gentleman from Illinois [Mr. FARWELL] to strike out the eighth section and insert what has been read; the other an amendment offered by the gentleman from Wisconsin [Mr. MITCHELL] to the second section. Those amendments are to the original bill as reported by the committee. There is besides pending an amendment in the nature of a substitute offered by the gentleman from New York, [Mr. MERRIAM.] All those amendments are offered by members of the Committee on Banking and Currency. This being the status of the bill, the gentleman from Tennessee [Mr. MAYNARD] calls the previous question on the bill and pending amendments.

Mr. FARWELL. I withdraw my amendment to the original bill and move it as an additional section to the substitute of the gentleman from New York, [Mr. MERRIAM.]

The SPEAKER. That will be in order.

Mr. GARFIELD. Why not have it pending to both?

Mr. FARWELL. I desire only to have it pending to the substitute.

Mr. POLAND. Two or three days ago I sent to the desk a substitute for the second section of the bill. I ask the gentleman from Tennessee to admit that amendment.

Mr. MAYNARD. The substance of the gentleman's amendment has been incorporated in the amendment of my associate on the committee, the gentleman from Wisconsin, [Mr. MITCHELL.] I therefore do not think it proper to yield for that purpose. The gentleman from Pennsylvania [Mr. BIERY] has an amendment which I will hear.

Mr. BIERY. I desire to move to amend by striking out the seventh and eighth sections of the original bill.

Mr. MAYNARD. I admit that amendment, and upon the bill and pending amendments I call the previous question.

The SPEAKER. The power of amendment is now exhausted.

Mr. COBURN. I rise to a parliamentary inquiry. Would it be in order now to have read for the information of the House such amendments as the gentleman from Tennessee declines to admit?

The SPEAKER. It would require unanimous consent.

Mr. COBURN. I ask to have an amendment read for information.

The SPEAKER. Is there objection?

Mr. MAYNARD. I made the motion yesterday that all gentlemen having propositions in the nature of amendments should be allowed to print them in the RECORD. I do not wish to deny to any gentleman the opportunity to present his peculiar views in that form, but I cannot yield further.

Mr. COBURN. This amendment has not been printed in the RECORD.

Several members called for the regular order.

Mr. KELLEY. I wish to make a parliamentary inquiry. If the previous question should not be sustained, will there then be an opportunity for the House to consider other amendments?

The SPEAKER. There will be after the pending amendments shall have been disposed of. There are now as many amendments pending as the rules permit; and the gentleman from Massachusetts [Mr. BUTLER] has objected to any more being moved.

Mr. KELLEY. I have already announced my purpose to move a substitute, and I hope I shall have an opportunity.

Mr. BUTLER, of Massachusetts. I rise to a parliamentary question. In the present position of this bill, if the previous question should be sustained, will it be possible for the House in any stage of the voting to act on the Senate bill upon this subject which is now on the Speaker's table?

The SPEAKER. It will not, of course.

Mr. BUTLER, of Massachusetts. Then, if the previous question is not seconded, will it be competent to move a postponement of this bill until next Tuesday, at half-past one o'clock, so that we may then take the Senate bill from the table and consider it in connection with this bill?

The SPEAKER. That is entirely within the power of the majority of the House.

Mr. BUTLER, of Massachusetts. Then I hope the previous question will be voted down.

Mr. G. F. HOAR. Will the Chair be good enough to state again the substance of the answer he just made to my colleague, [Mr. BUTLER, of Massachusetts?]

The SPEAKER. The gentleman from Massachusetts desired the Chair to state whether, if the previous question were seconded, it would be competent for the House under its operation to consider the Senate bill upon this subject now upon the Speaker's table. The Chair answered that it would not be. The gentleman then asked whether, if the previous question should be voted down, a motion to postpone would be in order. Of course it would. The bill would be left subject to the disposition of a majority vote in any direction the House might choose.

Mr. RANDALL. And then in the mean time all these various amendments could be printed; could they not?

The SPEAKER. The Chair knows nothing in the rules to forbid it.

Mr. COX. Mr. Speaker, when will it be in order to move to lay this whole subject on the table?

The SPEAKER. It would be in order now. Does the gentleman desire to make that motion?

Mr. COX. Would it be in order at a later period?

The SPEAKER. If the gentleman desires to make that motion, now is the time, pending the demand for the previous question.

Mr. ELDREDGE. How far will the previous question operate?

The SPEAKER. It will operate until the disposition of all the amendments and to the engrossment and third reading of the bill.

Mr. ELDREDGE. So that if the previous question be now seconded no other amendments can be offered.

The SPEAKER. Of course not.

Mr. BUTLER, of Massachusetts. I call for tellers on seconding the demand for the previous question.

Tellers were ordered; and Mr. BUTLER, of Massachusetts, and Mr. MAYNARD were appointed.

The House divided; and the tellers reported—ayes 77, noes 124.

So the previous question was not seconded.

Mr. BUTLER, of Massachusetts. I now move that the further consideration of this bill be postponed until half-past one o'clock next Tuesday, my intention being at that time to have the Senate bill taken up and considered.

Several MEMBERS. Take it up now.

Mr. BUTLER, of Massachusetts. As I understand, we cannot get it up now.

Mr. GARFIELD. I ask the gentleman not to take a solid day of next week.

The question being taken on the motion of Mr. BUTLER, of Massachusetts, there were—ayes 94, noes 113.

Mr. NIBLACK. I move to lay the bill and amendments upon the table.

Mr. BUTLER, of Massachusetts. I demand tellers on the pending motion.

Mr. HAWLEY, of Illinois. What is the motion? I do not think it is understood.

The SPEAKER. It is that the further consideration of the bill and amendments be postponed until Tuesday morning next.

Mr. BUTLER, of Massachusetts. When that is done I will then move to go to the business on the Speaker's table to take up the Senate bill.

Tellers were ordered; and Mr. BUTLER, of Massachusetts, and Mr. COX were appointed.

Mr. COX. The gentleman from Indiana moved that the bill and amendments be laid upon the table.

The SPEAKER. That motion is not in order while the House is dividing.

The House divided; and the tellers reported—ayes 117, noes 100.

Mr. MAYNARD. I demand the yeas and nays.

The yeas and nays were ordered.

Mr. COBB, of Kansas. I desire to ask a parliamentary question. If this motion prevails can we then by a majority vote go to the Speaker's table and take up the Senate bill?

The SPEAKER It is in the power of the majority to do that.

Mr. BUTLER, of Massachusetts. I give notice I will make that motion as soon as we get through with this.

The question was taken; and it was decided in the affirmative—yeas 133, nays 121, not voting 36; as follows:

YEAS—Messrs. Adams, Arthur, Ashe, Atkins, Averill, Banning, Beck, Begole, Bell, Berry, Biery, Bland, Blount, Bowen, Bradley, Bright, Brown, Buckner, Bundy, Burrows, Benjamin F. Butler, Cain, Caldwell, Cason, Cessna, John B. Clark, jr., Clements, Stephen A. Cobb, Comingo, Conger, Cook, Crittenden, Crossland, Cronnse, Danford, Darrall, Davis, Donnan, Dunnell, Durham, Eden, Eldredge, Field, Freeman, Harmer, Henry R. Harris, John T. Harris, Harrison, Hatcher, Havens, John B. Hawley, Hays, Gerry W. Hazelton, John W. Hazelton, Hodges, Houghton, Hunter, Hyde, Hynes, Kasson, Kelley, Kendall, Knapp, Lamar, Lamison, Lamport, Lofland, Loughridge, Lowe, Lynch, Marshall, Martin, Maynard, McCrary, Alexander S. McDill, McJunkin, McKee, McLean, McNulta, Mellish, Milliken, Mills, Morey, Myers, Negley, Nesmith, Niblack, Orr, Orth, Packard, Isaac C. Parker, Pelham, Phillips, Pratt, Purman, Rainey, Randall, Ransier, Rapier, Ray, Read, Richmond, James W. Robinson, Rusk, Milton Sayler, Sener, Shanks, Sheats, Sheldon, Sherwood, A. Herr Smith, George L. Smith, William A. Smith, Snyder, Sprague, Stanard, Standiford, Stowell, Strawbridge, Tyner, Vance, Wallace, Walls, Wells, White, Whitehead, William Williams, Wilshire, Ephraim K. Wilson, James Wilson, Jeremiah M. Wilson, Woodworth, and John D. Young—133.

NAYS—Messrs. Albert, Albright, Archer, Barber, Barnum, Barrere, Bass, Bromberg, Buffinton, Burchard, Burleigh, Roderick R. Butler, Cannon, Amos Clark, jr., Clayton, Clymer, Coburn, Corwin, Cotton, Cox, Creamer, Crutchfield, Curtis, Dawes, DeWitt, Eames, Elliott, Farwell, Fort, Foster, Frye, Garfield, Giddings, Gooch, Gunckel, Hagans, Eugene Hale, Robert S. Hale, Hamilton, Hancock, Benjamin W. Harris, Hathorn, Joseph R. Hawley, Hendee, Herndon, E. Rockwood Hoar, George F. Hoar, Holman, Hooper, Hoskins, Howe, Hubbell, Hurlburt, Kellogg, Killinger, Lansing, Lawson, Leach, Lowndes, Luttrell, James W. McDill, MacDougall, Merriam, Mitchell, Monroe, Moore, Neal, Niles, Nunn, O'Brien, O'Neill, Packer, Page, Hosea W. Parker, Parsons, Pendleton, Perry, Phelps, Pierce, Pike, James H. Platt, jr., Thomas C. Platt, Poland, Potter, Rice, Robbins, Ellis H. Roberts, Ross, Sawyer, Scofield, Isaac W. Scudder, Sessions, Lazarus D. Shoemaker, Smart, H. Boardman Smith, John Q. Smith, Southard, Speer, Starkweather, St. John, Stone, Swann, Christopher Y. Thomas, Townsend, Tremain, Waldron, Jasper D. Ward, Marcus L. Ward, Wheeler, Whitehouse, Whiteley, Whitthorne, Charles W. Willard, George Willard, Charles G. Williams, John M. S. Williams, William B. Williams, Willie, Wood, Woodford, and Pierce M. B. Young—121.

NOT VOTING—Messrs. Barry, Freeman Clarke, Clinton L. Cobb, Crocker, Crooke, Dobbins, Duell, Glover, Hereford, Hersey, Hunton, Jewett, Lawrence, Lewis, Magee, Morrison, William R. Roberts, James C. Robinson, Henry B. Sayler, John G. Schumaker, Henry J. Scudder, Sloan, Sloss, Small, J. Ambler Smith, Stephens, Storm, Strait, Sypher, Taylor, Charles R. Thomas, Thornburgh, Todd, Waddell, Wilber, and Wolfe—36.

So the motion to postpone was agreed to.

During the vote,

Mr. CLYMER stated that his colleague, Mr. MAGEE, was called home yesterday by death in his family, and if here would vote in the negative.

Mr. DUNNELL stated that his colleague, Mr. STRAIT, who was detained from the House by sickness, would, if present, vote in the affirmative.

Mr. PLATT, of New York, stated that his colleague, Mr. CLARKE, was detained at home by sickness.

Mr. BURCHARD stated that Mr. CROCKER, who was detained from the House by illness, would, if present, vote in the negative.

Mr. SCUDDER, of New York, stated that he was paired with Mr. THORNBURGH, who would vote in the affirmative, while he would vote in the negative.

Mr. MAYNARD. I will change my vote if nobody else does in order to move a reconsideration.

The vote was then announced as above recorded.

Mr. GARFIELD. I hope the House will resolve itself into the Committee of the Whole on the state of the Union to proceed with the appropriation bill.

MESSAGE FROM THE SENATE.

A message was received from the Senate, by Mr. SYMPSON, one of its clerks, notifying the House that that body had passed a bill (H. R. No. 1003) to authorize and direct the Secretary of War to change the name of John Rziha, captain in the Fourth Regiment of Infantry of the Army of the United States, on the register, rolls, and records of the Army, to John Laube de Laubenfels, with an amendment, in which the concurrence of the House was requested.

It further announced that the Senate had passed without amendment bills of the House of the following titles:

An act (H. R. No. 2124) authorizing the change of the name of the steamer Fannie Lehr;

An act (H. R. No. 912) to provide for the inspection of the disbursements of appropriations made by officers of the Army; and

An act (H. R. No. 911) to relinquish title of the United States in certain real estate near Columbia, Tennessee, to Rose Hill cemetery.

It further announced that the President had notified the Senate he had approved and signed bills of the following titles:

An act (S. No. 100) for the relief of Lieutenant Alonzo N. Richards; and

An act (S. No. 512) to extend the time for completing the Wisconsin Central Railroad in Wisconsin.

CURRENCY BILL—FREE BANKING.

Mr. BUTLER, of Massachusetts. I move to reconsider the vote whereby the House agreed to the postponement, and to lay the motion to reconsider on the table.

Mr. MAYNARD. I demand the yeas and nays.

Mr. COX. I move the House adjourn.

Mr. SPEER. I demand the yeas and nays on that motion.

The SPEAKER. It will first be taken by division.

The House divided; and there were—ayes 114, noes 105.

Mr. FIELD demanded tellers.

Tellers were ordered; and Mr. HAZELTON, of Wisconsin, and Mr. COX were appointed.

The House again divided; and the tellers reported—ayes 124, noes 95.

Mr. BUTLER, of Massachusetts. I call for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 138, nays 102, not voting 50; as follows:

YEAS—Messrs. Adams, Albert, Archer, Arthur, Atkins, Banning, Barnum, Bass, Beck, Begole, Bowen, Bright, Bromberg, Brown, Buckner, Buffinton, Burchard, Burleigh, Roderick R. Butler, Caldwell, Amos Clark, jr., Clayton, Clymer, Comingo, Cook, Cox, Crossland, Crounse, Crutchfield, Dawes, DeWitt, Dobbins, Durham, Eames, Eden, Eldredge, Elliott, Foster, Frye, Garfield, Giddings, Gooch, Gunckel, Eugene Hale, Robert S. Hale, Hamilton, Hancock, Benjamin W. Harris, Hatcher, Joseph R. Hawley, Hendee, Herndon, George F. Hoar, Hodges, Holman, Hooper, Hoskins, Howe, Kellogg, Killinger, Knapp, Lamar, Lamport, Lawson, Leach, Lofland, Lowndes, Luttrell, Marshall, Maynard, MacDougall, Mellish, Milliken, Mills, Mitchell, Moore, Nesmith, Niblack, Niles, Nunn, O'Brien, Packer, Page, Hosea W. Parker, Pendleton, Perry, Phelps, Pierce, Pike, James H. Platt, jr., Thomas C. Platt, Poland, Potter, Randall, Ransier, Read, Richmond, Robbins, Ellis H. Roberts, Sawyer, Milton Sayler, Scofield, Isaac W. Scudder, Sener, Sheats, Lazarus D. Shoemaker, Smart, H. Boardman Smith, John Q. Smith, Snyder, Southard, Speer, Standiford, Starkweather, St. John, Stone, Stowell, Strawbridge, Swann, Townsend, Tremain, Vance, Waldron, Marcus L. Ward, Wheeler, White, Whitehead, Whitehouse, Whiteley, Whitthorne, Charles W. Willard, George Willard, Charles G. Williams, Willie, Ephraim K. Wilson, Wood, Woodford, and John D. Young—138.

NAYS—Messrs. Albright, Averill, Barber, Barrere, Bell, Berry, Biery, Blount, Bradley, Bundy, Burrows, Benjamin F. Butler, Cannon, Cason, Cessna, John B. Clark, jr., Clements, Stephen A. Cobb, Coburn, Conger, Corwin, Cotton, Crittenden, Danford, Davis, Donnan, Dunnell, Farwell, Field, Fort, Freeman, Hagans, Harmer, Henry R. Harris, John T. Harris, Harrison, Hathorn, Havens, John B. Hawley, Hays, Gerry W. Hazelton, John W. Hazelton, Houghton, Hubbell, Hunter, Hurlbut, Hyde, Hynes, Kasson, Kelley, Lamison, Loughridge, Lowe, Lynch, Martin, Alexander S. McDill, James W. McDill, McJunkin, McKee, McNulta, Monroe, Myers, Neal, O'Neill, Orr, Orth, Packard, Isaac C. Parker, Parsons, Pelham, Phillips, Pratt, Rainey, Rapier, Ray, Rice, James W. Robinson, Ross, Rusk, Sessions, Shanks, Sheldon, Sherwood, A. Herr Smith, George L. Smith, William A. Smith, Sprague, Stanard, Christopher Y. Thomas, Tyner, Wallace, Walls, Jasper D. Ward, Wells, John M. S. Williams, William Williams, William B. Williams, Wilshire, James Wilson, Jeremiah M. Wilson, Woodworth, and Pierce M. B. Young—102.

NOT VOTING—Messrs. Ashe, Barry, Bland, Cain, Freeman Clarke, Clinton L. Cobb, Creamer, Crocker, Crooke, Curtis, Darrall, Duell, Glover, Hereford, Hersey, E. Rockwood Hoar, Hunton, Jewett, Kendall, Lansing, Lawrence, Lewis, Magee, McCrary, McLean, Merriam, Morey, Morrison, Negley, Purman, William R. Roberts, James C. Robinson, Henry B. Sayler, John G. Schumaker, Henry J. Scudder, Sloan, Sloss, Small, J. Ambler Smith, Stephens, Storm, Strait, Sypher, Taylor, Charles R. Thomas, Thornburgh, Todd, Waddell, Wilber, and Wolfe—50.

So the motion to adjourn was agreed to.

During the roll-call,

Mr. HALE, of Maine, said: My colleague, Mr. HERSEY, is absent on account of sickness.

Mr. LOUGHRIDGE. I desire to make a parliamentary inquiry. If the House adjourns, and this question goes over, when does it come up again?

The SPEAKER. If the House should now adjourn, it will come up as unfinished business to-morrow, immediately after the reading of the Journal.

Pending the announcement of the result of the vote on the motion to adjourn,

Mr. BUTLER, of Massachusetts. Before the House adjourns, I ask that the Senate bill be printed in the CONGRESSIONAL RECORD.

The SPEAKER. If there be no objection it will be so ordered.

There was no objection.

The Senate bill is as follows:

A bill to fix the amount of United States notes and the circulation of national banks, and for other purposes.

Be it enacted, &c., That the maximum amount of United States notes is hereby fixed at $400,000,000.

SEC. 2. That forty-six millions in notes for circulation in addition to such circulation now allowed by law shall be issued to national banking associations now organized and which may be organized hereafter, and such increased circulation shall be distributed among the several States as provided in section 1 of the act entitled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates, and for an increase of national-bank notes," approved July 12, 1870. And each national banking association, now organized or hereafter to be organized, shall keep and maintain, as a part of its reserve required by law, one-fourth part of the coin received by it as interest on bonds of the United States deposited as security for circulating notes or Government deposits; and that hereafter only one-fourth of the reserve now prescribed by law for national banking associations shall consist of balances due to an association available for the redemption of its circulating notes from associations in cities of redemption, and upon which balances no interest shall be paid.

Mr. COBURN. I ask that an amendment I have desired to offer to the bill be printed in the CONGRESSIONAL RECORD.

There was no objection, and it was so ordered.

Mr. COBURN's amendment is as follows:

Strike out in lines 29 and 30 the words "outstanding and in circulation at any one time," and insert the words "which shall be issued permanently." And also insert after the word "law" in the thirty-second line, these words, "and for the purposes of a reserve;" so that the proviso shall read as follows:

That the entire amount of United States notes which shall be permanently issued shall not exceed the sum of $400,000,000 now authorized by existing law. And for the purposes of a reserve that the Secretary of the Treasury be, and he is hereby, authorized to issue the sum of $50,000,000 of United States notes, in excess of the sum of $400,000,000 hereinbefore authorized to be issued, in any of the denominations now authorized by law, which he shall hold, to be exchanged on demand of the holder for an equivalent amount at their par value of United States bonds, which bonds shall be by said Secretary placed in the Treasury of the United States, to be delivered to the person so exchanging them at any time within twelve months from that date; and after the expiration of that time to be delivered to any citizen of the United States presenting an equivalent amount of said United States notes; and thereafter the said notes shall be held for like exchange upon demand and the deposit of like bonds as hereinbefore provided. And it shall be the duty of the Secretary of the Treasury to retain the interest which may accrue upon said bonds while on deposit as aforesaid in the Treasury before delivering them in exchange for United States notes.

Mr. MAYNARD. I ask that the bill as amended, and the amendments which are pending, be printed in the CONGRESSIONAL RECORD.

There was no objection, and it was so ordered.

The bill reported from the Committee on Banking and Currency is, as amended, as follows:

A bill to amend the several acts providing a national currency, and to establish free banking, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 31 of the act entitled "An act to provide a national currency secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof," approved on the 3d day of June, 1864, be so amended that the several associations therein provided for shall not hereafter be required to keep on hand any amount of money whatever by reason of the amount of their respective circulations; but the moneys required by said section to be kept at all times on hand shall be determined by the amount of deposits, in all respects as provided for in the said section.

SEC. 2. That section 22 of the said act, and the several amendments thereto, so far as they restrict the amount of notes for circulation under said act, be, and the same are hereby, repealed; and that section 1 of the act entitled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates, and for an increase of national-bank notes," approved July 12, 1870, be amended by repealing the second proviso in said section contained. And the act entitled "An act to amend an act entitled 'An act to provide a national currency secured by pledge of United States bonds and to provide for the circulation and redemption thereof,'" approved on the 3d of March, 1865, be, and the same is hereby, repealed, and section 21 of the original act to which the act last aforesaid is an amendment, be, and the same is hereby, re-enacted.

SEC. 3. That every association organized, or to be organized, under the provisions of the said act, and of the several acts in amendment thereof, shall at all times keep and have on deposit in the Treasury of the United States, in lawful money of the United States, a sum equal to 5 per cent. of its circulation, to be held and used only for the redemption of such circulation; and when the circulating notes of any such association or associations shall be presented, assorted or unassorted, for redemption, in sums of $1,000 or any multiple thereof, to the Treasurer or to any assistant treasurer of the United States, the same shall be redeemed in United States notes. All notes so redeemed shall be charged by the Comptroller of the Currency to the respective associations issuing the same, and he shall notify them severally on the first day of each month or oftener, at his discretion, of the amount of such redemptions; whereupon each association so notified shall forthwith deposit with the Treasurer of the United States a sum, in United States notes, equal to the amount of its circulating notes so redeemed. And when such redemptions have been so reimbursed, the circulating notes so redeemed, or, if worn, mutilated, or defaced, new notes instead, shall be forwarded to the respective associations: *Provided*, That each of said associations shall reimburse to the Treasury the costs of redemption and of supplying new notes in place of those redeemed. And the associations hereafter organized shall also severally reimburse to the Treasury the costs of engraving and printing their circulating notes: *And provided further*, That the entire amount of United States notes outstanding and in circulation at any one time shall not exceed the sum of $400,000,000, now authorized by existing law.

SEC. 4. That any association organized under this act, or any of the acts of which this is an amendment, desiring to withdraw its circulating notes, in whole or in part, may, upon deposit of lawful money within the meaning of said acts, in sums of not less than $10,000, with the Treasurer of the United States, withdraw a proportionate amount of bonds deposited in pledge for such circulation; and he shall redeem, cancel, and destroy an amount of the circulating notes of such association equal to the amount issued upon such bonds.

SEC. 5. That sections 31 and 32 of the said act be amended by requiring that each of the said associations shall keep its lawful money reserves within its own vaults at the place where its operations of discount and deposit are carried on. And all the provisions of the said sections requiring or permitting any of the said associations to keep any portion of its lawful money reserves elsewhere than in its own vaults, or requiring or permitting the redemption of its circulating notes elsewhere than at its own counter, except as provided for in this act, are hereby repealed.

SEC. 6. That upon all circulating notes hereafter issued, or hereafter to be issued, whenever the same shall come into the Treasury, in payment or deposit for redemption or otherwise, there shall be printed, under such rules and regulations as the Secretary of the Treasury may prescribe, the charter numbers of the associations by which they are severally issued.

SEC. 7. That associations without circulation may be organized under the provisions of the said act, upon the deposit, with the Treasurer of the United States, of not less than $10,000 of United States registered bonds, as provided in section 16 of said act; and associations already organized without circulation are authorized to withdraw their bonds in excess of $10,000.

SEC. 8. That the Secretary of the Treasury is hereby authorized and directed to issue, at the beginning of each and every month from and including July, 1874, two millions of United States notes not bearing interest, payable in gold two years after date, of such denominations as he shall deem expedient, not less than ten dollars each, in exchange, and as a substitute, for the same amount of the United States notes now in circulation, which shall be canceled and destroyed, and not reissued. And any excess of gold in, or hereafter coming into, the Treasury of the United States, after payment of interest on the public debt, and supplying any deficiency in the revenues provided to meet the current expenses of the Government, shall hereafter be retained as a reserve for the redemption of such notes.

The following amendments are pending:

By Mr. MITCHELL:

Add to section 2 the following:

Provided, That in case any increase of national-bank note circulation beyond the present authorized limit of $354,000,000 shall take place, the Secretary of the Treasury is hereby authorized and directed to retire and cancel legal-tender notes to the extent of such increase until the outstanding and unpaid legal-tender notes shall be reduced to $300,000,000; and for this purpose he is authorized to use any existing surplus revenue, or, in default of any such surplus, to sell 5 per cent. bonds of the Government.

By Mr. BIERY:

Strike out sections 7 and 8 of the bill.

By Mr. MERRIAM:

The followin: as a substitute for the original bill:

That section 22 of the act entitled "An act to provide a national currency secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof," approved on the 3d day of June, in the year 1864, and the several amendments thereto, so far as they restrict the amount of notes for circulation under said act, be, and the same are hereby, repealed; and the act entitled "An act to amend the act entitled 'An act to provide a national currency secured by pledge of United States bonds, and to provide for the circulation and redemption thereof,'" approved on the 3d of March, 1865, be, and the same is hereby, repealed; and section 21 of the original act, to which the act last aforesaid is an amendment, be, and the same is hereby, re-enacted; and that section 1 of the act entiiled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates, and for an increase of national-bank notes," approved July 12, 1870, be amended by repealing the second proviso in said section contained.

SEC. 2. That section 31 of the said act approved on the 3d day of June, in the year 1864, be so amended that the several associations therein provided for shall not hereafter be required to keep on hand any amount of money whatever by reason of the amount of their respective circulations; but the moneys required by said section to be kept at all times on hand shall be determined by the amount of deposits, in all respects as provided for in the said section.

SEC. 3. That every association organized, or to be organized, under the provisions of the said act approved June 30, 1864, and of the several acts in amendment thereof, shall at all times keep and have on deposit in the Treasury of the United States, in lawful money of the United States, a sum equal to 5 per cent. of its circulation, to be held and used only for the redemption of such circulation; and when the circulating notes of any such association or associations shall be presented, assorted or unassorted, for redemption, in sums of $1,000, or any multiple thereof, to the Secretary of the Treasury, or to the assistant treasurer in the city of New York, the same shall be redeemed in United States notes. All notes so redeemed shall be charged by the Secretary of the Treasury to the respective associations issuing the same, and he shall notify them severally, on the first day of each month, or oftener, at his discretion, of the amount of such redemptions; whereupon each association so notified shall forthwith deposit with the Treasurer of the United States a sum, in United States notes, equal to the amount of its circulating notes so redeemed, under penalty of forfeiture of charter. And when such redemptions have been so reimbursed, the circulating notes so redeemed, or, if worn, mutilated, or defaced, new notes instead, shall be forwarded to the respective associations: *Provided*, That each of said associations shall reimburse to the Treasury the costs of redemption and of supplying new notes in place of those redeemed. And the associations hereafter organized shall also severally reimburse to the Treasury the costs of engraving and printing their circulating notes: *And provided further*, That the entire amount of United States notes outstanding and in circulation at any one time shall not exceed the sum of $400,000,000, now authorized by existing law.

SEC. 4. That sections 31 and 32 of the said act be amended by requiring that each of the said associations shall keep its lawful money reserves within its own vaults at the place where its operations of discount and deposit are carried on. And all the provisions of the said sections requiring or permitting any of the said associations to keep any portion of its lawful money reserves elsewhere than in its own vaults, or requiring or permitting the redemption of its circulating notes elsewhere than at its own counter, except as provided for in this act, are hereby repealed.

SEC. 5. That upon all circulating notes hereafter issued, or hereafter to be issued, whenever the same shall come into the Treasury, in payment, or deposit for redemption or otherwise, there shall be printed, under such rules and regulations as the Secretary of the Treasury may prescribe, the charter numbers of the association by which they are severally issued.

SEC. 6. That any national bank desiring to withdraw a portion of its circulation may, upon deposit of United States notes in sums of not less than $9,000 with the Treasurer of the United States, withdraw bonds pledged to secure a like amount of its circulation; and the Treasurer shall redeem, cancel, and destroy an amount of the circulating notes of such association equal to the amount issued upon such bonds: *Provided*, That the bonds on deposit with the Treasurer shall not be reduced below $50,000.

By Mr. FARWELL:

Add to Mr. MERRIAM's substitute the following, as an additional section:

That so much of the fifth section of the act entitled "An act to authorize the issue of United States notes, and for the redemption or funding thereof, and for funding the floating debt of the United States," approved February 25, 1862, as relates to the purchase or payment of 1 per cent. of the entire debt of the United States annually, and the setting the same apart as a sinking fund, be so amended that said purchase of 1 per cent. as therein prescribed shall be applied solely to the non-interest-bearing debt of the United States known as United States notes, which said notes, when purchased, shall be canceled and forever retired from circulation. The first application of said 1 per cent. to the purposes aforesaid shall be made after the 1st day of July, 1874, and within that fiscal year.

LEAVE OF ABSENCE.

By unanimous consent leave of absence was granted, as follows:

To Mr. THORNBURGH, for one week; to Mr. SLOAN for ten days; and to Mr. WILLIAMS, of Michigan, for ten days.

ENROLLED BILLS SIGNED.

Mr. PENDLETON, from the Committee on Enrolled Bills, reported that the committee had examined and found duly enrolled bills of the following titles; when the Speaker signed the same:

An act (H. R. No. 154) for the relief of William Stoddard, late assistant quartermaster United States volunteers;

An act (H. R. No. 517) for the relief of Sarah F. Lincoln, postmaster at Spencerport, Monroe County, New York;

An act (H. R. No. 1222) for the relief of George W. Keyes;

An act (H. R. No. 1405) for the relief of Victor Mylius of Macoupin County, Illinois;

An act (H. R. No. 1585) for the relief of the heirs of Seth Lamb;

An act (H. R. No. 1922) to establish a reservation for certain Indians in the Territory of Montana; and

An act (H. R. No. 1932) for the relief of Frank M. Kelly.

Mr. HARRIS, of Georgia, from the Committee on Enrolled Bills, reported that the committee had examined and found duly enrolled bills of the following titles; when the Speaker signed the same:

An act (S. No. 241) to confirm the title to certain lands on the Fort Kearney military reservation, in Fremont County, Iowa;

An act (S. No. 254) to donate the military reservation at Fort Steilacoom to the Territory of Washington for the use of the insane asylum;

An act (H. R. No. 519) to grant an American register to the Canadian tug Noah P. Sprague;

An act (H. R. No. 676) for the relief of Joseph B. Blackwell, postmaster at Litchfield, Illinois;

An act (H. R. No. 971) to forfeit to the United States certain lands granted to the Placerville and Sacramento Valley Railroad Company, to aid in constructing a railroad from the town of Folsom to the town of Placerville, in the State of California;

An act (H. R. No. 1574) for the relief of Richard H. Dutton, postmaster at Cavendish, Vermont; and

An act (H. R. No. 1892) authorizing the Passaic County National Bank of Paterson to change its name.

The result of the vote on the motion to adjourn was then announced, as above recorded.

And thereupon (at five o'clock and fifteen minutes p. m.) the House adjourned.

PETITIONS, ETC.

The following memorials, petitions, and other papers were presented at the Clerk's desk, under the rule, and referred as stated:

By Mr. ALBRIGHT: The petition of citizens of California and Nevada, for the passage of the bill supplementary to and amendatory of the act entitled "An act to promote the development of the mining resources of the United States," approved May 10, 1872, to the Committee on Mines and Mining.

By Mr. BUTLER, of Massachusetts: The petition of James J. Esterbrook, of Tompkinsville, New York, for three months' extra pay for services in Mexican war, to the Committee on War Claims.

By Mr. CESSNA: The memorial of James Black and others, of the Pennsylvania State Temperance Union, relative to a commission of inquiry concerning the alcoholic liquor traffic, to the Committee on the Judiciary.

By Mr. DAWES: The petition of B. H. Wright, of Rome, New York, for the enactment of certain provisions for the restoration of the finances of the country, to the Committee on Ways and Means.

Also, the memorial of merchants, importers, dealers, and workers of tin plates, and other citizens of the State of Massachusetts, for the substitution of specific for *ad valorem* duties on tin plates, and that all tin plates imported into the United States shall have the gross weight branded on the box, to the Committee on Ways and Means.

By Mr. HAWLEY, of Connecticut: The petition of Phelps, Dodge & Co. and others, of New York, and Landers, Frary & Clark and others, of Connecticut, of similar import, to the same committee.

Also, the petition of Charles E. Andrews and others, of Danbury, Connecticut, of similar import, to the same committee.

By Mr. KASSON: The petition of merchants, dealers, and workers of tin plates, and other citizens of Iowa, Minnesota, and Wisconsin, of similar import, to the same committee.

By Mr. KELLEY: The petition of merchants, importers, dealers, and workers of tin plates, and others citizens of Pennsylvania, of similar import, to the same committee.

By Mr. MAYNARD: The petition of Elizabeth McClure, for compensation for use of and damages to her property by United States troops, to the Committee on War Claims.

By Mr. POLAND: The petition of merchants, importers, dealers, and workers of tin plates, in Boston and New York, for the substitution of specific for *ad valorem* duties on tin plates, to the Committee on Ways and Means.

By Mr. ELLIS H. ROBERTS: The petition of numerous dealers in tin plates, and others, citizens of Utica and other cities in New York, of similar import, to the same committee.

By Mr. SENER: The petition of J. D. Gressit, of Middlesex County, Virginia, for compensation for property taken and destroyed by United States troops in 1863, to the Committee on War Claims.

Also, the petition of William K. Lee, of Lancaster County, Virginia, for compensation for property taken and destroyed by United States troops in 1863, to the Committee on War Claims.

By Mr. STARKWEATHER: The petition of Rev. A. Hilgrove and others, of Bridgeport, Connecticut, for a commission of inquiry concerning the alcoholic liquor traffic, to the Committee on the Judiciary.

By Mr. SWANN: The petition of dealers in tin plates and others, citizens of Washington, District of Columbia, Baltimore, Maryland, and other cities in the United States, for the substitution of specific for *ad valorem* duties on tin plates, and that all tin plates imported into the United States shall have the gross weight branded on the box, to the Committee on Ways and Means.

By Mr. WHEELER: The petition of Norvin Green, vice-president International Ocean Telegraph Company, for an American register,

under the name of "Professor Morse," to the steel-clad steamship Suffolk, built on the Clyde, to the Committee on Commerce.

By Mr. WOOD: The petition of merchants, importers, dealers, and workers of tin plates, and others, of New York, Philadelphia, Boston, and elsewhere, for the substitution of specific for *ad valorem* duties on tin plates, and that tin plates imported into the United States shall have the gross weight branded on the box, to the Committee on Ways and Means.

IN SENATE.

FRIDAY, *April* 10, 1874.

Prayer by Rev. E. D. OWEN, of Washington, D. C.

The Journal of yesterday's proceedings was read and approved.

EXECUTIVE COMMUNICATION.

The PRESIDENT *pro tempore* laid before the Senate a report of the Secretary of War, communicating, in obedience to law, an abstract of the militia force of the United States; which was ordered to lie on the table, and be printed.

PETITIONS AND MEMORIALS.

The PRESIDENT *pro tempore* presented a concurrent resolution of the Legislature of Missouri, in favor of the establishment of a daily mail, each way, over the Cairo, Arkansas and Texas Railroad between Cairo, Illinois, and Poplar Bluff, Missouri; which was referred to the Committee on Post-Offices and Post-Roads.

Mr. SHERMAN. I present a petition of a large number of citizens of the State of Ohio, praying for an alteration of the tariff making the duty on tin plates specific instead of *ad valorem;* and I desire to say, as a great number of similar petitions have been sent to us, that, as a matter of course, no action can be had by this body until some tariff bill or tax bill comes to the Senate from the House of Representatives which will enable action to be taken by us. I move the reference of the petition to the Committee on Finance.

The motion was agreed to.

Mr. SCOTT presented the petition of William Wheeler Hubbell, praying for an appropriation to test a new welded cast iron of great strength for ordnance, and a new and superior twelve-inch breech-loading rifled cannon recently patented; which was referred to the Committee on Military Affairs.

Mr. LEWIS presented the petition of Dr. B. Chrisman and other citizens of Virginia, praying the establishment of an army and naval hospital for invalids at Massanutta Springs, in the county of Rockingham, Virginia; which was referred to the Committee on Naval Affairs.

Mr. WEST presented the petition of Isaac Bloom, a citizen of New Orleans, Louisiana, being in the nature of an appeal from the decision of the commissioners of claims, under the act of Congress approved March 3, 1871, praying a thorough revision of his claim for property taken by Major-Generals Grant and Sherman, in May, 1863; which was referred to the Committee on Claims.

Mr. RAMSEY presented a petition of citizens of New Ulm, Minnesota, praying that a pension may be allowed to Jacob Mix, a citizen of that State, who was wounded, while commanding the militia called out to resist the hostile incursions of the Sioux Indians, in August, 1862; which was referred to the Committee on Pensions.

Mr. PRATT presented the petition of Thomas Duff, of Hendricks County, Indiana, late a corporal in Company H, Seventh Regiment Kentucky Infantry, praying the passage of a special act giving him arrears of pension from the date of his discharge on a surgeon's certificate of disability; which was referred to the Committee on Pensions.

Mr. STEWART. I present a memorial of merchants, importers, and dealers in tin plates who present to Congress the expediency of converting the present *ad valorem* duty into an equivalent specific duty, and they go on to assign reasons for it. The memorial is signed by dealers in tin-plate in various parts of the country. I move that it be referred to the Committee on Finance.

The motion was agreed to.

Mr. STEWART. I also present a memorial very unanimously signed by the people of Storey County, Nevada, Gold Hill and Virginia City, protesting against the passage of a bill limiting the time for taking out mining patents. They set forth that it would be very injurious to their interests, and they protest against the passage of that bill. I also present in connection with this very numerously signed petition, which includes a large portion of the miners of that important county, the proceedings and resolutions of a mass meeting of miners, setting forth their reasons against the passage of the bill. The bill, I believe, passed the Senate and was amended in the House and has come back with an amendment and is now before the Committee on Mines and Mining. I move that the proceedings of this meeting and the memorial be referred to that committee.

The motion was agreed to.

Mr. CONKLING presented the petition of Abraham Van Assum, late of Company B, Fifty-first New York Volunteers, praying to be allowed a pension; which was referred to the Committee on Pensions.

REPORTS OF COMMITTEES.

Mr. BUCKINGHAM, from the Committee on Commerce, to whom was referred a petition of citizens of Indiana and Kentucky, praying an amendment to the second section of the act relating to the construction of bridges across the Ohio River so as to provide for one continuous span of four hundred feet or two pivot drawings of one hundred and sixty feet each, asked to be discharged from the further consideration of the petition; which was agreed to.

Mr. SPRAGUE, from the Committee on Public Lands, to whom was referred the bill (H. R. No. 1370) to authorize the Secretary of the Interior to settle and pay the accounts of William Pelham, late surveyor-general of New Mexico, reported it without amendment.

Mr. SPENCER, from the Committee on the District of Columbia, to whom was referred the bill (S. No. 463) supplementary to an act to authorize the Washington City and Point Lookout Railroad Company to extend a railroad into and within the District of Columbia, approved January 22, 1873, reported it with amendments.

Mr. SPENCER. I am also directed by the same committee, to whom was recommitted the bill (H. R. No. 2423) explanatory of an act entitled "An act to provide for the creation of corporations in the District of Columbia by general law," to report it back and recommend the indefinite postponement of the bill. I desire to say in this connection that the committee are satisfied that the present law is sufficient for all the purposes asked for in the bill.

The PRESIDENT *pro tempore.* The bill will be postponed indefinitely if there be no objection.

Mr. SPENCER, from the Committee on Commerce, to whom was referred the bill (H. R. No. 1600) directing the Secretary of the Treasury to issue an American register to the English-built brig Hattie Eaton, reported it without amendment.

Mr. WINDOM, from the Committee on Public Lands, to whom was referred the bill (S. No. 486) to revive and continue certain grants of land heretofore made to the Territory and State of Minnesota to aid in the construction of the several lines of the Saint Paul and Pacific Railroad Company, reported it without amendment; and submitted a report thereon, which was ordered to be printed.

BILLS INTRODUCED.

Mr. STEVENSON asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 686) for aid of geological and other surveys in the several States; which was read twice by its title, referred to the Committee on Military Affairs, and ordered to be printed.

Mr. MORTON asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 687) providing that postage upon documents printed by authority of Congress or of either House thereof shall not be required to be prepaid, but may be left to be paid by the persons or parties receiving the same; which was read twice by its title, referred to the Committee on Post-Offices and Post-Roads, and ordered to be printed.

LICENSING OF CANAL-BOATS.

Mr. SCOTT. I was not in my seat yesterday when a bill was reported from the Committee on Commerce which is of very pressing importance, and I ask leave to take it up that it may be passed at the present time. It is House bill No. 2549.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. No. 2549) to amend the act entitled "An act for enrolling and licensing ships or vessels to be employed in the coasting trade and fisheries, and for regulating the same," passed February 18, 1793. It provides that the act to which it is a supplement shall not be so construed as to extend the provisions of the act named in the title to canal-boats or boats employed on the internal waters or canals of any State; and all such boats, excepting only such as are provided with sails or propelling machinery of their own adapted to lake or coastwise navigation, and excepting such as are employed in trade with the Canadas, shall be exempt from the provisions of that act, and from the payment of all customs and other fees under any act of Congress.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

PRINTING OF NAVY REGISTER.

Mr. ANTHONY. I am instructed by the Committee on Printing to report back the following resolution and ask for its present consideration:

Resolved, That five hundred copies of the Navy Register be printed for the use of the Senate.

The Senate proceeded to consider the resolution.

Mr. SHERMAN. I do not see the use of publishing the Navy Register. We have no power to distribute them.

Mr. ANTHONY. This is a very small number, which gives Senators but seven or eight apiece. We have generally printed four or five times that number.

Mr. SHERMAN. I supposed it was understood in the Senate that we would not print any documents at all for distribution.

Mr. ANTHONY. I hardly consider so small a number as this to be a printing for distribution.

Mr. SHERMAN. It involves the Government in the full amount of expense for setting up the type.

Mr. ANTHONY. No; the document is set up. The expense under this resolution will be $100.

Mr. SHERMAN. It seems rather too small a matter to make a point upon now, but I intend to object when any resolution is offered to

print public documents when we cannot distribute them and they are lying in great masses in our folding-room.

Mr. ANTHONY. The Committee on Printing at this session have not reported in favor of printing a single document for distribution after the evidence of the disposition of the Senate, in which the committee fully concurred, to pass a resolution directing certain printing to be discontinued; but we supposed these very small numbers that Senators wish to give to libraries, &c., may be printed to public advantage; but I have no interest in it if other Senators have not.

Mr. SHERMAN. I will not make a point on this because it seems rather small; but at the same time I see no reason why we should print five hundred copies of the Navy Register for our distribution. They are printed for the Navy Department, and every officer of the Navy who is interested can get them there, or get them from the Public Printer at cost.

Mr. ANTHONY. They are very convenient at libraries and for purposes of reference.

Mr. HOWE. I hope the Senate will not come to a definite conclusion just yet to print no more documents for distribution. My own experience is that there is no difficulty in getting rid of public documents. Since I have partially informed my own constituents that documents can be had here upon paying postage, I have found a very free delivery. I find a large body of constituents—and they are only partially informed of the fact—who are very eager to get them on those terms, and I get orders by every mail, sometimes inclosing postgage and sometimes ordering the books to be sent by express, and sometimes as freight, and I have but very few documents left. I think some arrangement can be made by and by for distributing our documents and getting them into hands where they will be appreciated quite as much as they have been appreciated under that system of miscellaneous distribution which I have heretofore indulged in and I suppose other Senators have.

Mr. SARGENT. I hope we shall not break through what seems to have been our custom for some months past, of not printing books for distribution by Congress. There is no method provided by law by which we can distribute them, and of course it is an enormous tax to us to distribute them. I think it has been stated here in debate that it costs somewhere about $2,000 for each Senator or Member of Congress to distribute the books which heretofore he has been required annually to distribute. As long as we print these books our constituents will write to us for them, and we cannot refuse such requests, and the tax is really very heavy. I received during the past week a letter from quite a wealthy man, requesting me to send him a certain series of volumes, and to comply with his request would cost me about twenty dollars. If it is understood by the country generally that we do not print books for distribution by Congress, these demands will cease to come. As long as they do come, although the tax is so very heavy, we have to comply with them.

I think, unless there is some provision by law for the distribution of documents whereby members will be relieved of the great burden it imposes, we ought not to print them; certainly we ought not to print them and allow them to encumber the rooms in the basement of the Capitol. I trust my friend from Rhode Island will see the propriety of this suggestion.

Mr. ANTHONY. I think this is precisely on the line of what my friend from California suggests. Printing five hundred copies of a document is not printing it for popular distribution; it will give us but seven or eight apiece.

Mr. SARGENT. It is in that direction, and I think we had better not do it.

The PRESIDENT *pro tempore*. The question is on agreeing to the resolution.

The question being put, there were on a division—ayes 14, noes 16; no quorum voting.

Mr. ANTHONY. If I am permitted, I will withdraw the resolution for the present.

Mr. HOWE. I have no objection, but I think it would be better to take the yeas and nays.

Mr. ANTHONY. I will withdraw the resolution, with the consent of the Senate.

Mr. HOWE. We shall have to have a count of the Senate.

Mr. SHERMAN. I think there is a quorum present.

Mr. ANTHONY. I do not care which way it is done. We shall have to have the yeas and nays, or do something, I suppose, to decide whether a quorum is present. I think another division would show a quorum.

The PRESIDENT *pro tempore*. The Chair will again submit the question to the Senate on agreeing to the resolution.

Mr. HOWE. This is simply a proposition to print five hundred copies, as I understand, of the Navy Register. Whatever may be the opinion of the Senate upon the general subject of printing documents for distribution, I hope the Senate will not refuse to print this number of this particular document at this particular time; and I am especially anxious that the Senate shall not at this time put itself in the attitude of fixed opposition to the printing of documents for distribution. I repeat again that the American people will take these documents and will be glad to get them, and will pay for their transmission through the mails, if you will say that they may have them on those terms.

I want to say to my friend from California that I do not think he is under any obligation to pay twenty dollars or twenty cents to send that list of documents to his constituent. If he will let him know what the postage is, I have no doubt he will be very glad to contribute the postage. If he will not do so, I will not undertake to advise my friend what he should do, though I can only say what I should do: I should not send the documents.

Mr. SARGENT. I will say to my friend that when a law shall be passed providing that the people shall have these documents at some cheap rate, I will vote with him for printing them; but mean while, in the absence of any legislation of that kind, if a Senator desires one of these documents, or two or three, he can at any time get them from the Department. If it is necessary that these additional copies shall be printed for the use of the Department I will vote for that, as I have in every case voted for a reasonable number for the Departments to distribute, because there is a provision of law giving them postage stamps to do it with.

Mr. HOWE. Allow me to suggest to my friend that we have an abundance of law for the distribution of them already. We can inform our constituents that they can have these documents for so much, and if you just inform them that the law will authorize the sending of them on the postage being paid, they will pay the postage. Now what is the embarrassment, what is the difficulty in the way of getting them off?

Mr. SAULSBURY. As a member of the Committee on Printing I have agreed to the printing of a limited number of public documents, and I am in favor of the proposition to print five hundred copies of this document. I have done so all along because I thought that Congress would perhaps take some steps to provide for the distribution by members of Congress of the public documents that are printed. I am clearly myself in favor of some action by Congress to enable the members of Congress to send these documents, without cost to themselves, to their constituents.

There are many books that are published that are valuable. For instance, take the mining reports. To gentlemen engaged in the mining business those reports are very valuable of course, and it is right that they should have them through their Representatives and Senators in Congress. Take the Agricultural Report. The farmers of the country, many I know personally, do appreciate the Agricultural Report. I never had as many copies of it as I had calls for; I mean by that, as people were glad to receive and always appreciated.

Now, notwithstanding the repeal of the franking privilege, I am in favor of adopting some mode at the present session of Congress to send those books to our constituents. I should not have voted for the repeal of the franking privilege if I had been in the Senate, which I was not at the time, not because I desire the privilege of franking any documents, but because the people that I represent may want them. The fact is the franking privilege, as our experience proves, is a labor to us all, and it is only in behalf of the constituents which I have the honor in part to represent that I would be willing to undertake the labor, not for any other purposes whatever; but I am ready to vote to restore the franking privilege. I am willing to limit it expressly to books published by Congress; but I would restore it as it was. In my judgment it ought never to have been repealed, and in my judgment it would not have been repealed had it not been made a plank in a political platform. I do not believe it was the judgment of members of Congress apart from party considerations that ever induced its repeal; and I for one would restore it to-day if I could, and give to members of Congress the privilege of distributing books, garden-seeds, &c., to their constituents.

Mr. CARPENTER, (Mr. ANTHONY in the chair.) I shall vote for this resolution, and I hope the Senate will continue to print documents, and that members will distribute them. Congress voted to abolish what was styled the franking privilege, and on the motion of the Senator from Vermont [Mr. MORRILL] declared that no allowance for postage should thereafter be made to members. It was universally recognized as one of the duties of members of Congress to distribute the documents published for that purpose. By the law, as it then stood, these documents were transmitted as free matter, under the frank or signature of a member of Congress. When Congress abolished this provision of law, and provided that no allowance should be made to members for postage, I suppose it was intended that members should pay the postage upon all mail matter which had previously been transmitted under the frank. I understood this to be imposing upon every Senator about $1,000 per annum in postage. I thought this was unjust, and therefore voted against the bill. But the bill passed. The superintendent of documents has furnished me a statement that the postage on documents alone, based upon the amount published in the last Congress, will be $921.87 per annum. The other postage paid by members upon matter of public business will be at least $200 per annum; that is, $1,121.87 in all, per annum. This change in the law, together with the abolition of mileage, which averaged about $400 to each member, and the abolition of allowance for stationery, $125 per annum, were reasons, among others, which induced me to vote for the increase of salary to the amount of $7,500.

The old compensation was as follows:

Salary	$5,000 00
Average mileage	400 00
Postage saved by the frank	1,121 87
Allowance for stationery	125 00
Total	6,646 87

The pay by the new law was		7,500 00
Average traveling expenses		100 00
Total		7,600 00
From this deduct postage as above	$1,121 87	
Stationery	125 00	
		1,246 87
Leaving		6,353 13

In other words, the pay fixed by the new bill was $293.74 less than the old pay.

But the people have demanded the repeal of the new law, and if our pay continues as fixed at present, and we pay postage on the distribution of documents and other mail matter, our accounts will stand as follows: We receive—

Salary		$5,000 00
Average mileage		400 00
For stationery		125 00
		5,525 00
Deduct from this our postage		1,121 87
Remainder		4,403 13

I do not regard this as excessive pay for the labor we perform. But, as the people have dictated this result, I propose to abide by it. I shall vote to publish the documents which have heretofore been published, and I shall distribute my quota of them.

This is a Government by the people. We are their agents and servants. They have a right to know what we are doing. This they cannot know if we suppress the sources of original information. By doing this we put ourselves in the power of the press, who from the nature of things can give only partial statements, which, made ever so honestly, must always give an imperfect and often an erroneous impression. Every lawyer knows that a digest is always unreliable, and often misleads as to the effect of the decision pretended to be condensed. Without the distribution of documents members of Congress are at the mercy of any one who may choose to misrepresent them. We cannot inform the country of the real nature of our proceedings unless we send the people the original sources of information, and not somebody's digest of them, somebody's construction of them, sombody's guess or inference from a casual reading of them. I propose to vote for publishing the documents that we have published, and I propose to distribute mine, and pay the postage, for the purpose of giving the people this information.

The idea of divorcing the Government from the people, as we must do if we stop distributing the documents which are published by Congress, strikes me as being a fatal blow at the theory of our government and its perfect administration. The people should know what we are doing and should know it accurately and truly, and while Congress is too virtuous to frank a document and let it go at the expense of the nation, let us pay our postage, and if we have not anything left, we do not come here to make money; we do not come here to get our expenses even. We come here as we are informed by the people, and I now fully believe it, for the glory of the thing. Now, let us take the glory and let us spend the few dollars we have left over our boardbills in paying the postage on these documents; and as long as that method of administration is agreeable to the majority of Congress no member has a right to complain; and when it gets to be disagreeable, Congress can provide that these documents, being certified to by the printing office or by a clerk in the Senate or by some other officer to be appointed, shall go from Washington to the people free of postage.

Mr. MORTON. Mr. President, I shall vote for the resolution reported by the Senator from Rhode Island. I voted to abolish the franking privilege and would do so again. Congress had to abolish the franking privilege in self-defense. It had become a public scandal to which no answer could be made. Its abuse was grossly exaggerated. It was made to embrace in popular estimation ten or twelve times what it actually comprehended. It was necessary for Congress to abolish the franking privilege to relieve itself from a scandal from which it could escape in no other way.

Mr. President, it seems to me that there ought to be an amendment to the law, by which postage on documents published by Congress should not be required to be prepaid, but let it be paid by those persons who receive the documents. When our constituents write here for documents, as they are doing continually, they are always willing to pay the postage on them, and a simple change of the law would relieve members of Congress from a hardship that is now imposed upon them.

A friend writes to me for a book; perhaps the postage on it will be seventy-five cents or it may be a dollar. I cannot afford to write back to him and say, "The postage upon this document is so much; if you will send me the money I will forward it to you." That would be a small business. I must either send the document at my own expense, or I must not send it at all. In every such case the constituent would be willing to pay the postage, and if we were to make a change in the law, so that the postage upon public documents need not be prepaid, it would relieve us from this burden and I have no doubt meet with the general approbation of the people. For one I should be glad to see such a change in the law made.

Mr. CONKLING. Mr. President, I wish the Senate would be consistent in regard to the franking privilege by taking and keeping position on one side or the other. Every time a report is made in favor of printing documents, we are told that it is an exceptional case for some reason. I think it is not exceptional in one instance more than another; yet in deference to the judgment of others, always heretofore I have abstained from saying a word against these reports in favor of printing. Now as a question has been raised by others, it seems to me time to pause and elect which side of this question we will hold.

I voted to repeal the franking privilege, not however on the ground on which the Senator from Indiana rested his vote. I voted to repeal the franking privilege in order to try, and try fairly, an experiment, the judgment having become general that the franking privilege, and the expenditures it brought about, were on the whole unwise, if not evil. It was said that great sums were expended in printing books and documents, that other sums were expended in procuring, germinating, and rearing plants and shrubs and propagating bulbs and various growths of vegetation, which in their distribution incumbered the mails and were sent over the country with but little benefit. Other things encouraged by the franking privilege were thought to be unwise and too costly. Therefore I voted, not in fear of libels or falsehoods unfounded, not because I thought it a convenient way to defend myself against unfounded scandal, but because I thought the experiment worth trying. Since the abolition of the franking privilege Congress has never accepted and tried the result. We have cut off our power of franking letters and the privilege of receiving letters free, and if I were to tell my own story of postage it would sound like exaggerated complaint.

We have put ourselves in a very odd position. The postage upon documents which have heretofore been printed amounts I think to $920 for each Senator, according to a tabulated statement I have seen. The Senator from Indiana says that when a friend writes for a book you may abstain from sending it, and that costs you no postage. Yes, Mr. President, that you may do; but how as to the current postage of other kinds? I read somewhere the other day that $300 would send ten thousand letters, and it was asked how could anybody be called upon for more postage than that? Whoever made the statement must have been only partially informed.

My experience is like that of others, I suppose. I receive continually packages of papers with perhaps only a three-cent postage-stamp, and a mark "due nine cents" or "due twelve cents;" sometimes "due eighteen cents," or whatever the balance may be. That must be paid. The papers come usually with the request that I shall send them to somebody, or return them to somebody. If they are to be returned to the person from whom they come, I need not hesitate to put my three-cent stamp upon it when it goes back and leave him to find upon the envelope "due twelve cents" or "due eighteen cents;" but as it commonly happens that the papers are to be sent to some other person, that will hardly do; and thus the result to me is that I pay in the first place the arrears of postage, and then I pay the entire advance of postage when I transmit the paper again, and out of the transaction may come two or three letters beside, and upon those going from me I also pay postage. During some weeks I pay more postage than a single man, when I was younger, used as a rule to pay for his board and lodging.

Mr. SARGENT. I should like to ask the Senator whether the documents he refers to relate to his private business?

Mr. CONKLING. In no sense whatever. They are the petitions and papers of soldiers and others, many of whom doubtless do not understand the number of stamps required to pay the postage fully in advance, some of whom very likely deposit them not knowing that they cannot go to Senator or Representative without postage; and being held for postage, one stamp or some inadequate stamp has been put upon them. I speak not of anything which concerns private correspondence. I speak of the correspondence which comes to me from a constituency numbering nearly five million people; and if the experience of other members of the Senate in respect of the imposition of postage upon them under the existing state of things is like mine, it seems to me that we shall be compelled to make some provision in regard to it, in place of leaving it on the unjust and untenable ground on which it now stands.

I turned aside, however, to allude to this, and I have nothing more to say about it now. Coming back to the matter of public documents, we persist in printing them. How it may be with the seeds and bulbs in all cases, I do not know; but I still receive from the Commissioner of Agriculture now and then a notice that he has sent me a large package of seeds, or of products of the earth whatever they may be. I do not know what to do with them. I cannot write to those interested to know whether they would be willing to pay the expressage upon them. I do not feel called upon, I do not feel able to pay myself the large sum the postage would amount to. Thus with the franking privilege abolished, and suffering a heavy tax on letter correspondence as we do, we are continually piling up embarrassment, by printing document after document, for what? My honorable friend who always speaks wisely [Mr. HOWE] said, if I understood him, that we could make it known to the people that by writing to us they could get these documents in some way or other. Well, if we had nothing else to do, if we could devote hours to writing all about and explaining to every one how this is and if we could direct to whom letters and applications might be addressed and how much applicants must send and all that, making every Senator a sort of bureau of distribution, I could see how that way might do, but we have no time for it.

It is the evil, it is the curse of public life, one which any civil-service reform adapted to correct would be of more value than all other civil-service reforms I have heard of, that Senators and Representatives incumbered with labors, with sworn duties which no man can adequately discharge, are oppressed and perplexed incessantly and their time frittered away by thousands of private errands, by matters having nothing to do with the duties within the purview of the oath we all take. This is a subject on which I should like to say something. I object, in the interest of the people, in the interest of civil-service reform, in the interest of public business, to any contrivance which is to load upon Senators any more necessity than there is now for writing letters by the thousand, making arrangements at the printing office, making arrangements through clerks, doing business and errands inconsistent with the great necessity that rests upon us all to employ every activity we have in the public business.

If documents were still to be distributed under a frank we might do as I imagine we all used to do, as I used to do, first pay a man for addressing them, and then seizing such scraps of time as may be found for franking the white slips which used to be furnished to us, and in the course of a few days, in the odds and ends of time that could be given to the purpose, we were able to frank enough to send off a large number of these documents. That we could do. But when you come to the idea that we are to write to all persons who apply to us explaining that they can send the money to us, and then we are to buy stamps and put them on, and to go and see some clerk and arrange with him or with the printer, I submit it is entirely inconsistent with a discharge of the manifold duties, public and obligatory in their nature, that rest upon us.

If I had my way I would stop the printing of books; I would stop the ontgo of seeds; I would accept in its logical results the abolition of the franking privilege and try it. Then, if it be true that the people are opposed to an abuse of the franking privilege, such as occurs when members or committees send out speeches—which I have heard urged as one of the abuses, but which I had supposed to be one of the objects of it, to diffuse and distribute intelligence—if the people are opposed to that abuse of the franking privilege, or to other abuses of the franking privilege, or to the franking privilege itself, so that they prefer its abolition to the advantages which the franking privilege would give, we shall all know it and get a mature judgment, having actually tried the experiment. But it is one of the necessities of human proceeding that by actual experiment you can try only one side of a question at a time. Now we are trying neither side. We are carrying along a little of the abolition and a little of the reverse, paying a large sum of postage upon such documents as go, leaving the great body of them to what destiny ultimately we do not know, and still going on printing and piling up, so as to incur a large part of the expense the saving of which was the great argument against the franking privilege.

I shall vote against this resolution. Although the number is small and the book I believe is small, the principle is the same. I will vote against printing any documents until the Senate comes to some resolution to adopt some mode, whatever it may be, in which they can be distributed. Then, if so be the judgment of the Senate, let us go on printing; but if it is the judgment of the Senate to adhere to the abolition of the franking privilege with its logical results, then let us stop incurring the expense and piling up the books which come out of these motions to print.

Mr. MORRILL, of Maine. I understand this is a resolution to print five hundred copies of the Navy Register for the use of the Senate. That comes from the Committee on Printing; and the chairman of this committee will allow me to express a little surprise at it in consideration of the fact that in the early days of this session we passed a bill repealing all acts for the publication of documents of a particular character, and appended to it an amendment suspending all resolutions and acts authorizing the publication of any documents at all for distribution. That is pending in the other House; and the House, I understand, are considering that question.

I state the proposition in this way for the purpose of bringing the matter distinctly to the notice of the Senate. This involves the question, which was then in the mind unquestionably of the Committee on Printing, of the practicability under present circumstances of printing public documents for distribution. Now, that we shall print public documents for the Departments, for the Government itself, will always be a necessity of course; but when you come to the question of printing public documents for popular use, then you touch that old sore which did become a sore on the body-politic, and was, in the language of my honorable friend from Indiana, a scandal on Congress. It was undeniably and unquestionably for many years an abuse. The simple publication of documents had come to be a very great abuse. Those who know anything about the publication of documents in former years are aware how much we had improved upon that condition of things even before the abolition of the franking privilege. There were formerly documents of a very expensive character published in every department of the public service; and, perhaps more than to anything else, the popular disfavor which came to exist was attributable to that fact.

But, Mr. President, independent of any abuse at all, it is a question that is brought to the attention of Congress at the present time; it is an important question; and we ought to settle it. We ought to settle it now. The circumstances of the times favor it. My own belief about it is that we ought not to undertake to publish the general documents of the Government for popular distribution. In the first place, it is not practicable. Take, for instance, the documents which are most numerously published. I believe the Agricultural Report is more largely published than any other document. We publish, say fifty thousand for the Senate and two hundred and fifty thousand for the House, making a total of three hundred thousand. How many voters are there in this country? Four millions and a half. What are you to do with your three hundred thousand agricultural reports toward popularizing and enlightening these four millions and a half of voters, each man of whom, of course, ought to have one? The statement of such a proposition as that shows the inutility of the whole thing. I believe in this distribution of these documents, each Senator situated as I am—I do not know whether it is fixed by States or by the population of the States—I get some five hundred or six hundred, and I represent a constituency of 600,000. Is not that a rich thing for me for distribution, and what a popular thing and how I popularize that work by sending six hundred copies of it in the best way I can to six hundred thousand constituents! And what is true of that is true in a very much larger sense of all the other documents we publish. Besides, look at the expense of this thing. The Lord only knows what it costs. That cannot be estimated.

Mr. CONKLING. About sixty-eight cents a volume, we are informed.

Mr. MORRILL, of Maine. Sixty-eight cents a volume is what it costs to print the Agricultural Report; but what does it cost to get it up, and when it is gotten up what is it? It is what the States are issuing and reissuing every year; and when you look at the enterprise that exists in the publishers of the several States, those great houses in New York and Boston, how do all these little things dwindle in comparison with the efforts those men make in the departments of literature and science? Go over there; look at it yourself; see who is at the head of it; and say what you would expect to come of it; see the corps of men who are in it on little stipends, enough to starve any man, and can you expect anything like enterprise to come of that? And are we going to set ourselves up as the educators of the people on that stinted and narrow style of things? You have only to go to the establishments in New York of the Harpers and the Appletons and that style of men and see on what scale they educate the people, and then contrast it with this sort of education, and see whether as an educational institution you think yours here amounts to much, whether it pays. My friend says it costs sixty-eight cents perhaps to print one of these volumes. It costs forty-two or forty-five cents to send it out. The Appletons or the Harpers will produce that entire book, printed, bound, made up, and edited, for less money, and in better style too. We cannot afford to do that thing.

But, Mr. President, this is no time to argue this question, but it is a time to consider it. I suggest to my honorable friend, the chairman of the Committee on Printing, to whom the subject properly belongs—and there is none more competent than he to consider it wisely and profoundly—that he address himself to the consideration of this proposition involved in the action of the Senate at the beginning, that we will not print documents for distribution; and especially that we will adhere to this resolution of the Senate until that question is thoroughly considered; and being thoroughly considered, if it is advisable to print documents for distribution that we shall provide the ways and the means for that distribution.

The generosity of my honorable friend from Wisconsin [Mr. CARPENTER] is without stint or limit of course. He is always gushing on that subject; but how few of us are there who are willing to make ourselves victims like him in such a cause? My honorable friend will excuse me from enlisting in any such enterprise as that on account of the sentiments that I certainly honestly and sincerely entertain on this whole subject, that we are not, after all, doing as much good as we make ourselves believe in educating the popular mind by this little driblet contribution of public documents; that it does not pay; that when we put our hands into the Treasury to pay the bills and lay the heavy hand of taxation on the people it does not begin to pay; that this is that kind of intelligence that the people can best gather up and impart to themselves, and it may be left to them. So that we publish to the world all our documents and all the information we gather and make it accessible to them, we can trust the people to help themselves.

I therefore hope, as this case, which is certainly far from being exceptional, of printing five hundred copies of the Navy Register for distribution among the people, is the least praiseworthy, as it seems to me, and the least of all the public documents demanded by the people, it will not be made an exception to the general rule which the Senate adopted at the beginning of the session, not to publish any more documents until we had settled the principle upon which they should be published and distributed.

The PRESIDING OFFICER. The question is on the resolution reported by the Committee on Printing.

Mr. MORRILL, of Vermont. I was quite reluctant originally to adopt the principle of abolishing the franking privilege, because I had not entire faith that it was to be a measure of economy as represented at the time. It was, it will be remembered, proclaimed that we were about to save $4,000,000 by the abolition of the franking privilege. I did not fully believe it, but yet I finally voted for it in

order to test the experiment. It seems to have been tested; and instead of saving three or four million dollars, I think the expenditures of the Government have been increased to that amount, or nearly that.

But there was one thing in that measure that may be looked upon as a decided step in reform, and that was the abolition of the printing of documents for distribution. I am in favor of continuing that reform to the end. We know that three-quarters of all the documents that we publish are of very inconsiderable value. There is the Report of the Commissioner of Education, the Smithsonian Report, and possibly the Agricultural Report, that it may be well to print and allow the people to obtain them by paying the cost price. I do most emphatically object to beginning this business of printing public documents with the small number of five hundred of the Navy Register, in order after that shall have passed as a precedent and we have again readopted the practice of distribution to bring in a proposition for printing two or three hundred thousand of the Agricultural Report or of other public documents.

It is true that when the repeal of the franking privilege was up I did move an amendment proposing that it should not be made the excuse for raising the pay of members of Congress. I was quite satisfied when this question was mooted that it was the purpose to abolish the franking privilege and then to increase our salaries, as was afterward done. But there is one thing that I think in the end we shall be most likely to adopt, and that is the practice in France and England of publishing our documents at the cost price, and letting everybody have them who will pay that price for them, and then after the experiment shall have been sufficiently demonstrated that there is nothing really to be saved by the abolition of the franking privilege on letters and speeches, I am not sure that I shall not be ready to vote to restore that portion of it. I think that that is a privilege, not of the member but of the people, that they have a right to send and receive their letters free of postage, and also to receive speeches. But so far as the documents are concerned, I trust the Government will not again enter into the business of a great book-publishing house.

Mr. BAYARD. Mr. President, entirely independent of the very broad question as to the printing of vast numbers of public documents for gratuitous distribution, and connected with that the method of distributing them under the franks of members of Congress, I consider that the present resolution should pass the Senate. The number, five hundred copies of the Navy Register, is a moderate number of a very necessary record, necessary especially for the families and those closely connected in interest with the officers of the Navy. For that reason I shall vote in favor of the resolution for printing this limited number of an exceedingly desirable book, but I desire that at some future time the other broader and more important question of the publication of documents for gratuitous distribution on the theory of educating the people and combined with that the method of distributing them by means of franking shall come up, and that then it shall receive, what it never has received, a worthy consideration at the hands of the Senate. The subject has been treated in my opinion in the most unworthy and unstatesmanlike manner from beginning to end. This present resolution I desire to vote upon separate and apart from that question.

The PRESIDENT *pro tempore*. The question is on agreeing to the resolution.

The question being put, it was declared that the noes appeared to prevail.

Mr. ANTHONY. I ask for a division because I think it is well to settle the question. I do not propose now, almost at the expiration of the morning hour, to reply to some of the remarks which have been made in regard to public documents on which evidently the Senators have not informed themselves so wisely as they might, but I will take occasion to do that at another time.

Mr. HOWE. Let us have the yeas and nays.

Mr. ANTHONY. Very well, let us have the yeas and nays.

The yeas and nays were ordered.

Mr. ANTHONY. The Senator from Indiana desires that the matter shall go over, and I have no objection.

Mr. MORTON. I call for the regular order.

The PRESIDENT *pro tempore*. The morning hour having expired, the unfinished business of yesterday is before the Senate.

RAILROADS IN THE TERRITORIES.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. No. 378) to provide for the incorporation and regulation of railroad companies in the Territories of the United States.

Mr. SARGENT. Is not the question on my amendment?

The PRESIDENT *pro tempore*. The amendment proposed by the Senator from California being to a subsequent part of the bill to that to which the amendment of the Senator from Connecticut was offered, is not an amendment to the amendment and is out of order at present. The question is on the amendment of the Senator from Connecticut, [Mr. BUCKINGHAM.]

Mr. SARGENT. That occurred to me; but if the first be adopted the last would be entirely unnecessary.

The PRESIDENT *pro tempore*. The end can be reached, if that is the will of the Senate, by voting down the first amendment and then adopting the second.

Mr. SARGENT. Before the question is taken I would like to suggest a modification of my amendment. The amendment which I proposed yesterday read as follows:

Provided, That nothing herein contained shall authorize any railroad company to enter any Indian reservation or have the right of way over the same without the written permission of the Secretary of the Interior.

Upon the objection still further insisted on of the Senator from Connecticut, [Mr. BUCKINGHAM,] I propose to add to that:

And where said reservation is set apart by treaty, the consent of Congress shall first be obtained.

It seems to me that answers every reasonable purpose. I think it is somewhat unfortunate that the discussion of the general Indian policy of the Government should have arisen on this bill. It is really outside of it; and my impression is that there is no necessity either for the first amendment offered by the Senator from Connecticut or this one which I now propose, because the bill provides that this right of way shall only be on "unoccupied" land of the United States. Of course Indian reservations are occupied lands, and the companies would not have the right of way there at all. The effect of the amendment of the Senator from Connecticut would be somewhat to confuse that construction, if it have any effect whatever. If the bill expressly provides that the right shall only be on unoccupied land, that excluding Indian reservations, it is entirely unnecessary to put in another part of the bill that Indian reservations shall be excluded.

I would make a further suggestion to the Senator from Connecticut, that his amendment coming in in the place where it does, causes the text of the bill to read not so smoothly as it ought to. The first section relates to the Territories generally where this shall take place. It defines the jurisdiction of the bill as being in "the Territories of the United States, excepting the Indian Territory"—we well understand what that means—and excepting the District of Columbia. Now to say "excepting Indian reservations" is not really a homogeneous exception, because an Indian reservation is not a Territory of the United States. Therefore there might be a critical objection to the amendment coming in at that place. The amendment which I propose comes in, however, at the end of the eighth section which relates to the right of way, and the proviso which I offer that this right of way shall not be over any Indian reservation whatever without the consent of the Secretary of the Interior, and, where those reservations are made in accordance with treaties, that then the consent of Congress shall be given, would seem to cover every point that any Senator could wish to have guarded, especially as the first section which makes the general grant provides that they shall not go upon occupied land.

Mr. BUCKINGHAM. It might be a serious question whether any particular land was occupied or not. It appears to me that it would not follow of necessity that land was occupied simply because it was set apart as an Indian reservation. Certain limits are defined as belonging to the States, but I am not aware that all parts of the States can be called occupied; and it appears to me to be particularly so with the Indian reservations. The Senator from California proposes to leave this matter to Congress. I think that should be left to congressional action hereafter, whenever application should be made to Congress to act upon a particular case or with reference to the location of a particular road, and should not be put into a bill of this kind. It seems to me that these reservations being set apart for a particular purpose and guaranteed by the Government for that particular object, they should be left as they are, and we should not interfere with them. I hope the amendment which the Senator from California proposes will not be adopted.

The PRESIDENT *pro tempore*. The question is on the amendment proposed by the Senator from Connecticut, [Mr. BUCKINGHAM.]

Mr. WRIGHT. I should be glad to have the amendment read.

The PRESIDENT *pro tempore*. It will be read.

The CHIEF CLERK. After the word "Territory," in the sixth line of the first section, it is proposed to insert "and Indian reservations in the Territories;" so as to read:

That any number of natural persons, not less than five, may become a body-corporate for the purpose of locating, constructing, maintaining, and operating a railroad in the Territories of the United States, except the Indian Territory and Indian reservations in the Territories, and the District of Columbia.

Mr. BUCKINGHAM. I call for the yeas and nays.

The yeas and nays were ordered.

Mr. STEWART. Let me say one word. The amendment is to exclude the railroads from crossing Indian reservations at all. We propose, if this is voted down, to adopt the amendment of the Senator from California, which forbids the railroads going across any Indian reservation without the consent of the Secretary of the Interior, and, in case the reservation is set aside by treaty, without the consent of Congress. It is proposed to offer that in case this is voted down.

Mr. PRATT. One word before the vote is taken. The Senator from Nevada and also the Senator from California assume that the Indians have no vested rights in these reservations.

Mr. SARGENT. I ask the Senator when I ever made such a remark?

Mr. PRATT. The Senator assumes it in the amendment which he offers to the pending amendment of the Senator from Connecticut.

Mr. SARGENT. I ask the Senator's pardon. I supposed he referred to the discussion yesterday, in which I did not mix.

Mr. PRATT. No. I say it because in the amendment which he offers to the pending amendment he assumes that the Secretary of the Interior holds in the hollow of his hand the rights of the Indian tribe whose reservation is appropriated, or a portion of it appropriated, by the company which is incorporated by this bill. Now I deny that main proposition. I do not know what the fashion is nowadays in the creation of Indian reservations; but in times past, when I was familiar with the subject, the practice was when a tribe of Indians was making a grant to the Government of a large body of lands, a smaller body was carved out of it for the perpetual occupancy and use of the tribe, and hence it was called a reservation, something less than what they were granting to the Government; a reservation for the very purpose of their exclusive occupancy. Now, I take it that that originating in contract creates a vested right in the tribe of Indians which Congress has no right whatever to interfere with without the consent of the Indians; and the proposition of my friend from California ignores that view entirely and assumes that the Secretary of the Interior holds the rights of these Indians at his disposal and may by consenting to the grant to the corporation bind the tribe. Now, I wish to enter my protest against that view of the subject.

Mr. STEWART. Allow me to ask the Senator one question.

Mr. PRATT. Certainly.

Mr. STEWART. Suppose now that there is an Indian reservation lying in Montana, as I presume there will be some on that line; a railroad has been built across the mountains; the people of Montana are desirous of having a railroad to connect with the Pacific Railroad; the Indian reservation is there; is there any constitutional or proper way of getting a railroad across that Indian reservation?

Mr. PRATT. Yes, Mr. President; there is a way. If the tribe has any vested rights in the reservation, there is a way to extinguish them by an honest purchase as we have been in the habit of doing in times past. But it ceases to be a reservation; it is nothing if Congress, after creating the reservation, creating it for a good and honest consideration, may trample upon the rights of the tribe by taking a part or the whole of it, or authorizing it to be done. Now you take a portion of the reservation whenever you give to this corporation the right of building a road over it, and appropriating to their own exclusive use a strip one hundred or two hundred feet wide, and the right of running their trains over it during the life-time of the corporation. You trample on the principle of vested rights, and that is what I am protesting against.

Mr. SARGENT. I am very far from sharing in what may be considered border hostility to Indians or Indian rights. During the years in which I had charge of the Indian appropriation bill I was called upon by my duties to fight over this ground, often, too, and it was somewhat a matter of surprise, considering my locality, that I always inclined toward the humanitarian aspect of the question. I did so, however, from conviction; and I do not propose by any action I take in the Senate to obscure a record which I trusted at the time was being well made. I do not think my amendment is liable to the criticisms of my friend, and I will state to him the reasons for this belief. I do not know that he heard the latter clause of the amendment read which I proposed to insert, after hearing the criticism of the chairman of the Committee on Indian Affairs. It is as follows:

And where such reservation is set apart by treaty, the consent of Congress shall first be obtained.

Where it is not set apart by treaty, then I require only executive consent. Now the system which the Senator refers to, of setting aside reservations by treaty, continued until some time in 1869. The last treaties of that kind were those which were made by what was called the Indian peace commission, of which General Sherman was one of the members, and the last reservation made in that way was the Sioux reservation. This and all the reservations before that time, except in some of the Territories, are protected by what may be called treaty stipulations, which I believe bind the faith of the United States; and the rights of the Indians on their lands ought not to be encroached upon, and we have never done it, and I would never consent it should be done, without their consent and without making them compensation for it. I prefer in all such cases where it may be necessary for a railroad to cross such a reservation that Congress, as the best guardian of the Indians, should see that their lands should not be taken, that there should not be even a right of way taken without compensation in damages, without their consent by agreement, such as we made the other day with the Utes when we agreed to buy of them a certain proportion of their land which before that time had been given to them by treaty stipulation, paying them $800,000 for a strip of unoccupied, uncultivated land, which we supposed however to contain mines, and we pay them in installments of $80,000 for ten years. That is one class of cases that is provided for by the latter clause of my amendment.

But there is another kind of reservation which is of a more fugitive and floating character, certain portions of country being designated as places of residence of Indians in certain localities, and they are frequently shifted in their boundaries by executive orders. They are sometimes found to be unhealthy, or not to furnish such facilities of access or for food or sustenance of the Indians as more favored spots would do, and they are moved from them to some better place. Reservations of this kind are erected in Arizona; they are erected in my own State; they are erected in the State of Nevada; they exist to a certain extent in some of the Territories, although there are fewer of this character than there are of those which are protected by treaty stipulations. In cases of that sort I provide that the same executive power which designates them may have the right to modify them in this respect as it does in every other, and it seems to me that I cover the whole ground by these two provisions. But wherever the reservation is in the shape of a treaty regulation guaranteeing the title in the soil, or the user of the soil in the Indians, there I would not allow it to be crossed in any way by a railroad or a turnpike road, or by fugitive parties of citizens, or any persons pursuing a business not legitimately connected with the Government or the tribe, unless Congress saw that justice was done to the Indians and saw also that this easement could be properly afforded. Therefore I think that the amendment which I propose is better than that of the Senator from Connecticut, who treats all these reservations as upon the same level.

I am sorry the Indian question has arisen on this bill; but it being up, I should like to make one remark, the result of some reflection which I have given to the subject. It is, perhaps, too late in the day now to say that our system of Indian reservations is a mistake. The Indians have acquired certain rights. We, however, originated this system of Indian reservations. We have insisted upon it I think to the disadvantage of the Indian. We have retarded his civilization by means of it. From the time when we drove the red man out of Georgia at the call of the prejudices of that locality, and beyond the Mississippi down to the present time, whenever they were crowded by our growing populations we have pushed them farther off, we have herded them together; we have done exactly the opposite thing to that which is done by our neighbors in Canada. The Indians in Canada, under the English system, are civilized; they are more in the condition of the Six Nations of New York; they are agriculturists; they have their farms among themselves; they hold their lands in severalty. As the population of Canada overtook them it passed on beyond them, surrounded them. They became measurably absorbed in that population; they acquired the arts of civilized life to quite a surprising degree. By a law of nature, the most attractive of them, or those least repulsive, became connected in marriage or otherwise with some of the lower classes of the Canadian population, and as the blood became a little more mixed or a little more pure, as you may call it, they gradually rose even in the scale of marriage, until, I am informed by those who have made the system a study in the Canadas, the distinction between the white race and the Indian race is fast disappearing, and that without an extermination of the Indians. This applies to the French portion of Canada of course. They have become absorbed to a certain extent in the populations. I believe that was the best way for us to have pursued. I think we should have saved more of the Indians from perishing under what otherwise has been a barbarous system.

But we have driven the Indians away from our settlements; we have driven them out on the plains. We are now compelled, on account of their narrowing means of subsistence, to furnish them beef-cattle, and furnish them agricultural instruments, seeds, &c., and do the best we can under the disadvantageous circumstances in which we have placed them. But, sir, believing that we are to blame in this policy and not they, although they are principally the sufferers by it, I am in favor of humanity toward them, the strictest observance of every right they have, and where the right was doubtful I would solve the doubt in their favor. I have stood up for this principle in Congress for years past, and I am prepared to defend it now and in the future. I believe it is thoroughly consistent with these ideas that, instead of saying that there shall be no railroads where otherwise they might be stopped by a reservation, we declare that in case the reservation is one made by mere executive order, which is frequently changed, there shall be no right of way without the consent of the Secretary of the Interior, but if it is guaranteed by treaty then they shall come to Congress, and we will stand here to see to it that the Indians shall have fair play when leave is asked to cross their boundary.

Mr. BUCKINGHAM. The Senator from Nevada sees in the distance some object which it is desirable for him to obtain, but between him and that object there lies an Indian reservation, and he cannot reach that point unless he triumphs over the rights of those men who occupy that reservation. I remember, when I was a farmer, a neighbor who occupied a homestead, and within a distance of a mile or two he had another tract of land, but it was not very accessible to him, because a neighbor owned land which intervened between his two tracts. He wanted to reach the farther tract, and he could not without great inconvenience, unless he could go across the farm of his neighbor. He had just as much right to cross that land to suit his own convenience, to accomplish his own selfish purposes, as we have to authorize five natural persons to cross an Indian reservation for the sake of reaching a point which is desirable for a railroad company.

Mr. MORRILL, of Maine. I would suggest to my honorable friend from California that he should provide in his amendment for compensation; that if the consent of Congress is granted, it shall be in all instances upon compensation.

Mr. SARGENT. I think that is a reasonable suggestion.

Mr. MORTON. I should like to hear that amendment read.

The Chief Clerk read as follows:

Provided, That nothing herein contained shall authorize any railroad company to enter any Indian reservation or have the right of way over the same without the written permission of the Secretary of the Interior; and where such reservation is set apart by treaty, the consent of Congress shall first be obtained, and compensation made to the Indians for any injury caused thereby.

Mr. MORTON. There are two kinds of Indian reservations, as I understand; one kind created by a treaty with the Indians, that is a contract; and the other kind is an arbitrary one created by the Secretary of the Interior and not by treaty. This amendment provides that a railroad company may enter upon an Indian reservation created by treaty, under the authority of an act of Congress. A treaty, I suppose, implies two parties to it: the Government on the one side, and the Indians on the other; but this amendment provides that one of the parties to this treaty may abrogate it in part and may enter upon the territory without the consent of the other. Now, sir, if it is a treaty at all, if it is a contract at all, there ought to be the consent of both parties. If you allow one party to do this without the consent of the other it is no treaty; it is a mere sham. You call it a treaty when it suits your purpose; bnt you trample on the rights of the Indian when it suits your purpose. The idea of damages in such a case is absurd. How can you estimate the damage to the Indians in running across their territory? That is a trifle; but entering upon their territory without their consent is an exasperation which sometimes produces war, causes murders. The Indians regard it as a violation of their rights; they do acts of violence; and we make those acts of violence an excuse for war on our part or for taking their territory from them and shoving them off further west or further south. You run a railroad across their territory without their consent. It may not do them any pecuniary injury that is appreciable; the damages amount to nothing; but they know it is a violation of their rights; it excites them, and they know of no remedy but violence. They cannot resort to a court. Then when you begin to construct your road across their territory you take hundreds or thousands of hands, build up little villages here and there, and the first thing they know, that reservation, which they thought was set apart to them exclusively for all time, becomes inhabited by white people, carrying with them their vices, their whisky-shops, and all those things.

Mr. STEWART. Will the Senator allow me a word? We have abolished the making of treaties with Indians, and Congress is the only party now dealing with this question, and Congress has undertaken to deal fairly between the Indians and the Government and the people; and it is the only tribunal now recognized by the law. Formerly if you wanted to carry out that idea, it would be by a treaty, but now it is by act of Congress.

Mr. MORTON. You have abolished all treaties for the future; but have you abolished all treaties in the past?

Mr. STEWART. But Congress has not acted in any way to violate the treaties.

Mr. MORTON. Here you are providing, and the amendment recognizes the fact, that there are reservations now held by treaty, and you propose to authorize one party without the consent of the other to invade that reservation. That is simply the strong hand; there is no good faith; there is no honesty about that.

Mr. SARGENT. Will not that argument apply when application is made in any specific case to cross a reservation? It cannot be done without the consent of Congress; and when consent is asked, all these arguments will be good in any given case when you are called on to give that consent.

Mr. MORTON. I supposed it carried out the idea that the consent of Congress is enough without consulting the Indians. It simply gives authority without consulting the Indians at all.

Mr. SARGENT. Not without the consent of Congress.

Mr. MORTON. Of course with the consent of Congress; but that is only one party.

Mr. SARGENT. Is it assumed that Congress will consent improvidently?

Mr. STEWART. Allow me to ask one question. Treaties being left out of the question?

Mr. MORTON. That is in the future.

Mr. STEWART. Well, Congress has declared by an act that no more Indian treaties shall be made. You cannot do this by treaty; you cannot get across the reservation by treaty. How are you going to arrange to get across it at all unless by act of Congress?

Mr. RAMSEY. The Secretary of the Interior may be directed to negotiate with the tribe for that purpose.

Mr. MORTON. This amendment certainly carries with it the idea—and that is the purpose of it—that if Congress consents to the invasion of a reservation created by solemn treaty with an Indian tribe, that is enough without consulting the Indians at all, perhaps in absolute hostility to their wishes. You do that; and the first thing you know you have an Indian war on hand which will cost the Government millions; murders are committed; and it is these acts of violence and this disregard of the rights of the Indians that have given rise to a great many of the hostilities that have taken place.

Mr. President, the Indians are by the Constitution regarded as people with whom treaties may be made. The Constitution so recognizes them. We have made such treaties. We call them solemn contracts; and when the Indians violate them, we hold them responsible. If an Indian is found off his reservation, the first thing you know the military power of the Government is invoked to drive him back to the reservation; but when you go on to his reservation in violation of the treaty, it is all right. That is the difference. We hear every day almost that some Indian tribe has got off its reservation hunting or for some other purpose, perhaps driven by starvation, and then the troops are sent out to drive them back on to their reservation, and we make their violation of it an excuse for depriving them of their property; but on the other hand we go on their reservation without consulting them, and it is all right. That is the difference. I do not care anything about this except as a matter of principle.

Mr. CLAYTON. Mr. President, is it so that the Government of the United States in making its treaties with Indian tribes has so tied its hands that it cannot for all time to come make a public highway through an Indian reservation? If that is so, then the Indians are a much more greatly favored class of people than I had supposed. I always knew they were aristocrats of the highest order. Some of the tribes are the richest people upon the face of the earth. They do not work; they are not called upon to work; they are furnished with vast hunting-parks—that is all they amount to—for them to roam over and hunt in. There is no inducement given to them to work, because the annuities paid to them by this Government render labor unnecessary. I say that if we have so tied our hands in the past that we cannot under any circumstances without the consent of the Indians project a public highway through one of these reservations, I think it is time for us to consider whether there is not some higher law that will sweep out of the way this obstacle to civilization; for what greater evidence of civilization can we have than that afforded by a public highway which is of the very highest character known as a railway?

Mr. PRATT. I should like to ask my friend from Arkansas what step the Government would take to extinguish the right of an Indian tribe in a reservation secured to it by a treaty between the United States and that tribe? Would they think it necessary to purchase that reservation from the tribe, or would they take it without their leave or consent?

Mr. CLAYTON. Mr. President, I do not desire to take the right of way—and that is all that is required—over any Indian reservation without paying just compensation therefor; and I apprehend a way can be devised by which and through which just compensation can be paid for the right of way across a reservation. Why, Mr. President, my farm can be taken for that purpose, and I have even seen the sacred precincts of a grave-yard entered by a corporation, graves removed by a corporation, and this done lawfully and legally. We do not presume, at least I suppose no one presumes, that if you take the lands of the Indians for this highway you will do it without paying them for them. If you do, I cannot vote for that.

Mr. STEWART. Any way in the world so that we can get across them.

Mr. CLAYTON. You cannot tunnel a reservation very well, I suppose; you cannot go over it through the air unless you invent a balloon or something of that kind to do it with.

Mr. STEWART. My proposition is simply this: if there is any way in America by which a sage-brush reservation occupied principally by lizzards and rabbits can be crossed legally and properly in order to get to the settlement beyond by a railroad, put it in this bill; I care not how it is done.

Mr. CLAYTON. I think there is a way; and I think that way does not violate any treaty, either. It seems to be assumed in this discussion that a white man cannot put his foot upon an Indian reservation. If that is so, I should like to see the provision in the treaty. He cannot settle upon the reservation, he cannot go there and make it his home and take his family there; but I never have yet seen a reservation that a white man could not travel across with his family if he chose; and it is a strange thing if you can have no public highway upon an Indian reservation except the Indian trail that crosses it. I should be glad to see the day when these Indian trails will assume the higher character of highways; I should be glad to see railroads take their places; and it seems to me that some way certainly can be devised whereby this can be done, and without outraging the Indian any more than you would outrage me if you should allow a railroad to pass through my farm, or tear my house down, or pass through a grave-yard where my father's bones lie buried.

Mr. President, as this question is up, since we have entered upon it, I think it is very necessary for us to determine just what the United States can do. I never supposed that this Government had so completely tied its hands that at a future time, no matter how small in number these Indians may become, as long as there is one Indian on a reservation, you cannot cross it. All the rest of a tribe or band may have passed away and died off but that one Indian, and he must be consulted before you can cross his reservation, it seems. I hope that is not so. I hope the lawyers in this body will ascertain that there is some way under the Constitution and without violating any treaty obligation whereby we may be able to cross these barriers that stand in the way of civilization.

Mr. MORTON. I was going to say, in reply to my friend's proposition, I did not have that matter in my mind when I spoke, that the general intercourse law does prohibit white people from going upon Indian reservations, and that the treaties are based upon this law.

Mr. CLAYTON. Does it prohibit them from traveling across the reservations? I know it prohibits them from settling upon them.

Several SENATORS. Entering upon.

Mr. INGALLS. As I understand, it is a uniform provision in all Indian treaties that no white person shall be allowed to go upon any Indian reservation unless he is in the employment of the United States or has the consent of the superintendent of Indian affairs.

Mr. MORRILL, of Maine. I will say to my honorable friend that the idea upon which we have treated the Indian has been that the presence of the Indian and our people was in utter incompatibility; that he could not live with white people; he was a heathen; he was a man of such peculiarities and idiosyncrasies of character that his presence was an utter incompatibility with the progress of civilization; and hence all these American communities from the beginning have adopted the policy of expulsion; he must live outside of our jurisdiction, the jurisdiction of our laws, and the amenities of civilized societies. Now, what do we say to him? "If you will go out and take a place by yourselves and occupy a territory by yourselves, no white man shall intrude his presence upon you, unless he is officially authorized by the authority of the Government of the United States." That is the theory. I only say that, not to answer the Senator's argument, or by way of argument upon the proposition at all, or by way of comment; but that is the general fact which underlies all our policy, first, one of expulsion; and accordingly, from Plymouth Rock to the Pacific, these tribes, one after another, have been expelled by force on that idea until they have crossed the Mississippi, and they are fading out, and we are doing the best we can with our poor relations, the heathen.

Mr. SARGENT. Mr. President, in dealing with this Indian question we have been compelled to change even the meaning of words in the language. We use a word called "treaty" to signify our dealings with these tribes; and yet that word "treaty," judged by the use made of it, has no more resemblance in fact to the word "treaty" implying the connections or contracts made between this Government and foreign powers than light has to darkness. Would we consider that our national dignity or honor would allow us to make a treaty with a foreign power whereby we should pay year after year tribute to that foreign power? Would it not be considered a stain on our national honor? And yet, in what we call a treaty, we do this for the Indians. I read from the last one ever made. We provide:

For fourth of thirty installments, to purchase clothing for males over fourteen years of age; for flannel, hose, and calico and for domestics required for females over twelve years of age; and for such flannel and cotton goods as may be needed to make suits for boys and girls, $159,400.

How would that look in a "treaty" in which we were dealing with a foreign power?

Here is another:

For the last of four installments for purchase of beef, flour, bacon, and sugar in proportionate quantities for twenty thousand persons, under the tenth article of the treaty of April 29, 1868, and subsistence of Yankton Sioux, $1,314,000.

A treaty by which we were to pay a million and a half for four years, or any other length of time, to some foreign power to feed its people, as a condition of what? As a condition that they should keep peace with us; that they would not rob and murder our people and carry desolation along our frontiers! The term "treaty" is a misnomer when used in that connection.

Again, did any civilized nation ever treat with a power within its own limits recognizing territorial jurisdiction and sovereignty? Is not that a solecism—an *imperium in imperio*, an independent nation within the boundaries of the United States; and yet we have got to assume that this is existing in the treaty-making power. The fact is that from circumstances we take a term of defined, understood meaning, and apply it to something foreign to its original meaning. I admit that there are some contracts which may have been made with these tribes which give them certain rights, and I am in favor of maintaining them; but when you say on account of those contracts we lose all power given by the Constitution of the United States over the Territories to make rules and regulations to dispose of our property there, then I say you carry the argument too far.

The Constitution of the United States provides that Congress shall have power to make rules and regulations for the disposition of the territory and other property of the United States. Can we by contract made with an Indian tribe, or call it a treaty, if you please, abrogate that congressional power? My amendment proposes to remit this question to Congress, in order that the rights of the Indians may be observed; and I ask Senators whether that is not constitutional, and if the other theory is constitutional, that we have given consent by some legislative act which takes away our powers under the Constitution of the United States?

Now another question. You say that these are treaties. Would it be consistent with our duty to consider a treaty subsisting between us and a foreign nation which was all the time making war upon us, which we had to surround with a cordon of troops, or with armed vessels, in order to keep them on their own territory, and from coming out and robbing or murdering our people? And yet is not this the normal condition of the Indians, with few exceptions? They do not maintain peace. We imprison them on these reservations ourselves, and keep them there to prevent them from perpetrating outrages. Does the Senator from Indiana think that for years past every or any treaty made with the Indians has been kept by them? The other day we heard from Red Cloud as about to retake the war-path, which he had promised to abandon, and been paid to abandon. He was followed and coaxed by our agents, and finally concluded that he would not carry out the aggression which he started to commit. I use this as a simple illustration. He and his braves are no better or worse than others. Scarce a month passes but some of these treaty tribes have made war on us, murdered our soldiers and citizens, and yet we say these treaties with them are sacred and inviolable! I tell you it will not do to analyze this thing too closely and bring it down to a question of national faith. National faith and obligation must be reciprocal or it is chimerical.

The Constitution gives us jurisdiction over this matter, as I have shown; but I believe it is better to feed the Indians than fight them. I believe it is better to be humane toward them than to be barbarous. I think we should show our superior civilization in that. We can put up even with the wrongs and the injuries they have inflicted upon us, and endeavor if we can to procure the peace and quietness of our settlements by any means; bribe them by presents of cattle and agricultural implements, and by sending articles of use and luxury to them, to induce them to desist from the war-path and let the scalps of our people alone. I would do it from policy, not from obligation. I am certainly in favor of doing it, and the amendment I offer is entirely in that spirit; and I again call attention to the fact that here is the most ample provision for the protection of all the rights of the Indians, while devolving upon Congress the right to legislate in this matter conferred by the Constitution of the United States. Here is the amendment, to which I again call attention:

Provided, That nothing herein contained shall authorize any railroad company to enter upon any Indian reservation or have the right of way over the same, without the written permission of the Secretary of the Interior; and where such reservation is set apart by treaty the consent of Congress shall first be obtained, and compensation made to the Indians for any injury caused thereby.

If that is not humane, if it is not just, if it is transcending our powers, it has not been pointed out in this debate. But furthermore, any treaty made either with Indians or any foreign power can be abrogated by act of Congress, we taking the consequences. It is not a question of national faith unless there is a limit of time, and even that is absolved by the consequences accepted of war. The Constitution does not say the treaties are the supreme law of the land. It says the treaties and laws of Congress are supreme laws, and one is as high as the other. By a well-understood law of construction that which is last on the statute-book, whether treaty or law, repeals that which went before if inconsistent therewith, and is supreme; but even that argument is not necessary to the amendment I offer.

Mr. HAMILTON, of Texas. Mr. President, the amendment proposed by the Senator from Connecticut [Mr. BUCKINGHAM] is so manifestly proper to my mind that I had hoped the Senator from Nevada would accept it. As a member of the committee it did not occur to me when the bill was under consideration, or I would have proposed it myself. Anybody who knows anything about the Indian character understands very well that when their reservations are entered by a railroad company, with all its demoralizing influences, the attachés that follow, such an enterprise breeds discontent, disorder, and finally the result would be to break up the reservations and scatter the Indians upon the plains to depredate upon the frontiers of the country for all time afterward.

It is not a question of power. Undoubtedly the Government of the United States has power to invade all these Indian reservations and to despoil the Indians of all it has promised to them. It has done so again and again, or suffered the people of this country to do so; but that is no argument. Nobody questions the argument of the Senator from Nevada and of the Senator from California about the power of the Government, but it is a matter of good faith on the part of the Government. Beyond that, it is a matter of expediency, a matter of policy, on the part of the Government, since it has undertaken to settle these Indians upon reservations and feed them rather than fight them. Then why not pursue that policy? What is the object in collecting Indians together at a great expense, and putting them on reservations, and under agents, if then you are to invade them and break them up year after year? That would be the fate of every Indian reservation that any of these railroad companies pass through, I undertake to say; and there can be no question about it, I think.

Mr. President, I dislike very much to hear the arguments that have been made here this morning, because they are all in the same strain. They all mean this much, and nothing more, that the Indians are to go away wherever it is the interest of the frontier people to push their settlements. That has been the history of the Indians from almost the beginning of settlements in this country. They have been crowded from one section of the country to another less and less valuable, until they have got at last upon almost the last portion of the country where they can make a subsistence at all, even with the help of the Government. And now everybody can see on all sides, in the public press and the speeches that are made here, and the memorials to Congress, that we are preparing to invade the Indian Territory proper and to despoil them of the possessions which the Government has not given them by any means, but which the Government has sold them and guaranteed to them. They are to be driven from their possessions before five years from to-day, according to the way things are drifting, in my opinion; and I for one protest, and shall protest hereafter as long as I have any voice in this matter, against the spoliation of the Indians. They may have been ill-treated, as the Senator from Nevada says, by the agents of the Government, and I do not doubt that they have been very much abused by the agents of

the Government; but that is no argument why the Government should abuse them in addition. On the contrary, it is an argument why the Government should stand up for their protection, not only against its agents, but against those who want to despoil them of their rights.

Mr. PRATT. Mr. President, I have heard some strange doctrines on the subject of Indian rights on this floor to-day, and I have heard for the first time that our fathers, from the beginning of this Government down to the year 1868, were either fools or impostors in assuming that it was necessary to make treaties with Indian tribes for the purpose of extinguishing their rights in the territory which they occupied. Now, sir, our statute-books are full of these treaties—they are numbered by hundreds—in which the United States, the party of the one part, have agreed with the Miami Nation of Indians, of the other part, for example, that in consideration of such a sum of money to be paid, or in consideration of such a reservation to be made, or both, the tribe cedes to the United States a large body of valuable lands. This, sir, is called a treaty. It has got all the elements of a treaty, and it has got all the formalities of the treaties that we enter into with foreign powers; and the faith of the United States is pledged to their observance; and this state of things has been going on from the formation of this Government down to nearly the present time, and nobody was wise enough to suppose that the Government of the United States could acquire the property of the Indians without negotiating and paying for them.

Sir, were our fathers all wrong in this? Is it true that the Indians had no rights which the Government was bound to respect? I am not particular whether you call these treaties or whether you call them simply contracts; but I know there were two parties to them. I know that the United States was party of the one part and entered into certain stipulations and covenants, and among other things, as has been shown here by references this morning to various treaties, they covenanted with the tribes of Indians that they should hold, use, and occupy exclusively their reservations without the right of any white man to enter except by the consent of the superintendent or by the authority of the Government.

Sir, are those words all meaningless? Are we, simply because we have got the power, to trample under foot our own solemn obligations? Would we dare to do it with any European nation that had the spirit and the power to punish us? No one will pretend it for a moment; and yet what but this does the amendment of the Senator from California contemplate? The argument of my colleague has not been answered, and cannot be. The amendment assumes in its very terms that these corporations may acquire the right of way through a reservation belonging to a tribe of Indians without their consent, provided only the Secretary of the Interior or the Congress of the United States, both being agents of one party and not of the other, shall consent. Now, if my friend from California had only gone a step further and added, "without the consent of the tribe that owns the reservation," he would have been entirely right, and I could cheerfully have voted for his amendment.

Mr. STEWART. I undertake to say——

Mr. PRATT. I will bring what I have to say to a close in a moment more.

Mr. STEWART. I want to ask the Senator a question.

The PRESIDING OFFICER, (Mr. FERRY, of Michigan, in the chair.) The Senator from Indiana declines to be interrupted.

Mr. PRATT. O, no; I will hear the Senator.

Mr. STEWART. I undertake to say there is not in one of the Territories, leaving out the Indian Territory, a tribe of Indians that anybody pretends undertakes to keep any treaty stipulations at all. There is no treaty with the Indians that is regarded at all; there is no contract between them and us which anybody pretends that they regard. You cannot name one tribe in one of the Territories where the Indians pretend to keep a treaty. You simply buy the Indians from year to year to do certain things, and they do not regard these treaties.

Mr. PRATT. Does the Government regard them?

Mr. STEWART. Yes; the Government of the United States does regard them; the whites regard them; but the Indians do not regard them in any way. You treat with them by making temporary bargains from day to day. There is no treaty that the Indians know what it is or care anything about. You cannot name a treaty that is kept outside of the Indian Territory. I defy anybody to do it. I defy any one to name the tribe. Nineteen-twentieths of all your arrangements are made with nobody at all, made where there was not an Indian, made without having any Indians at all. In my own State men have attempted to make treaties, and they would bring their census of Indians and an investigation would go on, and we would find that there were no Indians there as represented by them. Go and talk with the Indians, the chiefs there who work and are getting on well, taking care of themselves, and out in that State you will find they were misrepresented in their attempts to make treaties. There is not a treaty that anybody knows anything about except the white people outside of the Indian Territory; and it is a sham and a fraud to speak of them and compare them with Great Britain, or a treaty with a foreign nation. It is very easy to make a mark like a cross to a piece of paper; but who knows the signature? Who has verified it? I defy you to name a tribe that has got a reservation outside the Indian Territory that the tribe knows anything about a treaty.

Mr. PRATT. Will my friend allow me to interrupt his flow of words by asking whether——

Mr. STEWART. I would rather have a flow of words with sense than a flow of eloquence without sense and without truth, based upon nothing.

Mr. PRATT. I have really forgotten what I was going to say when interrupted by the Senator from Nevada. I was about asking him whether during his stay in this body he has ever passed upon any treaty negotiated by the United States with a tribe of Indians; whether he has ever, as a Senator of the United States, solemnly given his consent to a treaty to which the party on one side was a tribe or nation of Indians who thereby conveyed away their lands?

Mr. STEWART. Let me answer that question. When I first came into the Senate I had lived in the Indian country about twenty years; we were making treaties, and it struck me as the weakest thing I ever heard of; and I want to give my friend my experience.

Mr. PRATT. I have not got through yet.

Mr. STEWART. Let me answer the question. I will give my experience. I want to illustrate it. There were a lot of Indian treaties pending. Toward the close of the day we went into executive session, so that we should not, for fear of the great contracting parties, betray state secrets; and all the Senators left except the chairman of the Committee on Indian Affairs and the Vice-President. I staid to see what was going on. They put through several treaties, and I commenced reading them here, and I thought that they had some very peculiar provisions in them; and one of the treaties that was then under consideration to which I called attention—I finally called for the yeas and nays and broke the thing up——

Mr. CONKLING. The Senator should be called to order for revealing what took place in executive session.

The PRESIDENT *pro tempore*. The Chair thinks the Senator is out of order.

Mr. STEWART. There is one treaty I——

The PRESIDENT *pro tempore*. The Chair thinks the Senator has no business to reveal what occurs in executive session.

Mr. STEWART. I beg pardon.

Mr. CONKLING. We can go into executive session for the Senator's accommodation, and then he can tell us about it.

Mr. STEWART. One of the treaties passed on that occasion which I can mention is one on which a $2,000,000 claim was based and attempted to be forced through here; I refer to the Choctaw claim. It was based on that treaty, and that called my attention to it. The fact that such a swindle as that could slip through under such circumstances called my attention to this treaty business, and I commenced investigating it; and being from that country and seeing who were the contracting powers, I came to the conclusion that there was nothing in these treaties; that they were gotten up here in Washington and not with the Indians at all, and I commenced fighting Indian treaties. I say, leaving out the Indian Territory, there are no treaties that the Indians pretend to respect or know what they are. There is no tribe sufficiently intelligent to know what its treaty is, if it has a treaty. A treaty is put upon it by the whites without its knowledge. It is a mere sham. As Congress has now abolished the principle of making treaties and proposes to legislate, this amendment of the Senator from California provides that we shall get through the Indian reservations in the ordinary way by legislation.

Mr. PRATT. Now I will conclude in a moment or two more if not further interrupted. The Senator tells us that nobody has ever respected these treaties; that they ought not to be respected. Sir, the United States have respected them so far as to hold fast to every rood of land acquired from the Indians by these treaties. You do not propose to give up the State of Indiana, or the State of Mississippi, or the State of Alabama, all of whose territories have been ceded from time to time by tribes of Indians. No, sir; you hold fast to all you have got.

One other point right here. Does the Senator intend to put a stamp of fraud upon all the commissioners that the Government has sent out from time to time, good men, trusted men, for the purpose of negotiating these treaties with the Indians? He has done so in the very arraignment which he has made this morning of the treaties which they have negotiated, which have been reported to the Senate of the United States, and which the Senate sitting in solemn council has confirmed, sometimes carefully amending them, and resubmitting them to the Indians to obtain their consent.

Mr. STEWART rose.

Mr. PRATT. I decline to be interrupted. I will be through in a moment more.

Now, Mr. President, in conclusion, the point which I wish to make, and the only point I cared about making when I rose was, that if these tribes have any rights at all in their reservations they have them in the entire reservation; that if you cannot without fair purchase or by treaty extinguish those rights in the entire reservations, you cannot extinguish them in any part of the reservations, and that is precisely what you clothe these corporations with power to do. This is all I have to say.

The PRESIDENT *pro tempore*. The question is on the amendment of the Senator from Connecticut.

Mr. MORTON. According to the argument of the Senator from Nevada, in the first place there are no Indians.

Mr. STEWART. There is not one in ten——

The PRESIDENT *pro tempore*. Does the Senator from Indiana yield to the Senator from Nevada?

Mr. STEWART. There is not one-tenth of the number you pay for.

Mr. MORTON. I yield.

Mr. STEWART. I say there is only about one in ten.

Mr. MORTON. In the first place, he says there are no Indians to treat with; and, in the second place, the treaties are all made by the white people, and they are forced on the Indians. In the next place, nobody pretends to keep a treaty on either side. The argument of the Senator from California a little while ago, as I understood him, was that it was preposterous to talk about dealing with these Indian tribes as if they were foreign nations. In other words, it is competent for us to make treaties with other people, and it is proper for us to violate them because they have not sufficient dignity on their part to require us to observe our own contracts.

Mr. SARGENT. Does the gentleman think that a fair statement?

Mr. MORTON. It is that kind of morality that has produced one-half of the Indian wars.

Mr. SARGENT. Does the gentleman state that as an honest construction of my argument?

Mr. MORTON. I think I have stated the fair intendment of the Senator's argument.

Mr. SARGENT. Then I have nothing to say.

Mr. MORTON. The Senator said we could not regard these tribes as foreign nations. We do regard them as foreign nations so far as making treaties with them is concerned; but we do not regard them as foreign nations in keeping those treaties. That is the difference.

Mr. SARGENT. We have kept them as much as they have.

Mr. MORTON. We make treaties with them; we treat them as foreign nations; we get their property on the faith of those treaties; but when it comes to the observation of these treaties we treat them as powerless and helpless and run over them, and have done it from the beginning. That is the occasion of one-half of the Indian wars. The trouble is that we make treaties; the Indians believe we are bound by them; we set them off certain territory; we tell them that territory belongs to them; they have sense enough to understand it. When the Senator from Nevada says they do not understand these treaties he is entirely mistaken. When you give a tribe a reservation and put them on it, they do understand it.

Mr. STEWART. Name the tribe that understands it?

Mr. MORTON. Let me get through.

The PRESIDENT *pro tempore*. The Senator from Indiana declines to yield and should not be interrupted.

Mr. MORTON. And when white men go on the reservation without their consent, it makes them angry, it exasperates them; they commit deeds of violence; and forthwith dispatches are sent to the Government of the United States that the Indians are making war. That is the way these troubles begin more than half the time. The Indians know their rights are violated, and it is this kind of morality that says, "They have no rights; we can trample upon them from time to time." That is the cause of nearly all our Indian wars.

Mr. STEWART. Allow me to put a question.

Mr. MORTON. Yes, sir.

Mr. STEWART. I will yield the whole argument if an Indian tribe in a Territory can be pointed out having a treaty which the Indian tribe knows anything about or cares anything about. If any gentleman will name such a tribe, outside of the Indian Terrritory proper, I will give up the argument.

Mr. MORTON. I think that is a strange statement on the part of my friend. He has just found out that no Indian tribe ever keeps a treaty, and he says they never understand their treaties, and every administration down to the last administration has been treating with the Indians; all kinds of commissioners and agents have been employed; some of them perhaps were scoundrels, but many of them men of integrity and men of sense, and they thought they were making treaties with actual existing tribes of Indians; but he has found out that they were all mistaken. The Senator from Nevada has found out what nobody else ever did. That is the substance of it.

Mr. STEWART. Mr. President, there is a good deal said about my position that there is not an Indian tribe in any one of the Territories covered by this bill that has a treaty which it regards, or keeps, or knows anything about. My statement is broad, I know. If there is such an Indian tribe, I do not know it. I have lived in that country twenty-five years, and do not believe there is such a thing. I know there are Indians of intelligence in the Indian Territory; but outside of that I do not think there is an Indian tribe that has a treaty that the Indian tribe knows anything about. I would not for that reason do anything to injure an Indian. I believe that I am as much for the protection and care of the Indian and have as much humanity for him and a great deal more than many people who want to use the Indians for purposes of gain. I believe these treaties, except with a few of the more civilized tribes, are entirely a sham. I do not believe they would have been made as a general thing by any of the Senators here. I think there is hardly a Senator here who would have made them. I admit that the Sioux—and there will be no railroads built near them under this bill for many years to come—have got some treaties; but the Sioux tribe do not pay any attention to the treaties but make further demands each year, and we are called on every year to make appropriations to appease them. You are making appropriations now ever year to make new arrangements with them. The United States is constantly buying them off, making temporary arrangements with Red Cloud and the rest of them to keep the peace for the time being. They have no treaties that they regard as of any consequence whatever. But when you go off the great plains and take all the Territories west of the east base of the Rocky Mountains, there is no Indian tribe that has a treaty that knows anything whatever of it.

Mr. EDMUNDS. What do you say to those treaties that were made by General Sherman and his associates?

Mr. STEWART. They were made with the Sioux.

Mr. EDMUNDS. With a dozen different tribes.

Mr. STEWART. All Sioux on the plains.

Mr. EDMUNDS. What do you propose to do about the Sioux reservations? Do you propose to riddle them with railroads?

Mr. STEWART. I propose to leave that to Congress.

Mr. EDMUNDS. That is what we propose to do; not to grant the authority.

Mr. STEWART. Not to grant authority unless Congress shall do it hereafter. The amendment of the Senator from California covers that case.

Mr. EDMUNDS. Adopting this covers it.

Mr. STEWART. No; adopting this says you will not allow them to go through at all.

Mr. FRELINGHUYSEN. Mr. President, I wonder that the Senator from Nevada does not accept the amendment of the Senator from Connecticut, because it is perfectly clear that this amendment must be in his bill or we do violate a treaty, because we have expressly stipulated, whether it was rational or irrational, that no white person should go upon these reservations. The effect of adopting this amendment is not that which the Senator says, to prevent a railroad from ever crossing these territories. He has his bill for all the Territories of the United States with the exception of the Indian Territory. How will that work? If a corporation wants a road across Indian territory they will select a place where they can cross that territory doing the least injury to the Indians and the least injury to the United States. They will get the consent of the Indians; they will come to Congress, and Congress will look at the question to see whether that involves the necessity of getting another reservation for these Indians, and if it does, they will not grant it; but if the Indians consent to it and there is no breach of faith and it does not injure the reservation, then they will grant it, and they ought not to do it under any other circumstances. My friend from Nevada had better just accept the amendment. He cannot do better.

Mr. OGLESBY. What is the question pending, Mr. President?

The PRESIDING OFFICER, (Mr. HOWE in the chair.) On the amendment moved by the Senator from Connecticut [Mr. BUCKINGHAM] to the first section of the amendment of the Committee on Railroads.

Mr. OGLESBY. As I understand this matter, it strikes me that I cannot support the amendment of the honorable Senator from Connecticut. The first section of this bill provides:

> That any number of natural persons, not less than five, may become a body corporate for the purpose of locating, constructing, maintaining, and operating a railroad in the Territories of the United States, except the Indian Territory.

The pending amendment adds this language: "And Indian reservations in the Territories." I do not feel disposed to cast a vote here, or to assist in creating a congressional construction, upon an Indian treaty or upon the rights of Indians in an Indian reservation set aside to them by the President of the United States or the Secretary of the Interior under an agreement with a body of representative Indians of any one tribe. I do not feel like giving a vote in this body which recognizes the right in the Indians on such accidental reservation to prevent in all times the construction of a public highway across their territory. When the original treaties were made between the fathers of the Republic and the Indian tribes, public highways in the sense of railways never entered into their contemplation; and we, patterning after the old forms of Indian treaties, have gone along from one year to another, losing sight of the idea that railroads might be constructed under the authority of Congress through its own territory. Therefore those provisions have not been formally made in Indian treaties. Reservations of the right of constructing railroads across Indian lands have formed no formal part of these Indian agreements, Indian contracts, Indian treaties, Indian understandings. Now the question is raised in this body, and raised to-day by the amendment pending on this territorial railroad bill, whether we shall admit, without qualification, without limitation, without reservation, the absolute right of the Indians on a reservation, in any portion of the United States Territories, to prohibit the construction of a railway through that Territory. I am unwilling, by an act of Congress, to give that construction to any understanding with the Indians occupying any Indian reservation at this hour.

The Government of the United States has ever regarded itself as holding the ultimate and final title to every foot of Indian territory in the nation. We have always held that they had no right to sell to a foreign nation; that they had no right to treat with foreign nations. It was nothing but an assumption of power on our part, and yet we have uniformly adhered to the doctrine that the Indian tribes should never cede their territory, which they held alone by occupancy, to foreign nations, or to individuals, or to any power but the United States.

Now for the first time it is formally proposed here, by the amendment pending, to confer upon a band or a fraction of a band of Indians, or a tribe or a fraction of a tribe of Indians, who may have a reservation in the direct line of commerce, in the direct line of trade, right on the pathway of the public highways of the country, the right to prevent a railroad, under the authority of the United States, being constructed across their territory without their absolute consent. I am disposed to recognize the rights of the Indians in the Territories under existing treaty stipulations. I think I would be as far as any Senator here from entertaining a disposition to wantonly violate any rights they have; but I do maintain, and I hope the Senate will maintain, that it was not the purpose, in setting aside these reservations, to confer upon the Indians the right to interdict the Government in laying out public highways.

Now, look at the laws of our State Legislatures, look at the laws of Congress on the subject; take the very words of this act: If there be persons who have private property, if there be citizens who own real estate in their own right, farmers in a State or a Territory, or the owners of private land in a State or Territory, this bill, as all railroad bills, provides how you may proceed in court to extinguish the title and confer on the corporation the right to cross it; but when you strike an Indian tribe which has a reservation, what happens? There are no land-owners in the reservation; no Indian in the reservation owns a foot of land; there is no private claim there to be liquidated or extinguished; the whole tribe claim that they own the reservation, and unless the whole tribe shall consent, though the right of way may be ever so desirable, you must either go around the reservation, go out of the direct line, or the project must be abandoned unless the Indians will agree to accept compensation and permit the road to go across their reservation. Suppose the Indian tribe decline to give you a right of way; suppose they decline to let a public corporation in a Territory run its road over the reservation; suppose they decline to give their consent to Congress; then, gentlemen, how do you propose to cross over? I know perfectly well what you will do; I know a means will be found, either directly through the Government acting honorably, or indirectly through private individuals, to cross over that Indian reservation. I want to avoid that catastrophe. I do not want to recognize in a formal law of Congress here now deliberately at this late day of the world the right of an Indian tribe to say that a road shall not be constructed across its territory. By the language of the amendment, I think it is meant for that purpose. You leave it then entirely at the option of a wild tribe of Indians, who may be greatly incensed against the corporation or greatly incensed against the white people to such an extent as to prohibit the enterprise entirely. I cannot vote for this unqualified amendment which leaves to the entire control of an Indian tribe in a reservation the right to prohibit the construction of a railway across it.

Why, sir, there is not a State in this Union to-day that has the power to prevent it. There is not a civilized man to-day in a State owning a foot of land that can stand in the way of the Government of a State or of the nation in the construction of a public highway. Will you in these wild territories clothe a barbarous tribe of Indians with power that no American citizen has to-day, to say that a highway shall not pass over the land? Well, but you say that the corporation must go and contract with them—get their consent. Suppose they will not give their consent? Take the question as it is presented to you. Suppose they decline to give their consent; you are then, gentlemen, by this amendment conferring on them a power which you do not allow to a State of this Union; and I protest that it is not a proper amendment to ingraft on this bill. I would not put such unlimited powers in any State in the Union; much less would I clothe a wild Indian tribe with them.

Mr. President, the Indians of the United States have rights. The public sentiment of this country will respect them. I doubt not there are individuals in the Republic who transgress those rights, who have transgressed them, and who, I doubt not, will continue to transgress them. Neither you nor I, nor the nation, nor an act of Congress can prevent it; but I do not want now here deliberately to vote for an amendment which says to the Indians on these reservations which they casually occupy, or occupy under a treaty, under a covenant with the Government, that they may stop the car of progress. I do not want to commit myself to an act of Congress that in after-life will give me or somebody else great trouble to get around. All the Indian nation has to do is to refuse consent, to refuse purchase, to refuse consideration money. If the title in the reservation were in the individual Indian, then it might be extinguished; but the title is not in any head of a family; the title is in no individual Indian; we have fixed the title, if they have any at all, in the tribe, and you must therefore have the consent and the concurrence of the whole tribe before you can pass through with your public highway. I believe it was never the intention of the Government in any treaty that it ever made, and I think it cannot be the purpose of the Government now to clothe an Indian nation—I do not care how solemn the treaties are—with the right to interdict the construction of public highways by the authority of the Government across a Territory. I believe it would be unwise to now ingraft such an amendment upon this bill if it shall become a law; and with these views I feel that I cannot vote for the amendment of the honorable Senator from Connecticut in the language in which it now stands.

Mr. BUCKINGHAM. Mr. President, the honorable Senator from Illinois [Mr. OGLESBY] misunderstands the proposed amendment, or else I misunderstand it. It does not confer any additional power upon the Indians, no matter where they reside. It does not say that they may at their own discretion interpose and prevent the construction of a railroad through their reservation. Nothing of the kind. The bill proposes that any five natural persons may go to certain places and there construct a railroad. My amendment proposes to restrict them and say they shall not go upon Indian reservations in the Territories, and that is all. There is no additional power conferred upon any set of men by the proposition which I have presented. On the contrary, instead of conferring power, it is simply reiterating the declaration on the part of the Congress of the United States that it will not use the power which it may possibly possess to deprive the Indians of those rights which the nation has guaranteed to them.

But the honorable Senator suggests that here are men wild and savage who will stand in the way of all improvement, and that it will not do for this Government to stand still and allow any obstruction to the car of progress and improvement. Sir, if this Government wants a railroad through any section of this country I have no doubt it will find a way to secure it when the public necessity demands it; and if it is to go through an Indian territory, it appears to me that it can be secured in the way pointed out so briefly and so clearly by the honorable Senator from New Jersey, [Mr. FRELINGHUYSEN;] that no Senator should dissent from that way. I do not believe that we should expect justice unless we deal justly, especially with those who are feeble and dependent upon us; and it does not appear to me that we can suffer any man or set of men to trespass upon the territory which we have set apart and consecrated to the Indian and for his benefit, and interfere with the rights and privileges which we have guaranteed.

Mr. WRIGHT. Mr. President, when this bill was first taken up by the Senate I had very grave apprehensions as to its correctness. Its discussion, instead of diminishing, has increased those apprehensions. I have no wish to make the motion that I shall make in this case unless a vote can be taken at once on this amendment and the bill hurried to a final disposition. The bill was taken up, I am very well satisfied, without the Senate's really understanding what it involved, and the consequence has been that we have expended three days that might have been employed very profitably on the Calendar, as I humbly think, and in the discussion of a bill that in my judgment cannot now pass the Senate. I only rose for the purpose of saying that unless this vote is taken at once and unless steps shall be taken by those having the bill in charge to at least speed its disposition, if I can get the floor again I shall move to lay it upon the table and thus get rid of it.

Mr. STEWART. Let us have the question.

Mr. EDMUNDS. I only wish to occupy a single moment in reply to my friend from Illinois, [Mr. OGLESBY.] I merely wish to say to the honorable Senator from Illinois that I think he is mistaken in the view that he takes of this amendment. He says we are declaring that these Indians have rights in the reservations which we have no possible power to dispossess them of. That is a mistake. We only provide by this amendment of the Senator from Connecticut an exception as to the grant of a power to certain persons who may form a corporation. The substance of the bill is that any five people may form a corporation for certain purposes and may take lands. Now we say "we will not grant you this unlimited power; we will not confer this privilege upon you as it respects a certain part of the domain of the United States which we have set apart by an arrangement with some wild Indians for another purpose." Now adopting this amendment, I submit to my honorable friend, only leaves it exactly where it is now; and any corporation that wishes to go through a reservation must then apply to the President of the United States under this act to rearrange a treaty or a protocol with the Indians, to make some bargain with them by which they assent if it is right it should be done, or refuse, or if the President should be unwilling to do it, then to come to Congress, when the question would be raised that my friend suggests of what the paramount powers of the nation may be in taking any part of its domain for public use, whether it be occupied under State sovereignty or by an Indian under a treaty.

Mr. STEWART. Will the Senator from Vermont allow me to make a proposition?

Mr. EDMUNDS. No. If my friend from Nevada will let me finish I shall soon be done. Therefore, Mr. President, I submit in all seriousness to my friend from Illinois that the question that he opens does not arise on this amendment. We only say to these general corporators to whom we grant a general privilege, "We will not now give you in advance a privilege to do this thing; we do not grant it." Then it leaves it just as it was before. We do not say the Indians may not be invaded; we do not say that we have not the power to invade their country; we do not say that this right of eminent domain does not exist; we only say that where we have set apart territory for hunting purposes for wild tribes, that shall not be invaded by people to whom we are granting a privilege, until we shall know hereafter, or until the President and the Senate shall know hereafter, that that invasion is one which we can properly assent to when we know all the circumstances. The question that my friend has argued, I submit to him respectfully, does not arise.

Mr. STEWART. I simply want to make a proposition to my friend from Illinois and my friend from Vermont. After what has been sug-

gested by the Senator from New Jersey and the Senator from Vermont, I am satisfied to take the bill with this amendment, even if we are not allowed to build across Indian reservations. It will diminish the number of private bills that will come here and will allow some railroads to be built. I propose to abandon the opposition to the amendment, and let it be adopted. We shall have something of the bill left then, and it will diminish to some extent the great evil of private legislation.

Mr. OGLESBY. Mr. President, I am not disposed to misunderstand the meaning of the amendment. If it be susceptible of the interpretation put upon it by the honorable Senator from Vermont, it would relieve the objection I have against it. It does not strike me, however, that he entirely exonerates the amendment from just criticism, if not objection. This is a bill; it is an act of Congress, in case it becomes a law, conferring upon a certain number of persons the right to construct and operate a railroad through the Territories of the United States. I take it that Congress in conferring this power on its citizens to form corporations under this general law, is proceeding deliberately, for a sensible and wise and just purpose, in the exercise of a constitutional power. It is a deliberate act of legislation. Now what do we say? "That any number of natural persons not less than five may become a body-corporate for the purpose of locating, constructing, maintaining, and operating a railroad in the Territories of the United States, except the Indian Territory," and the amendment adds "and except Indian reservations in the Territories." Is not that a specific and direct exception in a law framed for a general purpose, to construct highways in the Territories, and to deliberately except the Indian reservations means something more than to say they are not included; that they are bound by nothing and we are bound by nothing when the act shall become a law? It seems to me that it is an acknowledgment by the national Congress of rights in the Indians on these reservations that were never intended by any treaty to be conferred upon them. I do not believe it is the spirit of the existing treaties with the Indians on these reservations. I believe it was never contemplated in any treaty or any contract with them in placing them on the reservations that they should thereby attain political sovereign rights over the territories of the Government. We do not confer the title upon them. It is simply a right of occupation. That is all they possess. They are to occupy the Territory for the purpose of civilization and to prevent war, to get them in a smaller compass, that we may manage them more efficiently and with less detriment to themselves or to ourselves.

Now, when you shall have gone beyond that general purpose and in an act of Congress excepted the Indian reservations in the Territories, what do you mean by the exception? What will the Indians on the reservations understand by it, if they can understand it at all? I differ with the Senator from Nevada in one essential respect. I do think that the Indians have a very keen perception of their rights under every treaty we have ever made with them. I think they understand all they get by every treaty that has ever been made with them, and I think they are disposed to insist upon a technical and strict construction of the treaties. They are uneducated, it is true, in one sense of the word, but many of them are men of great learning, if you may use the word "learning" as ascribed to men who never have been to school, but who have been educated under the discipline of a severe experience. I say they do understand their rights, and it will be explained to them by the Indian agents or the friends of the Indian agents; and in less than twenty-four days after the passage of this law it will be made plain to them that their rights and their territories were purposely excepted from this act, and their understanding will be at once that it was the purpose of Congress not to invade their territory without their consent and authority. They may never give that consent. An Indian tribe on a reservation may never give it. I take an extreme view, I grant you, but still I take a proper view of the effect of passing a law here of the character of this one. I do not wish to put the Government on a false ground any further with the Indian tribes. I hope the day will come when the General Government will act candidly and fairly and plainly with the Indian, and tell him, what fate already tells him, and what we ought to have the candor to confess to ourselves, that the present tribes of Indians on our western prairies and plains have but two destinies before them—one of certain and unavoidable extermination, or the other of elevation to American citizenship.

Mr. CLAYTON. I desire to offer an amendment in the nature of a substitute which I hope the Senator from Connecticut will accept.

The PRESIDING OFFICER. The proposed substitute will be read.

Mr. CLAYTON. It is to be inserted at the end of section 1.

The PRESIDING OFFICER. The amendment will be reported.

The Chief Clerk read as follows:

Provided, That no corporation organized under the provisions of this act shall take any land belonging to any Indian reservation without the consent of the tribe occupying said reservation, or without making just compensation therefor to be ascertained in such manner as Congress may direct.

Mr. CLAYTON. I desire to vote for this bill; but I am free to confess that if the Senator from Nevada by accepting the amendment offered by the Senator from Connecticut shall make that amendment a part of this bill, I cannot vote for it. I cannot commit myself to the doctrine that the United States cannot under any circumstances authorize the establishment of a highway through an Indian reservation. As has been said so aptly by the Senator from Illinois, let it go among the Indians themselves that this Government cannot project through an Indian reservation a public highway for the use of citizens of the United States through its own territory—and certainly these Indian reservations are a part of the territory of the United States and under the constitutional provision it is within the power of Congress to make necessary regulations for the government of that territory—and the consequences will be very detrimental. To adopt the principle that we have not this power, would be to adopt a very false principle.

Mr. STEWART. I appeal to my friend from Arkansas to let us have as much as we can get. I am satisfied we cannot pass the bill without the amendment.

Mr. MORTON. This amendment uses the word "or" where it means "and," I think.

Mr. CLAYTON. I meant "or"—either one or the other. If they get the consent of the Indian tribe, then it is not necessary to come to Congress. But if the Senator prefers it, I will put in the word "and," so as to read:

Provided, That no corporation organized under the provisions of this act shall take any land belonging to any Indian reservation without the consent of the tribe occupying said reservation, and without paying a just compensation therefor to be ascertained in such manner as Congress may direct.

The PRESIDING OFFICER. Does the Senator from Connecticut accept this as a substitute for his amendment?

Mr. BUCKINGHAM. I do not accept it.

Mr. MITCHELL. I should like to inquire of the Senator from Arkansas if the amendment provides that the company proposing to build a road through a Territory where it necessarily runs across an Indian reservation must obtain the consent of the tribe and also make compensation?

Mr. CLAYTON. Pay a just compensation. The amendment as I at first drew it was that they should either obtain the consent of the tribe or make just compensation to be ascertained in such manner as Congress might direct.

Mr. MITCHELL. I think that was right.

Mr. CLAYTON. It seems to me that in any case they should pay just compensation.

Mr. FRELINGHUYSEN. And in any case they have got to get consent.

Mr. CLAYTON. No; that is not my understanding. If it is capable of that understanding, I shall have to change it.

Mr. FRELINGHUYSEN. That is it, and it is much more obnoxious to the argument made than the proposition of the Senator from Connecticut.

Mr. STEWART. Let us take this amendment.

Mr. CLAYTON. I think I had better leave the amendment as I at first drew it with the word "or" instead of "and."

Mr. SARGENT. I simply wish to say that I think it would be very injurious to turn the Indian tribes over to discuss these matters with these corporations or to let the corporations loose on the Indian tribes with the requirement that they shall obtain the consent of the Indian, legalizing their endeavors to get that consent; for they with their sharpness may take advantage of the simplicity of the Indians. There is no guardian of the Indians to see that they are not imposed on. Certainly the amendment will not do in that shape. If there is any consent to be got it should be by agents of the Government acting impartially, and not the agents of corporations. It seems to me the amendment will not do at all. I infinitely prefer that of the Senator from Connecticut, which remands the whole question to Congress; and I do not know but that that is the best solution of the matter. I think the proposition I made provides for some contingencies and lays down some general rules which Congress would be willing to act upon, but I am not strenuous in reference to it. I am very well satisfied that it will not do to tell these corporations, "Go and make your own bargains with Indian tribes." They will introduce whisky and all sorts of mean influences in order to get their consent. I think it would be impossible for us then to control the Indian tribes; and it might lead to Indian wars on account of the bad influences we should bring directly in contact with these tribes. Now, we will not let anybody treat with them but agents of the Government, and we find that that is wise policy; but if you say these corporations may get their consent, they will use any means to get consent—it may be by bribing some of the head chiefs; it may be by intoxication; it may be by improper influences of various kinds. I do not think we ought to let any such influences loose on the Indians.

Mr. CLAYTON. I understand that the Senator from Connecticut does not accept my amendment. Therefore I presume it is out of order to offer it at this time, as it comes in at another part of the section.

The PRESIDING OFFICER. The proposition of the Senator from Arkansas is withdrawn; and the question recurs on the amendment of the Senator from Connecticut, on which the yeas and nays have been ordered.

Mr. FERRY, of Michigan. I ask that it be reported.

The CHIEF CLERK. The amendment is to insert after the word "Territory," in the sixth line of the first section, the words "and Indian reservations in the Territories."

Mr. STEWART. I hope the Senator will withdraw the call for the yeas and nays. I do not think there will be any opposition to the amendment. Let us adopt it by unanimous consent.

The PRESIDING OFFICER. The call for the yeas and nays will be considered withdrawn if there be no objection. The Chair hears no objection. The question is on the amendment of the Senator from Connecticut [Mr. BUCKINGHAM] to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. SARGENT. I withdraw the amendment which I have pending to the eighth section.

The PRESIDING OFFICER. The amendment moved by the Senator from California is withdrawn.

Mr. HAMLIN. I wish to propose an amendment in the eighth section, and I understand it will be acceptable to the friends of the bill. I am a friend of the bill myself. It is the section that provides for the right to the road to take from adjacent public lands along the line material of "earth, stone, timber, and water necessary for the construction and maintenance thereof." I wish to strike out the words "and maintenance." I think if they remain in for all time the companies might have the right to take off adjoining land that which would be necessary to keep their road in repair forever. I would grant a road newly building the right to take material therefor, but not for maintenance and repair. I therefore move to strike out the words "and maintenance;" so as to read:

Authority is hereby given to such corporation to take from the public lands adjacent to the line of said road, material of earth, stone, timber, and water necessary for the construction thereof.

The amendment to the amendment was agreed to.

Mr. BAYARD. I offer the following amendment as an additional section:

That any charter herein granted shall be revocable by the Legislature of any State which may hereafter be formed out of any Territory or Territories of the United States and organized and admitted into the Union as a State, within whose limits any such railroad shall in whole or in part be found to exist, and shall in all respects be subject to the laws of such State.

Mr. STEWART. I think if it was simply made subject to the laws of the State it would be better.

Mr. WADLEIGH. I move to amend the amendment offered by the Senator from Delaware by a clause giving Congress the right to alter, amend, or repeal this charter whenever, in their opinion, the public good requires it.

Mr. STEWART. That is in the provision now.

Mr. WADLEIGH. And also embracing the idea of the Senator from Delaware as to placing the roads in the power of the States when they are erected. I send my amendment to the desk.

The PRESIDENT *pro tempore*. The amendment suggested by the Senator from New Hampshire will be read.

The Chief Clerk read as follows:

Congress may at any time, when in their opinion the public good requires it, add to, alter, amend, or repeal this act; and whenever the Territories, or any part thereof, in which the said railroad is located, shall be admitted into the Union as States, the Legislatures of said States may at any time add to, alter, amend, or repeal this act so far as relates to such railroad or any part thereof which shall be within the territory of said State.

Mr. BAYARD. The amendment of the Senator from New Hampshire seems to be preferable to mine. Mine was intended simply to provide for that power of revocation which by the constitutions of the several States is now retained by them in all these matters of corporate charter; but his provides, I think more wisely, that it shall extend during the period of territorial condition of the State to the United States, and after that shall have passed the power shall be vested in the several States which may be formed out of these Territories. I therefore would prefer that his amendment be moved as a substitute for mine.

Mr. STEWART. You will accept it?

Mr. BAYARD. I accept it in lieu of mine, withdrawing the one I offered.

Mr. STEWART. Allow me to suggest that it shall come in on page 30, ninth line, in lieu of the provision:

Congress may at any time, having due regard for the rights of such corporations, add to, alter, amend, or repeal this act.

Let it come in in place of that clause, striking that out.

Mr. WADLEIGH. That was my amendment.

The PRESIDENT *pro tempore*. The Senator from Delaware waives his amendment.

Mr. BAYARD. I withdraw my amendment.

The PRESIDENT *pro tempore*. The question is on the amendment of the Senator from New Hampshire, to strike out part of line 9 and lines 10 and 11 on page 30, and insert what has been reported.

Mr. WADLEIGH. I move that, because in my judgment the clause in the tenth line, "having due regard for the rights of such corporations," will prevent Congress from doing anything which it could not do without the last clause of the section if that was not in. That is, Congress may at any time alter, or repeal, and amend the charter of a corporation created by it, unless that amendment or that repeal affects the rights of the corporation. If the provision for a repeal or amendment be in the charter it cannot affect their rights. Now, in my judgment, the clause "having due regard for the rights of such corporations" would have a legal effect to prevent Congress from making any amendment to the charter which affected the rights of the corporations and would deprive the last clause of the section of its legal force. My amendment gives to Congress the same rights which the Legislatures of nearly all the States now, I think, retain in the charters granted by them for corporations.

The PRESIDENT *pro tempore*. The question is on the amendment of the Senator from New Hampshire to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. BAYARD. In line 3 of section 1 I move to insert after the word "persons" the words "citizens of the United States, a majority of whom shall be residents in the Territory where such railroad shall be proposed to be built;" so that it will read:

That any number of natural persons, citizens of the United States, a majority of whom shall be residents in the Territory in which the railroad is proposed to be built, not less than five, may become a body-corporate, for the purpose of locating, constructing, maintaining, and operating a railroad in the Territories of the United States, except the Indian Territory and Indian reservations in the Territories, and the District of Columbia, with all the rights, privileges, and powers conferred by, and subject to all the restrictions of, this act.

Mr. STEWART. I suggest to my friend from Delaware that that would not work very well, because, in the first place, a road might go through several Territories and the corporation could not get a majority even in each Territory; and another thing, the people of the Territories would want to invite people elsewhere in the United States to invest. I have no objection to saying that they shall be citizens of the United States, but anybody should have a right to go into the Territories and build a railroad. If the right be confined exclusively to residents, I think it would embarrass the making of railroads very much. I am willing to have it accommodated so that it will please everybody, but I think to require a majority to be residents of the Territories would be too much.

Mr. MORRILL, of Maine. Will the Senator allow me to inquire whether the scope of this bill is such as to allow any five persons, without regard to residence in the United States anywhere, to file their certificate of intention to build a railroad from the western boundary of Dakota to the Pacific Ocean, and that on this general description there would be ample power to create such a corporation to build through all the Territories?

Mr. STEWART. Certainly. What hurt would it do if they did build through the Territories?

Mr. MORRILL, of Maine. I simply made the inquiry.

Mr. STEWART. If they organize to build a road they can build any length they please, but they must build so much each year in order to make that franchise good, and it does not exclude anybody else from building too.

Mr. MORRILL, of Maine. How much must they build?

Mr. STEWART. They must grade ten miles each year, and have the road completed in ten years.

Mr. MORRILL, of Maine. They must grade, but not operate?

Mr. STEWART. No.

Mr. MORRILL, of Maine. Not operate any. Then, Mr. President, it occurs to me, I would suggest to my friend that on this supposition, by so broad a power, you commence, say, at the western boundary of Dakota, and you file a certificate, running by general direction—I suppose no more specific direction, perhaps, is practicable—but by giving simply the direction which you run through certain counties, naming the counties, you can run to the Pacific coast; and by filing that certificate of such intention you may secure the right to build a road through all the Territories, having the right of way one hundred feet on each side.

Mr. STEWART. Fifty feet on each side.

Mr. MORRILL, of Maine. No matter; but you secure that right, and the nominal duty the company has to perform is to grade ten miles a year.

Mr. STEWART. Will that do any harm? Suppose that could all be done. In the first place, the certificate is filed; in the next place, the right of way is only acquired by building the road. They have no privileges until they build the road, and where and as they build the road; and if they go through a defile they have got to divide the right of way with any other company. They merely can go on and claim their right and build the road in ten years; but the fact that they have got the right does not exclude anybody else from doing the same thing. Another company can be organized without coming to Congress, as was the law heretofore. It makes all the difference in the world where you have got to come to Congress to get the charter. But the mere fact that they claim the right of way to go to the Pacific Ocean does not affect anybody in the world. They get no right, no privilege, no right of way until they build, and when they get there it is not exclusive; somebody else can build alongside of them. It is the mere privilege of building which this bill gives.

Mr. MORTON. Mr. President, I had paid no attention to this bill until to-day my notice was attracted by an amendment affecting the rights of the Indians, a subject to which my attention has been called on several occasions before. My attention is now for the first time called to the initiatory section of this bill. It provides a general incorporation law by which any five persons may create a corporation to run a railroad across all the Territories of the United States, starting, for example, on the western border of Minnesota, running through Dakota, Montana, Idaho, and Washington Territory.

It is competent for Congress undoubtedly to charter a company for that purpose, and it appears to me that so great a franchise as that should not be conceded to anybody unless it be done by the deliberate judgment of Congress. Besides that, it confounds all territorial distinctions. The Territories are hereafter to become States; and the practice heretofore has been to give to the Territory that authority

which afterward became the power of the State, so that each State and Territory had its own railroad system; but under this law five men can incorporate a company to run clear across all the Territories.

The Senator from Nevada says this is not an exclusive privilege. In one sense it is an exclusive privilege, because where one company comes in and incorporates and lays out a line of railroad, that has the effect to prevent other parties from doing the same thing. A second company will not be incorporated to build a road alongside of the line projected by the first company. I had supposed that this was intended to confer upon each territorial Legislature the power to charter railroad companies within the limits of that Territory. I should favor such a bill as that, to allow each territorial Legislature to exercise the same powers, subject to being overruled by Congress, that each State Legislature has in regard to its territory. Let us suppose, a great many persons believe, that Congress has the power to charter railroads in the States—a power that has never been exercised; but I will take it for granted that Congress has that power. What would be thought of a general act of incorporation allowing five persons to create a company to build a railroad to run from Washington to the city of Indianapolis or Saint Louis, without consulting the States through which it passes, and without consulting Congress? That is the precise power that is to be given, so far as the Territories are concerned, enabling a company to become a corporation to construct a road fifteen hundred miles in length, and that is to be an existing corporation when those Territories come in as States. One amendment proposes to authorize the States when they are created to repeal the charter, but that would not be right, because a State occupying a midway position might repeal this extended charter. Suppose, if you please, that Montana becomes a State and Montana then repeals the charter so far as Montana is concerned and cuts the road in two in the middle; that would not be right. No such power as that ought to be conferred. Where a railroad is to be run beyond the limits of one Territory into another, or clear across all the Territories, should not that railroad be chartered by Congress? Should there be a general law that authorizes anybody, any speculator, to come in and incorporate a road and then sell out the charter; because that has been a business in this country. It has been a business in States in the West to procure charters from Legislatures or to incorporate under general laws and get the start of other people, and then sell out.

I believe, Mr. President, that I shall feel constrained to vote against this bill entirely. It inaugurates a new system; creates a general law under which five men—they may not even be American citizens—they may not one of them be a resident of any of these Territories—five mere adventurers and speculators without capital, may come in and incorporate a railroad running across three or four Territories fifteen hundred miles in length without regard to the wishes or the convenience of the Territories. It will not do to say that it does not prevent other people from doing the same thing. It does, because where a railroad is once located other persons will not come in and build along the same line. The first line may never be built or may not be built for many years, whereas the local convenience of the Territory is broken up and destroyed. It seems to me, Mr. President, too great a power, and it is an innovation. I should very much prefer to authorize each territorial Legislature to charter railroad companies in its own Territory subject to the revision of Congress, and if a company acting in good faith want to build a railroad across two or three Territories, let them come to Congress, for it is of enough importance to get a charter from Congress.

Mr. STEWART. Leaving it to the Territories has been tried and Congress in 1867 abolished that plan, seven years ago. Coming to Congress men get a special charter without consideration which blocks up the passes. We want a free railroad bill. That is all I want to say about it.

Mr. FLANAGAN. Mr. President, I have listened a good deal and hesitated whether I should submit any remarks upon this subject, but indeed it appears to me that it is my duty. I shall feel better after it, I think. I am familiar to some extent with a large area of the frontier country. I am familiar with Texas, and the process by which that country has been peopled. I went to Texas at an early day. We have about two hundred and seventy-five million acres of land there, and a new-comer to the country, as the immigrant was termed, from time to time would make his appearance. He would go to some leading man in the neighborhood and ask for public lands. A man was entitled in the first settlements there to a league or more; subsequently it was reduced to thirds of leagues, twelve hundred and eighty acres, six hundred and forty acres, and down finally I believe in 1842, or 1843 perhaps, to three hundred and twenty acres for heads of families. There were shrewd men that at first emigrated to that country, as there will be in all those vast regions now known as the Territories of the United States. Those men who were first there, when persons would move to the country seeking homes honestly, with the inducements that had been held out to them to do so, would seek over the country information to know where a good tract could be procured. The shrewd men there before them almost invariably had all these fine selections secured; and how were they secured? It was termed there by the wise ones that they had them lariated out. They were filed upon, to use the term, and a very proper one, too, by filing the certificates of head rights, bounty warrants, and all that sort of thing—they would file upon them, and when a man would come into the country they would show him the land; a league, one-third of a league, twelve hundred and eighty acres, six hundred and forty acres, or three hundred and twenty acres, as the case might be, and sell it to him. They would say, "This is my location, but I will float; I will take up my certificate and sell this for five hundred or a thousand dollars," whatever the party visiting found himself able to pay, when the land in the first instance was not owned by the party selling it.

Now, it seems to me that I can see that state of things precisely in this contemplated bill. What is this bill? It purports, as has been before reiterated here—the language is clear—that any five men going in and forming an association can commence building railroads broadcast through this mighty domain. To ascertain the privilege they are precisely in the condition of the men in Texas at an early day who had the lands lariated out. Then they must sell to substantial men who go in and desire to build railroads. They can then have an opportunity to prey upon them; they can sell to them. This bill is simply anticipating and reaching too far, in my humble opinion. It is crossing the river before you get to it. It is unnecessary to do so, and in many instances very objectionable. If there were five individuals to-day asking for a charter, there is no man here more ready than I would be to give it to them, and I would be gratified to know that they were in reality intending to construct a railroad through some one of these Territories; but I want to know them. I want to know A, B, C, D, E, &c., as to whether they are responsible; I want to know the friends that can vouch for them, or whether they be men of straw. We have gone through that thing in Texas. For twenty-five years large tracts of country have been set apart for railroad enterprises, but those men who originally procured them never built any roads; and this is simply re-enacting that same system and carrying it out in the vast Territories of the United States, and it will substantially be in the way at some day of good, practical, and able men doing and performing that which they will desire to do. Then it will be sufficient to grant these charters. "Sufficient unto the day is the evil thereof," or for the benefits that may be derived in this particular bill as contemplated. There is too much of it. It begins anywhere, and ends likewise. The privilege to be taken is too vast. We do not know whether it is Montana or what other Territory or what individuals. These Mennonites of whom we hear may come in now. There is a proposition to give them not more than half a million acres, I believe, in one instance. Whenever they come they may designate that they are going to build a road thus and so. Then we are giving up these rights to people from all countries on God Almighty's earth. I am not opposed to their coming; I want to invite all who will be good citizens; but when they come and ask for substantial aid and privileges, it will be time enough to give them to them. I do not want to make any such bid; it is not wholesome; it is vicious, in my opinion, and I am opposed to it.

There is so much anxiety to close up this matter and consummate it that I will not continue the remarks that I could very readily make on the subject. I think it an impolitic thing. Whenever it is found necessary for men to come here and ask charters, it will be found that they will be accorded to them instantly and there will be no hesitancy; but this thing of anticipating and permitting them to lariat out these lands, as they will just as certain as water runs down stream, I am opposed to. Man has done it and he will continue to do it. Men will take the map and look to the various points there, and will run a line directly from one to the other, and they will appropriate those lines as far as they can, and whenever they shall have introduced a few teams of oxen and thrown up a little embankment, leveling the land a little in those beautiful prairies, they will have a location there, and their representatives in Congress in due time will come here and show that there was some cholera or something that came along so that they could not exactly come up to time, but their intentions were good, and ultimately they will certainly do the thing, and if they cannot they will sell out to those who can; and thus it goes on interminably. I am opposed to the whole policy.

The PRESIDING OFFICER, (Mr. CLAYTON in the chair.) The question is on the amendment to the amendment offered by the Senator from Delaware.

Mr. STEWART. I would suggest to the Senator from Delaware that he ought to modify his amendment. It should be "Territories" instead of "Territory."

Mr. BAYARD. Let the word "Territory" in the amendment be in the plural.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Delaware as modified.

Mr. BOREMAN. I should like to have it reported.

The CHIEF CLERK. It is proposed after the word "five," in line 3 of section 1, to insert:

Citizens of the United States, a majority of whom shall be residents of the Territory in which the railroad is to be built.

So as to read:

Any number of natural persons not less than five, citizens of the United States, a majority of whom shall be residents, &c.

Mr. CONKLING. I wish to suggest to the Senator from Delaware, as a mere matter of phraseology, to drop the words "natural persons," and let it read that "five citizens of the United States." "Natural persons" is rather on odd phrase.

Mr. BAYARD. That is in the original bill and not in my amendment. That is the language of the bill.

Mr. CONKLING. But let the Senator strike out those words and insert his words, "that five citizens of the United States, and of one or other of these Territories," not of one Territory necessarily.

Mr. BAYARD. I am perfectly willing to include in my amendment a motion to strike out "natural persons" and insert the words I have proposed.

The PRESIDING OFFICER. The amendment will be so modified.

Mr. STEWART. Let the amendment be read as modified.

The CHIEF CLERK. As proposed to be amended, the section will read:

That five citizens of the United States, a majority of whom shall be residents in the Territories in which the railroad is proposed to be built, may become a body-corporate, &c.

Mr. HAMLIN. I want to suggest to the Senator from Delaware that he had better say "in the Territory or Territories."

Mr. BAYARD. I have no objection to that.

The PRESIDING OFFICER. The amendment will be so modified. It will be read as modified.

The CHIEF CLERK. As modified it reads:

That five citizens of the United States, a majority of whom shall be residents in any Territory or Territories in which the railroad is to be built, may become a body-corporate, &c.

The amendment to the amendment was agreed to.

Mr. BAYARD. In section 2, line 11, after the word "road," I propose to insert the words "which shall not be less than $10,000 per mile;" so that the clause if amended will read:

Thirdly, the amount of capital stock necessary to construct such road, which shall not be less than $10,000 per mile, which amount so specified shall not be increased without the consent of Congress.

There is a requirement that of the subscription 10 per cent. shall be paid in actually in cash; and in order to ascertain what that shall mean, the number of shares of the company must be stated, and the value of capital stock per mile of road. Ten thousand dollars is a minimum for such construction.

Mr. STEWART. I have no objection to that amendment.

The amendment to the amendment was agreed to.

Mr. CAMERON. Mr. President——

Mr. STEWART. Let us have a few moments more.

Mr. CAMERON. I move that the Senate proceed to the consideration of executive business.

Mr. STEWART. I think we can get a vote in a few moments.

Mr. CAMERON. If I thought we could have a vote I would give way.

Mr. STEWART. Give us ten minutes more and we shall get through. I do not think there will be more discussion.

Mr. CAMERON. I do not want to make a bargain, but if the Senator from Nevada will not say another word on the subject I will withdraw the motion. [Laughter.]

Mr. STEWART. I appeal to my friend to wait a few moments.

Mr. CAMERON. Very well. I withdraw the motion.

Mr. WADLEIGH. It has been suggested to me by my friend from Iowa [Mr. WRIGHT] that in the amendment offered by me there were one or two verbal errors which might render it susceptible of two constructions. For the purpose of obviating those objections I desire to move to reconsider the vote whereby that amendment was adopted, and I propose when that is done to substitute in place of it a slightly changed form of words.

Mr. STEWART. Let it be read and then we can do it by unanimous consent.

Mr. WADLEIGH. I move that, by common consent, this be substituted for the amendment adopted on my motion:

That Congress may at any time, when in their opinion the public good requires it, add to, alter, amend, or repeal this act; and whenever any Territory, or part thereof, in which the said railroad is located, shall be admitted into the Union as a State, the Legislature of any such State may at any time add to, alter, amend, or repeal this act so far as relates to such railroad, or any part thereof, which shall be within the territory of said State.

The PRESIDING OFFICER. If there be no objection the amendment in this form will be substituted for the original amendment of the Senator from New Hampshire.

Mr. CONKLING. I want to say a word to the Senate upon the amendment now offered, before it is accepted.

Mr. CAMERON. Will the Senator from New York allow me to submit my motion?

Mr. CONKLING. If my friend will allow me to enjoy the floor I will promise not to exceed one minute in my occupation of it. It is a very odd commentary just now upon our legislation to adopt such an amendment as that. Congress exerting its power charters a railroad, although by general act, through a Territory. We are providing that by and by when statehood is conferred upon that Territory the Territory or a piece of it may paralyze and annul entirely the action of Congress. And that when we have a bill before the Senate, which has been adopted in the other House, which asserts virtually the right of Congress over railways in the States, although built by States while they were States. It is a long transition from that doctrine to the notion that we should provide, having confessedly the right to make all individual rules and regulations for the Territories, that the railroad being built under act of Congress, when hereafter, fifty years hence if you please, a Territory comes to be a State, then that Territory or a piece of it may step in and strike down this railroad altogether. I do not wish to occupy any time, nor do I resist the adoption of the amendment; but I simply call the attention of the Senate to the oddity of this legislation.

Mr. CAMERON. It is evident now that we shall not get through with this bill to-day, and I therefore renew my motion that the Senate proceed to the consideration of executive business.

Mr. STEWART. I hope the Senate will not go into executive session yet. Let us see if we cannot pass this bill.

The PRESIDING OFFICER. The motion is not debatable. The question is on the motion of the Senator from Pennsylvania that the Senate proceed to the consideration of executive business.

Mr. HAMLIN. I do not rise to debate it; but I do rise to ask the indulgence of my friend from Pennsylvania and of the Senate to take up before we go into executive session a bill that will not occupy two minutes. If the Senator will give way to me, I will state the reason why.

Mr. CAMERON. I yield.

BRIG HATTIE EATON.

Mr. HAMLIN. The Senate Committee on Commerce have this morning reported a bill to authorize the Secretary of the Treasury to issue a register to the British brig Hattie Eaton. That brig is now loaded at the wharves in Boston. The committee have unanimously reported in favor of giving that register and the vessel is now held up for want of it. I ask that it be passed.

There being no objection, the bill (H. R. No. 1600) directing the Secretary of the Treasury to issue an American register to the English-built brig Hattie Eaton was considered as in Committee of the Whole.

It directs the Secretary of the Treasury to issue an American register or enrollment to the English-built brig Hattie Eaton; which brig was repaired in an American port, and became the property of an American citizen in payment of the expense of the repairs.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. MCPHERSON, its Clerk, announced that the House had passed a bill (H. R. No. 2885) to remove the disabilities of David A. Telfair, of North Carolina, and Charles H. McBlair, of Maryland; in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills; and they were thereupon signed by the President *pro tempore:*

A bill (H. R. No. 154) for the relief of William Stoddard, late assistant quartermaster United States Volunteers;

A bill (H. R. No. 517) for the relief of Sarah F. Lincoln, postmaster at Spencerport, Monroe County, New York;

A bill (H. R. No. 519) to grant an American register to the Canadian tug Noah P. Sprague;

A bill (H. R. No. 1922) to establish a reservation for certain Indians in the Territory of Montana;

A bill (H. R. No. 1932) for the relief of Frank M. Kelly;

A bill (S. No. 241) to confirm the title to certain lands on the Fort Kearney military reservation, in Fremont County, Iowa;

A bill (S. No. 254) to donate the military reservation at Fort Steilacoom to the Territory of Washington, for the use of the insane asylum;

A bill (H. R. No. 676) for the relief of Joseph R. Blackwell, postmaster at Litchfield, Illinois;

A bill (H. R. No. 971) to forfeit to the United States certain lands granted to the Placerville and Sacramento Valley Railroad Company to aid in constructing a railroad from the town of Folsom to the town of Placerville, in the State of California;

A bill (H. R. No. 1222) for the relief of George W. Keyes;

A bill (H. R. 1405) for the relief of Victor Mylius, of Macoupin County, Illinois;

A bill (H. R. No. 1574) for the relief of Richard H. Dutton, postmaster at Cavendish, Vermont;

A bill (H. R. No. 1585) for the relief of the heirs of Seth Lamb; and

A bill (H. R. No. 1892) authorizing the Passaic County National Bank of Paterson to change its name.

ADJOURNMENT TO MONDAY.

On motion of Mr. FRELINGHUYSEN, it was

Ordered, That when the Senate adjourns to-day it be to meet on Monday.

HOUSE BILL REFERRED.

The bill (H. R. No. 2885) to remove the disabilities of David A. Telfair, of North Carolina, and Charles H. McBlair, of Maryland, was read twice by its title, and referred to the Committee on the Judiciary.

EXECUTIVE SESSION.

Mr. CAMERON. I renew my motion that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After ten minutes spent in executive session the doors were reopened, and (at three o'clock and fifty minutes p. m.) the Senate adjourned.

HOUSE OF REPRESENTATIVES.

FRIDAY, *April* 10, 1874.

The House met at twelve o'clock m. Prayer by the Chaplain, Rev. J. G. BUTLER, D. D.

The Journal of yesterday was read and approved.

CURRENCY.

Mr. RICE. I present for reference to the Committee on Banking and Currency a series of resolutions adopted by the Board of Trade of the city of Chicago, on the subject of the currency.

The resolutions were referred to the Committee on Banking and Currency.

Mr. RICE. I ask unanimous consent that they be printed in the CONGRESSIONAL RECORD.

There was no objection, and it was so ordered.

The resolutions are as follows:

Preamble and resolutions adopted on 'Change by the Board of Trade of the city of Chicago on the 7th day of April, 1874:

Whereas it is contemplated by the present Congress to provide for further issues of irredeemable currency when that currency is already so plenty that it is worth but about eighty-eight cents on the dollar, thereby opening the door for the next Congress to declare any issue made by the present Congress inadequate, and therefore order a further issue of fifty to five hundred millions more: Therefore,

Resolved, That we protest against the proposed measure to inflate and further debase the currency, deeming any currency too plenty that is not worth one hundred cents upon the dollar in gold.

And further resolved, That instead of debasing the currency Congress should take measures to make good the promises of the Government to pay and provide for the redemption of a currency already too redundant, thereby carrying out its plighted faith with its creditors and establishing the credit of the United States upon the high plane of honor to which it is entitled.

Resolved, That we call upon the President to use the power and prevent the carrying into effect of any measures that will tend to delay or render at all doubtful a gradual but certain return to specie payments.

Resolved, That the secretary be requested to hand these resolutions to the press for publication, and also forward copies to our representatives in Congress and to the President.

A copy of the records of the board.

CHS. RANDOLPH,
Secretary.

CHICAGO, *April* 7, 1874.

REMOVAL OF DISABILITIES.

Mr. BUTLER, of Massachusetts, by unanimous consent, reported from the Committee on the Judiciary a bill (H. R. No. 2885) to remove the disabilities of David A. Telfair, of North Carolina, and Charles H. McBlair, of Maryland; which was read a first and second time.

The bill was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time, and passed, two-thirds of the House voting therefor.

ORGANIZATION OF THE ARMY.

Mr. BUTLER, of Massachusetts, also, by unanimous consent, from the Committee on the Judiciary, reported back the bill (H. R. No. 2473) to repeal so much of the laws relating to the organization of the Army of the United States as establishes distinctions to the prejudice of colored American citizens; and moved that the committee be discharged from the further consideration of the same, and that it be referred to the Committee on Military Affairs.

The motion was agreed to.

RAILROAD FROM THE MISSOURI RIVER TO THE PACIFIC OCEAN.

Mr. HOUGTON, by unanimous consent, from the Committee on the Pacific Railroad, reported a bill (H. R. No. 2886) amendatory of an act supplemental to the act entitled "An act to aid in the construction of a railroad and telegraph line from the Missouri River to the Pacific Ocean, and to secure to the Government the use of the same for postal, military, and other purposes," approved July 1, 1862, and for other purposes; which was read a first and second time, ordered to be printed, and recommitted to the Committee on the Pacific Railroad, not to be brought back on a motion to reconsider.

PREVENTION OF CONTAGIOUS DISEASES.

Mr. BROMBERG, by unanimous consent, from the Committee on Commerce, reported a bill (H. R. No. 2887) to prevent the introduction of contagious or infectious diseases into the United States; which was read a first and second time, recommitted to the Committee on Commerce, and ordered to be printed.

Mr. BROMBERG. I ask unanimous consent that the bill may be printed in the CONGRESSIONAL RECORD.

There was no objection, and it was so ordered.

The bill is as follows:

A bill to prevent the introduction of contagious or infectious diseases into the United States.

Be it enacted by the Senate and House of Representatives of the United States in Congress assembled, That it shall not be lawful to bring any vessel or vehicle coming from a foreign port or country and affected with a contagious or infectious disease or conveying persons, merchandise, or animals affected with contagious or infectious diseases, into any port of the United States, except under the regulations hereinafter provided.

SEC. 2. That the Surgeon-General of the Army, the Surgeon-General of the Navy, and the supervising surgeon of the marine-hospital service, are hereby constituted, *ex officio*, a board to make the regulations to be observed by persons controlling vessels or vehicles coming from foreign ports or countries into ports of the United States, by passengers upon and persons connected with vessels or vehicles so coming, and by pilots at the several ports of entry, to the end that no persons, animals, or goods affected with infectious or contagious diseases may enter the United States. And said board may prescribe the times, manner, and places of performing quarantine by vessels, vehicles, persons, animals, and goods coming from foreign ports or countries, and may make all needful rules and regulations, not inconsistent with law, and alter and amend the same, for the efficient execution of the purposes of this act; but no rule or regulation or amendment to the same shall have effect until approved by the President. The board shall organize within thirty days after the passage of this act and establish the rules and officers for its own government.

SEC. 3. That there shall be detailed or assigned by the President, from among the commissioned medical officers of either the Army or the Navy, or from among the surgeons of the marine-hospital service of the Treasury Department, to be selected without regard to rank, but solely with reference to skill and experience in hygiene and public sanitary science, one who shall be the secretary to the above board, and shall, in addition, under the direction of the board, be charged with the supervision of all matters pertaining to the establishment and maintenance of the system of quarantine provided by this act.

SEC. 4. That for the execution of the duties arising out of this act any medical officer of the Army or of the Navy, or any surgeon of the marine-hospital service of the Treasury Department, may be detailed or assigned, according to the exigencies of the service, with especial regard to economy and efficiency; but no person in the employment of the Government, detailed or assigned to duty under the provisions of this act, shall receive any additional compensation therefor. And the President of the United States shall issue such instructions to the officers of the various Departments of the Government, not interfering with their peculiar duties, as shall secure the aid and co-operation necessary to perfecting and enforcing the regulations provided for by this act.

SEC. 5. That any person violating the provisions of the first section of this act shall, upon conviction, be liable to a penalty not exceeding $500, or to imprisonment for not more than two years, at the discretion of the court; and the circuit courts of the United States shall have jurisdiction of all cases arising under the provisions of this act.

SEC. 6. That the provisions of this act shall not be so construed as to prevent the establishment and maintenance by States or municipalities of health regulations and quarantine measures in addition to, or in furtherance of, and not conflicting with, the system constituted by this act, and such local system and its appendages shall remain under the control of the respective local authorities.

FOREIGN IMMIGRATION.

Mr. CREAMER, by unanimous consent, submitted the following preamble and resolution; which were read and referred to the Committee on Commerce:

Whereas the dimensions of foreign immigration to the United States have made it a matter of national importance and concern; and whereas the commissioners of immigration at the port of New York have, by their recent action, ignored the rights of the German Emigrant and Irish Emigrant Societies, by depriving said societies of the power heretofore possessed by them to render protection and assistance to their countrymen on their arrival in the United States: Therefore be it

Resolved, That the Committee on Commerce be empowered to investigate the question of foreign immigration, and that said committee report to this House a bill embracing such regulations and requirements as will render protection and aid to all immigrants landing on our shores.

SILOMA DECK.

Mr. HAZELTON, of Wisconsin, by unanimous consent, from the Committee on War Claims, reported back the bill (S. No. 192) for the relief of Siloma Deck, and moved that the committee be discharged from the further consideration of the same, and that it be referred to the Committee on Indian Affairs.

The motion was agreed to.

PRINTING SPEECHES ON THE CURRENCY BILL.

Mr. PAGE. I desire to withdraw my objection to gentlemen printing their speeches on the currency question. I understand that several gentlemen who were promised the floor were, in consequence of the pressure of the business of the House, unable to obtain it.

PRINTING OF REPORT.

Mr. KELLEY, by unanimous consent, from the Committee on Ways and Means, presented a report in writing to accompany bill H. R. No. 2795; which was ordered to be printed, and recommitted to the same committee.

USE OF HALL OF REPRESENTATIVES.

Mr. AVERILL, by unanimous consent, from the Committee on Indian Affairs, reported back the petition of John Beeson and others, asking for the use of the Hall of the House of Representatives for a meeting in behalf of the Indians, and moved that the committee be discharged from the further consideration of the same, and that it be laid on the table.

The motion was agreed to.

EXPLANATION IN RELATION TO THE CITY OF PETERSBURGH, VIRGINIA.

Mr. PLATT, of Virginia. I ask unanimous consent to be permitted to occupy five minutes in an explanation not personal to myself.

There was no objection.

Mr. PLATT, of Virginia. I send to the desk and ask to have read a portion of an editorial which appeared in the New York Tribune of yesterday, and to which my attention was called by a letter from the editor of one of the leading papers of this country.

The Clerk read as follows:

Quack remedies for misgovernment.—The city of Petersburgh, Virginia, is in a bad plight. The municipal government has been for several years in the hands of the designing and corrupt leaders of ignorant men, and has been administered for the sole purpose of insuring to those in office the continued support of the lowest class in the community. The result is that the once busy streets of the city have become grass-grown and almost deserted; business is on a steady decline; active men seek other fields of labor; northern capital finds its way to Richmond, Norfolk, and Lynchburgh rather than to Petersburgh; the only immigration is from the rural districts, whence shiftless negroes come to find in Petersburgh a home of idleness, and to feed upon the droppings from the public crib. In their despair the tax-payers appealed to the Legislature of the State for relief. It was given in the form of a new charter, designed to place the municipal government in the hands of intelligent and respectable men. But the measure of relief had a fatal defect, in that it deprived the people of the right to choose their own officers. The appointing power was given to a board of commissioners who were to be the creatures of the Legislature. Fortunately Governor Kemper had the pluck to veto the charter at the risk

of losing the support of the party by whose suffrages he had been elected. For this action he was violently assaulted in public and in private by some who had been his most cherished political friends. He was accused of radicalism and of all else that is offensive to the old-fashioned Virginian. It was charged on the floor of the Legislature and by the press that the veto was the result of a corrupt bargain between Grant and Kemper, by which the State was to be turned over to the republican party. In Petersburgh the governor was branded as a traitor and an infuriated crowd burned him in effigy. But a reaction soon came. The sober second thought of the senate sustained the veto; the press returned to a sense of duty; and to-day Petersburgh alone, of all Virginia constituencies, continues to abuse a governor who defied his party to do right.

Mr. PLATT, of Virginia. I now desire, in as public a manner as possible, to call the attention of this House and of the country to this and like statements which have been made in regard to the city of Petersburgh; which have been made and reiterated in various parts of the country, since public attention was directed to it by Governor Kemper's recent veto of the charter for the new government of that city.

I wish to state, and I do it on my personal responsibility and my personal knowledge, that every single statement in that paragraph is false from beginning to end. There is not a particle of truth in one of those statements. I assert that the city of Petersburgh to-day, under republican control, is the model municipal government of the southern cities. Since the republicans got control of that city in 1870 they have largely reduced the debt of the city. They have reduced the taxation from $1.80 in the hundred dollars to $1.40. They have established and maintained in successful operation the best system of common-school education in the South, as Mr. Sears, secretary of the Peabody board of trustees, shows in two of his annual reports.

They have put the public property of the city in a magnificent condition. They have built fine iron bridges over the Appomattox River in place of old, rotten wooden structures. Not one dollar has been lost or claimed to be lost by maladministration on the part of the republican officials during the past six years. These are facts that ought to go to the country. They are true.

Now let me briefly state why and how the city of Petersburgh is embarrassed in its financial affairs.

Mr. BUCKNER. I rise to make a parliamentary inquiry. Is this in the nature of a personal explanation?

Mr. PLATT, of Virginia. It is because I had a great deal to do with and was personally connected with the city government of Petersburgh.

Mr. BUCKNER. I do not see that there is anything personal in what the gentleman is saying?

Mr. PLATT, of Virginia. I did not state that it was a personal explanation, but asked permission to make a statement.

The SPEAKER. The House gave the gentleman five minutes to make an explanation.

Mr. PLATT, of Virginia. I hope I shall not be interrupted. I want to say that under democratic administration of the city government there was only one depository of public money in the city of Petersburgh, the Merchants' National Bank. The only change made by the republican city government was to name the People's Savings-Bank with the Merchants' National Bank as depositories for public funds. Now, when the Merchants' National Bank, which was entirely controlled by democrats, and with the management of which no republican ever had anything to do, failed last year, the money belonging to the city government of Petersburgh was to a large extent on deposit in that bank, and they only got a very small dividend on that money, while every dollar on deposit in the republican bank, the People's Savings-Bank, has been saved to the city and has assisted it greatly in making its payments during the past six months.

Now, in what the Tribune says of Governor Kemper's act in vetoing the city charter of Petersburgh, I most entirely agree. That charter provided that the judge of the hustings court of Petersburgh, who is a democrat and was elected by a democratic Legislature, should appoint a commission of five citizens to govern the city, and they were to appoint the officers of the city except the mayor. The mayor was almost the only officer who was to be elected by the people, and he was shorn of all powers. This was proposed to be done by the democratic party in reference to a city which has six hundred republican majority. It was that act of the Legislature of Virginia, to his eternal honor be it spoken, that General Kemper, the present governor, did himself the honor to veto.

Now, I have made this statement in justice to the city of Petersburgh and in order to nail this lie to the counter in as public a manner as it can possibly be done. The city has northern creditors who have invested in its bonds, which are as valuable to-day and sell as high in the markets of the country as those of any city in the South. Under republican administration its obligations have been promptly met and will continue to be honestly provided for. There is not one candid citizen of the city to-day, be he republican or democrat, who does not know that all the embarrassments now so severely felt by its business men were caused solely and entirely by the bankruptcy of the Merchants' National Bank last September, and not in any sense by any maladministration or misgovernment by its republican city government. Previous to the failure of this bank the republican council had provided ample means to meet every liability and every current expense for this fiscal year on the part of the city, and Petersburgh was in a condition of financial ease never exceeded in its history. Unfortunately, the greater portion of the funds so provided were in this bank which failed so disastrously; but the city's credit is unimpaired, and every citizen is determined that it shall be maintained. Though no longer a citizen of Petersburgh, I am intimately associated in sympathy and interest with its people, and I protest against statements such as the one to which I have called attention being circulated to the great injury of the credit of the city and the interest of its business men. I trust the Tribune will correct its statements which it has been unintentionally no doubt misled in making. I thank the House for its indulgence.

CHANGE OF REFERENCE.

On motion of Mr. PACKER, by unanimous consent, the Committee on the Post-Office and Post-Roads was discharged from the further consideration of bills of the following titles; and the same were referred to the Committee on Claims:

A bill (H. R. No. 2164) for the relief of T. W. Dexter; and

A bill (H. R. No. 1806) for the relief of Charles B. Roberts.

Mr. YOUNG, of Georgia. I call for the regular order of business.

CURRENCY—FREE BANKING.

The SPEAKER. The regular order being demanded, the House resumes the consideration of the motion of the gentleman from Massachusetts [Mr. BUTLER] to lay on the table the motion to reconsider the vote by which the bill (H. R. No. 1572) to amend the several acts providing for a national currency and to establish free banking, and for other purposes, was postponed until Tuesday next.

Mr. BUTLER, of Massachusetts. I desire to withdraw the motion to lay on the table. I do it for the purpose of stating to the House the reasons for postponement, and I will detain the House but a moment.

Mr. MAYNARD. Can the motion to lay on the table be withdrawn except by unanimous consent?

The SPEAKER. The Chair thinks that either the motion to reconsider or the motion to lay on the table can be withdrawn.

Mr. RANDALL. If the motion to lay on the table be withdrawn, is the motion to reconsider debatable?

The SPEAKER. It is debatable within narrow limits. The merits of the bill are not open to discussion.

Mr. MAYNARD. Does the Chair decide that the question is debatable?

The SPEAKER. The motion to postpone was a debatable question and of course the motion to reconsider is debatable; but both within narrow limits and the same limits. The merits of the bill are not under discussion on a motion to postpone.

Mr. MAYNARD. I hope something may be allowed to be said in reply.

Mr. BUTLER, of Massachusetts. I am not going to say anything that will need any reply.

Mr. HYNES. I call attention to the fact that in the RECORD the motion of the gentleman from Massachusetts is reported as simply a motion to reconsider.

The SPEAKER. That is not a correct report. The motion was to reconsider and lay on the table.

Mr. G. F. HOAR. I rise to a parliamentary inquiry. I do not wish to interfere with this particular motion one way or the other, for I do not care anything about it; but it is a very important question for this House whether after any vote has passed the Chair will give the floor for a motion to reconsider that vote and for debate without first allowing a motion to lay the motion to reconsider on the table to be tested by the House. It is contrary to the practice of the House, so far as I know, and it will interpose after every vote we take an opportunity for renewing debate.

The SPEAKER. The gentleman will observe that his point would be good if it applied to any other member than the one making the motion. But the member making the motion is, of course, the one most interested in pushing it to a conclusion. The Chair has never known an instance in which a motion to reconsider has not been allowed to be made, and to be debated if the person making it chose so to do.

Mr. G. F. HOAR. That is what I desire to be informed about.

The SPEAKER. If the Chair had given an opportunity to another gentleman to make the motion to reconsider than the one making the motion to postpone, that would have been in derogation of the rights of the person submitting the motion which was approved by the House. The motion to postpone under the rules of the House is debatable within very narrow limits, which limits of course must apply to the motion to reconsider. And the Chair will endeavor to keep the gentleman from Massachusetts within those limits.

Mr. BUTLER, of Massachusetts. The Chair will have no difficulty in that respect. I do not think there is now any occasion at all to debate the merits of the bill. I will only give my reason for moving to postpone its further consideration until Tuesday next, which I hope will govern the House. It is not on account of any desire to antagonize the bill of the Committee on Banking and Currency. It is for the purpose of giving those who believe that the currency of the country needs that relief which a large majority of the House seem to think it does need, an opportunity to extend that relief and thereby satisfy the demands of the country, so far as relief is afforded in the bill which the Senate has passed, and which is now upon the Speaker's table.

If that shall be done, then I hope that on Tuesday next the chairman of the Committee on Banking and Currency [Mr. MAYNARD] will go on and perfect his bill, and the House will aid him in the direc-

tion in which it provides. I desire also that some amendments shall be made to that bill, and that is a reason why I antagonized the previous question, but with no intention of antagonizing the committee. If by parliamentary usage I have any further right upon the subject, I will freely surrender to that committee, which it seems to me has labored with great diligence and with a desire to relieve the industries of the country.

Mr. COBB, of Kansas. Will the gentleman permit me to ask him a question?

Mr. BUTLER, of Massachusetts. I will.

Mr. COBB, of Kansas. Mr. Speaker, I desire to ask the gentleman from Massachusetts this question: There are many of us from the West exceedingly desirous to pass some measure for free banking and it is reported that the gentleman is opposed to such a law. I desire to ask the gentleman if we support his motion and take up and pass the Senate bill will he then favor that portion of the committee's bill which provides for free banking?

Mr. BUTLER, of Massachusetts. I am in favor of some provision for free banking, if we are to continue our system of banking at all, but not in the precise terms of the bill of the committee. I have before said that I am in favor of free banking, if that is the best thing that can be got in the way of relieving the dearth of the currency. I do not mean to antagonize the principle of the bill of the committee in that respect.

I desire to go to the Speaker's table and take up the Senate bill and pass it, and thereby assure the country that so much relief is certain, and thus to assure them what in my judgment will be certain from public considerations, that the Executive will not veto a bill which legalizes his action. I want to do this so that the spring business of the country may go on while the Senate and the House are ascertaining what further measures of relief are necessary. Therefore, if the motion to postpone is sustained, as soon as the morning hour is over, under proper parliamentary rules I propose to move to go to the Speaker's table for the purpose of taking up the Senate bill and passing it without amendment, not as the best thing that can be done, not as a thing which I by any means fully approve——

Mr. KELLOGG. Will the gentleman allow me to ask him a question?

Mr. BUTLER, of Massachusetts. In one moment; let me finish my sentence. I desire to pass the Senate bill without amendment, not as a thing which I by any manner of means approve, because I do not believe in placing any restrictions upon new banks that are not upon old banks, and for many other reasons also. But I favor it as the best thing I can get now, and as a thing which will settle the question that more currency is needed in the judgment of the law-making power and will settle the public mind as to the intentions of Congress. For the relief of the public mind, and for the relief of the business of the country, I think we had better "pawl," as the sailors say in my country, that is, put down the catch and hold what we have got; and then we can spit upon our hands and try another heave.

Mr. KELLOGG. Did I understand the gentleman correctly as saying that the President would not veto the bill passed by both Houses?

The SPEAKER. The Chair thinks that is an improper question ever to be addressed to a member or discussed in the House.

Mr. KELLOGG. That is why I asked the question. I understood the gentleman from Massachusetts to make that statement.

The SPEAKER. The Chair did not observe the gentleman from Massachusetts [Mr. BUTLER] use that phrase or he would have stopped him. It is an invasion of the dignity and the rights of the House of Representatives to allude to any possibility of the President's vetoing a bill passed by it.

Mr. KELLOGG. That was precisely the reason I asked the question.

Mr. BUTLER, of Massachusetts. I wish what I said to be distinctly understood. I was stating upon public considerations only the reasons for my belief, and I was dealing with what is said in the newspapers, (I beg pardon of the House for doing so,) and not in any other view. I say I want this matter acted upon so that the newspaper slander (as I believe it to be) upon the Executive, of being an obstructionist to the prosperity of this country, can be refuted. In that view only, in none other, did I speak; and I mentioned the matter, speaking of negative action—never in a positive sense.

Mr. DAWES. I would like to raise the question whether it is any more parliamentary to allude to such a thing in a negative than in a positive sense?

The SPEAKER. The Chair thinks it is not; that it is a subject which should never be mentioned in the House.

Mr. BUTLER, of Massachusetts. Very well; I stand corrected. It is not parliamentary, then, to say I do not think the President would do an unwise thing.

Mr. COX. The gentleman from Massachusetts has already thrown out to this House the opinion of the Executive——.

Mr. BUTLER, of Massachusetts. I have not.

Mr. COX. And I think the gentleman owes it to the House to give his authority for that statement.

The SPEAKER. The Chair will not allow such a matter to be discussed.

Mr. COX. It has already been discussed,

The SPEAKER. The Chair has stopped the discussion of it.

Mr. BUTLER, of Massachusetts. I have distinctly said to the contrary; and if the gentleman's ears had been as acute as they are long he would have understood it.

Mr. COX. From the length of the gentleman's ears, he would appear to be the organ of the Administration.

Mr. HALE, of New York. I wish to ask the gentleman from Massachusetts whether I correctly understood him that, in proposing to take from the Speaker's table and have passed the Senate bill, he does not propose that as a finality on this question, but only as an entering-wedge for that further increase of the currency which he esteems desirable.

Mr. BUTLER, of Massachusetts. I have not used the word "entering-wedge."

Mr. HALE, of New York. Perhaps I did not understand the gentleman.

Mr. BUTLER, of Massachusetts. I will make myself clear to the most moderate capacity. I desire to repeat that the Senate of the United States has passed a bill, now on the Speaker's table, to which the country is looking with anxiety. I want that bill to become a law, and thereby establish the principle upon which Congress means to act in regard to this great question.

Mr. FRYE. Did not the gentleman say that after the Senate bill was passed he proposed to spit on his hands and start again?

Mr. BUTLER, of Massachusetts. Yes, sir.

Mr. FRYE. Then we do not settle the question by acting on the Senate bill.

Mr. BUTLER, of Massachusetts. We settle so much of it; we settle the principle.

Mr. MAYNARD. I desire to say (not in continuation of the merriment which I am pleased to see enlightening and relieving somewhat this discussion) that, as chairman of the committee having this matter in charge, my wish has been to bring the subject fairly before the House for action, rather than to bring the House to adopt any peculiar views of my own or of the committee. A question of this kind, occupying such an attitude as it does before the country, demands this, I think, in fairness, of the committee having the subject in charge. Believing the House bill to be preferable in many respects to the Senate bill, it has been my desire that while the House bill was before us it should be passed upon in such a manner as the majority may think proper. There are gentlemen on this floor who know that yesterday, before we went into the debate, I expressed in private conversation the purpose, when our currency bill should be disposed of, if I could get the support of the House, to go to the Speaker's table, take up the Senate bill on the same subject, and invoke the action of the House upon it. My belief is that if the House bill should fail here the Senate bill is certainly better than nothing; and that if the House bill should be sustained and sent to the Senate, and the Senate bill also be passed here, the other branch of Congress would be placed in a position to decide whether the House bill, which I regard as a better measure, should be matured into law; and if enacted it would supersede the Senate bill. That was my intention, as there are gentlemen here who know.

I yesterday admitted for the action of the House certain amendments—all that the rules would permit to be pending; and then I called the previous question. Several gentlemen who especially desired to speak were not heard yesterday, and the previous question not being seconded, it was my intention to give those gentlemen—there are two or three of them, I believe—an opportunity to express their views, and then I proposed to ask the previous question again upon the amendments alone. The House having disposed of those amendments, the way would be open for other amendments if gentlemen thought proper to present them. I will conclude by repeating what I said in the outset, that my object is to give the House a fair opportunity to vote, not so much on matters of detail as upon great questions of principle. If the House this morning shall reconsider the vote of yesterday and shall go on with the currency bill until it is disposed of, I will endeavor, if I can do so, to take the Senate bill from the Speaker's table and ask the action of the House upon it to dispose of it in its own way.

Mr. BUTLER, of Massachusetts. I am very glad——

Mr. GARFIELD. Let me ask a question about the parliamentary shape of things. Suppose, Mr. Speaker, we should reconsider the vote, what then would be the status of this bill, this being Friday? Would it go over to next week, or would it go forward to-day, without reference to private bills?

The SPEAKER. At the hour of half-past one it would be in order if the House did not go into Committee of the Whole.

Mr. GARFIELD. Then it would not go over, but would be within the control of the majority?

The SPEAKER. Yes, sir.

Mr. MAYNARD. As I understand, then, if we take it up the majority will have control of it?

The SPEAKER. It is within the control of the majority of the House.

Mr. BUTLER, of Massachusetts. I simply desire to say one thing further, and I will then move to lay the motion to reconsider upon the table, and that is this: From the peculiar circumstances under which, as the papers inform us, this Senate bill was passed—and of which I know nothing but from what I see in the newspapers and in the REC-

ORD—I propose not to have any amendments upon it, as far as I can control matters, if the House will sustain the action I propose, so that the question whether the country will get any relief will not be thrown into the maelstrom of debate in either House. After we have got this, which my friend from Tennessee [Mr. MAYNARD] agrees with me so accurately in his language is better than nothing, having got that which is better than nothing, I will try to go forward and get that which is better than this, but not by amendments to this bill.

Mr. MAYNARD. If I have an opportunity to do it, I will state that, if I should be recognized by the Speaker as chairman of the Committee on Banking and Currency, when we go to the Speaker's table and we reach the Senate bill, I will move that the bill be put on its passage, and that I will demand the previous question and so let the majority of the House settle it in that shape.

Mr. G. F. HOAR. Has the Senate bill ever been printed; for if it has I have not been able to obtain a copy?

Mr. BUTLER, of Massachusetts. It is in the RECORD.

Mr. G. F. HOAR. But not printed in the usual form?

Mr. BUTLER, of Massachusetts. No.

Now, Mr. Speaker, I desire to apologize for myself. I might have been misled, in referring to the President, by the remarks of my learned colleague from the Middlesex district, [Mr. E. R. HOAR,] who said yesterday, speaking of the President:

> He has in every message that he has sent to Congress given in his full adhesion to those acts. Are you going—Mr. Speaker, is this House going to send him up a bill to sign, by signing which he is to abandon, renounce, and break every pledge which his party and which the people of the country have required of him? Are we going to break that pledge for ourselves?

Now I can only say I think my allusion was no more out of order than that, but I am always sorry to follow a bad example.

The SPEAKER. The Chair thinks there is this difference. The gentleman from Massachusetts to whom the gentleman refers alluded to official communications which were made to the House of Representatives by the President, which are always a fitting subject of reference in debate.

Mr. BUTLER, of Massachusetts. And I only alluded to "public reasons" for my opinions.

The SPEAKER. The Chair understood the gentleman to allude to a communication which the President might send—an entirely different thing.

Mr. BUTLER, of Massachusetts. I alluded to public reasons, and I again reiterate it.

Mr. E. R. HOAR. I said nothing in reference to the probable action of the President. I was referring to the action of the House, asking them whether they would send to the President after consideration a bill which involved in my judgment certain consequences. I hope I knew better the laws of propriety and the rules of the House than to talk on this floor about a veto of the President, as my colleague did this morning.

Mr. BUTLER, of Massachusetts. I only made the reference to set right public reasons upon this question which has been the subject of public discussion. I never spoke to the President on this subject. I am not one of those who seek by discussions with him to make their legislation agree with his opinions. That is all I mean to say. I am afraid he is opposed to my views on this subject, but I do not know and I take great care not to know.

Mr. MAYNARD. Will the gentleman allow me to say a word in personal explanation to an associate on the commitee? When I spoke of my own purpose, the Senate bill not having been referred to the committee, I spoke of what I intended to do on my own responsibility, and not by direction or authority of the committee or of any member thereof.

Mr. RANDALL. The gentleman having spoken of what he should do, being chairman of the Commitee on Banking and Currency, thereby appeared to implicate other members of the committee in connection with the Senate bill.

Mr. MAYNARD. What I said was, that if the Speaker recognized me as occupying that position, I should have the opportunity of doing as I intimated.

Mr. RANDALL. I am quite satisfied.

Mr. DONNAN. I desire to make a parliamentary inquiry. If the House should now reconsider its action postponing this bill, will the Committee on Banking and Currency be recognized as still having charge of it?

The SPEAKER. This does not at all change the relation of the committee to the bill.

Mr. DAWES. I wish to suggest that the first section of the bill relates to the public debt of the United States.

The SPEAKER. Which bill?

Mr. DAWES. The Senate bill.

The SPEAKER. The Senate bill is not before the House at all. The inquiry of the gentleman from Iowa [Mr. DONNAN] was not in regard to that bill. The Chair understood the gentleman's inquiry to be in regard to the bill which on the motion of the gentleman from Massachusetts [Mr. BUTLER] the House agreed to postpone. That remains in charge of the gentleman from Tennessee, [Mr. MAYNARD,] as chairman of the Committee on Banking and Currency.

Mr. BUTLER, of Massachusetts. I move to lay on the table the motion to reconsider the vote whereby the House yesterday postponed the further consideration of the currency bill until Tuesday next at half-past one o'clock.

Mr. COX. And on that motion I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 126, nays 126, not voting 38; as follows:

YEAS—Messrs. Adams, Albright, Arthur, Atkins, Averill, Barber, Beck, Begole, Bell, Biery, Bland, Blount, Bowen, Bradley, Bright, Brown, Buckner, Bundy, Burrows, Benjamin F. Butler, Cain, Caldwell, Cason, Cessna, John B. Clark, jr., Clements, Stephen A. Cobb, Comingo, Conger, Cook, Crossland, Crounse, Curtis, Danford, Darrall, Davis, Dobbins, Dunnell, Durham, Eden, Fort, Hagans, Harmer, Henry R. Harris, John T. Harris, Harrison, Hatcher, Havens, John B. Hawley, Hays, Gerry W. Hazelton, John W. Hazelton, Houghton, Hubbell, Hunter, Hyde, Kasson, Kelley, Kendall, Killinger, Knapp, Lamar, Lamison, Lamport, Lofland, Loughridge, Lowe, Lynch, Marshall, Martin, McCrary, Alexander S. McDill, McJunkin, McKee, McLean, McNulta, Mellish, Milliken, Morey, Myers, Neal, Negley, Niblack, Orr, Orth, Packard, Packer, Isaac C. Parker, Pelham, Phillips, Pratt, Purman, Rainey, Randall, Ransier, Rapier, Ray, Read, Richmond, James W. Robinson, Ross, Rusk, Sener, Shanks, Sheldon, Sherwood, Sloss, A. Herr Smith, Southard, Sprague, Stanard, Standiford, Stowell, Tyner, Waddell, Wallace, Walls, Wells, Whitehead, William Williams, Wilshire, James Wilson, Jeremiah M. Wilson, Woodworth, John D. Young, and Pierce M. B. Young—126.

NAYS—Messrs. Albert, Archer, Ashe, Banning, Barnum, Barrere, Bass, Bromberg, Buffinton, Burchard, Burleigh, Roderick R. Butler, Cannon, Amos Clark, jr., Clayton, Clymer, Coburn, Corwin, Cotton, Cox, Creamer, Crooke, Crutchfield, Dawes, DeWitt, Donnan, Eames, Eldredge, Elliott, Foster, Freeman, Frye, Garfield, Giddings, Gooch, Gunckel, Eugene Hale, Robert S. Hale, Hamilton, Hancock, Benjamin W. Harris, Hathorn, Joseph R. Hawley, Hendee, Herndon, E. Rockwood Hoar, George F. Hoar, Hodges, Holman, Hooper, Hoskins, Howe, Hurlbut, Hynes, Kellogg, Lansing, Lawson, Leach, Lewis, Lowndes, Luttrell, Maynard, James W. McDill, MacDougall, Merriam, Mitchell, Monroe, Moore, Nesmith, Niles, Nunn, O'Brien, O'Neill, Page, Hosea W. Parker, Parsons, Pendleton, Perry, Phelps, Pierce, Pike, James H. Platt, jr., Thomas C. Platt, Poland, Potter, Rice, Robbins, Ellis H. Roberts, Sawyer, Milton Sayler, Scofield, Henry J. Scudder, Isaac W. Scudder, Sessions, Sheats, Lazarus D. Shoemaker, Smart, H. Boardman Smith, J. Ambler Smith, John Q. Smith, Speer, Starkweather, St. John, Stone, Strawbridge, Swann, Christopher Y. Thomas, Townsend, Tremain, Vance, Waldron, Jasper D. Ward, Marcus L. Ward, Wheeler, Whitehouse, Whiteley, Whitthorne, Wilber, Charles W. Willard, George Willard, Charles G. Williams, John M. S. Williams, William B. Williams, Willie, Wood, and Woodford—126.

NOT VOTING—Messrs. Barry, Berry, Freeman Clarke, Clinton L. Cobb, Crittenden, Crocker, Duell, Farwell, Field, Glover, Hereford, Hersey, Hunton, Jewett, Lawrence, Magee, Mills, Morrison, William R. Roberts, James C. Robinson, Henry B. Sayler, John G. Schumaker, Sloan, Small, George L. Smith, William A. Smith, Snyder, Stephens, Storm, Strait, Sypher, Taylor, Charles R. Thomas, Thornburgh, Todd, White, Ephraim K. Wilson, and Wolfe—38.

During the roll-call the following announcements were made:

Mr. BURCHARD. On this question Mr. CROCKER, of Massachusetts, is paired with Mr. SMITH, of North Carolina. If present Mr. CROCKER would vote "no," and Mr. SMITH would vote "ay."

Mr. DUNNELL. My colleague, Mr. STRAIT, is detained from the House by sickness. If present he would vote "ay."

Mr. HALE, of Maine. My colleague, Mr. HERSEY, is absent on account of ill-health. If here he would vote "no."

The SPEAKER. On the motion of the gentleman from Massachusetts [Mr. BUTLER] to lay on the table the motion to reconsider the vote whereby the House postponed the consideration of this bill until Tuesday next at half-past one o'clock, the ayes are 126, and the noes are 126. The Chair votes "no." The noes have it; and the House refuses to lay the motion to reconsider on the table. The question recurs, Will the House reconsider the vote postponing the consideration of the bill?

Mr. BUTLER, of Massachusetts. On that question I ask the yeas and nays.

The yeas and nays were ordered.

Mr. WILSON, of Indiana. I desire to make a parliamentary inquiry. If the House refuses to postpone this bill does it then come up for immediate action?

The SPEAKER. The Chair will explain the state of the question. The question is, Will the House reconsider the vote postponing the consideration of the bill? If the House refuses on this vote to reconsider, the bill is postponed. If the House shall vote to reconsider, then the question will recur again, Will the House postpone? If the House should negative that, then the bill of the committee is before the House immediately. The hour of half-past one will have been reached before that vote is announced, and the committee's bill will be before the House.

Mr. NEGLEY. Will the bill be open to further amendment?

The SPEAKER. It will, because the House refused to second the previous question yesterday.

Mr. BUTLER, of Massachusetts. Then the whole thing will be opened again?

Mr. MAYNARD. I desire to say that if the action should be taken by the House indicated by the Speaker, inasmuch as the previous question was not seconded on yesterday, I shall accept that as the decision of the House that they desire to amend the bill further than the pending amendments.

The SPEAKER. Of course that is the parliamentary significance of the vote. It would be the duty of the Chair to request the gentleman to yield for amendments. The significance of the vote of yesterday was that the House desired to amend the bill.

Mr. MAYNARD. What I was about to say was that I would move the previous question after one or two gentlemen have spoken on the pending amendments and let those be disposed of, and then the bill will be open to other amendments.

The SPEAKER. The previous question, as the gentleman is aware,

can be made to operate on the pending amendments or upon any other amendment without affecting the bill. In that way other amendments may be offered.

The question was taken; and there were—yeas 128, nays 120, not voting 42; as follows:

YEAS—Messrs. Archer, Ashe, Banning, Barnum, Barrere, Bass, Bromberg, Buffinton, Burchard, Burleigh, Roderick R. Butler, Cannon, Amos Clark, jr., Clayton, Clymer, Coburn, Corwin, Cotton, Cox, Creamer, Crooke, Crutchfield, Curtis, Dawes, DeWitt, Donnan, Eames, Elliott, Farwell, Foster, Freeman, Frye, Garfield, Giddings, Gooch, Gunckel, Eugene Hale, Robert S. Hale, Hamilton, Hancock, Benjamin W. Harris, Hathorn, Joseph R. Hawley, Hendee, Herndon, E. Rockwood Hoar, George F. Hoar, Holman, Hooper, Hoskins, Howe, Hurlbut, Hynes, Kellogg, Lamport, Lawson, Lewis, Lowndes, Luttrell, Maynard, James W. McDill, MacDougall, Mellish, Merriam, Mitchell, Monroe, Moore, Negley, Nesmith, Niles, Nunn, O'Brien, O'Neill, Page, Hosea W. Parker, Parsons, Pelham, Pendleton, Perry, Phelps, Pierce, Pike, James H. Platt, jr., Thomas C. Platt, Potter, Ray, Rice, Robbins, Ellis H. Roberts, Sawyer, Milton Sayler, Scofield, Henry J. Scudder, Isaac W. Scudder, Sessions, Sheats, Lazarus D. Shoemaker, Smart, H. Boardman Smith, J. Ambler Smith, John Q. Smith, Snyder, Speer, Starkweather, St. John, Stone, Strawbridge, Swann, Christopher Y. Thomas, Townsend, Tremain, Vance, Waldron, Jasper D. Ward, Marcus L. Ward, Wheeler, Whitehouse, Whiteley, Whitthorne, Wilber, Charles W. Willard, George Willard, Charles G. Williams, John M. S. Williams, William B. Williams, Willie, Wood, and Woodford—128.

NAYS—Messrs. Adams, Albert, Albright, Arthur, Atkins, Averill, Barber, Beck, Begole, Bell, Biery, Bland, Blount, Bowen, Bradley, Bright, Brown, Buckner, Bundy, Burrows, Benjamin F. Butler, Cain, Caldwell, Cason, Cessna, John B. Clark, jr., Clements, Stephen A. Cobb, Comingo, Conger, Cook, Crittenden, Crossland, Crounse, Danford, Darrall, Davis, Dobbins, Dunnell, Durham, Eden, Eldredge, Fort, Hagans, Harmer, Henry R. Harris, John T. Harris, Harrison, Hatcher, Havens, John B. Hawley, Hays, Gerry W. Hazelton, John W. Hazelton, Hodges, Houghton, Hubbell, Hunter, Hyde, Kasson, Kelley, Kendall, Killinger, Knapp, Lamar, Lamison, Lansing, Leach, Lofland, Loughridge, Lowe, Marshall, Martin, Alexander S. McDill, McJunkin, McLean, McNulta, Milliken, Morey, Myers, Neal, Niblack, Orr, Orth, Packard, Packer, Isaac C. Parker, Phillips, Pratt, Purman, Rainey, Randall, Ransier, Rapier, Richmond, James W. Robinson, Ross, Rusk, Sener, Shanks, Sheldon, Sherwood, Sloss, A. Herr Smith, Southard, Sprague, Tyner, Waddell, Wallace, Walls, Wells, White, Whitehead, William Williams, Wilshire, James Wilson, Jeremiah M. Wilson, Woodworth, John D. Young, and Pierce M. B. Young—120.

NOT VOTING—Messrs. Barry, Berry, Freeman Clarke, Clinton L. Cobb, Crocker, Duell, Field, Glover, Hereford, Hersey, Hunton, Jewett, Lawrence, Lynch, Magee, McCrary, McKee, Mills, Morrison, Poland, Read, William R. Roberts, James C. Robinson, Henry B. Sayler, John G. Schumaker, Sloan, Small, George L. Smith, William A. Smith, Stanard, Standiford, Stephens, Storm, Stowell, Strait, Sypher, Taylor, Charles R. Thomas, Thornburgh, Todd, Ephraim K. Wilson, and Wolfe—42.

So the motion to reconsider was agreed to.

During the roll-call the following announcements were made:

Mr. McCRARY. I am paired upon this question with the gentleman from Vermont, Mr. POLAND, who has been called away from the House. If he were here he would vote "no," and I would vote "ay."

Mr. BURCHARD. Upon this question the gentleman from Massachusetts, Mr. CROCKER, is paired with the gentleman from North Carolina, Mr. SMITH. Mr. CROCKER, if here, would vote "aye," and Mr. SMITH would vote "no."

The result of the vote having been announced as above recorded, the question recurred upon postponing the further consideration of the bill until Tuesday next at half-past one o'clock.

Mr. KASSON. I call for tellers on that question.

Tellers were ordered; and Mr. BUTLER of Massachusetts, and Mr. MAYNARD were appointed.

The House divided; and the tellers reported ayes 79, noes 106.

So the motion to postpone was not agreed to.

The SPEAKER. The gentleman from Tennessee [Mr. MAYNARD] is now recognized as in charge of the bill.

Mr. MAYNARD. In accordance with the statement that I made some minutes since, if I can do so, I propose to yield to two gentlemen who thought that they were rather rigidly dealt with yesterday in the matter of speaking, the gentleman from Maine, [Mr. BURLEIGH,] who desired to have five minutes, and the gentleman from Massachusetts, [Mr. DAWES,] the chairman of the Committee on Ways and Means, who desires to speak fifteen minutes. If there be no objection I should be glad that they should be heard, and then I will move the previous question, not on the bill but on the pending amendments.

The SPEAKER. Is there objection to the gentleman from Maine and the gentleman from Massachusetts being allowed to speak?

Mr. BUTLER, of Massachusetts. I object.

Mr. MAYNARD. I can only say that I will endeavor, if possible, before the bill is disposed of, to see personally that those gentlemen have a hearing.

The SPEAKER. Probably by general consent amendments may be admitted now without the necessity of calling the previous question separately on each; they may be admitted by unanimous consent, and the previous question applied to the whole of them.

Mr. MAYNARD. I ask that the sense of the House shall be tested on the pending amendments; and I therefore move the previous question on those amendments. When they shall be disposed of others can be received. I will not call the previous question on the bill.

Mr. BUTLER, of Massachusetts. I desire to offer an amendment and to have it pending.

The SPEAKER. The previous question will apply simply to the amendments now pending, and will exhaust itself on those amendments.

Mr. MAYNARD. I understand that the power of amendment under the rules is exhausted until we dispose of the pending amendments.

Mr. BUTLER, of Massachusetts. Will the gentleman then allow me to offer an amendment?

Mr. MAYNARD. My proposition is, if I can get the support of the House, to call the previous question on the amendments pending and not on the bill. When those amendments shall have been disposed of by the action of the House then the bill will be open to further amendment; and as I have already stated I will allow further amendments to be offered.

Mr. KELLEY. I understand the gentleman to agree, in the event the other amendments are disposed of, to allow my amendment to be voted upon.

Mr. SHANKS. Will further amendments be in order after the pending amendments shall have been disposed of?

The SPEAKER. They will, provided the gentleman in charge of the bill does not call the previous question on the bill as amended.

Mr. SHANKS. And if the previous question shall not be seconded, the bill will then be open to further amendment?

The SPEAKER. It will.

The previous question was then seconded, and the main question ordered.

The first question was upon the following amendment, moved by Mr. MITCHELL:

Add to section 2 the following:

Provided, That in case any increase of national-bank note circulation beyond the present authorized limit of $354,000,000 shall take place, the Secretary of the Treasury is hereby authorized and directed to retire and cancel legal-tender notes to the extent of such increase until the outstanding and unpaid legal-tender notes shall be reduced to $300,000,000; and for this purpose he is authorized to use any existing surplus revenue, or, in default of any such surplus, to sell 5 per cent. bonds of the Government.

Mr. HOLMAN. I call for the yeas and nays on that amendment.

Mr. COX. Yes; we want the yeas and nays on that.

The yeas and nays were ordered.

Mr. ELDREDGE. I think my colleague [Mr. MITCHELL] has made a mistake in his amendment; I think he intended to retire the national-bank notes and not the legal-tenders.

Mr. COX. I object to debate.

The question was taken; and there were—yeas 79, nays 160, not voting 51; as follows:

YEAS—Messrs. Albert, Albright, Archer, Barnum, Bass, Bromberg, Buffinton, Burchard, Burleigh, Clayton, Clymer, Cotton, Cox, Crooke, Dawes, DeWitt, Eames, Elliott, Frye, Garfield, Gooch, Gunckel, Eugene Hale, Robert S. Hale, Hamilton, Hancock, Benjamin W. Harris, Hathorn, Joseph R. Hawley, Hendee, E. Rockwood Hoar, George F. Hoar, Hooper, Hoskins, Kellogg, Kendall, Lawson, Lewis, Lowndes, Luttrell, MacDougall, Mitchell, Moore, Nesmith, Niles, Page, Hosea W. Parker, Pendleton, Perry, Phelps, Pierce, Pike, James H. Platt, jr., Thomas C. Platt, Potter, Read, Rice, Ellis H. Roberts, Sawyer, Isaac W. Scudder, Lazarus D. Shoemaker, Smart, H. Boardman Smith, John Q. Smith, Starkweather, Stone, Tremain, Waldron, Walls, Marcus L. Ward, Wheeler, Whitehouse, Wilber, Charles W. Willard, George Willard, John M. S. Williams, William B. Williams, Wood, and Woodford—79.

NAYS—Messrs. Adams, Arthur, Ashe, Atkins, Averill, Banning, Barrere, Beck, Begole, Bell, Biery, Bland, Blount, Bowen, Bradley, Bright, Brown, Buckner, Bundy, Burrows, Roderick R. Butler, Cain, Caldwell, Cannon, Cason, Cessna, Amos Clark, jr., John B. Clark, jr., Clements, Coburn, Comingo, Conger, Cook, Corwin, Creamer, Crittenden, Crossland, Crounse, Crutchfield, Curtis, Danford, Davis, Dobbins, Donnan, Dunnell, Durham, Eden, Eldredge, Farwell, Field, Fort, Foster, Freeman, Giddings, Hagans, Harmer, Henry R. Harris, John T. Harris, Harrison, Hatcher, Havens, John B. Hawley, Hays, Gerry W. Hazelton, John W. Hazelton, Herndon, Holman, Houghton, Howe, Hubbell, Hunter, Hurlbut, Hyde, Kasson, Kelley, Killinger, Knapp, Lamison, Lamport, Lansing, Leach, Lofland, Loughridge, Lowe, Lynch, Marshall, Martin, Maynard, Alexander S. McDill, James W. McDill, McJunkin, McLean, McNulta, Mellish, Merriam, Milliken, Monroe, Morey, Myers, Neal, Negley, Niblack, Nunn, O'Neill, Orr, Orth, Packard, Packer, Isaac C. Parker, Phillips, Pratt, Purman, Rainey, Randall, Ransier, Rapier, Ray, Richmond, Robbins, James W. Robinson, Ross, Rusk, Milton Sayler, Scofield, Sessions, Shanks, Sheats, Sheldon, Sherwood, Sloss, A. Herr Smith, J. Ambler Smith, Snyder, Southard, Speer, Sprague, Standiford, St. John, Stowell, Strawbridge, Swann, Christopher Y. Thomas, Tyner, Vance, Waddell, Wallace, Jasper D. Ward, Wells, White, Whitehead, Whiteley, Whitthorne, Charles G. Williams, William Williams, Willie, Wilshire, James Wilson, Jeremiah M. Wilson, Woodworth, and Pierce M. B. Young—160.

NOT VOTING—Messrs. Barber, Barry, Berry, Benjamin F. Butler, Freeman Clarke, Clinton L. Cobb, Stephen A. Cobb, Crocker, Darrall, Duell, Glover, Hereford, Hersey, Hodges, Hunton, Hynes, Jewett, Lamar, Lawrence, Magee, McCrary, McKee, Mills, Morrison, O'Brien, Parsons, Pelham, Poland, William R. Roberts, James C. Robinson, Henry B. Sayler, John G. Schumaker, Henry J. Scudder, Sener, Sloan, Small, George L. Smith, William A. Smith, Stanard, Stephens, Storm, Strait, Sypher, Taylor, Charles R. Thomas, Thornburgh, Todd, Townsend, Ephraim K. Wilson, Wolfe, and John D. Young—51.

So the amendment was not agreed to.

During the roll-call the following announcements were made:

Mr. SCUDDER, of New York. Upon this question I am paired with Mr. THORNBURGH, who if present would vote "no," and I should vote "ay."

Mr. DUNNELL. My colleague, Mr. STRAIT, is detained from the House by sickness; if present he would vote "no" on this question.

Mr. BURCHARD. I desire to state that Mr. CROCKER, of Massachusetts, is detained from the House by sickness. He is paired with Mr. SMITH, of North Carolina. If present Mr. CROCKER would vote "ay," and Mr. SMITH would vote "no."

The next motion was upon the amendment moved by Mr. BIERY, to strike out sections 7 and 8 of the bill, as follows:

SEC. 7. That associations without circulation may be organized under the provisions of the said act upon the deposit with the Treasurer of the United States of not less than $10,000 of United States registered bonds, as provided in section 16 of said act; and associations already organized without circulation are authorized to withdraw their bonds in excess of $10,000.

SEC. 8. That the Secretary of the Treasury is hereby authorized and directed to issue, at the begining of each and every month from and including July, 1874, two millions of United States notes not bearing interest, payable in gold two years after

date, of such denominations as he shall deem expedient, not less than ten dollars each, in exchange and as a substitute for the same amount of the United States notes now in circulation, which shall be canceled and destroyed, and not reissued. And any excess of gold in, or hereafter coming into, the Treasury of the United States, after payment of interest on the public debt and supplying any deficiency in the revenues provided to meet the current expenses of the Government, shall hereafter be retained as a reserve for the redemption of such notes.

Mr. BUTLER, of Massachusetts. I ask for a division of the question, so that the vote may be taken upon each section separately.

The SPEAKER. By unanimous consent that can be done.

Mr. HOLMAN. They are separate and distinct sections.

The SPEAKER. Precisely; but the gentleman has a right to frame a motion to cover both. The Clerk will read the rule bearing upon the question.

The Clerk read, as follows:

But it has been invariably held, and never appealed from, that the rules in regard to division of the question apply to no other description of bills than such as make "appropriations of money for works of internal improvement."

The SPEAKER. The rule in regard to the division of questions was inserted to prevent what was popularly known as log-rolling on internal-improvement bills; and it was never held that an amendment which a gentleman desired to make in that way was divisible.

Mr. BUTLER, of Massachusetts. I desire to make a parliamentary inquiry. Will not the effect of this vote be to link free banking with the issue of gold notes?

The SPEAKER. That is not a parliamentary question; the Chair does not rule upon effects of legislation.

Mr. SPEER. For the purpose of obtaining a division of this question, I move to reconsider the vote by which the previous question was ordered.

The SPEAKER. That cannot be done; the previous question is partly executed. The House can get at it if they desire, for there is nothing that can be done under the Constitution and laws of the United States which a majority cannot do.

Mr. RANDALL. Will the Chair indicate the way?

Mr. CESSNA. Can it not be done in this way? Vote down this amendment, and then let my colleague [Mr. BIERY] or some other member move to strike out each section separately.

The SPEAKER. The Chair was about to suggest that which has been so well stated by the gentleman. When the previous question shall have been exhausted, which will be when the pending amendments have been disposed of, further amendments will be in order. But as the question now stands, with the previous question operating, the gentleman is entitled to a vote on his motion as he has submitted it.

Mr. CONGER. If these two sections should be stricken out, after the previous question has exhausted itself would it be in order to move as an amendment to insert one of the sections?

The SPEAKER. Without the other it would.

Mr. MAYNARD. I propose that by general consent we take a vote on each section separately.

The SPEAKER. The Chair would suggest to the gentleman from Michigan [Mr. CONGER] that the other method would be the more direct.

Mr. RANDALL. And much the best.

The SPEAKER. If the House desires to reach the conclusion the gentleman from Michigan indicates, it can first refuse to strike out both sections, and then vote to strike out one. The other will then remain as a part of the text of the bill.

The question being taken on the motion of Mr. BIERY to amend by striking out sections 7 and 8, it was not agreed to; there being ayes 68, noes 102.

Mr. CESSNA. I move to amend by striking out the eighth section.

The SPEAKER. That motion is not in order now. The operation of the previous question is not exhausted. The next question is on the motion of the gentleman from Illinois [Mr. FARWELL] to amend the substitute of the gentleman from New York [Mr. MERRIAM] by adding a new section. The gentleman from New York has proposed a substitute which is identical in the first five sections with the bill of the committee, but the concluding sections are different. The gentleman from Illinois moves to amend this substitute by adding as a new section what will be read.

The Clerk read as follows:

That so much of the fifth section of the act entitled "An act to authorize the issue of United States notes, and for the redemption or funding thereof, and for funding the floating debt of the United States," approved February 25, 1862, as relates to the purchase or payment of 1 per cent. of the entire debt of the United States annually and the setting the same apart as a sinking fund, be so amended that said purchase of 1 per cent. as therein prescribed shall be applied solely to the non-interest-bearing debt of the United States, known as United States notes, which said notes, when purchased, shall be canceled and forever retired from circulation. The first application of said 1 per cent. to the purposes aforesaid shall be made after the 1st day of July, 187[illegible] and within that fiscal year.

Mr. FARWELL. I desire to withdraw that amendment.

The SPEAKER. By general consent that can be done.

Several members objected.

The SPEAKER. As the previous question is operating, the gentleman cannot withdraw the amendment except by unanimous consent.

Mr. WILLARD, of Vermont. I call for the yeas and nays on the amendment.

The question being taken on ordering the yeas and nays, there were ayes 34, noes not counted.

The SPEAKER. As the vote is close, the Chair orders tellers, and appoints the gentleman from Pennsylvania, Mr. NEGLEY, and the gentleman from New York, Mr. MELLISH.

The House divided; and the tellers reported ayes 48, noes not counted.

So the yeas and nays were ordered.

The question was taken; and there were—yeas 73, nays 162, not voting 55; as follows:

YEAS—Messrs. Albert, Barnum, Bass, Bradley, Bromberg, Buffinton, Burleigh, Clayton, Clymer, Cox, Creamer, Dawes, DeWitt, Eames, Elliott, Foster, Frye, Garfield, Gooch, Robert S. Hale, Hamilton, Hancock, Benjamin W. Harris, Hathorn, Joseph R. Hawley, Hendee, Herndon, E. Rockwood Hoar, George F. Hoar, Hooper, Hoskins, Hubbell, Kellogg, Kendall, Lawson, Lewis, Lowndes, Luttrell, James W. McDill, MacDougall, Merriam, Mitchell, Moore, Niles, Page, Hosea W. Parker, Parsons, Pendleton, Perry, Phelps, Pierce, Pike, Potter, Ray, Rice, Ellis H. Roberts, Sawyer, Sheldon, Smart, John Q. Smith, Starkweather, Tremain, Waldron, Jasper D. Ward, Wheeler, Whitehouse, Wilber, Charles W. Willard, George Willard, John M. S. Williams, William B. Williams, Wood, and Woodford—73.

NAYS—Messrs. Adams, Albright, Archer, Arthur, Ashe, Atkins, Averill, Banning, Barber, Barrere, Beck, Begole, Bell, Biery, Bland, Blount, Bowen, Bright, Brown, Buckner, Bundy, Burchard, Burrows, Caldwell, Cannon, Cason, Cessna, John B. Clark, jr., Clements, Stephen A. Cobb, Coburn, Comingo, Conger, Cook, Corwin, Cotton, Crittenden, Crooke, Crossland, Crounse, Crutchfield, Curtis, Danford, Darrall, Davis, Dobbins, Donnan, Dunnell, Durham, Eden, Eldredge, Field, Fort, Freeman, Giddings, Gunckel, Hagans, Eugene Hale, Harmer, Henry R. Harris, John T. Harris, Harrison, Hatcher, Havens, John B. Hawley, Hays, Gerry W. Hazelton, John W. Hazelton, Hodges, Holman, Houghton, Hunter, Hyde, Hynes, Kasson, Kelley, Killinger, Knapp, Lamar, Lamison, Lansing, Leach, Lofland, Loughridge, Lowe, Lynch, Marshall, Martin, Maynard, Alexander S. McDill, McJunkin, McLean, McNulta, Mellish, Milliken, Monroe, Morey, Myers, Neal, Negley, Niblack, Nunn, O'Brien, O'Neill, Orr, Orth, Packard, Packer, Isaac C. Parker, Phillips, Thomas C. Platt, Pratt, Rainey, Randall, Ransier, Rapier, Read, Richmond, Robbins, James W. Robinson, Ross, Rusk, Milton Sayler, Scofield, Isaac W. Scudder, Sener, Sessions, Shanks, Sheats, Sherwood, Lazarus D. Shoemaker, Sloss, A. Herr Smith, H. Boardman Smith, J. Ambler Smith, Snyder, Southard, Speer, Sprague, Stanard, Standiford, St. John, Stone, Stowell, Swann, Christopher Y. Thomas, Tyner, Vance, Waddell, Wallace, Wells, White, Whitehead, Whiteley, Whitthorne, Charles G. Williams, William Williams, Willie, James Wilson, Jeremiah M. Wilson, Woodworth, and Pierce M. B. Young—162.

NOT VOTING—Messrs. Barry, Berry, Benjamin F. Butler, Roderick R. Butler, Cain, Amos Clark, jr., Freeman Clarke, Clinton L. Cobb, Crocker, Duell, Farwell, Glover, Hereford, Hersey, Howe, Hunton, Hurlbut, Jewett, Lamport, Lawrence, Magee, McCrary, McKee, Mills, Morrison, Nesmith, Pelham, James H. Platt, jr., Poland, Purman, William R. Roberts, James C. Robinson, Henry B. Sayler, John G. Schumaker, Henry J. Scudder, Sloan, Small, George L. Smith, William A. Smith, Stephens, Storm, Strait, Strawbridge, Sypher, Taylor, Charles R. Thomas, Thornburgh, Todd, Townsend, Walls, Marcus L. Ward, Wilshire, Ephraim K. Wilson, Wolfe, and John D. Young—55.

So the amendment was not agreed to.

During the roll-call the following announcements were made:

Mr. TOWNSEND. On this question I am paired with the gentleman from Indiana, Mr. SAYLER. If he were here he would vote in the negative, and I should vote in the affirmative.

Mr. COMINGO. My colleague, Mr. GLOVER, who is detained from the House by sickness, would, if present, vote "no."

Mr. AVERILL. My colleague, Mr. STRAIT, is absent on account of sickness. If here he would vote "no."

Mr. BURCHARD. The gentleman from Massachusetts, Mr. CROCKER, who, if present, would vote "ay," is paired with the gentleman from North Carolina, Mr. SMITH, who would vote "no."

The result of the vote was announced as above stated.

The SPEAKER. The question now recurs on agreeing to the substitute offered by the gentleman from New York, [Mr. MERRIAM.]

Mr. KASSON. I desire to ask the gentleman from New York [Mr. MERRIAM] whether his substitute contains the first five sections of the committee's bill, including the amendments made to that bill in the House yesterday.

Mr. MERRIAM. Five sections of this bill are exactly the same as five sections of the original bill.

Mr. RANDALL. I object to debate.

Mr. RAINEY. I ask that the substitute be read.

The Clerk read the amendment in the nature of a substitute offered by Mr. MERRIAM, as follows:

That section 22 of the act entitled "An act to provide a national currency secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof," approved on the 3d day of June, in the year 1864, and the several amendments thereto, so far as they restrict the amount of notes for circulation under said act, be, and the same are hereby, repealed; and the act entitled "An act to amend the act entitled 'An act to provide a national currency secured by pledge of United States bonds, and to provide for the circulation and redemption thereof,'" approved on the 3d of March, 1865, be, and the same is hereby, repealed; and section 21 of the original act, to which the act last aforesaid is an amendment, be, and the same is hereby, re-enacted; and that section 1 of the act entitled "An act to provide for the redemption of the 3 per cent. temporary-loan certificates, and for an increase of national-bank notes," approved July 12, 1870, be amended by repealing the second proviso in said section contained.

SEC. 2. That section 31 of the said act approved on the 3d day of June, in the year 1864, be so amended that the several associations therein provided for shall not hereafter be required to keep on hand any amount of money whatever by reason of the amount of their respective circulations; but the moneys required by said section to be kept at all times on hand shall be determined by the amount of deposits, in all respects as provided for in the said section.

SEC. 3. That every association organized, or to be organized, under the provisions of the said act approved June 30, 1864, and of the several acts in amendment thereof, shall at all times keep and have on deposit in the Treasury of the United States, in lawful money of the United States, a sum equal to 5 per cent. of its circulation, to be held and used only for the redemption of such circulation; and when the circulating notes of any such association or associations shall be presented, assorted or unassorted, for redemption, in sums of $1,000, or any multiple thereof, to the Secretary of the Treasury, or to the assistant treasurer in the city of New York, the same shall be redeemed in United States notes. All notes so redeemed shall be charged by the Secretary of the Treasury to the respective associations issuing the same, and he shall notify them severally, on the first day of each month, or oftener, at his discretion, of the amount of such redemptions; whereupon each association so noti-

fied shall forthwith deposit with the Treasurer of the United States a sum, in United States notes, equal to the amount of its circulating notes so redeemed, under penalty of forfeiture of charter. And when such redemptions have been so reimbursed, the circulating notes so redeemed, or, if worn, mutilated, or defaced, new notes instead, shall be forwarded to the respective associations: *Provided*, That each of said associations shall reimburse to the Treasury the costs of redemption and of supplying new notes in place of those redeemed. And the associations hereafter organized shall also severally reimburse to the Treasury the costs of engraving and printing their circulating notes: *And provided further*, That the entire amount of United States notes outstanding and in circulation at any one time shall not exceed the sum of $400,000,000, now authorized by existing law.

SEC. 4. That sections 31 and 32 of the said act be amended by requiring that each of the said associations shall keep its lawful money reserves within its own vaults at the place where its operations of discount and deposit are carried on. And all the provisions of the said sections requiring or permitting any of the said associations to keep any portion of its lawful money reserves elsewhere than in its own vaults, or requiring or permitting the redemption of its circulating notes elsewhere than at its own counter, except as provided for in this act, are hereby repealed.

SEC. 5. That upon all circulating notes hereafter issued, or hereafter to be issued, whenever the same shall come into the Treasury, in payment, or deposit for redemption or otherwise, there shall be printed, under such rules and regulations as the Secretary of the Treasury may prescribe, the charter numbers of the association by which they are severally issued.

SEC. 6. That any national bank desiring to withdraw a portion of its circulation may, upon deposit of United States notes in sums of not less than $9,000 with the Treasurer of the United States, withdraw bonds pledged to secure a like amount of its circulation; and the Treasurer shall redeem, cancel, and destroy an amount of the circulating notes of such association equal to the amount issued upon such bonds: *Provided*, That the bonds on deposit with the Treasurer shall not be reduced below $50,000.

Mr. BURCHARD. If the substitute is adopted, will it be in order to amend or strike out any portion of it?

The SPEAKER. Not to strike out.

Mr. BURCHARD. Or to amend any portion by striking out, or to amend by striking out any portion of it?

The SPEAKER. Nothing can be stricken out. After the House agrees to certain words in a particular form it is not in order to entertain a motion to change those words.

Mr. PENDLETON. Would it be in order to offer an amendment to the substitute now?

The SPEAKER. It would not; because the previous question is operating.

The question being taken on Mr MERRIAM's substitute, there were—ayes 69, noes 81.

Mr. MERRIAM. I ask for the yeas and nays.

On the question of ordering the yeas and nays there were ayes 23, not a sufficient number.

Mr. COBB, of Kansas. I call for tellers on the yeas and nays.

On the question of ordering tellers there were ayes 28, not one-fifth of a quorum.

So tellers were refused and the yeas and nays were refused.

The SPEAKER. The Chair will order tellers on the question of agreeing to the substitute of the gentleman from New York, [Mr. MERRIAM.] The gentleman from New York, Mr. MERRIAM, and the gentleman from Pennsylvania, Mr. SPEER, will act as tellers.

The House again divided; and the tellers reported—ayes 69, noes 89.

So the substitute was not agreed to.

The SPEAKER. The operation of the previous question, which was ordered on the amendments, is now exhausted.

Mr. BUTLER, of Massachusetts. I desire to offer an amendment.

The SPEAKER. The gentleman from Tennessee, [Mr. MAYNARD,] who has charge of the bill, is recognized by the Chair. He will state whether he yields for further amendments and to whom.

Mr. BECK. I desire to make a parliamentary inquiry. Is there any particular order in which amendments can be offered? Have amendments of which notice was given some weeks ago any precedence or not?

The SPEAKER. They have not, of course. The gentleman from Tennessee [Mr. MAYNARD] called the previous question on the amendments. That has now been exhausted; and the Chair recognized the gentleman because he did not know but he desired to call the previous question on the bill.

Mr. CESSNA. I appeal to the gentleman from Tennessee [Mr. MAYNARD] to yield to my colleague [Mr. BIERY] to allow him to move to strike out the eighth section.

Mr. MAYNARD. The amendment of the gentleman from Pennsylvania [Mr. BIERY] failed because it included two sections. I stated yesterday that I had been instructed by the Committee on Banking and Currency to move an amendment to strike out the seventh section. I did not press that because I found that it would take up time. I now renew that amendment, to strike out the seventh section; and pending that I yield to the gentleman from Pennsylvania to offer an amendment.

Mr. BIERY. I move to amend the bill by striking out the eighth section.

Mr. MAYNARD. I desire to inquire of the Chair whether any further amendments are in order?

The SPEAKER. They are not, if the rules are strictly enforced.

Mr. BUTLER, of Massachusetts. Is it in order to move a substitute?

The SPEAKER. It is in order to move a substitute if the gentleman from Tennessee yields for that purpose.

Mr. MAYNARD. I yield to have it read.

Mr. BUTLER, of Massachusetts. I move as a substitute, not the Senate bill, which is on the Speaker's table, but a bill in exactly the words of the Senate bill.

Mr. MAYNARD. I did not yield for that. I am told that this is the Senate bill.

The SPEAKER. That is what the gentleman from Massachusetts has announced.

Mr. MAYNARD. I do not yield to have it read, for the reasons I have already stated. When we dispose of this bill, I propose, if I can, to go to the Speaker's table and take up the Senate bill for action.

Mr. BUTLER, of Massachusetts. You cannot.

Mr. BECK. I desire to make a parliamentary inquiry. Is it the right of the gentleman from Tennessee not only to move such amendments as he pleases, but to allow members, not of his committee, to offer such amendments to those amendments as he sees fit, and at the same time to cut off the right of every other member whose amendments he does not choose to admit?

The SPEAKER. The gentleman from Tennessee cannot cut off the right of every other member, unless the majority of the House shall second the demand for the previous question.

Mr. BECK. Can only those amendments be offered which the gentleman admits?

The SPEAKER. Unless the majority of the House shall second the demand for the previous question on the bill and amendments, he cannot do so. It is in the power of the House to keep the bill open for amendments for six months.

Mr. BECK. Does not this give a great advantage to the gentleman from Tennessee?

The SPEAKER. Undoubtedly the rules of the House give a vast advantage to the gentleman who has charge of the bill.

Mr. BECK. Is he not allowed in this way to admit the amendments of his own friends and prevent all others from offering amendments? If that is the position of the matter we may as well lay the bill on the table as soon as possible. I make that motion.

Mr. MAYNARD. I offered yesterday an amendment to strike out the seventh section. The amendment of the gentleman from Pennsylvania [Mr. BIERY] to strike out the seventh and eighth sections was disposed of under the previous question with the understanding that it was to be renewed when the question could be divided; and I cannot, in justice to the House, or as a matter of fair play, deny the opportunity to vote on these amendments. I call the previous question.

Mr. KELLOGG. I rise to a parliamentary inquiry. Is not the motion of the gentleman from Kentucky to lay the bill on the table now in order?

The SPEAKER. Of course; and the Chair is about to recognize it and state it to the House. The gentleman from Tennessee, [Mr. MAYNARD,] who has charge of the bill, moves to strike out the seventh section of it, and the gentleman from Pennsylvania [Mr. BIERY] moves to amend the amendment by striking out the eighth section.

Mr. BECK. Who gave the floor to the gentleman from Pennsylvania? The gentleman from Tennessee gave him the floor and is farming it out to his own friends.

Mr. MAYNARD. Mr. Speaker, the gentleman from Pennsylvania made this motion before, and I yielded to him to renew it in conformity with what I understood to be the understanding of the House.

Mr. BECK. This is the first time the gentleman from Pennsylvania has offered it in this form, while twenty other gentlemen have given notice of amendments three weeks ago, and now the gentleman from Tennessee is farming out the floor to those whose amendments will do as little harm as possible to his bantling.

The SPEAKER. The Chair thinks the gentleman from Tennessee is clearly exercising no more than his parliamentary rights in accordance with the uniform usage of the House, and unless a majority of the House stands behind the gentleman from Tennessee he is entirely powerless. If a majority do stand behind him it is the duty of the Chair to see that he has his rights, and that is all there is in it.

Mr. BUTLER, of Massachusetts. I have not seen where a majority have stood behind him.

Mr. BECK. I withdraw the motion to lay the bill on the table.

The SPEAKER. Did the gentleman from Tennessee demand the previous question simply on the two amendments, or on the amendments and the bill?

Mr. MAYNARD. On the two amendments, sir; and I wish to state that they are separate and independent amendments. They were intended by me and by the gentleman from Pennsylvania to be offered separately, so that a vote of the House might be taken separately on each.

Mr. COBURN. I rise to make a parliamentary inquiry. It is not understood whether, if the previous question is seconded, other amendments will be cut off.

The SPEAKER. They will not; the previous question will exhaust itself on the two amendments now pending.

Mr. SPEER. Will the question be put first upon striking out the seventh section?

The SPEAKER. The question will be first on striking out the seventh section, and then on striking out the eighth section. They will be voted on separately.

The previous question was seconded and the main question ordered, being first upon striking out the seventh section of the bill.

The Clerk read the seventh section, as follows:

SEC. 7. That associations without circulation may be organized under the provisions of the said act upon the deposit with the Treasurer of the United States

of not less than $10,000 of United States registered bonds, as provided in section 16 of said act; and associations already organized without circulation are authorized to withdraw their bonds in excess of $10,000.

The question was put; and on a division there were—ayes 114, noes 56.

Mr. HOLMAN. I call for the yeas and nays.

The yeas and nays were not ordered; only 19 members voting therefor.

So the motion to strike out the seventh section was agreed to.

The question recurred on Mr. BIERY'S motion to strike out the eighth section of the bill.

The Clerk read the eighth section, as follows:

SEC. 8. That the Secretary of the Treasury is hereby authorized and directed to issue, at the beginning of each and every month from and including July, 1874, two millions of United States notes not bearing interest, payable in gold two years after date, of such denominations as he shall deem expedient, not less than ten dollars each, in exchange and as a substitute for the same amount of the United States notes now in circulation, which shall be canceled and destroyed and not reissued. And any excess of gold in, or hereafter coming into, the Treasury of the United States, after payment of interest on the public debt and supplying any deficiency in the revenues provided to meet the current expenses of the Government, shall hereafter be retained as a reserve for the redemption of such notes.

The question was put; and on a division there were—ayes 93, noes 71.

Mr. RANDALL and Mr. SMITH, of Ohio, called for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 149, nays 95, not voting 46; as follows:

YEAS—Messrs. Adams, Albright, Arthur, Ashe, Atkins, Averill, Banning, Barber, Barrere, Beck, Begole, Bell, Berry, Biery, Bland, Blount, Bowen, Bradley, Bright, Brown, Buckner, Bundy, Burrows, Benjamin F. Butler, Roderick R. Butler, Caldwell, Cannon, Cason, Cessna, John B. Clark, jr., Clements, Stephen A. Cobb, Coburn, Comingo, Conger, Cook, Corwin, Crittenden, Crossland, Crounse, Crutchfield, Curtis, Danford, Davis, Donnan, Dunnell, Durham, Eden, Eldredge, Farwell, Field, Fort, Freeman, Gunckel, Hagans, Harmer, Henry R. Harris, John T. Harris, Harrison, Hatcher, Havens, John B. Hawley, Hays, Gerry W. Hazelton, John W. Hazelton, Hodges, Holman, Houghton, Hubbell, Hunter, Hurlbut, Hyde, Hynes, Kasson, Kelley, Killinger, Knapp, Lamar, Lamison, Lamport, Leach, Lofland, Loughridge, Lowe, Marshall, Martin, Maynard, James W. McDill, McJunkin, McLean, McNulta, Mellish, Merriam, Milliken, Monroe, Morey, Myers, Neal, Negley, Niblack, Nunn, O'Neill, Orr, Orth, Packard, Isaac C. Parker, Pelham, Phillips, Pratt, Randall, Rapier, Ray, Richmond, Robbins, James W. Robinson, Ross, Rusk, Milton Sayler, Sener, Shanks, Sheats, Sheldon, Sherwood, A. Herr Smith, J. Ambler Smith, Snyder, Southard, Stanard, Standiford, St. John, Strawbridge, Tyner, Vance, Waddell, Jasper D. Ward, Wells, White, Whitehead, Whiteley, Whitthorne, Charles G. Williams, William Williams, William B. Williams, Wilshire, James Wilson, Jeremiah M. Wilson, Woodworth, John D. Young, and Pierce M. B. Young—149.

NAYS—Messrs. Albert, Archer, Barnum, Bass, Bromberg, Buffinton, Burchard, Burleigh, Cain, Amos Clark, jr., Clayton, Clymer, Cotton, Cox, Creamer, Crooke, Darrall, Dawes, DeWitt, Eames, Foster, Frye, Garfield, Giddings, Gooch, Eugene Hale, Robert S. Hale, Hamilton, Hancock, Benjamin W. Harris, Hathorn, Joseph R. Hawley, Hendee, Herndon, E. Rockwood Hoar, George F. Hoar, Hooper, Hoskins, Howe, Kellogg, Kendall, Lansing, Lawson, Lewis, Lowndes, Luttrell, MacDougall, Mitchell, Moore, Nesmith, Niles, O'Brien, Packer, Page, Hosea W. Parker, Pendleton, Perry, Phelps, Pierce, Pike, James H. Platt, jr., Thomas C. Platt, Potter, Purman, Rainey, Ransier, Rice, Ellis H. Roberts, Sawyer, Isaac W. Scudder, Sessions, Lazarus D. Shoemaker, Smart, H. Boardman Smith, John Q. Smith, Speer, Sprague, Starkweather, Stone, Stowell, Swann, Christopher Y. Thomas, Tremain, Waldron, Wallace, Walls, Marcus L. Ward, Wheeler, Whitehouse, Wilber, Charles W. Willard, George Willard, John M. S. Williams, Willie, and Woodford—95.

NOT VOTING—Messrs. Barry, Freeman Clarke, Clinton L. Cobb, Crocker, Dobbins, Duell, Elliott, Glover, Hereford, Hersey, Hunton, Jewett, Lawrence, Lynch, Magee, McCrary, Alexander S. McDill, McKee, Mills, Morrison, Parsons, Poland, Read, William R. Roberts, James C. Robinson, Henry B. Sayler, John G. Schumaker, Scofield, Henry J. Scudder, Sloan, Sloss, Small, George L. Smith, William A. Smith, Stephens, Storm, Strait, Sypher, Taylor, Charles R. Thomas, Thornburgh, Todd, Townsend, Ephraim K. Wilson, Wolfe, and Wood—46.

So the motion to strike out the eighth section of the bill was agreed to.

During the call of the roll the following announcements were made:

Mr. MCCRARY. I desire to state that my pair with Mr. POLAND, of Vermont, still continues. If present he would vote "no," and I would vote "ay."

Mr. ROSS. I desire to state that my colleague, Mr. SCOFIELD, has been unexpectedly called out of the House.

Mr. TOWNSEND. I am paired with Mr. SAYLER, of Indiana. If present he would vote "ay," and I would vote "no."

Mr. LYNCH. I am paired with Mr. ELLIOTT, of South Carolina. If present he would vote in the negative, and I should vote in the affirmative.

Mr. BURCHARD. Upon this question I desire to state that Mr. CROCKER, of Massachusetts, is paired with Mr. SMITH, of North Carolina. I am authorized by them both to say that if present Mr. CROCKER would vote "no," and Mr. SMITH would vote "ay."

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. SYMPSON, one of their Clerks, informed the House that the Senate had passed without amendment a bill of the House of the following title:

A bill (H. R. No. 2549) to amend an act entitled "An act for enrolling and licensing ships or vessels to be employed in the coasting trade and fisheries, and for regulating the same," passed February 18, 1793.

CURRENCY—FREE BANKING.

The House resumed the consideration of the bill in relation to currency and free banking.

Mr. MAYNARD. I move to reconsider the several votes that have been taken on amendments to the pending bill, and I also move that the motion to reconsider be laid upon the table.

The latter motion was agreed to.

Mr. MAYNARD. I now desire to call the attention of the House to the fact that we have disposed of all the amendments which were pending to this bill when the House adjourned on yesterday. The last two amendments which have been voted upon were simply a reproduction in another form of the amendment offered on yesterday by the gentleman from Pennsylvania, [Mr. BIERY.] I indicated this morning that I would allow further amendments. The gentleman from Pennsylvania [Mr. NEGLEY] informs me that he desires to move an amendment, and I will hear it read.

Mr. NEGLEY. I move to amend the bill by adding as section 7 that which I send to the Clerk's desk.

The Clerk read as follows:

SEC. 7. That the amount of United States notes in circulation be limited, except as hereinafter provided, to $400,000,000; and that any holder of said notes presenting any sum not less than fifty dollars, or some multiple thereof, to the Treasury of the United States, or any of the sub-treasuries, shall receive in exchange therefor an equal amount of bonds of the United States, coupon or registered, as may by said holder be desired, bearing interest at the rate of 3.65 per cent. per annum, payable semi-annually, which the Secretary of the Treasury is hereby authorized to prepare and furnish for that purpose; said bonds to mature as follows: One-half part in thirty years and one-half part in fifty years from the date of the issue thereof; and that, hereafter, when any person shall demand of the Treasurer of the United States or any assistant treasurer, the redemption of said bonds, it shall be the duty of said Treasurer or assistant treasurer to pay in United States notes the principal of said bond or bonds with accured interest: *Provided*, That nothing in this act contained shall be construed to prevent the reissue of the notes so redeemed, or the receiving and paying out the same, from time to time, by the Government, with full benefit and subject to all other provisions of law in relation to such notes.

Mr. KELLEY. With the consent of the gentleman from Tennessee [Mr. MAYNARD] I move to substitute for the amendment just read that which I send to the Clerk's desk. I will state that it has been before the members of the House on their file for some time.

The Clerk read as follows:

That the amount of United States notes in circulation be limited, except as hereinafter provided, to $400,000,000; and that any holder of said notes presenting any sum not less than fifty dollars, or some multiple thereof, to the Treasurer of the United States, or any of the assistant treasurers, shall receive in exchange therefor an equal amount of bonds of the United States, as may by said holder be desired, bearing interest at the rate of 3.65 per cent. per annum, which the Secretary of the Treasury is hereby authorized to prepare and furnish for that purpose; and that when any person shall demand of the Treasurer of the United States, or any assistant treasurer, redemption of said bonds, it shall be the duty of said Treasurer or assistant treasurer to pay in United States notes the principal of said bond or bonds with accrued interest, and cancel and forward the bonds thus redeemed to the Treasurer of the United States forthwith, in such manner as the Secretary may prescribe; and that the Secretary of the Treasury shall cause to be prepared United States notes of the several denominations now in use to the amount of $50,000,000, which shall be held as a reserve or redemption fund for the purpose of securing prompt payment of said bonds when demanded, and the United States notes so held in reserve shall be used only when needed for the payment of said bonds on their presentation, and shall be withdrawn and placed again in reserve out of any United States notes not otherwise appropriated received by the Treasury Department thereafter; and the whole amount of United States notes received by the Treasury Department in exchange for said bonds, bearing 3.65 per cent. interest, shall be appropriated and applied by the Secretary of the Treasury as rapidly as practicable to the purchase or redemption of any bonds of the United States outstanding at the passage of this act, or the purchase of gold with which to redeem and cancel any of said bonds called for redemption by the Treasurer; and that national banks are hereby authorized to hold said bonds bearing 3.65 per cent. interest instead of the reserve of United States notes now required by law.

Mr. KELLOGG. I rise to a parliamentary inquiry. Is it in order at this time to move to lay this bill on the table?

The SPEAKER. That motion will be in order if the gentleman from Tennessee [Mr. MAYNARD] yields the floor.

Mr. KELLOGG. I desire to make that motion.

Mr. MAYNARD. I have yielded the floor merely to allow these amendments to be read, and I will permit them to be offered and be pending to the bill. At the instance of many gentlemen around me I desire now to test the sense of the House whether they wish any further amendment made. I therefore call the previous question on the bill and amendments.

Mr. KELLOGG. And pending that motion I move to lay the bill and amendments on the table.

Mr. COX. On that I call for the yeas and nays.

Mr. BUTLER, of Massachusetts. I desire to offer a substitute for the bill, being the text of the Senate bill.

Mr. BECK. I desire to move an amendment to that substitute.

The SPEAKER. There are as many amendments pending to the bill proper as can be moved under the rules.

Mr. DAWES. If I may be recognized, I think under parliamentary rules I am in order.

The SPEAKER. For what purpose?

Mr. DAWES. To move an amendment.

The SPEAKER. The Chair thinks not.

Mr. DAWES. If the Chair will recognize me, I can then take the ruling of the Chair upon the motion I may make.

The SPEAKER. The gentleman from Massachusetts is very familiar with the rules of the House. The gentleman from Tennessee [Mr. MAYNARD] has admitted two amendments—an amendment, and an amendment to an amendment.

Mr. DAWES. Now I wish to move to amend that for which the gentleman from Pennsylvania [Mr. KELLEY] moves his substitute.

Mr. MAYNARD. But I have moved the previous question.

Mr. DAWES. Would not my motion be in order?

The SPEAKER. The Chair thinks not.

Mr. DAWES. I believe the parliamentary rule is that the matter

proposed to be struck out may be first perfected before the motion to strike out is put.

The SPEAKER. But in this case there is nothing moved to be struck out. The Chair will state the position of the question. The gentleman from Pennsylvania [Mr. NEGLEY] moves to amend the pending bill by adding a new section.

Mr. DAWES. And then his colleague [Mr. KELLEY] moves a substitute for that. Now, Mr. Speaker, is not a motion to amend that substitute in order?

The SPEAKER. If this were a motion to strike out anything in the bill, it would be in order to perfect the text before taking the question on striking out. But the motion of the gentleman from Pennsylvania [Mr. NEGLEY] is to insert something. The gentleman from Massachusetts will see the distinction. If the gentleman from Pennsylvania [Mr. NEGLEY] had moved to strike out a section of the bill, and there was an amendment pending thereto as a substitute, of course that section could be perfected before the motion to strike out was put. But this is an amendment to insert something.

Mr. DAWES. Does the Chair recognize the gentleman from Tennessee, [Mr. MAYNARD?]

The SPEAKER. The Chair desires to have this question settled to the satisfaction of the gentleman from Massachusetts.

Mr. DAWES. I think the Speaker is right.

The SPEAKER. The gentleman from Tennessee moves the previous question on the bill and the two amendments he has admitted. The gentleman from Massachusetts [Mr. BUTLER] desires to offer as a substitute for the entire biil the text of the Senate bill now on the Speaker's table.

Mr. BECK. And I wish to amend that substitute.

Mr. ELDREDGE. I rise to a question of order. I submit that there is great confusion in the Hall.

The SPEAKER. The gentleman's point is well taken. If the House will be in order, the Chair will endeavor to explain the situation of the bill so that members may vote intelligently. The bill reported by the Committee on Banking and Currency has now been amended by striking out the seventh and eighth sections. The gentleman from Pennsylvania [Mr. NEGLEY] moves to amend by adding a new section in relation to convertible bonds. His colleague [Mr. KELLEY] moves as a substitute for that amendment another proposition on the same subject. The gentleman from Tennessee who has charge of the bill asks for the previous question upon the bill and these two amendments.

Mr. MAYNARD. I modify my motion and move the previous question on the amendments only.

Mr. GARFIELD. That is better.

Mr. KELLOGG. And pending the demand for the previous question, I move to lay the bill and amendments on the table.

The SPEAKER. The Chair was about to state and submit that motion.

Mr. BUTLER, of Massachusetts. I wish to make a parliamentary inquiry. The gentleman from Tennessee has remarked more than once that he proposed to go to the Speaker's table and take up the Senate bill after this bill is passed. I wish to ask whether, under the rules, in the present condition of business he can do it?

The SPEAKER. Not to-day, unless the House should have a morning hour.

Mr. BUTLER, of Massachusetts. It is rather late in the afternoon for the "morning hour."

The SPEAKER. The Chair was about to remark that to order the previous question on the bill and amendments would exclude the substitute which the gentleman from Massachusetts [Mr. BUTLER] desires to move and the amendment which the gentleman from Kentucky [Mr. BECK] desires to offer to that substitute; and if the House desired a vote on those propositions it would have to refuse the demand for the previous question. The gentleman from Tennessee now, however, demands the previous question upon the two amendments only. Pending the motion for the previous question, the gentleman from Connecticut [Mr. KELLOGG] moves that the bill and amendments lie on the table.

Mr. COX. On that motion I call for the yeas and nays.

Mr. MAYNARD. I wish to make a parliamentary inquiry. It has several times been proposed to substitute the Senate bill for this. I wish to inquire whether, if the House should do that, the Senate bill would be passed into a law so far as the two Houses are concerned? Would not the effect be to send this bill back to the Senate to be acted upon there?

The SPEAKER. Of course. It is not strictly correct to speak of moving the Senate bill as an amendment to this bill. The Senate bill itself could not be offered as an amendment, but only the words of the Senate bill.

Mr. BUTLER, of Massachusetts. Undoubtedly. My object is to get the words of the Senate bill adopted by the House.

Mr. ELDREDGE. If the substitute indicated by the gentleman from Massachusetts [Mr. BUTLER] were adopted, the Senate bill would still stand in the House precisely where it is now?

The SPEAKER. The effect would be to send back to the Senate their bill as a House bill.

Mr. ELDREDGE. And the Senate bill would still occupy its place on the Speaker's table?

The SPEAKER. The House would have in its possession the Senate bill, while the Senate would receive a House bill in precisely the same words.

Mr. RANDALL. I wish to make a parliamentary inquiry. Would it not be in order, after the morning hour to-morrow, to move to go to the Speaker's table and in that way reach the Senate bill?

The SPEAKER. It would be in order any day, after the morning hour.

Mr. RANDALL. And if the House should pass the Senate bill, that bill would not require to go again to the Senate; that body would simply be informed that the House had concurred in its passage.

The SPEAKER. Certainly. The question is on the motion of the gentleman from Connecticut [Mr. KELLOGG] to lay the bill and amendments on the table.

Mr. COX. On that motion I call for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 82, nays 165, not voting 43; as follows:

YEAS—Messrs. Albert, Archer, Arthur, Barnum, Bass, Berry, Bromberg, Buffinton, Burleigh, Benjamin F. Butler, Clayton, Clymer, Cox, Creamer, Crooke, Dawes, De Witt, Durham, Eames, Frye, Garfield, Giddings, Gooch, Eugene Hale, Robert S. Hale, Hamilton, Hancock, Benjamin W. Harris, Hathorn, Joseph R. Hawley, Hendee, Herndon, E. Rockwood Hoar, George F. Hoar, Hooper, Hoskins, Kellogg, Kendall, Lawson, Lowndes, Luttrell, MacDougall, Mellish, Mitchell, Moore, Nesmith, Niles, O Brien, Page, Hosea W. Parker, Parsons, Pendleton, Perry, Phelps, Pierce, Pike, Thomas C. Platt, Poland, Potter, Randall, Read, Rice, Ellis H. Roberts, Smart, H. Boardman Smith, John Q. Smith, Speer, Starkweather, Swann, Christopher Y. Thomas, Tremain, Waldron, Marcus L. Ward, Wheeler, Whitehouse, Wilber, Charles W. Willard, George Willard, John M. S. Williams, Willie, Wood, and Woodford—82.

NAYS—Messrs. Adams, Albright, Ashe, Atkins, Averill, Banning, Barber, Barrere, Beck, Begole, Bell, Biery, Bland, Blount, Bowen, Bradley, Bright, Brown, Buckner, Bundy, Burchard, Burrows, Roderick R. Butler, Cain, Caldwell, Cannon, Cason, Cessna, Amos Clark, jr., John B. Clark, jr., Clements, Stephen A. Cobb, Coburn, Comingo, Conger, Cook, Corwin, Cotton, Crittenden, Crossland, Crounse, Crutchfield, Curtis, Danford, Darrall, Davis, Dobbins, Donnan, Dunnell, Eden, Eldredge, Farwell, Field, Fort, Foster, Freeman, Gunckel, Hagans, Harmer, Henry R. Harris, John T. Harris, Harrison, Hatcher, Havens, John B. Hawley, Hays, Gerry W. Hazelton, John W. Hazelton, Hodges, Holman, Houghton, Howe, Hubbell, Hunter, Hurlbut, Hyde, Hynes, Kasson, Kelley, Killinger, Knapp, Lamar, Lamison, Lamport, Lansing, Lewis, Lofland, Loughridge, Lowe, Marshall, Martin, Maynard, McCrary, Alexander S. McDill, James W. McDill, McJunkin, McNulta, Merriam, Milliken, Monroe, Myers, Neal, Negley, Niblack, Nunn, O'Neill, Orr, Orth, Packard, Packer, Isaac C. Parker, Pelham, Phillips, James H. Platt, jr., Pratt, Purman, Rainey, Ransier, Rapier, Ray, Richmond, Robbins, James W. Robinson, Ross, Rusk, Sawyer, Milton Sayler, Isaac W. Scudder, Sener, Sessions, Shanks, Sheats, Sheldon, Sherwood, Lazarus D. Shoemaker, A. Herr Smith, J. Ambler Smith, Snyder, Southard, Sprague, Stanard, Standiford, St. John, Stone, Stowell, Strawbridge, Tyner, Vance, Waddell, Wallace, Walls, Jasper D. Ward, Wells, White, Whitehead, Whiteley, Whitthorne, Charles G. Williams, William Williams, William B. Williams, Wilshire, James Wilson, Jeremiah M. Wilson, Woodworth, and Pierce M. B. Young—165.

NOT VOTING—Messrs. Barry, Freeman Clarke, Clinton L. Cobb, Crocker, Duell, Elliott, Glover, Hereford, Hersey, Hunton, Jewett, Lawrence, Leach, Lynch, Magee, McKee, McLean, Mills, Morey, Morrison, William R. Roberts, James C. Robinson, Henry B. Sayler, John G. Schumaker, Scofield, Henry J. Scudder, Sloan, Sloss, Small, George L. Smith, William A. Smith, Stephens, Storm, Strait, Sypher, Taylor, Charles R. Thomas, Thornburgh, Todd, Townsend, Ephraim K. Wilson, Wolfe, and John D. Young—43.

So the House refused to lay the bill and amendments on the table.

During the roll-call the following announcements were made:

Mr. VANCE. My colleague, Mr. LEACH, having been taken with a chill, had to leave the Hall. If present he would vote "no."

Mr. YOUNG, of Kentucky. I am paired with the gentleman from Pennsylvania, Mr. STORM. If he were here he would vote "ay," and I would vote "no."

Mr. CLYMER. My colleague, Mr. MAGEE, is still absent. If he had been here he would have voted "ay."

Mr. TOWNSEND. I am paired with Mr. SAYLER, of Indiana. If he were present he would vote "no," and I would vote "ay."

Mr. BURCHARD. The gentleman from Massachusetts, Mr. CROCKER, is paired with Mr. SMITH, of North Carolina. Mr. CROCKER would vote "ay," and Mr. SMITH, "no."

Mr. LYNCH. I am paired with Mr. ELLIOTT, of South Carolina. If he were here he would vote "ay," and I would vote "no."

The result of the vote was then announced as above recorded.

The SPEAKER. The question recurs upon seconding the demand for the previous question on the two amendments moved by the gentleman from Pennsylvania [Mr. NEGLEY] and his colleague, [Mr. KELLEY.]

The previous question was seconded and the main question ordered.

The SPEAKER. The first question is, Will the House substitute the amendment of the gentleman from Pennsylvania [Mr. KELLEY] for that of his colleague, [Mr. NEGLEY?]

Mr. SPEER. I ask to have it again reported.

The amendment was again read.

The question being taken on substituting Mr. KELLEY's amendment for that of Mr. NEGLEY, there were—ayes 109, noes 78.

So the substitute was agreed to.

The SPEAKER. The question recurs, Will the House now amend the bill by inserting what has been moved by the gentleman from Pennsylvania, [Mr. KELLEY,] and which the House has agreed to substitute for the amendment offered by his colleague, [Mr. NEGLEY?]

Mr. HALE, of Maine. I ask for the yeas and nays.

Mr. COBURN. Would it be in order to move to amend the pending amendment?

The SPEAKER. It would not, because the previous question is operating.

The question being taken on ordering the yeas and nays, there were ayes 42.

So (the affirmative being more than one-fifth of the last vote) the yeas and nays were ordered.

The question was taken; and there were—yeas 120, nays 122, not voing 48; as follows:

YEAS—Messrs. Albright, Arthur, Ashe, Atkins, Barber, Beck, Begole, Bell, Berry, Biery, Bland, Blount, Bowen, Bright, Brown, Buckner, Burrows, Benjamin F. Butler, Cain, Caldwell, Cason, Cessna, Amos Clark, jr., John B. Clark jr., Coburn, Comingo, Conger, Cook, Creamer, Crittenden, Crossland, Crounse, Crutchfield, Davis, Dobbins, Donnan, Dunnell, Eden, Eldredge, Elliott, Field, Fort, Freeman, Hagans, Harmer, Henry R. Harris, John T. Harris, Harrison, Hatcher, Hathorn, Havens, Hays, Gerry W. Hazelton, John W. Hazelton, Hodges, Holman, Houghton, Hunter, Hyde, Hynes, Kelley, Kendall, Killinger, Lamar, Lamison, Lewis, Lofland, Loughridge, Lowe, Marshall, Alexander S. McDill, McJunkin, McLean, McNulta, Mellish, Milliken, Myers, Neal, Niblack, Nunn, Orr, Orth, Packard, Packer, Isaac C. Parker, Pelham, Pratt, Purman, Rainey, Ransier, Rapier, Richmond, Robbins, Ross, Rusk, Sener, Sessions, Shanks, Sheats, Sherwood, Lazarus D. Shoemaker, J. Ambler Smith, Snyder, Southard, Sprague, Stanard, Strawbridge, Tyner, Vance, Waddell, Wallace, Walls, Wells, White, Whitehead, Whiteley, John M. S. Williams, William Williams, Woodworth, and Pierce M. B. Young—120.

NAYS—Messrs. Adams, Albert, Averill, Barnum, Barrere, Bass, Bradley, Bromberg, Buffinton, Bundy, Burchard, Burleigh, Roderick R. Butler, Cannon, Clayton, Clements, Clymer, Cotton, Cox, Crooke, Curtis, Danford, Darrall, Dawes, DeWitt, Durham, Eames, Farwell, Foster, Frye, Garfield, Giddings, Gooch, Gunckel, Eugene Hale, Robert S. Hale, Hamilton, Hancock, Benjamin W. Harris, John B. Hawley, Joseph R. Hawley, Hendee, Herndon, E. Rockwood Hoar, George F. Hoar, Hooper, Hoskins, Howe, Hubbell, Hurlbut, Kasson, Kellogg, Knapp, Lamport, Lansing, Lawson, Lowndes, Luttrell, Martin, Maynard, McCrary, James W. McDill, MacDougall, Merriam, Mitchell, Monroe, Moore, Morey, Nesmith, Niles, O'Brien, O'Neill, Page, Hosea W. Parker, Parsons, Pendleton, Perry, Phelps, Phillips, Pierce, Pike, James H. Platt, jr., Thomas C. Platt, Poland, Potter, Randall, Ray, Read, Rice, Ellis H. Roberts, James W. Robinson, Sawyer, Isaac W. Scudder, Smart, A. Herr Smith, H. Boardman Smith, John Q. Smith, Speer, Standiford, Starkweather, St. John, Stone, Stowell, Swann, Christopher Y. Thomas, Tremain, Jasper D. Ward, Marcus L. Ward, Wheeler, Whitehouse, Whitthorne, Wilber, Charles W. Willard, George Willard, Charles G. Williams, William B. Williams, Willie, Wilshire, James Wilson, Jeremiah M. Wilson, Wood, and Woodford—122.

NOT VOTING—Messrs. Archer, Banning, Barry, Freeman Clarke, Clinton L. Cobb, Stephen A. Cobb, Corwin, Crocker, Duell, Glover, Hereford, Hersey, Hunton, Jewett, Lawrence, Leach, Lynch, Magee, McKee, Mills, Morrison, Negley, William R. Roberts, James C. Robinson, Henry B. Sayler, Milton Sayler, John G. Schumaker, Scofield, Henry J. Scudder, Sheldon, Sloan, Sloss, Small, George L. Smith, William A. Smith, Stephens, Storm, Strait, Sypher, Taylor, Charles R. Thomas, Thornburgh, Todd, Townsend, Waldron, Ephraim K. Wilson, Wolfe, and John D. Young—48.

So the amendment was not agreed to.

During the roll-call the following announcements were made:

Mr. LYNCH. I am paired on this vote with Mr. ELLIOTT, of South Carolina. If he were here he would vote "no," and I would vote "ay."

Mr. BURCHARD. I beg to announce that Mr. CROCKER, of Massachusetts, and Mr. SMITH, of North Carolina, are paired. Mr. CROCKER would vote "no," and Mr. SMITH would vote "ay."

Mr. VANCE. My colleague, Mr. LEACH, is absent from the House on account of sickness. If he were here he would vote "ay."

Mr. YOUNG, of Kentucky. I am paired with Mr. STORM, of Pennsylvania. Mr. STORM if he were here would vote "no," and I would vote "ay." I am in favor of expansion, and Mr. STORM is opposed to it.

The result of the vote was then announced as above recorded.

Mr. MAYNARD. To test the sense of the House, I move the previous question on the bill.

Mr. BUTLER, of Massachusetts. I move that the House do now adjourn.

Mr. RANDALL. I move that when the House adjourns to-day it be to meet on Monday next.

The question being taken on Mr. RANDALL'S motion, there were—ayes 123, noes 62.

Mr. DURHAM. I call for the yeas and nays.

On the question of ordering the yeas and nays there were—ayes 42.

Several MEMBERS. Let the other side be counted.

The SPEAKER. The Chair will order tellers on the question of ordering the yeas and nays; and appoints Mr. RANDALL and Mr. MAYNARD.

The House divided; and the tellers reported—ayes 46, noes 170.

So the yeas and nays were ordered.

Mr. RANDALL. I withdraw the motion to adjourn over. I do not want to make a struggle about it.

Mr. YOUNG, of Georgia. I renew the motion that when the House adjourns it adjourn to meet on Monday.

The SPEAKER. The motion being renewed, the yeas and nays will be regarded as ordered on it.

The question was taken; and there were—yeas 99, nays 131, not voting 60; as follows:

YEAS—Messrs. Adams, Albert, Archer, Arthur, Averill, Banning, Barber, Bass, Beck, Berry, Blount, Bromberg, Brown, Buckner, Benjamin F. Butler, Amos Clark, jr., Clymer, Comingo, Cook, Cox, Crossland, Crounse, Danford, Davis, DeWitt, Dobbins, Eden, Eldredge, Frye, Gunckel, Robert S. Hale, Hamilton, Hancock, Harmer, Harrison, Havens, Hays, E. Rockwood Hoar, George F. Hoar, Hodges, Hooper, Howe, Kendall, Knapp, Lamar, Lamison, Lewis, Lofland, Lowndes, Marshall, MacDougall, Mitchell, Nesmith, Niblack, Nunn, O'Brien, O'Neill, Packer, Hosea W. Parker, Pendleton, Phelps, Pierce, Pike, James H. Platt, jr., Potter, Purman, Randall, Ransier, Read, Richmond, Ellis H. Roberts, Milton Sayler, Henry J. Scudder, Isaac W. Scudder, Shanks, Sheats, Smart, H. Boardman Smith, John Q. Smith, Southard, Speer, Standiford, St. John, Stone, Swann, Townsend, Tremain, Waddell, Wells, Wheeler, White, Whitehead, Whitehouse, Whiteley, Whitthorne, Wilshire, Wood, John D. Young, and Pierce M. B. Young—99.

NAYS—Messrs. Albright, Ashe, Atkins, Barnum, Barrere, Begole, Bell, Biery, Bland, Bowen, Bradley, Bright, Buffinton, Bundy, Burchard, Burleigh, Burrows, Roderick R. Butler, Caldwell, Cannon, Cason, Cessna, John B. Clark, jr., Clayton, Clements, Stephen A. Cobb, Coburn, Conger, Corwin, Cotton, Creamer, Crittenden, Crooke, Crutchfield, Dawes, Donnan, Dunnell, Durham, Eames, Farwell, Field, Fort, Foster, Garfield, Giddings, Gooch, Hagans, Benjamin W. Harris, Henry R. Harris, Hatcher, John B. Hawley, Joseph R. Hawley, Gerry W. Hazelton, John W. Hazelton, Hendee, Herndon, Holman, Hoskins, Houghton, Hubbell, Hunter, Hurlbut, Hyde, Hynes, Kasson, Kellogg, Killinger, Lansing, Lawson, Loughridge, Lowe, Lynch, Martin, McCrary, James W. McDill, McJunkin, McLean, McNulta, Mellish, Merriam, Milliken, Monroe, Moore, Myers, Neal, Niles, Orr, Packard, Page, Isaac C. Parker, Parsons, Phillips, Thomas C. Platt, Poland, Pratt, Rainey, Rapier, Ray, Rice, Robbins, James W. Robinson, Ross, Rusk, Sawyer, Sener, Sessions, Sheldon, Sherwood, Lazarus D. Shoemaker, A. Herr Smith, J. Ambler Smith, Snyder, Sprague, Stanard, Starkweather, Stowell, Christopher Y. Thomas, Tyner, Vance, Waldron, Wallace, Walls, Jasper D. Ward, Marcus L. Ward, Wilber, Charles W. Willard, Charles G. Williams, John M. S. Williams, William Williams, James Wilson, and Jeremiah M. Wilson—131.

NOT VOTING—Messrs. Barry, Cain, Freeman Clarke, Clinton L. Cobb, Crocker, Curtis, Darrall, Duell, Elliott, Freeman, Glover, Eugene Hale, John T. Harris, Hathorn, Hereford, Hersey, Hunton, Jewett, Kelley, Lamport, Lawrence, Leach, Luttrell, Magee, Maynard, Alexander S. McDill, McKee, Mills, Morey, Morrison, Negley, Orth, Pelham, Perry, William R. Roberts, James C. Robinson, Henry B. Sayler, John G. Schumaker, Scofield, Sloan, Sloss, Small, George L. Smith, William A. Smith, Stephens, Storm, Strait, Strawbridge, Sypher, Taylor, Charles R. Thomas, Thornburgh, Todd, George Willard, William B. Williams, Willie, Ephraim K. Wilson, Wolfe, Woodford, and Woodworth—60.

So the motion was not agreed to.

The question recurred upon the motion of Mr. BUTLER, of Massachusetts, that the House adjourn.

The question was put; and on a division there were—ayes 82, noes 85.

Mr. SENER. I call for tellers.

Mr. CONGER. I call for the yeas and nays.

Mr. KELLOGG. I hope the gentleman will withdraw the call for the yeas and nays for the present.

Mr. ELDREDGE. Let us pass the bill.

Mr. CONGER. Very well; I withdraw it.

Mr. BUTLER, of Massachusetts. Then let us have tellers on the question.

Tellers were ordered.

Mr. CONGER. If gentlemen insist on tellers, I insist on the yeas and nays.

Mr. SPEER. I desire to ask one question. Did the Chair declare the motion to adjourn carried or lost?

The SPEAKER. The vote was 82 in favor of the motion and 85 against it. The Chair has not made a declaration of the vote yet, because it has not reached a conclusion.

The yeas and nays were not ordered, only 16 members voting therefor.

Tellers were ordered; and Mr. BUTLER, of Massachusetts, and Mr. DUNNELL were appointed.

The House divided; and the tellers reported—ayes 111, noes 105.

Mr. MAYNARD. I call for the yeas and nays.

Mr. KELLOGG. I make the point of order that the yeas and nays have been refused.

The SPEAKER. The House refused to order the yeas and nays on the question of adjournment. What the gentleman from Tennessee desires can only be reached by reconsidering the vote on ordering the yeas and nays.

Mr. KILLINGER. I desire to ask the Chair whether the bill will come up to-morrow unless the previous question is seconded this evening?

The SPEAKER. It will come up at half-past one o'clock to-morrow.

Mr. MAYNARD. I move, then, to reconsider the vote by which the yeas and nays were refused.

Mr. G. F. HOAR. I submit that it is too late to move to reconsider on the question of adjournment after the vote has been ascertained.

The SPEAKER. The Chair thinks not.

Mr. BUTLER, of Massachusetts. A motion to reconsider is certainly not in order.

The SPEAKER. Why not? It all pertains to the question of making certain the vote.

Mr. G. F. HOAR. It is a supplemental motion to the motion to adjourn.

The SPEAKER. O, no; it is a question, the gentleman from Massachusetts will see, of determining whether the House desires to adjourn.

Mr. G. F. HOAR. That I understand; but the point is this: that a motion to adjourn is not a motion to which a motion to reconsider applies.

The SPEAKER. The Chair is not applying the motion to reconsider to the motion to adjourn.

Mr. G. F. HOAR. The Chair does not do me the honor to listen until I have stated the point before he answers. The point to which I was coming was that all motions which relate to a motion to adjourn, like a call for the yeas and nays upon it, stand on the same footing as a motion to adjourn, and that a motion to reconsider is not applicable.

The SPEAKER. The Chair would be compelled to overrule the point, and he thinks the gentleman from Massachusetts, [Mr. G. F. HOAR,] upon reflection, will agree with him. There might be a very important vote involved, and by inadvertence the House might refuse to order the yeas and nays upon it. Then on the eve of an adjournment the House might desire by a very large majority to reconsider the vote by which the yeas and nays had been refused. All

that goes to a certain determination of whether the House now desires to adjourn is certainly a part of the rule, and this question of reconsidering the vote by which the House refused to order the yeas and nays on the motion to adjourn certainly relates to the question of whether the House does actually desire to adjourn. Of course the yeas and nays cannot be ordered and taken on the question of reconsideration; that question must be decided by a vote upon a division or by tellers, and a majority is required to reconsider the vote by which the order for the yeas and nays was refused. The same majority that desires not to adjourn can reconsider the vote on ordering the yeas and nays, and then the question of yeas and nays can again be submitted to the House.

Mr. BUTLER, of Massachusetts. Must not the vote to reconsider the refusal of the House to order the yeas and nays be the same as that by which the yeas and nays could have been ordered in the first place?

The SPEAKER. The Chair thinks not. One-fifth of the members present and voting can order the yeas and nays when again submitted. But it is for the House to determine by a majority vote whether it will make such a reconsideration as will enable the question of ordering the yeas and nays to be again submitted.

Mr. BUTLER, of Massachusetts. Then we will not reconsider.

Mr. RANDALL. I rise to a parliamentary inquiry. The House refused to order the yeas and nays on the motion to adjourn, and then ordered that the vote on adjournment should be taken by tellers. The vote was so taken, and the tellers reported that a majority of the members present and voting had voted to adjourn. That was final.

The SPEAKER. The Chair thinks not. It was final thus far——

Mr. RANDALL. In what respect had the Chair the right to entertain any other motion?

The SPEAKER. If the gentleman will observe, he will see that the Chair was correct in entertaining the motion to reconsider. Suppose nothing had been said about the yeas and nays up to the time when the tellers made their report upon the motion to adjourn. The Chair announces that the tellers report that there were 111 in the affirmative and 105 in the negative. Instantly a demand for the yeas and nays is made, and the House would have the right to determine whether the yeas and nays should be called. Certainly it is just as proper at that point to permit the House to determine whether it will reconsider the vote by which the demand for the yeas and nays had been refused on the same motion to adjourn.

Mr. RANDALL. I do not think the Chair had the right to entertain the motion to reconsider.

The SPEAKER. If the gentleman will listen——

Mr. RANDALL. I am listening; but it seems to me that the Speaker wants to do all the talking.

The SPEAKER. The Chair has a right to be heard upon this point. The House will observe that in every case—and the Chair makes no exception—in every case the motion to reconsider any vote is as highly privileged as is the original motion. Now, if after the tellers have reported their count a call for the yeas and nays is in order, not having been previously made, certainly a motion to reconsider the vote by which the House had previously refused to order the yeas and nays is equally in order, by all parliamentary law, in the opinion of the Chair, beyond the possibility of a doubt.

Mr. GARFIELD. Suppose the yeas and nays had been ordered, could the order be reconsidered?

The SPEAKER. Certainly, before the House proceeded to execute the order.

Mr. GARFIELD. By a majority vote?

The SPEAKER. The House can by a majority vote reconsider an order for the yeas and nays, and then that question would have to be again submitted. Of course it must be determined ultimately by one-fifth.

Mr. G. F. HOAR. Suppose that some member of the House were to appeal from this ruling of the Chair, and on that appeal call for the yeas and nays. The result would be that the House might be kept here to take the yeas and nays on that appeal, although a large majority might desire to adjourn at once.

The SPEAKER. The result would simply be that the Chair would not entertain the appeal.

Mr. G. F. HOAR. Then, is not that the same principle for which I am contending, to wit, that the motion to adjourn being itself incapable of being reconsidered, the question of ordering the yeas and nays upon it and all other questions connected with it are equally incapable of being reconsidered?

The SPEAKER. Not at all. This may not be an important question, so far as the present occasion for it is concerned, but in order that there may be no misapprehension about it hereafter, when it may be extremely important, the Chair desires the House to fully understand it. The right to have the yeas and nays is the most sacred right under the rules of the House, for it is guaranteed by the Constitution of the United States and guaranteed to one-fifth of the members of the House. And the right to reconsider any action which the House may take is the most highly privileged of motions. Now, the House by inadvertence, probably without the members realizing the importance of an adjournment at this time, might have refused to order the yeas and nays. Upon a vote by tellers the motion to adjourn was agreed to. It may have then occurred to several members that there ought not to be an adjournment at this time, and they might desire to have that question tested by the yeas and nays. The only way to do that is to reconsider the vote by which the House refused to order the yeas and nays, in order to ascertain whether or not one-fifth do actually desire the yeas and nays.

Mr. RANDALL. Has not the House already exercised that highly constitutional right which it possesses and refused to order the yeas and nays?

The SPEAKER. But the House has not exercised the highly privileged right of reconsideration which it possesses. The question now is, Will the House reconsider the vote by which the yeas and nays were refused on the motion to adjourn?

Mr. BUTLER, of Massachusetts. Let us have tellers on that.

The SPEAKER. The gentlemen who last acted as tellers, the gentleman from Massachusetts, Mr. BUTLER, and the gentleman from Minnesota, Mr. DUNNELL, will again act.

Mr. CLEMENTS. Does it require a majority vote to reconsider?

The SPEAKER. It does; and that entirely preserves the right of the majority, for the same majority in favor of adjournment can refuse to reconsider.

The House divided; and the tellers reported that there were—ayes 104, noes 111.

So the motion to reconsider the vote by which the House refused to order the yeas and nays was not agreed to.

The result of the vote upon adjournment was announced as above stated; and accordingly (at six o'clock and seven minutes p. m.) the House adjourned.

PETITIONS, ETC.

The following memorials, petitions, and other papers were presented at the Clerk's desk, under the rule, and referred as stated:

By Mr. BARNUM: The petition of E. Platt and others, of Trumbull, Connecticut, for a commission of inquiry concerning the alcoholic liquor traffic, to the Committee on the Judiciary.

By Mr. BUTLER, of Tennessee: The petition of the chiefs and head-men of the Ottawa tribe of Indians for an investigation of certain irregularities by which it is alleged $42,000 have been withheld from the tribe, to the Committee on Indian Affairs.

By Mr. CHIPMAN: The petition of James Lindsay, to be paid for a battery of guns furnished by him during the late war, to the Committee on War Claims.

By Mr. CROUNSE. The remonstance of Watson Tyson and others, of Nebraska, against extension of patent for the Haines harvester, to the Committee on Patents.

By Mr. E. R. HOAR. The petition of George H. Wellman, of Lowell, Massachusetts, representative of the heirs of George Wellman, for extension of patent, to the Committee on Patents.

By Mr. HOSKINS: The petition of A. B. Lawrence and 48 others, discharged soldiers, for the passage of the bill (H. R. No. 1179) granting increased pensions to disabled soldiers, to the Committee on Invalid Pensions.

Also, the petition of W. J. Humphrey and 38 others, of similar import, to the same committee.

By Mr. LOFLAND: The petition of James S. Heverin and others, of Delaware and elsewhere, dealers and workers of tin plates, for the substitution of specific for *ad valorem* duties on the same, and that tin plates imported into the United States shall have the gross weight branded on the box, to the Committee on Ways and Means.

By Mr. PLATT, of New York: The petition of N. R. Gifford and 85 others, for the passage of the bill (H. R. 1179) granting increased pensions to disabled soldiers, to the Committee on Invalid Pensions.

By Mr. SENER: The petition of S. R. Durfey, of Accomac County, Virginia, to be paid for a vessel and other property seized and sold by United States authority, to the Committee on War Claims.

By Mr. WALLACE: The petition of Henry Weldon, late sutler of Tenth and Seventeenth Regiments United States Infantry, to be paid for stores burned at Gaines's Hill, Virginia, by order of General Sykes, on the 27th day of June, 1862, to the Committee on War Claims.

By Mr. WILBER: The petition of hop-growers of Otsego County, New York, for increased duty on hops, to the Committee on Ways and Means.

By Mr. WOODFORD: The petition of A. B. Crocker and 41 others, for the passage of the bill (H. R. No. 1179) granting increased pensions to disabled soldiers, to the Committee on Invalid Pensions.

By Mr. ——: The petition of Phelps, Dodge & Co., and others, for the substitution of specific for *ad valorem* duties on tin plates, to the Committee on Ways and Means.

Also, the petition of numerous citizens of Illinois, of similar import, to the same committee.

HOUSE OF REPRESENTATIVES.

SATURDAY, *April* 11, 1874.

The House met at twelve o'clock m. Prayer by the Chaplain, Rev J. G. BUTLER, D. D.

The Journal of yesterday was read and approved.